

PN-ACU-179

Poverty Reduction Strategy Workshop

GIMPA
April 19, 2001

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Sigma One Corporation

Poverty Reduction Strategy Workshop

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Sigma One Corporation

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1.17 (Y3) Town Hall meeting in one or more regional cities to increase public awareness.

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**POVERTY REDUCTION STRATEGY WORKSHOP
GIMPA, APRIL 19, 2001**

Executive Summary

This is a report of the first of six workshops that are being held to prepare for the National Economic Dialogue. The National Economic Dialogue is to be held on May 14th and 15th, 2001. The workshops are designed to gather opinions from key stakeholders of the Ghanaian Economy on pertinent issues that hinder the growth of the National Economy. These opinions will then be gathered and presented for debate during the National Economic Forum. A consensus is expected to be reached on these issues that would then become the foundation for Government policy.

Dr. P. Kwesi Nduom
(Minister for Econ. Planning
and Reg. Cooperation)

The Minister set the tone for the workshop by stressing that the National Economic Dialogue will set a national agenda and targets for the economy to guide government, the private sector, labour, civic society and other stakeholders. He highlighted the other workshops to be held before the National dialogue and stressed that these workshops were structured to gain the participation and consensus from a broad cross-section of the Ghanaian populace in the development of a Ghana Poverty Reduction Strategy. Dr. Nduom reiterated that the Government Poverty reduction strategy is as important as it will determine the development assistance program between Ghana and its development partners. It will also determine how any relief gained from the HIPC initiative is spent.

This workshop he declared is a consensus-building one. However, he pointed out that issues arrive at are still open for debate and are going to be passed on as recommendations for the National Economic Dialogue.

Situation Analysis of Ghana
Dr. George Laryea Adjei
(Convener)

Dr. George Laryea Adjei delivered the Poverty Situation Analysis Report on Ghana. He described poverty as a situation of unfulfilled rights and entitlements and it is characterized by a slow pace of creating opportunities for asset creation, slow pace of sustaining human development and a wide socio-economic and geographical disparities. Using three criteria of; poverty from an income / consumption perspective' poverty from the perspective of social development and poverty from the perspective of participatory/social assessments, he concluded that approximately 40% of Ghanaians are poor and 27% of this population falls within the extremely poor group.

He also noted that there is an observation of a general decrease of extreme poverty in the 1990s. However, he indicated that population growth during the period far outstrips poverty decline rates. Five of the 10 regions in Ghana have more than 40% of their population living in poverty and the worst affected are the 3 Northern regions. For example 9 out of 10 people in the Upper East Region are considered poor. Dr. Laryea Adjei pointed out that poverty is highest by far among food crop farmers.

He blamed factors like increasing population, poor macro-economic performance, high debt burden, near subsistence of agriculture, and unfavourable social sector spending as some of the factors responsible for poverty in Ghana.

Dr. Laryea-Adjei put forward an agenda for poverty reduction which included the need to strengthen development planning by making it more proactive, the need to promote more effective and accountable leadership in Government and the need for a better monitoring and evaluation system for the development process.

Workshop Discussion I

Macroeconomy

Paper by Dr. S. Ashong

The group arrived at a consensus that redistribution of wealth alone cannot be relied upon to alleviate the plight of the poor and that economic growth is a prerequisite for poverty reduction. Members also agreed that for growth to be pro-poor therefore it must necessarily involve the participation of the less advantaged in the society.

The group also held the view that macro-economic instability and policy inconsistency during much of the 1990s contributed to Ghana's failure to achieve higher and sustained economic growth rates. Past expansionary fiscal policies and continued high interest rates have led to a high burden of domestic debt that remains a major obstacle to private sector led growth-indeed to the development of a strong and productive private sector.

The Macro-economy group therefore agreed that a macro-economic framework that catalyses the process for poverty reduction is one that fosters the creation of wealth through sustained and accelerated growth.

Specifically, the macro-economy programme must be able to restore and maintain a stable and predictable macro-economic environment and address the persistent and entrenched Government Budgetary imbalances. To be able to achieve this the group recommends the following actions that Government needs to consider

Recommendations and Action Plans

Summarised below are the key goals and corresponding action plans that resulted from the workshop discussion.

- 1. *Make Public Expenditure more productive***
 - Re-examine decentralisation process to effect the productivity of public expenditure
 - Use District Assemblies' Common Fund as investments to yield dividends
- 2. *Government policies must focus on wealth creation***
 - Increase social expenditure and target it at addressing problems of the poor
 - Proceeds from divestiture and aid grants must be used to reduce public debt and not be treated as normal revenues
 - Tax laws must be enforced to improve collection
- 3. *Government expenditures must be consistent with the overall objectives of the macro economy***
 - Reduce growth in government expenditure in relation to GDP

Workshop Discussion II

Human Resource Development And Basic Services

This group concluded that, to add value to the individual and make him/her economically viable and marketable and therefore capable of staying out of poverty, some ingredients are fundamental. They identified such basic services as education, health care, potable water and sanitation, transport, and energy among others. They also agreed that poverty is about gaining access to consumption of these "social wages" and to the poor these services form a web of deprivations.

The resultant effect of this therefore is that the poor often feel powerless and trapped in the web of deprivations. Thus, to formulate strategies that will improve the lot of the poor, these fundamental ingredients should not only be provided but, the concerns of the poor in the provision of these services must be taken into account.

Five key areas were therefore elected for critical attention in order to alleviate the plight of the poor. These were Education, Health, Water and Sanitation, Feeder Roads and Energy sector.

Recommendations and Action Plans

Education

1. ***Increase and bridge access gaps in the educational system***
 - Construct and rehabilitate more schools in the Northern Region, at targeted rural and urban areas
 - Review and implement District Boarding Policy
 - Hostels for Girls in rural districts secondary schools
2. ***Enhance quality education by accelerating quality Improvement in public and private schools***
 - Provide adequate textbooks for all basic schools
 - Improve curriculum to be practical and relevant to entrepreneurship and training
 - Invest more in technical and vocational education
 - Strengthen informal and civil society interventions in basic education
 - Increase wages of teachers to motivate and retain them

Health

3. ***Emphasize interventions on major diseases that affect the poor e.g. MV, AIDS, Malaria, TB, and STDs***
 - Enhance deficiencies through decentralization of health policies in order to remove inefficiencies and bureaucracy
 - Increase wages and conditions of service of health workers to motivate and retain them.

Water and Sanitation

4. ***Revamp and decentralize water delivery agencies to increase production management and service provision for peri-urban and rural communities***
 - Strengthening mechanisms for integrated planning and coordination with food security, health, water and sanitation and education programs.

Feeder Roads

- 5. *Use more labour intensive and community labour approaches for construction and especially for Rehabilitation, Operation and Maintenance of feeder roads. This will ensure timely maintenance and at the same time help in employing labour***
- 6. *Apply more indigenous materials in construction and maintenance. This could also generate employment and reduce input cost.***

Energy

- 7. *Increase access to sustainable energy sources etc., Biomass, Solar, and wind energy***

Workshop Discussion III

Vulnerability And Exclusion

People who are described as Vulnerable and Excluded also belong to the extreme poverty category. They constitute about 27% of the total population. They can be identified mostly in the 3 Northern regions, the Central and the Eastern regions.

They are mainly food crop farmers, children in difficult circumstance like street children, single mothers, displaced communities, and the elderly folk without families.

These individuals are plagued with problems like, malnutrition, lack of other economic activities, limited technical and vocational training,, inadequate supplementary feeding programmes, large family sizes stigmatisation and discrimination as in the case of HIV/AIDS patients.

Some of the factors leading to this phenomenon are gaps in development policies that lead to inequities, harmful traditional practices, distortions and slow pace of implementation of decentralization, lack of policies targeted at the poor in health, agriculture and education as well as bad governance.

The group also identified some existing enabling factors that could be applied to resolving the concerns of the vulnerable and excluded. These include the decentralization process, civil society organizations the legal framework as well as improved communication channels.

The workgroup therefore advocated that the vulnerable in the society must be carefully targeted and the following recommendations should be applied fully to address their needs.

Recommendation and Action Plans

- 1. Ensure economic empowerment of the Vulnerable and Excluded.**
 - The empowerment programmes should be able to build their capacity and confidence of the V and E, and must be able to instil attitudinal change in the General public that will create awareness and expand opportunities for employment.
 - Provide basic services like education, health, water, clothing and shelter for the Vulnerable and Excluded.
 - Enforce Protection rights to curtail discrimination and marginalisation
 - Take measures to prevent and effectively manage natural and man-made disasters

Workshop Discussion IV

Production And Gainful Employment

The group identified some of the fundamental problems facing the development of Agriculture in the country. These include; credit, soil fertility, land tenure system, traditional farming systems, illiteracy and product and input marketing. It believes that Government policies must be directed at resolving these problems to create an enabling environment for increase productivity in Agriculture and to ensure gainful employment in the sector.

The group believes that the use of the produce approach to identify the agricultural commodity for promotion at the district level should be adopted. By this strategy, the agricultural produce with the highest demand and marketability in a particular district should be given careful attention. Production targets could then be set at both the district and national levels.

A suitable production system is also of paramount importance. This production system could be the out grower's scheme, the nucleus or the block farming systems.

Recommendations

- 1. *Increase Agricultural yields on an environmentally sustainable basis***
- 2. *Improve upon Market access(Input/Output) by improving the quality of access roads in addition to timely availability of inputs at reasonable prices.***
- 3. *Promote Agro-processing to serve as ready market for agricultural produce***
- 4. *Improve productivity in the industrial and service sectors***
- 5. *Productive use of energy by the poor is to be encouraged to add value to local produce and to increase productivity and shelf life***

Workshop Discussion V

Poverty and Governance

The group started with an operational definition of the problem. They defined poverty-targeted governance to mean governance that is structured to ensure efficient and decentralized management of public affairs and to empower people to participate in, and influence the process of wealth creation and poverty reduction

They identified some key issues confronting governance that hinder its efforts at addressing the concerns of the poor. These include the lack of political commitment to addressing the problems of the poor and inadequate public participation in resource allocation and management.

Recommendations

1. ***Ensure higher political commitment towards poverty alleviation***
 - Establish strong leadership for wealth creation and poverty alleviation.
 - Strengthen institutions responsible for poverty-focused planning and monitoring
 - Improve transparency, participation and accountability of public policy makers.
2. ***Increase public participation in poverty reduction, resource allocation and Management***
 - Increase public participation in the budget planning and expenditure management system
3. ***Ensure equitable allocation and access to resources for spatially deprived, vulnerable groups and the disabled.***
4. ***Speed up the implementation of the anti-corruption agenda to ensure that resources allocated to the poor reaches them.***
5. ***Institute an oversight body to monitor and evaluate adopted poverty reduction and rights and protection strategies.***
6. ***Embark on a decentralization reform to improve the capacity of local government institutions and civic organizations in the districts to incorporate poverty alleviation strategies in their operations.***

**Participant List for the Poverty Reduction Strategy Workshop
Held at GIMPA's Mamphey Hall, April 19, 2001.**

First Name	Last Name	Position	Institution	Work Shop	Work Group
Justina R	Aanipa	Rep. President	Ghana Institute of Planners	PRS	Vul&Ex.
Victoria	Abankwa		World Food Programme	PRS	Vul&Ex.
J.L. S.	Abbey		CEPA	PRS	Macro
K.	Abeasi	Director General	PEF	PRS	Gov
Kweku	Abekah			PRS	Vul&Ex.
Robert	Aboaghe-Mensah	General Secretary	Christian Council Gh.	PRS	Gov
Charles	Abugre	Managing Director	Isodec	PRS	Macro
H.K	Abutiata	President	Chartered Inst of Marketing Gh.	PRS	Vul&Ex.
E.A.	Acquah		TV3	PRS	Macro
Marian	Addy		GES	PRS	HR&BS
William Selassy	Adjadep		Ghanaian Times	PRS	Vul&Ex.
Augustine	Adongo	CEO	FAGE	PRS	P&EMP
Pandit	Adu		Ghanamoneyonline.com	PRS	HR&BS
Kofi	Adu	Executive Secretary	GAPVOD	PRS	Vul&Ex.
K.	Adu- Mensah	Project Coordinator	ITC Export-CED	PRS	P&EMP
Ms Emily	Aggrey		Ghana News Agency	PRS	Macro
Robert	Agramful		Channel R	PRS	Macro
Opoku	Agyemang	Executive Director	Social Investment Fund	PRS	HR&BS
Nelson	Agyemang		Youth Development Foundation	PRS	Vul&Ex.
Nelson	Agyemang		Youth Development Foundation	PRS	HR&BS
Dayon	Ako-Adoumo	Executive Director	Dione Vent. Int'l Ltd	PRS	P&EMP
Christian	Akorlie		Ghana News Agency	PRS	Macro
E.O	Akwety		IDEG	PRS	Gov
Harriet	Alexander -Orr		New Times Corp	PRS	Gov
J.A.	Allotey	Director	EPA	PRS	P&EMP
John	Amakye		VIP	PRS	Vul&Ex.
Atta	Amanafo Poku II	Ag. President		PRS	Macro
John	Ameka		GCPP	PRS	Gov
Alexis	Amemama		TV3	PRS	P&EMP
Rudolf	Amenga - Etego		ISODEC	PRS	Gov
George	Amexo		The Dispatch	PRS	Vul&Ex.
Samuel	Arnoako		New Times Corp.	PRS	Gov
Muhammed	Arnuda Iddi		Min. of Communication and Transp	PRS	Gov
Clwis	Amuzu-Addo		World Vision Ghana	PRS	Vul&Ex.
	Annorbah-Sarpei		Centre for Community Studies,	PRS	Vul&Ex.
Ester	Apewokin		National Population Council	PRS	Vul&Ex.
Aquah	Aquah		TV3	PRS	P&EMP
Ebenezer	Aryee		Sigma One	PRS	Macro
Ernest	Aryeetey		ISGCR	PRS	Macro
Abubakar	Aryeetey		Federation of Muslim Councils	PRS	HR&BS
Richard	Asah - Asanti		Ghanaian Chronicle	PRS	Gov
K.	Asanso-Qkyere			PRS	Macro
Kofi	Asanti-Frimpong		National Poverty Reduction Prog.	PRS	Vul&Ex.
K.	Asenso - Okyere	Director		PRS	Vul&Ex.
A.S William	Ash	National Coordinator		PRS	P&EMP
S	Ashong	Research Fellow	CEPA	PRS	Macro
Kwaku	Aterkyi	Vice-President	B/A House of Chief	PRS	P&EMP
Peter	Atiemo		The Crusading Guide	PRS	Vul&Ex.
Tersa	Atonguyire		GBC	PRS	Macro
Diana	Ayettery		NCWD	PRS	Vul&Ex.
Hannah	Baafi		Life FM	PRS	Gov
Agnes	Beecham	Executive Director	Women in Agro-Technology	PRS	Vul&Ex.
Maxwell	Bilson		Ghana Times	PRS	P&EMP

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First Name	Last Name	Position	Institution	Work Shop	Work Group
Kwabena	Boateng		Ghana Export Promotion Council	PRS	HR&BS
Kwabena	Boateng	Director	GEPC	PRS	P&EMP
Adeline	Boateng-Siriboe	Deputy Director	MOFA	PRS	P&EMP
J.	Budu - Smith		Ghana Education Service/ MOE	PRS	HR&BS
George L.	Cann	Ag. CH.	Min. of Econ. Plann. & Coop.	PRS	Gov
Jame	Cofie		Top Radio	PRS	Macro
B.	Coker			PRS	Vul&Ex.
Norman	Cooper		N. Times	PRS	P&EMP
Isaac	Dadjie-Mensah	Registrar	Central Region House of Chiefs	PRS	Macro
Penny	Dale		Press	PRS	Macro
Paul	Derigubaa	Programme Specialist	UNDP	PRS	P&EMP
Beatrice	Duncan		UNICEF	PRS	Vul&Ex.
Eric	Enniful		Vibe FM	PRS	Vul&Ex.
G.A.	Fhri Brako		Rich Soil Ltd	PRS	P&EMP
Shirley-Awn	Fiagome		NDPC	PRS	Gov
Mhammed	Flavuna		The Accra-Mail	PRS	Gov
Robert	Foote		CIDA	PRS	Gov
Ralph	Franklin		Sigma One Corporation	PRS	HR&BS
Sulley	Gariba	Consultant		PRS	Gov
Maxine N.	Gawua		Choice FM	PRS	Macro
Joe	Goodwin		Sigma One Coporation/USAID	PRS	Macro
Kwame	Gyari		Ahmadiya Muslim Mission School	PRS	HR&BS
Alhassan	Iddrisu		M O F	PRS	Macro
Isaac	Isaac		Ghanaian Chronicle	PRS	Gov
B.	Katsuku	C/D	MMDE	PRS	Vul&Ex.
Justice	Klu			PRS	Vul&Ex.
Benjamin	Konadu Arthur	Business/Financial Ec	The Statesman	PRS	Macro
Chief E.N.	Kotomah	Registrar	Northern Region House of Chiefs -	PRS	P&EMP
Peter	Kporidye		Reform Party	PRS	Gov
K.Y.	Kugi		Edindanfo Progressive Foundation	PRS	P&EMP
E.Y.G.	Kumodzie		Catholic Relief Services	PRS	Vul&Ex.
Na	Kunbug			PRS	P&EMP
E.Y.	Kunfaa	Consultant	KNUST	PRS	HR&BS
Simon	Kusi		NSC	PRS	Gov
George T-M	Kwadzo		Technoserve	PRS	P&EMP
Kofi	Kwakwa		Independent Consultant	PRS	HR&BS
Kwaku	Kyie		Ghana Youth Foundation	PRS	HR&BS
Eben	Lamptey		Joy FM	PRS	Gov
George	Laryea Adjei			PRS	Vul&Ex.
Irene	Manieson		Peace FM	PRS	Vul&Ex.
Augustine	Mark		Top Radio	PRS	Vul&Ex.
Kofi	Marrah		World Bank	PRS	Vul&Ex.
Martin	Mosebo Charles		DANIDA - Danish Embassy	PRS	Macro
Winfred	Nelson		NDPC	PRS	P&EMP
Lionel	Nettey		TV3	PRS	Macro
Emmanuel	Netty		TV3	PRS	P&EMP
I .D	Nitts		Ambassador for Japan	PRS	HR&BS
Awotwe	Nkansah		GNAT	PRS	Vul&Ex.
T.E.	Ntim		Bank of Ghana	PRS	Macro
Gerald	Nyarko-Mewsah		Ghana Export Promotion Council	PRS	P&EMP
A.D	Oduro		Universsity of Ghana/CEPA	PRS	P&EMP
Gloria	Ofori Boadu		FIDA Ghana	PRS	Gov
K.	Ofori - Adarkwa		Min. for Private Sector Devpt	PRS	P&EMP

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First Name	Last Name	Position	Institution	Work Shop	Work Group
D.P.	Ofosu K	Director	Ministry of Defence	PRS	Gov
V.	Okine		Save the Children	PRS	Gov
Nasaeshi	Ono		JKA JHDP	PRS	HR&BS
Ernest	Osafo	Economic Consultant		PRS	P&EMP
Kwena	Osei- Sonsu	Coordinator	ILO/JFA. PRESA	PRS	P&EMP
Fred	Otoo		Graphic	PRS	P&EMP
Oheneba	Owus - Danso	Hon Secretary	Ghana Medical Asso.	PRS	Gov
Nabanyin	Pratt	MD	New Times Corp.	PRS	Gov
Constance N	Quacor	Director	GEPC	PRS	P&EMP
T	Quansah		GTS	PRS	HR&BS
Augustine	Quashigah	President	Groots INT	PRS	Macro
Resford	Quaye	Projects Officer	DFID Ghana	PRS	HR&BS
Steffon	Rasmusson		Ibis - Denmark	PRS	Gov
Margaret	Sackey		GNCC	PRS	Vul&Ex.
Kojo	Sakyi		CDD- Ghana	PRS	Gov
Fenton	Sands		USAID	PRS	Macro
Juicli	Sato		JICA	PRS	Macro
Steven	Seladn Acquah		Radio Gold	PRS	Gov
Nuna	Senagy		Public Agenda	PRS	Macro
A.A.	Shaban	Dept. Gen. Sec.	GUTA	PRS	Gov
E.	Tarp		DANIDA – Danish Embassy	PRS	Vul&Ex.
Edward	Tarpinian		Sigma One Corp	PRS	HR&BS
Wilbert	Tengey		African Center for Human. Develop	PRS	Gov
Kotoya	Tetteh		Graphic	PRS	P&EMP
Beatrice	Tsahey		Daily Guide Business	PRS	Macro
K.A.	Twum - Bahh	Ag. Government Stas	GSS	PRS	Gov
K.A.	Twum-Baah		GSS	PRS	HR&BS
Paul	Van Hoof	Director	SNV Netherlands Dev. Organisatic	PRS	Gov
S.N.	Vigrevx		Care International	PRS	Gov
Hans	Wechsel	Econ Official	US Embassy	PRS	Gov
M.A.	Wiafe		Technologh Advancement Consult	PRS	P&EMP
Ekow	Wood	General Secretary (EI	GPC	PRS	HR&BS
P. W.	Yiriyellah	Director	PBME, (Chairman HRBS)	PRS	HR&BS
Pearl	Zogan		TV3	PRS	P&EMP
Paul	Zogan		TV3	PRS	Macro