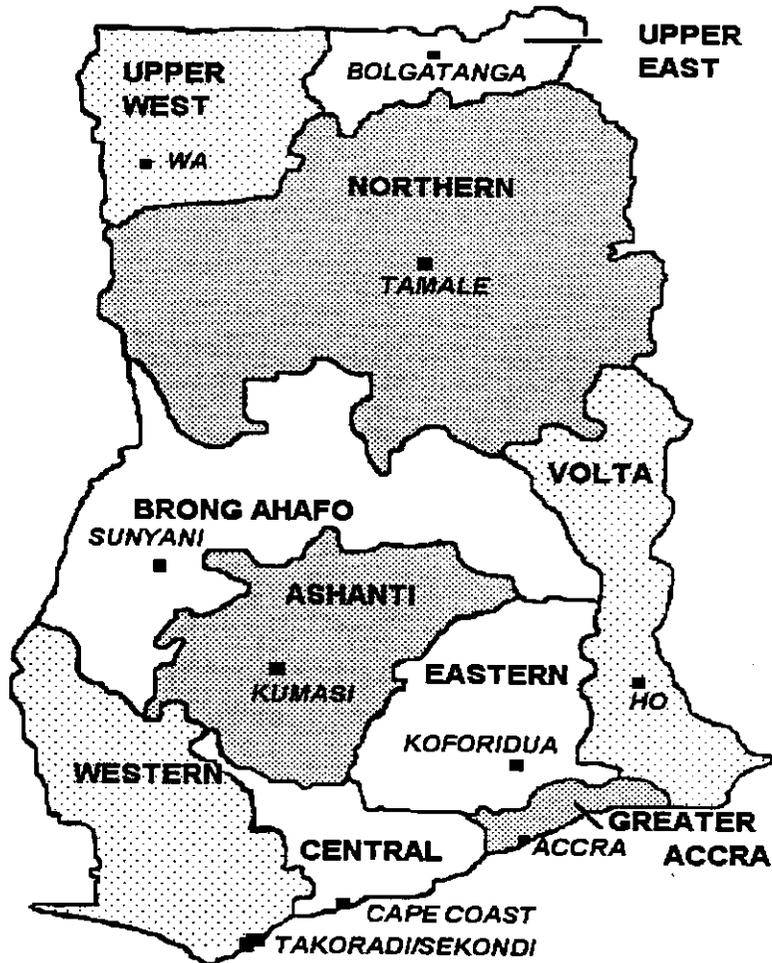
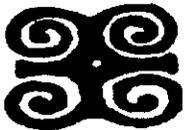
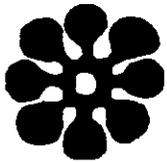
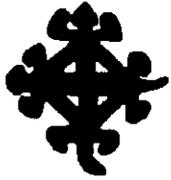


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# GHANA



USAID COUNTRY STRATEGY  
FY 1997 - 2001



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## EXECUTIVE SUMMARY

*"It doesn't work to leap a 20 ft. chasm in two 10 foot jumps." American Proverb*

Ghana is engaged in a long and arduous transition from being one of the world's poorest nations to joining the ranks of middle-income countries. Fundamental economic reforms beginning in 1983 created the conditions for 5% annual growth in GDP over the past twelve years. Social institutions are also changing. Democratic presidential and parliamentary elections were held in 1992, and public administration is being decentralized to 110 district assemblies. Ghana's economic and political environment and its natural resource endowment provide conditions for sustainable development. But with population increasing by 3% per year, the current pace of economic growth is not sufficient to provide substantial increases in living standards in the near term. Ghanaians' incomes now average only \$430 per year. The health and education status of Ghanaians is poor and limits their productivity. Key sectors of the economy, including agriculture, infrastructure, health and education are starved of adequate investment.

USAID's strategy is based on the belief that a growing and more diversified economy, complemented by slower population growth, will generate increased investment, higher incomes and improved living standards. Accelerated economic growth is essential for improving social conditions, for ensuring the success of democracy, and for improving natural resource management. This Country Strategy was developed through extensive consultations with customers, partners and stakeholders and a review of development experience in Ghana. It is highly consistent with the Government of Ghana's (GOG's) liberal, democratic and private-sector-oriented policies as expressed in a number of national and sectoral development plans. USAID's strategy further complements the programs of other donors. Ghana receives nearly \$700 million a year from donors in

support of structural adjustment, economic growth and poverty alleviation.

The Mission selected **broad-based sustainable economic growth as its goal** for the next five-year Country Strategy. Two subgoals contribute to this achievement: (1) improved productive capacity and (2) reduced population growth rate. To achieve these goals, Mission resources will be focussed on the following three Strategic Objectives (SOs) and one Special Objective:

**Strategic Objective 1** will result in the increased marketed value of selected agricultural products from an estimated \$470 million in 1994 to \$780 million in 2001. This SO builds on the successes and opportunities of the USAID Trade and Investment Program (TIP), where nontraditional exports (NTEs) grew from \$68 million in 1992 to \$180 million in 1995. This first effort recognized the need for Ghana to expand and diversify its export base beyond the traditional exports of gold, cocoa and timber in order to realize sustained economic growth. The FY 1997-2001 Country Strategy will broaden the scope of USAID assistance to include domestic as well as export markets. This approach consolidates support around those NTEs that experienced the greatest growth under TIP (i.e. agricultural products) and incorporates additional agricultural products with demonstrated high growth potential. Over the five-year period covered by the strategy, \$79.5 million in Development Assistance (DA) funds will support marketing improvements for a wide variety of agricultural products, including food and horticultural crops, wood, fish and seafood. The supply of agricultural products will be increased and made more efficient, and the commercial skills of those involved in the marketing chain will be strengthened. Nonproject assistance (NPA) will be provided to improve trade and investment policies.

An important element of the Mission's strategy is its P.L. 480 program, which makes a strong contribution to SO1 through

improved food security. Title II funds, at an annual level of approximately \$7 million, will finance a number of activities implemented by nongovernmental organizations (NGOs) to enhance food utilization and provide support for communities in various rural enterprises.

**Strategic Objective 2**, increased literacy and numeracy in beneficiary primary schools, will directly benefit 200,000 students in 500 schools. This continues USAID's role as a key player in a multi-donor effort to improve the quality and reach of primary education in Ghana. Student achievement tests show that literacy and numeracy skills remain persistently and woefully low despite continuing assistance to improve teaching capabilities, administration and physical infrastructure. The proposed strategy will approach these problems at the classroom level. Working within five districts, USAID will provide assistance in classroom instruction, education management and community participation. A small NPA component will promote the replication of best practices in other areas and encourage greater decentralization of resources for education. The five-year level of effort is estimated at \$45 million.

**Strategic Objective 3**, reduced fertility, will help Ghana lower the total fertility rate from 5.5 children per woman in 1993 to 5.0 by 2001. This continues USAID's efforts to reduce the fertility rate in Ghana to a level that would enable sustainable economic growth. Through an aggressive program to increase the use of effective family planning methods and improve services, USAID supported the reduction of the Total Fertility Rate (TFR) from 6.4 in 1988 to 5.5 in 1993.

A total of \$51 million, including NPA, is planned for this five-year effort.

USAID also proposes more resources for Acquired Immune Deficiency Syndrome (AIDS). Under the new strategy, a **Special Objective** will be to increase the use of proven Human Immunodeficiency Virus/Sexually Transmitted Disease (HIV/STD) prevention interventions.

Although HIV/AIDS has not yet reached epidemic proportions in Ghana, it is estimated that 1.2 million Ghanaians will be infected by the year 2010 without effective action now. Approximately \$8.5 million will be used to finance information and education activities, expanded surveillance and diagnosis of sexually transmitted diseases, and greater availability of effective drugs.

The above strategy describes a multi-sectoral program designed to be customer focused, results oriented, and based upon teamwork and accountability. The budget resources required to finance this program over the five-year period covered by the strategy are \$184 million in Development Assistance plus \$35 million in P.L. 480, for a total of \$219 million. Annually, the base funding level is \$36.8 million in DA and \$7 million in Title II funds. The minimum level of operating expenses needed to carry out this program in FY 97 is \$2.57 million. Operating Expenses (OE) dollar costs will be mitigated by the use of NPA-generated trust funds, which will account for 46% of total OE. Approximately 10% of nonproject assistance is used for this purpose.

The Mission considered the possibility that the Country Strategy would receive lower levels of funding. If Development Assistance levels were reduced to \$28 million per year, the Country Strategy would be pared by eliminating the Special Objective for AIDS and downsizing SO 2 to a Special Objective.

## PART I: ASSISTANCE ENVIRONMENT AND RATIONALE FOR PROGRAM

*"Not that the story need be long, but it will take a long while to make it short." Henry David Thoreau*

### A. OVERVIEW

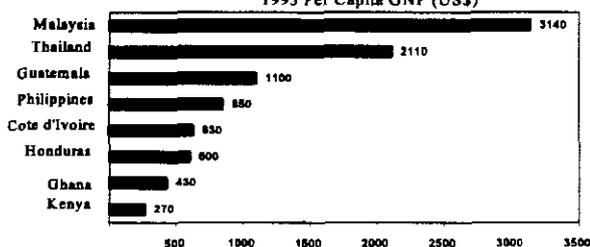
Ghana has set itself the ambitious goal of achieving middle-income status by early in the next century. The country has already made a significant start toward attaining that target.

An ambitious economic transformation over the past 12 years has led to improved budget balances, realistic exchange rates and increased competition in the local market, while the more favorable economic climate has spurred both local and foreign private-sector investment. Equally important, and supportive of these changes, has been Ghana's political evolution, leading to the restoration of democracy. After 11 years of military rule, free and fair elections brought to power a democratically elected president and parliament in 1992.

But despite the substantial progress that has been made, Ghana remains one of the world's least developed countries. In terms of per capita income, it ranks poorly in comparison with other developing nations.

To speed up the achievement of middle-income status, Ghana must improve its economic performance. The current growth rate is not sufficient to substantially improve living standards for its population. Only accelerated growth can provide the sustainable development. Faster growth requires continued donor assistance, but increasingly, it calls for the greater mobilization of internal resources to complement or, in some cases, substitute for, foreign support. Ghanaians must save more, invest more, reduce population growth, and become more skilled and productive workers.

Fig. 1 - Rising Aspirations  
1993 Per Capita GNP (US\$)



Malaysia holds a certain fascination for Ghana. In 1957 both had similar levels of development.  
Source: World Bank, World Development Report 1993

U.S. support, in the form of expertise, technology and investment, can help Ghana achieve middle-income status, and even accelerate its progress. USAID's FY 1992-96 program formulated a workable prescription for addressing the obstacles to long-term economic growth; the development process now needs to be accelerated. In preparing the FY 1997-2001 strategic plan, the Mission carried out extensive consultations with partners, stakeholders and assistance recipients, and undertook a thorough review of recent development data. This document incorporates those findings.

### B. DEVELOPMENT CONTEXT

1. **Human Resources:** The 1995 United Nation's Human Development Index -- which measures life expectancy, adult literacy, and per capita income -- ranks Ghana 129th out of 174 countries. In a country of 17.5 million people, 5.3 million adults are illiterate, 6.4 million people are without access to health services; 7.7 million do not have safe water and 9.3 million lack adequate sanitation. Ghana's development is constrained by rapid population growth, the poor health and educational status of its citizens, and institutions which are struggling to be effective in a swiftly changing society.

If the population continues to grow at the current rate, it will double, reaching 35 million in just 24 years. Almost half the population is now under the age of 15 which

*Ghana's vision for the future is to transform itself from a low income to a middle income country.*

is an economic burden on the productive age group (16-64). Existing social services cannot keep pace with the rapidly growing needs. For example, 5000 new primary schools are needed before the year 2000 to provide for the growing numbers of school age children. Urban areas are becoming more crowded and now account for 38% of the population.

The fertility rate is starting to decline. It dropped from 6.4 children per woman in 1988 to 5.5 in 1993. Contraceptive prevalence increased from 5% to 10% over the same period. It could be significantly higher since over 50% of women say they want to space or have no more children, but are not using any contraception. Population growth will continue, even as fertility rates decline, because increasing numbers of young people are entering their reproductive years.

Ghana's health status is low as indicated by the current average life expectancy of 56 years. The major health problems include poor nutrition, malaria, infectious diseases and water-borne diseases. Among children under three, 26% are stunted and 11% show signs of wasting. The under-five mortality rate is 119 per 1000. The maternal mortality

rate of 200-300 per 100,000 live births is extremely high. HIV/AIDS is a serious health problem in Ghana but has not yet reached the levels of neighboring countries. Current trends, however, are worrying; at the present rate of increase, 1.2 million Ghanaians will be infected with HIV by 2010.

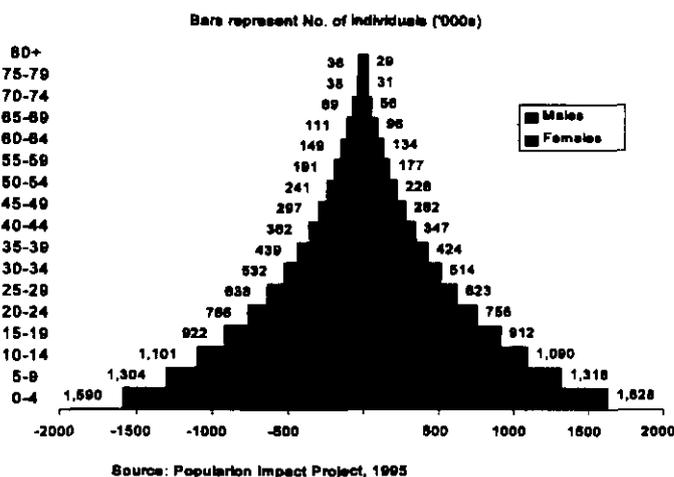
An estimated 45% of all adults are illiterate as a result of low levels of education. The literacy rate for men is 60% and 40% for women. Only 84% of boys and 69% of girls are enrolled in primary school. Gross enrollment rates have declined from 79% in 1991 to 76% in 1995. Attendance is poor and educational achievement low. In a national test administered to students in the final year of primary school, less than 4% achieved a passing score in English, and less than 2% in mathematics. Despite these lackluster performance figures, Government spends a generous 24% of its total recurrent budget on basic education.

Over the last twenty years Ghana's social institutions have faced numerous challenges. A constitutional government was established in 1992, with the president and parliamentary members elected under a free and fair process. The next national elections are scheduled for late 1996. The Government is also developing local government institutions and decentralizing administration to its 110 districts.

Ghana has a rich network of traditional chieftaincies and village level organizations which have historically been involved in community development activities. Only 300 non-government organizations are formally registered in Ghana. However there are hundreds more community groups including churches, welfare

*Rapid population growth is undermining national development aims.*

Fig.2 - Ghana's Population Pyramid - 1995



societies, agricultural associations and cooperatives. These organizations are having to define new roles in a modern society characterized by urbanization, evolving technologies, and mobile populations.

**2. Natural Resources:** Ghana is a medium-sized country of 92,100 square miles, about the size of Oregon. Ecologically, it is composed of two zones; the southwest third of the country is covered by tropical forest, while savanna extends over the rest. More than one-third of Ghana's surface area is cultivated. Cocoa, the major export crop, is grown primarily in the tropical forest area. Cropping and animal husbandry are carried out in the rest of the country, with patterns varying due to differences in rainfall. Seventy percent of the population is employed in agriculture.

Ghana's forest resources are being rapidly depleted. Only about 2 million hectares (ha.), including 1.7 million ha. in forest reserves, remain of Ghana's original 8.2 million ha. of forest, and that is being lost at the rate of about 22,000 ha. a year to bush fires, logging, the extraction of firewood and the clearing of land to feed an ever-increasing population. More than 60 species

of trees are exploited for timber exports, which were valued at \$165 million in 1994. Fuel wood and charcoal are the main sources of energy for 75% of the population. At the current rate of exploitation, commercial timber resources will be exhausted by 2030.

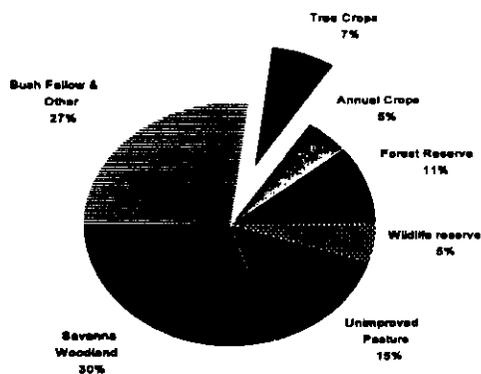
Ghana has extensive coastal and freshwater marine resources, and fishing employs up to 10% of the population, contributing 5% of agricultural GDP. About 85% of the fish harvest comes from the sea, with most of the rest coming from Lake Volta, the world's largest manmade lake. Fish account for 60% of Ghanaian animal protein consumption. In general, fisheries management is poor, with rising costs and increasing foreign competition handicapping local fishermen.

With the great majority of the population directly dependent on the exploitation of the country's land, water, forest and fisheries wealth, long-term sustainable growth in Ghana depends, in large measure, on the proper management of natural resources. The government's official environmental policies are sound, but implementation is weak. And investment incentives for sustainable management are often lacking. The Environmental Protection Agency estimates that the annual economic loss to Ghana from environmental degradation, in large part in lost crop and livestock production, is equivalent to 4-5% of GDP.

*Long term development depends upon proper management of the country's abundant natural resources.*

Ghanaians need to be more aware of the close link between their economic well-being and sound environmental practices. Natural resources planning and management have to become an integral part of all national development strategies, with policies and initiatives being directly geared to people's economic interests. All Ghanaians are adversely

Fig 3 - Land Use in Ghana



Source: Ministry of Food and Agriculture, 1995

affected by deforestation through land encroachment and the cutting of wood for energy; soil degradation and loss from poor cultivation practices and careless urban development; and air and water pollution from the improper disposal of human, domestic and industrial waste.

Protection of the environment cuts across all USAID/Ghana activities and is fully taken into account in planning, designing and implementing the program. A new Biological Diversity and Tropical Forestry Assessment fulfils statutory requirements and contributes to the planning process. Though some Mission undertakings in trade and investment promotion and forest reserve protection have had substantial natural resources components, the comparative advantage for working in the area belongs to other donors. Substantial donor funding is going into promising new environmental efforts in solid and liquid waste disposal, improved management of forests, wildlife and fisheries, the provision of safe water to urban and rural populations, and the development of environmental information and management systems.

**3. Economic Environment:** Buoyed by production and export of primary commodities, Ghana's GDP exceeds \$6 billion. Agriculture forms the backbone of the economy, accounting for 40% of national output and 70% of employment. In recent years, the service sector has contributed 47% to GDP. Industry accounts for only 13%, with the dynamic mining sub-sector contributing only 2%. The private sector produces 65% of economic output, but the state retains large shares in cocoa marketing, manufacturing, utilities and financial services. The total labor force has grown to 7.3 million, but only 500,000 are employed in the formal sector. Of these, the public sector employs 300,000. Exports of \$1.2 billion in 1994 included gold, (\$550 million), cocoa, (\$320 million), and non-traditional exports, (\$120 million). Foreign reserves equal more than 4 months of imports, but the

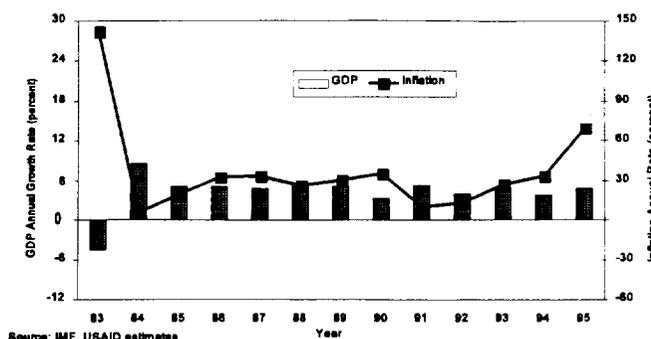
balance of payments (current account) is in deficit, as public and private foreign capital help to finance imports.

Twelve years of economic growth averaging 5%, with per capita GDP increasing by 2% annually, have been very beneficial for Ghana but have not been enough to raise living standards substantially or reduce poverty on a broad scale. Macroeconomic stability remains elusive, and poverty -- while its incidence has fallen from 37% of the population in 1988 to 32% in 1992 -- continues to be pervasive. Ghana, though, has made substantial progress in laying solid foundations for economic growth. The government has carried out a far-reaching liberalization of markets, prices, foreign exchange and international trade, and the role of the state in the economy has been gradually reduced in favor of the private sector. In addition, foreign investment has been encouraged.

Economic mismanagement following independence severely reduced incomes and all but destroyed public services. Between 1965 and the early 1980s, real per capita income fell on average almost 2% a year. Failed economic policies left a legacy of excessive state control of the economy, over dependence on a few primary commodity exports and poor incentives for economically productive activities. By 1983, something had to be done to halt the decline, and the GOG initiated a broad-scale Economic Recovery Program (ERP).

*Over the last twelve years Ghana has restructured its economy.*

Fig. 4 - Economic Growth and Inflation  
1984 - 1995 (percentage)



As illustrated by Fig. 4, the ERP resulted in a sharp economic turnaround. The economy rebounded with growth of over 8% in 1984, coupled with a drop in the inflation rate from over 140% to under 10%. Growth remained fairly steady over the next few years, though with rising inflation. By 1991 private investment had increased to 8.2% of GDP, up from only 4.4% in 1984. Since 1991, however, the economy has been affected by substantial fluctuations in the international market price of Ghana's two major exports, cocoa and gold; low rainfall in 1992 and 1994; and ethnic disturbances in the north. Inflation was reignited by an 80% increase in salaries for civil servants in the run-up to the 1992 elections, followed by an additional 35% pay raise in mid-1995. Poor management of foreign exchange receipts on the part of the GOG added to inflationary pressures. Inflation exceeded 60% in 1995 although GDP growth rebounded to 4.9% as a result of good harvests and increased revenue from cocoa and gold exports.

Increases in export earnings of 15% in 1994 and an estimated 14% in 1995 helped to improve Ghana's balance of payments position, though the country continues to run a substantial current account deficit. External debt is estimated at over \$5 billion, or 90% of GDP. Scheduled debt service is equal to 27% of exports; arrearages are minimal.

The pace of structural reform has slowed in the 1990s. Although there have been some privatizations, and new investment and import and export codes have been adopted, the state still controls large segments of the economy, including cocoa exports, petroleum imports and refining, and substantial parts of financial services and manufacturing. Further reforms are needed in the areas of privatization, financial management and decentralization, trade and investment, and the civil service. With private investment at

4.4% of GDP, Ghana must do more to encourage the private sector to play a larger role in the economy.

### C. RELATIONSHIP OF THE PROGRAM TO U.S. FOREIGN POLICY INTERESTS

As the first country in sub-Saharan Africa to achieve independence, Ghana played an important political role in Africa during the early post-colonial era. Once again it is in the limelight. As a high-profile model of reform, Ghana's success is in the best interest of the U.S. Progress in Ghana will encourage other African states to adopt and adhere to the long, and often difficult, path of reform. Conversely, failure would be a major setback to the cause of economic and political change in Africa.

Ghana's initiatives have closely supported the U.S. policy of fostering political and economic stability in Africa. It has played an active role in restoring peace in the West Africa region. As chair of the 16-nation Economic Community of West African States (ECOWAS), the Government of Ghana was a major contributor to the Liberia peace agreement. Resolution of the Liberian conflict has been a major objective of U.S. foreign policy in Africa.

Ghana's free-market policy reforms have made the country increasingly attractive to U.S. private-sector trade and investment. It

*Ghana's international stature is growing, but its role as a regional leader requires continued social and economic progress.*

maintains a liberal foreign exchange regime and a moderate and rational tariff structure. Ghana's reform policies strongly support U.S. efforts to open markets in developing countries to U.S. goods and investments. The country's adoption of an improved Investment Code in 1994 provided increased opportunities for U.S. private investment.

#### **D. DEVELOPMENT CHALLENGES, OPPORTUNITIES AND CHOICES**

Ghana is once again at the crossroads. Forty years ago, it had a modest industrial base, an established trading sector, good infrastructure and strong social services backed by large foreign exchange reserves. Ghana was expected to develop rapidly. Unfortunately, disastrous public policies and the devastation of the private sector led to economic collapse in 1983. After twelve years of exacting political and economic reforms, Ghana once again holds promise for sustained development.

There are reasons for optimism. Ghana's relatively well-endowed natural resource base can support a diversified and broad-based economy. It possesses large mineral deposits (including one of the world's largest and richest gold reserves); a viable agricultural base; and still-under-exploited sea resources. The country's economic environment is generally favorable. Economic policies have a private sector focus, a steady, twelve year track record, and are based upon commendable long term goals. On the political front, the return to constitutional rule and decentralization measures are supportive for independent, broad based, inclusive development. Together, these factors provide significant development opportunities.

While steady development progress has laid a solid foundation for sustainable growth, a bright future is not certain. Ghana still faces formidable structural and financial constraints. The low-level of human resource development, noted above, increases the

level of effort required to generate sustainable development momentum. Significant reductions in illiteracy, population growth and poverty require major commitments and long time horizons. Poor physical and financial infrastructure, which limit economic change and overall economic growth, require substantial forward planning and large new investment. Public policies, while generally favorable now, must be continually fine tuned and defended so as to maintain macro-economic stability, public confidence, and the support of donors, investors, and creditors.

Inadequate economic growth is Ghana's biggest challenge. Per capita growth rates of 2% per annum or less cannot be expected to suddenly change Ghana's quality of life or its relative standing vis a vis other countries. Private investment in Ghana has improved but is still not comparable with successful developing countries. Private finance, technology, and skills are essential for accelerated economic growth. Increasingly, private finance will also be needed to replace large donor inflows. Harnessing private contributions for economic growth- through better government policies, enhanced infrastructure, new technologies, improved organization - is the key to Ghana's future success.

USAID assistance can be especially helpful to Ghana in managing its transition to a middle income country. U.S. experience in harnessing private initiative, investment, and developing new forms of cooperation between the private and public sectors offers useful lessons and models. U.S. technology and investment can also be important contributors. USAID's new focus on a few sustainable development countries and its advantage of resident technical staff offer excellent potential for continuing a productive USAID-Ghana partnership. The success of USAID's current programs in the

*Inadequate economic growth is Ghana's most pressing development problem.*

economic, population, and education sectors demonstrates this.

Based on the above, USAID sees specific opportunities for accelerating broad based economic growth by focussing on two things: increasing productive capacity and reducing the rate of population growth. Our objectives are to increase marketed value of agricultural products, increase literacy and numeracy in primary schools, reduce fertility and slow the transmission of HIV.

### E. RELATIONSHIP OF STRATEGY TO HOST COUNTRY PRIORITIES

The GOG's approach to growth and development is spelled out in *Ghana Vision 2020*, its overall long-range planning document. The plan calls for private-sector-led economic growth, with broad-based economic advancement coming from increased agricultural production, expanded NTEs and a greater diversification of the economy. *Ghana Vision 2020* stresses the need for literacy for all citizens and calls for an intensification of measures to reduce fertility. Ghana's sectoral priorities are described in more detail in the following planning documents.

The *Ghana Medium Term Agricultural Development Programme*, for the period from 1991-2000, stresses the need for demand-driven agriculture, with production expanding in response to domestic and foreign market signals. Among other things, the strategy sets targets to increase crop yields by 50-100%; reduce post production losses by 50%; boost nontraditional agricultural export earnings from \$27 million in 1990 to \$100 million by 1997; and generate an additional 200,000 jobs in private sector marketing, processing and distribution of agricultural products. A series of documents have dealt with the development and expansion of NTEs, covering such areas as the new roles of the Ghana Export Promotion Council and the Ghana Investment Promotion Center; ways of promoting trade and investment, with

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### Ghana - Vision 2020: An Overview

Ghana's long-term vision -- to become a middle income country by the year 2020 -- is described in Ghana -- Vision 2020 (The First Step, 1996-2000). Vision -- 2020 sets out five long-term themes:

The basic goals of **human development** are to improve health and life expectancy, expand and improve education and training, have access to clean water, adequate sanitation, and affordable housing; and reduce poverty and income disparities. Reducing the population growth rate to 2% a year by 2020 will contribute to these objectives.

**Economic growth** will come from an open and liberal market economy that optimizes the rate of economic development and ensures the maximum welfare and material well-being of all Ghanaians. A long-term growth rate of 8 percent per annum is targeted.

**Rural development** will reduce disparities between the incomes and standards of living of the rural and urban populations.

**Urban development** will ensure that small and medium-sized towns and cities fulfil their role as service centers of the rural hinterland, and that urbanization contributes positively to development.

Strengthening of the **enabling environment** will support development through improvements the administrative and legal system. The private sector and decentralization will be encouraged.

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special emphasis on the importance of expanding the agricultural base; and ways of improving GOG/private sector cooperation.

The recently released *Programme for the Development of Basic Education within the Framework of Free Compulsory Universal Basic Education (FCUBE)* is one of the most

*The Government has invested significant resources in improved policies*

important GOG policy pronouncements for human resources development. This plan targets improved teaching and learning, better management, broadened enrollments, expanded infrastructure development and more effective allocation of funds in order to provide nine years of compulsory education for the more than 2 million primary-school-age children by 2005.

Health policy is guided by the *Medium Term Health Strategy: Towards Vision 2020*, of 1995, and *The Revised National Population Policy*, of 1994. Ghana's population strategy sets bold targets for the next 25 years: reducing the total fertility rate from 5.5 to 3.0, increasing the contraceptive prevalence rate from 15% to 50%, and reducing annual population growth from 3% to 1.5%. The government's HIV/AIDS planning document is currently being revised.

#### F. ROLE OF OTHER DONORS

Substantial donor assistance has contributed to economic growth and investments in social and physical infrastructure. Over 20 multilateral and bilateral donors provide Ghana almost \$700 million a year in the form of grants and concessional loans. USAID plays a leading role in providing support to the private sector, primary education and population. Recently, donor resources going to balance-of-payments support have decreased in favor of increased funding for basic infrastructure, social services and the environment.

Donors are assisting structural adjustment, economic growth and poverty alleviation in private sector development, education, health and population, physical infrastructure, democracy and governance, and the environment. Principal donors are the World Bank, Japan, Britain, Canada, Germany, the European Union, Denmark, France, the African Development Bank, UNDP and UNICEF.

Collaboration among donors is good. A consultative group led by the World Bank meets every two years. Coordination meetings are held on a regular basis to discuss both macroeconomic and sector-level issues. Active donor consultative groups exist for all three areas the Mission is focusing on -- agriculture, education and population. More specific details on other donor programs are contained in Part II and the Annexes.

#### G. HOW REENGINEERING INFLUENCED THE STRATEGIC PLAN

The Country Strategy described in this report was designed and built around USAID's four core values: customer focussed, results oriented, and based on teamwork, empowerment, and accountability. It is launching pad for USAID Ghana's re-engineering efforts.

Customer focus is an important element of USAID's current program and a *sine qua non* to designing the new Strategy. The Mission's approach was to hold consultations with various stakeholders, partners and customers to gather essential information that would sharpen the focus on development issues and constraints of national import, and possible USAID interventions. The process was an intense one, and took place over a period of several months. In all, more than 700 people were consulted, representing a broad spectrum of Ghanaian society, from government officials to farmers, traditional opinion leaders and small entrepreneurs. The forums ranged from individual meetings to round tables and other types of group meetings.

Concerns that were expressed at all levels and in all fora was poor performance of the agriculture sector and disappointment over the state of primary education. The Mission conducted a series of rapid rural appraisals which revealed that farmers were primarily concerned about marketing, credit and the

*Ghana receives substantial donor support in excess of \$700 million a year.*

supply of inputs. Rural residents also cited problems of low morale of teachers, dilapidated schools and inadequate teachers' accommodations. Communities felt a loss of control over the schools and little involvement with what goes on there. In terms of health, respondents were concerned about the quality of care and the high incidence of diseases such as malaria. There was a general awareness of family planning but a reluctance to change attitudes and practices. People were concerned about the possible side effects of different types of contraception.

The concerns raised regarding agriculture, education and health helped guide the shaping of the strategic plan. The meetings with Ghanaians confirmed the importance of the three sectors in which the Mission has been working and singled out the types of new interventions that were most desirable. This information was factored into the crafting of the strategic objectives (SOs).

USAID Ghana's programs are results-driven. The Africa Bureau's annual reviews of the Mission's Assessment of Program Impact reports have confirmed the significant results of USAID's program and the high quality of the supporting monitoring data. These standards will be maintained for this new Country Strategy. The Results Framework (Annex A ) fully describes the expected impact of USAID's investments over the period FY 1997-2001. In the areas of non-traditional exports, fertility, and basic education the direction and magnitude of USAID's impact are supported by rich baseline data. For new interventions, the additional analytical work which will be required is contained in Annex E.

This Country Strategy is a product of teamwork. It began with four large teams of USAID's U.S. and Ghanaian staff who were responsible for evaluating development conditions in Ghana and recommending USAID action in the areas of economic growth, environment, population and health,

and democracy governance. These teams came together in June 1995 at a Mission Retreat to identify the priorities and focus for the Country Strategy. As a result of their recommendations, USAID staff organized into seven working groups: economic growth, population and AIDS, basic education, customer service, monitoring and evaluation, automation, and re-engineering support. These working groups will form the backbone of the strategic objective and support teams that will be responsible for implementing the Country Strategy once it is approved by USAID Washington. These new teams will also include members from other parts of USAID including Washington and regionally-based staff.

Empowerment and accountability feature prominently throughout the Country Strategy. At the program level, USAID's activities are focused on making it easier for non-governmental organizations, small businesses, and community groups to participate in and contribute to the development process. Similarly, a much larger share of USAID resources will be directed through organizations which operated at the grass-roots. In terms of implementation, USAID staff serving on the strategic objective and support teams will be responsible for delivering one the results which they have designed. This will involve an increase in their delegated implementation authorities although, at this time, the modalities are still being worked out.

*USAID/Ghana  
has thoroughly  
reviewed where  
USAID  
assistance can  
be most  
effective.*

## **PART II: PROPOSED STRATEGIC PLAN**

*"People who like this sort of thing will find this the sort of thing they like." Abraham Lincoln*

### **A. LINKAGE OF THE STRATEGY TO AGENCY GOALS AND OBJECTIVES**

When the Mission compared conditions in Ghana to the standards for the five areas targeted as Agency goals -- broad-based economic growth, sustainable democracy, population stabilization and human health protection, sustainable environment and humanitarian assistance -- all of them, except for humanitarian assistance, revealed levels of need sufficient to warrant USAID assistance. (See Annex F.) Based on an assessment of USAID/Ghana's experience and capabilities, extensive consultations with customers and a review of GOG and donor programs, the Mission decided to focus its program on two mutually reinforcing Agency goals: broad-based economic growth, and population stabilization and human health protection. These are the areas in which the Mission can be most effective and where its limited financial and human resources will bring the greatest returns.

USAID/Ghana's strategy directly contributes to four Agency objectives: strengthened markets, expanded basic education, reduced unintended pregnancies and reduced STD/HIV transmissions.

Important areas for the USAID program, although not singled out for individual attention, are democracy and environment, which will still feature in the Mission's economic growth and population stabilization efforts.

Two new Agency special initiatives will be linked with this Country Strategy: the New Partnership Initiative (NPI) and the Leyland Initiative. Nearly, two thirds of the activities and resources proposed in the Strategy will be focused on small businesses, PVO's and

local community groups- a change from USAID/Ghana's, previous programs. This approach is based upon the premise that local private resources and local management are the most effective tools for fueling and sustaining growth. The evolving Leyland Initiative - aimed at supporting Internet services in Africa - offers interesting possibilities for supporting broad-based economic growth and for finding efficiencies in managing the USAID program. Ghana's academic and commercial communities are already beginning to find the Internet a rich source of data, business contacts, and professional exchanges- but services are rudimentary and access is extremely limited.

### **B. COUNTRY PROGRAM GOALS AND SUBGOALS**

USAID/Ghana's strategy is based on the belief that a buoyant, more diversified economy, unencumbered by large increases in population, will generate greater amounts of investment, higher incomes and improved living standards. The Mission sees accelerated economic growth as the chief factor affecting development in Ghana. It is the essential element for improving all aspects of Ghanaians' social conditions, including education and health, and for ensuring the success of democracy and the protection of the environment. For that reason, the Mission has chosen broad-based sustainable economic growth as the goal of the new country strategy. Two subgoals contribute to the achievement of the overall goal: improved productive capacity and reduced population growth rate. (See Figure 5)

Economic growth requires a productive work force which is educated, healthy and actively involved in remunerative sectors of the economy. Agriculture, for export and domestic consumption, is the most promising area for USAID assistance to economic growth.

*The Ghana  
Country  
Strategy will  
support  
USAID's  
goals of  
broad-based  
economic  
growth and  
population  
stabilization.*

# USAID/GHANA STRATEGIC PLAN 1997 - 2001

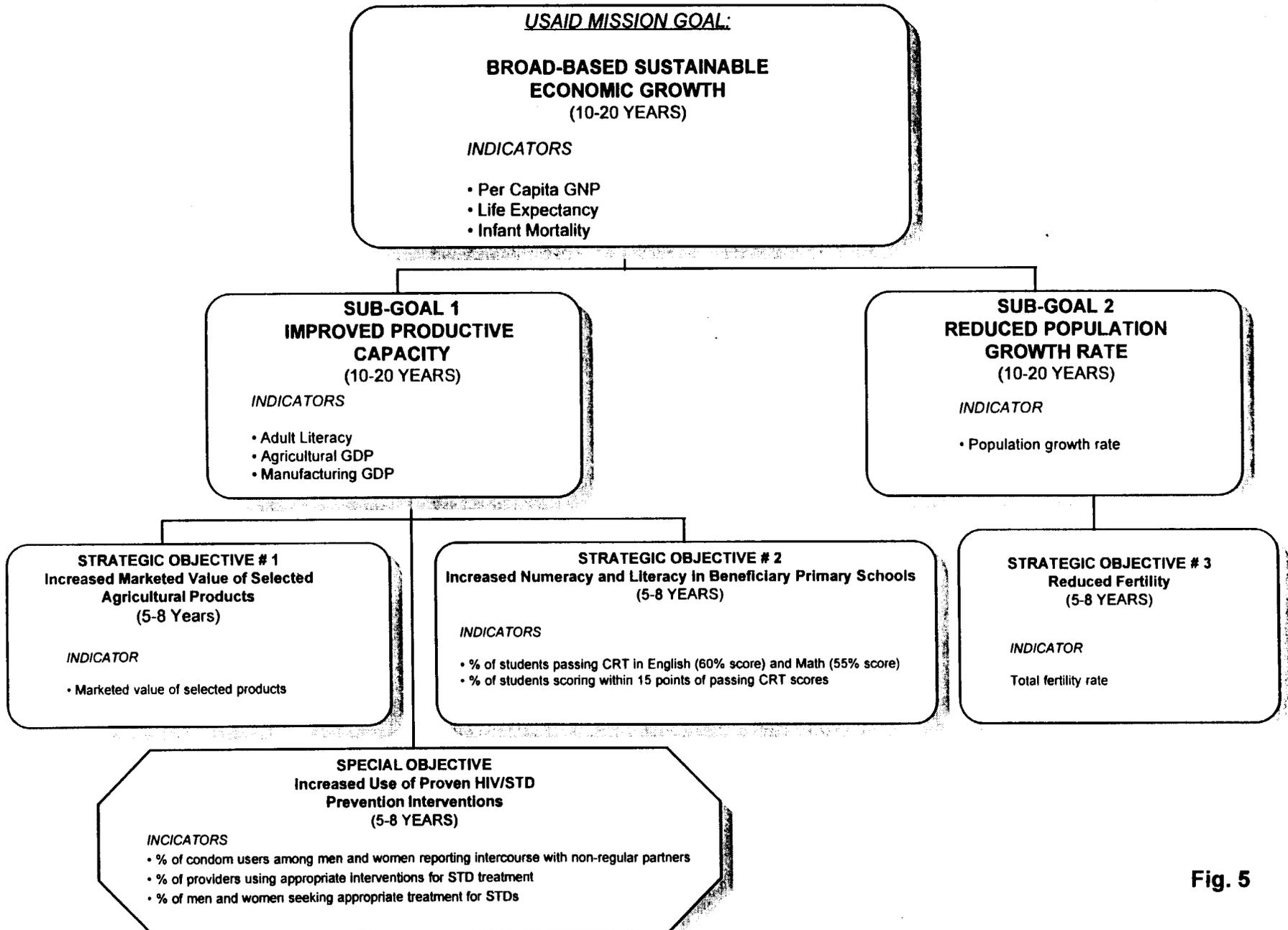


Fig. 5

People have to be literate and numerate in order to take full advantage of economic opportunities. Literacy and numeracy start at the primary school level. A solid basic education is essential.

The current high growth in the population places a great burden on the economy, which is required to supply social services, infrastructure and jobs for an ever increasing number of people. Much of the growth in the economy is needed just to keep living standards the same. With a lower population growth, more of the economy's gains would go directly into improved living conditions.

### C. STRATEGIC OBJECTIVES

#### 1. Strategic Objective No. 1: Increased Marketed Value of Selected Agricultural Products (SO1)

##### a. Problem Identification

Growth in Ghana's agriculture, forestry and fisheries sector is lagging. This poor performance retards overall growth of the economy, perpetuates poverty and food insecurity, and adversely affects Ghana's foreign exchange position through higher food imports and lower export revenues. The agriculture sector accounts for 40% of economic output and 70% of employment in Ghana. Yet, despite significant marketing opportunities for exports as well as manufacturing and agro-processing, agricultural growth has averaged less than 2% per year since 1983, well below population growth. Accelerated growth in agriculture, both in domestic and export markets, is essential to increase and sustain broad-based growth of the entire economy.

Since 1992, USAID has focussed assistance on increasing Ghana's non-traditional exports (NTEs). This effort is based on the recognition that, for Ghana to sustain increased economic growth, it must expand and diversify its export base beyond the traditional exports of gold, cocoa, timber and

electricity. NTEs have grown from \$68 million in 1992 to an estimated \$180 million in 1995. Nearly 80% of this growth has been in agricultural products: horticultural crops, fish and seafood, and wood products. Future growth of NTEs will continue to be led by agriculture-related products.

While a focus on NTEs is essential, domestic as well as export-oriented agricultural activities are needed for broad-based growth. Ghana has substantial opportunities to increase agricultural production and sales to meet unsatisfied demand in both domestic and export markets. Most enterprises can improve output and sales by adopting a commercial orientation and improved technical and managerial practices. USAID's PL-480 program has demonstrated this potential. Through this mechanism, assistance in the production, storage and marketing of palm oil, cassava, maize and legumes has expanded food supplies, incomes and employment for small farmers.

**Inadequate Marketing System:** A principal constraint to more rapid growth in agriculture is the weak marketing system for inputs and products. Agricultural marketing

*Accelerated economic growth requires a more commercial and export-oriented agricultural sector.*

---

#### ***Growing Out of Poverty***

*The USAID Trade and Investment Program (TIP) has successfully promoted Ghana's non-traditional exports since 1993. The dramatic increase in exports of fresh and processed pineapples has been supported by US technical assistance and training. In three years, fresh pineapple exports have increased from 9,000 tons to 20,000 tons and fruit drink production has increased fifteen-fold to 7 million liters. Nearly 3,000 small holder out growers have doubled their incomes from pineapples.*

---

is the process by which inputs are delivered to producers, outputs are collected from producers, and commodities are transported, stored and, often, transformed before sale to consumers. Nearly all of Ghana's more than 2 million rural households -- over 12 million people -- participate to some extent in the marketing of farm, forest or fisheries products. Input supply, processing, and other marketing activities are performed by a range of agro-industrial enterprises, the majority of which are small scale. Weaknesses in the marketing system include: policy and regulatory constraints; high rates of waste and spoilage; lack of specialization and limited agro-processing capacity; high marketing margins; and lack of knowledge of domestic and export market opportunities.

**Unreliable Supply of Agricultural Products:** A second constraint is the low and fluctuating supply of marketable products. Ghanaian businesses often face difficulties in producing sufficient quantities to meet demand. Low input utilization, limited access to financing, outmoded technologies, and poor business management practices contribute to product supply constraints. Agricultural enterprises must become more efficient by cutting costs, adopting environmentally sound practices, and, ultimately, increasing output in order to increase sales volumes and incomes.

Food insecurity is a manifestation of the supply and marketing constraints. In Ghana, food insecurity results from limited access and availability as well as poor food utilization. The problems of access and availability are compounded by low incomes, and seasonal fluctuations in supplies and prices. Poor utilization results from inadequate knowledge and practice within the household of food storage, processing techniques, and basic

principles of nutrition and sanitation.

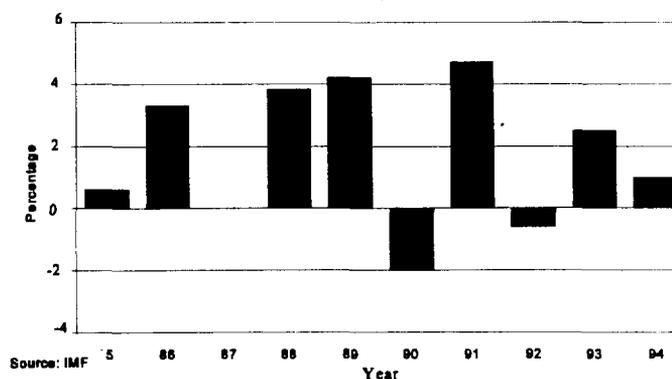
## b. Analysis of Options

USAID/Ghana considered providing assistance in a number of sectors with the potential for contributing to economic growth. In many of these, such as mining, infrastructure development and tourism, sizeable investments are being financed by other donors or by private investors, and USAID's comparative advantage is less apparent. A strategic focus on agriculture, both for domestic and export markets, was chosen because of the importance of this sector as a catalyst for accelerated and broad-based economic growth and because of USAID's comparative advantage in working with agriculture-based private enterprises. At the same time, a focus on agriculture will contribute to diversification of the sources of Ghana's foreign exchange earnings, and provide a broader base for development of manufacturing.

A narrower focus in NTEs or in agriculture was considered. One option was to retain a tight focus on NTEs. A second option was to assist production and marketing of a single food crop. For example, cassava alone accounts for 48% of all food staples produced, and so could potentially impact on both agricultural growth and food security. To focus on any single agricultural product, however, is unduly risky since specific market conditions are beyond USAID's

*USAID's comparative advantage is in assisting Ghanaians to increase the marketed value of their agricultural products.*

Fig. 6 - Agricultural Growth Rates (1985-1994)



# STRATEGIC OBJECTIVE NO. 1

## INTERMEDIATE RESULTS & ILLUSTRATIVE INDICATORS

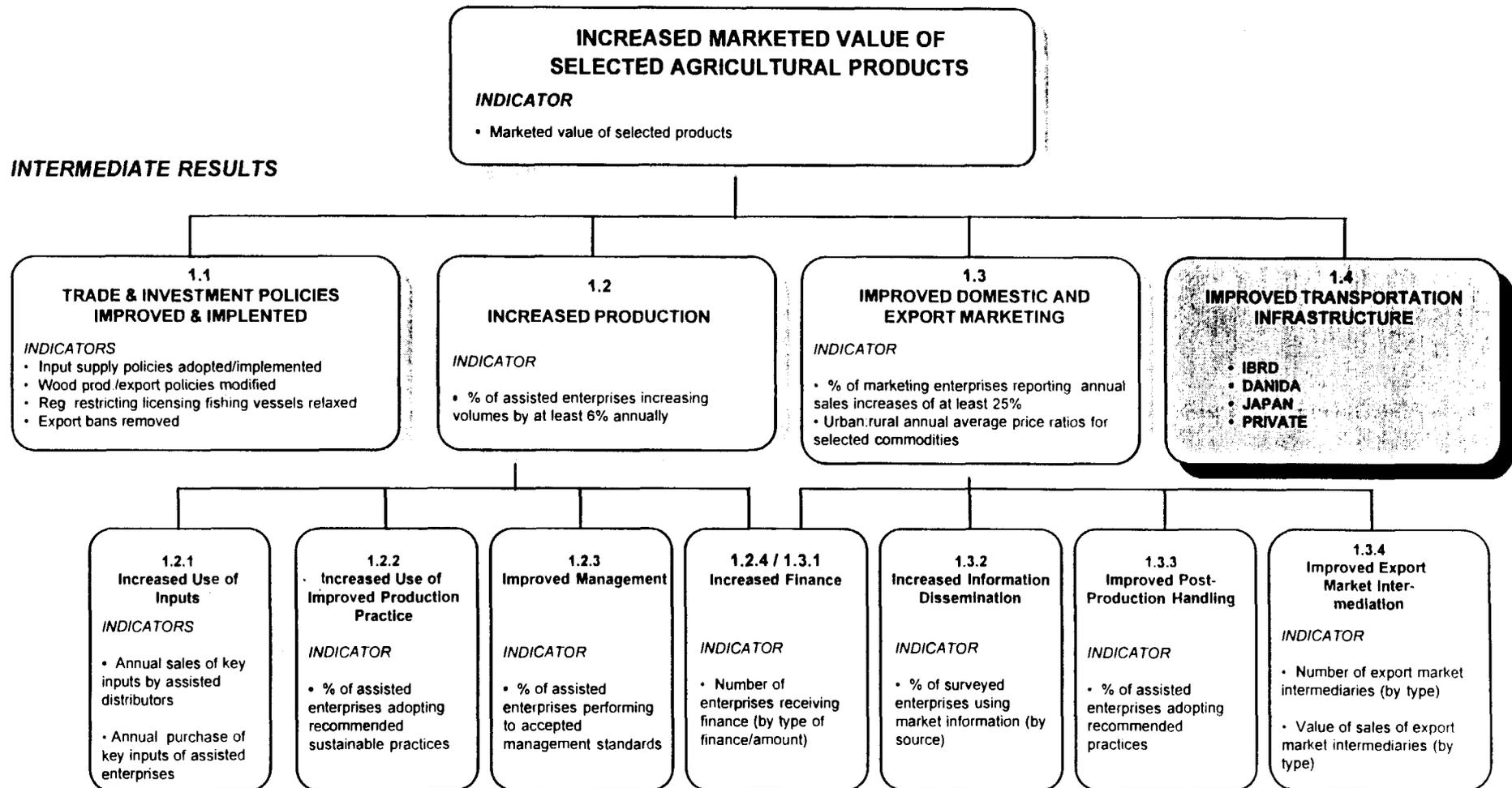


Fig. 7

manageable interest, and would not achieve the diversity sought.

USAID's strategic objective is to **increase the marketed value of agricultural products** through: (i) **improved trade and investment policies**; (ii) **increased production**; and (iii) **expanded markets** (see Fig. 7). This strategy places emphasis on developing business capacity among small holders, producers and market intermediaries. Interventions will be directed to NTEs that experienced the most growth in trade and investment activities over the past three years (i.e., agricultural products), together with other agricultural commodities (e.g., cassava, yams) that have demonstrated potential for high growth and marketability.

Achievement of SO1 will contribute directly to increased incomes. An increase in marketed value of agricultural products of 6% per year will yield a direct increase of 1% percent in agricultural and manufacturing GDP, boosting Ghana's economic growth rate by 0.5%. This SO will also contribute directly to increasing food security in Ghana: food availability will be expanded through increases in production, and accessibility will be enhanced through increases in incomes from both production and marketing.

#### **c. Critical Assumptions**

USAID's success in assisting Ghana to increase the marketed value of agricultural products is predicated upon three critical assumptions:

**GOG Commitment:** The GOG will foster economic and political stability, improvements in trade and investment policies, and provide supporting infrastructure.

**Market Demand:** Barring any major economic shocks, as Ghana's economy continues to grow, so will domestic demand

for agricultural products. Similarly, since Ghanaian products Ghana produces are large and Ghana's market share is small, substantial export demand exists. The challenge for Ghana is to compete effectively, to take advantage of existing marketing opportunities.

**Favorable weather:** Fluctuations in annual rainfall and growing conditions are expected and will affect attainment of program targets on a year-to-year basis. The critical assumption is that Ghana will not experience drought that is so prolonged or severe as to render USAID assistance ineffective.

#### **d. Identification of Affected Customers**

The principal actors and potential customers of interest to USAID are the wide range of private sector participants in the agricultural system: input suppliers, households and businesses engaged in farming, forestry and fishing, processors, distributors, exporters, and suppliers of storage, transportation and other support services. These are all agricultural enterprises. The largest group of potential beneficiaries is comprised of rural households, representing a population of 12 million, of which 32% are female-headed households. Two-thirds of rural household incomes are derived from farming, while nearly one-third is derived from commercial or light manufacturing activities.

Clearly, the number and needs of potential customers far exceed USAID's resources and the capacity of Ghana to absorb assistance effectively. USAID can, however, achieve significant impact with respect to SO1 by focussing assistance on approximately 100,000 small producing and marketing enterprises (or 1700 groups with an average of 60 members per group) and 200 larger producers, manufacturers, and marketing and exporting intermediaries. USAID experience with the on-going Trade and Investment Program and the P.L. 480 Program suggests that interventions under this SO will have the potential to provide quantifiable benefits

*USAID's target groups include 1700 farmers' groups and 200 larger producers, manufacturers, and marketing and exporting intermediaries.*

(increases in productivity and income) to over 1.6 million people. Policy and regulatory reforms effected through part of the program will have a widespread impact throughout the private and agricultural sectors.

Direct beneficiaries will be selected in collaboration with USAID's development partners. Assistance will be limited to enterprises operating within the markets for food crops, horticultural products, seafood, and wood products. USAID will work with each implementing agency to: (i) identify product markets with significant potential; and (ii) identify communities and enterprises based on technical potential to capitalize on market opportunities, institutional or managerial potential to use assistance effectively, commitment to the program and willingness to share costs, and equity considerations.

#### **e. Commitment and Capacity of Other Development Partners**

GOG policies recognize the importance of private-sector-led growth in the agriculture and manufacturing sectors. In practice, however, the state still plays a substantial role in the provision of infrastructure, financial services, agricultural research and extension, cocoa exports and services, and manufacturing. This approach has not accelerated agricultural growth. Recently the GOG has reviewed its agricultural strategy. This resulted in recommendations for the development and multiplication of appropriate planting materials for exportable crops, the development of research, extension and marketing linkages with the private sector to increase agricultural productivity, timely provision of extension packages to all categories of farmers, the provision of up-to-date information on investment opportunities, and an increased role for PVOs and NGOs in assisting increased productivity and improved marketing.

Donor support to the agricultural sector is substantial. Between 1991 and 1993, six donors invested a total of \$149 million in this sector. Assistance has been focussed upon research and extension (World Bank), rural poverty alleviation (CIDA and UNDP), financing (World Bank, CIDA, and the European Union), rural feeder roads (World Bank, DANIDA and USAID), and bio-diversity and forest management programs (World Bank, European Union and DANIDA).

A number of PVOs and NGOs have been effective in agricultural production and market development, notably Sasakawa/Global 2000, TechnoServe and the Adventist Development and Relief Agency. These groups have achieved substantial increases in production and marketed sales of agricultural products in beneficiary communities.

#### **f. Illustrative Approaches**

USAID's approach to increasing marketed value of agricultural products seeks to achieve increased improvements in policies, production, and market sales.

**Trade and investment policies improved and implemented:** Past USAID programs have contributed to improvements in the policy environment for trade and investment. SO 1 will promote the continued implementation of these new policies and the removal of remaining constraints, including:

- regulations affecting the production and export of wood products;
- import procedures which presently restrict the supply of agricultural and manufacturing inputs;
- restrictions on licensing new fishing vessels; and
- bans on the export of several commodities.

**Increased production:** Sufficient and reliable product supplies to the market will come through increases in output and the

*USAID's tools will include policy dialogue, business assistance, and support for linking organizations*

reduction of waste and losses. USAID will assist agricultural enterprises to access required inputs and financing, possibly through micro enterprise and inventory credit schemes. Support will also be provided to communities, manufacturers, and market intermediaries to improve their technical production and management practices. To ensure sustainability of production improvements and avoid environmental degradation, appropriate agricultural, fishing and wood milling and production practices will be adopted.

**Improved domestic and export marketing:** USAID activities will focus on assisting agricultural enterprises to develop their commercial capabilities. Specifically, agricultural enterprises will be assisted to: cut costs; improve storage and handling practices to reduce post-harvest losses and stabilize product prices; add value through processing and manufacturing; increase knowledge of prices, buyers and consumer preferences; and, establish effective linkages with suppliers and distributors. Greater specialization into marketing functions such as input supply, storage, wholesaling, processing, and exporting will also occur. A special focus will be placed on developing the capacity of Ghanaian enterprises to capture shares of existing export markets and to reduce Ghana's dependence on exports of cocoa, gold, timber and electricity.

**Improved Infrastructure:** Infrastructure investments will contribute to the reduction of marketing costs. Similarly, improved agricultural research and extension will contribute to increases in sustainable farm output, and improved financial services will increase investment and marketed production. These development needs are being addressed by several other donors.

Non-project assistance will be used to improve the trade and investment policies identified above. Technical assistance and training will be provided by institutional contractors or grantees, primarily to those

producers, manufacturers, and domestic and export marketing intermediaries with the greatest potential for contributing to increases in marketed value of agricultural products and to development of the marketing system. Assistance to farmers' groups, largely small holders, as well as rural micro-enterprises will be provided through selected U.S. PVOs.

Food security will be improved through assistance to agricultural enterprises utilizing both PL-480 Title II resources and development assistance. By emphasizing economic growth, SO1 will address both food access and availability, since Ghanaians will be assisted to increase their incomes and food production, and to reduce seasonal fluctuations in food prices. Assistance will focus on the production and marketing of selected food crops, e.g., maize and cassava, and will thus directly enhance food security. While better utilization is being addressed primarily by other donors, USAID assistance will promote a better understanding nutrition and hygiene, keys to improving food utilization.

#### **g. Sustainability**

Financial sustainability will be achieved by strengthening the capacity and profitability of agricultural enterprises to maintain and expand their operations over time. In addition to providing assistance to modify and implement selected trade and investment policies that directly affect the production and marketing of agricultural products, support will be provided to improve the technical production and management practices of assisted enterprises. Emphasis will be placed on improving the domestic and export marketing systems for agricultural commodities. Included in this effort will be improving storage and handling practices, establishing market linkages with market intermediaries, and adding value through processing. All of these initiatives will enable private agricultural enterprises, both those which are directly assisted and those

*Food assistance is a major component of the USAID strategy.*

### ***Why Doesn't Kwesi Learn?***

*Since 1990, the USAID Primary Education Program (PREP) has helped Ghana restructure and equip its primary education system. A national basic education policy was developed and nearly 8 million textbooks were produced. Still, the system is not working. Recently, a farmer commented that if he would have known that after six years of education his son would not know how to read and write, he would not have sent him to school but instead kept him at home on the family farm.*

which indirectly benefit, to become productive and profitable on a sustainable basis.

#### **h. How Achievement of the Strategic Objective Will Be Judged**

Achievement of SO1 will be measured through an increase in the marketed value of selected agricultural products. The marketed value of selected food crops, horticultural products, seafood, and wood products is targeted to increase from \$470 million in 1994 to \$780 million in 2001. Although this list of commodities is not exhaustive, it will capture a majority of the growth resulting from USAID assistance during the Strategic Plan period.

The initial baseline of \$470 million in 1994 has been estimated from existing data. A study will be undertaken to refine the baseline and develop a methodology for collecting reliable data on increased marketed value in future years.

USAID Ghana will also monitor and report on progress indicators derived from the Intermediate Results. Existing monitoring instruments will be adapted to the new

strategy. Grants and contracts with implementing agencies will specify monitoring requirements and the monitoring and evaluation of program activities will be the responsibility of the Mission's extended Strategic Objective Team.

#### **2. Strategic Objective No. 2: Increased Literacy and Numeracy in Beneficiary Primary Schools (SO2)**

##### **a. Problem Identification**

Effective basic education is fundamental to achieving the literacy and numeracy levels required for sustainable economic growth. The system mandated to provide that education in Ghana failed miserably in the 1970s and 1980s. There was a dramatic reduction in government expenditures for basic education, a severe shortage of essential instructional materials, a deterioration of school buildings, a mass exodus of qualified teachers from Ghana and an erosion of community confidence in the education system. The output of that failed system is the more than 5 million adult illiterates in the population today.

Today there are more children of primary school age (6 - 12 years) than ever before. By the year 2000, there will be 17% more children in the primary school ages than now. The system is getting bigger, not better. Learning is not taking place for a variety of reasons.

**Poor instruction:** Over the past two decades the quality of teaching in Ghana has plummeted through poor conditions of service, inadequate training and low social esteem. Teacher, and pupil, absenteeism is high. There is a lack of appropriate learning materials. The curriculum is overloaded and burdensome to teachers and students. School facilities, from the physical structure to furnishings, are inadequate. Methods of teaching are outmoded and rely heavily on techniques that diminish student participation and interest, such as memorization and copying from the blackboard.

*Ghana's basic education system has failed many of its citizens.*

## STRATEGIC OBJECTIVE NO.2 INTERMEDIATE RESULTS & ILLUSTRATIVE INDICATORS

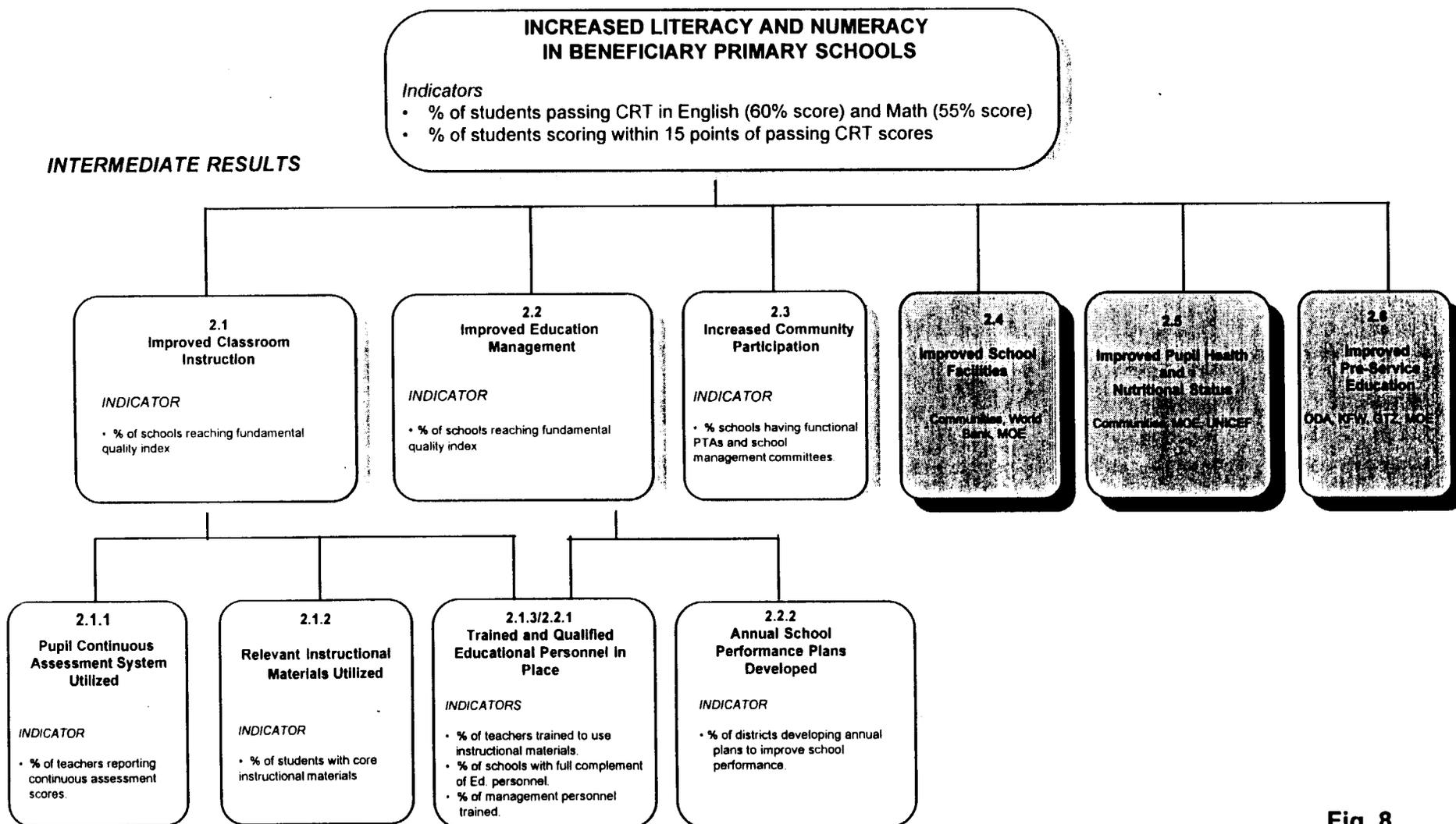
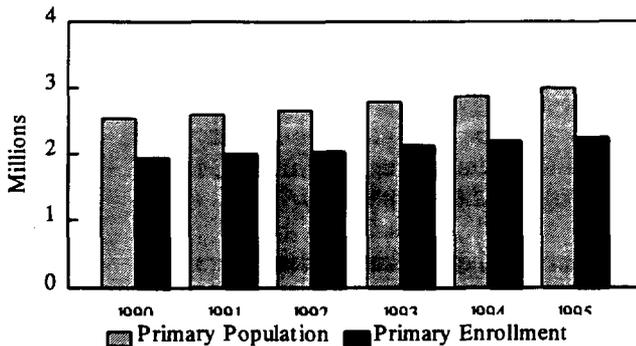


Fig. 8

Fig 9. - Primary School Aged Population and Enrollment Rates



the demands of a growing population.

Recently steps have been taken to rehabilitate the basic education system (grades 1-9). In 1987, the Government initiated an education reform program which included the revision of curricula for primary through secondary school; teacher training; and reducing pre-tertiary education from 17 to 12 years. The 1987 reforms also laid the foundation for the

*Positive change must start in the classroom.*

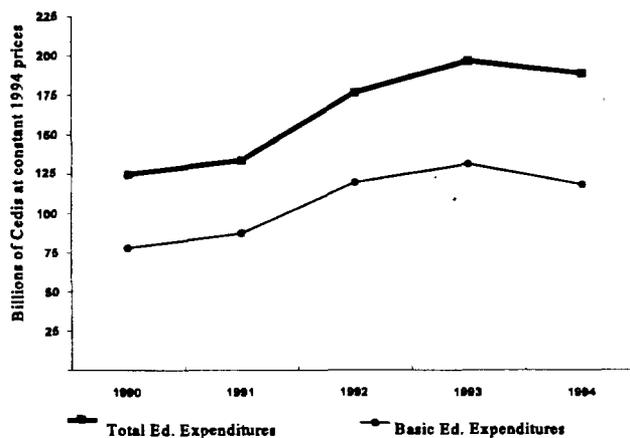
**Inadequate supervision and management:** Supervision and management at both the school and district levels is poor. Recent steps toward decentralization have further stretched an already weak management environment. The devolution of authority to the districts has been hampered by incomplete and unclear transfer of authority, redundant and inappropriate posting, an inadequate planning process, ineffective monitoring and evaluation, and inadequately trained staff at all levels of management. The GOG has stated its intention to further decentralize management and supervision functions, but additional management reform, restructuring and training are needed before such a move would be effective.

decentralization of school supervision and gave responsibility for building and maintaining school facilities to District Assemblies.

Since 1987 Ghana has maintained one of the strongest financial commitments to the education sector in all of Africa. In 1994 more than 40% of the MOE's recurrent budget was allocated for basic education. However, over 95 percent is spent on salary related items. As a result, donor programs have been relied on to provide substantial funding for essential materials and training. All of these inputs, including more than \$400 million from donors over the past decade, have been necessary but not sufficient for improving the quality of learning in the classroom.

**Insufficient community participation:** Historically, community participation was a key ingredient to enforcing school standards, improving attitudes towards education and providing financial support. Local groups, such as parent teacher associations, are no longer playing that role. Since there is little likelihood of the Ministry of Education (MOE) receiving a higher share of the national budget, new efficiencies will have to be found. New community based sources of funding and management oversight need be developed in order to meet

Fig. 10 - GOG Expenditure on Education



Student achievement tests administered in four successive years from 1992-1995 illustrate that primary school student achievement is woefully low. Research from the USAID funded Center for Research on Improving Quality Primary Education in Ghana (CRIQPEG) corroborate the low learning levels among primary pupils.

These data suggest that unless dramatic steps are taken to improve the quality of primary education, the system will continue to produce massive numbers of students who do not have the basic skills in literacy and numeracy to contribute to Ghana's national development.

#### **b. Analysis of Options**

The 1992 Ghanaian constitution requires a program that would provide "Free, Universal Basic Education." The Ghanaian Parliament has recently approved an ambitious MOE strategy for national basic education, titled "The Program for Free Compulsory Universal Basic Education (FCUBE) by the Year 2005". The focal point for the strategy is to improve the quality of education. However, the difficulty lies in delivering on the promise of "free" and "universal" education on such a massive scale while maintaining quality.

In light of the poor sector performance, the MOE and donors undertook a review of the GOG reform program. Last year, a series of national review committees and subsector studies identified critical constraints. While all of the major donors agreed to the framework of FCUBE, the time period, implementation schedule and intended outputs were considered highly optimistic. USAID had to consider where it could best fit into this very comprehensive undertaking in a way that would both support the goals of FCUBE and show results.

For the last 5 years USAID's Primary Education Project (PREP) has focused on

national level policies and the financing of materials for basic education. A "PREP II" program was considered. This would have included national level inputs such as school building, textbook distribution and national teacher training programs. However, highly centralized programs which focus on policy reform or inputs alone are not sufficient for effecting change at the school level.

USAID research and experience demonstrate that educational quality must be improved by a change of methods and management at the classroom and school level. The important decisions about how best to support learning are based on informed knowledge of particular pupils and their immediate classroom environment.

USAID's in-country experience with the Equity Improvement Project, the Center for Research on Improving quality of Primary Education in Ghana (CRIQPEG), and UNICEF activities have confirmed the sagacity of this approach. It is also an approach that requires a high level of direct technical assistance. Fielding that kind of assistance is one of USAID's comparative strengths.

**USAID's second strategic objective is to increase literary and numeracy in beneficiary schools.** (See Fig. 8) This objective will focus at the school, community and district level, developing on a manageable scale what really works to achieve children's learning, and specifically literacy and numeracy. The essence of the program will be to demonstrate and replicate the conditions and strategies required for effective and sustainable schooling. This will involve changes in management, resources and practices in the classroom, at the school, at the circuit level, at the district level and finally at the national level.

USAID/Ghana believes that working in 5 districts within four different regions and in 500 communities is a large undertaking, but one that can be managed. The order of

*Basic literacy  
and  
numeracy is  
the most  
important  
focus.*

magnitude is consistent with similar approaches to improving basic education that are underway in Africa and other parts of the world. This level of effort will provide enough variety and a sufficiently strong focus for learning and replicating on a national scale.

### c. Critical Assumptions

The proposed results framework rests on three critical assumptions:

**GOG Policy Commitment:** The MOE will support basic education reform by: making decisions about staffing (qualifications, posting, transfers, sanctions, incentives); commitment to decentralization; and support to non-governmental organizations as legitimate service providers.

**Other Donors Support:** Donors will continue support for education development and be willing to coordinate activities in areas such as improved school facilities, pupil health and nutritional status, and improved pre-service education.

**Receptive Community Environment:** The MOE, districts and communities will be willing to support and take responsibility for quality improvements at the beneficiary schools. The change process envisioned will also require active participation and increasing levels of responsibility and accountability from the Ministry of Education, and district education and school personnel.

### d. Identification of Affected Customers

The primary beneficiaries of SO2 will be approximately 200,000 Ghanaian students in 500 schools in five districts. These students, comprising ten percent of Ghana's primary school age population will be directly affected by improvements in teaching and management at their schools. Secondary beneficiaries include the rest of Ghana's 3,000,000 primary school children, who will

profit as changes introduced into the USAID-assisted schools become more widespread throughout the educational system.

Evidence suggests that quality and relevance of the educational process can increase demand and create the conditions for increased enrollments and retention. Increased enrollment, retention and learning will benefit both girls and boys. Monitoring of progress against learning objectives will be tracked and reported by gender.

Other beneficiaries include about 3,300 teachers and headteachers, 400 district education personnel, as well as parents and community leaders who will be better prepared to participate in and manage their schools.

### e. Commitment and Capacity of Other Development Partners in Achieving the Objective

The GOG has made important steps towards greater decentralization of its basic education system. The 1987 educational reform, the Ghana Education Service bill and FCUBE have all supported the devolution process. District Assemblies have been given greater responsibility for local school facilities and have been allocating increasingly larger budgets to schools in their districts. There is also a trend toward greater participation by local NGOs, and religious groups private schools. Because the level of achievement tends to be higher in those schools than in public schools, there is potential to benefit from their experiences.

Substantial donor support is provided for improving basic education. In addition to USAID, donors will contribute roughly \$140 million to basic education over the next five years. The World Bank is the largest lender and is currently preparing

*USAID's target group is 200,000 primary school students in 500 schools.*

a large Basic Education Investment Program aimed at improving access to basic education particularly in impoverished areas, and improved financial management. The British ODA will be collaborating with KFW and GTZ to improve pre-service teacher education. UNICEF recently began their new five year country education program that focuses on girls education and community based education programs. The European Union expects to continue significant general budgetary support for non-wage expenditures in basic education.

#### f. Illustrative Approaches

USAID Ghana's approach to increasing literacy and numeracy in beneficiary schools seeks to achieve improved classroom instruction, decentralized and improved school management and increased community participation.

● **Improved Classroom Instruction:** In-service teacher training will, emphasize the acquisition and implementation of practical skills, learning techniques and teaching materials to strengthen the effectiveness of instruction. This will also require training for Circuit Supervisors on observation, monitoring and feedback techniques that best support teacher improvement.

USAID will also assist in developing a rational scope and sequence for the primary curriculum. Effective assessment systems for monitoring student progress and improving classroom instruction will be developed and linked to the curriculum.

● **Decentralized and Improved Management:** For decentralization to be effective, administrative responsibilities and accountability for performance at the district and school level must be developed and implemented. USAID will assist in: strengthening headmaster management and supervision skills; bringing greater discipline and accountability to schools; reducing teacher and pupil absenteeism; and building

morale of basic education personnel. District planning, management and evaluation capacity will also be strengthened.

● **Increased Community Participation:** Increased community participation will be encouraged through parent teacher associations and school management committees. Community groups will be encouraged to participate in the school improvement programs through awareness campaigns, social mobilization activities and incentive grants to improve school quality. Diverse representation in all community groups will be encouraged. NGOs will take the lead in supporting greater community participation in education.

Creation of the enabling conditions that allow these improvements to take place rests with national policy. To reinforce the impact of the program on the 500 schools, - and expand the benefits into the larger school system, Non Project Assistance (NPA) will be used to:

- Establish and replicate best practices in primary education instruction and school management;
- Support teacher qualification;
- Advance delegation of responsibility and authority to the district level; and
- Leverage additional resources for local level support of primary schools.

#### g. How Will Sustainability Be Achieved

USAID-financed assistance will help to develop the knowledge, experience and tools necessary for replication of effective approaches in other districts and regions. Improved policy will improve budgetary allocations for classroom activities and lay the groundwork for reform throughout the entire primary school system. Through local participation, communities will come to value and support their primary schools. Finally, management efficiencies will be identified to promote better use of existing resources.

*Community involvement can generate and sustain improved learning.*

#### **h. How Achievement of the SO Will Be Judged**

The indicator for the achievement of SO2 is the percentage of students at the end of the sixth year of primary school receiving a passing score on a national proficiency test for English and Mathematics in the beneficiary schools. Present pass rates for public schools are 3.6% for English and 1.8% for Math. The target is to achieve a pass rate of 30% for English and 15% for Math by the end of six years of SO activities. Because test scores are currently at such a low level USAID will also track the percentage of students achieving a near passing score (50-59% English and 45%-54% Math).

### **3. Strategic Objective No. 3: Reduced Fertility (SO3)**

#### **a. Problem Identification**

Reducing fertility to slow population growth is critical to achieving sustainable economic growth. If the population continues to grow at the current annual growth rate of 3%, the number of Ghanaians will double, increasing from 17.5 million to 35 million, in just 24 years. Not only is the population growing rapidly, but it has a young age structure with over 48% of the population under 15. This means that half the population is working to provide food, health care and education for the other half of the population. (In more developed countries there are characteristically two workers for every child under 15). If this rapid growth does not slow, the population will place unsustainable pressures on Ghana's food supply, energy resources, environment, educational system, labor market and health services.

The 1993 Demographic and Health Survey reports that changing attitudes towards ideal family size and steady improvements in family planning programs are resulting in a decline in fertility in Ghana. The total

fertility rate or the average number of children a woman has during her reproductive years has decreased from 6.4 in 1988 to 5.5 in 1993. Further declines in fertility can be achieved as the family planning program provides more information to the population about the benefits of family planning, increases the demand for and use of more effective contraceptive methods and expands service provision. In addition to the impact of the family planning program increases in female literacy will influence the downward trend in fertility. Constraints to reducing fertility are discussed below.

**Low use of modern family planning methods:** Ghana's family planning program must strengthen efforts to inform couples about the benefits of family planning, improve the quality of its services, and increase the number of couples who are using modern, effective methods for family planning. The GOG, in its 1994 Revised National Population Policy, set the goal of reducing fertility to 5.0 by the year 2000. If this target is achieved, the annual rate of population growth will drop to 2.8 percent.

To accomplish this, the current number of contraceptive users must more than double to 750,000 in the year 2000. Also, couples

*Population growth consumes the first 3% of economic growth every year.*

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#### **What's the Ideal Family Size?**

*Ghanaian women say that they want 4-5 children, yet, the national fertility rate is 5.5 children. USAID's Ghana Population and AIDS Program is assisting these women to close the gap between desired and actual family size. USAID will provide access to modern contraception for nearly 750,000 users.*

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# STRATEGIC OBJECTIVE NO.3 INTERMEDIATE RESULTS & ILLUSTRATIVE INDICATORS

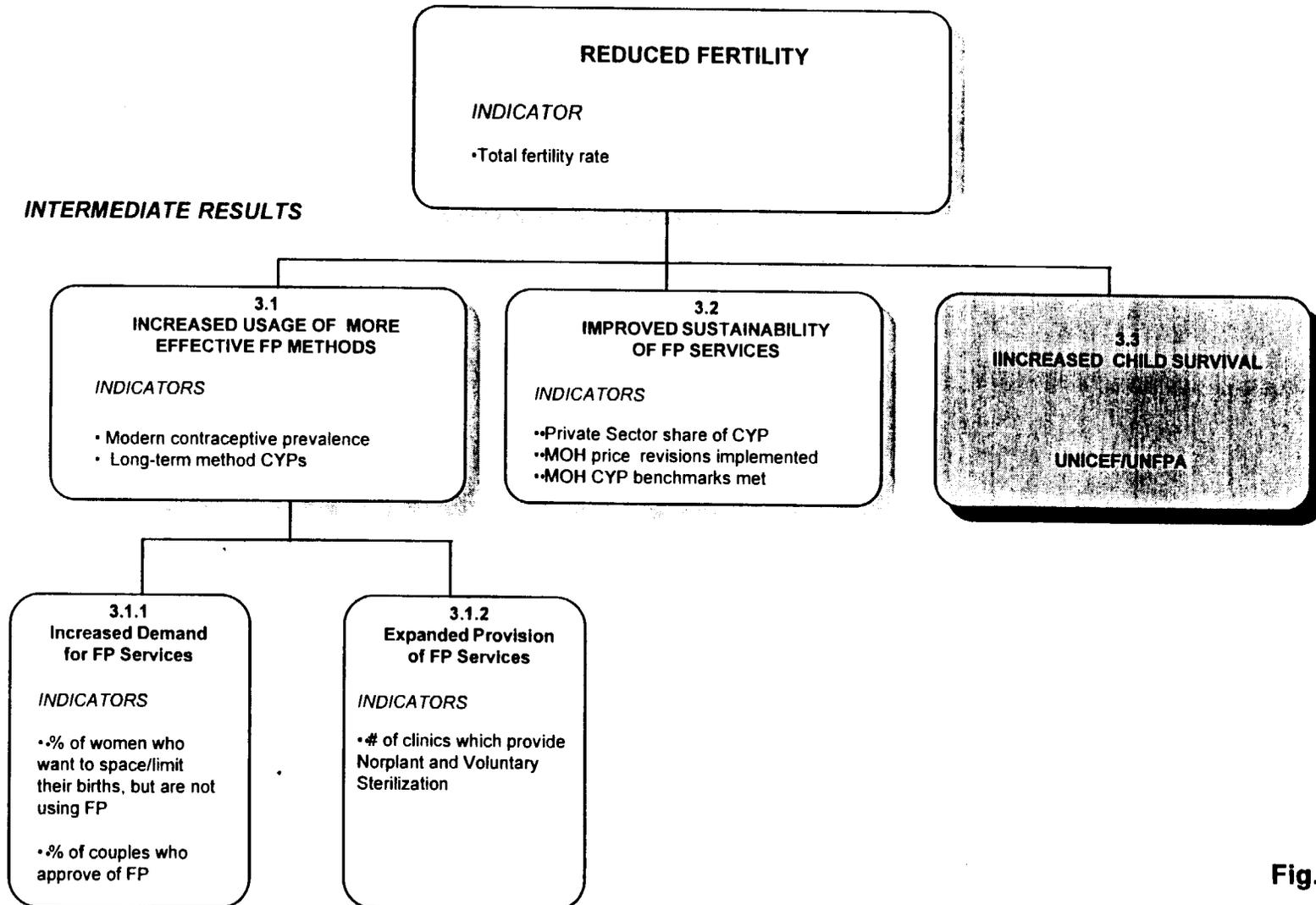


Fig. 11

who are using family planning must shift from less effective short term methods (oral contraceptives, condoms, vaginal foaming tablets) to more effective long term methods (injectables, IUDs, implants and sterilization). This shift will both improve women's health and increase the cost-effectiveness of the program. Currently, low levels of education, lack of information, fear of side-effects, lack of support from husbands and inadequate access to family planning services are the major obstacles to increasing use of effective family planning methods.

**Inadequate access to family planning services:** Current service provision cannot meet the growing demand for family planning. Provision of long term methods is limited and counseling to ensure that women use the most appropriate methods is poor. Private sector distribution reaching more convenient outlets must be expanded to increase access and lessen the financial burden on the MOH. Community distribution to meet the needs of people living in the rural areas must be expanded. Campaigns to reach special target groups such as adolescents and men need to be developed. In addition to expanding services, it is essential to ensure their sustainability. This will require increasing program resources from the GOG, the private sector, and the family planning users themselves.

**Low levels of female literacy:** There is an important linkage between the Mission's strategic objective to improve literacy through primary education and this strategic objective to reduce fertility. Research has shown that men and women with low levels of education tend to want larger families and also to have larger families. In Ghana, women with no schooling want to have and actually do have on average 1.8 more children than those with 10 or more years of schooling. The influence of schooling on fertility is stronger in communities where the overall educational level is higher suggesting

the important role that primary education and mass literacy programs can play in reducing fertility. Better-educated women will have higher rates of contraceptive use and will be more likely to use more effective methods. Furthermore, young women who practice family planning will be more likely to remain in school.

#### b. Analysis of Options

There are a variety of approaches that can be used to reduce fertility. Ghana's 1994 Revised National Population Policy presents the following steps the country must take in order to achieve and maintain a level of population growth which is consistent with national development objectives:

- reduction of fertility through the provision of affordable and high quality family planning services
- elimination/control of sexually transmitted diseases including AIDS
- development of special programs focussing on adolescent reproductive health
- integration of population issues into all aspects of development planning
- reduction of the high levels of maternal and infant mortality and morbidity
- enhancement of women's rights and status within society
- ensuring a more balanced distribution of the population
- conservation of the environment and natural resources.

USAID's third strategic objective is to **reduce fertility by increasing the usage of more effective family planning methods and improving the sustainability of family planning services.** (See fig. 11) Interventions will be include components which meet the needs of adolescents, men and rural clients. Also USAID's activities in strengthening education of the girl child will contribute to enhancing the status of women.

*Ghanaians  
desire  
affordable  
and high  
quality  
family  
planning  
services.*

These areas have been selected because increasing the use of family planning has direct and significant impact on slowing population growth. Recent increases in contraceptive use and the resulting decline in fertility indicate that the demand for family planning is growing and there is a need to ensure that sustainable services are in place to meet that demand. USAID has a long history of working in the population and health sector in Ghana and, through its network of Cooperating Agencies, has a comparative advantage in the population field. Certain aspects of the family planning program will benefit the Special Objective (Section D) such as the social marketing activities which will raise awareness, provide services and increase condom use. USAID's areas of intervention also integrate well with other donor activities.

#### c. Critical Assumptions

**Political Stability:** Political stability and economic growth must continue in Ghana and neighboring countries for this strategic objective to be achieved. Regional instability will result in increased population pressures from neighboring countries.

**GOG Commitment:** The GOG has been very supportive of population activities. The National Population Policy was revised in 1994, the National Population Council was established in 1992 and is located in the President's Office. While there is clearly commitment at the national level, this commitment must continue and extend to the local levels as public sector decision making is decentralized. In addition there is an urgent need for continuing political and financial support for these programs in both the public and private sectors in order to ensure long term program viability.

**Other Donors Support:** Donor support must continue to be well coordinated and complement the work being supported by USAID. This is of particular importance with regard to support for child survival

since relatively high infant and child mortality rates play an important part in parents' decisions to opt for larger families.

#### d. Identification of Affected Customers

Customers for SO3 include all men and women of reproductive age in Ghana. Important target groups which have been identified include women who wish to delay or limit their births and are not currently using family planning, adolescents, males and people in rural areas with limited access to services. According to the 1993 Demographic and Health Survey, almost 873,000 women want no more children and over 1 million more would like to delay the birth of their next child by at least two years. These women constitute a critical group of customers. For many, the unfavorable attitude of their partners keeps them from using family planning. Consequently, activities directed toward men are an important part of the program. For both modern and traditional methods, contraceptive use of the urban population is twice that of the rural population. Therefore, efforts must be focused on reaching the two-thirds of Ghanaians living in rural areas.

Activities and messages which reach teenagers must also be emphasized. Teenagers, a growing segment of the population, are entering their reproductive years and need information about family planning. Over one-fifth of all teenage girls aged 15-19 have started childbearing and 45% of 19 year-olds have begun their childbearing. The proportion of teenagers in the rural areas who have already had their first child is almost double that in the urban areas.

#### e. Commitment and Capacity of Other Development Partners

Donor assistance in health and population is estimated to be over \$100 million for the five-year period from 1991-1996. USAID is

*USAID's target groups are the 1.8 million women who wish to delay or limit their births, adolescents, males and people in rural areas without access to services.*

considered by other donors and the Government of Ghana to be the lead donor in population and family planning, with a comparative advantage in private sector efforts. This year, under the aegis of the Common Agenda, the Japanese will be developing joint coordinated actions with USAID to complement efforts already in place in population and HIV/AIDS prevention. Major donors providing assistance to Ghana in population and family planning include the World Bank, UNFPA, UNICEF and ODA.

#### **f. Illustrative Approaches**

USAID/Ghana's approach to lowering fertility seeks to achieve 1) **increased use of more effective family planning methods by increasing demand for family planning and expanding provision of family planning services** and 2) **improved sustainability of family planning services**.

● **Increased Demand for Family Planning:** Demand for family planning services will be increased by strengthening Information Education Communication (IEC) activities and improving the quality of services. IEC and social marketing campaigns will be developed which convey important messages about the benefits of family planning and specific methods to target audiences such as men and adolescents. The campaigns will disseminate information through mass media; posters and brochures available at health facilities and points of sale; and health care providers, community workers and NGOs. These campaigns will be supported by training service providers in order to improve the quality of care and ensure that family planning clients are counseled to use the most effective and appropriate method. To encourage clients to move to more effective long-term methods information, counseling and effective referral systems must be in place.

● **Expanded Provision of Family Planning Services:** The provision of both short-term

and long-term methods will be expanded to increase access to and use of family planning services. Strengthened social marketing and community distribution of short-term methods will increase their availability, improve accessibility to low income consumers, and meet increasing demand with adequate supply. Distribution of family planning through private physicians and NGOs will be strengthened by training service providers. The number of facilities equipped and staffed to provide long-term methods in the MOH system will be increased and training for health care workers will be improved.

● **Improved Sustainability of Family Planning Services:** Non-project assistance will be used to encourage needed policy reforms designed to improve sustainability of family planning programs. This includes GOG budgetary commitment both to family planning services and to programs which support these services such as health education efforts and training. Budgetary commitment to the National Population Council will demonstrate a willingness to ensure coordination of all population activities in Ghana. Furthermore, policies which increase private sector distribution and improve efficiency of family planning service provision will be revised and implemented.

The private sector has a very important role to play since it reaches wider distribution and meets the needs of people who are willing to pay a higher price in order to have more convenient access to family planning services. To increase program resources from the private sector and from family planning users, the price structure of the contraceptive market will be updated and the public-private sector partnership will be strengthened. The MOH must regularly update the fees it charges for contraceptives in order to keep pace with inflation and increase cost recovery. When low-priced MOH products leak into the private sector market resources available to the MOH and opportunities for private sector distributors

*USAID will support both public and private suppliers of family planning services.*

are reduced. Currently, 56% of family planning users obtain services from the private sector and 43% from the public sector. In order to increase the share of family planning users obtaining services from the private sector, especially those using short-term methods, more attention will be given to market segmentation according to the socio-demographic characteristics of users and to the respective roles of government, private voluntary and commercial services in serving different market segments.

#### **g. How Sustainability Will Be Achieved**

Family planning in Ghana is in the emergent stage with modern contraceptive prevalence of 10 percent and requires donor assistance and support for contraceptives. However, it is important that donor assistance is designed to improve the efficiency of the program and increase program resources from other sources such as the GOG, the private sector and family planning users.

Sustainability of public sector service provision will be strengthened in three ways. First, this strategy will promote policy changes which support increased budgetary allocation to family planning programs and related activities. Second, the pricing structure for contraceptives will be reviewed and updated regularly. Third, the efficiency of resource use in both the public and private sectors is being improved by strengthening coordination of program activities, streamlining service delivery guidelines, strengthening the partnership between the public and private sectors, and encouraging a shift to long-term methods. Shifting to longer-term methods will, by definition, create a situation which is more sustainable. These methods are more effective, cost less per couple year of protection, and will permit the goal of reduced population growth to be achieved in a shorter time frame. After USAID supported efforts in training, establishment of training sites and refurbishment and construction of clinics for

the delivery of long-term methods, the infrastructure will be in place to ensure that these services will continue to be available.

Private sector provision is being strengthened through social marketing to expand the commercial market for family planning products and support to improve the efficiency of NGOs. These efforts will increase market demand and encourage purely private sector entrants into the market which will, in turn, increase the distribution of family planning products and information through private medical practitioners, pharmacies, other retail outlets and networks of NGOs.

#### **h. How Achievement of the Strategic Objective Will Be Judged**

The indicator for the Strategic Objective will be total fertility rate. The target will be to reduce the total fertility rate (TFR) from its current level of 5.5 to 5.0 by the year 2001. Judging progress towards achievement of the strategic objective and its intermediate results will be based on a series of people-level, gender disaggregated measures which are already in place. These include a series of surveys, situation analyses which assess service delivery practices, and service statistics. The results framework provides illustrative indicators for the strategic objective and intermediate results.

### **D. SPECIAL OBJECTIVE**

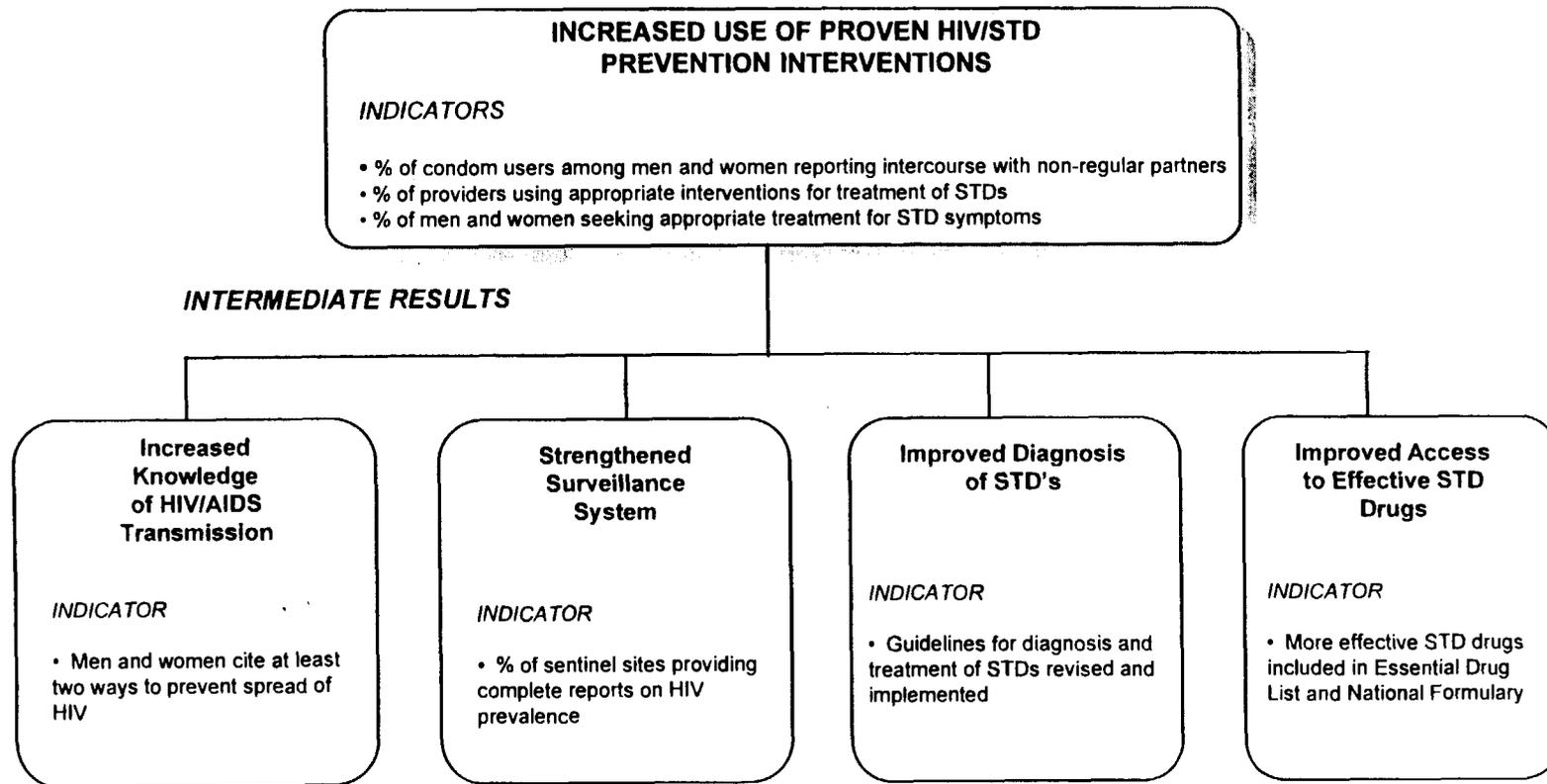
#### **1. Special Objective: Increased Use of Proven HIV/STD Prevention Interventions (SPO)**

##### **a. Problem Identification**

Ghana's 1994 Revised National Population Policy identifies several objectives aimed at enhancing the quality of life of the people of Ghana. One of the objectives is to ensure that particular attention is focussed on the

*HIV prevalence is low in Ghana but rising.*

## SPECIAL OBJECTIVE INTERMEDIATE RESULTS & ILLUSTRATIVE INDICATORS



**Fig. 12**

elimination/control of sexually transmitted diseases including AIDS.

HIV/AIDS has not yet reached epidemic proportions in Ghana, however, if current trends continue, 1.2 million Ghanaians will be infected with HIV by the year 2010. To slow the rise in HIV prevalence, steps need to be taken to decrease risky behavior by reducing the number of sexual partners, increasing use of condoms, and improving diagnosis and treatment of sexually transmitted diseases.

Data from blood tests of ante-natal patients, a low risk population, indicate that HIV prevalence in Ghana ranges from 2 to 4 percent in most parts of the country with some areas reporting rates of over 10 percent. As of the end of 1994, over 15,000 cumulative cases of AIDS had been reported. It is estimated that at least 400,000 Ghanaians are infected with the HIV virus. Women account for 70 percent of AIDS cases.

Ghana's neighbors are experiencing HIV/AIDS prevalence rates as high as 10 percent of the general population. AIDS is already the leading cause of death in Abidjan, the capital of the Côte d'Ivoire. Some experts state that AIDS has reached levels in Ghana which the epidemic had reached in the Côte d'Ivoire five years ago.

Evidence to date has shown that the predominant mode of HIV transmission in Ghana is sexual contact. Although awareness of AIDS is high, people continue to engage in high risk behaviors. According to the Consumer Baseline Survey, over 600,000 men and women have had more than one partner in the last three months and do not use condoms regularly. In addition to high risk behavior, the spread of HIV is increased by the high incidence of STDs. The presence of an STD has been shown to increase the likelihood of heterosexual transmission of HIV two to nine times. In

Ghana, the prevalence of syphilis ranges from 8 to 18%.

In addition to the prevalence of STDs, weaknesses in the diagnosis, treatment and compliance with treatment of STDs exacerbate the situation in Ghana. First, many individuals do not recognize symptoms of STDs as unusual and consequently do not seek medical attention. If they do seek medical care, the treatment provided may not be effective due to the presence of drug resistant strains, poor medical practices or lack of compliance with treatment regimens. Individuals prefer to seek STD treatment in the private sector because they perceive there is more anonymity. Despite this fact, to date, most of the donor assistance in HIV/STD prevention and control has gone to the public sector.

This special objective will focus on improving the diagnosis and treatment of sexually transmitted diseases other than AIDS, which increase one's susceptibility to AIDS; strengthening the surveillance system to track the epidemic; and increasing knowledge of HIV/AIDS transmission and measures that can be taken to prevent infection. (See Fig 12)

#### **b. Illustrative Approaches**

- **Increased Knowledge of HIV/AIDS Transmission:** Since general knowledge of AIDS is high, IEC campaigns must be developed which emphasize modes of transmission and preventive measures that can be taken to protect against the spread of AIDS. Important messages which must be communicated include the need to reduce the number of sexual partners, the importance of proper and consistent use of condoms with casual partners, and the important role that health care providers play in identifying and treating STDs and counseling clients about HIV/AIDS.

- **Surveillance System Strengthened:** The effectiveness of the HIV/AIDS/STD sero-

*Slowing the spread of HIV/AIDS is important to maintain Ghana's productive age groups.*

surveillance system must be strengthened to track trends in the HIV/AIDS and STD incidence. Efforts will focus on ensuring the quality of lab work and the consistency of results. The system operates in 10 regional laboratories throughout the country and collects information about high risk (STD patients) and low risk (antenatal patients) populations. Information from the sero-surveillance system is used to identify areas with high HIV/STD prevalence rates and to plan and target AIDS/STD interventions nationwide.

- **Improved Diagnosis and Treatment of STDs:** STD treatment will be strengthened through better training and access to more effective drugs. More effective drugs for treatment of STDs will be included in the Essential Drugs List (EDL) and new treatment guidelines will be included in the National Formulary (NF). HIV and STD laboratory diagnostic capability will be strengthened. Medical care available for STD treatment in the private sector will be improved through better training of physicians.

#### c. Time Frame for the Objective

The HIV/STD Special Objective is a response to the special interest of the Mission both in helping Ghana avoid a widespread HIV/AIDS epidemic, and in providing a broader package of reproductive health services to Ghanaians. This special objective complements the work to be carried out under SO3, "Reducing Total Fertility", and will be implemented during the same time frame, i.e., approximately 5 to 7 years.

#### d. Relationship to Agency Goals and Objectives

**Increasing the use of proven STD/HIV interventions** is consistent with the Agency's objective of achieving a *"sustainable reduction in STD/HIV transmission among key populations."* USAID policy on HIV/AIDS emphasizes a multi-sectoral

approach to prevention and control and stresses investment in cost effective interventions. Decreasing the sexual transmission of HIV remains the cornerstone of the Agency's program carried out through the following combined interventions:

- policy dialogue with host-country decision makers;
- promoting safe sexual behavior through information, education and communication;
- increasing the demand for, access to and use of condoms; and
- controlling STDs through improving the provision of STD diagnosis and treatment services.

#### e. Relationship to Country Strategy

This Special Objective contributes to the USAID/Ghana Mission goal of *"promoting broad-based economic growth"* by slowing the spread of AIDS which affects individuals in the productive ages, incurs high costs for health care and results in stress on families. According to the World Health Organization, by 1990 AIDS had increased the annual death rate for ages 15-49 by 10% in Africa. This figure is expected to reach 40%t in the mid-90's.

This Special Objective will build on earlier USAID's efforts to raise HIV/AIDS awareness, foster linkages between family planning and AIDS prevention, and monitor the epidemiological progression of AIDS. However, the focus of activities has shifted to emphasize the reduction of high-risk sexual behavior, improved treatment of STDs and continued monitoring of the spread of HIV/AIDS. Other donors have supported upgrading STD case management in government clinics, laboratory testing for STDs, training for private physicians and pharmacists and assistance to the Health Education Unit at the Ministry of Health for educational materials pertaining to AIDS and STDs. CIDA will soon be initiating a regional program focusing on high risk

groups such as commercial sex workers and migrant workers.

#### f. Expected Results

It is expected that men and women will increase their use of condoms during intercourse with non-regular partners. Because risk of HIV is increased with the presence of STDs, proven treatment will increase as measured by both providers treating STDs and individuals seeking treatment when symptoms are present.

#### g. Proposal for Monitoring Achievement

Judging progress towards achievement of the strategic objective will be based on a series of surveys and special studies designed to collect information about behavior changes among men and women, the quality of services provided to treat sexually transmitted diseases and completeness and quality of the information collected through the surveillance system.

### PART III: RESOURCE REQUIREMENTS

*"Anyone who has ever struggled with poverty knows how extremely expensive it is to be poor." James Baldwin*

#### A. ESTIMATED RESOURCE REQUIREMENTS TO ACHIEVE THE STRATEGIC OBJECTIVES

##### 1. Introduction

USAID assistance to Ghana is financed from the Development Assistance (DA) and (P.L. 480) Food Aid accounts. The operational year budget (OYB) levels from the DA account were \$43.1 million in FY 1993, \$35.1 in FY 1994 and \$36.4 million in FY 1995. Food aid has been running at approximately \$17.0 million a year including Title II and Title III. With these levels of funding, the Mission has achieved its SOs

and met earmarks in child survival, population and basic education.

#### 2. Development Assistance

The strategic plan outlined in Part II describes a five-year country program with a DA funding level of \$184 million, or \$36.8 million per year. This is the Mission's base scenario. In addition, the accompanying tables and narrative outline a low scenario of \$140 million, or \$28 million a year. For both scenarios, the totals represent the sum of USAID/Ghana funding, including regional and Global.

The AFR Bureau's guidance, from which these funding levels are derived, also mentioned the possibility of a best-case scenario, with OYB support at \$41 million a year. After carefully considering the possible uses of these additional funds, the Mission determined that the constraints under which the program will have to be implemented precluded using this higher level of funding. Two key considerations in reaching this decision were: the Mission's more restricted management capability, due to limitations on staff and recurrent budget; and the relatively limited absorptive capacity of the Ghanaian institutions implementing the SOs.

*The Country Strategy described in Part II requires \$184 million in new DA funds.*

Strategic Objective/Special Objective	Base Scenario	Low Scenario
SO1: Increased Marketed Value of Selected Agricultural Products	79.5	71.0
SO2: Increased Literacy and Numeracy in Beneficiary Primary Schools	45.0	26.0
SO3: Reduced Fertility	51.0	43.0
SPO: Increased Use of Proven HIV/STD Prevention Interventions	8.5	0.0
<b>Total</b>	<b>184.0</b>	<b>140.0</b>

Table 1 presents the funding requirements for the strategic objectives and the special objective at the base and low scenarios, respectively. In both cases, Mission priorities remain the same, as evidenced by respective levels of funding for the Soss.

Funding at the \$36.8 million a year base scenario level -- with the addition of \$7 million annually for food assistance -- will enable implementation the Mission program as described in Part II of this report (See Table 2). Reducing funding by 24% to the low scenario, \$28 million a year, will lead to a significantly diminished level of results. (See Table 3)

What would the program lose at the lower levels of funding?

The low funding scenario for SO1 would reduce USAID's impact on marketed agricultural products by an estimated \$42 million or 18% over five years. USAID assistance would reach fewer entities and intermediaries; products and market linkages would be significantly less developed; and, with lower levels of follow-up training and technical assistance to companies, sustainability would be less assured.

At the low scenario, SO 2 would sacrifice its potential to improve primary education and promote government decentralization efforts at the national level. Non-project assistance would be dropped, and with it the Mission's most effective lever for promoting decentralization of primary education.

The program would have less chance of encouraging more generous flow of resources to districts and schools. There would be less opportunities for enacting changes at the national and district level which are important for improving the learning environment in the classroom. Because of this sharply diminished scope, SO2 would become a special objective.

Also, at the lower level, the Mission would be compelled to drop the special objective on HIV/STD prevention. Reducing the fertility rate is critical for the success of the overall Mission strategy, and rather than only partially implement its population program, the Mission would elect to put all of its limited resources into assuring attainment of a TFR of 5.0 by 2001. Such a decision would have a serious impact on Ghana's ability to control the spread of AIDS. At present, USAID provides about half of the AIDS funding going to the GOG, but with all

support in the health area being channeled to SO3, only condom distribution would continue (although it would be geared more towards family planning).

### 3. P.L. 480 Food Assistance

Ghana's food deficit problem is worsening. In 1990 the country's food deficit was 142,000 metric tons -- in 2000 it is likely to be 250,000 metric tons. Increased food

production, improved food utilization, and higher incomes are needed to reverse this trend

USAID/Ghana, in cooperation with the PVO and NGO community, has used P.L. 480 resources to improve food availability, access and use. Increasingly, the Mission has used monetization of P.L. 480 resources to leverage significant increases in incomes from food crops. Continuation of Title II resources is critical to achieving Strategic Objective 1.

Strategic Objective	FY97	FY98	FY99	FY00	FY01	TOTAL
<i>SO1: Increased Marketed Value of Selected Agricultural Products</i>						
	3.4	2.4	2.4	1.8	2.0	12.0
NPA	<u>11.2</u>	<u>12.3</u>	<u>13.8</u>	<u>14.9</u>	<u>15.3</u>	<u>67.5</u>
PA	14.6	14.7	16.2	16.7	17.3	79.5
<b>Subtotal</b>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>35.0</u>
Title II	<b>21.6</b>	<b>21.7</b>	<b>23.2</b>	<b>23.7</b>	<b>24.3</b>	<b>114.5</b>
<b>Total SO1</b>						
<i>SO2: Increased Literacy and Numeracy in Primary Schools.</i>						
	1.6	1.6	1.6	1.2	2.0	8.0
NPA	6.4	8.0	8.0	8.0	6.6	37.0
PA	<b>8.0</b>	<b>9.6</b>	<b>9.6</b>	<b>9.2</b>	<b>8.6</b>	<b>45.0</b>
<b>Total SO2</b>						
<i>SO3: Reduced Fertility</i>						
NPA	2.5	2.0	1.5	1.5	1.5	9.0
PA	9.0	9.0	8.0	8.0	8.0	42.0
<b>Total SO3</b>	<b>11.5</b>	<b>11.0</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>51.0</b>
<i>SPO: Increased Use of HIV/STD Prevention Interventions</i>						
	1.0	0.5	0.5	0.5	0.5	3.0
NPA	1.7	1.0	1.0	0.9	0.9	5.5
PA	<b>2.7</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>8.5</b>
<b>Total Special Objective</b>						
<b>Total DA Funding</b>	<b>36.8</b>	<b>36.8</b>	<b>36.8</b>	<b>36.8</b>	<b>36.8</b>	<b>184.0</b>
	7.0	7.0	7.0	7.0	7.0	35.0
Title II	<b>43.8</b>	<b>43.8</b>	<b>43.8</b>	<b>43.8</b>	<b>43.8</b>	<b>219.0</b>
<b>Grand Total</b>						

USAID proposes a five year, \$35 million Title II program as a central component of the Country Strategy (See Tables 2-3). An estimated \$20 million will be provided as food commodities.

These resources will continue agro-forestry initiatives (through local non-government organizations) aimed at reducing soil erosion and increasing productivity; maintaining primary school feeding in selected areas, and expanding access to potable water and improved sanitation.

The remaining \$15 million in P.L. 480 resources will be monetized and, together with the grants from the Development Assistance account, finance the US PVO's that directly contribute to SO1.

These organizations will work directly with farmers' groups to enhance management and business skills; improve production, post harvest processing, storage, handling and marketing capabilities

P.L. 480 funds, complemented by \$79.5 million in DA funding, are expected to generate a cumulative marketed value of selected agricultural products over the life of the project of \$236 million. Without monetized Title II resources, the cumulative gain, under either the base or low scenarios, would be \$182 million, or nearly 23% less.

Strategic Objective/Special Objective	FY97	FY98	FY99	FY00	FY01	TOTAL
<i>SO1: Increased Marketed Value of Selected Agricultural Products</i>						
NPA	3.4	2.4	2.4	1.8	2.0	12.0
PA	10.8	10.6	11.6	12.7	13.3	59.0
<b>Subtotal</b>	14.2	13.0	14.0	14.5	15.3	71.0
Title II	7.0	7.0	7.0	7.0	7.0	35.0
<b>Total SO1</b>	<b>21.2</b>	<b>20.0</b>	<b>21.0</b>	<b>21.5</b>	<b>22.3</b>	<b>106.0</b>
<i>SO2: Increased Literacy and Numeracy In Beneficiary Primary Schools.</i>						
PA	4.2	5.9	5.9	5.4	4.6	26.0
<b>Total SO2 (Special Objective)</b>	<b>4.2</b>	<b>5.9</b>	<b>5.9</b>	<b>5.4</b>	<b>4.6</b>	<b>26.0</b>
<i>SO3: Reduced Fertility</i>						
NPA	2.4	2.4	2.4	2.4	2.4	12.0
PA	7.2	6.7	5.7	5.7	5.7	31.0
<b>Total SO3</b>	<b>9.6</b>	<b>9.1</b>	<b>8.1</b>	<b>8.1</b>	<b>8.1</b>	<b>43.0</b>
<b>Total DA Funding</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>140.0</b>
Title II	7.0	35.0	7.0	7.0	7.0	35.0
<b>Grand Total</b>	<b>35.0</b>	<b>7.0</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>	<b>175.0</b>

#### 4. Program Management Requirements

##### a. Personnel

The Country Program Strategy can be implemented at existing work force and operating expense (OE) levels. The projected base scenario annual budget -- \$43.8 million, including P.L. 480 funds -- is similar to the actual program level of \$43.4 for fiscal year 1995 and the Action Plan submission of \$48.6 for fiscal year 1996. The present program has a staffing level of 132 full time equivalents (FTEs).

At the lower budget, staff levels are reduced by 2 USDHs, 1 FSNDH and 14 FSNPSCs, or approximately a 14% reduction in FTE's. This reduction in

personnel, however, results only in a modest saving of \$200,000 a year (starting in FY 97), or \$1.0 million over the 5 year plan period.

The budget impact of a FSN reduction of the 15 FTE's is minimal as the average annual FSN salary is \$4500 per FSN. This equates to a total savings of \$70,000 per year, or \$350,000 over the five year period. (See Table 4)

##### b. Operating Expenses

USAID Ghana's operating expenses have averaged \$2.6 million per year over the last two years. These expenses have been financed from dollar appropriated funds (60%) and trust funds (40%). Table 5

**TABLE 4**  
**USAID/Ghana Staffing Plan**  
**Base And Low Scenarios (Full Time Equivalent)**

OPERATING EXPENSE FUNDED	FY95 Actual	FY96		FY97		FY98		FY99		FY00		FY01	
		Base	Low										
USDH	15	15	14	15	13	15	13	15	13	15	13	15	13
FSNDH	8	8	7	8	7	8	7	8	7	8	7	8	7
FSNPSC	98	98	88	98	84	98	84	98	84	98	84	98	84
USPSC	2	2	2	2	2	2	2	2	2	2	2	2	2
<b>Subtotal OE</b>	<b>123</b>	<b>123</b>	<b>111</b>	<b>123</b>	<b>106</b>								
<b>PROGRAM FUNDED</b>													
FSNPSC	4	4	4	4	3	4	3	4	3	4	3	4	3
USPSC	4	4	4	4	4	4	4	4	4	4	4	4	4
PASA	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Subtotal Program</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>								
<b>GRAND TOTAL</b>	<b>132</b>	<b>132</b>	<b>120</b>	<b>132</b>	<b>114</b>								

presents the mission's OE requirements for the next five years.

**Dollar Funded:** For the last two fiscal years (FY 94-95) OE dollar funded operating expenses averaged slightly less than \$1.6 million per year. The Mission plans to reduce this figure by approximately 10% to \$1.4 in FY 1996. For the base scenario described in Part II of this report, the Mission projected this same \$1.4 million OE dollar funded level for FYs 1997 through 2000 plus a 3% inflation factor. In the year 2001 a figure of \$1.5 million is used, the same level as FY 2000. This conservative OE dollar projection is based on the Mission's plans to contain increases in operating costs and to capture operating efficiencies from the implementation of new management systems.

For the low scenario, the Mission reduces FY 1997 OE dollars by 14% from the base scenario to \$1.2 million. FY 1998-FY 2001 is then straight-lined at \$1.1 million. The overall reduction in costs presented in the low OE projection are expected to come, in large measure, from implementation of a stretched-out non-expendable property replacement program. This approach, in many ways, would result in mortgaging the Mission's future to meet current budgetary restraints. The asset base would become older, requiring additional maintenance at some point in the future.

**Trust Fund:** In the past USAID Ghana has generated trust funds for operating expenses by tapping, on average, 9% of all the non-project assistance grants in its program. This approach will be continued. Ten percent of all new NPA will be allocated to trust funds. To offset lower levels of dollar funded OE and meet the growing local currency requirements, the trust fund projections, as a percent of total operating expenses, go up to 46% in the base scenario and to 52% in the low plan.

Ghana is currently experiencing annualized inflation of approximately 70%. This is sharply driving up the price of local goods and services. Guard service costs, locally procured supplies, and FSN salaries and benefits are expected to continue to increase substantially in response to this high rate of inflation.

With the additional \$32 million in NPA funding reflected in the base plan, the trust fund cash flow throughout the five-year period is projected to stay positive until the year FY2001.

At the \$24 million low NPA funding scenario, trust funds are expected to run out in the year FY 2000. Approximately \$700,000 additional appropriated dollars would be needed to cover the shortfall in each of the last two plan years.

If there is no new NPA, trust fund money generated from tranches under existing programs will run out during FY 1999. Appropriated OE dollars would then need to be increased by an estimated \$600,000 in FY 1999 and approximately \$1.0 million during the last two years of the 5 year plan period.

## 5. Other USAID Support

The Mission plans to draw on USAID/W technical support for achieving the SOs, as well as for carrying out its policy and analytical agendas and implementing re-engineering activities.

SO1 will require assistance from Global Bureau and AFR/SD in agricultural production and marketing, natural resources management, microenterprise development and lending, and trade promotion. Support will also be sought for enhancing the capacity of local institutions involved in business management training, improving business skills in local enterprises and increasing awareness among entrepreneurs of international business practices.

*Another \$35 million in P.L. 480 Title II resources and \$2.5 million in operating expenses per year will be required.*

SO2 will require technical assistance from USAID/W, specifically the Center for Human Capacity Development (CHCD) and the Africa Bureau, Office of Sustainable Development, Office of Human Resources and Democracy, for identifying instructional practices at the classroom level and cost effective strategies for improving student performance. Both offices could also assist in linking school-level interventions to capacity-building activities for local researchers, practitioners and policy makers. CHCD can provide expertise and services for the design and implementation of literacy programs that utilize effective instructional technologies, such as radio education. CHCD is also well suited to provide technical assistance for the development and implementation of a comprehensive monitoring and evaluation program.

SO3 and the Special Objective will require substantial support from USAID/W, particularly from the Global Bureau, Center for Population, Health and Nutrition. There are approximately 15

projects funded through the Global Bureau that the Mission will want to access for technical support at the field level. Other technical assistance will be requested from Office of Population (OP) staff. The OP Ghana country coordinator usually visits Ghana twice per year in order to help coordinate assistance from the Global Bureau. In addition, between \$11 million and \$15 million of contraceptive commodities will be procured through the Global Bureau's Central Procurement Project.

As results package teams are identified, the Mission will ask that technical staff in the Africa Bureau serve as virtual team members for the SOs. Personnel with a wide variety of skills will be needed.

#### B. PROGRAMMING OPTIONS MATRIX

The following Tables 6 and 7 show the programming options available to the Mission in addressing Agency focus areas and Congressional interest areas at projected base and low funding levels.

<b>TABLE 5</b>						
<b>Operating Expenses</b>						
<b>Projections (\$Millions)</b>						
<b>BASE PROJECTION:</b>						
	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	<b>Total</b>
Dollars	1,400	1,440	1,480	1,520	1,520	7,360
Trust Funds	1,170	1,210	1,250	1,290	1,290	6,210
<b>TOTAL</b>	<b>2,570</b>	<b>2,650</b>	<b>2,730</b>	<b>2,810</b>	<b>2,810</b>	<b>13,570</b>
<b>LOW PROJECTION:</b>						
	<b>FY 97</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY01</b>	<b>Total</b>
Dollars	1,200	1,100	1,100	1,100	1,100	5,600
Trust Funds	1,110	1,210	1,210	1,210	1,210	5,950
<b>TOTAL</b>	<b>2,310</b>	<b>2,310</b>	<b>2,310</b>	<b>2,310</b>	<b>2,310</b>	<b>11,550</b>

**TABLE 6**  
**Agency Focus Areas**  
**Scenarios (\$Millions)**

Strategic Objective	Encouraging Economic Growth		Stabilizing Population Growth		Protecting The Environment		Building Democracy		TOTAL		% Total	
	Base	Low	Base	Low	Base	Low	Base	Low	Base	Low	Base	Low
SO 1	70.5	65.0	-	-	4.5	3.0	4.5	3.0	79.5	71.0	43	51
SO2	37.0	20.5	4.0	2.5	2.0	1.5	2.0	1.5	45.0	26.0	24	18
SO3	3.0	2.0	42.0	37.0	3.0	2.0	3.0	2.0	51.0	43.0	28	31
SPO	7.0	-	1.5	-	-	-	-	-	8.5	-	5	0
TOTAL	117.5	87.5	47.5	39.5	9.5	6.5	9.5	6.5	184.0	140.0	100	100
Percent	64	62	26	28	5	5	5	5			100	100

Percentages have been rounded to ensure that totals equal 100%.

**TABLE 7**  
**Congressional Interest Areas**  
**Base And Low Scenarios (\$Millions)**

Strategic Objective	Child Survival		Population		AIDS		Basic Education		Environment		Micro-Enterprises		Total	
	Base	Low	Base	Low	Base	Low	Base	Low	Base	Low	Base	Low	Base	Low
SO1	-	-	-	-	-	-	-	-	3.5	3.5	40	37.5	43.5	41
SO2	-	-	4	3	-	-	39	21.5	2.0	1.5	-	-	45.0	26
SO3	4.0	3.5	42.0	36.5	2.5	1.5	-	-	1.0	1.5	1.5	1	51	43
SPO	1.0	-	1.5	-	6.0	-	-	-	-	-	-	-	8.5	-
<b>TOTAL</b>	5.0	-	47.5	-	8.5	-	39	-	6.5	-	41.5	-	148	
% OYB	3	3	26	28	5	1	21	15	3	4	22	28	80	79

The remaining OYB funding (20% for the base scenario and 21% for the low scenario) will be used in non-Congressional interest areas.

## ANNEXES

*"It is a capital mistake to theorize before you have all the evidence. It biases the judgment."*

Arthur Conan Doyle

## ANNEX A. Results Framework Matrices

### RESULTS FRAMEWORK MATRIX FOR STRATEGIC OBJECTIVE #1

NARRATIVE SUMMARY	INDICATOR	BASELINE	TARGET	TIMEFRAME	RESPONSIBILITY
<b>STRATEGIC OBJECTIVE #1 : Increased marketed value of selected products</b>	Marketed value of selected products	\$470 million (1994)	\$780 million (2001)	1-5 years	USAID, MOFA, WORLD BANK, IFAD
<i>Intermediate Result #1.1: Trade and investment policies improved and implemented</i>	a. Adoption and implementation of streamlined procedures for importation of agricultural and industrial inputs for use in export production.	Deficient procedures identified.	Full implementation.	1-3 years	USAID, MOTI
	b. Adoption and implementation of improved policies and procedures regarding timber concession rights and exportation of wood products.	Deficient policies and procedures identified.	Full implementation.	1-3 years	USAID, MOTI, MLNR
	c. Adoption and implementation of policies removing restrictions on foreign investment in the fishing industry and on licensing of trawlers by foreign and local companies.	Deficient policies and procedures identified.	Full implementation.	1-3 years	USAID, MOTI, MOFA
	d. Elimination of export bans for products such as cotton lint and natural rubber.	Deficient policies identified.	Policies and practices abolished.	1-2 years	USAID, MOTI, MFEP
	e. Implementation of simplified export declaration procedures.	Improved policies adopted.	Full implementation.	1-2 years	USAID, MOTI

NARRATIVE SUMMARY	INDICATOR	BASELINE	TARGET	TIMEFRAME	RESPONSIBILITY
<i>Intermediate Result #1.2: Increased production</i>	a. Percentage of assisted enterprises increasing production volumes by at least 6% annually	0	80%		USAID, Contractors and Grantees
	b. Percentage of enterprises adopting recommended sustainable production practices.	TBD	TBD	3-5 years	USAID, Contractors and Grantees
<i>Intermediate Result #1.3: Improved domestic and export marketing</i>	Percentage of assisted marketing enterprises reporting annual sales increases of at least 25%	0	80%		USAID, Contractors and Grantees
	Urban:Rural annual average price ratios for selected commodities	TBD	TBD		USAID, MOFA
<i>Intermediate Result #1.4: Improved transportation infrastructure*</i>	Total kilometers of feeder roads improved/rehabilitated	TBD			IBRD, DANIDA, JAPAN
Comments: * Shaded boxes indicate that other donors are responsible for showing results.					

## RESULTS FRAMEWORK MATRIX FOR STRATEGIC OBJECTIVE #2

NARRATIVE SUMMARY	INDICATOR	BASELINE	TARGET	TIMEFRAME	RESPONSIBILITY
STRATEGIC OBJECTIVE #2: Increased literacy and numeracy in beneficiary primary schools	Percentage of students in beneficiary schools (disaggregated by gender) passing criterion referenced test in English (60%) and Math (55%)	3.6% - English <sup>1</sup> (1995) 3.4% - Boys 3.9% - Girls  1.8% - Math <sup>1</sup> (1995) 2.1% - Boys 1.4% - Girls	30% - English  15% - Math	4-5 years	USAID, MOE
	Percentage of students in beneficiary schools whose CRT results fall within 15 points of passing score. Reported results will be disaggregated as for indicator above.	TBD <sup>2</sup>	TBD	4-5 years	USAID, MOE
<i>Intermediate Result #2.1: Improved classroom instruction</i>	Percentage of beneficiary schools reaching fundamental quality index of classroom instruction	TBD	TBD	3-5 years	USAID, MOE
<i>Intermediate Result #2.2: Improved education management</i>	Percentage of beneficiary schools reaching fundamental quality index for education management	TBD	TBD	3-5 years	USAID, MOE

NARRATIVE SUMMARY	INDICATOR	BASELINE	TARGET	TIMEFRAME	RESPONSIBILITY
<i>Intermediate Result #2.3: Increased community participation</i>	Percentage of beneficiary schools having functioning PTAs and school management committees	TBD	TBD	3-5 years	USAID, MOE, communities
<i>Intermediate Result #2.4: Improved school facilities</i> <sup>3</sup>	# of primary schools built/repared	TBD			MOE, World Bank, communities
<i>Intermediate Result #2.5: Improved pupil health and nutritional status</i> <sup>3</sup>	General pupil nutrition and health	TBD			MOH, UNICEF, NGOs, church groups
<i>Intermediate Result # 2.6: Improved pre-service education</i> <sup>3</sup>	Pre-service education curriculum developed and introduced in teacher training institutions	TBD			ODA, KFW, GTZ, MOE
<p>Comments: <sup>1</sup> Baseline taken from national test results. Further analysis is required to determine baseline at beneficiary schools.  <sup>2</sup> Further analysis of 1995 CRT is required to determine baseline and targets.  <sup>3</sup> Shaded boxes indicate that that other donors are responsible for showing results.</p>					

**RESULTS FRAMEWORK MATRIX FOR STRATEGIC OBJECTIVE #3**

<b>NARRATIVE SUMMARY</b>	<b>INDICATOR</b>	<b>BASELINE</b>	<b>TARGET</b>	<b>TIMEFRAME</b>	<b>RESPONSIBILITY</b>
<b>STRATEGIC OBJECTIVE #3:</b> Reduced fertility	Total fertility rate	5.5 (1993)	5.0	5 years	MOH, USAID, World Bank, UNFPA, UNICEF, ODA, WHO
<i>Intermediate Result #3.1:</i> Increased usage of more effective family planning methods	Prevalence of modern contraceptive methods	10.1% (1993)	20%	5 years	MOH, USAID
	Total CYP for long-term methods	118,000 CYP (1994)	413,000 CYP	5 years	MOH, USAID
<i>Intermediate Result #3.2:</i> Improved sustainability of family planning services	Private sector share of CYP	11% long-term (1994) 55% short-term	25% long-term 75% short-term	5 years	USAID
	Implementation of contraceptive price revisions by MOH with annual adjustments	Price revisions identified	Full implementation	1 -5 years	MOH, USAID
	MOH CYP benchmarks	191,000 CYP (1994)	435,000 CYP	5 years	MOH, USAID
<i>Intermediate Result #3.3:</i> Increased child survival *	Under-5 mortality rate	119.4 (1993)			MOH UNICEF UNFPA
Comments: * Shaded boxes indicate that that other donors are responsible for showing results.					

## RESULTS FRAMEWORK MATRIX FOR SPECIAL OBJECTIVE

NARRATIVE SUMMARY	INDICATOR	BASELINE	TARGET	TIMEFRAME	RESPONSIBILITY
SPECIAL OBJECTIVE: Increased use of proven HIV/STD prevention interventions	Proportion of condom users among men and women reporting intercourse with non-regular partners	61%	75%	5 years	MOH, USAID
	Percentage of providers using appropriate interventions for treatment of STDs	TBD	TBD	5 years	MOH, USAID
	Percentage of men and women seeking appropriate treatment for STD symptoms	34% (1994) <sup>1</sup>	TBD	5 years	MOH, USAID
<i>Intermediate Result #1:</i> Increased knowledge of HIV/AIDS transmission	Percentage of men and women citing at least two ways to prevent transmission of HIV	61% (1993)	TBD	5 years	MOH, USAID
<i>Intermediate Result #2:</i> Strengthened HIV surveillance system	Percentage of sentinel sites provide complete annual reports on HIV prevalence for high and low risk populations	All sentinel sites reported in 1994 on prevalence among low-risk groups. Only 1 site reported on prevalence among high risk groups	Annual reports on low and high risk groups	2-3 years	MOH, USAID
<i>Intermediate Result #3:</i> Improved diagnosis of STDs	Guidelines for diagnosis and treatment of STDs revised and implemented	Treatment protocols currently being developed	Guidelines fully implemented	2-3 years	MOH, USAID
<i>Intermediate Result #4:</i> Improved access to effective STD drugs	More effective STD drugs included in Essential Drug List and National Formulary	Drugs identified	Drugs in EDLNF	1-2 years	MOH, USAID
Comments: <sup>1</sup> Baseline is rough estimate based on the % of STD clients who sought treatment from a medical professional before seeing a drug vendor. This does not count the proportion of those with STD symptoms who do not seek treatment. More precise baseline and target to be determined in 1997 study.					

## ANNEX B

### ANALYTICAL BACKGROUND: GHANA'S HUMAN RESOURCE BASE

#### I. OVERVIEW

Ghana's sustainable development is constrained by rapid population growth and by the poor educational and health status of its population. According to the UNDP's Human Development Indicators, Ghana ranks 129th out of 174 countries, primarily because of low adult literacy and low life expectancy. Investment in human resources is essential to the achievement of economic growth and rising living standards in Ghana. Even with the best economic policies in place, rapid economic growth will not be feasible unless Ghana invests more, and more effectively, in education, health, and other social services. For growth to be broad-based and sustainable, population growth must be stabilized, and participation in governance and the provision of social services must be expanded through the strengthening of social institutions.

#### Population

The population of Ghana, 17.5 million in 1995, is growing at a rate of 3% per year. The population may be characterized as follows:

- On average, there are 4.5 members per household. Thirty-two percent of households are headed by females. Over 48% of Ghanaians are under the age of fifteen. The dependency ratio, the ratio of people under 15 and over 65 relying on people in the productive age groups, is 1.07-to-1. This is much higher than the

average dependency ratio for other low-income countries of 0.81-to-1.

- The population is quite diverse and speaks as many as 75 different languages. The primary ethnic groups are the Akans (44%), Mole-Dagbani (16%), Ewes (13%), and the Ga-Adangbe (8%). Ghanaians are primarily Christian (64%), practitioners of traditional religions (18%), and Muslim (14%).

- Over 63% of the population lives in five regions of the country, while only 10% live in the two northernmost regions. In 1984 the population density in Greater Accra was 441 persons per km<sup>2</sup> as compared to 17 persons in the Northern region. Almost 38% of the population lives in urban areas with a majority in the "Golden Triangle" cities of Accra, Kumasi and Second-Takoradi.

- If the population continues to grow at the current rate, it will double, reaching 35 million, in just 24 years. While fertility is beginning to decline, women still have on average 5.5 children during their reproductive years.

#### Economic Status

Labor productivity is low, many Ghanaians are underemployed and substantial poverty persists.

- More than 5 million Ghanaians live in poverty. Relative poverty declined from 37% to 32% percent of the population between 1988 and 1992. In 1992, poverty was slightly lower among female-headed households than male headed-households, reversing the pattern of 1988. Rural areas account for 72% of the poor. Poor households are more likely to depend on

farming incomes than non-poor households. Growth in rural, non-farm incomes, from agroprocessing and services, for instance, explained the decline in poverty between 1988 and 1992 (GSS, 1995; World Bank, 1995). Declining per capita agricultural output and rising inflation may have caused some backsliding since 1992.

- Ghana's labor force of 7.5 million receives 225,000 new entrants per year. The formal sector employs fewer than 500,000. Following downsizing during the 1980s, public sector employment growth has been slow. Formal employment in the private sector accounts for only 200,000 workers. Thus, most of the work force is engaged in agriculture or informal sector activities. Unemployment in this context is difficult to identify. Rather, underemployment and low levels of productivity are very important problems. Seventy percent of employment is in the agriculture sector. The productivity of this employment is very poor due to low levels of technology and difficulty obtaining needed inputs.

### **Health and Nutrition Status**

- Health status is low as indicated by the current average life expectancy of 56 years: 58 for females and 55 for males. Infant and child mortality rates are high at 66 and 119 per 1000, respectively. There is a substantial urban-rural differential with infant mortality 30% higher and mortality of children under five 20% higher in rural areas.

- The major health problems include poor nutrition, malaria, infectious diseases and water-borne diseases. Among children under three, 26% are stunted and 11% show signs of wasting. In 1993, 40% more

children showed signs of wasting than in 1988, indicating worsening nutritional status of Ghanaian children. Morbidity is exacerbated by inadequate sanitation, lack of access to clean water and lack of access to health care. The AIDS epidemic is beginning to spread in Ghana with HIV prevalence estimated to be between 2 to 4%.

### **Educational Status**

- Education levels are low with literacy estimated at 49%: 60% for men and 40% for women (GSS, 1995).

- At the end of six years of primary education, only a small minority of children receives passing scores on national proficiency tests. In 1995, pass rates were 3.5% for English and 1.8% for mathematics.

- Primary school enrollment rates are 84% for boys and 69% for girls. This varies greatly between urban and rural areas with only 54% of rural children attending primary school. Of these, only 72% will finish grade 6 (World Bank, 1995; MOE, 1995).

- Increasing numbers of children in the primary school age group will make advances in levels of literacy and education that much more difficult to achieve. In the year 2000, there will be 3.0 million children in the primary school ages, compared with 2.6 million in 1995. Even assuming a slow decline in fertility with women having an average of 4 children by 2020, the number of primary school aged children will increase by 79% in 25 years.

### **Social Institutions**

- Ghana has rich systems of traditional chieftaincies. In addition, there are strong religious institutions, with a long history of providing educational and health services. More than 300 NGOs are registered in Ghana. NGOs play an important role community organization and the provision of social services.

- Ghana established a constitutional government in 1992. New, democratic, presidential and parliamentary elections are scheduled for late 1996. The GOG is pursuing a policy to decentralize administration to the 110 elective, District Assemblies in the country.

## II. POPULATION AND FAMILY PLANNING

### Critical Issues

Increasing use of family planning and decreasing levels of fertility will have the greatest impact on slowing population growth. In Ghana, the total fertility rate, or average number of children women have during their reproductive years, has dropped from 6.4 in 1988 to 5.5 in 1993. Contraceptive use among married women increased, from 5% modern and 8% traditional method use in 1988 to 10% modern and 10% traditional method use in 1993. In addition to declines in actual fertility, declines in the desired family size (5.5 in 1988 to 4.8 in 1993) suggest that fertility will continue to drop if couples have access to the family planning information and services they need. The Government of Ghana has committed itself to slowing population growth and developed a positive policy environment for population activities. Implementation of the national policy and provision of family planning services, however, need to be improved.

### Analytical Background

USAID/Ghana has supported extensive research to determine priority areas for intervention. In 1993, a *Population Sector Strategic Planning Analysis* was conducted to identify critical issues, develop a preliminary strategic plan, and come to consensus on future directions with Ghanaian counterparts. Also, a series of studies collected information about all aspects of the family planning program. These include technical analyses with both family planning and AIDS components, a review of the contraceptive logistics system, the *1993 Demographic and Health Survey (DHS)*, the *Contraceptive Pricing Study and the Final Evaluation of Family Planning and Health Project (FPHP)*. Of particular importance is the *Family Planning Situation Analysis*, a facility-based survey collecting information about availability and quality of services and the *1993 Consumer Tracking Survey*, a population-based survey which collected information concerning knowledge, attitudes and practices concerning family planning. Finally, the Navrongo Health Research Center conducts ongoing operations research on providing family planning in a rural setting.

The major findings of this research indicate that the primary areas in which the Ghana family planning program needs strengthening are:

- 1) increasing the demand for family planning;
- 2) expanding the provision of family planning services;
- 3) ensuring the sustainability of those services.

### **Increasing Demand for Family Planning Services**

Although knowledge of family planning is almost universal, actual demand for services continues to be low. Recent studies show that 90% of women know a contraceptive method, 70% know where to obtain a method, and 72% wish to postpone their next birth or have no more children. Only 30% of women, however, report ever trying a modern contraceptive method. Wanting to have another child, lack of method specific knowledge and fear of side effects are the most frequently reported reasons for not using contraception (DHS, 1993; *Consumer Tracking Survey*, 1993).

Men and women are not getting information they need from their health care providers concerning health benefits of specific methods or potential side effects. Frequently people do not even know that family planning services or specific methods may be available in a health care facility. Over 24% of women obtaining maternal and child care (MCH) services were not aware that family planning was available at the same health care facility. Poor counseling also discourages clients from accepting family planning, causes them to use inappropriate methods and contributes to high rates of discontinuation. In many cases women were not informed about specific methods or the possibility of switching methods. Of women who wanted to switch methods, 44% had not been informed that they might experience certain side effects (*Situation Analysis*).

### **Expanding Service Provision**

Family planning services are provided through the Ministry of Health (MOH), the Ghana Social Marketing Foundation

(GSMF), the Planned Parenthood Association of Ghana (PPAG), and the Ghana Registered Midwives Association (GRMA). Currently, 43% of family planning users obtain their services from the MOH and 57% use the private sector. Each of the providers markets their services towards a different target population. The MOH serves the poor as well as the majority of users of clinic-based methods. GSMF markets products -- injectables, pills, condoms and vaginal foaming tablets -- to people in the higher socioeconomic levels as well as lower-income clients who do not have easy access to MOH facilities. PPAG undertakes special efforts to target men and adolescents. And, GRMA improves family planning provision through private midwives.

This network of services must be extended through increased outreach services with particular emphasis on rural areas and special populations such as men and adolescents. In addition the choice of methods available from each provider must be expanded where possible. And, finally, coordination in targeting activities of all providers must be strengthened.

### **Sustaining Services**

Increasing financial support from the GOG, the private sector and family planning users is essential to program sustainability. In 1994 and 1995 the MOH received 10.5% of the GOG recurrent budget. Of this allocation, 64.5% was used for personnel and 25% for supplies, maintenance and transport. While the amounts allocated to non-personnel, recurrent costs increased between 1994 and 1995, the increase in real terms was only 1.7%. The MOH receives donor

support for commodities, but funding for transport and supplies continues to be inadequate. To augment government funding, the MOH is increasing the fees it charges for contraceptives. While the cost recovered will still be a small portion of overall costs, it will give the facilities more money to buy needed supplies. This increase in MOH prices will also reduce the leakage of MOH commodities into the private market.

The private sector provides family planning to a wide spectrum of the population and currently serves over 56% of family planning users. By providing commodities in convenient locations, offering a range of products, and effective advertising, GSMF has quadrupled its sales since 1986. Currently, GSMF provides supply methods through over 85% of the pharmacies in Ghana. PPAG clinics served over 5 times as many new clients as other family planning facilities. As GSMF and PPAG have demonstrated, people are willing to pay higher prices for family planning and there is a growing market in the private sector.

Not only must the level of resources coming into the family planning program increase, but the resources must be used more effectively. If activities are well coordinated and providers target their services to different segments of the market, private sector provision will take an increasing share of the burden of paying for family planning from the public sector. Also, as couples are counseled to use more effective methods, the program will become more cost effective. Long-term methods - the injectable, the IUD and sterilization - have greater impact on lowering fertility relative to their cost than other less effective methods. Current efforts to improve the

quality of long-term method delivery and counseling are resulting in increasing numbers of women using these methods. Among new clients, 28% wanted to use IUDs and 22% injectables (*Situation Analysis*). These numbers will increase as the methods are more widely available.

### **GOG and Donor Support**

Ghana's 1994 Revised National Population Policy (NPP) identifies the major population challenges facing the country and outlines a strategy for reducing the average number children women have to 3 and achieving a population growth rate of 1.5% in the year 2020. In 1994 the GOG established the National Population Council (NPC), a presidential advisory body charged with implementing the NPP. The NPC/Secretariat advocates increased support for population and coordinates activities of both public and private sector agencies at the National and District levels.

UNFPA is an important donor for the population program, contributing contraceptives and supporting implementation of the National Population Policy.

### **Analytical Agenda**

Updates of the *Demographic and Health Survey*, *Consumer Tracking Survey* and the *Situation Analysis* will be conducted to continue monitoring the impact of program interventions. In addition special studies should be conducted to determine the impact of an increase in MOH prices on the demand and utilization of family planning and rates of compliance with the new service delivery guidelines amongst health care providers.

### III. HEALTH, NUTRITION AND AIDS

#### Critical Issues

Improved health and nutrition are essential for increasing the productivity of the work force and improving quality of life. Success in education and in family planning efforts can be increased through improved health status of the population. Conversely, economic growth, family planning and education will help to improve health status.

USAID/Ghana has focused its support on the prevention of the spread of STDs and HIV because it complements USAID/Ghana's work in family planning and will have significant impact on the productivity and well-being of Ghanaians.

#### Analytical Background

The health status in Ghana is low as evidenced by the short life expectancy of 56 years. This is due in large part to poor nutrition, parasitic and infectious diseases, poor sanitation, high rates of infant and child mortality, a high rate of maternal mortality, and increasingly to AIDS. Although, the infant mortality rate (IMR) has declined from 82 per 1000 live births during the period 1974-78 to 66 from 1989-93, it continues to be high. Mortality of children under 5 has also declined from 157 per 1000 in 1974-78 to 119 in 1989-93. There is very significant regional variation in these figures due largely to wide differences in education levels and access to health care.

The educational level of a child's mother is an important predictor of a child's health. Over 36% of deaths of children under 5 are caused by preventable diseases. The IMR of children of highly educated mothers is 68% lower than that of children of uneducated

women. Among children of uneducated women, 31% are stunted, compared to only 10% of children of women with a secondary education.

Nutrition is a serious problem affecting pregnant women, babies born with low birth weight and children showing high rates of stunting and wasting: 26% of children are stunted, and the percentage of children who show signs of wasting has increased from 8% in 1988 to 11% in 1993. There is significant regional variation with the Northern regions showing the highest levels of malnutrition.

Access and use of health care is another important factor of health status. Over 90% of people living in urban areas have access to health care, compared to under 50% of people in rural areas. While people may have access to a health facility, they may not understand the importance of obtaining preventive health interventions. Although rates of immunization have increased from 47% in 1988 to 55%, coverage continues to be low.

Other health issues which are of importance in Ghana include malaria and water borne diseases. These are prevalent because of poor living conditions and inadequate sanitation. In urban areas, 93% of people have nominal access to safe water, compared to 39% in rural areas. Only 74% of the population have nominal access to safe waste disposal. As the population grows and density increases, these conditions will become increasingly difficult to address.

The spread of HIV/AIDS is another health problem which will have an increasing impact on the country. Currently, HIV prevalence is estimated to be between 2-

4% of low risk populations with prevalence reaching up to 10% in some regions of the country. Unless interventions are taken today, AIDS will spread at an increasing rate.

USAID/Ghana has supported research to better understand people's knowledge of STD and HIV prevention and behavior (*DHS, 1993; Consumer Tracking Survey, 1995*). Research has also been supported to monitor the spread of HIV/STDs (*HIV/STD Sentinel Surveillance, 1994*) and to understand the treatment of patients with STDs and AIDS (*Assessment of Private Sector Sexually Transmitted Disease Diagnosis and Treatment*). The major findings of this research indicate that efforts must be focused on educating people about the importance of preventing the spread of HIV/AIDS, improving the treatment of STDs; and continuing to monitor the spread of the epidemic.

In 1988, the GOG established the National AIDS Control Program (NACP) to develop and implement a strategy to slow the spread of AIDS. While general knowledge about AIDS is universal, people have misconceptions about the disease and how it is spread. A majority of both men and women know that AIDS can be spread through sexual contact, however, many do not understand that a person with AIDS can appear to be healthy. People also have misunderstandings about other modes of transmission of AIDS as indicated by 75% of men responding that a person with AIDS should be quarantined.

Currently, 15% of women not in union and 11% of all men have had more than one partner in the last 3 months and do not use condoms regularly. This group is at risk of getting AIDS. Only 40% of women believe

that condoms can be used to prevent the transmission of AIDS. Of these, many expressed concern about breakage. Even though people may be aware of the benefits of using a condom, only 7% of all women regularly use a condom and 20% have ever used a condom. Over half of the women who have ever used a condom said that they used it to protect them from AIDS. People need to have accurate information about AIDS to better understand that they are at risk and what precautions they should take.

In addition to encouraging people to change their behavior and protect themselves from AIDS, health care providers need to better understand their role in informing people and diagnosing and treating STDs. Only 56% of family planning providers were willing to talk to their clients about AIDS and of private doctors treating STD patients only one suggested that the patient use a condom. A study of the information and care that private sector physicians and pharmacists give to clients with STDs indicated that there are severe weaknesses in counseling, lab tests, diagnosis and treatment. New treatment guidelines and training must be developed to improve the information given to people and treatment provided for STDs.

Finally, continued monitoring of the spread of the epidemic is needed to identify high risk populations and regions where HIV is spreading rapidly. Data collected in 1994 indicate that the HIV sero-prevalence is between 2-4% of the general population with pockets of higher prevalence in towns on the border with Burkina Faso and Cote d'Ivoire. This information is needed to design

interventions which will effectively slow the spread of HIV/AIDS.

### **GOG and Donor Support for Health and AIDS**

The World Bank, CIDA, ODA, the EU, UNICEF and DANIDA are all supporting projects to improve the health system and strengthen child survival interventions. USAID/Ghana is the lead donor in AIDS prevention. The GOG allocated 10.6% of the GOG recurrent budget to the MOH in 1994 and 1995. NGOs also play an important role providing a significant portion of health care services.

### **Analytical Agenda**

Additional research is needed to determine which interventions are most effective in slowing the spread of HIV/AIDS and to determine what would be the best strategies for improving nutrition. Specific studies should focus on the effectiveness of IEC messages in changing people's behavior; assessing the effectiveness and rates of compliance with new protocols to improve the treatment of STDs; and analyzing the results of the sero-surveillance system to better understand the impact of AIDS in Ghana. Research is also needed to better understand differences in food use around the country and identify effective strategies for educating people about food use and improving their nutrition.

## **IV. EDUCATION**

### **Critical Issues**

The Government of Ghana maintains a strong commitment to the education sector, with high budgetary allocations and policies to improve system performance. USAID has

supported this process through the FY 1991-96, Primary Education Program (PREP). Through PREP assistance, 94% of primary school teachers have received in-service training, 90% of primary students have access to textbooks, and a national student assessment system has been put in place. Despite these accomplishments, the challenges facing the education system are formidable. Poor learning outcomes, high rates of illiteracy, and critical shortages of managerial and technical skills continue to constrain Ghana's opportunities for economic growth and improving living standards.

Primary education is essential for teaching basic cognitive skills and for preparing children to function effectively in society. However, Ghana's primary education system is ineffective in teaching these skills to the majority of its 2 million students. Analyses of secondary and tertiary education, as well as training requirements are available from other sources (see, for instance World Bank, 1994a and 1994b).

### **Instruction**

In Ghana, gross enrollment rates have declined, from 79% in 1991 to 76% in 1995. Before additional effort is put into increasing access and enrollments, however, the quality of primary education must be improved.

Most Ghanaian school children who complete six years of primary education are functionally illiterate. They do not learn to read or write in their vernacular language or in English. In a recent survey, 43% of grade 5 students could write no more than 15 English words. Fewer than 5% had full comprehension of what they were reading. While the ability

	1992		1993		1994		1995	
	English	Math	English	Math	English	Math	English	Math
<b>National</b>	2.0	1.1	3.0	1.5	3.3	1.5	3.6	1.8
<b>Boys</b>	2.0	1.4	2.7	1.6	3.2	1.6	3.4	2.1
<b>Girls</b>	2.0	0.7	3.4	1.3	3.4	1.3	3.9	1.4
<b>Urban</b>	-	-	5.8	2.2	7.2	2.9	7.3	4.1
<b>Rural</b>	-	-	1.5	1.1	1.3	0.8	1.8	0.7
<b>Private</b>	-	-	-	-	51.4	31.7	-	-

to read without comprehension was better, a majority, ranging from 86% in grade 2 to 51% in grade 5, were unable even to read the words (CRIQPEG, 1994).

Results from the criterion referenced tests in English and Mathematics administered to a sample of 11,000 students between 1992 and 1995 confirm that learning levels are woefully low (see Table 1).

There are several causes for the low learning levels:

- **Overloaded curriculum:** The current primary curriculum includes 9 subjects and is burdensome to teachers and students. Even under the best circumstances and with strict adherence to the timetable, the curriculum is beyond the ability of most teachers to convey effectively.

- **Poor teaching:** Teachers are central to the delivery and quality of education. But, over the past two decades, the quality of teaching in Ghana has plummeted because of

poor conditions of service, inadequate training and low social esteem. Absenteeism is high. Methods of teaching are outmoded and rely heavily on techniques that diminish student participation and interest, such as memorization and copying from the blackboard. (See Lockheed and Verspoor.)

- **Low instructional time:** In 1993, the Ministry of Education increased the school day from 4 to 5 hours and the school year from 36 to 40 weeks. This brought Ghana up to 800 hours of official instruction time, the international average for low income countries. Despite this change, very little classroom time, 2 to 3 hours per day, is spent on actual learning. School rarely starts or ends on time, and classes are constantly interrupted for sporting and cultural festivals, or because of students and teachers absence or tardiness (Yakubu, 1993; Kraft, 1994, 1995).

Overcrowding, especially in urban schools, further diminishes the quantity and quality

of instruction. In schools with overcrowded or underutilized classrooms, multigrade teaching and double shifts should be used and schools given the appropriate resources to manage these classes.

- **Few contact hours with English:**

Children do not have sufficient contact with English to gain the skills necessary to learn the rest of the curriculum. It is estimated that Ghanaian primary school children, particularly in rural areas, have less than 800 contact hours with listening, speaking and writing in English through their entire primary school years (Kraft, 1994).

- **Availability, use and quality of reading and learning materials:**

Although textbooks are now available in greater numbers, (about 90% of primary students have access to textbooks, PREP/MOE, 1994) their decade long absence from the classroom has resulted in textbooks not being integrated in the instructional program. In most primary classrooms in Ghana there are almost no supplemental reading materials or other requisite learning materials (Kraft, 1994).

### Management

Management problems pervade all levels of the education system and have a significant impact on low learning levels.

- **Supervision:** Despite a revamping of the inspectorate system -- including training and the provision of motorcycles to more than 500 new circuit supervisors -- the number and nature of supervisory school visits are inadequate. On average schools are visited 2 to 4 times per year, and remote schools less often. Circuit Supervisors largely assess teachers' progress by counting the number of exercises covered in class. This encourages

teachers to rush through exercises without lessons being understood by the pupils. Circuit Supervisors are required to conduct classroom observations and write detailed reports, but a review of school inspection reports reveals that this critical supervisory activity is rarely done (MOE, 1994).

- **Poorly trained management personnel:**

The Ghana Education Service recruits management staff strictly on the basis of teaching qualifications and years of experience, and promotes them according to their number of years of service. Little or no specialized training is offered to management personnel, e.g., for planning, budgeting, instructional support, and curriculum development.

- **Poor staff allocation and coordination:**

School heads are often burdened with a full teaching load and find little time to check on their teachers' performance. Yet, most district education offices are overstaffed with administrative personnel who have little or no contact with school related activities. The average district education office has more than fifty staff members and the regional offices have more than 65 (MOE, 1994b).

### Community Participation

Community involvement and decision making in school matters are crucial. Community involvement can have a positive impact on school enrollment and retention, maintaining school standards and increasing demand for quality education. Since the 1987 reforms, communities have been called upon to take a larger responsibility for education. District Assemblies are now required by law to provide and maintain school facilities and have been granted revenue raising authority.

In many communities however, the goals of the education reform program and their role in the reform process are unclear. Many communities do not have control of the resources needed for change. School fees collected are sent to the central ministry, teachers are posted from Accra, and District assemblies decide how to use other discretionary funds. In fact, many communities have lost confidence in the school system. Parents pay a large opportunity cost to send their children to school with very little return.

### **Infrastructure**

MOE estimates for new schools required over the next decade are extraordinarily high. The MOE estimates that more than 5,000 new primary schools, or 33,000 classrooms, will be required per year before 2000. However, GOG budgets target the construction of only 100 schools per year (FCUBE, 1994, 1995). The MOE has initiated a comprehensive school mapping exercise to rationalize new school requirements, locations and financing. This will provide the basis for more realistic estimates of actual requirements.

### **GOG and Its Development Partners**

Providing resources and services directly to school communities and strengthening community participation through PTAs and school management committees can have a positive impact on improving school quality. In 1995, Ghana's Parliament approved an ambitious strategy for national basic education entitled "The Program for Free Compulsory Universal Basic Education (FCUBE) by the Year 2005". Quality education is also an explicit part of the promise. All major donors agree to the FCUBE framework, however the

implementation schedule and intended outputs are perceived as highly optimistic.

Principal donors to Basic Education include USAID, World Bank, Overseas Development Agency (ODA), UNICEF, European Union, GTZ and KFW. The World Bank is largest lending institution in the sector, and has provided more than \$100 million for education rehabilitation projects. The Bank's Primary School Development Project (1993-1997) will provide 2,000 new primary school pavilions and housing for headteachers in Ghana's poorest communities. The Bank is currently designing a new, \$50 million, Basic Education Investment Program.

ODA primarily supports pre-service teacher education. ODA field staff assists in developing training programs and materials for Junior Secondary School tutors at the University College of Education at Winneba and is developing a distance education teacher training program. ODA will likely be collaborating with the two newest donors to the sector, KFW and GTZ. KFW will provide \$10-15 million for the rehabilitation of selected teacher training colleges. GTZ will provide technical assistance to improve professional development and teaching practices for primary teachers in selected teacher training colleges. The European Union provides budgetary support for up to 50% of the MOE's non-wage budget items. UNICEF is in the first year of its five-year program to support girls' education, community based and child-focused education programs and general support for policy and planning.

The principal donors meet regularly to discuss sector issues, strategies and most recently, have conducted joint sector assessments. All of the principal donors to

education have reviewed and discussed the Ministry's plan for FCUBE and all support the overall sector framework and have agreed to coordinate and collaborate to maximize donor assistance.

#### **Outstanding Issues and Analytical Agenda**

- Examine the services NGOs and PVOs can provide to support the MOE/USAID assistance program.
- Identify program strategies to address constraints to girls retention in primary schools.
- Develop and pilot test fundamental school quality indicators program. Fundamental quality indicators capture the standards required for school improvement to occur.

### **V. SOCIAL INSTITUTIONS**

#### **Critical Issues**

Ghana has rich traditional systems of governance and emerging democratic institutions. Political stability and increased confidence in democratic institutions are essential for increased investment and economic growth. This stability will require respect for the rule of law, as well as peaceful, political change within the context of the new Constitution. Free and fair, multiparty presidential and parliamentary elections in late 1996 will be an important milestone in democratic reforms. Respect for human rights -- particularly freedom of association and development of responsible, private print and broadcast media -- is necessary for democracy to take root.

The 1992 Constitution established independent executive, parliamentary and judicial structures, and began the process of

decentralization of authorities to District Assemblies and local governments. A majority of Ghanaians are aware of the Constitution and have a broad understanding of the rights it confers. Yet, mistrust of the government on the part of Ghanaians persists. A recent survey suggests that, despite the GOG's good record on human rights in the last four years, there is a residual fear of what the majority party might do in the future. Feeding this fear is the perception that the government has not ceased to fund and fully disband the revolutionary organs and paramilitary organizations which existed prior to 1992. Furthermore, while a majority of Ghanaians believe in the ability of the judiciary to check the executive branch, many people still believe that the judiciary can be influenced by bribes (IEA, 1995).

Non-governmental organizations, community-based organizations, trade and professional associations, political parties and the media complement government institutions by responding to the needs of their clients and helping Ghanaians to be heard in the political processes. Yet, virtually all social institutions in Ghana suffer from financial constraints, and weak management capacity.

#### **Local Government**

Devolution of decision-making and resource management to Districts and communities is essential for broad-based economic growth and improvements in living standards. The GOG is committed to a policy of decentralization of authority to the 110 Districts Assemblies and to local governments. Government now allocates central revenues to the districts through the Common Fund. These monies, though limited, help districts to provide education

and health services and to develop infrastructure. District assemblies are gaining credibility among their constituents. Yet, this process is progressing slowly, for two main reasons: First, the support from central ministries needed to make decentralization operational is lacking; and second, local government suffers from a lack of qualified staff and inexperience in strategic planning, financial management and resource mobilization.

### **Civil Society**

Traditional chiefs are often significant forces for development in their communities. Typically, they are selected for their personal qualities and are trusted and respected by the communities they serve. Chiefs and other traditional leaders often mobilize resources for community projects, manage allocation of village lands, arbitrate disputes, and administer justice at the community level.

Churches and Muslim missions also play important roles in both rural and urban society. Traditionally, religious institutions have provided education and health services. During the 1970's, they become more involved in economic activities. The religious institutions enjoy a high degree of autonomy from the GOG.

USAID experience under TIP and FPHP has shown that NGOs can and do make significant contributions in the provision of social services and the implementation of economic development activities. They play a critical role in broad-based development. However, most NGOs in Ghana are weak. Typically, their funding is tight and financial planning and management capacity is limited. Coordination among NGOs is limited. Although the government places few restrictions on NGOs, apart from

registration requirements, the GOG has not been very supportive of NGO activities (Technoserve, 1995).

Political parties suffer from the same institutional weaknesses as other civic associations. The absence of opposition parties from government since 1992 compounds this problem of ineffectiveness.

Despite an appreciable degree of relaxation of press censorship, in general the press does not live up to its potential for contributing to informed political debate and holding the government accountable. Limited access to financial resources and alternative sources of information constrain independent newspapers' ability to produce high quality, investigative journalism. Broadcast media, while in principle more open under the constitutional regime, are in practice hampered by restrictions on licensing, broadcast range and the scope of program format.

### **GOG and Donor Support**

Several donor programs provide support for institutional capacity building and participatory development. The World Bank, CIDA and ODA support programs to make the GOG operations more transparent and accountable. These programs are contributing to improving financial management and civil service reforms. The World Bank is also providing assistance to strengthen the judiciary. USAID's support for voter registration is complemented activities funded by the European Union (EU), ODA and DANIDA.

The World Bank, UNICEF, EU and CIDA are among the donors supporting decentralization and community development efforts. UNICEF is

implementing projects in rural communities to strengthen District Assemblies as effective coordinating units. It also provides support to the National Development Planning Commission to develop its capacity to conduct analysis and formulate policy which will support the process of decentralization and local capacity building. The EU works with District level auditors and supports local public works activities. CIDA is working with local government to improve planning, financing and implementation of water projects.

#### **Outstanding Issues and Analytical Agenda**

USAID will undertake further analysis of the capabilities and assistance requirements of NGOs during the planning of agricultural development and primary education activities. Further analysis of the legal enabling environment for NGO activities will also be undertaken.

Legal, regulatory and judicial constraints affecting USAID's economic growth initiatives will be analyzed. For instance, USAID may examine issues relating to investment and contract enforcement, as well as regulation of providers of financial services and utilities as they affect implementation of the Strategic Plan.

USAID has contracted with a local institute to fund an expanded series of assessment of progress in the transition to a fully democratic system in Ghana. USAID will also coordinate with other donors to monitor the progress of improved transparency, accountability and participation.

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## ANNEX C

### ANALYTICAL BACKGROUND: NATURAL RESOURCES

Sustainable development in Ghana requires actions to reduce population pressures and to protect natural resources. For this to occur, Ghana's environmental policies must be implemented more effectively, necessitating stronger human and institutional capacities and increased funding. Natural resource protection, therefore, requires broad-based economic growth, investment in appropriate production technologies and improved environmental education and training. (see Panayotou, 1993 and World Bank, 1992).

Ghana has an adequate natural resource base to support sustained and accelerated growth, but it must act to protect this base. Ghana's environment, notably its soils, water resources, forests and bio-diversity face very real threats. The GOG, non-governmental organizations and international donors are taking steps to protect the environment. USAID plans to contribute to this effort through support for the adoption of improved production practices and technologies in agriculture and manufacturing, through efforts to increase incomes and literacy, and through support for family planning.

#### **Ghana Has a Viable Natural Resource Base**

The ecological and geological make-up of Ghana has been well documented (see Ayensu, 1996). Certain salient characteristics are identified:

- Ghana's 92,100 square mile land mass is comprised of two fundamental ecological zones within which there are significant physical and biological variations: The Tropical Forest in the southwest occupies approximately one-third of the country. The Savannah covers two-thirds of the

country, from the southeast to the dryer northern regions. Land use is summarized in Figure 1.

- Ghana possesses substantial mineral resources, notably gold, diamonds, manganese and bauxite. With gold exports of \$600 million in 1995, Ghana has become Africa's second largest gold producer after South Africa.

- One-third of Ghana's land-mass is cultivated. Cocoa, the major export crop, is grown primarily in the Tropical Forest areas. Cropping and animal husbandry patterns vary significantly across the Savannah due to differences in rainfall.

- Ghana's forested area has declined from 8.2 million ha. at the turn of the century, to 2.1 million ha., in the 1990s. The forests provide over 60 species which are exploited for timber exports. Timber export revenues reached \$165 million in 1994. Fuel wood consumption is high, representing 75 percent of energy use in Ghana (Laing, 1994).

- Ghana also has extensive coastal and fresh-water marine resources, including tuna, mackerel, sardinellas and tilapia. Fisheries account for 5 percent of agricultural GDP and an increasing share of exports. Lake Volta is the world's largest man-made lake.

- Ghana's flora and fauna are diverse. There are 19 known plant species that are endemic to Ghana. In addition, a number of bird, reptile, amphibian, and insect species are endemic. However, no mammal species are known to be unique to Ghana.

## Pressures on Ghana's Environment

The economic costs of environmental degradation in Ghana are estimated to be equivalent to 4% of GDP per year (ISSER, 1992). The country's natural resource base is under increasing pressure from an expanding, and predominantly low-income population. Additional pressures result from commercial agricultural, forestry, fisheries, mining and industrial activities. (See, Ayensu, 1996; Gilbert, 1995, and Annex F: Key Factors Analysis).

- Seventy percent of Ghana's population is engaged in agricultural activities. Typically, agriculture is based on the use of the bush-fallow system, with shifting agriculture and widespread use of fires to prepare the land for planting. Agricultural growth is based largely on increasing land under cultivation. Use of yield-enhancing technologies and practices are limited. Livestock add to the pressures on the land, especially in the more densely populated areas of the Upper East Region. As a result, the growing population is placing pressure on available lands. The manifestations of these problems are increased encroachment on the forests, and loss and degradation of soils. Thirty-five percent of Ghana's land mass is now considered vulnerable to desertification.

- Commercial agriculture activities involving intensive land and chemical use are growing as a potential threat to the environment. If not managed properly, commercial agriculture may exacerbate soil degradation and loss, deforestation, declining water quality, and loss of animal habitat.

- Ghana faces a severe deforestation problem. As a result of agricultural and mining expansion, excessive use of wood and charcoal as an energy source, and unsustainable logging activities, there is virtually no primary rain forest remaining in the country. It is estimated that deforestation

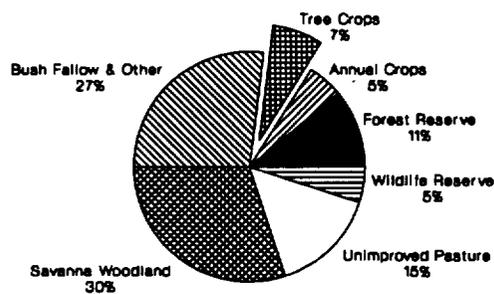
is occurring at a rate of over 1% per year and that, under current trends, commercial timber resources will be exhausted by 2030.

- Fishing activity employs as much as 10 percent of Ghana's population and fish account for 60 percent of animal protein consumption. Approximately 85 percent of the fish harvest comes from the sea, while most of the remainder is from Lake Volta. Major threats to aquatic and marine environments are over-exploitation of mangrove vegetation, over-fishing and improper fishing practices, water pollution, and poor resource management.

- Small and large scale mining and quarrying activities pose a variety of threats to the economy. These activities result in disturbances to the soils and vegetation cover, and in damage to water and air quality. Acid, arsenic and cyanide are used in ore removal processes and pose specific health and environmental hazards. Various manufacturing activities pose similar threats to human health, air and water quality.

- Population density and increasing urbanization pose a variety of environmental hazards. Poor sanitation and deteriorating water and air quality threaten human health, and contribute to Ghana's high morbidity rates. Barely 30 percent of Ghana's population has access to potable water. Fecal

Figure 1 - Land Use in Ghana



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- Further information will also be required, on technical issues associated with regeneration of the forests, and on behavioral issues relating to improving incentives for sustainable forest practices.

### **Requirements for Protecting Bioiversity**

The actions necessary to conserve biological diversity (pursuant to Section 119 of the FAA) fall primarily within the purview of the public sector, but will require support from the private sector, local communities, NGOs and PVOs and international donors.

- Gaps in knowledge about Ghana's bio-diversity must be filled in order to better plan the conservation and sustained use of biological resources. This should be supplemented by active monitoring of sites of conservation concern.
- Direct action to collect and conserve plant and animal species is required. It is recommended that: modern techniques for conservation of genetic resources of wild animals be utilized; that a national Herbarium and Botanic garden be established; and, that technical training support these initiatives (Ayensu, 1996).
- A number of policy changes are required: Wildlife laws should be consolidated and revised to address bio-diversity objectives; protected areas should be expanded to represent the full range of Ghana's ecosystems and to establish blocks that are large enough to support the conservation of threatened species; increased public funding should be provided for the conservation of bio-diversity, and policies should be changed to permit revenues from tourism to be retained and used for national parks and nature reserves.
- Institutional changes will also be necessary. Greater cooperation between the Forestry Department and the Wildlife Department is necessary and may require facilitation by a

third party such as a PVO or NGO. GOG capacity for research and development on conservation and resource utilization requires strengthening.

- Rural community based initiatives are required to coordinate economic development and bio-diversity conservation concerns. Sustainable uses of the forest must be developed. The conservation of traditional, Sacred Groves should be encouraged.
- Sustainable, commercial uses of Ghana's biological resources should also be encouraged. Bio-prospecting should be undertaken in the search for sustainable uses of Ghana's bio-diversity.

### **GOG and Development Partners Address Environmental Issues**

Ghana is generally considered to have very favorable environmental policies. Colonial conservation policies, dating back to the nineteenth century, provide the backdrop for many of these policies. Recent initiatives include the development of a National Environmental Action Plan in 1991, a Tropical Forestry Action Plan in 1985, and a Bio-diversity Strategy and Action Plan, now in preparation. Legislation is also in process to consolidate and rationalize a large body of environmental law and clarify the role of the Environmental Protection Agency (EPA). As noted above, some specific policies are in need of review. To these may be added land tenure and land use policies which have a critical bearing on the course of both economic development and environmental protection (see Gilbert, 1995). On balance, however, Ghana's policy environment is sound and it is implementation of these policies that must be improved.

The relevant institutional arrangements of the GOG are described elsewhere (Gilbert, 1996). The Ministry of Environment, Science and Technology is responsible for development of

environmental policies. The Environmental Protection Agency is the coordinating body for environmental protection and enforcement, and relies on linkages with a wide range of GOG agencies and research centers. The Ministry of Lands and Forestry, especially the Forestry Department and the Wildlife Department, are critical actors, with responsibility for the forest reserves and the national parks and wildlife reserves. Inspiration is not lacking, but financial resources and trained personnel are serious constraints to the successful implementation of initiatives to protect the environment. Regional, urban, and district authorities are even more limited in their financial and human resources.

There are as many as 100 indigenous NGOs and community-based organizations (CBOs) engaged in natural resource management activities. Most are new and small, although a few, such as Friends of the Earth, are affiliated with international agencies. It is unlikely that any of these organizations is sufficiently well-established at this time to be certified for direct USAID support. Nevertheless, they can and do work in partnership with PVO's such as the Adventist Development and Relief Agency (ADRA) and TechnoServe, as well as international programs such as the Global Environmental Facility. The local NGOs and CBOs will continue to be important development partners for the implementation of natural resource management programs. (See Gilbert, 1985.)

Ghana receives extensive support from the international donor community for its environmental programs. Planned donor assistance for protecting the environment exceeds \$150 million, spread over five years. This support may be summarized as follows:

- **Strategic planning and policy development:** Ghana has received substantial support since the mid-1980s from the World Bank, UN agencies and European donors. This

assistance will be continued for the foreseeable future.

- **Institutional capacity development:** Support at the EPA and various research centers is being provided by a number of donors, notably the World Bank and the British Overseas Development Agency (ODA).

- **Sustainable agriculture:** The World Bank supports community-based initiatives in sustainable agriculture. The Canadian International Development Agency (CIDA) provides similar assistance in the north, as does the European Union in the Western Region.

- **Fisheries:** The World Bank is providing support for sustainable marine and inland fisheries.

- **Forestry:** The Forest Resource Management Project, supported by the World Bank, U.N. Food and Agriculture Organization (FAO), ODA and DANIDA (the Danish Aid Agency), has provided support for policy reforms and institutional strengthening, as well as community-based forest management and agro-forestry initiatives.

- **Bio-diversity:** Ghana receives support for bio-diversity research and policy formulation from various UN agencies (Ayensu, 1996). The Global Environmental Facility is supporting bio-diversity conservation through protection of coastal wetlands (World Bank, 1992). The World Bank is in the early stages of developing a large credit to strengthen Ghana's National Park System, and address critical policy and institutional issues in park and wildlife management.

- **Sanitation and water quality:** Principal donors are the World Bank, for urban sanitation, and UNICEF, DANIDA and CIDA for rural water and sanitation projects.

## **USAID Will Contribute to Protecting the Environment**

USAID programs have achieved results in protecting the environment under the FY 91 to 96 CPSP. Support has been provided in three areas:

- **Sustainable agriculture:** Through PVOs and NGOs funded through P.L. 480, Title II and Title III programs, improved agricultural practices have been introduced throughout Ghana. For instance, ADRA's Collaborative Community Forestry Initiative has resulted in the planting of over 4.6 million seedlings onto more than 5,000 acres of agro-forestry plots between 1993 and 1995. This program has contributed to increases in food production, supplies of timber and fuel wood, protection of water bodies, and the fight against desertification, especially in northern Ghana.
- **Environmental Monitoring, Evaluation and Mitigation Program (EMEMP):** In order to protect the Ghanaian environment from any threats associated with growing production of non-traditional exports, USAID is working with the EPA and affiliated agencies to monitor environmental quality and to identify mitigating interventions where appropriate. This component of the Trade and Investment Program has gotten off to a slow start, but recent consultancies have made recommendations on streamlining activities and accelerating implementation (Samba, 1995; Gilbert, 1995). These recommendations will be implemented and monitored beginning in early 1996.
- **Forest and bio-diversity conservation:** Support is being provided to the GOG for the protection of 370 square kilometers of tropical forest as a national park and nature reserve. This has resulted in the establishment of Kakum National Park. Revenues from tourism are being used to maintain the park facilities and efforts are underway with local communities to develop alternate and

sustainable sources of income. USAID support has also yielded a substantial body of literature on biological resources and related social issues. (See Bailey, 1995; Mason, 1995; and, Conservation International, forthcoming.)

In preparation of the Country Strategic Plan for 1997 to 2001, USAID/Ghana commissioned two assessments on the environment: *A Preliminary Assessment of Environmental Issues in Ghana* (Gilbert, 1995), and *Ghana: Bio-Diversity and Tropical Forestry Assessment* (Ayensu, 1996). Findings and conclusions of these assessments are incorporated in the foregoing discussion. The assessments also made a series of recommendations for future activities, as summarized below:

- **Improve farm and community level production and conservation practices.** One approach is to focus resources on one watershed, to promote the adoption of improved soil and water management technologies, including afforestation and agro-forestry. Another approach is to strengthen the program management, analytical and advocacy capabilities of environmentally-oriented NGOs in Ghana.
- **Improve forestry practices,** through assistance for the development of a National Reforestation Action Plan, institutional strengthening in the Forestry Department, studying the effects of cash cropping and timber production on the forests, and promoting the commercial utilization of wood wastes.
- **Improve management of marine and aquatic resources** through research on marine fisheries management, and through support for commercial aquaculture.
- **Protect Ghana's bio-diversity** through strengthening and upgrading the Plant Genetic Resources Center to enable it to function as a

national gene bank, through support for the development of bio-prospecting -- sustainable, commercial exploitation of Ghana's biodiversity -- and through support for the study and improved management of traditional, Sacred Groves.

- Assist the Environmental Protection Agency to better fulfill its mandate to guide environmental management and enforce environmental regulations. Specific assistance has been recommended to improve implementation of the EMEMP and to develop a more comprehensive environmental quality monitoring and management system.
- Support a pilot, integrated solid waste management scheme in a medium-sized urban center, to improve sanitation and water quality.
- Support analysis and the development of a database on land tenure systems in Ghana, in order to stimulate public dialogue on land tenure policies.

USAID Ghana has considered each of these recommendations in developing the new Strategic Plan. Under this strategy, principal contributions to protecting the environment, within the context of planned economic growth activities, will come in the following areas:

- Sustainable agricultural and manufacturing practices: In the context of SO 1, increasing the marketed value of selected agricultural products, USAID will be supporting adoption of improved production technologies and practices in farming, agro-processing and manufacturing of wood products.
- Agro-forestry: Support for community-based agro-forestry initiatives will continue.
- Environmental monitoring and mitigation: Based on an up-coming review of the EMEMP, USAID will refine monitoring and

mitigation activities. Participating farming households and producers will be assisted to comply with Ghana's environmental regulations. Modest support (e.g. short term technical assistance and training) may be provided to the EPA and its affiliates.

As the foregoing demonstrates, protecting the environment is a cross-cutting concern of USAID. The Mission considered a separate strategic objective related to protecting the environment. However, given limited assistance and management resources, USAID Ghana's Strategic Plan for FY 97 to 2001 focusses on increasing economic growth and on reducing population growth. Planned assistance by other donors for environmental protection will begin to tax Ghana's absorptive capacity. Moreover, in the Mission's judgement, the pressures of a growing, low-income population would limit the impact of an assistance program that is strictly focussed on protecting the environment.

USAID's strategy is to promote broad-based growth in agriculture (through SO 1) and increase literacy (through SO 2) which will contribute to environmental protection over time through improved knowledge about the environment and through the adoption of more productive and sustainable economic practices. Although there will be set-backs along the way, income growth can contribute to increased incentives and opportunities to protect Ghana's natural resource base. Furthermore, assistance to reduce fertility (SO 3), will contribute to environmental sustainability by directly addressing rapid population growth, a fundamental threat to the environment.

#### **How USAID Programs Relate to Tropical Forestry and Bio-Diversity Requirements**

The impact of future USAID programs on Tropical Forestry and Bio-Diversity will be limited by the choice of program focus and

funding constraints. Due consideration will be given in the planning of support to the agricultural sector to alleviating pressures on the tropical forests, encouraging afforestation, and protecting bio-diversity. Dialogue and assistance to improve policies in the forest and wood products sector will contribute to the development of sustainable forest management policies. Environmental monitoring and mitigation activities are intended to minimize the adverse effects of growth on the environment and its bio-diversity. Programs of other donors, notably the World Bank, will address several of Ghana's Tropical Forestry and Bio-diversity requirements in areas where USAID is unable to be involved.

### **Outstanding Issues and Analytical Agenda**

For purposes of strategy development and implementation, several issues remain to be analyzed:

- How can environmental monitoring and mitigation be streamlined and revised to meet the needs of USAID's evolving strategy?
- What changes are needed in policies for forest and wood products in order to balance economic growth and forest conservation objectives?
- What are the impacts of land and tree tenure policies on economic growth and environmental sustainability?
- How can incentives for environmentally sustainable practices in agriculture, fishing and forestry be improved? This will be especially significant in the collaborative design of PVO/NGO programs.
- How can wastes and by-products in timber extraction and manufacture of wood products be used more effectively?

- What are the institutional strengthening requirements for the EPA and for environmentally-oriented NGOs in Ghana?

USAID will work with development partners to address each of these issues over the life of the new Strategic Plan. In addition, the Mission will rely on locally available expertise, as well as the resources of the Global Center for the Environment, the Africa Bureau's Office of Sustainable Development, and REDSO/WCA for analytical support.

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## ANNEX D

### I. ECONOMIC DEVELOPMENT: THE CASE FOR ECONOMIC GROWTH

#### A. The Macroeconomic Situation

At independence in 1957, Ghana had a population of 5 million and one of the highest standards of living in Sub-Saharan Africa. However, failed economic policies of the era prior to 1983 left a legacy of excessive state control of the economy, over-dependence on primary commodity exports, and poor incentives for economically productive activities. By 1983, incomes and public services had collapsed. With rapid population growth and inappropriate economic policies, real per capita incomes declined by an average of almost 2% per year between 1965 and the early 1980's.

This decline was reversed and Ghana began to achieve modest growth once it initiated a far-reaching Economic Recovery Program (ERP) in 1983. The ERP – which included liberalization of markets, prices, foreign exchange, and international trade, and a gradual reduction of the role of the state in the economy – created conditions for sustained economic growth. As a result, Ghana's GDP increased at a rate of 5% per year, or nearly 2% per capita, between 1983 and 1991. At the apex of the program in 1991, private investment had grown to 8.2% of GDP from 4.4% in 1984, and inflation, which had exceeded 140% in 1983, was brought down to 10%. Moreover, the incidence of poverty in Ghana declined from 37% of the population in 1988 to 32% in 1992.

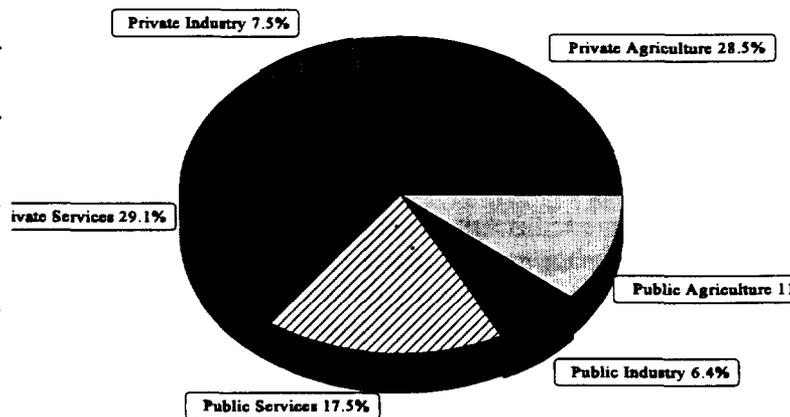
Since 1991, however, the Ghanaian economy has suffered a series of setbacks.

Declines in international market prices for cocoa and gold, low rainfall in 1992 and 1994, and ethnic disturbances in the North contributed to slower growth and greater macroeconomic instability. But a large, 80%, civil service pay increase in 1991 was the principal cause of Government budget deficits in 1992 and 1993, rising inflation, and declining investment.

GDP growth dropped to 4.2% between 1991 and 1994. Agriculture (40% of GDP) and manufacturing (13%) have fared poorly compared with services (47%) and other secondary sectors; mining has done better, growing at a rate of 7.9% per year since, but it accounts for less than 2% of GDP. There has also been a fall in private investment, from 8.1% of GDP in 1991 to 4.4% in 1994.

GDP growth improved in 1995 compared to 1994, because of improved harvests of food crops and increased incomes in cocoa and mining. Yet the inflationary trends remain. Management of the foreign exchange receipts and particularly

**Public and Private Sector Activity**  
Percent of GDP, 1994



Source: World Bank

conversion of external loans to the Ghana National Petroleum Corporation to domestic, Bank of Ghana loans, proved highly inflationary. Inflationary pressures were augmented by predatory pricing during attempts to introduce a value-added tax, and a 35% increase in civil service salaries in mid-1995. Inflation during the 12 months ending in November 1995 reached 70%. Renewed efforts to limit government spending and public sector borrowing are needed to stabilize the economy.

### **B. Pivotal Role of the Private Sector in Economic Growth**

With per capita GNP of only \$430 in 1993 and a population increasing by 3% per year, Ghana's 5% economic growth rate has not been enough to achieve sustainable development. The country remains highly dependent on the export of a few primary commodities, as well as on donor funding, and GOG budgetary resources are inadequate to cover fully the provision of social services and the maintenance of infrastructure. Principal problems faced include high population growth, high levels of illiteracy, poor infrastructure and low per capita income. Each of these problems can be addressed only to the extent that the economy generates sufficient resources to deal with them - which translates into increased productive capacity and increased economic growth.

If Ghana is to realize accelerated growth, it can only be achieved through substantial increases in private sector investment, i.e., it must be stronger private-sector-led growth. A GDP growth rate of 7-8% by the end of this decade - a level needed to increase per capita income to \$695 by 2010 and move Ghana into lower-middle income status - would require total investment to increase to

20-25% of GDP from its present 15.9% level. Virtually all of this increase must come from the private sector (assuming levels of public sector investment comparable to those during 1990-1994).

The realization that the private sector is pivotal to future growth has been slow in coming. During the period 1957-1983 policy makers in Ghana focused mainly on promoting large scale state owned industrial enterprises. Industrialization was viewed as a key factor in modernization, long-term economic growth and balance of payment equilibrium. Industrial policies were characterized by an emphasis on import substitution through high levels of protection; reliance on administrative controls instead of market forces to determine incentives and resource allocations; and dependence on large scale public sector investment for industrial development. Heavy emphasis was placed on controls over most private business decisions and on state allocation of resources through direct management of the financial system. There was a prevalent belief that markets would not work in the interest of the nation as a whole but only in the interest of a few and that planning by the government would bring about a better allocation of resources, especially for investment.

In the 1980s the role of the public and private sectors began to shift. Because of extreme public sector inefficiency and market distortions caused by excessive government intervention, reconsideration began to be given to the role of the private sector. The public sector began to move away from economic dominance toward greater support for market signals

and private initiatives through the adoption of the ERP.

Even with the advent of economic reforms in 1983, the government had an overly simplistic model of economic reform and recovery. The economic reform model had three principal steps: restore basic macroeconomic stability through appropriate exchange rate management and effective fiscal and monetary policies; put in place structural changes so that prices reveal true market scarcities; and on the basis of the first two steps, the private sector would respond with new expanded investment and production. Achievement of the third step, significantly increased private sector investment and production, has not yet been realized. Reasons for the poor performance are many, including:

- There remains a hangover of suspicion of the private sector and perceived need for government intervention on the part of a number of public officials;
- Experience has shown that just "getting prices right" and providing an appropriate or conducive macroeconomic framework are not sufficient for rapid growth in private investment. Constraints such as the availability of finance, market information, technology access and the elimination of administrative regulations created during periods of control are critical and have been only partially addressed. Unreliable utilities - telecommunications and electricity - remain overriding obstacles for any investor considering establishing in Ghana.
- Too often solutions to private sector constraints have been generated and directed by the government, with minimal private sector participation. There has been a top down approach to problem identification and

solution, leaving a weakened private sector. With the elimination of quotas, reductions in tariffs and liberalization of prices under the ERP, the private sector faced a major restructuring. This transition takes time and requires effective incentives - a number of which have been initiated - to help firms that can be competitive refocus their efforts.

If the government is able to stabilize the economy, proceed in a significant manner on policy and regulatory reform, and provide incentives to increase the capacity of private enterprises to produce and export, enhanced private investment and increased economic growth can be achieved. The past slow growth of the agricultural sector (1.9% per year over the period 1985 - 1995) and its dominant role in the economy (accounting for 40% of GDP and 70% of employment) requires substantially increased private sector investment in agriculture. The sector can serve as a principal contributor to overall growth, provide a primary basis for the development of manufacturing, and contribute to continued services sector growth.

## **II. ECONOMIC GROWTH: FOCUS OF USAID INITIATIVES**

Strategic Objective No.1 (SO1) involves increasing the marketed value of selected agricultural products. This strategic focus was chosen because of the critical importance of this sector for accelerated and broad-based economic growth, and for its role in alleviating food insecurity. It includes growth of agricultural products for both the export and domestic markets. Both are essential.

Alleviating food insecurity is of particular importance. In Ghana food insecurity results from both limited access and availability as well as poor food utilization, i.e., the proper biological use of food which requires adequate knowledge within the household of food storage, processing techniques and basic principles of nutrition and sanitation. By emphasizing economic growth, SO1 will address both access and availability, since Ghanaians will be helped to increase their incomes and food production, and to reduce seasonal fluctuations in food prices. Because assistance will focus on the production and marketing of selected food crops, e.g., maize and cassava, it will directly enhance food security. Food utilization is presently being addressed by a number of PVOs and is a primary focus of several donors. Mission strategy will support initiatives that affect utilization directly -- through its education activities that result in a better understanding of nutrition and hygiene -- and indirectly -- through increased incomes and effects on the number/spacing of births. The Ghana Living Standards Survey shows a strong positive relationship between income and nutrition levels. Income is also an important factor in determining use of health services (which deal with diseases related to nutrition) and access to education.

#### **A. The Export Focus**

**Past Performance:** Exports increased from \$439.1 million in 1983 to an estimated \$1,475 million in 1995, an increase of \$1,036 or 236%. Of total exports in 1995, \$1,295 million or 88% was represented by Ghana's four traditional exports, cocoa, gold, timber and electricity. The remaining estimated exports of \$180 million fall into the category of nontraditional exports (NTEs) and were dominated by horticultural crops, fish and semi-processed wood products.

While exports more than tripled between 1983 - 1995, the increases were uneven from year to year. Between 1983 - 1987 export value grew, but began to decline in 1988 due to a general deterioration on the price of Ghana's traditional exports. The result was that, while exports in 1988 were equivalent to 81% of Ghana's imports, by 1992 they had declined to 67%. During this period, the current account deficit grew from \$90 million in 1988 to approximately \$600 million in 1992. In 1994 and 1995 the situation improved. Ghana benefitted from higher prices for cocoa and gold, and receipts from the sale by the GOG of shares in the Ashanti Goldfields Corporation. Export earnings increased by 15% in 1994 and an estimated 14% in 1995. Non-traditional exports continued to grow, and by 1995 represented approximately 12% of total exports.

**Need for Export Expansion and Diversification:** A principal problem faced by Ghana's export sector is that it is dominated by the four traditional exports noted above. For sustained long term growth of the economy, Ghana must increase and diversify its export revenues. The traditional export sector, while the past two years have been positive, prospects over the medium term (1996-2000) for an increase in export value are not as encouraging. It is estimated that the value of cocoa exports will increase 6% between 1996-2000. Gold exports are projected to increase only 5% per year as a result of production from new mines and the rehabilitation of existing mines. Timber exports are estimated to increase just less than 4% per year over this period, and electricity exports are projected to remain essentially stagnant. With these growth rates, the current

account deficit will increasingly become a problem. Unless there is a dramatic increase in non-traditional exports, the Ghanaian economy will either become much more dependent upon donor resources or the growth rate will decline and per capita income will stagnate or begin to decline. Thus Ghana's long-term economic growth is contingent upon continuing to expand and diversify its export base.

In addition to the growing need for foreign exchange to cover Ghana's import bill, increased exports are essential for other reasons: the need to expand beyond the limits of a small domestic economy in order to exploit economies of scale through increased levels of production; the need to increase domestic savings and investment (commonly led by the export sector); and the need to increase productivity and product quality in order to become competitive in international markets.

**Recent Experience with the NTE Sector:** Ghana's NTEs increased from \$1 million in 1983 to an estimated \$180 million in 1995. In late 1992 USAID initiated an NTE promotion effort, the Trade and Investment Program. During the three and a half years of this activity, NTEs have increased by approximately \$112 million (from \$68 million in 1992 to an estimated \$180 million in 1995), of which approximately 80% were agricultural, fisheries and forestry products.

The value of NTEs expected from this sector in 1995 are presented in the table.

Value of NTEs 1995	
	Exports
Fresh fish and seafood -	\$20
Semi-processed wood products -	\$58
Pineapples -	\$10
Processed food products, primarily fruit juices and canned tuna -	\$26
Other agric., including yams -	\$27
	-----
	\$141
Other (Non agricultural)-	\$ 39
	-----
<b>TOTAL</b>	<b>\$180</b>

The Trade and Investment Program (TIP) has addressed a number of constraints to increasing NTEs. Those related to the policy and regulatory environment include: foreign exchange controls on export earnings; cumbersome and lengthy customs import and export documentation requirements and procedures; a poorly functioning duty relief system for exporters; adherence to obsolete trade laws and regulations; forced pre-shipment inspection of imported inputs and equipment; delays in establishment of utility services; and the need to improve the judicial environment for credit, investment and commercial transactions (contract enforcement, bankruptcy regulations, etc.). Additional constraints involve the inability of enterprises to produce sufficient quantities to meet export market demand because of technical production and managerial problems and limited access to finance.

Considerable progress has been made toward solving these problems. A new Export and Import Act was enacted which legislates liberalized foreign exchange control for non-traditional exporters and simplified NTE export procedures. Other areas include: establishment of a new Duty Drawback Bureau by Customs Excise and Preventive Service (CEPS) to administer the duty exemption and relief schemes; granting exemption from pre-inspection to several in-bond manufacturers that export the majority of their production; and providing technical production and managerial assistance to enterprises to increase their output.

While much has been accomplished, a great deal remains to be done. More stringent implementation efforts are needed for a number of the policy and regulatory changes already promulgated. Further policy reforms are also needed: removal of restrictions on licensing new fishing vessels; removal of restrictions banning certain export products (timber, lint cotton, natural rubber, non-ferrous scrap metal); removal of restrictions in the timber and wood products sector; and streamlining of export and import procedures for agricultural inputs. In addition to these, assistance to producers and market intermediaries is needed to increase their productive capacity.

## B. The Agricultural Sector Focus

**Past Performance:** The agriculture, forestry and fisheries sector's dominant position and poor performance are increasingly eroding Ghana's economic growth. Agriculture accounts for 40% of GDP, employs 70% of Ghanaians and generates more than 50% of Ghana's export earnings. Yet, while the economy as a whole has grown at 5% over the past decade, agriculture has grown at approximately 1.9%. This is less than the

rate of population growth and contributes to increasing national food deficits and food insecurity.

Food crop production in Ghana is dominated by roots and tubers, primarily cassava, yam and cocoyam. These crops comprise approximately 74% of all food production. The percentage contribution to total food crop output of principal crops is presented in the following table.

<b>Crops</b>	<b>Percentage Share</b>
Roots and Tubers	74.2
Cassava	50.4
Yam	14.2
Cocoyam	9.6
Plantain	12.4
Maize	7.6
Sorghum	2.7
Rice	1.4
Other	1.4

Food crops account for 64% of total agricultural GDP, with cocoa (13%), forestry (11%), livestock/poultry (7%) and fisheries (5%) accounting for the balance.

The predominance of food crops relative to total agricultural GDP and the slow growth of the sector as a whole argue that, unless food crop production is accelerated, needed increases in the growth of the agricultural sector and the economy as a whole will not be realized.

**Recent Experience with the Agricultural Sector:** Problems and Prospects: A number of agriculture related products have potential growth

opportunities - including horticultural crops, fisheries and wood products for both the domestic and export markets - food staples present a particularly promising potential primarily for domestic consumption. Of particular note is the dominance of roots and tubers in relation to all other foods. In addition, the production and consumption of maize has increased as a proportion of total food crops over the past four years and will likely continue to do so.

Roots and tubers are grown in eight of ten regions in Ghana. Farmed predominantly by subsistence farmers who intercrop with vegetables and maize, the maturation cycle averages 8 to 9 months for cassava and yams, and 6 months for cocoyam. Inadequate transportation infrastructure and undeveloped distribution and marketing systems result in considerable losses (often 30 to 40%) due to spoilage from leaving the tubers in the ground too long waiting for marketing opportunities, inadequate storage and a lack of processing facilities. High transportation costs (related to poor roads and high fuel costs) force farmers to rely on intermediaries who are able to demand lower farmgate prices.

These crops have substantial potential for growth due to both domestic and international demand. Domestically, they constitute the main staple of a majority of Ghanaians with current per capita consumption in 1995 being 248 Kg. Actual projected per capita demand for the same year is 609 Kg., resulting in a substantial deficit. Ghana's consumption of root crops is unlike consumption patterns in most other consuming countries. In Ghana, cassava and/or yams are a preferred food by most households for at least one meal per day. They contribute roughly 56% to the average daily Ghanaian diet.

The export market for cassava chips, cassava starch and yams is substantial. Total exports for all three products in 1993 were 4,169.5 mt. In the case of cassava chips, it is estimated that there is an unmet demand in the EU market of over 200 thousand mt. Only during the past two years has Ghana begun to export cassava chips to the EU; in 1994 exports were a mere 2100 mt. In the case of yams, substantial export markets exist in Europe and in the United States. Total yam exports amounted to 5,322.8 mt in 1994 and are expected to double in 1995.

Cereals, approximately 70% of which is maize, can be grown in all 10 regions of Ghana. They are often intercropped with roots and vegetables. With very short maturation periods of between 60 and 90 days, cereals play a critical role in shortening the yearly hungry season.

Even though cereals currently contribute less than 12% of total food crop output, they constitute a substantial part of the daily food intake of urban dwellers and residential institutions such as hospitals and boarding schools. Further, their relatively high protein content makes them more amenable to the preparation of weaning foods for children, a large portion of whom are known to be nutritionally at-risk. A critical problem affecting cereal production involves inadequate storage, resulting in large seasonal price swings and substantial spoilage. Producers are forced to sell at the time of harvest, resulting in a glut and a dramatic drop in prices. Prices subsequently increase as supplies dwindle. With improved preservation and storage methods, both the domestic and the African export markets of cereals, particularly maize, can be substantially

expanded. The magnitude of past maize exports (in 1991 and 1992) was determined less by the market size than by the level of production over and above what could be adequately stored internally.

To increase agricultural growth and its contribution to the economy, attention must be focussed on crops which have significant potential for growth. Principal obstacles to growth in this sector include:

- Management practices, whether at the level of the producer or market intermediary, tend to be inefficient. All levels involved require improved knowledge and information about prices, buyers, and consumer preferences. Specialization into marketing functions, such as storage, wholesaling, processing and exporting, is needed to achieve greater market efficiency.
- Financing remains an important constraint to the expansion of agriculture. Throughout Ghana's economy, self-financing or financing from within the extended family remains the principal source of investment and working capital. There is a failure to adequately mobilize existing savings. At the same time, access to formal sources of credit is limited.
- The supply of inputs to farmers is inadequate and erratic. Supplies need to be increased through improved management and the timely delivery of inputs with appropriate extension or customer-education services.
- Expanding product markets tend to face supply constraints. Improved production technologies and practices are necessary. Use of improved crop varieties and yield-enhancing inputs, even when available, is low. Poor rainfall reduces yields, however devastating droughts are infrequent (the last having occurred in 1983). Nevertheless, the

effects of year-to-year fluctuations in weather are exacerbated because of farmers' low income, such that low prices in one year lead to reduced production in the next.

- Improved storage and handling practices are inadequate. Their improvement is required to reduce post-harvest and industrial losses and stabilize product prices.
- High transportation costs are problematic for all agricultural producers. The majority of Ghana's highways and feeder roads are in poor condition, severely limiting transport services and resulting in high operating costs. Many farmers still carry produce to local markets on their heads.

One of the most significant overriding constraints is that agriculture is not viewed or conducted as a profit-making activity. The actors in production, processing and distribution are private entrepreneurs -- input suppliers, producers, distributors, processors, wholesalers and retailers. If their activities do not generate enough profit, they will drop out. To increase incomes of farmers and other agricultural actors, entrepreneurial skills and knowledge of markets must be developed and updated.

To address these constraints, PVOs, NGOs and the private sector must play primary roles. Channeling resources through public sector agencies -- whether in Ghana or elsewhere -- has not produced the needed impact. USAID/Ghana and other donors - as well as the GOG - have had particularly good success in utilizing PVOs to work with producers, processors and marketers to increase production and

improve market efficiency. One approach which has had significant impact involves organizing farmers into groups (30-75 producers per group) and providing technical assistance and training to improve business management skills, sustainable production techniques, use of appropriate inputs, post harvest practices, processing facility management, credit management and marketing and negotiating skills for the sale of output. PVOs have also been effective as intermediaries between banking institutions and farmers' groups -- particularly in assisting groups to obtain and manage inventory credit and macro-enterprises to secure term credit for processing equipment.

### III. ANALYTICAL REQUIREMENTS

For purposes of developing initiatives related to the goal of economic growth and to SO1, several additional studies or analyses will be undertaken:

- **Policies:** Analysis of the import of policy on the agricultural sector - both for domestic products and NTEs;
- **Product markets:** Update and expansion of available information on market demand and marketing issues for selected products. Additional analysis on market cost and efficiency issues and on demand for both staple foods and NTEs;
- **Production:** Specific analysis of production practices and technologies;
- **Institutional Capacity:** Further analysis of the institutional capacity of key development partners, particularly PVOs and non-bank financial institutions;

- **Financial and Economic Analysis:** Prior to the commitment of new funding under SO1, further analysis of projected costs and the economic feasibility of specific interventions;

- **Program Impacts:** Continued analysis of employment and income effects of NTEs, and employment and income projections for domestic production and marketing initiatives.

- **Environmental Impact:** An Initial Environmental Examination (IEE) and Environmental Impact Statement. An Environmental Monitoring, Evaluation and Mitigation Plan (EMEMP) and EPA staff trained to implement the plan. Periodic evaluations of the program's environmental impacts and the EPA's effectiveness in the implementation of the EMEMP.

USAID will work with development partners to address each of these issues over the life of the new strategic plan. In addition, the Mission will rely on locally available expertise, as well as resources of USAID/Washington and REDSO/WCA for analytical support.

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## ANNEX E

### MONITORING, EVALUATION AND RESEARCH

#### I. MONITORING AND EVALUATION PLAN

##### A. Introduction

The primary purpose of the monitoring and evaluation plan for the USAID/Ghana country strategy is to provide management information needed to adhere the strategic and special objectives. In addition to the mission, these are the other major users of the information: USAID/W; all GOG agencies and/or divisions directly involved in implementing activities under results frameworks; contractors and grantees involved in implementation; other development partners as noted in the results frameworks such as UNFPA, UNICEF, World Bank, etc.

USAID/Ghana carefully considered appropriateness of objectives and indicators for each level. Emphasis was placed as much as possible on people-level, gender disaggregated measures. Guidance from USAID/W stresses the importance of considering best practices in strategic planning. USAID/Ghana has drawn on both its own experience and that of other missions as well as on technical expertise in USAID/W and REDSO/WCA. Whenever possible, the proposed monitoring and evaluation plan makes use of reliable, existing data. In the case of special studies needed for performance reporting on strategic objectives, USAID/Ghana will continue its practice of making use of local expertise to the extent this is available.

Involving Ghanians helps to build greater local capacity for policy analysis. Usually, use of Ghanaian experts is more cost-effective. The Mission has found that in some specialties, for instance international economics and environmental analyses, Ghana has a strong pool of local experts. Typically, however, the Mission has learned that the involvement of an American or third-country consultant is necessary to translate research findings into policy-relevant conclusions and recommendations. Thus, a mix of local and expatriate expertise will be used to implement the Mission's Analytical Agenda.

The Mission also maintains fruitful collaboration with analysts and research programs in the Global Centers, the Africa Bureau and REDSO. The principal objective of this collaboration is to improve the planning and implementation of assistance programs in Ghana. The Mission will support regional or global research efforts where there is a compelling case for Ghana's inclusion. Long-term relationships are anticipated: in agriculture, trade, and environmental analysis, with AFR/SD, G/EG and G/ENV; in education, with AFR/SD, and G/HCD; in family planning, and health with AFR/SD and G/PHN. The Mission also plans to request REDSO/WCA assistance in engineering, environmental impact analysis, AIDS/STDs, and monitoring and evaluation.

The total to be set aside for monitoring, evaluation, and auditing under the proposed strategic plan is \$7.92 million (high level) and \$5.92 million (low level). This constitutes 4.3% (high level)

or 4.2% (low level) of the DA budget proposed for this strategic plan.

### **B. Monitoring and Evaluation Strategy**

A detailed performance monitoring plan for indicators at all levels from the goal and sub-goals to intermediate results and outputs has been developed. The plan includes definitions of the indicators, units of measurement, sources of data, a description of the approach or method for collecting and/or interpreting the data, frequency of data collection and the office within USAID/Ghana which holds primary responsibility for compiling the data.

The following processes contribute to the USAID/Ghana monitoring and evaluation strategy:

**R4 - Annual Results Review:** Required by USAID/W, this process reviews progress in meeting strategic and special objectives.

**Semi-annual Portfolio Reviews (SAPR):** USAID/Ghana will continue to hold semi-annual portfolio reviews. One of these will feed into the annual results review. In addition to considering progress toward meeting objectives, the SAPR will also be used as a tool to monitor progress in implementation of results packages as well as to identify major problems in implementation and progress in resolving these problems.

**Interim and Final Evaluations:** USAID/Ghana will continue the practice of conducting interim and/or final evaluations where it makes sense to do this. Principal objectives in conducting evaluations are: to identify reasons for problems or greater than expected progress in achieving expected results; in the case of interim evaluations, to use the information to make corrections in design of results packages when necessary;

to explore issues related to sustainability; and to document lessons learned for the benefit of development partners and other operating units within USAID.

**Audits:** Regular financial audits will be conducted in accordance with standard provisions for grants and contracts.

### **C. Data Sources**

Data for reporting on progress in achieving objectives will be obtained from various sources: reports from donors and GOG agencies; GOG national accounts and service statistics; contractor/grantee periodic reports; reports from other development agencies; and special studies and analyses.

### **D. Monitoring and Evaluation Responsibilities**

Responsibilities of the Program Office are as follows:

- Coordinate the Annual Results Review and the Semi-Annual Portfolio Review. Prepare the final copy of these documents.
- Compile data on indicators at the goal and sub-goal levels.
- Initiate and coordinate special data collection activities as indicated in the performance monitoring plans for the strategic objectives.
- Coordinate reviews of studies and/or evaluations.

The strategic objective teams are responsible for overseeing progress in

achieving objectives under the respective results frameworks. Responsibilities are as follows:

- Prepare input for the annual results and semi-annual portfolio reviews
- Work closely with implementing agencies to insure quality of data
- Initiate and coordinate data collection activities which fall directly under the responsibility of the strategic objective team as indicated in the performance monitoring plan
- Coordinate reviews of studies and/or evaluations initiated by the strategic objective team

Strategic objective teams and the Mission Controller's Office are jointly responsible for ensuring that audits are conducted according to schedule.

Implementing agencies are directly responsible for collecting data to report on progress toward meeting objectives at the intermediate results and output levels. Specific responsibilities follow:

- Develop a monitoring and evaluation system to track progress toward achieving objectives.
- Report regularly to USAID/Ghana as required under the terms of contracts or grants. In general reports will be submitted quarterly.
- Work closely with monitoring and evaluation staff and consultants in order to ensure quality of data.

## **II. Research and Analytical Agenda**

USAID/Ghana will undertake a variety of special studies and evaluations over the life of the Strategic Plan in order to plan, modify and assess achievement of mission objectives. These activities will provide the data to support program design and implementation. Some will bear directly upon the monitoring and evaluation process. Others will provide information about conditions which are not directly addressed in the design of results packages, but nonetheless have significant impact on achievement of objectives. The following table summarizes the special studies and analyses planned over the life of the Strategic Plan.

YEAR (Quarter)	DESCRIPTION
<b>Cross-Cutting</b>	
FY 1997	Human Resource Development: Assess training needs for implementation of the Strategic Plan.
FY 1998	PVO/NGO Capacity: Update analyses of PVO/NGO institutional strengthening requirements for implementation of the Strategic Plan.
<b>Agriculture and Trade</b>	
FY 1996 (Q-IV)	Marketed Value of Agricultural Products: Study ways to improve the methodology for and baseline estimates of marketed value for measurement of Strategic Objective No. 1.
FY 1997	Economic Analysis of Markets for Staple Foods: Study market efficiency and marketing costs for staple foods, primarily cassava and maize.
FY 1996	Regional Trade: Analyze participants in regional trade and opportunities for growth.
FY 1997	Wood Products: Analyze policy constraints to sustainable growth in output and export of wood products.
FY 1996 (Q-II)	Environmental Monitoring, Evaluation and Mitigation Plan: Analyze measures to streamline, modify, and improve the effectiveness of the EMEMP.
FY 1998	Land and Tree Tenure Policies: Analyze implications for economic growth and environmental sustainability.
FY 1996 - 97	Analyses for Development of Results Packages: Conduct technical, institutional, financial, economic, social-soundness, gender, and environmental analyses for program planning.
FY 1998, 2000	Policy: Analyze extent and impacts of policy implementation. Emphasis will be placed on analysis of impacts on Ghana's comparative advantage in international trade.

YEAR (Quarter)	DESCRIPTION
FY 1996, 1999	Dissemination of information to enterprises: Study the impact of work with business/professional associations to improve quality of services to enterprises
FY 1997, 2000	Income and Employment: Analyze income and employment effects for men and women under SO 1.
<b>Primary Education</b>	
FY 1996	Financing: Examine feasibility and sustainability of planned decentralized financing for primary education. Assess community and private sector contributions to education in beneficiary areas.
FY 1996	Assessing Literacy and Numeracy: Study ways to improve the methodology for and baseline estimates of literacy and numeracy for measurement of Strategic Objective No. 2.
FY 1997	Classroom Assessment: Develop a methodology for pupil continuous assessment.
FY 1996	School Quality Index: Develop criteria and methodology for assessing fundamental school quality indicators. (Management, teaching, infrastructure, and materials.)
In process	NGO Participation: Examine the services NGOs and PVOs can provide to support the MOE/USAID assistance program.
FY 1996 (QII)	Girls Retention: Identify program strategies to address constraints to girls' retention in primary schools.
<b>Family Planning and Health</b>	
FY 1997	Financial Sustainability: Analyze costs of service delivery, expenditures in family planning, and the efficiencies gained with integrated services.
FY 1998, 2000	Commodity Pricing: Conduct commodity Pricing Studies to explore price revisions and compliance with price changes by MOH (2 years).

YEAR (Quarter)	DESCRIPTION
FY 1996, 1997	Quality improvement: Analyze options for improving use and continuation of family planning. (Pre- and post-test on medical barriers.)
FY 1996, 1998, 2000	Customer Tracking Surveys (2 years).
FY 1996, 1999	Situation Analyses of Service Delivery Points (2-3 years).
FY 1998	Demographic and Health Surveys (5 years).
FY 1997, 2000	Situation Analysis of STD case management (3 years).

## ANNEX F

### KEY FACTORS ANALYSIS

USAID Guidelines for Strategic Plans (February, 1995) list key factors considered to be constraints to development in the areas of economic growth; population and health; democracy and governance; and environment. The Guidelines call on missions to consider formulating strategic objectives in these areas if any of the key factors is critical to sustainable national development. An examination of the key factors tables, and Ghana's status relative to Agency benchmarks contained in the tables, indicates that Ghana has made a dent in addressing some of these constraints (such as reducing fertility, attaining positive growth rates and relative political stability). But, the tables also indicate that much still needs to be done in Ghana to enhance development.

With the exception of Humanitarian Assistance, all of the Agency goals have revealed levels of need sufficient to warrant development assistance. Poverty is still rampant; economic growth is unsteady; illiteracy is still high; the population growth rate is not stabilized; and health standards remain poor. The environment in Ghana is being threatened by industry, urbanization and poor farming practices. Democracy is still emerging and local governments and NGOs are weak.

USAID/Ghana has opted to focus its strategic plan on broad-based economic growth, and population stabilization and human health protection. By focusing on the social sectors (education and population/health) and growth, USAID/Ghana is not just concerned with promoting growth per se, but also with its distributional implications. Although

they are not areas of key focus, aspects of the Agency's environmental and democracy concerns will be addressed as part of the Mission's economic growth and population stabilization efforts.

<b>ECONOMIC GROWTH</b>	
<b>Key Factors</b>	<b>Ghana's Status</b>
Incidence of poverty greater than 30%, widespread food insecurity and per capita income below \$500.	Incidence of poverty declined from 37% in 1988 to 32% in 1992, but there are troublesome regional variations. Poverty is a key factor in food insecurity. Per capita GNP is \$430.
Annual per capita economic growth less than 1.5% over past ten years.	Per capita GDP has grown by an average of almost 2% per year over the past ten years.
Persistent macroeconomic instability, as indicated by continuing need for IMF assistance and major adjustment programs over past 5-10 years	Major stabilization and adjustment programs began in 1983. Since 1991, there has been intermittent instability, with inflation rising to over 70% in 1995. Currently, Ghana is on an Enhanced Structural Adjustment Facility (ESAF) for the period 1995-97
Inadequate health care as indicated by life expectancy of less than 61 years.	Life expectancy has recently increased to 56 years.
Illiteracy above 40%, and female illiteracy greater than 1.25 times the total.	Adult illiteracy is 51% and female illiteracy is 1.18 times the total.
Primary education enrollment rates less than 85%, or ratio of girls enrolled less than 80% of total ratio.	Primary education enrollment rate is 76%. Ratio of girls enrolled is 91% of total ratio.

<b>DEMOCRACY AND GOVERNANCE</b>	
<b>KEY FACTORS</b>	<b>GHANA'S STATUS</b>
Incidents of torture and disappearance	No incidents in recent years and the Commission on Human Rights is working to resolve older cases.
Elections in which not all political parties participate or where the results of the last election were not accepted by the competing parties	<p>Opposition parties claimed widespread fraud in the 1992 presidential election and chose to boycott the subsequent parliamentary elections.</p> <p>Non-partisan local elections held in 1994 were reasonably contested.</p>
Government denial of permission for political parties, labor unions, civic action groups and the independent media to register or operate freely	<p>Registration procedures for political parties somewhat restrictive but under review. Five opposition parties are registered. There are eight registered parties altogether.</p> <p>17 labor unions operate under the Trade Union Congress (TUC) umbrella, an independent body guaranteed under the constitution.</p> <p>Civic action groups operate freely in general. NGOs and other civic action groups are able to register with the government and operate freely.</p> <p>Reasonably active independent print media. Radio and TV operations restrictive.</p>
More than 50% of the population does not believe that the judiciary is independent or that they can effectively utilize the judiciary to resolve disputes	<p>Except for political cases, the public generally believes that the judiciary is independent. However, the system is extremely slow and therefore not an effective means for resolving disputes. Enforcement of court decisions is often weak.</p>

<b>DEMOCRACY AND GOVERNANCE</b>	
<b>KEY FACTORS</b>	<b>GHANA'S STATUS</b>
Women constitute less than three percent of elected national officials or women's turnout in elections is less than 80% that of men	Eight percent of members of parliament are women (16 of 200 members). Of 80 cabinet positions, only one of <u>three</u> positions held by women is elective. The other two are appointees. Women comprised about 48% of registered voters in the 1992 elections.
Failure to prosecute military and police officials accused of serious human rights abuses	There is a widespread sense that the military and police are above the law. Serious offenses often do not result in formal charges being lodged or persons brought before the courts receive light punishment.
A legislature in which a majority of the members have never served before	Most (all but two of 200) members of parliament have never served in a similar capacity before.
A weak legal system which acts to discourage investment and other business dealings	Inadequate contract law and problems with land tenure systems inhibit private sector development. The current investment code contains no provision for arbitration.
An overly centralized system for policy formulation and implementation	The government is in the process of implementing a broad-based and very ambitious decentralization policy.

<b>ENVIRONMENT</b>	
<b>Key Factors</b>	<b>Ghana's Status</b>
Quantifiable losses in GDP of 5% or more due to natural resource depletion and/or pollution.	Annual losses representing 4-5% of GDP due to natural resource depletion and/or pollution
Rapid rate of degradation (e.g. 1% p.a.) of key ecosystems (e.g. deforestation, conversion of wetlands, loss of coral reefs, conversion of savannah).	The rate of deforestation is over 1% per annum. Coastal erosion (land loss at the average rate of 1.5 meters per annum) exceeds 1.5% per annum. 35% of Ghana's total land area (mainly in the north) is vulnerable to deforestation.
Unacceptable environmental health risks (e.g. annual mean concentration of fecal coliform in highly used water bodies exceeds 1000 per 100 milliliter sample; annual mean concentrations of suspended particulate matter and sulfur dioxide in major urban areas exceed 300 and 100 micrograms per cubic meters, respectively).	Concentration of fecal coliform in Densu River Basin in October 1994 exceeded 8,000 per 100 milliliter  Annual mean suspended particulate concentration is below 200 mg/m <sup>3</sup> in Tema  Sulphur dioxide concentration in parts of Accra could be as high as 167 mg/m <sup>3</sup>
Economical, ecological and public health significance of undegraded resources (e.g. standing forests, wetlands, coral reefs, watersheds, topsoil, surface waters) and degree of potential threat.	Deforestation, soil depletion and poor sanitation pose significant threats to agriculture and forestry, bio-diversity and human health.
Public health and ecological implications of trends of urbanization, industrial development and population/demographic changes.	Wetlands are under severe threat from industrial and urban pollution, uncontrolled agricultural activities, salt and sand winning.  Water bodies polluted due to improper disposal of domestic and industrial waste.  Poor disposal of human and solid waste in many Ghanaian communities and industrial pollution in major urban areas constitute a major threat to public health.
Priority given to strengthening environmental policies and programs by local partners, both governmental and non-governmental.	Environmental policies are considered strong, but implementation is weak. NGO and local community capacities are limited

<b>HEALTH, POPULATION AND NUTRITION</b>	
<b>Key Factors</b>	<b>Ghana's Status</b>
Annual growth of GDP less than 2% higher than population growth over a 10 year period	Averaging nearly 2% over the past twelve years of the Economic Recovery Program
Unmet need for contraception (i.e. women who do not currently wish to become pregnant but are not currently using contraception) at or above 25% of married women of childbearing age.	52.3% of women want to space or have no more children, but are not using any contraception (1993 DHS)
Total Fertility Rate (TFR) above 3.5	About 5.5 but declining (1993 DHS)
Under five mortality rate at or above 150 per thousand live births	119 per 1000 (1993 DHS)
Maternal mortality ratio at or above 200 maternal deaths per 100,000 live births	Between 200 and 300 per 100,000 live births
Prevalence of STDs at or above 10% among women aged 15-30	11% of post partum women in Korle Bu hospital infected with gonorrhea or chlamydia (1993)
Stunting (height for age at least two standard deviations below mean) found in at least 25 percent of children under 5	26 percent of children aged 1-35 months fall two or more standard deviations below mean (1993)
General HIV prevalence in low risk groups at or above 1 percent	National HIV seroprevalence of pregnant women is between 2 and 4 percent
HIV prevalence in high risk groups at or above 10 percent	1993 study of commercial sex workers in Accra showed HIV prevalence at 30 percent

<b>HUMANITARIAN ASSISTANCE</b>	
<b>Key Factors</b>	<b>Ghana's Status</b>
Historical incidence of recurrent major natural disasters resulting in significant loss of life, infrastructure and capital resources	Drought and bushfires in 1983
Political and Social instability and/or history of civil strife	Relatively stable for past 13 years
Inadequate emergency management procedures and resources dedicated to prevention, mitigation and preparedness	Ethnic clashes in 1995 and influx of refugees from Togo stretched GOG resources and capacity. Emergency management is under-funded and remains inadequate
Poorly controlled industrial and nuclear processes which pose serious environmental threats	None
Significant food insecurity and levels of acute malnutrition	Ghana continues to be food insecure in cereals production. Production capacity hampered by inappropriate technology and poor commercial practices
Natural disasters or civil strife which have resulted in major population dislocations, loss of jobs and income, destruction of property, or substantially reduced food production and availability	Recent ethnic clashes in the Northern Region have caused loss of life, destruction of property and lower agricultural production.

## ANNEX G

### POLICY AGENDA

Ghana is duly recognized by the international community for the extensive economic and democratic reforms that it has adopted over the past 12 years. Economic policy reforms reversed Ghana's dramatic economic decline and allowed steady per capita growth. Basic human rights are generally protected and a second round of democratic multi-party elections are expected in late 1996.

Further policy and regulatory reforms are needed in order for Ghana to realize its economic promise and to assure that participatory democracy is functioning effectively. Ultimately, change must originate with the Ghanaians themselves. The United States and other international partners, nevertheless, may play a valuable role in encouraging and influencing policy change.

The purpose of this Policy Agenda is to identify a strategy for supporting constructive policy and regulatory change in Ghana. The Agenda is consistent with and supportive of USAID's Strategic Plan, with its goal of increasing sustainable, broad-based, economic growth. In fact, the strategy is based upon assumptions of political and economic stability, growing private sector participation in the economy, and sectoral policy changes. USAID will engage in policy dialogue and provide Non-project Assistance (NPA) to support some of the costs of policy reforms. USAID initiatives will be coordinated with our partners, notably other members of the U.S. Mission to Ghana. Critical elements of a Policy Agenda are summarized below.

#### Economic Growth

Ghana must seek to restore and maintain macroeconomic stability, through containment of public expenditures, gradual growth in the money supply, and the continuation of sound foreign exchange and trade policies.

● *The U.S. Mission will use its voice to advocate prudent macro-economic policies and to contribute to public education in support of this objective. Leadership will remain with the World Bank and IMF. The U.S. will provide information through the Early Project Notification mechanism, and use its influence with these organizations to foster a firm but realistic program of support for Ghana.*

Further measures to transfer control of the economy from the state to the private sector and to local communities are required for improved, broad-based growth. Salaries and benefits for public servants consume 44 percent of Ghana's recurrent budget, net of interest payments. The state still plays a pervasive role in cocoa exports, manufacturing and financial services.

● *USAID will advise GOG partners on more efficient uses of public resources and support decentralization efforts. As a rule: USAID assistance will not be used to expand the range of GOG economic activities, except as improved government capacity is required for the transfer of functions to the private sector; the GOG will be dissuaded from using U.S. assistance for new subsidy programs; and, USAID will avoid the creation of new positions for public servants in its assistance programs.*

The GOG is now committed to improving the enabling environment for trade and investment. Significant reforms have already been adopted in conjunction with USAID's Trade and Investment Program (TIP).

● *Under SO 1, USAID programs will place emphasis on overcoming the remaining policy and regulatory barriers to investment and expansion of domestic and export markets for agricultural products. This will involve the full implementation of prior. USAID-supported reforms, as well as liberalization of private fishing and trade of wood products, streamlining of import procedures for agricultural and industrial inputs, the removal of export bans, the simplification of pre- and post- shipment inspection for exports, and improving the enabling environment for the development of new financial services.*

*Trade and investment reforms will be approached through policy dialogue, NPA with conditionality focussing upon the full implementation of key policy and regulatory reforms, technical assistance, training, and studies. The Mission will continue to work with private organizations, such as the Private Enterprise Foundation and the Federation of Associations of Ghanaian Exporters, and through private-public coordinating bodies, such as the Trade and Investment Oversight Committee, to advance the liberal trade and investment agenda.*

Ghana must establish a transparent and equitable regulatory environment in order to encourage needed investments in financial services, telecommunications, electricity, and private broadcast media. This will include establishing independent regulatory agencies -- such as the Securities Regulatory Commission, and the Frequency Control Board, -- removing barriers to private

investment and, to some extent, privatization.

● *The US will provide short-term technical assistance and training to improve the regulatory environment in support of SO 1.*

### **Primary Education**

The GOG is committed to a policy of decentralization of government functions. Improvements in primary education will require greater devolution of authority to Districts and schools. With this authority must come stronger accountability. For instance, to improve instruction, the authority to provide incentives and sanction educational managers, supervisors, and teachers must be provided to Districts and communities.

● *USAID will assist districts and schools to clarify the roles and responsibilities of educational personnel and to improve management capacity.*

Improved classroom instruction will require increases in public spending on essential instructional materials and basic infrastructure. Currently, salaries account for more than 95% of recurrent spending in primary education, leaving little for other educational inputs.

● *Working at the local school level, USAID programs will stimulate increased non-salary expenditures and provide lessons-learned for replication at the national level. USAID funds will leverage resources for school management from national budgets, District Common funds and donor grants.*

The GOG must establish improved standards for teacher performance and allocate resources for training of primary school teachers. Changes in national standards and

systems to monitor performance are required to facilitate improved classroom learning. At the same time, the standards must be flexible to allow for innovation and adaptation at the local level.

► *USAID will provide support for policy changes in the assignment, training and supervision of teachers.*

If primary education is to flourish in Ghana, the GOG must actively encourage private and community initiatives. Primary education must be opened up to alternative service providers such as NGOs, and policies to expand school privatization should be explored.

● *USAID will support NGOs and communities to strengthen instruction and school management.*

### **Population and Health**

The GOG must continue to support the recurrent costs of family planning activities if fertility objectives are to be accomplished. Fertility reduction has significant social and economic benefits, but consumers cannot be expected to pay for the full costs of family planning commodities and services, at least in the medium term.

*USAID will support public sector financing through policy conditionality focussed upon budgetary commitment, as measured by achievement of service delivery benchmarks. Technical assistance will also be provided to improve the efficiency and decentralized control of budgetary resources.*

Appropriate measures for partial cost-recovery are also required. Public sector commodity pricing must be rationalized to balance cost-recovery with increased

utilization, while not undercutting the prices that must be charged by private and NGO family planning providers.

● *USAID will support periodic review of contraceptive pricing through technical assistance and special studies.*

Ghana has successfully revised its Population Policy and established the National Population Council (NPC). The GOG must now make the budgetary commitments necessary for the NPC to fulfill its mandate as a national coordinating body and the highest authority on population policies.

● *USAID will continue to provide assistance to the NPC Secretariat to consolidate its role in supporting policy coordination.*

### **Democracy and Governance**

The conduct of free and fair Presidential and Parliamentary elections with the participation of an informed electorate is a high priority of the US.

● *USAID is currently providing technical assistance for voter registration and civic education. Democratic elections will continue to be a major theme for policy dialogue.*

Although Ghana has established a good track record on human rights, additional measures to protect fundamental rights are still needed.

● *The US Mission will maintain its policy dialogue with the GOG to respect and expand human rights in Ghana. Emphasis is being placed on fundamental rights of association and the development of responsible, private, print and broadcast media.*

GOG policies and practices often hinder the activities of civic associations.

● *USAID will encourage the GOG to become more open to the activities of NGOs and to improve the policy and regulatory environment for their activities. USAID will continue to collaborate with civil society to plan and implement development activities. PVOs, NGOs, community-based organizations, and private sector associations will participate in USAID's programs in agriculture, primary education, family planning and HIV/AIDS and socially-transmitted disease prevention.*

### **Protecting the Environment**

Ghana's environmental policies are sound. Although some updating and consolidation of policies are still required, the emphasis should be on implementation of existing policies.

● *U.S. assistance will comply with U.S. and Ghanaian environmental regulations and will seek to quantify environmental impacts of investment decisions. Policy dialogue, technical assistance to private enterprises on compliance with environmental standards, and limited support to the Environmental Protection Agency and its affiliates will be the approach followed by the U.S. Mission.*

Export bans on round logs should be reviewed and relaxed in order to facilitate the orderly development of a wood milling and manufacturing industry and to reduce incentives for wasteful use of forest resources.

● *USAID may support this objective through policy dialogue and studies.*

Government action is required to study and conserve Ghana's biological diversity.

● *Since substantial World Bank support is expected in the areas of coastal management and wildlife protection, the U.S. Government will support this objective primarily through policy dialogue.*

### **Instruments for Influencing Policy Change**

The collective voice of the United States representatives in Ghana may be the most potent instrument for influencing policy change. For instance, policy dialogue has resulted in specific improvements in export procedures, such as one-stop clearance for non-traditional exports at the port in Tema, and more efficient customs procedures at Accra's airport. A relatively large field presence of dedicated professionals contribute to the U.S. Government's comparative advantage in conducting policy dialogue with the Government, Parliament and civil society. Experience in other reforming countries and a wealth of technical specialists in the U.S. who are available to support these efforts provide additional strength.

USAID also plans the selective use of NPA to influence policy change in the three areas of strategic focus. Based on experience in improving the private sector enabling environment under the Trade and Investment Program, and population policies under the Family Planning and Health Program, USAID plans to provide limited cash disbursements to Ghana supported by results-oriented policy conditionalities. Mission experience has shown that the foreign exchange system in Ghana is sound and meets all of USAID's conditions for the provision of cash disbursements through the

Bank of Ghana and the interbank foreign exchange system.

Technical assistance for policy analysis, studies, and institutional development, is part of USAID's Strategic Plan. The GOG will receive assistance in policy analysis. Where appropriate, the Parliament, Judiciary and local Government will directly benefit from this assistance. Civil society will also be assisted in policy analysis and the development of advocacy skills.

Training will complement other forms of assistance, to increase skills in policy analysis, formulation and implementation. Emphasis will be placed on stimulating informed debate through short-term training. Following through, using workshops and alumni associations, for instance, will ensure that information and skills are disseminated within Ghana.

A Policy Reform Committee will be constituted within USAID to keep the policy agenda current, to monitor progress, to coordinate support for policy change with other development partners, and to recommend specific actions to advance policy change in Ghana. The Committee will be chaired by the Deputy Mission Director, and the Program Officer and representatives from each of the Mission's Strategic Objective Teams will comprise the Committee. The Program Economist will also participate and act as the Secretariat.

Coordination with other US agencies at Post will be achieved by inviting the Political and Economic and Commercial Officers from the U.S. Embassy and the Public Affairs Officer from the U.S. Information Service to participate in the Policy Reform Committee. This will contribute to achieving an interagency consensus on policy reform

priorities, and to focussing post resources on the most important issues. The frequency of high-level diplomatic contacts and the rich program of USIS lectures, workshops and exchange programs offer great potential for influencing critical GOG and Parliamentary policy decisions.

Participation in USAID's policy reform initiatives will be assured through consultations between the Policy Reform Committee and representatives of NGOs, competitive small businesses and democratic local governments. Ghana's NGOs will be actively involved in program implementation. In addition, USAID will provide assistance to strengthen public policy dialogue and advocacy by such groups as NGOs, centers for research and policy analysis, private sector associations, and school management committees.

**ANNEX H****ACRONYMS AND ABBREVIATIONS**

AIDS	Acquired Immune Deficiency Syndrome
CIDA	Canadian International Development Agency
CRIQPEG	Center for Research on Improving Education in Ghana
CRT	Criterion Referenced Test
DANIDA	Danish International Development Agency
DHS	Demographic and Health Survey
ECOWAS	Economic Community of West African States
ERP	Economic Recovery Program
EDL	Essential Drugs List
FY	Fiscal Year
GDP	Gross Domestic Product
GNP	Gross National Product
GOG	Government of Ghana
GTZ	Gesellschaft für Technische Zusammenarbeit
ha.	hectare
HIV	Human Immunodeficiency Virus
IEC	Information, Education and Communication
IMF	International Monetary Fund
IUD	Intrauterine Device
KFW	Kreditanstalt für Wiederaufbau
MOE	Ministry of Education
MOH	Ministry of Health
mt	metric ton
NF	National Formulary
NGO	Nongovernmental Organization
NTE	Nontraditional Export
ODA	Overseas Development Agency
PREP	Primary Education Program
PVO	Private Voluntary Organization
SO	Strategic Objective
STD	Sexually Transmitted Disease
TFR	Total Fertility Rate
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations International Children's Emergency Fund
WHO	World Health Organization



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

FEB 15 1996

**MEMORANDUM**

**TO:** See Distribution

**FROM:** Carol Grigsby, Acting Director, AFR/WA *CG*

**SUBJECT:** The Ghana Proposed Country Strategic Plan (CSP) Review Schedule

The Program Week review of the Ghana Proposed Country Strategic Plan (CSP) is scheduled for the week of March 4, 1996. This will be preceded by an Issues meeting on February 28, 1996. Exact meeting dates and times for Program Week will be announced shortly. Information on these meetings can be obtained from the Ghana Country Development Officer, Mary June, at 647-6039 or the Project Development Officer, Nataki Reynolds, at 647-7986.

This memorandum provides a brief introduction to the Ghana CSP, a schedule of meetings and topics to be discussed, and guidelines for the strategy review (including issues submission).

**I. Schedule of Meetings**

**ISSUES MEETING:** Wednesday, February 28, 1996  
1:30 p.m. - 4:30 p.m., Room 6941 NS

**PROGRAM WEEK:** The week of March 4, 1996

## **II. Introduction**

The USAID/Ghana program is the largest in West Africa, supporting a comprehensive approach to issues of economic growth, population growth and educational equity and access at the primary level. The unparalleled growth experienced in Ghana in the last decade has deepened the program's ability to produce sustainable impact and achieve the results outlined in its strategic plan. Accordingly, the Ghana Country Strategic Plan (CSP) presents the USAID program in light of the current economic, political and social situation in Ghana and the new reengineered guidelines adopted by the Agency in October 1995.

This is the first strategy of a West Africa non-CEL to be reviewed by the Africa Bureau, and Ghana's experience with refocusing its program to reflect results packages will undoubtedly serve as an example for other country programs with approved strategic plans requiring reorientation to reengineered precepts. It is therefore important to recognize that the Ghana CSP changes little about the overall goal of broad-based and sustainable economic growth in its country program. Rather, it readjusts that goal and the approaches which support it into a framework which facilitates managing for results and development partner participation.

USAID/Ghana has three Strategic Objectives (SOs) and one Special Objective (SPO):

- (1) Increased marketed value of selected agricultural products;
- (2) Increased literacy and numeracy in beneficiary primary schools;
- (3) Reduced fertility

Special Objective: Increased use of proven HIV/STD prevention interventions.

The CSP is organized around USAID/Ghana's assessment of the strength of the partnership established between USAID and Ghana during the last strategic plan period, 1992-1996. Reversing the economic decline of the 1970s and its effects has proven to be the Mission's general approach to focusing its assistance. As a result, USAID resources have been channeled into the promotion of private sector-led export growth, enhancing the quality of primary education and reducing the fertility rate. Analyses, reviews and consultations with stakeholders, partners and customers have validated the appropriateness of these interventions and confirmed the importance of continued assistance in these areas. The Ghanaian economic situation has also added to this consensus by contributing the factor of an annual growth rate of 5% annually for the last five years. Given all of these elements, Ghana's goal of achieving middle income status by the year 2020 is fully supported by the strategic approach outlined in the attached CSP.

### **III. The Strategy Review**

#### **Issues Meeting - Procedure and Purpose**

A meeting to identify and agree on issues and concerns for the strategy review will be held on Wednesday, February 28, 1996.

The purpose of the issues meeting is to reach agreement on issues and concerns for Program Week and to finalize the agenda. Centers and offices are invited to submit suggested issues or concerns and to attend these meetings. Agency centers and offices are encouraged to limit participation in the issues meetings to one representative per center or office. Africa Bureau offices may be represented consistent with assigned functions vis-a-vis strategy review and support. Issues should be submitted via e-mail attachments to Nataki Reynolds, AFR/WA/PDEA, with a copy to Mary June, AFR/WA/Ghana, in advance of the issues meeting, **but no later than COB Friday, February 26, 1996. Issues and concerns received late may not be included in the issues paper.** We encourage you to draw your issues from your knowledge of Ghana, the proposed strategy and the proposed criteria for review below. This will help to focus the discussion on the major issues and concerns.

To facilitate preparation of the issues paper, each suggested issue should be presented in the following standard format, and should be no more than one page in length:

- a. **Issue:** in a few words, state the issue you would like to see addressed during program week;
- b. **Discussion:** as briefly as possible, provide background for the issue, your reason for raising it;
- c. **Recommendation:** in a few words, state your recommendation or preferred option.

For concerns, describe what they are, using no more than a short paragraph for each.

If time permits, a draft issues paper will be distributed to all program week participants for review, and then the final issues paper will be distributed prior to the first meeting of program week.

## **Program Week - Procedure and Purpose**

Program Week is designed to enable senior Agency and Bureau management to review the operational unit's plan for programming assistance over the next few years and to agree, in some detail, upon programs, priorities and implementation actions for the next two years. The program week emphasis will be on all of the operational unit's programs - project assistance, policy dialogue, grants, donor coordination, macro and sectoral analyses and on the synergistic effects of various centrally - and other regionally - funded activities besides the Mission's proposed portfolio. The review of the strategic objectives also permits an assessment of the contributions of the Mission in achieving the goal of sustainable, broad-based, market-oriented economic growth as well as, the five Agency strategic foci.

The attached cable, "USAID/Ghana's Country Clearance Strategic Plan: Program and Budget Parameters", while only sent officially to the Mission on February 8, 1996, was shared with the Mission in draft in mid-January. Please note also that the parameters outlined in this cable did not change since the parameter-setting meeting November 21, 1995, in which the Mission (Deputy Director Jeffers) participated. The strategic plan should be assessed based on guidelines in the "parameters" cable and the following six criteria:

- 1) the degree of analytical support evident;
- 2) the way they propose to match Ghana's needs and available resources, focusing on the consistency between the underlying analysis, on the one hand, and the selection of problems to be addressed and the proposed means of intervention (e.g., project assistance, technical support, policy dialogue) on the other;
- 3) the degree of focus that the proposed USAID/Ghana program achieves in defining several strategic objectives that are in the manageable interest of the mission to achieve;
- 4) the extent to which the accomplishment of the objectives will be measurable;
- 5) how the USAID/Ghana program reflects the interests and unique capacities of the United States and the American people; and
- 6) the responsiveness of the proposed Ghana strategy to the Agency strategic foci, and Africa Bureau priorities.

The outcome of Program Week should be:

- 1) USAID/W endorsement of the Mission's objectives;
- 2) identification and, to the extent possible, resolution of implementation issues involving USAID/W and USAID/Ghana; and
- 3) USAID/W - USAID/Ghana agreement on a management contract.

#### **IV. Program Schedule**

##### **Issues Meeting: Wednesday, February 28, 1996, 1:30 p.m. - 4:30 p.m., Room 6941 NS**

The purpose of this meeting is to identify issues and concerns for the strategy review, and to finalize the agenda for Program Week.

- Introductory remarks by the Chairperson: Carol Grigsby, Acting Director, AFR/WA
- Discussion of those issues related to the development situation.
- Finalization of the Program Week Agenda.

#### **PROGRAM WEEK**

Meeting dates and times will be announced shortly.

Any additional meetings that are required between the issues meetings and the end of Program Week will be identified at the issues meeting or during the Program Week, and scheduled accordingly. Requests for such meetings should be directed to Mary June, AFR/WA/Ghana, 7-6039.

#### **Attachments:**

1. Ghana CSP
2. STATE cable: "USAID/Ghana's Country Strategic Plan: Program and Budget Parameters"

#### **Clearances:**

AFR/DP, KKeel       (draft)      

AFR/DP, JBreslar       (draft)      

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SUBJECT: USAID/GHANA'S COUNTRY CLEARANCE STRATEGIC PLAN:  
PROGRAM AND BUDGET PARAMETERS

1. SUMMARY

A. AN AGENCY-LEVEL GROUP, REPRESENTING THE AFR, PPC, GLOBAL, MANAGEMENT, AND BHR BUREAUS, MET ON NOVEMBER 21, 1995 TO DISCUSS OVERALL PROGRAM AND BUDGET PARAMETERS FOR USAID/GHANA'S UPCOMING COUNTRY STRATEGIC PLAN (CSP). THE GROUP WAS FORTUNATE TO HAVE THE PARTICIPATION OF DEPUTY MISSION DIRECTOR BILL JEFFERS, WHO GAVE AN EXCELLENT OVERVIEW OF STRATEGY PREPARATION TO DATE AND FEEDBACK ON HOW THE PROPOSED PARAMETERS WOULD LIKELY AFFECT THE MISSION'S STRATEGIC CHOICES, AS WELL AS THEIR RELATIONSHIP WITH THE GHANAIAN GOVERNMENT AND OTHER DEVELOPMENT PARTNERS.

B. WHILE THE CSP PARAMETER-SETTING PROCESS, AS OUTLINED IN THE NEW ADS GUIDELINES ISSUED OCTOBER 1, 1995, IS IDEALLY THE FIRST STEP IN CSP PREPARATION AND THE ONE WHICH GUIDES THE MISSION'S ANALYSES, IN GHANA'S CASE WE

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REALIZE THAT WE ARE PLAYING "CATCH-UP" AND, IN MANY RESPECTS, VALIDATING A "WORK IN PROGRESS". AS SUCH WE ARE USING THIS EXERCISE TO CONFIRM OUR UNDERSTANDING OF THE PRINCIPAL ELEMENTS AND DIRECTIONS OF THE CSP AND, WITHIN OUR FUNDING POSSIBILITIES, TO SUPPORT THEM AS FULLY AS POSSIBLE. ALL PARTICIPANTS WERE MINDFUL OF NOT DISRUPTING THE PROCESS WITH ANY SUDDEN PROGRAMMATIC CHANGES, OR OVERBURDENING THE MISSION WITH UNDUE ADDITIONAL REPORTING REQUIREMENTS. IN NO WAY DO WE WISH TO COMPROMISE THE MISSION'S TIMETABLE OF COMPLETING THE CSP IN JANUARY, REVIEWING IT WITH PARTNERS, MAKING ANY CHANGES, AND SUBMITTING TO USAID/W BY MID-FEBRUARY.

C. GHANA, AS ONE OF THE AGENCY'S BEST DEVELOPMENT PARTNERS AND PERFORMERS, REMAINS A HIGH PRIORITY FOR USAID INVESTMENT AND ONE OF AFR'S MOST IMPORTANT SUSTAINABLE DEVELOPMENT PROGRAMS. GIVEN THE SIGNIFICANT RESULTS THAT OUR PROGRAM HAS ALREADY ACHIEVED AND THE DEVELOPMENT POTENTIAL THAT EXISTS, THE AGENCY IS PREPARED -- RESOURCES PERMITTING -- TO SUPPORT A RELATIVELY SUBSTANTIAL MULTI-SECTORAL EFFORT IN AREAS OF ECONOMIC GROWTH (AGRICULTURAL AND NON-TRADITIONAL EXPORTS), POPULATION AND HIV/AIDS, BASIC EDUCATION, AND DEMOCRATIC GOVERNANCE. ON THE FOOD SECURITY SIDE, AND WITH REFERENCE TO THE AGENCY'S FOOD AID AND FOOD SECURITY POLICIES, BHR RECOGNIZES THAT THIS IS A HIGH PRIORITY FOR THE MISSION AND IS COMMITTED TO MAKING PL 480 TITLE II DEVELOPMENT FUNDS AVAILABLE FOR ACTIVITIES THAT BOTH COMPLEMENT AND REINFORCE THE DA-FUNDED PROGRAM.

D. ALTHOUGH GHANA IS A PRIORITY CORE/FOCUS PROGRAM, IMPENDING BUDGET REDUCTIONS WILL REQUIRE USAID/GHANA, ALONG WITH NEARLY ALL OTHER AFR OPERATING UNITS, TO SCALE-BACK PROGRAM AND OE COSTS TO LEVELS THAT AT BEST APPROXIMATE THE LOW SCENARIO THAT THE MISSION SET FORTH IN THE FY 1997 ACTION PLAN. FURTHERMORE, ALL MISSIONS WILL BE SUBJECT TO PERSONNEL REDUCTIONS IN ALL CATEGORIES (USDH, FSN AND USPSC). AS A CONTINGENCY MEASURE, AND TO GAIN A BETTER UNDERSTANDING OF CORE STRATEGIC PRIORITIES, WE REQUEST MISSIONS SUBMITTING NEW CSPTS TO CONSIDER AN EVEN LOWER SCENARIO REFLECTING AN ADDITIONAL 20-25% PROGRAM CUT. USAID/GHANA SHOULD THUS DEVELOP A HIGH SCENARIO OF \$36 MILLION AND A LOW ONE OF \$28 MILLION, BOTH OF WHICH REFLECT OUR BEST JUDGMENT OF OUTYEAR BUDGET REALITIES. WE WILL ALSO ENTERTAIN SUBMISSION OF A "BEST-CASE SCENARIO" OF \$41 MILLION WHICH, WHILE AN UNLIKELY CANDIDATE FOR FULL-FUNDING, WOULD SHOW WHAT COULD BE ACHIEVED AT THIS SIGNIFICANTLY HIGHER LEVEL. THIS RANGE OF SCENARIOS WILL ALLOW US TO WEIGH VARIOUS PROGRAM AND OE/PERSONNEL OPTIONS AS WE CONTEND WITH LOWER FUNDING LEVELS AND NEW CONFIGURATIONS OF AGENCY AND CONGRESSIONAL

## PRIORITIES.

E. AS DISCUSSED WITH THE MISSION IN PRIOR E-MAILS, USAID/W IS HOPEFUL THAT EVEN WITH THE FURLOUGH, THE CSP CAN BE SUBMITTED BY FEBRUARY 16TH. THIS WILL ALLOW ADEQUATE TIME FOR DISTRIBUTION AND COMMENTS PRIOR TO THE PROGRAM REVIEW, WHICH IS NOW SCHEDULED TO BEGIN THE WEEK OF MARCH 18TH. DETAILS WILL BE WORKED OUT WITH THE MISSION ONCE THE CSP IS RECEIVED. IN THE MEANTIME, WE VERY MUCH APPRECIATE THE EXCELLENT COLLABORATION WE'VE HAD WITH THE MISSION AND LOOK FORWARD TO OUR CONTINUED INVOLVEMENT IN THE FINAL STAGES OF CSP DEVELOPMENT AND REVIEW.

## 2. THE DEVELOPMENT CONTEXT

A. OVER THE PAST DECADE GHANA HAS EMERGED AS ONE OF AFRICA'S MOST STABLE AND SUCCESSFUL COUNTRIES, ONE OF THE AGENCY'S BEST DEVELOPMENT PARTNERS, AND ONE OF THE BUREAU'S LEADING PERFORMERS. AS ONE OF AFRICA'S PIONEER REFORMERS, GHANA'S LONGTIME COMMITMENT TO CRITICAL STRUCTURAL REFORMS AND PROGRESSIVE SECTORAL POLICIES HAS CREATED AN ENABLING ENVIRONMENT WHERE REAL GROWTH CAN OCCUR. IN TERMS OF SUSTAINABILITY, WHAT WE FIND MOST SIGNIFICANT ARE THE GOVERNMENT'S MARKET-BASED, PRIVATE SECTOR-DRIVEN, EXPORT-ORIENTED GROWTH STRATEGIES; THE CONTINUALLY INCREASING LEVELS OF DOMESTIC RESOURCE MOBILIZATION AND FOREIGN INVESTMENT; AND A RECOGNITION THAT ECONOMIC GROWTH MUST BE BALANCED WITH INVESTMENTS IN HEALTH, EDUCATION, AND THE ENVIRONMENT.

B. USAID HAS PLAYED AN IMPORTANT ROLE IN THIS EVOLUTION, USING BOTH SECTOR AND PROJECT ASSISTANCE IN WAYS THAT HAVE EFFECTIVELY ADDRESSED KEY DEVELOPMENT CONSTRAINTS. THE MISSION'S INTEGRATED AND COMPREHENSIVE APPROACHES TO PROMOTING FAMILY PLANNING, BASIC EDUCATION, AND TRADE AND INVESTMENT HAVE PROVIDED SOME OF AFR'S RICHEST MATERIAL ON "BEST PRACTICES" AND "PEOPLE-LEVEL IMPACT", AS EVIDENCED IN OUR SYNTHESSES OF ASSESSMENTS OF PROGRAM IMPACT (API) AND IN THE AGENCY'S ANNUAL PERFORMANCE REPORTS. WE ALSO APPRECIATE THE SERIOUSNESS WITH WHICH THE MISSION HAS APPROACHED "MANAGING FOR RESULTS", AS A MEANS FOR "ACHIEVING RESULTS". THE RECENT USAID/GOG JOINT EVALUATION OF THE BASIC EDUCATION SECTOR, AND THE SUBSEQUENT RE-ORIENTATION OF OUR STRATEGIC OBJECTIVE, IS ONE OF THE BUREAU'S FINEST EXAMPLES OF MANAGING FOR RESULTS.

C. AS WE APPROACH THE NEW CSP WE ARE CONFIDENT THAT GHANA'S DEVELOPMENT POTENTIAL, THE QUALITY OF OUR

PARTNERSHIP, THE SIGNIFICANCE OF OUR PROGRAM, AND THE OUTLOOK FOR SUSTAINABILITY, ARE AMONG THE HIGHEST IN AFRICA. MUCH OF OUR OPTIMISM STEMS FROM TWO PROMISING DEVELOPMENTS REPORTED IN THE FY 94 API AND IN THE FY 97 ACTION PLAN, AND REINFORCED BY THE DEPUTY MISSION DIRECTOR DURING OUR MEETING:

- FIRST IS THE MAGNITUDE OF RESULTS ACHIEVED UNDER THE CURRENT PROGRAM, I.E., AN INCREASE IN THE VALUE OF NON-TRADITIONAL EXPORTS (NTE) FROM \$71.7M IN 1993 TO \$119.3M IN 1994; AND AN OVERALL REDUCTION IN THE TOTAL FERTILITY RATE (TFR) FROM 6.4 IN 1988 TO 5.5. IN 1993 -- EXCEEDING THE 1996 GOAL OF 5.7 THREE YEARS AHEAD OF TIME.
- SECOND IS THE LEVEL AND MAGNITUDE OF RESULTS THAT CAN BE ACHIEVED IN THE FUTURE. THIS IS BEST ILLUSTRATED IN THE MISSION'S PROPOSAL TO TAKE WHAT WERE PREVIOUSLY SUB-GOAL-LEVEL RESULTS (INCOME AND EMPLOYMENT, TOTAL FERTILITY), ONCE CONSIDERED OUTSIDE THEIR MANAGEABLE INTEREST, AND MAKE THEM SO-LEVEL RESULTS FOR WHICH THEY WOULD BE HELD ACCOUNTABLE.

THIS "RATCHETING-UP" OF RESULTS, BASED ON ACTUAL PERFORMANCE AND FUTURE PROJECTIONS, IS PERHAPS THE CLEAREST AND MOST SIGNIFICANT INDICATOR OF USAID'S PROGRAM EFFECTIVENESS IN GHANA.

D. THIS CONTEXT ARGUES FOR CONTINUED SIGNIFICANT USAID PRESENCE IN GHANA, WITH PROGRAM AND OPERATING EXPENSE LEVELS CAPABLE OF SUSTAINING WHAT THE AGENCY IS NOW CALLING "FULL SUSTAINABLE DEVELOPMENT PROGRAMS". THIS CATEGORY, AS THE AFRICA BUREAU UNDERSTANDS IT, REFLECTS THE BULK OF OUR CORE/FOCUS PROGRAMS, I.E., INTEGRATED MULTI-SECTORAL PROGRAMS THAT STRIVE TO BUILD THE LOCAL CAPACITY NEEDED TO ACHIEVE SIGNIFICANT RESULTS OVER THE LONG-TERM. THE AGENCY AND THE BUREAU ARE COMMITTED TO THIS TYPE OF INVOLVEMENT IN GHANA, SO LONG AS HOST COUNTRY AND PROGRAM PERFORMANCE REMAIN STRONG.

### 3. THE REENGINEERING CONTEXT

#### A. ADS GUIDELINES

SECTION 201.5.6A OF THE STRATEGIC PLANNING ADS, WHICH THE AGENCY ISSUED ON OCTOBER 1, MANDATES THE SETTING OF PLANNING PARAMETERS FOR NEW COUNTRY STRATEGIC PLANS (CSP). THIS IS AN AGENCY-LEVEL COLLABORATIVE PROCESS DESIGNED TO GIVE OPERATING UNITS CLEAR PROGRAMMATIC AND BUDGETARY

DIRECTION PRIOR TO DEVELOPING THE CSP, I.E., INDICATIVE RESOURCE LEVELS, GUIDANCE ON EARMARKS, AND ANY UPDATED GUIDANCE ON THE AGENCY'S GOALS AND OBJECTIVES OVER THE PROPOSED PLANNING PERIOD. THE AFRICA BUREAU MAY ALSO PROVIDE GUIDANCE ON STRATEGIC DIRECTION, KEY MANAGEMENT AND PERFORMANCE ISSUES, AND SPECIAL FOREIGN POLICY INTERESTS, AS IS APPROPRIATE. FOR USAID/GHANA, NOTING THE MISSION STARTED ITS CSP IN APRIL AND WAS WELL-ADVANCED IN ITS STRATEGIC PLANNING PROCESS PRIOR TO THIS PARAMETER-SETTING MEETING, WE WILL USE THIS AS AN OPPORTUNITY TO DOCUMENT AND CONFIRM OUR COMMON UNDERSTANDING OF PROGRAM AND BUDGET DIRECTIONS, COGNIZANT OF THE WORK THAT THE MISSION AND ITS PARTNERS HAVE ALREADY ACCOMPLISHED.

B. STRATEGIC AND PROGRAMMATIC GUIDANCE

THE AGENCY'S ISSUANCE OF "STRATEGIES FOR SUSTAINABLE DEVELOPMENT" IN MARCH 1994, "GUIDELINES FOR STRATEGIC PLANS" IN FEBRUARY 1995, AND THE "STRATEGIC FRAMEWORK 1995/96" IN SEPTEMBER 1995, CAPTURE THE ESSENCE OF THE AGENCY'S GOALS, OBJECTIVES, AND PROGRAMMATIC APPROACHES, AS WELL AS CRITERIA FOR ASSESSING STRATEGIC PLANS. THE ADS CHAPTER 201 "MANAGING FOR RESULTS: STRATEGIC PLANNING" DIRECTIVE, ISSUED IN OCTOBER 1995, LAYS OUT THE REQUIREMENTS FOR AND COMPONENTS OF COUNTRY STRATEGIC PLANS. TAKEN TOGETHER, THESE DOCUMENTS PROVIDE THE OVERARCHING POLICY, PROGRAMMATIC, AND STRATEGIC FRAMEWORKS FOR THE GHANA CSP; THEY ALSO REFLECT CURRENT AGENCY-LEVEL GUIDANCE NOW IN EFFECT FOR ALL UPCOMING STRATEGIC PLANS. THE MISSION HAS CONFIRMED RECEIPT AND UNDERSTANDING OF THIS NEW GUIDANCE, AND IS USING IT AS THE BASIS FOR ITS CSP.

C. AFRICA BUREAU PERSPECTIVES

IT IS AFR'S INTENTION TO MAKE PROGRAM PARAMETERS FOR ALL OUR DEVELOPMENT ASSISTANCE PROGRAMS DIRECTIVE BUT NOT RESTRICTIVE. WITHIN THE PLANNING LEVELS PROVIDED BELOW, THE BUREAU BELIEVES THAT USAID/GHANA SHOULD HAVE THE LATITUDE TO FASHION A STRATEGY THAT MEETS HOST COUNTRY NEEDS, AS WELL AS AGENCY CAPABILITIES, PRIORITIES, AND COMPARATIVE ADVANTAGES. LATITUDE, HOWEVER, MUST SUPPORT THE AGENCY'S POLICY TO FOCUS AND CONCENTRATE RESOURCES IN SECTORS WHERE EXPERIENCE AND SYNERGY CAN DELIVER THE HIGHEST IMPACT IN THE SHORTEST TIMEFRAME. THIS CONCERN IS REFLECTED IN THE AGENCY'S "STRATEGIC FRAMEWORK 1995/1996" AND IN ADS STRATEGIC PLANNING GUIDELINES, BOTH OF WHICH EMPHASIZE ALLOCATING RESOURCES TO SPECIFIC S.O.S IN A LIMITED NUMBER OF SECTORS.

RECOGNIZING THAT S.O.S DO NOT ALWAYS LIVE IN ISOLATION FROM ONE ANOTHER, WE ENCOURAGE THE MISSION, WITHIN ITS CAPABILITIES, TO FORGE ANY CROSS-SECTORAL LINKAGES THAT CAN HEIGHTEN PROGRAM INTEGRATION AND RESULTS. FINALLY, GIVEN THE RESOURCE CONSTRAINTS FACING THE BUREAU, USAID/GHANA SHOULD CONTINUE EXPLORING BELT-TIGHTENING OPTIONS -- BILATERAL AND REGIONAL -- THAT CAN DELIVER SIGNIFICANT RESULTS WITH REDUCED FTE LEVELS AND OE COSTS.

D. THE CSP IN A TRANSITION YEAR

WE LOOK TO THE GHANA CSP PROGRAM REVIEW AS A REAL TEST OF REENGINEERING PRINCIPLES AND PROCESSES. PLEASE REALIZE, HOWEVER, THAT THIS IS INDEED A TRANSITION YEAR FOR REENGINEERING AND THAT WE ARE NOT HOLDING THIS STRATEGY TO ANY "SET STANDARDS" OR "BEST PRACTICES". RATHER, WE WANT TO USE THE REVIEW TO LEARN FROM YOUR EXPERIENCE AND, IN THE END, CONTRIBUTE TO THE AGENCY'S COLLECTIVE KNOWLEDGE ON HOW TO INCORPORATE REENGINEERING CORE VALUES AND PROCESSES INTO STRATEGIC PLANNING. THIS IS ALSO A TRANSITION YEAR IN TERMS OF AVAILABLE DEVELOPMENT RESOURCES, ONE IN WHICH AGENCY AND BUREAU FUNDING WILL FACE SERIOUS REDUCTIONS.

4. PROGRAM AND BUDGET PARAMETERS

A. INITIAL PARAMETERS

THE AFRICA BUREAU ASSUMED EARLY ON THAT GHANA'S NEW CSP WOULD CONTINUE BUILDING ON PAST PERFORMANCE, FOCUSING ON POLICY AND INSTITUTIONAL IMPROVEMENTS IN THE ECONOMIC GROWTH AND SOCIAL SECTORS. THIS WAS CONFIRMED IN JULY IN THE FY 97 ACTION PLAN SUBMISSION, ALTHOUGH NOT WITHOUT SOME NOTEWORTHY SHIFTS IN PROGRAM FOCUS.

-- FIRST, THE MISSION SHOWED INTEREST IN TRANSFORMING THE S.O. OF "INCREASING PRIVATE SECTOR NON-TRADITIONAL EXPORTS" INTO INCREASING INCOMES AND EMPLOYMENT FROM AGRICULTURAL AND NON-TRADITIONAL EXPORTS. THIS S.O., BY ITSELF OR IN COMBINATION WITH OTHER S.O.S, WOULD ALSO SERVE AS THE BASIS TO ADDRESS FOOD SECURITY CONSTRAINTS MORE DIRECTLY.

-- SECOND, RECOGNIZING THE NEED TO RESHAPE THE EXISTING S.O. OF "IMPROVING THE QUALITY OF PRIMARY EDUCATION", THE MISSION PROPOSED A MORE FUNDAMENTAL FOCUS ON LEARNING ACHIEVEMENT AND EDUCATIONAL MANAGEMENT.

-- FINALLY, THE ACTION PLAN RAISED THE POSSIBILITY OF EXPANDING (1) ITS HIV/AIDS ACTIVITIES, AND (2) ITS FAMILY PLANNING ACTIVITIES IN WAYS THAT WOULD INCORPORATE CHILD SURVIVAL AND NUTRITIONAL ELEMENTS. ANY FURTHER EXPANSION OF DEMOCRACY AND GOVERNANCE ACTIVITIES, OR NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL ACTIVITIES, WOULD BE FEASIBLE ONLY IF THE BASIC EDUCATION PROGRAM WAS DERAILED.

THESE CSP DIRECTIONS AND PRIORITIES, WHILE STILL IN A FORMATIVE STAGE, WERE ENDORSED IN PRINCIPLE DURING THE ACTION PLAN REVIEW. THIS MEANT THAT THE STRATEGY WOULD HAVE STRONG CONCENTRATION IN ECONOMIC GROWTH (AGRICULTURE/FOOD SECURITY AND NON-TRADITIONAL EXPORTS), FAMILY PLANNING, AND BASIC EDUCATION ACTIVITIES; AND ADEQUATE SUPPORT FOR HIV/AIDS PREVENTION. IT WAS ALSO UNDERSTOOD THAT THE THEN "LOW SCENARIO" OF \$36 MILLION MIGHT, IN THE SHORT-TERM, REDUCE INVESTMENTS AND ACHIEVEMENTS IN BUILDING DEMOCRACY AND IMPROVING NATURAL RESOURCES MANAGEMENT.

#### B. CURRENT PERSPECTIVES

SINCE THE MISSION ESTABLISHED THESE INITIAL PARAMETERS, IT HAS BECOME CLEAR THAT THE BUREAU'S FY 96 PROGRAM AND OE BUDGETS, AS WELL AS PERSONNEL LEVELS, WILL BE SIGNIFICANTLY LOWER THAN PAST LEVELS. THIS WILL LIKELY CONTINUE INTO THE OUTYEARS AS WELL. THE FY 96 CUT IS SEVERE, RESULTING IN AFR DA AND OE LEVELS THAT HOVER AROUND \$675 AND \$65 MILLION, RESPECTIVELY.

WHILE THESE CUTS WILL REQUIRE FURTHER FOCUS AND CONCENTRATION IN ALL OUR PROGRAMS, THE BUREAU WILL, FIRST AND FOREMOST, WORK TO PROTECT "FULL SUSTAINABLE DEVELOPMENT PROGRAMS" (I.E. INTEGRATED, MULTI-SECTORAL ASSISTANCE PROGRAMS) IN THOSE COUNTRIES WHERE WE HAVE GOOD DEVELOPMENT PARTNERSHIPS AND HIGH-IMPACT PROGRAMS, AND MOST IMPORTANT A HIGH POTENTIAL FOR CONTINUED LONG-TERM IMPACT. GHANA FIGURES AMONG THE TOP OF THIS GROUP. NONETHELESS, THE MISSION NEEDS TO REALIZE THAT

-- THE PROJECTED DECREASE IN PROGRAM AND OE FUNDS HAS RESULTED, EVEN FOR AFR'S CORE/FOCUS COUNTRIES, IN OUR CONVERTING THE "LOW" OR "25% CUT" SCENARIO IN THE FY 97 ACTION PLAN TO A "HIGH" SCENARIO FOR NEW CSPS; AND IN OUR FORMULATING A NEW LOW SCENARIO, BASED ON A 20-25% CUT FROM THE NEW HIGH SCENARIO; AND

-- LOWER AID LEVELS FOR AFRICA, COUPLED WITH THE PRESSURE OF CONGRESSIONAL EARMARKS FOR CHILD SURVIVAL AND INFECTIOUS DISEASES, TARGETS FOR BASIC EDUCATION, AND ADMINISTRATION DIRECTIVES IN POPULATION AND THE ENVIRONMENT, MAY LIMIT FUNDING AVAILABLE FOR ECONOMIC GROWTH, PARTICULARLY PRIVATE SECTOR DEVELOPMENT AND AGRICULTURAL ACTIVITIES.

-- ON CHILD SURVIVAL ACTIVITIES, THE BUREAU HAS TRADITIONALLY HAD DIFFICULTY MEETING ITS EARMARK. IMPENDING HIGHER CS LEVELS WILL INCREASE THE PRESSURE TO DO MORE, POSSIBLY DISLOCATING OTHER "LESS PRIORITY" ACTIVITIES.

GIVEN THESE CONSTRAINTS, WE CONTINUE TO SUPPORT THE MISSION'S PROGRAM PRIORITIES OUTLINED IN THE ACTION PLAN, RECOGNIZING THAT (1) THE PREVIOUS "HIGH SCENARIO" IS NOW ORBITING SOMEWHERE IN THE STRATOSPHERE; (2) FUNDING FOR THE PROPOSED POPULATION, BASIC EDUCATION, HIV/AIDS, AND CHILD SURVIVAL ACTIVITIES WILL LIKELY BE MORE THAN SUFFICIENT; AND (3) FUNDING FOR THE PROPOSED PRIVATE SECTOR DEVELOPMENT AND AGRICULTURAL ACTIVITIES MAY BE LESS THAN DESIRABLE.

LOOKING OUTSIDE THE DA ENVELOPE, BHR, WHILE POINTING OUT THAT FOOD AID BUDGETS ARE MOVING TOWARD COMPETITIVE AND PERFORMANCE-BASED BUDGETING, EXPECTS THAT PL 480 TITLE II NON-EMERGENCY FUNDS WILL REMAIN RELATIVELY CONSTANT IN DOLLAR TERMS FOR THE FORESEEABLE FUTURE, HOPEFULLY FOR THE DURATION OF THE CSP. NOTING THAT THE MISSION'S EMPHASIS IN PROMOTING FOOD SECURITY WILL BE AN ADVANTAGE IN REVIEWING PVO PROPOSALS, BHR IS COMMITTED TO MAKING TITLE II DEVELOPMENT FUNDS AVAILABLE TO GHANA AT ROUGHLY THE SAME LEVEL AS PREVIOUS YEARS, I.E. A \$6-7 MILLION ANNUAL RANGE. WITH THE TECHNOSERVE AND CRS MONETIZATION PROGRAMS NOW IN THEIR THIRD YEAR, AND ADRA DUE TO SUBMIT A NEW FIVE-YEAR PROPOSAL SHORTLY, THE MISSION IS IN AN EXCELLENT POSITION TO USE THESE RESOURCES TO COMPLEMENT AND REINFORCE DA-FUNDED ACTIVITIES.

#### C. SCENARIOS FOR THE CSP

FOLLOWING THE ABOVE DISCUSSION WE REQUEST THE MISSION TO PREPARE THREE SCENARIOS FOR CONSIDERATION -- A HIGH, LOW, AND A BEST-CASE SCENARIO -- EACH OF WHICH SPANS THE PROPOSED 5-YEAR CSP PERIOD. OUR POSITION IS TO STRIVE TO FUND THE "HIGH SCENARIO", WHICH IS OUR PRIORITY, ASSUMING THAT HOST COUNTRY POLICY PERFORMANCE AND USAID PROGRAM PERFORMANCE REMAIN STRONG; TO REVIEW THE "LOW SCENARIO" CAREFULLY, REALIZING THAT BUDGET CONSTRAINTS IN THE

OUTYEARS MIGHT BE EVEN MORE SEVERE; AND TO CONSIDER THE RESULTS ACHIEVABLE UNDER A BEST-CASE SCENARIO, IN THE EVENT THAT ADDITIONAL FUNDS BECOME AVAILABLE. LEVELS ARE AS FOLLOWS:

- A "HIGH SCENARIO", BASED ON AN ANNUAL BUDGET PLANNING LEVEL (BPL) OF \$36 MILLION, I.E., THE LEVEL OF THE FY 97 ACTION PLAN'S "LOW SCENARIO";
- A "LOW SCENARIO", BASED ON AN ANNUAL BPL OF \$28 MILLION, I.E., A 22% REDUCTION FROM THE HIGH SCENARIO; AND
- A "BEST-CASE SCENARIO", BASED ON AN ANNUAL BPL OF \$41 MILLION, I.E. THE LEVEL OF THE FY 97 ACTION PLAN'S "HIGH SCENARIO".

IN DEVELOPING THESE THREE SCENARIOS PLEASE NOTE, FIRST, THAT AFR CONSIDERS THE HIGH AND LOW SCENARIOS ABOVE TO BE IN THE REALM OF THE "REAL" FUNDING POSSIBILITIES; THESE SHOULD GET THE BULK OF THE MISSION'S ATTENTION IN THE CSP AND DURING THE PROGRAM WEEK DISCUSSIONS. FUNDING THE BEST-CASE SCENARIO MUST BE VIEWED AS UNLIKELY, GIVEN THE CURRENT BUDGET OUTLOOK. THE BUREAU HOPES TO HAVE ADEQUATE FUNDING AVAILABLE FOR BOTH THE PRIVATE SECTOR AND AGRICULTURAL ACTIVITIES, AT BOTH THE HIGH AND LOW SCENARIOS. IN ADDITION, WE STRONGLY ENCOURAGE THE MISSION TO CONSIDER EXPANDING ITS HIV/AIDS, POPULATION, AND CHILD SURVIVAL ACTIVITIES, GIVEN THE LIKELIHOOD OF INCREASED FUNDING IN THESE AREAS.

WHILE PRINCIPLES OF FOCUS AND CONCENTRATION APPLY TO THE CSP, WE ARE NOT RESTRICTING THE NUMBER OF SECTORS IN WHICH THE MISSION CAN PROPOSE TO BE INVOLVED, NOR ARE WE ARBITRARILY LIMITING THE MISSION TO ANY FIXED NUMBER OF STRATEGIC OBJECTIVES.

ON PERSONNEL AND OE MATTERS, THE MISSION MUST JUSTIFY PROPOSED LEVELS UNDER EACH SCENARIO, BEARING IN MIND THAT THE AGENCY GIVES GREAT EMPHASIS TO "BELT-TIGHTENING" AND MANAGEMENT OPTIONS THAT ARE LOWER-COST AND LESS INTENSIVE. ALSO, GIVEN THAT TRUST FUNDS GENERATED FROM NON-PROJECT ASSISTANCE (NPA) UNDER THE TIPS AND BASIC EDUCATION PROGRAMS HAVE THUS FAR PROVIDED ABOUT 40% OF THE MISSION'S ANNUAL OE FUNDS, WE WOULD ALSO APPRECIATE THE MISSION'S VIEWS ON THE LIKELIHOOD OF BEING ABLE TO REPLENISH TRUST FUNDS THROUGH THIS MECHANISM.

AS THE AGENCY MAKES PROGRESS IN ESTABLISHING "UNIFIED BUDGETS" FOR OPERATING UNITS, PLEASE BE AWARE THAT BUDGET

LEVELS STILL HAVE "INCLUSIVE" AND "ADDITIVE" ELEMENTS. IN WORKING THROUGH INDICATIVE BUDGET PLANNING LEVELS AND ILLUSTRATIVE RESULTS PACKAGES FOR EACH OF ITS SOS, THE MISSION SHOULD NOTE THAT INCLUDED IN THESE LEVELS ARE ALL GLOBAL BUREAU FIELD SUPPORT REQUIREMENTS, OFTEN REFERRED TO AS "EX-G" FUNDS; AND, AS IN THE PAST, ANY AFR/SD AND REDSO PROGRAM-RELATED ACTIVITIES INITIATED BY THE MISSION. ADDITIVE TO THIS LEVEL ARE ANY GHANA-FOCUSED ACTIVITIES INITIATED BY AFR/SD OR REDSO REGIONAL FUNDS, OR BY GLOBAL BUREAU CORE FUNDS, I.E. THOSE THAT ARE PART OF THE GLOBAL BUREAU CENTERS' AND OFFICES' OYBS AND ARE USED TO SUPPORT THE BUREAU'S WORLDWIDE INITIATIVES IN RESEARCH, TECHNICAL LEADERSHIP, AND NEW INITIATIVES. ALSO ADDITIVE ARE PL 480 TITLE II PROGRAMS; BHR/PVO CHILD SURVIVAL OR OTHER MATCHING GRANT PROGRAMS; AND THE AMBASSADOR'S SELF-HELP AND 116E FUNDS.

FINALLY, IN DISCUSSING THESE THREE SCENARIOS, WE RECOGNIZE THAT THE FUNDING REDUCTIONS FROM \$41 TO \$36 TO \$28 MILLION MIGHT LEAD THE MISSION TO FOCUS ON THE NEGATIVE CONSEQUENCES OF MOVING FROM THE BEST CASE TO THE LOWEST SCENARIOS. WHILE WE FULLY EXPECT THAT THE STRATEGY WILL HIGHLIGHT PROGRESSIVE LOSSES IN RESULTS AND PROGRAM IMPACT OR, INVERSELY, THAT THE MISSION WILL USE THE "LOW" SCENARIO AS ITS BASE AND SHOW INCREASINGLY HIGHER-LEVEL RESULTS AS THE SCENARIOS EXPAND, WE ALSO EXPECT THAT EACH ONE WILL PRESENT A COHERENT AND POSITIVE STATEMENT OF WHAT CAN BE ACCOMPLISHED AT THE PARTICULAR FUNDING LEVEL.

## 5. OTHER CONSIDERATIONS

### A. SECTORAL AND SPECIAL ANALYSES

RECENT CSP REVIEWS FROM AFR'S EXPERIMENTAL LABS HAVE SHOWN THAT THE QUALITY OF TECHNICAL ANALYSES, AND THE WAY IN WHICH THEY ARE INCORPORATED INTO PROGRAM WEEK DISCUSSIONS, CAN "MAKE OR BREAK" A REVIEW. REENGINEERING GUIDANCE, WITH ITS EMPHASIS ON PRESENTING THE CONTENT AND LOGIC OF STRATEGIC FRAMEWORKS AND DEVELOPMENT HYPOTHESES CLEARLY AND CONCISELY, MAKES IT CRITICAL THAT THESE ANALYSES BE USED EFFECTIVELY IN EXPLAINING GHANA'S DEVELOPMENT CHALLENGES AND HOW USAID AND OTHER PARTNERS RESPOND TO THEM. IN THIS LIGHT, NOTING THAT OVER THE PAST YEAR THE MISSION HAS DONE A NUMBER OF ANALYSES AND SPECIAL STUDIES IN PREPARATION FOR THE CSP, WE WOULD VERY MUCH APPRECIATE YOUR INDICATING WHICH OF THESE WOULD BE MOST USEFUL FOR USAID/W REVIEW, ESPECIALLY FOR TECHNICAL EXPERTS INTERESTED IN GOING BEYOND THE CSP TEXT. ALSO, IF THESE ANALYSES ARE NOT AVAILABLE IN USAID/W, PLEASE FORWARD THEM

AT THE TIME OF CSP SUBMISSION, OR EARLIER IF POSSIBLE.

B. THE LELAND INITIATIVE

AFR IS COMMITTED TO ACCELERATING AND BOLSTERING ITS SUSTAINABLE DEVELOPMENT EFFORTS BY ENHANCING OUR PARTNERS' ABILITY TO ACCESS, PRODUCE, AND USE INFORMATION AS FULL AND EQUAL PARTICIPANTS IN THE GLOBAL INFORMATION INFRASTRUCTURE (GII). TO DO SO, WE HAVE LAUNCHED THE LELAND INITIATIVE -- A COMPREHENSIVE STRATEGY DESIGNED TO PROMOTE INSTITUTIONAL REFORM AND FOSTER DEMAND FOR TELEMATICS SERVICES, PARTICULARLY THE INTERNET, IN SECTORS CRITICAL TO THE AGENCY'S DEVELOPMENT GOALS. NOTING THAT THIS INITIATIVE INTENDS TO PURSUE COOPERATIVE EFFORTS WITH A NUMBER OF PARTNERS AND CUSTOMERS THROUGHOUT AFRICA, E.G., PRIVATE VOLUNTARY AND NON-GOVERNMENTAL ORGANIZATIONS, FOR-PROFIT FIRMS, NATIONAL AGENCIES, DONORS, ETC., THE MISSION SHOULD INDICATE WHETHER THE INITIATIVE COULD ADD VALUE TO THE PROPOSED STRATEGY AND, IF SO, HOW IT WOULD SUPPORT PARTICULAR S.O.S OR SECTORS.

C. THE NEW PARTNERSHIPS INITIATIVE (NPI)

NPI, WHICH HAS BEEN ENDORSED BY USAID SENIOR MANAGEMENT, SEEKS TO USE PARTNERSHIPS TO BUILD LOCAL INSTITUTIONAL CAPACITY TO ADDRESS LOCAL DEVELOPMENT PROBLEMS AND ISSUES. THE FOCUS OF THESE PARTNERSHIPS IS ON DEMOCRATIC LOCAL GOVERNANCE, SMALL BUSINESS, AND NGO EMPOWERMENT -- THREE AREAS SELECTED FOR THEIR RICHNESS IN REPRESENTING A BROAD RANGE OF LOCAL ACTORS. NPI EMPHASIZES THE NEED TO LINK WORK IN THE AREAS OF LOCAL CAPACITY-BUILDING, WITH EFFORTS TO ENHANCE THE POLICY, REGULATORY, AND RESOURCE ENVIRONMENT AT THE NATIONAL LEVEL. USAID/GHANA ALREADY HAS EXTENSIVE EXPERIENCE IN NPI-RELATED ACTIVITIES AND, AS AMPLY DEMONSTRATED IN THE JULY 1995 ACTION PLAN, PROGRAMS WHICH WILL DOVETAIL NICELY AND WILL BE ENHANCED BY THE OVERALL FRAMEWORK THE INITIATIVE PROVIDES. IN PREPARING ITS CSP, THE MISSION SHOULD BE AWARE THAT NPI IS LIKELY TO BECOME AGENCY-WIDE POLICY, FOLLOWING A 6-12 MONTH LEARNING PHASE THAT WILL BEGIN SHORTLY WITH SELECTED "LEADING EDGE MISSIONS". IT WOULD THUS BE USEFUL FOR THE MISSION TO OUTLINE HOW THE PROPOSED DIRECTIONS OF THE CSP SUPPORT NPI THEMES OVER THE COURSE OF THE STRATEGY. IN DOING SO THE MISSION MIGHT REVIEW THE "NPI ATTRIBUTIONS: AFRICA TABLE 2" IN THE ACTION PLAN AND, TO THE EXTENT POSSIBLE, PROJECT IT OVER THE CSP PERIOD.

D. PERFORMANCE MONITORING

DURING THE CURRENT CPSP PERIOD THE MISSION HAS

CONTINUOUSLY SUBMITTED HIGH-QUALITY ASSESSMENTS OF PROGRAM IMPACT, BACKED BY AN EXCELLENT PERFORMANCE MONITORING PLAN. IN DISCUSSING HOW THE ACHIEVEMENT OF THE S.O.S WILL BE JUDGED IN THE NEW CSP, I.E., THE PROPOSED PERFORMANCE INDICATORS AND TARGETS FOR ACHIEVEMENT OF EACH S.O. OVER THE CSP PERIOD (SEE ADS SERIES 200, CHAPTER 203), PLEASE NOTE IN PARTICULAR THE IMPORTANCE OF (1) CAPTURING PAST PERFORMANCE AND SETTING BASELINES AS FAR BACK AS FEASIBLE; (2) SETTING PERFORMANCE TARGETS FOR THOSE YEARS FOR WHICH ACTUAL DATA WILL BE AVAILABLE; AND (3) REPORTING ON KEY INDICATORS ON A REGULAR BASIS. ALSO, WHILE NOT SPECIFICALLY MENTIONED IN THE PARAMETERS-SETTING MEETING, THERE HAVE BEEN QUERIES AS TO WHETHER THE MISSION WANTS TO REVIEW OPTIONS FOR MAKING THE "ENVIRONMENTAL MONITORING, EVALUATION, AND MITIGATION PLAN" (EMEMP) POSSIBLY MORE EFFECTIVE AND RESPONSIVE TO NATURAL RESOURCES MANAGEMENT OBJECTIVES.

6. TIMING OF THE CSP SUBMISSION AND REVIEW

USAID/W AND THE MISSION HAVE AGREED ON THE FOLLOWING DATES:

-- SUBMISSION TO USAID/W: FEBRUARY 9, 1996  
-- ISSUES MEETING(S): WEEK OF FEBRUARY 26, 1996  
-- PROGRAM WEEK WEEK OF MARCH 4, 1996

THE EXACT TIMING DETAILS OF THE PROGRAM REVIEW PROCESS WILL BE WORKED OUT WITH THE MISSION SEPARATELY, ONCE THE CSP IS RECEIVED.

7. USAID/W WISHES TO EXPRESS ITS APPRECIATION FOR THE EXCELLENT COLLABORATION WE'VE ENJOYED WITH THE MISSION IN MOVING THE CSP PROCESS ALONG. THE DEDICATION, ANALYSIS, AND TIME THAT MISSION STAFF HAVE DEVOTED TO THIS STRATEGY, AND THE WAY IN WHICH THEY INCORPORATED REENGINEERING CORE VALUES AND PRINCIPLES AT EACH STEP OF THE WAY, PROMISE TO MAKE THIS REVIEW AN EXCITING ONE. BON COURAGE.

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ADDITIONAL CLEARANCES

AID/M/B:DHARRISON

AID/G/PDSP:TMAHONEY

AID/BHR/PPE:JDEMPSEY

AID/M/ROR:RBYES (INFO) YY

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