



History of USAID in Ghana



GHANA: FACT SHEET

Ghana is a multiparty constitutional democracy with a democratically elected government. Since January 1993 when Ghana ushered in the Fourth Republic, three presidential and parliamentary elections have been held successfully. The most recent one was in December 2000, which resulted in a change of government from one political party to another, with a peaceful and orderly transition. President John Agyekum Kufuor was elected on December 28, 2000, and sworn into office for a four-year term on January 7, 2001.

Ghana is located on the west coast of Africa bordering the Gulf of Guinea with a 539-kilometer stretch of coastline. It shares borders with Togo to the east, Cote d'Ivoire on the west and Burkina Faso to the north. Ghana covers a total area of 238,537 square kilometers (92,100 square miles).

Ghana continues to enjoy a stable political environment despite increasing instability in the West African sub-region. The country is one of the U.S. Government's most important partners in sub-Saharan Africa. It is the U.S. Government's third largest non-oil producing purchaser of U.S. exports in the region and continues to play a

pivotal role in the promotion of regional political and economic stability. Civil society organizations are emerging as active participants in framing the agenda of government. Parliament's prominence as a dynamic arm of government is growing, and the press is free and vibrant.

Ghana's economy is a small one, with 20.5 million people living in the country. Nevertheless, it is positioning itself to be the trade and investment gateway to West Africa, a region of over 250 million people. Ghana has made significant strides toward advancing key economic reforms needed to invigorate the private sector. The overall level of poverty has been reduced from 52% in 1992 to 40% in 1999. Modest gains have been made in primary school enrollment, and health trends are steadily improving. The HIV/AIDS prevalence rate is estimated to be 4.1%, which is significantly lower than the 6 to 9.7% rates in neighboring countries.

When the current government assumed power, it promoted a private-sector led development approach heralded as the "Golden Age of Business". The government chose to participate in the World Bank's Heavily Indebted Poor Country (HIPC) initiative, which will allow Ghana to divert interest and debt payments due on pre-June 20, 1999 loans to creditor-approved poverty reduction programs. As of March 31, 2003, Ghana had \$6.470 billion in debt. About \$2.186 billion of this debt is eligible for diversion to poverty reduction programs under the HIPC initiative.

USAID/Ghana is simultaneously implementing the penultimate year of the Country Strategic Plan FY97-FY04 and has developed a new seven-year CSP FY04-FY10. The mission is consolidating current programs to focus on activities that have proven successful and will be continued in some form during the next strategic period. This includes increasing private-sector-led economic growth, improving primary education, family health and family planning, controlling the spread of HIV/AIDS, and enhancing good governance.

HISTORY OF USAID IN GHANA

The United States Agency for International Development (USAID) started its assistance to Ghana in 1957, the year of the country's independence from British rule. During the first eight years (1957-1965) of USAID's presence, the agency's activities were in agriculture, training and infrastructure, including support for the construction of the Akosombo Dam. Between 1966 and 1974, the activities turned to balance of payments support in the form of loans for commodity imports. In addition, USAID provided cotton and oil under concessional food aid loans for Ghana's industrial sector. USAID also strengthened the country's agricultural extension service, farmer training institutes and seed multiplication service, and implemented a family planning and health technical assistance program.

In 1975, USAID increased the focus on rural sectors and had a major program of support to increase maize production in the Brong-Ahafo and Ashanti regions. This included support for agricultural inputs and construction of feeder roads. Beginning around 1978, growing distortions in the economy, such as an overvalued exchange rate and heavily negative interest rates, combined with the coup in 1981, led to a period of reduced programming.

In 1987, however, USAID's assistance levels began to rise as a result of the success of the economic reforms that the government began in 1983. By 1990, the annual budget increased to about \$12 million per annum plus another \$5-\$10 million in food

aid commodities. The assistance supported programs in health, education and agriculture. In agriculture, USAID assisted the privatization of the seed industry and feeder road development. In the education sector, the Mission provided funding for primary education, and introduced testing of academic performance of pupils in English and Mathematics. USAID also supported maternal child health and programs in HIV/AIDS prevention.

USAID began a new strategy in 1992, with an average funding of \$35 million per year, concentrating on export-led economic growth, family planning, quality primary education, environmental protection, and HIV/AIDS prevention.

Building on this program, USAID embarked on another strategy in 1997 which focused on economic growth (trade, microfinance, tourism, and energy); health (reproductive health/child survival, mother and child health care, and HIV/AIDS prevention); primary education (community involvement, teaching improvement, better management); and democratic governance (civil society and local government, anti-corruption, and parliamentary systems). Funding averaged \$38 million per annum plus \$15 million in food aid commodities.

The achievements and lessons of the 1997 strategy have convinced USAID to continue assistance in health, basic education, economic growth, and democratic governance in support of Ghana's poverty reduction efforts.