

GHANA STRATEGY SUPPORT PROGRAM (GSSP)

INCEPTION WORKSHOP PROCEEDINGS

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and the International Food Policy Research Institute (IFPRI)

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1. Inception Workshop Summary

1.1 Overview

Upon request by the Government of Ghana and with seed funding from USAID/Ghana, the International Food Policy Research Institute (IFPRI) has developed the *Ghana Strategy Support Program (GSSP)*. The purpose of GSSP is to better inform Government policy and strategy formulation and to improve evidence-based policy decision-making in Ghana. GSSP will address policy issues in a broad economic context, with special focus on agriculture and rural development. It will firmly support implementation of the revised Growth and Poverty Reduction Strategy (GPRS), monitoring of progress towards achieving GPRS and Millennium Development Goals (MDGs), and related changes of sectoral policies (e.g. FASDEP in agriculture). GSSP is planned for a 5-year period and will be guided by a National Advisory Committee, led by the Ministry of Finance and Economic Planning.

1.1.1 Program objectives

- Improve the data and knowledge base for policy analysis and strategy development in Ghana; through better data standards, integration across sectors, and knowledge management;
- Popularize innovative policy analysis tools, such as economy-wide modeling or spatial and GIS techniques for agricultural and rural sector analysis; utilize these tools for stimulating and invigorating the policy discussion;
- Identify and address major knowledge gaps concerning economic and rural strategy formulation and implementation;
- Strengthen the technical capacity of Ghanaian researchers and policy analysts for policy-relevant economic, agricultural, and rural research and analysis, its dissemination and use; and
- Enhance the national dialogue on priorities for economic and rural policies and the communication of applied research and knowledge to policy-makers and other rural stakeholders.

1.1.2 Program Inception Workshop

The GSSP Inception Workshop was held on July 18th, 2005. The workshop was jointly organized by the Ministry of Finance and Economic Planning (MOFEP) and IFPRI.

The workshop objectives were:

1. To obtain guidance and feedback from the development community on the rationale of GSSP, the relevance of its basic objectives and planned activities;
2. To identify important knowledge gaps related to the design and implementation of Ghana's development strategy and how to address them through GSSP;
3. To identify potential GSSP partners as well as policy analysis and knowledge management capacity constraints and strengthening needs.

More than 90 participants attended the workshop – including high level Government officials from

various Ministries, Departments and Agencies, as well as prominent Ghanaian researchers and research managers. A number of representatives from civil society and donor agencies were among the participants. Excerpts from the workshop were shown on Ghanaian TV and quoted in daily journals and web-sites.

The workshop was formally opened by the Honorable Minister for Food and Agriculture, Ernest Debrah. Under the chairmanship of Prof. Ernest Aryeetey, the Minister's address was followed by speeches from Prof. Gyan-Baffour, Deputy Minister of Finance and Economic Development; Dr. Peter Hazell, Division Director, Development Strategy and Governance Division (DSGD), IFPRI; Sharon Cromer, USAID Ghana Mission Director; and Dr. Samuel Asuming Brempong, Department of Agricultural Economics and Agribusiness, University of Ghana, Legon. These speeches were on the topic of 'Policy Challenges for Growth and Poverty Reduction: Knowledge Gaps and Capacity Constraints'. The second part of the workshop featured presentations from IFPRI on early findings and results of GSSP activities and also discussion from Dr. Daniel Sarpong, Department of Agricultural Economics, University of Ghana, Legon and Enoch Boateng of the CSIR Soil Research Institute. Economy-wide simulation model results were shared, as well as growth and poverty reduction implications from a spatial-analysis perspective. Main principles, partnerships, and planned activities of the GSSP were presented and discussed. The workshop ended with closing remarks by Dr. Shenggen Fan, Incoming Division Director, DSGD, IFPRI, and Prof. Gyan-Baffour.

Following are the proceedings documents from the workshop, including a summary of the key points raised during the workshop concerning the GSSP agenda and management. Also included are the original speeches and presentations, and summaries of the discussions. The appendix contains the original invitation letter and agenda, a list of workshop participants, and an article published about the workshop.

1.2 Key Points Raised Concerning GSSP Agenda

One of the main objectives of the inception workshop was to identify important knowledge gaps and researchable issues that could be addressed through the GSSP. Speakers, discussants, and commentators through the evaluation forms concentrated on five broad areas.

- First, the need to innovatively address the reconciliation of potential trade-offs in simultaneously promoting growth and poverty reduction ("shared growth") and to identify positive growth-poles, complementarities, and productivity and equity enhancing interventions that are environmentally sustainable;
- Secondly, the paramount importance of developing macro-economic analysis capacities and tools to facilitate economy-wide modeling of key research, policy and resource allocation questions. Eventually this would allow Ghana to gain independence from reliance on external analysis.
- Thirdly, improvements in the ways data is collected, analyzed, and utilized. This refers to availability and quality of data - particularly agricultural data - the readiness and capacity to analyze that data, and the dissemination of results, including to private sector and farmers.
- Fourth, better coordination among various development partners on the agricultural growth agenda. This should mean closer collaboration between Ghanaian researchers and agricultural policy makers, firm anchoring of the agricultural sector strategy (FASDEP) and the GSSP in the Growth and Poverty Reduction Strategy (GPRS), and strengthened linkages to international initiatives, from NEPAD, enhanced aid flows and aid effectiveness under G8, Millennium Challenge Account (MCA), to regional knowledge systems (e.g. West-Africa SAKSS/IITA);

- Fifth, enhanced cross-country learning on primary issues of concern to Ghanaian policy-makers, ranging from increasing competitiveness, improved processing and marketing of products, quality standards, financing of rural investments, private/public partnerships, to quality of public services. More information is needed to prioritize public investments in rural infrastructure, small-scale irrigation, and rural non-farm employment, and how to improve their effectiveness.

In all of these areas, GSSP could play an important supportive and catalytic role.

1.2.1 Promoting growth and poverty reduction (“shared growth”)

Hon. Prof. Gyan-Baffour, Deputy Minister of Finance and Economic Planning in his opening address confirmed that “accelerated growth and ensuring the participation of the poor people in that growth is fundamental in poverty reduction and this is at the center of the Ghanaian Government’s development agenda. Poverty reduction is linked to economic growth and to enabling Africans to become agents of their own development.” But he also asked the participants to think more innovatively on how to address the challenge of simultaneously pursuing the goals of growth and poverty reduction that everybody seems to agree on. “The new concept of “shared-growth” that deals with both pro-growth and pro-poor goals may be a good starting point” (*Prof. Aryeetey*).

Prof. Gyan-Baffour formulated some key economic questions for Ghana: What rates of growth in what sectors are needed to achieve Ghana’s goal of becoming a middle-income country by 2012? Are they reachable and sustainable? How does Ghana have to allocate investments across and within sectors? We also need ex-ante tools to show us trade-offs between growth and environmental protection.

Some of these questions are already being addressed by the economic simulation model for Ghana which was presented during the workshop by *Dr. Xinshen Diao, Senior Research Fellow of IFPRI*. Preliminary results of this economy-wide, multi-market model (MMM) on “Growth Options and Poverty Reduction in Ghana” show that Ghana’s “middle-income goal” is indeed reachable, and that the country is on track in meeting the Millennium Development Goals of halving poverty before 2015. Agriculture, especially broad-based, remains important for pro-poor growth, but a more balanced and targeted growth policy is needed to avoid worsening of regional inequality.

As overall poverty is expected to decline under various growth scenarios in the model, regional inequality is expected to rise, as poverty declines much faster in the south than the north. While the poverty rate in 2015 is expected to be only between 10 and 20 percent in southern regions, it would remain between 50 and 79 percent in the north. The simulations also show that additional growth in agriculture of the same magnitude has a larger impact on poverty reduction if it is broad-based and takes account of all staple food production (including livestock) rather than exportable agriculture products alone. Broad-based agricultural growth would particularly reduce poverty rates in the north.

Based on a “Poverty and Social Impact Analysis” (PSIA) of the agricultural sector *Dr. Samuel Asuming-Brempong* from the Department of Agricultural Economics and Agribusiness of the University of Ghana, Legon, argued that Ghana’s past pro-growth policy mostly benefited commercial operators and larger farmers who have better resource access and are less risk-averse. But agricultural growth directed at large farms only benefits the poor if it has positive employment benefits and this effect is limited as poor rural people find it difficult to migrate. The PSIA concludes that modernization policies in Ghana need to take better account of smallholders’ livelihood strategies, risks and constraints in order to have a likelihood of reducing poverty directly on any significant scale. Temporary social safety nets may not address problems of inequality arising from pro-growth policies.

Jordan Chamberlin, GIS Scientist of IFPRI presented a spatial analysis on growth potential and poverty in Ghana which revealed that although the north has the highest poverty rates, there are in fact more poor people living outside of the northern provinces. Even though the north has high concentrations of poor people, there are similarly concentrated poor populations in and around the more population dense areas in the south of the country (surprisingly around the coast). The implication is that in order to achieve rapid poverty reduction it may be more efficient to target the poor living in the more densely populated areas (e.g. in the case of roads the cost per poor household effected may be considerably lower). However, targeting the poor in the southern provinces will exacerbate regional inequality, which may negatively affect long-run poverty reduction.

The *plenary discussion* turned to the question of whether the conclusion of the PSIA was that one cannot simultaneously have pro-growth and pro-poor policies. Several observers agreed that agricultural policy in Ghana had been mostly pro-growth in the past focusing often on medium-size and semi-commercial farmers. This clearly had not worked well for poverty. While farm size has to grow one should start by directly targeting small-scale farmers, otherwise they cannot leap forward. On a related note, one participant suggested to carry out a careful country-wide analysis of high growth versus low-growth potential areas.

1.2.2 Improving capacities and tools for economy-wide modeling

Effective policy depends on strong macro-economic analysis, including forecast instruments (*Prof. Gyan-Baffour*). Here GSSP can help to improve technical capacity and usage of sector and economy-wide models, covering agriculture and economy-wide analysis. Simulation models of Ghana's economy to explore long-term growth and poverty impact of alternative investment and policy options would be a centerpiece of GSSP. Models would be institutionalized in several Ghanaian agencies, including MOFEP, Ghana Statistical Services, the Bank of Ghana, the University of Ghana, Legon, ISSER, and CEPA.

Prof. Gyan-Baffour challenged GSSP to complete the economy-wide modeling effort in two years in order to help Ghana gain independence from reliance on external analysis and to take destiny in her own hands. He called on all researchers and macro-analysts present to assist in the endeavor of moving Ghana away from dependency not only in finance or aid but also in terms of knowledge and tools for handling the economy. Ghana would need to ensure local ownership of the model, thoroughly validate and market it, and let it be in the public domain.

During the discussion *Prof. Kwaku Appiah-Adu, Office of the President*, noted that the presented multi-market model (MMM) focuses primarily on agriculture. Thus the question was raised what efforts had been made to work with the Ministry of Finance on broadening the model and where it was going to be institutionalized. In her response *Dr. Xinshen Diao* acknowledged the limitations of the MMM in certain types of analysis. She pointed out that this was the reason why there were two steps involved in the model strategy for Ghana. The MMM was the first step, with greater agricultural detail and focus on growth and poverty trade-offs.

The second step would be building a CGE (Computable General Equilibrium) model which has greater policy detail and allows analyzing of various policy instruments e.g. taxes, trade policy, investments. For this reason it was important for IFPRI to link up with MOFEP as many economic issues must be addressed at the economy-wide level. It should also be realized that economy-wide analysis is not necessarily in-depth analysis and must be complemented with other studies, sometimes through integrated and sometimes through separate analyses. It is intended to carry out such complementary studies under GSSP.

Another discussant, *Mrs. Alphecca Muttardy of the IMF*, pointed out that it would be helpful to introduce budget constraints in the model scenarios. The model should also be more specific in what policy interventions might lead to different growth paths, what mechanisms result in different levels of poverty reduction, and how to improve quality and achieve effective policy/program implementation.

1.2.3 Improving data collection, analysis and dissemination

Workshop participants noted that there is no dearth of good policies. But poor implementation of policies – often due to lack of information – is a primary problem. Available data is often of poor quality and fails to be analyzed.

Hon. Minister Ernest Debrah emphasized that GSSP could be particularly helpful to improve availability and quality of agricultural data, write up the results, and disseminate them to the private sector and to farmers: “Data collection and information dissemination is a problem in the country as a whole. But in agriculture it is a big problem. How to get available information and how to disseminate the information is a problem. So what we are doing right now is a program that will let us be able to collect data, analyze it very well, and then pass on the information to the farmer.” [*Debrah interviewed on Ghana TV during workshop.*]

Minister Debrah was strongly supported by *Ms. Sharon Cromer, Mission Director, USAID*, who noted that improvements in the information systems, particularly in the ways data is collected, analyzed, and utilized are absolutely necessary for taking informed and effective investment decisions, both in the public and in the private sector: “Few of us in Ghana will disagree that there is a considerable room for improvement in the way economic data is collected and handled. GSSP will identify and address the most urgent needs.”

1.2.4 Better coordination among development partners on agricultural growth agenda

Hon. Minister Ernest Debrah made it very clear that in reference to the agricultural growth agenda policy makers need to work more closely with researchers to derive strategies that work and to identify under-performing ones. Agricultural research should be more systematically coordinated with and informed by the Ministry of Food and Agriculture (MOFA). According to a report by *Ghanaweb (July 19, 2005)* on the workshop ‘*Debrah* expressed worry that there were no strong links between policy making and research saying “it is not by sheer coincidence that our Asian friends have made it both internally and internationally because they have always remained focused with research given its rightful place in policy formulation and implementation”’

A number of speakers, discussants, and commentators stressed that the GSSP comes at a good time when the new GPRS is being finalized. Several workshop participants strongly suggested that priorities of GSSP should mirror those in the GPRS and other existing Government priorities. GSSP should contribute to these priorities through enriched analysis.

Quality of GPRS implementation is very important for the effectiveness of investments and policies. Thus a critical issue is how to improve the quality of implementation, including capacity strengthening, building public-private partnerships, and strengthening the decentralization process. Thus GSSP has the potential to support implementation of the GPRS and help in developing and revising related sector policies, such as FASDEP in agriculture. GSSP would also be expected to contribute to M&E for the GPRS and progress towards achieving the Millennium Development Goals (*Sharon Cromer, USAID*).

Cromer also noted that GSSP is coming at a time of remarkable changes and challenges for African economic development. It was a high priority at the recent G8 summit, and debt relief and the prospects of increased aid levels offer new and exciting opportunities and challenges. The NEPAD process is moving ahead fast and GSSP may have a role to inform it. There could also be an excellent opportunity for GSSP to support the Millennium Challenge Account (MCA) proposal and its monitoring.

GSSP would also need to take account of regional initiatives. Some strategic policy issues are better analyzed at regional (super-national) than country level (e.g. intra-regional trade). A similar knowledge support program as GSSP exists at the regional level, managed by IITA in Ibadan. Good interaction between this regional program and GSSP would be useful. On regional integration, CORAF (the research wing of ECOWAS) could also play an important role for GSSP, as pointed out by *Prof. Owusu-Bennoah (CSIR)*.

1.2.5 Enhanced cross-country learning and public investment analysis

As noted by *Hon. Minister Ernest Debrah*, Ghana aims to raise agricultural growth rates up to 14% annually. He acknowledges that such a growth rate is no doubt relatively high, compared to Ghana's present performance. However, such kinds of growth have been achieved in successful Asian countries that were at development levels lower than Ghana is experiencing now.

To achieve the required 'quantum jumps' in productivity and production Ghana would definitely have to look outside of its borders. In his concluding address *Dr. Shenggen Fan, Director Designate, DSGD, IFPRI* suggested that it is important to exploit the potential for cross-country learning within the context of GSSP and that IFPRI would definitely be happy to bring in its expertise and experience on what Ghana can learn from other countries world wide, in Africa and beyond – e.g. China or Vietnam.

A number of thematic issues of critical importance for Ghanaian agriculture were raised by workshop speakers and other participants that could benefit from more systematic research and enhanced cross-country learning. *Sharon Cromer, USAID*, in her address emphasized the issues of (1) how to increase the competitiveness of agriculture in Ghana for domestic, regional, and global markets; (2) how to improve the functioning of rural markets, and in particular the indispensable role of the private sector (public/private partnerships); and (3) how to ensure that agricultural growth and poverty reduction does not come at the expense of the natural environment.

Hon. Minister Debrah was concerned that under FASDEP agricultural research and GSSP need to identify ways to be more responsive to new demand and quality standards for Ghanaian agricultural products, both domestically and internationally, and to diversify production. In this context a discussant drew attention to the effects of the disease load in rural areas for meeting foreign market quality requirements. Another important challenge according to *Debrah* is how to finance public and private sector investments. He said that 'there is considerable unmet demand for financing of the agricultural sector which must be urgently addressed if the sector is to perform as expected'

Dr. Asuming-Brempong saw the importance of policy measures that can benefit the poor if they are properly targeted. He mentioned in particular interventions on processing, small-scale irrigation, micro-finance, and output markets. Efficient processing will help reduce post-harvest losses and improve food security and access to distant markets. A pro-poor growth policy also must emphasize linkages with agricultural processing, marketing etc., in order to avoid price depressions that are often associated with too rapid agricultural growth.

Workshop participants commented that the role of remittances should be included in analyzing rural growth and poverty reduction measures and that the analysis of policy impact had to include non-agriculture as agricultural growth will also create non-farm employment.

It appears that, in general, more information is needed on how to prioritize public investments in rural infrastructure and services, small-scale irrigation, and rural non-farm employment, how to generate and sustain supporting infrastructure, and how to improve its quality and effectiveness. Public-private sector partnerships and mutually supportive investments should receive particular attention.

1.3 Key Points Raised Concerning GSSP Management and Modalities

Dr. Peter Hazell, Director, DSGD, IFPRI, emphasized in his welcome address that with the inception workshop IFPRI intended to launch a process, and not a program with a predetermined agenda. For GSSP to be successful it needs to address Ghanaian ideas and priorities and IFPRI is here to listen. The GSSP agenda will be set by a National Advisory Committee (NAC) in consultation with all stakeholders.

1.3.1 Consultations, transparency, and coordination

In various comments and questions workshop participants emphasized the need for good mechanisms for stakeholder consultations in GSSP, in particular in shaping the program in the coming months. Participants showed interest in how the research agenda would be set and how research priority setting would be coordinated with ongoing processes and bodies (e.g. in CSIR, MOFA, etc.). Participants urged GSSP to provide a clear forum for agenda setting, and to ensure transparency of the process. It was pointed out that the proposed GSSP National Advisory Committee has already some members who also sit on several sector level priority setting committees. But lower level committees should also be consulted, e.g. the ARPC, Program Coordinators Committee, and Research Extension Committee. IFPRI confirmed that a variety of workshops and forums are planned that would inform the agenda.

One participant observed that GSSP should not just add on to other existing programs for growth and poverty reduction and duplicate them. GSSP should rather aim to fill real knowledge gaps and to provide better integration and consistency of existing initiatives that are carried out by various other agencies.

1.3.2 National Advisory Committee formation

It is planned to establish a National Advisory Committee (NAC) composed of members from Government, research, and the business sector. The NAC's main tasks will be to set annual program priorities, review and evaluate progress, and facilitate collaborative linkages and partnerships, in consultation with major partners.

As presented during the inception workshop the NAC would be chaired by the Deputy Finance Minister for Economic Planning of MOFEP. It would also include high-level representatives from MOFA, the Office of the President, NDPC, GSS, University of Ghana, Legon, the Council for Scientific and Industrial Research (CSIR), the Private Enterprise Foundation, and possibly the Bank of Ghana. It is expected that the first meeting of the NAC would take place in September 2005.

1.3.3 Raising complementary funds for GSSP

It is advisable that GSSP should have a broad funding base and reach into several government departments so as not to become captured by the interests of any particular organization (*Dr. Peter Hazell, IFPRI*). While USAID provided seed funding for GSSP and will continue to fund it, the GSSP will need a broad base of support and ownership by the Government of Ghana to make it sustainable and useful (*Sharon Cromer, USAID*). GSSP has been discussed amongst many donors and USAID urges donors to support this program.

As demonstrated during the inception workshop there is strong support from high level Government officials from various agencies for GSSP. IFPRI hopes that this support will be formalized in the next few months to formally invite other donors for additional funding for GSSP.

2. Speeches and Presentations

2.1 Opening Speech: Hon. Ernest Debrah, Minister of Food and Agriculture

Mr. Chairman
Colleague Minister of State
Development Partners
Distinguished Researchers
Members of the Business Community
Ladies and Gentlemen,

I understand that this is an inception workshop for a program that hopes to make data and information available in the context that it is needed to bridge the gap between knowledge and policy. In that regard, I wish to thank the organizers for making me a part of this workshop. This is because of the challenges I see in the agricultural sector as they relate to agricultural data generation and dissemination, and what I think should be the way forward.

It is generally agreed by experts in rural development that sustainable agricultural growth holds the key to accelerate to rural development in Sub-Saharan Africa where, on average, agriculture continues to account for about a third of GDP, two thirds of employment and almost half of export earnings.

Mr. Chairman, the Ghana Poverty Reduction Strategy has set the ambitious goal of raising per capita income to US\$1000 by the year 2012. To reach this goal, Ghana will need to raise agricultural growth rates to 14%. This growth rate is no doubt relatively high, compared to our present performance. However, this has been achieved in successful Asian countries that were at development levels lower than Ghana is experiencing now.

The GPRS poses a big challenge to agriculture. Indeed, in my own view, I believe that agricultural productivity and production should experience a quantum jump to propel Ghana into the middle-income status. There is therefore the critical need for policy makers to work with researchers to agree on strategies that would work in our economy.

Policy researchers should stand closely behind government to continuously review policies and strategies that work and those that do not make the intended impacts. This way, policy makers can also continue to reposition themselves to meet new challenges.

Mr. Chairman, since assuming office the NPP Government has developed a sector development policy document, the Food and Agricultural Sector Development Policy (FASDEP), aimed at achieving increased production in agriculture. At the moment, the policy document is under revision to make it more pragmatic.

There is the need to transform the structure of agricultural production in Ghana in order to respond to consumer demands. Agricultural development needs to be productive as well as responsive and capable of achieving the 14% growth rate.

Given the agricultural potential of Ghana and the current low support for the sector, it is estimated that the country's agriculture is operating far below its potential. That is, the value of goods and services produced in the agricultural sector can be increased several times over.

Strategic investments in the sector can promote and support medium-to-large scale farming enterprises that are integrated with agro-processing and the export and domestic markets.

There is considerable unmet demand for financing of the agricultural sector which must be urgently addressed if the sector is to perform as expected. These are but some of the difficult issues that the Ministry's sector policy document seeks to address. Mr. Chairman, it is my view that agriculture in Ghana needs to shift from dependency on roots, tubers, plantains and cocoa to a more balanced situation with cereals, fish, livestock, fruits and vegetables making more significant contributions.

This would require the development of a more efficient support infrastructure such as roads, agro-based industries, market information, efficient financial institutions and commodity markets and the adoption of more productive technologies.

In addition, it will also be necessary to establish internationally acceptable quality standards, including packaging and product presentation. Studies have shown that agro-industrial activities have the highest potential in terms of forward and backward linkages.

Mr. Chairman, our Asian friends have made it both internally and international. It is not by sheer coincidence that our friends have made it. They have remained focused with research given its rightful place in policy formulation and implementation.

Unfortunately, in Ghana, I do not see the strong link between policy making and research. For example, Agricultural Research Institutes in this country fall under commodity markets and the adoption of more productive technologies. The present system does not allow for agricultural research to fully work with my ministry on sustained basis to generate the needed data to guide policy formulation and implementation

I look forward to that research would take centre-stage in policy formulation and implementation. It is for this reason that I wish you success in your discussions and to hope that the program to make data and information available would succeed.

On this note, Mr. Chairman, it is my pleasure to declare the Workshop fully opened.

Thank you.

2.2 Policy Challenges for Growth and Poverty Reduction

2.2.1 Hon. Prof. G. Y. Gyan-Baffour, Deputy Minister of Finance and Economic Planning

Mr. Chairman
Hon. Minister
Distinguished Researchers
Cherished Development Partners
Private Sector Operators
Ladies and Gentlemen,

It is my honor and privilege to be part of this important inception workshop. Let me first take the opportunity to thank you all for responding to our invitation and being here to take part in this workshop. I wish to specially thank USAID, IFPRI, and other Donors for their immense support in helping us to develop a Ghana Strategy Support Program.

Mr. Chairman,
Accelerated growth and ensuring the participation of the poor people in that growth is fundamental in poverty reduction and this is at the center of Government's development agenda. And if I may quote Professor Wiseman Nkuhlu, Chairperson of the NEPAD Steering Committee, 'poverty reduction is linked to economic growth and to enabling Africans to become agents of their own development'.

Mr. Chairman,
As you may recall, the Ghana Poverty Reduction strategy (GPRS) was finalized in February 2003. Based on its analysis of the determinants and linkages to poverty, five priority areas were spelt out for the period 2003-2005. This covered the areas of macroeconomic stability, production and gainful employment, human resource development, special programs for the vulnerable and excluded and good governance.

The performance in recent years suggests that there has been good progress on all the macroeconomic, financial and social indicators. GDP growth has increased consistently to record 5.8% in 2004. There has been stability in inflation after picking at over 40 per cent in 2001; inflation is currently 16.3% as of May 2005. Exchange rate depreciation recorded a figure of 2.2% in 2004 and accounted for the lowest depreciation of the cedi against the dollar since the liberalization of the foreign exchange market. In addition, increased spending on healthcare, education and good drinking water has resulted in a reduction in poverty from 42% in 1997 to 35% of people living below the poverty line by 2003 and falling.

Currently, the government is in the final stages of completing the GPRS 2 for 2006-2009. This update is based on the continuation of macroeconomic stability but with emphasis on accelerated growth, production and gainful employment, vigorous human resource development and provision of basic services, vulnerability and social exclusion and the provision of good governance.

Mr. Chairman,
Over the period, Ghana's economy has been dominated by the agriculture sector, which accounts for about 40% of the GDP. In addition, the Ghana Statistical Service identified in the last Living Standard Survey that by economic classification, poverty was highest among food crop farmers who accounted for about 60% of the poor. The dominance of agriculture for growth and poverty reduction makes the sector an important one for government's drive for achieving \$1000 per capita income by the year 2015.

Mr. Chairman,

Effective policymaking for growth and Poverty Reduction is dependent on strong macroeconomic modeling and forecasting.

So far, information for policy analysis has been quite comprehensive for the poverty analysis of the GPRS. The GPRS benefited from the 1998-99 Ghana Living Standards Survey (GLSS), THE 1997 Core Welfare Indicators Questionnaire (CWIQ), the 1998 Ghana Demographic and Health Survey, and the 2000 population and Housing Census.

However, there is a problem of technical capacity and the development and usage of economy wide models for policymaking. The focus is to strengthen and deepen the existing knowledge in the research departments and policy planning sections to improve knowledge.

Mr. Chairman,

I am aware that the initial model build under this project, the GSSP, is focusing on agricultural and rural sector analysis. Considering the size and importance of agricultural as aforementioned, this is in the right direction. However, I will also encourage the focus on a general economy wide analysis to help enhance policy formulation in the country as a whole.

While partial equilibrium models help in sectoral policy-making we move more boldly though cautiously towards the development of a general equilibrium model for the entire economy. That is the challenge and I call on all of you, researchers to assist in the endeavor and in our efforts towards moving away from dependency not only in finance or aid but also depending in terms of knowledge and tools for handling the economy. Let's do it and let's do it within 2 years.

In conclusion, let me say that there is no more opportune time than this for all of us academics, researchers, Government, private sector, NGOs, al other civil society groups to take the destiny of this dear country into our own hands.

I wish you all a hearty and fruitful workshop.

2.2.2 Peter Hazell, Director, Development Strategy and Governance Division, IFPRI

Honorable Minister and Deputy Minister, distinguished guests

I welcome you to this workshop on behalf of IFPRI.

IFPRI is one of the International Agricultural Research Centers that comprise the CGIAR system. Two other institutes, IITA (International Institute for Tropical Agriculture) and IWMI (International Water Management Institute), are also represented here today. IWMI has been very helpful in organizing this event and hosting the IFPRI office in Accra. IITA is leading a larger regional program to strengthen the knowledge base for agricultural development strategies in West African countries.

IFPRI is a policy research institution with a difference. In addition to having world class researchers who undertake and publish first class research, our key stakeholders also judge us in terms of our impact on food policies in developing countries. Do we make a difference and particularly for the poor? This mission greatly affects the way we do business.

IFPRI has about 100 international scientists working on key food policy issues around the developing world. Most of this work is organized by thematic issue, e.g. water management, climate change, safety nets. The Development Strategy and Governance Division, DSGD, (which I head) is a division that works more broadly on development strategy issues. We address such questions as:

- How can countries best achieve their MDGs?
- What are the relevant pathways for different types of countries?
- What types of growth are most effective in reducing poverty?
- What are the relevant roles of the agriculture and non-agriculture sectors and what are the linkages between them?
- What types of governance structures are essential (not just desirable) for successful pro-poor growth?
- What are the relevant roles of the public and private sectors and civil society in development, and what kinds of partnerships can usefully be forged between them?
- What types of knowledge systems are needed and what types and levels of human capacity are essential for more informed policy dialogue and strategy decisions?

To answer these types of questions, DSGD conducts research across countries around the world. Additionally, we have selected a few focus countries where we undertake intensive work in the guise of Country Strategy Support Programs (CSSPs). CSSPs have a dual purpose for IFPRI. They provide a way of undertaking much more intensive research on key country strategy issues and processes, adding to our understanding of development strategy and the kinds of practical analytical tools, knowledge systems and capacity building that countries need to strengthen their strategy work. We draw lessons from these country experiences that contribute to greater sharing of knowledge and understanding across countries about development strategy. At the same time, CSSPs enable IFPRI to directly help a few selected countries improve their development strategies by:

- Strengthening some of the policy analysis that underpin their development strategy
- Building up needed data and knowledge systems
- Strengthening human and institutional capacity for strategy work
- Contributing to better policy dialogue among key stakeholders

IFPRI follows some guiding principles for CSSPs:

- CSSPs should be country rather than IFPRI driven. Each CSSP should have a national advisory committee that guides the program's priorities and agenda on a regular basis.
- CSSPs should inform rather than advise. The objective is to strengthen national capacity to undertake good strategy analysis, not to substitute for such capacity.
- Most of the work should be done in country in close collaboration with national partners. National researchers and institutions need to be fully involved in the analysis and to take full ownership of the results.
- To this end the key IFPRI staff should be placed in country. They can be back stopped on technical issues by IFPRI staff based elsewhere, but the key program staff must be based in country.
- CSSPs should have a broad funding base and reach into several government departments so as not to become captured by the interests of any particular organization.

IFPRI has already set up CSSPs in Ethiopia and Uganda, and we have IFPRI staff from both those countries here today to share their experiences as appropriate. This workshop marks the launching of the CSSP for Ghana. A lot of preparatory work has already gone into GSSP, but I want to emphasize that today we are launching a process not a program with a predetermined agenda. If GSSP is to be successful then it needs to become your program, and this workshop is an important opportunity for you to help set the future directions and priorities of GSSP. My IFPRI colleagues will be making some brief presentations about GSSP this morning, but we are primarily here to listen to you. I look forward to a stimulating and helpful discussion.

2.2.3 Sharon Cromer, Mission Director, USAID Ghana

Hon. Minister Ernest Debrah,
Hon. Deputy Minister Gyan-Baffour,
Representatives from the International Food Policy Research Institute (IFPRI),
Government and private sector policy analysts,
Donor representatives,
Distinguished ladies and gentlemen.

On behalf of USAID I would like to thank you for the opportunity to present some thoughts at the opening of this inception workshop of the Ghana Strategy Support Program.

The GSSP was originally conceived as part of an African wide USAID effort to improve the availability of critical information for policy decision-making and investments. It was part of the US Presidential Initiative to End Hunger in Africa (IEHA). IEHA was launched to support important economic growth poles on the continent. The idea being that these growth poles would spur growth for all of Africa. Ghana is considered to be an important partner in this context. Similarly, programs are underway in Uganda and Ethiopia.

The main goal of the Ghana Strategy Support Program is to provide better strategic economic information for policy decision-making in Ghana. Improvements in the information systems, particularly in the ways is collected, analyzed, and utilized is absolutely necessary for taking informed and effective investment decisions, both in the public and in the private sector. Few of in Ghana will disagree that there is a considerable room for improvement in the way economic data is collected and handled. The GSSP will identify and address the most urgent needs.

The GSSP is designed to start by addressing broad economic questions. Economy-wide models will help to determine the role of different economic sectors in the economy and the best way to support their growth. The role of public-private partnerships in investments deserves particular attention in this context.

The critical role of agriculture as an engine for economic growth, employment generation and poverty reduction has been highlighted in the GPRS and by NEPAD. Thus the GSSP plans to address the information requirements of various issues in agriculture and rural development. We, at USAID, consider the following questions to be the three most important facing Ghana:

- First, how to increase the competitiveness of agriculture in Ghana for domestic, regional and global markets;
- Secondly, how to improve the functioning of rural markets, and in particular the indispensable role of the private sector; and
- Third, how to ensure that agricultural growth and poverty reduction can be achieved while protecting the natural environment.

We hope that the GSSP can help answer these questions.

While the USAID has provided seed funds for the GSSP and plans to continue funding it over the next 4 years, we also realize that the GSSP will need a broad base of support and ownership by the Government of Ghana to make it sustainable and useful. Therefore, from the beginning of the GSSP we have emphasized that we will serve as facilitators of this program.

We therefore are very happy to see that the Government of Ghana-in particular the Ministry of Finance and Economic Planning, the Ministry of Food and Agriculture, the Bank of Ghana, the Office of the

President, NDPC, and Ghana Statistical Services-are all firmly committed to the GSSP and have started to work closely with IFPRI on defining the major program activities.

The GSSP has also been extensively discussed in Ghana's various Donor Groups and a number of donors have shown interest in working with this program. The GSSP also was presented to the Multi-donor Budget Support Group and well received as far as its potential contribution in improving the Monitoring and Evaluation

I believe the GSSP is very timely-coming right at a point when the new Ghana Growth and Poverty Reduction Strategy (GPRS II) is being finalized by the Government. The GSSP has the potential to be an excellent GPRS tool in the development of sectoral policies and investment strategies, such as the Food and Agricultural Sector Development Policy, FASDEP. In this context it is expected that the GSSP will provide valuable information input in the planned support for revising the FASDEP strategy.

We also expect that the GSSP will contribute significantly to the development and implementation of a viable results monitoring and evaluation system (M&E) to assess progress towards achieving the GPRS and the Millennium Development Goals (MDGs).

It is USAID's firm conviction that improving the information base for the implementation of the GPRS must become a concerted effort. This will involve efforts to align the activities of a number of key government agencies, researchers, private partners, and donors. The GSSP can play a catalytic role in this endeavor. We urge the government to establish a National Advisory Committee for the GSSP that will facilitate the task of coordination and priority setting.

This workshop takes place at a time of remarkable changes and challenges in how African Economic Development is seen worldwide. Africa development was a high priority at the recent G8 summit. Debt relief and the prospect of increased aid levels offer new and exciting opportunities. The NEPAD process which is so strongly supported by the Ghanaian Government ensures that African Governments take charge of their own development. Last but not the least, the broad adoption of the Millennium Development Goals has ensured consistency in objectives of development.

Finally, I would like to note that the GSSP is closely integrated with other USAID initiatives which are designed to assist the GoG in the area of agriculture and economic growth. Our program on Bio-Safety, the Land Policy Research with ISSER, and the Trade and Investment for a Competitive Export Economy (TIPCEE) will all benefit from the work of the GSSP.

As you know, Ghana has been designated as a potential recipient for President Bush's Millennium Challenge Award program. The government of Ghana, under the leadership of the Hon. Gyan-Baffour, is developing the MCA proposal. USAID through the TIPCEE and ISSER programs is currently providing support to the Ghana MCA working group to assist with analyses for the MCC proposal. I believe there is an excellent opportunity for GSSP to support the MCC, particularly in terms of helping to define agriculture growth potential and development a strong M&E system.

I am excited about the potential for GSSP. I look forward to seeing this program evolve as a critical tool for evidence-based policy decisions that will ensure the objectives of the GPRS are met.

2.2.4 Dr. Samuel Asuming Brempong, Department of Agricultural Economics, University of Ghana, Legon

Challenges for Accelerating Agricultural Growth and Poverty Impact

Dr. S. Asuming-Brempong posed a number of challenges to the workshop based on results of the PSIA (Poverty and Social Impact Analysis) study carried out by the Department of Agricultural Economics, University of Ghana, Legon, in 2003/04. The study identified distributional impacts of policies of agricultural policies on different groups of farm enterprises, including an analysis of transmission channels and institutional arrangements. Main transmission mechanisms are employment, prices, access to goods and services, assets (physical, human, financial, etc.) and transfers and taxes.

The PSIA distinguishes between (1) large-scale commercial farmers, (2) small-scale commercial farmers, (3) semi-commercial small-holders, (4) non-poor but risk prone smallholders, and (5) poor and risk prone smallholders. Particularly the last group will need certain *drivers* to adopt modern technologies, such as effective financial system, good infrastructure, equitable land tenure system – provided they fit into their livelihood strategies and address risks.

Pro-growth policy will mostly benefit commercial operators. Agricultural growth directed at larger commercial farms only benefits the poor if it has positive employment benefits. But this effect is limited, as poor rural people will have to migrate to those farms with all the related problems. Secondly, low food prices as a result of more cost-effective production may benefit the urban poor, but are likely to have negative effects on small food crop farmers (with surplus production).

PSIA conclusions:

- Existing modernization policies in Ghana do not take into account how smallholder livelihood strategies, risks and constraints can be addressed.
- Current policies for modernization of agriculture are largely production oriented and have a low likelihood of reducing poverty directly on any significant scale.
- Losses from production-oriented policies are likely to outweigh benefits that enhance livelihood outcomes for the poor.
- Policy measures that benefit the poor if they are targeted are those on processing, small-scale irrigation, micro finance, and output markets. Efficient processing will help reduce post-harvest losses and improve food security and access to distant markets.
- Temporary social safety nets may not address problems of inequality arising from pro-growth policies.

2.2.5 Discussion following introductory speeches

The discussion started off with the question of whether the conclusion of the PSIA was that one cannot have pro-growth and pro-poor policies simultaneously. In his response, Dr. Asuming-Brempong suggested that based on his research, agricultural policy in Ghana had indeed been more pro-growth so far. And this clearly hadn't worked well for poverty due to the diverse conditions of different groups of farmers. The main problem to picking up new technologies and market opportunities for poorer farmers had been availability and access, as well as risks.

He then agreed with a questioner that over time there is a need for "transformation" of farmers from small-scale to medium-scale and semi-commercial farmers. Farm size has to grow. But you would have to start by directly targeting small-scale farmers, otherwise they cannot leap. Current programs emphasize those already in the medium/semi-commercial categories.

Workshop participants also commented that 1) farmers receiving remittances should be particularly considered, 2) the analysis of impact had to include non-agriculture as growth in agriculture will create non-farm employment, and 3) pro-growth must emphasize linkages with agricultural processing, marketing etc., in order to avoid price depressions that are often associated with too rapid agricultural growth.

2.3 Ghana Strategy Support Program: Research Results and Future Priorities

2.3.1 Dr. Xinshen Diao, Senior Research Fellow, International Food Policy Research Institute

Growth Options and Poverty Reduction in Ghana: Preliminary Results of an Economy-Wide, Multi-Market Model of Ghana 1999-2005

The goals of the model are to help prioritize growth options and establish links between growth and poverty reduction. Based on model results it is concluded that Ghana's middle-income goal (a nominal income of US\$ 1,000 per capita) could be reached by 2015 if Ghana's annual GDP growth rate increased from 4.7 to 6.1 percent annually, with agricultural GDP going up from 4.6 to 6.7 percent. Accelerated growth would allow for halving poverty by 2009, rather than in 2012 under business as usual. Implications for agriculture are that under the middle-income scenario demand for certain agricultural commodities, particularly rice and livestock products, would rise fast, which offers opportunities for increased domestic production of these products. Demand for non-traditional export crops is also expected to remain high.

Although overall poverty is expected to decline, regional inequality is expected to rise, as poverty declines much faster in the south than the north. While the poverty rate in 2015 is expected to be only between 10 and 20 percent in southern regions, it would remain between 50 and 79 percent in the north.

The models also show that additional growth in agriculture of the same magnitude has a larger impact on poverty reduction if it is broad-based and takes account of all staple food production (including livestock) rather than exportable agriculture products alone. Broad-based agricultural growth would particularly reduce poverty rates in the north.

The presentation concludes that Ghana's "Middle Income Growth" is reachable, and that the country is on track in meeting the MDG of halving poverty before 2015. Agriculture, especially broad-based, remains important for pro-poor growth, but a more balanced and targeted growth policy is needed to avoid worsening of regional inequality.

Dr. Daniel Sarpong, Department of Agricultural Economics, University of Ghana, Legon, followed with a response to this presentation which suggested that the environmental effects of growth in agriculture should be included in the model simulation.



Growth Options and Poverty Reduction in Ghana

-- Preliminary Results of an Economy-Wide, Multi-Market Model of Ghana 1999-2005

Xinshen Diao
GSSP Inception Workshop
July 18, 2005
Accra, Ghana

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- Stable and persistent growth in GDP in 1984-2004
- Other than Ghana, only China and Vietnam had positive per capita GDP growth each year in the two decades



Major modeling goals for policy analysis

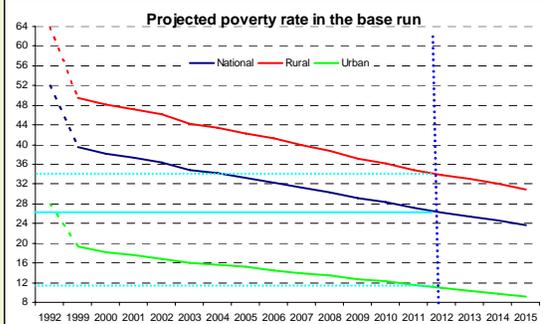
- Help prioritize growth options at national and sector level
- Establish linkages and trade-off between growth and poverty reduction

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“Business-as-usual” growth scenario

(AgGDP growth rate: 4.6%; NonagGDP growth rate: 4.8%; GDP growth rate: 4.7%)



Growth rate in Middle-income goal scenario (Consistent with current thinking in GRPS and FASDEP)

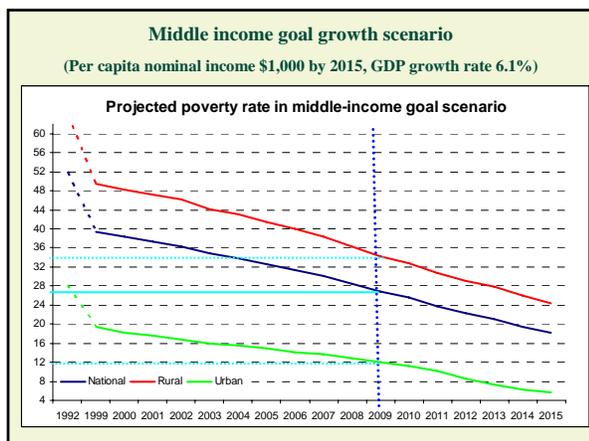
	Base-run	Middle-income run
GDP	4.7	6.1
GDP pc	2.2	3.5
AgGDP	4.6	6.7
Staple crops	4.6	6.2
Livestock	4.0	5.0
Cocoa	5.2	7.0
Nontraditional	4.2	11.0
Non-agGDP	4.8	5.7

Middle-income goal scenario: Exports and domestic markets

- Fast income growth creates markets for agricultural commodities, but need to find new sources of demand for sorghum/millet (prices fall by 35%)
- Domestic rice substitutes for imports (rice imports-consumption ratio falls)
- Livestock (especially poultry) imports increase due to high income elasticity
- Non-traditional agricultural export grows 18%
- Agricultural trade surplus increases, but ratio of total trade deficits over GDP rises due to rapid increases in nonagricultural imports

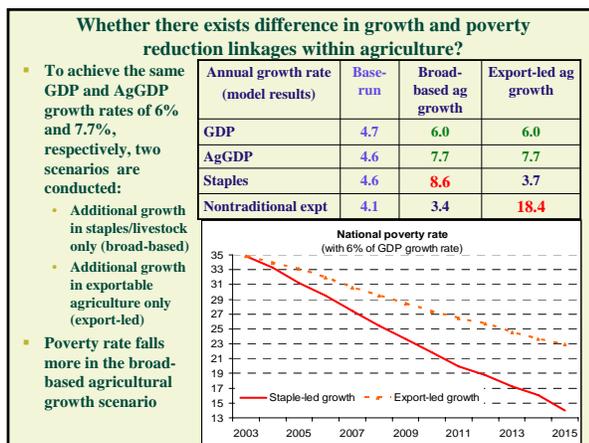
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Poverty in the North increases by 2015

	1999	2015	% decline by 2015 from 1999
Poverty rate (%)			
ACCRA	5.2	1.2	-76.8
ASHANTI	27.7	11.2	-59.5
BRONG_AHAFO	35.8	7.4	-79.4
CENTRAL	48.4	15.3	-68.4
EASTERN	43.7	22.8	-47.7
NORTHERN	69.2	51.6	-25.4
UPPER_EAST	88.2	69.5	-21.1
UPPER_WEST	83.9	66.2	-21.1
VOLTA	37.7	11.2	-70.2
WESTERN	27.3	6.9	-74.6
National	39.5	18.1	-54.1
Poverty population (million)			
In the North	7.0	6.4	-8.6
National total	2.6	3.1	19.2



- Broad-based growth helps reduce poverty in the poor regions more
- Export-led agricultural growth is the most profitable option for increasing export earnings

Poverty rate by 2015	Base-run	Broad-based ag growth	Export-led ag growth
Northern	57.0	34.2	56.4
Upper East	70.3	41.5	70.0
Upper West	70.5	48.7	69.5

	Base-run	Broad-based ag growth	Export-led ag growth
Growth rate in ag exports	5.6	8.4	16.4
Increase in trade deficit/GDP	7.9	6.9	4.1

Conclusions

- Ghana has confidence for meeting MDGs of halving poverty before 2015
- The “Middle income goal” is a challenge but reachable
- Agriculture, especially broad-based, is important for pro-poor growth
- Regional inequality may increase even poverty falls national wide – need more targeted growth policy
- The model is a useful tool for strategic analysis through its consistency. It can help prioritize growth and provide balances across sectors and regions.
- How to reach growth and poverty reduction goals needs more indepth analysis and other tools too

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2.3.2 Jordan Chamberlin, GIS Scientist, and James Thurlow, Postdoctoral Fellow, International Food Policy Research Institute

The Spatial Implications of Growth for Poverty Reduction

Spatial analysis can improve policy making by (1) broadening our understanding of the spatial dimensions of agricultural growth (e.g. by identifying growth poles and lagging regions), (2) identifying spatial growth constraints and poverty distributions, (3) strengthening targeted public investment and policies (e.g. better market access through road investments), and (4) identifying environmentally vulnerable areas and possible trade-offs between growth and sustainability.

Spatial analysis focusing on poverty in Ghana reveals that even though the north has the highest poverty rates, there are in fact more poor people living outside of the northern provinces. Even though the north has high concentrations of poor people, there are similarly concentrated poor populations in and around the more population dense areas in the south of the country (surprisingly around the coast). The implication is that in order to achieve rapid poverty reduction it may be more efficient to target the poor living in the more densely populated areas (e.g. in the case of roads the cost per poor household effected may be considerably lower). However, targeting the poor in the southern provinces will exacerbate regional inequality, which may negatively affect long-run poverty reduction.

A spatial analysis of crop potential for poverty reduction shows that different crops – in this case cassava, rice, maize and pineapples - have different potentials to reduce poverty in different parts of the country. But it should be noted that agricultural potentials are dependent on existing technologies and investments (e.g. irrigation in the northern provinces). To realize potentials, technologies and market access are needed.

Market access plays an important role in determining whether the agricultural potential can be realized. A spatial chart was presented showing the traveling time to Accra which is considered as a measure of access to export markets. This may be important for perishable export crops such as fruit and vegetables. Overlaying this chart with poverty distributions reveals that 80 percent of the poor population have to travel more than 4 hours in order to reach the Accra market. This suggests that export market access is difficult. Therefore while pineapple's suitability appears to be widespread in the south, this suitability is severely constrained by poor access to the export market.

The next steps for spatial analysis in the context of GSSP are to produce certain “development domains” for agricultural policy analysis, which provide improved measures of market access and agro-ecological potential, as well as a basis for specific agricultural development strategies. In this context, the trade-offs between the type of agricultural growth and the environment will be considered.

The presentation was followed by a response from Enoch Boateng, of the Soils Research Institute of CSIR. He stated that filling knowledge gaps on incorporating socio-economic variables and infrastructure should be a priority.



The Spatial Implications of Growth for Poverty Reduction

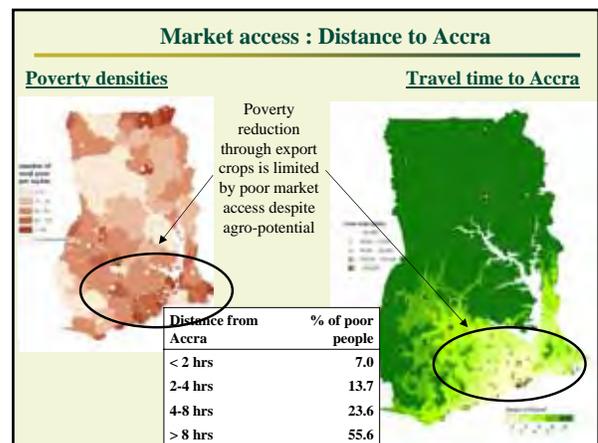
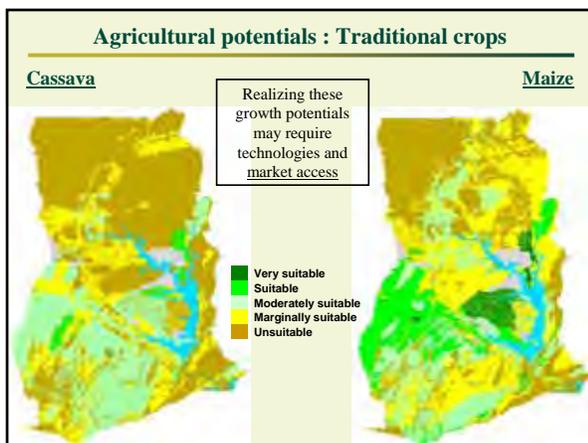
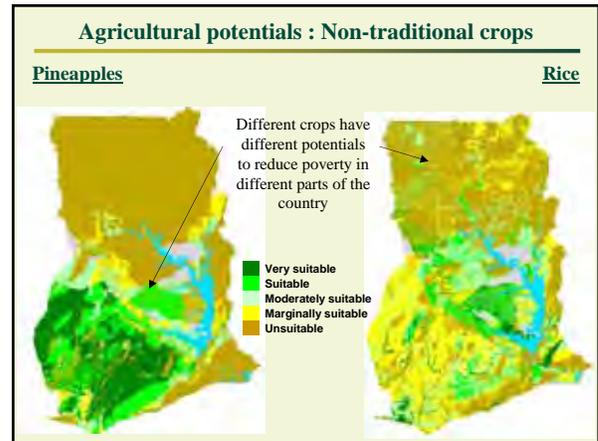
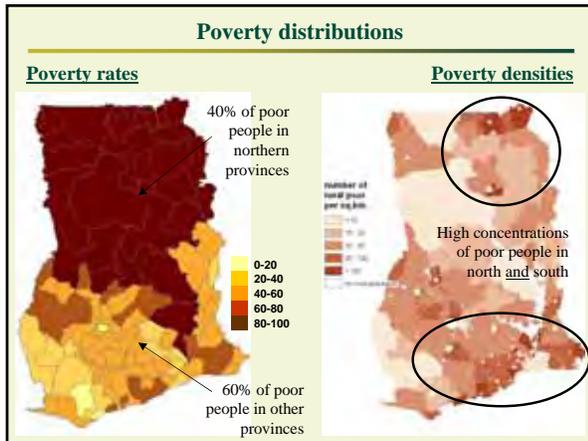
Jordan Chamberlin and James Thurlow
GSSP Inception Workshop
July 18, 2005
Accra, Ghana

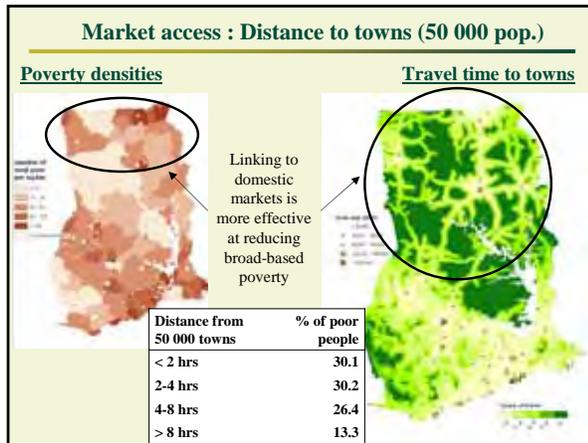
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How can spatial analysis improve policy-making?

- Broaden our understanding of the spatial dimensions of agricultural growth (e.g. growth poles and lagging regions)
- Identify spatial growth constraints and poverty distributions (e.g. importance of irrigation in northern provinces)
- Strengthen targeted public investment and policies (e.g. better market access through road investment)
- Identify environmentally vulnerable areas and possible trade-offs between growth and sustainability

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Next steps

- **Development domains for policy analysis**
 - Improving measures of market access and agro-ecological potential
 - Development domains and potential development strategies
- **Trade-offs between the type of agricultural growth and the environment**

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Agro-climatic potential

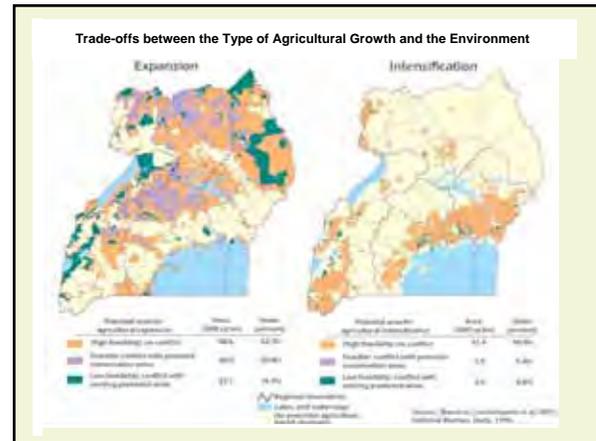
Potential market integration

Population density

Development domains

Ag. Pot.	Mkt. Access	Pop. Density	Potential Development Strategies
High	High	High	HHH Perishable cash crops HHH Dairy, intensive livestock HHH Non-perishable cash crops HHH Rural non-farm development
Low	High	High	HLH High input cereals HLH Livestock intensification, improved grazing
Medium	High	High	MHH Perishable cash crops MHH Dairy, intensive livestock MHH Rural non-farm development
Low	High	High	MLH High input cereals MLH Non-perishable cash crops MLH Livestock intensification, improved grazing
Low	High	High	LHH High input cereals LHH Perishable Cash Crops LHH Dairy, intensive livestock LHH Rural non-farm development
Low	Low	Low	LLL Low input cereals LLL Limited livestock intensification LLL Emigration

Potential Development Strategies



2.3.3 Detlev Puetz, GSSP Coordinator, International Food Policy Research Institute

Bridging Knowledge and Policy

GSSP includes two main policy thrusts. First, how to improve the effectiveness of public investments and policies to achieve Ghana's main development goals of accelerated growth and poverty reduction: What are the trade-offs among different policy options? How to prioritize and sequence investments? What sectors to target? What's the public sector role and how to improve public/private partnerships? Secondly, how to improve the information and knowledge base so that policy-makers are able to make better informed decisions on these questions?

In sum, the key objectives of GSSP are to

1. inform Government policy and strategy formulation and implementation (GPRS, MDGs, MDDBS);
2. address agriculture and rural development in a broader economic context (e.g. FASDEP);
3. promote better data quality and integration, knowledge management, and analysis;
4. introduce innovative policy analysis tools and data support systems;
5. carry out applied policy research;
6. enhance local capacity for policy analysis; and
7. broaden and deepen communication and policy dialogue.

GSSP activities in the short-and medium run would include the following

1. build a simulation model of Ghana's economy to explore long-term growth and poverty impact of alternative investment and policy options;
2. develop rural development domains and "hot-spots" for major agricultural commodities based on agro-ecological characteristics, market and service access, and population densities;
3. prioritize agricultural and rural investments, with special attention to the role of rural markets and private sector development;
4. conduct policy relevant research on development pathways and strategies for Ghana with focus on public expenditures, quality of public investments, and public/private partnerships;
5. support the formulation and implementation of M&E performance indicators for rural and agricultural development, GPRS and MDG monitoring, and regular analysis and feed-back for policy decision making;
6. establish a rural knowledge network to facilitate the sharing, synthesis, and discussion of rural and agricultural knowledge; and increase the availability and accessibility of key rural and agricultural data and analytical tools; and
7. institutionalize these activities in national government, research, and non-government institutions; through collaborative research, appropriate training, and transfer of data and software.

It is planned to actively involve participants from Government, research community, international community, and civil society. A National Advisory Committee (NAC) would be established, chaired by MOFEP, including MOFA, the Office of the President, NDPC, GSS, University of Ghana, Legon, CSIR, the Private Enterprise Foundation, and possibly the Bank of Ghana. It is expected that the first meeting of the NAC would take place in September 2005.

In the next months, IFPRI would establish the core program team, consisting of a newly recruited out-posted IFPRI research fellow and Ghanaian collaborators from Government and the research community. This team would be intensively backstopped by IFPRI from Washington, D.C.



Ghana Strategy Support Program (GSSP)

Bridging Knowledge and Policy

Accra, July 18, 2005

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Ghana Strategy Support Program

- The basic goal of the Ghana Strategy Support Program (GSSP) is to **provide better strategic economic information for economic policy decision-making in Ghana**
- The GSSP started operations in **January 2005 with a horizon of 5 years**

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Central Policy Questions

- **How can public investments and policies better address the major development goals, in particular accelerated growth and poverty reduction?**
 - What are the trade-offs among different options?
 - How to prioritize and sequence investments?
 - What sectors to target?
 - What's the public sector role; how to improve public/private partnerships?
- **How can we improve the information and knowledge base for policy-makers to take informed decisions on these questions?**

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GSSP: Key goals and context

- **To better inform Government policy and strategy formulation and implementation (GPRS, MDGs, MDBS)**
- **Address agriculture and rural development in broader economic context (e.g. FASDEP)**
- **To promote better data quality and integration, knowledge management, and analysis for evidence-based policy decision-making**

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GSSP: Work areas

- **Promote innovative policy analysis tools and data support systems**
- **Carry out applied policy research**
- **Enhance local capacity for policy analysis**
- **Broaden and deepen communication and policy dialogue**

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GSSP activities - Overview

1. Economic simulation model
2. Development domains and "hot-spots"
3. Agriculture and rural investment analysis
4. Research on development pathways and strategies
5. Support for results M&E
6. Rural knowledge network
7. Institutionalization

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Early GSSP activities

1. Build a **simulation model of Ghana's economy** to explore long-term growth and poverty impact of alternative investment and policy options
 - Assessing institutional set-up within Ghana / team structure
 - Partnering with MOFEP, ISSER, CEPA, BoG
 - Developing MoUs
 - Helping develop national Social Accounting Matrix (SAM) with GSS
 - Training

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Early GSSP activities

2. Develop **rural development domains and "hot-spots"** for major agricultural commodities based on agro-ecological characteristics, market and service access, and population densities
 - Finish data inventory (already started with IWM)
 - Improve integration of data-bases; assess ways to improve quality of data-base
 - Assess specific demand – coordinate with ongoing activities
 - MoUs

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Early GSSP activities

3. Prioritize **agricultural and rural investments**, with special attention to the role of rural markets and private sector development
 - Finalize MoU with Department of Agriculture
 - Carry out synthesis of what's known and what are the major knowledge gaps in marketing, particularly of food/staple/livestock commodities
 - Determine research agenda

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Planned longer-term GSSP activities

4. Conduct policy relevant **research on development pathways and strategies for Ghana** with focus on public expenditures, quality of public investments, and public/private partnerships
5. Support the formulation and implementation of **M&E performance indicators** for rural and agricultural development, GPRS and MDG monitoring, and regular analysis and feed-back for policy decision making

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Planned longer-term GSSP activities

6. Establish a **rural knowledge network** to facilitate the sharing, synthesis, and discussion of rural and agricultural knowledge; and increase the availability and accessibility of key rural and agricultural data and analytical tools
7. Institutionalize these activities in national government, research, and non-government institutions; through collaborative research, appropriate training, and transfer of data and software.

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The institutional landscape: key partners and constituencies

Government <ul style="list-style-type: none"> - MOFEP - MOFA - Office of the President - NDPC - GSS - BoG - Min. of Trade ??? - Parliament ??? 	Research Community <ul style="list-style-type: none"> -University of Ghana, Legon -Universities in Kumasi, Cape Coast, Tamale etc. - Research think tanks (ISSER, CEPA, CERSGIS, etc.) - CSIR
International Community <ul style="list-style-type: none"> - Donors - IWMI (International Water Management Institute) etc. 	Civil Society / Private Sector <ul style="list-style-type: none"> -Private sector associations (e.g. traders) - NGOs / CBOs - Consultants

National Advisory Committee

- **MOFEP: Vice-Minister for Economic Planning (chair)**
- **MOFA: Deputy Minister, Special Projects**
- **Office of the President: Department for Policy Coordination, M&E**
- **National Development Planning Commission: Acting Director**
- **Ghana Statistical Services: Government Statistician**
- **University of Ghana, Legon: Director of ISSER**
- **Council of Science and Industrial Research (CSIR): Director General**
- **Private Enterprise Foundation: Director**
- **Bank of Ghana ???**

Program management

- **Establishing the core team**
 - Outposted IFPRI research staff
 - Backstopping research support from DC
 - Research collaboration with Ghanaian counterparts; cooperation agreements/MoUs
- **Offices**
 - Central office on the CSIR compound – with IWMI (International Water Management Institute)
 - Offices with seconded / allocated staff in MDAs

Next steps

- **In-reach / networking**
 - Proceedings volume
 - Continued consultations
- **First meeting of National Advisory Committee**
 - Probably in September 2005
 - Main tasks: determine priorities, review and monitor workplan and progress; facilitate cooperation
- **Further exploration of multi-donor support and commitments**

2.3.4 Discussion following presentations on GSSP

Consultations and transparency: In their comments and questions, workshop participants emphasized the need for proper mechanisms for stakeholder consultations on GSSP, in particular in the shaping of the program in the next few months. Interest was shown in how the research agenda would be set, and how research priority setting might be coordinated with that in existing bodies and processes (e.g. in the CSIR, MOFA, etc.). Participants urged the program to provide a clear forum for agenda setting and transparency of the process. It was pointed out that the GSSP National Advisory Committee as proposed has some members who already sit on sector level priority setting committees, which should help. But lower level committees should be consulted, e.g. the ARPC, Program Coordinators Committee, and Research Extension Committee. IFPRI confirmed that a variety of workshops and forums are planned that would inform the discussions, and that the “agenda” will be set by the country.

GSSP and GPRS: Participants suggested that priorities of GSSP should mirror those in the GPRS and other existing Government priorities. GSSP should contribute to these priorities through enriched analysis. Secondly, the quality of GPRS implementation is very important for the effectiveness of investments and policies. Thus a critical issue is how to improve the quality of implementation, including capacity strengthening, building public-private partnerships, and strengthening the decentralization process.

Embedding the GSSP into regional initiatives: Some strategic policy issues are better analyzed at regional (super-national) than country level (e.g. intra-regional trade). A similar knowledge support program as the GSSP exists at the regional level, managed by IITA in Ibadan. There needs to be good interaction between this regional program and the country strategy support programs. On regional integration, CORAF (the research wing of ECOWAS) could also play an important role.

No duplication: One participant observed that the GSSP should not just add on to other existing programs for growth and poverty reduction and duplicate them. GSSP should rather aim to fill real knowledge gaps and to provide better integration and consistency of existing initiatives that are carried out by various agencies.

Economy-wide modeling: It was noted that the presented multi-market model (MMM) focuses primarily on agriculture. Thus the question arose as to what efforts had been made to work with the MOFEP on broadening the model and where it was going to be institutionalized? In her response Dr. Xinshen Diao acknowledged the limitations of the MMM in certain types of analysis. She pointed out that this was the reason why there were two steps involved in the model strategy for Ghana. The MMM was the first step, with greater agricultural detail and focus on growth and poverty trade-offs. The second step would be the building of a CGE model (Computable General Equilibrium) which has greater policy detail and allows analyzing of various policy instruments e.g. taxes, trade policy, investments. For this reason it was important for IFPRI to link up with MOFEP as many economic issues must be addressed at the economy-wide level. But it should also be realized that economy-wide analysis is not necessarily in-depth analysis and must be complemented with other studies, sometimes through integrated and sometimes through separate analyses. It is intended to carry out such complementary studies under GSSP.

Another questioner pointed out that it would be helpful to introduce budget constraints in the model scenarios. The model should also be more specific in what policy interventions might lead to different growth paths, what mechanisms result in different levels of poverty reduction, and how to improve quality and achieve effective policy/program implementation.

Appendix 1: Inception Workshop Invitation Letter



REPUBLIC OF GHANA



July 12, 2005

Dear colleagues,

Ghana has achieved stable economic growth over the recent years and made significant progress in poverty reduction. The Government of Ghana is determined to raise economic growth, expand employment, accelerate poverty reduction, and combat persistent child malnutrition. The Government is currently preparing a new national development strategy – the Growth and Poverty Reduction Strategy (GPRS II) - to meet the Millennium Development Goals and to transform Ghana into a middle income country. For this reason Ghana's policy-makers need enriched data, analysis, and knowledge about what works and what doesn't, how to prioritize investments, and what the trade-offs among different policy options are.

Upon request by the Government of Ghana and with seed funding provided by USAID the International Food Policy Research Institute (IFPRI) has developed the *Ghana Strategy Support Program (GSSP)*, based in Accra, to better inform Government policy and strategy formulation and implementation and to improve evidence-based policy decision-making in Ghana. The program will address policy issues in a broad economic context, with special focus on agriculture and rural development. The GSSP is planned for a 5-year period and will be guided by a National Advisory Committee, led by the Ministry of Finance and Economic Planning.

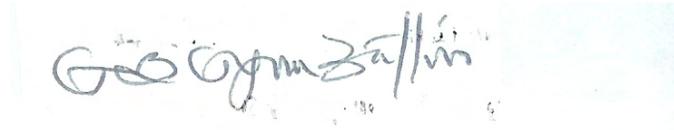
It is therefore a pleasure to invite you to participate in a half-day program inception workshop jointly sponsored by the Ministry of Finance and Economic Planning (MOFEP) and IFPRI.

Workshop Objectives:

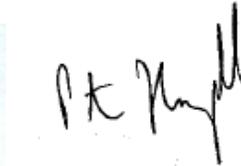
1. To obtain guidance and feedback from the development community on the rationale of the GSSP, the relevance of its basic objectives and planned activities;
2. To identify important knowledge gaps related to the design and implementation of Ghana's development strategy and how to address them through the GSSP;
3. To identify potential GSSP partners as well as policy analysis and knowledge management capacity constraints and strengthening needs.

The workshop will be held at the **M'Plaza Hotel on Monday, July 18, 2005**, starting at 9 am, with registration and breakfast from 8-9 am. The agenda is enclosed for your information. Please confirm your participation by e-mail to d.puetz@cgiar.org. Alternatively, you may also confirm your participation with Ms. Lydia Amoah via telephone (024) 469 5320 or fax (021) 784 752. We look forward to a productive and spirited discussion.

With warm regards

A handwritten signature in black ink, appearing to read "George Yaw Gyan-Baffour". The signature is written in a cursive style with some loops and flourishes.

Prof. George Yaw Gyan-Baffour
Deputy Minister
Ministry of Finance and Economic
Planning
Accra

A handwritten signature in black ink, appearing to read "Peter Hazell". The signature is written in a cursive style with a prominent vertical stroke at the end.

Peter Hazell
Director
Development Strategies and
Governance Division
Washington, D.C.

Appendix 2: Inception Workshop Agenda

-- *Coffee and Registration* -- 8:00 – 8:45

I Opening Session 8:45 – 10.30

Opening Speech

- Mr. Ernest Debrah, Honorable Minister of Food and Agriculture

Policy Challenges for Growth and Poverty Reduction: Knowledge Gaps and Capacity Constraints

- Prof. G.Y. Gyan-Baffour, Deputy Minister, Ministry of Finance and Economic Planning
- Peter Hazell, Director, Development Strategies and Governance Division, IFPRI
- Sharon Cromer, Country Director, USAID

- Challenges for Accelerating Agricultural Growth and Poverty Impact
Dr. Samuel Asuming Brempong, Department of Agricultural Economics, University of Ghana, Legon

Questions and Answers

-- *Coffee Break* -- 10:30 – 11.00

II Ghana Strategy Support Program: Research Results and Future Priorities 11:00 - 12:30

- Growth Options and Poverty Reduction in Ghana – Results of an Economy-wide Multi-Market Model of Ghana 1999-2005
Xinshen Diao, IFPRI; Daniel Sarpong, Department of Agricultural Economics, University of Ghana, Legon
- The Spatial Implications of Growth for Poverty Reduction
Jordan Chamberlin, IFPRI; Enoch Boateng, CSIR Soil Research Institute
- The Ghana Strategy Support Program: Principles and Partnerships
Detlev Puetz, GSSP Coordinator, IFPRI

Plenary Discussion (12:30 - 1:30)

III Closing Session

- Shenggen Fan, Director Designate, Development Strategies and Governance Division, IFPRI
- Prof. G.Y. Gyan-Baffour, Deputy Minister, Ministry of Finance and Economic Planning

-- *Lunch* -- 1.30

Appendix 3: List of Participants

	Full Name	Institution
1	M. Opoku-Afari	Bank of Ghana
2	Dr. Sam Nii-Noi Ashong	CEPA-Centre for Policy Analysis
3	Dr. E. Amamoo-Otchere	CERSGIS-Centre for Remote Sensing and Geographic Information Systems
4	Nana Koranteng O.	CIDA
5	Dr. Okyeame Ampadu-Agyei	Conservation International Ghana
6	Prof. E. Owusu-Bennoah	CSIR-Council for Scientific and Industrial Research
7	Enoch Boateng	CSIR-Soil Research Institute
8	Budali Issahaku	DFID-Department for International Development Ghana
9	Rex Quaye	DFID-Department for International Development Ghana
10	Frimpong Kwateng-Amaning	European Commission
11	Benedetta Musillo	European Commission
12	Pape Djiby Kone	FAO-Food and Agricultural Organisation
13	Dr. Elsaid A. Yeboah	FAO-Food and Agricultural Organisation
14	Sidi Sanyang	FARA-Forum for Agricultural Research in Africa
15	Cudjoe Awudi	Forestry Commission
16	Ama Kudom-Agyemang	GBC Radio News
17	Mrs. Mary Kudom-Agyemang	GBC Radio News
18	Dr. Grace Bediako	Ghana Statistical Service
19	Magnus Ebo Duncan	Ghana Statistical Service
20	Mrs Bernice S. Duodu	Ghana Statistical Service
21	Henry Nii Odai	Ghana Statistical Service
22	Baah Wadieh	Ghana Statistical Service
23	Anthony Amuzu	Ghana Statistical Service
24	Emmanuel Tetteh-Bio	GRIB-Ghana Rice Inter-Professional Body
25	Dr. Lothar Diehl	GTZ-German Technical Cooperation
26	Sam Benin	IFPRI-International Food Policy Research Institute
27	Regina Birner	IFPRI-International Food Policy Research Institute
28	Jordan Chamberlin	IFPRI-International Food Policy Research Institute
29	Xinshen Diao	IFPRI-International Food Policy Research Institute
30	Shenggen Fan	IFPRI-International Food Policy Research Institute
31	Sarah Gavian	IFPRI-International Food Policy Research Institute
32	Peter Hazell	IFPRI-International Food Policy Research Institute
33	Tidiane Ngaido	IFPRI-International Food Policy Research Institute
34	Detlev Puetz	IFPRI-International Food Policy Research Institute
35	Peter Joy Sewornoo	IFPRI-International Food Policy Research Institute
36	James Thurlow	IFPRI-International Food Policy Research Institute
37	Chris Legg	IITA-International Institute for Tropical Agriculture
38	Alphecca Muttardy	IMF-International Monetary Fund
39	Vera Ama Amedofu	ISSER-Institute for Statistical, Social and Economic Research
40	Prof. Ernest Aryeetey	ISSER-Institute for Statistical, Social and Economic Research
41	Felix Asante	ISSER-Institute for Statistical, Social and Economic Research
42	Isaac Osei-Akoto	ISSER-Institute for Statistical, Social and Economic Research
43	Peter Quartey	ISSER-Institute for Statistical, Social and Economic Research
44	Anthony K. Tseko	ISSER-Institute for Statistical, Social and Economic Research
45	Louise A. Agyeman-Barning	IWMI-International Water Management Institute
46	Lydia Amoah	IWMI-International Water Management Institute

47	Gerald Forkuor	IWMI-International Water Management Institute
48	Jacques Maradan	IWMI-International Water Management Institute
49	Aiko Iwampoko	JICA
50	Junko Izumiyama	JICA
51	Ken Kinney	JICA
52	Emmanuel Aggrey-Fynn	MOFA-Ministry of Food and Agriculture
53	Dr. Lawson K. Alorvor	MOFA-Ministry of Food and Agriculture
54	Angela Dannson	MOFA-Ministry of Food and Agriculture
55	Mr. Ernest Debrah	MOFA-Ministry of Food and Agriculture
56	Dora A. Obeng-Benne	MOFA-Ministry of Food and Agriculture
57	Lena Otoo	MOFA-Ministry of Food and Agriculture
58	Lambert Abusah	MOFA-Ministry of Food and Agriculture
59	Mr. Aloysius Adjetej	MOFEP-Ministry of Finance and Economic Planning
60	Kobina Amoah	MOFEP-Ministry of Finance and Economic Planning
61	Ms Nelly Apo	MOFEP-Ministry of Finance and Economic Planning
62	Samuel D. Arkhurst	MOFEP-Ministry of Finance and Economic Planning
63	Franklin Ashiadey	MOFEP-Ministry of Finance and Economic Planning
64	Prof. G. Gyan-Baffour	MOFEP-Ministry of Finance and Economic Planning
65	Mr. K. B. Oku-Afari	MOFEP-Ministry of Finance and Economic Planning
66	Olivia Ahiati	MOFEP-Ministry of Finance and Economic Planning
67	John Hawkins Asiedu	MPSD - Ministry for Private Sector Development
68	Dr. Regina O. Adutwum	NDPC-National Development Planning Commission
69	Prof. Kwaku Appiah-Adu	Office of The President
70	Dr. Sam Somuah	Office of The President
71	Dr. Osei Boeh-Ocansey	Private Enterprise Foundation
72	Nick Railston-Brown	Technoserve
73	Edwin Afari	TIPCEE-Trade and Investment Program for a Competitive Export Economy
74	Susan Hester	TIPCEE-Trade and Investment Program for a Competitive Export Economy
75	George Kwadzo	TIPCEE-Trade and Investment Program for a Competitive Export Economy
76	Jean Michel Voisard	TIPCEE-Trade and Investment Program for a Competitive Export Economy
77	Dr. Samuel Asuming Brempong	University of Ghana, Department of Agricultural Economics
78	Paul Kwame Nkegbe	University of Ghana, Department of Agricultural Economics
79	Dr. Daniel B. Sarpong	University of Ghana, Department of Agricultural Economics
80	Albert N. M. Allotey	University of Ghana, Department of Geography and Resources Development
81	Sharon L. Cromer	USAID
82	Patrick Fosu-Siaw	USAID
83	Jerre Manarolla	USAID
84	Adeline Ofori-Bah	USAID
85	Eline Okudzeto	USAID
86	Borany Penh	USAID
87	Ronald B. Stryker	USAID
88	Robert B. Kagbo	USAID / WARP
89	Kofi Humado	WATH (West-Africa Trade Hub)/USAID
90	Philip Jespersen	World Bank
91	Akosuah Amponsah-Afari	
92	Fred Dzanku	
93	T.Larbi	

Appendix 4: Ghanaweb Article about Inception Workshop, July 19th, 2005

Ghana's Agric to Improve If... – Debrah

Accra, July 19, GNA - Mr Ernest Debrah, Minister of Food and Agriculture, on Monday said the country's agriculture was operating far below its potential and there was the need for the sector to transform the structure of agricultural production to meet consumer demands. He said agriculture in Ghana would only improve in its value of goods and services if there were a shift from dependency on roots, tubers, plantain and cocoa to a more balanced situation with cereals, fish, livestock, fruits and vegetables.

He said this would require the development of a more efficient support infrastructure such as roads, agro-based industries, market information, efficient institutions, commodity markets and the adoption of more productive technologies.

Mr Debrah said this at Ghana's Strategy Support Programme (GSSP) inception workshop in Accra to obtain guidance and feedback from the development community on the rationale of the Programme, the relevance of its objectives and planned activities.

The workshop, jointly organized by the Ministry of Finance and Economic Planning and International Food Policy Research Institute (IFPRI), was also to identify the important knowledge gaps related to the design and implementation of Ghana's development strategy and how to address them through the GSSP.

It was also to identify potential GSSP partners as well as policy analysis; knowledge management capacity constraints and strengthening identified needs.

Mr Debrah said: "Agricultural development needs to be productive as well as responsive and capable of achieving the 14 per cent growth rate. Given the agricultural potential of Ghana and the current low support for the sector, it is estimated that the country's agriculture is operating far below its potential".

Mr Debrah said there were unmet demands for financing of the agricultural sector, which must be urgently addressed if the sector were to perform as expected and called for the establishment of internationally acceptable quality standards, which would include packaging and product presentation.

He expressed worry that there were no strong links between policy making and research saying "it is not by sheer coincidence that our Asian friends have made it both internally and internationally because they have always remained focused with research given its rightful place in policy formulation and implementation".

Prof. George Gyan-Baffour, Deputy Minister of Finance and Economic Planning, said Ghana's economy had in the past been dominated by agriculture, which accounted for 40 per cent of the Gross Domestic Product.

He said the dominance of agriculture for growth and poverty made the sector an important one for government's drive for achieving 1,000 dollars per capita income by the year 2015.

"The focus is to strengthen and deepen the existing knowledge in the research departments and policy planning sections to improve knowledge," he said.

Ms Sharon Cromer, Mission Director of USAID, said the Department had provided the seed fund for the GSSP and would continue funding for the next four years. She said GSSP would need a broad base of support and ownership by government to make it more sustainable and useful. She said GSSP was closely integrated with other USAID initiatives designed to assist the government of Ghana in the area of agriculture and economic growth.

"It is our hope that this programme evolves as a critical tool for evidence -based policy decisions that will ensure the objectives of the Ghana Poverty Reduction Strategies are met."

Dr Samuel Asuming-Brempong of the Department of Agricultural Economics and Agribusiness of the University of Ghana said current policies for modernisation of agriculture were largely production-oriented and had a low likelihood of reducing poverty directly on any significant scale.

Source: GNA