

**USAID GHANA  
RESULTS REVIEW  
FEBRUARY 1996**

**I. FACTORS AFFECTING PROGRAM PERFORMANCE**

**A. INTRODUCTION**

Ghana continues to make significant progress in economic growth, stabilizing population, and building democracy. USAID assistance over the past year has been effective in contributing to this progress, especially in the growth and diversification of exports, in the reduction of fertility, and in laying the groundwork for improvements in primary education. Yet, Ghana's overall progress in 1995 was somewhat disappointing: economic growth was below target, inflation was high, private investment was weak, learning outcomes in primary education remained unacceptably low, and confidence in democratic institutions has been slow to develop.

Major accomplishments of the USAID program in 1995 include:

- o An increase in nontraditional exports of more than 30 percent;
- o GOG adoption of an Export-Import Act, deregulating a range of nontraditional exports and abolishing foreign exchange controls;
- o Increases in family planning couple years of protection by 22 percent overall, and 30 percent for longer-term methods;
- o Consensus among USAID's partners and Ghanaian stakeholders on future directions in primary education;
- o Registration of 9.1 million or 91 percent of eligible voters for presidential and parliamentary elections to be held in November 1996;
- o Increased revenues from ecological and cultural tourism.

**B. SIGNIFICANT DEVELOPMENTS**

**Democratic Transition:** Ghana will hold presidential and parliamentary elections in November 1996, the second since democracy was reestablished in 1992. USAID is supporting the voter registration and electoral processes. A new voter register was successfully completed in October 1995, with 91 percent of eligible voters registering. All political parties accepted the process as transparent and fair. The GOG continued to clarify the role of 110 administrative districts and to decentralize authority to the district level during 1995. Resource transfers from the central treasury to the districts, which decreased by 10 percent in real terms between 1994 and 1995, are projected to increase by 17 percent in 1996. Ghana's Commission on Human Rights and Administrative Justice began an investigation into alleged abuses of power at high levels of Government, lending new credence to accountability of public officials under the 1992 Constitution. In addition, new radio broadcast licenses were awarded to 20 private operators; at the start of 1995 all radio was controlled by the GOG.

A major setback for the GOG was widespread opposition to the introduction of a value-added tax (VAT) in March. Protests turned violent and the tax was subsequently dropped. As the VAT episode illustrates, there is an atmosphere of uncertainty over the future outcomes of the political process which serves to undermine business confidence. In a recent poll, conducted in conjunction with the Global Coalition for Africa, a majority of Ghanaians interviewed expressed concern over the current government's commitment to upholding human rights.

**Macroeconomic Situation:** Ghana's export revenues and GDP growth improved in 1995, largely on the strength of gold and cocoa. Exports increased by 19 percent, to nearly \$1.5 billion. But, inflation rose from 34 percent in 1994 to 71 percent in 1995. Inflation was fed by poor harvests in late 1994, confusion over the introduction of the VAT, and excessive growth in the money supply resulting from increased lending to state-owned enterprises and a 30 percent increase in salaries of civil servants. Rapid inflation has undermined the living standards of many Ghanaians and added to underlying social tensions.

To combat inflation, the Bank of Ghana maintained high reserve requirements on commercial banks and raised its discount interest rate from 33 percent to 45 percent per year. The BOG has also drawn on large foreign exchange inflows to limit the depreciation of the cedi. As a result, there has been an appreciation in the real value of the cedi, making imports more attractive and exports more expensive to the foreign buyer. Poor business confidence, high inflation, tight money, and real appreciation of the cedi have likely constrained private investment and growth in nontraditional exports. With greater macroeconomic stability and more private investment, performance of USAID's Trade and Investment Program would have surpassed the solid results reported below.

**Education Sector:** In the February 1995 Assessment of Program Impact, the Mission reported that, despite successful provision of inputs, progress in improving the quality of primary education was disappointing. Over the past year, Ghana's Ministry of Education, USAID and other donors made progress in developing strategies to improve performance in primary education. For USAID, this will be reflected in a shift in approach to focus assistance on the learning process at the classroom level, as explained in the FY 1997 to 2001 Country Strategy.

The impact of USAID/Ghana's proposed primary education strategy will depend to a great extent on the successful implementation of decentralization in basic education. The Ghana Education Service Act, which was passed in 1995, provides the legislative framework for the decentralization process. Under the provisions of this act, District Education Oversight Committees (DEOCs) are to be established in all 110 districts and school management committees in all schools. DEOCs will be responsible for school buildings, the provision and regular attendance of teachers, along with the supply of textbooks and other learning materials. Representation on these committees will be drawn from government, communities and schools. In its strategy the Mission proposes to continue working closely with the MOE along with other donors to put the provisions of the GES Act into effect.

**Management Concerns:** The pace of implementation of family planning programs over the next year will be adversely affected by Congressional restrictions on the Population Account, but no fundamental change in the Mission's family planning program is required. The Mission has submitted an FY 1997 to 2001 Country Strategy which fully incorporates reengineering principles. Indicators and targets for FY 1997 and beyond are specified in the Country Strategy which is scheduled for USAID/W review in early March.

USAID Ghana Summary of Programs and Projects			
Program or Project	Fiscal Years	LOP Funding (x \$1,000)	Donors Contributing to Sector (in order of ranking)
<b>Strategic Objective 1: Increase Private Sector Nontraditional Exports</b>			
Trade and Investment Program	92 - 97	60,000	World Bank (Private enterprise and export development, financial sector policy reform, roads) IMF (financial sector policy reform) USAID (Policy reform, assistance to non-traditional exporters, roads) CIDA (private sector development) DANIDA (roads and industrial development)
Trade and Investment Project	92 - 97	20,000	
Human Resource Development Assistance Project	91 - 97	5,600	
P.L. 480, Title II	Annual Estimate	7,000	
P.L. 480, Title III	92 - 94	28,300	
Credit and Savings Assistance for Women Project	94 - 97	637	
<b>Strategic Objective 2: Reduce Fertility</b>			
Family Planning and Health Program	91 - 96	13,000	USAID (policy reform, commodities, support to private sector) World Bank (equipment, supplies to rural health facilities, training, construction and maintenance of facilities) UNFPA (training, administrative support and equipment to regions and MOH headquarters)
Family Planning and Health Project	91 - 96	15,000	
Ghana Population and AIDS Program	94 - 00	14,000	
Ghana Population and AIDS Project	94 - 00	31,000	
<b>Strategic Objective 3: Improve the Quality of Primary Education</b>			
Primary Education Program	90 - 96	32,000	World Bank (Construction of schools and teachers' housing) USAID (Policy reform, textbooks, in-service training, national testing) ODA (Teacher training) UNICEF (Girls education, community-based schooling) GTZ and KfW (teacher and vocational training)
Primary Education Project	90 - 96	3,000	
<b>Special Objectives (Targets of Opportunity)</b>			
Natural Resource Conservation and Historic Preservation Project	91 - 97	7,873	USAID UNDP (Regional and Tourism Development)
Supporting the Electoral Process Project	94 - 97	10,150	USAID (voter registration and election support) DANIDA (voter registration and election support) ODA (voter registration and election support)
Increasing Knowledge and Practice of HIV/AIDS Risk Reduction Behavior	See SO 3 Programs		USAID (construction, materials, training, policies) JICA (AIDS research)

C. Progress Toward Overall Program Goals

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Goal: Promote sustainable, market-oriented economic growth.</b>													
Annual percentage change in GDP per capita (Real) Source: GOG	%	1992	1.0	2.7	1.0	1.4	1.9	1.9	0.8	2.8	1.5	3.3	
Private sector investment as a percent of GDP Source: IMF	%	1990	7.6	8.2	4.3	10.6	4.3	11.3	4.4	12.6	NA	12.6	
Life Expectancy  Source: World Development Report, World Bank	# of years - Total	1990	55		56	56	56	56	NA	56	NA	56	
	# of years - Men	1970	48		54	54	55	54	NA	54	NA	54	
	# of years - Women	1970	51		58	58	58	58	NA	58	NA	58	

**GDP Growth:** GDP growth was 4.5 percent (or 1.5 percent per capita) in 1995. This was a clear improvement over the 3.8 percent registered in 1994, but below the trend of 5 percent per year since 1983. Agriculture, fisheries and forestry grew by 4.2 percent, compared to 1 percent in 1994. However, livestock and crop production, excluding cocoa, grew by only 3.1 percent, or 0.1 percent per capita. Although this was an improvement over the 2 percent per capita decline in livestock and crop output in 1994, it confirms the Mission's judgement that greater attention must be paid to this key subsector. The manufacturing subsector also remained depressed, growing by only 1.5 percent in 1995. In contrast, mining grew by 5.5 percent. GDP has grown consistently over the past 12 years, but most Ghanaians do not perceive a commensurate improvement in their living standards.

**Private Sector Investment:** Private investment has been low for the past few years as a result of macroeconomic instability and weak business confidence. Private direct investment peaked at 8.2 percent of GDP in 1991 before declining to 4.3 percent in 1993. With rapid inflation, high interest rates and an uncertain cedi, investors tend to prefer high-interest treasury bills and foreign assets over direct investment. Private investment increased marginally to an estimated 4.4 percent in 1994. Little improvement is anticipated in the figures for 1995.

increases in gold exports of 12 percent to over \$600 million in 1995. The private sector has also responded to an opening of the telecommunications sector. The number of telephone lines increased during 1995, from 45,000 to 80,000, and there are now three private cellular telephone operators in Ghana. Listings on the Ghana Stock Exchange increased from 17 to 19, but capitalization declined by 9 percent to \$1.7 billion, after increasing 13-fold in 1994 with the listing of the Ashanti Goldfields Corporation.

**Life Expectancy:** Long term trends in life expectancy are positive as indicated by improvements for men and women since 1970. However, the MOH, in its 1995 *Medium Term Health Strategy*, speaks of a relatively slow improvement in health status and cites five critical constraints: low incomes which reduce access to food, education, health care and adequate housing; low education among women which limits choices in childbearing, nutrition, hygiene and health care; high population growth which outstrips available services like schools and clinics; malnutrition which threatens health, particularly among infants, children and pregnant and lactating women; and finally, limited access to water and sanitation which makes Ghanaians more susceptible to diseases arising from unhygienic conditions. In its strategy, the MOH established as its greatest priorities the often preventable and/or easily treatable diseases which pose the greatest threats to the health of Ghanaians: malaria, diarrhoeal diseases and upper respiratory infection. For women these are malaria, pregnancy related complications and gynecological disorders. For children under-five these are measles, pneumonia and low birth weight.

Investments in mining and telecommunications are notable exceptions to the general trend. Reforms of the mining code and partial privatization of the Ashanti Goldfields Corporation have spurred new investment and led to

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS										
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	
<b>Subgoal 1: Increase income and employment in the non-traditional export sector</b>														
# of new jobs (FTEs) created in the non-traditional export sector <sup>1</sup> Source: Special study	# thousands of jobs Cumulative Total	1993	180				180						240	NA
Percentage change in per capita income for workers in the non-traditional export sector <sup>1</sup> Source: Special study	%	1993	0 <sup>2</sup>				0						5.0	NA
Comments: <sup>1</sup> Full-time equivalents (FTEs) is a measure which includes casual and part-time labor. Baseline data was obtained from a 1993 survey of 266 firms engaged in non-traditional exports. <sup>2</sup> 1,296,000 cedis in 1993.														

**Incomes and Employment in the NTE Sector:** Rapid growth in nontraditional exports is resulting in increases in employment. A study is currently underway to analyze impacts of USAID's program on employment and incomes in the NTE sector. Preliminary results indicate that 15 of the first 18 export firms surveyed increased employment of both men and women over the past year. USAID experience with a wide range of producers and exporters demonstrates that the employment impacts of NTE growth are extensive and broad-based. Larger operators, especially those engaged in horticulture, tend to rely on extensive networks of product suppliers. Many, such as processed food and beverage producers, also contribute to employment for numerous product distributors.

To date, impacts of USAID assistance on NTE incomes are less clear cut. Out of 63 firms interviewed for the 1996 NTE survey, 86 percent increased wages between 1994 and 1995. However, wage increased averaged 34 percent, above public sector salary increases, but below the rate of inflation. The survey has also found that non-monetary compensation, such as meals, transportation and clothing, forms an important part of income and helps to protect income against inflation losses, particularly for lower-paid workers. At this stage of development of the NTE sector, it is not surprising that there have not been more dramatic income effects. Ghana still has a large, untapped pool of low-paid, unskilled and semi-skilled labor depressing wages throughout the economy. At the same time, employers are compelled to keep costs down in order to compete in new markets and to mobilize retained earnings for expansion. (See discussion of Intermediate Result 1.3, below.)

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Subgoal 2: Improve the quality of the human resource base.</b>													
Adult literacy rate Source: World Development report	% Total Population	1990	60 <sup>1</sup>	NA	49 <sup>2</sup>	60	NA	60	NA	61	NA	62	
	% Women	1990	51	NA	40 <sup>2</sup>	NA	NA	NA	NA	NA	NA	NA	
Population growth rate Source: UN Population Projections Medium Variant	%	1990	3.1	NA	NA	3.1	NA	3.1	3.0 <sup>3</sup>	3.0	3.0 <sup>3</sup>	3.0	
Comments: <sup>1</sup> The <i>World Development Report 1994</i> reports the 1990 figures for this indicator. <sup>2</sup> These figures are taken from data obtained during the 3rd round of the Ghana GLSS. <sup>3</sup> Estimates for this indicator vary from 2.9 to 3.1. The Mission is using 3.0 percent for all analyses using population growth rate.													

**Adult Literacy Rate:** Low levels of literacy constrain economic growth and improvements in living standards in Ghana. The Ghana Living Standards Survey conducted in 1992 shows even lower results than those reported in 1990. The GLSS showed that 40 percent of all adults (3 million people) had never been to school; a further 28 percent (2 million) had been to school but have no qualifications. Of the rest, 26 percent (2 million) have middle school/junior secondary school certificates as their highest qualification.

Medium term prospects for the improvement of adult literacy are guarded. The lack of reading materials during the economically depressed years of the seventies and eighties led to a situation where 40 percent of those who had been to school did not become literate. With the deterioration in the primary school system since the seventies, many primary school leavers can barely read and write their own names, much less attain a minimum level of literacy and numeracy. The rate of illiteracy is further fed by the 20 to 30 percent of children in Ghana who do not go to school and by those who will drop out.

In 1987 the Non-Formal Education Division (NFED) of the Ministry of Education was organized to address the problem of illiteracy in Ghana. With assistance from ODA and later from the World Bank, NFED launched a ten-year project in 1990 with the purpose of educating the 5.9 million illiterates in Ghana. In addition to teaching literacy and numeracy skills, the program aims to provide rudimentary knowledge of primary health care, improved farming methods and small-scale enterprise. Success to date has been mixed. The project is well known around the country and the high enrollment rate of women in certain areas, mainly the southern part of Ghana, will contribute to reducing illiteracy among women.

An additional benefit from the project has been the greater willingness of enrolled parents to send their children to school or at least make sure they learn to read and write. The project has faced enormous difficulties. It is mainly staffed by volunteer facilitators receiving minimal incentives as compensation whose continued commitment will be difficult to maintain. Lack of materials and facilities are also a problem. Finally the project has not been able to meet overly ambitious annual targets for intake of students. After the mid-term review in 1994 the target date for eradication of illiteracy was shifted back from 2000 to the year 2011.

**Population Growth Rate:** Population growth is estimated to be 3 percent per year. Declining fertility and increases in contraceptive use suggest that progress is being made in stabilizing the population size, but a growing population of women of child-bearing age indicates that population growth will not actually decline until the year 2010. Population estimates cannot be refined until after 2000 when a new national census will be conducted, the most recent having been in 1984.

**Gender and Human Development in Ghana:** The UNDP's gender-related development index is a composite measure of gender equality based on women's life expectancy, educational attainment and income. Although Ghana ranks 91 out of 130 countries studied, it has improved substantially since 1970. It now ranks high within Sub Saharan Africa, falling behind only six other countries: Swaziland, Cape Verde, Kenya, Lesotho and Cameroon.

## II. PROGRESS TOWARD STRATEGIC AND SPECIAL OBJECTIVES

### STRATEGIC OBJECTIVE 1: INCREASE PRIVATE SECTOR NON-TRADITIONAL EXPORTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS											
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		1997	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Strategic Objective 1: Increase private sector non-traditional exports</b>															
Indicators:															
\$ value of non-traditional exports	Unit: Millions of \$	1990	62.3	62.6	68.4	75.0	71.7	95.0	119.0 <sup>1</sup>	130.0	180.0 <sup>2</sup>	180.0		250.0	
Source: Ministry of Trade and Industry															
Non-traditional exports as a % of total exports	Unit: %	1990	6.9	6.3	6.9	7.4	7.0	8.0	9.4 <sup>1</sup>	10.0	12.0 <sup>2</sup>	13.0		16.5	
Source: GOG															
Comments: <sup>1</sup> Changed from estimate to actual figure for 1994. <sup>2</sup> Preliminary figure is based on actual data through 9/95 plus an estimate for 4th quarter.															

Growth in nontraditional exports remained robust. The value of NTEs more than doubled since 1993. The fastest growing export products are prepared foods and beverages which jumped from \$1.7 million in 1993 to \$30.5 million for 1995 (through 3rd quarter) and wood products which went from \$15.5 million to \$37.0 million over the same period. The data bear

out the significance of the USAID/TIP contribution to the non-traditional export initiative in Ghana. Firms receiving assistance under TIP accounted for at least one-third of the total value of NTEs for each year since 1993.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS											
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		1997	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 1.1: Improve infrastructure needed for export expansion</b>															
Indicators:															
Kilometers of feeder roads rehabilitated Source: Department of Feeder Roads(DFR)/Ministry of Roads and Highways	Unit: cumulative # of kilometers	1989	301	876	1034	1514	1409	1999	1975 <sup>1</sup>	2484	2297				
Kilometers of feeder roads maintained <sup>1</sup> Source: Department of Feeder Roads/Ministry of Roads and Highways	Unit: #s of kilometers.	1989	1070	1400	2000	4900	3583	6100	4920	7300	5997				
Domestic resource costs <sup>2</sup> at wholesale level for: yams peppers pineapple cassava plantain Source: Special studies 1992, 1993, 1994	Unit: Index	1992													
			.64	NA	.59	.56	.58	.50	.33						
			.71	NA	.72	.75	.72	.72	.66						
			.79	NA	.79	.84	.69	.69	.49						
			1.50	NA	1.50	1.70	1.46	1.46	1.11						
			.80	NA	.80	.84	.80	.80	.62						
Comments: <sup>1</sup> Figure corrected to exclude culverts which had been counted by the DFR. <sup>2</sup> This indicator tracks improvements over all roads funded by the World Bank, DANIDA, USAID and the GOG under the National Feeder Road Maintenance Program and the Cocoa Rehabilitation Program. <sup>3</sup> Domestic resource costs are a measure of cost efficiency for producing crops locally compared to the costs on the world market. For DRC indices less than one, this indicates that the product is competitive on the world market. The DRC analysis has been redone since the 1993 API to take into account the fact that one road dropped out of the surveys since 1992. New targets are based on averages calculated only for the roads surveyed in the 1993 and 1994 Feeder Road Studies.															

Although the infrastructure for marketing of nontraditional export products continues to improve, USAID performance targets were not met in 1995. Improvements to feeder roads have resulted in improved access to markets for farm produce and to education and health services. But, progress on road rehabilitation and maintenance, which is partly funded with Title III counterpart funds, fell short of expectations. Funding for Title III programs ended in FY 1994, and rapid inflation eroded the value of counterpart fund generations that had been set aside for maintenance. Also affecting the road

improvement programs is the fact that some World Bank projects slated for this year did not go on as planned. New investments by the GOG, the private sector and other donors in energy, telecommunications, water and sanitation are supportive of growth in NTEs. However, efficiency gains from improved infrastructure were likely overshadowed in 1995 by high inflation and real appreciation of the exchange rate.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS											
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		1997	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 1.2: Improve enabling environment for export expansion</b>															
Indicators:															
Mean # of days reported to register with Registrar General Source: 1993, 1996 NTE survey	Unit: mean # of days	1993	10				10					5			
Mean # of days reported to register with Ghana Investment Promotion Centre (GIPC) Source: 1993, 1996 NTE survey	Unit: mean # of days	1993	24				24					5			
Mean # of days required to clear non-traditional export shipments Source: 1993, 1996 NTE survey	Unit: # of days All firms	1993	3.5	NA	NA	4.1	3.5				1.5 <sup>1</sup>	3.0		2.5	
Value of duty relief for non-traditional export transactions as a percentage of the total value of NTEs. Source: Ministry of Trade and Industry	Unit: % (All firms) Duty drawback as % of NTE value	1994	0.14					0.10	0.14	3.0	0.25	5.0		7.0	
	Unit: % Value of NTEs through bonded warehouses as % of NTE value	1994	5.8						5.8	9	25	9		9	
Comments: <sup>1</sup> Preliminary, for first 18 firms in 1996 NTE Survey.															

USAID's Trade and Investment Program contributed to significant improvement in the policy environment for investment and NTEs. For instance, 14 of the first 18 firms in the 1996 NTE survey reported that it is now taking one day or less to clear export shipments, a marked improvement over 1993.

One major accomplishment during the past year was the enactment of the Export-Import Act. This Act eliminated surrender requirements and remaining controls on the uses of foreign exchange earnings. The requirement for completion of the A2 Exchange Control Form was eliminated, thus saving time for exporters as well as the 2 percent bank charge for processing the A2. Among the first 18 firms interviewed for the 1996 NTE Survey, 17 stated that this reform is having a positive impact on their businesses. The Act also extends the definition of NTEs, the most important extension being for tertiary wood products. This is helping to encourage the growth of value-added activities in the wood subsector, a necessary adaptation for sustainable use of forest resources.

Efforts under TIP have contributed as well to providing incentives to exporters in the form of duty relief. A duty drawback system is being supported by USAID technical and nonproject assistance. Since September 1994, the Customs, Excise and Preventative Service (CEPS) has disbursed all funds allocated for the duty drawback facility. Forty-five exporters have received nearly \$450,000 under this facility. Of this slightly less than half was paid in the past nine months. More work needs to be done to improve the duty drawback system, however. Only 4 of 18 firms surveyed have applied for duty drawback. The most common reason for not using this mechanism was that it requires too much paperwork (7 firms), while others are stated that they are exempt from import duties under other trade and investment incentive programs.

The bonded warehouse facility has overtaken the duty drawback facility and provides greater impact in terms of export value. The proportion NTEs through bonded warehouses increased from 5.8 percent in 1994 to 25 percent in 1995. The number of firms benefiting from the facility is low as could be expected since only larger producers participate.

In early 1995, the Foreign Investment Advisory Service completed an Investor Roadmap, a comprehensive review of impediments to investment in Ghana. Although major private sector reforms have been put in place in Ghana, the Roadmap identified a wide range of "second-tier" regulatory and procedural constraints. This USAID-financed study has been a catalyst for the development by the GOG Action Plan which directs government agencies to streamline regulations and facilitate investments and exports beginning in 1996.

Nevertheless, there have been minor setbacks in trade liberalization. Export bans were introduced over the past six months on natural rubber, cotton, yams and other products. Difficult macroeconomic conditions and fluid political situation have evoked calls in some quarters for greater trade protection. USAID policy analysis and training activities are aimed at making the public debate over trade policy a more informed one.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS											
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		1997	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 1.3: Improve capacity of assisted firms to export</b>															
Indicators:															
# new exporters <sup>1</sup> with business plans that are exporting by year end  Source: Contractor/grantee quarterly reports	Unit: cumulative # All firms <sup>2</sup>	1993	0			50	NA <sup>3</sup>	300	1444 <sup>4</sup>	700	1741	1100		1500	
	Male owned/managed								1235		1466				
	Female owned/managed								209		275				
	Microenterprises <sup>5</sup>								1444		1591				
	Small, Medium, Large Firms <sup>5</sup>								0		150				
# of existing exporters <sup>1</sup> assisted by AID which increase the value of their exports by 20% per year  Source: Contractor/grantee quarterly reports	Unit: # All firms <sup>2</sup>	1993	0			0	0 <sup>3</sup>	50	690 <sup>4</sup>	300	688	700		1100	
	Male owned/managed								NA		575				
	Female owned/managed								NA		113				
	Microenterprises <sup>5</sup>								656		634				
	Small, Medium, Large Firms <sup>5</sup>								34		54				
Comments: <sup>1</sup> Includes producers for export. <sup>2</sup> Targets are reported for aggregates only. <sup>3</sup> Contractor/grantee programs were just getting underway by the third quarter of 1993. <sup>4</sup> Data is current through 9/94. <sup>5</sup> Firm size is categorized by # of employees as follows: Micro - subsistence-level businesses employing 10 people or less; Small, other businesses employing up to 20 people; Medium 21-50 employees; Large > 50 employees.															

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS											
		YEAR	VALUE	1991	1992	1993		1994		1995		1996		1997	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	
<b>Intermediate Result 1.3: Improve capacity of assisted firms to export</b>															
Indicators:															
\$ value of exports from assisted firms  Source: Contractor/grantee quarterly reports.	Unit: Millions of \$ All firms <sup>1</sup>	1993	0 <sup>2</sup>			4	0 <sup>2</sup>	35	47.8	75	32.8 <sup>3</sup>	125		175	
	Male owned/managed								NA		NA				
	Female owned/managed								NA		NA				
	Microenterprises								0.2		0.4 <sup>3</sup>				
	Small, Medium, Large Firms								47.6		32.4 <sup>3</sup>				
\$ value of additional investment from assisted firms <sup>4</sup>  Source: Contractor/grantee quarterly reports.	Unit: Million of \$ All firms <sup>1</sup>	1993	15.5			14	15.5	20	20.5	20	17.2 <sup>4</sup>	20		20	
	Male owned/managed		15.0				15.0		18.5		NA				
	Female owned/managed		0.5				0.5		2.0		NA				
	Small firms		2.0				2.0		5.1		0				
	Medium firms		0				0		4.0		6				
	Large firms		13.5				13.5		11.4		11.2				
Comments: <sup>1</sup> Targets are reported for aggregates only. <sup>2</sup> Contractor/grantee programs under TIP were just getting underway by third quarter 1993. <sup>3</sup> Data is current through 8/95. <sup>4</sup> Does not include data on investment for microentrepreneurs. Information collected on investment pertains only to higher volume firms. Firm size is categorized by # of employees as follows: Micro - subsistence-level businesses employing 10 people or less; Small, other businesses employing up to 20 people; Medium 21-50 employees; Large > 50 employees. <sup>4</sup> African Project Development Facility clients only.															

USAID assistance is making a difference in increasing the capacity of Ghana's private sector to produce and sell nontraditional exports. New investments by USAID-assisted nontraditional exporters totalled \$17.2 million in 1995, just below the 1994 pace. Institutional contractors providing business advisory services report that their clients increased export volumes by 122 percent and values by 83 percent between 1993 and 1995. Total domestic and export revenues accruing to assisted medium and large exporters were \$60 million in 1995. These businesses provide direct employment for at least 13,500 workers and indirect employment for over 11,000. Women account for 39 percent of those employed.

Examples of direct assistance provided to NTE businesses include: 1) development and implementation of computerized cost accounting and management systems, "FARManager" and "WoodManager," to provide useful and timely information on production costs; 2) assistance to companies to institute efficient production planning procedures and technologies; and, 3) assistance to pineapple exporters in post-harvest handling and marketing, to increase volumes for shipment on refrigerated vessels.

Assistance for exports of pineapples and wood products had high payoffs, especially for five top performers. One assisted pineapple exporter increased revenues fivefold, to nearly \$1.5 million between 1993 and 1995. A second increased sales by 240 percent, to \$500,000. A top producer of wood products increased exports fourfold to \$3.9 million. A second saw exports grow by 300 percent to \$1.2 million, while a smaller firm experienced a 560 percent increase, to nearly \$200,000.

USAID grantees have also achieved success in assisting microenterprises and farmer groups. As a result, farmer groups have been successful in improving coordination, planning, management and productivity. Assistance to 15 groups of smaller agricultural producers and outgrowers has resulted in contracts for all that they can produce. Production for export by these groups sustains the commercial farm activities of approximately 3,000 members, 19 percent of whom are women. These groups also create seasonal employment for 1,500 workers, of which 20 percent are women. For instance, during 1995, 759 USAID grantee-assisted cashew producers increased output and cooperated to negotiate increases in sales prices, resulting in a 53 percent increase in the dollar value of sales of cashews for export.

## STRATEGIC OBJECTIVE 2: REDUCE FERTILITY

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Strategic Objective 2: Reduce Fertility</b>													
Indicators:													
Total fertility rate (TFR) Source: Demographic and Health Survey (DHS)	# of projected births	1988	6.4			6.0	5.5					5.7	
<b>Intermediate Result 2.1: Increase the use of modern methods of family planning</b>													
Indicators:													
Modern method contraceptive prevalence rate (CPR) Source: DHS (1988, 1993) and Consumer tracking survey (1995) <sup>1</sup>	% of women in union, ages 15 to 49 using modern methods of contraception	1988	5.2			10	10.1 <sup>2</sup>			15	NA <sup>3</sup>	15	
Couple years of protection (CYP) <sup>4</sup> Source: Aggregate service statistics from Ministry of Health (MOH), Planned Parenthood Assn. of Ghana (PPAG), Ghana Social Marketing Foundation (GSMF)	Years of protection (in thousands)	1988	107	223	230	NA	348	378	402 <sup>5</sup>	422	493 <sup>6</sup>	440	
Demand satisfied Source: DHS (1988, 1993) and Consumer tracking survey (1995)	%	1988	26.8				34.4			36	NA <sup>7</sup>	36	
<p>Comments: <sup>1</sup> The DHS is the primary source of information on CPR. Results from consumer tracking surveys in interim years indicate progress on this indicator. <sup>2</sup> CPR is reported from the results of the 1993 DHS. <sup>3</sup> The 1995 consumer survey got underway late in the year. Results are still pending. <sup>4</sup> CYP is defined as the amount of protection against pregnancy afforded to one couple over one year by a given method. CYP conversion factors are standardized as follows: vaginal foaming tablets, 100 = 1 CYP; condoms, 100 = 1 CYP; oral contraceptives, 13 = 1 CYP; injectables, 4 = 1 CYP, IUDs, 1 = 2.5 CYP; implant, 1 = 3.5 CYP; female sterilization, 1 = 8 CYP. <sup>5</sup> Figure is actual total for 1994. The figure of 402,000 quoted in the 1995 report was comprised of actual figures through 3rd quarter plus an estimate of CYP for 4th quarter. <sup>6</sup> Figure is based on actual figures through 3rd quarter 1995 plus an estimate for 4th quarter results based on straight-line projections. <sup>7</sup> The primary source of information on this indicator is the 1993, 1998 DHS. The interim tracking surveys provide only a rough estimate of demand satisfied. The consumer tracking survey scheduled for 1995 got underway late in the year. Results are still pending.</p>													
<b>Intermediate Result 2.2: More appropriate contraceptive method mix</b>													
Indicators:													
% of modern method CPR derived from long-term methods <sup>1</sup>	% (from 1988, 1993 DHS) <sup>2</sup> (from 1993, 1995 Consumer Surveys)	1988	25.0			NA	33.7			NA	NA		
		1993	19.6			NA	19.6			26.7	NA <sup>3</sup>	33.3	
% of CYP derived from long-term methods <sup>4</sup> Source: Service statistics	%	1988	21.0	NA	NA	38.0	27.0	29	29.4 <sup>5</sup>	32	31 <sup>6</sup>	34	
<p>Comments: <sup>1</sup> Long-term methods are: Norplant®, IUDs, injections and surgical sterilization. <sup>2</sup> 1988 DHS data have been modified to reduce by half the percent contribution of sterilizations to CYP to reflect subsequent and additional in-country data. <sup>3</sup> The consumer tracking survey scheduled for 1995 got underway late in the year. Results are still pending. <sup>4</sup> Annual target figures for CYP have been revised downward based on TARGET model analysis done early 1994 during design of the GHANAPA Program. <sup>5</sup> Figure recalculated with actual CYP statistics for 1994. Figure quoted last year was 29.4% <sup>6</sup> Based on actual figures through 3rd quarter 1994 and estimate for 4th quarter 1994.</p>													

The Mission's family planning program is achieving its objective of encouraging more Ghanaians to use modern contraceptive methods, especially the more effective, long-term methods. The projected CYP for 1995 shows there should be a remarkable improvement, with an increase of 22 percent. Moreover, the program has exceeded its target of 422, 000 CYP set for 1995. Use of long-term methods increased by 30 percent compared to last year; there should be little difficulty in achieving the target set for 1996.

The Ministry of Health continues to progress in meeting its CYP benchmarks, a condition for continued USAID support to the public sector. To date the Ministry has achieved 98 percent of the planned CYP over the life of the Family Planning and Health Project and exceeded its targets under the first year of the Ghana Population and AIDS Program.

Private sector share in providing CYP is important for the sustainability of the family planning effort in Ghana. The two most significant organizations working in the private sector, the Ghana Social Marketing Foundation (GSMF) and the Ghana Registered Midwives Association (GRMA) receive most of their support from USAID. During the past year GSMF showed a 28 percent increase over last year in the CYP provided. This is largely attributable to the introduction of the FAMPLAN brand, 3-month injectable which is sold to midwives and clinics. GRMA has trained over 400 midwives in both the private and public to provide family planning to their clients. This year the registered midwives have managed to increase the CYPs provided by 63 percent compared to last year.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 2.2.1: Increase availability of family planning services and commodities</b>													
<b>Indicators:</b>													
# of GSMF retail sales outlets <small>Source: GSMF quarterly reports</small>	# of outlets	1992	4500	NA	4500	6000	5000	9500	5800	10000	7195	10000	
# of GRMA members providing family <sup>1</sup> planning services <small>Source: GRMA quarterly reports</small>	# of members	1992	251	NA	251	276	184	378	210	433	213	454	
Comments: <sup>1</sup> Data for this series going back to 1992 has been corrected based on current information received from GRMA. See Annex A for discussion.													

GSMF has been successful in meeting CYP targets despite the fact that it may not meet its target numbers for retail sales outlets by 1996. USAID's family planning program continues to reach more Ghanaians through GSMF's creativity in finding new outlets for sales of contraceptives. In addition to the traditional chemical shops, pharmacies and private clinics, the array of GSMF retail outlets now includes hairdressers, community based distributors (through its NGO and workplace programs), bars, hotels, kiosks, supermarkets, petrol stations, and football stadia.

GRMA has also been able to successfully meet CYP targets. The number of GRMA members providing family planning services is growing, although it has been less successful in persuading trained midwives to report regularly to its secretariat in Accra. GRMA will be improving reporting from its members through follow-up supervisory visits.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 2.2.2: Increase family planning knowledge and approval</b>													
Indicators: <sup>1</sup>													
% of women who do not intend to use a contraceptive method in the future because of lack of knowledge Source: 1995 Consumer tracking survey	%	1988	23.7			19	12 <sup>2</sup> 18 <sup>3</sup>			15	NA <sup>4</sup>	15	
% of married women who believe their husbands approve of family planning Source: 1993 DHS, 1995 Consumer tracking survey	%	1988	52			60	60.3 <sup>2</sup>			65	NA <sup>4</sup>	65	
% of husbands who approve of family planning Source: 1993 DHS, 1995 Consumer tracking survey	%	1988	77.4			81	87 <sup>2</sup>			85	NA <sup>4</sup>	85	
Comments: <sup>1</sup> Data for all indicators reported under this Intermediate Result are obtained from the 1988, 1993 DHS and 1993, 1995 Consumer Surveys. <sup>2</sup> Data from the 1993 DHS. <sup>3</sup> Data from the 1993 Consumer Baseline Survey. <sup>4</sup> The Consumer Tracking Survey scheduled for 1995 got underway late in 1995. Results are pending.													

### STRATEGIC OBJECTIVE 3: IMPROVE THE QUALITY OF PRIMARY EDUCATION

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA									
		YEAR	VALUE	1993		1994		1995		1996	
				Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Strategic Objective 3: Improved quality of primary education</b>											
Indicators: <sup>1</sup>											
% of children completing P6 who pass a criterion referenced test for English (60% or better)	%	1992	Total: 2.0		3.0		3.3		3.6	3.9	
			Urban: NA		5.8		7.2		7.3		
			Rural: NA		1.5		1.3		1.8		
			Boys: 2.0		2.7		3.2		3.4	3.6	
			Girls: 2.0		3.4		3.4		3.9	4.4	
% of children completing P6 who pass a criterion referenced test for Math (55% or better)	%	1992	Total: 1.1		1.5		1.5		1.8	2.1	
			Urban: NA		2.2		2.9		4.1		
			Rural: NA		1.1		0.8		0.7		
			Boys: 1.4		1.6		1.6		2.1	2.6	
			Girls: 0.7		1.3		1.3		1.4	1.5	
Comments: <sup>1</sup> With the exception of the school census data, which is obtained from the Office Planning, Budget, Management and Evaluation (PBME) of the Ministry of Education (MOE), all data on indicators under Strategic Objective 3 are obtained from the PREP Project Management Unit.											

The GOG's constitutional requirement for an action plan for Free, Compulsory, Universal Basic Education (FCUBE), along with continued support from USAID and other donors, provided the impetus for developing a comprehensive strategy to improve basic education. During the past year USAID directly supported a schools review to identify critical constraints to effective teaching and learning in schools and a comprehensive management review to gain insight into the management system from the perspective of key participants and beneficiaries. The findings of these and other analyses formed the basis for development of a basic education strategy. High priority areas for improving management include development and implementation of a plan to devolve supervisory and fiscal authority to local government and communities, and to rationalize allocation of fiscal and human resources. Priorities for improving teaching and learning include improvements in teacher training, monitoring and supervision of teachers, along with development of more appropriate teaching materials and instruments for continuous assessment of students' progress.

The Criterion Referenced Test (CRT), which measures mastery of the curriculum, was administered to a sample of 11,000 grade 6 students for the fourth consecutive year. Test scores for 1995, which are only slightly improved from last year, are still woefully low. In 1994 the CRT was administered to a sample of private schools. The comparative scores indicate the huge disparity between pupil achievement in private and public schools. Among pupils in private schools 51.4 percent reached criterion in English and 31.7 percent in Mathematics compared to respective pass rates of 3.3 percent and 1.8 percent for pupils in public schools. The differences in access to resources such as trained teachers and materials is reflected as well in the performance of pupils in urban schools compared to that of pupils from rural areas. As the only national assessment instrument to measure primary school student learning, the CRT has been a powerful tool in leveraging policy change which has served as an incentive to the MOE to make improvements in teaching and learning the focal point of their new strategic plan.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 3.1: Improved qualifications of primary school teachers</b>													
Indicator:													
% of primary school teachers who are trained to minimum standards <sup>1</sup>	%	1989	51	56	66	70	84	75	94	90	94.5	95	
Comments: <sup>1</sup> "Trained to minimum standards" entails the completion of an in-service training course in English and Math for primary school teachers.													

Progress on replacing untrained teachers with trained primary school teachers has continued. Despite the high percentage of trained primary school teachers however, the quality of pre-service education - particularly the biases towards JSS and SSS instruction at teacher training colleges - and persistent problems with understaffed schools particularly in rural remote

areas, contribute to the generally low level of teacher performance. The MOE has recognized the problems with teacher education, training, and posting, and features improving teacher performance and upgrading teacher competencies in its new Basic Education strategy.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 3.2: Improved access in the Northern, Upper East and Upper West Regions</b>													
Indicators:													
Northern Region (Total) (Girls) (Boys)	% of eligible children	1988/89	30	32	39	40	51.3 36.5 66.1	45	47.8 34.9 60.9	50	NA	50	
Upper East (Total) (Girls) (Boys)	% of eligible children	1988/89	31	33	35	40	46.1 36 56.7	45	47.3 37.6 57.5	50	NA	50	
Upper West (Total) (Girls) (Boys)	% of eligible children	1988/89	32	34	35	40	53.7 45.1 62.7	45	53.4 45.2 62.1	50	NA	50	

Census data from 1994 indicate that the percentages of eligible children in three northern regions attending schools have exceeded targets. However, the girls' enrollment rate in the three northern regions is 39.2 percent is well below the 46.7 percent average in the 7 other regions. The MOE has made an effort since 1991 to improve school enrollment rates in the disadvantaged northern regions. National enrollment figures since 1992 show, however, that primary enrollment is in decline, from 77.7 percent in 1991 to 75.5 percent in 1995. This trend suggests that the high cost of primary education coupled with the low benefits to students and families have discouraged parents from sending their children to school.

As one farmer lamented during the recent visit of the education management review team to his community, if he had known that after six years of education his son would not know how to read and write, he would not have sent him to school but instead kept him at home on the family farm. USAID will continue working closely with the MOE to address the access and equity issues in primary education.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 3.3: Increased availability of educational material</b>													
Indicators:													
1) % of primary students with textbooks	%	1988/89	10	21	50	55	71	75	73.5	90	95.5	98 (90)	
2) % of teachers with instructional materials -- chalk, pens, erasers, rulers, paper, report cards, record booklets, registration books, course outlines, syllabi	%	1988/89	10	21	50	60	56	80	95	90	96	98 (90)	

Textbook production has improved dramatically in 1995, a direct result of USAID assistance in developing an alternative strategy for textbook production. Formerly, a few local printing houses were given contracts to print large quantities of textbooks. A number of constraints faced by these printers resulted in delays of more than 2 years with many of the printers unable to meet their contractual obligations. Under the new strategy the competitive bidding process was reopened to more than 50 local printers, for smaller lots of 50,000 per contract. An incentive clause awards

additional jobs to printers upon the timely completion of their contract. The new strategy resulted in the printing and distribution of 3.2 million new primary school textbooks over the past year, more than doubling the amount published up to that point. The MOE/ Project Management Unit is now focusing on improving textbook distribution at the district level. Another MOE concern that will be taken up by USAID in the next year is improved textbook usage at the school level.

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		PERFORMANCE TARGETS AND ACTUAL RESULTS									
		YEAR	VALUE	1991	1992	1993		1994		1995		1996	
				Actual	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual
<b>Intermediate Result 3.4: Increased management capacity at district level</b>													
Indicators: <sup>1</sup>													
1) % district education officers hired and trained	%	1988/89	10	72	72	100	81	100	68.2	100	81.8	90 (100)	
2) % of circuit <sup>2</sup> supervisors hired and trained.	%	1988/89	0	NA	94	100	93	100	91.4	100	91.4	95 (100)	
3) % of district monitoring assistants trained and placed.	%	1988/89	0	NA	100	100	100	100	100	100	100	100	
Comments: <sup>1</sup> Data on these indicators is current through 12/94. <sup>2</sup> There are 110 administrative districts in Ghana. A circuit is a smaller administrative unit within a district.													

A management review conducted by USAID and the Ministry of Education highlighted the weak management capacity at the local level. Nearly 20 percent of the District Education Officers (DEOs) hired and trained are not at their post. This is due to DEOs on study leave, promotions, attrition, and some refusing posting assignments to district capitals with few amenities like water and electricity. The MOE has been able to make headway in placing qualified DEOs as evidenced by the improvement compared to

1994. In almost all cases where there is no trained DEO, acting DEOs have been appointed. In most cases district personnel are appointed solely on the number of years service, and receive little training in their functional areas such as monitoring and evaluation, budgeting and planning, and training. The result is that most district offices of education are staffed with "qualified" but functionally weak managers. Even the circuit supervisors, who have received training and motorcycles to conduct school visits, are not

visiting schools often enough, and the nature of their supervision is inadequate. The Ministry of Education recognizes the importance of an effective decentralized management system and has targeted this area in their strategic plan. Plans are being developed to strengthen district and school level management and increase community participation in school management. The MOE has already introduced new legislation, the Ghana Education Service Bill, which establishes District Oversight and School Management Committees to improve management.

*SPECIAL OBJECTIVE: PROTECT NATURAL RESOURCES*

End of Project Status

**Conservation:**

370 km<sup>2</sup> national park established and degradation of resources halted

**Historic preservation:**

Stabilization of historic sites completed

**Interpretive services:**

Museums installed at castles and park.  
Educational programs operational

**Tourism development:**

20,000 visitors/year at park  
20,000 visitors/year at Cape Coast Castle  
25,000 visitors/year to Elmina

**Sustainability:**

Two trusts established to cover operating costs

Progress

Park gazetted as Kakum National Park. Logging and hunting officially banned. Logging stopped. Anti-poaching teams formed. Community awareness and pilot income-generating projects initiated.

Phase I, stabilization works, completed. Technical preparations for Phase II, major conservation works, nearing completion.

Cape Coast castle and park museums operating. Plans underway to open exhibition and museum shop at Elmina Castle. Educational programs and training begun.

1995: 23,000 visitors	1994: 7,000 visitors
1995: 25,000 visitors	1994: 19,700 visitors
1995: 24,000 visitors	1994: 24,000 visitors

Boards of Directors for trusts have been named and preparations for formal registration with the GOG are far advanced. Relevant GOG agencies have been meeting to develop a formula for sharing revenues from national parks, museums and monuments.

USAID/Ghana efforts under this project are concentrated on preserving natural resources which are of environmental and historic significance to Ghana -- the park and three world historic buildings-- and assisting in the development of tourism in the Central Region. Revenues from tourism, the third largest foreign exchange earner in Ghana, nearly tripled between 1990 and 1994. With its proximity to Accra, just a little more than a two-hour drive away, the Central Region is a favorite destination for both business travellers looking for an interesting weekend outing and the growing numbers of leisure visitors to Ghana.

The large jump in the number of visitors to Kakum National Park during the past year speaks for its even greater attractiveness as a tourist destination since the opening in April 1995 of the suspended, canopy walkway, the first of its kind in Africa. Visitation to nearby Cape Coast Castle has enjoyed a similar gain in tourist patronage since a renovated museum was inaugurated with the assistance

of the Smithsonian Institution. The number of visitors to Elmina Castle has remained steady, but conservation efforts at this site are less advanced.

During the past year more attention has been focussed on questions of sustainability of the project after USAID funding ceases. An issue of particular concern is enforcement of the bans on use of park resources for traditional economic activities. During the past year a Community Outreach Unit was formed with the purpose of drawing park management and adjoining communities together in preserving this precious natural resource. The unit is gaining respect within the communities. After the end of the project this work in Kakum is expected to continue under a proposed World Bank project which will support national parks and wildlife in Ghana.

*SPECIAL OBJECTIVE: INCREASE KNOWLEDGE AND PRACTICE OF HIV/AIDS RISK REDUCTION BEHAVIOR*

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<u>End of Project Status</u>	<u>Progress</u>
At least 50 percent of respondents reporting intercourse with a non-regular partner use a condom	1993 survey results show that 61 percent of men and women reporting intercourse with non-regular partners use condoms regularly. Results of most recent tracking survey are pending.
The number of people citing at least two acceptable ways to prevent HIV infection rises from 61 percent to 75 percent	Results of most recent tracking survey are pending.
<u>Intermediate Results</u>	
Improved diagnosis and treatment of STD's	Guidelines for health provider management of STDs developed and implemented. Treatment protocols currently being developed
Improved HIV/STD surveillance	Public Health reference lab in Accra completed, status for completion of zonal labs follows: Tamale (75 percent), Kumasi (60 percent), and Sekondi (15 percent)
Zonal laboratories constructed and operational	All sentinel laboratory sites submitted reports on HIV prevalence among low-risk groups for 1994. One site submitted reports for high-risk groups.
All ten sentinel sites provide complete reports on prevalence in high and low risk groups	

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Prevalence of AIDS in Ghana has not reached epidemic proportions as in other countries. HIV prevalence among low risk groups currently ranges between 2 to 4 percent with some areas reporting rates of over 10 percent. To slow the rise in HIV prevalence, steps need to be taken to decrease risky sexual behavior among Ghanaians. The Mission expects results from the 1995 tracking survey to show continued progress in meeting targets for increasing knowledge and practice of risky behavior. During the past year the number of NGOs receiving training in AIDS education under the Family Planning and Health Project grew to 18 (eight more than the number originally targeted). Using newly-learned techniques in peer counseling, these groups can reach a growing number of Ghanaians, especially those living in rural areas, with accurate messages about transmission and avoidance of HIV/AIDS.

Progress continues steadily on the policy side. To foster political support and an enabling environment for HIV/AIDS activities, the Mission and its partners under the Family Planning and Health Project collaborated with the National Aids Coordinating Program to develop an AIDS Impact Model (AIM) for Ghana. Beginning last November, this model is being shown to policy makers and opinion leaders at national, regional and district levels.

The model will be an effective tool not only for raising AIDS awareness but also for guiding policy formation and programming of resources.

The Mission is working closely with the Ministry of Health to monitor progress in improving the laboratory surveillance system. Construction of zonal health laboratories fell behind schedule due to the pace at which NPA funds were released but is now getting back on track. Concerns have also been raised about laboratory management, whether the Ministry of Health will be able to make appropriate appointments to manage the zonal laboratories. As the lead donor in AIDS prevention, USAID/Ghana is in a position to work with the ministry to address these issues.

*SPECIAL OBJECTIVE: STRENGTHEN DEMOCRACY*

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End of Project Status

All major political parties endorse new registry and voter cards

All major political parties participate in and accept the results of the 1996 election

More than 60 percent of registered voters cast ballots in 1996 elections

Portion of registered voters who are women increases to 51 percent in 1996

Progress

Registration closed October 15, 1995. All 8 political parties participated in the Intra-Party Advisory Committee

Political parties nominated a full complement of agents for almost every registration center in the country. Training of 80,000 party agents and registration officials was conducted in July/August of 1995

Voter registration resulted in 91 percent of eligible voters registering to vote

Data compiled so far from 6 of 10 regions shows women comprised 51 percent of registered voters.

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USAID/Ghana has worked closely with the Ghanaian government to ensure that the November 1996 elections are open and credible. An encouraging step in this direction occurred with the success of the voter registration which took place October 1-15, 1995. This was the culmination of a massive effort in partnership with the Government of Ghana along with assistance from Britain, Canada and Denmark to train 56,648 voter registration officials and 80,000 party agents in addition to providing the necessary equipment and supplies to 18,766 registration sites. Careful planning and execution paid off with one of the highest registration rates in the world. Of about 10 million eligible voters, approximately 9.1 million - just over 90 percent - registered to vote. According to preliminary figures, the lowest registration rates were recorded in the Eastern Region along with the regions in the northern part of the country. However the registration rate did not fall below 73 percent in any of the regions. Data compiled so far from six of ten regions shows that targets for women's participation will most likely be met. Younger women in particular turned out in large numbers to register. Registration for women ages 25-45 in many areas is significantly higher than that of men. What has been most surprising is the high rate of participation recorded thus far among women in the more conservative, rural northern regions. Their participation has matched the overall national level.

Obtaining support from all political parties has been a delicate issue during the past year. The dominant government party, the National Democratic Party (NDC), had pulled out of the Inter-Party Advisory Committee in September 1994 following a disagreement with the Electoral Commission. The absence of the NDC cast a shadow on the credibility of the registration process since the committee serves as a forum through which all registered parties can express opinions and concerns in the planning of elections events as well as a conduit through which the Electoral Commission informs the parties on the status of plans and activities surrounding the elections. The decision of the NDC to return to Inter-Party Advisory meetings just after the completion of registration was very welcomed.

The registration process appears to have been reliable. In addition to the high rate of participation, registration was for the most part orderly and calm. Challenges were peacefully identified and are now in the process of being resolved. The political parties have given the process a qualified endorsement, pending inspection of the provisional register when this is available in April 1996.

### III. STATUS OF THE MANAGEMENT CONTRACT

**Strategic Objective Changes:** Ghana is a focus country. A Country Strategy for FY 1997 to 2001 was submitted to the Africa Bureau in early February 1996 for review and approval in early March. The Country Strategy was developed in consultation with partners and customers and incorporates the principles of reengineering. Changes and refinements to Strategic Objectives are presented, along with intermediate results and associated performance indicators. This will form the basis for the Missions Management Contract.

**Special Concerns:** This Results Review is based on data collected with and by the GOG, local research institutions, and implementing agencies and contractors. A series of monitoring and evaluation workshops for local PVO and NGO representatives were conducted by the mission in 1995, to strengthen institutional capabilities.

**Environmental Concerns:** USAID Ghana is not aware of any issues related to the implementation of requirements under 22 CFR 216. Requirements for Initial Environmental Examination or Environmental Assessments will not be known until completion of the Country Strategy Review. However, the Missions expects that IIEs will be required for a new Primary Education Program during the fourth quarter of FY 1996, and for a new Agricultural Enterprise Program in FY 1997. Specific agriculture related activities may also require EAs during FY 1997.

## ANNEX A

### REVISION OF INDICATORS AND EXPECTED LEVELS OF ACHIEVEMENT

#### **Goal: Promote sustainable, market-oriented economic growth**

Private sector investment as a percent of GDP: Source of data revised to IMF. Expected values are from FY 1991-96 CPSP. The IMF series is based on GOG National Accounts. Although this measure is known to omit certain types of fixed capital formation, such as private agricultural land improvements, the baseline data reported in the past has not been replicated.

#### **Subgoal 1: Increase income and employment in the non-traditional export sector**

Numbers of new jobs (FTEs) created in the non-traditional export sector: Baseline data are extrapolated to estimate total direct employment of registered non-traditional exporters. Previously, only employment of firms surveyed was reported, grossly underestimating sectoral employment. The 1996 expected value is based on the PAAD for the Trade and Investment Program. A new NTE survey is in progress.

#### **Strategic Objective 1: Increase private sector non-traditional exports**

##### **Intermediate result 1.2: Improve enabling environment for export expansion**

The indicator, *% of non-traditional exporters using the duty relief system*, has been dropped. This indicator does not give a clear indication of the extent to which exporters benefit from government incentives. The bonded warehouse facility has overtaken the duty drawback facility in terms of total value of duty relief. This facility benefits mainly larger producers who comprise a small proportion of exporters. Also, preliminary results from the survey of non-traditional exporters in progress show that some firms are taking advantage of other incentives.

#### **Strategic Objective 2: Lower fertility**

##### **Intermediate Result 2.2.1: Increase availability of family planning service and commodities**

The indicator, *# of MOH outreach sites which offer family planning services*, has been dropped. The target of 5000 sites was met in 1993. Final total of outreach sites is 5088.

Figures reported back to 1992 for the indicator, *# of GRMA members providing family planning services*, have been changed to reflect more current information. GRMA reports targets based on the cumulative number of members who have received training. The actual numbers are based on the number of midwives who regularly report on their family planning practice. During 1995 GRMA refined its monitoring and evaluation system to better track these figures. While doing this GRMA carefully looked at records and corrected its figures.

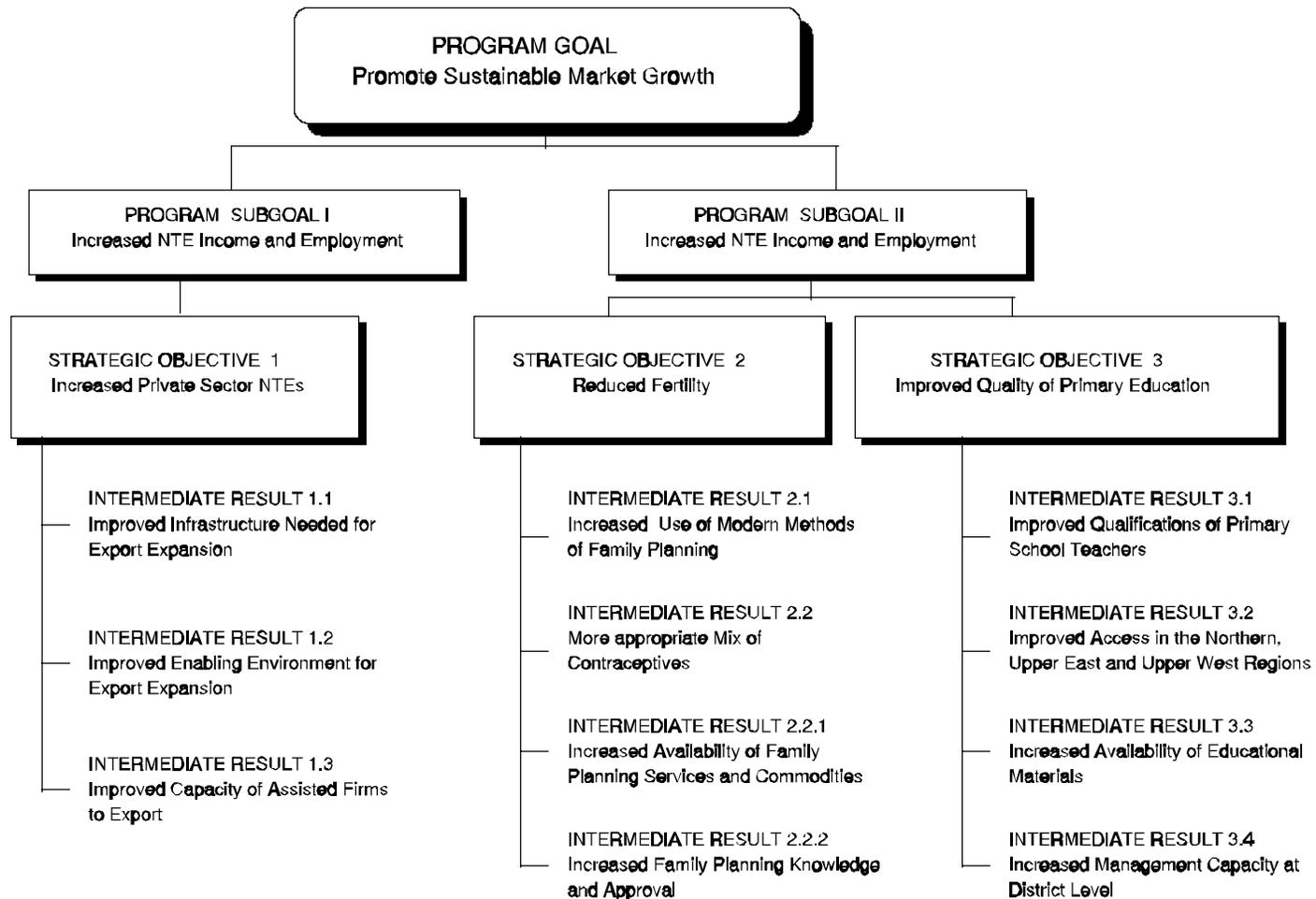
## ANNEX B

### LIST OF ACRONYMS

API	Assessment of Program Impact	GRMA	Ghana Registered Midwives Association
CBS	Consumer Baseline Survey		
CEPS	Customs and Excise Prevention Service	GSMF	Ghana Social Marketing Foundation Formerly the Ghana Social Marketing Program (GSMP)
CPR	Contraceptive prevalence rate	JSS	Junior Secondary School
CRT	Criterion Referenced Test	MOE	Ministry of Education
CYP	Couple-years protection - <i>The amount of protection afforded to one couple over one year by a given amount of contraceptive product</i>	MOH	Ministry of Health
		NA	Not available
DRC	Domestic resource costs. A measure of cost-efficiency for producing crops locally compared to the costs on the world market.	NPA	Non-project assistance
		NTE	Non-traditional export
DHS	Demographic and Health Survey	P6	Sixth year of primary school
FAGE	Federation of Associations of Ghanaian Exporters	PPAG	Planned Parenthood Assn. of Ghana
FPHP	Family Planning and Health Program	PBME	(Office of) Planning, Budget, Management and Evaluation. A division within the MOE.
GAWE	Ghana Association of Women Exporters	PREP	Primary Education Program
GEPC	Ghana Export Promotion Council	SSS	Senior secondary school
GHANAPA	Ghana Population and AIDS Program	TIP	Trade and Investment Program
GIPC	Ghana Investment Promotion Centre	TFR	Total fertility rate
GOG	Government of Ghana	VAT	Value-added tax
GLSS	Ghana Living Standards Survey		

ANNEX C

GHANA PROGRAM LOGICAL FRAMEWORK



## ANNEX D

### GHANA TRADE AND INVESTMENT PROGRAM - POLICY PERFORMANCE MATRIX

Policy	Problem Areas	Planned Policy Changes	Current Status	Index
Elimination of Foreign Exchange Control Form A2 for Non-traditional exporters	Foreign exchange controls on export earnings result in higher costs and lower profits for exporters, especially for new entrants and small operators.	To issue a legislative instrument to remove the requirement to complete an A2 Form for non-traditional exports. To pass a new Export and Import Law to replace Act 418, where the need for the A2 form is restricted to traditional exports.	Minister of Trade and Industry moved for a final vote on the new Export and Import Bill without the Export Development Fund. Parliament approved new Bill on July 19, 1995. President Rawlings assented on August 3rd, 1995, and the Bill became law as Act 503, when it was officially published in the Gazette on September 1st, 1995. Minister of Trade issued public announcement abolishing the A2 for non-traditional exports on 26 September 1995.	'95: 100% '94: 70%
Introduction of a Simplified Export Form for Non-traditional exports	Exporters are not able to purchase and complete the Customs Entry Form. They are forced to hire a trained "Declarant." Current form demands excessive amount of information, and data collected is sometimes wrong.	To introduce a simple form that can be completed by exporters themselves at the time of export, providing only essential information for statistical purposes. This new form is intended to replace both the A2 and the SAD (Customs Entry Form) for non-traditional exports.	The Export and Import Act, 1995 (Act 503) introduced the Ghana Export Form to replace both the A2 and the SAD for non-traditional exports. CEPS has issued Commissioner's Order No.11 on September 22, 1995 instructing customs officers at all posts to act accordingly. New forms have been distributed to all border posts, and were on sale for 1,000 on September 30, 1995. Software for the capture of data has been installed at Tema, Kotoka, and Takoradi ports.	'95: 100% '94: 80%
Limit the Power of other branches of Government to Restrict or Prohibit Exports	There is no office in Government coordinating prohibitions or restrictions imposed on exports by different Ministries or other branches of Government. Any Agency can issue administrative regulations on exports without consultation with the Ministry of Trade.	To introduce as part of the new Export and Import Law a clause requesting that (a) new restrictions on exports can be imposed only by legislative instrument, and (b) the Ministry of Trade and Industry should review and present its recommendations on the matter.	Memo and amendment to the new law was drafted. New law on Exports and Imports resubmitted to Parliament in January 1995, but without amendment. Attorney General's Officer advises that issues of encroachment of domains by other agencies are best handled in Cabinet. Introduction of the "Gateway" concept will help harmonize policies across Ministries and agencies, and will create a Secretariat charged with coordinating all policy matters pertaining to trade and investment. MOTI imposed a ban on export of raw lint cotton as a measure to ensure a supply of cheap, raw material for the domestic textile industry. The ban runs counter to the spirit of TIP. MOTI is under increasing pressure from manufacturers to impose special duties on imports of competing products.	'95: 45% '94: 35%

<b>Policy</b>	<b>Problem Areas</b>	<b>Planned Policy Changes</b>	<b>Current Status</b>	<b>Index</b>
Duty Drawback for Exporters	Exporters pay import duties and sales tax on inputs imported or bought locally. This raises their costs to the point of making many potential exports uncompetitive in the international market.	To establish a Duty Drawback Bureau at the Customs, Excise and Preventive Service, with the mission of reimbursing exporters all duty and sales taxes paid on imported inputs. Funds from TIP used to cover the rebates. Provide for fixed coefficient rebates per unit of product, based on average composition of product.	A Duty Drawback Bureau was established at CEPS and rebates of duty and sales tax amounting to \$300,000 have been granted in the first 18 months of operation. However, demand remains below expectations. Fixed coefficient rebates for carton packaging were announced in March '95. Possible rebates of levies on jet fuel and residual fuel under discussion. Exporters prefer to obtain sales tax exemptions from the Duty Drawback Bureau, rather than pay first and get a drawback later.	'95: 85% '94: 80%
Bonded Manufacturing and Temporary Importation	Manufacturing enterprises producing mainly for exports have problems clearing through customs needed inputs; delays can be costly; and capital is tied up in duties and taxes.	To streamline the regulations to facilitate the establishment of bonded manufacturing warehouses and the temporary importation of materials, without payment of duties, provided appropriate bonds are established to cover any potential liability.	Several factories have been established under current regulations: Starkist, Divine Foods, Volta Garments, Oriental Pacific, Lakshimi, and Mim Wood Products. Exemption from pre-shipment inspection granted to some of these firms. Open bonded-warehouse status also being considered by CEPS. Streamlined regulations on in-bond manufacturing and temporary importation have yet to be issued by the CEPS Commissioner to harmonize with provision of Free Trade Zone Bill. Passage of the Free Zone Act (Act 504) will expand the coverage of in-bond manufacturing.	'95: 50 % '94: 40%
GEPC Registration	Before TIP, exporters were required to be up to date in their dues and registration with the Ghana Export Promotion Council. Registration with GEPC required an IRS certificate that no unpaid taxes were pending.	To make the registration of exporters with GEPC a recommended but voluntary practice. To facilitate registration with GEPC by removing the requirements for registration to a minimum.	Export shipments are no longer stopped for lack of registration with GEPC. Exporters willingly register with GEPC, and there are no onerous requirements to do so. The fee for registration reduced to C/20,000, of which one third passed to associations and another third to FAGE.	'95: 100% '94: 100%
Removal of Obsolete Laws and Regulations	There are many laws and regulations technically in effect but that have been overtaken by events, and are therefore administratively ignored by enforcing agencies.	To revoke or repeal several L.I.s issued by the Ministry of Trade and Industry, such as those banning the export of scrap metal, or exports of yams less than 7.5 tons.	L.I. 1354 banning export of small shipments of yams was repealed when the new Export & Import Bill was enacted. MOTI decided to retain L.I. 581 (banning exports of brass and non-ferrous scrap metal), and another banning exports of raw rattan and bamboo canes.	'95: 50% '94: 50%
No-Prepayment and 100 percent Retention of export earnings.	Prior to TIP, exporters were allowed to keep only 35 percent of their foreign exchange earning, the rest was surrendered to the Bank of Ghana. First time exporters were required to pre-pay their foreign exchange even before exporting.	Conditions precedent for release of TIP tranches required the Bank of Ghana to grant 100 percent retention for NTEs and not to require pre-payment from first-time exporters.	BOG issued notices removing pre-payment for first time exporters and granting 100 percent retention for non-traditional exporters. However, effect was nil because commercial banks would not issue A2s under such conditions. Under the new Export and Import Bill exporters are not required to repatriate their earnings; hence these conditions were de facto attained.	'95: 100% '94: 50%

Policy	Problem Areas	Planned Policy Changes	Current Status	Index
Introduction of Value Added Tax	Starting in March 1995, a value added tax was to replace the sales tax for both imports and domestically produced products and services. Exporters had to pay tax on inputs but were exempt from charging tax on exports. No provision was made in the law for exporters to receive rebates on net-overpayments of VAT. There is little understanding on how the VAT would affect exports.	Provisions to rebate promptly any accumulated value added tax to exporters. Announce clear and simple procedures for exporters to apply for such rebates. Issue clear instructions to exporters on how to handle the VAT. Provisions for manufacturers of packaging materials for exports to get refund on VAT paid on imported inputs.	Government withdrew the Value Added Tax after three months of operation, after opposition to it grew into mass demonstrations and violent clashes. On June 10, 1995 Government reinstated Sales and Service taxes at 15 percent. Exporters and manufacturers will again have to request exemption from duty and sales tax on imported inputs and equipment.	'95: 00 % '94: 10%
Relief from Pre-Shipment Inspection	The Ministry of Trade and Industry issued new rules requiring pre-shipment inspection for all imports into Ghana, to ensure full payment of duties and taxes. Manufacturers complain of long delays and the high cost of such inspection for equipment and raw materials, that do not attract taxes or duties.	Manufacturers and exporters should be relieved from the unnecessary cost and hassles of pre-shipment inspection for imported inputs and equipment. PSI regulations should be made more selective to apply mainly to consumer goods that attract duties and taxes.	MOTI has granted exemption from pre-shipment inspection to two in-bond manufacturing firms that export nearly all their production. Other in-bond manufacturers should benefit as well, but no others have applied for exemption from PSI. MOTI has raised the threshold for PSI from \$3,000 to \$5,000.	'95: 20 % '94: not included