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MAPS: GHANA

Private Sector Strategy: Phase I

Draft Report
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Bureau for Private Enterprise
U.S. Agency for International Development

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TABLE OF CONTENTS

		Page
I.	OBJECTIVES AND ACTIVITIES OF MAPS PHASE I	1
II.	ARTICULATION OF CURRENT USAID STRATEGY	3
III.	GOVERNMENT OF GHANA: CURRENT ECONOMIC STRATEGY ..	6
IV.	DONOR STRATEGIES AND USAID	10
V.	FINDINGS AND CONCLUSIONS	13
VI.	RECOMMENDATIONS	16

EXHIBITS

APPENDIX 1: SCOPE OF WORK: PRIVATE SECTOR DESCRIPTION

APPENDIX 2: SCOPE OF WORK: PRIVATE SECTOR DIAGNOSIS SURVEY

APPENDIX 3: DRAFT SURVEY QUESTIONNAIRE

I. OBJECTIVES AND ACTIVITIES OF MAPS TEAM

USAID Ghana and AFR/MDI representatives reached agreement at the September 1988 Abidjan Regional Scheduling Conference on the organization of a Private Sector Strategy Development exercise utilizing approaches and methodology described in the draft Bureau For Private Enterprise publication, Manual For Action in the Private Sector (MAPS).

Arnold Lessard, the REDSO/WCA Private Sector Advisor, visited Ghana in December and presented the MAPS methodology and began the planning and scheduling activities.

The MAPS team subsequently carried out MAPS-Phase I in Ghana over the period January 30 through February 9, 1989. The team consisted of J.E. Austin Associates consultants Kevin Murphy and Roger Jantio, REDSO/WCA Private Sector Advisor Arnold Lessard and Technoserve consultant Michael Borish. Overall Mission direction and guidance were provided by the AID Representative, Gary Towery, and Project Director (and acting Program Officer), Andy Sisson.

A. MAPS Phase I Had Four Major Objectives:

- -- Articulate current Mission strategy
- -- Launch local sub-contracting for Private Sector Description and Private Sector Diagnosis Survey
- -- Make initial contact with private sector associations, government officials and other donor agencies
- -- Tailor the MAPS exercise to fit with the objectives and priorities of USAID-Ghana.

B. The MAPS Team Worked Closely With Senior Mission Management At All Stages Of The Planning Process

- -- Lessard directed a MAPS methodology workshop for Mission staff in December, 1988
- -- The team reviewed and analyzed background strategic, economic, planning and program/project documents
- -- The team held discussions with Mission, World Bank, IMF and public and private sector senior officials

-- The team developed its conclusions and recommendations based on analysis of current Mission strategy, AID and Africa Bureau policy guidance, the Mission's portfolio of programs and projects, World Bank structural adjustment priorities, donor development assistance to Ghana, and conversations with Ghanaian business leaders

-- The team prepared scopes of work for the Private Sector Description and Private Sector Survey to be carried out by local consulting firms

-- Working sessions were held with the Mission Director and Senior Program Officer to develop and agree on a series of recommended actions: Private Sector Description; Private Sector Diagnosis Survey; and Private Sector Dialogue and focus group scheduling.

C. <u>The Team Completed MAPS Phase I and Programmed Phase II-IV With the Mission</u>

-- Current Mission strategy was articulated, and a project inventory, strategy matrix and budget analysis were presented (Exhibit 1-5).

-- Overall donor commitments and strategies were reviewed (Exhibit 6).

-- The GOG economic strategy was reviewed (Exhibit 7) and found to parallel USAID priorities.

-- A timetable was presented for MAPS implementation (Exhibit 8)

-- A revised survey questionnaire was drafted, tailored to the Ghanaian environment (see Appendix 1).

-- An RFP was let, two consulting firms bid, the proposals were reviewed, and recommendations for subcontracting were made by the team to the Mission

-- Five candidates for the FSN position of private sector advisor were interviewed and recommendations were provided to the Mission

II. ARTICULATION OF CURRENT USAID GHANA STRATEGY

A. Mission Goals, Objectives and Strategies:

The survey team's objective during the first phase of the MAPS process was to identify the local Mission's goals, objectives and strategies as derived from official Government documents and conversations with senior Mission staff. The survey team made no effort at this stage of work to provide opinions but merely to articulate existing Mission strategy.

USAID Ghana's overall Mission Goal, as stated in the FY 1989-90 Action Plan, can be summarized as follows:

> **To increase the quality of life for Ghanaians by promoting per capita income growth and employment opportunities.**

The Action Plan articulates four general objectives to support Mission goals. Strategies and activities to achieve these objectives are summarized below.

Objective #1: Accelerate Productive Private Sector Employment Creation With Focus On the Agricultural Sector

- Provide fast-disbursing program assistance via foreign exchange auction.
- Promote privatization of and strengthen agricultural input distribution.
- Improve rural infrastructure.
- Strengthen Ministry of Agriculture extension services.
- Provide short-term training for public and private sector officials.

Objective #2: Assist The Structural Adjustment Program

- Support PAMSCAD (The GOG program to provide a safety net for the poorest of the poor and those most affected by structural adjustment).
- Provide assistance in public sector and parastatal redeployment and SOE divestiture programs.

Objective #3: Improve Management of Population Pressures

- Supply contraceptives.
- Develop social marketing programs.
- Strengthen Ministry of Health delivery network for family planning.
- Provide training.

Objective #4: Increase Mission Knowledge and Understanding of Local Private Sector and Economic Recovery Program

- Engage Cornell University to conduct study on structural adjustment and poverty.
- Engage consulting team to carry out MAPS.
- Conduct a wide range of sector studies and training needs assessments.

Exhibits 1 and 2 provide a graphic and descriptive presentation of the above.

B. Mission Project Inventory Review:

The MAPS team reviewed the Mission's current program and project inventory to provide insights into Mission goals and objectives, determine delivery mechanisms employed and assess actual/potential private sector initiatives that would promote Mission goals and objectives. Implementing agents for most programs and projects are GOG Ministries, although PVOs, universities, private associations and retailers also play a role. Exhibit 3 presents the Project Inventory for USAID-Ghana.

C. Budget Analysis:

An analysis of USAID Ghana's budget for its current project portfolio reveals the following dollar allocations by major project category:

Project Category	US$ Millions	% Of Total
Agriculture	20.0	63.7
Health	8.5	27.6
Training	2.4	7.6
Other	0.5	1.1
Total	31.4	100.0

Exhibit 4 graphically presents project allocations. Key priorities are supporting government extension services and feeder road maintenance to improve food crop production, and distribution of contraceptives for health and family planning purposes. The Mission also provides significant program funding, including $12.2 million last year in PL 480 program assistance with proceeds channeled through the official foreign exchange auction (Exhibit 5). The resulting local currency is then programmed for USAID activities such as PAMSCAD projects, rural credit schemes, and preparation of a National Environmental Action Plan.

III. GOVERNMENT OF GHANA: CURRENT ECONOMIC STRATEGY

A. Key Elements

The following constitute the key elements of the GOG's structural adjustment program:

- Liberalization of foreign exchange markets and trade policy to eliminate distortions in capital and trade flows.

- Simplification of the tax system and reduction in tax rates to increase savings, investment and productivity.

- Improvement in export production incentives to generate increased foreign exchange.

- Reduction in external debt to improve international credit rating, lessen financial drain of debt service and encourage investment.

- Control of monetary expansion to reduce inflation rates and public sector waste.

- Generation of fiscal surpluses to cover public expenditure and debt outstanding to the domestic banking system.

- Improvement in the provision of Government services and public sector management to encourage public confidence in the Government.

- Increase in Government capital expenditure from 8.0% to 10.6% of GDP to modernize the national infrastructure.

- Rationalization of SOEs via liquidation, divestiture, restructuring, and merger to promote economic efficiency and reduce public expenditures.

- Improvement in the performance of key sectors to revive the economy, generate jobs and incomes, and promote food self-sufficiency, proper health care and education.

On the basis of the aforementioned structural reforms, the GOG has pursued a policy of reducing inflation rates, expanding fiscal revenue via improved tax collection, promoting consistent GDP growth and initiating a program to relieve the public of its SOE burden.

B. Results of GOG Strategy

By most accounts, the GOG's performance under the ERP has been rated a success. Multilateral and bilateral assistance are increasing. Food production is rising. The mining, timber and non-traditional export sectors are showing improvements and generating increased levels of foreign exchange. The inflation rate has declined since 1983 (despite fluctuations), and the GOG has registered a fiscal surplus for three consecutive years while repaying substantial debt to the formal financial sector. The following leading indicators from 1987 demonstrate the Ghanaian economy is outperforming most targets established to measure performance:

Table 1
Results of G.O.G. Economic Strategy

Indicator	Target	Results
GDP Growth	4.0%	4.8%
Inflation Rate	35%	40%
Balance of Payments Surplus	$108 Million	$139 Million

The GOG believes it can achieve the following during the 1988-1990 period:

- Real GDP growth of 5% per year
- Reduction in the inflation rate from 25% to 8%
- Generation of a US$110 Million BOP surplus
- Easing of adjustment costs imposed on vulnerable groups during the economic restructuring.

The GOG has taken numerous steps to promote private sector development since 1983, although progress has been slow. Producer prices for cocoa farmers have been greatly increased. The GOG has increased earnings retention provisions to promote non-traditional and manufacturing exports. Investment in the national infrastructure is designed to facilitate distribution and marketing and improve the health and education levels of the work force. The Government has modified the Investment Code to promote capital formation and joint ventures.

C. Constraints to Private Sector Growth

Despite these initiatives to promote a revived private sector, a multitude of constraints impedes dynamic private sector development:

- Credit is scarce. GOG monetary policy is restrictive to contain the inflation rate that has still not reached the 1985 low of 10.4%. The Bank of Ghana has placed credit ceilings on the banking system. Banks have little incentive to increase their deposit base. When the banks provide loans, they are often to commercial enterprises rather than to the productive agricultural and industrial sectors. A policy of 100% cash up front for letters of credit reduces key imports and lessens output and trade volume. Banks argue that they have limited liquidity, are unable to provide medium- and long-term loans in the current economic environment, and have suffered from customer delinquencies and arrears.

- Savings and investment are inadequate. Confidence in the banking system has still not been fully restored, impeding deposit mobilization and levels of financial intermediation. People's savings have often been quickly converted to physical assets to protect against inflation. Investment has been slow to materialize due to uncertainty. The result has been an economy characterized by a high marginal propensity to consume and limit value-added production.

- SOE reform has been slow. The costs of divestiture, primarily end-of-service benefits to redundant employees are high. The public sector is unable to assume the burden, and the private sector does not want to. Financial records have also not been kept up to date, complicating the valuation and bidding process inherent in any privatization program. The GOG is reluctant to assume government guaranteed loans made to these companies.

- World cocoa prices have been declining. While returns on gold and timber have been good, 60% of Ghana's export earnings are from cocoa. Cocoa prices are not expected to increase in the near term, reducing original BOP surplus forecasts and making economic recovery more difficult.

- The private sector has reacted conservatively. While private sector generally applauds the ERP and structural adjustment, limited access to credit and periodic uncertainty about long-term investment have slowed private sector investment.

- Organizational and financial management skills need improvement. Lack of both technical and managerial training is evident in the private sector as documented in recent USAID studies.

D. Conclusion

While the constraints to private sector growth are many, the fundamental economic environment has changed dramatically since 1983 in favor of private sector development. Structural adjustment is by definition a long-term process, and the GOG has focused on stabilizing the economy since 1983. Based on recent performance indicators and continued GOG commitment to private sector development, there is a substantial convergence between USAID objectives and strategies and those of the GOG. The policy environment is most appropriate for private sector-led growth in a free market context.

IV. DONOR STRATEGIES AND USAID

A. Donor Community Is Increasingly Confident

As a result of the growing confidence in the macroeconomic stability of Ghana, the donor community is increasing levels of assistance. This has largely been due to GOG policy reforms, and the donor community, and satisfaction with the GOG's ability to implement its programs.

B. USAID Is A Relatively Small Player

As can be seen in Table 2, the USAID (non food-aid) portfolio of US$8-15 million/year represents, a relatively small percentage of total multilateral and bilateral aid to Ghana. USAID's contribution is estimated to be 3% of the total donor community's portfolio.

Table 2

Bilateral and Multilateral Assistance Disbursements to Ghana

	1986	1987	1988
Bilateral	168M	279M	304M
Multilateral	185M	334M	418M
Total	$353M	$613M	$722M
USAID		17.9M (2.9%)	26.4M (3.6%)

C. World Bank's Programs Have Had Most Significant Impact

World Bank programs have helped the GOG to establish the macroeconomic conditions for private sector-led growth in a free market economy. This has been sustained over a period of three years. While there is considerable hardship, IBRD has sought to assist the GOG in cushioning the impact of structural adjustment. The following are the major thrusts of the IBRD's activities in Ghana.

S.A.L.

Structural Adjustment lending provided US$115M to the foreign exchange auction in the first phase. Another US$120M is contemplated for the second phase, tied to divestiture.

Financial Sector Credit

US$100M in foreign exchange is available with counterpart funding used to strengthen the financial sector.

P.S.M.E.

Private Small and Medium Enterprises have found it difficult to get credit. Some US$30M has been channeled through the Central Bank to the Development and Commercial Banks for both long-term (up to 12 years) and working capital needs for processing activities at market-determined interest rates.

Rural Finance Credit

Agricultural production-related activities, including farming, transport and processing, have received US$20M at market-determined interest rates.

Other Activities

The World Bank also supported the Ghana Investment Center which approves private sector investment projects. The Bank feels the center should have a promotional role rather than an approval and regulatory role. IBRD has also promoted dialogue between private sector associations and the government.

D. IBRD's Assessment of USAID Role

IBRD officials believe USAID can play a significant role in strengthening Ghana's private sector associations which are viewed as weak relative to similar institutions in other countries. The IBRD also mentioned a role in promoting investment. Bank officials also suggested assistance in private sector training at the managerial level in such areas as preparation of financial projections, feasibility studies and credit applications.

E. USAID Bureau Guidance is Consistent with GOG Priorities

Published Africa Bureau Policy guidance documents were reviewed and summarized to provide a reference base against which Mission strategies, objectives and local GOG policy could be compared.

The most recent Bureau mission guidance stresses a strategic outlook for SUSTAINABLE ECONOMIC GROWTH WHICH IS BROAD BASED AND MARKET ORIENTED. At least five objectives emerge from the review of Bureau Guidance, each with representative subsidiary targets.

Objective #1: Improve Private Sector Effectiveness and Efficiency

- Reform debt, fiscal and monetary policies.
- Reduce public sector interventions in the private sectors.
- Privatize or liquidate public sector enterprises.

Objective #2: Promote Market-Oriented Pricing and Allocation Policies

- Liberalize financial markets.
- Liberalize delivery systems for agricultural inputs.

Objective #3: Increase Potential for Long-Term Productivity Growth

- Technology transfer
- Natural resource development
- Human resources development

Objective #4: Increase Efficiency and Equity of Social Services Delivery

- Health
- Education
- Basic infrastructure: roads, water, electricity.

Objective #5: Improve Food Security

- Production and productivity.
- Famine preparedness.
- Availability of essential imports.

Analysis of Bureau Guidance shows the essential harmony between the effort of the Ghanian government and the priorities of USAID (See Exhibit 7). The GOG has established a macro-environment which can lead to rapid and sustained private sector-led growth.

V. FINDINGS AND CONCLUSIONS

The following are findings and conclusions from the MAPS - Phase I study in Ghana.

A. Structural Adjustment Is Working:

Ghana Is One Of The Few Countries in Africa With A Solid Macro-Economic Environment For Private Sector Development

-- Foreign exchange controls have been replaced by the Friday foreign exchange auction system allowing the market to allocate scarce foreign exchange to the private sector.

-- Price controls have been lifted for all but a few commodities (e.g., petroleum, maize, tobacco, cocoa).

-- The huge budgetary deficit of the government to the Central Bank is being repaid resulting in greater financial resources available to the private sector.

-- Incentives to agricultural producers, especially cocoa producers, have been raised dramatically from ¢12,000/ton (1983) to ¢165,000/ton (1987). Smuggling has been reduced, and farmers are demonstrating better field maintenance and using more inputs to enhance yields.

-- The GOG is taking seriously its commitment on reforming the SOE sector demonstrated by its advertising for sale of 52 cocoa plantations and manufacturing enterprises. However, progress has been slow which is to be expected.

-- The civil service is being reduced beginning with the elimination of ghost workers. Some 24,000 public sector employees have been redeployed in the last two years and efforts are continuing. On the SOE side, the Cocoa Board has been eliminating 30,000 employees. Redeployment may be too ambitious requiring lots of local currency from donors for large severance and pension payouts. A less expensive alternative would be to allow natural attrition to take its toll over a slightly longer period.

B. USAID-Ghana Strategy is Focusing on Private Sector and Close Donor Coordination as It Builds Up A New Program

Review of current project and budget reveals that as USAID-Ghana's authorization grows, a private sector approach is becoming central to its strategy. The rerouting of funds from the now de-obligated MIDAS II Project (which supported the Ghana Seed Company) to the private sector foreign exchange auction is evidence of this. The Health Program uses both PVO and commercial channels and has on several occasions convinced the GOG to do the same. This approach fits with the GOG's economic strategy to encourage market liberalization and private enterprise. It is also squarely in line with the other donor programs.

C. While Donors Help GOG with Macro Policy, USAID Can Play a Unique Role At The Sectoral Level

While the GOG and ERP Programs, supported by the IMF and ISN seem to be "getting the macro-economics right" (foreign exchange liberalization, dismantling of tariff barriers and licensing, fiscal and monetary policy,etc.), USAID can play a role at the sectoral level focusing on the macro-micro linkages in key productive sectors. Working with leading Ghanaian business associations, USAID can assist in easing some of the constraints to growth for small and medium Ghanaian-owned enterprises. These will be identified in the private sector description. The most severe bottlenecks to growth will be identified in the private sector survey.

D. Ghanaian Private Sector is Dynamic But Is Also Cautious With New Investment

Ghanaian business and industry leaders are reluctant to invest large sums in productive assets as they fear visibility and are still cautious. Ghana Commercial Banks report that many borrowers have little equity and attempt to leverage it with extremely large debt. Assembling groups of investors to pool funds for a particular enterprise is also uncommon. However, they are more than willing to use credit to set up, rehabilitate and run enterprises when such credit is available. The education and entrepreneurial interest are high.

E. Ghana Business Associations Have Very Limited Ability To Represent Private Sector Before Government

Interviews with Ghanaian business leaders and business associations such as the Chamber of Commerce (1,000 members), Association of Ghana Industries (1,500 members) and Ghana Employers Association (350 members) and review of written materials revealed weakness in

their ability to represent member interests before the government. The Associations support the GOG's Economic recovery Program objectives of increasing employment and productive activity based on using local raw materials and developing local skills.

Business associations reported that their members face the following constraints to growth:

- availability and high costs of credit,
- lack of managerial skills,
- lack of skilled manpower,
- lack of information, contact and experience in export marketing,
- lack of training in procurement, quality control, and financial and corporate planning, and
- limited dialogue with the Government

F. Ghanaian Business Associations Are Currently Calling For Protectionism

The three business associations visited could be more effective in both representing their members' interests and in channeling assistance. One worrisome trend, however, is that they are currently fighting IMF, IBRD and GOG reforms saying that "industry's position is being seriously undercut by open, unfair, and uncontrolled competition from cheap imports."[1] An educational effort is needed so that Ghanaian business will focus on the new opportunities in a free market environment rather than on pursuing the inefficient and uncompetitive approaches of previous years. USAID can help in redirecting these energies.

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[1]Association of Ghana Industries newsletter, January, 1989, p. 2.

VI. RECOMMENDATIONS

A. What Do We Think We Know As of Now?

1. Structural adjustment is working. A good report card except for parastatals (which is to be expected).

2. It is too early to tell how successful GOG will be in selling off parastatals. Bank officials believe that a number of deals will be concluded in 1989. But they predicted the same in 1988.

3. There is progress on reduction of redundant employees but there will be need for lots of local currency for personnel buyouts if current GOG/IBRD objectives are to be met.

4. Banking sector reforms are proceeding well.

5. While much remains to be done, economic liberalization permitting greater private sector participation in the economy seems to be working.

6. So far, private sector being perceived as "make it easy for us" regarding taxes, tariffs, credit, etc., and not coming through with either investment or balanced and grounded recommendations. Private sector organization is weak and underfinanced.

7. Banking system says there is plenty of foreign exchange to go around and that a convergence of parallel and auction rates is taking or will take place. Providing 100% up front local currency for import LCs is a problem. General impression is that government commercial banks (Ghana Commercial Bank) is on its knees, while Standard Charter is approving even relatively small loans from London. Fee - non risk/off balance sheet - business is a very high percentage of income (about 50%). There are no indications that agricultural banks is solvent. Informal sector goes on as always.

8. There is constant refrain of poor and inadequate managers.

9. Many "social" constraints impede private sector growth

- Entrepreneurs will not bring in outsiders thus limiting growth
- Little record of group ventures - several businessmen getting together to finance ventures
- Market women study concludes that, once limit in sales reached beyond which the individual can handle, earnings do not go into further business expansion

- There is the typical desire to remain "hidden" from the authorities and taxes, hence not put up much equity nor invest in fixed assets, especiallyo visible manufacturing plants.

10. Little indication of any success with encouraging foreign investors. Some tentative feelers have been made regarding a few listed parastatals. It is highly doubtful sales of parastatals will have any real impact on expansion or new jobs (probably initially negative in both cases).

11. Development banks are probably in bad shape and will need major reshaping/retraining even with new credit lines from multilateral lenders. Both commercial and develop banks appear to have few experienced lending officers.

12. AID's Health and Population efforts are having success with private sector deliverers of health care.

13. Co-operative development does not seem to be going anywhere fast.

14. Status of credit unions is unclear, but should present an opportunity for Cameroon type AID assistance.

15. Local private sector/GOG dialogue is in very early stages, but GOG seems receptive.

16. IBRD feels things are moving; that the major reform deliverables have been identified and are being implemented; and that banking reforms will get moving soon. They also believe that parastatal restructuring plan is going ahead - slowly - but there is GOG agreement on the plan. Major consultancy efforts (Price Waterhouse) are underway.

17. United Nations seems to have moved in (as in Cameroon) on cranking up a National Industrial Development Plan. Consultants are at work.

18. The Mission will lose its two key direct hires this year. Two new locals - training and private sector - will not be aboard before summer. Capabilities are thus very low in the short term.

19. Regional/Washington support of Mission in training, health/population and private sector planning is warranted.

B. What Does All This Mean To Private Sector Options - Remembering We Haven't Started the Survey Yet?

1. We may want to think of low-funding/high funding scenarios. In both cases projects/programs need not require massive PID/PD/PRED exercises.

2. Play to strengths available from outside mission: WID, training, private sector.

3. Stay out of IBRD/UNIDO ball games. They are probably doing about as much as GOG can absorb.

4. Stay out of complex banking reform.

5. Focus on training and development.

6. Strengthen private sector health/population initiatives.

7. Have a real, innovative go at private sector association support: technical assistance, materials, grants, studies, seminars.

8. Consider ways to mobilize equity capital.

9. Forget commodity import program for the medium term.

10. Continue some level of activity in cooperative development.

11. Seriously consider a major credit union initiative.

C. Private Sector Description Should Be Completed by Late March

Depending on contract approvals, local contractor should be able to complete the private sector description section by late March. The team has recommended Price Waterhouse based on an evaluation of competing proposals. They can be accessed through an existing I.Q.C. Previous experience has demonstrated that close supervision should be provided including benchmarks and weekly meeting. USAID should have reserve funds available for quick contracting of a "second opinion" on particular data questions.

D. Target Role of Women Via PRE/WID Buy-In

An effort should be made to target Ghanian women in the private sector and to pay special attention to sectors where women have traditionally played a predominant role. Their access to training, credit and information may require completely different approaches and access channels. A PRE/WID buy-in might be obtained for this component.

E. Final Remarks

The MAPS Private Sector Survey and Description exercises, followed by the dialogue sessions, should make a substantial contribution to USAID's knowledge of Ghana's emerging private sector. Other donors are very interested in the results as are private sector associations. Limited involvement to date with the local private sector makes it difficult to make assumptions regarding survey results. These should make an important contribution to USAID, GOG and other donor activities.

EXHIBIT 1

USAID - GHANA: ARTICULATION OF CURRENT MISSION GOAL AND OBJECTIVES

GOAL: Increase Ghanaian Income Per Capita Growth

OBJECTIVES:

- Productive Employment Creation
- Financing Structural Adjustment Costs
- Improve Management Of Population Pressures
- Increase Mission Knowledge / Understanding Of Private Sector And Economic Reform Program

STRATEGIES / ACTIVITIES:

- Agriculture Productivity Promotion Program (APP)
- Redeploye Training & Credit
- Contraceptive Suppliers Project
- Human Resources Development Assistance Project (HRDA)
- PVO Food Aid
- Health & Population Program
- MAPS
- Private Sector Training Need Assessment
- Health Sector Studies
- Investment Climate Assessment
- Rural Finance
- Agriculture Sector Analysis
- Overall Economic Reform Study

Source: FY 1989 - 90 Action Plan, USAID - GHANA, 1/30/89 P 2 - 7

EXHIBIT 2

SUMMARY OVERVIEW OF USAID-GHANA MISSION STRATEGY

OBJECTIVES	STRATEGIES
1. Contribute to acceleration in creation of productive employment in Private Sector with emphasis on agriculture	• Provide fast-disbursing program assistance through foreign-exchange auction. • Privatization / Strengthening of agricultural inputs, industry, especially seeds, fertilizer. • Improve rural infrastructure. • Strengthen Ministry Extension Services. • Short-term training: Public Sector (policy reform) and Private Sector (management)
2. Assist Structural Adjustment Program	• Support PAMSCAD: Assist poorest of poor during structural adjustment. • Support costs of SOE divestiture and reduction / redeployment of civil services and SOE employees.
3. Improve management of population resources	• Contraceptive Supply • Develop Social Marketing programs • Strengthen Ministry clinics delivery network for family planning • Provide training
4. Increase mission knowledge Aid understanding of Ghanaian Private Sector and Economic Reform.	• MAPS • Cornell Study (Structural Adjustment and Poverty) • Agri / Food Studies • Other pre - CDSS Studies / Exercises

Source: USAID / Ghana FY 1989 - 90 Action Plan and Discussions with USAID / Ghana Personnel.

EXHIBIT 3

PROJECT INVENTORY -- USAID / GHANA

PROJECT	DESCRIPTION	LIFE OF PROJECT AUTHORIZATION U.S. $ MILLIONS	IMPLEMENTING AGENT
Contraceptive Supplies	Population / Health	7.0	MOH Retailers
Family Health Initiatives II	Family Planning / Health	1.0	Ghana Midwives Assoc. MOH American College Of Nurse Midwives
AIDS Tech (Start FY '89)	AIDS Prevention	0.5	John Hopkins University
Agricultural Productivity Promotion Program (DFA)	Food Crop Productivity	20.0	Ministry Of Finance Ministry Of Agriculture Dept. of Feeder Roads Centre For Development Strategies
Human Resources Development HRDA (DFA)	Training	2.4	Ministry Of Finance Business Associations
Project Development & Support	Studies	0.5	
P.L. 480 Title I	Structural Adjustment (Safety Net)	FY '89 6.0 6.0 = FY '89	Ministry Of Finance
P.L. 480 Title II		4.5 = FY '88 1.7 = FY '88 [1]	Catholic Relief Services Adventist Development Relief Agency

[1] Annual Programs. Figures are not camparable with life of project authorizations but indicate relative importance of PL 480 programs.

Note: Family Health & Child Survival will begin health & family planning activities in FY '89. LOP of 5 years and U.S. $10.0m planned.

EXHIBIT 4

BUDGET ANALYSIS: USAID / GHANA

LIFE OF PROJECT AUTHORIZATIONS:

Active Portfolio as of 02/01 /89

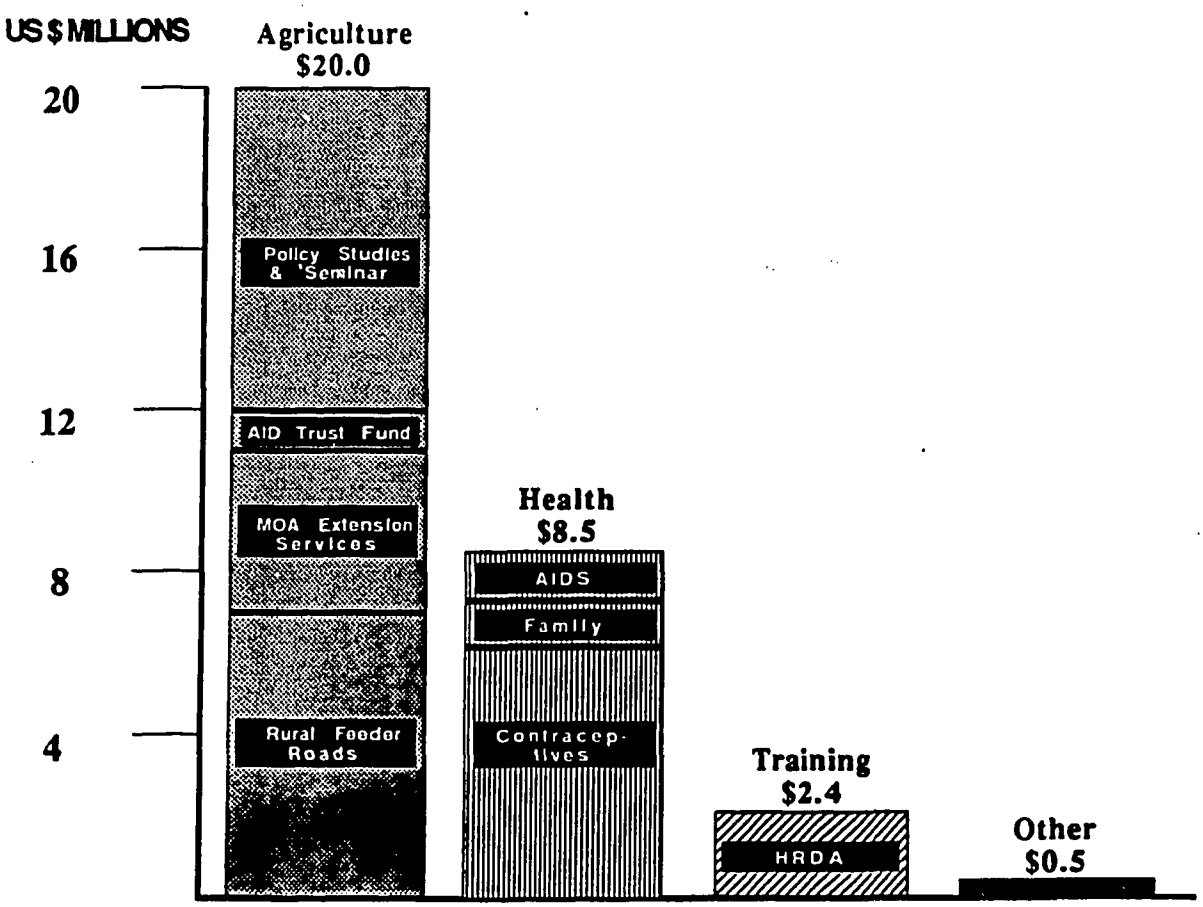
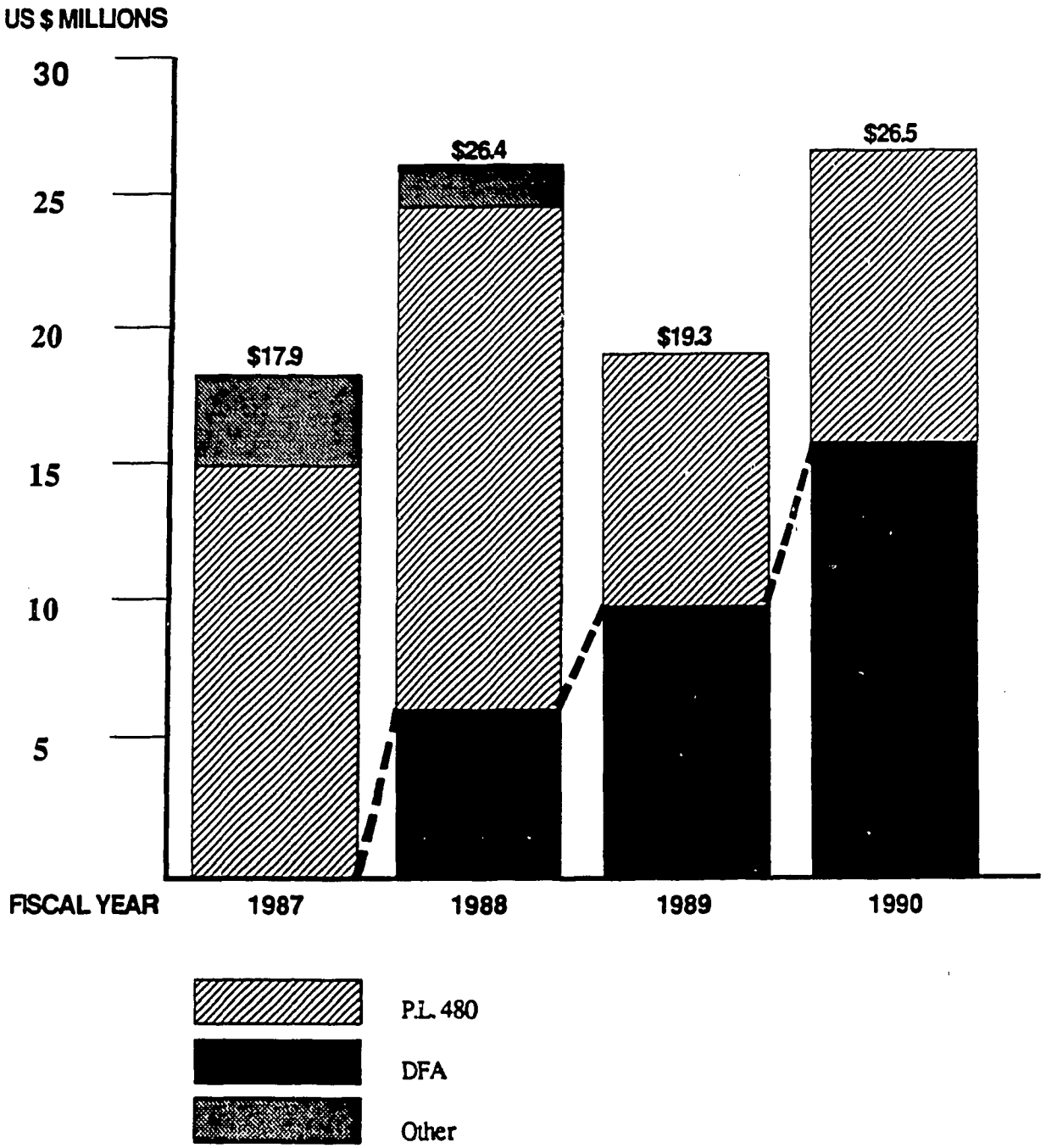


EXHIBIT 5

USAID OBLIGATIONS TO GHANA

FISCAL YEAR 1986 - 1990



Recent Commitments reflect growing levels of DFA assistance as well as significant P.L. 480 Program Support.

EXHIBIT 7

USAID REGIONAL BUREAU GUIDANCE	RESULTS OF GOG ECONOMIC STRATEGY
1. Improve Private Sector Effectiveness and Efficiency	GOG's servicing foreign debt, improving credit worthiness and repaying borrowings in arrears to the banking system. Fiscal policy reform is resulting in improved tax collection, budget surplus, and lower corporate tax rates that should promote investment and capital formation. Restrictive monetary policy is contributing to containment of inflation, but placing ceiling on credit that limit both working capital and needed capital expenditures. Public sector interventions in the Private Sector are declining, Public Sector enterprises are being granted increased managerial autonomy, and GOG and parastatal workers are being redeployed. GOG has initiated a privatization campaign for parastatals, but end - of - service benefits and financial record keeping arrears are slowing the process.
2. Promote Market - Oriented Pricing and Allocation Policies	GOG is liberalizing the formal financial sector by eliminating ceilings on interest rates (except agricultural loans) and dismantling sectoral credit allocations (except agriculture). GOG is phasing out subsidies on transport and distribution of agricultural inputs with goal of full privatization by 1990. GOG has steadily increased cocoa producer prices to approximate 60% of world market prices.
3. Increase Potential for Long - Term Productivity Growth	GOG is promoting human resource development and eliminating import licensing to promote the free flow of goods and services.
4. Increase Efficiency and Equity of Social Service Delivery	GOG is investing heavily in infrastructure development / rehabilitation, improving health care delivery and revamping educational system.
5. Improve Food Security	GOG is focusing on agriculture and food security as key priority to increase cereal and other food productivity.

EXHIBIT 8

MAPS: GHANA

WEEKS: JANUARY - JUNE

	February					March				April				May					June			
	1/30	2/6	2/13	2/20	2/27	3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26
1. DEFINITION	→																					
· Team Visit	•	•																				
· Draft		•																				
· Final				•																		
2. DESCRIPTION						→																
· Work Begins						•	•	•	•													
· Draft										•												
· Technical Review											•											
· Final												•	•									
3. DIAGNOSIS SURVEY																						
· Plan Drafted & Team Assigned							•	•	•													
· Tech. Asst. Visit										•	•											
· Survey Visits											•	•	•	•								
· Tabulations													•	•	•							
· Data Entry															•	•						
· Report Draft																•	•					
· Final																•	•					
4. DIALOGUE																			•	•		
5. STRATEGY DEVELOPMENT																			→			
Staffing:																						
A. Lessard	•	•								•									•	•		
K. Murphy	•	•																	•	•		
T. SanMartin										•					•	•	•	•				
R. Jantio		•															•	•	•			
M. Borish (In Ghana)	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•						

EXHIBIT 9

USAID - GHANA

TRAINING PLAN FOR HUMAN RESOURCE DEVELOPMENT ASSISTANCE

FY 1988-92

OBJECTIVES	ACTIVITIES	FISCAL YE AR				
		88	89	90	91	92
1. Strengthen Local Training Institutes	• Management Development & Productivity Institute and U.S. Counterpart Institution. $345,000	Site Visit	Three In-Country Programs plus Materials	Three In-Country Programs	Staff Training	Staff Training
	• University Of Science & Technology - Kumasi and Selected U.S. Institutions. $100,000	Two Internships in U.S. for Agri-Business Management Program	Two Internships	Two Internships	Two Internships	Materials
2. Strengthen Government Of Ghana Management And Technical Skills	• Short Term Training in the United States • Ministry of Finance and Economic Planning; Ministry Of Agriculture. (10) • Ghana Investment Center, National Bureau For SME, and Entrepreneur Development Commission. (5) • As Required (5) $1,215,000	20	20	20	20	20

EXHIBIT 9: USAID - GHANA
TRAINING PLAN FOR HUMAN RESOURCE DEVELOPMENT ASSISTANCE
FY 1988-92
(Continued)

OBJECTIVES	ACTIVITIES	FISCAL YEAR				
		88	89	90	91	92
3. Strengthen Business Associations	• Short Term In-Country, Regional, and U.S. Study Tours for Association of Ghanaian Industries, Ghanaian Employers Association, Association of Furniture Producers, Fisheries Association and others Association of Ghanaian Industries and Selected U.S. Industrial Associations $145,000	U.S. Tours for selected representatives	Short Term Study Tours	Short Term Study Tours	Short Term Study Tours	Short Term Study Tours
4. Strengthen Businessmen and Bank Officer Technical Skills	• U.S. Study Tour Organized by Entrepreneurs International, with local coordination by Association of Ghanaian Industries. • IBRD Recommended Bank Operations and Loan Officer Training $252,000	Four Interns ------	Four Interns Four Interns	Four Interns Four Interns	Four Interns Four Interns	Four Interns Four Interns
5. Support Ghanaian Participation in Regional Training Conferences	• To Be Selected	Five Participants	Five Participants	Five Participants	Five Participants	Five Participants
Total Actual and Budgeted Costs ($2,400,000)		$400,000	$500,000	$500,000	$500,000	$500,000

Note: Budgets shown in five project categories above do not include training support, HRDA officer & inflation / (?)

APPENDIX I

SCOPE OF WORK/REQUEST FOR PROPOSAL

PRIVATE SECTOR DESCRIPTION

INTRODUCTION

The basic objective of a Private Sector Strategy Assessment is to work closely with the USAID Mission to develop a strategy for assisting private sector development in a given country. USAID worldwide has placed high priority on such private sector initiatives.

A complete private sector strategy assessment program consists of the following seven steps:

1. Define current Mission strategy.

2. Describe the local private sector and the environment in which it operates (Private Sector Diagnosis Survey).

3. Carry out a private sector survey to diagnose constraints to growth (Private Sector Diagnosis Survey.)

4. Conduct informal sessions and focus groups with the private sector leaders and others to test and refine Private Sector Survey findings, to identify existing initiatives, and to explore the feasibility of potential projects and programs, to test AID assumptions and to assess the level of support for potential USAID interventions (Private Sector Dialogue).

5. Design a long-term Mission Private Sector Strategy and develop action options.

6. Develop new private sector development projects and programs.

7. Debrief and evaluate.

The current scope of work is concerned with Step 2 above, referred to as Private Sector Description. For further background consult the Bureau For Private Enterprise draft report, MAPS: Manual for Action In The Private Sector.

PRIVATE SECTOR DESCRIPTION

The objective of the Private Sector Description is to gather and present relevant data about the private sector which will permit a USAID Mission to understand clearly what and how significant the private sector is and where it is located. Key questions include:

30

- Who is the private sector?
- How important is it in the economy?
- Where is it located?
- How strong are the capital markets?
- What is the role and size of the public sector in the productive sectors?
- What is the private sector impact of public policies and the regulatory environment?
- How has the private sector performed over time?
- What are the leading and lagging sectors?

The specific output of the description phase includes a data set, graphics and a written report. The following data sets and graphics among others will be assembled by the contractor.

1. Private Sector as % of:

   - GDP
   - Employment
   - Credit Utilization
   - Investment
   - Exports
   - Imports

2. Public vs Private Share of GDP in the following sectors (Private Sector MAPS):

   - Agriculture
   - Mining
   - Industry and Manufacturing
   - Services

3. Government Spending as % of:

   - GDP (20-year time series)
   - Credit utilization

4. SOE Financial Performance (10-year time series:)

   - Losses as % of GDP
   - Employment

5. Review of Relevant Government Policies and Results Impacting Private Sector Growth

   - Fiscal
   - Monetary
   - Structural
   - Trade
   - Banking regulations
   - Foreign investment
   - Other

6. Data on Leading-Lagging Sectors

   - Agriculture
   - Mining
   - Manufacturing
   - Construction
   - Transport
   - Commerce
   - Services

7. Top 20 businesses and their holdings.

8. Key business associations.

9. Key Business Leaders in Industry, Agriculture/Agribusiness, Commerce, and Finance.

10. Definition of Private Sector Business Universe Recommended for Private Sector Survey.

11. Sources of Tax Revenues.

12. Agricultural Overview: Plantation vs. Smallholder; Role of Producer and Marketing Cooperatives.

13. Sources of Export Revenues and Foreign Exchange (10-year time series).

14. Net Foreign Investment (20-year time series).

15. Business Establishments and Average Investment by Size of Business.

16. Private vs. Public Supply of Education and Health Services.

17. List of PVO's Operating in Ghana and Their Capabilities.

18. Estimate of Formal and Informal Credit Supply Sources.

19. Other to be specified:

- Verification of current Mission assumptions
- Data helpful for USAID private sector initiatives
- Information illustrating environmental changes which have impacted recent private sector growth
- Other

The consultant is referred to the Manual For Action In The Private Sector, and to Private Sector strategy Assessment: Dominican Republic, on file with USAID-Ghana for further details in preparing his proposal.

SURVEY TEAM QUALIFICATION REQUIREMENTS

- Training in statistical analysis and economics;

- Ability to access in-country sources of data: Ministries, World Bank, IMF, thinktanks, universities, etc.;

- Experience in assessing validity of data in this developed countries.

- English and local language(s) capability.

- Familiarity into local macro-economic history and current environment.

- Capability with graphics and Word Perfect software.

33

APPENDIX II

SCOPE OF WORK

PRIVATE SECTOR DIAGNOSIS SURVEY

PRIVATE SECTOR DIAGNOSIS SURVEY
REQUEST FOR PROPOSAL/PRIVATE SECTOR SURVEY

GENERAL BACKGROUND AND OBJECTIVES OF THE SURVEY

The Private Sector Survey is an integral part of a seven-step process designed to assist USAID develop a long-term strategy for assisting private sector development in Ghana. These steps include:

1. Define current Mission strategy.

2. Describe the local private sector growth (Private Sector Description).

3. Diagnose constraints to private sector growth (Private Sector Survey).

4. Carry out informal dialogue sessions and organize focus groups involving public and private sector leaders.

5. Design a private sector development strategy.

6. Identify and assess project and program options for implementing the agreed strategy.

7. Debrief and evaluate.

This Request For Proposal concerns step 3: conducting of the Private Sector Survey. This survey has several objectives:

1. Obtain the private sector's perceptions of growth opportunities and constraints and its feedback on survey findings and private sector description.

2. Identify major private sector growth and development areas.

3. Broaden USAID's contacts with and understanding of the Ghanian private sector.

4. Identify potential implementing agents and funding channels with whom USAID could work in implementing private sector development programs and projects.

5. Test critical USAID assumptions regarding private sector development needs and priorities.

Consultants are referred to the Bureau for Private Enterprise draft publication, MAPS: Manual for Action in the Private Sector, for further details.

35

THE PRIVATE SECTOR SURVEY

The survey will be based on information developed from a nationwide survey of private and public sector companies utilizing a standard interview questionnaire. A representative sample of between 299-300 companies will be interviewed in the country's major business locations. Answers to a number of key questions such as those listed below will be obtained in addition to specific information on the individual business activity.

1. What are the private sector's perceptions of opportunities and constraints?

2. What are the most critical resource constraints?

3. What is the impact of public policy on the private sector?

4. What private sector initiatives will receive greatest support from local leadership?

5. What is the impact of the competitive environment?

6. What are the capabilities of local capital markets, both formal and informal?

Consultants are encouraged to review the previously cited MAPS publication, and final USAID report, Private Sector Strategy Assessment: Dominican Republic, October 1988, both available at the local USAID office in Accra or at USAID Washington, D.C., c/o AFR/MDI, Mr. Warren Weinstein.

THE PRIVATE SECTOR INTERVIEW QUESTIONNAIRE

A draft interview questionnaire has been prepared by USAID Ghana. A copy is attached in Appendix 3. The consultant is encouraged to suggest additions or modifications which he believes will better respond to survey objectives and local conditions in Ghana.

The revised questionnaire will field tested with 10 firms and appropriate modifications made prior to survey launch.

The consultants will ensure quality control over the course of the interview process. Results will be tabulated at macro, sector, industry, size-of-firm and other appropriate levels. The consultant will organize the working paper files and data sets including individual questionnaire responses for submission to USAID with the final report.

36

CONSULTANT DELIVERABLES AND SCHEDULE

The consultant will prepare a final report of survey findings, conclusions and recommendations. The previously cited report, Private Sector Strategy Assessment: Dominican Republic, may be consulted as a general guideline but should in no way constrain or limit the consultant in report content or format.

The consultant will begin the survey within five working days of USAID official authorization to proceed. He will complete the trial questionnaire field test within five working days, and will submit a final recommendation on the questionnaire format and interview schedule to USAID for approval. An intermediate progress report will be presented in a working session with USAID one month after program start. The final draft report in English will be submitted within two months of authorization to proceed. Following presentation, review and agreement of the draft report, the consultants will submit the final report and organized files within two weeks of such final approval.

QUALIFICATIONS OF THE CONSULTING FIRM

The consultant will name an experienced senior member of the firm as project manager. The individual must be fluent in English, have a record of successful consulting experience in Ghana and have outstanding analytical, writing and presentation skills. Private sector experience is essential. Public sector experience is highly desirable.

The team proposed should demonstrate how they will do the following:

- Define the "universe" of private sector enterprises to be surveyed.
- Describe how the sample will be taken.
- Train the surveyors.
- Field test the sample
- Gain access to decision makers in the companies.
- Provide quality control of surveys.
- Tabulate and present results (i.e., which software packages to be used).
- Assure on-time completion.

31

Team members proposed for this assignment should have appropriate educational qualifications in surveys, statistics, business and graphics. Experience with the public and private sector is essential. All team members should be linguistically qualified to be able to conduct interviews in the appropriate languages.

SUBMISSION OF PROPOSALS

Consultants will submit formal and final proposals in English to the USAID Contracts Office, Accra not later than the close of business within ten days of receipt of a Request For Proposal. The USAID Senior Contracts Officer, Accra is available for consultation as required. The Senior Project Officer in charge of the program, Mr. Andy Sisson, may also be consulted for copies of the above cited reports.

38

APPENDIX III

DRAFT SURVEY QUESTIONNAIRE

USAID - GHANA

PRIVATE SECTOR STRATEGY DEVELOPMENT SURVEY
PRIVATE SECTOR SURVEY QUESTIONNAIRE

The purpose of the Private Sector Strategy Development Survey is to obtain the views and perceptions of Ghanaian Business executives on different aspects of the economy and the general investment climate. This study is financed by the U.S. Agency for International Develpement. AID will use this information in designing its Private Sector development projects. The information obtained will be treated as private and privileged. Questions deemed inappropriate do not have to be answered.

PRIVATE SECTOR SURVEY

QUESTIONNAIRE #: ____

1. Date: ____/____/____
   mo. day yr.

2. Name of Interviewer: _____

3. Name and Title of Interviewee: _____
   _____

4. Name of company: _____

I. COMPANY CHARACTERISTICS

1 Location of company:

a. Accra ____
b. Tema ____
c. Kumasi ____
d. Takoradi - Sekondi ____
e. Other (specify) _____

2. Specify the production area in which the company is involved:

a. Agriculture ____
b. Livestock ____
c. Forestry ____
d. Fisheries ____
e. Agro-Industry (specify) ____
f. Textile ____
g. Fertilizers, Seeds, Agricultural Machinery ____
h. Leather and Shoes ____
i. Pharmaceutical ____
j. Finance (Banks) ____
k. Construction ____
l. Commerce ____
m. Transport ____
n. Other (specify) _____

3. Number of employees:

   a. Full Time _____
   b. Part Time _____

4. Number of Employees:

   a. Male _____
   b. Female _____

5. Approximately how many are:

   a. Unskilled _____
   b. Skilled / Technical _____
   c. Professional / Managerial / Supervisory _____

6. Markets for our products or services are:

   a. Local _____
   b. Regional _____
   c. National _____
   d. Export _____
   e. Over 50% Exported _____

7. Use of foreign capital:

   a. Yes _____
   b. No _____
   c. Unsure _____

8. Does production depend on imported raw materials?

   a. Yes _____
   b. No _____
   c. Unsure _____
   d. Not Applicable _____

If yes, answer following question. If no, proceed to question # 10.

9. What percentage of inputs is imported?

   a. 25% or less _____
   b. Between 26% and 50% _____
   c. More than 50% _____

II. General Assessment Of Business Climate

1. Indicate the extent to which you agree with the following statement:

   The environment within which my firm operates is better today than it was a year ago.

   a. Strongly agree _____
   b. Agree _____
   c. Unsure _____
   d. Disagree _____
   e. Strongly disagree _____

2. What facts most contributed to your growth?

   _____
   _____
   _____
   _____
   _____

3. Please rank the factors which have *constrained* the growth of your firm according to the following ranking:

   1 = Worst constraint
   5 = Least important

   1. _____
   2. _____
   3. _____
   4. _____
   5. _____

4. Do you believe that Public Sector policies and procedures are seriously hampering your growth?

   a. Yes _____
   b. No _____

   If yes, which in particular? _____

5. Specify the three factors which have most affected sales during the last year:

   a. _____
   b. _____
   c. _____

6. What do you predict will happen to sales during this next year?

a. Large increase ____
b. Small increase ____
c. No change ____
d. Small decrease ____
e. Large decrease ____

7. Specify the three factors you believe will have the most effect on sales in the next two years:

a. _____

b. _____

c. _____

8. My organization is operating at _____% capacity.

Specify the extent to which you agree with the following statements:

9. My firm can produce more than it can sell.

a. Strongly agree ____
b. Agree ____
c. Unsure ____
d. Disagree ____
e. Strongly disagree ____

10. My firm can sell more than it can produce.

a. Strongly agree ____
b. Agree ____
c. Unsure ____
d. Disagree ____
e. Strongly disagree ____

III. CONSTRAINTS TO GROWTH

1. Rank the importance of the following factors in your performance last year according to the following scale:

   1 = Severe problem
   2 = Problematic, but manageable
   3 = No problem
   4 = Has not been a problem but rather has been a positive factor which helped my business

   a. Lack of local currency finance _____
   b. Lack of foreign exchange _____
   c. Lack of trained human resources _____
   d. Land availability / cost _____
   e. Lack of physical infrastructure and/or supporting services (specify) _____

   _____

   _____

   f. Domestic competition _____
   g. Import competition _____
   h. Low market demand _____
   i. No access to spare parts, inputs or other essentials _____
   j. Government regulation (specify) _____
   k. Other (specify) _____

   _____

Land:

2. Is land a problem?

   a. Yes _____
   b. No _____

   If so, is it:

   a. Cost _____
   b. Access _____
   c. Secure land titles _____
   d. Fear of expropriation _____
   e. Other (specify) _____

Labor:

3. Is lack of technically trained people a major constraint?

   a. Yes _____
   b. No _____

   If yes, which technical areas do you need trained people for?

   _____

   _____

   _____

4. Wages for unskilled labor are:

   a. Too high _____
   b. Adequate _____
   c. Relatively low _____

5. Is lack of managerial level or professional level personnel a major constraint?

   a. Yes _____
   b. No _____

   If yes, which managerial areas do you need trained people for?

   _____
   _____

6. Which is of greater concern to you:

   a. Cost of labor _____
   b. Productivity of labor _____

   Please comment:

   _____
   _____

7. For the following personnel categories, specify the need for training according to the following scale:

   1 = No Need
   2 = Some Need
   3 = Great Need

   a. Administrative personnel _____
   b. Secretarial personnel _____
   c. Mid-level managerial _____
   d. Technical personnel _____
   e. Top level managerial _____
   f. Please comment _____

Capital:

8. Please provide an estimate of the percentage of your long term and working capital which comes from the following categories:

   a. Commercial Banks _____
   b. Development Bank _____
   c. Special Programs Fundings _____
   d. Financiers _____
   e. Friends / Acquaintances _____
   f. Foreign Investment _____
   g. Personal Investment _____
   h. Other (specify) _____

9. *Specify the extent to which you agree with the following statement:*

It is difficult to obtain financing for long term projects regardless of interest rates.

a. Strongly agree _____
b. Agree _____
c. Unsure _____
d. Disagree _____
e. Strongly disagree _____

10. What level of *annual* interest do you currently pay to the following:

a. Banking sources _____
b. Other sources _____

Specify the extent to which you agree with the following statements.

11. It is difficult to obtain working capital, regardless of interest rates.

a. Strongly agree _____
b. Agree _____
c. Unsure _____
d. Disagree _____
e. Strongly disagree _____

12. It is more difficult to obtain financing for long term than for short term projects.

a. Strongly agree _____
b. Agree _____
c. Unsure _____
d. Disagree _____
e. Strongly disagree _____

Raw Materials:

13. *Indicate the extent to which you agree to the following statement:*

Organizations similar to mine have no problems in obtaining raw material inputs.

a. Strongly agree _____
b. Agree _____
c. Unsure _____
d. Disagree _____
e. Strongly disagree _____

14. Specify the two most important reasons why raw materials and other inputs used in manufacturing may be difficult to obtain:

a. Financing Difficulties ____
b. Customs Regulations ____
c. Foreign Exchange Policies ____
d. Middlemen Margins ____
e. Inadequate Transportation ____
f. Other (specify) _____
g. Not Applicable ____

15. Manufacturing inputs most difficult to obtain are:

a. _____

b. _____

c. _____

Infrastructure and Services: Transport

Specify the extent to which you agree with the following statements:

16. The domestic transport service is adequate to guarantee product quality.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. Disagree ____
e. Strongly disagree ____

17. Merchant shipping services are adequate.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. Disagree ____
e. Strongly disagree ____

18. Merchant shipping costs are too high.

a. Strongly agree _____
b. Agree _____
c. Unsure / Not Relevant _____
d. Disagree _____
e. Strongly disagree _____

19. Air transport services are inadequate.

a. Strongly agree _____
b. Agree _____
c. Unsure / Not Relevant _____
d. Disagree _____
e. Strongly disagree _____

20. Air transport costs are too high.

a. Strongly agree _____
b. Agree _____
c. Unsure / Not Relevant _____
d. disagree _____
e. Strongly disagree _____

21. Import Export regulations, costs and taxes hinder operations.

a. Strongly agree _____
b. Agree _____
c. Unsure / Not Relevant _____
d. disagree _____
e. Strongly disagree _____

Other Services:

22. Problems with the services and supply of electricity have hindered growth.

a. Strongly agree _____
b. Agree _____
c. Unsure / Not Relevant _____
d. Disagree _____
e. Strongly disagree _____

23. Problems with water service and supply have hindered growth of my organization.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. Disagree ____
e. Strongly disagree ____

24. Problems with telephone services have hindered growth of my organization.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. Disagree ____
e. Strongly disagree ____

25. Does your organization employ a messenger?

a. Yes ____
b. No ____

If yes, answer next question. If no, proceed to question # 26.

26. Rank in order of importance why messenger is used.

1 = Most important
3 = Least important

a. Unreliable mail services ____
b. Problems with telephone use ____
c. Other (specify) ____
d. Not Applicable ____

Access To Market Information:

Specify the extent to which you agree with the following statements:

27. Accurate information on local market trends is readily available.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. 8isagree ____
e. Strongly disagree ____

28. Accurate information of international markets is readily available.

a. Strongly agree ____
b. Agree ____
c. Unsure / Not Relevant ____
d. Disagree ____
e. Strongly disagree ____

29. What kind of market information do you most need?

a. Prices ____
b. Product Standards ____
c. Company Contacts ____
d. Other (specify) _____

30. Specify the sources of information on market trends which have been the most useful:

a. _____
b. _____
c. _____

Access To Technology:

31. Do you have access to all the production technology you feel you need to stay competitive?

a. Yes ____
b. No ____
c. Unsure ____
d. Not Applicable ____

If no, answer following question. If yes, proceed to question # 32.

32. Specify which of the following has most hindered access to needed technology. (Mark all applicable).

a. Don't know enough about available technologies ____
b. Too expensive ____
c. Can't get access to foreign exchange ____
d. Worried about maintenance ____
e. Reluctant to invest large sums in fixed assets ____
f. Imported technology not appropriate / adequate ____
for the market in which I operate ____
g. Government approvals and/or licenses ____

33. Have you investigated appropriate locally-available technology?

a. Yes ____
b. No ____

IV. OPPORTUNITIES

1. Which of the following areas do you believe offers the best *short term* return on your investment?

a. Traditional Agriculture ____
b. Mining ____
c. Non-Traditional Agriculture ____
d. Forestry Products ____
e. Fishery Products ____
f. Agro-Industry ____
g. Other Manufacturing ____
h. Construction ____
i. Banking ____
j. Commerce ____
k. Free Trade Zone ____
l. Other (specify) _____

2. Which of the following areas do you believe offers the best *long term* return on your investment?

a. Agriculture (Traditional Products) ____
b. Agriculture (Non-Traditional Products) ____
c. Forestry ____
d. Fisheries ____
e. Agro-Industry ____
f. Non-Agricultural Manufacturing ____
g. Mining ____
h. Free Trade Zone ____
i. Tourism (specify) _____
j. Construction ____
k. Banking ____
l. Commerce ____
m. Other (specify) _____

3. Are you interested in joint ventures with foreign companies for local production?

a. Yes ____
b. No ____

If answer to question # 3 was yes, answer following question. In no, proceed to Section V: Associations.

4. Please rank according to why you seek joint ventures.

1 = Most Probable Reason
4 = Least Probable Reason

a. Capital _____
b. Technological _____
c. Managerial Expertise _____
d. Access To Markets _____
e. Other (specify) _____

V. ASSOCIATIONS

1. Are you affiliated with any type of business association?

a. Yes _____
b. No _____
c. Unsure _____
d. Not Applicable _____

If yes, answer following question. If no, proceed to question # 3.

2. Specify which association(s)

_____
_____
_____
_____

3. *Indicate the extent to which you agree to the following statement:*

My business association is very effective in representing my interest.

a. Strongly agree _____
b. Agree _____
c. Unsure _____
d. Disagree _____
e. Strongly disagree _____

4. What measures can the business association take in order to enhance the growth potential of your business?

a. _____
b. _____
c. _____
d. _____
e. _____
f. _____

5. If you aren't a member of a business association, why aren't you?

a. Lack of time ____
b. Unwilling to pay dues ____
c. Not able to pay dues ____
d. Doubt their importance / effectiveness ____
e. Other (specify) ____
f. Not Applicable ____

6. Specify which business association(s) you believe to be most effective in Ghana.

a. _____
b. _____
c. _____
d. _____
e. _____

What have they accomplished?

_____
_____
_____
_____
_____
_____

7. What step could Government take to most help the Private Sector?

a. Establish stable rules of the game in general ____
b. Reduce delays and bottlenecks in customs ____
c. Reduce import tariffs ____
d. Reduce export tariffs ____
e. Enhance credit availability to Private Sector ____
f. Reduce cost expenditures ____
g. Other (specify) ____

VI. ADDITIONAL SECTION

1. Exports:

Do you export? ____

What are your principal exports? _____
_____
_____

Are you interested in exporting? ____

What would be your principal export? _____

What are the biggest bottlenecks keeping you from exporting or from expanding your exports?
_____
_____

2. Is worker absenteeism a major problem?

a. Yes ____
b. No ____

3. Is worker productivity a major problem?

a. Yes ____
b. No ____

If yes, answer following question. If no, proceed to question # 5.

4. If so, how?

a. Lack of motivation ____
b. Absenteeism ____
c. Lethargy / Productivity ____
d. Health problems of family members (funerals, etc.) ____

5. Would your business like to assist your workers in family planning and child nutrition / health programs?

a. Yes ____
b. No ____

6. How could your firm or business association contribute to better health of workers?
_____
_____
_____
_____

BACKGROUND NOTES TO THE REPORT

The PEDS Project

This study was conducted under the Private Enterprise Development Support Project. The PEDS Project is a five year (FY88 - FY92) $20 million project managed by the Bureau for Private Enterprise. In the first year of the project, PRE provided technical assistance in response to nearly fifty different requests from Missions and Bureaus. The PEDS Project is designed to provide a wide range of expertise in private sector development. Areas of technical assistance include the following:

- Policy analysis related to private sector development
- Sector assessments and analyses
- USAID private sector strategy development
- Legal and regulatory analysis and reform
- Small-scale business development
- Trade promotion
- Investment promotion
- Free trade zone development
- Financial institutions and instruments
- Management and financial training
- The role of women in private enterprise
- Applications of MAPS: Manual for Action in the Private Sector

USAID Missions have the resources of thirteen contractors available to them through the PEDS Project.

- Arthur Young (prime)
- SRI International
- Management Systems International
- The Services Group
- Trade and Development, Inc.
- Multinational Strategies
- J.E. Austin Associates
- Ferris & Company
- Metametrics
- Elliot Berg Associates
- Robert Carlson Ass.
- Ronco
- Dimpex Associates

The Consultancy

The purpose of this consultancy was to assist the USAID Mission in the initial planning and design of MAPS (Manual for Action in the Private Sector) in Ghana. The team members included Arnold Lessard, Private Sector Advisor to USAID Missions in the REDSO/WCA region, Kevin Murphy and Roger Jantio from J.E. Austin Associates, and Michael Borish from Technoserve. The team carried out its first visit in February 1989.

This consultancy was co-financed by AFR/MDI and PRE/PD and reflects the Bureaus' mutual interest in promoting private sector development in Africa; all local costs for implementing MAPS/Ghana will be financed by the Mission.

The Authors

Mr. Arnold Lessard is the Private Sector Advisor serving the USAID Missions in the REDSO/WCA region. He was previously a Senior Vice-President with Sears World Trade; Vice-President for Strategic Planning, Chase Manhattan Trade Banking Group; Chairman of Resources, Engineering & Management International; and Regional Vice-President/Africa and Middle East for Booze, Allen & Hamilton. He holds a diploma in accounting from Burdett College, a B.S. from Boston University and an M.A. from Columbia University in international studies. He also completed post-graduate studies in business at George Washington University and Georgetown University. Mr. Lessard is a founding member of the Institute of Management Consultants and is a Certified Management Consultant.

Mr. Kevin Murphy is the President of J.E. Austin Associates. Previously, Mr. Murphy served as a senior management advisor to the Instituto Superior de Agricultura in the Dominican Republic. He also worked for a year on the research faculty of Harvard Business School authoring nine case studies on international agribusiness. He holds a Master of Business Administration from Harvard Business School and a Master of Public Affairs from the Harvard University School of Government.

Mr. Roger Jantio is a senior consultant at J.E. Austin Associates. Previously, he was the Executive Vice President of Aqua Viva in Paris and an investment analyst at C.S.E. Insurance company in San Francisco. He also worked on aerospace and mergers & acquisitions projects as a consultant with J. Schneider Associates in Cambridge, Massachusetts. Mr. Jantio holds a Master of Business Administration from Harvard University, a Master Degree in economics and finance at the Institute d'Etudes Politiques of Paris, a Master Degree in insurance and applicable laws at the Universite de Paris-Sorbonne and a Bachelor of Arts degree in economics and monetary policy at the Universite de Paris II.

Mr. Michael Borish holds a Master in Business Administration from the University of Chicago. He has worked in the banking industry in the U.S. and has extensive experience working in Africa. He is currently a consultant with Technoserve.