

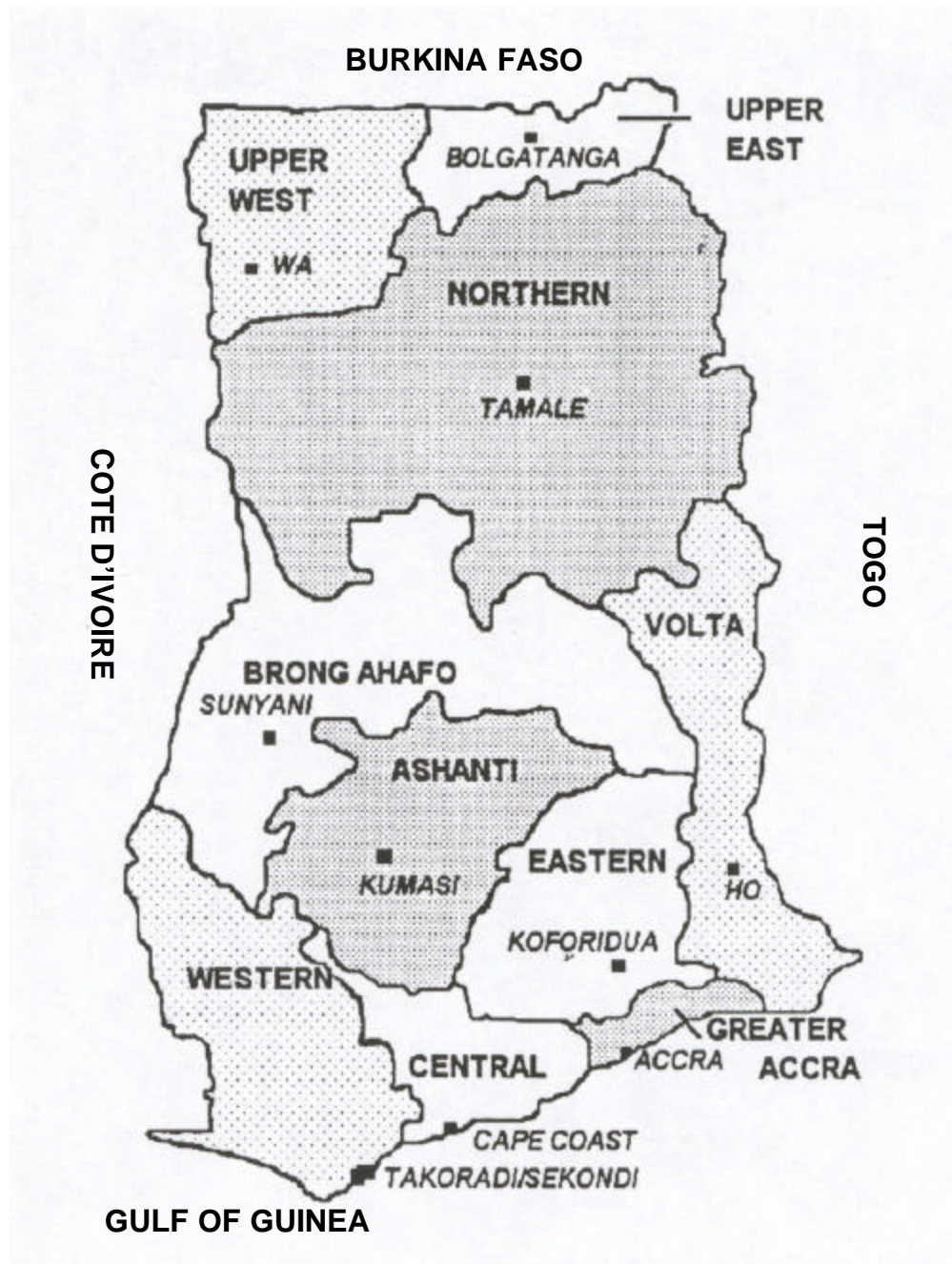
USAID/GHANA
COUNTRY STRATEGIC PLAN
(2004-2010)



**EMPOWERING GHANAIS THROUGH PARTNERSHIPS
TO BUILD A PROSPEROUS NATION**

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MAP OF GHANA



Ghana is located on the west coast of Africa bordering the Gulf of Guinea, with Togo in 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) and has 110 districts within its 10 administrative regions.

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Glossary

AID/W	AAgency for International Development (Washington Headquarters)
AGOA	African Growth Opportunity Act
AFSI	Africa Food Security Initiative
AIDS	Acquired Immune Deficiency Syndrome
AIEHA	Agriculture Initiative to End Hunger in Africa
AM	Assembly Member
ARH	Adolescent Reproductive Health
CBD	Community-Based Distribution
CBNRM	Community-Based Natural Resource Management
CBO	Community-Based Organizations
CDF	Comprehensive Development Framework (donor forum)
CHPS	Community-Based Health Planning and Services Program
CIDA	Canadian International Development Assistance
CO	Community Organization
CRT	Criterion Reference Test
CS	Child Survival
CSO	Civil Society Organization
CSP	Country Strategic Plan
DA	District Assembly
DACF	District Assembly Common Fund
DANIDA	Danish International Development Agency
DCA	Development Credit Authority
DCE	District Chief Executive
DEO	District Education Officer
DEOC	District Education Oversight Committee
DESC	District Education Stakeholder Committee
DfID	Department for International Development (British)
DHS	Demographic and Health Survey
DHSC	District Health Stakeholder Committee
DLG	Democratic Local Government
DPT3	Diphtheria/Pertussis/Tetanus Vaccine
ECOWAS	Economic Community for West African States
EG	Economic Growth
EGAT	Bureau of Economic Growth, Agriculture, and Trade (USAID)
E/NRM	Environment/Natural Resource Management
EPI	Expanded Program for Immunization
FFP	Food for Peace
FP	Family Planning
FY	Fiscal Year
GDP	Gross Domestic Product
GES	Ghana Education Service
GEU	Girls Education Unit
GHS	Ghana Health Service
GOG	Government of the Republic of Ghana
GNAT	Ghana National Association of Teachers
GPRS	Ghana Poverty Reduction Strategy (PRSP)
GTZ	German Aid Organization
HIPC	Heavily Indebted Poor Country
HIV	Human Immuno-Deficiency Virus
ICASS	International Cooperative Administrative Support Services
ICT	Information/Communications Technology

IEC	Information, Education & Communication
IEHA	Initiative to End Hunger in Africa (USAID)
ILGS	Institute of Local Government Studies
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IR	Intermediate Result
IT	Information Technology
ICT	Information and Communications Technology
MCA	Millennium Challenge Account
MDA	Ministries, Departments, and Agencies (GOG)
MHO	Mutual Health Organization
MLGRD	Ministry of Local Government and Rural Development
MOE	Ministry of Education, Youth, and Sports
MOH	Ministry of Health
MP	Member of Parliament
MPP	Mission Performance Plan
MT	Metric Tonne
NACoGG	National Advocacy Committee on Good Governance
NALAG	National Association of Local Governments
NDC	National Democratic Congress
NDAP	National Decentralization Action Plan
NED	National Economic Dialogue
NGO	Non-Governmental Organization (usually a national-level PVO)
NEPAD	New Plan for Africa's Development
NPA	Non-Project Assistance (USAID)
NPP	New Patriotic Party
NRM	Natural Resource Management
OIC	Organization of Islamic Countries
OR	Operations Research
ORT	Oral Rehydration Therapy
PLWA	Persons Living With AIDS
PTA	Parent/Teacher Association
PRSP	Poverty Reduction Strategy Paper
PVO	Private Voluntary Organization
QUIPS	Quality Improvements in Primary Schools Program
REV	Rural Education Volunteers
RH	Reproductive Health
SMC	School Management Committee
SO	Strategic Objective
STI	Sexually Transmitted Infection
TA	Technical Assistance
TFR	Total Fertility Rate (average number of children per woman)
WAEMU	West African Economic and Monetary Union
WARP	West Africa Regional Program (USAID)

I. EXECUTIVE SUMMARY

Overall Assistance Environment

Ghana is at a critical stage in its political and economic development. While its democratic systems are consolidating, Ghana remains a fragile democracy vulnerable to the repercussions of an increasingly volatile West Africa region. Armed insurrection in western neighbor Ivory Coast and continued fighting in war-torn Liberia have caused a steady stream of refugees to pass over Ghana's borders. Smoldering political, ethnic and religious hostilities in eastern neighbors, Togo and Nigeria, have the potential to ignite and further destabilize the region. Yet, Ghana remains an oasis of tranquility and hope for a democratically and economically vibrant West Africa. Civil society organizations are emerging as active participants in framing the agenda of government. Parliament's prominence as a dynamic branch of government is growing. The press is free. In recent months the Government of 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. Health trends are steadily improving. The general HIV/AIDS prevalence rate is 4.1%, significantly lower than the 10% rates of its neighbors.

Key Political, Economic and Social Challenges and Trends in Ghana

Although Ghana has made significant progress in the last decade and the key developments trends are positive, it faces daunting challenges. As in 1996 Ghana ranks 129 out of 173 countries on the United Nation's (2000) Human Development Index which measures life expectancy, adult literacy and per capita income. While the total fertility rate has dropped to 4.6 children per woman in 1995-2000 from 6.9 in 1970-1975, women continue to have more children than they desire due to lack of access to contraceptive services and commodities. At a growth rate of 2.7% per annum, Ghana's current population of 20.5 million will double in 24 years, placing enormous pressure on the economy and environment. Poverty in the three northern regions persists between 69% and 88%. The Government of Ghana (GOG) expects the Real Gross Domestic Product (GDP) to rise from 4.5% per annum in 2002 to 5% per annum in 2005. However, the Ghanaian GDP needs to grow by more than 7% annually in order to substantially reduce poverty. Although Ghana has a long history of political decentralization, devolution of fiscal and administrative authority is hampered by the fact that local governments lack the capabilities to plan, budget, implement and monitor programs in a participatory manner and communities lack the advocacy skills needed to participate in shaping the agenda of local government. Despite these challenges, Ghana is increasingly viewed as an attractive gateway to the region by development donors and investors searching for a viable West African partner.

The GOG Development Program

When the current government assumed power in 2000, it promoted a private-sector led development approach heralded as the "Golden Age of Business". The following year, the GOG chose to participate in the 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 the end of March 2003, Ghana had \$6.470 billion in debt. About \$2.186 billion (or a third) of this debt is eligible for diversion to poverty reduction programs under the HIPC initiative. Although the HIPC completion point is February 2004, some of these funds have already been made available to the GOG. In the 2003 budget 80% of the total HIPC savings are budgeted for poverty reduction projects and 20% are earmarked for domestic debt reduction which serves an important macro level poverty reduction objective. The GOG's poverty alleviation program is documented in five key initiatives:

- (1) The Coordinated Programme for Economic and Social Development of Ghana (2003-2012) or “Vision 2012” describes an ambitious goal of achieving a per capita income of \$1,000 by 2012.
- (2) The 2003-2005 Ghana Poverty Reduction Strategy (GPRS), approved by the World Bank and International Monetary Fund (IMF) in May 2003, has as its goal the achievement of sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded populations within a decentralized democratic environment. Specifically, the GPRS aims to raise real growth to at least 4.9% on average per year; increase poverty spending, financed in part through the HIPC Initiative; reduce inflation from 15.2% at the end of 2002 to a single digit in 2003 and beyond; and rebuild gross official reserve holdings to three months of imports for goods and services by 2005.
- (3) The National Economic Dialogue (NED) is an annual public-private effort to build consensus on national priorities among the Ghanaian leadership and society. The NED process is recognized in the GPRS as an important vehicle for stakeholder input.
- (4) The Financial Sector Strategic Plan (FSSP) attempts to achieve a single framework for financial sector reforms to make it more private sector and investment friendly.
- (5) The Medium-Term Expenditure Framework (MDTEF) is the budgetary framework that Ghana uses to produce its annual budget. It turns the planning into action.

U.S. National Interest in Ghana

As the third largest non-oil producing purchaser of U.S. exports in the region, Ghana is one of the U.S. Government's most important partners in Sub-Saharan Africa. Ghana has increasingly played important roles in promoting regional political and economic stability. Ghana's President chairs the 16-nation Economic Community of West African States (ECOWAS) and was a major contributor to the Ivory Coast peace negotiations, an important objective of the U.S. foreign policy in Africa. U.S. national interests in Ghana parallel those of the GOG and people of Ghana. These interests include strengthening democracy, invigorating economic growth, and improving the lives of Ghanaians by enhancing the quality of education and health services delivery. USAID/Ghana's program is fully integrated with the U.S. Mission Performance Plan.

USAID/Ghana's Strategic Response

In February 2002, USAID Ghana began a broad process of stakeholder consultations, assessments and analysis which led to the development of this seven-year Country Strategic Plan (CSP) for the period 2004 to 2010. This strategy will overlap one year with the 1997 – 2004 CSP to ensure a smooth transition. Through a rigorous consultation process, we found that weak governance and slow growth continue to be the key constraints to poverty alleviation. While this new strategy builds on the strengths and the many successes of the previous strategy's broad-based economic growth plan, the new strategy is more focused on supporting Ghana's ambitious poverty reduction strategy through strengthening governance systems and promoting private sector growth. Accordingly, our Program Goal is:

Equitable Economic Growth and Accelerated Poverty Reduction within a System of Sound Democratic Governance

This Goal directly supports Ghana's poverty alleviation program as articulated in the country's vision documents, including the GPRS and Vision 2012. Four Strategic Objectives will contribute to USAID Ghana's Program Goal.

SO5: Strengthened Democratic and Decentralized Governance through Civic Involvement

The Democratic Governance Strategic Objective (641-005) directly supports Ghana's poverty alleviation program by improving governance. One of the main objectives of the GPRS is to strengthen the country's democratic and decentralized system. The new Democratic Governance (DG) Strategic Objective fully supports Ghana's efforts to create a democratic system which is more accountable and responsive to its citizens. It will enhance the responsiveness of key governance institutions to citizens by strengthening Parliament and supporting the Decentralization Action Plan of the Ministry of Local Government and Rural Development (MLGRD). The strategy will also assist the efforts of national level civil society advocacy groups that are keen to participate in framing the government's agenda and providing input into key reform areas. Secondly, the strategy will improve local governance by strengthening the ability of District Assemblies (DA) to plan, budget, finance, implement and monitor activities in a participatory manner, leading to more transparent and accountable governance. Finally, the strategy will empower communities and civil society organizations at the local level by building their capacity to influence local government's decisions on the key issues that affect their lives, particularly education and health. The results of this strategy will be:

- Enhanced responsiveness of key government institutions to citizens (Intermediate Result (IR) 5.1)
- Strengthened District Assembly capacity for democratic governance (IR5.2)
- Improved sectoral advocacy performance by communities and civil society organizations (IR5.3)

SO6: Competitiveness of Ghanaian Private Sector in World Markets Increased

The Private Sector Competitiveness Strategic Objective (641-006) directly supports the GPRS and Vision 2012 by increasing the competitiveness of Ghana's goods and services in world markets. No distinction is made between domestic and export markets. In fact, as barriers to trade fall and free trade agreements proliferate, competition may eventually become as intense within domestic markets as it is in export markets. In the very broadest sense, therefore, the challenge is to help Ghana's private sector become competitive in global markets. It remains the case that the ultimate test of an enterprise's competitiveness hinges on whether it is able to go head to head with foreign competitors, even when a good share of its production is destined for the domestic market. This includes agricultural production for both export and domestic markets. At present, competing in overseas markets in developed countries provides the greatest opportunities for technological modernization, market exploitation and high profits. Focus will be on agricultural and other exports (including services) that have the greatest potential for exponential growth.

The Private Sector Competitiveness Strategic Objective will increase employment and incomes in a sustainable manner. In fact, a dynamic private sector is the only economic engine powerful and efficient enough to increase incomes and employment fast enough, and to reduce poverty in a significant manner to ensure that continued increases are sustainable. The main results of this SO will be:

- An improved enabling environment supportive of private sector competitiveness (IR 6.1)
- Strengthened capacity of private sector enterprises to compete in selected product categories (IR 6.2)

SO7: Health Status Improved

The Health Strategic Objective (641-007) strives to ensure continued and increasing impact on the health status of Ghanaians while addressing issues of sustainability. The new Health program builds on USAID/Ghana's comparative advantage and leadership in the areas of community health service provision, child survival and reproductive health, social marketing, health insurance and HIV/AIDS prevention. However, the new Health Strategic Objective has more of an urban focus, emphasizes private sector involvement, strengthens newborn care, expands HIV/AIDS activities beyond prevention to care and support, addresses key GOG organizational constraints, such as personnel performance management, and enhances decentralized local capacity development.

USAID's approach to maintaining and expanding positive trends in health status builds on the GOG's sector-wide program. It also focuses activities geographically and programmatically to maximize impact and increase complementarity with other donor programs. Features of the new program include:

- Emphasizing integration of health services as part of routine service provision at all levels to limit missed opportunities, improve efficiency and improve quality;
- Targeting community-based service delivery linked to quality referral centers in selected geographic areas;
- Linking health to other development activities, especially at the district and community level, to address inequality in access to basic services;
- Promoting public/private sector partnerships to expand access to quality health services; and
- Targeting HIV/AIDS interventions at most at-risk and high-transmission groups.

The Health SO aims to strengthen decentralized health care and promote individual and community empowerment through efforts to expand the Ministry of Health/Ghana Health Service Community-based Health Planning and Services (CHPS) program nationwide, instituting community health financing schemes, and advocating for community needs with central and local government authorities. Community "ownership" of, e.g., the CHPS process, and the quality of services provided are crucial to the success of this Strategic Objective. By the end of the strategy, the main result will be improved health practices with the following sub-results:

- Individuals and communities empowered to adopt appropriate health practices (IR 7.1)
- Expanded access to health services (IR 7.2)
- Improved quality of health services (IR 7.3)
- Strengthened MOH capacity to plan for and manage health program needs (IR 7.4)

SO8: Improved "Quality of and Access to Basic Education

The Basic Education Strategic Objective (641-008) focuses on improving the quality of and access to basic education. This strategy builds on the success and lessons learned in the 1997-2004 CSP. However, greater emphasis is placed on access, ensuring that Ghana's education system reaches an increasing proportion of school-age children, particularly girls in the northern regions. The strategy continues to emphasize quality, with a greater focus on reading with understanding as well as developing numeracy skills. Finally, the new strategy addresses the potential devastating impact HIV/AIDS could have on Ghana's teacher population and on both in-school and out-of-school youth.

Over the past few years the Ministry of Education, Youth and Sports (MOE), with the support of development partners, has designed systems which will improve pupil learning. The Whole School Development concept, which is the governments' structural vehicle for delivering reforms at the school level, has been operationalized. A system of financial reforms, including capacity building at the local level to enhance decentralized budgeting and reporting, is ongoing. A new Education Act, which supports decentralization and advances the role and legal right of citizens to demand accountability from education officers at the local level, will shortly be placed before Parliament. Over the past six months, the GOG developed an Education Strategic Plan for 2003-2015 in close coordination with USAID and other donor partners. Similarly, other donors and MOE officials fully participated in the design of USAID's strategy. Consequently, the MOE and USAID strategies complement each other. In fact, all five of the following intermediate results address key priorities of the GPRS and the GOG's Education Strategic Plan: (1) support for complementary and alternative education services in underserved areas to increase enrollments, especially targeting girls; (2) improve the quality of education by ensuring that children are reading at grade level by Grade 6; (3) strengthen the management of education services, particularly at the school and district level – to assure accountability for results; (4) build community capacity to advocate for and contribute to school and teacher performance; and (5) combat the spread of HIV/AIDS by increasing knowledge of the disease and the consequences of its transmission and fostering behavior change. The main results of the Education SO will be:

- Increased educational opportunities for girls in underserved areas (ie. three northern regions) (IR 8.1)
- Improved instruction system (IR 8.2)
- Improved school management accountability (IR 8.3)
- Increased community advocacy for and contribution to quality education (IR 8.4)

Millennium Challenge Account Investment

Ghana is eligible to compete for Millennium Challenge Account (MCA) funding and the U.S. Mission believes that Ghana will qualify, based on its commitment to ruling justly, investing in people and promoting economic freedom. The stated goal of the MCA is to reduce poverty by increasing recipient countries' economic growth trajectory. This requires an emphasis on investments that raise the productive potential of a country's citizens and enterprises and that help integrate its economy into the global marketplace for goods, services and capital. Despite the anticipated improvements in the enabling environment for private sector growth and direct support to exporters of non-traditional goods that USAID will provide, the lack of adequate infrastructure remains a major hindrance to Ghana's private sector initiatives. Unless the infrastructure deficiencies are vigorously and boldly addressed, Ghana will never realize its full potential as a competitor in the global marketplace. Ghana's poverty reduction strategy, supported by USAID's Private Sector Competitiveness Strategic Objective, would be greatly aided by MCA investments in road transport, energy and ICT infrastructure, with some resources devoted to expanding USAID's core policy/institutional reform and enterprise support program.

Crosscutting Themes

Empowerment: This strategy will be achieved through empowering Ghanaians (e.g. businesspersons, farmers, parents, teachers, and communities) to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives. The strategy aims to assist disenfranchised groups, such as Muslims and the disabled, to effectively participate in setting the agenda of government and accessing economic opportunities and social services.

Decentralization: Ghana's history of decentralization dates as far back as 1848. Today, the Local Government Act (Act 462) of 1993 provides the legal basis for implementing popular participation and ownership of the machinery of government. The need to strengthen institutions at the level where people can identify their problems, express their goals and priorities, hold government accountable and take ownership of the results is a common theme in this strategy and in Ghana's poverty reduction strategy.

Strategic Partnerships: Strategic partnerships will be developed and nurtured with other development donors, the Government of Ghana, civil society organizations and communities in order to identify key issues and sustainable solutions, and harmonize policies and interventions to achieve efficiencies and maximum impact under each Strategic Objective.

Gender: Gross disparities exist between the abilities of males and females to access information and resources and participate in processes and decision-making that affect their lives. This strategy continues the excellent gender mainstreaming started under the 1997-2004 CSP.

HIV/AIDS: Combating HIV/AIDS is a multi-sectoral endeavor, tackled under each strategic objective rather than simply as a health intervention. This strategy will target most at risk groups with HIV/AIDS funding through a range of best practices aimed at changing high risk behavior. The HIV/AIDS program will be evidence based. Research will be conducted to identify Ghana's most-at-risk groups. If teachers are found to be moderately at risk instead of "most at risk", DA rather than CSH funds will be used to address the particular challenges faced by that group.

Food Security: The Title II program played an integral role in advancing the 1997-2004 CSP through direct distribution and monetization of food assistance. The proceeds from monetization were used to support agriculture, water and sanitation, and health activities, directed primarily at the three northern territories, Ghana's poorest regions. Requirements to decrease monetization levels will force the Mission over time to reduce Title II development activities. Direct distribution of food assistance will continue in school feeding programs to ensure girls' enrollment levels remain high in the northern regions and may be expanded to provide nutritional supplements to people living with AIDS (PLWA).

Critical Risks and Assumptions

Ghana is vulnerable to a number of domestic and regional risks that could potentially destabilize the country and hamper the implementation of this strategy. Triggers that might result in a pause in implementation and/or a revamping of the strategy include, (1) escalating and prolonged regional conflict which results in a massive influx of refugees that overwhelm Ghana's ill-prepared social systems; (2) failure of the losing political party and/or the general public to accept the results of the 2004 presidential and parliamentary elections; (3) failure of the government to adhere to prudent fiscal norms; and (4) receipt of substantially reduced financial resources needed to implement Ghana's poverty alleviation program and/or this strategy. It is assumed that these risks can be mitigated by a variety of Ghana's stakeholders working in close coordination. Consequently, the Mission believes the targets and objectives set forth in this strategy are achievable.

Program Management

This Country Strategic Plan describes a results-oriented program aimed at supporting Ghana's poverty reduction strategy by partnering with key stakeholders and empowering Ghanaians to build a prosperous nation. Staffing levels are not expected to change dramatically from the levels required to implement the 1997-2004 CSP. USAID/Ghana, which currently provides regional support to several USAID presence and non-presence countries in the sub-region, has the capacity to assume greater regional responsibilities in financial management and contracting.

Resource Request

The funds required over the seven-year period covered by this strategy are \$232.187 million in Development Assistance/Child Survival and Health plus \$88 million in P.L. 480, for a total of \$320.187 million. This strategy assumes that monetization of food aid resources will diminish over the period of this strategy and fewer proceeds will be available to fund Title II activities.

II. OVERALL ASSISTANCE ENVIRONMENT

A. Overview

Ghana's democratic systems are clearly consolidating. In the 47 years since independence, Ghana's last two Presidential and Parliamentary elections (1996 and 2000) were declared free and fair and generally accepted by the population. The peaceful handover of power from one political party to a rival party after the 2000 Presidential elections was a monumental marker in Ghana's democratic maturation. Parliament is a vibrant institution where civil society input is sought and vetting of proposed legislation is increasingly commonplace. Civil society organizations have emerged as dynamic change agents at all levels of society. The press is free and active. Decentralization is viewed as the key governance mechanism for empowering communities and unleashing local initiatives to combat poverty in a sustainable manner.

After years of economic imbalances and overspending, the Government of Ghana has made significant strides toward advancing the key economic reforms needed to strengthen the economy and invigorate the private sector. The overall level of poverty has been reduced to 40% in 1999 from 52% in 1997. Health trends are improving. Under-five mortality rates have steadily declined. Modest improvements in school enrollments have occurred between 1998 (72.8%) and 2002 (79.9%). Ghana now assumes a wider regional role as its President chairs the ECOWAS Council.

Yet, Ghana still faces daunting development challenges. Lagging foreign investment and an overdependence on donor contributions (which constitute more than 30% of Ghana's budget) plague the Ghanaian economy. Pockets of severe poverty, ranging between 69% and 88% in the three northern (primarily Muslim) regions, persist. Small, but prolonged and unresolved, tribal clashes hamper progress. Ghana's HIV/AIDS general prevalence rate is 4.1%, much lower than the 10% rate of its neighbors, but prevalence among most-at-risk groups, such as commercial sex workers, is an alarming 76% in certain areas. The quality of basic education is poor, with only 10% of Ghanaian children who complete grade six able to read with understanding at that level. Women continue to have more children than they desire due to lack of access to contraceptive services and devices. At a population growth rate of 2.7% per annum, Ghana's current population of 20.5 million will double in 24 years, placing enormous pressure on the economy and environment.

Last September's coup attempt in the Ivory Coast, the civil unrest in Liberia and boiling political and religious clashes in Nigeria serve as forceful reminders that the hallmark of Ghana's polity is its stability. Although Ghana is a fragile democracy surrounded by failed and failing states, it remains an oasis of tranquility and hope for a democratically and economically vibrant West Africa. In sharp contrast to its neighbors, Ghana has demonstrated a commitment to democratic institution building, civilian control of the military, rule of law, and government accountability. To quote the U.S. Embassy's FY 2005 Mission Performance Plan (MPP) "We can nitpick around the edges, but in macro-political terms, Ghana is quantum leaps ahead of most other West African countries". In fact, Ghana is increasingly viewed as an attractive gateway to the region by development organizations and cautious investors searching for a viable West African partner. For this reason, the U.S. Government and other donor nations have a strong interest in supporting continued political and economic reforms, especially in areas related to decentralization, private sector-led growth, and improved basic education and health services.

B. Political, Economic and Social Environment

1. Political Environment

Although decentralization dates as far back as 1848 with the establishment of the Accra Municipality, the 1992 Constitution provided the framework for Ghanaians to build a broad-based, modern democratic system. The 1992 Constitution was derived from a lengthy and contentious consultation process, initiated in the late 1980s. Starting in 1987-88, the then ruling party embarked on a massive decentralization effort partly to institutionalize its own support base. The Local Government Law of 1988 had as its main objective to “promote popular participation and ownership of the machinery of government by shifting the process of governance from command to consultative processes, and by devolving power, competence and resource/means to the district level”. Local government elections followed in 1989. However, it was the 1992 Constitution which provided the legal framework for the five components of Ghana’s decentralization movement (i.e. political, administrative, development planning, fiscal and management of public-private partnerships.)

While political decentralization has advanced in terms of the establishment of 110 District Assemblies and 10 Regional Coordinating Councils, these institutions are weakened by the failure to devolve fiscal and administrative authority to these bodies. Fiscal authority continues to be centralized. Resources transmitted through the “Common Fund”, a constitutionally mandated planning and revenue sharing mechanism, are increasingly earmarked for certain uses, which constrains local initiatives. Administrative authority is deconcentrated. Key service delivery ministries, such as Health, Education and Agriculture, have operational units at the local level that have not relinquished authority to the District Assemblies. Decentralization is also hampered by the fact that local governments lack the capability to plan, budget, finance (i.e. raise revenue), implement and monitor programs in a participatory manner. Yet, decentralization is the foundation of Ghana’s poverty alleviation strategy and, as such, is fully supported by Ghana’s development donor partners and HIPC creditors.

The 1992 Constitution is a hybrid of the American and British models. The executive presidency and a 200-member Parliament are elected separately. However, the President may select an unlimited number of Parliament members to serve as Ministers of State. The Constitution calls for separation of powers between the executive, Parliament and judiciary. Nevertheless, the legislative and judicial branches are dependent on the executive branch for funding. Moreover, the members of Parliament cannot introduce any legislation which has an effect on the national budget. This is one of the primary causes for Parliament’s weakened state. The Parliament also suffers from severe staffing shortages, limited research capability, lack of office space for its members and limited travel resources to visit constituents. In the current Parliament, the ruling National Patriotic Party (NPP) has 101 seats, the National Democratic Party (NDC) has 91 seats, the People’s National Congress has three seats, the Convention People’s Party has one seat, and there are four independent members of Parliament. The opposition is generally friendly and the environment is dynamic.

The Constitution also calls for an independent Electoral Commission. Under the Fourth Republican Constitution, Ghana has held three presidential and parliamentary elections (1992, 1996 and 2000). While the 1992 elections were boycotted by the opposition, the subsequent two elections were better managed and well accepted by voters and political parties. In fact, the 2000 elections represented a major milestone in Ghana’s democratic maturation. It was the first orderly change of power to the opposition in Ghana’s history. Today, the Electoral Commission enjoys the support of the political parties and has the confidence of the Ghanaian populace. Its goal is to create an enabling environment for holding free, fair and transparent public elections and resolving electoral disputes. The 2004

presidential and parliamentary elections will be a critical test in determining how well democracy is entrenched in Ghana.

Following the 1992 presidential elections and the single-party state which ensued, civil society emerged to help fill the governance gap. During the ten years following the establishment of Ghana's Fourth Republic (in January 1993) there has been a growing acceptance by both the ruling government and the minority parties of the crucial distinction between the interests of a ruling party and those of the state or civil society. This distinction was virtually nonexistent under Ghana's past military rule and has resulted in the growth of independent civic institutions and organizations. Today, civil society regularly and actively engages Parliament and the executive in policy dialogue and pre-legislative debate. In fact, both branches actively seek a broad spectrum of civil society input on most proposed policies and legislation. At the local level, civil society organizations often fill service delivery gaps which exist where government lacks resources and/or expertise.

Press freedom improved with the expunging of the criminal and seditious libel law. This law was regarded as oppressive to press freedom and free expression of public opinion. The Ghana Journalist Association and the National Media Commission strive to ensure the observance of good journalistic ethics and standards in media reportage.

Corruption by government officials is a major concern at all levels of government and with the public. The current government declared a "Zero Tolerance for Corruption" policy and has demonstrated its commitment with the trial and imprisonment of its own minister of state for causing financial losses to the state. While corruption charges against former ministers and senior members of the opposition party have been branded by the opposition as being politically motivated and attempts to silence them, the trials appear to have been conducted in a thorough and professional manner.

Chieftaincy and tribal conflicts are potential threats to stability in Ghana. A "State of Emergency" has continued for over a year in the Dagbon traditional area in the Northern Region after the killing of the Yendi traditional leader and many of his supporters. Other areas of tension include the Wa ethnic group in the Upper West, and the Bawku ethnic group in the Upper East, over traditional leadership and political loyalties. These disputes have also resulted in violence this past year and required intervention by security forces. Regional conflicts abound (e.g. Liberia, Ivory Coast, Togo and Nigeria) and could spillover into Ghana and create political-socio-economic instability. In some instances, the potential for substantial refugee flows into Ghana is high and could cause severe humanitarian and socio-economic consequences.

2. Economic Environment

Ghana launched an economic recovery program in 1983 aimed at reversing a long period of economic decline caused by corruption and poor macroeconomic management. The market-oriented strategy that followed in the early 1980s under the Economic Recovery Plan assisted the GOG to reduce macroeconomic imbalances and liberalize the external sector. Real GDP growth averaged about 5% a year over the 1983-1991 period, while inflation was lowered from 142% in 1983 to 10% at the end of 1991. Between 1991 and 1997 the macroeconomic management of the economy became less effective and extremely uneven. In 1997, the government launched a fiscal adjustment plan motivated by the need to restore budgetary discipline, and generate the domestic primary surplus needed to reduce public borrowing and lower inflation and interest rates. This program, supported by the World Bank, financed the Public Finance Management and Reform Program and focused on addressing fiscal management issues. These actions were successful in reducing the budget deficit from 10.6% of GDP in 1996 to 8.6% of GDP in 1997 and reducing inflation from 33% to 21%.

By mid-1999, Ghana showed continued significant progress in restoring macroeconomic stability; inflation had fallen to below 10% and real interest rates were declining from a very high positive level. However, in the latter half of 1999, Ghana suffered major terms-of-trade shocks with sharply falling prices for Ghana's two main exports, gold and cocoa, and with rising prices for petroleum imports. These shocks, together with a delay in adjusting fiscal and monetary policy accordingly, led to a sharp deterioration in macroeconomic performance, including a build-up in external arrears. The exchange rate depreciated rapidly in the latter part of 1999 and inflation increased significantly. These problems were compounded by delays in the adjustment of domestic petroleum prices and electricity rates, resulting in an accumulation of large bank debts at the state-owned monopoly importer, Tema Oil Refinery (TOR), and threats to the financial viability of the utilities. Real GDP growth slowed in 2000 to 3.7% from 4.4% in 1999, reflecting declining growth rates in agriculture and industry. The average inflation rate doubled, and the nominal exchange rate depreciated by 50% (measured in U.S. dollars per cedi). Import volumes dropped markedly (25%), and the export sector suffered as international cocoa prices hit a 27-year low during the year. As the terms-of-trade worsened, the exchange rate depreciation and rising inflation continued throughout 2000.

Following the severe terms-of-trade shocks and financial crisis in 2000, the newly-elected government adopted an economic program for its first year in office with the paramount objectives of curtailing inflation and putting the public finances back on a sustainable path. In support of its poverty reduction strategy, and its own efforts to reduce the burden of domestic public debt, the government decided to seek relief from its external debt obligations under the enhanced HIPC Initiative. Once Ghana's eligibility to apply for HIPC relief had been established, the government suspended debt service payments on pre-June 20, 1999 loans to bilateral donors, which brought budgetary savings of about \$190 million in FY 2001.

During 2001, considerable progress was made in achieving stabilization of the Ghanaian economy. From a peak of 42% in March 2001, consumer price inflation declined to 21% by December, compared to the program target of 25%. The objective of reaching 4% real growth in the economy was marginally exceeded, aided in part by stability in the terms-of-trade, following sharp declines in the previous two years.

The government's economic and financial policies for 2002 were aimed at building on the progress made in achieving financial stability, intensifying efforts to strengthen public sector financial management and laying the foundations for sustained economic growth. In line with the broad objectives of the GOG's medium-term economic and financial program, the economic program for 2002 was designed to: (1) improve the standard of living of ordinary Ghanaians by raising real growth to at least 4.5%; (2) increase spending on poverty, financed in part through the start-up of interim debt relief under the HIPC Initiative; (3) reduce inflation from 21% at end-2001 to 13% by end-2002 (actual was 15.2%); and (4) rebuild gross official reserve holdings. Key policies needed to deliver these outcomes and lay the foundations for further gains in subsequent years included: (1) more effective control and monitoring of public expenditures; (2) reducing the government's domestic debt as a share of GDP, and using any unprogrammed receipts from divestiture and program aid, as well as a portion of HIPC relief, to retire domestic debt; (3) containing the indebtedness of the main parastatals through price adjustments and explicitly allocated subsidies from the budget, until full cost recovery can reasonably be obtained; (4) continued monitoring and protection of the health of the banking system; and (5) developing an effective interbank foreign exchange market to improve the allocation of external resources.

Significant progress was made in 2002 in stabilizing the Ghanaian economy as inflation continued its downward trend, tax revenues of government improved and the level of foreign exchange reserves increased. Stronger enforcement of tax measures helped to raise government revenue from taxation and higher international prices for both major export commodities, cocoa and gold, helped strengthen the country's foreign exchange position. However, delays in donor inflows during the year resulted in the government resorting to domestic borrowing to finance the larger than planned budget deficit. Fiscal performance was also adversely affected by additional spending on public utilities and the large debt incurred by Tema Oil Refinery (a result of the under-pricing of refined oil). Privatization stalled. In addition, serious slippage occurred in the first year of the IMF agreement, which ended in late November 2002. Failure to undertake civil service reform, privatization, petroleum market liberalization, revenue generation, and wage restraints resulted in a GOG and IMF decision in early December 2002 to negotiate a new program.

The 2002 budget represented the first year the Ghana Poverty Reduction Strategy (GPRS) impacted the National budget process. The government's detailed expenditure plans for 2002 were drawn up in line with the programs and priorities identified in the draft GPRS. The GPRS was approved by the World Bank and IMF in May 2003.

The GOG's immediate goal is to create conditions for sustainable economic growth. In the medium term, changes in key macro indicators are expected to be modest. According to the GOG, real GDP is expected to rise from 4.5% in 2002 to about 5% in 2005. Agriculture is expected to play a progressive role in achieving this objective and agricultural growth is expected to rise from 4.4% per annum in 2002 to 4.8% per annum by 2005. The service sector, which has consistently enjoyed the fastest growth, is expected by the GOG to experience a slower growth rate of 5.1% in 2005 relative to the 4.7% growth rate in 2002. Industrial growth, which was 4.7% in 2002, is projected by the GOG to reach 5.2% in 2005 on account of increased agro-processing activities, lower transaction costs associated with production, lower real interest rates resulting from a decline in inflation, and inflationary expectations. The overall budget deficit is expected by the GOG to decrease from 5.3% of GDP in 2002 to 0.6% of GDP in 2005. These projections are quite optimistic.

The end-of-period inflation rate for 2002 was 15.2% and was expected to decline to 5.0% by 2005. However, in January 2003, the government announced an increase of almost 100% in the prices of petroleum products (petrol, kerosene, marine diesel, and liquefied petroleum gas). In addition, the GOG plans to increase electricity and water tariffs by 12% this year. To minimize the effect of these price increases on workers, the government recently announced an intended increase in salaries of civil servants. These increases have already had an inflationary impact on the economy. As a result, the year-on-year inflation rate was 29% at the end of March 2003.

The pace of poverty decline will be determined by the rate of economic growth and the appropriate distribution of resources, both sectorally and geographically. The Ghanaian economy (i.e. GDP) needs to grow by more than 7% annually in order for substantial poverty reduction to take place. If it did occur, this would improve the per capita income growth to 5.4% in 2010 (compared to 1.9% in 2002). The resulting impact would be to reduce the national incidence of poverty from 40% in 2002 to about 23% in 2010. These are worthwhile goals, but the prospects for achievement are not borne out by current trends.

SELECTED INDICATORS
(Annual percentage change)

	2002	2005	2010*
Real GDP	4.5	5.0	5.0
Agriculture	4.4	4.8	4.8
Industry	4.7	5.1	5.1
Service	4.7	5.2	5.2
Overall Budget Deficit (% of DP)	5.3	0.6	0.6

*NOTE: The GOG does not have projected indicators beyond the GPRS period (2005). However, many Economists indicate that if the GPRS is implemented as planned, the projections for 2005 could be more or less sustained through year 2010.

3. Social Environment

The United Nation's Human Development Index for 2000 – which measures life expectancy, adult literacy, and per capita income – ranks Ghana 129 of 173 countries. In a country of 20.5 million people, 28.5% of the adults (15 years and above) are illiterate; 36% are not using improved drinking water sources; and 37% lack adequate sanitation. Forty percent of all Ghanaians live below the poverty line of \$1.00 per a day. More than 78% of all Ghanaians earn only \$2.00 per day. A vast number of Ghanaians make up the increasingly vulnerable and growing urban poor population. Poverty in the three northern regions (Upper East, Upper West and Northern) ranges from 69% to 88%. In many households in the north, resources barely meet the immediate needs for food, clothing, and shelter.

Ghana's health status has improved over the past thirty years but remains low. The UNDP's statistics show that life expectancy has gone from 49 years in 1970 to 56 year in 2000. The major health problems include poor nutrition, malaria, infectious diseases and water-borne diseases. Twenty-five percent of children are under weight and under height for age. The under-five mortality rate is 10% of live births moving from 190/1,000 live births in 1970 to 120/1,000 live births in 2000. The maternal mortality rate of 210 per 100,000 live births is still high. While HIV/AIDS prevalence estimates from sentinel surveillance has consistently been between 3% and 4% for the last six years, the trend during the last three years has steadily increased, to over 4% in 2002. Certain most at risk groups, such as commercial sex workers, have rates that are much higher (76% in certain areas of the country). The total fertility rate has dropped from 6.9 children per woman in 1970-1975 to 4.6 children per woman in 1995-2000. Contraceptive prevalence increased from 10.1% to 13.4% from 1993 to 1998. However, the population growth rate is 2.7 % and the population is expected to double in 24 years.

Although the adult and youth literacy rates are high for the sub-region, more than 90% of primary school age children who complete grade 6 are unable to read with understanding at the 6th grade level. The quality of basic education is low. National enrollment levels have risen modestly from 72.8% in 1998 to 79.9% in 2002. However, in the three northern regions, the enrollment rate for 2002 was 65%.

Ghana's gender related development index shows significant disparities between men and women in most areas. The female adult (age 15 and above) literacy rate is 62.9% while the male adult literacy rate is 80.3%. The girls' enrollment rate at the primary school level in the three northern regions is 58%, compared to the boys' rate of 73%. The first Ghanaian woman was elected to parliament in 1960. Forty years later, women represent 10% of the 200 Parliamentarians and four women serve in the 43 ministerial level positions of the current government. Over 80% of all Ghanaian women age 15

and above are engaged in some form of economic activity which places them virtually on par with their male counterparts. However, in terms of purchasing power parity, women earn 25% less than their male counterparts.

C. GOG Development Program

When the current government assumed power in 2000, it promoted a private-sector led development approach heralded as the “Golden Age of Business”. The following year, the GOG elected to participate in the 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 the end of March 2003, Ghana had \$6.470 billion in debt. About \$2.186 billion (or a third) of this debt is eligible for diversion to poverty reduction programs under the HIPC initiative. In the 2003 budget, 80% of the total HIPC savings are budgeted for poverty reduction projects and 20% are earmarked for domestic debt reduction - which serves an important macro level poverty reduction objective. While \$248 million in HIPC Relief and Financed Expenditures has been made available to fund poverty reduction activities and budget relief, the vast majority of the HIPC debt will be made available only after Ghana reaches the HIPC Completion Point targeted for February 2004. Under the HIPC initiative, the GOG is required to prepare a Poverty Reduction Strategy. Just approved (May 2003) by the World Bank and the IMF, the Ghana Poverty Reduction Strategy (GPRS) is one of a handful of vision-setting documents that make up the GOG’s poverty alleviation program. The key documents include:

- (1) The Coordinated Programme for Economic and Social Development of Ghana (2003-2012) or “Vision 2012” fulfills a constitutional requirement to provide the Parliament and people of Ghana with a long term vision for the Ghanaian nation. In December 2002, the present government presented the Program to Parliament which described an ambitious goal of achieving a per capita income of \$1,000 (GDP divided by the population) by 2012.
- (2) The Ghana Poverty Reduction Strategy (GPRS), a “living document” drafted in July 2002 and approved in May 2003, covers the period 2003-2005. Its goal is to achieve sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized democratic environment. Specifically, the GPRS aims to raise real growth to at least 4.9% on average per year; increase poverty spending, financed in part through the HIPC Initiative; reduce inflation from 15.2% at the end of 2002 to a single digit in 2003 and beyond; and rebuild gross official reserve holdings to three months of imports for goods and services by 2005.
- (3) The National Economic Dialogue (NED) is an annual public-private effort to build consensus on national priorities among the Ghanaian society and leadership. The NED process is recognized in the GPRS as an important vehicle for stakeholder input. This annual event is attended by a wide-range of private sector entities, think tanks, business associations, and civil society organizations. It provides government and the private sector with the opportunity to discuss and revise action programs, national policies and evaluate progress on achieving national goals.
- (4) The Financial Sector Strategic Plan (FSSP) attempts to achieve a single framework for financial sector reforms to make it more private sector and investment friendly. The FSSP recommendations, such as development of long term savings instruments and bond market committee reforms, support the GPRS.

- (5) The Medium Term Expenditure Framework (MDTEF) is the budgetary framework that Ghana uses to produce its annual budget. It turns the planning into action. The MTEF uses a three year rolling budget cycle based on priorities harnessed from the multiple planning processes (e.g. GPRS, Vision 2012). The MDTEF is a transparent budget process which matches the requirements and resources between and within sectors to achieve macro and sectoral objectives.

D. U.S. Foreign Policy Interests

Ghana remains one of the U.S. Government's most important partners in Sub-Saharan Africa. In fact, Ghana is the U.S. Government's third largest non-oil producing purchaser of U.S. exports in the sub-region. Ghana is increasingly viewed as a gateway to the sub-region by cautious investors searching for a viable West African partner. Ghana's free market policy reforms have made the country attractive to U.S. trade and investors. In fact, the U.S. Foreign Commercial Service recently opened an office in Accra and hosted several U.S. trade delegations during its first year of operation. Ghana's policies strongly support U.S. efforts to open markets in developing countries to U.S. goods and investments.

Ghana's African Growth Opportunity Act (AGOA) certification has not yielded the promised surge of trade with the U.S. However, efforts are underway to improve this situation. Ghanaian businesses will take full advantage of the West Africa Regional Program's (WARP) West Africa Trade Hub (WATH) located in Accra. The objective of WATH is to help promote regional integration and economic growth by strengthening the ability of the countries and businesses to take advantage of increased trading opportunities through the AGOA and other global initiatives.

Ghana continues to play an important role in promoting political and economic stability in the West Africa region. Between 1994 and 1995, Ghana chaired the 16-nation Economic Community of West African States (ECOWAS) and was a major contributor to the Liberia peace negotiations, a major objective of the U.S. foreign policy in Africa at the time. With a reputation as a neutral synthesizing force, capable of bringing together disparate elements, Ghana's President Kufuor was recently elected to chair the ECOWAS council and Ghana once again led negotiations between warring factions, this time in neighboring Ivory Coast. Ghana is taking on an ever-increasing role in regional cooperation. The Ghanaian Minister of Energy recently assumed the chairpersonship of the West African Gas Pipeline Ministerial Steering Committee. Ghana is also positioned to play a greater role in promoting democracy, stability and economic growth in Africa through the New Plan for Africa's Development (NEPAD). In fact, a NEPAD secretariat was placed in the recently formed "Ministry for Regional Cooperation and NEPAD" to spearhead this effort.

There is a great deal of optimism that NEPAD will assist in poverty eradication, place African countries on the path to sustainable growth and development, halt the marginalization of Africa in the globalization process, enhance its full and beneficial integration into the global economy and accelerate the empowerment of women on the continent. However, one major criticism of NEPAD to date has been the view that it is a "top-down initiative", not reflecting real input from "bottom-up" civil society engagement. Ghana plans to address this criticism head on. The Minister of the newly established Ministry for Regional Cooperation and NEPAD Secretariat intends to have wide stakeholder consultations on NEPAD to include the private sector and civil society organizations. Ghana plans to form a NEPAD Advisory Committee composed of NGOs, businesspersons and government to help advise the Ministry on NEPAD. The GOG also intends to conduct a nation-wide NEPAD public information campaign to inform the average Ghanaian about the initiative and to organize a West Africa Business Roundtable to inform businesspersons about NEPAD, identify

progress, constraints, resources and markets to achieve NEPAD objectives. ECOWAS has been given the mandate to implement NEPAD in the West Africa region. President Kufuor appears prepared to invigorate regional cooperation through ECOWAS and NEPAD.

E. Country Risks and Critical Assumptions

Ghana is vulnerable to a number of country-specific and regional risks that have the potential to hamper realization of this strategy. The situation will be carefully monitored and efforts will be undertaken to the extent practicable to mitigate these risks. Specific risks are discussed under each Strategic Objective. This section identifies the major risks or triggers that could destabilize the country and impact on the Mission's ability to implement this strategy.

Regional and Domestic Conflict: Domestic and regional conflicts abound. On the regional front, Ghana currently finds itself between volatile eastern (Togo and Nigeria) and western (Ivory Coast and Liberia) neighbors. However, Ghana has little capacity to effectively deal with a massive inflow of refugees from its neighbors. For this reason, Ghana is playing an increasing role in promoting regional political stability. As Chairperson of the ECOWAS council, Ghana's President was a major contributor to the recent Ivory Coast peace negotiations. Through the WARP program, USAID is helping to strengthen ECOWAS. Regional conflict prevention and mitigation is also a critical component of the WARP program.

Equally troublesome are the domestic conflicts. There are several types of conflicts in Ghana. The ones that pose serious threats and challenges to the state are:

- ◆ Chieftaincy disputes;
- ◆ Land Disputes;
- ◆ Struggles over access to and distribution of resources such as gold, diamonds, and timber;
- ◆ Competitive politics;
- ◆ Religious conflicts in the context of intra-and inter-religious intolerance;
- ◆ The struggle for waters and grazing rights between migratory Fulani herdsmen and indigenes; and
- ◆ Poverty.

To mitigate domestic conflicts, systematic, accurate and objective information and analysis on current and emerging conflicts in Ghana are needed as well as improvement of the conflict prevention and response management mechanisms. Chieftaincy institutions should be supported through the establishment of district House of Chiefs so as to eliminate the concentration of cases at the regional and national levels and hopefully expedite the speed with which cases are dealt. The regional and national House of Chiefs should be equipped with Mediation and Arbitration Committees to find proactive alternative resolution strategies. There is also a need to improve the capacity of civil society organizations and local, regional and national governmental entities to engage in conflict mitigation and management mechanisms. Finally, the existing early warning and early response mechanisms should be strengthened to deal quickly and appropriately to potential flashpoints. The Office of Foreign Disaster Assistance (OFDA) has recommended disaster preparedness training for Ghanaian institutions. USAID/Ghana is prepared to host this training for subregional participants. The U.S. Mission has requested and will continue to seek Economic Support Funds (ESF) to support efforts to mitigate internal conflicts in Ghana.

Elections of 2004: The 2004 presidential and parliamentary elections could be a flashpoint for political unrest. Although democracy has advanced, with a healthy opposition, free press, and basic satisfaction with the current system, Ghana's political history has been checkered and many forces will interplay as the nation gears up for parliamentary and presidential elections next year. Political

disruption could effect Ghana's overall development in profound ways. The U.S. Mission will assist with the elections in coordination with other development donors. FY 2003 ESF has been earmarked for USAID managed programs to train Electoral Commission staff, conduct a voter education campaign and support women's participation in the 2004 elections. Additional FY 2003 and 2004 ESF will be requested to support voter registration, poll worker and political party worker training to ensure free, fair and peaceful elections.

Economic Policy Reform: Over the past decade, the GOG has periodically allowed the fiscal deficit to exceed prudent norms. The rising fiscal deficit has led to volatility in inflation, interest rates and the real exchange rate. These outcomes invariably slowed investment and economic growth. Lack of commitment to the goal of sound macroeconomic management is a serious risk to achievement of the goals of the GPRS and to this CSP. The GOG has pledged itself to fiscal responsibility and set targets for debt management and reduced borrowing. These measures are critical and implementation of the government's Medium-Term Action Plan for financial management reforms will be a crucial indicator of progress and commitment. The Private Sector Competitiveness SO will address the policy concerns related to export led growth and will participate with those donors providing direct budget support to closely monitor trends in the fiscal balance.

Regional Integration: The growth of regional markets for Ghana's exports could be stunted by stagnation in progress toward greater integration of transport and communication systems among ECOWAS countries and by failure to harmonize their fiscal and regulatory policies. Ghana also finds trade with its neighbors hampered by the fact that it is not a member of the West African Economic and Monetary Union (WAEMU). Through ECOWAS efforts to put in place common external tariffs and custom facilitation measures, trade and regional integration will be enhanced. The West Africa Trade Hub (WATH), funded by WARP, will work to reduce regional trade barriers and promote regional trade.

Food Security: Periodic fluctuations in annual rainfall and other adverse growing conditions can be expected over the life of this strategy. Nevertheless, it is assumed that Ghana will continue to produce sufficient food for domestic needs and surpluses for export. However, there is a risk that Ghana might experience a prolonged drought (or flooding) that would be severe enough to threaten the stability of the economy and impact on the lives of the bulk of Ghanaians who work in the agriculture sector. This would put all development efforts into jeopardy, could lead to malnutrition among the poor, and induce exporters of agricultural commodities to refocus their attention on the immediate need to produce food for internal consumption. This possibility is mitigated by progress made in agriculture production and the numerous programs being implemented to improve agriculture throughout the country. For this reason, USAID's Title II program will likely focus its diminished monetization program on supporting agricultural interventions.

Decentralization: A basic assumption underlying USAID/Ghana's programs is that decentralization will continue to move forward, with devolution of fiscal, administrative and development planning authority to the district level. This movement has been slow and many central government bodies, including Health, Education, and Agriculture, have not relinquished their fiscal authority to local governments. The risk is that people will continue to rely on central authorities to manage government programs and/or will become apathetic and inactive, rather than striving to better the quality of life in their communities. To mitigate this risk, local governance will be strengthened with the assistance of USAID, German aid, Danish International Development Agency, and Canadian donors, including the Canada International Development Agency.

HIV/AIDS: At present, HIV/AIDS prevalence is 4.1% in the general population. However, some most-at-risk groups have HIV/AIDS prevalence rates as high as 76%. Also, conflict in neighboring

Ivory Coast, which has a general prevalence rate near 10%, could cause massive inflows of refugees and increase the prevalence rate in Ghana's bridging population. The risks to Ghana if HIV/AIDS were to spread would be devastating. Ongoing efforts at controlling the virus will be continued. Ghana has substantial programs for controlling HIV/AIDS (and new programs for assisting people living with AIDS), through the Global Funds, USAID-financed interventions and other donor assistance.

Donor Support: Program assistance to Ghana, in the form of grants and concessional loans from over 20 multilateral and bilateral donors, is now around \$1 billion annually, representing about one-third of the GOG's budget. The major donors include: the World Bank (agriculture, infrastructure, education, health, micro-econ and water); the International Monetary Fund (structural adjustment); United Nations agencies; Great Britain (public administration, health, education, rural infrastructure, agriculture, private sector and water); Japan (education, health, agriculture, infrastructure and water); the European Union (transportation infrastructure); Canada (agriculture, water, private sector and decentralization); Denmark (health, infrastructure, private sector and water); the Netherlands; Germany; France; Italy; and Spain. Donors generally cannot "guarantee" the level of support from year to year. Donor resources have stayed steady in recent years, but changes in the world economy, donor country priorities, and lack of development progress in Ghana could all influence donor resource levels. Therefore, Ghana is very vulnerable to changes in donor resources and development advances could be easily placed in jeopardy. Even with resources freed up by the HIPC Initiative, Ghana will need to greatly increase its own resource base in order to achieve its poverty alleviation goals.

F. History of USAID Assistance

During the first eight years (1957-1965) of USAID's presence in Ghana, the program was involved in agriculture, training and infrastructure (including support for the construction of the Akosombo Dam). In the period 1966-1974, the program turned to balance of payments support in the form of program loans for commodity imports. In addition to program loans, USAID provided cotton and oil under PL480 soft loans for the industrial sector. USAID strengthened agricultural extension service, farmer training institutes and the GOG's seed multiplication service. The Mission also had a small 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 inputs and construction of feeder roads. Beginning around 1978, a number of questions were raised about the level of support to Ghana due to the severe and growing macroeconomic distortions. The exchange rate was enormously overvalued, and interest rates were heavily negative. These distortions, combined with the Rawlings coup in 1981, led to a period of reduced programming.

In 1987 the USAID assistance levels began to rise as a result of the success of the economic reforms that the GOG began in 1983. By 1990, the USAID levels were about \$12 million per annum plus another \$5-\$10 million in PL480 Title II commodities. USAID assistance supported health, education and agriculture. In agriculture, USAID supported the privatization of the seed industry and feeder road development. USAID also provided funding for primary education, including the introduction of criterion reference testing. In health, USAID supported maternal child health as well as HIV/AIDS prevention. In 1992, USAID began implementation of a new strategy designed to increase economic growth through exports, family planning, quality primary education, environmental protection, and HIV/AIDS prevention. Funding averaged \$35 million per year.

Building on this program, in 1997 USAID embarked on a Country Strategic Plan 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 Title II commodities.

USAID/Ghana is entering the penultimate year of the 1997 CSP. There will be a one year overlap in the “old” and the “new” CSP to ensure a smooth transition. During this transition period, the Mission will consolidate the program to focus on those elements that have proven successful and that will be continued in some form during the new strategic period.

III. USAID STRATEGIC OVERVIEW

A. Transition Plan

In 2002, USAID/Ghana extended the “old” 1997 CSP to September 2004, permitting implementation of key activities to continue until the end of fiscal year of 2004. The new CSP is scheduled for approval in July 2003 and new Strategic Agreements will be signed by August 2003. Shortly after the signing of the new Strategic Objective Agreements, solicitations for acquisitions and assistance awards for the new program will be issued. It is expected that new partnerships under assistance and acquisition instruments and implementation letters will be finalized within the first nine months of the new strategy and implementation will commence by the fourth quarter of FY 2004.

During the transition period of FY 2004, USAID/Ghana will continue only those activities that will make a significant contribution to the new strategy. Other activities will be phased out. This process was begun in early FY 2003. Program funding requests in FY 2003 have been for financing both the ongoing and new SO Agreements. This arrangement will ensure that funds are available to complete ongoing activities under the 1997 CSP and to finance new awards under this strategy. No new funds will be obligated in FY 2004 for the outgoing 1997-2004 Strategic Objectives.

B. Selection of Strategic Objectives

USAID/Ghana’s Program goal under the 2004-2010 CSP is to assist Ghanaians in establishing “**Equitable Economic Growth and Accelerated Poverty Reduction within a System of Sound Democratic Governance**”. When designing the new strategy, the Mission adhered to several basic tenets. First, it was important to keep within USAID’s manageable interests and comparative advantages by building and expanding on the successes and lessons learned in the 1997-2004 country strategy rather than venture into uncharted territories. Second, given the resource constraints, the strategy has been developed around a “core” program consistent with the size of the 1997 CSP program and based on realistic resource projections. However, the Mission will actively seek funding from other sources, such as ESF and Presidential Initiatives. The strategy will have sufficient flexibility to expand should additional resources become available. Third, strategic partnerships with other donors, the GOG and civil society will be sought in financing, implementing and monitoring activities to avoid duplication and to achieve greater impact. Fourth, every effort will be made to use local resources, both human and material, for implementing activities. Finally, the Mission has ensured that the government’s sectoral strategies and the GPRS and other vision tools have provided the guiding principals for the strategy. The CSP complements Ghana’s own approach to reducing poverty and accelerating economic growth.

Within this context, the new strategy can be termed “evolutionary” rather than “revolutionary”. Under the 1997-2004 CSP, significant progress has been made and successes achieved. However, much more remains to be accomplished to reach the poverty reduction goals of the government. The successes and lessons of the 1997-2004 strategy and current country conditions and trends have convinced the Mission to continue assistance in health, basic education, economic growth, and democratic governance as the most effective avenue for our assisting Ghana’s poverty alleviation efforts. The Mission’s areas of focus, goals, and performance measures have been endorsed by partners (e.g. key ministries of the government and donors) and members of the U.S. official mission. This strategy fully supports Ghana’s framework for poverty reduction, outlined in the 2003-2005 GPRS and Vision 2012.

C. Relationship to Goals and Policies

The U.S. Mission's program, as embodied in the Mission Performance Plan 2005, has six key performance goals. They are Democratic Systems and Practices, Economic Growth and Development, Global Health, Prevention and Response to Terrorism, Proper Visa Adjudication, and Diplomatic Security. This CSP provides the major vehicle for accomplishment of the first three goal areas.

Ghana's *Democratic Systems and Practices* require strengthening. The U.S. Mission will work with Parliament (through USAID) and the Judiciary (through Public Affairs' Alternative Disputes Resolution program) to overcome resource and technical constraints in these critical branches of government. USAID will also strengthen Ghana's democratic systems by building local government's capacity to plan, budget, finance, implement and monitor services in a participatory manner. Assisting civil society to engage local and national branches of government remains a top priority.

In the *Economic Growth and Development* area, the U.S. Mission will focus on supporting Ghana's efforts to attain macroeconomic stability, financial sector strengthening, and trade policy coherence through technical assistance to the Ministry of Finance and Bank of Ghana. USAID's Private Sector Competitiveness SO will assist in increasing jobs and income through export led growth. Programs to protect the human resource base through improving access to and quality of basic education will be refined and expanded. The successes of the Basic Education sector program will be strengthened by instituting more intensive efforts in fewer districts. USAID will also support the development of community schools and alternative education services in underserved areas, as well as improvement of the quality of instruction nationwide.

Global Health is covered by the HIV/AIDS pilot care and support program, prevention activities aimed at reducing HIV infection rates in most at risk groups, efforts to combat malaria and other diseases through vigorous outreach schemes, improving maternal and child health, and other essential public healthcare initiatives. These activities will help to build a healthy populace who will provide a firm footing for economic growth, particularly in the rural areas. Information campaigns will empower and energize the Ghanaian public to assume personal responsibility on public health issues.

Agency Objectives/Pillars

This strategy is consistent with the Agency's Mission statement which states that "USAID contributes to U.S. national interests by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world".

Strategic Objectives for Economic Growth and Basic Education support USAID's Pillar I: Economic Growth, Agriculture and Trade:

Program Goal 1: Broad-based economic growth and agriculture development encouraged.

Program Goal 3: Human capacity strengthened through education and training.

Program Goal 5: The world's environment protected for long-term sustainability.

The Strategic Objective for Health directly supports USAID's Pillar II, Global Health:

Program Goal 4: World population stabilized and human health protected.

The Strategic Objective for Democratic Governance supports USAID's Pillar III: Democracy, Conflict, and Humanitarian Assistance:

Program Goal 2: Democracy and good governance strengthened.

D. Programming Focus Areas

Throughout the life of this strategy, USAID/Ghana will continuously examine where it can most effectively provide support to accomplish results and the greatest impact. Whenever practical and consistent with sectoral goals, efforts will be made to increase linkages among sectors and activities, both in programming and physical location. This will occur in several instances. However, because of the specificity of targeting beneficiaries within the strategy, co-location of activities will not be possible in all instances. Noted below are the principles and criteria that will be used in determining intervention areas for each Strategic Objective.

Democratic Governance: Under the ongoing program, decentralization activities are being carried out in 20 districts scattered throughout the country. Under the new program, up to 50 new districts will be the focus of decentralization strengthening activities – including expanded work with local government and continued work with civil society and the private sector. Those districts assisted will be selected through a set of special criteria, including a preference for those where USAID activities in basic education, health, and/or economic growth are successfully occurring. The DG team will also work closely with development donor partners to support the Ministry of Local Government’s Decentralization Action Plan. Parliamentary support will focus more attention on committees including health, economic growth, and education. The new DG program will seek to improve advocacy capacity of various sector interest groups working on DG, health, education, and economic growth issues at the district level.

Economic Growth: The new Economic Growth program focuses on improving the enabling business environment for the private sector and on increasing the capacity of the private sector to respond to export opportunities. Improvement of the business environment will be achieved by business-friendly reform of laws, rules, and regulations that govern production, processing, and marketing of Ghanaian goods and services. Business reforms will be implemented, to a large extent, at the national level through the administration, Parliament, and judiciary. Increased capacity for export of goods and services will be enhanced by targeting specific products and services that have the greatest potential for growth and competitiveness. As such, geographic focus of assistance in Ghana will be in those locations where such goods are grown and processed and where such export-oriented services are provided.

Health: For increased impact and efficiency, the activities of the Health program in Ghana will focus both geographically and according to highest probable impact. The Health SO will have a nationwide impact on improving health status in priority interventions at the following levels: (1) At the national level, the focus will be on operationalizing resource management, promoting the role of the private sector, supporting a coordinated approach to health insurance schemes, capacity building in selected systems (logistics, training, supervision, surveillance) and providing targeted support to key national personnel; (2) At the regional level, since other donors’ focus on the northern regions, USAID will target Ghana’s seven southern regions and those regional-level facilities that provide supervision, training, and/or clinical support to district and sub-district levels; (3) At the district/sub-district level, USAID/Ghana will focus on facilitating use of key health services and promoting behavior change in the most deprived districts (28 districts are tentatively identified, covering a population of 3.6 million); (4) The HIV/AIDS program will concentrate on the most-at-risk populations and affected areas; and (5) Urban locations will be targeted for clinical services that address child and reproductive health concerns of underserved populations.

Basic Education: Activities to increase girls' enrollment and completion will be implemented in the three northern regions, as these are where other donors are not operating, where the problems are most severe, and where the MOE has requested USAID assistance. The primary geographic focus of HIV/AIDS Education activities will be the regions where prevalence is highest (Western, Ashanti, Eastern and Accra Regions). All other activities will be implemented in 20 to 25 targeted districts (70 schools per district) throughout Ghana. These will be selected through use of various criteria and by competition.

E. Participatory Planning Process

The major parameters for planning the new strategy were laid out in the Parameters Cable (Annex B). The required and desirable studies and analyses have been completed (see summaries of mandatory analyses in Annex D and all other relevant studies in Annex E) and the conclusions/recommendations have been factored into the Mission's decision-making. Extensive, intensive consultations were undertaken during the September 2002 – March 2003 period, including engagement of expertise to assist in all sectors, individual meetings and group seminars in each principal sector. Key GOG staff spent considerable time and effort reviewing the strategy concepts, preliminary Results Frameworks and the draft strategy with the USAID/Ghana staff. The donor community and representatives of Ghanaian civil society provided valuable feedback on the proposed strategy in individual and group sessions. USAID/Washington colleagues provided critical assistance. Experts from the Africa Bureau's Offices of West Africa Affairs and Development Planning, the Global Bureau, and the Economic Growth, Agriculture and Trade Bureau, working both in Ghana and as 'virtual' partners, helped the Mission better define and describe the strategy.

USAID/Ghana used a highly participatory process in developing this Country Strategy, starting with brainstorming sessions before the Concept Paper was drafted and continuing with stakeholder consultations throughout the design. More than 20 formal stakeholder consultation meetings were held to discuss the different development sectors and, depending on the specific agenda of the meeting, with participants from national and local government, civil society, donors, US Embassy/Ghana and USAID/Washington staff. Drafts of CSP sections were shared and comments sought from line ministries and from donors active in the sector. The DG Team members visited several districts and discussed the draft CSP with local government officials and civil society organizations. The Basic Education Team held three large meetings to discuss the proposed strategy; one with the Ministry of Education, a second with civil society, and a third with donors working in the education sector. Several follow up meetings were held, including one with the Minister of Education. The Health team formed working groups with government, donors, and other stakeholders to discuss health sub-sector issues. The Mission's Economic Growth Team held numerous discussions with key ministries (Finance, Agriculture, Trade, Energy, Tourism and Environment), as well as a long session with key stakeholders on the strategy. All discussions continued right up until the final draft of the document was compiled. Final drafts were shared with Embassy colleagues, 'virtual' team members and other USAID/W staff.

While the CSP is uniquely Ghanaian, it is a reflection of inputs from a broad body of interested development partners. The CSP pulls in the expertise from many perspectives in a cohesive program of development that will have a lasting impact on Ghana. USAID/Ghana greatly appreciates the participation of all those involved in crafting this CSP.

F. Millennium Challenge Account Investment

Ghana has been notified that it is eligible to compete for Millennium Challenge Account (MCA) funding. The U.S. Mission believes that Ghana will qualify for MCA funds based on its commitment to ruling justly, investing in people and promoting economic freedom with sound policies that induce growth and facilitate the efficient use of development assistance.

The stated goal of the MCA is to reduce poverty by significantly increasing the economic growth trajectory of recipient countries. The goal of USAID's strategy in Ghana is precisely this, to accelerate the pace of economic growth as the most effective way to reduce poverty. To accelerate economic growth, emphasis must be placed on investments that raise the productive potential of a country's citizens and enterprises and help integrate its economy into the global marketplace for goods, services and capital. The Private Sector Competitiveness Strategic Objective of this strategy will, in fact, assist Ghana's private sector to become more competitive in the global marketplace. Moreover, the strategy will promote policy and institutional reforms to improve the enabling environment for private sector growth and provide direct support to enterprises that export selected, high-potential non-traditional goods and services. However, despite this assistance, the lack of adequate infrastructure remains a major hindrance to Ghana's private sector initiatives. Unless the infrastructure deficiencies are vigorously and boldly addressed, Ghana never will realize its full potential as a competitor in the global marketplace.

Ghana's poverty reduction strategy, supported by USAID's Private Sector Competitiveness Strategic Objective, would be greatly aided by MCA investments in all or a combination of the areas listed below. While this list is not exhaustive, it represents the kind of investments that Ghana needs to raise its productive potential in order to integrate its economy into the global marketplace.

Information and communications technology (ICT) infrastructure

- Expand the fiber optic or other form of broadband ICT connection from Accra to Kumasi and major secondary cities in Ghana. This will allow all major regions of Ghana to benefit from access to ICT services, expand the market for providers of specialized ICT services, and the potential for ICT exports from Ghana.

Road construction to open up areas of potential agri-business production

- Construct a trunk road and feeder roads to open up the Afram Plains to development (in return for an equivalent value of chieftancy lands turned over to the GoG for future sale to developers). The Afram Plains is a largely undeveloped region in the middle of the country with excellent agri-business potential, but lacks all forms of infrastructure.
- Construct feeder roads to serve existing and potential exporting regions of non-traditional agriculture products. Horticulture exports from Ghana are largely limited to areas around Accra-Tema metropolis, but better feeder roads into areas off the main roads running east, north and west from Accra would open up more land to sustainable agri-business exploitation.

Energy investments to capitalize on completion of the West African Gas Pipeline

- Build electricity transmission and distribution lines into urban and rural areas with export potential. With construction of the West African Gas Pipeline scheduled to begin early next year and completion scheduled for sometime in 2005, Ghana will have a much larger capacity

to generate electricity. To take full advantage of this increased generating capacity, however, Ghana must be able to transmit and distribute this electricity to final users. Those areas of the country with high export potential are of particular relevance to increasing Ghana's competitiveness in overseas markets.

- Assist rural areas develop productive uses of newly available rural electrification and natural gas. Recent information on the use of rural electrification projects indicates that most of the users are consumers, not producers, so efforts are needed to increase the use of newly-provided electricity in rural areas for productive endeavors.
- Construct electricity transmission lines to link Ghana's thermal generation plants (the first planned for Takoradi and Tema) to the West African Power Pool (WAPP). With increased supplies of Nigerian gas, Ghana can supply its rapidly growing domestic demand for energy and become a net exporter of electricity to neighboring countries in WAPP.

Support for policy reform and Global Development Alliances to expand trade

- Support policy and institutional reforms for strengthening the competitiveness of Ghana's private sector generally, and Global Development Alliances (GDA) to expand the capacity of Ghana's exporters to compete in the global marketplace. With regard to GDA, a priority will be to link Ghanaian exporting enterprises to buyers and joint-venture partners in developed country markets.

G Common Themes

A number of cross-cutting themes permeate this strategy. The most notable of these are: (1) alignment with the Ghana Poverty Reduction Strategy (GPRS); (2) support for decentralization; (3) gender mainstreaming; (4) inclusion of disenfranchised groups; (5) combating HIV/AIDS; (6) integration of the Food For Peace Title II programs; and (7) linkages between SOs.

GPRS: All elements of the proposed strategy support the GPRS. USAID fully supports the GOG goal of transforming the nature of the economy to achieve growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment. The CSP's four Strategic Objectives and the Food for Peace program coincide with the six main components of the GPRS as summarized below:

- Direct support for human development and the provision of basic services, (Health and Basic Education SOs, and Food for Peace Program);
- Provision of special support for the vulnerable and excluded, including women, DG, Competitiveness (Food For Peace Program and the Health and Education Strategic Objectives);
- Ensuring good governance and increased capacity of the public sector (Democratic Governance SO);
- Increased production and promotion of sustainable livelihoods (Private Sector Competitiveness and the Food for Peace Program);
- Ensuring sound economic management for accelerated growth; and
- Obtaining the active involvement of the private sector as the main engine of growth and partner in nation building.

Decentralization: In the past, overly-centralized public services in Ghana have not been fully responsive to the needs of its citizens. USAID, through the Democratic Governance SO, will work closely with the District Assemblies to build their capacity to respond to citizen demands, promote transparency and encourage public participation. The Basic Education program will assist parent/teacher associations and community level school management committees to make teachers and administrators more accountable. Grants will be provided to the District Assemblies to increase their involvement in the management and oversight of basic education. The Health program will help the GOG to implement its Community-Based Health Planning and Services program, which aims to provide health care at the community level and increase community involvement. The Private Sector Competitiveness team will assist business associations to engage in productive discussions with local government and to advocate for policies that are favorable to the private sector. The Private Sector Competitiveness will also work at the national level on policies that encourage and rationalize fiscal decentralization.

Gender: Although USAID's existing activities demonstrate gender awareness, gender-specific results have not. Under this strategy, each Strategic Objective will collect relevant performance data, disaggregated by gender, in order to clearly show how both men and women are affected by USAID-supported activities. Reproductive health programs, which have tended to focus on women, will include men to be more effective. The Education SO will continue to seek increased enrollment of girls in primary schools, which will also have a positive impact on boys' enrollment. Under the Private Sector SO, USAID will continue to assist women's business associations and women entrepreneurs to market their products. The Democratic Governance SO will strengthen the capacity of the Women's Caucus in Parliament, support training of female District Assembly members, and seek to increase the number of civil society organizations representing the interests of women.

Disenfranchised Groups: When practicable, disenfranchised groups will be prioritized for inclusion in all USAID/Ghana programs. These groups will include Muslim communities and their community organizations, children with learning disabilities, people with handicaps, women, and marginalized ethnic groups.

HIV/AIDS: Fighting the spread of HIV/AIDS will be tackled by each Strategic Objective. Efforts to increase public awareness, lower the HIV prevalence rate, and provide treatment care and support to people living with AIDS constitutes major components of the Health program. The Basic Education SO will work to increase HIV/AIDS awareness and reduce risky behavior on the part of communities, teachers, students, and out of school youth. The Private Sector SO will encourage employers to implement work place programs that not only build awareness but also provide treatment to their staff. The Democratic Governance SO will work with civil society organizations representing the interests of people living with AIDS. The DG program will also assist local government to effectively apply financial resources to combat HIV/AIDS.

Food for Peace: Title II resources will be used to support programs that make substantial contributions to the accomplishment of results set out under each SO. Food security efforts will help reduce poverty. Programs carried out by Cooperating Sponsors and local communities will increase income, thus allowing expanded use of health and education services. Direct food distribution interventions will help the severely destitute, especially PLWA and schoolgirls in the northern regions. Monetization proceeds from Title II food aid will finance agriculture, and to an increasingly limited extent, wells and water systems, sanitation facilities, forestation projects, and strengthening of community organizations. See Annex F for descriptions of Title II programs.

SO Linkages: The various components of the strategy will mutually reinforce each other to contribute to the attainment of the overall program goal. Wherever practical, interventions of the

different strategic objectives will occur in the same physical localities, in order to maximize their impact. Specific SO linkages are described in the SO narratives that follow this section.

H. Strategic Alliances

In Ghana, donor coordination is excellent. Through the work of numerous sectoral committees, the World Bank-led Consultative Group, the new Multi-Donor Budgetary Support Group (where USAID collaborates but is not a financier), and *ad hoc* groups focusing on a variety of specific concerns, donors share information and lessons learned and explore new opportunities. Sectoral committees meet on a fairly regular basis, with or without GOG participation. USAID participates on committees dealing with health, private sector/economic growth, basic education, decentralization and water. USAID/Ghana is an active member in the Consultative Group, the donor coordination body chaired by the World Bank. Additionally, USAID's Director attends monthly donor meetings, where the heads of development agencies discuss issues that advance the development agenda.

The GOG has developed several different bodies for coordinating assistance efforts, but none are operating effectively or regularly. There are efforts currently underway by the donors to encourage the government to consolidate these bodies into one active, effective coordinating unit. USAID is fully involved in the direct implementation of many key governmental programs. USAID's relationship with the GOG is excellent. However, because USAID does not provide untied budget support or finance government recurrent costs, our relationship with the GOG differs from that enjoyed by the "common basket" donors. Nonetheless, USAID's working relationship is highly valued by and productive as reflected by the results achieved to date.

USAID will continue to work closely with the donors participating in the Multi-Donor Budget Support program (MDBS), a common-basket initiative which promotes key policy reforms. MDBS members include the African Development Bank, World Bank, European Union, Canada, Denmark, Netherlands, Germany, Switzerland and the United Kingdom. Although the USAID is not a member of the program, the Mission will continue to explore avenues for collaboration and provision of technical assistance to help the GOG reach the targets and policy reforms that trigger the disbursement of untied budget support funding. Partnerships with other donors will allow for greater leverage of policy reform, and facilitate implementation on the part of the GOG.

In order to maximize the impact of USAID's program in Ghana, the Mission will combine its efforts with those of other organizations sharing similar goals. Partnerships with the private sector will provide access to valuable resources and expertise, making the program more effective.

Collaboration with the private sector is crucial to realization of the goal of greater economic growth. Thus it is both an objective and an operational approach to support achievement of that objective. The Mission will seek to build public-private partnerships, whenever feasible. For example, the Mission's current partnership with Royal Ahold, one of the world's largest grocery store chains, is creating direct market linkages for Ghanaian farmers. Although Royal Ahold has been a reliable partner, the financial difficulties experienced earlier in the year by the firm highlighted the need to construct alliances in such a way as to ensure the viability of components of the undertaking even if one of the parties is forced to consider scaling back or abandoning the partnership.

Support for the GOG's decentralization program and the strengthening of local government is a common goal shared by many donors. USAID's activities in this field will be conducted in close collaboration with the programs of the European Union, Canada, Denmark, Netherlands, Germany, Switzerland, the United Kingdom, and the World Bank, through participation in the Donor Thematic Group and the Comprehensive Development Framework.

In the health sector, USAID will continue to participate in policy meetings concerning the management of the Sector Wide Approach Process through which the British, Danes, Dutch, European Union, and the World Bank contribute funding directly to the Ministry of Health. USAID will also work with other donors as partners on the Country Coordinating Mechanism for the “Global Fund for AIDS, Tuberculosis, and Malaria” project. In addition, USAID will continue to work with British and Danish aid on health financing, with Danish aid on the Community-Based Health Planning and Services program, with the UN Family Planning Association and British aid on contraceptive supplies and contraceptive security issues, and with the Dutch aid program on HIV/AIDS.

In the area of girls’ primary education, USAID will continue to collaborate closely with the World University Service of Canada and with UNICEF (who is supporting increased community participation, HIV/AIDS, and girls’ education in seven districts).

USAID/Ghana seeks to participate in numerous Presidential Initiatives, including the Initiative to End Hunger in Africa, the Africa Education Initiative, Centers for Excellence in Teacher Training, MCA (feeder roads, telecommunication and/or energy), ESF (election support, conflict mitigation, trafficking in persons, and support to disenfranchised groups), and the Global Fund to Fight AIDS, TB, and Malaria.

I. Implementation Time Frame

Approval of the CSP is expected by July 2003. USAID/Ghana will then enter into Strategic Objective Agreements with the COG with signing (and obligation of funds) targeted for August 2003. Soon thereafter, the Mission will issue solicitations for acquisition and assistance awards. Implementing partners will be selected and implementation will begin no later than the fourth quarter of FY 2004 (at the same time the current partnerships under the 1997-2004 CSP will end). Activities under the new CSP will be implemented through FY 2010 (roughly a six year implementation period).

In the third year of the new CSP (o/a June, 2007), USAID/Ghana will undertake a thorough review of the programs to determine whether major changes/amendments are required and to make necessary adjustments.

IV. STRATEGIC OBJECTIVES

A. Democratic Governance (SO 5)

1. Development Challenges and USAID's Advantages

Ghana's efforts to reduce poverty depend on having a government that is accessible, responsive, and accountable at the local and national levels. USAID's support for democratic strengthening at the local and national level is critical to enhancing the opportunities citizens have to provide input into the democratic process and for building the capacity of local and national level institutions to be receptive and responsive to such input.

In merely a decade, Ghana has gone from military rule to competitive civilian rule. In this period, Ghana has adopted a liberal constitution, held a series of three national multi-party elections (1992, 1996, 2000) —the last two of which have been judged “free and fair,” with results accepted by the losers—, and undertaken reforms in human rights, gender equality, rule of law, anti-corruption and media. These reforms have earned Ghana a Freedom House ranking of “Free” on its scale of political freedoms and civil liberties. Civil society input on public policy and legislation has become increasingly accepted in the Parliament and District Assemblies (DAs). At this point, Ghana has begun to lay a firm democratic foundation, and the coming period offers significant opportunities to consolidate these gains. In particular, the upcoming 2004 elections will mark the eighth year of “partial democracy,” and if conducted successfully, the likely beginning of democratic consolidation.

Perhaps some of Ghana's democratic promise is due to popular perceptions that no other form of government is acceptable, a preference that likely is based on the country's unfortunate authoritarian past including military dictatorships. The results of Afro-Barometer surveys in 1999 and 2002, an independent survey conducted jointly by a number of leading African DG policy organizations assessing the state of democracy in a number of countries in Africa, indicate that a majority of Ghanaians support democracy, and that three out of four Ghanaians believe the current political system to be democratic. These surveys suggested, however, that while this support for democracy is widespread, its roots are shallow and conditioned on the government's future responsiveness. While three quarters of Ghanaians think democracy is the best form of government, only half are satisfied with the way it actually works in Ghana. As a result, the survey authors concluded that “support for democracy may be vulnerable to erosion if citizens deem the performance of elected governments to fall significantly short of their expectations.” (1999, p. 241)

Survey results also found that there is a “low frequency and poor quality of formal linkages between citizens and elected representatives.” When they needed help in solving a problem, citizens were more inclined to use informal networks to address the problem rather than go to a political representative. While this ‘representation gap’ is not unique to Ghana, the survey authors caution that if left unchecked, it “could erode the legitimacy of democracy itself.”(1999, p. 245)

Ghana's current system is characterized by executive dominance at all levels of government. Constitutional rules favor a very powerful executive vis-à-vis the Parliament and judiciary, and national level bureaucracy exerts very strong political, administrative, and fiscal control over local government.

At the National level, the 1992 Constitution confers on Parliament the legislative duty to make laws, and within the realm of checks and balances, to ensure executive accountability. Parliament also is the primary institution for representation of citizen interests and concerns. Since 1997, Parliament became a more vigorous deliberative body with an active and forceful minority engaging in civil

debate punctuated at times with boycotts and walk-outs in protest over contentious issues. Parliament also increased its technical capacity through its standing committees and its research center to conduct research on issues, to hold public hearings, to reach out to citizens, and to engage NGOs and civil society for public policy input.

Unfortunately, structural limitations emanating from the Constitution inhibit the Parliament's performance and weaken its ability to discharge its lawmaking functions and oversight authority vis-à-vis the executive. The Parliament's lawmaking function, for example, is weak. Article 108 of the Constitution disallows private member bills that impose taxes, charges, or withdrawals from public funds. In practice, this article is interpreted to mean that private member bills cannot have any financial impact. As a result, the majority of MPs believe legislation must originate from the executive, and only two private member bills have been initiated to date. In addition, the Constitution gives the executive branch the responsibility for drafting all supporting legislation that defines how policies will be implemented. The Parliamentary Committee on Subsidiary Legislation has some oversight of this process, but the scope of its review is limited to accepting or rejecting it.

In addition, Parliament oversight of the government's purse is limited. Parliament is provided roughly a month to review and pass the national budget, and the scope of its review is limited to reducing existing budget lines. Finally, as Parliament is a hybrid system of American Presidential and British Westminster styles, its ability to oversee the executive is constrained. Article 78 of the Constitution mandates the President to appoint the majority of Ministers from Parliament and permits the appointment of MPs to boards of state institutions. This article blurs the boundaries between the legislative and executive branches, putting some MPs in both and limiting their ability to hold the other branch accountable.

Parliament's ability to advocate for critical gender issues has also been limited. Formerly, the Women's Caucus in Parliament (19 out of 200 MPs are female) played this role, but since the 2000 election, a partisan dispute over leadership has paralyzed the caucus. A functioning women's caucus would offer a good example of where partisan concerns can be dropped in policy areas in which MPs find common cause.

At the local level, a number of promising developments have occurred and many challenges remain to consolidating effective democratic governance within Ghana's 110 districts. Since 1988, Ghana has enacted several important decentralization laws, and its 1992 national constitution mandates that national governance be decentralized to the extent possible.¹ Elections to DAs were held in 1988, 1994, 1998, and again in 2002. The 110 DAs have been given (in theory) extensive discretionary authority. A number of facilitative organizations such as National Commission for Civic Education (NCCE), National Association of Local Authorities of Ghana (NALAG), and Institute for Local Government Studies (ILGS) are funded by government. The Ministry of Local Government and Rural Development (MLGRD) has developed a medium-term plan with action steps to deepen and consolidate decentralization backed by considerable donor assistance, including at least six bi-lateral and three multi-lateral donors.²

¹ Local Government Act of 1993, Act 462; Civil Service Law, 1993, PNDC Law 327; National Development Planning Commission Act, 1994, Act 479; National Development Planning Systems Act 1994, Act 480; District Assemblies' Common Fund Act, 1993, Act 45; Local Government (Urban, Zonal Area, and Town Councils and Unit Committees) Establishment Instrument of 1994, LI 1589; L.I. 1606 on the tender Boards; Financial Memoranda, Local and Urban Councils, Act 54, 1961 section 81; LI's establishing various Assemblies.

² See "Decentralization in Ghana: Implementation Status and Proposed Future Directions," MLGRD, March 2002.

Nevertheless, political, administrative and financial decentralization are limited in scope and authority, and the capacity to perform, the level of public participation in local affairs and the degree of local officials' accountability and responsiveness to the public is very limited. While the majority of the DA members are elected, the constitution directs the President to appoint the District Chief Executive (DCE) and 30% of the DA members. Although the DCE's administrative authority is tempered somewhat by the existence of the DA, the DCE is the single most powerful local government position and dominates district level government. In addition, civil servants posted at District level are members of the national civil service and frequently unresponsive to District needs and desires.

Perhaps the most problematic area is the fact that DAs lack sufficient authority and fiscal resources to initiate and implement policies and programs. Most DAs continue to rely on the national government for revenue and have not developed any significant local sources of revenue. District Assembly Common Fund (DACF) disbursements are roughly three calendar quarters behind schedule, and the Government imposes earmarks and set asides for much of the common fund revenues, undermining the DAs ability to program the use of common fund revenues and respond to the needs identified by their constituents. While the central government has laid out guidelines for participative planning and budgeting to ensure local input, the DAs have limited experience in such processes, and the time period provided for the process is considered by many to be too short. Furthermore, the opportunities for training for the DAs in planning, budgeting, and administrative management have been limited, and the Government funded facilitative organizations such as NALAG and the ILGS are severely under-funded and as such, fail to provide the capacity building support they are meant to.

The Ministry for Local Government and Rural Development (MLGRD) acknowledges several implementation shortcomings and pending issues. Among the capacity-related problems cited are the need for a better understanding among Assembly Members (AMs) of their roles and responsibilities and a clearer delineation of delegated authorities for the DAs. There is also a need to raise local revenue and manage budgets more effectively, to become more proficient in service delivery, and to conduct tendering boards more transparently. DAs need to engage civil society more effectively in the elaboration of local development plans, in finding ways to be more inclusive of all community groups and citizens, to engage local chiefs and traditional authorities particularly to prevent, manage, and resolve local conflicts more effectively. DAs also could benefit from a more concerted articulation of district needs to the national level, and overall responsiveness to community interests. Importantly, the MLGRD document offers suggestions for coordinating donor support and national initiatives thereby providing a valuable road map for donors to a set of potential entry points for political, administrative, and fiscal decentralization.

At the local level, civil society suffers from a number of weaknesses that if addressed, can help take on the challenges enumerated in the public sector. Civil society organizations (CSOs) are beginning to increase their technical and organizational capacity to represent the interests of their members to community leaders, but they need to learn to become more proficient advocates and to share experiences and best practices with other CSOs and community based groups (CBOs).

The marginal role women have in politics is much discussed and no doubt is related to the gender gap in education. Women are far less acculturated to political life than men, and unless they assume a more active part in local public affairs, they cannot be expected to throw their support behind market reforms, girls' education, health initiatives and other development issues. Women do require sustained support, and far more women should be elected to DAs in order for women to overcome social stigma.

USAID Successes and Comparative Advantage

National Level

Since 1997, USAID has supported efforts to increase the level of civic input into policy-making within Parliament. The Mission has provided technical assistance to the Parliament to create a more proactive, responsive institution capable of fulfilling its deliberative and oversight functions. Given the institutional and contextual constraints, the approach has been to work with Parliament through local Ghanaian development partners and USAID's own Legislative Specialist. This has allowed USAID to foster civil society engagement with Parliament while channeling direct support to build the professional capacity of the institution itself.

As a result of this close collaboration, a foundation has been laid for closer and stronger links between Ghanaian national-level service NGOs and the Parliament. It has increased the level of quantitative and qualitative influence of civil society in the policy-making process, and has substantially improved the technical quality of legislation. In 2002, a USAID funded organization advocated on seven separate pieces of legislation with the result that government withdrew several pieces of legislation for further refinements and civic input. The behavior of Parliament has also changed. It is now becoming commonplace for members of Parliament (MPs) to seek civil society input, and NGOs insist on their right to be heard during the legislative process.

USAID has also strengthened the lawmaking and oversight capacities of Parliament. It helped establish a Parliamentary Research Center (PRC) and an office for legal counsel, which have been instrumental in the introduction of two private member bills - the first in Ghana's history. In 2002, the PRC received about 300 research requests, provided MPs with internet access, and hired its own permanent IT staff after USAID funding for this purpose ceased. The Mission also supported efforts to strengthen five Parliamentary committees through mentorship and technical training. The five committees were the Subsidiary Legislation Committee, the Committee on Government Assurances, the Committee on Constitutional, Legal, and Parliamentary Affairs, the Committee on Local Government and Rural Development, and the Committee on the Judiciary. As a result of this support, the Committee on the Judiciary conducted regional public hearings on judicial corruption in 2002. These public hearings, held in Wa, Tamale, Sunyani, Kumasi, Koforidua, Takoradi, and Accra with 1,020 people attending, were critical in channeling the public's concern on corruption in the judiciary and demonstrates how the Parliament can be used to voice the concerns of the people.

This success has also opened the way to new opportunities. The committees have become increasingly active and are perceived by those inside government and those outside as the critical venue for serious policy discussion, review of current issues, and a mechanism for investigating areas of public concerns. The Judicial Committee's 10 regional public hearings opened Ghanaians' eyes to the power that committees have in channeling citizens' concerns into a national debate. Civil society organizations increasingly see interaction with committees as a means to influence the debate on issues of importance to them.

USAID, through its Legislative Specialist, has established a close working relationship with Parliament and is recognized as the lead donor working with Parliament. While other donors have spread their assistance to a number of national level governance institutions, USAID's national level assistance has been focused on Parliament. USAID's Legislative Specialist has been critical in managing the demands of the MPs and those from the Parliamentary service and has enabled USAID to develop a program that supports the needs of both while strengthening the body as a whole.

Local Level

For the last 6 years, USAID has worked in all 10 regions of the country to improve civic input to local government decision-making. In these districts the result has been that a large number of citizens have chosen to become involved in community affairs, have attended local government town hall meetings, and have formed civic unions to advocate for their communal interests. In the process they have learned the basics of democratic participation: how to develop a common vision for their group, to organize themselves, to operate democratically, to advocate their interests, and to hold government more accountable.

Similarly, as a result of these efforts, government has increased its responsiveness to citizen demands. DAs hold budget hearings and for the first time, citizens have the opportunity to review and raise issues about their districts' budgets. Civic unions have sponsored town hall meetings where citizens have queried senior regional and district officers, as well as utility providers about corruption, billing inconsistencies, metering, rates, and service quality. Citizens also made suggestions on how services could be improved. District Assembly members have become willing to dialog with civil society and to seek civic input to decision-making.

The USAID program, which works on a demand basis, has helped communities to leverage their assets and to establish district development plans through democratic, consultative processes. Tangible improvements have been produced. Some examples include increased tax revenues, cleaner more functional markets, community reforestation, traffic and safety control, and urban sanitation.

Working in close collaboration with DAs and CSOs, USAID has established itself as a credible partner in capacity building at the local level.

2. SO Purpose and Definition

The new Democratic Governance Strategic Objective is defined as a program to **“Strengthen Democratic and Decentralized Governance through Civic Involvement”**.

The purpose of this Strategic Objective (SO5) is to support Ghana's efforts to consolidate democracy by supporting civic participation in the democratic process and ensuring that the local and national government is responsive to the interests of the citizens. Here, the Mission recognizes that the foundation of democracy is citizen involvement, and the Mission understands that the institutions in Ghana that are most responsive to citizen involvement are Parliament at the national level and the DAs at the local level.

These efforts will take place within the broader context of Ghana's own push for greater decentralization, a process that will open greater opportunities for citizen participation. Ghana's Poverty Reduction Strategy (GPRS) stresses the “need for a vigorous and progressive deepening of decentralization and the devolution of power.” The objective as spelled out in the GPRS is to engender a more functional and responsive relationship between civil society, private businesses, and the public sector and between levels of government, both local and national, which the government believes to be the hallmark of a thriving democracy. Like USAID, the GPRS identifies Parliament and the DAs as key governance institutions that offer greatest possibility for citizen input. In addition, the Mission's DG strategy supports the GPRS' recognition that further decentralization will open up the opportunities for citizen input and as a result, reduce poverty while strengthening Ghana's democratic foundation.

The Mission's approach will utilize DG as a cross-cutting activity to reinforce decentralization and strengthen the impact of the Mission's gains in health, education and economic growth. It was mainly for this reason and because of recent assessments that the Mission chose not to open this assessment to a broader examination of the DG problems in Ghana, and to explore other possibilities. Further, given that the DG sector budget may be limited to \$1.2 million a year, the Mission views development within a decentralized context as a way of maximizing its scarce resources and to create synergy among SO and sectors. To this end, the strategy will emphasize strengthening a more democratic and decentralized government.

At the national level, Parliament is the institution with the most potential for channeling citizens concerns and holding the government accountable. As a result, the Mission will continue to focus its efforts here with the emphasis being on increasing the scope of civic input, establishing a foundation for continued civic input, and enhancing Parliament's capacity to be receptive and responsive to such input. As a result, Parliament and particularly the committees will offer an environment where there can be significant debate and exchange on key policy issues and areas of public concern and lead naturally to enhance Parliament's oversight of the executive. Parliament is the one governmental institution that offers the opportunity to begin to bring into check the problem of executive dominance. As Parliament is strengthened and its role in fostering national debate is enhanced, this role can be brought to bear on the critical issues inhibiting democratic governance at the local level.

At the local level, the Mission has supported efforts to increase the level of civic input into policy-making since 1997. While CSO activity has increased significantly, the Mission has found that DAs' limited training and constrained resources have limited their capacity to respond to citizens. For example, the Mission found that in some communities where public budget hearings were held, DAs were not equipped to respond to inquiries made by citizens about how development priorities were determined and how funds were being spent. As a result, the Mission will continue to support CSOs while supporting this with efforts to build the capacity of DAs to respond to civic input. Such support will include training in areas of development planning, budgeting, and basic administration to put DAs in a better position to perform their duties and as a result, respond to the increasing demands of citizens. By focusing on capacity building of weaker local government structures, USAID is supporting local governments to perform better. Once DAs have received the necessary training, they will be in a better position to develop much needed plans for their communities that will generate income, organize budgets, and manage resources.

The Mission's DG approach will not only reinforce decentralization, but will strengthen the impact of the Mission's gains in health, education and economic growth. At the local level, the Mission's will work with CSOs and CBOs that require advocacy skills training in health, education, and economic growth. As a result, these organizations will be better equipped to lobby local government for the interests and needs of the communities they represent. For example, when Parent-Teaching Associations (PTAs) and Student Management Committees (SMCs) receive training, they will be able to interface with DAs about such issues as curriculum development, teachers' performance, and budget planning. In addition to discussing problems and concerns with DAs, CSOs with increased advocacy skills are more likely to work with DAs to come up with creative and innovative ways to resolve issues. With the mission-wide focus on decentralization by working at the local level, we are in a prime position to function as the focal point to coordinate the sectoral advocacy activities of the other SOs.

The proposed strategy is to some degree an extension and further specification of the principles of the 1997 strategy "Public Policy Better Reflects Civic Input." It aims to develop greater responsiveness of local government, while at the same time, strengthen and refine advocacy abilities at the grassroots level. Specific differences include:

- Shifting the emphasis of Parliamentary strengthening where possible toward supporting committee and caucus actions that impact district-level development in Mission-specific sectors, devolve central authority, and promote the assemblies as a legislative and representative institution;
- Supporting local efforts to pursue key constitutional issues impeding Parliamentary independence;
- Developing the advocacy and technical capacity of DAs;
- Reinforcing local training institutional capacity;
- Coordinating more effectively with donors to support local government; and
- Linking CSO advocacy program with other SOs.

SO-level Indicators

1. % of draft bills in Parliament that include civic input
2. # of policy issues impacting education, health, EG, and governance brought by CSOs to Parliament
3. # of DAs implementing local development plans with civic input

3. Intermediate Results

a. IR1: Enhanced Responsiveness of Key Governance Institutions to Citizens

While civil society input into the legislative process has increased, there is still significant scope for opening the process and working to develop more long-term relationships between Parliament and key CSOs and other research institutions to ensure the process becomes firmly entrenched. While a number of Parliamentary committees have become active, they still remain weak. The committees offer an environment conducive to civic input and an opportunity to investigate in depth critical policy issues and by extension, hold their corresponding Ministries accountable. Furthermore, over the coming strategy period, USAID anticipates a number of key pieces of legislation relating to key USAID sectors of health, education, economic growth, and decentralization will come before Parliament. This legislation will put into place key policies in these sectors and would benefit from maximum stakeholder input to ensure that Parliament is provided the tools for critical consideration and analysis.

Activities under this IR focus on capacity-building within Parliament while continuing to support efforts to channel citizen input into the legislative process. The objective is to increase Parliament's ability to be receptive and responsive to civic input while by extension, enhancing Parliament's oversight role of the executive. On the one hand, the focus will be on the process and in supporting efforts to open the legislative process further to allow greater stakeholder input into legislation that comes before Parliament and to empower specific committees to take a more pro-active role both in examining legislation put before them and also in investigating issues of great public concern. Interventions will support committee work across the Mission's sectors, and the activities will encourage CSO input into legislation to impact Mission programming in education, health, and economic growth at the district and sub-district levels. Efforts will work towards building more permanent linkages between Parliament and related CSOs and research institutions so that this process will become internalized.

On the other hand, the focus will be on critical issues and legislation that come before Parliament, particularly those pertaining to health, education, economic growth, and decentralization, to ensure

that Parliament is provided the means to analyze and seek outside input so that the outcome reflects their best efforts. The Mission recognizes that such legislation will define how policy in these sectors will be implemented and as such, have the potential to impact USAID's ability to achieve success in its other SOs. To the extent possible, the Mission will encourage bills that affect transparency and accountability in governance processes for the improvement in the quality of life and the standard of living of the majority of Ghanaians.

In addition, the strategy aims to involve MPs more fully and more harmoniously in district-level activities. Relations between Members of Parliament (MPs) and district officials tend to be discordant. Efforts will involve linking up with IR2 and IR3 activities to improve MPs' relationship with district level administration and to encourage greater MP participation in DAs and in district level activities such as tendering board processes.

While the primary focus of IR1 will fall on Parliament, the Mission will pursue strategic opportunities to support other key governance institutions, particularly in cases where such support can help to improve the enabling environment for democracy and establish key linkages between USAID's objectives at the local and national level. One such opportunity will be efforts to help the MLGRD implement specific portions of its proposed Decentralization Action Plan. This action plan lays out the MLGRD's vision of how efforts to increase the decentralization of government will be implemented and supported. The Action Plan is significant because it provides a basis for GOG and Development Partner (DP) dialogue and cooperation for program development and coordination and for resource mobilization. It is also significant because it can serve as a basis for developing tools and processes to monitor decentralization implementation progress and performance. While the plan has not been finalized, the Mission will be engaged in the process and will work closely with the MLGRD and other donors to refine the Action Plan and to explore possible areas for Mission support.

Risks associated with support to Parliament include resistance to change/reforms from power holders and individual MPs. Some reforms may be low priority or too risky for an election year. Leadership can be co-opted by the executive, and members may be voted out of office. Patience and resources could expire before the goal is achieved. Therefore, benchmarks for progress are required. Meanwhile, institutional support to the MLGRD and other national level governance institutions ought to be measured with patience given typical bureaucratic resistance to change.

Illustrative Activities

- Efforts to enhance the professionalism of Parliamentary Service. This includes training for permanent staff (clerks) and technical assistance for PRC and efforts to establish a Parliamentary Budget Office that could provide critical analysis of budget and the process;
- Technical assistance and capacity building of selected Parliamentary Committees. This support will be aimed at encouraging Parliamentary oversight, enhancing Parliamentary Committees' ability to review key legislation, and improving the link between Parliament, civil society, and local level issues. It will include continued support to the committee on local government and others currently supported and expanded support to committees involved in Mission related sectors, such as health, education, gender and children, and financial oversight while also pursuing opportunities to jump-start the women's caucus; and
- Support to CSOs to advocate Parliament. Support to CSOs will be expanded to allow CSOs to lobby for and comment on legislation, to promote openness through public hearings, and to advocate for reforms and new legislation, including the drafting of legislation, that benefit their constituencies.

Key Indicators

- Progress on milestone scale towards passage of key bills: (The following benchmarks indicate progress towards passage: 1) initial research on key subject area (research requests), 2) dialogue/outreach on subject area to explore key issues, 3) drafting of bill; 4) bill laid before Parliament, 5) committee meeting and/or public hearings held on bill 6) bill debated before Parliament, 7) bill voted on.) (Key bills include Local Government Service Bill, bills affecting enabling environment for DAs, bills on cross-sectoral and decentralization policy, bills with impact on health, education, and economic growth, bills on key gender issues, bills that affect transparency and accountability in governance);
- Number of public meetings held by Parliament on key issues (Key issues include: Local Government, enabling environment for DAs, cross-sectoral and decentralization policy, health, education, economic growth, transparency and accountability, gender issues);
- Percentage of new legislation that was accompanied by a written technical analysis, opinion papers, and/or legislative study.

b. IR2: Strengthened District Assembly Capacity for Democratic Governance

USAID's efforts at the local level to date have focused on enhancing CSOs' and CBOs' abilities and opportunities to engage local government in policy discussions. While there has been some success, DAs' limited capacity to respond to this engagement and carry out the basic functions of the institution has limited the success. The 2002 Afro-barometer survey indicates that although Ghanaians felt they had gained more control over their elected representatives, they showed reluctance to rely on local government. Only 15% of the population had ever contacted their DCE, and only 12% had contacted their DA representative.

Furthermore, most DAs continue to rely solely on central government for revenue and have not been able to develop other revenue sources. Given that DACF disbursements are three calendar quarters behind schedule and that much of the disbursement is earmarked for activities mandated by the central government, the DAs have limited scope to improve service delivery and to respond to the demands put forward to the citizens they are meant to represent and serve, leading citizens to label them as non-responsive. In addition, both appointed and hired DA staff lack much needed training in the areas of budgeting, planning, and administrative management, and this limits their capacity to manage the limited funds that they are able to program themselves. While Government funded facilitative organizations such as NALAG and ILGS help support DAs with capacity building, they are underfunded and as a result, cannot possibly meet the DAs' needs.

The strategy for this IR is to improve local government's ability to function effectively and respond to citizens. USAID has already established a strong working relationship with the DAs through its ongoing programs to improve CSOs' advocacy skills with DAs. The DAs have asked for capacity building support to enable them to respond to citizen's demands and allow them to be more responsive to civic input. Among the capacity-related problems is the need for a better understanding among DA members of their roles and responsibilities and a clearer delineation of delegated authorities for the DAs. DAs need to engage civil society more effectively in the designing of local development plans, and in finding ways to be more inclusive of all community groups and citizens.

By the end of the activity, the Mission will be working in up to 50 districts, and the DAs will be able to conduct the business of local government in a more democratic manner primarily through participatory planning, competent budgeting, internal revenue generation, and service delivery. Activities to promote responsiveness will include developing community relations, conducting public

hearings and town meetings. In addition, local training capacity for skills transfers and human resource development for DAs will be provided.

Illustrative Activities

- Support DA Associations (elected/appointed DAs and CBOs);
- Support to DAs to organize Town Meetings specifically for budget hearings and financial and tax issues in the district;
- Support the Institute of Local Government Studies; and
- Emphasize local revenue generation by providing technical assistance to DAs in areas of budgeting, planning, and administrative management.

Key Indicators

- # of projects implemented in DAs requested by CSOs
- # of DAs reporting increase in locally generated revenue
- % of DAs conducting public hearings on the District Financial Report (Statement of Accounts)

c. IR3: Improved Sectoral Advocacy Performance

Ghana's real measure of success with democracy will be the degree to which people have input into their government. As a result of the country's history of military regimes, national and local governments were in a position to disregard civil society. Currently, CSOs continue to suffer from a number of weaknesses that prohibit them from taking on challenges. Specifically, they tend to be deficient in advocacy skills and lack the wherewithal to lobby government for their needs and interests. CSOs and CBOs rarely share experiences and best practices among themselves.

USAID/Ghana is known within the development partner community to have a comparative advantage in working with CSOs and CBOs. Over the past six years, USAID has worked in 10 districts to improve civic input to local government decision-making and is now moving into another 10 districts. In these districts the result has been that a large number of citizens have chosen to become involved in community affairs, have attended local government town hall meetings, and have formed civic unions to advocate for their communal interests. In the process they have learned the basics of democratic participation, how to develop a common vision for their group, to organize themselves, to operate democratically, to advocate their interests, and to hold government more accountable.

Our strategy under this IR concentrates on the demand side to widen citizen interest and participation in local government, and seeks to improve advocacy capacity of various sector interest groups (in health, education, and economic growth) at the district level. USAID will build on current programs to strengthen the viability of CSOs at the lowest level belonging to civic unions. These groups will include CBOs, such as farmers' associations, market women's associations, parent-teacher associations (PTAs), school management committees (SMCs), and religious associations and women's groups. Emphasis will be placed on strengthening the capacity of these organizations in terms of mission, leadership, negotiation, technical, and lobbying skills, mobilizing resources, interfacing with DAs and Parliament, and linking district to sub-district structures. As community groups become more sophisticated in their skills, competencies, and scope of mission, USAID will support CSOs and CBOs that are focused on key Mission sectors and focus areas such as HIV/AIDS and primary school education. Through a DG partner, the team will make CSO training available to other strategic objective Mission partners, and will cooperate with other donors and their partners (DANIDA—Ibis; GTZ—Konrad Adenauer Foundation) for cross-fertilization of ideas, greater geographic coverage, program leverage, and avoidance of redundancy.

Illustrative Activities

- Technical Assistance and Capacity Building for CSOs/CBOs in Health, Education, Economic Growth and DG Sectors;
- Develop district stakeholder committees in education (DESC) and health (DHSC);
- Regularize meetings between local CSOs and MPs including CSO trips to Parliament;
- National Committee on Good Governance (NACoGG) Support. Link local civic unions with NACoGG apex members at the national level. Encourage vertical linkage of grassroots CBOs with their national counterparts for better representation of needs and concerns from the local to the national level, as well as promoting a stronger national voice for CSOs at the center. CSOs with large memberships will be encouraged to cooperate with apex NGOs for technical assistance in lobbying Parliament and executive branch agencies.

Key Indicators

- % of CSO leaders who monitor DA utilization of funds
- # of targeted CSOs advocating for HIV/AIDS, education, economic growth, women's issues (disaggregate by sector)
- # of CSOs representing marginalized groups (religious minorities, women, PLWA, disabled persons)

4. Contextual Assumptions

The successful achievement of the SO depends on continued commitment by the GOG to decentralization, democratic processes, a stable political environment, funding for the SO at requested levels, fulfillment of reporting requirements by SO implementing partners, GOG meets its constitutional obligation to make fiscal (DACF) transfers to DAs in timely manner, and donors cooperate effectively for increased program synergy. In order to achieve its objective, the SO will develop effective partnerships with other donors who are working in similar areas.

5. Linkages

a. Linkages within SO

The SO activities will be conducted at both the national and local levels. The activities will 1) ameliorate national governance institutions' ability to respond to citizens; 2) reinforce transparency and accountability of local government; and 3) increase the advocacy ability of CSOs and CBOs in key areas. Specifically, at the national level, IR1 encourages the government to enact and implement an effective decentralization program—a favorable enabling environment. IR1 activities aim to improve the laws and policies for more efficient and more effective discharge of governance functions and service provision at the district level, but they do not exclude working with local level interests represented by MPs and CSOs to influence the center.

At the local level, IR2 and IR3 bring government closer to those who are often left out of the decision-making process, specifically women, religious minorities, and the poor. Activities under IR2 focus on the 'supply side' and help district and sub-district local governments enhance their performance primarily through better service delivery and improved financial standing. IR3 activities are demand driven and help local government operate in a more responsible, democratic fashion. They encourage citizen advocacy for transparent and accountable governance.

In reality, supply and demand work throughout the system. MPs demand accountability from the public bureaucracy, and respond to their constituencies. District local government associations demand accountability from the center and provide their communities with more responsive services. The CSOs will represent the interests of marginalized groups, such as women, religious minorities, PLWHA, and the disabled. These CSOs will advocate for and provide relevant services to their members. The approach seeks to create equilibrium between supply and demand to link national with local levels and hold the three focus areas together.

b. Linkages within Mission Strategy

Strengthened democratic local governance through civic involvement aims to maximize development impact across sectors--it is the mortar between the bricks binding the various pieces of development. Similarly, local government and civil society strengthening under IR1 and IR2 aim to improve living standards and quality of life across sectors. The program will help to develop a vibrant civil society in partnership with government to respond to community concerns. The work with civic unions will help communities build better schools, ensure higher quality and greater access to primary education and health care, contain conflict, tax citizens and businesses more equitably, protect the dignity and rights of minority groups, disabled persons, and PLWAs. As citizens observe the benefits of district governments managing their health and education programs, there will be more incentive to administer other activities at the local level. This model of entrusting more administrative authority in local government institutions can then serve as a platform for other community action. This environment will establish the conditions that create a hospitable environment (trust, transparency, and predictability) for investment, trade, and economic growth. IR3 of the strategy seeks to improve advocacy capacity of various sector interest groups (in health, education, and economic growth).

SO6 Economic Growth

At the national level (IR1), the DG team and the Economic Growth (EG) team will cooperate on economic policy and enabling environment improvements. The DG team will set up mechanisms in Parliament through which the EG team will provide private sector and contractor analytical input for short training courses or briefings to committees on key macro, trade and sector economic issues. In addition, policies developed by the EG component will be vetted in Parliament. Committee hearings will be conducted on these proposed policies and widespread civil society participation therein will be encouraged. EG will also work on policy issues at the national government level to enable and facilitate local collection of tax revenues, while DG partners work with selected districts collecting these revenues.

At the local level (IR2 and IR3), the DG program will build organizational, technical, and advocacy capacity within business, environment, and agricultural producer groups. Over 70% of the CSOs participating in the Mission's local government/civil society activity are community business organizations. The DG team will help feed concerns at the community and district level up to apex business associations and research organizations and think tanks. The DG SO will support the apex groups to advocate for policy change at the national level while the EG SO works to lobby for reforms at the local level with the goal of creating a more favorable business environment overall.

SO7 Health

The DG's work under IR2 and IR3 is aimed at facilitating the use of health services and promoting behavior change especially at the district and sub-district levels where activities are co-located with the USAID-backed CHPS initiative. IR3 directly supports the Health SO's efforts to empower individuals and communities to improve their own health status through efforts such as developing and strengthening Mutual Health Organizations (MHOs).

DG partners can contribute in several ways to helping the health program achieve direct and optimal impact in HIV/AIDS prevention and policy analysis reform and system strengthening. In cooperation with local CSOs, the DG SO can help reduce HIV/AIDS transmission in the four regions of highest prevalence (Eastern, Western, Greater Accra, and Ashanti) by providing training in advocacy and working with CSOs and CBOs on awareness building campaigns. These efforts will be targeted mostly at high risk groups, such as sex workers. The team will build capacity of CSOs to advocate for human, civil and property rights, and strengthen the standing of PLWA groups. Under IR2, the team will provide budget oversight assistance. District officials and civil society will be able to better monitor budgets where HIV/AIDS funds are being disbursed.

SO8 Education

The DG team's work under IR1 at the national level will include strengthening of the education committee in Parliament to debate and to hold regional public hearings on education issues, to exercise oversight of the national GES policy and budget, and to improve fiscal accountability for education funds. These efforts will promote greater civil society input to legislation such as the Education Bill.

Poor accountability has had an adverse impact on teacher performance. At the local level (IR2 and IR3), the DG team will help the Education SO and its partners to improve transparency and accountability in the DAs' use of the education budget. The DG team can also promote greater community advocacy for quality improvements in school infrastructure and teacher performance.

Working with community organizations, the DG program will strengthen PTAs and school management committees (SMCs) and help establish a District Education Stakeholders Committee (DESC) within the civic unions. PTAs, SMCs, the Ghana National Association of Teachers, women's groups, student associations, and the Ghana National Association of Private Schools are civic union members. The DESC's role will be to solicit civil society views and make proposals on education strategies, budget, and policies to the DA sub-committee on education, the district education oversight committee (DEOC), and the GES' Girls Education Unit at the district level.

Food for Peace Title II (FFP)

The DG team will help Food for Peace improve food security through better governance at the district and sub-district levels (IR1 and IR2) for poverty reduction, sustainable infrastructure, and accessible health care. By strengthening civil society members of civic unions, DG will have an impact on the target communities of FFP partners.

c. Conformance with GOG and Donor Programs

The GPRS is the country's strategic approach to support growth and poverty reduction. While the main objective of the policies and programs proposed is to promote economic growth and poverty alleviation, the necessity of ensuring good governance and of increasing the capacity of the public sector is clearly outlined. The GPRS intends to promote an efficient and decentralized public sector, which will empower citizens to influence economic and political processes. The Mission's strategy and activities are directly linked to and supportive of the GPRS.

Decentralization is critical to consolidating Ghana's democracy. The process of devolving power from the national government to the local level has been an arduous task due to many factors. The national government has been slow to relinquish control, and there is a lack of resources available to invest in local government. Activities will focus on enhancing government's commitment to responding to the interests and needs of citizens. The Mission will build the capacity of DAs and CSOs, which will contribute to a more transparent and accountable system. Equally important will be

the emphasis on promoting advocacy skills so that CSOs can voice their interests to their representatives – both locally and nationally.

Donor Programs

Donor cooperation on decentralization is enhanced at the national level by multi-donor participation in the Donor Thematic Group and the Comprehensive Development Framework (CDF). Through these mechanisms donors have joined together with the MLGRD to harmonize and streamline efforts to support local government. The MLGRD will also establish a Secretariat that will have oversight of the Decentralization Action Plan. Donors, such as DANIDA, GTZ, CIDA, DfID, USAID, and the World Bank, will work to harmonize and support this effort. Currently, the Danes and Germans support portions of the MLGRD's Action Plan in policy and institutional development at the national level. They have also agreed to support fiscal decentralization and human resource development and capacity building for local governance in the regions and districts. USAID will work with these and other donors through the Thematic Group to ensure the most efficient and effective cooperation possible to help the GOG and MLGRD achieve its decentralization goals.

Given the modest funding for the DG sector, it is imperative that the Mission collaborate closely with other donors to avoid duplication.

DANIDA: The Danish Embassy through DANIDA undertook a strategy design in early 2003 to refine and extend its existing governance program and extend it for five years. The strategy is expected to begin late 2003. Under the existing strategy over the past 7 years, the Danes have been promoting economic governance at the national level and rural governance at regional, district, and sub-district levels in 17 districts of the Volta and Upper West regions.

At the national level, DANIDA works with the Ministry of Finance and promotes independent economic monitoring. They provide some support to the Committee on Human Rights and Administrative Justice and Parliament, with a particular focus on the Committee on Public Accounts and Committee on Finance. They also provide some technical support to the MLGRD and the auditor-general's office. Support is also given to CSOs working on governance issues, and they support strengthening civil society and local participation in elections.

At the local level, DANIDA supports conflict resolution in northern traditional authorities in the form of capacity-building and conflict resolution at the level of regional houses of chiefs in the three northern regions. They also encourage interaction between DA members and chiefs and members of the traditional local councils. Some support is provided to NALAG. DANIDA encourages female political participation through the NGO, IBIS. DANIDA will also provide training for DCEs and DA members in the Volta and Upper West regions.

Germany: The goal of GTZ's "Local Governance and Poverty Reduction Support Programme" is to promote effective and democratic local governance with active participation of communities, especially women and the poor, and foster improvement in living conditions. The program covers some rural districts, but places an emphasis on improved management systems for urban infrastructure and service delivery. Three German foundations, the Konrad Adenauer Foundation, Friedrich Ebert Foundation, and Friedrich Naumann Foundation, provide support to a broad range of civil society groups, some of which address national level issues such as constitutional reform, economic growth, and the role of Parliament.

Canada: CIDA serves as the donor coordinator for decentralization, and supports decentralization in the water and sanitation sectors in targeted districts in the northern regions. Building on its success in the area of decentralization, CIDA will support capacity building at the local level through training of

DCEs and DA members. To this end, CIDA has established a District Wide Assistance Program, which will make funds available on a timely basis to DAs in the Northern Region for the implementation of District Development Plans and Annual Action Plans based on local needs and priorities. CIDA is interested in developing stronger links between governance and food security in districts along the northeast corridor of Ghana. Under consideration are efforts to build human resource capacity, a food security investment fund, and institutional strengthening in project management in the northeast. CIDA is also working with Parliament, focusing its efforts on building the capacity of the Committee on Public Accounts and the Committee on Finance.

The World Bank and the Africa Development Bank are also planning to support decentralization.

6. Instruments

Various instruments will be utilized to carry out activities. For IR1, the Mission has hired a legislative specialist who will provide direct technical assistance to Parliament and oversee grants to local NGOs to work with Parliament, sub-committees, and other key government institutions. For IR2 and IR3, technical expertise will be acquired to work with local government and CSOs. The Mission will seek ESF and other funds to provide elections support, anti-trafficking effort with Parliament, and conflict resolution training.

B. Private Sector Competitiveness (SO 6)

1. Development Challenge and USAID's Advantages

Economic Growth and Poverty Reduction: Ghana has achieved modest success in economic and social development over the past two decades. Real GDP increased at an annual average rate of 5% per annum over the period 1983-1992 (yielding a growth rate of around 2.4% in per capita income), but has fallen to an average of 4.3% since 1992. While a growth rate of 4-5% may be respectable by African standards, it is not going to enable Ghana to attain the current Government's goal of becoming a middle-income country (average annual per capita income of \$1,000) any time soon. Yet the steady but moderate rate of economic growth has contributed to a significant decline in poverty. The only comparable sets of poverty data available are the 1991/92 and 1998/99 Ghana Living Standards Surveys. According to those two surveys, overall poverty fell from 51.7% to 39.5% and extreme poverty from 36.5% to 26.8%. Most impressively, during the 1990s the absolute number of poor declined by more than one half million persons. Data on average caloric intake for 1983-1999 support the notion that there has been a relatively steady improvement in the standard of living over the period.

Ghana's economic reform program has made major strides to overcome the economic decline that reached its nadir in 1983. Over the next seven-eight years Ghana stabilized and structural adjustment was supported by the World Bank and International Monetary Fund; programs were successful in accelerating growth and reducing poverty – up to a point. Unfortunately, in the 1990s the commitment to stabilization weakened. Poor macroeconomic management resulted in an economy characterized by extended periods of high and variable inflation and interest rates, frequent intense depreciation of the cedi, dwindling foreign exchange reserves, and excessive public debt overhang. And by the mid-1990s, the momentum for structural reform slowed. Also, the deeper issues of inadequate transparency and inefficiency of some government regulatory and other institutional structures acted as critical constraints to Ghana fulfilling its development potential.

Good governance is at the heart of tackling an ambitious agenda of macroeconomic stabilization, policy reform and institution building. A peaceful hand-over of power occurred in 2001, the first from one democratically elected regime to another since Ghana's Independence, and a new government is now in place. This government has taken some of the hard decisions. Once in power the new government realized that such key reforms as raising the VAT rate and pricing petroleum products and public utilities at world prices (and in the case of fuel, taxing it) were necessary. In addition, a good deal of optimism pervades many Ghanaians because of the political opening and greater perceived freedom. But Ghanaians are still waiting for that large promised increase in job opportunities to materialize.

The Ghana Poverty Reduction Strategy (GPRS 2003-2005) identifies acceleration of the rate of economic growth as the key ingredient for creating jobs and meeting poverty reduction targets. The GPRS states that accelerated growth will be achieved with "the active involvement of the private sector as the main engine of growth and partner in nation building."

The Mission has identified the following areas that in varying degrees constrain Ghana's private sector from becoming the dynamic engine that is needed to accelerate economic growth, create jobs and reduce poverty:

- Macroeconomic management. Although macroeconomic management has improved recently, it remains a problem.
 - High and volatile rates of interest, inflation and (less so) foreign exchange continue to damage economic activity.

- Government borrowing from the banking sector severely crowds out the private sector.
- The World Bank’s latest policy and institutional assessment identifies this as Ghana’s most pressing problem, as does the GPRS.
- Factor Markets. Markets for labor, land and capital are limited and do not work very well.
 - Labor market rigidity has adversely affected allocation of labor to the formal sector.
 - The rights to land are guided by traditional land tenure systems and titling is difficult, problems that especially affect areas where the demand for commercial-size plots is high.
 - The banking system has been unable to make deposit and credit facilities widely available; medium- to long-term credit is unavailable; and the securities markets are nascent.
- Natural resource management. Degradation of land linked to inappropriate farming practices and deforestation linked to unsustainable harvesting of timber are the two key issues; inappropriate use of agro-chemicals and fertilizer and poor pest management constrain exports.
- Infrastructure. Energy, transportation, telecom and other infrastructure are inadequate for private sector demand; energy and telecom regulation is weak and lacks a pro-competition orientation.
- Red tape issues. Excessive licensing and other regulatory requirements make establishing a business, or converting one from informal to formal status, a costly and time-consuming process.
- Trade Regime. On the whole, trade policy is above average; however, implementation is weak and case-by-case application of the trade regime discourages the growth of trade.
- Supply response to trade opportunities.
 - Private sector knowledge and capacity to access overseas markets and meet requirements for exporting to overseas markets is limited.
 - Business associations, which could provide needed support services to Ghanaian exporters, lack the capacity to effectively serve their members.
 - Modernization of the economy has been slow in part because investment in new technology has been low and the pool of skilled workers able to use modern techniques is insufficient to meet demand.

In sum, the ultimate goal of the Economic Growth Strategic Objective is poverty reduction. To have an important impact on poverty reduction, it is critical to accelerate economic growth because faster economic growth generates rapid increases in employment opportunities and incomes. To raise the rate of growth, Ghana must have a dynamic private sector – according to the GPRS, to serve as the “engine of growth” for the economy. The main challenge for this strategy is to help strengthen the capacity of Ghanaian private enterprise to compete in world markets by working in coordination with other donors and Ghanaian partners to tackle the constraints identified above. Exports are emphasized because domestic markets are too small at present to kick start rapid growth. Overseas markets are the primary targets because regional markets are still poorly integrated.

USAID's Comparative Advantage: The U.S. has much to offer in addressing some of the areas highlighted as problematic. For the past ten years, USAID/Ghana has had productive interaction with the GOG, other donors and the Ghanaian private sector on key issues affecting the enabling environment and enterprise development in support of private sector growth. USAID has tapped into

a wealth of U.S. expertise for technical assistance and capacity building in policy areas such as labor law reform, monetary management, capital markets development and revenue forecasting and in assisting private sector exporters meet Europe's increasingly stringent import standards and take advantage of increased access to European and U.S. markets. U.S. energy and telecom regulatory expertise is available from the Federal Communications Commission, State public utility commissions, and other U.S. sources. If funds from the Initiative to End Hunger in Africa (IEHA) materialize, they will be backed up by USAID's extensive experience in agribusiness and agriculture around the world, as well as the first-rate expertise it can draw upon from other U.S. institutions to help implement programs in agro-based development.

2. Purpose and Definition

The definition of the Economic Growth Strategic Objective is **“increased competitiveness of Ghana’s private sector in the global marketplace of goods and services, as measured by Ghana’s share of world trade”**. The purpose of the Economic Growth Strategic Objective is to increase employment opportunities and income levels for poor Ghanaians, which requires that Ghana accelerate the rate of economic growth. Policy reform, institution building and enterprise development are the means to be used for reaching the goal of increased competitiveness.

Michael Porter, the well-known business school professor, defines a nation's competitiveness in world markets in terms of its productivity, that is, the productivity with which it uses its human, capital and natural resources. Competitiveness depends on the value of products and services, as determined by their uniqueness and quality, as well as the efficiency with which they are produced. It is not which industries a nation competes in that matters, but how firms compete in those industries. Ghana must compete by offering the most productive environment for business. Although Porter downplays the macroeconomy, mismanagement at that level remains Ghana's biggest constraint to increased productivity. The public and private sectors play different but ever more interrelated roles in creating a productive environment.

Global integration of markets in goods and services over the past several decades has enabled developing countries with reasonable locations, policies, institutions and infrastructure to build on their low cost labor to create a competitive advantage for themselves in some manufactured goods and services. These new “globalizers” are growing at rates that are leading to significantly lowered levels of poverty. In contrast to them, most of Africa (including Ghana) falls into the category of less globalized countries. Like Ghana, these countries remain heavily dependent on few primary commodities and are subject to volatile terms of trade. Their per capita incomes have grown slowly, if at all, and poverty levels remain high.

While grouped among the less globalized, Ghana shows promise for greater integration into global markets. It has reasonable geographic access to regional markets and Europe; low cost, English speaking labor; good arable land; and political stability. Ghana, its weak macroeconomic management notwithstanding, has improved its policies, institutions and infrastructure over the past two decades. And under the GPRS, Ghana expects to take additional steps to improve the enabling environment.

At present, competing in developed country markets provides the greatest opportunities for technological modernization, market exploitation and high profits. That said, the Nigerian market (and to a lesser extent markets in other ECOWAS countries) will provide growing export opportunities for Ghana's agriculture and natural resource-based products. Also, Ghana can build on its existing light manufacturing base of exports to those countries, especially as trade barriers among ECOWAS countries fall and as they become more fully integrated.

In fact, Ghana has begun laying the foundation over the past decade for more rapid global integration. In 1992, when USAID/Ghana started the program to promote non-traditional exports (NTEs), the value of NTEs was \$68 million. In 2001 NTEs were \$417 million and surged to a \$504 million (provisional estimate) in 2002. The share of NTEs in total exports rose from 7% in 1992 to about 25% in 2002.

An export-led approach holds out the best promise for accelerating the pace of economic growth in a small country like Ghana, located relatively close to both European and American markets. It is envisaged that with the proper reforms in place and the appropriate supply response to export opportunities, average annual growth rates of 7-8% are possible for Ghana – several Asian countries have achieved and sustained growth rates of this magnitude for extended periods. If sustained over the next twenty years, growth rates of this magnitude would allow Ghana to reach a per capita income of \$1000 and, taking into consideration Ghana's relatively equitable income distribution, would eliminate mass poverty. Thus, the central challenge in the 2004-10 strategic period is not only to keep the momentum in NTEs going, but to lift Ghana's private sector to the next level as a supplier of such exports.

Achievement of the Economic Growth Strategic Objective purpose will require a two-pronged approach, namely: (a) improving the enabling environment for the private sector; and (b) increasing the capacity of the private sector to respond to export opportunities.

With regard to the enabling environment, activities will address both policy reform and institutional capacity building. As we see them now, the priority areas that will be the focus of the enabling environment program are as follows:

- Better macroeconomic management with a focus on improving monetary management, increasing GOG revenue, and expanding the scope for local governments to generate their own revenue;
- Improved financial intermediation with emphasis on improved GOG debt management (government securities market), expanding access to credit (including long-term finance) for small and medium size firms, and establishing sound policies and institutional structures in securities markets;
- Removal of barriers to entry/exit in the marketplace, such as inflexible employee firing rules that distort the labor market for the formal sector, and cumbersome start-up costs for formal business.
- Improved trade regime with emphasis on further policy liberalization, consistent implementation of policy, and improved custom services.
- Strengthened electricity, gas and telecommunications regulatory framework that encourages competition; and
- Strengthened public-private sector policy dialogue including capacity building of business associations to better advocate for policy reform that broadly benefits interests of the Ghanaian private sector.

The program for enterprise development will aim at strengthening firms to compete profitably in world, regional and domestic markets. The priority areas will be as follows:

- Assistance to firms in accessing overseas markets, in particular through improved market information and targeted contacts with foreign firms to form potential strategic partnerships;
- Assistance to firms to help them adapt production technologies to meet market requirements;
- Management assistance to firms in preparing business plans, accounting, accessing credit, adopting ICT technologies, and meeting phytosanitary and other environment-related standards;

- Improved quality and expanded pool of technically skilled workers;
- Application of best practices in sustainable resource management in agriculture and eco-tourism; and
- Business associations strengthened to provide better services to their members.

An overarching objective of the program under the new CSP will be to strengthen the sustainability of these efforts over the longer term by developing the capacity of Ghanaian institutions to take on increasing responsibility for the advisory and training roles now implemented by USAID contractors.

Comparison with the Current Strategy: The Economic Growth Strategic Objective under the new strategy will continue to emphasize core competencies in policy reform and enterprise development, but will place more emphasis in some areas of activity than in the past and less on others, with an emphasis placed on capacity building and Ghanaian ownership.

Modernized agriculture is inherent in the program and will support the GPRS emphasis on it. USAID/Ghana's export-led private sector development program, much of which is based in agriculture, has been and will continue to be an effective way to introduce modern agricultural marketing, processing and production methods into the Ghanaian economy. Possible Change: Major expansion of activity in agriculture is dependent on allocation of IEHA resources (see Annex H for details).

Establishment of strategic partnerships between Ghanaian businesses and buyers in the U.S., EU and other countries will be a core activity of the program. Increasing sophistication is required to meet changing consumer tastes, market structures, product standards, and certifications in overseas markets. Partnerships in rapidly evolving markets can be enormously helpful to Ghanaian entrepreneurs trying to break into developed country markets. In addition to outgrower schemes, other approaches will be developed to incorporate small farmer groups in these strategic partnerships. Change: Facilitating partnerships with overseas buyers, or even joint ventures, to inject a more market-driven approach to assistance to Ghanaian exporters.

Management of the natural resources base will be woven into the fabric of activities under the Economic Growth Strategic Objective, including eco-tourism, energy sector regulatory reform, and sustainable farming practices. In addition, traders of fertilizer and agro-chemicals will be trained as private sector 'extension' agents. Expanded funding under the IEHA would *inter alia* allow work on implementing and enforcing forestry policy, expanding eco-tourism investments, and promoting a national dialogue on land policy – ownership, tenure, use – to create consensus on an eventual solution. Possible Change: Increased emphasis on sustainable exploitation of the natural resource base hinges on IEHA funding.

Institutional reform, capacity building and African ownership will be emphasized. Focusing on a few selected activities will allow for follow up on reforms and capacity building that will enable partners to better achieve results. For ten years USAID's economic growth program has been supported by two free-standing institutions set up and led by American contractors. The time has arrived to transition toward building capacity of Ghanaian institutions to do the work that has been led by the American contractors. Change: Shift in the way we provide technical assistance, with a reduction in the use of imported expertise and an increasing emphasis on building the capacity of local technical assistance providers.

Energy sector assistance will shift its focus during this period from support to ECOWAS for the development of the West African Gas Pipeline (WAGP) to a much less resource intensive, domestically-focused component of the institutional reform program that will emphasize regulatory

and demand management issues, with effective utilization of gas as a priority. Much of the work under the existing WAGP program is completed or nearing completion. All will be completed by September 2004, with construction beginning in early 2004.

Tourism support will be significantly reduced. While tourism is a potentially large earner of foreign exchange, funding constraints in the Economic Growth Strategic Objective force difficult decisions in allocating scarce resources. Tourism ranked as a lower priority than other activities. Limited resources will focus on consolidating past investments and policy recommendations from the Georgia State University activity. Change: Greatly reduced level of effort, now focusing on policy and ecotourism.

Non Project Assistance (NPA) will be placed on a back burner because funds for the Economic Growth Strategic Objective are insufficient to mount a credible NPA program. In the recent evaluation of the program, NPA was found to be an effective instrument for policy reform. If the annual funding level for the Economic Growth Strategic Objective is increased significantly, resumption of NPA in support of agricultural trade-related policy reforms will be considered. Change: Termination of NPA for lack of funds, while using our policy technical assistance to help support the Multi-Donor Budget Support program's policy agenda.

To summarize, the Economic Growth Strategic Objective will increase the competitiveness of Ghana's private sector in the global marketplace of goods and services, with intensive focus on selected targets.

Key Indicators for the SO

- Share of Ghana's non-traditional exports in total world exports increases (20% greater than baseline by 2007 and 35% greater by 2010).
- Share of non-traditional exports in Ghana's total exports increases (current is 25%, target of 31% by 2007 and 35% by 2010).
- World Economic Forum Index of Growth Competitiveness (or component thereof)

3. Intermediate Results

a. Intermediate Result 6.1

Intermediate Economic Growth Result (IR 6.1): "Enabling Environment Supportive of Private Sector Competitiveness Strengthened". The purpose of IR 6.1 is to improve the enabling environment for the private sector, namely the policies and institutional structures necessary for the private sector to flourish. Greater participation in the reform process by the private sector is critical to achievement of the results.

The Improved Enabling Environment Intermediate Result (IR 6.1) is a continuation of efforts from the previous strategy, although the results framework has been reconfigured to define three main types of activity. The first (IR 6.1.1) will seek to improve macro, trade and sector policies; the second (IR 6.1.2) will seek to strengthen public sector institutions that serve the private sector, including regulatory, tax and trade facilitation institutions; and the third (IR 6.1.3) will seek to increase the capacity of government, business, policy research institutes and other civil society organizations to participate effectively in dialogue on policy and institutional reform.

The recent evaluation of the current program, the Trade and Investment Reform Program (TIRP), listed "major successes" in each of these three areas (Dirck Stryker et al. March 2003). For example, major successes included a large number of very useful technical studies on policy reform and highly

competent short-term technical assistance. These achieved success in assisting the Bank of Ghana to stabilize monetary policy and the Ministry of Finance to improve revenue generating capacity (IR 6.1.1-like activities); developing a Financial Sector Strategic Plan with component strategies to increase long-term savings and strengthen the securities markets (IR 6.1.2-like activities); and creating a variety of fora to promote effective dialogue between private and public sectors on policy issues (IR 6.1.3-like activities). The evaluation also cited shortfalls. High priority issues will be a sharpened focus for USAID's macro, trade and sector reform assistance by dedicating more resources to sustained follow up and training on the selected issues and greater emphasis on institutional reform and capacity building. Better coordination with the Multi-Donor Budget Support program on macroeconomic policy and public sector management issues is also important.

Under IR 6.1.1, "Economic Policies Improved" (selected macro, trade and sector policies), USAID will employ an iterative approach to selecting the policy areas where analytical resources and public-private policy dialogue are to be focused. Conceptually, this will involve using the GOG-led annual National Economic Dialogue (NED) as the vehicle for identifying key reforms and prioritizing them. The Mission, through SO 6, will select a core set of policy areas from those prioritized in the NED and focus resources on facilitating dialogue among the various groups with interests that will be affected by reform of each particular policy, all the while promoting liberal reform of the policies in question. Finally, USAID/Ghana will assist the Government in introducing reform through the drafting of legislation or other means.

Initially, however, this IR will focus on the consummation of reform efforts begun during the current strategy, but that are either incomplete or require further efforts to analyze and refine them. These reform efforts include: work on improving financial intermediation, mainly by strengthening the securities markets and providing incentives for long-term savings; making the labor law more flexible; further liberalizing trade policy and improving the coherence of day-to-day trade policy decisions; improving tax policy; and improving Ministry of Finance and Bank of Ghana management of domestic public debt. The latter two will involve close cooperation with U.S. Treasury debt and tax programs operating in Ghana. Policy issues specifically relating to tourism and agriculture will be candidates for later inclusion in the policy agenda.

Simultaneously, the Mission will use the NED, other public fora, and discussions with our main GOG and private sector counterparts, to select additional policy constraints to private sector export growth for intensive reform efforts. Studies will be initiated on these additional policy constraints. With the results of the new studies in hand, the SO Team and partners will enter into preliminary dialogue with public, private and civil society groups potentially interested in reform of the policies in question to determine their interest in and willingness to push for reform. The outcome of this dialogue will be the selection of a new core set of policy areas where the government and other private sector and civil society stakeholders have the greatest interest and demonstrate the greatest willingness to pursue reform. As reforms in some of the policy areas identified in the paragraph above are completed, the SO Team and partners will focus intensive policy analysis, dialogue and facilitation efforts on the new set of core policy areas.

Under IR 6.1.2, "Efficiency of Supporting Institutions Improved", an iterative approach similar to the one used for IR 6.1.1 will be employed to identify a core set of public sector agencies or offices to strengthen, to enable them carry out their public function more effectively in support of the private sector. Some of the GOG agencies and offices selected for institutional strengthening will be those tasked with formulating and implementing the policy reforms being addressed under IR 6.1.1; others will be selected on their own right as key institutions for supporting private sector growth.

Initially, capacity building efforts will focus on those begun under the current strategy: strengthening the institutional capacity to conduct tax policy in the Ministry of Finance and unifying the three revenue collection agencies into one integrated organizational structure; strengthening the research function in the Bank of Ghana; and building the capacity of the Public Utilities Regulatory Commission to regulate the energy (electricity and gas) sector. In conjunction with the U.S. Treasury, the Mission, through SO 6, will continue to strengthen the domestic debt unit of the MOF and the three revenue collection agencies – Internal Revenue Service (IRS - income tax), VAT (value-added tax), and Customs. With regard to tax issues, Treasury will focus its efforts on increasing the efficiency and fairness of IRS and VAT collection procedures while USAID will focus special attention on streamlining Customs procedures and on strengthening the oversight and coordination role of the Revenue Agencies Governing Board. In addition, IR 6.1.2 will initiate capacity building efforts in the regulation of Ghana’s information and communications technology (ICT) industry because competition remains weak in that industry and efficient, inexpensive ICT services are so critical to modernizing the private sector and enabling it to export more. As some of these institution-building efforts succeed, new areas for capacity building will be identified, such as policy and data collection units in the Ministry of Trade and Industry and Ministry of Food and Agriculture, and intensive capacity building efforts will be focused on those deemed most critical to supporting private sector growth and further liberal policy reform in Ghana.

IR 6.1.3, “Public-Private Dialogue on Policy and Institutions Strengthened”, represents USAID’s overall approach to policy reform in Ghana, that of providing venues where interested parties from the public and private sectors and civil society organizations (in the latter case, especially policy research institutes) can come together to discuss, debate and ideally come to a consensus on the way forward with regard to specific policy reform issues. The National Economic Dialogue (NED) is the main such venue – an annual meeting of 500-800 participants where the breadth of policy constraints to private sector growth are identified, alternative reform approaches are assessed, priorities reforms are agreed to (ideally through consensus), and progress in implementing the priority reforms identified the previous year is assessed. On a smaller scale, this public-private-civil society policy dialogue process permeates all Mission efforts to improve policies and public sector institutions, from facilitating the tri-partite dialogue between employers, labor and the government in developing and refining new labor legislation, to dialogue between business and government on trade policy and on streamlining the clearance of imports through Customs, to dialogue among capital market participants – public and private pension and insurance organizations and the GOG – on capital markets development. In addition, serious consideration is being given to two “joint venture” ideas: one is to embed the policy contractor eventually hired to implement IR 6.1 into one of the apex business associations, in order to strengthen its capacity to contract for and evaluate policy analysis and to advocate for the policy reforms that analysis recommends; the other is to link up with one of the major policy research institutes, in coordination with other donors, to strengthen its policy analysis capacity.

Illustrative Activities

- Provide long-term advisors in entities such as the Ministry of Finance (MOF), Ministry of Trade and Industry, Bank of Ghana, an apex business association, or others to assist in policy reform and/or capacity building.
- Provide short-term technical assistance and training to strengthen public sector capacity in areas such as revenue collection, monetary policy, budget procedures for fiscal decentralization, trade policy, implementing the financial sector strategy and employer/labor union negotiations over new labor legislation.
- Conduct sector policy studies in areas of potential involvement, e.g. tourism, agriculture, ICT.

- Provide technical assistance and training to key energy and telecommunication regulatory bodies in competition policy, tariff setting, licensing, (and in the case of ICT) spectrum management.
- Work with the West African Regional Program (WARP) and the West Africa Trade Hub (WATH) to enhance Ghana's integration within ECOWAS on issues relating to trade, energy, transport, ICT, etc.
- Provide grants to Ghanaian business, labor organizations and civil society to strengthen their capacity to conduct, contract and interpret policy analysis and to advocate for key policy reforms.
- Expand the capacity and willingness of more banks to reach more small and medium size borrowers by tapping Development Credit Authority guarantees.
- "Joint venture" with one or more apex business associations and policy research institutes to promote longer-term sustainability of the capacity to conduct policy analysis and advocacy.
- Form GDA arrangements between U.S. and Ghanaian associations to strengthen dialogue on needed policy reform; e.g. a Ghanaian ICT association linked to the IT Association of America.

Key Indicators

IR 6.1

- Index of improvement of enabling environment for private sector. Framework designed with partners to incorporate key aspects (e.g. macro, trade, and sector policies and market institutions and infrastructure) of the enabling environment. Index will be an assessment of the degree to which the enabling environment is supportive of private sector competitiveness. A panel of five or six "wise men" could score progress on each pre-determined aspect of the environment annually.

IR 6.1.1

- Indicators will measure progress against benchmarks in each specific area of significant activity, e.g. labor market reform, trade policy, government debt policy.

IR 6.1.2

- Will be aggregated into an index number as measure of overall performance, if considered useful.
- Indicators will measure progress against benchmarks in each specific area of significant area of institution building, e.g. customs service, tax policy analytic capacity, tax administration.
- Will be aggregated into index number as measure of overall performance, if considered useful.
- Baseline, 2007, 2010 for measure of efficiency in each area of institution building, e.g. number of days to clear customs and tax revenue increase due to improved administration.

IR 6.1.3

- Quality and timeliness of public-private sector policy dialogue improved.

A survey instrument will be designed and administered annually to participants in public-private policy dialogue. Responses will be scaled and grouped to capture perceptions in each of the categories above.

b. Intermediate Result 6.2

Intermediate Economic Growth Result (IR 6.2): "Capacity of Private Sector Enterprises to Compete in Selected Product Categories Strengthened". The purpose of USAID/Ghana's enterprise support efforts (IR 6.2) is to strengthen the competitiveness in world markets of selected industries and individual private enterprises within those industries.

The purpose will be achieved by: increasing the exposure and knowledge of local enterprises exporting to world (and to a lesser extent regional) markets; assisting enterprises to produce to the quality, quantity and timely delivery requirements of these markets; and improving the management capacity of these enterprises. To foster sustainability, IR 6.2 will assist enterprises involved in exploiting natural resources to do so in environmentally sustainable ways, especially through assistance to agricultural exporters, training of agriculture input suppliers, and grants to promote eco-tourism. It will strengthen key export-oriented business development service providers to create and sustain local capacity for providing market access, advisory services on production technology, and natural resource management services.

Intermediate Result (IR 6.2) builds on some aspects of the existing strategy and cuts back on others. The enterprise development component will continue to assist small and medium sized (SME) non-traditional exporters (NTEs), but will more intensively target links between large foreign buyers and lead firms in Ghana. The export product focus on agriculture (horticulture and wood), textiles, garments and handicrafts will continue but ICT service exports will be added to the mix. Much of the assistance will continue to concentrate on helping enterprises access international markets and finance, produce to the standards of the export market, and raise management efficiency, with adoption of ICT technology a heightened focus. In addition, a component of the program funded by PL 480 Title II will continue to support agro-forestry, rural microfinance, agricultural production, post harvest improvements, and some small-scale export activities, much of which is centered in the northern regions of Ghana. In the tourism sector, whereas the emphasis has been on improving the quality of the tourism experience, helping resolve regulatory issues that constrain the expansion of tourism, and marketing Ghana's tourism assets. Future emphasis will be limited to eco-tourism and policy and regulatory issues.

Under IR 6.2.1, the focus will be on accessing overseas markets. To help overcome lack of experience of Ghanaian exporters in the more sophisticated markets of Europe and the United States, USAID/Ghana will experiment with different approaches. For example, one approach will link up Ghanaian entrepreneurs with U.S. and European entrepreneurs in a one-on-one business-mentoring program. Under another approach, the program will seek to develop strategic partnerships that link a specific number of Ghanaian companies a year to buyers in the U.S. and Europe. The partnerships would be based on contracts between the client and the Ghanaian firm for delivery of product to specifications. Linking Ghanaian enterprises with successful overseas entrepreneurs and clients could be an effective way of securing entry into overseas markets with significant potential for fast growth.

The strategic partnership model has been effectively applied by Blue Skies, a firm that has operated successfully in Ghana for five years and is linked to an existing public-private partnership arrangement with the Dutch food-retailing firm Royal Ahold. Blue Skies has good contacts with European supermarkets, producing cut pineapple, papaya pieces and pineapple juice to the precise requirements of that and other supermarket chains. The company is one of the new breed of socially-responsible enterprises, having developed a loyal group of local out-growers who are effectively partners in the business, employing women in management as well as production line roles, and where farmers groom other farmers to supply under EUREP-GAP protocol. The Blue Skies strategic partnership – a Ghanaian firm that contracts with large developed country buyers and Ghanaian small farmers – offers the possibility of long-term growth with potentially large increases in exports and employment.

Under IR 6.2.2, the focus will be on assisting Ghanaian enterprises to improve the quality, volume and timely delivery of their production so that their products conform to the requirements of the market they want to supply, whether those markets are overseas, regional or domestic. The Ghanaian business landscape is dominated by enterprises providing fairly small quantities of output with wide variations in quality. Few firms have yet expanded to the stage where they produce in the large

quantities required by multinational buyers that could generate substantial increases in employment and incomes. Yet it is this kind of growth pathway that the Economic Growth Strategic Objective envisages will lead to large employment increases in agro-processing and other manufacturing sub-sectors, with the creation of backward linkages to small holder labor markets; together, these should have powerful poverty reducing impacts.

Recent studies indicate that the degree to which a country's exports consist of manufactured goods, or to which it still relies on primary products, depends fundamentally on the skills of its labor force (Annex F, Wood and Berge, 1997). Strengthening technical skills is a pre-requisite for sustaining export-led growth reliant on processed products. To this end, the mission will support lower-cost efforts to strengthen linkages between the private sector, polytechnic schools and university faculties, linkages that are demand-driven by the private sector and where the private sector pays some of the training costs. Several training models developed under the current strategy could be expanded upon: graduates from various agricultural faculties are placed with actual farm enterprises after several months of more formal training; goldsmiths, a profession with strong links to Ghana's cultural heritage, are trained in a vocational school setting; and trainees in the garment industry receive on-the-job training under a government funded program. Leveraging alliances for these sorts of endeavors with a variety of partners in a GDA manner will stretch mission resources further than they would go otherwise.

Similar to efforts on the policy side, USAID will identify a path, under IR 6.2.3, that will eventually lead to a few Ghanaian business services providing entities having the capacity to sustain the IR 6.2 program once USAID closes down its enterprise support activities (whether in 2010 or some later date). This will involve capacity building support to a few Ghanaian business associations (DIFD supports other forms of business development service providers) in order to strengthen their capacity to provide the kinds of business services the enterprise development contractor now provides. Thus, the role of the American contractor in the redesigned program will be weighted more toward capacity building than in the past. The primary focus will be on strengthening apex business associations – especially ones with an export focus and with a committed membership – that have wide linkages to the larger business community and the ability to reach a large constituency. These apex associations are expected to link up their member associations with a variety of local partners, such as consulting firms, training institutes, and think tanks, in order to strengthen the association's ability to deliver the range of business development services their member enterprises want and need. Efforts to strengthen services to members of associations will concentrate resources on associations that have a committed membership.

Illustrative Activities

- Improve management practices and access to market information for enterprises, in order to expand markets for those currently exporting and to find markets for those wishing to export.
- Improve production and processing technology of Ghanaian exporters to reduce costs, strengthen quality control, expand volumes produced, and improve timely delivery of exported products.
- Develop market-driven strategic partnerships between multi-national companies, Ghanaian exporters and local out-growers.
- Assist enterprises to develop business plans for submission to banks and other financial institutions, to access credit.
- Promote environmentally sustainable agricultural practices, e.g. integrated pest management and appropriate application of fertilizer and agro-chemicals as well as how to meet increasingly stringent standards for entry into the EU and American markets.

- Partner local training institutes that provide classroom work with private businesses that provide on-the-job training to increase managerial and skills capacity.
- Provide support to apex business associations through grants to strengthen their ability and that of product-specific associations, to provide business development services to their members.
- Provide grants to NGOs for eco-tourism and for strengthening Ghanaian ICT service providers.

Key Indicators

IR 6.2

- Value of exports in selected product categories assisted by USAID increased.

IR 6.2.1

- Number of assisted firms expanding exports by 15% annually.
- Number of strategic partnerships formed with developed country partners increased.

IR 6.2.2

- Value and volume of exports of assisted firms increased.
- Number of employees in assisted firms, by gender, increased.
- Number of assisted firms meeting EUREP-GAP and other (phytosanitary) standards increased.
- Number of assisted firms using sustainable resource management practices increased.
- Number of visitors to assisted tourism sites increased

IR 6.2.3

- Client satisfaction with services of business associations increased (to be based on an annual survey of members).
- Number of dues paying member firms increased.
- Total value of dues increased.

c. Intermediate Results Beyond USAID/Ghana's Manageable Interest

IR 6.3: Construction and Maintenance of Economic Infrastructure. Providing good and sustained infrastructure services is a critical ingredient of the overall enabling environment for private sector activity. However, this requires major investments of resources that USAID does not have. Fortunately, the World Bank, African Development Bank, European Commission and to a lesser extent, DfID, do support infrastructure. Major public sector investments include roads, railroads and ports; major private sector investments include energy and telecommunications. Public and private systems to ensure maintenance of infrastructure investments need to be strengthened. (Note: If Ghana is selected to be a Millennium Challenge country, infrastructure could become a higher profile USG investment opportunity.)

Illustrative Activities

- Public-donor construction of trunk roads
- Public sector construction of feeder roads
- "Privatization" of utilities (electricity, telecom, water), port infrastructure, airport handling.
- Private sector construction of West African Gas Pipeline and thermal generating plants

Key Indicators

- Percent completed of the three main arterial highways leading west, north and east of Accra.
- Delivery of power from thermal sources increases from 40% to 80% of total power generated.
- Cold chain capacity in Accra and Tamale airports increased.

IR 6.4: Regional Integration. The focus will be on the harmonization of policies, rules and regulations among ECOWAS member countries. Greater regional integration will provide the private sector with opportunities to export different products, with less stringent market requirements and standards. As a bilateral Mission, USAID/Ghana finds it difficult to impact regional issues; fortunately, USAID's West Africa Regional Program (WARP) has the integration of regional markets within ECOWAS as its major responsibility and the EC has a strong interest in creating regional trade groupings. The World Bank works with regional groupings of countries to harmonize trade policy, Customs practices and other regulations while the IMF promotes regional integration in the areas of fiscal and monetary policies.

Illustrative Activities

- WARP technical assistance to ECOWAS on regional regulation of the West Africa Power Pool
- WARP and EC technical assistance to strengthen ECOWAS regional trade agreements
- IMF support for harmonization of regional monetary, tax, accounting, etc. rules and regulations
- Regulatory reform to facilitate cross-border tourist movements within ECOWAS

Key Indicator

- Growth rate of Ghana's total (two-way) trade with ECOWAS countries exceeds growth rate of total world (two-way) trade.

4. Contextual Assumptions

USAID success in assisting Ghana to increase the value of agricultural exports is predicated on four assumptions.

Political Commitment to Sound Macroeconomic Management: Over the past decade, the GOG has periodically allowed the fiscal deficit to exceed prudent norms and responded to the rising deficit in ways that led to volatility of prices of goods and services, interest rates and the real exchange rate. This slows investment and economic growth. The past two years have witnessed greater attention to and success with controlling macroeconomic instability, but a breakdown in Ghana's emerging political consensus on economic policy could reverse this trend. Persistent lack of commitment to the goal of sound macroeconomic management is a serious risk to achievement of the objective of the Economic Growth Strategic Objective.

Absence of External Shocks: Potential external shocks include: (i) a prolonged downturn in the world economy, especially in Europe and North America; (ii) unanticipated sharp and sustained increases in input costs, especially oil; (iii) sharp and sustained decreases in prices of commodities Ghana produces for export due, for example, to a rapid expansion in the production of key Ghanaian export products in major competing countries; and (iv) a spillover into Ghana of the political instability in neighboring countries. Each or a combination of these would impact negatively on growth and thereby on the prospects for achieving targets for the Economic Growth Strategic Objective.

Favorable Weather: Periodic fluctuations in annual rainfall and growing conditions are expected and will affect attainment of program targets on a year-to-year basis. The critical assumption is that Ghana will not experience a drought (or flooding) that is as prolonged and severe as to seriously undermine USAID assistance.

Adequate USAID Funds: In the run-up to the submission of this strategy, funds for the Economic Growth Strategic Objective were cut by 40%. The core program described above assumes funding at this reduced level throughout the period of the strategy; indeed, at the reduced level of funding the core program is ambitious. Any further cuts of this order of magnitude will, however, require a fundamental review of the role of USAID in promoting private sector growth in Ghana. Yet a funding increase for agriculture is also possible, which would allow for program expansion as detailed in Annex F on IEHA.

5. Linkages

a. Linkages within the Strategic Objective

The achievement of dynamic, private sector-led development is critically dependent on both improvements in the enabling environment for business and strengthened capacity of Ghanaian entrepreneurs to understand and respond to market opportunities. For example, access to credit is critical to the ability of Ghanaian business to launch new projects and expand existing enterprises. Tight credit is the major complaint from businessmen USAID works with under the enterprise capacity building IR 6.2. Poor macroeconomic management crowds out private sector access to bank credit, while structural impediments to the growth of long-term formal sector savings limit private sector access to longer-term financial resources. Activities under the enabling environment IR 6.1 to increase tax revenues and improve tax policy analysis will improve macroeconomic management while activities to improve financial sector intermediation (policy reforms and credit guarantees) will expand the availability of longer-term financing. These efforts should expand entrepreneurs' access to financial resources. At the same time, firm level capacity building activities will improve the quality of enterprises' business plans, thereby increasing the likelihood of accessing credit.

Other efforts to improve the enabling environment for business also will be designed to “make life easier” for Ghanaian exporters. Improvements in monetary policy should avoid abrupt periods of real appreciation of the exchange rate, and if combined with fiscal discipline, should lead to lower interest rates. Both of these outcomes would be beneficial to private sector exporters. Improvements in trade policy – lower Customs duties on imported inputs, reduction in the ability of import substituting industries to “cut deals” for tariff protection, and elimination of the overall bias against exports – would also benefit exporting firms. A more flexible labor law would be especially beneficial to formal sector businesses employing unionized labor, although many small firms and agri-businesses located in rural areas may not be subject to formal sector labor rules. Improvements in the regulatory environment for gas, electricity and telecoms would facilitate private sector investments in those infrastructure sectors, benefiting all private sector businesses. Conversely, close contact with entrepreneurs will inform policy reform efforts by identifying key remaining policy and institutional constraints to export growth. Without successful implementation of both Intermediate Results (IRs), achievement of Strategic Objective targets will be jeopardized.

b. Linkages Within the Mission Strategy

Potentially the most significant synergy between the Economic Growth Strategic Objective and the Health and Basic Education Strategic Objectives is through the positive impact that a rising standard of living from economic growth has on health and education. The higher incomes from more productive jobs will directly increase the resources available to households and indirectly increase government revenues through increased tax receipts. Households and government will spend a portion of those increased resources on improving human capacity (esp. health and education). And the synergy runs both ways – improved health and increased quality/years of education improve human capacity, thereby boosting labor productivity, the rate of economic growth and standards of living.

However, a key point with regard to education is that private business needs labor trained at least to the polytechnic level.

At the program level, the Economic Growth Strategic Objective will generate synergy with other SOs in several areas. The team will work closely with the Democracy and Governance team to find activities of each that complement one another. For example, in the area of management of public finance by local authorities, the Economic Growth Team will work at the center on policies that affect constitutionally mandated fiscal transfers from the center to the district assemblies and on provisions for local authorities to raise own revenues. This will complement work of the D/G team on fiscal decentralization at the local level. Similarly, the Private Sector Competitiveness Team will work with apex business associations centered in Accra while the D/G Team will work with community- and district-level business associations, where the apex associations assist local associations to improve the services they provide to members and the concerns of the local associations inform the policies advocated by the apex associations. D/G training courses for parliamentarians will likely require briefings on issues of macroeconomic management, trade and agricultural policies would call on expertise from the Economic Growth Strategic Objective to brief the participants. More broadly, this expertise can be brought to bear in parliamentary hearings and workshops on legislation to implement reforms that form part of USAID's enabling environment policy agenda. And D/G training programs for media personnel, especially for members of the Ghana Association of Business and Economics Journalists, can call on expertise and financial support from the Economic Growth Strategic Objective.

The Economic Growth Team will work directly with the health team mainly on the issue of HIV/AIDS in the work place. The Economic Growth Strategic Objective's long-term relationships with many of the business associations and firms in Ghana can be put to use to combat HIV/AIDS by promoting a sense of corporate social responsibility for HIV/AIDS education and support for families affected by HIV. The Economic growth Team will work with the Health Team to identify business associations and firms prepared to participate in the battle and map out effective programs of education and family support for them.

The Economic Growth Team will coordinate with the Food For Peace program to more fully integrate into the economic growth program those contributions from several organizations that receive resources through the PL 480 Title II program. The opportunity for synergy will be greater under the new strategy because of the higher priority placed on agriculture, assuming IEHA funding. Specifically, three NGOs – TechnoServe, Opportunities Industrialization Centers International (OICI), and Adventist Development Relief Agency (ADRA) – make significant contributions through their work in agribusiness and agriculture to the results of the Economic Growth Strategic Objective. Title II programs assist small food producers connected to domestic markets, although some of these small farmers also export. The Economic Growth Strategic Objective works with small farmers largely through out-grower linkages, while its focus on agro-processing expands the markets for small farmer production.

In the energy sector, where USAID/Ghana has worked with WARP for the past three years on the harmonization of energy regulatory issues among the four countries involved in the West African Gas Pipeline, significant progress has been achieved. The new Economic Growth Strategic Objective will refocus attention on Ghana-specific energy regulatory and demand management issues. It will coordinate the direction of reform in Ghana with regional reforms WARP promotes for the WAPP, and indeed may serve as a model for such regional reforms in energy. A similar approach will be adopted with regard to USAID/Ghana's efforts in the reform of trade policy, working with the West Africa Trade Hub. Regulatory reform in Ghana's ICT sector will be coordinated in the context of the West Africa Telecom Regulators Association within ECOWAS. In the area of agriculture, under the Initiative to End Hunger in Africa (IEHA), WARP will work at the regional level, for example, to

coordinate research efforts in each of the ECOWAS countries to maximize positive externalities, where biotechnology issues will be key. With IEHA funding, USAID/Ghana will coordinate with WARP in its efforts to strengthen markets for research, inputs, credit and land as well as markets for exports.

c. Conformance with GOG and Donor Programs

Government of Ghana: The Economic Growth Strategic Objective is consistent with the themes of the Government of Ghana's development strategy, as embodied in its plan for reducing poverty – *Ghana Poverty Reduction Strategy (GPRS) – 2003-2005*. The GPRS argues that Ghana will achieve the goal of accelerated poverty reduction only if it successfully addresses seven development challenges. Three of those GPRS development challenges are specific to USAID's Economic Growth Strategic Objective. Another, gender concerns, cuts across all of USAID's four Strategic Objectives. The three development challenges of specific relevance to this SO are listed below:

- Increasing production and promoting sustainable livelihoods (analogous to increased employment and incomes);
- Ensuring sound economic management for accelerated growth; and
- The active involvement of the private sector as the main engine of growth and partner in nation building.

In essence, the first of the three GPRS development challenges listed above is simply another way of expressing the goal toward which the Economic Growth Strategic Objective strives – increased employment and incomes. The second, insurance of sound economic management, will be the most critical ingredient in the Economic Growth Strategic Objective, at least for the first few years. And for the third, as already discussed, the Economic Growth Strategic Objective will address constraints to the enabling environment, where sound economic management is a key component, and enterprise-level capacity, in order to help ensure that the private sector becomes that engine of dynamic growth. In summary, these three GPRS development challenges have been and continue to be the driving forces of USAID/Ghana's private sector development program that began a decade ago. Gender concerns impact on all USAID Strategic Objectives, including the Economic Growth Strategic Objective. Indicators for key results at the goal level, although beyond USAID's strict manageable interest, are still worth monitoring.

Poverty in Ghana Reduced:

- Percentage of Ghanaians living under the poverty line reduced;
- Index of the depth of poverty (if calculated in household expenditure surveys) lowered;
- Incomes and employment of poor Ghanaians increased;
- Number of non-government formal sector workers, by gender, grows;
- Wages of formal sector workers in selected sectors of the economy, by gender, increase; and
- Average wage in selected sectors of the informal economy, by gender.

Other Donors: The donor community has established working groups associated with the Multi-Donor Budget Support (MDBS) program, trade policy, private sector strengthening, and agricultural development in order to coordinate on-going and new activities.

The main mechanism for donor support of policy reform is through the conditions agreed upon with the GOG under the MDBS and through the World Bank's Poverty Reduction Support Credit (PRSC) policy matrix. A number of the donors, including the African Development Bank, World Bank, European Commission (EC), Canada, Denmark, Netherlands, Switzerland and the United Kingdom (DfID) are funding improvement of the enabling environment through the MDBS (\$110 million

pledged in 2003). The MDBS program disburses funds to the GOG budget against the achievement of policy and program benchmarks in areas such as public financial management, decentralization and translation of the GPRS into the medium term expenditure framework. Some of the MDBS donors also contribute to a pool of funds for technical assistance. While USAID does not contribute to either the MDBS budget support or technical assistance pools, we do participate in the MDBS policy deliberations. In particular, we will use the policy analysis capacity available through under the enabling environment component of the Economic Growth Strategic Objective to incorporate our policy concerns into the MDBS policy agenda, as a complement to the analytical work conducted with funds from the MDBS technical assistance pool. The lead agency for donor coordination to improve the enabling environment is the World Bank.

In addition, USAID, DfID, the EC and the IMF provide technical assistance for improvements to macroeconomic and sector policy and institutional reforms. The IMF provides a long-term advisor to the Ministry of Finance on public expenditure issues and periodic short-term assistance in three areas: fiscal revenue issues, improvement in Ghana Statistical Service, and Bank of Ghana accounting procedures. USAID technical assistance is a valuable resource for macroeconomic and sector-specific reform and institution building. In selecting the areas of macro and sectoral reform for intensive follow up and capacity building, the Economic Growth Team will coordinate with other donors to ensure the selected areas are complementary with their work and that of the MDBS technical assistance pool. For example, DfID and the EC will provide technical assistance and training to the Public Utilities Regulatory Commission (PURC) on water regulation while USAID will provide similar support to the PURC on energy regulation. The IMF is the lead agency in donor coordination of macroeconomic policy, although the World Bank takes the lead in overall coordination of donor efforts to improve the enabling environment.

The USAID, DfID, Denmark, Germany and the World Bank currently fund private sector development activities. Denmark, Germany and DfID work to strengthen the Ministry of Private Sector Development (MPSD) to enable it to effectively lobby other ministries to implement policy reforms and programs supportive of the private sector (the MPSD itself has no implementation capacity). Germany also works with the GOG to find reemployment for retrenched public sector workers and to strengthen small and medium-size enterprises (SMEs) supplying the domestic market. For its part, USAID will strengthen private sector policy institutes and business associations that will liaise with the MPSD to provide direction for its inter-ministerial lobbying efforts. Whereas USAID will work mainly to directly strengthen the management capacity of enterprises that produce for the export market, DfID plans to mount a program to strengthen enterprises providing business development services to exporters. Denmark will work with the GOG to reform a number of business-related laws, such as the Companies Code; and strengthen the Commercial Court system, including alternative dispute resolution; provide credit and venture capital funds for SMEs; and (in an area of potential overlap with USAID programs) provide support to SME exporters. The EC has a small program to support wood products producers (another area of potential overlap). USAID will work closely with DfID, Germany, Denmark, the EC and the World Bank to avoid duplication of effort. USAID has been designated as the lead agency for donor coordination on private sector development.

In trade policy, DfID and Denmark work with the GOG to strengthen its negotiation capacity in the World Trade Organization (WTO) and ECOWAS, whereas USAID works in coordination with DfID to assist the GOG to formulate and agree to a liberalized, coherent and consistent national trade policy. Trade policy is high on the World Bank agenda, having published a very useful report on Ghana's non-traditional exports, but the Bank provides little grant-funded technical assistance. USAID will join with other donors in the area of trade policy to adapt the Integrated Framework model for trade policy capacity building (employed by the WTO, UNCTAD and the International Trade Center) to

assist least developed countries in building their trade policy capacity. Denmark will take the lead for donor coordination on trade issues.

Agriculture set in the broader context of rural development is a priority of many of the donors in Ghana, e.g. the World Bank, African Development Bank, Canada, Germany, Japan, DfID, FAO, IFAD and the EC. All these donors, including USAID, coordinate their agriculture programs with the Ministry of Food and Agriculture (MOFA) through the Agriculture Sector Strategy for 2003-05. Most other donors work to strengthen MOFA programs, especially programs targeted at small-holder farms producing for the domestic market, with many of them focused on the three northern regions. The assistance encompasses local infrastructure (e.g. small scale irrigation, feeder roads) and services such as crop research, agricultural extension, marketing capacity, and organization of participatory farmers groups. Since other donors in the agriculture sector primarily work on domestic agricultural markets, with much of that work in the north, the Economic Growth Strategic Objective's focus on agricultural exports fills a needed gap in donor assistance to agriculture. Specifically, the USAID program complements the programs of other donors by: (i) facilitating dialogue and consensus among government, private sector and civil society organizations (e.g. policy research institutes and labor unions) on policy reforms, many of which are critical to agricultural growth and trade; and (ii) working directly with private sector processors, brokerages and freight forwarders by expanding downstream markets for small-holder produce by helping to create a dynamic agro-based processing industry capable of exploiting overseas markets. The FAO is the lead donor organization in the agriculture sector.

6. Instruments

The existing private sector growth program has used a variety of instruments to fund partners to work with the program in the past and will continue to do so in the future. It has used cooperative agreements to engage U.S. universities and international NGOs to work in areas of mutual interest. Grants have been provided to various local NGOs, business associations, universities and government entities in support of different aspects of the results packages under the existing SO. The current SO team tapped into the Development Credit Authority (DCA) to leverage resources for loan guarantees for local banks to extend credit to exporters. Two firms were engaged through contracts to anchor the two major program areas and other contracts have been competed in support of the existing private sector growth program. Proceeds from monetized PL 480 commodities are granted to U.S. Private Voluntary Organizations (PVOs) in support of rural development activities supportive of private sector growth objectives. The new CSP implementation approach will greatly simplify the scenario described above by reducing the number of assistance vehicles.

Several options exist for implementing the Economic Growth Strategic Objective activities. One option would be to employ two major contracts plus provide a few small grants to local NGOs. Under this option, one contract would be designed to implement the Enabling Environment Intermediate Result (IR 6.1), while the second would be designed to implement the Enterprise Development Intermediate Result (IR 6.2). The second option is nearly identical to the first except that it would involve a grant instead of a contract to implement IR 6.2. The third option would employ one large contract, along with a few small grants, where the sole contract would be designed to implement both Intermediate Results (IR 6.1 and IR 6.2). The task of managing the DCA program would be charged to the contract for implementing the Enabling Environment Intermediate Result (IR 6.1). Whether contracts or grants, a full and open competition will be carried out to select the eventual winners.

Irrespective of which option is chosen, two different approaches exist for linking business associations and policy institutes to the major contracts (or grant). One approach would be to make provisions under the major contract(s), as well as the major grant if option two is chosen, for providing sub-grants

to apex business associations and policy institutes. The second approach would be to “joint venture” with one apex business association and possibly one policy institute. The decision as to which option and which approach to chose has not been taken.

The Agency has three Initiatives that are directly supportive of the planned Economic Growth Strategic Objective. First, the Economic Growth Team will seek to develop new public-private partnerships under the Global Development Alliance (GDA) to increase exports. Second, since a major theme of the Economic Growth Strategic Objective is expanded trade, the Team will seek out ways to work with the Africa Bureau TRADE Initiative, through the West African Trade Hub (WATH) and the parent West Africa Regional Program (WARP), both to be located in Accra, Ghana. The Team will also support expansion of Ghana’s trade under AGOA, in conjunction with both WATH’s AGOA Advisor and WARP’s regional trade integration and harmonization initiatives. Third, the Economic Growth Team is ready to design and implement a major agriculture program, subject to availability of funds from the IEHA (see Annex F for a brief description of what the Economic Growth Strategic Objective would propose to do with \$5-\$10 million annually of IEHA funding). Fourth, resources from the Millennium Challenge Account could be used in a great number of ways: expanding planned programs, funding infrastructure programs of various kinds, and entering other sectors not part of the CSP.

C. Health (SO 7): Improved Health Status

1. Development Challenge and USAID's Advantage

Health status in Ghana has improved in many ways in recent decades, although many health challenges remain. Much progress is still needed in the areas of maternal and child health, addressing urban issues and chronic illness concerns. Ghana has a young age structure, with children under 15 years old comprising about 45% of its population. Life expectancy is 59.2 years old for women and 55.5 years old for men. At a population growth rate of 2.7% per annum, the population will double in 24 years, placing enormous pressures on Ghana's economy and environment.

Ghana's infant and under-five mortality have declined from 66 and 119 per 1,000 live births in 1993, to 57 and 108 (1998 Demographic and Health Survey), respectively. While under-five mortality is less than half of what it was at the time of independence in 1957, more than 100,000 Ghanaian children under five still die each year, accounting for more than half of all deaths in Ghana. The maternal mortality rate, considered to be Ghana's biggest health challenge, is extremely high at 590 per 100,000 (Population Reference Bureau, 2002).

HIV/AIDS: According to UN terminology, Ghana has a low level generalized epidemic, with an estimated prevalence (2002) at 4.1% among adults, expected to rise to 7% in 2009. This is still lower than in neighboring countries (Ivory Coast, Burkina Faso, and Togo), all of which have prevalence rates close to or beyond 10%. Nevertheless, rates in certain bridging populations underscore the necessity of maintaining a strong focus on HIV prevention. For example, according to data from Canadian International Development Agency-supported clinics in Kumasi and Accra, rates among a sub-group of commercial sex workers are as high as 82%. However, other most at risk groups have not been well identified. An estimated 400,000 Ghanaians are living with HIV/AIDS, with 200 new infections occurring every day. Mother to child transmission is thought to account for 15% of new infections. AIDS-related orphans were estimated at 50,000 in 2000 and are on the rise; the social fabric in high-prevalence areas is increasingly unable to cater to their needs.

Under-Five Mortality: Malaria is the single most important cause of morbidity and mortality among children in Ghana, accounting for 40% of all outpatient visits and 25% of deaths among under-fives. These deaths are mainly due to insufficient prevention efforts and lack of early and effective treatment. Although child mortality has decreased, the proportion of neonatal deaths is increasing, representing a quarter of under-five deaths, or 50% of infant mortality. The majority of these deaths are caused by infection, pre-maturity, and complicated deliveries. Other main child killers include diarrhea, pneumonia, and measles.

Maternal Mortality: Antenatal care is high, although attendance at delivery by a skilled attendant is low at 44%. This contributes to trends in neonatal deaths (as noted above), as well as to risks of maternal mortality and morbidity. Other contributing factors include lack of a functioning emergency obstetric system, unsafe abortions and poor quality post abortion care.

Family Planning: Knowledge of contraception is high, yet modern-method contraceptive use remains low: only 13% of married women were using a modern method in 1998 due to fears of side effects and lack of easy and affordable access to services and/or commodities. Women continue to have more children than they desire and suffer from many problems related to pregnancy and childbirth. Unmet need (defined as those who want to space or limit their family size and are not currently using a method of family planning) is 34%, thus the gap between intentions and use is large. The Demographic and Health Survey (DHS) and other studies indicate a discrepancy between the expected

birth rate based on contraceptive usage and the actual birth rate, partly explained by high abortion prevalence - as many as one in four pregnancies is aborted (Legon, 2001). The high level of abortion is of great concern. On a macro level, rapid population growth continues to constrain Ghana's prospects for achieving its economic development objectives.

Urban issues: Almost half of the 8.3 million urban residents in Ghana live in the country's two largest cities, Accra and Kumasi. The poor struggle to survive in Ghana's largest cities, paying for many services they receive (e.g., water, waste disposal) or suffering the health consequences of unsafe water and poor sanitation. Rates of childhood malnutrition and food insecurity in cities such as Accra are much higher than for people living under the officially cited poverty rate. Those living in high-density and lower-class zones of Accra have been shown to have mortality rates that are three to five times higher than the residents of low-density, upper class neighborhoods.

Institutional issues: The Ministry of Health (MOH) is struggling with implementation details of its sector reform, including financial management, monitoring and evaluation, and decentralization. The Annual Review of the Program of Work, 2001 remarked that there appears to be a trend back towards verticalization of programs and earmarked funding for specific priority programs. Furthermore, the second Medium-Term Program of Work (2002-2007) identified access to quality health services at the community level as the major constraint to achieving health sector goals.

Capacity building: Capacity building among both public and private sector health care providers is an important factor in promoting the sustainability of health services. Even small successes in new private sector initiatives are critical to influencing a sufficient number of health professionals to support government's objectives in public/private partnership. Overall, however, the private sector is inadequately prepared (poor business skills, insufficient organization) to support public sector goals. With time, capacity building among private organizations and outlets will increase performance in the private sector.

Gender: Women's lack of empowerment at the health care decision-making level, compounded by financial dependency, contributes to less than desirable health seeking behaviors (positive or desirable behaviors are defined as those that prevent illnesses, diseases or mistimed pregnancies, and that use medically approved remedies early in an illness, e.g. use of oral rehydration salts with diarrhea). Traditional practices and beliefs affect both male and female health seeking behavior, but again such beliefs affect women more than men. Female genital cutting, which remains a significant problem in certain pockets in the north, is a prime example. Supply side factors such as gender insensitive health facilities and medical procedures may further constrain women's access to health care in general, and men's access to reproductive health care. The resulting poor health and under-nutrition further worsens the morbidity status of women as well as reducing their economic productivity.

USAID's Comparative Advantage: Given our technical expertise, USAID will continue to be the leader in the areas of community health service provision, child survival and reproductive health, concentrating on technical assistance to increase coverage and quality of services in all areas. Building on current successes (e.g. increasing condom use, improved breastfeeding practices, and increasing contraception use), we will promote behavior change communication, and expand social marketing and other private sector approaches. USAID also has tremendous comparative advantages in the HIV/AIDS care and support area, including the introduction of anti-retrovirals, home-based and orphan care, establishing voluntary counseling and testing centers, and prevention of mother-to-child transmission. Additional areas of USAID's leadership are in highly technical interventions such as logistics management, surveillance, and program monitoring, evaluation and research, including operations research. We will also build on successful efforts in mutual health organization/health insurance development. USAID in Ghana will build on solid data sets, a strong policy foundation, and

well-established collaborative relationships with the MOH and other donors to improve the effectiveness of all these program areas.

2. Purpose and Definition

USAID/Ghana's **Health Strategic Objective (SO 7)** is defined as a program that **“ensures continued and increasing impact on improving health status while addressing issues of sustainability”**. The Health program includes child health, family planning and safe motherhood, and HIV/AIDS. This Strategic Objective aims to improve the health status of Ghanains by reducing total fertility and under-five mortality rates, and reducing HIV/AIDS prevalence. These results will be achieved together with USAID/Ghana's main partners, i.e., the government of Ghana, other donors and implementing agencies.

USAID/Ghana's health strategy is evidence-based, informed by an active partner consultative process and through numerous special studies. In forging a manageable program for USAID investments in health during the next seven years, the Mission considered several options related to each problem area, and assessed potential contributions that could be made to combat the identified causes of morbidity and mortality. For example, while service delivery planning/management needs to be strengthened at all levels, we nevertheless chose to focus on skills and systems development from the community level up. As opposed to vertical interventions, integrated management of childhood illnesses (IMCI), which has been progressing well in Ghana, will be pursued, and links with community elements will be developed. Aspects of maternal mortality, such as emergency obstetric care, require significant financial investments and specialized technical resources to be successful, but leave behind the most significant contributors to morbidity and mortality, i.e., malaria, family planning (including post abortion care), and nutrition. Similarly, with access to family planning services being fairly well established now, the current strategy focuses on quality aspects, including improving choices and long term methods, and post abortion care. And while Ghana's resources (financial and other) for HIV are increasingly focusing on care and support, given the known state of the epidemic, targeting most at risk populations and prevention are critical.

USAID/Ghana facilitated and oversaw an extensive and highly consultative process to identify priorities and weigh them against potential impact, USAID comparative advantages and cost. The GOG, all implementing partners, other donors, other teams, USAID/W and customers participated in the process. In addition, we reviewed several documents and we commissioned key studies (see Annex D). The latter included a Community Health Planning and Services Program (CHPS) costing assessment, a study of orphans and vulnerable children, strategies for human resource development and for saving newborn lives, private sector planning for health, responses to urban growth/poverty, donor mapping and a service provision assessment.

USAID's Operational Approach

The Ministry of Health (MOH) launched a sector-wide reform in 1997, involving a highly consultative process for developing a sector program which guides the development programs of all health-sector partners. The principal thrust of the reform, following the Ghana Poverty Reduction Strategy (GPRS), involves decentralization of decision-making authority and access to services through the promotion of a basic package of health services throughout Ghana. USAID's approach directly supports the GPRS's priority interventions (e.g. equity, access, efficient services, financing) and contributes to the achievement of health sector GPRS targets. USAID is a partner in Ghana's Sector Wide Approach (SWAp), participating through targeted investments and high-quality technical assistance that are otherwise not otherwise available to the health sector, but is not a contributor to the common basket of SWAp funding.

USAID's approaches to maintaining and expanding positive trends in health status build on the SWAp, add limited new interventions based on lessons-learned and research, and focus activities geographically and programmatically to maximize impact and increase complementarity with other donor programs by:

- Emphasizing integration of health services as part of routine service provision at all levels to limit missed opportunities, improve efficiency and improve quality;
- Targeting community-based service delivery linked to quality referral centers in selected geographic areas;
- Linking health to other development activities, especially at the district and community level, to address inequality in access to basic services;
- Promoting public/private sector partnerships to expand access to quality health services; and
- Targeting HIV/AIDS interventions at most at-risk and high-transmission groups.

Community Empowerment: Community members who share priorities, generate resources, and seek and use knowledge are considered “empowered”. Other prerequisites for community empowerment include administrative support from the central government, local decision-making authorities, and local level capacity to receive inputs. As community members become effective in acting on their own behalf, they are also more likely to challenge their current situation and demand better standards for themselves and their families. The Health SO aims to strengthen decentralized health care and promote individual and community empowerment through such efforts as the Ministry of Health (MOH)/Ghana Health Service (GHS) Community-based Health Planning and Services (CHPS) program, instituting community health financing schemes and advocating for their needs with central and local government authorities. (CHPS structures are defined by the presence of a Community Health Officer [CHO] who works with community leaders, volunteers, community members and the District Political Authority to mobilize support for and participation in health care. The CHO provides basic health care and is supported by the Ghana Health Service District and Sub-District Health Teams.) Community “ownership” of, e.g., the CHPS process, the quality of services provided, caring for one’s own, and priority setting are crucial to the success of this Strategic Objective.

Geographic focus : For increased impact and efficiency, the activities of the Health program in Ghana will focus both geographically and according to highest probable impact. The Health Strategic Objective will have a nationwide impact on improving health status in priority interventions at the following levels:

- ◆ National: Operationalizing improvements for capacity building in selected systems (logistics, training, supervision, surveillance), promoting the role of the private sector, supporting a coordinated approach to health insurance schemes, and providing targeted support to key national programs (family planning including post abortion care, contraceptive security, roll back malaria, STI/HIV prevention and care and support, behavior change communication).
- ◆ Regional: Given other donors’ focus on and resources to the northern regions, USAID will target its interventions in the most deprived districts of Ghana’s seven southern regions. Specifically, those regional level facilities which provide supervision, training, and/or clinical support to district and sub-district levels (see below) will be supported.
- ◆ District/sub district: Interventions will be aimed at facilitating the use of key health services and promoting behavior change through: 1) the CHPS initiative; 2) empowering individuals and communities to improve their own health status; and 3) strengthening service delivery points as a

prerequisite to comprehensive, quality care. USAID will complement the activities of the GOG, which focus attention on 52 “most deprived” districts (defined by the Local Government Assessment of Level of Deprivation as having low level socio-economic indicators, including poor health services) in which as many as 3,000 CHPS zones will be developed. We have tentatively identified a total of 28 districts, including referral facilities which service CHPS zones. We anticipate that approximately 700 CHPS zones covering a population of 3.6 million will be the target of integrated child survival/family planning interventions under the Health Strategic Objective.

- ◆ HIV/AIDS most at risk and affected areas: The HIV epidemic is not homogeneously spread, as 70% of reported cases are concentrated in four of Ghana’s ten regions, and additional high-prevalence pockets exist in the three northern and Volta Regions. HIV prevalence amongst stationary sex workers in the major cities is as high as 82%. Information on HIV prevalence and/or numbers among other potentially most at-risk populations such as miners, commercial drivers, men who have sex with men, police, teachers, out-of school youth, and secondary school girls is lacking at this time, but is currently being pursued. High risk behavior, however, has been documented among miners, police, professional drivers and youth in certain areas. The program will target groups based on likelihood of increased risk, exposure, and ability to transmit HIV/AIDS transmission, as well as at border areas and other locales to be defined by further studies and data collection.
- ◆ Urban locations: Issues of access to priority health services in unreached poor urban areas is of particular concern, be it service availability (e.g., CHPS, voluntary counselling and testing centers [VCT]), or financial accessibility. As Ghana's population increasingly resides in cities, the MOH/GHS recognizes that their strategies must find new ways to ensure the health and well-being of the urban poor. “CHPS in urban zones” is an approach under development to address the issue. In addition, interventions for child and reproductive health concerns of underserved urban populations, including higher risk behaviours thought to be associated with urban locations, will be addressed in this strategy.

As discussed under the development context, Ghana has achieved significant results in reducing under-five mortality and total fertility rates and has come a long way in addressing the basic health needs of its population. USAID/Ghana recognizes these positive trends and, therefore, seeks to build on the success of the past to ensure continued successes in the future. Based on studies, assessments and internal reviews, the SO will largely maintain the basic technical orientation of the previous strategy of “Improved Family Health.” However, new areas of emphases, such as more urban focus, private sector involvement, strengthening newborn care, expanding HIV/AIDS activities beyond prevention to care and support, decentralized capacity development, and systems strengthening will be addressed. The program will integrate its approach across these key areas to provide more synergy within the health sector, will ensure geographic focus to interventions, and will actively develop linkages with other SOs to overcome barriers to individual and community actions for better health practices and outcomes.

SO Indicators and 2008 and 2010 targets

1. Under-five mortality rate
Target: The under-five mortality rate will decline from 108 per 1000 live births in 1998 to 93 per 1000 in 2008 and 90 per 1000 in 2010.
2. Total fertility rate (TFR)
Target: TFR will decline from 4.6 children per woman in 1998, to 3.8 in 2008 and 3.6 in 2010.
3. HIV prevalence rate for adults

Target: HIV prevalence rate for adults will be maintained at below 5% and HIV prevalence among female commercial sex workers will be reduced by 20 percentage points.

The previous strategic objective, Improved Family Health, significantly exceeded all of its targets during the strategy period as measured by immunization rates, HIV prevalence and contraceptive prevalence (proxy measure couple years of protection), thus giving us confidence in the new indicators above.

3. Intermediate Results

As opposed to other USAID country health programs in sub-Saharan Africa, USAID/Ghana's Health SO will hold itself accountable for nationwide (impact level) reductions in total fertility and under-five mortality rates, and reduction in HIV/AIDS prevalence. Improving the health status of Ghanaians depends on consistent, positive health behaviors, which we have identified as an "outcome" IR. Positive health behaviors, in turn, depend on empowering individuals and communities to adopt such health behaviors ("empowerment" is defined as the ability to act in one's own interest [IR 1]), ensuring wide access to health services (IR 2); improving the quality of health services (IR 3); and strengthening institutional capacity to plan for and manage health program needs (IR 4).

a. Outcome IR: Health Practices Improved

The health strategy is based on the hypothesis that positive behavior change (increased service use, improved practices) is a prerequisite for improved health status (impact). Program efforts need to result in improved health practices (outcome) among individuals. The Outcome IR reflects the synergistic result of certain basic services that are available (affordable and within 8 kilometers of the home) and of acceptable quality (following national standards and guidelines); clients and communities who want to act, and are *empowered* to act, in the interests of their own health status; and institutional capacities to sustain the systems that support all these.

Outcome IR Indicators

- Percentage of women of reproductive age (15-49) who are currently using (or whose partner is currently using) a modern method of contraception (national)
- Percentage of births attended by trained personnel (national)
- Percentage of infants six months of age who are being exclusively breastfed (target areas)
- Percentage of target group reporting condom use during the most recent higher risky sex (national).
- Percentage of target group reporting sexual intercourse with at least one non-regular partner during the previous 12 months (national)
- Insecticide treated net (ITN) use among mothers with children under 5 years (national)

b. IR 1: Individuals and Communities Empowered to Adopt Appropriate Health Practices

While knowledge about preventing health problems is high in Ghana, there are social and cultural barriers to service use and a lack of will among individuals and communities members to act on the knowledge and make appropriate health decisions. Low expectations of service quality (addressed in IR 3) and geographic and financial barriers to use (addressed in IR 2) contribute to low service use. This is compounded by service provider biases that are not conducive to positive attitudes and to fostering a reinforcing environment for a whole range of health behaviors. Empowering individuals

and communities with the right information and decision-making tools will enhance their ability to adopt positive health behaviors and practices.

The Health SO will assist with the conduct of studies to further define obstacles to the adoption of positive behaviors and to help USAID identify message content, target groups and media approaches that will help overcome these obstacles. Special attention will be given to address gender and financial decision-making issues, including the development of health insurance schemes that specifically address the health needs of women and children (see also IR 2). Changes to training curricula, objectives and counselor skills and content will be construed based on a better understanding of individuals' and communities' concerns, as well as of instructor and provider biases (see also IR 3).

At the household level, the Health SO will support the targeting of individuals and families with inter-personal and other effective communication strategies to motivate them to demand better health services and act in their own health interests. Community mobilization activities will help ensure the communities' active participation in health planning and service provision including CHPS establishment and support, and in other decision-making actions to bring key health services to the people. IR 1 activities will enhance the communities' capacity to identify health issues, and plan and advocate for better health services; and their involvement in attacking social issues concerning, e.g., HIV status stigma, contraceptive use, breastfeeding, and female genital cutting. Individual empowerment and community participation will reinforce each other to influence health outcomes.

Empowerment to act when personal HIV status is concerned requires a particular focus. Gender issues are particularly manifold and complex (fear of violence when unprotected sex is denied, economic survival). Women have very little power to negotiate condom use and even less to limit their husband's or boyfriend's sexual partners. Messages and interventions will be targeted to address specific misperceptions; and targeted at men concerning men's role in reproductive health and HIV vulnerability. Men will be encouraged to educate their peers; society's negative attitude towards people who use condoms will be addressed. Linkages with USAID's Title II Food for Peace program will help individuals address their basic needs and improve nutritional status of children. (See section on Title II in "Linkages within the Mission").

Illustrative activities

- Behavior change communication (BCC) and information, education, communication activities (mass media, inter-personal) in reproductive and child health
- BCC for HIV/AIDS prevention, care and support, targeting most at risk groups
- Operations research to identify barriers to use of services
- Community-level mobilization, planning and advocacy
- Community-based planning and services (CHPS)
- Private provider skills strengthening
- Training school strengthening (esp. community health nurse)

Indicators

- Number of MHO schemes with reproductive health service benefits (target areas)
- Composite indicator for communities implementing CHPS (target areas)
- Number of VCT clients (target areas)

c. IR 2: Access to Health Services Expanded

Health services in Ghana are grossly underused, with only 0.49 new visits per resident per year (MOH Program of Work, 2003). Although the GOG has committed to the deployment of Community Health Officers (CHO) to the community as the best way to ensure the provision of basic health services to as many people as possible, to date, only 2% of the population is covered by CHPS. Training, deployment and retention of health staff limit access; costs of services (“cash and carry”) also inhibit use.

Access to health services in Ghana is through three primary avenues: the home/community, referral clinic/hospital, and social marketing/private sector. Activities to improve access within this IR will be organized along these three avenues at both the national level and in specific intervention districts.

The community is a critical consumer of health care and supports a system of community health care through the CHPS program. Based on the GOG’s own planning for CHPS expansion, the Health SO will help inform and support means of increasing Community Health Officer training and placement, including community and District Assembly involvement (see also IR 1); increasing health training school capacity; and providing logistics support for Community Health Officers. With this foundation, access to health interventions can be further enhanced through support for making the following services more readily available: antenatal care and referrals for obstetric care; routine immunization services and distribution of vitamin A; community-based distribution of contraceptives; community-based condom distribution for HIV/AIDS prevention; community integrated management of childhood illnesses (C-IMCI); and malaria interventions. The community will be essential to developing interventions to support people and families affected by AIDS, and orphans and vulnerable children, and to developing financing schemes to reduce cost barriers to accessing health services, such as mutual health organizations. The results of these efforts will help ensure that health services are available to individuals, families and communities.

To support this community foundation a strong well-functioning system of referral clinics is needed. USAID will support the strengthening of clinic services in the target districts discussed in the Geographic Focus section. Referral clinics will provide a wide range of services including emergency obstetric and post-abortion care, a full range of family planning methods; antenatal care and child care; intermittent presumptive treatment for malaria; IMCI; breastfeeding promotion; and HIV/AIDS services. Some, if placed in areas of high HIV prevalence, will offer prevention of mother-to-child transmission, voluntary counseling and testing, and antiretroviral treatment, although population reaction to specialized HIV services may dictate that the latter be provided separately.

Ghana has a well-developed social marketing system that distributes contraceptives, condoms for HIV/AIDS prevention, oral rehydration salts for diarrhea treatment, and insecticide treated bednets for malaria prevention. The introduction of a targeted voucher scheme for insecticide treated bednets for the most vulnerable pregnant women and children under 5, parallel to private marketing to the general population, and private sector initiatives to improve access such as chemical seller franchising and contracting for services, will also be undertaken.

For STI/HIV prevention, care and support, Health SO will identify likely most at risk groups (teachers will be included in this list), support assessments of these groups for HIV/AIDS transmission and, subsequently, develop and implement strategies to reach them (also on IR 1 determinants of behavior studies). The Health Program will expand the availability of services for most at risk groups and target populations nationwide, including prevention of mother-to-child transmission, voluntary counseling and testing, and antiretroviral treatment in the public sector and private commercial enterprises. This will be done in concert with other SOs that may have programs with the identified

most at risk groups. Interventions aimed at youth as a vulnerable group will be based on operations research that will guide further programming decisions. USAID will also support the development of opportunistic infection treatment programs, e.g., HIV testing and management of TB patients; and networks for care and support of vulnerable populations and orphans.

CHPS in urban zones is currently under development. With the realization that attention to urban issues will assume increasing importance during the strategy period, the Health SO will work with the MOH/GHS to develop, test, and adapt an urban CHPS program in high density areas. Several ideas include: posting a resident nurse already living in the community to her home area; pre-service training of new community health organizations (CHOs) from the neighborhoods; and mobilizing community groups, churches, volunteers and leaders to set up CHPS structures in poor, high density areas. Complementary to this will be a focused effort on health insurance schemes in urban areas. Disaggregated data for urban areas will be available in the 2003 DHS.

Illustrative activities

- Home-based care promoted by CHPS nurses
- Development of clinic-based integrated family planning/RH and CS services; HIV/AIDS services
- Community and facility-based IMCI
- Expanded social marketing and/private sector services (geographic coverage and service content)
- Voucher scheme for insecticide treated bednets
- Urban CHPS program development

Indicators

- Number of deprived populations covered by CHPS (target areas)
- Percentage of population covered by insurance schemes (target areas)
- Couple years of protection (national)
- Number of bednets sold (national)
- Number of sex workers reached through prevention programs (national)

d. IR 3: Quality of Health Services Improved

Client perceptions of service quality greatly influence service use. Improvement in the quality of health services in Ghana can be achieved through better service provider skills and information; functioning supervisory systems and tools; quality assurance and performance improvement processes; monitoring and evaluation of services; and expanding the range of methods and services available at service delivery points.

At the national level, USAID will address service quality including provider and system performance by strengthening pre- and in-service training, supervision and logistics systems, and infection prevention capability. USAID will work closely with the MOH/GHS Human Resources Division to develop and implement a human resource performance system and quality-feedback-training-supportive supervision cycle linked to performance recognition (see also IR 4). Development and updating of national training standards and guidelines for supervision that institutionalize supervision of reproductive and child health systems will be continued. Better logistics management will improve the supply of contraceptives, vaccines, bednets, anti-retrovirals and HIV/AIDS test kits, and other essential drugs critical to quality of care. Newly established national systems for HIV/AIDS monitoring and evaluation (M&E) and for infectious disease surveillance will be developed for district level application. A more decentralized M&E system will improve the quality and effectiveness of

STI/HIV activities (e.g., targeting groups and locations for interventions); and the infectious disease surveillance system will help inform resource allocation decisions for primary child health. Specialized STI services for sex workers and other most at-risk groups will be strengthened. For the private sector, the training and standards aspects of franchising of chemical sellers, and social marketing of pre-packaged STI drugs for syndromic management, will contribute to the establishment of quality services. Since over 90 full-service clinical family planning sites were established in the previous strategy, USAID will focus on improving the quality of services through training, the development of counseling skills and formative supervision.

In health program intervention areas, USAID will provide technical assistance in supervision and quality improvement, using established norms and procedures, and in correct use of information, education and communication materials. Quality improvement will include support to strengthen in-service training at the clinic and facility level. Health service provider counseling skills and formative supervision procedures will be strengthened. To improve the quality and range of services available, the Health SO will foster integration of newborn care, antenatal care, Vitamin A distribution and IMCI.

Illustrative activities

- Provision of technical assistance to improve contraceptive, essential drug and STI/HIV commodity logistics at the national level and in target districts
- Support for HIV/AIDS sentinel surveillance, infectious disease surveillance, service provision assessments
- Provision of technical assistance to strengthen pre- and in-service training, and supervision
- Pharmacist, chemical seller training in oral rehydration therapy, family planning, IMCI and sexually transmitted infections

Indicators

- Percentage of service delivery points (community health centers and referral facilities) reporting stockouts for contraceptives (national)
- Percentage of health workers managing childhood illnesses correctly (target areas)
- Percentage of service delivery points reporting supervision in the past 6 months (target areas)

e. IR 4: Institutional Capacity to Plan for and Manage Health Program Needs Strengthened

The Health Program will continue capacity building at all levels, including targeted support for pre- and in-service training to complement the substantial support envisioned in the GPRS and the MOH's Program of Work (IR 3). Under IR 4, the Health Strategic Objective program will support efforts to improve the ability of national and district institutions to respond to critical aspects of health programming, training and technical assistance. Assistance will also include support to the MOH for increasing its capacity to privatize and out-source clinical services and some support services.

Based on the GOG/MOH Human Resource Policies and Strategies for the health Sector 2002-2006, USAID, with other donors, will help the GOG to develop procedures and a training system linked to actual job requirements and performance. Reflecting the importance of behavior change communication and IEC in this strategy, USAID will strengthen the public sector's capacity to plan for and manage BCC activities, e.g., the out-sourcing of BCC to the private sector. Non-Government Organizations (NGOs) will also be supported in strengthening their capabilities to respond to local needs related to HIV/AIDS, community mobilization and empowerment.

The GOG is committed to replacing the current system of charging clients directly for services with a health insurance scheme that will provide a basic package of services and improve financial access to health care. USAID-funded technical assistance will assist the GOG at the national/policy level to develop a generic package of activities (standards and regulations, waivers and exemptions, management support and training, and monitoring and evaluation); and work with both district and community-based schemes to develop access to mutual health organizations (MHOs). USAID assistance will ensure participation of MHOs in larger, district-level “networks,” and can also help organize a system of reinsurance that will underpin the MHOs.

Policy and advocacy work can foster access to and demand for quality family planning/RH, child health and HIV/AIDS services. Work on contraceptive security policy to minimize contraceptive shortages, increase commodity funding, develop procurement skills, and ensure financial sustainability will be continued. Policy and advocacy efforts will be applied to strengthen and support a decentralized planning process, including the provision of appropriate level tools and frameworks for district-level participation and consultation; and to promote the role of civil society in health (see also IR 1). The Health SO will contribute to advocacy for reducing provider and/or medical barriers to family planning services among, e.g., youth or unmarried persons, and reducing stigma and/or workplace discrimination against people living with HIV/AIDS. Costing and cost recovery issues related to health (including HIV/AIDS) services and commodities will be addressed. Other issues that may be addressed include management of antiretroviral drugs, STI drug management by chemical sellers/Pharmacy Board link; mechanisms for subsidizing prices of STI drugs; and strategies for addressing HIV confidentiality, testing, and home-based care.

Illustrative activities

- Long term contraceptive security planning and implementation
- Support for systems of equitable financing of health services
- Support for improved and rational training system
- Advocacy, policy development on topics such as health financing, rights of PLWHA, CHPS scale-up
- Local NGO strengthening in key administrative and programming skills

Indicators

- Percentage of facilities stocked between minimum and maximum levels (national)
- Training policy, procedures and job descriptions in place
- Number of districts using risk mapping methodology for HIV program planning (national)
- Number of USAID-supported HIV/AIDS NGOs receiving grants from the Ghana AIDS Commission

4. Contextual Assumptions

Implementation of the Health SO has its share of risks and challenges. Possible reduction in household resources resulting from fuel and other commodity price increases, lack of political clarity on health care financing, and changes in the mechanisms of donor support to the health sector (away from sector support to multi-donor budget support) are real risks to the program. Reduction of cash flow at household levels would result in less use of health services offered by communities and facilities and, subsequently, affect the viability of community services. USAID top-down and bottom-up support for rational health care financing and grassroots mutual health schemes will address client financing issues; and closer collaboration with donors and more specific work plan planning with the GOG will mitigate some of the effects of the eventuality of multi-donor budget support.

While currently available data indicate that HIV prevalence in Ghana may not be following the trend observed in east and southern Africa, there is no empirical basis for understanding the true nature of the epidemic. To address this situation, USAID is lobbying for and will provide technical support for HIV seroprevalence testing in the DHS, complemented by data from assessments of most at-risk groups. In the event of new information, the SO team will need to work with GOG counterparts to re-think and re-orient its program interventions. Strong, on-going working relationships with GOG counterparts and other donors would facilitate this eventuality.

Political instability in neighboring countries, particularly in Ivory Coast, implies that it is important to be ready to adapt to changing circumstances. While Ghana has not to date been significantly affected by refugees from neighboring Ivory Coast, this possibility nevertheless remains a reality. In the case of a drought or other natural disaster in Ghana or in the region, increased poverty, malnutrition, hunger and societal inequities could occur. In such situations, the SO team would need to work with humanitarian programs, and quickly change some aspects of the program focus.

Family planning is the cornerstone of maternal and child health promotion; commodity availability, including condoms for dual protection (HIV, pregnancy prevention) is critical to family planning and reproductive health. Currently, there is a significant projected shortfall in funding for contraceptives for the period 2003 – 2006 and beyond. Inability to achieve specific objectives in contraceptive security planning would likely jeopardize family planning and HIV program viability. To deter this, the Health Team will work strategically and build consensus among donors as well as USAID/W, and will foster support for contraceptive security planning and action.

If family planning is key to maternal and child health, the GOG's CHPS approach is its sine qua non for health services delivery. Yet six years after CHPS was officially adopted as the GOG's approach, only 2% of Ghana's population (denominator all Ghana) is covered by full CHPS services; the availability of human resources is critical to expansion. Nevertheless, the GPRS does not reflect strong commitment to and understanding of CHPS (nor of family planning, and contraceptive security). This may reflect a lack of conviction on the part of decision makers of the power of community health and the importance of reproductive health. Above and beyond its technical, logistical, systems strengthening and financial support for CHPS promotion in Ghana, USAID will continue its efforts to leverage support and funding from other sources, both inside (other SWAp donors) and outside of Ghana. We will continue to provide information on the potentially dramatic success of the CHPS approach, as a means of building consensus and commitment to CHPS at all levels.

Shortages and retention of health staff are major challenges to achieving and maintaining health performance. Provision of services in rural communities is challenging due to the lack of qualified personnel who are willing to work in isolated areas of the country. Shortages occur in all cadres, estimated at 5% per annum, but higher among nurses and community health workers. This problem has dramatically accelerated in recent years due to out-migration of well-trained Ghanaian personnel, particularly nurses. The GOG's proposed response addresses incentives, improved personnel management and career development. Significant resources will be required for this response.

The MOH's Sector-Wide Approach (SWAp) facilitated Ghana's becoming the first recipient of Global Fund for AIDS, Malaria and Tuberculosis. With the introduction of the Global Fund, to which the U.S. Government is the main contributor, much needed funding to target these diseases is becoming available to the developing world in general and Ghana in particular. Funds from the Global Alliance for Vaccine Initiative for immunization programs are also available to Ghana. The significant amount of financial resources of these two funds must be planned and managed well, if performance measures required for subsequent year funding are to be met, and if the GOG's ability to assume costs (e.g., vaccines) and sustain programs by the time these resources are exhausted is to be ensured. USAID

will work more closely with other SWAp donors and the GOG, and target our quality technical expertise in these areas to help make the difference in the coming years.

Achievement of results under this SO is also dependent on a few other critical assumptions. Although CHPS implementation has been slow, USAID believes that the GOG will make reasonable progress, with other donors, in expanding CHPS and extending it into urban areas; and that the extremely collaborative and transparent working relationships among donors and in support of the GOG/health sector will continue. Another assumption is based on donor support and collaboration. USAID/Ghana will not be able to achieve results without other donors' contributions. For example, we believe that the Global Vaccine Fund will support the procurement of key vaccines and that British aid will continue to supply all needed condoms. Finally, achievement of the strategic objective is based on the assumption that planned funding levels will be available at the target levels or higher if the need is demonstrated, for the next seven years.

Finally, and related to the above, we have considered the risks to the health sector as donors move to budget support. In this event, the overall health account may see a reduction in funding levels, but will be countered by the MOH's conviction that health will continue to rank high and potentially reap even more benefits through a holistic approach. However, some donors who do not contribute to the common basket (e.g., UNFPA, WHO and UNICEF) work almost exclusively in the north and in maternal/child health and family planning. As such, health sector support for the northern regions (poorest and greatest need) is not likely to be significantly affected. In any event, the Health Team has coordinated the selection of geographic targets with the MOH and GHS, and will continue to review needs should circumstances change.

5. Linkages

a. Linkages within the SO

In order to achieve the Strategic Objective, strong links among the Intermediate Results are essential. In fact, the Intermediate Results are interrelated and dependant one upon the other. Under IR 1, communities and individuals will be empowered with the appropriate knowledge, tools and support to act on their own behalf. An empowered client or community will be able to identify an accessible service, be it public or private; and understand his/her right to be correctly and even compassionately received, and to demand quality services. Activities under IR 2 will substantially increase the availability of services within and to communities, including the assurance of community support and ability to deal with social and economic consequences of health status and needs (IR 1). Activities under IR 3 will help ensure that services provided respond to individual and community needs, i.e., that service providers and their support systems are well prepared to deliver the required services. Finally, IR 4, strengthened institutional capacity to plan and manage responses to health program needs, will contribute to the creation of an enabling environment for financial and managerial sustainability of health systems and, thereby, help ensure the success of the other Intermediate Results.

b. Linkages within the Mission

Health status and the ability to seek and receive prompt health care contribute most directly to Basic Education and Economic Growth strategic objectives. A child's healthy start in life will determine his/her ability to learn and to participate in the classroom. Economic growth depends on human productivity, which in turn depends on maintenance of good health status, including family planning. Steady or improved family income will also increase the likelihood that the family can "release" a child from farming and animal husbandry work to attend school, contribute to school costs, and seek health care – an interconnected chain.

Activities under SO5 Democratic Governance will be mutually reinforcing with those of SO7 i.e., SO5 will be working with health structures and organizations, and by so doing, will contribute to efforts to empower communities to identify their own health care problems and solutions. CHPS activities will also lead to improvements by individuals/communities participating in local government.

SO5 (Democratic Governance): Service delivery will be enhanced by ensuring an enabling environment at the community level, where services are delivered. Mobilization and use of community resources, including revenue generation, advocacy, referrals and community support mechanisms, are essential elements of community empowerment for health care. SO7, will benefit from SO5's focus on institutional capacity building and promoting interaction with civil society through the "government accountability improves trust" (GAIT) program. GAIT, or other similar approaches, will be used to help empower districts and build the capacity of health civil society organizations (CSOs), women's and youth groups to advocate on health and gender issues to their District Assemblies, and to fully participate in the promotion of more accessible and efficient health services. Democratic Governance can complement Health's efforts to develop community participation to demand better health care, including HIV/AIDS information and services; and to foster linkages among women's groups, CSOs and district authorities, as well as national organizations such as the National AIDS Commission. Finally, as SO5 works to strengthen civil society with an emphasis on women's participation, reproductive health rights and the empowering benefits of guaranteeing these rights can be included in these efforts.

SO6 (Economic Growth) seeks to alleviate poverty and increase household incomes through private sector growth and macro-level economic reform. Financial and other family resources are inevitably required for health care. The availability of funds to pay for services and/or to purchase essential drugs is critical to individual empowerment for improving health status. As such, increasing access to health services and promoting healthy behaviors can be enhanced through linkages with income generating programs, such as credit and savings programs, especially for women. Similarly, support for workplace HIV/AIDS prevention programs and public/private alliance efforts can help ensure that people living with HIV/AIDS continue to have support during periods of illness, death, loss of caregivers and breadwinners.

SO8 (Basic Education): The reproductive health and behavior change activities under SO7 will reinforce the empowerment of women resulting from girls' education. Complementary behavior change initiatives under the Health will also target school age populations and youth, who are at especially vulnerable to HIV/AIDS and unwanted pregnancy. SO7 will work with SO8, through primary and other educational institutions, to educate both students and teachers about HIV/AIDS, and to give school-age girls the tools to make decisions on their own health behaviors, e.g., delaying sexual initiation (e.g., through the SARA project, a peer educational girl's club that increases self esteem, teaches life skills and educates girls on HIV prevention). SO7 will collaborate with SO8 on operations research to document and guide interventions directed at youth; and will include teachers among most at risks groups to be assessed and assist with the development and implementation of appropriate interventions, should teachers be confirmed as a most at risk group in Ghana. The health strategic objective will also ensure that focus group information from sessions with teachers and students is used to inform BCC interventions with these target populations.

Title II: Title II food aid will also be targeted at households or regions especially impacted by HIV/AIDS, through links with community support for DOTS/TB and/or HIV patients. In more general terms, Title II programming will contribute to SO-level improvements in infant mortality through targeted nutritional support and rehabilitation, water and sanitation, and health education including breastfeeding promotion. Examples of additional Title II program initiatives that directly

link to SO7 include: an HIV/AIDS education and prevention program among most at risk groups; increased access to safe water and sanitation facilities in rural areas (CHPS zones); and, increased capacity of communities to manage water and sanitation activities.

West Africa Regional Program (WARP): Infectious diseases do not respect borders. Similarly, infected individuals, be it with HIV or malaria, may not be aware of their status, or may be purposely crossing borders in search of treatment or anonymity. SO7 will collaborate with the WARP Health Strategic Objective (Increased Adoption of Sustainable Reproductive Health, STI/HIV/AIDS and Child Survival Policies and Approaches in West Africa) to address those health issues that are “border sensitive” and apply interventions that have a regional basis or significance. For example, activities concerning migratory routes of transient populations, among whom HIV infections are typically higher than those of the general population, will be strengthened with the WARP. Commodity procurements that could benefit from economies of scale, such as anti-retrovirals, contraceptives and HIV rapid test kits, will be made in coordination with the regional program. Training or workshop opportunities offered by the WARP program will be pursued; and, finally, extensive IEC materials and technical expertise developed by the WARP will be applied in SO7.

c. Conformance with Donor and GOG Programs

SO7 will focus its efforts in the technical subsectors of family planning/reproductive health including safe motherhood, HIV/AIDS and child health through an integrated approach. This reflects the Government of Ghana’s (GOG) Five-Year Plan of Work (2002-2006), which focuses on improving education and communication efforts to empower community decision making; increased private sector participation in health; and improved quality and access to services in all regions. In addition, one of the primary activities identified within this strategy – the national scale-up of the CHPS program – is also an important component of the GOG’s Program of Work.

In the Ghana Poverty Reduction Strategy (GPRS), the Government of Ghana declares that improving the health status of the poor is crucial for poverty reduction, given that ill health is both a consequence and cause of poverty. The GPRS focuses on standardizing the quality of basic healthcare to ensure access to good quality services; and identifies child health, reproductive health and HIV/AIDS as priority areas. Human resource issues are a major problem, and the GOG is committed to developing strategies to address staff shortages, including opportunities for career development and expanding enrolment in training institutions in deprived regions. The MOH plans to expand community-based health service delivery (CHPS) particularly in the three northern and the Central regions. The most important USAID contribution to the GPRS will be in assisting with the expansion of CHPS. SO7 will directly contribute to such GPRS indicators as: HIV prevalence; condom use for HIV/AIDS prevention; under-five mortality; DPT coverage; health service access; and ante-natal and post-natal care use.

Most of the bilateral donors in Ghana participate in the Sector Wide approach (SWAp) and contribute to common basket funding for the health sector. A recent donor mapping exercise place total donor health funding at roughly \$75 million per year, of which over \$20 million is basket funding. DfID, the EU, DANIDA, the Dutch and the World Bank all contribute to the common basket. While USAID does not contribute to the basket, we do have a seat at the table for the policy meetings that manage the SWAp process and we collaborate through that mechanism. USAID also works with other donors as partners on the Country Coordinating Mechanisms (CCM) for the Global Fund for AIDS, TB and Malaria and in collaboration with the Ghana AIDS Commission (GAC). The GAC, since its establishment in 2001, has increasingly engaged ministries, departments and agencies, civil society and community organizations in the national response; there is evidence of active participation in a variety of activities. In addition, for the health sector, there is a regular monthly health sector partners

meeting of which USAID is the secretariat. This venue serves as the primary coordinating body for donor community participation in health activities in Ghana. USAID targets its specialized health-sector technical assistance to complement and fill gaps in the MOH coordinated SWAp program. Specific strategic linkages have been and will continue to be formed with other donor partners to support specific health activities. The SO7 team will continue to work with DANIDA on health financing issues, CHPS, and support for MHOs, with UNFPA and DfID on contraceptive supplies and contraceptive security issues, and with the Dutch on HIV/AIDS interventions. Also, it must be noted that the major health agencies of the United Nations have all targeted their investments in the northern regions of Ghana, thus our focus on the southern and middle belts.

6. Instruments

Historically, the health program has used a variety of instruments to fund partners to work with the national health program. Various instruments will be utilized to carry out activities in the new strategy. The management objective for the health sector is to reduce the number of funding mechanisms, keep options open for flexible decision making, and get the best technical and programmatic inputs for the best value.

Specific technical assistance and support may be provided through a variety of ways, including earmarked grants to the MOH/GHS, funding of cooperating agencies, and/or contracts with institutional contractors. Technical support and investments will be directed to the national, regional and/or district levels, as appropriate, for the implementation of program activities.

SO7 will use USAID/Washington field support mechanisms for targeted technical and commodity assistance to address important program areas and to provide selected support, as needed, for the implementation of the health program in Ghana (e.g., logistics systems strengthening, contraceptive commodity procurement, national surveys, and surveillance). Behavior change communication activities will be implemented through a “leader with associate” mechanism, and the social marketing program will have a separate assistance instrument. Other groupings of activities include clinical quality improvement, advocacy and policy work, and CHPS. These activities will be managed through a variety of mechanisms to be determined (e.g. grants, cooperative agreements).

All USAID-funded partners (contractors, field support organizations or cooperating agencies) under this program will be required to track performance on the basis of performance measure indicators established as part of the expanded SO Results Framework for Ghana.

D. Basic Education (SO 8)

1. Development Challenge and USAID's Advantages

Ghana's national policy to reduce poverty and increase democratic participation in governance is dependent on an education system that provides children and youth with basic skills for active participation in economic, social and political activities. USAID's support for basic education is vital to building Ghana's capacity to achieve enduring economic and social progress and for its people to participate more fully in resolving the problems within and beyond Ghana's borders.

During the past ten years there have been modest improvements in overall rates of achievement in basic education. This can be attributed to the impact of numerous interventions and strategies being carried out (such as Whole School Development, Quality Improvements in Primary Schools, UN Childscope Program, and Science Technology and Mathematics Program) that have been introduced. Enrollment increased somewhat over the past few years from 72.8% in 1998 to 79.9% in 2002. This can partially attributed to increased enrollments in private sector schools which went from 7.6% of total enrollments in 1991 to 18.3% in 2002. Education participation rates, however, continue to be especially low for girls in northern Ghana (20% lower than the national average) and for the poor. Another critical development challenge in Ghana is the low quality of education. Out of every 100 Ghanaian school-age children, 90 enter Grade One (P1), 75 complete Grade Six (P6), and only seven school-age children are able to read with understanding at the P6 level.

Issues of education quality arise from inadequate resources for basic education, coupled with curriculum problems, weak management and a lack of performance accountability and commitment to decentralize. Over the past five years, the GOG has been unable to assure even a minimal level of non-wage expenditure for basic education. Salary overruns, the presence of "ghost teachers" on the payroll and irregular release of non-wage allocations have undermined the capacity of districts to plan and implement learning improvement activities at the school level. Enrollment in the north still trails far behind national enrollment rates due to an inadequate supply of teachers to remote rural areas, the inability of poor parents to pay school fees, and the lack of flexible scheduling that would allow children to complete household chores before going to school. Personnel at all levels are generally not held accountable for results and for abiding by policies and regulations. The consequences are that teachers are often absent from schools, arrive late, and do not cover the syllabus. An extremely generous study leave policy that supports the departure every year of over 5,000 teachers on long-term study leave further contributes to a deterioration of the quality of classroom instruction. The spread of HIV infection further threatens to exacerbate these challenges and further deepen the low level of educational quality if efforts are not made to curtail the probable HIV/AIDS prevalence in the sector.

USAID/Ghana's Comparative Advantage: USAID's program of support to basic education has demonstrated that education performance can be improved in schools throughout the country. Under the Quality Improvements in Primary Schools Program (QUIPS), support to targeted schools and communities in 110 district has led to lower rates of dropout and higher learning performance. QUIPS has worked with schools to develop instructional strategies and materials, raise community participation, and improve management practices. Working in close collaboration with The Ministry of Education, Youth and Sports (MOE), the Ghana Education Service (GES), and other development partners, USAID has established a credible basis for improving the quality of Ghana's primary schools. Elsewhere in Africa USAID has mounted effective programs supporting community schools and improved reading activities.

2. Purpose and Definition

The Basic Education Strategic Objective is defined as a program that “**improves the quality of, and access to, Basic Education**”.

The purpose of this Strategic Objective (SO 8) is to assure that Ghana’s education system is able to reach a larger proportion of primary school-age children, and to assure that they read with understanding and acquire numeracy skills. During the next six years USAID/Ghana will commit itself to implementing **Strategic Objective 8, Improved Quality of, and Access to, Basic Education**. The rationale for targeting both quality and access is based on the following. Under the previous strategy, the Basic Education program focused primarily on improving quality in public schools. That thrust continues, but additionally we now recognize that there are a number of constraining factors, especially relevant in the northern regions, that have not been addressed by quality improvements. For example, some communities in the North are more than five kilometers away from a school and are not willing to have their children walk that distance to school every day. In addition, the public primary schools do not offer flexible time tables that accommodate the schedules of children that are engaged in household chores in the morning. Lastly, many teachers refuse to be posted in remote rural areas. Because of the high priority the GPRS places on reducing poverty in the North, the SO believes a focus on increasing access, in addition to improving quality, is warranted. The MOE plans to issue a new policy abolishing all school fees and replacing them with centrally funded capitation grants. If successfully implemented, this policy could have a very significant positive effect on enrollment.

Over the past few years the MOE, with the support of development partners, has put in place structures and initiatives to improve sectoral performance and increase pupil learning. The ‘Whole School Development’ concept, which is the government’s structural vehicle for delivering reforms at the school level, has been operationalized. A system of financial reforms, coupled with capacity building at the local level to enhance decentralized budgeting and reporting, is ongoing. A new Education Act that emphasizes the role and legal right of decentralized structures to demand accountability from education officers at the local level has been drafted and will shortly be placed before parliament.

The development partner community has worked very closely with the GOG over the last 18 months in moving towards a sector wide approach. The critical first step in this process was the development of the Education Strategic Plan for 2003 - 2015. Now that the plan is in place, development partner support is essential to successful implementation. Ghana plans to apply to the Education For Africa Fast Track Program for support in 2003. In the past, the World Bank and the Department For International Development (DFID) were the largest donors to the basic education sub-sector. However, the World Bank recently shifted the majority of its support to Tertiary Education and to building organizational and management capacity throughout the education system. Beginning in 2004, DFID will provide a large portion of its support to Ghana through multi-donor budgetary support. How much of this funding eventually makes its way to the education sector remains to be seen. In the light of these developments, the importance of USAID support in basic education will probably increase.

The Basic Education SO strategy supports the GOG’s Education Strategic Plan that was developed in early 2003. All five of the intermediate result focus areas address key priorities of the GOG identified in the GPRS and Education Strategic Plan: (1) support complementary and alternative education services in underserved areas to increase enrollments, especially targeting girls; (2) improve the quality of instruction; (3) strengthen the management of education services, particularly at the school and district level – to assure accountability for results; (4) build community capacity to advocate for

and contribute to school and teacher performance; and (5) combat the spread of HIV/AIDS by increasing knowledge of consequences and encouraging behavior change.

Based on dialogue with stakeholders, development partners, the MOE and the Mission's own sub-sector analyses, this strategy diverges from its predecessor by:

- Increasing enrollments, especially for girls, in the underserved areas of the country by supporting community-based, *complementary* education programs (The term *complementary education* is used in Ghana to mean an alternative to formal primary school which emphasizes accelerated learning, literacy, local culture, learner-centered and skills-oriented approaches, flexible scheduling, and community involvement);
- Focusing on pupils' learning to read, by creating a learning environment for pupil success, developing better assessments, utilizing interactive radio, and providing distance education for teachers;
- Assuring management accountability for results by awarding incentive grants to only those districts demonstrating commitment towards improving capacity and performance at the school and district level;
- Moving beyond community participation and focusing on community advocacy for quality schooling at both school and district level linked to the Democracy and Governance SO; and
- Increasing focus on behavior change in addition to knowledge of HIV/AIDS among teachers and youth served by schools.

Listed below is the minimum package of interventions that are expected to have the highest impact.

- Support for NGO/GES partnerships in providing complementary education opportunities for northern Ghana to increase boys and especially girls' access to basic education and literacy.
- Demand-driven district grants, supported with technical assistance, to assure sustainable strategies and practices that improve school quality, and improve children's competence in language and math.
- Technical assistance in support of the program will be targeted primarily at district education offices and may include some of the following activities:
 - Support on formulating results-based district education plans.
 - Capacity for managing implementation, monitoring and evaluation of these plans.
 - Strategies for school-based improvements such as school clusters and mentor teachers.
 - Methods, training, and manuals for teaching reading in English and Ghanaian Languages.
 - Interactive radio for lower primary grades if pilot test results are positive.
 - Tools for assessments of learning, including classroom learning milestones and national assessments of Ghanaian and English reading and mathematics.
 - Strengthening teacher education through distance teacher training and reform of the pre-service curriculum in Ghanaian Languages.
 - Revised curriculum guidance to schools, to increase time and focus on reading and math on the school schedule.
 - Provision of reading materials/textbooks in English and Ghanaian languages.
- Support for community advocacy to improve the quality of education through expanding and strengthening School Management Committees (SMCs), Parent Teacher Associations (PTAs), civil society organizations (CSOs), and the work of National Service Personnel (recent college graduates).
- Prevent the spread of HIV/AIDS among students, parents, and teachers by supporting peer education (for students and teachers), HIV/AIDS school clubs, and roving teacher teams.

Activities to increase girls' enrollment and completion will be implemented in the three Northern Regions where enrollment issues are most severe. On a nationwide level, a gender equity issues will

be integrated into SMC/PTA training, materials development and in-service teacher training. The primary geographic focus of HIV/AIDS Education activities will be in the Western, Ashanti, Eastern and Accra Regions where prevalence is the highest. All other activities will be implemented in 20 – 25 targeted districts (approximately 70 schools per district) throughout Ghana. These districts will be identified on the basis of demonstrated commitment to improving education quality.

Key Indicators at the SO Level

By 2010 it is targeted that:

- Enrollment rate for girls in northern regions will rise from 58% to 70% (183,000 girls to 200,000) (2007 target = 63%);
- Completion rate at P6 for girls in the northern regions will rise from 40% to 50% (16,800 girls to 21,000). (2007 target = 44%);
- Students reading with understanding at P6 in targeted districts will rise from 9.6% to 28% (2007 target = 17%);
- Percentage of targeted teachers engaging in higher risky sex in the last year will decrease from x% to x%. (18,000 targeted teachers in 2007 and 50,000 in 2010); and *
- Percentage of targeted students/youth using a condom during last risky sex will increase from 50% to 70% (2007 target = 60%).*

* Final baseline figures for the HIV/AIDS-related indicators will be established based on studies to be conducted in 2003 and early 2004.

3. Intermediate Results

a. IR 8.1: Increased Educational Opportunities for Girls in Underserved Areas (the three northern regions)

Although the three regions of northern Ghana (Northern, Upper East and Upper West) contain only 17% of the country's population, over 30% of all girls who are out-of-school live in the north (210,000). Historically underserved, with low population densities and isolated communities, the North is a priority in the Ghana Poverty Reduction Strategy. The MOE's recently completed Education Sector Review, and USAID's strategic study entitled "Reaching Underserved Populations with Basic Education in Deprived Areas of Ghana: Emerging Best Practices (2002)" both recommend support for complementary education.

There are a number of promising initiatives currently enhancing access to and quality of basic education in the northern regions that USAID will build on under this intermediate result. One of these is an alternative to formal education: School for Life. This project, in operation since 1994, is managed by a local NGO with support from DANIDA. It establishes afternoon education centers with community support for children from eight to 12 years. It recruits teachers from the locality, and provides literacy and numeracy using Ghanaian languages. The program cycle runs for nine months, at which point the great majority of children are reasonably literate and numerate. Since it began more than 30,000 children have completed the program, with up to 80% continuing on to attend formal primary schools at the P3 grade levels. A second initiative works to support the quality and outreach of the formal schools. The Rural Education Volunteers (REV) program, established by Action Aid in 2000, works with the Ghana Education Service and District Assemblies to recruit, train and support Volunteers to teach P2-P6 children in short-staffed rural primary schools in the north where teachers have been reluctant to be posted. The REVs are secondary school graduates living near the school, recruited by the community and GES. They are given a small allowance from the GES, and receive child-centered professional training and supervision during their service. There are currently more than

250 REVs, the majority young women, serving in understaffed rural primary schools. A recent review indicates that the REVs are motivated and are effective in attracting children to school and are reducing dropout rates.

The strategy for this Intermediate Result is to support similar community school and volunteer teacher initiatives, in partnership with GES, so as to increase annual enrollment of girls in the three northern regions. It is expected that the Ghana Education Service and District Assemblies will support a portion of the cost of these programs through in-kind contributions, such as the use of circuit supervisors to monitor schools, and financial contributions such as support for a portion of the scholarships or for volunteer teachers. In other countries such as Mali and Egypt, USAID has demonstrated a comparative advantage in establishing effective community school programs. USAID/Ghana plans to build on this broad experience. The curriculum and approaches for the community schools will be developed in conjunction with the work being done under IR 8.2 to improve reading skills. If special funding is made available, USAID plans to support girls' scholarships through the African Education Initiative to encourage girls from poor families to continue their education through upper primary and junior secondary school. In addition, under the Mission's FFP PL-480 Program, school feeding will continue to be supported in the three northern regions. School feeding has been shown to have a very positive effect on children's attendance and enrollment. Should budget cuts severely curtail this program, they will negatively impact enrollment and attendance.

Children with special needs constitute up to 10% of school age children. To date, little research has been conducted to better understand this population. At this point, it is known that few teachers, if any, are trained in assessing childhood disabilities. There are not enough facilities available for children with special needs, and support systems and equipment for these children are lacking. We will join with government and other development partners to analyze and develop strategies to better address the needs of these children. Efforts to improve teachers' competency to assess childhood disabilities is one area that USAID may support. Vision-related disabilities are expected to be reduced partially through the Community Health Program supported by the Health SO which promotes the distribution of Vitamin A.

Illustrative Activities

- Supporting and developing complementary education programs for children in underserved areas, particularly targeting girls;
- Supporting Rural Education Volunteers for schools in remote areas where there is a shortage of regular teachers;
- Providing girls scholarships;
- Supporting School Feeding Programs (PL-480); and
- Conducting studies and develop pilot programs that support children with special needs.

Key Indicators

- 8.1.1 Number of girls/boys enrolled in complementary education programs
- 8.1.2. Number of girls/boys reading at P4 level through complementary education programs
- 8.1.3 Number of Rural Education Volunteers teaching in rural schools
- 8.1.4 Number of girls supported with a scholarship

b. IR 8.2: Improved Instructional System

The low quality of teaching and learning in primary schools remains a serious challenge for Ghana. As measured by the Criterion Referenced Test (CRT), 9.6% of P6 children achieve mastery levels in

English and 4.4% achieve mastery level in mathematics. The Education Sector Review noted that the inability of pupils to read undermines the quality of education in secondary schools, teacher training colleges, technical and vocational institutes, and the universities. A USAID-commissioned study showed that private schools, the great majority serving lower middle income areas, have fewer professionally qualified teachers compared to public schools, and have no better physical facilities, yet their students perform far better on learning achievement tests. Three factors that were identified as contributing to the higher achievement results were: (1) more time on task in private schools; (2) better supervision; and (3) greater parental involvement in their child's education.

IR 8.2, combined with IR 8.3 and IR 8.4 represent a collective strategy for addressing this critical issue. The objective is to assure that the majority of children who enter and complete primary school are able to read with understanding. This is not to suggest that only reading is important, but it is the key requisite for children to be able to learn basic life skills and to gain knowledge in other subject areas. Our activities for this IR include building on some of the successful practice developed under the following initiatives: Whole School Development Program (a GES initiative to promote quality, access and effective management), School for Life, GTZ Ghanaian Language Textbooks and Teacher Training Program, and QUIPS methods and materials including the Teaching for Reading/English as a Second Language Program (launched in 2002) that aims to enhance the skills of teachers to teach pre-reading and reading skills. In order to effectively teach reading, lower primary teachers will be provided with a teaching manual that provides daily guidance on key concepts, exercises and games to be covered in Ghanaian Language and English. GTZ and the World Bank have supported the development and printing of local language textbooks and teacher manuals in two Ghanaian languages (Twi and Ewe). Future approaches and materials will build on these books. In addition, approaches to teaching reading in English and local languages used successfully in other countries (The Molteno Project in South Africa, READ, South Africa, The Zambia Primary Reading Programme, The New School in Honduras, etc) may be utilized. Additional textbooks and supplementary readers may be provided to ensure that children have sufficient reading material to develop and practice reading skills. Learning materials such as posters, alphabet cards, big books, sentence makers and word cards (used in the Molteno Breakthrough to Literacy Programme), etc. may also be provided. To further enhance the teaching of reading, teachers will need to be trained in such skills as reading to children, production of children's stories and books, children reading to peers, and uninterrupted silent reading. We plan to support the GES in establishing a system of learning milestones for reading and mathematics, whereby teachers can track children's progress on essential, observable skills needed to build literacy and numeracy. The development of additional textbooks in Ghanaian languages will be supported if funding from the African Education Initiative becomes available. A national assessment in reading and mathematics, clearly linked to an updated curriculum, needs to be developed. USAID has agreed to support the MOE/GES in undertaking this important initiative.

Interactive radio has proved to be an effective way of reaching rural and underserved populations with quality instructional systems. It helps to train teachers within the classroom by providing a high standard of oral and written English, and by modeling interactive learning. Our objective is to work with the GES to develop Interactive Radio for lower primary grades in English, broadcast daily throughout the country (including the rural community schools). Work in the area of interactive radio will need to be piloted and analyzed to determine whether it can be extended more widely. Internationally, Ghana is at the low end of the scale in total instructional time given to language and mathematics. Policy dialogue with MOE/GES headquarters and work with Districts and schools will seek to expand time on learning to read. Finally, if funding under the African Education Initiative is available, we will work to develop a program that uses distance education through an in-service training program for untrained teachers. This program would contribute to both a strengthened in-service and pre-service teacher training program while reducing the numbers of teachers who leave rural posts for training in residential institutions, seldom returning to their schools.

Illustrative Activities

- Expand and strengthen successful reading programs in English and Ghanaian Languages
- Develop teacher manuals that provides daily guidance on key concepts, exercises and games to be covered in Ghanaian Language and English and supplementary textbooks and reading materials;
- Provide supplementary reading materials in English and textbooks in Ghanaian languages;
- Introduce learning milestones to strengthen instructional practice;
- Strengthen national assessment of reading and math achievement;
- Use Interactive Radio to strengthen English teaching and learning (if feasibility study results are positive);
- Advocate increasing instructional time for reading and math; and
- Develop/expand program of distance education for upgrading teachers, especially in the areas of English, Ghanaian language, and math.

Key Indicators

- 8.2.1 Percentage of teachers demonstrating improved skills in teaching reading and math
- 8.2.2 Increased teacher time-on-task for reading and math instruction
- 8.2.3 Improved assessment systems developed and implemented

c. IR 8.3: Improved Management Accountability

We have learned through QUIPS that, however effective our efforts to improve instructional systems, quality teaching can neither be sustained nor spread without leadership, management and resources provided from the district and national levels. The GOG policy on decentralization is consistent with our focus on strengthening planning, management, monitoring and evaluation to assure that children can read at their grade level. Under QUIPS, District Grants have now reached 70 districts in Ghana. About half of the districts demonstrate leadership commitment and results, whereas others simply take the District Grant management program as an additional task and show little enthusiasm or capacity to manage resources strategically. One of the reasons for this is that the overall system of management, financing and oversight within GES seldom provides rewards for good leadership and management, or sanctions for poor management. While there are policies, regulations, and guidelines in place, the leadership at MOE/GES acknowledges that these are ineffective and often ignored. We have found through our District Grant Program that, under present conditions, district development programs will only be effective in districts where senior leadership is committed to improving education out of a sense of professional dedication. In districts where that commitment does not exist, the absence of an effective system of accountability makes it almost impossible to implement district improvement programs. The Education Sector Plan (issued in March 2003) proposes to improve education management through better supervision, implementation of the GES Personnel Appraisal System, and the application of existing policies and regulations governing staff conduct. If implemented, this should contribute towards an improved management environment.

Our strategy is to support the GES in initiating a system of rewards for effective leadership and management for results. We will introduce competitive District Grants that will fund district identified plans and priorities for improving school quality. These Grants will be demand driven, with grant proposals openly reviewed against criteria that reflect leadership commitment. We believe this process will produce capacity and examples of effective planning, management of resources, monitoring results, and reporting progress. Districts which meet minimum criteria (such as satisfactory performance under QUIPS I), will be invited to submit grant proposals with plans for improving school performance and pupils' reading achievement. Other factors that will be reflected in the

criteria include: (1) a participative planning process (engaging SMC/PTAs and other stakeholders); (2) commitment demonstrated by cost-sharing using District Assembly or other funding sources; and (3) a strategy for using grant resources to achieve measurable results in reading and math (including a monitoring and evaluation plan). The grants will target a group of approximately 70 schools (grouped in clusters of 3 – 5 schools) per district. Districts will be able to receive technical assistance in the preparation and development of their proposals. Those districts selected to receive grants will be able to receive technical assistance as needed in building their capacity to manage, monitor and evaluate progress.

During the first year approximately five districts will receive a grant. Grant funds will be used to support a variety of activities such as training aimed at school improvement for teachers, head teachers, circuit supervisors and other district personnel. Grant funds will also be used for learning support materials, community mobilization activities as well as school monitoring and evaluation. The grants will not be used for infrastructure, although the district cost-share could be allocated towards infrastructure, if it is targeted to one or more of the approximately 70 schools. The program will expand to reach up to 25 districts and 1,750 schools by the fourth year of the program. A district will be eligible to receive an annual grant for a maximum of three or four years, after which the GES and District Assembly will be expected to cover the costs of sustaining the district and school reforms.

Other development partners have committed to supporting management capacity building at various levels of the system, including the World Bank and DFID, and on the framework, regulations and procedures governing the allocation and accounting of budgets and funds to the districts. USAID will concentrate on district and school level improvement. Where necessary USAID will provide technical assistance to strengthen capacity at the national level, building on experience and good practice developed through the Grants program. For example, if work on improving accountability at the district level is being negatively affected by lack of action from the national level, then the program would work to address these barriers.

Illustrative Activities

- District Incentive Grants - Up to 25 district grants per year, serving up to 1,750 schools. Illustrative uses of district grant funds include: cluster training for teachers, purchase of supplementary reading materials, purchase of motorbikes for supervisory visits, petrol for supervisory visits, M&E activities etc.;
- Technical assistance for developing grant procedures and criteria, supporting districts in implementing and monitoring grant activities, and improving management; and
- Technical assistance to Headquarters on Policy/Management practices, based on needs and experience with the district grants.

Key Indicators

- 8.3.1 Number of District Education Offices (DEO) implementing plans and demonstrating improved results.
- 8.3.2 Number of DEOs with transparent budgeting processes.
- 8.3.3 Number of schools implementing school improvement plans and demonstrating improved results.
- 8.3.4 Number of schools publicly posting and reviewing use of school funds.
- 8.3.5 Improved teacher attendance in targeted districts and schools.

d. IR 8.4: Increased Community Advocacy for and Contribution to Quality Education

Community participation in primary education has been a key policy objective of the GOG over the past decade. That policy has sometimes been narrowly understood by DEOs to mean that communities should send their children to school and ensure that they are well supplied with pencils and notebooks. It is evident through the analysis of private primary school performance and the experience of QUIPS and other development partners that raising education quality requires stronger community oversight and advocacy, as well as contributions to school material needs.

Through QUIPS, 467 communities have been mobilized throughout the country to work on issues of education and have developed the capacity of School Management Committees (SMCs) and Parent Teacher Associations (PTAs) to become more effectively involved in their schools. As a result of the excellent methodologies, manuals, training, and monitoring procedures that QUIPS developed, USAID is viewed as having a very strong comparative advantage in this area. QUIPS also introduced the approach of utilizing National Service Personnel (recent college graduates) to facilitate community mobilization. As a result of this program's success, the GES has mainstreamed this approach by assigning National Service Personnel to all 110 districts for work at the community level. They represent a valuable resource in mobilizing communities, and their experience living and working in rural areas will make an important contribution to Ghana's human capacity to address rural poverty. It is expected that National Service Personnel will continue to play an important role under the new strategy.

This strategy will build on and expand the experience and accomplishments gained in the previous program for strengthening SMC/PTAs. Improved community advocacy and participation will be achieved through community mobilization activities, as well as training for SMC/PTAs. The USAID education strategy will increasingly focus on strengthening the community's role in monitoring the utilization of school resources as well as advocating for improved education services at the school and district levels. SMC/PTAs will become active in monitoring the attendance and performance of teachers. They will examine school performance and contribute to the development of School Improvement Plans. It is anticipated that by 2010, at least 900 PTA/SMCs will be fully active in the 20 - 25 districts where the Education SO is also providing district grants.

In conjunction with the DG program, District Education Stakeholder Associations will be established to carry out regular reviews of education issues and performance, convene forums focused on improving school quality, and bring key issues to the attention of the District Education Oversight Committees, DEO, and District Assembly. The associations will be comprised of key education stakeholders in the district such as SMC/PTA's, Ghana National Association of Teachers (GNAT), private schools, youth groups, etc. To improve media coverage of education issues, we will explore the use of radio, newspapers and TV to create more meaningful coverage of education issues of greatest concerns to parents and stakeholders.

The Mission views increased community advocacy as a cornerstone of the decentralization program. District Assemblies will only be responsive to the priorities of civil society if civil society is able to articulate its needs and make them felt. The Mission believes that communities that are effectively able to advocate for improved education will be able to advocate more effectively for other issues they confront. Since the focus of this IR overlaps with that of the DG SO's Intermediate Result 3 (Improved Sectoral Advocacy Performance), we will collaborate very closely with the Democracy and Governance Team in implementing this IR. In fact, the DG and Education SO have agreed to implement these activities through a shared implementation partner.

Illustrative Activities

- Develop District Education Stakeholder Associations with SMC/PTA representatives;

- Provide support to SMC/PTA's to more actively advocate for quality education and monitor pupil and teacher attendance and performance;
- Build on QUIPS methodologies and materials for training and supporting National Service Personnel and GES staff to increase community involvement in schools;
- Support micro-grants to schools in order to leverage community participation and contributions; and
- Develop the role of mass media in reporting on education sector activities and promoting civil society advocacy for quality education.

Key Indicators

- 8.4.1 Number of SMC/PTAs monitoring teacher and pupil attendance and performance
- 8.4.2 Number of SMC/PTAs implementing School Improvement Plans
- 8.4.3 Number of District Education Stakeholder Associations established and active
- 8.4.4 Number of National Service Personnel effectively working with communities on improving education quality

e. IR 8.5: Improved HIV/AIDS Prevention Program in the Education Sector

At current levels of HIV/AIDS infection in Ghana as many as 7,400 teachers may already be infected. This figure is calculated based on an estimated 180,000 teachers and a 4.1% national prevalence rate. While a baseline analysis among this population will be conducted to ascertain the accurate status of the situation, experience in other African countries suggests that teachers are disproportionately affected by HIV/AIDS. Thus, the figure is most likely higher than 7,400. Unless action is taken to halt the spread of this disease, that number could easily double within the next five years. If this were to occur, it would have a very damaging impact on the education system, both in terms of quality and access. Pupil/ teacher ratios would most certainly increase, student attendance rates would drop, and the quality of education would likely decline due to increased teacher absenteeism.

In order to ensure that this does not occur, teachers need to be provided with appropriate HIV/AIDS Education to increase the number of teachers practicing HIV/AIDS prevention behavior. Because teachers are relatively mobile, have a stable income and significant exposure to young women and girls, they are a potentially at risk population in terms of spreading HIV/AIDS. For this reason, this strategy places a special emphasis on educating, improving personal risk perception and changing the risky behaviors of teachers through HIV/AIDS prevention training and peer education. Pre-service teachers as well as in-service teachers need to be taught how to protect themselves and how to behave ethically towards students. The positive effect a well-informed cadre of educators can have on Ghana's youth is enormous. To determine the appropriateness of interventions targeting teachers, the Education and Health Teams will collaborate on an assessment of most at risk groups including teachers, for the purpose of clearly identifying those most at risk in Ghana. If this assessment does verify teachers as a most at risk group, vigorous and effective steps will be taken to halt the spread of this disease by this group. Baseline data and follow-up monitoring will guide the interventions to be pursued and modifications to be introduced. Should the results of the study reveal that teachers are not a most-at-risk population, HIV/AIDS funds will be redirected. If the results show that teachers are a medium risk group, the Mission may use basic education funds available under the African Education Initiative to support HIV/AIDS prevention activities for teachers.

As a basic component of their education, children need to be educated about the threat of HIV/AIDS and engage in peer education activities to ensure they develop positive health behaviors. This is especially true for young girls who are frequently preyed upon by teachers as well as older boys and

men in the community. Consequently parents and community leaders need to be involved in learning about the problems HIV/AIDS creates and how to talk about these with children.

The Ministry of Education has been a leader within Ghana's public service in responding to GOG HIV/AIDS and UNAIDS planning initiatives. HIV/AIDS Education is given a prominent place in the MOE's recently issued Education Strategic Plan for 2003 -2015. The focus of MOE's programming is on the *Window of Hope* – children and youth up to 15 years of age. These are the ages where children are still impressionable, and when girls are the most vulnerable. USAID has assisted the MOE to develop an HIV/AIDS strategy for the education sector, and establish a unit within the MOE to manage this strategy. In addition, through a grant to World Education, the Education SO has built NGO capacity to work with Teacher Training Colleges and schools to increase HIV/AIDS awareness and promote the development of positive sexual behaviors. In an effort to build girls' self-esteem to help them confront challenges in their every day lives (such as pressure to have sex at an early age, drop out of school, etc), the Education SO has supported the creation of Sara Clubs in Ghana. Sara is a fictional character featured in comic books and videos that is intended to serve as a role model to girls. After reading books and viewing videos, members of Sara Clubs discuss how issues Sara confronts are relevant to their own lives.

The purpose of activities under this intermediate result is to provide effective HIV/AIDS prevention programs for students and teachers in the education sector. This will be achieved primarily by:

- 1) conducting an assessment to determine if teachers in Ghana constitute a most at risk group and identify the characteristics (location, age, socio-economic setting, urban/rural posting, gatekeepers, etc.) of the teacher population, to help guide interventions. The results of the assessment will be used to establish a baseline against which changes in knowledge and behavior will be measured. If teachers are determined to be a most-at risk group, the Education Team will explore different ways to influence that behavior with a strong evaluation component to understand the effectiveness of different approaches.

- 2) building NGO and GES capacity to effectively engage teachers, pupils and parents around issues related to HIV/AIDS. These activities will be coordinated within the MOE/GES National HIV/AIDS Strategy, as well as the USAID/Ghana HIV/AIDS Strategy. In contrast to the other Intermediate Results that are focused at the primary school level, IR 8.5 will also target Junior Secondary students and Senior Secondary students with appropriate HIV/AIDS prevention interventions and education.

- 3) implementing innovative approaches to working with in- and out-of school youth and conducting operations research (OR) on the interventions. Using a phased, evidence-based approach in select regions, after-school activities such as peer education and HIV/AIDS clubs will be supported in order to establish healthy sexual behaviors and attitudes among young persons. A rigorous operational research program will be developed as an integral part of these activities to: a) determine the effectiveness and cost-effectiveness of these interventions and b) provide important information to modify and/or adjust the program to achieve greater impact. A separate study will be undertaken to identify those segments of the student population most at risk, and to establish baselines against which changes in knowledge and behavior will be measured. The results of the latter study will be used to strategically target support within the education sector. For example, if the study confirms that girls attending schools in low-income areas tend to be more at risk for having sexual relations with older men (including teachers) than girls in medium to higher income areas, schools in low-income areas would be targeted.

- 4) Identifying and supporting orphans with scholarships to enroll and persist in the education system. Scholarship for orphans is intended to mitigate the effects of HIV/AIDS on the affected

pupil, family and community at large. By ensuring that orphans continue their participation and are effectively integrated in the education system the scholarship program will assist them to be independent in the long run.

Experience in other countries in Africa has shown that most teachers are unable or unwilling to provide HIV/AIDS education to children. Therefore, a cadre of specially trained roving HIV/AIDS teachers and NGO facilitators will be developed to implement the program. These persons will be selected based on specific criteria including their ability to communicate effectively with groups on matters related to HIV/AIDS. NGOs will be encouraged to attract out-of-school youth to their after school activities and to organize separate activities for groups of out-of-school youth that are readily identifiable (such as the girl porters in the markets). IR8.5 will also expand its activities among SMC/PTA organizations to educate parents about the disease and its means of transmission so that they can better inform their children about prevention behaviors.

Finally, USAID will work with the MOE/GES to build its capacity to apply for and effectively utilize HIV/AIDS funding available through the Ghana Aids Commissions and other development partners.

Illustrative Activities

- Introduce innovative interventions among youth/students, with an operations research component to determine impact and cost effectiveness of interventions being implemented and, if appropriate, to guide adjustments to such interventions.
- Build the capacity of NGOs to support school-based prevention programs, including peer education, for teachers, students, and out-of-school youth through peer education.
- Develop Roving Teacher Teams within each district, trained in using participative methods and materials to work with schools, teachers and communities on HIV/AIDS prevention and behavior change. The teams would be composed of seconded teachers, NGO facilitators and National Service Personnel.
- Develop MOE capacity to effectively apply for and utilize HIV/AIDS funding available in Ghana.
- Supporting orphans with scholarships to effectively participate in the education system.

Key Indicators

- 8.5.1 Number of teachers and students that have participated in effective peer education programs
- 8.5.2 Number of parents sensitized to causes and consequences of HIV/AIDS
- 8.5.3 Number of districts with active Roving Teacher Teams
- 8.5.4 Number of schools with active HIV/AIDS clubs
- 8.5.5 Number of orphans supported with scholarships.

4. Contextual Assumptions

The effectiveness of our program is strongly influenced by a number of political, management and financial conditions. The following conditions will create the most conducive environment for the program:

- Political and technical leadership to manage the basic education policy is present. The U.S. Mission in Ghana will continue to dialogue with the GOG about the need for strong and effective leadership to successfully implement education reforms.

- Management capacity for the implementation of sector strategy at national and district levels is established so that senior staffs are held accountable for program results and the effective use of resources, with consequences for non-performance. Performance appraisal systems now defined will become operational.
- USAID is able to maintain effective, cooperative relationship with MOE/GES and development partners on the education sector program.
- School Feeding Programs receive sufficient resources to carry out planned programs.
- Personnel policies are reformed so that ghost teachers are removed from the payroll, there is a reduction of primary teachers leaving their posts to go on paid study leave, and the system assures an adequate and stable teaching force for primary schools
- Curriculum guidelines and instructions to schools increase the focus and time on task for reading and mathematics.
- Textbooks and instructional materials are provided to schools in adequate quantities, as described in the Education Strategic Plan.

The last three assumptions are identified as priority activities in the MOE's Education Strategic Plan. Thus, the MOE/GES will be making a concerted effort to ensure these conditions are in place. In addition, the program has been structured so that the absence of these conditions will not completely undermine the proposed strategy. In particular, by targeting those districts with greater demonstrated capacity to implement school improvement programs, many shortcomings at the national level can be compensated for at the district level.

5. Linkages

a. Linkages Within SO

The three Intermediate Results relating to Improved Instructional Systems, Improved Management Accountability and Increased Community Advocacy for and Contribution to Quality Education, all focus on the SO indicator of increasing completion rates and increasing the number of children who can read at grade level by the end of primary school. They will be planned and managed together, with the activities under each IR reaching the same targeted districts, schools and communities.

IR 1 is focused on strengthening services in northern Ghana, and will concentrate on expanding complementary education for children beyond the reach of regular schools, as well as utilizing Education Volunteers in schools that cannot retain qualified teachers. The use of Interactive Radio, an activity described under IR 2 will be very helpful in providing quality instruction to learning centers and rural schools in the north. The Interactive Radio program will be designed and managed to support IR 1 activities. In addition, Ghanaian language materials used in community schools will be made available to public schools for use as they begin to teach literacy in Ghanaian languages.

IR 3 and IR 4 are closely linked, since both will be utilizing National Service Personnel, and a set of methodologies and materials that help to inform and empower local communities.

b. Linkages Within Mission Strategy

SO5 Democracy and Governance. The Education and DG SOs will jointly work to support the GOG's goal of greater decentralization by designing and managing activities relating to IR 3 Increasing Community Advocacy for Quality Education. We will collaborate on (1) developing the capacities of SMC/PTAs, (2) establishing District Education Stakeholder Associations, and (3) strengthening the role of mass media in support of civil society advocacy for quality education and a national reading campaign.

SO6 Economic Growth: A well educated population is a critical ingredient for private sector growth. Likewise, the income level of parents is often an important determinant of their ability to send their children to school. In this sense, the efforts of SO7 and SO6 reinforce each other. To the extent that the Education Team is able to improve the reading and numeracy skills of Ghanaian children, it will be contributing to a more productive economy.

SO7 Health. School health issues have been identified as a priority of the MOE which recognizes that the poor health of children negatively impacts on their ability to learn. While the Health SO does not directly address school health, we anticipate that through increased community advocacy, communities will recognize the importance of vitamin A supplementation and good nutrition for success in school, thus enhancing the Health Team's efforts. In the area of HIV/AIDS, the Education Team will complement activities of the Health Team by targeting teachers, students, and parents with specific HIV/AIDS education and peer counseling activities. These same persons will also benefit from the national media campaigns that promote prevention and compassion as well as the voluntary counseling and testing services that are provided. Because both teams will be supporting peer education that targets different groups, we will collaborate closely on reviewing the best approaches to peer education. We will also collaborate with the Health Team in assessing and monitoring behavior among youth and teachers.

Food For Peace. Catholic Relief Service is one of the key PL-480 implementing partners. One component of its program provides school feeding program in primary schools in the North. This activity has made important contributions to improving attendance in these areas especially for girls. Given the SO's focus on improving access to education for girls in the North, the Education SO will work closely with the Food for Peace Office and CRS to ensure that school feeding activities effectively complement other activities being supported in the North.

Africa Education Initiative. The program strategies of utilizing girls scholarships' to promote gender equity, interactive radio, and distance education for training teachers to improve professional practice and standards will contribute directly to achieving the objectives of the Africa Education Initiative. Direct funding for scholarships will help increase enrollment in the north, as targeted under the first Intermediate Result.

West Africa Water Initiative. The Education Team will collaborate with the West Africa Water Initiative program to encourage its partners to support the provision of water in northern communities where schooling is being adversely affected by the lack of potable water.

c. Conformance With Donor and GOG Programs

This strategy has been developed collaboratively with the MOE/GES Development Partners and other key education stakeholders in Ghana over a series of meetings, workshops and consultations. As a result of this close collaboration, the proposed strategy fully supports critical priorities for strengthening access and improving quality of basic education as articulated in the GPRS and the MOE's Education Strategic Plan. The GPRS identifies school improvement, teacher development, deployment and supervision, reformed management and special partnerships with non-state actors as

priority areas. The proposed strategy addresses all of these four areas. In addition, QUIPS works in close partnership with the Whole School Development Program (largely funded by DFID), which is the Government's central program to implement policies for basic education schools. In the area of Girls' Education, we will continue to collaborate closely with the World University Service of Canada (WUSC). We will also collaborate closely with UNICEF which is supporting increased community participation, HIV/AIDS, and girls' education in seven districts in Ghana.

6. Instruments

There will probably be two Cooperative Agreements for implementing activities under the Basic Education Strategic Objective. Activities related to IR 1: Increasing Educational Opportunities for Girls in Underserved Areas, IR 2: Improved Instructional Systems, and IR 3: Improved Management Accountability will probably be implemented by a US PVO working with other U.S. and local NGOs. Activities relating to "Improved HIV/AIDS Prevention Program in the Education Sector" (IR 5) will be implemented through a cooperative agreement with a US PVO. This Agreement will have a significant sub-grant component. Activities relating to "Increased Community Advocacy for and Contributions to Quality Education" are likely to be implemented using a shared Cooperative Agreement mechanism with IR 3 of the Democracy and Governance Program ("Improved Sectoral Advocacy"). By doing so, Mission will be able to capitalize on the synergies between these two Intermediate Results which both focus on building greater community participation at the district level.

V. ANNEXES

A. Strategic Objective Results Frameworks

Results Framework for SO 5

Democracy and Governance

Strengthened Democratic and Decentralized Governance through Civic Involvement

**Targeted Districts

Overall Indicators:

- Percentage of Draft Bills that include civic input
- Number of District Assemblies (DA) implementing local development plans with civic input
- Number of Policy Issues impacting Education, Health, and EG brought by CSOs to Parliament

Instruments to be used to measure progress:

- Afro-Barometer Survey

Assumptions:

- Stable Democratic environment
- Maintain funding levels

Risks:

- Resistance to decentralization
- Conflict in program districts

Other Donor Programs

DANIDA

- Economic Governance at the National Level
- Rural Governance Program at Regional Level in Volta and UW Regions

CANADIAN

- Donor Coordination for Decentralization
- Mainstreaming decentralization in water, sanitation and food security sectors
- Provide TA to encourage government commitment to decentralization

Intermediate Result 1

Enhanced Responsiveness of Key Governance Institutions to Citizens

Indicators :

- Progress on milestone scale towards passage of key bills
- Number of public meetings held by Parliament on key issues
- Percentage of new legislation that was accompanied by a written technical analysis, opinion papers, and/or legislative study

Activities

- Efforts to enhance the professionalism of Parliamentary Service
- Technical assistance and capacity building of selected Parliamentary Committees
- Support to CSOs to advocate Parliament

Linkages

- The EG SO works on fiscal decentralization at central level which creates an enabling environment for SO5 activities
- SO5 creates opportunities to feed the expertise gained from other SOs into Parliamentary committee deliberations on policy impacting those sectors

Intermediate Result 2

Strengthened District Assembly Capacity for Democratic Governance

Indicators:

- Number of projects implemented in DAs requested by CSOs
- Number of DAs reporting increase in locally generated revenue
- Percentage of DAs conducting public hearings on the District Financial Report (Statement of Accounts)

- Establish DA associations (elected/appointed DAs and CBOs)
- Support to DAs to organize Town Meetings specifically for budget hearings, financial and tax issues in the district.
- Support to Institute of Local Government Studies

- SO5 assists DAs with monitoring HIV budgets at District Level.
- SO5 assists DAs with monitoring the GES utilization of building and equipment funds at the local level

Intermediate Result 3

Improved Sectoral Advocacy Performance

Indicators :

- Percentage of CSO leaders who monitor DA utilization of funds
- Number of targeted CSOs advocating for HIV/AIDS, education, economic growth, women's issues (disaggregate by sector)
- Number of CSOs representing marginalized groups (religious minorities, women, PLWHA, disabled persons) engaged in advocacy

- Technical Assistance and Capacity Building for CSOs/CBOs in Health, Education, Economic Growth and DG Sectors
- Develop district stakeholder committees in education (DESC) and health (DHSC)
- Regularize meetings between local CSOs and MPs including CSO trips to Parliament

- Link Agric and Environmental CBOs with National Level Apex Associations such as PEF supported by the EG SO
- SO5 and the education SO assist DEOC/PTA/SMC's with advocacy
- SO5 sensitize CBO/CSOs about the rights of PLWHA

SO-6: COMPETITIVENESS OF GHANAIAN PRIVATE SECTOR IN WORLD MARKETS INCREASED

--Share of Ghana's non-traditional exports in total world exports increases (20% greater than baseline by 2007 and 35% greater by 2010).
 --Share of non-traditional exports in Ghana's total exports increases (current is 25%, target of 31% by 2007 and 35% by 2010).
 --World Economic Forum Index of Growth Competitiveness (or component thereof)

IR6.3: Construction and Maintenance of Economic Infrastructure Improved (WB, AfDB, EC, DfID, MCC)
 --percent of total kilometers completed of three trunk roads out of Accra increased
 --thermal share of energy capacity increased
 --cold chain capacity at Accra and Tamale airports increased

IR6.4: Regional Integration & Policy Harmonization Enhanced (WARP, WATH, WB, ECOWAS)
 --growth rate of Ghana's trade with ECOWAS countries exceeds growth rate of world trade

IR6.1: Enabling Environment for Private Sector Improved
 --index of quality of the enabling environment for private sector development (panel of "experts" score progress annually)

IR6.2: Private Sector Capability to Compete in Selected Industries/ Sectors Strengthened
 --exports in selected industries/sectors assisted by USAID increased

IR6.1.1: Economic Policies Improved (selected macro, trade and sector policies)
 --# of target policies reformed, including a list of the reformed policies

IR6.1.2: Efficiency of Supporting Institutions Improved
 measure of efficiency gains in each area, e.g.
 --# of days to clear customs reduced;
 --tax revenue increased (due to improved administration);
 --average maturity of government domestic debt increased

IR6.1.3: Public-Private Dialogue on Policy and Institutional Reform Strengthened
 Annual survey to determine:
 --quality improved
 --more timely and meaningful dialogue
 --impact increased

IR6.2.1: Capacity of Ghanaian Enterprises to Access Foreign Markets Increased
 --# of assisted firms expanding exports by 15% annually
 --# of strategic partnerships formed with developed country partners

IR6.2.3: Capacity of Selected Business Associations to Provide Effective Services to Members Strengthened
 --client satisfaction with services increased (annual survey)
 --# of dues paying member firms (or associations) increased
 --value of dues collected increased

IR6.2.2: Capacity of Ghanaian Enterprises to Meet Market Requirements Improved
 --value and volume of exports of assisted firms increased
 --# of employees of assisted firms increased, by gender
 --# of assisted firms meeting EUREP-GAP and other standards
 --# of assisted firms using sustainable resource management practices increased
 --# of visitors to assisted eco-tourism sites increased

Health:

- Child Health
- Family Planning/ Safe Motherhood
- HIV/AIDS

SO 7: Health Status Improved

Indicators: Under-five mortality rate; Total fertility rate; HIV prevalence rate among adults and most at -risk groups

Critical Assumptions:

- Government resources for health remain stable
- Government identifies & allocates resources to priority areas
- Economy remains stable
- Donor resources for health remain stable despite move toward Multi- Donor Budget Support (MDBS)
- HIV epidemic consistent with surveillance data
- Adequate numbers of personnel with the right skill mix are available

Measurement Systems :

- Demographic and Health Survey
- Behavioral & Sentinel Surveillance
- Service Provision Assessment
- Service statistics
- Partner reporting

Outcome IR: Health Practices Improved

Indicators: Contraceptive prevalence rate; Exclusive breastfeeding rate; ITN use by women with children under 5; Deliveries assisted by trained personnel; Condom use at last higher risk sex among target groups; higher risk sex in last year among target groups

IR 1: Individuals and communities empowered to adopt positive health practices

- Indicators:
- number of health schemes with RH benefits
 - CHPS composite indicator for communities implementing CHPS
 - number of clients seen at VCT sites

IR 2: Access to health services expanded

- Indicators:
- percentage of population covered by health insurance
 - percentage of deprived population covered by CHPS
 - Couple-years of protection
 - number of ITNs sold
 - number of sex workers reached through prevention programs

IR 3: Quality of health services improved

- Indicators:
- percentage of health workers who manage childhood illnesses in accordance with national policy
 - percentage of health facilities reporting supervision in the past 6 months
 - percentage of service delivery points that encountered a stock-out of any item during the past 6 months

IR 4: Institutional capacity to plan and manage health programs strengthened

- Indicators:
- Training policy, procedures and job descriptions in place
 - percentage of facilities stocked between min & max levels
 - number of districts using HIV risk mapping methodology

- Behavior change communication and information, education and communication
- Clinical counseling, peer education
- Community mobilization
- Operations research
- Women and other support groups at community level
- Civil society advocacy and strengthening

- Social marketing
- CHPS scale up and urban expansion
- Clinical service support and referral systems for FP, PAC, IMCI, IPT, ante - and neo-natal care, supervised deliveries
- VCT facilities
- HIV/AIDS care and support services, including TB/OIs
- MHO expansion including urban
- Strengthen private provider skills
- Strengthen (community health nurse) training schools

- Training of health workers: IMCI, infection prevention, STI management, counseling;
- pharmacists & chemical sellers training
- Disease (HIV, ID) surveillance, data use
- Quality assurance and supervision system(s) based on procedures & standards
- Decentralized in -service training
- Expand client choice
- Strengthen integrated supply chain

- Improved and rational training system
- Advocacy: Health finance, BCC, HIV/AIDS, rational training
- Equitable financing system
- Contraceptive security
- Policies: medical/provider barriers to FP; STI drug management, MHO promotion

SO 8: Improved Quality of, and Access to, Basic Education

Indicators:

- * Enrollment rate for girls in northern regions will rise from 58% to 70% (2007 target = 63%)
- * Completion rate at P6 for girls in the North will rise from 40% to 50% (2007 target = 44%)
- * Students reading with understanding at P6 level in targeted districts will rise from 9.6% to 28% (2007 target = 17%)
- * Percentage of targeted teachers engaging in higher risk sex in the last year will decrease from x% to x%. (18,000 targeted teachers in 2007 and 50,000 in 2010) *
- * Percentage of targeted students/youth using a condom during lastrisky sex will increase from 50% to 70% (2007 target = 60%)*

Development Context:

- Basic education central to achieving GOG development objectives of reducing poverty, accelerating growth
- Quality of education too low to contribute much to this objective, with only 7 out of 100 children learning to read
- Need to reach out to the underserved northern areas of the country, especially focusing on girls, to achieve quality basic education for all by 2015.

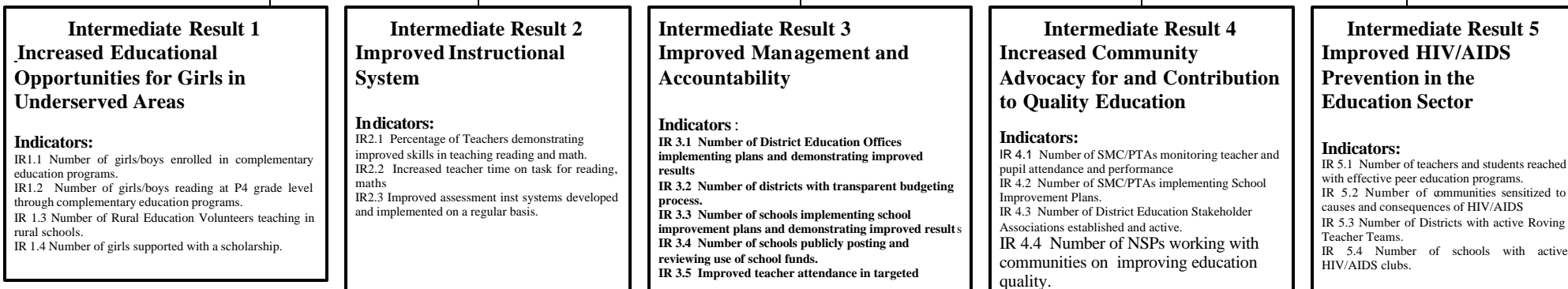
Additional Indicators needed for USAID/W:

Risks:

- Political and technical leadership for policy priorities on basic education
- Management capacity for the implementation of sector strategy
- Sector strategy completed, with adequate internal and external finance to assure adequate resources for non-wage expenditure in primary

Measurement Systems

- * Student enrollment/Gap in the North: MOE EMIS, Implementing Partner Data
- * Grade 6 completion rate: MOE EMIS and population census.
- * Grade 6 reading test to be developed in 2003/04 replacing CRT



**Intermediate Result 1
Increased Educational Opportunities for Girls in Underserved Areas**

Indicators:
 IR1.1 Number of girls/boys enrolled in complementary education programs.
 IR1.2 Number of girls/boys reading at P4 grade level through complementary education programs.
 IR 1.3 Number of Rural Education Volunteers teaching in rural schools.
 IR 1.4 Number of girls supported with a scholarship.

**Intermediate Result 2
Improved Instructional System**

Indicators:
 IR2.1 Percentage of Teachers demonstrating improved skills in teaching reading and math.
 IR2.2 Increased teacher time on task for reading, maths
 IR2.3 Improved assessment inst systems developed and implemented on a regular basis.

**Intermediate Result 3
Improved Management and Accountability**

Indicators :
 IR 3.1 Number of District Education Offices implementing plans and demonstrating improved results
 IR 3.2 Number of districts with transparent budgeting process.
 IR 3.3 Number of schools implementing school improvement plans and demonstrating improved results
 IR 3.4 Number of schools publicly posting and reviewing use of school funds.
 IR 3.5 Improved teacher attendance in targeted

**Intermediate Result 4
Increased Community Advocacy for and Contribution to Quality Education**

Indicators:
 IR 4.1 Number of SMC/PTAs monitoring teacher and pupil attendance and performance
 IR 4.2 Number of SMC/PTAs implementing School Improvement Plans.
 IR 4.3 Number of District Education Stakeholder Associations established and active.
 IR 4.4 Number of NSPs working with communities on improving education quality.

**Intermediate Result 5
Improved HIV/AIDS Prevention in the Education Sector**

Indicators:
 IR 5.1 Number of teachers and students reached with effective peer education programs.
 IR 5.2 Number of communities sensitized to causes and consequences of HIV/AIDS
 IR 5.3 Number of Districts with active Roving Teacher Teams.
 IR 5.4 Number of schools with active HIV/AIDS clubs.

- * Support and develop complementary education programs for children in underserved areas, particularly targeting girls.
- * Supporting Rural Education Volunteers for schools in remote areas where there are no regular teachers [description - results expected]
- * Girls Scholarships
- * Research and support provided for children with disabilities in Ghana.
- * School feeding program. (PL-480)

- * Expand and strengthen Teaching for Reading program.
- * Introduce classroom feedback through learning milestones.
- * Provide supplementary reading materials to promote reading.
- * Use of interactive radio to strengthen English usage and reading.
- * Advocate, assist in increasing instructional time for reading and Math.
- * Develop/expand program of distance education for certifying untrained teachers and upgrading trained teachers.

- * District Incentive Grants of \$65,000 to support school quality and reading awarded to up to 25 districts.
- * TA provided for developing grant procedures, supporting districts to implement and monitor grant activities and improve management.
- * TA provided to Headquarters on policy/management practices, based on needs and experience with the district grants.
- * TA provided to districts to support improved reading in district schools.
- * TA to districts and schools on transparent budgeting.

- * Provide support to SMC/PTA's to more actively advocate for quality education and monitor pupil and teacher attendance.
- * Develop District Education Stakeholder Associations with SMC/PTA representatives (with D&G).
- * Build on QUIPS methodologies to assist districts in training and supporting National Service Personnel.
- * Develop the role of mass media in reporting on education sector activities and promoting civil society advocacy for quality education.

- * Build the capacity of NGOs to reach teachers and students with peer education programs, HIV/AIDS clubs, and materials.
- * Develop Roving Teacher Teams within each district to work with schools, teachers and communities on HIV/AIDS awareness.
- * Develop MOE capacity to access and effectively utilizing HIV/AIDS funding.

* Final baseline and targets for these indicators will be established in early 2004 after planned studies have been completed.

B. Summaries of Mandatory Analyses

Summary of Gender Analysis

The USAID/Ghana Gender Assessment and Strategy was undertaken from October 25, 2002 through November 20, 2002 by two consultants (one international consultant assisted by a local consultant). The assignment was designed to provide a review of current gender mainstreaming efforts in the Country Program, as well as to provide direction for the currently evolving future program 2004-2010.

The consultants were also asked to lay out steps for mainstreaming gender in Mission policies and activities and provide technical advice on the development of USAID/Ghana's new Strategic and Results Frameworks, reflecting the key roles of gender considerations in the achievement of USAID goals.

The assignment was carried out through interviews with USAID Staff, USAID Partners, Government of Ghana personnel, Donors, local NGOs. USAID documents, including that for the government and donors were also reviewed. The consultants also undertook a four-day field trip to USAID program sites in the Ashanti and the Brong Ahafo regions.

Findings

Findings from the study show that, in all USAID/Ghana's programs, gender sensitivity was apparent. Partners referred to the support and encouragement of USAID staff in promoting gender awareness throughout USAID-funded activities.

Altogether, the study found out that USAID/Ghana has mainstreamed gender throughout the program. However, USAID/Ghana cannot speak to the results of this gender mainstreaming because it does not specify gender results (i.e. a reduction of the gender gap) in any of its programs. It does not have baselines on which to measure progress and it currently does not collect gender-disaggregated data except for a few indicators at the sub I.R. level.

Recommendations

The consultants recommended the following.

USAID/Ghana needs to specify gender mainstreaming targets results at the highest level of its programs. In order to do so it must move from a systems approach in results setting to a human approach in results setting. For example, USAID/Ghana could measure: a) improvements in use of health clinics result in better health for people; b) increased wealth for both women and men from export earnings; c) better achievement rates for girls and boys and a reduction in the gender gap in education through quality improvements to the system d) improved female and male participation rates in civil society and governance through support to CBOs.)

In all of USAID's programming in Ghana, community development has been utilised as a tool for achieving sector results. Systematic analysis is needed to assess what are the aspects of community development most apt to achieve sustainable results. Developed communities of women and men, girls and boys who are engaged in productive activities have a voice in local decision-making, access to education and health services. Attention should be paid to Food for Peace programs that do integrate multiple sector results in their programming. At the present time there has been no assessment of the more particular successful aspects of community development.

USAID/Ghana is currently thinking of regional (geographic) targeting for some of their programs. This could enhance putting changes affecting individuals at the centre of development efforts. It will also enable USAID to more easily collect information on women and men, boys and girls by focusing on

communities rather than narrow sectoral results. This can lead to better measurement at the overall program level.

USAID partners reported the need for assistance in the development of skills to adequately address gender issues. USAID needs to consider facilitating the acquisition of skills by their partners in gender mainstreaming.

USAID staff was not aware of the gender mainstreaming efforts of the Government of Ghana. They were not aware that the Government has recently developed a Draft Gender Policy, and that various sectors have developed policies pertaining to their area of work. The country's policies need to be addressed in USAID programming.

IEC activities are common throughout the program. They are intended to change attitudes and/or inform the target audience. It is recommended that particular attention be paid to IEC activities, including media promotion activities in order that a positive image of women is reflected. Attitudinal changes in terms of gender and an improved portrayal of gender in media should be a cross sector strategy and should be addressed in all IEC activities.

Summary of Environmental Assessment

Environmental Threats and Opportunities Assessment (ETOA) with Special Focus on Biological Diversity and Tropical Forestry

1. Background

Environmental Requirements: The core environmental requirements of USAID operating unit strategic plans are spelled out in ADS 201.5.10g, and are derived from provisions of the Foreign Assistance Act (FAA). USAID/Ghana recognizes that protection of the environment and wise management of the natural resources base are absolute requirements of any successful development program. Per Section 117 of the FAA “Environment and Natural Resources,” it is mandatory for operating units to implement their programs with an aim to maintain (and restore) natural resources upon which economic growth depends, and to consider the impact of their activities on the environment. The legal requirements of the FAA are reflected in USAID’s ADS Chapter 204 “Environmental Procedures,” which provides essential procedures and policy on the application of 22 CFR Part 216. This regulation codifies the Agency’s procedures “to ensure that environmental factors and values are integrated into the A.I.D. decision making process.” Thus, USAID conducts assessments that help to ensure that its environmental priorities are incorporated into program planning, implementation and monitoring. The best opportunity to ensure that such issues are considered is at the planning stage.

Sections 118 “Tropical Forests” and 119 “Endangered Species” of the FAA codify the more specific U.S. interests in forests and biological diversity. These two provisions require that all country plans include: 1) an analysis of the actions necessary in that country to conserve biological diversity and tropical forests; and 2) the extent to which current or proposed USAID actions meet those needs. Section 118/119 analyses are specific legal requirements of all USAID operating unit strategic plans. Further, 22 CFR 216.5 requires USAID operating units to conduct their assistance programs in ways that are sensitive to the protection of endangered or threatened species and their critical habitats.

Translating the intent of the above legal requirements into a practical strategic planning approach, the ADS provides a priority-setting framework for missions to use in determining environmental threats and opportunities (See 201.5.8; and Supplementary References, Joint Planning and Guidelines for Strategic Plans, and Technical Annex B Environment, dated February 1995). The priority-setting process is intended to guide the setting of environmental strategic objectives, as well as to inform strategic objectives in other sectors.

Based on information from a general assessment of Ghana’s environmental treats and opportunities by Development Alternatives Inc. the Mission analyzed its entire portfolio in relation to impacts on the environment, forests and biodiversity as specified in sections FAA 117, 118 and 119.

Ghana’s Ecosystem: The ecosystem types in Ghana have been well documented (see Wilcock et al, 2003). The two major biomes represented in Ghana are the tropical high forests (comprised of various associations) and the savannas. The southern half of the country supports the closed forest whereas the northern half supports savanna and woodland vegetation. The northern savanna is mainly of the Guinea type but an area of Sudan savanna occupies the north-easternmost corner of the country. These major vegetation types are by no means uniform or homogeneous; many variants occur in each type. Thus, there are, for instance, swamp forests where the ground is waterlogged in the forest zone and gallery forests along the edges of rivers in the savanna zone.

In addition, other minor vegetation types found in the southern part of the country are: (1) the coastal savanna, in the south-eastern part of the country; (2) the strand or coastline vegetation along the seashore; and (3) the mangrove vegetation of the lagoons and estuaries distributed all along the coasts of Ghana, from Cape Three Points in the south-western part of the country to Denu in the south-eastern corner of the country. The only natural lake system is the Lake Bosomtwi which covers an area approximately 50 square kilometers and has eleven (11) fish species. The Volta Lake inundating some 4,840 square kilometers of pristine natural forest and the two dams on the Volta River at Akosombo and Kpong have indisputably altered the biodiversity and ecology of the river and adjacent areas. Other freshwater ecosystems include the major rivers such as the White Volta, Black Volta, Lower Volta and Oti. It is estimated conservatively that about 124 fish species from 62 genera and 26 families inhabit the major rivers. The coastline of Ghana is lined with about 90 lagoons, several estuaries and rocky shore habitats that exhibit distinct array of biological diversities.

Potential Threats to Ghana's Forests and Biodiversity: The two key natural resource management issues in Ghana are deforestation and land degradation linked particularly to inappropriate farming practices and unsustainable harvesting of agricultural crops. Past policies in Ghana have led to the conversion of forested lands to other land use forms, including agriculture, leading to serious degradation and loss of biological diversity. The biological diversity of the country is under threat through human encroachment, land degradation, hunting and loss of habitat. Ghana loses annually over 22,000 ha of its forests turning healthy forest lands into "wastelands" resulting in a loss of biodiversity and leading to only short term gains in agricultural production. Environmental legislation in Ghana is fragmented; much of it has been initiated in an ad hoc manner due to the lack of coherence in environmental planning and policy process.

Conservation Efforts: Ghana is considered to have favorable environmental policies. However, in spite of the existence of a number of institutions and departments, biodiversity management and conservation has been far from satisfactory. A major constraint has been the lack of coordination, collaboration and networking between and among policy developing institutions on one side and policy-implementing institutions on the other side. The consequences have been overlaps, duplications, conflicts, unhealthy competitions, disharmony, etc. Furthermore, there are undeniable weaknesses in the capacities and capabilities of some institutions and deficiencies in information management.

The role played by local community participation and traditional knowledge in resource use and biodiversity conservation, are recognized as a first step towards ensuring the implementation of policies and programs. Another innovative step that has been taken by the Government of Ghana is the development of an environmental education strategy being implemented under the leadership of the Environmental Protection Agency. Ghana also works with the convention secretariats and the multilateral and bilateral development institutions such as the World Bank, International Monetary Fund and the African Development Bank in various programs aimed at the sustainable development of the country's natural resources.

There are well over 100 indigenous and community based organizations engaged in natural resource management activities. While they are not well-established to receive direct USAID support some of these organizations do work in partnership with U.S. private voluntary organizations (PVOs) receiving direct support. Through the P.L. 480 Title II program, improved agricultural practices have been introduced throughout the country and especially in the Northern Regions. The PVO Adventist Development and Relief Agency's (ADRA's) Collaborative Community Forestry Initiative has resulted in remarkable growth in agro-forestry plots and food production, increased protection of water bodies, increased access to fuel wood, and a fight against desertification.

USAID/Ghana provided support to the Government of Ghana for the protection of 370 square kilometers of Tropical Forest as nature reserve which resulted in the establishment of the Kakum National park.

The focus of this analysis is to address the following questions: (1) what actions in Ghana are necessary for conserving biological diversity and tropical forests; (2) to what extent do current and proposed SO activities address those needs; (3) to what extent do the proposed activities impact the environment, and (4) why might an SO team opt not to incorporate environmental activity.

2. How USAID/Ghana's New Strategic Objectives relate to the Forests and Biodiversity

Democratic Governance (SO 5)

This strategic objective is to support Ghana's effort to consolidate democracy by supporting the civic participation in the democratic process and ensure that local and national governments are responsive to the interest of the citizens. Activities under the strategy will consist of technical assistance, training and the procurement of commodities in support of strengthening local organizations and GOG institutions to foster greater civic involvement and better governance. There is no activity that focuses explicitly on the environment.

IR 5.1 Enhanced responsiveness of key governance institutions to citizens - Activities under this IR focus on building the capacity of parliament to become more receptive and responsive to civic input. However, the SO team will work at building more permanent linkages between parliament and civil society organization (CSO) to encourage their input into legislation with the intent of impacting Mission programming in education, health, and economic growth at the national, district and sub-district levels. Given the demand-driven approach the SO team has used in the past and will continue to use, the chances of dealing with environmental issues are open.

IR 5.2 Strengthened District Assembly Capacity for Democratic Governance - USAID's efforts at the local level to date have focused on enhancing civil society organizations' (CSOs') and community organizations' (COs') abilities and opportunities to engage local government in policy discussions. The USAID program, which works on a demand basis, has helped communities to leverage their assets and to establish district development plans through democratic, consultative processes. Some examples of tangible improvements include increased tax revenues, cleaner more functional markets, community reforestation, traffic and safety control, and urban sanitation. Similar environment related benefit could be expected under the new strategy, especially as there are well over 100 indigenous and community based organizations engaged in natural resource management activities and are becoming increasingly strong at lobbying politicians.

The Democratic Governance team has not focused explicitly on sustaining the environment because having laid the democratic foundation Ghana has a strong desire to consolidate its gains given the political turmoil in the sub-region. Besides, dealing with environmental issue is not in SO 5's comparative advantage. Nevertheless, the demand-driven approach makes it possible to address environmental needs when communities identified them as being pertinent.

Private Sector Competitiveness (SO 6)

The purpose of the economic growth strategy is to increase employment opportunities and income levels for poor Ghanaians which in turn require an accelerated rate of economic growth. The focus of the SO will be to increase private sector competitiveness to compete in the world markets. Exports are emphasized because domestic markets are too small to kick start rapid growth. Ghana's economy being predominantly agricultural based suggests that this SO has inherent linkages to natural resource management. Key development challenges include degradation of land linked to inappropriate farming practices and deforestation linked to unsustainable harvesting of timber. Inappropriate use of agro-

chemicals and fertilizer and poor pest management are also reported to have significant adverse impact on the environment and exports.

These environmental issues and others will be addressed through policy reforms, institutional building and enterprise development. It is expected that a number of the activities from the current Trade and Investment Reform Program (TIRP) will be continued, most of which involve the provision of technical assistance and training. To date it has not been possible to directly attribute to the TIRP any adverse environmental impacts.

IR 6.1 Enabling environment supportive of private sector competitiveness strengthened

Given the market focus of SO6 support to policy reforms in its core program will be directed at macroeconomic management, financial intermediation and improvements in the trade regime. However, should the Mission receive additional funding under IEHA, the SO intends to provide analytical resources for forestry policy because the future availability of logs for the wood products industry depends on a sustainable forestry policy effectively implemented and enforced.

IR 6.2 Capacity of private sector Enterprises to compete in selected product categories strengthened

The program for enterprise development will aim at strengthening firms to compete profitably in world, regional and domestic markets. While IR 6.2.1 will deal with the problem of accessing overseas markets IR 6.2.2 will focus on assisting Ghanaian enterprise to improve the quality, volume and timely delivery of their production so that their products conform to the requirements of markets they want to supply. A review of proposed activities indicate increased risk of significant adverse environmental impacts if activities result in increased agricultural production without corresponding investments in sustainable natural resource use.

In order to harmonize its program with the Agency's sustainable development goals, the SO team has decided to fund activities that are economically, socially and environmentally sustainable. One activity planned for and has received increased attention from the Mission over the years is the promotion of environmentally sustainable agricultural practices, e.g. integrated pest management and appropriate application of fertilizer and agro-chemicals as well as how to meet increasingly stringent standards for entry into the EU and American markets. The activity reduces the risk of adverse environmental impact as well as improves the chances of marketing Ghanaian produce globally. Support to eco-tourism is another investment that will continue to contribute to efforts at reducing the depletion of forest and biodiversity.

Another environment related activity that will be supported by SO 6 with additional funding from IEHA is providing technical assistance and training to private sector suppliers of agricultural inputs – seeds, fertilizer and agro-chemicals – to make them better providers of agricultural extension information. The import of this activity is to assure the proper use of agricultural inputs in order to make production by small holders efficient and environmentally sustainable.

Health (SO 7)

The new Health program builds on USAID/Ghana's comparative advantage and leadership in the areas of community health service provision, child survival and reproductive health, social marketing, health insurance and HIV/AIDS prevention. The new Health Strategic Objective includes a focus on the health needs of the urban poor, emphasizes private sector involvement, strengthens newborn care, expands HIV/AIDS activities beyond prevention to care and support, addresses key GOG organizational constraints, such as personnel performance management, and enhances decentralized local capacity development.

Health status in Ghana has improved in many ways in recent decades, although many health challenges remain. Much progress is still needed in the areas of maternal and child health, addressing urban issues and chronic illness concerns. Ghana has a young age structure, with children under 15 years old

comprising about 45% of its population. Life expectancy is 59.2 years old for women and 55.5 years old for men. At a population growth rate of 2.7% per annum, the population will double in 24 years, placing enormous pressures on Ghana's economy and environment.

Ghana's infant and under-five mortality have declined from 66 and 119 per 1,000 live births in 1993, to 57 and 108 (1998 Demographic and Health Survey), respectively. While under-five mortality is less than half of what it was at the time of independence in 1957, more than 100,000 Ghanaian children under five still die each year, accounting for more than half of all deaths in Ghana. The maternal mortality rate, considered to be Ghana's biggest health challenge, is extremely high at 590 per 100,000 (Population Reference Bureau, 2002).

HIV/AIDS: According to UN terminology, Ghana has a low level generalized epidemic, with an estimated prevalence (2002) at 4.1% among adults, expected to rise to 7% in 2009. This is still lower than in neighboring countries (Ivory Coast, Burkina Faso, and Togo), all of which have prevalence rates close to or beyond 10%. Nevertheless, rates in certain bridging populations underscore the necessity of maintaining a strong focus on HIV prevention. For example, according to data from Canadian International Development Agency-supported clinics in Kumasi and Accra, rates among a sub-group of commercial sex workers are as high as 82%. An estimated 400,000 Ghanaians are living with HIV/AIDS, with 200 new infections occurring every day. Mother to child transmission is thought to account for 15% of new infections. AIDS-related orphans were estimated at 50,000 in 2000 and are on the rise; the social fabric in high-prevalence areas is increasingly unable to cater to their needs.

Under-Five Mortality: Malaria is the single most important cause of morbidity and mortality among children in Ghana, accounting for 40% of all outpatient visits and 25% of deaths among under-fives. These deaths are mainly due to insufficient prevention efforts and lack of early and effective treatment. Although child mortality has decreased, the proportion of neonatal deaths is increasing, representing a quarter of under-five deaths, or 50% of infant mortality. The majority of these deaths are caused by infection, pre-maturity, and complicated deliveries. Other main child killers include diarrhea, pneumonia, and measles.

Maternal Mortality: Antenatal care is high, although attendance at delivery by a skilled attendant is low at 44%. This contributes to trends in neonatal deaths (as noted above), as well as to risks of maternal mortality and morbidity. Other contributing factors include lack of a functioning emergency obstetric system, unsafe abortions and poor quality post abortion care.

Family Planning: Knowledge of contraception is high, yet modern-method contraceptive use remains low: only 13% of married women were using a modern method in 1998 due to fears of side effects and lack of easy and affordable access to services and/or commodities. Women continue to have more children than they desire and suffer from many problems related to pregnancy and childbirth. Unmet need (defined as those who want to space or limit their family size and are not currently using a method of family planning) is 34%, thus the gap between intentions and use is large.

With limited resource the health team has decided to address health issues that impede Ghana's economic growth efforts in areas where they have a comparative advantage. The team has no activity that is explicitly focused on environmental issues in spite of the fact that the health status of the country has a direct relationship with the environmental conditions. SO 7 evidently does not have the resources for direct management of the environmental causes of the reported health condition. However, assistance to reduce fertility would directly address rapid population growth, a fundamental threat to the environment and thereby contribute to environmental sustainability.

The SO is responsive to potential environmental health risks the proposed activities might pose. The team takes cognizance of the fact support for HIV testing has a potential for generating bio-hazardous waste. Under the strategy for FY1997-2004 four (4) Public Health Reference Laboratories (PHRLs), at which the specimens are tested, have been established. With funding from USAID the PHRLs have developed

and disseminated through annual training courses their own guidelines on “Basic Infection Control for Laboratory Professionals.” Site visits to these centers confirm that they are complying with the guidelines. For instance all sharps are collected in puncture-proof plastic or metal containers; all materials (e.g. gauze, rubber gloves) contaminated during collection of blood samples are collected in leak-proof plastic bags; all disposable materials used for testing are disinfected with a liquid disinfectant before being collected in plastic bags; finally, all disposable materials are periodically burned with diesel fuel and wood in a specially designed, perforated drums before being buried at a landfill.

Support for the use of insecticide-treated bednets and their re-treatment with insecticides create some modest risks to human health and the environment throughout the life cycle of the insecticide products. In order to minimize the risks associated with the use of insecticide-treated materials (ITMs), USAID/Ghana will ensure that a Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) is developed to guide proper pesticide product selection, appropriate labeling, and user educational campaigns. In addition, the program will monitor for adverse health and environmental effects, to make certain that risks are adequately understood and appropriate and timely interventions put in place to reduce risks.

Basic Education (SO 8)

The Basic Education Strategic Objective focuses on improving the quality of and access to basic education. Intermediate Results expected to achieve the strategic objective are: (a) increased educational opportunities for girls in underserved areas; (b) improved instructional system; (c) improved management accountability; (d) increased community advocacy for and contribution to quality education; and (e) improved HIV/AIDS prevention program in the education sector. All of these Intermediate Results (IRs) are sector specific and IR 8.2, combined with IR 8.3 and IR 8.4 represent a collective strategy for addressing this critical issue. The objective is to assure that the majority of children who enter and complete primary school are able to read with understanding. This is not to suggest that only reading is important, but it is the key requisite for children to be able to learn basic life skills and to gain knowledge in other subject areas. With such specificity it is difficult to incorporate activities with environmental focus.

The SO will finance long and short term technical assistance; training, workshops and seminars; commodities; instructional materials; research, studies and surveys; institutional strengthening grants to districts and nongovernmental organizations. These activities are not likely to adversely affect the environment. Nevertheless, it could be expected that increased literacy would increase awareness about environmental issues.

Conflict Vulnerability Assessment

At the Government of Ghana's request, United Nations Development Programme (UNDP) conducted a Conflict Vulnerability Assessment (CVA) of Ghana. The assessment looked closely at areas plagued by conflict and instability (particularly with the Yendi), to explore ways to prevent violent conflicts, promote processes for peaceful settlement of conflicts, and strengthen arrangements, mechanisms and institutions of conflict management, peace building and security. The assessment took place from August to October 2002. The UNDP team held various meetings with senior government officials, traditional leaders, and other stakeholders in Ghanaian society in three principal regions: Northern, Brong-Ahafo, and Western Regions. They also collected and read relevant materials and conducted discussions on conflict vulnerability with local experts and practitioners.

Findings: Findings from the CVA indicate that in spite of Ghana's positive political development, the security situation in Ghana has begun to deteriorate following a series of sub-national level conflicts. The cost of these conflicts to development and the possible spread of these conflicts, the accompanying proliferation of small arms, the threat to local, national and regional stability, and the increasing likelihood of the exploitation of such instability for banditry and undemocratic political ends give cause for grave concern to the Government of Ghana. The security situation is perceived to constitute a potential threat to its development goals. Principal sources of these conflicts are:

- ◆ chieftaincy disputes;
- ◆ land disputes;
- ◆ struggle over access to and distribution of resources such as gold, diamonds, and timber;
- ◆ political machinations and struggle for power;
- ◆ religious conflicts in the context of intra- and inter-religious intolerance; and
- ◆ poverty.

Among these, the most prevalent type of conflict is associated with what may be described as *politics at the traditional level* or what is commonly described as *chieftaincy disputes*. According to national security sources, there are estimated to be over two hundred chieftaincy disputes across the country.

Recommendations:

The CVA identifies three end results whose achievement is critical to sustaining internal stability, peace and security:

- ◆ professional and effective police force and security apparatus put in place;
- ◆ improved capacity of conflict management structures to maintain peace and security in areas of responsibility; and
- ◆ effective mechanisms and measures to control small arms put in place.

The CVA also suggests a set of illustrative activities that the international community could support to achieve each of these results. These include the following:

- ◆ upgrade capacities of training institutions to provide relevant training (generic and specialized) for the police and the Bureau of National Investigation;
- ◆ establish a "Quick Response Mechanism" that enables stakeholders and partners to efficiently respond to emergencies;
- ◆ institute District Houses of Chiefs to eliminate the concentration of cases at the regional and national levels;
- ◆ equip Houses of Chiefs with mediation and arbitration committees to find proactive and alternative conflict resolution strategies;
- ◆ review laws governing small arms, including status of local manufacturing of small arms; and

- ◆ develop and implement micro-disarmament projects in major conflict and small arms concentration areas.

C. Summaries of Analyses and Assessments

Health Sector

1. Ghana Health Sector Program of Work 2002-2006: Ministry of Health, Ghana, January, 2002

The Ghana Health Sector Program of work summarizes priority areas for action upon which business plans (SWAP) will be developed. Priority areas are defined as HIV/AIDS/STDs, malaria, guinea worm, tuberculosis, reproductive and child health, EPI and emergency care, and are to be addressed through increased access, improved quality of care, increased efficiency, partnership and inter-sectoral collaboration, and an expanded resource base.

Human resource is the most crucial resource in the delivery of health services. The program of work will address increasing staff motivation and reward systems and increasing opportunities for training and career development through comprehensive human resource planning in line with existing plans and policies. Procurement and capital planning is constrained by the country's dependence on aid, limited manufacturing capacity, high level of inflation and lack of predictability of funding. The objectives include strengthening procurement planning and implementation and increasing the use of unified procurement procedures. Sector wide indicators will be reviewed during the first quarter of the year. Information from performance monitoring, the 2002 program of work evaluation, partners' quarterly meetings and research will be used to monitor activities. A summary of key activities for Ministry of Health, Teaching Hospitals, Ghana Health Service, Psychiatric Hospitals, Health Training Institutions and Statutory Bodies are outlined in the document.

2. Medium Term Health Strategy towards Vision 2020: Ministry of Health, Accra, Revised August 1999

The GOG's objectives for health reforms address increased health care access, improved quality, improved efficiency of health care delivery, partnership with other providers, and financial management of health care delivery. Expected approaches for achieving each objective are outlined and discussed, including removing social, economic and physical barriers (access); skill provider competencies and client focus (quality); systems improvement and strengthening (efficiency); collaboration with private, non-governmental and civil organizations (partnerships); and government allocation and donor pooling (financial management). Focus will be put on strengthening district health systems, reorienting regional and tertiary health care to support district health systems, and promoting and advocating for greater support for policy development and analysis, human resource development, technical support management and training, inter-sectoral collaboration and private sector participation.

3. The Health of the Nation: Reflections on the first five year health sector program of work 1997-2001; Ministry of Health, Government of Ghana; May 2001

The MOH's Medium Term Health Strategy (see #2, above) and first five year program of work 1997-2001 were reviewed, and progress compared to 20 sector wide indicators that had been developed to monitor progress. Major findings include the following:

- Key health indicators like infant and child mortality and life expectancy have improved, but overall progress towards achieving health targets and equitable services has been less than anticipated. Outstanding challenges in maternal mortality, persistent communicable diseases (malaria, TB),

malnutrition, HIV/AIDS, and newly emerging non-communicable diseases (stroke, hypertension) and traffic accidents are still to be addressed.

- There have been some improvements in geographical and financial access to care, better integration of health service delivery, support to the private sector, and better service quality and responsiveness to gender and poverty issues. More attention still needs to be directed to the needs of the poor and specifically to financial concerns.
- The MOH has been an active participant in the design of the national poverty reduction program, interventions for improved access to water and sanitation, female education and school health, and population policy. There has been increasing emphasis on community participation, e.g. EPI, guinea worm eradication.
- A purchaser-provider split has been evolving, with the MOH as the purchaser and the regulator of service provision; and the Ghana health service, teaching hospitals, quasi-governmental organizations, private sector including NGOs and traditional system as service providers. Statutory bodies are to regulate the ethics and standards of practice.
- Several support systems have been strengthened: a national transport policy and management system was developed; civil works procurements, supervision and cost control systems were streamlined; equipment management capacity (acquisition, distribution, installation, use and maintenance training) was developed; and the availability and rational use of drugs and medical supplies rational use were improved.
- Training intake especially for nurses has increased. However, staff recruitment, distribution and retention problems, particularly in deprived areas, persist, as does the large outflow of nurses, pharmacists and medical doctors to other countries.
- Overall resources to the health sector increased, due largely to an increase in internally generated funds. Households contributed about 50% of total health spending. Health insurance and other prepayment schemes still remained underdeveloped.
- New accounting, treasury and financial reporting rules and instructions have been developed. There has been substantial capacity building but staffing problems persist.

Key recommendations include the following:

- A comprehensive approach to health care development should be pursued. Poverty and gender concerns need to be addressed.
- The public sector may need to become more pluralistic and better explore opportunities for commissioning services to NGOs and the private sector. The public regulatory capacity should be strengthened and efforts focused on improving quality and responsiveness of services to client needs and expectations. Health financing policies that enable the poor to use health services need to be developed. Community-based approaches complementary to facility based services need to be expanded.
- Mechanisms and strategies for intersectoral collaboration at the national, regional, district and local levels and alliances around common concerns should be developed. Other sectors' policies and activities on health need to be assessed and monitored.

- Purchaser/provider roles and relationships need to be clarified and strengthened. There should be better mastery of health sector investments vis-à-vis service delivery requirements.
- A comprehensive human resource strategy must be developed and address issues of staff retention, remuneration and distribution/redistribution.
- Resource allocation criteria should be reviewed, and linkage between resource allocation and health priorities and service outputs strengthened.
- Appropriate health financing mechanisms still need to be pursued and implemented.

4. Community Based Health Planning and Services (CHPS): Lead District Readiness Assessment, Ministry of Health/Ghana Health Services, December 2001

CHPS is a strategy adopted in 1999 by Ghana's, Ministry of Health/Ghana Health Service to extend basic health service for its citizens. Its nation wide implementation began in 2001. The lead district readiness assessment (LDRA) is to provide information on the actual status of CHPS implementation in the 20 lead districts, develop and implement effective training and supervision strategies, and identify areas of support to the districts.

The findings indicate that there is great enthusiasm for the CHPS strategy and approach, and that Community Health Officer (CHO) deployment and implementation is going well in terms of community selection and CHO identification. CHPS awareness is high among DHMT members in the lead districts (96%). District assemblies have generally not begun to provide support for CHPS. The assessment identified several aspects to be considered in implementing the program, including resource availability, training for CHOs, supervision modalities and re-supply systems.

Recommendations addressed the need for effective strategies for resource identification and mobilization, particularly at district and community levels. A comprehensive training strategy covering both in-service and pre-service would help to strengthen required CHO's competence and subsequent performance. The design of CHPS supervision approaches needs to realistically take into account supervisory staff availability, transport and infrastructure constraints, as well as best practices. Self-monitoring and peer support techniques should be encouraged. Performance factors and related systems need to be addressed at all levels of CHPS strategy implementation.

5. Adolescent Reproductive Health Policy: National Population Council, October 2002

Young people aged 15-24 years account for 30% of the total population of Ghana. The policy is meant to provide broad guidelines for policy makers, implementers of programs and the general public on reproductive health among adolescents and young adults. It establishes a framework and the context within which information and services on sexual and reproductive health will be provided to this age group. It is also the manifestation of the Government of Ghana's commitment to the promotion of a healthy environment within which young people grow and develop responsibly.

Objectives of the policy include the promotion of related policies that enhance adolescent sexual and reproductive health programs and eliminate gender based violence and biases against the girl-child; improved sexual and reproductive health knowledge among adolescents; reduced unintended pregnancies, reproductive tract infections (including HIV/AIDS), unsafe abortions, female genital cutting, early marriage and malnutrition among adolescents; the development of programs for special

groups such as street youth, physically and mentally challenged; and increased access to education and employment opportunities. Indicators and targets are established, and strategies for achieving objectives are discussed.

The NPC coordinating body for the policy. Several ministries, departments and agencies have been identified with specific roles in the development and implementation of programs in adolescent and reproductive health.

6. Baseline Study on the Status of Adolescent Health, National Report: Health Research Unit, Ministry of Health, October 1999.

The objectives of the study were to better understand adolescents' health needs, perceptions, and attitudes on the use of health facilities in districts. It investigated communities' perception of adolescent reproductive health needs; determined the availability and use of adolescent reproductive health services in the Ministry of Health, other agencies and in the communities; investigated causes of adolescent school drop out; and finally, made recommendations on factors that influence adolescents access to and use of appropriate services.

The study concluded that there is a need for critical examination of socio-economic status and promotion of ways to alleviate poverty and increase job opportunities for adolescents. Developing educational media programs on adolescent and reproductive health, including family life education and reproductive counseling in school curricula, and providing informal literacy and other community programs for those out of school could contribute to adolescents' knowledge and positive behaviors. Education of parents on child welfare and adolescent reproductive health is also essential.

7. Ghana Youth Reproductive Health Survey Report: Ghana Social Marketing Foundation, Planned Parenthood Association of Ghana, Johns Hopkins University Population Communication Services, Focus on Youth Project, USAID, December 2000

A nationally representative survey of Ghana's youth and a brief national survey of adults were conducted to assist in the development of future programmatic and service needs. Results indicate that adults strongly favor providing older youth (15-19 years) with reproductive health information and even to younger teens (12-14 years), but cautiously. The majority of Ghanaian youth are exposed to radio and television programming, but little exposure to communication activities regarding reproductive health issues. By age of 15, 21% of males and 25% of females had ever had sex. Pre-marital sex is the majority for sexual debut. Among those who never had sex, over 40% of both males and females did not know what 'safer sex' implied. The predominant group experiencing pregnancy is age 20-24 years (>80% in both sexes).

Of those ever having sex, 11.2% of males and 16% of females reported ever causing an abortion. The highest number of reported abortions was among older youth (20-24 years) who were single with junior secondary/middle school education. Among those who had encouraged or had an abortion, about 60% reported that cases were done at a hospital or a clinic and about a third were done at home. 34% of males and 50% of females indicated a medical procedure was used to induce abortion at a hospital or a clinic. On the persons who performed the abortion, 52% of males and 62% of females reported a medical doctor and about a quarter said the abortion was self-induced. A significant percentage (91% males and 87% females) of respondents were aware that people can contract diseases through sexual intercourse and youth who had ever had sex were more aware than those who had not. However 27% of males and 32% of females reported that a person could tell whether a person has STD or not through observation. The vast majority of youth were aware that using condom could reduce the risk of contracting HIV.

Approximate 79% of males and 69% of females had ever heard of at least one contraceptive method. The most common method ever heard was the condom. Reasons for not using contraceptives include infrequent sex, lack of knowledge and desire for pregnancy.

8. National HIV/AIDS and STI Policy, National AIDS/STDs Control Program Ministry of Health, Ghana, August 2000

The policy provides guidance for creating a favorable environment for all aspects of HIV/AIDS; care and support; a reduction of infection in all vulnerable persons and groups; reduction of socio-economic, psychosocial and other consequence of HIV infection; and promotion of healthy life style and strong family values

The strategy is comprehensive with Implementation strategies for the following interventions: Advocacy; information, behavior change communication; blood screening and VCT; epidemiological surveillance; clinical, nursing and home-based care; counseling; STI control and management; promotion of safe sexual practice; and prevention of mother-to-child transmission.

The policy includes guidance on some legal and ethical issues, such as disclosure of HIV status, pre-employment HIV testing (which cannot be made mandatory); and professional confidentiality. The Ministry of Manpower and Social welfare will develop further policies.

9. HIV/ AIDS in Ghana: Background, Projections, Impacts, Interventions and Policy National AIDS/STI Control Program, Disease Control Unit, Ministry of Health, December 2001

The publication provides an overview of the present status of the epidemic and its consequences for the future. There are important regional differences within Ghana, prevalence in 15-49 year old age group is estimated to be 3.6% in the southern, 2.6% in the middle and 1.2% in the northern geographical region. More than 90% of AIDS cases are between the ages of 15-49 and about two-thirds of the reported cases have been in females.

Projections into the future are made using two possible scenarios, low and high transmission. The social and economic impacts are discussed, including costs or treatment, TB cases, the expected number of orphans and the impact on education and labor.

10. Ghana HIV/AIDS Strategic Framework 2001-2005, Ghana AIDS commission

On the basis of a situational analysis of HIV/AIDS in Ghana, a strategic framework was developed to identify key strategies for reducing the spread of the HIV/AIDS epidemic. The framework is also to be used to mitigate the socio-economic impact of HIV/AIDS on individuals, communities and the nation. The guiding principles are a multi-sectoral approach; respect for fundamental human rights; access to information and comprehensive services; decentralization, community participation and individual responsibility in all HIV/AIDS programs; and adequate resource mobilization to implement the framework

Key intervention areas were unidentified: prevention of new transmission of HIV; care and support for PLWHA; creating an enabling environment for a national response; creating a supportive legal, ethical and policy environment for HIV/AIDS programs.

11. Ghana Behavioral Surveillance Survey, 2000, Research International, Family Health International, National AIDS Control Program, 2000

Behavioral surveillance surveys (BSS) are designed to track trends in HIV/AIDS related knowledge, attitude and behaviors in sub-populations at particular risk of infection. In Ghana, the following groups were included: male and female youth, female sex workers, miners in the gold fields and policemen in Accra.

Awareness of condoms as a preventive measure was high in all groups. Among youth groups, between two-thirds and 75% had ever had sex. Sexual activity among females in the highest prevalence area in Ghana was found to be significantly higher than it is in the major urban centers. Consistent condom use was found to be high among sex workers in the major urban centers but much lower in other areas.

12. Estimating National HIV Prevalence In Ghana Using Sentinel Surveillance Data National AIDS/STI Control Program, Disease Control Unit, Ministry of Health, Accra, August 2001

The Ministry of Health instituted HIV sentinel surveillance in twelve sites in 1990 to complement AIDS case reporting system. The number of sentinel sites was increased to 20 in 1994 (2 in each region) and to 22 in 1999 (2 extra sites in greater Accra). Data are collected on HIV infection among pregnant women attending their first antenatal clinic visit for their current pregnancy using the unlinked anonymous method. The standard sample size at each clinic is 500.

The data show that there has been very little difference in HIV prevalence between the metropolitan areas and smaller towns representing semi-urban/ semi-rural populations but regional average prevalence in 2000 ranged from 1.3% in Upper East Region to 5.3% in Eastern Region. The national adult HIV prevalence in 2000 is estimated to be 3%.

13. Situation Analysis of the Context and Vulnerability among Young Mobile Commercial Sex Workers in Ghana, Department of Community Health, University of Ghana Medical School, Accra, March 2002

In Ghana the main pattern of commercial sex identified and focused on in prevention programs was the home based commercial sex workers (CSW). It is much harder to target young mobile commercial sex workers (YMCSW), as they move from one place to the other. The study was done at 4 sites, Agomanya, Kumasi, Tamale and Tarkwa. It involved mapping of places used by YMCSW, participant observation, case histories of YMCSW and key informant interviews with clients and opinion leaders.

Locations from which YMCSW operate include street corners, bars, restaurants, discotheques, video houses, Internet cafes, public toilets and brothels. Societal attitude towards the YMCSWs tends to be harsh and highly judgmental. The YMCSW is in a highly vulnerable situation for acquiring HIV since she is not always in a position to negotiate for safer sex with her numerous clients. There is low use of condoms and widespread unprotected sex with boyfriends, husbands and protectors. Most YMCSW are aware of HIV/AIDS but are not putting this knowledge into practice as they have to accept the client's preference of unprotected sex.

14. Status of Care for Children that are Orphaned and/or Vulnerable Due to HIV/AIDS in Ghana, Agnes Dzokoto, March 2002

The purpose of the report is to collect, collate and analyze data available on orphans and vulnerable children due to HIV/AIDS in Ghana which will guide policy makers on interventions for orphaned and/or

vulnerable children (OVC). Using the UNAIDS definition, AIDS orphans in Ghana are projected to increase from 126,000 in 2000 to 170,000 in 2002 and 387,000 in 2014. It has been difficult to estimate HIV prevalence in children.

Factors that may increase the vulnerability of children are diseases, child labor, and child trafficking, being female, cultural practices like female genital mutilation and 'Trokosi', conflict situations and living on the street. Three types of care and support of AIDS orphans have been identified in communities: care by institutions like orphanages, care by faith-based organizations and care based on traditional structures in the community. The study has a series of recommendations to improve OVC programs.

15. Policy and Strategies for Improving the Health of Children under-five in Ghana, 1999

The most important causes of morbidity identified in children include malaria, diarrhea, ARI, measles and malnutrition. To improve health of children the following are identified as priority areas for interventions: Health sector performance (quality of, access to services, efficient use of resources, community participation); health related factors (water and sanitation, poverty, household food security, gender issues); knowledge and practices of mothers (hygiene, nutrition, home-based care) and integrated health programs (neonatal care, growth and nutrition, prevention and control of infectious diseases and injuries, management of sick child).

Targets set for 2001 include IMR of 50 per 1000, U5MR of 100 per 1000, severe malnutrition reduced to 8%, DPT3/OPV3 coverage of 75%. The implementation focuses on strengthening the primary health services (adequate human resources, supervision and training, monitoring and evaluation), community and intersectoral coordination as well as through social mobilization and advocacy. Responsible for Implementation is a steering committee of MOH and partners.

16. Improving Child Health Services in Ghana - Assessment of Nutrition, Immunizations and Community-level Programs; Ministry of Health, USAID, (BASICS and LINKAGES Projects), UNICEF, WHO; 1998.

The objective of this assessment was to collect and review essential data in key child health program areas. The findings of the assessment are to feed into the development of a national child health policy, strategy and implementation plan. The assessment reviewed system, provider and client aspects of the nutrition, EPI, and community programs related to child health. Key recommendations are as follows:

Nutrition: Formulate and disseminate feeding recommendations for infants and children; promote optimal breast feeding behavior; retrain relevant MCH and nutrition staff in improve growth monitoring and promotion activities; develop guidelines, job aids and related education materials to assist service delivery; increase advocacy for nutrition.

EPI: Continue efforts to increase the number of sub-district health facilities equipped with cold chain equipment and trained personnel to provide immunization services; re-examine and revise the current approach to ensuring injection safety; develop approaches to increase the use of data at the district and sub-district level for planning, monitoring and evaluating immunization services; design and implement targeted communications efforts to promote use of immunization services; develop a long-term, sustainable approach to the control of measles.

Community: Establish a community participation steering committee; improve the health staff capacity to communicate with and mobilize communities; facilitate communications between health facilities and local government structures.

17. Integrated Health Facility Assessment Using Local Data to Improve the Quality of Child Care at Health Facilities in Ghana; Murray J, Bannerman C et al., 1998

Twenty-five health facilities treating 180 children were assessed in quality of case management, availability of drugs and supplies and clinic organization. Health staff had received training within the last year in 36%, 64% knew at least three signs of severity of disease prompting referral. Career knowledge of danger signs was 56%, of correct oral medication 9%.

Management of childhood illnesses were generally poor: 13% of those needing vaccination were referred so, none had nutritional status correctly assessed, 18% of diarrhea cases were checked for dehydration, 35% of ARI cases had xray or count of respiratory rate. Majority of facilities had all the essential equipment as well as water and latrines, most had supplies of essential drugs and vaccines, 76% a functional refrigerator.

Recommendations: Adopt integrated approach to management of childhood illnesses IMCI). Strengthen primary health care system, revise child health policies and guidelines, develop health information materials, integrate IMCI into pre- and in-service-training, and manage supervision and training.

18. Nutrition of Young Children and Their Mothers in Ghana 1998, Findings from the 1998 Ghana DHS Survey, Macro International Inc., 1999

Data from 2570 children 0-59 months included the 1998 Demographic and Health Survey are analyzed: 26% were stunted, 10% wasted, 25% underweight. Stunting more common in rural (30%) than urban (14%) areas. Maternal education and stunting inversely related. Maternal malnutrition 11%. Of under 4-month-olds 36% are exclusively breastfed, at 6 months 63% are fed solid food in addition. Prevalence of ARI peaks at 6 months at 22%, diarrhea present in 22% under five years. Vitamin A supplementation rate 27%, 28% of households use adequately iodized salt. Pregnant women received iron (75%) and folate (85%). Malnutrition attributes to 39% of all under-five-mortality.

19. Breastfeeding and Complementary Feeding Knowledge And Practices: A Baseline Survey Conducted in LINKAGES New Partner Areas in Northern Ghana, Adjei E, Schubert J, Adjei H, 2001

Cross sectional survey of 1534 mothers with children of <12months of age, information from secondary target audience- 267 fathers and 284 grand mothers. Baseline rates for major indicators for best-breastfeeding practices were obtained: 59% of less than 6 months old infants were exclusively breastfed, one-third of infants were initiated on breastfeeding within an hour of delivery, 66% of children between 6-10months of age had received complementary feeding. Health workers and the radio were the most frequent sources of information. There is therefore the need to increase awareness among all target groups on appropriate infant feeding practices.

20. Trials of Improved Feeding Practices in Infants and Young Children 0-24 Months: Consultative Research in Northern Ghana, Mensah-Homiah J, Gamor G, Keith N, 2002

A qualitative study conducted in northern Ghana to inform about key problems with best-breastfeeding practices and timely addition of mushy and solid foods at 6 months. Key findings in under-six-months include late initiation of breastfeeding, discarding colostrum, pre-lacteal feeds, positioning problems, short feeding episodes, perceived milk inadequacy, early introduction of complements, work interfering with feeding schedule.

After six months problems arise out of low energy, protein and micronutrient content of weaning porridges, lack of knowledge of child nutritional requirements, babies being offered water when crying, strong belief in some communities that babies should not be given meat or eggs. Recommended feeding practices corresponding to the child's age are included in this report.

21. Community Assessment in Improved Infant Feeding Practices in Northern Ghana, MOH/LINKAGES, Schubert J, Adjei E, Adjei H, 2000

This comparative cross-sectional survey of 870 mothers with infants less than 12 months of age assesses the effect of the behavior change communication program of Linkages and MOH in Northern Ghana. Good progress has been made in breast-feeding behaviors. 68% of children in the program area were exclusively breastfed as compared to 44% in control areas. 50% of children were put to the breast in the first hour after birth in the program areas while 22% were put to the breast in control areas. The median breastfeeding initiation time was 1 hour for the program and 24 hours for control communities. There was no significant difference in proportions of children 6-9.9 months who received complementary feeding in the past 24 hours in both program areas (74%) and control communities (73%). More awareness needs to be created on complementary feeding with emphasis on when to begin giving solid/mushy foods and the best foods to be given to children. Differences in attitudes of grandmothers and fathers need to be taken into account. Eventually surveys correlating nutritional status to infant feeding practices would be beneficial.

22. Current Child Feeding Practices in Northern Ghana: Understanding the Issues through Formative Research, Noguchi Institute, Armar-Klemesu M, 2000

Formative research comprising focus group discussions and in depth interviews with observations with mothers (<24 months old children), related family, opinion leaders and health care providers in six communities of northern Ghana to determine beliefs, knowledge, attitude towards child feeding and nutrition. Greater awareness and knowledge about breastfeeding practices are noted but there are variations due to access to health care, program presence and strategy in the community. Delivery in health facilities, strong program support of the community correlate with initiating breastfeeding immediately after birth and feeding of. In more traditional communities late initiation of breastfeeding due to the belief that mothers and babies must be bathed before and pre-lacteal feeds are still practiced. High level of knowledge about optimal practice of complementary feeding does not translate into desired behavior. Health care providers in both formal and informal health care system, older family members (grand mothers and mothers-in-law) and radio have been identified as the three main channels for delivery of educational programs.

23. Review of Introductory and Early Implementation Phases of IMCI, Implementation in Ghana, Ministry of Health, 2002

There are three stages in the implementation strategy.

Introduction phase: Key MOH decision-makers are trained and a management and coordination group is formed to see to the implementation.

Early implementation phase: Well defined set of activities within a limited geographic area to gain experience with IMCI.

Expansion phase: Extension of geographic coverage and activities based on the lessons learnt. IMCI was adopted as the key intervention for improving the case management of sick children in 1999. A national planning meeting in November 1999 inaugurated a working group of MOH and Health Partners, four

districts were selected for early implementation. Early implementation phase began in at the end of 1999. District orientation and planning meetings were held in the 4 districts in latter part of 2000 and early 2001, orientation on community IMCI (CMICI) in March 2000. The first IMCI training in Ghana was held in November 2000. Health staffs from pre-service institutions have been trained on IMCI case management and facilitation skills showing interest in incorporating IMCI into their training curricula. Challenges in drug supply, follow-up, supervision, patient load, CIMCI have been identified.

Planned activities for the expanded phase: Train tutors from pre-service institutions and incorporate IMCI into pre-service curricula. Orient health staffs at the different associations and inclusion of private providers in IMCI implementation. Look at cheaper alternatives for conduction 11-day case management and adapt abridged course for senior level personnel.

24. Case Study on the Costs and Financing of Immunization Services in Ghana, Levin A, England S et al, PHRplus, 2001

Estimated cost of national immunization program including NIDs and surveillance was about \$8.0 million in 2000 (about \$0.41 per dose, \$16.63 per fully immunized child and \$0.43 per capita). Personnel 40%, vaccines 30% and capital costs 6%). Cost of routine EPI was \$3.7 million (personnel 42%, vaccines 25%, and capital goods 8%). NIDs cost \$3.9 million (personnel 34%, vaccines 37%,social mobilization 16%). Total cost of the national immunization program was about 5.6% of total expenditure on health. The sources of finance include the government and district assemblies 32%, donor pool 23% and non-pooled donors 45%. Sources of funding for routine EPI, NIDs and surveillance differ, GOG finance 49% of the routine EPI. Untimely disbursement of funds affects program implementation. Future financing should consider increase in cost due to new vaccines being introduced (when GAVI funding will end) and increasing coverage through catch up campaigns. The health sector reform and the sector-wide approach have favorable effects on the flow of funding and accountability.

Recommendations: Develop long term plan for procurement of immunization program commodities in the light of sector-wide procurement process and introduction of new vaccines, introduce into poverty reduction strategy. Increase use by creating demand (IEC) and supply (logistics for NID, incentives for health workers in EPI). Regularize cash flow to the districts through out the year. Burden of disease study for HiB. Research on the obstacles for using private sector for provision of immunization services.

25. Five year EPI Strategic Plan 2000-2004, GHS, 2000

The Expanded Program of Immunizations (EPI) is one of the priority health interventions in the Medium Health Strategy (MTHS) and targets Polio, diphtheria, pertussis, tetanus, measles, yellow fever, hepatitis B. Objectives include coverage of 90% for all antigens by the year 2004 and reduction of mortality and morbidity of the induced diseases. Disease burden of rubella, haemophilus influenzae type b and Pneumococcal infections are to be determined. EPI has shown a steady increase in vaccination coverage over 1994-1999. At the same time reported cases of Vaccine preventable disease in Ghana have steadily decreased. Coverage 1999: BCG 85%, DPT3 73%, measles 71%, yellow fever 64%, tetanus 21%, dropout rate (BCG-measles) 14%. Target date for polio eradication remains end of 2000. Several of 1998 confirmed polio cases had not been vaccinated. Elimination of tetanus is still far away. Measles cases have reduced from 140,000 (1975) to 40,000. The last yellow fever outbreak occurred 1997/8 in Upper East Region, introduction into EPI in 1992 and mass vaccinations of populations of risk have shown success. Sero-prevalence of Hepatitis B is estimated between 5-21%, 15% of which acquired through vertical transmission. Advocacy since 1994 to include vaccine into EPI schedule. Rubella antibodies present in 70% of women in childbearing age. Bacterial meningitis accounts for 6-10% of childhood deaths.

Strengths: High level national commitment to EPI, the establishment of the vaccine stabilization fund and the direct contribution of the MOH for vaccine procurement.

Challenges: Limited access, inadequate service quality, inefficient resource management, poor community, inter-sectoral and private sector linkages, inadequate funding.

EPI Program of work 2000-2004: Significant reduction in infant, child and maternal mortality rates due to vaccine-preventable diseases through immunization. Strategies and targets outlined for each administrative level (DHMT, RHMT, National) include:

- a) Increased geographical and financial access to basic services
- b) Better quality of care in all health facilities and during outreaches
- c) Improved efficiency in the health sector
- d) Closer collaboration and partnership between the health sector and communities, other sectors, and private providers; and
- e) Increased overall resources in the health sector with equitable and efficient distribution. Provide budget line for vaccines in Ministry of Health's budget.

26. 2000 Annual Reproductive and Child Health Report, MOH – Reproductive and Child Health Unit, 2000

Child Health Achievements: Child welfare clinic coverage for children 0-11 months 109.7% (1999: 90.7%), DPT3 coverage 83.9% (76.0%), Malnutrition in 0-11month olds 2.3% (1.9%), 12-23month-olds 3.4% (6.9%), exclusive breast-feeding at 4 months 37% (1998) up from 2% (1988), at 6 months 17% up from 0%.

Capacity building: Lactation management training for 90 private midwives, TOT training on mother-to-mother support group, In service training in lactation management, promotion of breast feeding in health facilities for directors and administrators, assessment of health facility as baby friendly (13 designated this year, total of 43)

IMCI: Adaptation of material completed and generic materials edited for use, four health personnel trained in IMCI- case management in Nigeria, first case management training in Ghana conducted in November 2000.

MATERNAL HEALTH ACHIEVEMENTS:

	2000	1999	TARGET
Antenatal Care Coverage	99.1%	86.4%	90%.
Supervised Delivery	51.6%	43.5%	45%
Maternal Mortality Ratio (Institutional Based)	2.3 per 1000LB	2.5/ 1000LB	
Postnatal Care	47.6%	43.1%	40%
Family Planning Acceptor Rate	14.3%	15.4%	

Training activities held on Minilaparotomy and Norplant insertion, counseling, family planning and IUD insertion and removal, syndromic management of STI/HIV/AIDS and infection prevention.

School Health: 30.7% of total school children enrolled were physically examined (46.2% in 1999), 11% of schools visited were awarded environmental certificates (9.9% in 1999).

27. Report on Assessment of National Communicable Disease Surveillance Epidemic Preparedness and Response Systems in Ghana, Ghana Health Service/Ministry of Health in Collaboration with WHO and CDC, August 2000

The Ghana Health Service/Ministry of Health assessed the current surveillance, epidemic preparedness and response systems to find opportunities for integrated disease surveillance as recommended by the World Health Organization, African Region. Several recommendations for improving the existing surveillance systems were made in the report. Focus will be put on strengthening the human resource in laboratories, identifying and train target staff including focal persons for coordination, supervision, data management and communications. Resources should be made available for communications and reports as well as incentive package for Community Based Surveillance volunteers.

28. Roll Back Malaria: Strategic Plan for Ghana, Ministry of Health, Accra, 2000

The Government of Ghana's objectives for Roll Back Malaria addresses improved malaria case management, multiple prevention, researches partnership with other providers and research and development. Strategies for achieving the objectives are discussed. These include early case detection, promoting use of Insecticide Treated Materials (ITMs), chemoprophylaxis for pregnant women and research into the efficacy of available anti-malarial and implications for treatment policy.

29. RBM Monitoring and Evaluation: Baseline Situation Analysis of Malaria Control Activities in the Kassena-Nankana District in Northern Ghana, Seth owusu-agyei et al; Report submitted to WHO/AFRO, RBM Initiative, July 2001

An analysis of the malarial situation in Kassena-Nankana district in Upper East Region, Ghana revealed that the current tools for Roll Back Malaria could be used in Monitoring and Evaluation of malaria control activities in Ghana. However, the report recommended that the skills and knowledge of Medicare shopkeepers be strengthened to provide and treat malaria promptly and appropriately, the capacity of laboratory facilities increased and the establishment of local industries for bed net production explored.

30. Impact of Permethrum Impregnated Bed Nets on Child Mortality in Kassena-Nankana District, Ghana: A Randomized Controlled Trial, F. N. Binka et al, Tropical Medicine and International Health Vol. 1 No. 2 pp147-54, April 1996

The impact of permethrin impregnated bed nets on child mortality in Northern Ghana was evaluated using a community based randomized controlled trials. The study found that the compliance in the use of the bed nets was high, and the intervention was associated with 17% reduction in all-cause mortality. The study concluded that ITMs have important implications for malaria control programs.

31. National Reproductive Health Service Policy and Standards, Ministry of Health, 1996

The reproductive health service policy describes the objectives for service delivery strategies in the areas of safe motherhood, family planning, prevention and management of unsafe abortion, HIV/AIDS, and reproductive-related cancers. Post abortion care and discouragement of female genital cutting are also outlined. Strategies to address these issues include: IEC campaigns for behavior change, training of RH service providers to quality of care and human resource development in a decentralized system. Support systems such as logistics management, supervision/quality assurance systems, financing, and monitoring and evaluation are explained in detail.

Reproductive health standards depicts the minimum acceptable level of performance and expectations for each component of reproductive health services, expected functions of service providers, and the various levels of service delivery and the basic training content required for the performance of these functions.

32. Assessment of the Management of Sexually Transmitted Diseases in Ghana, Health research unit, MOH/Ghana and Family Health International/USAID, April 2001

This study evaluates the proportion of people receiving the correct treatments in public health facilities, private physicians and pharmacies. Routine data available to Ministry of Health indicates that STDs represent a significant cause of morbidity especially in women. Management of STDs is not adequate and could adversely affect HIV/AIDS transmission. Guidelines of the syndromic management approach are not adhered to and training on the syndromic management of STDs has not been institutionalized.

Recommendations: The link between HIV/AIDS and STD should be reinforced. Guidelines and training on syndromic management of STDs should be expanded. Monitoring and supervision of staff to improve quality of care needs to be done. Improve drug supply at the facility level and consider the use of pre-packaged drugs and condoms. Finally, the stigma associated with STDs needs to be addressed.

33. Family Planning Service Delivery in Ghana: Comparison Report of 1993 & 1996 Situation Analysis Study Results, Ghana Statistical Service, September 1998

Ghana's total fertility rate (TFR) has declined from 6.7 in 1980 through 6.4 in 1988 to 5.5 in 1993. The average number of children ever born to the cohort of women aged 45-49 however was persistently high (6.4 in 1971, 6.7 in 1980, 7.3 in 1988 and 6.6 in 1993). One of the factors for high number of children is the low prevalence of contraceptive use among women in stable sexual unions. The rate of contraceptive prevalence (CPR) was only 5.2% in 1988 and 10.1% in 1993. The 1994 Revised Version of the national policy targeted to reduce the current population growth of 3% to 1.5% by the year 2020 and envisages that TFR will reduce from 5.5 in 1993 to 5.0 by 2000, 4.4 2010 and 3.0 by 2020.

Objectives: to examine the changes that have taken place in the entire family planning program and its subsystems between the two surveys; evaluate the implications of these changes for the set targets and examine the direction of the way forward.

Methods: both studies (1993 and 1996) used hospitals, ministry of health clinics/centers/posts, PPAG clinics and private maternity clinics as the source for data collection and excluded pharmacies, traditional birth attendants and private clinics.

Findings: Availability and accessibility of family planning services: 80% of service delivery points (SDP) in 1993 but 68% in 1996 had visible signpost. In 1993, 91.5% offered services at least 5 days of a week but this dropped to 83.7% in 1996. There was an increase in availability of electricity but the proportions of SDPs having running water and working toilet facilities dropped between 1993 and 1996. The proportions of SDPs with IEC materials (notably posters and anatomical models) increased, more significantly in public sector facilities. There was improvement in medical examination facilities like privacy, cleanliness and adequate lightening. But there was a decrease in the proportion of possessing vital equipment like BP apparatus and stethoscopes. There was a drop in the proportion of SDPs that provide non-family planning services like antenatal and postnatal care, immunization and nutrition. While the proportions of SDPs offering most short-term family planning methods (pill, spermicides, condom) dropped, the provision of long term methods recorded a significant increase (IUD, tuba-ligation, vasectomy). Proportion of SDPs that kept written inventory decreased, though the proportions that stored their supplies by expiry date slightly increased. Rate of record keeping of clients increased from 79.3% to

84.9% but the proportion of those sending monthly statistical reports decreased. Supervisory visits increased in all SDPs except PPAG clinics.

Quality of family planning service delivery: there was improvement in fertility information obtained and family planning methods discussed during counseling new clients. However there is decreased use of IEC materials and medical history was taken significantly less in 1996 than in 1993. The largest proportion of new clients accepted the injectable (27% in 1993 and 47% in 1996) followed by the combined pill (from 20 to 22%) and IUD. Side effects of the method were explained less while advantages and how to use the methods were explained in larger proportion of clients in 1996. In both surveys, 92% of new clients were given specific date of return. The proportion of cases where the uterus was sounded before IUD insertion decreased from 85% to 59%, use of aseptic techniques decreased from 83% to 59% and provision of emotional support decreased from 85% to 52%. The proportion of clients asked on revisits about experience of any problem and change or stopping of a method decreased in all SDP types.

Family planning client and service delivery: in both surveys, clients' average 31 years and the average number of children per client was 4. 96.3% of married clients in 1993 and 88.6% in 1996 claimed their partners were aware that they were using family planning method. About half had ever experienced an unwanted pregnancy. In 1996, the proportion of clients who indicated convenience as the reason for their selection of SDP dropped but the proportion that indicated provider related issues (provider being friendly and trustworthy) increased significantly from 4% in 1993 to 36% in 1996. About a fifth of the revisit clients in both surveys had problems with the method they are using and almost all wanted to change or stop the method. Of these only half were made aware of the medical side effects initially.

Maternal and child health client and family planning: The proportion of MCH clients using a method at the survey time decreased. More than 40% of MCH clients using a method did not use the SDP they were visiting at the time to the survey as a source for supply indicating lack of effective integration of family planning and MCH activities. A large proportion of MCH clients (85.1% in 1993 and 99.8% in 1996) knew at least one method for delaying or avoiding pregnancy. About half have heard or seen something about family planning at the day of the visit of which about a third got it from a poster.

Family planning providers and service delivery: For almost all methods the proportion of providers offering the service increased. Though the official position on the provision of family planning services is that all clients who after counseling freely accept a method should be served, providers in several instances refused to serve clients who they perceived were ineligible by their given criteria. Some of the eligibility criteria were marital status, spouse consent, minimum and maximum age, and parity. 50% of providers would recommend injectable and 40% IUD as the two most frequently sited contraceptives for limiting childbearing. Higher proportion would recommend tubal-ligation and vasectomy in 1996. Most providers would recommend the short-term methods for child spacing. The proportion of providers that would recommend Norplant as a child spacing method has increased from 4.5% in 1993 to 45.3% in 1996. There was greater demand for advice on termination of an unwanted pregnancy than for medical treatment of incomplete abortion complication.

Implications of observed changes and recommendations: there was wide spread availability of permanent and long-term methods of family planning but there are indications of worsening technical quality, especially with IUD insertions. Sustained and frequent (at least once a quarter) supervisory visit should be done. Ensure that stock outs of the most popular methods (combined oral pills and injectables) are kept to a minimum. Improve counseling skills in particular on collecting broad information about the clients' background to ensure that the method chosen was appropriate, information on side effects, inquiring of problems on revisit. Assessment of the MOH guidelines on delivery of family planning services in relation to reproductive infections and the dangers of HIV/AIDS to determine whether it

would have made an impact on provider behavior. Research on supervision to find out what goes on in supervisory visit.

34. Study of the Effects of Incorporating Selected Reproductive Health Services on Family Planning Services: A Case Study in the Eastern Region of Ghana, Judith T. Fullerton, Kulmindar Johal, Alfredo Fort, November 1999

The study assessed the effects on family planning service delivery when service providers were also trained to provide a wider scope of reproductive health (RH) services i.e. sexually transmitted disease prevention and control and post abortion care.

Conclusion: training family planning providers to give a mix of reproductive health services enhances family planning services. Supervision and support would encourage the introduction and sustainability of these new services into practice.

35. Implications of Health Sector Reform for Contraceptive Logistics, Yasmin Chandani, et al, USAID, Family Planning Logistics Management (FPLM), John Snow Inc. (JSI), 1999

Background: Ghana began its health sector reform (HSR) in 1978 with reorganization of the ministry of health and the decentralization of responsibility and resources to newly formed district health management teams.

Objectives: The study was conducted to how the HSR affect contraceptive logistics, document contraceptive logistics operations in environments where HSR is being implemented, identify changes in logistics functions, document the consequences of these changes and clarify association, if any, between the changes and HSR.

Methods: a qualitative study in selected district samples (3regions, 5districts and 16 service delivery points) based on perceived degree of penetration of HSR activities and geographic access.

Findings: HSR efforts in Ghana have done no harm to contraceptive logistics system but have not measurably improved it. The contraceptive logistic system generally performs the same way it did before intensive HSR policies were outlined. This may be because contraceptive supplies are still exclusively donor supported and logistics remain vertical.

With regard to supervision, there was no explicit focus on contraceptive logistics despite more frequent service delivery point supervision. Cost recovery efforts have been successful. These funds pay for distribution costs of commodities and procuring non-drug consumables. Though the MOH continues to provide the majority of family planning services, private practitioners are increasingly providing the services. Decentralization does not appear to have resulted into improved performance in contraceptive logistics. The ministry of health intention to integrate contraceptive logistics into the stores, supplies and drugs management (SSDM) division have been delayed until SSDM personnel are trained in logistics management and information system.

Recommendations:

- Ensure that supervisors monitor staff conformance with logistics procedures established in the training manual and taught during training.
- Ensure that contraceptive logistics is included on the supervisory checklist for regional supervisors.
- Prepare the local health system for any further moves towards structural integration by involving the SSDM in donor coordination of contraceptive supply and forecasting.

- Develop a detailed plan outlining how integration of drug and contraceptive logistics systems is to be accomplished before proceeding with integration on management support systems.

36. Community Based Distribution of FP Services by NGOs in Ghana FRONTIERS Project, 2000

Little is known about the functioning and performance of the more than 20 NGO programs providing family planning and other basic health information and services. 12 NGO CBD programs in Ghana were reviewed. All programs offer family planning information, and distribute condoms and oral contraceptive pills. Most train their agents to provide information and education on STDs and HIV/AIDS.

Recommendations: Standard norms and guidelines for CBD programs are needed. NGO programs need to coordinate their activities amongst themselves and with the ministry and commercial marketing programs. Reporting systems need to be strengthened to monitor performance and plan for the future.

37. Community Based Distribution of Family Planning Services by PPAG, FRONTIERS Project, 2000

This survey was done to assess PPAG's CBD program in terms of performance and quality of care provided. The average number of contacts per agent dropped because agents are seeing less re-supply clients. Stock outs, poor record keeping, and lack of incentives are major problems. Knowledge on pill side effects was low, thus possibly adding to pill drop-outs. Most agents have good interpersonal skills. Both agents and supervisors have a biased attitude towards giving service to youth. Knowledge of health risks of adolescent pregnancies was not strong.

38. Estimates of the Maternal Mortality Ratio in Two Districts of Brong Ahafo Region of Ghana, JB Smith, et al. Family Health International

The study was done to estimate maternal mortality ratios (MMR) and to evaluate the impact of Ghana's traditional birth attendants (TBA) training program.

Results: The Brong Ahafo Region's MMR was estimated to be 26% higher than the estimate for Ghana as a whole, and 57% higher than the 1994 estimate. More work needs to be done to determine the MMR for Ghana.

39. Assessment of Ghana Ministry of Health Contraceptive Logistics System August 29 - September 17, 1999, Linda Allain, Steve Kinzett and Sangeeta Raja USAID, Family Planning Logistics Management (FPLM), JSI

Background: In Ghana as a result of multifaceted concerted approach, fertility rate has declined from 6 to 4.5 births per woman and knowledge on family planning methods has increased. The study was conducted to assess the status and function of each of the logistic-based activities at all levels of MOH supply chain for donated contraceptives and gather selected logistic indicators for donated contraceptives at all level.

Methods: A basic in-country supply chain map and the logistic cycle framework were used to ensure a complete and systematic review. Questionnaires were tested and revised before use. The study was done in 21 health clinics in 7 different districts in 7 regions, which were selected to reflect most and least accessible; rural and urban; the different geographic zones and contraceptive prevalence.

Findings: Contraceptive logistic system is operational, clients are getting a wide range of contraceptives through the MOH distribution system even in most inaccessible and rural areas. Data collection and

reporting rate is well done at all levels. Inadequate storing conditions of contraceptive supplies were found at all levels. Training was deficient in management and storage of health commodities especially drugs resulting in stock imbalance and lack of inventory system. Many health workers believed that recent price increase has affected the demand for contraceptives. There is no national dispensing policy as a result of which there was inconsistency in the pattern on the quantity of contraceptive that a client could get in a given visit.

Recommendations:

- To ensure adequate supply, consider requesting appropriate funding for contraceptives and improve communication between UNFPA, MCH/FP and Central Medical Stores.
- Training on good warehouse/store keeping practices for central level storekeepers.
- Give essential information regularly on logistics/ handling information on products. The process for obtaining products should be streamlined
- Transport system should be assessed and improved to improve scheduling and deliveries.
- Physical inventory should be done on a regular basis and training should be given on inventory control methodology for relevant staff.
- A procedure manual with standard operating procedure for all levels should be produced.
- All stocks about to expire should be recalled
- Stock tally cards should be kept next to products and be utilized as a cross-checking tool. Reporting forms should be reviewed and revised.
- Pharmacists need to be aware of the importance and handling of contraceptive products.
- The impact of price increase on contraceptive use needs to be monitored.
- MOH should ensure that a national dispensing policy exists for contraceptives in order to improve accessibility and reduce service delivery costs.

40. Evaluation of AVSC-supported activities in Ghana ,Martha Jacob, David Mandel, Marcia Mayfield, Manisha Mehta AVSC 1999

Review EngenderHealth's (formerly AVSC) assistance to the MOH in improving the quality and accessibility of clinical family planning services in private and public sectors.

Findings: Access improved dramatically, with an increase from 5 to 97 sites providing permanent and long-term methods since 1994. Over 1000 providers were trained in family planning, counseling and infection prevention procedures. Regional training sites and formal on-the-job training were initiated. The quality of monitoring and supervision was enhanced by AVSC's strategy of training medical professionals in medical training and supervision.

Recommendations: Continue developing the medical monitoring systems, supervision systems, further institutionalize training capacity and integrate all RH services (STDs, essential obstetrics, post-abortion, post-natal care and family planning) in counseling and service delivery.

41. Contraceptive Pricing and Sustainability in Ghana, An Analysis Commissioned by the Ministry of Health in Collaboration with USAID, February 23, 1998

Background: After 1995, MOH prices for contraceptives have stayed constant though other outlets for contraceptives have attempted to increase prices to keep in pace with inflation. Ghana's policy of holding the price constant has led to the negative consequences of declining cost recovery affecting financial sustainability, price incentive attracting clients to the public sector even if they can afford to pay for private sector, leakage and resale of products from the public sector. The low prices in the public sector

constitute a blanket subsidy to all contraceptive users, confounding efforts to channel scarce public resource to less well-off users.

Ghana's pricing strategy: Needs to be revised and the proposed strategy should

- stem or reverse the decline in cost recovery,
- keep pace with inflation
- narrow the public-private prices differential, especially for short-term methods
- consider the fact that clients are currently paying more than the official prices

Proposed MOH prices for 1998

Method	Nominal price*	Real price*	% cost recovery*	% of GSMF price*
Condom	30	3.0 (3.0)	25 (25)	120
VFT	55	5.1 (4.2)	20 (20)	160 (77)
Pill	150	14.8 (14.8)	29 (25)	77 (55)
Depo	325	31.5 (21.3)	10 (10)	27 (13)
IUD	375	36.0 (36.0)	18 (15)	31 (22)

- Prices are in cedis
- GSMF - Ghana Social Marketing Fund
 Figures in parenthesis show values from 1995

Effective implementation of pricing strategy at regional, district and sub-district levels must be ensured through appropriate system of incentives, monitoring and accountability. Some of the challenges of provision of MCH /FP services are:

- Little knowledge of health officers at regional, district and sub-district level about family planning programs in their area with no feeling of ownership and responsibility
- MCH /FP units in health posts function in isolation from the institutions central support and they are not subjected to audits.

Recommendations:

- Enhance the integration of MCH /FP service provision at the regional, district and sub-district levels into the primary health care system.
- Provide continuing education for health officers at the regional, district and sub-district levels.
- Distribute MOH policies to health officers and service providers at all levels.
- Inform clients of the official contraceptive prices.

42. Assessment of the Social Marketing Component of the GHANAPA Project as Implemented by the Ghana Social Marketing Foundation, Frank R. Samaraweera, A.H.O. Mensah, For USAID Ghana, August 1999

GSMF uses commercial marketing techniques to promote condoms and other family planning commodities, increase awareness and behavior change in HIV/AIDS control and promote and sell other health commodities (e.g. mosquito nets and oral rehydration salts). Despite considerable achievements, targets set for couple years of protection, sales outlet coverage and cost recovery were not achieved. Targets were ambitious and unrealistic.

Recommendations : Concentrate efforts and resources primarily on promoting and distributing short-term contraceptives. Increase certain selling prices to increase revenue. Sales revenues should be spent on items that have a direct impact on revenue generation. GSMF should develop and implement effective

HIV/AIDS social marketing program not only to sell condoms but also to advocate for safe sexual behavior. USAID should support GSMF through 2003 and at appropriate declining rates thereafter.

43. Ghana Water Supply and Sanitation: Country Fact Sheets, Guide for National Authorities and External Support Agencies

The Government of Ghana plans to extend the coverage of sustainable water and sanitation facilities to 85% of rural population by 2009. This will be achieved through a demand driven approach, community participation in terms of ownership and management of facilities. Constraints identified for achieving results include lack of funding, cost recovery, legal and institutional framework.

44. Attracting and Retaining Health Staff: A Critical Analysis of Factors Influencing the Retention of Health Workers in Deprived/Hardship Areas, Kwadwo Mensah, February 2002

The study identified the main critical factors leading to deprivation as lack of infrastructure and social amenities such as staff accommodation, portable water, electricity, transport and working materials and equipment. The report stated that 50% of health workers would be willing to stay in deprived areas for at least 5 years if incentives were instituted. Recommendations for addressing the problem were suggested. These include policies on posting, housing, health of health workers, incentives and motivation, staffing, reward and compensation and monitoring.

45. Potential USAID Support to MOH/GHS Human Resource Development, Mary O'Neil, MSH and HRDD, Ghana Health Services, 2002.

The *5-Year Programme of Work, 2002-2006* clearly defines the key areas of intervention required to meet national health goals. The Human Resources for health challenge is to see how HR can support the priority interventions and key activities required in support of these goals. After laying out the root causes for some of the roadblocks to effective HR management, the report gives four options for USAID interventions; including: (1) Develop an integrated, comprehensive HRM system with appropriate authority at the Regional and District levels through collaborative linkages and advocacy with other authorities (2) Develop an overall "HR competent" workplace by developing the technical capacity of the HRDD staff and regional HR managers and also by developing the management and leadership capacity of all line staff. (3) Build the capacity to develop and maintain a technically competent health staff (4) Support the health workforce by implementing HIV/AIDS Workplace Prevention Programs at all facilities. These recommendations will be evaluated and integrated into the new Country Strategic Plan as appropriate.

46. Potential Strategies to Promote Private Sector Health Care in Ghana, Dr. S. Akor, Dr. Kwarko and Eve Epstein, USAID Commissioned Analysis, 2002

This report on private sector health care provision in Ghana focused on three issues: (1) the government's current thinking with respect to increasing private sector participation in health service delivery, (2) the feasibility of government initiatives under consideration, and (3) how USAID, in its 2003-2010 strategy, can best support the government in achieving its objectives. The report documents the strong political for strengthening public-private partnerships and some interest from the private sector. A major finding is that, unlike other countries, public service is more lucrative than private practice. This is the result of additional duty hours (ADH) pay granted to public health providers. In practice, it appears that most providers receive their full quota of ADH not just for additional hours, and ADH is viewed as part of their

regular income. This is a significant disincentive to leaving secure public employment for riskier private practice.

The response from the private sector, young and old, has been very cautious. Group practice has not taken root in Ghana, though there is some interest in the concept, particularly among younger, more entrepreneurial providers. Without many good private sector models, visible successes in new private sector initiatives are critical to influencing a sufficient number of health professionals to move from the public to the private sector in order to achieve the government's objectives. Stronger professional associations are key to the public-private partnership because they provide the institutional interface with government; can represent the private sector's interests; and, strengthen private practice through a variety of support services.

In the new strategy, USAID could advise and provide technical assistance on various capacity development initiatives. For example, it could supply expertise to assist in developing the professional associations, working with members to define missions, roles and responsibilities, modes of organization and operation, and fee structures. USAID might be able to contribute to the public-private dialogue about incentive and opportunity options, and perhaps bring in some commercial expertise to help evaluate options under consideration.

47. Ghana Urban Health Assessment, Taylor, P., Bousсен C.R., et. al., Urban Health Task Force, Washington, D.C.

Although Ghana's cities are growing rapidly, national development policies and international assistance packages have not yet focused attention on the needs of urban populations. Almost half of the 8.3 million urban residents in Ghana live in the country's two largest cities, Accra and Kumasi. Migration from rural areas to towns and cities drives urban growth, but natural increase is also a significant factor. If the growth rates of the late 1990s persist, by 2020, city dwellers will outnumber those living in rural areas and the country's urban population, will more than double in size. Without a targeted effort to address the health implications of rapid urban growth, conditions in Ghana's cities will worsen. This fact, coupled with current inattention to urban poverty by the Government of Ghana and donor community, justifies increased attention to urban health in USAID/Ghana's new health strategy.

Strategies for USAID to consider include: (1) Support active *community involvement in planning* for environmental health improvements in urban slums via "Urban Community-based Health Planning and Services (CHPS)" (2) Adapt, test, and support mutual health insurance schemes in several cities (3) Make *evidence* about the health needs of the urban poor more readily available to planners and policymakers through advocacy (4) Provide technical assistance to Roll Back Malaria and selected cities for development and implementation of urban malaria control strategies (5) Establish a *citywide action network or coalition* involving local NGOs, CBOs, the private sector, and government to coordinate, expand, and improve urban health (adolescent reproductive health and HIV/AIDS) interventions. Priority areas for interventions include advocacy for urban poor, cost of health care, water and sanitation, HIV/AIDS, family planning, malaria control, and nutrition and food security.

48. Community-based Health Planning and Service (CHPS) Costing Study, Ghana Health Service and the PRIME II Project, October 2002.

The Ministry of Health's CHPS program is an integrated approach to health service delivery in district health systems, based on the large-scale operational research activity in Navrongo's research center. This study looked at the overall costs of scaling up CHPS on a national level. Differences in costs between regions were attributed to the size of community health compounds and varying costs of building materials in different parts of the country. There was wide variation in the community entry cost as a

result of variation in the implementation of the CHPS activity sequence by zones. The logistical costs included furnishing to compounds, motor bikes and bicycles, solar systems when necessary, medical equipment and communication systems. Using an estimate of 930 CHOs to be placed each for the next three years, amounts of US\$40,307,130 and \$26,394,330 will be needed for newly constructed compounds with solar power and electric power, respectively. That for renovated building will be \$29,604,490 and \$15,691,890 accordingly. An amount of \$2,591,910 and \$232,812 would be needed for motorbikes and bicycles respectively. Using a projected figure of 1570 CHOs to be added over the next five years (2002-2006), \$62,749,760 would be needed for new compounds with solar power, \$39,262,560 for new compounds with electricity, \$43,165,380 for renovated compounds with solar power and \$21,248,380 for renovated compounds with electricity. Amounts of \$4,375,590 and \$546,360 will be needed for motorbikes and bicycles, respectively.

49. Status of Care for Orphaned/Vulnerable Children Due to HIV/AIDS in Ghana, Dzokoto, A., March 2002

The purpose of the report is to collect, collate and analyze data available on orphans and vulnerable children due to HIV/AIDS in Ghana. The report will guide policy makers on interventions for orphaned and/or vulnerable children (OVC). Using the UNAIDS definition, AIDS orphans in Ghana are projected to increase from 126,000 in 2000 to 170,000 in 2002 and 387,000 in 2014. It has been difficult to estimate HIV prevalence in children.

Factors that may increase the vulnerability of children are diseases, child labor, and child trafficking, being female, cultural practices like female genital mutilation and 'Trokosi', conflict situations and living in the streets. Three types of care and support for AIDS orphans have been identified in communities: care by institutions like orphanages, care by faith-based organizations and care based on traditional structures in the community. The study has a series of recommendations to improve OVC programs.

50. *Identification of High-Risk Sectors for Workplace HIV/AIDS Prevention, Commercial Marketing Strategies Project, May 2002.*

The study identifies industry sectors and key companies whose employees are at high risk of HIV infection. Factors for higher risk include: illiteracy, a male dominated industry, access to free or subsidized alcohol, frequent travels outside one's permanent place of abode for work, a location in border towns and areas, and industries dominated by seasonal work. Access to a reasonable level of income in the midst of poverty is also regarded as an important factor for higher risk. Sector-wide interest and capability to undertake HIV/AIDS prevention education, and the existence of cost-effective mechanisms to reach their employees, were also taken in consideration in the ranking.

51. Situational Analysis on Newborn Care in Ghana, Rubardt, M., October 2002.

While child mortality is decreasing, neonatal deaths (during first month of life) are increasing in Ghana (currently 21,500 per year). Major causes include infection, pre-maturity, asphyxia and other birth injuries. Simple, non-technological interventions that could impact on peri-and neo-natal mortality are available. This involves identifying and reaching those actually doing deliveries with behavior change strategies addressing clean deliveries, not bathing, cord care, kangaroo care, immediate and exclusive breast feeding, and avoidance of harmful practices, post partum monitoring, and recognition and referral of danger signs. Other beneficial interventions during prenatal care include intermittent presumptive treatment of malaria, tetanus immunization, iron-folate supplementation and birth planning.

With the majority of births and presumably neonatal deaths occurring in the communities increased access to the above interventions could be achieved through the Community Health Planning and Services (CHPS) approach of the Ministry of Health. Facilities as well as private midwives providing services need to be linked with the deliveries and providers in the community for technical supervision and facilitation of referral. Newborn care is already part of national standards and guidelines, and there is significant interest among health policy makers in Ghana to begin address newborn care at the service levels.

Basic Education Sector

1. DFID GHANA – Developing Our Country Assistance Plan for 2002 – 2005, July 2002

This document sets out DFID's plans for assistance to Ghana, based on the objectives of the Ghana Poverty Reduction Strategy. It summarizes the proposed framework, content and modalities of delivery for DFID's next program of support to Ghana for 2002 – 2005. The purpose of the document is:

- To share DFID's analysis of poverty reduction in Ghana, in terms of the potential, the challenges and the possible risks, and to obtain feedback and validation from a range of key stakeholders in Ghana and the U.K.
- To outline its proposed framework for supporting Ghana in delivering concrete improvements in the lives and well-being of poor people via the Ghana Poverty Reduction Strategy
- To outline how DFID intends to deliver its support to Ghana in future, by working through, and by strengthening, Government of Ghana Systems, as well as by building more effective development partnership.

Lesson Learned: DFID's analysis of poverty reduction in Ghana presents it as a key donor in the Education Sector.

2. DFID/CARE: Basic Education and Civil Society Project (BECS) 1st Annual Report, 9/1/2000 – 8/31/2001

This report presents an overview of the various workshop that BECS team organized in building consensus among Civil Society Organizations to facilitate understanding of the decentralization process and to enhance partnership and interaction among them.

Lessons Learned: Civil Societies need to build consensus as a means of creating common understanding for effective collaboration.

3. Distance Education and Interactive Radio Instruction by EMA and AED/BESO Project – September 2002

This report shows how Ethiopia has been using radio and television to support primary, secondary and non-formal education. The Educational Media Agency (EMA) of the Ministry of Education used both audio-visual teaching aids and mobile teams which showed films and slides to schools and villages. It is no gainsaying the fact that the radio and television programs, had for a long time, become an accepted part of the school curriculum throughout Ethiopia.

Lesson Learned: The use of radio and television to support both formal and non-formal education in increasing access, improving instructional quality and strengthening the teaching of English.

4. Educational Research Report – By Positive Action Against Poverty (PAAP) to Establish the Functionality of all Ten Less Endowed Second Cycle (Rural-Based) Schools in the Ho District of the Volta Region

The study, which covered ten community and less-endowed Second-Cycle Schools in the Ho District of the Volta Region of Ghana, revealed very practical problems and constraints to academic achievements. These schools were found to be operating under very trying conditions to the extent that such basic

infrastructure needs like potable water, latrine, residential facilities for both students and staff are virtually non-existent. Feeding is also a problem since these communities are rural and there is no reliable supply of hygienically-cooked food. Cafeteria/mini-canteen services are lacking and these school children have to spend precious study time for mobilizing foodstuff and cooking. It was also discovered that most students are not able to manage the little food they come by hence starving most of the time.

Lesson Learned: The negative impact the absence of good sanitation and feeding supplements have on students in rural and less-endowed schools.

5. Education Decentralization in Ghana by ORC Macro – February 2003

This report presents the findings of a qualitative study that examined the education decentralization process and the implementation of the District Grant Mechanism under the QUIPS Program. The study was conducted in Tano in the Brong Ahafo Region, Jasikan in the Volta Region and Yilo Krobo in the Eastern Region.

Lesson Learned: USAID has to expand the scope and duration of the district grant mechanism by capitalizing on the good relationships with many school districts so as to expand its assistance program in size and in duration.

6. ESR Consultancy Area Report on General Education, Gender and the Disadvantaged – By Dr. Leslie Casely-Hayford, ESR Consultant – October 2002

The Education Sector Review (ESR) set out to assess the performance of Ghana's Education delivery in the context of changes in the sector since the 1987 educational reforms, the FCUBE implementation, the Education for initiative, new realities of globalization, and the Ghana Poverty Reduction Strategy (GPRS). Its outcome will assist the Education Sector identify key challenges and present recommendations to enable the MOE and its development partners plan towards a sector-wide approach.

The report has been compiled based on consultations, literature review and research into the various educational subsectors. The areas researched were: (a) Education Outcomes and Linkages, (b) Management, (c) Finance, (d) Community/School Relations, (e) General Education, Gender and the Disadvantaged. This report also covers the consultancy area on general education, gender and the disadvantaged

Lesson Learned: Much emphasis should be placed on improving quality particularly in schools located in deprived rural areas to ensure the attainment of a basic level of literacy for all Ghanaian children.

7. Evolving Partnerships: The Role of NGOs in Basic Education in Africa by Yolande Miller-Grandvaux, Michael Welmond and Joy Wolf

The study discusses lessons learned regarding NGO involvement in education to inform those involved in educational development. Some common issues between NGOs and governments that arise in community school projects include: (1) whether community school curriculum is consistent with national curriculum, (2) whether teachers are sufficiently qualified and whether teachers are sufficiently qualified and whether government would eventually assume responsibility for paying the teachers' salaries, and (3) whether students are able to transfer into formal system.

Save the children has been involved in community schools in four different countries. A slightly different model was used in each country:(1) whether community school curriculum, (2) whether teachers are sufficiently qualified and whether government would eventually assume responsibility for paying the teachers' salaries, and (3) whether students are able to transfer into formal system.

Save the Children has been involved in community schools in four different countries. A slightly different country. A slightly different model was used in each country: (1) Mali: Save hired its own teachers to work in community schools. (2) Guinea: The government insisted on providing and training teachers that taught in Save community schools. And (3) Ethiopia: Save worked to support local NGOs providing access to education for remote and disadvantaged persons.

Most relevant lesson learned for us is: NGOs must involve government to be effective.

8. Ghana Education Service - School Management Committee/Parent Teacher Association Handbook, January 2001

In Ghana, communities have played a vital role in the development and provision of education. Many of the basic schools in Ghana were originally initiated by communities, which willingly recruited teachers and provided places of learning for their children. As schools progressed, they were absorbed into the public school system. The management and control of the schools then shifted to central government authorities and communities tended to be less involved. The centralized control and management of the education delivery system over a long period has had a reversed effect on local community commitment and involvement in the quality, management and access/participation in education in Ghana.

To address the issue the government in a constitutional provision of fCUBE: Chapter 6 Article 38 Section 2 of 1992 constitution stated that *"The government shall, within two years after Parliament first meets after the coming into force of this constitution, draw up a program for implementation within the following ten years, for the provision of free, compulsory and universal basic education."* Under the fCUBE, MOE and GES have committed themselves to building a systematic approach to assisting community organizations to play a major part in the regeneration of their schools. It is the belief of the MOE and GES that communities have an important role to play in enforcing standard, developing and maintaining school infrastructure, and creating a partnership between teachers, pupils and district authorities to bring about needed changes. The Ghana government became committed to shifting more responsibility for the oversight of education to the district and school level.

At the sub-district level the MOE/GES established School Management Committees (SMCs) for primary schools. The SMC is a committee designated under the Ghana Education Service Act of 1994. It is a school community-based institution aimed at strengthening community participation and mobilization for education delivery. The QUIPS project developed an SMC/PTA Handbook which was endorsed as a national handbook for all SMCs/PTAs. The functions of the SMC/PTAs as prescribed in this handbook include building on the wealth of experiences and knowledge that communities have. The handbook aims at strengthening community structures, systems and human skills so that they can better define and achieve the objectives of the fCUBE. The handbook will help SMC/PTAs to better engage in consultation, manage projects, and taking part in planning, resource mobilization, partnerships and transparency, all reflecting the principles of ownership, empowerment and participation. A new role of the SMC is to supervise headteacher, teacher and pupil attendance by interacting with the staff and parents to ensure they are regular and punctual. In the long term one would like to see a strengthened school community partnership, which emphasizes the provision of quality education.

9. Ghana Millenium Development Goals Report, December 2002

The aim of preparing the Millenium Development Goals (MDIs) Report for Ghana is two-fold: (1) the report is designed to raise awareness concerning poverty reduction initiatives and focus country-level debate on the implementation and monitoring efforts, and (2) the report aims at evaluating the feasibility of the national targets as spelt out in the Ghana Poverty Reduction Strategy based on national experiences. The report also sets out long term targets for development by Government of Ghana has a long term goal of achieving Universal Primary Enrolment (UPE) with a target of ensuring that all children will be able to complete a full course of primary schooling by 2015.

Lesson Learned: The Government of Ghana has a long term goal of achieving Universal Primary Enrolment (UPE) with a target of ensuring that all children will be able to complete a full course of primary schooling by 2015.

10. Household Demand for Schooling in Ghana, ORC Macro, February 2003

This report presents the findings of a study of the household demand for schooling that was conducted in Wa, Wenchi and Mpohor Wassa East Districts. The primary objective of this study was to provide updated information on education among children aged 5 – 15 years in order to inform the development, monitoring and evaluation of basic education programs in Ghana. It also focused on the household decision-making process surrounding children's school attendance, for example it examined how families with school-age children decide whether to send children to school, when to send them, and whether to keep children in school or withdraw them to do other things.

Lesson Learned: Reducing or eliminating some of the costs of schooling to families (such as uniforms and footwear, book, bags miscellaneous school fees, tables and chairs for use at school and other school supplies) would diminish the burden of the costs of schooling and make it less difficult for many families to send their school-age children to school.

11. How The Poor Get Poorer, An Exploration into the Participation, Quality and Needs of Female Teachers in Deprived Rural Areas of Ghana, by Dr. Leslie Casely-Hayford and Mrs. Sarah Wilson, GEU, GES, March 2001

The study is an investigation into the needs of female teachers in remote rural areas of Ghana and the reasons for the poor supply of females in these areas. It is based on an extensive literature review and over one month of fieldwork conducted in six predominantly deprived rural districts across Ghana. It aims at highlighting the needs of female teachers in these areas in order for the Ghana Education service (GES) and more precisely, the Girls' Education Unit to design strategies to attract and retain more female teachers in deprived rural areas of the country. The aim of this study therefore, is to illuminate the needs and constraints of female teachers serving in remote rural areas in order to improve the supply in the Basic Education system.

Six districts across three geographic zones with the lowest percentage of female teachers were selected for study. The study took a predominantly qualitative approach exploring the perceptions of the primary stakeholders involved in basic education – primarily: the district education staff, female teachers living in deprived rural areas, girls and community members. The six districts selected for study had the lowest percentage of female participation at basic level in the country – between 10-20%. Two districts within each geographic zone were selected for study and are as follows:

- Southern Belt: Juabeso Bia (14.3%) and Wassa Amenfi (15.5%)

- Middle Belt: Kintampo (13.1%) and Sene (10.6%)
- Northern Belt: Tolon Kumbongo (7.8%) and East Gonja (14.3%)

Lesson Learned: The study shows a tremendous need for sponsorship, guidance and mentoring programs for girls at JSS level. Rural girls need to be mentored and financially supported in order to ensure that their performance is improved.

12. Literacy at Stake by Marie Chatry-Komarek, 2003

This book does not teach one how to read, rather it helps the reader better understand the link between language, culture and education and identify approaches and strategies to reach efficient reading and writing, which fit usual teaching and learning conditions in African Schools. The main objective of this publication is to deal with a worldwide concern, i.e. literacy for all children. It is also a basic element for active participation in social, cultural and political life.

Lesson Learned: Efficient literacy is the key to successful learning at school.

13. Meeting the Challenges of Education In the Twenty First Century (Report of the President's Committee on Review of Education Reforms in Ghana), October 2002

The Report re-examines the goals and philosophy of the present educational system, the principles which should guide curricular design, pre-school/basic education, secondary/technical/vocational education and teacher education as well as management and financing of education.

Lesson Learned: Distance education should be provided to supplement teaching and learning at the basic education level through radio and television broadcasts.

14. Multisectorial Approaches in Advancing Girls' Education – Lessons Learned in Five SAGE Countries (Technical Report #4), by Andrea Rugh, July 2002

Strategies for Advancing Girls' Education (SAGE) is a project of USAID/EGAT/WID. This report describes the multisectorial approach which can be implemented in a variety of ways in terms of differing local rationales, partner's activities, results and efforts to promote sustainability. It also focuses on country cases which suggest specific lessons about implementation and present general conclusions about multisectorial strategies as tools in improving the conditions for girl's education.

The report also reveals two main innovations in USAID's original model: (1) the call to involve non-traditional sectors (business, media and religious) in addressing issues related to girls' education; and (2) the commitment of funds to mobilizing sectoral partners rather than implementing specific project activities.

Lesson Learned: Business, media and religion can form a productive environment in addressing girls' issues effectively.

15. Private and Public Primary Education in Ghana – A Comparative Study, by Educational Assessment and Research Center (EARC), December , 2002

The purpose of this study was to obtain data to compare the academic performance of private and public school pupils and to examine the possible causes of the differences in academic performances. It's main concern was to describe the current differences between private and public basic schools in Ghana in

terms of variables such as supervision, teacher characteristics (qualification, remuneration and gender), number of homework assigned by teachers, payment of school fees, use of instructional time, teacher-pupil ratio, socio-economic indicators (occupation of parents and facilities at home), and provision of school infrastructure. The study also explored differences in parental support for pupils in private and public schools with regard to the provision of basic school needs (e.g. school uniform, school materials, school bag) and textbooks.

Lessons Learned: Lessons include; (a) Headteachers of Private Schools did more frequent supervision of teachers' work and observed teachers' lessons more frequently than headteachers of public schools, (b) Private school teachers made an effective use of instructional time than public school teachers, and (c) Parents and guardians of private schools were more involved in their children's education.

16. Reaching Underserved Populations with Basic Education in Deprived Areas of Ghana: Emerging Good Practices by Care International Ghana/Togo/Benin, January 2003

The study reveals that the majority of complementary education systems and interventions working around the World are supported through the assistance of Non-Governmental Organizations (NGOs) with varied input from national governments. The study also shows that the vast majority of the models have been developed through extensive field experience of the agencies involved and a long-term commitment to effectively change in the areas they serve. Key findings revealed several important themes which include; (a) Socio-Cultural context of ten determines the approaches best suited for supporting education, (b) Human resource capacity needs to be developed in a comprehensive and substantial manner within the local government structure and the Civil Society Sector for effective delivery, (c) Gender equality is critical to ensure successful project implementation, and (d) Community-based participation is essential for sustainability.

Lessons Learned: (1) Distance and small populations limit formal education opportunities, (2) Chronic teacher absenteeism and lack of commitment adversely affect the formal learning environment and (3) Minimal engagement by communities and local institutions limit the quality of the learning environment.

17. School for Life (Functional Literacy Program for Children) in the Northern Region of Ghana, June 1998

School for Life is a functional literacy program for children operated in the Northern Region of Ghana. During the first phase of the project which was the pilot phase, the program operated in five Districts for children between 8 and 12 years for cycles of 9 months in functional literacy.

Phase 2 of the program spanning from July 1998 to June 2003 is continuing the present policy of operating teaching cycles, developing teaching materials, training facilitators and assisting construction of educational infrastructure in the seven districts in Dagbon and Nanum. This phase will cover about 40,000 pupils who will participate in the literacy program.

18. Situational Analysis of Gender Issues in Education Dr. Leslie Casely-Hayford (ESR Consultant), June 2002

This report forms part of the outputs for the general education gender and the disadvantaged areas. It seeks to compile the most up to date analysis on gender issues in the education sector. It also forms part of a process for building a collective vision within and between Ministry staff/officials and development partners. It also serves as a working document for other Education Sector Review (ESR) Consultants in order to assist the mainstream issues within their various scopes of work.

- Gender equity issues within the teaching and educational management arena
- Gender equity issues within the non-formal education sub-sector
- Gender equity issues within the formal education sector (from KG to Tertiary)

The analysis contained in the report also seeks to explore alternative approaches to education and their success in reaching girls, particularly in deprived rural areas.

Lesson Learned: NGOs should be encouraged to play a much larger role in gender mainstreaming focusing its programs on female education.

19. Strategies for Funding the Education Sector of the Ghana Poverty Reduction Strategy (GPRS) by Francois Orivel, June 2002

This report principally focuses on the costing of the education strategy of the Ghana Government as described in the GPRS. This strategy intends to accelerate access to basic education for the entire school age population after a decade of relatively slow expansion place. The report is organized in the following key themes: (a) The government education strategy is translated into a series of indicators, (b) This theme is (c) The third them investigates several avenues for allowing a kind of reconciliation between the objectives and resources, and (4) the resource constraints of reducing the costs of educational inputs.

Lesson Learned: In order to achieve the objective of education for all, there is a necessity to increase the capacity of the system by creating new schools or by expanding existing ones.

20. Teaching and Learning in Ghana: A Curriculum, Textbooks, Syllabus and Handbook Analysis by Dr. Richard J. Kraft, June 1994

This study focused on the analysis of the quality of the existing English and Mathematics Syllabi, textbooks and teacher handbooks with their corresponding use and improvement. Since instructional materials do not exist in a vacuum, the study also investigated the total curriculum including the training of teachers, class schedules, facilities, the classroom environment and other factors which contribute to or prevent the appropriate use of the available instructional materials.

Lesson Learned: With Ghana now moving towards Universal Primary and Junior Secondary Education, only a major overhaul of the curriculum and the materials that go with it can prevent the continuation of the educational crisis now facing the Ghanaian schools and society.

21. World Bank Country Strategy – IDA Education Sector Mission (Aide Memoire), March 13 – April 12, 2002

This report is an Aide Memoire of an IDA Mission of the World Bank which visited Ghana from March 13 – April 12, 2002 to: (1) review the implementation status of the two on-going projects, that is basic education and functional literacy and (ii) finalize the identification of the new Education Sector Development Program (ESDP). This aide-memoire synthesizes the mission's main conclusions and the agreements organized as follows:

- Education Sector Development Program (ESDP) and related matters;
- Basic Education Project;
- National Functional Literacy Project; and
- Vocational Skills and Informal Sector Support Policy.

Economic Growth Sector

Summaries of Bibliographic Entries for Private Sector Competitiveness SO 6

Bank of Ghana, *Statistical Bulletin. Combert Impressions, Accra, Ghana: November 2002.*

This reference contains selected economic indicators and charts on Ghana.

Collier, Paul, David Dollar, *Globalization, Growth and Poverty*. World Bank, Oxford University Press: 2002.

The study shows that global integration of markets in goods and services over the past two to three decades has enabled developing countries with reasonable locations, policies, institutions and infrastructure to build on their low cost labor to create a competitive advantage for themselves in some manufactures and services. The phenomena of globalization provided a launching pad for these developing countries with over three billion people to diversity production and integrate more deeply into world markets. The economies of the new globalizers are growing at rates that are leading to convergence with per capita incomes of the developed countries and significantly lowered rates of poverty.

Colyer, Dale, *Review of Progress Toward Milestones Accomplishment and Achievement Of TIRP Results: Year Two (July 1999 – June 2000)*. Sigma One Corporation: July 2000.

The procedures used for this evaluation were an examination of the project records in the Research Triangle Park, NC main office of Sigma One Corporation and in the Accra, Ghana office and through discussions with project personnel, USAID officials, and Ghanaian stakeholders in both the public and private sectors. Progress was evaluated from the standpoint of meeting the milestones programmed for the first two years of the project and the results of the activities that were carried out. In addition to achievement of reforms, data on the Ghanaian economy were examined to determine possible impacts of the project.

The evaluation found out that during the first two years of the project, very substantial progress was made in several policy related areas, although there also were disappointments. In addition to promoting general policy reform, the project conducted studies and/or provided technical assistance for promoting specific reform activities with, generally, very favorable results. These include reforms in the country's labor law, improvements in the Internal Revenue Service's tax collection capabilities, technical assistance to the Social Security and National Insurance Trust to improve its investment procedures, customs/tariff studies, assistance to cocoa sector reform where marketing is being privatized, and to the Micro Finance unit of Ministry of Finance (MOF) for improving rural credit and financial services.

The major disappointment of the project was that Ghana did not achieve higher rates of economic growth due in part to incomplete macroeconomic policy reforms with respect to reduced budget deficits and exchange rate controls, tariff modifications, etc. Thus, when foreign exchange earnings declined due to low gold and cocoa prices in 1999, the country was not in a strong position to withstand the pressures on the cedi. There also was a lack of full cooperation on the part of the Bank of Ghana (BoG), as well as the unwillingness by the GOG to hold the annual National Economic forums designed to keep the spirit of the

North Carolina forum operative; thus three of the milestones could not be accomplished. The presidential election in December 2000 hampered the reform process due to a reluctance to make the difficult and sometimes unpopular decisions required for effective reform. However, the hiatus this situation has produced provides an opportunity to re-examine the project's activities and to reprogram them to emphasize those that are contributing more to policy reform.

Deininger, Klaus and Lyn Squire, "A New Data Set Measuring Income Inequality," *The World Bank Economic Review*, Vol. 10, No. 3, September 1996.

Presents a more accurate set of data on income distribution for a cross-section of 107 countries from all regions of the world, including 21 high income countries and 24 countries from Sub Saharan Africa. The report uses two measures of income inequality: the Gini coefficient and the ratio of the aggregate income earned by those in the top quintile divided by those in the bottom quintile of the population. The most recent data reported was from 1995, with data for some countries going back as far as 1947. The data for Ghana was based on observations for four years during 1988-92. The average Gini coefficient for Ghana was 35.13 and the ratio of top to bottom quintile was 5.97. Among the 24 SS African countries, only Rwanda had a lower Gini coefficient and only three countries had a lower ratio of top to bottom quintile (smaller values for the Gini and the ratio indicate more equal distributions). In addition, the figures for Ghana compare favorably with Asian countries such as Japan, Korea, Indonesia and Taiwan. The conclusion is that Ghana has a relatively equitable income distribution, as measured by data for 1988-92, and since recent time series studies have shown that the income distribution does not change much over time, it probably still does.

ECOWAS Secretariat, *ECOWAS Energy Protocol*, 2002.

The ECOWAS Energy Protocol details all of the terms and conditions the fifteen West African countries have deemed important to strengthen confidence of investors in the energy sector. It is fashioned on the European Union's Energy Protocol and has now been signed by the Presidents of the fifteen West African countries.

ECOWAS Secretariat, *West African Gas Pipeline: USAID Technical Assistance ATRIP Evaluation Report*.

The Evaluation Report summarizes a review of USAID/Ghana's technical assistance program to the WAGP. Information is provided on the TA project's: objectives; accomplishments; and status.

ECOWAS Secretariat, *West African Power Pool: USAID Technical Assistance ATRIP Evaluation Report*. September 12, 2002.

The Evaluation Report summarizes a review the USAID/West Africa Regional Program's technical assistance to the West African Power Pool (WAPP). Information is provided on the TA project's: (1) objectives; (2) accomplishments; and (3) status.

***Evaluation of the Ghana Natural Resource Conservation and Historic Preservation Project (NRCHP)*, Development Associates Inc., Washington, D.C.: 2001.**

Beginning in August 1991, USAID supported the Natural Resource Conservation and Historic Preservation (NRCHP) Project with grants totaling about \$10 million centered around the Central Region's main tourist attractions – Kakum National Park, Cape Coast and Elmina castles. Although tourism is still a very young industry in Ghana, it is Ghana's third largest foreign exchange earner. USAID/Ghana saw this as an opportunity to continue its involvement in tourism and conducted a study to harness the tremendous direct and indirect impact the industry can have on broad-based economic growth with a private sector-led implementation strategy in the sector.

The study revealed the actual potential / size of the industry, provided a framework from which tourism could be planned and what the areas of emphasis should be, provided solutions to planning and policy deficiencies and methods of monitoring and evaluation and highlighted areas where USAID could focus on in its strategy to achieve maximum impact.

Franklin, David, “Political Economy of Stagnation in Ghana,” Sigma One Corporation, Research Triangle Park, North Carolina: December 2000.

The report discusses the different economic development models used in Ghana over entire post-Independence period, from 1957 to the present. The first two decades used the import substitution model based on state-owned enterprises and with heavy taxation of agriculture and the rural sector and a strong urban bias. This eventually led to near economic collapse during the period 1976-83, when Ghana's economy became the most distorted in Africa, with high inflation and a black market exchange rate ten times the official rate. Inflation eroded the real value of wages while property holders prospered. SOEs were provided financial “bail outs” to protect their employees and to keep the prices of utilities, fuel and other publicly provided services low to for the benefit of urban dwellers. As a result, jobs in the formal sector had to be rationed. The study argues that the Economic Recovery Program (ERP) instituted in 1983 did not represent a fundamental switch to market oriented ideology. The ERP “developed a high degree of skill in negotiating with the donor community for support by offering piecemeal reforms that purport to orient the economy in tune with international market forces in exchange for external economic assistance ... without eradicating the essential structures for dispensing privileges to the entrenched base of political support – the urban interest groups.” “On the labor front, overstaffing of formal sector entities remains the basis for the tri-partite compact [between government, employers and labor unions] The State's role in the labor and financial markets are the principal reasons why Ghana's economy operates at higher costs than what would make it a competitive participant in global markets.”

Franklin, David, Curtis Youngblood, “Ghana: Long-Term Strategy for Export-Led Growth,” Sigma One Corporation, Accra, Ghana: June 1992.

This is the design document for the USAID-funded Trade and Investment Program (TIP) for the period 1992-97. It provides a vision of Ghana's non-traditional export (NTE) sector as becoming the most rapidly growing sector of the economy and account for approximately a fourth of export earnings. As of 2002, that vision had been achieved. The study also identified the constraints inhibiting the non-traditional export sector: an unfavorable business climate of mistrust of the private sector and a regulatory environment that increases transactions costs and thereby foster informality (problems of “red tape”); the State crowds out the private sector through ownership of enterprises and its role in dominating financial markets; private sector's lack of information, business acumen and capital; inadequate transportation and communication systems; inadequate human resource base (management and technical skills) needed to support a dynamic NTE sector; a very high cost domestic marketing system with a policy environment biased against trading firms. It goes on to identify a results framework for TIP focused on increasing private sector NTEs, with three components: improved enabling environment for export firms; improved

capacity of firms to export; and improved financial services for exporters. To improve the enabling environment, The study identifies three necessary elements for improving the enabling environment: improved policy framework; reduced regulatory and administrative transactions costs; and improved public support services to exports. To improve the capacity of firms to export, four elements are necessary: improved ability to produce to export market requirements; improved capacity to market NTEs; increased capacity to obtain financing; and increased services by trade and professional associations. In order to improve financial services, three elements are identified as critical: increased liberalization of the financial sector; establishment of an export finance system; and establishment of a risk coverage mechanism.

Jebuni, Charles, Dirck Stryker and Selina Pandolfi, *Restarting and Sustaining Growth and Development in Africa: Case of Ghana*, EAGER Series of Studies: September 2001.

Although Ghana implemented significant macroeconomic, market liberalization and exchange rate reforms starting in 1983 that led to accelerated growth during the period 1983-92 (average real GDP growth of 5% per annum), much of it was due to the “bounce back” effect from near economic collapse during 1976-83. However, since 1992 the performance of Ghanaian economic policy and economic performance has not been as good (large budget and current account deficits returned, causing large government borrowing, the efficiency of increased levels of investment fell dramatically, and average real GDP growth fell to 4.3% per annum). The authors argue that after twenty years of structural adjustment, not much has really changed. Several key issues were not successfully resolved: Ghana remains way behind in the development of human capital; most economic infrastructure remains undercapitalized and in disrepair; domestic savings hovers around a meager 10% of GDP; the government still determines the public expenditure program and retains first claim on the banking resources necessary to finance that program; privatization has stalled; and key legal and administrative institutions such as contract enforcement, regulation and trade facilitation have not fully recovered from the devastation of the 1976-83 period. The authors acknowledge that the trade, monetary and exchange rate regimes have been significantly improved, but conclude the following: (i) “the underlying political and social situation in Ghana has not changed very much over the years;” (ii) because of an optimism that liberalization would automatically elicit a strong supply response, “measures to develop the potential of the economy to respond to the new policy environment ... were ignored;” and (iii) “until the appetite of the government for resources is effectively harnessed ... there is little prospect that efficient private investment necessary for accelerated growth will be forthcoming.”

Lalonde, Helene, “Gender Assessment and Action Plan for USAID/Ghana,” November 2002.

The report analyzes the approach used to address gender issues in the existing SO1 and recommends improvements: indicators disaggregated by gender should be developed; industries selected to receive support should be selected partly on the basis of female participation in those industries; human capacity building efforts should ensure adequate participation by females in skills training and entrepreneurial support activities; support to business associations should seek out and support associations of women business persons; land policy reform should address the issue of female ownership; and credit programs, both form micro, small and medium size entrepreneurs should seek out opportunities for women-owned formal and informal businesses.

MWH Consulting, *Analysis of Ghana's Energy Sector – Final Report*. March 2003.

As a function of developing the new CSP, an energy sector analysis was done. This document presents the details of that assessment and provides information on: Ghana's energy sector; USAID/Ghana's energy sector initiatives, programs and results; and prioritized recommendations. The prioritized recommendations focused on strengthening energy regulation and demand management, but also identified the financial position of the Electricity Company of Ghana and the Volta River Authority as critical areas requiring remediation.

Ministry of Energy, “Ghana Power Sector Review of Reform Programme.” Draft Report, Economic Consulting Associates, November 2002.

The Power Sector Review document presents the proposed program for Ghana's energy sector reform and revised policy statement. It highlights the GoG strategy for future energy sector development and performance.

Ministry of Food and Agriculture, *Food and Agriculture Sector Development Policy*, Accra, Ghana: October 2002.

The policy document outlines the challenges as well as the numerous opportunities in Ghana's agricultural sector. It emphasizes the options and sustainable utilization of resources and commercialization of the sector with market oriented growth in mind. The Ministry of Food and Agriculture plans to facilitate improved marketing through infrastructure development including roads, markets and storage facilities. To support commodity prices from collapse and stimulate productivity and production increases, MoFA intends to establish a strategic buffer stock. It was noted also that besides pushing for competitive pricing policies are planned to create conditions conducive for sustained markets for agricultural produce.

Ministry of Finance, *Annual Budget Statement and Economic Policy of the Government of Ghana*. Assembly Press, Accra, Ghana: Various issues (2000, 2001, 2002 & 2003).

Most of the data used in the discussion of the Economic Trends section were obtained from the Annual Budget Statements.

USAID, “USAID Agricultural Initiative to Cut Hunger in Africa” Draft Document, April 2002.

The Initiative to End Hunger in Africa (IEHA) is committed to the concerns of agricultural growth and building an Africa-led partnership to end hunger and poverty. The specific objective of the initiative, which is to “rapidly and sustainably increase agricultural growth and rural incomes in sub-Saharan Africa”, is based on the well-supported premise that accelerated growth in real per capita agricultural GDP is the most effective means of reducing poverty and alleviating hunger. With that in mind, the Initiative will target smallholder agriculture—both smallholder farmers and agricultural enterprises that involve or serve them.

In order to achieve such growth, IEHA will focus on six core themes: (1) science and technology; (2) agricultural trade and market systems; (3) strengthening community-based producer organizations; (4) building human capital, institutions and infrastructure; (5) ensuring vulnerable groups and countries in

transition are not left out; and (6) sustainable environmental management. During the initial plan period (FY2003-FY2008) about 70% of available resources will be concentrated on the first two themes.

U. S. Government, *An Energy Roadmap For Ghana: From Crisis To The Fuel For 'Economic Freedom'*. USG Interagency Team, February 22, 1999.

The Roadmap presents the findings of the Team's assessment of Ghana's crisis situation and the way forward. Specific information is provided on: the energy sector background; the sector crisis; the U.S. Government's response; options for meeting Ghana's energy needs; and recommended priority assistance activities.

Republic of Ghana, *Act Establishing the Public Utilities Regulatory Commission and Energy Commission*. 1997.

This document is the Parliamentary Act establishing the Energy and Public Utilities Regulatory Commissions (EC/PURC). It details the statutory mandates and functions of the Commissions to fulfill their advisory, policy making and rate-setting activities.

Republic of Ghana, *Coordinated Program for Economic and Social Development of Ghana 2003-2012*, Presented by the President of the Republic of Ghana to Parliament: December 2002.

A Vision Statement by the Administration of the National Patriotic Party (NPP), required by the Constitution within the first two years of any new administration. This vision statement is even more focused on growth as the most effective driver of poverty reduction than the GPRS. First, it focuses attention on the five "Medium Term Priorities" of the GPRS to build the socio-economic foundations for accelerated growth: enhanced infrastructure; modernized agriculture; enhanced social services; good governance; and private sector development. Second, it identifies "two key pillars which will act as the drivers of long term accelerated growth," around which development strategies to unleash Ghana's growth potential should be built: agro-based industrial development and information and communication technology (ICT). Finally, it identifies six other areas where development is needed to provide the requisite supporting environment: ensuring macro-economic stability; ensuring food security; developing long term savings and capital markets for long term investment; reducing the economic and non-economic costs of doing business; encouraging science and technology development and application; and forging a cultural framework for socio-economic development. At present, SO6 promotes modernized agriculture and agro-based industrial development; macro-economic stability; long term savings and capital markets; and private sector development as the overriding engine of growth. In addition, the Title II program focuses most of its resources on food security through support for the production of food for domestic consumption, aided by efforts under SO 6 to strengthen food availability by expanding the capacity to import food through expansion of agricultural exports.

Republic of Ghana, *Ghana Poverty Reduction Strategy 2003-2005 – An Agenda for Growth and Prosperity, Volume I: Analysis and Policy Statement*, Accra, Ghana: February 2003.

Provides poverty trends by region, employment category, gender and geographic location. Identifies seven key development challenges that must be overcome to reduce poverty: ensuring economic stability for accelerated growth; increasing production and promoting sustainable livelihoods; facilitating direct support for equitable human resource development; providing special programs in support of the

vulnerable and excluded; ensuring gender equity; ensuring good governance and the increased capacity of the public sector; and the active involvement of the private sector as the main engine of growth and partner in nation building. The GPRS goes on to detail programs to address those development challenges. It then identifies a subset of those programs that constitute the Government's medium-term priorities, which focus on infrastructure, agricultural modernization, enhanced social services, good governance and private sector development. The GPRS ends with a chapter on monitoring and evaluation. Volume Two of the GPRS provides a costing of the programs contained in Volume 1.

State of the Ghanaian Economy, Institute of Statistical, Social and Economic Research, University of Ghana at Legon, Accra, Ghana: 1997 through 2001.

The annual reports summarize trends and developments in the Ghanaian economy over the recent past, and provide useful data for further analysis.

Stryker, Dirck et al, Trade and Investment Reform Program (TIRP): Project Final Evaluation. AEP-I-818-00024-00, Management Systems International: March 2003.

The purpose of the evaluation of the Trade and Investment Reform Program (TIRP) efforts to increase private sector growth is (a) to determine what has worked well and what has not work well, and therefore what lessons can be learned that would be most useful in developing the Mission's next development strategy; (b) to assess progress towards achievement of SO-1 and TIRP results; and (c) to provide an assessment of the economic impact (both macro and micro) of TIRP on private sector growth. The evaluation covers TIRP since implementation began in July 1998 up until the end of September 2002. The major emphasis of the evaluation is on providing an analysis that will assist the Mission in developing a vision for future program actions and providing recommendations for modification of activities and implementation procedures to achieve program objectives under the new strategy. The evaluation reached two main conclusions.

There were a considerable number of problems encountered in trying to promote participatory policy change. One of the most important was that the National Economic Forum was to a large extent externally imposed and was not part of the normal Ghanaian policy-making process. There must be local ownership of the policy reform process. USAID and its contractors can influence that process most effectively if they are supporting reform from inside. This means identifying, in collaboration with Government, the need for expertise, and then assuring that this expertise is made available in a way that best enables the Government to exercise ownership. Ideally, this means relying to the maximum extent on Ghanaians. Given the large number of well qualified Ghanaians in Ghana, or who have been trained in the US and are interested in returning to Ghana, finding such Ghanaians should not be a big problem.

Despite some delays, Non-Project Assistance was a reasonably effective way of influencing policy. Despite delays, occasional superficial compliance, and some credit taken for what may have occurred anyway, there were some significant successes – especially given the fact that the amounts involved were relatively small compared with NPA coming from other donors. TIRP's focus on macroeconomic policy should be maintained, but it must be coordinated with the Government and other donors through the Multi-Donor Budget Support program and the Medium-Term Expenditure Framework (METF). Even though USAID is prevented by Congress from providing direct, unrestricted budget support to the GOG, it can still participate in the METF process and assure that its resource allocation is consistent with that process. USAID should continue its disbursements of NPA under TIRP, but conditionality needs to be coordinated with other donors as well as with the GOG as part of the Multi-Donor Budget Support Program.

Valdes Alberto. 1991. "The Role of Agricultural Export in Development" in *Agriculture and the State*, C. P. Timmer (ed), Cornell University Press, Ithaca.

Valdes describes trends, structure and performance of agricultural exports to show a strong association between export performance and economic growth in less developed countries (LDCs). The paper reiterates the positive role agriculture could play in those countries under a neutral trade and exchange-rate regime. Reasons for the lagging performance are examined and an assertion is made that agricultural exports are taxed heavily mainly as an indirect and perhaps unintended effect of economy wide policies that pertain in LDCs. The paper also discusses specific current issues and concerns about the adoption of outward-oriented strategies for agriculture.

Weatherspoon, David, Thomas Reardon, "The Rise of Supermarkets in Africa: Implications for Agrifood Systems and the Rural Poor," *Development Policy Review*, May 2003.

Analyzes the recent phenomenon of the rapid growth of supermarkets in Africa, which began in South Africa and Kenya and is spreading to other countries in Africa. Most of the growth in South Africa has occurred since the end of Apartheid in 1994, while in most other African countries supermarkets only appeared on the scene 2-5 year ago. So far, the expansion beyond South Africa is being led by the two main South African supermarket chains, Shoprite and Pick n Pay. The authors believe that European multinational food retailers such as Royal Ahold will be entering the market soon, and also note that domestic supermarket chains in the few African countries where they exist have responded by moving into smaller towns to establish themselves there in hopes of stemming the "invasion" of the South Africans. Southern and East Africa are ahead of the poorer West Africa, such that Ghana is at the incipient stage of supermarket development, with some three supermarkets. Focusing on the practices of Shoprite and Pick n Pay, the authors reach a number of conclusions. First, when these firms enter a new country they may begin by importing much of the food from South Africa, but soon they begin to purchase from local farmers, and within the span of a few years, most of the food is being sourced locally. Second, most of the in-country suppliers of fruits and vegetables to their supermarkets are also exporters to European markets. Third, although these supermarket firms prefer to deal with larger domestic suppliers who already know how to meet stringent quality, quantity and timely delivery standards, where bigger ones do not exist they have demonstrated a willingness to source from smaller farmers IF donor/NGO/Government schemes can be put in place to "upgrade" the small farmers to meet the needs of supermarkets. Fourth, many of the larger suppliers to these supermarkets outside South Africa do so through outgrower schemes with small farmers. Fifth, in parallel with the increase in domestic suppliers to their supermarkets, these firms have also begun to develop regional procurement systems whereby some products are being sourced from third countries in Africa. In this regard, the powerful logistics mechanisms of their increasingly regional procurement systems will likely lead to a collapse of currently fragmented food markets.

Wilcock, David et al, "Assessment of the Agricultural Sector and Natural Resource Management Issues in Ghana", *Development Alternatives, Inc.*, March 2003.

The need to combine assessments in these three areas (agriculture, environment and natural resource management) stems from the fact that they have important interrelated issues that impact on each other in ways that influence sustainable development. The study focuses on a comprehensive assessment of the key opportunities and constraints influencing the agricultural sector's contribution to economic growth in Ghana. The objective of the overall assessment is to provide USAID/Ghana with the analytical basis and

recommendations on strategic options for the design and structuring of interventions for the development and implementation of the new CSP. This assessment took into consideration, the GOG's recently announced priorities for modernizing agriculture and developing the private sector for increased competitiveness.

No insurmountable problems in the areas of natural resource and environmental management in Ghana were identified. However, it is also quite evident the GOG and its development partners need to devote greater resources to protecting and enhancing Ghana's natural resource base for use by future generations. Investment in the area of institutional capacity for resource policy reform and enforcement require some priority. Consumers, especially in more affluent export markets, are expected to be demanding and willing to pay for enhanced socio-economic accountability, environmental protection, and product safety and quality.

The following socio-cultural recommendations were made for the Mission's consideration: (a) support to socially responsible agribusiness; (b) support to decentralization and community participation; (c) Improve Socio-Economic Indicators and their Monitoring; and (d) encourage partnerships and alliances. In addition, the need to enhance integration of FFP program into SO7 was highlighted.

Investment Options in Policy Reform and Institutional Strengthening identified include:

- Targeted Support to Priority Areas of Macro-economic Reform;
- Focus on agricultural sector policy analysis and linking it to sub-sector promotion strategies;
- Support for reforms in trade policy with emphasis on agricultural and agri-based products;
- Plant Variety Protection (PVP) and Biosafety Regulations; and
- Legal and regulatory reform in land

Direct support to the private sector in agriculture should be: (a) market-driven; (b) private sector-led; (c) promote partnerships arrangements; and (d) protect the natural resource base for future generations.

Recommendations for addressing constraints to realizing competitiveness for Ghana's exports are as follows: (a) providing support for international business exposure; (b) providing specific training/mentoring; (c) promoting strategic alliances; (d) providing access to export development challenge grants; (e) strengthening business associations.

Investment options identified for infrastructure development are investments in: (a) pilot processing centers; (b) cold chain development; and (c) tissue culture facilities. Measures suggested for addressing limitations in supporting services would necessarily include export agribusiness for bankers, instituting a revolving credit fund, providing support for market intelligence, providing support for good production practices.

Other investment options are those for domestic food production and processing such as improved biological technology, biotechnology and post harvest handling and those for natural resource and environmental management.

World Bank, "Country Policy and Institutional Assessment 2002," Washington, D.C.: 2003.

The World Bank's annual assessment of the policy and institutional situation in each member country, using a long list of variables grouped into four categories: economic management; structural policies; policies for social inclusion and equity; and public sector management. The analysis then 'ranks' countries into five quintiles. The World Bank country economist in each member country is responsible

for rating that country's performance on each policy or institutional variable in the Assessment Questionnaire.

Overall, Ghana's policy and institutional assessment ranked Ghana in the second quintile. In terms of each of the four categories, Ghana was ranked in the top quintile for public sector management; in the second quintile for structural policies and policies for social inclusion and equity; but was ranked in the third quintile for economic management. The conclusion one can draw from this analysis is that the worst aspect of Ghana's policy and institutional performance is macroeconomic stability. This coincides with the analysis of Sigma One, USAID/Ghana's policy contractor, and also coincides with the Ghana Government's own assessment, as expressed in the GPRS (discussed above).

World Bank, *Ghana International Competitiveness: Opportunities and Challenges Facing Non-Traditional Exports*, Macroeconomics 4, Africa Region, June 2001.

An analysis of growth in Ghana's non-traditional exports during the 1990s. Chapter 1 provides a macroeconomic overview dealing with issues of international price competitiveness, investment and financing and export performance. Chapter 2 provides an analysis of the microeconomic factors constraining competitiveness of four categories of NTEs: natural resource-based exports; efficient import substitution expanding into regional markets; labor-intensive light manufactures and services; and cultural and arts manufacture. Chapter 3 identifies lessons learned from the case studies and a key set of cross-cutting policy issues. These lessons learned deal with government policies relating to factors of production, trade support infrastructure and services, technical capability of exporters and technology transfer, and the public-private sector relationship. Incidentally, it identifies the "TIP Fund", a fund set up with NPA funds under the USAID-supported Trade and Investment Program (1992-97), as a success, especially when the funds were onlent to exporters in the handicraft sector. Main conclusions include the following:

- trade facilitation institutions (Customs procedures, export/import data collection, import inspection/valuation) must be streamlined and made more efficient;
- tariff increases on products used as inputs exporting firms must be avoided;
- payments under the duty drawback system must be speeded up;
- land policy reform is needed to facilitate transparent and enforceable land transactions; labor policy must be made more flexible, especially in terms of permitting productivity-based payment;
- forestry policy reform vis-à-vis auctioning of timber utilization contracts, revising the ban on log exports, privatizing enforcement, raising processors' technological capabilities and facilitating environmental certification of Ghana's wood products;
- fishery policies are by-and-large adequate but need to be better enforced;
- trade infrastructure needs to be improved in terms of privatizing ports and airports, improve competition among stevedoring, air cargo handling and cold chain companies, and target feeder road investments to export producing areas;
- accelerate implementation of energy and water sector reforms and strengthen the National Communications Authority to promote competition and new investment;
- expand credit to exporters by reducing government borrowing, strengthening export funds (modeled on the TOP fund) and credit guarantees, and develop credit information systems;
- improve human capital of entrepreneurs and employees by improving vocation and technical training, facilitate on-the-job training within exporting firms, and improve exporters' access to services of consulting and other business support service firms.

Democratic Governance Sector

1. Democracy and Governance: A Limited Assessment, Edward Connerley and Robert Groelsema (DCHA/DG), January 2003.

This assessment was intended to help the Ghana Mission identify constraints and opportunities for further Decentralized Local Government (DLG) programming in connection with the development of its CSP. The Mission views democratic governance (DG) as a cross-cutting activity with impact on other sectors, particularly within the context of DLG in Ghana. Therefore, the team explored areas of potential collaboration where DG activities linked to health, education, and economic growth, could produce greater and more sustainable impact in these development arenas.

Survey results illuminated various challenges for democratic local government. Civil servants posted at District level are members of the national civil service and frequently unresponsive to District needs and desires. The constant and unpredictable changes wreaked havoc on local government performance. Typically, the powers delegated to local governments focus on infrastructure, provision of local public services, regulation of economic activities and tax collection; however, at the local level, Ghana faces severe constraints on local governments' capacity to deliver public goods and services. Local governments need assistance in the political and fiscal dimensions of their portfolios.

Presently, the Mission's DG program supports local government, legislative strengthening, and anti-corruption activities. Based on Ghana's fairly weak local government tradition, but moderately strong political will to implement local government reforms, the team recommended a mix of awareness-building activities, support for district assembly networking and lobbying, and technical assistance and training to increase local revenue generation and improved service delivery capacity at the district level.

2. Anti-Corruption Assessment Summary, Yaw Asamoah, January 2003.

Corruption and mismanagement are often cited as the primary causes of scheduled and unscheduled regime change in Ghana. To date, no government, martial or civil, has convincingly isolated and tackled the root causes of corruption. A major cause has been the lack of political will to operationalize a government response to corruption that is transparent. Attempts to address corruption within the public sector and the judiciary have lacked consistency and transparency. However, rather than improving governance, ad-hoc and cosmetic reforms have damaged service morale, ethics and support capacity. Civil-society has also not created enough of a demand for accountability at the district and national levels. The onus falls on citizens to demand a clear policy formation for addressing corruption. In addition, policies must be monitored, implemented and strictly enforced – thereafter will a culture of transparency and accountability begin to thrive.

The assessment recommends that efforts at enhancing public transparency, accountability and responsiveness ought to aim at countering the core weakness of political will, poor policy content and lax implementation. Activities should be geared at empowering civil society organizations (private sector and media) to share the political risk and burden of developing and pursuing substantive reform. The assessment also recommended that the Ghana Anti-Corruption Coalition be resourced to undertake consensus seeking between Government, civil society and the private sector on anti-corruption efforts.

D. Food For Peace in Ghana

Introduction

The U.S. Government has provided P.L. 480 Title II assistance to Ghana since 1958. Food for Peace resources are used to support agro-forestry, agricultural production, reducing post-harvest losses, small and micro-enterprise, agricultural input credits, primary education, nutritional practices, water and sanitation, and primary health care programs and activities. Significant expansion of the QUIPS primary education program in the northern regions is achieved with Food for Peace (FFP) resources, both through monetization and direct food distribution. The FFP portfolio provides nutritional and development assistance in all ten regions of Ghana to an overall population of approximately 495,000 Ghanaians.

The FFP cooperating sponsors in Ghana are the Adventist Development and Relief Agency (ADRA), Catholic Relief Services (CRS), Opportunities Industrialization Centers International (OICI), and TechnoServe (TNS). Annually the FFP program in Ghana imports approximately 50,000 metric tons of food commodities, including wheat, wheat soy blend, bulgur wheat, soy fortified bulgur, soy fortified sorghum grits, and vegetable oil. Title II resources average \$17 million annually, of approximately 80% is sold to generate local currency to support food security and development programs. CRS is the monetization agent in Ghana.

Although there are pockets of food insecurity throughout the country, Ghana's most food insecure areas are predominantly located in the three northern regions -- the Upper West Region, the Upper East Region, and the Northern Region. 69.5 to 89.5 percent of the northern regions' population lives below the poverty level. Most households in these three regions suffer from chronic food insecurity, that is, they consistently have inadequate access to sufficient food. Food insecurity is caused by the interaction of factors such as poverty, inadequate infrastructure, poor health, and nutrition and is evidenced by high rates of stunting and micronutrient deficiencies.

Nationwide, approximately 42% of the Ghanaian population suffers from some form of food insecurity. Although Ghana is considered one of the fastest-growing economies in Africa, it is classified as a Low-Income Food Deficit Country (LIFDC) and is characterized by high rates of malnutrition. Rural households, particularly those in the three Northern regions, suffer from all three types of food insecurity: seasonal, transitory and chronic. Many rural households in the Northern regions lack access to sufficient food for several months of the year, known as *seasonal food insecurity*. This is evident in reduced caloric and micronutrient consumption during these months, as well as an increase in the prevalence of wasting. Rapid rural appraisals indicate that some rural households consume only 02 meals daily during the hungry season, which can last from three to six months per year.

With Sudano-Sahelian and Guinean climates, drought and floods are perennial features in the northern regions. Between 1998-2001, for example, portions of the country experienced alternating localized droughts and floods. These natural disasters, in addition to small-scale conflicts, result in *transitory food insecurity* in Ghana, whereby households have insufficient access to food during and immediately after the period of the crisis. Finally, households and certain extremely vulnerable groups in Ghana suffer from *chronic food insecurity*, meaning that they consistently have inadequate access to sufficient food. This is evident from the average per capita caloric supply (2,520 calories per day), the high prevalence of stunting for children under five (approximately 26 percent in northern Ghana), and the high rates of micronutrient deficiencies, including goiter, anemia, and Vitamin A.

Despite steady urbanization over the past thirty years, food insecurity in Ghana remains primarily a rural phenomenon. Within the rural areas, however, food insecurity is localized. The three northern regions suffer disproportionately from food insecurity. Food insecurity is caused by limited availability of food, inadequate economic access to food, and poor utilization of food. On the national level, Ghana is a strong agricultural producer, and cereal production has shown an upward trend over the past three decades. Nevertheless, agricultural production fluctuates widely from year to year, and there are significant regional disparities in cereal production and productivity. At current levels of food production, the northern regions are incapable of meeting food requirements from local production.

The immediate cause of fluctuating food crop availability in northern Ghana is low and variable production of staple and off-season crops. This, in turn, is due to low and variable yields for most staple food crops and the size of farm household landholdings, which has an effect on cultivated area. Only 12% of the country's 22.4 million hectares landmass is cultivated, with the mean farm size estimated at 1.6 hectares. Low and variable yields are also directly affected by poor soil fertility, which is due to the extension of agriculture, deforestation, and the use of traditional farming techniques. In addition to poor soil fertility, staple food crops yields in Ghana are directly affected by rainfall patterns and technology use. While rainfall in the southern regions is 1,300-2,100 mm per year, rainfall in the northern savannahs shows substantial variation in timing and quantity on an intra- and inter-annual basis, averaging 800-1,000 mm. This variation and inconsistency in rainfall negatively affects food production.

Most of these factors are exacerbated by low incomes and the poor education and health status of the population. Only 35% of men and 13% of women in the northern regions are literate, which has a negative impact upon farm output. In addition, diseases such as malaria and HIV/AIDS have a negative impact upon food production. Finally, low levels of income affect farmers' ability to invest in production improvements.

In terms of food access, Ghanaian households in the three northern regions have inadequate economic means to purchase food. The immediate cause of poor purchasing power is income poverty – approximately 27% of the Ghanaian population lives in extreme poverty with more than half of the residents in the rural northern regions classified as extremely poor. Poverty in Ghana is primarily caused by low remuneration and limited income-generating opportunities for rural households. These factors are linked to poor agricultural marketing in the northern regions and limited access to financial capital. In general, microentrepreneurs and small farmers have difficulty accessing credit. This results in low levels of capital for investment, both for small enterprises and on-farm activities. Consequently, Ghanaian households, particularly in the north, cannot maximize their returns to labor and production, and are limited in the types of income-generating activities available.

Agricultural marketing in Ghana is characterized by high marketing margins resulting from high transport costs, limited marketing information, and high post-harvest losses. In fact, the Ghana Poverty Reduction Strategy (GPRS) notes that “food crop farmers have the highest incidence of poverty...due to lack of access to markets, high cost of inputs and low levels of economic structure.” These factors negatively affect the prices farmers receive for staple and market crop production, and impact household income.

Health and nutritional indicators show that many Ghanaians do not enjoy good health. This is evident from a variety of health indicators, including infant and child mortality rates and the prevalence of diarrhea and HIV/AIDS. UNICEF estimates that infant and child mortality rates for Ghana are the highest in the three northern regions. The immediate causes of poor health and nutritional status in Ghana include inadequate dietary intake, unhealthy household behaviors, poor utilization and coverage of key health services, and poor access to potable water and adequate sanitation facilities. Low levels of income and literacy contribute to poor food utilization, as poverty is often an economic constraint to seeking out and paying for key health services.

Country Risks and Critical Assumptions

General Risks and Assumptions (applicable to all program areas)

1. Risk – Ghana’s northern regions have a history of conflict and unrest. Conflicts in program communities have interfered with programming in the past and could have a negative impact on future programming. Assumption – Significant disruption to Title II programs will be minimized through quick GOG and international donor response to tribal and ethnic conflicts.
2. Risk – Drought and/or flooding in program areas could negatively impact program activities. Assumption – The GOG and international donors will react quickly to natural disasters and provide assistance to affected populations to offset problems.
3. Risk – FFP programming is dependent on funding through monetization, which requires the availability and transportation of high quality US wheat and the continued interest of local buyers. Assumptions – a) Title II wheat will be available each year and safely arrive in Ghana with minimal losses incurred; b) market prices for wheat will remain relatively stable and will not drop significantly; c) buyers will be willing to purchase Title II wheat, and pay in a timely manner; and d) monetization risks may be mitigated by identifying one or more alternative commodities to monetize.
4. Risk – The Ghanaian economy has suffered major setbacks over the past several years due to the triple effects of high energy and oil prices, a serious slump in earnings from traditional export commodities, and excessive depreciation of the local currency against the U.S. dollar. Economic instability has adversely impacted on Title II programming in the past and could have a negative impact on future programming. Assumption – The macro-economic environment in Ghana will remain relatively stable.

Risks and Assumptions – Health Sector

5. Risk – The implementation of health programs by cooperating sponsors is dependent upon effective coordination and collaboration with various GOG entities, principally the GHS and the MOH. Assumptions – The GHS will continue to maintain adequate staffing levels in program districts, maintain adequate stocks of micronutrient supplements and vaccines, ensure the availability of key drugs at the district and community levels, and continue to train the necessary community health officers for placement in CHPS zones.
6. Risk – To achieve the greatest impact on the health and nutrition of children in program communities, beneficiaries will need access to improved water and sanitation facilities. Assumptions – a) The success rate of borehole drilling will remain at or above 40%; b) problems with low water tables, substrata rock formations, and poor water quality will be addressed through hydrological surveys and professional site selection by competent hydrologists and geologists; c) communities will collaborate by making land available for borehole drilling and providing maintenance for boreholes and wells; and d) communities will actively participate in sanitation campaigns and in the construction and maintenance of latrines and soak pits.

Risks and Assumptions – Education Sector

7. Risk – The quality education and school health programs are dependent on complementary funding sources. Assumptions – a) USAID/Ghana will continue funding QUIPS activities; and b) the MOH and DAs will provide needed inputs for the SHEP program.

8. Risk – The implementation of education programs is dependent upon effective coordination and collaboration with various GOG entities, principally the GES and the MOE. Assumption – The GES will continue to maintain adequate staffing levels in program districts, and collaborate with Title II education programs.

Risks and Assumptions – Agriculture Sector

9. Risk – Agricultural production in Ghana is beset with many risks, such as erratic rainfall, severe drought, bush fires, and floods. Assumptions – a) Weather conditions will remain close to normal and will not cause major disruptions in farming activities and outputs; b) the demand for Title II agricultural products (honey, beeswax, gari, groundnut oil, rice, etc.) will remain relatively stable or increase; and c) cooperating sponsors will continue to receive assistance and collaboration from participating communities, MOFA, and other PVOs and NGOs working in agriculture.

Adventist Development and Relief Agency

The goal of ADRA's Development Assistance Program (FY 2002-2006) is to improve food security for 300,000 rural beneficiaries in the Northern and Coastal Savanna, the Transitional Zone and rural forest areas of Ghana. The ADRA DAP has two strategic objectives: 1) increased agricultural production and income for 20,000 resource-poor farmer households and their 120,000 dependents, and 2) increased access of 160,000 rural citizens to safe water, sanitation facilities, and education.

Strategic Objective 1: Increased agricultural production and income for 20,000 resource-poor farmer households and their 120,000 dependents.

Intermediate Result 1.1: Increased access to selected farming inputs. ADRA provides credit support to farmers in the Northern Savanna, coastal plains, and the Transitional Zone to access tractor and bullock services. Agreements with individuals and/or organizations are negotiated for tractor services. For bullocks, selected farmers are provided credit to purchase two bullocks and accessories, while other farmers receive credit to hire labor to assist with land cultivation. Quality seeds and seedlings are provided to farmers. Information on market trends and farmer production preferences are used to determine the type of seeds and seedlings provided. Tree seedlings are produced by commercial farmers and sold to participating farmer groups through negotiated sales. ADRA also supports farmers with pumps and water hoses to irrigate farm lands around existing dams for dry season production of high value crops.

Intermediate Result 1.2: Increased soil fertility. Farmers are trained and supported in the production and utilization of organic manure to improve soil fertility and increase crop yield. Farmers with land on hill slopes are trained to cultivate vertiver grass to minimize soil erosion. The cultivation of wood lots is emphasized to enable women to have easy access to fuel wood, alleviate deforestation, and reduce women's burdens as fuel collectors.

Intermediate Result 1.3: Increased community forestation and conservation practices. Education concerning forestation and conservation is provided to client communities. FFW commodities are provided to help meet the basic food needs of individuals participating in the program and these commodities are either cooked on site or given as dry ration. Communities are encouraged to undertake tree planting around schools, churches, roads, and social service facilities. Tree seedlings are supplied to participating communities, and community members and school children are also trained to raise their own seedlings. Partner communities are provided fencing materials to protect the trees against stray animals.

Intermediate Result 1.4: Reduce storage losses. To reduce losses due to poor storage facilities and practices, training in pre- and post-harvest handling is provided. Training is complemented by construction by farmers of 2,000 improved local silos in the Northern Savanna and 1,000 improved linto cribs in the Transitional Zone, forest areas and the coastal plains.

Intermediate Result 1.5: Increased value addition to agricultural produce. ADRA assists farmers to develop agro-based enterprises. This initiative adds value to agricultural produce, increases farmer profit margin and incomes, and creates employment opportunities. ADRA supports the training of 1,000 farmers to add value to agricultural produce through processing. Crops include cashew, citrus, mango, tomato and soybeans. Processing is preceded by market assessment and feasibility studies. As part of post-harvest processing, farmer technical skills and management capacity are upgraded through training in simple bookkeeping, formulation of simple business plans, “start your business” techniques and basic management. In addition, farmers are linked to a market information system established by ADRA and collaborating organizations.

Intermediate Result 1.6: Increased farmer use of market information. ADRA collaborates with the Ministry of Food and Agriculture and other organizations to disseminate to farmers the prices of agricultural produce in major buying centers. Farmer groups in local communities establish price information bulletin boards which display weekly price lists for major commodities. Information on medicinal plants and export crops is also provided. This information sharing, combined with negotiation skills training, keeps farmers informed and facilitates negotiating with produce buyers. In addition to training in packaging and quality control, ADRA facilitates linkages between farmer groups and existing limited liability marketing companies. ADRA supports communities in mitigating the problem of poor roads by supporting the rehabilitation of 350 kilometers of roads in 100 communities. Community members who participate in road rehabilitation are given Food for Work (FFW) commodities to provide for their food needs while working. Soy fortified bulgur is used for all FFW activities which include amenity planting, road rehabilitation, and watershed management. Each recipient receives 47 kg per month for himself/herself and for dependents.

Strategic Objective 2: Increased access of 160,000 rural citizens to safe water, sanitation facilities, and education.

Intermediate Result 2.1: Increased access to potable water facilities in target communities.

ADRA assists communities in the construction of hand-dug wells and boreholes by providing all external inputs such as technical services, water pumps and accessories, cement, PVC pipes and iron rods. Communities contribute labor, as well as sand and stones which are largely available locally. Households make financial contributions to a community fund to ensure that money is available to maintain the facilities.

Intermediate Result 2.2: Increased access to hygienic sanitation facilities in targeted households. ADRA assists households with the construction of ventilated improved pit latrines and soak pits. Soak pits are facilities which control disposal of waste water from bathhouses and help prevent standing pools of water which breed mosquitoes in the communities.

Intermediate Result 2.3: Increased capacity of communities to manage WATSAN activities.

To strengthen community action for natural resource management and WATSAN activities, ADRA oversees the formation and training of 5-member Natural Resources and Community WATSAN (NR-WATSAN) teams in each community. The teams serve as the pivot around which WATSAN activities revolve and are used to initiate and implement amenity planting and watershed management activities to protect natural water sources. The teams also monitor and evaluate water and sanitation activities at the community level. The criteria for selecting these teams include: ability to read and write; interest or

previous experience in natural resource and/or health-related activities; demonstrated leadership skills; community acceptance and spirit of volunteerism.

Personnel from the Ministry of Food and Agriculture, the Ministry of Health and the Environmental Health Department of District Assemblies train NR-WATSAN members as the first step in fostering collaboration. ADRA organizes refresher training and facilitates the movement of District Assembly personnel to monitor environmental sanitation activities in the communities. ADRA also organizes start-up workshops to sensitize traditional rulers, officials of District Assemblies, Ministry of Health personnel, and other partners on the need to mobilize human and material resources to support NR-WATSAN teams.

Intermediate Result 2.4: Increased awareness of targeted communities in proper WATSAN practices. Substantive behavior change is necessary to get households and communities to adopt appropriate WATSAN practices. Consequently, educational activities are implemented which enable communities to identify WATSAN problems and mobilize resources to address the problems identified. These activities focus on schools, churches, mosques and other socio-cultural entities. ADRA develops audio-visual educational materials in selected local languages which sensitize community residents to the problems created by poor sanitation, poor hygiene, and the use of unsafe water.

Intermediate Result 2.5: Increased household knowledge in the prevention and control of water and sanitation related diseases. Water and sanitation training and health education programs are conducted in primary schools to inculcate sanitation and hygiene practices among school children and teachers, helping students and teachers to live healthier lives. ADRA partners with the Ministry of Health, the Ghana Education Service, parent-teacher associations, and other organizations in conducting this training.

Catholic Relief Services

Catholic Relief Services (CRS) has submitted a Development Assistance Program (DAP) proposal for FY 2004 - FY 2009, largely coinciding with the period of this Country Strategic Plan. The CRS DAP has five strategic objectives which address food availability, access, and utilization through activities in health and nutrition, quality education, and general relief.

Strategic Objective 1: By September 2009, the health and nutrition of children under 5 years of age in Ghana's three northern regions will have improved.

Intermediate Result 1.1: Key household health and nutrition behaviors among mothers in program districts are improved. Since 1997, CRS's FACS program has been working with the Ghana Health Service to promote the adoption of key health and nutrition behaviors in program communities. During FY04-FY09, the FACS program will continue to support behavior change activities, and will use several communication channels, including monthly health lessons and home visits, community child survival campaigns, social marketing campaigns, mother-to-mother support groups, and school health education.

Intermediate Result 1.2: The accessibility of health services in program districts is improved.

To improve the accessibility of health services in program communities, CRS will support three initiatives that bring services closer to rural communities: (i) community-based outreach services; (ii) Community-Based Health Planning and Services (CHPS); and (iii) the community component of the Integrated Management of Childhood Illnesses (IMCI).

Intermediate Result 1.3: The quality of health services in program districts is improved. *As CRS increases accessibility of health services at the community level (IR 1.2), and promotes improved health seeking behaviors (IR 1.1), those participating in the program will receive quality care (IR 1.3). Accordingly, CRS will support four interventions to improve the quality of health and nutrition services in*

program districts: (i) IMCI; (ii) the training of traditional birth attendants; (iii) Focused Nutrition Intervention; and (iv) improved supervision and monitoring.

Intermediate Result 1.4: The utilization of health services by mothers in program districts is increased. *Child welfare and antenatal clinics often compete for the time of rural mothers. In addition to household obligations such as collecting water, cooking, and child rearing, nearly three quarters of rural women in Ghana's northern regions are employed in either year round or seasonal work. Women, therefore, frequently have to weigh the opportunity cost of attending clinic sessions and are sometimes unable to take advantage of outreach services.*

CRS will provide take-home rations (THR) to mothers in FACS communities to offset the opportunity cost of participating in program activities. The ration has proven a highly effective incentive, and has contributed to significant increases in the utilization of health services in program communities. Take-home rations will be provided to women who are pregnant, breastfeeding a child of 0-5 months, or have a child 6 to 36 months of age. The THR will serve to compensate women and families for the time they spend attending clinic sessions, thereby removing potential barriers to participation in health activities. Food assistance will encourage participation in health activities and reach women and children who would otherwise not have the opportunity to benefit from child welfare and antenatal clinics. As participants experience the benefits of increased use of quality health services, it is expected that demand for health services will grow and the need for the food incentive will diminish.

Strategic Objective 2: By September 2009, the quality of primary education in targeted schools in the three northern regions will have improved.

Since 1997, the GOG and USAID/Ghana have addressed constraints to quality education through QUIPS. The QUIPS project is designed to enhance supervision of teachers and schools, improve teaching and learning methodologies, increase the availability and relevance of materials, and empower communities to participate fully in education. CRS/Ghana is a key implementing partner of the QUIPS program in the northern regions. The QUIPS program has benefited from CRS's established relationship with the Ghana Education Service (GES) and the long CRS involvement in Title II school feeding activities. In addition to addressing the economic constraints of sending children to school, CRS Food for Education has been successful at galvanizing community support for education. For its part, QUIPS has also improved the impact of CRS FFE programming. The two education programs are complementary and synergistic.

Intermediate Result 2.1: Supervision of schools by district personnel is improved. Because supervision impacts the quality of teaching and learning in the classrooms, district and circuit supervisors will be assisted to increase the frequency and quality of their visits to targeted schools. Logistical support (motorbikes and fuel) will be provided to GES supervisors to enable more routine supervisory visits and CRS will support training programs in clinical supervision skills for directors in charge of supervision, circuit supervisors and head teachers. These training programs will emphasize school and classroom management, the development of quality performance plans, improved teaching methodologies, and the need and capacity to provide ongoing instructional support to teachers.

Intermediate Result 2.2: Teachers are using improved teaching methodologies. The use of improved teaching methodologies will be encouraged by supporting in-service training for pupil-focused teaching practices. The program will target teachers lacking professional training and will provide support through both residential and non-residential training workshops. Workshops will address fundamental teaching methodologies, classroom management, and the development of quality teaching aids using locally available materials. Upon completion of the training, basic materials will be provided to schools, such as learning materials using the newly learned techniques. Circuit supervisors and head teachers will be encouraged to reinforce and provide guidance in improved teaching practices during supervisory visits.

Intermediate Result 2.3: Community participation in education is increased. The role of community education structures will be strengthened by increasing the number of functional School Management Committees (SMCs) and Parent-Teacher Associations (PTAs) and by improving the capacity of existing SMCs and PTAs. CRS will collaborate with Community Participation Coordinators (CPCs) at the district GES directorates to facilitate the establishment and training of new PTAs, and will promote the knowledge and capacity of existing SMCs/PTAs through both formal and non-formal training in community mobilization and the development of school performance improvement plans.

Strategic Objective 3: By September 2009, Ghanaian children, especially girls, in the three northern regions will have increased educational opportunities.

Intermediate Result 3.1: Enrollment of children, especially girls, is increased. To increase enrollment and attendance rates, primary school children in target communities will be provided with a mid-morning meal through the school feeding program, and pre-school children in program communities will be provided with an early morning snack and noontime meal through the pre-school feeding program. Community Food Management Committees (CFMCs) will manage commodity receipt and distribution in each community, and meals will be prepared on site by community members. To address particular challenges to girls' enrollment and attendance, food/income transfers will be provided to school-aged girls and their families. In extremely food insecure communities, primary school girls who achieve an attendance rate of 90 percent or greater will receive five kilograms of soy fortified bulgur wheat and one liter of oil each month. This ration will serve as a cash transfer to encourage families to support sending girls to school. The importance of education for girls will be further reinforced through PTA trainings and community sensitization activities.

Strategic Objective 4: By September 2009, the health and nutritional status of preschool and primary school students in select schools in the three northern regions will have improved.

Intermediate Result 4.1: Consumption of micronutrients and de-worming medications are increased. Using bagged blends and enriched vegetable oil, children will receive 60 percent of the US recommended dietary allowance (RDA) for iron and 120 percent of the reference daily intake (RDI) for Vitamin A in children between the ages of 3 and 12 years. To address high rates of iodine deficiency in program communities, CRS will work actively with SMCs/PTAs, CFMCs, and school cooks to encourage the purchase and use of iodized salt in school meals. In program communities with particularly high goiter prevalence rates, the program will provide iodine-fortified oil once yearly to all school children. In addition to improving ration selection, the timing of ration delivery will also be modified to address short-term hunger. Over the past several years, school children have received one noontime meal, which is provided well after the most intensive learning activities each day. SMCs/PTAs and the GES will be encouraged to deliver school meals earlier in the school day.

Intermediate Result 4.2: Key health behaviors of primary school students are improved. School children's health and nutrition knowledge and practices will be improved through the promotion of health and nutrition education in select primary schools. The program will work with the School Health Education Program (SHEP) and other stakeholders to evaluate current health education materials, modify them where necessary, and ensure their availability at both the district and primary school level. The revised SHEP education materials will emphasize skill-based, child-centered approaches and will focus on the importance of good nutrition, proper sanitation and hygiene, the prevention of common childhood diseases, and the development of important life skills (including aspects related to HIV infection). Additionally, the program will support capacity building and TOT workshops for district SHEP Coordinators, training workshops for school health teachers, and training and program sensitization activities for primary school administrators and teachers. School health messages will be reinforced through school-based IEC campaigns using posters, durbars, and radio spots.

Strategic Objective 5: By September 2008, 15,000 highly vulnerable individuals per year will have improved access to food.

According to the Ghana Statistical Service, nearly 26.8% of the population in Ghana lives in extreme poverty, that is, their standard of living is insufficient to meet basic nutritional needs. In the GPRS, the government details its commitment to addressing the needs of these extremely vulnerable populations, and discusses emerging forms of exclusion which depict worsening vulnerability in Ghana, particularly among HIV/AIDS patients. As HIV positive individuals fall victim to stigmatization and illness, their livelihoods are curtailed leaving their families with little means of support. Moreover, as the AIDS epidemic grows, ensuring access and availability of food to those infected with, or affected by, HIV/AIDS becomes increasingly important.

CRS has provided general relief in Ghana through its Safety Net Initiative (SNI) program since the late 1970s. The program assists individuals who are unable to meet the most basic needs for survival and human dignity. CRS will continue to provide food assistance to current beneficiaries, and will expand beneficiary levels to accommodate an increased emphasis on the alleviation of the HIV/AIDS burden in the country. Each year the program will provide assistance to 15,000 persons infected with or affected by HIV/AIDS, tuberculosis (TB) patients, severely malnourished children, orphans, and other vulnerable groups, including the physically and mentally disabled. Assistance to HIV/AIDS and TB affected populations will complement CRS-funded HIV/AIDS activities, and USAID-funded care and support activities.

Opportunities Industrialization Centers International

The goal of the OICI Title II program in Ghana (FY 1999-2003) is to increase food security among target populations in the Northern Region through interventions which impact on the availability, access and utilization of food. The program operates in 141 communities of which 75 have agricultural activities, 46 are engaged in microenterprise activities, and 115 have undertaken water and sanitation activities. Training of farmers in post-harvest processing and storage and construction of improved storage structures are designed to reduce crop production losses and thereby increase food availability. Food access is promoted by increasing women's potential to earn income by providing technical skills and equipment in various agro-processing activities, e.g., improved pottery production, rice processing, cassava processing, honey and beeswax production. The provision of potable water wells, well maintenance and sanitation training enhances food utilization by reducing the incidence of water-borne diseases.

Agriculture

The primary focus of OICI activities in the agriculture sector is to improve food availability for households by reducing post-harvest losses of stored grains and legumes and by improving the marketing of household farm products. A major factor to food insecurity in Northern Region is high post-harvest losses of grain and legumes. Poor rural storage infrastructure and inadequate marketing opportunities are major factors contributing to these losses. These factors also compel farmers to sell off most of their produce soon after harvest, thereby receiving the lowest returns on their investments. Additionally, the recent and rapid spread of the larger grain borer further threatens household food security with even higher storage losses. OICI reduces post-harvest losses through farmer training in post-harvest food processing and storage, the construction and maintenance of storage facilities for households and communities, and the training of subsistent farmers in produce marketing and basic business management skills.

Microenterprise

OICI activities in the microenterprise sector increase food access for households by promoting interventions which help diversify women's sources of income and increase their access to and their control of resources. This is done through the training of women in improved production methods and business management. Women in three of four enterprises also receive production equipment. Enterprises supported by the OICI DAP are beekeeping, pottery, rice processing, and cassava chip production and processing. Besides the technical training provided on specific enterprises, beneficiaries are also exposed to general business and marketing training. None of these microenterprises are new to the Northern Region and all products produced have local, accessible markets with substantial demand.

Water and Sanitation

The primary focus of OICI water and sanitation activities is to increase food utilization by promoting interventions which help households maintain potable water sources and sanitation, and by assuring that households have access to safe water. This is done through (1) construction of wells and installation of pumps, and (2) organization and training of community water and sanitation (WATSAN) committees. OICI provides selected communities with machine-drilled borehole wells with technology appropriate hand pumps (Afridev and Nira AF85 pumps) mounted on cement slabs. Communities are selected based principles of the national water and sanitation sector policy and strategy.

OICT forms new WATSAN committees and also revitalizes existing ones that were formed by District Assemblies. Existing community groups, if available, are used to form the nucleus of new WATAN committees. The principal activities undertaken in developing WATSAN committees are: WATSAN committees are trained in hygiene education, particularly water borne diseases (e.g. guinea worm, diarrhea, etc.); cloth filters and training are provided to residents in guinea worm endemic communities; two hand pump caretakers are identified and trained in each community with facilities provided by either OICI or ADRA; and basic tools (e.g., spanners) are provided to the trained hand pump caretakers.

Disease prevention and organization management topics discussed during training sessions include: guinea worm prevention and treatment, pump site cleanliness, water storage and treatment, environmental cleanliness, safe excreta disposal methods, construction of drainage and soak pits, committee organization and meeting procedures, and basic bookkeeping to track fees and operation expenses.

TechnoServe

The overall goal of TechnoServe's Development Assistance Program (FY 2002-2005) is to assist approximately 46,000 small-scale farmers and food processors to live more secure and productive lives, by improving agricultural productivity and increasing rural incomes and employment. The program seeks to improve food security through the establishment and growth of sustainable agricultural enterprises of the rural poor. Intermediate results include increased household income through the sale of agricultural produce, increased household income through the growth of rural businesses, increasing the storage capacity of businesses and households in targeted areas, and increased agricultural production and productivity.

The TechnoServe DAP is funded through disbursements made from the Community Enterprise and Development Investment (CEDI) Trust, a local currency trust fund originally established in 1990 and funded from monetization proceeds. TechnoServe operates under a no-cost extension of its FY 1997 – FY 2001 Development Assistance Program. Strategic objectives and intermediate results are summarized below.

Table 1. TechnoServe SOs and Intermediate Results

Strategic Objectives	Intermediate Results
SO 1: <i>Improved availability of food</i>	1.1 increased local storage capacity 1.2 improved access to rural financing 1.3 increased rural access/use of improved technologies 1.4 promoted and expanded incentives to produce and market food
SO 2: <i>Increased access to food via incomes from assisted rural enterprises</i>	2.1 increased rural incomes 2.2 increased rural employment 2.3 strengthened local agro-processing businesses 2.4 market linkages between small-scale producers and commercial buyers created 2.5 improved access to rural financing
SO 3: <i>Improved benefits for small-scale producers within the food system</i>	3.1 increased added value to local food production 3.2 higher-value crops/services introduced and promoted 3.3 business models created and developed to improve linkages with small scale producers 3.4 stimulated and supported clusters of rural supply, service and marketing businesses

While SO1 and SO2 are geared more toward direct enterprise-level support and development, SO3 is concerned with improvements within the entire food system benefiting rural small-scale producers. By the completion of the current DAP Amendment in FY 2005, approximately 46,000 rural small-scale producers and beneficiaries will have received assistance to improve availability of food by storing 11,370 MT of local production, and supported rural enterprises to generate \$2 million in sales and \$600,000 in profit for savings and further investment in their families and communities.

Monetization proceeds have funded the Community Enterprise and Development Investment (CEDI) Trust -- a term trust which allows TechnoServe to implement enterprise development initiatives over a longer timeframe and provides continued support to food aid activities beyond the usual five-year DAP cycle. TechnoServe originally anticipated that the CEDI Trust would be liquidated by the end of FY 2005. However, due to higher investment returns and consolidation in some program areas, TechnoServe currently projects that the CEDI Trust will be fully expended by FY 2009, and TechnoServe's DAP will be amended accordingly. However, macro-economic variables and conditions in Ghana, especially the rate of local currency depreciation against the U.S. dollar, inflation, and investment returns of the CEDI Trust, could further affect its actual final liquidation.

The TechnoServe Results Framework contains a set of focused strategic objectives: (i) improved availability of food; (ii) increased access to food via incomes from rural enterprises; and (iii) improved benefits to small-scale producers within the food industry and specific product value chain. Specific activities under each SO are summarized in Table 2 below.

Table 2. Results Framework

GOAL Increase agricultural productivity, rural incomes, and employment -- improving the food security of small-scale producers and processors		
<i>Strategic Objective 1:</i> Improved availability of food	<i>Strategic Objective 2:</i> Increased access to food via income from rural enterprises	<i>Strategic Objective 3:</i> Improved benefits to small-scale producers within the food system
<i>Activities:</i> * improve local storage and availability of selected food crops * promote innovations in local crop storage * increase access to and use of improved technologies	<i>Activities:</i> * add value and improve quality of food production via processing * increase rural income via dev. of wholesaler franchises * create market linkages and improve supply of local food products and services	<i>Activities:</i> * industry and market research for selected rural products and services (demand driven) * identify and promote rural entrepreneurial capacity (business plan competition) * pilot test and replicate innovative models to improve rural access and use of information

Priority Geographic and Technical Areas: While overall poverty has fallen in Ghana during the last decade, all regions have not shared the gains. Within both urban and rural areas, poverty -- especially extreme poverty -- is disproportionately located in the Savannah areas, i.e., Northern, Upper East, Upper West, and parts of the Brong Ahafo regions. TechnoServe implements food aid activities in these areas of the country where vulnerability to food insecurity is highest. Sustainable, broad-based economic opportunities which increase food availability and enhance access to food through increased household income and employment earnings are generated and supported. A wide range of business development services essential to overcome existing constraints to food security and increased agricultural productivity are provided, including:

- in-depth analyses and detailed market research of potential industries to determine appropriate crop and product focus and interventions;
- development of viable, replicable business models, based on such analyses;
- practical advice and assistance to small-scale producers on how to improve the efficiency and quality of production in order to meet local and international market standards;
- improved access to technologies to increase productivity and the quality of products;
- promotion of more environmentally sustainable production and processing systems;
- training for enterprise owners and staff in business management and basic record keeping;
- development of innovative financial mechanisms that can provide credit, pre-financing, and other debt/equity capital to rural entrepreneurs; and
- training and incentives for financial institutions to operate such financial schemes.

Linkages with Mission Strategic Objectives and Intermediate Results

Program activities carried out under the USAID/Ghana Food for Peace portfolio support the achievement of the Mission’s results framework both at the SO and IR levels. Activities carried out by the four

cooperating sponsors directly support three of the four Mission strategic objectives and numerous intermediate results under each of these strategic objectives.

Strategic Objective 6, Private Sector Competitiveness

ADRA, OICI, and TechnoServe all have program components which contribute to the achievement of the Mission's private sector SO. The opportunity for synergy will be greater under the new strategy because of the higher priority placed on agriculture, assuming IEHA funding is received. Title II programs assist small food producers connected to domestic markets, although some of these small farmers also export. The Private Sector Competitiveness Strategic Objective works with small farmers largely through outgrower linkages, while its focus on agro-processing expands the markets for small farmer production.

ADRA's first strategic objective (*Increased Agricultural Production and Income for 20,000 Resource-Poor Farmers*) has several intermediate results which contribute to the achievement of Mission IRs for increased market capacity and increased produce-to-market capacity. OICI's focus on improving food availability for households by reducing post-harvest losses and by improving the marketing of household farm products contributes to the competitiveness of agricultural products. Specific OICI activities for organizing and training farmers to improve marketing skills support the Mission's IR for increased market capacity and increased produce-to-market capacity. Moreover, OICI training in farm marketing and basic business management skills helps increase market capacity.

The Mission's private sector SO also receives important support from two TechnoServe strategic objectives, *Increased Access to Food via Incomes from Assisted Rural Enterprises* and *Improved Benefits for Small-Scale Producers within the Food System*. Specific TechnoServe intermediate results and activities contribute to increased market capacity, increased capacity to obtain financing, and the increased capacity of business associations to provide effective services to member firms. The Private Sector Competitiveness Strategic Objective is also supported by TechnoServe programs which create and develop business models improving linkages with small scale producers, and stimulate and support rural supply, service and marketing businesses.

Strategic Objective 7, Health Status Improved

ADRA, CRS, and OICI all have program components which contribute to the achievement of Strategic Objective 7, *Health Status Improved*. Title II food aid will be targeted at households or regions especially impacted by HIV/AIDS, through links with community support for DOTS/TB and/or HIV patients. In more general terms, Title II programming will contribute to SO-level improvements in infant mortality through targeted nutritional support and rehabilitation, water and sanitation, and health education including breastfeeding promotion.

ADRA's programs include three-year education and prevention programs among high risk groups (truck drivers, female traders, marginalized youth) in selected commercial centers in Ashanti, Eastern, Central, Greater Accra, and Brong Ahafo Regions. ADRA's second strategic objective, *Increased access of 160,000 rural citizens to safe water, sanitation facilities, and education*, contributes to health in the water and sanitation arena. Specifically, ADRA intermediate results in water and sanitation support the Mission's IR 1, *Individuals and Communities Empowered to Adopt Positive Health Practices*, namely ADRA IRs 2.3 (*Increased Capacity of Communities to Manage WATSAN Activities*), 2.4 (*Increased Awareness of Targeted Communities in Proper WATSAN Practices*), and 2.5 (*Increased Household Knowledge in the Prevention and Control of Water and Sanitation Related Diseases*). Increased access to potable water facilities and hygienic sanitation facilities (ADRA IRs 2.1 and 2.2) allow for increased access to a key service area (Mission IR 2).

The first CRS strategic objective (*Improved Health and Nutrition of Children under Five in Ghana's Three Northern Regions*) supports the Mission's health SO, and the first three CRS intermediate results are directly linked to the Mission's first three IRs (dealing with empowerment, service access, and service quality). CRS's fifth strategic objective (*15,000 Highly Vulnerable Individuals per Year Will Have Improved Access to Food*) indirectly supports the Mission's health strategic objective by improving food security. Finally, OICI's water and sanitation activities also support the achievement of the Mission's health strategic objective.

Strategic Objective 8, Improved Quality of and Access to Basic Education

Catholic Relief Services is the only cooperating sponsor working in education, but its education programs constitute a significant and substantial contribution to the Mission's efforts in primary education. CRS's second strategic objective, *Improved Quality of Primary Education in Targeted Schools in the Three Northern Regions*, directly supports the Mission's education SO. The third CRS strategic objective (*Ghanaian Children, Especially Girls, in the Three Northern Regions Will Have Increased Educational Opportunities*) contributes to the Mission's IR 1 in education, *Increased Educational Opportunities for Girls in Underserved Areas*. Four CRS intermediate results directly parallel Mission IRs dealing with girls' education, improved instruction methods and technologies, improved MOE management, and increased community advocacy. CRS's fourth strategic objective, *Improved Health and Nutritional Status of Preschool and Primary School Students in Select Schools in the Three Northern Regions*, supports the Mission strategic objectives in both health and education.

E. Agriculture Initiative to End Hunger in Africa

How USAID/Ghana Would Use Additional Funding Under the Initiative to End Hunger in Africa (IEHA)

The Initiative to End Hunger in Africa (IEHA) was announced as a Presidential Initiative by USAID Administrator Natsios in August 2002 at the World Summit on Sustainable Development. Under IEHA, the Agency would raise its annual commitment to African agriculture by 25%, to \$148 million. Subject to Congressional approval, an estimated \$200 million per year in DA funding is expected to be available for IEHA by FY2005, continuing onward to 2015 and beyond. IEHA is one of the Agency's programs for helping to fulfill the USG commitment to the Millennium Development Goals. At the Millennium Summit held in September 2000, donor countries agreed to join forces in order to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day and also the proportion of people who suffer from hunger.

The Initiative calls for a partnership with committed African leaders and their governments, regional organizations, the private sector and other international donors. It is hoped that agricultural growth-oriented investments by these actors will together meet the need for \$1.2 billion per year estimated by IFPRI for accomplishing the task ahead.

IEHA's specific objective, which is to "rapidly and sustainably increase agricultural growth and rural incomes in sub-Saharan Africa," is based on the well-supported premise that accelerated growth in real per capita agricultural GDP is the most effective means of reducing poverty and alleviating hunger. In order to achieve such growth, IEHA will focus on six core themes:

- a) science and technology;
- b) agricultural trade and market systems;
- c) strengthening community-based producer organizations;
- d) building human capital, institutions and infrastructure;
- e) ensuring vulnerable groups and countries in transition are not left out; and
- f) sustainable environmental management.

An Overview of Agriculture in Ghana

Agriculture in this context is defined to include crop and livestock production, fisheries and forestry. The agricultural sector dominates the Ghanaian economy and contributes about 37% of GDP while employing nearly 65% of the economically active population and contributing 75% of exports. The sector makes up an estimated 36 percent of the economy, or 40 percent of the subtotal of national production before the calculation of indirect taxes. If one were to add activities such as agricultural processing and food wholesaling and retailing, the total would be well over 50 percent of the economy. Agriculture's share in Ghanaian GDP is slowly declining and that of the services sector is slowly increasing, which is consistent with the historical development process around the world.

About 54 % of the cultivated area in the country is planted to the top ten staple food crops, with 45 % of that area devoted just to the top two crops: cassava and maize, as shown in Table 1. In the past six years Ghana's small holder crop and livestock production has on average made up approximately 68 % of the value of total agricultural GDP.

Table 1: Area Planted to Ten Staple Food Crops and Seven Agro-Industrial Crops in 2001 (in HA)

Staple Food Crops		Percent Food Crops	Agro-Industrial Crops	
Crop	('000 Ha)		Crop	('000 Ha)
Cassava	726	23		
Maize	713	22	Cocoa	1,100
Sorghum	329	10	Oil Palm	301
Yam	287	9	Tomato	74
Plantain	265	8	Seed Cotton	49
Cocoyam	262	8	Vegetable	3
Groundnuts	254	8	Pineapple	2
Millet	193	6	Tobacco	1
Cowpeas	102	3	Total	1,500
Rice	88	3		
Total	2,863	100 %		

Source: MOFA

Records show large increases in food crop production in three important food crops: cassava, yams, and maize. The magnitudes of production increases seem to indicate real improvement in biological technology during the 1990s coupled with area expansion. Ghana has recorded steady increases in maize production over the past 20 years. Part of the explanation is that average maize yields per hectare increased about 35 % between the 1960s and the 1990s. In addition the area estimated to be planted to maize doubled. Cassava production increased from 3 mi MT in 1990 to 9mi MT in 2001 while yam production increased from about a million to three million MT within the same period. For Cassava, this is partially accounted for by a 44 percent increase in yields between the 1960s and the 1990s due to the widespread introduction of TMS (Tropical Manioc Selection) varieties coming from the very successful long-term IITA breeding program in Nigeria. The rest of the production increase has been accounted for by an estimated 50 to 60 % increase in the area of cassava plantings. The increase in aggregate yam production comes less from area expansion than from a very large increase in yields which appear to have more than doubled between the 1960s and the 1990s.

However, the overall growth of the sector has generally been slow – well below the Vision 2020 target of 6% – contributing to an increasing reliance on imports of some food products, such as rice, and continued but lessening food insecurity especially in the northern regions of the country. In recent years cheap rice from South and Southeast Asia has been imported in increasing quantities into Ghana, causing understandable concern about foreign exchange costs and resulting in GOG efforts to reduce those imports. Domestic rice seems to be considered a different quality of rice which sells at a relatively lower price.

To a striking degree, GOG difficulties in macro-economic fiscal and monetary management are negatively affecting the country's investment climate and hampering the growth of existing, higher-potential businesses in agriculture and sustainable natural resource exploitation, as well as growth in other sectors of the economy. There is very little domestic commercial credit available for agricultural investment. In addition, it is difficult to obtain basic agricultural inputs such as fertilizer and agricultural chemicals. Agricultural input marketing is dominated by very few large commercial firms although there are apparently no barriers to entry for new firms. Under both high inflation and exchange rate

devaluation, dealers understandably hesitate to hold significant stocks of imported agricultural inputs whose prices would have to be continually raised as the Cedi depreciates (Wilcock, et al).

The fact that food makes up over half of the average consumer expenditure budget in Ghana and that a variety of relatively cheap starchy staples are available in local markets, gives Ghanaians a higher real income, in terms of purchasing power parity than their unadjusted per capita income in dollars might first suggest. It illustrates the general point that investments in improving the productivity of Ghanaian agriculture (production, marketing, and processing) may prove to be an excellent way of reducing poverty through increasing real incomes by driving down the price of food.

The current Government of Ghana (GOG) administration appears to be making serious efforts to improve national macro-economic management. In these efforts it has received some assistance from the USAID Trade and Investment Reform Program (TIRP). Some positive signs observed so far suggest that it would be worthy to consider again the selective funding of high-quality investigations into specific macro “targets of opportunity” and continue to encourage open public dialogue on these key issues. However, those positive signs have been reported against a backdrop of declining earnings in 2001 from cocoa and other exports. By the second half of 2002, world political instability and the Cote d’Ivoire civil insurrection have contributed to much higher gold and cocoa export receipts which hopefully will ease the government’s budget difficulties.

GOG statements made in the Vision 2020 document, the GPRS, annual budget and MOFA policy documents all point to the fact that the government’s vision focuses on agriculture as a main engine for economic growth. The GOG’s recent declaration of a “golden age of business”, with emphasis on private sector development, and with the agricultural sector playing an important role, has direct consequences for the development paradigm being pursued by the current administration. The role of government in making agriculture the engine of growth in Ghana is manifested in its support for the provision of market information, feeder roads, power, water, health services, quality control services, among others.

Agricultural Policies in Ghana

Sector policies, in particular agriculture sector policy, are also critical in order to reduce the constraints that adversely impact productivity. Agriculture policy and efforts to make optimal use of scarce domestic and foreign investment are critical first steps towards successful diversification of the economy.

Agricultural science and technology: The Ministry of Environment and Technology is charged with the responsibility for developing science and technology through its various research institutions. Appropriate technology development and dissemination are currently being promoted, in particular to support agricultural and rural small and medium scale enterprises. Specific interventions outlined in the December 2002 Ministry of Food and Agriculture’s (MOFA) *Food and Agriculture Sector Development Policy (FASDEP)* will focus on increasing productivity, reducing production risks, increasing adoption by farmers and consumers, and supporting value addition. Development, adaptation and application of science and technology to production and processing activities is absolutely necessary for modernizing Ghanaian agriculture. Application of information and communications technology (ICT), although not strictly an agricultural technology, is a critical ingredient in the technology mix that the Ghana Government plans to use to modernize agriculture.

Agricultural trade and marketing system: Ghana is typical of many developing countries, where growers have little direct contact with the international market. They trade through export and import traders, and often have little insight into price formation or market demands. As such, they may lack sufficient information, negotiating positions, and market presence *vis-a-vis* ultimate customers. Besides the domestic market, the European Union (EU) is currently the primary market for Ghanaian goods.

Therefore, much of the assistance to Ghana in the agricultural sector needs to be directed toward gaining entry and maintaining market share in the European market. Moreover, Ghanaians need to become aware of the differences between the trade requirements for the U.S., EU and regional markets. To date much of the expansion in Ghana's non-traditional exports reflects sporadic foreign investments in key agro-processing activities, investments that enjoy preferential treatment in European markets. The value added of these exports is often marginal, and therefore unsustainable should such preferences be removed. Therefore, Ghana needs to create a more favorable business environment to attract sustained investment flows and to raise the competitiveness of exporting firms. Serving export markets also has the advantage that it demands the application of sophisticated cultivation and agro-processing techniques that "modernize" domestic agricultural practices faster than does serving the domestic market.

Strengthening community based producer organizations: In the past decade there has been an increasing tendency for development-oriented government agencies and their non-government partners to strengthen community based producer organizations, mostly to enhance access to extension services, credit, other agricultural inputs, and markets.

Building human capital, institutions and infrastructure: Generally, low levels of education within rural communities contribute to the low levels of technology adoption. MOFA has indicated its intentions in the FASDEP to intensify efforts at addressing both human capital development issues and institutional bottlenecks. Specific activities include training and animation, provision of information and communication technology, technical assistance, and the provision of machinery and equipment. Issues of concern to the GOG in terms of agricultural infrastructure have been noted as irrigation and water management, land acquisition and registration, transportation facilities, rehabilitation of existing agricultural structures, and energy.

Ensuring that vulnerable groups are not left out: Several participatory assessments provide an insight into vulnerability in Ghana. Twenty-five percent of Ghanaian children under the age of five are undernourished and the same proportion is stunted. Rural food producers are among the most vulnerable, especially women farmers. Inequalities reduce the positive effects growth will have on poverty reduction. Ghana has inequalities in the distribution of education facilities, health services, clean water and infrastructure on the basis of quantity and quality. There are gender inequalities in the access to health and education services. Studies show that women experience greater poverty and often have limited access to and control of assets, including direct productive assets such as land and credit, human capital assets such as education and health, and social capital assets such as participation at various levels of governance.

These situations need to be resolved and existing subsidies should be better targeted towards assisting the rural poor. The poor at the very bottom of the income distribution need appropriate social safety-net and government service assistance to allow them to participate more fully in economic growth opportunities. In addition, policy makers need to take more cognizance of the regional pattern of poverty in Ghana, since resources tend to be concentrated in Greater Accra Region and some other relatively privileged southern regions, leaving starkly higher rates of poverty in the Central and three Northern regions and in selected districts elsewhere in the country.

In the government's agenda for growth and prosperity, programs for vulnerable and excluded groups include: (a) expanding the social security scheme; (b) coordinating social services delivery; (c) disaster management; and (d) partnership programs with non-governmental organizations.

Sustainable environmental management: Ghana currently loses over 22,000 hectares of forestland annually, resulting in a loss of biodiversity in return for short-term gains in agricultural production. The

two most important natural resource management issues in Ghana are deforestation and land degradation linked to inappropriate farming practices (Wilcock et. al., 2003).

While encouraging economic growth through an expansion in agricultural production as part of the poverty reduction strategy, the GOG, through a collaborative program involving the Ministries of Environment and Technology, Land and Forestry, and Local Government and Rural Development is implementing a ten-year program in natural resources management. The program is to protect, rehabilitate, and sustainably manage national lands, forests and wildlife resources with an aim to increase the incomes of communities that own the resources.

INVESTMENT OPTIONS

As part of the process of preparing the CSP, an assessment of the Ghanaian Agricultural Sector, Environment and Natural Resource Management was conducted to inform the Mission on feasible investment options that would be profitable while ensuring sustainable development. The study concluded that agriculture should be the heart of USAID/Ghana's economic growth strategy. It is the assessment team's view that substantial additional productivity gains are possible for Ghanaian staple food crops and that these can have broad impacts on poverty reduction and improved real incomes measured in purchasing power parity terms. These gains in sub-sector productivity can come both at the level of farm production and at the level of marketing and post-harvest processing.

Within the context of the Mission's comparative advantage in the delivery of technical assistance for economic growth a number of options were identified for possible investment. Investment options for policy reform and institutional strengthening include targeted support to: (a) priority areas of macro-economic reform, because macroeconomic instability remains the major constraint to private sector investment and to the trade sector; (b) agricultural sector policy analysis with an initial emphasis on data collection and analysis and subsequent analysis of cocoa and forestry policy; (c) trade policy with emphasis on enabling agriculture and agri-based products to compete in world markets; (d) plant variety protection and bio-safety regulations; and (e) legal and regulatory reforms in land tenure and land use.

Options for infrastructural development include investments in: (a) pilot processing centers; (b) cold chain development; (c) rural electrification for productive enterprises both on and off the farm; and (d) tissue culture facilities. (Note: Support for the latter is being considered under the current strategy. A private company has been formed that will initially produce planting material for pineapple and is seeking USAID start-up funding, but many other possibilities similar to this are possible.)

Support services noted to be critical to agricultural export are: (a) training for bankers in export agribusiness; (b) export market intelligence; (c) training in low-cost and environmentally sustainable production practices; and (d) the expansion of ICT services into the countryside to enhance rural access to market information.

Direct support to the private sector could include: (a) providing support for international business exposure; (b) providing specific training/mentoring; (c) promoting strategic alliances; (d) providing access to export development challenge grants; and (e) strengthening business associations. Research conducted under the Tree Crops Initiative also highlights the possibility of establishing pilot private sector cocoa marketing projects with the active participation of the chocolate companies.

Investment options in natural resource and environmental management include support to national programs in: (a) sustainable forestry utilization and wildlife conservation; (b) commercial development of plantation forestry; (c) environmentally sustainable agricultural practices; and (d) ecotourism.

GEOGRAPHIC FOCUS

The levels of poverty in the northern regions have often been cited as the reason for the heavy presence of a significant number of development partners (donors and NGOs) in those regions. All four Cooperative Sponsors of the Mission's PL 480 Title II Program have focused their food security programs in the three northern regions where the food production is the dominant economic activity and yet have reported cases of prolonged periods of hunger. Ecological conditions are conducive to the production of grains and pulses. However, expansion in the production of some export products like mangoes and cashew nut in the past couple of years has resulted in impressive production in the region.

The Geographic focus of SO6 will depend to a large extent on the products that get to the export market with emphasis on horticultural products. In so far as transportation posed a threat to the movement of horticultural products from the region, SO6's agricultural activities in the region will be limited to some collaboration with the Title II program to develop domestic markets for selected agricultural products. Besides activities of SO6 are designed to provide support to producers and exporter who are ready to utilize the technical assistance to be provided.

INTEGRATING THE MISSION STRATEGY WITH IEHA

USAID has historically been an important donor in the nation's agricultural sector. The Mission's Agricultural programs have evolved from a focus on increased food production and food security measures to one of market-driven growth with emphasis on non-traditional exports while at the same time working with some of the more vulnerable communities under our PL-480 program. The evolving changes in program emphasis have been in response to both changes in needs and changes in possibilities.

The SO 6 Private Sector Competitiveness Team has made a strategic choice to focus on poverty reduction through private sector growth, with a sub-focus on exports of agricultural and agro-processed products. SO 6 intends to bolster the GOG commitment to a program of actions and policy reforms that seek to accelerate private sector growth, led by the agriculture to reduce poverty. With IEHA funding, SO 6 would expand its export-led private sector growth model to include additional agricultural exports, such as cocoa, intensify its work in wood products, linked to its policy work in the forestry sector, and consider providing assistance to other rural based products such as salt exports to Nigeria. In addition, SO 6 would expand its export-led model to encompass the more dynamic components of the domestic market for agricultural products, in particular, the emerging phenomenon of supermarkets. The growth of supermarkets will generate a demand for quality, quantity and timely delivery of products similar to that demanded by overseas export markets, and therefore is a natural extension of the Mission's existing export-led model.

This would allow SO 6 to provide support to producers of selected agricultural products destined for domestic supermarkets. SO6 would, however, limit its support to products where studies clearly show that Ghana can achieve globally competitive production, marketing and processing costs. In such cases, SO 6 contractors and grantees would provide technical assistance and training to commercial farmers attempting to produce for domestic supermarkets. With IEHA in mind, the expanded program of SO 6 will target agricultural enterprises that involve and/or serve small and medium holders. Title II cooperating sponsors would be the primary vehicle for providing direct support to small scale farmers, with SO 6 contractors and grantees working with Title II cooperating sponsors in providing technical assistance and training to the small scale farmers.

The strategy is consistent with the objectives and scope of the Initiative to End Hunger in Africa (IEHA); it evolves around four thematic areas specified under IEHA, which are: (a) science and technology; (b) agricultural trade and marketing systems; (c) building human capital and institutions, and (d) sustainable environmental management.

Funding from IEHA would be used to expand the SO 6 Economic Growth Strategic Objective focused on private sector competitiveness. While the Strategic Objective will not change, some modifications are expected at the level of Intermediate Results to specifically incorporate investments in the cocoa sector and the supply chain for domestic supermarkets as well as overseas markets. In addition, indicators will be modified or added in order to incorporate the common indicators being drafted by IFPRI and yet to be approved by AFR/SD.

Possible Activities include the following. The proposed total Africa-wide IEHA funding level is \$200 million per year by FY 2008 and it is anticipated that about 90% of total funding will go to the field; thus, a projected amount of between \$5 million and \$15 million was expected to be allocated to the three regional Missions and a total of nine bilateral Missions. In spite of the recent experience of budget cuts for FY2003 and FY2004, USAID Missions need to “think expansively,” as defining the program too narrowly will leave no room to add larger-than-anticipated supplemental resources. Assuming Ghana is selected as one of the second tier missions to receive funding under IEHA, USAID/Ghana will assume two possible annual funding scenarios: a low option of \$5 million per year and a high option of \$10 million per year. With the \$10 million IEHA funding level, the scope of the agricultural program of SO 6 would expand activities under both IRs. Expanded activities to improve the enabling environment for business would include the following:

- Expand work on macroeconomic stability; specifically,
 - Provide long-term advisor to the Bank of Ghana to help ensure that exchange rate policy does not allow real appreciation.
 - Strengthen Ministry of Finance capacity to project donor assistance and monitor the different sets of policy conditions that must be fulfilled before each individual donor can disburse.
- Support participatory policy dialogue on private sector marketing of cocoa and other cocoa sector policy issues.
- Provide a grant to IFPRI to develop an agriculture database for Ghana along the lines of the one they are developing in Uganda.
- Work with other donors to strengthen the policy analysis capacity of the Ministry of Food and Agriculture and coordinate it with that of the Ministry of Trade and Industry.
- Support institutional reforms specific to agriculture and to the rural economy in general.
- Promote participatory dialogue on land policy, given the apparent willingness of government and civil society and the private sector to address the issue.
- Provide analytical resources for forestry policy because the future availability of logs for the wood products industry depends on a sustainable forestry policy effectively implemented and enforced.
- Assist in implementing a biotechnology strategy (USAID plans to assist the Ministry of Environment and Science with the development of such a strategy before the end of the current strategy).

Similarly, SO 6 proposes to expand the scope of its efforts to increase the capacity of private sector enterprises to exploit market opportunities in the following ways:

- Intensify efforts to establish strategic alliances between multi-national food retailers and other importers and Ghanaian exporters.
- Intensify efforts to increase the number of exporting enterprises that have explicitly designed their production processes to meet the market requirements for specific export commodities, in terms of specific varieties, qualities, quantities, time delivery, etc.
- Work with the chocolate industry to establish pilot private sector cocoa marketing and quality control activities in selected cocoa growing areas, to demonstrate that private sector marketing need not sacrifice quality.
- Provide TA and training to private sector suppliers of agricultural inputs – seeds, fertilizer and agro-chemicals – to make them better providers of agricultural extension information.
- Expand TA and training to improve grades and standards for private sector agricultural export producers. This could include activities aimed at increasing the domestically supplied share of food purchased by Ghana’s tourist hotels and other facilities.
- Link business associations to agricultural research providers to make research more demand-driven and to ensure dissemination of the results to farmers.
- Introduce a program to expand the use of ICT by agricultural exporters, other producers, and input suppliers and include support for the expansion of ICT for market information systems.
- Provide TA and training to farmers wishing to become domestic suppliers to the growing number of supermarkets in Ghana (at present, three exist, but if continental trends are repeated in Ghana, there may be ten by the start of the new strategy and fifty or more by the time it ends).

At a later date, SO 6 will submit an IEHA Action Plan to AFR/SD to describe its vision, proposed interventions, and implementation plan in the first five years of the 15-year Initiative. It is anticipated that technical support staff of a contractor will work with the SO team to lay out the action plans according to AFR/SD Guidance and with support of analyses by IFPRI, as has been the case with the first tier Missions.

Given the ambiguity about funding, information from some first tier Missions indicate that the amount of “new” money seems small relative to the programming effort and the initial projections, SO 6 will also suggest a lower level of effort, corresponding to an IEHA funding level of \$5 million:

- Support participatory policy dialogue in the cocoa sector.
- Promote participatory dialogue on land policy, given the apparent willingness of government and civil society and the private sector to address the issue.
- Assist in implementing a biotechnology strategy (USAID plans to assist with the development of such a strategy before the end of the current strategy).
- Provide a grant to IFPRI to develop an agriculture database for Ghana along the lines of the one they are doing in Uganda.
- Work with the chocolate industry to establish pilot private sector cocoa marketing and quality control activities in selected cocoa growing areas, to demonstrate that private sector marketing need not sacrifice quality.
- Provide TA and training to private sector suppliers of agricultural inputs – seeds, fertilizer and agro-chemicals.
- Introduce a program to expand the use of ICT by agricultural exporters, other producers, and input suppliers and include support for market information systems.
- Provide TA and training to farmers wishing to become domestic suppliers to the growing number of supermarkets in Ghana.

