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MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP STRATEGY

FOR

THE REPUBLIC OF GHANA

FOR THE PERIOD FY13-FY16

August 20, 2013

**Ghana Country Management Unit
Africa Region**

**International Finance Corporation - Sub-Saharan Africa
Ghana Regional Office**

Multilateral Investment Guarantee Agency

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ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Activities	FCPF	Forest Carbon Partnership Facility
ALTTFP	Abidjan Lagos Transport and Trade Facilitation Project	FDI	Foreign Direct Investment
BoG	Bank of Ghana	FIP	Forest Investment Plan
BOP	Balance of Payments	FSAP	Financial Sector Assessment Program
CAS	Country Assistance Strategy	FY	Financial Year
CASCR	CAS Completion Report	GAMA	Greater Accra Metropolitan Area Sanitation and Water Project
CASPR	CAS Progress Report	GCAP	Ghana Commercial Agriculture Project
CMU	Country Management Unit	GEDAP	Ghana Energy Development and Access Project
COCOBOD	Ghana Cocoa Board	GDP	Gross Domestic Product
CPS	Country Partnership Strategy	GEF	Global Environment Facility
CSO	Civil Society Organization	GHc	New Ghana Cedi
CY	Calendar Year	GIFMIS	Ghana Integrated Financial Management Information System
DACF	District Assambly Common Fund	GLSS	Ghana Living Standard Survey
DDF	District Development Fund	GMeT	Ghana Metereological Agency
DeMPA	Debt Management Performance Assessment	GoG	Government of Ghana
DFID	Department for International Development	GDPG	Government – Development Partner Group
DHS	Ghana Demographic and Health Survey	GPEP	Global Partnership for Education Project
DP	Development Partner	GRIDCO	Ghana Grid Company
DPO	Development Policy Operation	GSGDA	Ghana Shared Growth and Development Agenda
DSA	Debt Sustainability Analysis	GSSDP	Ghana Statitistics Development Plan
ECOWAS	Economic Community of West African States	GSS	Ghana Statistical Service
E-ISR	External Implementation Status and results Report	GSOP	Ghana Social Opportunities Project
EITI	Extractive Industries Transparency Initiative	GSTDP	Ghana Skills and Technology Development Project
ESW	Economic Sector Work		
ECG	Electricity Company of Ghana		
EU	European Union		
FAO	Food and Agriculture Organization		

HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome	MOFEP	Ministry of Finance and Economic Planning
HLM	High-Level Meeting	MOPAN	Multilateral Organization Performance Assessment Network
HoC	Head of Cooperation	M-SHAP	Multi-Sector HIV/AIDS program
HoM	Head of Mission	MSME	Micro, Small and Medium Enterprise
HSSP	Health Sector Strengthening Project	M&E	Monitoring and Evaluation
IBRD	International Bank for Reconstruction and Development	MW	Megawatt
ICT	Information and Communications Technology	NCD	Non-Communicable Disease
IDA	International Development Association	NDC	National Democratic Congress
IEG	Independent Evaluation Group	NDPC	National Development Planning Commission
IFC	International Finance Corporation	NEA	National Education Assessment
IMF	International Monetary Fund	NHIS	National Health Insurance Scheme
IPP	Independent Power Producer	NPP	National Patriotic Party
ISR	Implementation Status and Results Report	NGO	Non-Governmental Organization
IT	Information Technology	NREG TA	Natural Resources Environmental Governance Technical Assistance
JASMES	Joint Agenda for Strengthening M&E and Statistics	ODA	Official Development Assistance
LAP	Land Administration Project	OGCBP	Oil and Gas Capacity Building Project
LBDP	Local Business Development Program	PAF	Performance Assessment Framework
LGCSP	Local Government Capacity Support Project	PEFA	Public Expenditure and Financial Accountability
LEAP	Livelihood Empowerment Against Poverty	PFM	Public Financial Management
LMIC	Lower Middle Income Country	PMT	Proxy means test
MBbl/day	Million barrels per day	PPP	Public-Private Partnership
MDBS	Multi-Donor Budget Support	PPIAF	Public Private Investment Advisory Facility
MDG	Millennium Development Goals	PRMA	Petroleum Revenue Management Act
MDTF	Multi-Donor Trust Fund	PHF	Petroleum Holding Fund
MIC	Middle-Income Country	REDD	Reducing Emissions from Deforestation and Forest Degradation
MICS	Multiple Indicator Cluster Survey	SDR	Special Drawing Rights
MIGA	Multilateral Investment Guarantee Agency	SHS	Senior High School
MMDA	Metropolitan and Municipal District Assemblies	SIP	Small Investment Product
MMR	Maternal Mortality Ratio		
MoC	Ministry of Communications		

SME	Small and Medium Enterprise	UDG	Urban Development Grant
SOE	State-Owned Enterprise	UN	United Nations
SLWM	Sustainable Land Water Management	UNDP	United Nations Development Programme
SRF	Statistics for Results Facility	UNDESA	United Nations Department of Economic and Social Affairs
SRWSP	Sustainable Rural Water and Sanitation Program	UNICEF	United Nations Children's Fund
SSA	Sub-Saharan Africa	UTP	Urban Transport Project
SSSS	Single Spine Salary Structure	UWP	Urban Water Project
SWG	Sector and Technical Working Groups	VRA	Volta River Authority
TA	Technical Assistance	WAAPP	West Africa Agricultural Productivity Project
T-Bill	Treasury Bill	WARFP	West Africa Regional Fisheries Project
TSA	Treasury Single Account	WAPPP	West Africa Power Pool Project
TSP	Transport Sector Project	WBG	World Bank Group
TVET	Technical and Vocational Education and Training		

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Executive Summary

In July 2011, Ghana achieved the WBG per-capita income threshold for classification as a Lower Middle Income Country (LMIC). This achievement was only part of a changing economic landscape that began to emerge during the last Country Assistance Strategy (CAS) period. Ghana's economy has been on a high growth pattern for most of the last decade and has been accompanied by significant poverty reduction. Based on the most recent household survey done in 2006, the number of the poor declined from 7.9 million people in 1992 (52 percent of the population at that time) to 6.3 million (29 percent). Conservative simulations based on observed patterns of sectoral GDP growth suggest that the share of the population in poverty may have decreased from 28.5 percent in 2006 to 23.6 percent nationally by 2012. Ghana's poverty reduction over the last two decades was driven largely by rural development and increasing urbanization. Small scale farmers, especially cash crop growers, benefitted from increasing agricultural productivity (notably in cocoa) and rising incomes and consumption, while in rapidly growing urban areas characterized by growing service sectors, large numbers of the labor force, including migrants from rural areas, were absorbed in better paying jobs in the formal and informal economy.

However, this growth has also been accompanied by growing geographical disparities and inequality. The poverty rate in the northern part of the country has declined much less than in the rest of the country, largely reflecting the region's much higher rate of subsistence farming and much lower rate of urbanization. At the same time, migrants from the north to Ghana's major urban centers in the south have been much less successful than their southern peers in capitalizing on economic opportunities owing largely to their lower levels of education and skills. The Gini coefficient also deteriorated, and an analysis of the available household survey data indicates that overall poverty reduction over the period 1992 to 2006 would have been four percent greater if inequality in the distribution of consumption expenditures had remained constant. Ghana also lags on key MDGs, such as maternal and infant mortality and access to improved sanitation methods. Again, the disparities in opportunities to access key health and education services between north and south and between income quintiles remain large. In addition, vulnerability to falling back into poverty in the event of major shocks remains high for a significant proportion of the population. In this regard, the Government of Ghana (GoG) continues to demonstrate a strong commitment to strengthening and expanding delivery of basic services and scaling up Ghana's solid but embryonic social insurance institutions to ensure greater resilience to shocks, reduce poverty, and increase shared prosperity for its citizens.

Over the last two decades, economic management in Ghana, ahead and in the aftermath of elections, has been challenging. 2012 was a particularly difficult year, with a sharply declining fiscal performance combined with a substantial deterioration of the current account deficit. As of mid-2013 there are significant macroeconomic risks remaining, stemming from both the low level of international reserves and the continuing fast pace of public debt accumulation. Beyond taking measures to correct the large current macroeconomic imbalances, Ghana needs to strengthen its budget institutions and public financial management to withstand such internal shocks and ensure that fiscal policy choices remain consistent with the maintenance of macroeconomic stability. Progress on this agenda is crucial as macroeconomic instability compromises the capacity to deliver basic services, affects the poor who are least able to hedge against its adverse impact, and undermines investment and growth.

Going forward, Ghana's growth and development prospects, at least over the next decade, will be strongly underpinned by the petroleum sector and the policy responses to the increased fiscal revenues from oil. Given current discoveries and field development plans under implementation, the share of this sector in GDP, around 5 percent in 2012, is likely to increase substantially as oil output is projected to double over the next decade. It is this factor, more than any other that has prompted a major and palpable shift in the national dialogue on the country's development potential and prospects. In particular, revenues from petroleum could fuel transformation in the Ghanaian economy and help to further combat poverty and enhance shared prosperity, or they could be an additional and important source of volatility due to their effect on export revenues and fiscal resources. Oil revenues could also pose a risk to the competitiveness of Ghanaian industry and agriculture while adding to the complexity of economic management. Nevertheless, Ghana is well-positioned to catch up with other similar LMICs after years of lagging growth in its real per capita income. However, the quality of its economic and political institutions will be decisive in enabling the country to achieve this goal.

The CPS will be the World Bank Group's (WBG's) main instrument to deepen support for Ghana's transition to the status of LMIC, assisting the country to sustain economic growth, reduce absolute poverty and enhance shared prosperity such that all Ghanaians are given the opportunity to share in the benefits of that growth. During the next four years, the WBG will support the GoG's efforts to: (1) improve economic institutions; (2) improve competitiveness and job creation; and (3) protect the poor and vulnerable. These pillars together reflect GoG strategic goals of diversifying the economy and sustaining high rates of growth, reducing poverty and inequality in access to basic services and opportunities, and strengthening governance and mitigating and managing risks.

The WBG will continue to support Ghana's drive for shared prosperity through the enhancement of the productivity of rural Ghanaians by the development and dissemination of agricultural technology and improved linkages to value chains, paying special attention to smallholders in the North and to women. The keystone of the shared prosperity agenda is the mechanism by which individuals and institutions can take advantage of expanding opportunities and withstand external shocks, including for example, an alliance with the private sector in out-grower schemes and irrigation in agriculture, improved sustainable land and water management practices at the community level aimed at reducing land degradation and enhancing maintenance of biodiversity, and the strengthening of the social protection network linked to the National Health Insurance scheme, among others. Urban areas are also major sources of economic opportunity for the poor, including rural migrants, and the CPS places emphasis on helping to strengthen the economic dynamism of Ghana's major urban centers through strengthening the business climate for small and medium scale businesses, especially in manufacturing and services. At the same time, the CPS will support expanded access to and improved outcomes from Ghana's basic and secondary education system, focusing on deprived districts and the North and aimed at strengthening citizens' capacity to get a better share in emerging economic opportunities, whether as potential migrants or local residents.

A key challenge for the WBG and other Development Partners during this CPS period will be to transform the role of partners by going beyond providing aid to adding substantial value to Ghana's efforts in fostering new partnerships for trade, investments and other commercial activities. Ghana will need to mobilize increasing volumes of relatively non-

concessional financing for infrastructure in addition to mobilizing domestic and external private investment capital and expertise to propel economic growth and diversification, and to further reduce poverty and increased shared prosperity for all. Ghana's aid dependency will likely continue to decline, reflecting Ghana's growth prospects, constraints on aid flows in the face of fiscal pressures in donor countries, and shifting aid allocation strategies (away from middle income countries) in response.

Introduction

1. During the previous CAS period (FY07-12), the economic landscape of Ghana changed considerably. The earlier period of sustained growth was further consolidated, spurred by favorable commodity prices for Ghana's main exports (gold and cocoa), the start of the commercialization of a major oil discovery, and robust growth in the services sector. Poverty is considered to have continued its earlier pattern of decline, although at a slower pace. In July 2011, Ghana achieved the WBG per capita income threshold for classification as a Lower Middle Income Country (LMIC), prompting a major and palpable shift in the national dialogue on the country's development potential and prospects.

2. Notably, the emerging dialogue recognizes that this success in reaching LMIC status comes with major attendant challenges. Going forward, Ghana will need to foster policies and improve economic institutions to mitigate the inherent volatility of its economy arising from the high dependence on exports of cocoa, gold, and increasingly, oil, and deepen its efforts to broaden and diversify its economy and manage the risk of major growth reversals. Ghana will also need to continue its efforts to enhance delivery of basic services and tackle the geographic and demographic disparities that have accompanied its growth experience over the last two decades. This Country Partnership Strategy seeks to partner with Ghana in effectively addressing these challenges.

3. The CPS responds to the needs expressed in the Government's Medium-Term Economic Framework. The Government of Ghana (GoG) prepared its current development strategy, the Ghana Shared Growth and Development Agenda (GSGDA) 2010-13, in 2010. Since assuming office in January 2013, the newly-elected government has started to clearly define its development priorities for the next four years and they remain consistent with the pillars of the GSGDA. The CPS seeks to address the challenges identified in that strategy by helping to promote sustainable and more inclusive economic growth, create jobs, deliver more decentralized public services through local governments, ensure better accountability to citizens, and provide skills and education to the population. This CPS was also prepared under the principles agreed under the Compact¹ between the GoG and Development Partners to ensure effective harmonization of support and increased aid effectiveness.

Country Context

A. Political Context

4. Ghana has evolved into a stable and mature democracy over the last two decades. Multi-party democracy was restored in 1990 and six consecutive competitive general elections have been held since then, resulting in two transfers of power between the ruling party and the main opposition party. The most recent elections were held in December 2012 with the Electoral Commission declaring the candidate for the National Democratic Congress (NDC)

¹ See Annex 2 with the complete text of the Compact agreement 2012-2022.

party, the incumbent President John Mahama, as the winner with 50.7 percent of the vote². NDC also won a parliamentary majority. Turnout was high at over 79 percent of registered voters. The electoral process, according to both national and international observers, was well-managed, with some technical glitches but no violence of significance. In line with Ghana's Constitution, the declared winner of the Presidential polls was sworn in on January 7, 2013. However, the Presidential election result was contested in the Courts by the main opposition party. The Courts upheld the results of the election in August 2013.

B. Economic Developments

Recent Growth Record and Developments

5. Ghana has been on a high growth path for most of the past decade. Following prolonged periods of economic stagnation and decline during the first quarter century after independence, Ghana entered a period of sustained economic growth beginning in the early 1980s. Increasing political stability, accompanied by market reforms (most notable in the early stages were the cocoa market and exchange rate reforms, followed by more broad-based market reforms), resulted in a gradually improved growth performance, with the long-term growth trend in GDP accelerating appreciably after the early 2000s (Figure 1). The only dips in the rising post-2000 growth record took place in 2009 as the global financial and economic crisis hit most countries hard, and in 2012, when growth reverted to its long-term trend after the start of commercial oil production in 2011. Per capita growth rates averaged over 2.5 percent between 1983 and 2006, increasing to around 6 percent over the ensuing five years. Analytical work on the sources and prospects for growth in Ghana, prepared as background for this CPS³, suggests that growth in Ghana's non-oil GDP since 1983 was driven largely by increases in investment, with growth in productivity increasing only since 2000. Recent growth in productivity has been high by historic standards, but it is still substantially lower than that experienced by countries that have enjoyed sustained high growth rates (Box 1).

6. Going forward, Ghana's growth prospects over the next decade will be strongly underpinned by the petroleum sector. Increased oil and gas production will provide a strong impetus to growth in the medium term, both directly and, prospectively, through its impact on the level of public expenditure. Given current discoveries and field development plans under implementation, oil production is expected to expand significantly in the next 4 to 6 years, peaking at about 230,000 barrels per day around 2020 to 2023 (Figure 2) – with further potential for a peak as high as 300,000 barrels per day. Natural gas peak production is expected to exceed 400 million cubic feet per day over the same horizon, over four times the current level of domestic consumption which is based wholly on imports from Nigeria. Reflecting these production increases, the share of the petroleum sector in GDP, around 5 percent in 2012, is likely to increase substantially as output doubles over the next decade.

² The threshold to avoid a run-off election is 50 percent +1 vote.

³ Garrido, Leonardo, Mathias Mosser and Anna Raggl. 2013. "Ghana: Growth Potential, Determinants and Constraints." Ghana CMU Policy Notes. *Forthcoming*.

Box 1: Ghana: Growth Accounting and Growth Prospects

Ghana's growth has been mostly based on capital accumulation, rather than productivity growth. The decomposition of Ghana's growth, since the 1980s suggests that: i) productivity growth accelerated since 2000; and ii) productivity growth is less than 2 percent per year on average, which is substantially lower than productivity growth in countries that have experienced high growth during prolonged periods. Empirical evidence shows that these countries experienced average productivity growth of slightly above 3 percent per year.

Ghana: Extended Growth Accounting Decomposition. Non Oil GDP (*)						
Initial year	Final year	Real GDP per capita, non oil	Capital Stock per unit of labor	Pop., labor & human capital per capita	TFP	Real total GDP
1983	1992	2.04	2.72	1.17	-1.83	4.99
1992	2000	1.47	1.49	0.52	-0.54	4.08
2000	2008	3.44	1.81	0.58	1.05	5.67
2008	2011	4.44	0.97	1.52	1.98	6.50
2011	2020	7.03	2.48	1.86	2.69	9.06

(*) 2011-2020 is an scenario of dynamic changes in inputs of the prouction function necessary to reach Development targets for per capita income by 2020

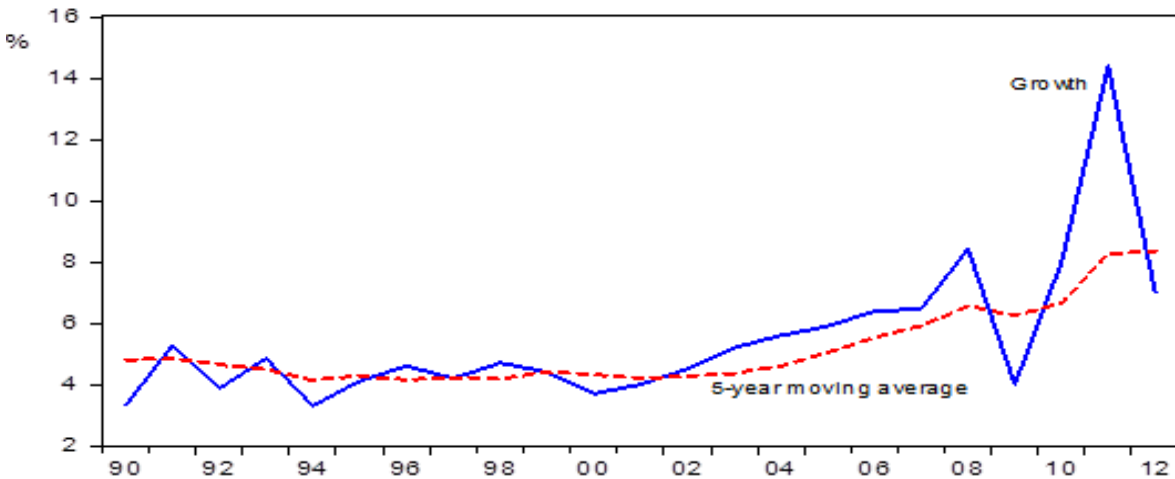
Source: Authors' calculations, based on World Bank, WDI data, and Barro and Lee (2010)

Ghana: Extended Growth Accounting Decomposition. Labor Adjusted Skills break down							
Initial year	Final year	Pop., labor and human capital per capita	Human capital index per unit of labor	Employment rate	Participation rate	WAP/POP (dependency ratio)	Population
1983	1992	1.17	0.52	0.30	-0.03	0.37	2.95
1992	2000	0.52	0.53	-1.08	0.55	0.51	2.61
2000	2008	0.58	0.35	-0.27	-0.03	0.54	2.23
2008	2011	1.52	0.76	0.00	0.27	0.48	2.06
2011	2020	1.86	0.91	0.20	0.45	0.31	2.03

Source: Authors' calculations, based on World Bank, WDI data, and Barro and Lee (2010)

A growth strategy based principally on capital accumulation faces two main challenges. First, it requires savings to be financed. The historic domestic savings rate in Ghana is relatively low and the scope for expanding external savings is limited, constraining the possibility of rapid increases in capital stock. However, this constraint could be considerably relieved by increased fiscal revenues from oil. The second limitation of capital accumulation as a growth engine is that diminishing returns appear, unless the market expands continuously or economies of scale increase due to agglomeration. Market extension seems unfeasible unless regional trade integration materializes as well. These limitations point to the benefit of emphasizing a growth strategy based on productivity growth. It has been shown that in West African economies, productivity growth is directly related to trade openness and education achievement (Garrido, Monser and Raggl, 2013). Hence, growth strategies that promote Ghana's insertion in the global and regional economy, as well as interventions in domestic markets that reduce congestion costs, will improve the likelihood of achieving high sustained growth based on productivity growth.

Figure 1: Observed and Long Run Trend Growth in Ghana 1990-2012

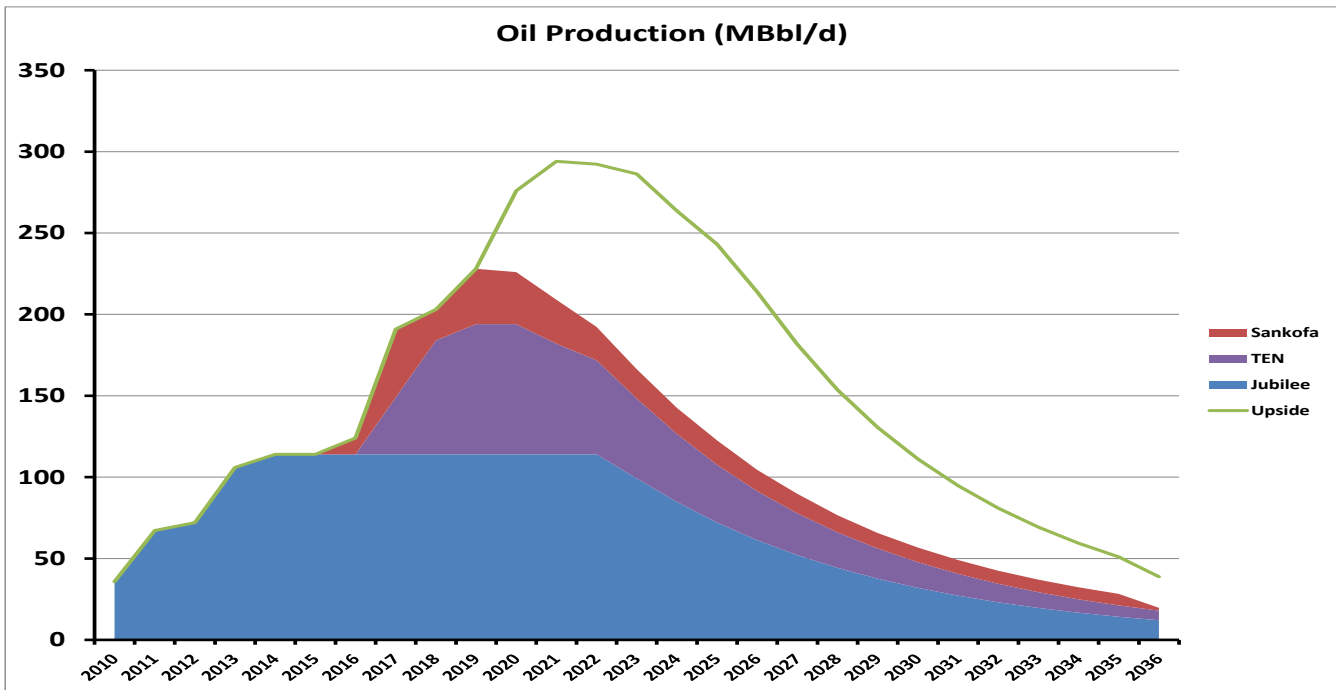


7. Government’s overall fiscal take from the petroleum sector will increase substantially once tax shields for field development investments are exhausted. Total annual government receipts from oil and gas, based on current fiscal terms and oil prices, are projected to peak at around US\$5 billion (equivalent to close to 60 percent of the current level of total annual fiscal revenues), compared to about US\$1 billion in 2012. However, based on current discoveries and development plans, petroleum production is likely to decline after reaching its peak and the period of high and growing output and revenues could prove transient, unless new reserves and production are brought on stream. At this stage, significant exploration activities are ongoing but the outcome of these and the timing of new additional production is inherently uncertain.

8. Revenues from petroleum could fuel transformation in the Ghanaian economy. Notwithstanding the uncertainties about the path of petroleum production a decade from now, Ghana clearly has an unrivalled opportunity to harness an emergent source of large scale resources to propel and sustain high growth. In this regard, the key challenge for Ghana will be to foster increased levels of productivity and investments in the non-oil sector, where higher and sustained growth will serve to generate jobs beyond the relatively few ones that the petroleum sector can create, and have a broader impact on reducing poverty and enhancing shared prosperity. The quality of economic policy and public expenditures, particularly policies to improve Ghana’s business climate and spending to facilitate the transformation of oil and gas revenues into growth-enhancing public investments, will be immensely important to the goal of broadening sources of growth.

9. The emergence of oil and its boost to growth prospects will magnify the complexity of economic management in several ways. First, oil as a major part of the economy exposes Ghana, already dependent on cocoa and gold as primary export commodities, to an additional and important source of volatility in its export revenues and fiscal resources. Second, the sizeable and rapid actual and anticipated inflows pose a risk to the competitiveness of Ghanaian industry and agriculture. Third, anticipated large increases in fiscal revenues will undoubtedly amplify demand for public expenditure that may not best serve Ghana’s avowed development agenda and priorities.

Figure 2: Oil Production Profile



10. Ghana is well positioned to catch up with other similar Lower Middle Income Countries (LMICs), but the quality of its economic and political institutions will be decisive in achieving this goal. India, Vietnam, and Ghana had similar real per capita GDP levels in the early 1980s but, by 2011, all of them exceeded Ghana’s GDP per capita by at least 50 percent (Figure 3). The growth experiences of other resource rich economies⁴ show that with adequate institutional reform and sound macroeconomic management, catching up with accelerated economic growth is possible after decades of stagnation. Resource rich economies with strong institutions are better able to use their resources as platforms for growth and development.

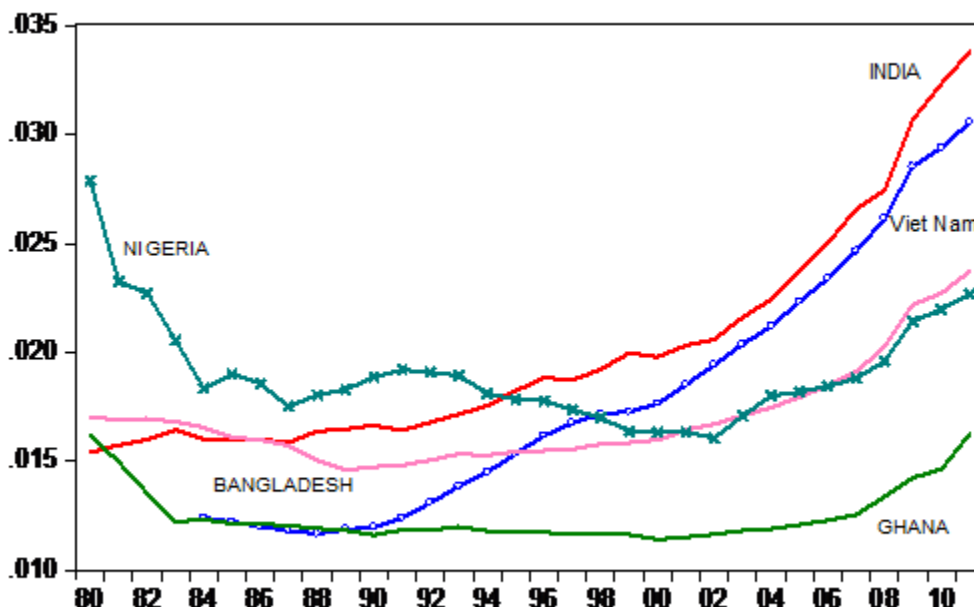
Box 2: Maintaining a Transparent Management of Oil Resources

Ghana prepared legislation to manage the new found oil wealth ahead of the commercial exploitation of the oil fields. The Petroleum Revenue Management Act (PRMA) incorporates provisions to ensure a strong legal basis for the effective and efficient application of petroleum revenue; they are considered best practice. All petroleum revenue is received and disbursed via a dedicated Petroleum Holding Fund (PHF), held at the Bank of Ghana. Revenue from the PHF is disbursed into three separate funds: the Consolidated Fund to support the annual budget; the Stabilization Fund to cushion the budgetary impact of annual volatility in oil revenues; and the Heritage Fund to provide an endowment for future generations. The PRMA provides for mandatory reporting on various levels, including the Ghana Revenue Authority, the Ministry of Finance and Economic Planning, the Bank of Ghana, the Investment Advisory Committee, the Auditor-General, and the Public Interest and Accountability Committee. Transparency clauses are consistent with the requirements of the Extractive Industry Transparency Initiative. The challenge ahead is to perfect this institutional infrastructure, already in place, when the actual flow of resources starts increasing and the pressures to spend mount.

⁴ For example, Perú.

11. Ghana has a strong platform of political and civic institutions, which have demonstrated strong adaptability and resilience over the past two decades. These institutions have already been instrumental in ensuring that the country has a relatively robust governance structure in place for the allocation of oil revenues (Box 2). But the budget and regulatory institutions which should ensure efficient, effective and accountable allocation and use of public resources and safeguard macroeconomic stability are relatively weak, especially for an emerging LMIC confronting a volatile economic environment. Improving these economic institutions is one of the key areas for reform by Ghana.

Figure 3: Growth in Selected Countries: International Evidence⁵



Recent Macroeconomic Developments

12. Macroeconomic management during election years has been challenging. The fiscal deficit in 2012 reached 11.8 percent of GDP⁶ after being programmed initially in the budget at 4.8 percent. The macroeconomic indicators in 2012 are similar to those registered after the 2008 election. While the specific affected expenditures differ, both macroeconomic events originated from weaknesses in budget controls in the months leading to elections, coupled with a currency peg by the Bank of Ghana (BoG). The fiscal deficit [cash] increased from 5.6 percent of GDP in 2007 to 8.5 percent in 2008; the current account deficit⁷ increased from 8.7 percent of GDP to 11.9 percent, and the Cedi depreciated by 25 percent. In 2009, the government adopted a

⁵ Real per capita GDP in Ghana and selected countries relative to OECD level (ratio of real GDP in each country relative to per capita GDP of OECD)

⁶ Including discrepancy

⁷ Including official transfers

stabilization package, financed by the International Monetary Fund (IMF) and the World Bank/International Development Association (IDA), which resulted in a further 25 percent depreciation of the Cedi and a fiscal adjustment, which narrowed the primary fiscal deficit from 6 percent of GDP to 3 percent.

13. The exchange rate in 2012 also depreciated as it did in the previous period of macroeconomic imbalances. In the months leading to the elections, short-term capital outflows coupled with higher non-oil imports and profit repatriation by multinationals prompted BoG to defend the Cedi, depleting international reserves. By year end, the currency had depreciated by 18 percent. The current account deficit rose to 9.1 percent of GDP in 2011 and even further to 12.2 percent in 2012; the balance of trade deficit also widened to 10.4 percent of GDP in 2012. The structural problems of public finance are reflected in the rising wage bill from 6.1 percent of GDP in 2011 to 9.1 percent in 2012, the increase in interest payments from 1.9 percent of GDP in 2011 to 3.3 percent of GDP in 2012, and the rising transfers due mostly to energy subsidies and contributions to social security (future pensions) of government workers.

14. Interest rates on government securities reached historical levels in real terms and inflation has stabilized at around 10 percent per year. Over the last four years, there have been significant deviations between approved budgets and the final implemented budget every year. As a result, public debt has increased to 48 percent of GDP by the end of 2012, up from 33 percent in 2009, in spite of the accelerated real GDP growth during the period. This growth was mainly driven by the non-oil sectors, namely agriculture, industry and services. To add to the fiscal pressure, fuel price and energy utility tariff adjustments, agreed since 2010, have not been implemented and public sector wages increased by 18 percent in 2011 on top of the Single Spine Salary Structure (SSSS) adjustment being implemented by GoG to realign wages across the public service against uniform benchmarks.

15. GoG's increasing borrowing requirements pushed yields on 91-day government paper from 10 percent in December 2011 to 21 percent in July 2012 and 23 percent in December 2012. Though part of the increase can be attributed to uncertainty due to elections, rates have not decreased significantly after the election. On the external front, BoG data show a decrease in net international reserves from US\$4.4 billion in December 2011 to US\$3.2 billion in December 2012. The annual inflation rate (Consumer Price Index) was 8.8 percent in 2012, but inflation at the wholesale level was markedly higher, at 17.1 percent, and even higher at 20 percent when utilities, which are regulated, are excluded from the index.

16. Given the recent fiscal imbalances, the risk of debt distress in the future has increased. A debt sustainability exercise prepared jointly by the staff of the World Bank and the IMF indicates that Ghana remains within the category of moderate risk of debt distress – the same rating that was assessed in the most recent joint IMF-WB Debt Sustainability Analysis (DSA) prepared in November 2011. Nevertheless, the country's capacity to repay debt will be limited if the recent policy stance, reflected in the recent accelerated borrowings and high real interest rates, is maintained. Moreover, the analysis' stress tests indicate that several macroeconomic shocks, in particular a one-time 30 percent depreciation, could move the country to a high probability of a debt distress situation.

Box 3: Ghana: Selected Economic and Financial Indicators, 2011-18

	2011	2012		2013	2014	2015	2016	2017	2018
		6-7 ECF	Est.						
(Annual percentage change; unless otherwise indicated)									
National account and prices									
GDP at constant prices 1/	15.0	8.2	7.9	7.9	6.1	5.5	5.1	5.1	8.0
Real GDP (nonoil)	9.4	8.8	7.8	5.9	6.0	5.9	5.8	5.8	5.8
Real GDP per capita	12.1	4.5	5.2	5.2	3.4	2.9	2.5	2.4	5.3
GDP deflator	13.0	15.3	13.3	13.7	12.8	11.1	10.3	8.8	7.4
Consumer prices									
Consumer price index (annual average)	8.7	9.8	9.2	10.3	9.8	8.2	7.5	7.2	7.0
Consumer price index (end of period)	8.6	11.5	8.8	10.8	8.8	7.7	7.3	7.1	6.9
Consumer price index (excl. food, annual average)	15.0	14.3	11.6	11.0	7.8	8.2	8.0	7.6	7.3
Money and credit									
Net domestic assets ²	28.7	29.1	51.9	44.8	19.5	15.6	17.6	17.4	12.1
Credit to the private sector ²	29.0	20.1	32.9	38.4	21.7	28.0	16.7	9.0	19.2
Broad money (M3, including foreign currency deposits)	32.2	34.8	24.3	27.8	23.4	20.4	19.7	19.1	18.5
Velocity (GDP/M2, end of period)	3.1	3.7	3.0	2.9	2.8	2.7	2.7	2.6	2.5
Base money	31.1	25.1	36.0	24.0	21.7	18.4	17.1	16.3	15.3
Banks' lending rate (weighted average; percent)	25.9	...	25.7	...	...	...	...	...	...
Policy rate (in percent, end of period)	12.5	...	15.0	...	...	...	...	...	...
(Percent of GDP)									
National accounts									
Gross capital formation	18.5	19.8	18.8	20.3	20.8	20.6	20.9	20.9	21.3
Government	6.2	7.8	6.8	8.2	8.7	8.8	8.9	8.9	9.3
Private	12.3	12.0	12.0	12.1	12.1	11.8	12.1	12.0	12.0
National savings	9.4	10.7	6.6	8.5	11.7	11.9	12.3	12.3	13.9
Government	5.5	5.6	0.3	5.2	4.9	5.1	5.3	5.4	5.8
Private ³	3.8	5.1	6.3	3.2	6.8	6.8	7.0	6.9	8.0
Foreign savings	-9.1	-9.1	-12.2	-11.9	-9.1	-8.6	-8.6	-8.6	-7.4
External sector									
Current account balance									
(including official grants)	-9.1	-9.1	-12.2	-11.9	-9.1	-8.6	-8.6	-8.6	-7.4
(excluding official grants)	-9.7	-9.7	-12.8	-12.4	-9.4	-9.0	-9.0	-8.9	-7.6
External public debt (including IMF)	21.0	21.5	21.9	22.5	23.5	24.5	25.7	26.9	27.5
NPV of external debt outstanding	11.5	13.6	10.8	9.4	12.2	14.9	17.7	20.5	22.5
percent of exports of goods and services	30.6	36.2	26.0	26.9	36.3	46.3	57.1	67.9	71.3
Gross international reserves (millions of US\$)	5,383	5,517	5,349	4,927	5,645	6,579	7,407	8,324	10,139
Months of prospective imports of goods and services	2.9	2.9	2.8	2.5	2.7	3.0	3.2	3.3	3.8
Total donor support (millions of US\$)	1,477	1,416	1,132	1,630	1,288	1,284	1,335	1,182	1,110
percent of GDP	2.5	3.5	2.8	3.6	2.5	2.3	2.2	1.8	1.5
Central government budget									
(Percent of GDP)									
Total revenue	17.3	18.7	17.7	19.1	19.9	20.5	20.6	20.8	21.6
Grants	2.0	2.1	1.6	1.4	1.0	0.9	0.9	0.8	0.6
Total expenditure	20.7	25.0	27.7	28.0	27.5	27.4	27.6	27.7	28.3
Arrears clearance and VAT refunds	2.1	-2.2	0.1	0.9	0.9	-0.1	-0.1	-0.1	-0.1
Overall balance (financing basis)	-4.0	-6.3	-11.8	-10.0	-8.8	-6.2	-6.2	-6.2	-6.2
Net domestic financing	3.3	3.7	9.3	7.1	5.8	3.2	3.1	4.2	3.1
Central government debt (gross)	43.7	44.8	50.2	51.4	52.5	52.9	54.9	54.8	
Domestic debt	22.8	21.1	28.3	29.0	29.0	28.0	27.2	28.1	27.3
External debt	21.0	23.7	21.9	22.5	23.5	24.5	25.7	26.9	27.5
Central government debt (net)	39.9	42.4	48.0	49.5	50.5	50.5	50.7	52.6	52.1
Memorandum items:									
Nominal GDP (millions of GHC)	59,816	73,919	73,109	89,689	107,335	125,800	145,743	166,573	193,204
GDP per capita (millions of U.S. dollars)	1,594	1,610	1,622	1,786	1,930	2,071	2,214	2,346	2,528

Sources: Ghanaian authorities; and Fund staff estimates and projections.

¹ Based on new national accounts rebased to 2006, including ECF program indicators. For 2013, it is assumed that new oil fields will come to stream.

² Percent of broad money (including foreign currency deposits) at the beginning of the period.

³ Including public enterprises and errors and omissions.

C. Poverty and Social Protection

17. Increasing growth in Ghana has been accompanied by significant poverty reduction. The number of the poor declined from 7.9 million people in 1992 (or 52 percent of the population at that time) to 6.3 million people in 2006 (or 29 percent of the population at that time), when the most recent available Ghana Living Standards Survey (GLSS 5) was completed. Thus, while the population in Ghana grew by 6.9 million between 1992 and 2006, the number of poor was reduced by a remarkable 1.6 million. The reduction in poverty was driven by a number of factors. In particular, large gains in agricultural productivity (notably in

the cocoa sector) and output led to increased incomes for Ghana's small-scale farmers, especially cash crop growers and livestock farmers; while strong market conditions, in particular in services in both the formal and informal sectors, absorbed large numbers of the labor force (including growing numbers from rural areas in the south of the country) in higher productivity, more remunerative work in urban areas.

18. However, growth has been accompanied by growing inequality. The Gini coefficient for consumption per adult increased from 0.353 in 1991–92 to 0.378 in 1998–99, and finally to 0.394 in 2005–06⁸. Analysis of the GLSS data over the period indicates that, had the level of inequality stayed constant and the benefits of growth (in terms of increased consumption expenditures) been more equitably distributed, the poverty rate would have declined by a further four percent points to around 25 percent. A 2011 Poverty Assessment⁹, drawing on analyses of GLSS data, also highlighted significant geographical disparities in poverty. The northern Savannah regions (with 25 percent of the country's population) registered an average poverty rate of 58 percent compared to 19 percent in the rest of the country, and the number of people living in poverty fell by 2.5 million in the South while increasing by 0.9 million in the North (although the poverty rate declined owing to the increase in population over the period). This disparity in poverty reduction in the South relative to the North is primarily a result of two developments: first, there is higher farm productivity, output growth, and greater crop diversification in the South; and second, there are greater off-farm employment opportunities in Ghana's rapidly-growing urban areas which are also concentrated in the South.

19. In effect, poverty alleviation in the South resulted from the combined effect of rural development and urbanization. In the North, the urbanization rate actually declined and the pace of rural development was constrained by a much higher rate of subsistence farming. North-South migration has redistributed very little of the benefits of growth in the South, owing largely to factors such as poor migrant networks and poor human capital endowments which make it difficult for Northern migrants to take advantage of economic opportunities, in contrast to their migrating peers from the South. Finally, the distribution of poverty around the poverty line nationwide suggests that vulnerability is high and a shock to household consumption of around 30 percent would push 50 percent of the population into poverty. Given the above issues, there is little room for complacency over the success in bringing the national poverty rate down.

20. Ghana is also characterized by substantial disparities in service delivery and human development outcomes across income quintiles and across different parts of the country. For example, a woman from the poorest quintile in the lagging regions averages less than one year of education whereas a woman from the highest quintile in the other regions averages nine years; figures for men are 1.4 and 11 years, respectively. The low proportion of trained teachers and schools explains the lower quality of schooling in deprived districts with large numbers of students. In the case of health, 94 percent of women giving birth from the top quintile are likely to be attended by a skilled attendant but the figure drops to 24 percent for the poorest quintile. The rural poor in the poorest regions face very difficult conditions during the agriculture off-

⁸ World Bank (2007), Ghana Meeting the Challenge of Accelerated and Shared Growth, Country Economic Memorandum, (In Three Volumes) Volume I: Synthesis, Report No. 40934-GH, PREM 4 Africa Region, page 13

⁹ World Bank. Report No. 53991-GH Tackling Poverty in Northern Ghana.

season annually: all over the country, vulnerable groups such as the disabled, elderly and orphans, at-risk children and others need direct assistance.

21. Poverty and gender. The World Bank's 2011 Poverty Assessment for Ghana shows that, on average, more progress in terms of poverty reduction was made among those living in female-headed households, about one quarter of the population. Female-headed households tend to be less poor than male-headed households of the same size, or at the same level of education of the household head. However, again, there are geographical disparities: in northern Ghana, the number of urban female-headed households has increased, as has the proportion of those households that live in poverty. One potential explanation may be the migration patterns from rural to urban areas, and from North to South; however, this will be confirmed when data from the new household survey becomes available in 2014. Overall, widows lead the poorest households in both urban and rural areas.

22. Poverty trends. It is important to emphasize that the analysis of poverty trends since the last GLSS has been constrained by the lack of recent data given that the results from the Ghana Living Standard Survey (GLSS6), currently underway in the field, are not yet available. In order to infer likely trends in poverty, as well as trends in other indicators since 2005-06, the Bank's economic analysis for poverty was based on simple simulations with the GLSS5, complemented with an analysis of trends in other indicators based on Ghana Demographic and Health Surveys (DHSs) as well as 2010 census data. Overall, the data suggests that the standard of living of the population has continued to improve since 2005-06. There are substantial gains between 2003 and 2008 in terms of asset ownership, access to basic infrastructure services, education, and health indicators. Gains are also observed between the 2000 and 2010 censuses in terms of employment, education, and access to basic infrastructure services.

23. Recent estimates of poverty in Ghana. It is difficult to assess precisely what may have happened over the last seven years, but simple and conservative simulations based on observed patterns of sectoral GDP growth suggest that the share of the population in poverty may have decreased from 28.5 percent in 2005/6 to 23.6 percent in 2012, nationally, with similar gains for other poverty measures (see Box 4 below). These are rough simulations, but given the pattern of growth observed in the country and the substantial gains suggested by DHS and census data, it is likely that the standard of living of the population has continued to improve since the last GLSS5 survey was implemented in 2005/06. The absence of more comprehensive household survey data renders it difficult to assess the evolution of inequality. A new household survey is planned for 2013 and when the results are ready by 2014, it would allow the WBG to update the poverty and inequality analyses and estimates, and deepen the understanding of disparities between geographical regions and population quintiles. The CPS includes a Statistical Annex (see Annex 6) which explains the low frequency of household data available in Ghana, and what the WBG, along with other DPs, are doing to strengthen the production of official statistical data by the Ghana Statistical Service to enable more systematic monitoring of poverty and development outcomes.

Box 4: Trends in Poverty, 1991-2012

	Headcount	Poverty gap	Squared poverty gap
	1991/92		
Urban	0.277	0.074	0.029
Rural	0.636	0.240	0.117
Total	0.517	0.185	0.088
	1998/99		
Urban	0.194	0.053	0.021
Rural	0.496	0.182	0.089
Total	0.395	0.139	0.066
	2005/06		
Urban	0.107	0.031	0.013
Rural	0.393	0.135	0.066
Total	0.285	0.096	0.046
	2012 (simulated)		
Urban	0.077	0.020	0.008
Rural	0.332	0.112	0.054
Total	0.236	0.078	0.037

Source: Quentin Wodon, Note on Recent Trends in Well-Being for Ghana, February 7, 2013

24. Non-monetary measures of poverty show mixed results. Ghana has improved health outcomes when compared to other countries in Sub-Saharan Africa (SSA). However, in terms of child and maternal health, outcomes are worse than the levels found in other comparable lower middle-income countries although life expectancy is better. Ghana is on track to meet most of the MDGs with one major and two potential exceptions. The major exception would be access to improved sanitation methods (this MDG target was added late to the list). Lack of access to improved sanitation in Ghana remains high, with data from the 2010 census indicating that about 61 percent of the rural population and 82 percent of the urban population do not have access to acceptable sanitation methods. Indeed, for the rural population, access to improved sanitation has worsened since the 2000 census while the situation in urban areas remains dismal. Investments in sanitation have not kept up with the pace of economic growth in Ghana, and even when significant resources have been committed to the sector, there are still serious financial gaps.

25. There is also a risk that Ghana will not reach the maternal health, child mortality and child malnutrition targets. While the nutrition status among children has improved, the rate of stunting in children less than five years of age is still high at 29 percent (36 percent in 2003). Furthermore, Ghana is facing a dual disease burden from its demographic, epidemiological and nutrition transitions. Morbidity and mortality from communicable diseases are highly prevalent

in Ghana, and make up 53 percent of the disease burden. At the same time, non-communicable diseases (NCD) are increasingly being reported among the adult population.

26. Ghana has made good progress in developing formal social insurance institutions to protect the poor and vulnerable. The country has already made important strides in increasing access to health services, notably with one of Africa's first attempts at universal health insurance coverage to provide protection against the financial burden of illness. Premiums are waived for the poor. A cash transfer scheme under Ghana's Livelihood Empowerment against Poverty (LEAP) initiative provides support to the poorest, identified through a system of proxy means tests. The LEAP scheme currently covers about 100,000 households. A plethora of other schemes, more or less well-targeted, provide various levels of support for access to basic services by the poor. Initiatives to link the current disparate social protection schemes are underway, focusing, in particular, on a common approach to identifying the poor, improving targeting while expanding coverage and strengthening governance and efficiency, timeliness and regularity of delivery of payment, and services. A more detailed description of the main bottlenecks in the health sector is given in Box 6.

The Program of the Government

27. The Ghana Shared Growth and Development Agenda (GSGDA), 2010-2013, the country's current development plan, has as its goals the creation of jobs, the promotion of economic and social equity and stability and the achievement of development. The GSGDA seeks to achieve these through seven pillars: (1) ensure and sustain macroeconomic stability; (2) enhance competitiveness of the private sector; (3) accelerate agricultural modernization and natural resource management; (4) promote oil and gas development; (5) increase infrastructure, energy and human settlement developments; (6) foster human development, employment and productivity; and (7) ensure transparent and accountable governance. GSGDA is part of a vision to fully achieve all of the MDGs and to create the conditions for growth leading to GDP per capita of US\$3,000 by 2020. This would require an underlying average growth rate of 7.4 percent per annum *in per capita terms*, substantially above Ghana's past performance over any sustained period of time.

28. Since coming to office in January 2013, the newly-elected Government has started to more fully articulate its development priorities for the next four years, as initially spelt out in its 2013 Election Manifesto. These priorities are fully consistent with the GSGDA pillars above but more sharply define the priority programs for the Administration and, in some cases (e.g., education, health) the broad strategy for delivering on its commitments. GoG plans to formally revise the GSGDA this year. Key elements of the GoG program are outlined in the following paragraphs.

29. Economic Management. To underpin the GSGDA growth objective, GoG seeks to achieve single digit inflation, a consolidated budget deficit of 5 percent of GDP, and a level of foreign exchange reserves equivalent to at least four months of imports. However, GoG recognizes that one of the major challenges to achieving these objectives is the persistent cycle of high fiscal deficits that worsen appreciably in election years and compromise the overall effectiveness and flexibility of development policies and plans in the ensuing years. To address these fiscal management problems, the GSGDA proposed actions to reinvigorate the

implementation of key reforms to improve public expenditure management, enhance revenue mobilization, and improve the performance of the public sector and state-owned enterprises (SOEs), to help reinforce expenditure control systems. Other key elements of the economic management program include putting in place mechanisms to manage external shocks, ensure better consistency between budget allocations and development priorities, and foster greater transparency and accountability in fiscal policy processes.

30. Private sector development. Improving the competitiveness of the private sector is a key policy objective of GoG, reflected in the new Administration's early efforts to improve coordination of private sector-focused initiatives across Government and to accelerate implementation of the *Private Sector Development Strategy II*. In this context, GoG places particular emphasis on the importance of reducing business costs through improvements in the infrastructure stock and reducing the cost of credit to the private sector (including by reducing the extent to which its own borrowing crowds out lending to private businesses). At the same time, GoG seeks to limit the attendant impact of infrastructure investment on public debt by enhancing the role of the private sector in infrastructure provision and management through the National Public-Private Partnership (PPP) Policy. GoG is currently in the process of creating the framework to identify, develop, and manage PPPs within the broader process of public investment management.

31. In the financial sector, implementation of the *Financial Sector Strategic Plan II* will also assist in strengthening and deepening Ghana's financial markets, in order to improve its capacity to prudently intermediate credit to the private sector. The collective implementation of the Government's various private sector development strategies will require a major effort; a key interim step will need to be their translation into appropriately prioritized and sequenced action plans that are achievable within the human resource and financial constraints that Government faces.

32. Infrastructure. The coverage and quality of infrastructure provision is central to GoG's three key strategic goals of reducing the cost of doing business and diversifying the economy, reducing regional disparities in income and social indicators, and expanding intra-regional trade by linking Ghana more efficiently with its regional neighbors. Given this strategic importance and the current large infrastructure deficit, infrastructure looms large in the GoG's public investment program, requiring substantially more financing than Ghana can mobilize domestically or from traditional, concessional sources. As a result, a key feature of Government's strategy is strengthening the enabling conditions for PPPs in infrastructure and for tapping external capital markets on attractive terms.

33. In terms of specific infrastructure subsectors, the critical focus for GoG is the **power sector**, where the key goal is to expand supply from the current 2000 MW to 5000 MW by 2016, in addition to achieving universal household access and positioning the country as a net exporter of electricity. At the same time, GoG seeks to improve the operating and financial performance of generation and distribution entities and to attract private participation in expanding capacity in the former.

34. In the **transport sector**, the focus is on promoting investments to decongest urban roads in Ghana's three major cities and on modernizing the existing main corridors linking major regional centers and the capital, as well as neighboring countries. Other critical plans include

rehabilitating the country's major ports and airports, with possible private sector involvement where feasible, and improving the network of roads to better serve rural communities.

35. In the water sector and sanitation sector, the key challenge facing GoG is the persistent failure of past sector reforms to translate into efficient service delivery, leaving Ghana facing the prospect of seriously lagging in the MDG target for access to improved sanitation, in particular. To address these challenges, GoG aims to restructure the urban water utility and introduce modalities for sanitation delivery that will enhance the participation by and accountability to local communities while significantly increasing investments.

36. Human Development: GoG's human development program is predicated on developing the skills and knowledge Ghana needs to sustain high levels of growth and on ensuring social equity. In **education**, the key GoG objective is to eventually make senior high school (SHS) universal and also free, with the capacity to accommodate the large and growing proportion (currently about 50 percent) of eligible students that the system cannot currently absorb. At the same time, GoG seeks to promote reforms to improve efficiency, quality and equity in this tier although the nature of the reforms has yet to be fully defined.¹⁰ In basic education, Ghana still has substantial challenges both in terms of enrollment and learning outcomes at the basic education level; notably, 20 percent of children are out of school and net primary enrollment is still below the MDG goal. In this regard, the GoG program seeks to promote reforms to address the root causes of poor learning outcomes at the basic education level and to accelerate its program of basic school construction to eliminate "schools under trees."

37. In social protection, the main plank of GoG's program is the expansion of its flagship cash transfer system, the Livelihood Empowerment Against Poverty program (LEAP), significantly beyond the current coverage up to 800,000 households (the poorest quintile) while maintaining the real value of benefits. LEAP provides income support to beneficiaries targeted predominantly through proxy means testing. An expanded LEAP is expected to lead to considerable savings, if the existence of a targeted national cash transfer program replaces the financing of the country's plethora of fragmented and poorly-targeted programs of subsidies. Other elements of GoG's social protection program include proposals for a new universal non-contributory old age pension system, whose terms are undefined as yet. GoG is also considering legislative changes to the Social Security National Investment Trust (SSNIT) to improve its long-term financial sustainability.

38. In the health sector, GoG's objectives include closing the large gaps in access to health care across gender, geography and income quintiles, and improving the efficiency and quality of service delivery in order to accelerate Ghana's progress in meeting the MDG targets for health, especially maternal and infant mortality. To achieve these objectives, GoG plans to address the existing inadequate and unequal geographic distribution of health facilities by constructing new hospitals in underserved clusters of districts, strengthen the efficiency and viability of the National Health Insurance Scheme (NHIS), and start redressing systemic organizational issues in the health services.

39. The GoG's governance agenda is centered on an ambitious program of new legislation to advance decentralization, transparency, and more inclusive growth. For the decentralization

¹⁰ Alternative visions for SHS expansion strategy and reforms occupied the central role in the recent election campaigns.

agenda, it proposes to strengthen the capacity of the Metropolitan and Municipal District Assemblies (MMDAs) to deliver services, and implement the recommendation from the Constitution Review Commission to have the District Chief Executives at the MMDAs directly elected. In terms of increasing transparency, it proposes to adopt a policy of performance contracts, a timetable for regular review of Boards, and also to support the Right to Information law, when passed by Parliament. GoG plans to review the criminal offence act to redefine corruption in line with international practice, and amend the public procurement act to address corruption in that area. Finally, GoG plans to create a Democracy Fund to provide sustainable funding for independent governance institutions, develop and implement citizen feedback mechanisms, and promote citizen participation in the telecommunications and oil and gas sectors. The key challenge to this agenda is implementation, specifically the capacity to manage and deliver over such a broad front with a wide range of vested and active stakeholders.

Lessons from past World Bank experience.

40. The CAS for FY07-12 was updated in a CAS Progress Report (CASPR) in February, 2010. The CAS was aligned with Ghana's Growth and Poverty Reduction Strategy (GPRS II) which had three broad objectives, to: (i) sustain economic growth of at least 6 percent per year; (ii) surpass the Millennium Development Goal of halving poverty to 26 per cent; and (iii) start to reduce inequalities. The CAS results matrix was organized under three pillars: (i) raise private sector competitiveness; (ii) improve human development outcomes; and (iii) strengthen governance. The CAS included the joint Development Partner's (DPs) assistance strategy (G-JAS) and the WBG strategy component.

41. The Country Assistance Strategy Completion Report (CASCR) for FY07-12 was drafted, subjected to consultations and submitted to the Independent Evaluation Group (IEG). An internal assessment of the CAS FY07-12 was conducted as the first step towards the preparation of the new CPS FY13-16. The dialogue included all key stakeholders in Ghana, MOFEP, the National Development and Planning Commission (NDPC), other line Ministries, Departments and Agencies (MDAs), as well as DPs. The following are the lessons/recommendations obtained from the CASCR:

- a) **The proposed CPS should have relevant indicators to measure progress.** In the last CAS, proposed outcomes could not be assessed properly due to a lack of reliable and timely data from national household surveys. This fact points to the need for the indicators selected for the CPS to be aligned with more regular, timely and available information than national surveys. Also, the CPS should make provisions for delays in the availability of national data that can hinder an assessment of the targets.
- b) **The preparation of the CPS should be aligned with the political cycle.** The Government transition halfway through the CAS implementation resulted in serious portfolio implementation delays and difficulties, given the shift in political priorities, which led to extensive reprogramming under the CASPR.
- c) **Improved project design in future operations is critical to avoid implementation delays and achieve better success in reaching Project Development Objectives.** There should be increased attention to building in a project preparation phase during which to agree on the Development Objectives, relevance and measurability of indicators, strength

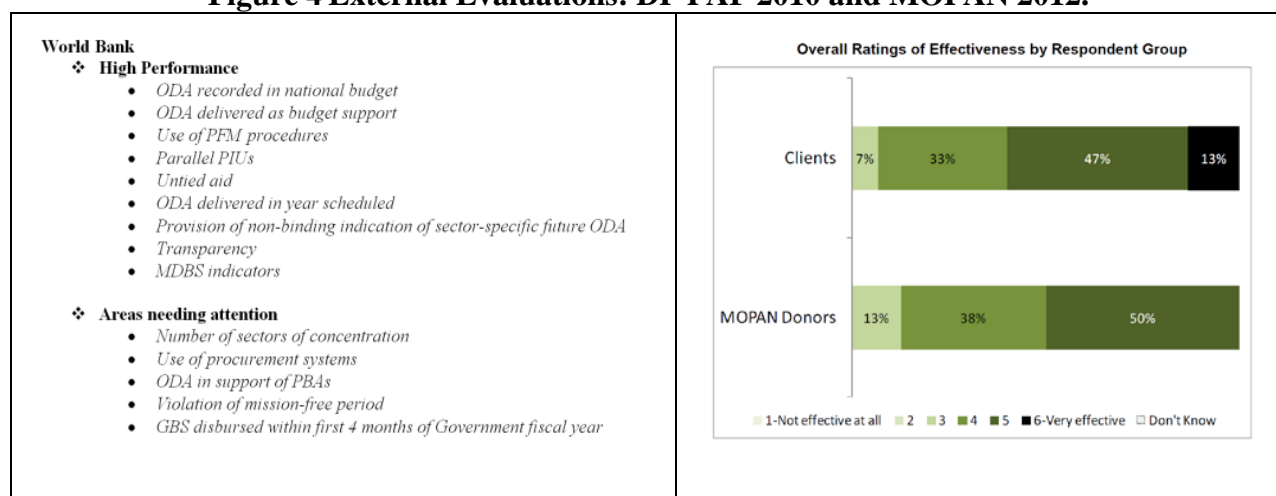
of the M&E framework and the adequate preparation of baselines. Portfolio supervision efforts should continue to create opportunities for Government to take proactive actions for project restructuring, including partial cancellations or retrofitting of older projects to the new Country Financing Parameters. Innovative approaches, such as the E-ISR to improve the feedback from the citizens, should be encouraged. In addition, the use of Project Preparation Advances should be encouraged and should also serve as a vehicle for learning from recent experiences in the operating environment, the capacity constraints, and the inherent complexities in project designs and implementation.

- d) **The involvement of civil society organizations can help reduce transaction costs and promote efficiency, a model worth keeping in mind for future projects.** Evidence of this was seen in the Multi Sector HIV/AIDS program (M-SHAP) operation, which enriched the dialogue in the sector, even though the operation suffered serious setbacks. The implementation of the Bank's Access to Information Policy provided more transparency by ensuring active sharing of the disclosed ISRs and the Aide Memoires with CSOs. Strong efforts should continue to be made to ensure that Aide Memoirs are classified as public and be subject to public disclosure where this has been agreed with the client. It is also important to have broader geographical disclosure of economic sector work and technical assistance, to make sure the WBG's response to Government's knowledge requests is shared with a wider audience.
- e) **More strategic use of grants.** Grants should be streamlined into the WBG's portfolio and should be supervised by the same teams as the related WBG operations to ensure greater synergy and efficiency, better reporting, and cost-effectiveness. There were several events of lapsed grants during the period because of inadequacies in supervision.

42. External assessment: DP PAF. The WBG is subject to multiple external assessments to measure performance in country (see Figure 4). The most comprehensive is the Performance Assessment Framework of Development Partners (DPPAF), which comes from a decision taken during the GoG Multi-Donor Budget Support (MDBS) Retreat and its ensuing High Level Meeting (HLM) of 28 October 2009 to develop the principle of mutual accountability. The purpose of the DP PAF is to: a) selectively monitor the implementation of international statements, notably the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, as well as the obligations under the MDBS; and b) stimulate the improvement of DPs' performance individually and as a group. The DP PAF scored IDA highly on indicators related to aid recorded on budget, use of country systems, and untied aid, among others, but rated it weakly on selectivity. This latter rating reflects IDA's presence across many sectors, partly as a strategic choice, but also often in response to pressures from partners and Government to engage in areas where it is perceived to have strong expertise and knowledge to ensure results.

43. External assessment: The Multilateral Organization Performance Assessment Network (MOPAN). The MOPAN recently conducted an evaluation which involved a series of questionnaires to assess aid effectiveness in 2012. MOPAN has defined organizational effectiveness as the extent to which a multilateral organization is organized to support clients to produce and deliver expected results. Survey respondents were asked to rate the overall organizational effectiveness of the WBG. In the survey ratings of overall organizational effectiveness, the WBG was generally considered to be effective by both clients and MOPAN donors (see Figure 4 below).

Figure 4 External Evaluations: DP PAF 2010 and MOPAN 2012.

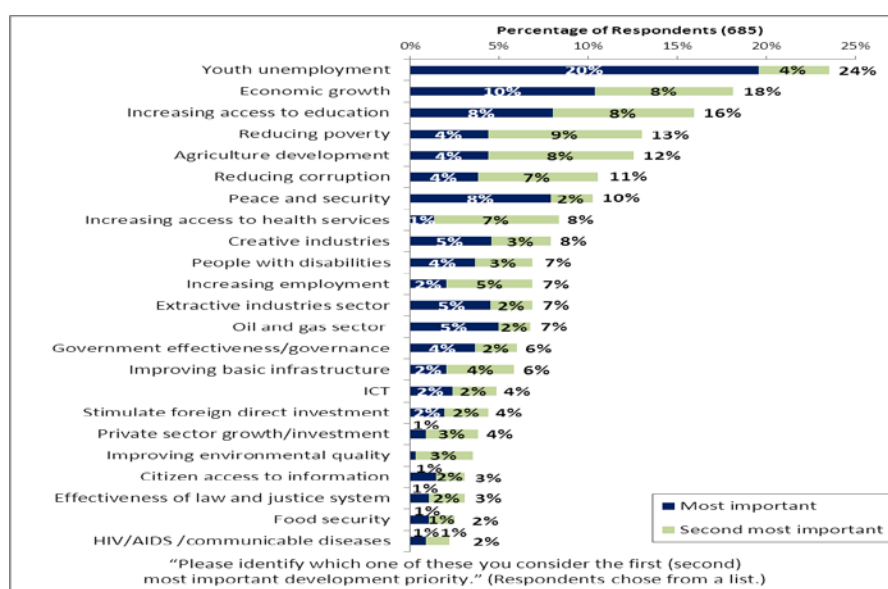


44. The WBG also conducted a Client Survey in September 2011. Clients were asked to identify what they considered to be the first and second most important development priority. Survey findings suggest that respondents’ views on development are quite consistent, with particular emphasis on youth unemployment/employment, growth, education and agriculture; half of respondents noted the leading role of agriculture productivity to poverty reduction and economic growth. While optimism is quite high regarding the country’s future, there is far less optimism about the government’s capacity to take responsibility for development efforts in the country (see Figure 5).

45. When asked where the WBG should focus more, three areas emerged. First, oil and gas where, overwhelmingly, they would like to see more involvement, particularly in technical aspects of the industry and governance and transparency. There is far less support for the Bank’s involvement in quality of public expenditures and management of foreign exchange and revenues. Second, collaboration outside of the national government, with most of the respondents (four out of ten) identifying collaboration with local government and the private sector. Third, knowledge and expertise, especially where this is linked to WBG’s ability to draw on its pool of expertise in policy and economic advice. However, ratings of the Bank’s knowledge in a number of areas have gone down with respect to the perception of the Bank as a source of straightforward and honest advice to the GoG.

46. A review of gender in the portfolio revealed mixed results.¹¹ Projects in Ghana where gender was included went from 67 percent to 86 percent between FY10 and FY12, in line with the Africa Region average. Gender has been included across all sectors, including transport, agriculture, water and sanitation, and education. The inclusion of relevant analysis of gender disparities, targeted actions, and monitoring and evaluation indicators point to the increased attention to gender disparities in projects. A close look at the data shows that the majority of IDA lending is gender informed. Of the 20 representative IDA lending activities, 12 included gender either in their actions (65 percent), M&E (40 percent) or analysis (30 percent). A third of the projects have addressed all three areas. Notably, projects in the area of mining and energy did not include gender at any level.

Figure 5: Responses from Client Survey, September 2011.



The WBG Country Partnership Strategy FY13-16

47. The objective of the WBG CPS FY13-16 is to assist Ghana to sustain economic growth, accelerate poverty reduction and enhance shared prosperity in a sustainable manner. The CPS seeks to support Ghana to consolidate its transition to lower middle income status, address sources of inequality, and help pave the way to access to IBRD.¹²

48. The CPS program is based on three pillars: (1) improving economic institutions; (2) improving competitiveness and job creation; and (3) protecting the poor and vulnerable. These

¹¹ The portfolio review looked at the active and pipeline portfolio from FY10 – FY13 (Q2). The review uses the standard methodology followed across the World Bank by which projects are rated as ‘gender informed’ based on a document analysis of the project documents –from Concept Note to PAD- as well as additional publicly available documents. Projects are considered gender informed at three levels: Analysis, Actions, and Monitoring and Evaluation.

¹² The WBG proposes to conduct a creditworthiness assessment by the second half of the CPS period, to determine whether there is sufficient progress to graduate Ghana to a blend status.

pillars, in turn, are anchored on those of the GSGDA: competitiveness and employment, vulnerability and resilience, and governance and public sector capacity, which together reflect GoG strategic goals of diversifying the economy and sustaining high rates of growth, reducing poverty and inequality in access to basic services and opportunities, and strengthening governance while mitigating and managing risks.

49. The CPS is also aligned with the Compact between the government and its DPs. The Compact is a harmonized strategic framework to support Ghana’s transition to less dependence on official development assistance as further sustained growth enables greater mobilization of domestic resources and greater access to other sources of capital.

50. The following is a more in-depth discussion of the CPS pillars, context, and development challenges, the outcomes expected to be achieved from the current active portfolio, and finally, how the WBG intends to more strategically address these development challenges and improve the efficiency of the Bank’s program to help reduce absolute poverty and enhance shared prosperity in a sustainable manner during the new CPS period.

Pillar 1: Improving Economic Institutions¹³

51. Through Pillar 1, the CPS will focus on strengthening budget institutions and public financial management, reforming SOEs, and enhancing management of natural resources. Outputs under this pillar will support GOG to reduce the risk of fiscal volatility and macroeconomic instability, improve public expenditure and investment management, strengthen the governance and performance of providers of key basic services, and foster more efficient and accountable use of Ghana’s critical land and natural resource endowments.

Outcomes for Pillar 1

CPS Outcomes	Outcome Indicators
Strengthened Economic Institutions and Public Financial Management	
Strengthen public financial management and improve e-governance	<ul style="list-style-type: none"> - <i>PEFA score relating to average expenditure out-turn compared to originally approved budget (eGhana) improved from C to B</i> - <i>Transactions of the main public service targeted by the project (eGhana) increases from 13,223 to 100,000</i>
Strengthen national M&E and statistical system	<ul style="list-style-type: none"> - <i>Proportion of statistical products released in accordance with national statistics release calendar (GSDP) improved from 0 to 50 percent</i> - <i>Statistical Capacity Score (GSDP) increased from 59 to 70</i>
Enhanced Natural Resource Governance	
Strengthen land administration	<ul style="list-style-type: none"> - <i>Turnaround time for title registration (LAP2) reduced from 7 to 2 months</i>
Increase transparency in the oil and gas sector	<ul style="list-style-type: none"> - <i>Oil and gas contracts made available to the public (OGCBP)</i>
Strengthened local government capacity	

¹³ Note: the project names for ongoing projects are quoted in parenthesis in each

Strengthen local government capacity	<ul style="list-style-type: none"> - <i>Variance between MMAs allocations and actual receipts of DACF + DDF +UDG (LGCSP) reduced from 37 percent to 20 percent</i> - <i>Increase in survey scores on citizens' engagement with urban assemblies and their perception of urban management (LGCSP) to 10 percent</i>
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52. Pillar 1 is supported by several operations in the current portfolio, including: eGhana, the Ghana Statistics Development Project (GSDP); the Local Government Capacity Support project (LGCSP); the Oil and Gas Capacity Building Project (OGCBP); and the second phase of the Land Administration Project (LAP2). The eGhana project is financing the roll out of the Ghana Integrated Financial Management Information System (GIFMIS) to allow the GoG to record, monitor and control expenditures approved in the budget. The same project has also enabled GoG to automate the collection of import duties at the main points of entry of imports. The effective and accountable conduct of public policy requires timely statistical data and the GSDP will support GSS to undertake significant institutional reforms to bolster its effectiveness. The GoG also has a policy of increasing the devolution of functions to local governments and providing incentives for more transparent budgeting at the local level and the CPS will continue to support this through the LGCSP. Petroleum sector reforms focusing on strengthening the sector regulators and on training will continue to be supported through the OGCBP. With respect to land reform, the focus is on modernizing the institutions that register land deeds and titles. Specific outcomes and related indicators expected to be achieved through the current portfolio during the CPS period are detailed in the table above. These Pillar 1 outputs are supplemented by new programs reflecting emerging areas of priority and consolidation of current areas of engagement. More detail is given below.

Strengthen Economic Institutions and Public Financial Management

53. Ghana needs robust economic institutions to confront its increasing exposure to international volatility and increased demands on public expenditure arising from the growing importance of oil. The fiscal policy framework has to be such that it compensates for these sources of volatility to fiscal revenues and expenditures. Over the past two decades, fiscal policy outcomes have been very volatile in Ghana, characterized by a recurring pattern of fiscal expansion and ensuing large deficits ahead of elections, followed by the need for strong fiscal consolidation afterwards. The volatility of fiscal outcomes has also been reflected in deviations between originally-approved budgets and actual out-turns, largely due to the lack of an effective and comprehensive expenditure commitment control system to ensure that there will be no overruns and that the composition of the budget will not be altered during budget execution. Fiscal volatility can undermine predictability of fiscal space and funding for service delivery, adversely affecting critical public services to the poor in particular.

54. Ghana has made good progress in strengthening the effectiveness of its Public Financial Management (PFM) systems with the progressive implementation of GIFMIS. Notably, Ghana now has in place systems-based commitment control in budget execution to track public spending across GoG ministries, departments and agencies, from the point of requisition through final payment. This ensures that expenditures and upcoming payment

obligations and expenditure arrears can be both documented and controlled – hitherto, the major flaw in Ghana’s budget execution system and the source of unanticipated commitments and non-transparent financing that undermine budget discipline and effective conduct of fiscal policy. However, the system currently covers only expenditures financed from the Consolidated Fund, which represents less than 50 percent of total budget expenditures, leaving out other significant sources. Similarly, although the Ministry of Finance has recently sought to better coordinate cash planning, cash management remains highly fragmented across multiple bank accounts with both commercial banks and the BoG. Although the Treasury Single Account (TSA) has been established at the BoG, the centralization of cash balances is not yet effective. In all, fragmentation of cash holdings leads to holding more than optimal cash balances, resulting in GoG borrowing more than it requires, given its overall cash resources. A well-established TSA will reduce the borrowing costs of financing the budget. These reforms in policies and procedures as well as the investments in improved systems are currently supported under the ongoing eGhana project but further work to deepen policies and expand scope and coverage will also be supported under the CPS.

55. Variances in programmed fiscal deficits highlight the need for institutional reforms to ensure that fiscal policy choices remain consistent with the maintenance of macroeconomic stability in the face of strong incentives for the exercise of discretion in expenditure choices. While discretion has some benefits,¹⁴ inappropriate use can also result in pro-cyclical policies, increased uncertainty, higher public debt and higher cost of funding, all of which lead to macroeconomic instability. Ultimately, volatility is undesirable; international experience points to volatility adversely affecting growth. In addition, policy volatility that leads to stop-go cycles of public spending is associated with household consumption volatility which, given the concentration of households around the poverty line in Ghana, puts many households at risk of falling into poverty, thus reversing the progress made in poverty reduction in recent years.

56. The transition to lower middle income status will likely result in a relative shift in financing for Ghana’s growing investment needs from concessional to non-concessional sources. As a result of this changing pattern of financing, Ghana will face a rising cost of capital and shortening of debt maturity in funding its public investment program. Ghana’s system for public investment management, especially with respect to project selection, appraisal, implementation and monitoring of projects and guidelines for capital budgeting, will need to be substantially reinforced to meet this challenge. Existing problems in public investment management manifest themselves in the excessive cost and time overruns experienced by public investment projects and the long gestation periods for project commencement owing to inadequate preparation. This underscores the importance of ensuring that policies and economic institutions are in place to increase the productivity of public spending to match the rising cost of public funding. The budget institutions need to support policymakers in keeping an adequate balance between current and capital spending and in ensuring that the investment cycle of project selection, execution, and monitoring works

¹⁴ For example, it helps policymakers respond to unexpected shocks to mitigate adverse effects when financing is available, and it allows elected political representatives to fulfill their mandates through revenue and spending decisions.

adequately to enable the increased revenues from natural resources to be used effectively for public service delivery. The shortening of debt duration, implicit in the shift from concessional to non-concessional borrowing, reinforces the need to have more predictable policies to ensure that other risks, such as liquidity risk or refinancing risk, are not exacerbated.

57. Given current debt levels and the existing infrastructure financing gap, creating the conditions for more private investment in a manner that safeguards public finances is essential. Strengthening governance and reducing technical and operational inefficiencies in the running of state utilities would result in substantial fiscal relief for Government to fund increased investment spending, improve service reliability for the private sector (for which the utilities' outputs constitute a critical business input), and enhance service levels for consumers. Currently, the inadequate regulatory and governance structures for SOEs manifest themselves in poor service delivery, financial losses and debt accumulation, with the latter two obligations routinely passed on to the state. With strengthened governance, better financial management, a more market-based tariff structure and an improved balance sheet, some utilities and SOEs may be able to borrow from the market at better rates and with minimal state guarantees to avoid increasing the public debt and hence the fiscal risks to government. In addition, as the depth and sophistication of the Ghanaian economy grows, opportunities might appear for the transfer of SOEs to the private sector, facilitating the achievement of public objectives through regulation rather than direct ownership.

58. Better governance and regulation of SOEs will lead to more efficient public spending and enhanced delivery of public services. It could also reduce the potential for unfair competition with the private sector due to advantaged market positions and preferential access to finance from state institutions. In addition, the use of government guarantees for SOEs, which involve a legally-binding commitment to assume a specific obligation in case an uncertain event occurs, must be reviewed given that the demand for them is likely to grow as government looks increasingly to the private sector to deliver its expanded infrastructure agenda. Increasing the sophistication of their use through partial guarantee instruments focused on specifically-targeted risks could have significant benefits. To enable this to occur, however, a sound framework within which to manage the fiscal risks that arise through the use of guarantees is needed.

59. During the CPS implementation period, with respect to public financial management, expected results will stem from improved fiscal management and the embedding of a culture of budgetary discipline across the Government, such as maintaining expenditure controls within the confines of the budget originally approved by the legislature. This will be measured by the reduction of the average out-turn compared to the originally approved budget; success should be reflected in a decrease in the PEFA indicator from C to B.

60. Instruments: In addition to the current portfolio, other instruments during the CPS period will include a budget support operation in FY14 (US\$150 million) to support GoG under the Multi-Donor Budget Support framework as it further articulates its medium-term fiscal framework and debt policy. It will support GoG efforts to continue to address regulatory and administrative bottlenecks to efficient cost recovery and improved financial performance in the energy sector, in addition to starting on the execution of its plans for further revenue enhancement and cost containment to stay on track on the estimated budget out-turn for the fiscal year. In FY14, the WBG will support the GoG to strengthen economic and debt

management capacity in the Ministry of Finance through an Economic Management Modernization Technical Assistance Program (US\$10 million). The proposed program will complement GoG's effort to strengthen its budget institutions and reform policies, systems and procedures and adequately prepare key staff to be well positioned to meet the challenges of successful transiting to a middle income country.

61. The CPS also envisions additional support in FY14 (US\$25 million) to Government's ongoing efforts through GIFMIS to reduce budget fragmentation, enhance spending controls through all stages of budget execution, strengthen treasury management and improve the efficiency of budget execution. The CPS will continue the support to the GoG to ensure more effective oversight of all public finances. In this regard, the CPS will continue to support through GIFMIS, the rollout commitment control system beyond the consolidated fund to all funding sources as well to full implementation of TSA process across all public cash balances.

62. Programmatic budget support is envisaged in FY15 (US\$100 million) and FY16 (US\$100 million) that could support, *inter alia*, GoG strategy and programs expected to be developed over the next six months to: i) strengthen the performance and governance of SOEs; ii) reinforce the current system for public investment management; iii) develop and put in place fiscal commitment mechanisms to fully meet GoG's objective of achieving the West African Monetary Zone Convergence Criteria with respect to fiscal outcomes; iv) further strengthen the reduction of inequalities; and v) strengthen debt strategy and management. The budget support operations will be complemented by an enhanced AAA agenda tailored to country demand and developments. A Public Expenditure Review, coupled with analytics on public investment planning and the capital budget execution framework, will be prepared. In addition, a Public Expenditure and Financial Accountability (PEFA) Assessment will review Ghana's financial management systems, processes and institutions. Finally, a Poverty Assessment will be prepared, given that by 2014, results from a new household survey will be available.

63. As Ghana looks increasingly to private sources to finance its public investment needs, the Bank will provide technical assistance to strengthen the management of SOEs and their fiscal commitments, in particular, those related to explicit and implicit sovereign guarantees. The CPS will support AAA on SOE governance processes at the portfolio level, including detailed diagnostics of selected entities. Support will also include technical assistance on strengthening Ghana's fiscal commitments framework in addition to a new Public Sector Reform operation of US\$10 million in FY15. Additional interventions could support the capacity of regulatory agencies to better perform their oversight functions, such as the Ghanaian Institute of Chartered Accountants, the Securities and Exchange Commission, and the BoG.

Strengthen National Monitoring & Evaluation and Statistical system.

64. Ghana has the institutions and the legal framework to support a national monitoring and evaluation and statistical system. These include the Ghana Statistical Service (GSS) and the NDPC. However, these agencies continue to face a number of challenges that have resulted in underperformance and consequent gaps in availability, quality, timeliness and use of M&E information and statistical data. Support for M&E is normally embedded in projects funded by Development Partners (DPs) but this support has rarely been tailored to strengthen the national M&E system in accordance with the Paris Declaration, the Accra

Agenda for Action, and the Busan High-level Forum. This has meant that there was no timely release of statistical data to facilitate monitoring of the Ghana Shared Growth and Development Agenda (Ghana's PRSP) and progress towards MDGs.

65. The situation is improving however, and M&E and statistical development figure prominently in the 2012-2020 DP Compact with the government. There is a GoG commitment to the Joint Agenda for Strengthening M&E and Statistics (JASMES) developed by the M&E Sector Working Group. JASMES is the overarching framework under which the Government and DPs will work together to strengthen M&E and statistics as specified in the Compact. This includes: (a) continuing financial and technical support to the implementation of the GSDP; (b) technical and financial support to strengthening the vital registration system (birth and deaths); (c) review of quality of management information systems in key ministries and their ability to provide comprehensive monitoring data on a timely basis; (d) strengthening not only of institutions that lead on statistics and M&E but also all institutions that provide statistical and M&E data for informing Government; and (e) improving the statistical and M&E literacy of the media and civil society to better demand data and to use data for advocacy and to hold government to account.

66. During the CPS period, the Bank will continue to play a leading role in coordinating support to statistical capacity building through various funding sources, including: i) a Multi-Donor Trust Fund (EU and DFID); ii) a Statistics for Results Facility Catalytic Fund grant; and iii) an IDA credit which partly supports the implementation of the Ghana Statistics Development Plan (GSDP). A Multi-Donor Budget Support Performance Assessment Framework includes three targets (out of 34) on M&E and Statistics. The Bank is also the DP Co-chair of the M&E Sector Working Group. The WBG will work with other DPs to support GoG's efforts to improve the capacity of the national statistical system to produce high quality and timely statistics as indicated by an increase in the WB Statistical Capacity Indicator from 59 in 2012 to 70 in 2016 and to ensure that by 2016, 70 percent of statistical products are released in line with the national statistics release calendar.

Enhanced Natural Resource Governance

67. Ghana's natural resources, both renewable and non-renewable, can drive economic growth and poverty reduction if they are managed sustainably. Beyond non-renewable resources like oil and gas, Ghana's sustainable use of its endowment of other natural resources¹⁵ can lead to improved economic performance, shared prosperity and development prospects underpinning exports, fiscal revenues, and employment. The country's land and oceans provide a tremendous opportunity which, if managed sustainably, can provide for strong long-term development results. With respect to forestry, the gap between the growing domestic demand for wood and the decreasing sustainable supply creates huge pressure on forests and poses a threat but also an opportunity. At the current rate of exploitation, the forest cover could be depleted by 2025. This situation can be reversed by removing the stumbling blocks to legitimate private sector engagement and community participation in forest management, thus harnessing the potential that foresting offers Ghana for diversifying its GDP, generating jobs for its young

¹⁵ Ghana's endowment of natural resources include, among others, gold, cocoa, bauxite, manganese, cocoa, forestry products, and fisheries.

labor force whilst providing global and local common goods. The latter is very important because, despite the overall low carbon footprint in Ghana, adaptation to climate change is a priority to better manage vulnerabilities that lower the quality of life of the population and threaten the stability of the ecosystems.

68. Land Administration. An estimated 80 percent of land in Ghana, across both rural and urban areas, is under the control of customary authorities with chiefs responsible for allocating land in the interest of their subjects. However, customary tenure regimes vary from area to area: only a very small proportion of land is registered and boundaries of different interests in land have not been mapped to any great degree. Even where land is registered, there may be considerable uncertainties about other potential claims to it, depending on the registration regime. As a result, land transactions are complex and uncertain in many cases, and the regularization of land and streamlining of the legal procedures for leases of land for investment purposes has become an increasingly important public policy priority. In rural and urban areas of Ghana, growing population, the diminishing supply of land, inter- and intra-regional migration and urbanization have contributed strongly to a growing demand for land. But the statutory land delivery system, including land use planning, surveying, valuation and registration, and the traditional system that administers land under customary tenure, has been too weak to deliver appropriate services commensurate with the demand.

69. During the CPS period, with the support of the second phase of the Land Administration Project (LAP2), the average turn-around time for land title registration will be reduced from seven months to two. It is expected that the development and implementation of policies and regulations to improve the land management and administration systems will increase national and international investor confidence in the land and other sectors of the economy.

70. Mining. Challenges in the management of the mining sector in Ghana include the tendering of some of the high-grade non-gold deposits in addition to the need to improve the artisanal practices of small scale miners whose growing activity, driven by rising international prices of gold, is having adverse environmental and social impacts. There is also a need to improve revenue collection practices that have lagged as the sector has expanded. A Natural Resources and Environmental Governance Program Technical Assistance (NREGTA) operation for US\$5 million in FY13 will work to assist the GoG in addressing shortcomings in diversifying the mineral base and facilitating access to minerals, including support to tendering processes and infrastructure planning around non-gold deposits. The technical assistance operation will also include institutional capacity building for the mining cadaster office. IFC's Local Supplier Development Program will provide support to the Chamber of Mines to elaborate a framework for Local Business Development Programs (LBDPs) in order to develop local manufacturing capacity to increase supply of competitive goods and services to the mining industry and increase local incomes and employment.

71. Oil and Gas. Transparency in this sector will continue to be improved during the current CPS period, and government programs supported by WBG operations will continue to involve public disclosure of oil and gas contracts. With respect to WBG support to improve efficiency in the oil and gas sector, IFC and Standard Chartered Bank have jointly structured and implemented a US\$150 million trade finance facility which will provide private sector bulk distribution companies operating under a deregulating fuel import market in Ghana. The trade finance facility will provide increased access to essential import financing facilities, including

internationally acceptable letters of credit, needed for increasing imports in the growing private sector market.

Strengthened local government capacity

72. Ghana launched a decentralization policy in 2010 to devolve authority from the Central Government to the local governments. Decentralization of financial resources also implies the need to push public sector reform, public financial management, and legislative reforms at the local government level, to solidify the emerging social contract between citizens and GoG. It is understood that increased local taxation can only be justified by better public service provision at the local level. Monitoring and evaluation needs to be strengthened to measure effective progress in GoG performance and policy implementation and to satisfy citizen demands for transparency and accountability.

73. During the CPS period, the public financial management aspect of decentralization will be improved as measured by a reduced variance between allocations and actual receipts of the three main fiscal transfer instruments—the District Assembly Common Fund (DACF), the District Development Fund (DDF) and the ongoing Urban Development Grant (UDG)—in each year from 37 to 20 percent. In terms of accountability and citizen engagement, the CPS period will see an improvement in the survey scores on citizen engagement with urban assemblies and their perceptions of urban management. This is significant given that Ghana is urbanizing rapidly; in 2010, the country’s urban population surpassed the rural population and the urban population growth rate continues to be high at 3.2 percent p.a. Ghana’s cities and towns face vast challenges in managing urbanization and have so far been unable to meet the growing demands for infrastructure and services, in particular for the poor. This is evidenced by the increasing development of slums and low levels of access to water, sanitation, and other services in urban areas. The challenge is to meet the dual objectives of strengthening accountability of local governments while specifically enabling cities to meet the challenges of urban growth.

Pillar 2: Improving Competitiveness and Job Creation

74. In Pillar 2, the CPS will focus on reducing absolute poverty and enhancing shared prosperity by promoting improved competitiveness and increased employment opportunities. Bank Group support will promote a strengthened private sector, more efficient delivery of infrastructure services and increased efficiency, diversification and improved links to value chains in agriculture, especially for small scale fisheries and small scale subsistence farmers in the North. The current portfolio supporting the pillar consists of programs which provide: (i) incentives to the private sector to improve the skills of the workforce (Ghana Skills and Technology Development Program GSTDP); (ii) decentralized funding to schools in deprived districts (Global Partnership for Education) to improve learning outcomes; (iii) support to partnerships with research institutions to improve varieties of tubers that are resistance to drought and pests (West African Agricultural Productivity Program WAAPP); (iv) increased access and quality of electricity in the region (West Africa Power Pool Project WAPPP); (v) assistance for improved local management of natural resources through community-driven initiatives (GEF - Sustainable Land and Water Management Project SLWMP); (vi) improved

management of fishing stocks at coastal communities (West African Regional Fisheries Project WARFP); and (vii) support for improved facilitation of regional trade flows, including the strengthening of the Abidjan-Lagos Corridor (Abidjan- Lagos Trade and Transportation Facility Project (ALTTFP)).

Outcomes for Pillar 2

CPS Outcome	Outcome indicators
Enabling the private sector	
Improve education	- Students achieving proficiency in English and Math (NEA results for deprived districts) (GPEP) increased from English: 12.4 percent and Math: 9.0 percent to English: 14.0 percent and Math 12.5 percent.
Improve skills development and technology adoption	- Labor productivity by participating firms (GSTDP) increased by 40 percent
Improved delivery of infrastructure	
Increased trade in electricity	- Power losses along the principal transmission interconnection WAPP “Zone A” in Ghana reduced from 4 percent to 2 percent
Improve mobility of goods and passengers	- Condition of road network in good and fair condition – Trunk Roads (all transport project) increased from 72 percent to 88 percent - Border crossing time of trucks/merchandise at Elubo-Noe border and Kodjoviakope-Aflao (ALTTFP) reduced from 36 days to 19 days
Improved management of agricultural sector resources	
Improved land and water management	- Area of land in selected micro-watersheds under new sustainable land and watershed management technologies (SLWMP) increased from 0 ha to 2,000 ha
Increased adoption of new agricultural technologies	- Processors/ producers who have adopted at least one new technology (WAAPPPII) increased from 25,000 to 250,000
Improved management of fish and aquatic resources	- Annual net economic benefits from targeted fisheries (non-motorized marine canoe fisheries only)(WARFP) remains at US\$99,5m

Enabling the Private Sector: Improving the skills of the work force through education

75. With middle-income status, upgraded skills for productivity improvement and competitiveness and higher education diversity and expansion are needed to increase the country’s competitiveness. Ghana’s competitiveness is improving according to the 2012 World Economic Forum Global Competitiveness Index ¹⁶ which ranked the country at 103 out of 144, up 11 places from 2011. However, much more needs to be done to boost the competitiveness and diversity of the non-oil sector in order to drive sustainable job creation. A key element of this will be to leverage existing high capital/low employment extractive industry activities to generate jobs elsewhere in the economy, particularly in potentially ‘job rich’ areas

¹⁶ http://www3.weforum.org/docs/AF12/WEF_AF12_Report.pdf

such as manufacturing. The relative contribution of the manufacturing sector to GDP has declined as the services and extractive sectors have boomed, affecting the sector's access to credit and skilled labor, but there are still niches where employment can be generated.

76. In general, overall enrollment rates in the education system are high, but further progress in completion, gender and geographical parity are hindered by disparities both in funding, quality and access to education services. Illiteracy levels remain high with at least a quarter of the current population illiterate. These gaps are most noteworthy in the northern region of the country. A key GoG priority is to rapidly expand both access and quality to senior high school (SHS) in poor rural and peri-urban areas in order to resolve the imbalance in capacity and decline in access that has emerged over the last decade with a stagnant number of such schools and rapid growth in the eligible student population. This is particularly crucial in the northern regions where the imbalance is amongst the greatest and the evidence strongly indicates that secondary education, in contrast to completion of primary education, makes a significant positive difference for earning prospects.

77. In the more prosperous urban areas, young people are completing basic education in increasing numbers but without additional preparation to participate effectively in labor markets, highlighting the need for more effective technical education. To meet this challenge, Ghanaian tertiary institutions require selective support to enable them to assume the technical and managerial challenges needed to maintain quality and relevance standards. The skill development system needs to provide incentives to improve the informal traditional apprentice system which provides the largest proportion of middle-level skilled workers. Interventions in tertiary and vocational education also need to address gender segregation in vocational training and the increased uptake of apprenticeships among women and young people in general.

78. Results expected during the CPS period include an increase in labor productivity of 40 percent in participating firms as well as an increase in third grade primary students in targeted districts achieving proficiency in English and math (Ghana Skills and Technology Development Project).

79. Instruments: The Bank's current portfolio provides support to basic education in deprived communities through the Global Partnership for Education (GPE) project approved in FY13 (US\$75.5 million). The focus is on improving service delivery in poor rural communities which have limited access to qualified teachers, textbooks and other educational inputs. New IDA operations include a Secondary Education program with a US\$100 million results-based investment operation to enhance access to and quality of senior high schools. In addition, the CPS will provide support to reforms for improved competitiveness in manufacturing (US\$50 million in FY15) and a targeted program for youth employment (US\$60 million in FY14). This operation, the Ghana Youth Employment Project, seeks to support the Government in enhancing Public-Private Partnerships to improve the employability of at-risk youth, i.e., those neither in school nor working. The program will help youth develop a productive work experience through on-the-job training, life skills development, and support for self-employment and entrepreneurship. It will also build transparent systems and responsive information and counseling services for youth, facilitating their labor market insertion through a variety of offers.

80. IFC will also explore the possibility of scaling up its initial commitment in 2009 of a US\$2.5 million senior loan to support the Ashesi University's multi-year infrastructure expansion program. Within the next five years, student enrollment is expected to increase to 1,500 students from the present 484; this growth will require an additional US\$48 million to expand the university's academic, residential and staff housing facilities to support its underlying plans to add engineering, economics and interdisciplinary program faculties.

81. The Bank Group will also undertake extensive analytical work during the CPS period to inform a future program of support targeted at enhancing the overall competitiveness of national manufacturing sector and fostering the creation of sustainable jobs by better analysis of the wide firm-level productivity gap between large and small firms. Analytical work will cover issues such as: i) spatial options for growth in terms of downstream diversification from extractive activity; ii) options for diversification through enhanced intra-regional trade; iii) detailed sub-sectoral analyses of selected high-potential value-chains; iv) case studies on manufacturing success stories; and iv) an assessment of institutional dynamics to identify lessons as to why previous efforts have not met expectations.

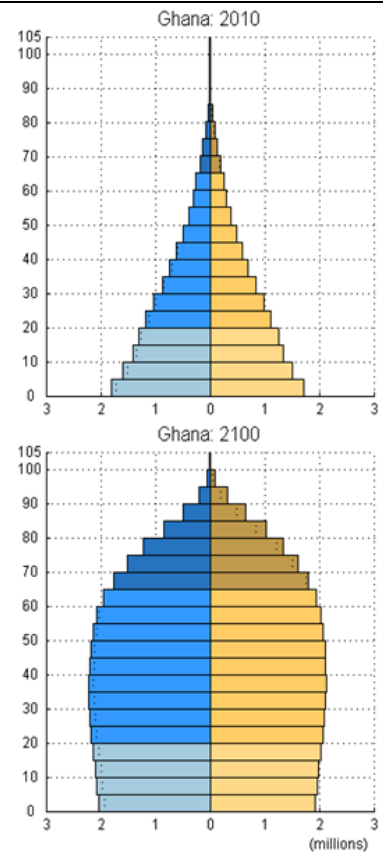
82. Additional CPS support to Private Sector Development. The CPS will also be working on two other major areas that will increase the competitiveness of the Ghanaian private sector. These areas include financial sector reform and increasing the role of Accra as a center for regional business. The CPS results matrix will be updated at progress report time to reflect the development of new programming in this area.

83. With respect to financial sector reform, it is important to note that efficient and accessible financial markets are key to financing the growth needs of Ghanaian businesses, fueling the engine of job creation and advancing Ghana's aspiration to become a finance hub for the sub-region. Steady progress has been made under the Bank-supported first Financial Sector Strategic Plan but major weaknesses in the banking and pensions sectors still remain, compromising the system's ability to mobilize and allocate financial resources to support economic growth and job creation. The most recent Financial Sector Assessment Program (FSAP) review in Ghana (2010) found that widespread under-reporting of nonperforming loans made it difficult to precisely assess the situation. Liquidity problems are emerging in the most distressed banks which together with issues such as high overhead costs, contributes to pushing interest spreads to abnormally elevated levels. Finally, large government borrowing requirements and high yields on Treasury Bills adversely affect both the level of interest rates and lending to the private sector, particularly SMEs.

Box 5: Changing demographics in Ghana.

Youth employment. Ghana's population is young; 40 percent is between the ages of 15-34 years and the youth population will grow until it peaks around the year 2050¹⁷. At ages 30-34 years, 92 percent of men and 87 percent of women in Ghana are economically active¹⁸. Younger people, aged 15-19 years, are much less engaged in the labor market with only three in every ten men and women economically active. With only a share of youth staying in school at this age (only about 10 percent finish high school), many of these youth are likely to be idle. Overall unemployment in Ghana is low at an estimated 3.6 percent: for youth between 15 - 24 years it is at 6.5 percent in urban and 2.2 percent in rural areas¹⁹. More pronounced is the problem of younger workers' under-employment, particularly for those in the 25-35 age range who cannot afford to be unemployed and often work in low wage, low productivity and temporary jobs. Rapid growth of the youth population, together with migration of young people from rural areas to cities has outstripped the demand for urban labor. Young people who start their careers being idle are more likely to have lower wages and more spells of joblessness later in life, because they lose out on the chance to acquire skills and self-confidence in their formative years²⁰.

Job opportunities for youth positively affect their living standards, self-esteem and behaviors. Ghanaian youth interviewed in a qualitative study explain that they value jobs that allow them to acquire new knowledge, skills, and connect with other people through social networks.²¹ There is, however, a risk of having large numbers of disillusioned youth unable to find productive employment in Ghana. Given the current population trends, this situation is not likely to improve in the absence of measures that help young people become better prepared to transition into the labor market. There is a need for diverse pathways into employment – whether self- or wage employment. A recent study found that Ghanaians do not necessarily prefer wage jobs over other types of employment. In fact, owners of informal firms that employ others were significantly happier than people working in the formal private sector.²²



84. During the CPS period, a Financial Sector Technical Assistance project for FY14 for US\$15 million will complement and strengthen regulatory, supervisory and policy-formulating capacity in the sector. In addition, a US\$50 million Development Policy Operation in FY16 will support the design of policies and reforms as part of the GoG's roadmap to strengthen the financial sector. IFC will seek to provide long-term local currency funding for private sector companies, including SMEs. IFC has already obtained approval from Ghana and the eight member countries of the West African Monetary Union to establish a local currency

¹⁷ UN DESA, Population Division (2010), *Population by age groups and sex (absolute numbers)*, http://esa.un.org/unpd/wpp/population-pyramids/population-pyramids_absolute.htm

¹⁸ 2010 Population and Housing Census, Ghana Statistical Service

¹⁹ Ghana Living Standard Survey 5, September 2008

²⁰ The Economist, April 27th, 2013, *Generation Jobless*

²¹ Anarfi, John Kwasi, Nana Akua Anyidoho, and Arjan Verschoor. 2008. "The Economic Empowerment of Young People in Ghana." World Bank, Washington, DC. Processed.

²² Falco, Maloney, Rijkers and Sarrias, 2012. "Heterogeneity in Subjective Well-Being: An Application to Occupational Allocation in Africa. PRWP 6244.

bond program to strengthen domestic capital markets and support private sector development in the region. For Ghana, this means that IFC will be able to issue over US\$1 billion equivalent in bonds over the next ten years to domestic and foreign institutional investors; proceeds will fund IFC projects in key areas such as infrastructure and access to finance for small and medium enterprises. IFC also has a sizeable advisory services portfolio in Ghana with the objective of assisting Micro, Small and Medium Enterprises (MSMEs) and enhancing the business environment. MIGA can also play a role by guaranteeing public sector projects through its non-honoring of sovereign financial obligations product, including credit-enhancement products that could help SOEs extend the tenors and diversify funding sources for loans for projects and investments.

85. Analytical work will support efforts to magnify the attractiveness of Accra as a regional center for business and finance, building on Ghana's positive reputation for overall economic growth, security, political stability and increasing air connectivity with main source markets. Greater Accra Metropolitan Area (GAMA) is home to 22 percent of the population and generates an estimated 25 percent of the country's GDP. The urban population growth of 3.4 percent per annum (up to 6 percent in some metro areas) brings thousands of new settlers and increases the demand for urban services and infrastructure. Accra and other major urban centers attract most of the country's foreign direct investment, generate the majority of employment, and have been on the forefront of Ghana's development.

Improved Delivery of Infrastructure

86. Energy. Ghana is second only to South Africa in SSA in the proportion of households with access to electricity (65 percent)²³. However, the availability, reliability and quality of the service in Ghana remains unsatisfactory as the demand for power is rising sharply, straining the generation and distribution capability of the sector. At current rates of economic growth, Ghana will need about 4,500 MW of generating capacity by 2022, double its current capacity. However, current investment plans including from Independent Power producers (IPPs) are projected to add only about 740 MW, leaving Ghana with a potential gap of over 1,600 MW. The gap is even greater, given GoG's ambitious generating plans that factor in a major expansion in electricity exports, fueled by expected national gas production from its petroleum fields. The cost of generation is also rising as the share of oil-fired plants in the generation mix increases and Ghana awaits development and delivery of its natural gas. Efforts to bolster the energy sector are essential to avoid blackouts and major disruptions to economic and social activities. High-energy losses, exceeding 25 percent at the main distribution company, the Electricity Company of Ghana (ECG), and the reluctance to raise tariffs in line with operational costs have kept IPPs at bay due to unacceptably high ECG payment risk. Similarly, the main generation company, Volta River Authority (VRA), is in dire financial straits, unable to viably sustain an investment program without recourse to huge Government support.

87. Transport. Current WBG involvement in roads has yielded mixed results due to several factors, including lack of project readiness, the rapid increase in lending ahead of the development of implementation capacity, wavering Government ownership of projects, and a possible imbalance between lending and analytical work. More importantly, there are systemic

²³ Ministry of Energy. http://www.energymin.gov.gh/?page_id=78

issues in project execution in the sector which adversely affect the performance of most projects, irrespective of source of financing. The GoG recently requested the Bank to undertake a joint review of the infrastructure portfolio under implementation to identify projects to be restructured and to help put in place processes and systems to ensure adequate monitoring, oversight and implementation support for all major public infrastructure projects, focusing in particular on the roads sector. Important recent developments in the sector include a drive by GoG, supported by the WBG, towards private sector execution of key parts of the roads sector investment program through PPPs.

88. Results: The infrastructure sector of the CPS will be represented by the following two outcomes: i) support the GoG to achieve a reduction in power losses from 4 percent to 2 percent along the principal transmission interconnection in Ghana, as well as the improvement of the efficiency and reliability of the delivery of electricity to final customers; and ii) the percentage of trunk roads in good or fair condition will increase from 72 to 88 percent and border crossing time between Côte d'Ivoire and Togo will be reduced by from an average of 36 to 19 days.

89. Instruments. Analytical work for both energy and transport will be important to the development of the Bank's support to these sectors during the CPS period. An Energy Sector Review, covering upstream and downstream petroleum markets as well as the electricity market, was delivered in FY13. IDA will also support GoG to undertake an in-depth review of road project management practices and systems. This review will facilitate better understanding of the challenges of project management and delivery of project results in the sector and facilitate consolidation of the performance of existing portfolio by working with the GoG to address implementation issues and take appropriate actions to manage prospective unsatisfactory results in FY14. In addition, the WBG will provide advisory and technical support to identify options for rehabilitating Ghana's major airports through PPPs and support for any ensuing transactions, deploying relevant WBG instruments.

90. For new energy and transport operations, the WBG will deploy a variety of results-based instruments and guarantees tailored to the diverse challenges facing the sectors. Direct lending to the energy sector in FY14 (US\$200 million) will use results-based support anchored on operational, commercial and policy performance indicators that have a clear link to financial viability in the sector. The Bank will also support the sector in mobilizing private investment and preparing utilities to tap the capital market. Emphasis will also be placed on improving sector planning and regulation; priority will be given to providing access to off-grid electricity for the most remote communities and better targeting of subsidies for the poor.

91. The WBG is also ready to offer a variety of financial instruments for non-associated gas projects, gas infrastructure development, and technical support to small- and medium-sized enterprises (SMEs) linked to the oil and gas industry, among others. Grants from Norwegian trust funds are expected to finance some WBG-administered technical assistance activities, building on ongoing collaboration with Norway in the Oil and Gas Capacity Building Project. With respect to financing energy generation, IFC is investing US\$80 million (FY13) in the Takoradi 2 Expansion Project that will increase installed capacity from the current 220 MW to 330 MW and will continue to seek other IPP opportunities. MIGA currently has guarantees associated with the completion of the Takoradi 3 Power Plant, which will expand the existing Takoradi T1/T2 power plant complex in Shama and is also supporting, through their Small Investment Program, the establishment of a greenfield company, Takoradi Renewable Energy

Ltd. This company plans to promote biomass generation from old rubber trees in plantations in the country's western region for export to European markets. The project also facilitates the replanting and rehabilitation of rubber trees, thereby improving the sector's sustainability.

92. Other contributions to the infrastructure sector during CPS period will include support for the information and communications technology (ICT) sector, which has experienced tremendous growth over the last decade in response to sector reforms. Over 80 percent of Ghanaians have access to mobile phones but less than 10 percent of the population uses internet, although access to it via mobile phones is increasing as both device prices and access charges are falling. The GoG, with extensive WBG support, has leveraged ICT substantially to improve governance and efficiency of public services with the automation of key agencies, including revenue, immigration, justice, parliament and procurement. Ghana has also made progress in developing an embryonic IT/IT-enabled services industry, which currently employs around 7,500 jobs, 52 percent of which are filled by women, and there is far greater potential.

93. The WBG will continue to support the modernization of the regulatory framework in telecommunications to allow more competition in broadband and other telecommunication services. AAA for designing a Digital Economy Strategy is planned for FY15. The new eTransform Ghana Project (FY14) includes targeted interventions to make it easier for citizens to engage in online transactions, increase social inclusion, and improve confidence in payment systems through better identification and authentication systems. Robust electronic identification systems will improve social protection targeting services to defined demographic segments such as the identified poor. IFC will continue to support the private sector in telecommunications in the areas of broadband (wholesale and retail) as well as more telecommunications infrastructure build-out, as appropriate opportunities arise. Current IFC loans include a US\$100 million loan to Vodafone Ghana, and a US\$90 million loan to Airtel Ghana. MIGA is providing insurance coverage for a US\$110 million equity investment in Scancom Ltd. of Ghana by Investcom Holding S.A. of Luxembourg for the expansion and upgrade of their network in Ghana, with the goal of increasing population coverage and alleviating network congestion. MIGA will continue to seek opportunities to support the sector.

94. The WBG will also promote the participation of the local construction sector so that local contractors can better participate to the growing demand for infrastructure and residential building which has fuelled a rapid expansion in construction. This sector continues to serve as a major source of better-paying jobs, especially in the rapidly-growing capital city of Accra, and a successful path to exit poverty for many families. Although foreign firms account for the majority of large contracts, there are an estimated 15,000 predominantly family-owned local firms at the small to medium end of the scale focusing on road construction, building and civil works. Most local construction firms face financial, technical and managerial constraints that hinder their ability to compete successfully for major infrastructure projects. Constrained balance sheets and difficulties in accessing formal finance means that the requirement to post bid bonds for larger projects and delays in payment by government act as a significant drag upon local participation in larger opportunities. On the regulatory front, a weak registration regime and deficient oversight by government agencies undermines the process of enhancing the professionalization of the sector and its ability to deliver quality outcomes. The CPS AAA agenda will include a diagnostic on the bottlenecks that construction companies face at the local and national level.

Improved management of agricultural sector resources

95. Demand for food will double within the next 25 years²⁴. The country has ample potential to meet the rising demand in agriculture and fisheries that are major employers for both men and women. Fishery is relatively well developed and contributes some 4.5 percent of GDP and employment for as many as 2.2 million people; the sector retains considerable upside potential. Rural agricultural areas in the North, however, have remained at the margin of the country's economic growth and need to be integrated. In those areas, farmers, and especially women, are engaged in subsistence food crop farming, producing over 70 percent of food crops. They are hampered, however, by poor links to value chains and little access to information, improved technologies, land and credit. As noted earlier, the limited engagement in cash crops has meant lower incomes and less vigorous rural development in the northern regions, in contrast to the experience in the south, accounting for the growing geographic disparity in poverty rates. The capacity of the country to meet rising food demand domestically will depend on creating conditions for further productivity gains that build resilience and mitigate the risk of a loss of competitiveness associated with the potential "Dutch Disease" effects of the emerging oil economy. Actions are also needed to mitigate the volatility from climate change as well as the volatility present in global markets.

96. Results during the CPS period in the agricultural sector will include: i) adoption of new production and processing technologies by 250,000 processors and producers; ii) increased focus on sustainable land management, with the area in selected micro-watersheds that are under sustainable land and watershed management technologies increased from 0 to 2000 hectares; and iii) in fisheries, the annual net economic benefits from targeted fisheries with non-motorized marine canoe fisheries will remain at US\$99.5 million.

97. Instruments. The WBG will consolidate progress in the ongoing implementation of its substantial portfolio, which focuses on enhancement of productivity through development and dissemination of technology and support of out-grower and PPP irrigation schemes, placing special attention on smallholders in the North and on women. New lending will include Additional Financing for the GEF Sustainable Land and Water Management Project (SLWMP) to support improved sustainable land and water management practices aimed at reducing land degradation and enhancing maintenance of biodiversity in selected micro-watersheds. It will also strengthen spatial planning for identification of linked watershed investments in the Northern Savannah. Following severe flooding in 2012, the Ghana North Flood Hazard Assessment identified interventions and developed a real-time flood forecasting system for the river. In coordination with the Ghana Meteorological Agency (GMet), the Water Resources Commission is considering WBG support that would introduce international standards for forecasting and thus improving service delivery to agriculture, hydropower, oil and gas, civil aviation and fisheries.

98. An ongoing AAA, to be finalized in FY14, will review the likely regional development impact of access to irrigated acreage and electricity arising from the proposed development of a dam in Pwalugu in the north of Ghana. This detailed study would have a special focus on the

²⁴ GSS, 2010 Census: Population doubles by 2038. Increased food intake requires food supply to double roughly by 2035.

impact on the poor engaged in agriculture who are currently vulnerable to repeated cycles of floods and droughts.

99. IFC is also ready to assist private partners involved with the PPP schemes, both in the Accra Plains in the South as well the north of Ghana. IFC is developing opportunities in agribusiness in both cash and food crops, and direct and wholesale investments. The IFC agriculture strategy includes identifying opportunities along the entire value chain and deploying structured financial products. An example of this approach is IFC’s work with Stanbic Ghana, providing short-term working capital credit lines and guarantees to eligible Licensed Buying Companies to support the procurement of cocoa beans from small rural farmers for the 2009/10 crop season. During the CPS period, MIGA will continue to seek opportunities to support private investments in the agribusiness sector where its Small Investment Product (SIP) in particular could also be useful to support smaller projects.

100. **The CPS will also address climate change issues through support for Reducing Emissions from Deforestation and Forest Degradation (REDD) and programs focused on attention to water management and land degradation.** A Forest Carbon Partnership Facility (FCPF) in FY14 for US\$30 million will support transformational change in Ghana’s forest-related policies and practices by piloting and validating replicable models of private sector engagement (e.g. PPP) and participatory forest resource management. The grant will support Ghana’s Forestry Investment Plan (FIP) which will include landscape-level interventions aimed at supporting the forest sector through devolving management rights to communities and efforts to improve the enabling environment for private sector engagement through capacity building and investments. The FIP will be complemented with a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (US\$5.5 million) that will provide resources directly to community groups to build their capacity to engage on the FIP program. Under the program, IFC has been allocated US\$10 million to identify viable private sector projects. These funds are to be lent to the private sector on a concessional basis, leveraging IFC’s normal financing programs in the agricultural sector.

Pillar 3: Protecting the Poor and Vulnerable

101. The current and programmed operations under Pillar 3 of the CPS have the greatest potential to support the government’s efforts to make significant progress in reducing absolute poverty in Ghana in the medium term. Current or recently-finalized health, education and social protection programs will be scaled up based on lessons learned and improved targeting mechanisms. Examples of these include the Nutrition and Malaria Control for Child Survival Project (NMCCSP) and the Health Insurance Project (HIP). The objective of the NMCCSP project, which closed in March 2013, was to improve utilization of community-based health and nutrition services targeting children and women.

Outcomes for Pillar 3

CPS Outcome	Outcome indicators
Expansion of social protection	- Beneficiaries of safety net programs and labor-intensive public works programs (females) (GSOP) increased from 80,000 (15,000) to 156,800 (40,000)
Improving access to health services	
Improving maternal health	- Births (deliveries) attended by skilled health personnel

	(HSSP) increased from 59 percent to 70 percent
Increase access to improved water supply and sanitation	- People in poor urban and rural areas provided with access to improved water sources (SRWSP, GAMA, UWP) increased by 1,350,000
	- People in poor rural areas with access to improved sanitation under the project (SRWSP) increased from 0 to 600,000

Expansion of Social Protection

102. The CPS will support efforts to strengthen the relevant GoG institutions in order to increase efficiency in the use of resources designed for social protection, given that pro-poor programs in Ghana are fragmented and poorly targeted. It is estimated that the amount of resources devoted to pro-poor programs could be enough to meet Ghana’s needs if adequate mechanisms for more transparent and clear targeting to reach the poorest were fully adopted. Such an approach could also help improve the effectiveness and quality of public services in education, health and water and sanitation. With DPs and WBG support, Ghana has made important strides in developing and applying a targeting tool based on a Proxy Means Testing (PMT) approach. In order to modernize the functioning of Ghana’s social protection network, a scaled-up common targeting system would be linked to the national electronic biometric ID that GoG plans to introduce, in addition to secure IT platforms for electronic payments for the LEAP program. Modernization would also require strengthening the capacity and systems of the implementing agency, including strengthening its governance and introducing a robust grievance mechanism as well as enhanced monitoring and evaluation.

103. Results. In order to reduce absolute poverty and enhance shared prosperity during the CPS period, the current portfolio will support an increase in the number of beneficiaries of safety net and labor intensive public work programs from 80,000 to 156,000, of which 15,000 and 40,000 respectively will be women.

104. Instruments. In addition to the program currently under implementation, the CPS will support the government to roll out the national targeting system by providing support for the PMT survey, logistics, linkages with the national ID system and related activities under a proposed Technical Assistance Project in FY14 (US\$ 50 million). This project would also support the strengthening of the administrative systems and capacity of the Department of the Ministry of Gender, Children and Social Protection, responsible for oversight and support of LEAP. This will be followed by a proposed results-based operation in FY16 (US\$100 million), scaling up the engagement started under the Bank-supported Ghana Social Opportunities Project (GSOP). The program will focus on achieving results on the ground in terms of safety net coverage, targeting efficiency, electronic payment expansion, and human development outcomes.

105. Support to LEAP will be a key CPS activity to reduce extreme poverty and enhance shared prosperity. Cash transfers targeted to the poorest under programs such as LEAP will help improve productivity and create better conditions for growth and shared prosperity when they are used to generate additional employment, for instance, in the agriculture off-season. It is estimated that if LEAP were to cover all households in the bottom

quintile (about 800,000 households) the cost would about GHc 400 million, compared to an estimated total cost of GHc 2.1 billion provided for energy subsidies in 2012.

Improving access to health services

106. Some of the major challenges in Ghana's health sector include: (i) the need to improve utilization and quality of health services through greater community involvement and more responsive service delivery in order to achieve the health MDGs; (ii) inequity in health and nutrition outcomes and access to services due to both financial and non-financial barriers, including transportation costs; (iii) low enrollment of the poor in the national health insurance scheme; (iv) low outcomes and quality in some regions; (v) low productivity and performance of health service providers; and (vi) the need to enhance of the efficiency and sustainability of the NHIS in light of its potential to improve financial access to health care for poor women as well as the country's future fiscal space.

107. Overall, health service use has increased in Ghana among all economic groups, including the poor, who are well represented. The increased use of health services is attributed to the fact that GDP per capita has been steadily rising, and there has been an increase in access (geographic and financial) to health facilities and services, given government's intervention to increase budget for health, to finance non-public sector facilities, to support decentralization, and to improve public-private partnerships, including through the community-based (CHPS) programs. The poor who are enrolled in NHIS are more likely to use public facilities than the poor who are not enrolled.

108. Despite progress, however, Ghana's child and maternal mortality rates are unacceptably high given its income level. Between 1990 and 2008, under-five mortality declined from 119 to 80 deaths per 1,000 live births and infant mortality from 66 to 50 deaths per 1,000 live births according to Ghana Demographic and Health Surveys (GDHS). The Maternal Mortality Ratio (MMR) fell from 740 in 1990 to 350 in 2008, constituting a reduction of 42%, but more needs to be done to achieve the health-related MDGs: 1c (proportion of children under five who are underweight); 4 (reduce child mortality by two thirds); and 5 (maternal mortality reduced by three quarters). The major direct causes of maternal mortality are pregnancy-related complications such as severe bleeding (hemorrhage), untreated hypertensive disease, infections, and abortions. Lack of education for women and girls also results in barriers to accessing health information and services, reduces the likelihood of women and girls utilizing modern health services, and increases the chances of early marriage and consequent pregnancy.

109. Delivery by a skilled health provider is low nationwide (59%) and is very low in the Northern region (27%). Post-natal care coverage is also low (23%), as is the percent of women using modern family planning methods (17% nationally and 6% in the Northern region). The poor coverage and lack of or limited access to maternal health services and high TFR has contributed to the high MMR. Although free maternal care was offered to all residents regardless of their economic grouping, the low enrolment in the NHIS is suggestive of the newness of the program in 2008, and of fewer beneficiaries being informed of this benefit. The low service use is also evidence of the burden of nonmedical expenses to the poor (for example, transport).

110. Results. Over the CPS period the percentage of births (deliveries) attended by skilled health personnel will increase from 59 to 70 percent. However, in order to improve health outcomes in a sustainable manner, water and sanitation services need to improve as well, in tandem with improvements in health services. Access to safe water and sanitation would reduce the outbreak of diseases such as cholera, diarrhea, and other communicable diseases, which would also lead to improvements in child health (MDG 4).

Box 6: Ghana and the Health-Related MDGs²⁵

During the economic crises (1998–2003), Ghana was off track in meeting its MDG targets but began to recover momentum again from 2003–2008. Nevertheless, without accelerated and sustained efforts, it is unlikely that Ghana will meet all the targets of the 4 health-related MDGs.

Ghana may meet its child mortality targets but an accelerated effort is required to target cost-effective interventions and focus on neonatal age groups, the poor and underserved regions, such as the north. The recent momentum evident in under age five mortality after 2003 suggests a greater likelihood for Ghana to meet MDG targets by 2015. The child mortality rate for those under age five is at 80 per 1,000 live births (2008), a considerable improvement from 2003's 111 per 1000 live births. Neonatal deaths are 60 percent of all infant deaths. Nevertheless, the vulnerability of children goes beyond income profiles; living environment also influences their health outcomes, for example, access to sanitary conditions which remains poor in the country. The maternal mortality MDG has been off track for some time and is unlikely to be met. The Maternal Mortality Ratio (MMR) was above 600 (ranging between 610 and 720 in 1990) per 100,000 live births, but has decreased by 40 percent in the past two decades (ranging between 350 and 451 in 2008). However, this momentum is not enough for Ghana to meet its MDG target of 160 by 2015. Skilled delivery is 59 percent nationally, yet wide disparities exist across regions, rural–urban areas, and income profiles. The Northern region reported the lowest proportion of delivery by skilled attendants (27 percent); rural areas (43 percent) have lower rates than urban areas (84 percent) and the lowest wealth quintile (24 percent) reported rates significantly lower than the highest wealth quintile (95 percent) (2008).

The outlook for the reduction in prevalence of communicable diseases is inconsistent but it is expected that MDG targets for communicable diseases, such as TB, malaria, and HIV/AIDS, will not be met. HIV/AIDS prevalence has declined and is among the lowest in SSA but the incidence of malaria remains high. The reduction of TB prevalence has not shown significant progress needed to meet MDG targets. Although Ghana is reported as having attained the MDG target of halving the population without access to improved water, service expansion lags behind population growth in urban areas. Between 1990 and 2010, the urban population grew by 5.4 million without the corresponding expansion in piped water supply, affecting particularly the poor who end up paying ten times and, occasionally, up to one hundred times the utility's domestic tariff.

111. Instruments. The CPS includes two new health operations in FY14 to support the GoG in addressing the multiple challenges mentioned in paragraph 107. The first operation, the Maternal and Child Health Improvement Project (US\$ 68 million), will focus on improving basic services and reducing geographic and demographic disparities, with particular attention to maternal and child health services. These services will include improving the utilization of

²⁵ The World Bank. The Health Sector in Ghana: A Comprehensive Assessment.

community-based health and nutrition services by women of reproductive age, pregnant women, and children under the age of 2 years. This project will be complemented by a companion operation, the Health Systems Strengthening Project (US\$50 million), which will be implemented in parallel and geared towards increasing the efficiency of the National Health Insurance Scheme (NHIS) to ensure its sustainability, improve coverage of the poor, and improve utilization and quality, especially the quality of maternal health services.

112. IFC has signed a Financial Advisory Services Agreement with the Ministry of Health to provide advisory services to the health sector to engage a private sector entrepreneur to invest and manage the diagnostics and imaging services of the country’s premier hospital, the Korle Bu Teaching Hospital. This is the first health PPP to be attempted by the GoG. MIGA is also actively pursuing opportunities in the health sector.

113. The CPS will also provide support for a pilot investment in community-driven urban sanitation in the Greater Metropolitan Area of Accra (GAMA) under the FY14 Greater Accra Metropolitan Area Sanitation and Water Project (US\$150 million IDA Grant) to search for sustainable urban sanitation solutions. In addition, two AAAs will be undertaken over the CPS period to: (i) define the cost of inefficiency in water and sanitation services through an analysis of the associated costs to rehabilitate existing infrastructure instead of extending water and sanitation services; and (ii) assess the cost of inadequately managing water resources through detailed analysis of the results of pollution of the country's water.

114. With Bank Group support, as additional 1.35 million people will have access to improved water sources and an additional 0.6 million people will have access to improved sanitation. IFC, in collaboration with IDA, will support increased access to water for Accra by improving infrastructure with the Asutuare Water (PPP) project. MIGA currently supports the construction and operation of a seawater desalination plant in Accra by Befesa Desalination Developments Ghana Ltd. which aims to improve the security and quality of the water supply in the Teshie-Nungua area of the city. MIGA is currently considering two new projects to support access to water and sanitation, consistent with the government’s strategies and priorities.

Implementation of the CPS

115. Ghana is an important client for the WBG; currently, total WBG exposure is approximately US\$3.49 billion. The current portfolio consists of US\$2.26 billion of credits and grants from IDA, US\$309 million from MIGA, and committed exposure in Ghana is US\$871 million for IFC's own account, or US\$925 million including B-loan and syndicated loan exposures. Disbursed and outstanding exposure in Ghana is US\$535 million for IFC's own account, or US\$590 million including B-loan and syndicated loan exposures. Close coordination between the members of the WBG will be essential in delivering the agreed CPS program to achieve reductions in extreme poverty and enhance shared prosperity during the next four years.

Box 7: Ghana CPS IDA Indicative Lending and IDA/IFC Key AAA Program, 2013-16

	IDA Lending	Key AAA
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CPS Pillars	FY 13	FY 14	FY 15	FY 16	FY 13-16
Pillar I - Improve Economic Institutions	NREG TA Grant	Public Sector Reform Project Public Financial Management Support Economic Management Modernization	DPO- Macro Stability for Competitiveness	Macro Stability for Competitive-ness II Financial Sector Development Policy Operation	<ul style="list-style-type: none"> • Natural Gas Pricing Policy • Urban Local Government Exchange • Aid Coordination • Disaster Preparedness & Watershed management • Ghana Financial Sector Note • Political Economy of Natural Resources • State Owned Enterprise Governance • Financial Sector Review • Public Expenditure and Financial Accountability
Pillar II - Competitiveness and Job Creation		Secondary Education Program eTransform Ghana Youth Employment Financial Sector TA	Energy Results Based Operation Manufacturing Competitiveness	Roads Results Based Operation	<ul style="list-style-type: none"> • Pwalugu Multipurpose Dam • Energy Sector Review • Increasing Access to Market-Based Fin • Prioritizing Infrastructure Investment • Urban Review • Local Government PPPs • Agricultural Sector Review • Digital Economy Strategy • Investment Climate Assessment • Developing Accra into a Regional Business Center • TA for COCOBOD • Road Sector Review • Public Expenditure Review – Education • Diagnostic on the construction industry • Western Regional Development
Pillar III – Protecting the poor and the vulnerable	GAMA Sanitation and Water Project	Mother and Child Health and Nutrition Improvement Project Integrated Health Systems Strengthening Common Targeting TA		Social Opportunities Project Additional Financing	<ul style="list-style-type: none"> • Institutional Options Urban Water and Sanitation • Support to a Common Targeting System • Impact Evaluation of Education • Poverty Assessment • Cost of Water and Sanitation for the poor • Cost of running water and sanitation

116. The strategy incorporates a substantial current IDA portfolio consisting of 25 operations during the CPS period for a total commitment of US\$1.5 billion in addition to 8 regional operations with an additional net commitment of US\$752 million. The investment operations are in the following areas: infrastructure, human development and competitiveness (see Box 8). Infrastructure sector accounts for approximately 56 percent of net commitments and investments with a focus on trunk, urban and feeder roads, urban and rural water and

sanitation, and energy. Human development represents 9 percent of net commitments and is concentrated in support for the national social protection network, the modernization of the National Health Insurance Authority, and the strengthening of vocational training.

117. The competitiveness agenda, 21 percent of net commitments, includes a PPP program as well as engagements in agricultural, fisheries and land administration. Public Sector Reform operations (14 percent of net commitments) support the GoG's decentralization agenda, the strengthening of the Ghana Statistical Service in addition to the Ghana Integrated Financial Management Information System (GIFMIS), and the development of e-government applications, in particular for immigration and customs revenue management. During the CPS period, several current operations can be restructured and the unused IDA resources from these exercises will be used to finance new operations or additional financing for selected operations in the current portfolio.

118. The indicative IDA allocation for the new four-year (FY13-16) CPS period will be approximately SDR927 million (approximately US\$1.39 billion).²⁶ This indicative amount reflects the confirmed SDR allocations of 205.8 million and 257.9 million, respectively, for FY 13 and 14, and the annual IDA16 average of SDR226.63 million. The same annual averages are assumed for each of the two IDA17 years (FY15 and FY16).

119. The WBG's knowledge agenda will be even more critical during the CPS period as more sophisticated demands for analytical work and technical assistance are likely to arise, to support and inform financial sector reform, the nascent oil and gas industry, the roll out of PPPs for infrastructure, and options to boost competitiveness and economic diversification as a means of driving job creation. Already, some AAA is being prepared in parallel to the CPS to improve knowledge about poverty, gender, the financial sector, agricultural spending, among others.

120. Trust funds will continue to be an important source of funding during the CPS period, but they will be streamlined more effectively into the Bank's portfolio. When possible, trust funds will be supervised by the same TTL as the related Bank operation to ensure greater synergy and efficiency, better reporting, and cost effectiveness. At the time of the preparation of the CASCR (3/1/2012), there were over 81 active trust funds. As of end-May 2013 there were 59 trust funds, a sign that the rationalization process has been advancing well during FY13. Sixty-six percent of the currently active trust funds are Bank-executed, the majority of which are funding analytical work, IFC advisory services and, in some cases, supervision of major programmatic trust funds. By end-CY13, 32 trust funds (54 percent) will be closing, and new proposals will be screened for relevance, efficiency and synergy with the CPS. Major programmatic trust funds going into the CPS period include multi-donor trust funds for energy, education, fisheries, land, transport, and the REDD.

121. Flexibility with a long-term engagement perspective is embedded in the design of the CPS. Flexibility will be needed in order to allow for appropriate responses to changing country circumstances or to take advantage of evolving development opportunities, including

²⁶ The final IDA allocations will depend on: (i) total IDA resources available, (ii) the country's performance rating, GNI per capita, and population; (iii) the terms of IDA assistance (grants/credits) and the allocation deductions associated with MDRI annual debt service foregone; (iv) the performance, other allocation parameters, and IDA assistance terms for other IDA borrowers; and (v) the number of IDA-eligible countries.

new provisions under the Investment Project Financing preparation guidelines in situations of need of additional resources for capacity constraints, additional financing and project restructuring. The midterm CPS Progress Report will take stock of the evolution of the lending and knowledge program, and based on analytical work and the availability of IDA17 resources, will adjust the lending program. Complementarity, comparative advantage, and responsiveness to the client will determine future specific interventions.

Box 8: Ghana: Active WB Portfolio

Sector/Theme	Commitments (US\$ million)	Undisbursed (US\$ million)	Average age (years)
Infrastructure	1,268	777	4.8
Competitiveness	465	354	3.1
Public Sector Reform	326	264	2.5
Human Development	199	130	3.9
Environment	8	6	2.2
Total	2,266	1,531	3.8

Regional Integration

122. Ghana is an important stakeholder in six West Africa regional projects in the following sectors: transport; energy; agriculture; and trade. These operations represent a total net commitment amount of about US\$750 million. In transport, the Bank and other donors are supporting two regional corridors, the Abidjan-Lagos Corridor along the coast, and the highway linking Bamako, Ouagadougou and Tema. In energy, Ghana is an essential player in the West Africa Power Pool, which has laid out a power transmission grid that interconnects the region. In agriculture, the West Africa Agricultural Productivity Program is disseminating innovative technology approaches for growing local crops as well as the use and marketing of traditional staples. Ghana is also part of the regional fisheries project. Going forward, the key area of engagement on the regional agenda for Ghana is trade and the elimination of non-tariff barriers in intra-ECOWAS trade, particularly in agriculture, manufacturing and services. The WBG will support Ghana through related analytical work supported under the programs of the Africa Regional Integration Unit and policy notes to be prepared jointly by the Ghana CMU and neighboring country CMUs in areas of mutual interest, as mutually identified and agreed through the annual work programming exercises.

Partnerships

123. Partnerships have been an integral part of Ghana’s framework to ensure aid effectiveness. Ghana’s Aid Policy and Strategy, 2011-2012, defined key structures for coordination, including a Multi-Donor Budget Support Group, Sector Working Groups, and a Government-Development Partner Group (GDPG) that was created to act as the highest-level aid coordination group. DPs organized themselves into heads of cooperation (HoCs) and heads of missions (HoMs); this second group provides broad strategic guidance to the HoC Group and

serves as a platform for knowledge and information sharing on significant development issues and political developments. The WBG has played an active and leading role in the aid effectiveness dialogue and aid coordination structures in Ghana, and currently serves as the permanent co-chair of the HoMs and MDBS and a member of the GDPG. IFC participates in the HoMs and HoCs, bringing in its private sector knowledge and perspectives.

124. At the same time, the relevance of the current partnership mechanism is now under question. This is due to the sheer breadth and complexity of the sector dialogue (37 sector working groups) and the high transaction costs involved in reaching consensus that severely taxes the capacity of all partners, particularly that of the government. Longstanding concerns about the mechanisms for coordination are now being discussed with DPs and the GoG, including the need to define a more strategic and efficient mechanism to define, agree and review priority areas of focus for the MDBS process.

125. Beyond making coordination and partnership more efficient and strategic, Ghana’s recent declining aid dependency (Box 9) presents additional challenges and opportunities. Ghana’s aid dependency will likely continue to decline, reflecting both Ghana’s growth prospects and constraints on aid flows that reflect fiscal pressures in donor countries and shifting aid allocation strategies (away from middle income countries) in response. The need for Ghana to mobilize increasing volumes of relatively non-concessional financing for infrastructure and to mobilize domestic and external private investment capital and expertise to propel economic growth and diversification will take on increased importance. At the same time, the role of DPs, including the WBG, will continue to be critical in helping Ghana expand and strengthen basic service delivery and strengthen institutional capacity to manage the economy and safeguard against risks and shocks.

126. The challenge for this CPS period is how to transform the role of partners to go beyond providing aid to adding substantial value to Ghana’s efforts in fostering new partnerships for trade, investments, and other commercial activities. The HoCs is currently reviewing how to respond to these challenges and renovate the architecture for donor coordination and dialogue to more fully recognize the emerging importance of the private sector and newer, non-traditional partners, drawing on lessons from the experience of comparable countries.

Box 9: Official Direct Assistance to Ghana: Long-Term Trends

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net ODA received (percent of central Government expense)	..	64.5	55.6	58.6	68.1	47.2	39.0	26.5	22.3	33.8	26.1
Net ODA received (as percent GDP)	12.0	12.1	11.1	12.9	16.0	10.7	6.1	4.7	4.6	6.1	5.3
Net IDA received (as percent ODA)		24.7	13.7	25.0	20.8	27.8	21.6	20.9	21.1	15.7	18.8

Source: World Bank, DDP Time Series

127. Notwithstanding the strategic and operational challenges facing the partnership framework for GoG and DPs coordination, the HoCs has provided a useful and effective forum for ensuring that DPs’ thematic and sectoral programs of support to Ghana’s development agenda are strategically aligned, avoid undue duplication of effort, and take advantage of the relative competencies and capacities of partners. Consultations on the CPS

with the HoCs confirm that it meets these principles. The HoCs has noted, in particular, three important features of the CPS. The first feature is a strong focus on the generation of knowledge (AAA) to inform and influence strategic and policy choices by all stakeholders and the WBG's acknowledged leadership in providing such public goods. The second features is the emphasis on helping the government to strengthen institutions and systems and promote policies and approaches that will leverage the effectiveness of support of all donors, be it in health, education and social protection, public investment and budget management, debt management and financing strategy, or the management of key utilities. The third feature is the expansion in the range of instruments that the Bank plans to deploy in support of its engagement, including guarantees and greater focus on more sector-wide, results-based investment lending to reinforce mutual accountability and commitment and to enhance impact.

Managing Risks

128. Macro-economic risks over the CPS period are substantial. Ghana is particularly vulnerable to external shocks due to its large and growing dependence on a narrow range of internationally-traded primary commodities for foreign exchange earnings and government revenues and its increasing exposure to short-term capital inflows to finance budget deficits. Macroeconomic risks could also arise from internal shocks, in particular, the political business cycle centered on the four-year electoral cycle. In this regard, Ghana has not yet fully developed institutions that adequately insulate the budget from heavy spending pressures during election years. Any pronounced inability of GoG to adjust adequately to the risk of macroeconomic instability will potentially compromise its capacity to maintain adequate fiscal space to finance basic services and maintain adequate levels of public and private investment. Macro-economic instability adversely affects the poor who are the least able to hedge against its impact. The adequate management of macroeconomic risks will be critical to the achievement of much of the key results expected under the CPS. More directly, the absence of an adequate macroeconomic framework to manage and mitigate macroeconomic risks will limit DPO lending.

129. Under the CPS and in coordination with other Development Partners and the IMF, the WBG will assist GoG in its pursuit of prudent macro-economic management and policies, using specific PFM operations and analytical work complemented by a series of DPOs to support GoG to strengthen resilience of the economy to both external and internal shocks. To mitigate the risks of possible future economic shocks on the most vulnerable, the WBG will pursue a two-pronged approach. The first is to deepen its support to diversify and broaden the base of the economy through engagement in agriculture and small and medium enterprises, especially in the services and manufacturing sectors. Second, the Bank will continue to support the strengthening of Ghana's social safety net institutions in order to better target and cushion the impact of shocks on the poorest. This latter mitigation measure proposed in this CPS becomes particularly relevant if the reform agenda is not vigorous enough to support DPOs. In addition, the Bank, together with other DPs, will continue policy dialogue and technical assistance to support GoG efforts to achieve a stable macro-economic environment.

130. Under this CPS, the WBG's exposure to the risk of weak governance is substantial, especially in infrastructure. Insufficient attention by the GoG to governance

issues in key sectors of the economy increase the risk not achieving planned development results in the medium and long term. Most essential public services, particularly utilities, are delivered by SOEs that are subject to governance and regulatory regimes that have not been effective in ensuring efficient service delivery and financial sustainability. In the energy sector, the WBG will be investing heavily in supporting GoG to increase the availability, efficiency, and reliability of electricity supplies and to expand access. However, past efforts to promote a more efficient and financially viable electrical distribution company (ECG) that would provide a strong commercial basis for attracting Independent Power Producers (IPPs) to fill a growing generation gap have not been successful. The poor performance of ECG has also caused serious financial problems for the upstream generation and transmission entities, ultimately contributing significantly to power shortages and load shedding. In this case, the Bank Group will strengthen its focus on supporting GoG to improve the institutional framework, including governance and regulation.

131. To protect the Bank’s exposure and foster greater mutual accountability for performance, the proposed new Bank project to support ECG will use a results-based instrument. IFC, in collaboration with the Millennium Challenge Corporation, will support GoG to review options for private sector participation in ECG that could contribute to strengthening the corporate governance, management and performance of the utility. In the urban water sector, the Bank will be supporting institutional strengthening and organizational restructuring in the national utility, drawing on examples of successful reforms in other parts of Africa. The CPS will also support deepening governance reforms in PFM and in the transport sector in addition to addressing governance and transparency issues at the level of each Bank operation. In this regard, ongoing support to non-state actors on issues such as access to information, budget transparency and contract monitoring will continue. Support for the GoG’s expansion of the demand side agenda in specific projects will also continue, including collaboration with civil society organizations (CSOs) in monitoring project implementation under the External Implementation Status Reports (E-ISR).

132. More broadly, Ghana has developed a sound governance framework for the allocation of petroleum revenues aimed largely at fostering growth in the non-oil sector and ensuring shared prosperity. Nonetheless, while the statutory defined revenue allocation procedures are well-defined and oversight of and accountability for their application is vigorously pursued by various organs of the state and by civil society, benefits from these mechanisms are ultimately dependent on the quality of specific investments made under the defined investment categories. Given weaknesses in the prevailing public investment management system, there is a risk that the expected development results from the governance regime will not materialize. Under the CPS, the WBG is providing support to GoG to strengthen its public investment management system to mitigate this risk.

133. Increased efficiency in portfolio monitoring and management has improved the operational performance of WBG projects in Ghana, notably in disbursements in FY13. Nevertheless, delays in effectiveness of new operations and in implementation are still significant. Public procurement in Bank operations continues to need strengthening to improve competition and transparency. During the CPS period, the Bank will be analyzing and piloting an improved system of public disclosure and monitoring of procurement plans in Ghana. The Bank will also conduct an assessment of safeguard implementation in an effort to determine

how to remove bottlenecks such as delays in valuation, limited agency capacity, and delays in compensation payments. Another issue that will need to be addressed at the onset of the CPS period is the prospect of increased delays in effectiveness of new operations. Specifically, Ghana will no longer receive IDA grants, which means that all Bank operations must be ratified by the Parliament before signing of the financing agreement. The Bank will build the additional expected ratification period into the project processing cycle while working with the executive authorities to strengthen outreach to the legislature to minimize the risk of additional delays.

134. As stated previously in the CPS, Ghana has the institutions and the legal framework to support a national M&E and statistical system but to date, due to underperformance, there have been gaps in availability, quality, timeliness, and use of M&E information and statistical data. This has meant that the government has not been able to sufficiently measure the impact of its economic growth and development programming. While the World Bank and other DPs are committed to supporting the Government's efforts to improve statistical capacity, there is a moderate risk that, given the current complicated macro-economic environment, these efforts might not be sufficiently prioritized in GoG planning. The World Bank, together with other DPs involved in budget support operations, will intensify dialogue on the need to assure adequate M&E systems.

ANNEXES

Annex 1. CPS Results Framework

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
<p>• Pillar I: Improving Economic Institutions</p>				
<p>Reduction in volatility of fiscal policy outcomes and pro-cyclical nature of fiscal policy</p>	<p>The lack of economic institutions to support policy makers resisting the mounting pressure emanating from electoral uncertainty, the lack of coordination between fiscal and monetary policies, the lack of tools to manage the budget comprehensively, and the lack of transparency and timeliness in information release that prevent citizens from monitoring the impact of public policy.</p> <p>To effectively and efficiently manage fiscal policy, GoG will focus on improving public expenditure management; enhance revenue generation; and continue with the financial management reforms including asset management in all MDAs and MMDAs. Further, attention will be given to the establishment of an efficient e-Governance structure and that operations of the key agencies of government are fully</p>	<p>I.1 Strengthen public financial management and improve e-governance</p> <p><i>Average expenditure out- turn compared to originally approved budget (eGhana) (PEFA score)</i> Baseline: C Target: B Data source: PEFA self-assessment</p> <p><i>Transactions of the main public service targeted by the project (eGhana)(number)</i> Baseline: 13,223 (Ghana online service transactions) Target: 100,000 Data source: electronic account by MoC of transactions</p>	<p><i>MDAs preparing budgets on Oracle platform (eGhana)(number)</i> Baseline: 0 Target: 28 Data source: direct observation on budget reports preparation</p> <p><i>Impact on IT/ITES Sector of World Bank Technical Assistance (eGhana)(composite score: 1 # low impact to 5 # high impact)</i> Baseline: 3 Target: 5 Data source: annual assessment</p>	<p>Current: National: Local Government Capacity Support Project (P122692), Land Administration Project II (P120636), Statistics Development Program (P118858), Statistics Development Program (P118585), eGhana Project (P093610), Ghana Social Opportunities Project (P115247), Oil and Gas Capacity Building Project (P120005), PPP Project (P125595), FCPF Readiness Grant (P124060)</p> <p>Regional: West Africa Regional Fisheries Program(WARFP) (P124775)</p> <p>TF: Ghana Post-Compliance I: Support to EITI Implementation (P124678)</p> <p>AAA: Disaster Preparedness & Watershed Management(P112161), Policy Note (P133304), DeMPA Assessment – 2nd Ghana (P127828), Energy Sector Review (P131421), Competitiveness and Job</p>

²⁷ Longer-term or higher-order development objectives. Usually not achievable in the CPS period nor solely addressed by the CPS program. Only those to which CPS outcomes will contribute are included.

²⁸ Critical issues and obstacles to achieving country development goals, providing the logical link to CPS outcomes.

²⁹ Country results deemed achievable in the CPS period and which the Bank expects to influence through its interventions. Indicators of each outcome are included, with baselines and targets and data sources.

³⁰ Progress markers of CPS implementation; outputs, actions, or outcomes expected to be realized during CPS implementation.

³¹ Ongoing and planned lending, grants, and guarantees; analytical and advisory activities. Includes IBRD, IDA, IFC, and MIGA. Partners included if co-financing or other support of same CPS outcome.

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
	automated, networked, interfaced and interconnected ³² .			Creation (P133660), Policy Note (P133660), Strengthening the Accounting (P119683),
Promote evidence-informed policy-making	Ghana has the institutions and the legal framework to support a national monitoring and evaluation and statistical system, but there are serious gaps in availability, quality, timeliness and use of M&E information and statistical data. The WB Statistical Capacity Indicator for Ghana in 2012 was 59 (out of 100) ³³ , dropping from 62 in 2011 and 66 in 2010. Ghana's score now falls below that of a number of other SSA countries ³⁴ . The areas that have lower scores are: availability of poverty data, agricultural census, completeness of the vital registration system, rebasing of Consumer Price Index and Production Index, and availability of consolidated central government accounts.	I.2 Strengthen national M&E and statistical system <i>Proportion of statistical products released in accordance with national statistics release calendar (GSDP) (percent)</i> Baseline: 0 (no release calendar) Target: 50 Data source: Annual review of publication dates compared with release calendar <i>Statistical Capacity Score (GSDP)(score)</i> Baseline: 59 Target: 70 Data source: WB SCI annual release	<i>Months between end of data collection and release of main report for household surveys(GSDP) (number)</i> Baseline: DHS= 12, GLSS = 18, MICS =18 Target: DHS= 9 , GLSS = 9, MICS = 12 Data source: date of finalization of main report and completion of data collection <i>MDAs and MMDAs with annual progress report made publicly available (General Budget Support)(number, percent)</i> Baseline: 0 Target: 20 MDAs and 50 percent of MMDAs in all regions Data source: www.ndpc.gov.gh	<u>Pipeline</u> : Macro Stability for Competitiveness and Growth DPO (General Budget Support) (P133664), Public Sector Reform, Sustainable Land and Water Management – AF (P132100), Natural Resources and Environmental Governance Technical Assistance (P129769), Natural Resource and Environmental Governance TA (P129769) Partners : France, UN, Canada, UK, Denmark, Germany, Japan, Italy, EU, Switzerland, UK, US
Facilitate land tenure and improve land administration	Issues of regularizing land acquisitions and streamlining the legal status of leases for investment purposes are prominent. Lack of open and transparent land market is a main obstacle for further development in many	I.3 Strengthened land administration <i>Turnaround time for title registration reduced (LAP2)(months)</i> Baseline: 7 Target: 2 Data source: manual account by Regional Lands Commissions	<i>Legislative instruments for Acts 767, 481 Lands Act and Land Use Act enacted (LAP2) (Yes/No)</i> Baseline: No Target: Yes Data source: review of legal documents and gazettement	

³² Note that the inclusion of SOEs will be reflected at the time of the CPS Progress Report, as this is a proposed activity of the current CPS.

³³ See <http://data.worldbank.org/data-catalog/bulletin-board-on-statistical-capacity>.

³⁴ Ghana scores lower than: Rwanda (77), Mozambique (77), Nigeria (76), Malawi (74), Burkina Faso (72), South Africa (71), Uganda (70), Tanzania (69), Niger (69), Ethiopia (63), Cote d'Ivoire (63) and Zambia (62).

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
	sectors.			
Preparing for the oil and gas era	Production of oil and gas is set to increase as the gas infrastructure completes and the aim is to build on the combination of cocoa, gold, oil and gas to establish the base for a modern and diversified economy. The future strategic challenges in the development of the oil and gas potential include establishing a transparent, efficient, and predictable revenue management and regulatory regime across the entire value chain.	I.4 Increase transparency in the oil and gas sector <i>Oil and gas contracts made available to the public (OGCBP)(Yes/No)</i> Baseline: No Target: Yes Data source: government website	<i>Staff of resource economic institutions (MoE and Regulator if established) trained in regulatory and management skills for oil and gas (OGCBP)(number)</i> Baseline: MoE 22, Reg. 3 Target: MoE 140, Reg. 80 Data source: reports by training providers	
Accelerate decentralization and support local governance	Rapid progress in public sector reform, public financial management, legislative reforms and decentralization are required to solidify the emerging social contract between citizens and GoG, whereas increased taxation can only be justified by better public service provision. Monitoring and evaluation needs to be strengthened to measure effective progress in GoG performance and policy implementation and also satisfy citizens' demands for transparency and accountability.	I.5 Strengthen local government capacity <i>Variance between MMAs allocations and actual receipts of DACF + DDF +UDG (LGCSP)(percent)</i> Baseline: 37 Target: 20 Data source: Audited financial statements <i>Increase in survey scores on citizens' engagement with urban assemblies and their perception of urban management (LGCSP) (percent)</i> Baseline: 0 Target: 10 Data source: Citizens perception Survey	<i>Transfer received by MMAs by July (DACF+DDF+UDG) against annual total receipts (LGCSP)(percent)</i> Baseline: 45 Target: 50 Data source: Audited financial statements <i>Social Public Expenditure and Financial Accountability Meetings held (LGCSP) (number)</i> Baseline: 0 Target: 50 Data source: minutes of SPEFA meetings	
• Pillar II: Improving Competitiveness and Job Creation				
Improve access and quality and reduction in regional disparities in education	Ghana has made significant progress on the MDG reflecting universal primary education for boys and girls, yet major gaps	II.1 Improve education <i>P3 students achieving proficiency in English and Math (NEA results</i>	<i>Public basic schools in deprived districts with up-to-date School Report Cards (percent)(GPEP)</i> Baseline: 0	<u>Current:</u> National: Economic Capacity Building Project (P092986), Micro-, Small- and Medium Enterprises

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
	persist in the quality of educational attainment, in particular reflecting wide regional disparities. GoG's assessment of these disparities in education and propose policies and programs to systematically redress these to ensure a smooth transition to middle-income status characterized by equal access and high educational attainment	<i>for deprived districts)(percent) (GPEP)</i> Baseline: P3 English: 12.4 P3 Math: 9.0 Target: P3 English: 14, P3 Math: 10.5 Data source: National Education Assessment	Target: 20 Data source: Report of analysis and summary of School Report Cards	Project (P085006), PPP Project (P125595), Commercial Agriculture Project (P114264), Sustainable Land and Water Management (P098538), Energy Development & Access Project (P1074191), Oil and Gas Capacity Building Project (P120005), Transport Sector Project (P102000), Urban Transport Project (P100619), Ghana Social Opportunities Project (P115247), Local Government Capacity Support Project (P122692), Skills and Technology Development Project (P118112)
Productivity growth and increased competitiveness through skills and technology in non-traditional sectors	Ghana is relatively weak in the related areas of education, technology, innovation, and labor market efficiency and skills and productivity lie at the heart of the competitiveness challenge. The aim is to improve the efficiency and competitiveness of small and medium Enterprises by facilitating access to training and appropriate technology and facilitate technology transfer, and to nurture a workforce with the right attitude, skills and knowledge.	II.2 Improve skills development and technology adoption <i>Increase in labor productivity by participating firms (GSTDP) (percent)</i> Baseline: 0 Target: 40 Data source: Annual enterprise survey	<i>New training courses/new partnerships established (GSTDP)(number)</i> Baseline: 0 Target: 8 Data source: SDF M&E	Regional: West Africa Agricultural Productivity Program II (P129565), West Africa Regional Fisheries Program (P124775), West Africa Power Pool Project I and II (P074994, P094917), West Africa Power Pool III (P094919), West African Transport and Transit Facilitation Project (P079749), Abidjan-Lagos Transport & Transit Facilitation Project (P096407)
Increased access of households and industry to reliable and adequate energy supply and diversification of the national energy mix	Availability, reliability and quality of the electricity service remains unsatisfactory as the demand for power is rising sharply, straining the generation and distribution capability of the sector. Efforts to bolster the energy sector are essential to avoid blackouts and major disruptions to economic and social activities. Energy losses exceed 25	II.3 Increased trade in electricity <i>Power losses along the principal transmission interconnection WAPP "Zone A" in Ghana (WAPP II phase) (percent)</i> Baseline: 4 Target: 2 Data source: VRA utility records	<i>National demand-driven research projects financed by the national CARGS - Ghana (WAAPPII) (number)</i> Baseline: 30 Target: 55 Data source: Account by CSIR of national driven research projects <i>330 kV cross-border interconnections completed (WAPP II phase)</i> Baselines: 0 Target: 3 (Ghana 1, Nigeria 1, Togo & Benin	TF: Norway, Switzerland, DFID AAA: Increasing Access to Market-based Finance (P129833), Financial Sector Note (P132990), Energy Sector Review (P131421), Competitiveness and Job Creation (P133660), Agriculture Sector Policy Notes (P133833), Energy Sector Review (P131421), Prioritizing Infrastructure Investment (P123521), Energy

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
	percent at the main distribution company, the Electricity Company of Ghana (ECG).		1) Data sources: technical audit report upon completion	Sector Review (P131421), <u>Pipeline:</u> Sustainable Land and Water Management – AF (P132100)
Enhanced opening-up of markets, especially in most deprived areas through road, rail, air, maritime and inland transport and water resources	Although Ghana has made some significant improvements in developing the road network, there are regional disparities in access to the main trunk routes in several regions. The lack of proper connectivity which could expand intra-regional trade and markets is not available for many communities, particularly in the North. The linkages to regional markets are essential to increase shared prosperity which requires modernizing the existing main corridors linking major regional centers and the capital, as well as neighboring countries. There are also critical logistical bottlenecks because of the lack of modern ports and airports.	II.4 Improve mobility of goods and passengers <i>Condition of road network in good and fair condition – Trunk Roads (all transport project) (percent)</i> Baseline: 72 Target: 88 Data source: annual dry and wet season survey by Ministry of Roads and Highways <i>Border crossing time of trucks/merchandise along the corridors Elubo-Noe border and Kodjoviakope-Aflao (ALTTFP)(days)</i> Baseline: 36 Target: 19 Data source: Abidjan-Lagos Corridor Organization annual estimate of border crossing time	<i>Length of road network (trunk, urban, and feeder) rehabilitated (TSP)(km)</i> Baseline: 0 Target: trunk: 52, urban: 14.8 rural: 110 feeder: 300 Data source: report Progress reports by supervision consultant 1 year after completion of the project by supervision consultant ³⁵ <i>Funding for road maintenance of the planned maintenance needs</i> Baseline: 60 percent Target: 75 percent Data source: Road Fund Audit report <i>Roadblocks along the Abidjan-Lagos corridor in Ghana (ALTTFP)(number)</i> Baseline: 30 Target: 3 Data source: physical count/direct observation	Partners: The Netherlands, USAID, Switzerland, AfDB, EU, France, Japan, UK, UN, US, GIZ, Denmark
Accelerated agricultural growth and increased productivity and marketing	Deforestation and climate change phenomenon are creating a volatile agriculture production for people, particularly in the North, because of droughts or floods. The need to learn sustainable natural resource management, in particular of land and water is essential if the poor in Ghana	II.5 Improved land and water management <i>Area of land in selected micro-watersheds under new sustainable land and watershed management (SLWM) technologies (SLWMP)(ha)</i> Baseline: 0 Target: 2,000 Data source: annual		

³⁵ Project refers to the whole engineering process.

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
	are to mitigate these risks at the community level.	survey by SLWMP M&E team in selected micro-watersheds		
	It is necessary to increase productivity in agriculture as a way to increase shared prosperity to smallholders, through innovation, utilization of appropriate technologies, equipment, and irrigation facilities as well as development of value chains, encouraging commercial farmers' linkages with out-growers and Farmer-Based Organizations. Most poor people in the North of Ghana are dedicated to farming of cash crops that are vulnerable to droughts or pests.	<p>II.6 Increased adoption of new agricultural technologies</p> <p><i>Processors/ producers who have adopted at least one new technology (WAAPP II) (number)</i> Baseline: 25,000 (WAAPP I) Target: 250,000 Data source: Annual assessment/survey WAAPP II M&E team</p>	<p><i>Smallholder participation in Accra Plain PPP (GCAP)(percent of smallholder project area)</i> Baseline: 0 Target: 25 Data source: Annual survey by MoFA</p>	
	Many of Ghana's fish resources are heavily overexploited with too many vessels competing to catch too few fish, with little incentive to invest in management and value addition. With the introduction of recovery measures could contribute far more than they currently do to the country's economic growth, food security and poverty reduction.	<p>II.7 Improved management of fish and aquatic resources</p> <p><i>Annual net economic benefits from targeted fisheries (non-motorized marine canoe fisheries only)(WARFP)(US\$ m)</i> Baseline: 99.5 Target: 99.5 Data source: calculation by fish catch data and first sale revenue data from Fisheries Commission</p>	<p><i>Demonstration plots established in the project area (SLWMP)(number)</i> Baseline: 0 Target: 20 Data source: direct observation in project area</p> <p><i>Satellite based fishing vessel monitoring system is in place for the 2200 mile exclusive economic zone and monitoring 24 hrs/day (WARFP)(Yes/No)</i> Baseline: No Target: Yes Data source: direct observation at Fisheries Commission</p>	
<p>● Pillar III: Protecting the Poor and Vulnerable</p>				
<p>Reduce disparities and inequality along the North-South divide, the Western and</p>	<p>The poor in Ghana are heavily concentrated in the North, and in pockets in the South, which have a common challenge, access to</p>	<p>III.1 Expansion of social protection</p> <p><i>Beneficiaries of safety net programs and labor-intensive public</i></p>	<p><i>Targeting performance (share of beneficiaries from the poorest 20 percent of the population) (percent) (GSOP)</i> Baseline: 50</p>	<p><u>Current:</u></p> <p>National: Ghana Social Opportunities Project (P115247), National: Health</p>

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
Eastern corridors, in gender and age and for people with disabilities	public services, in particular, quality education and health. There are in place social safety-nets programs in which targeting needs to be improved as to include more households at risks, such as those headed by a woman. The two national programs, the NHIS and LEAP are not fully aligned and further targeting is needed to reach out women and children - and especially people living with disabilities.	<i>works programs (females) (GSOP) (number)</i> Baseline: 80,000 (15,000) Target: 156,000 (40,000) Data source: Bi-annual Accounts by LEAP	Target: 60 Data source: Annual Performance Review • <i>Person days provided in labor intensive work (GSOP)</i> Baseline: 305,000 Target: 450,000 Data source: Quarterly monthly reports consolidated by NCO Monitoring report	Insurance Project (P101852), Nutrition & Malaria Control for Child Survival (P105092), Sustainable Rural Water and Sanitation Project (P120026), Urban Water Project UWP (P056256), Second Urban Environmental Sanitation Project (UESP2)(P082373), Partnership for Education Project (GPEP) (P129381) Regional: TF: GPEF (P129381)
Improving access to health services and improved water supply and sanitation	Major challenge in health sector is to close the large gaps in access to health care across gender, geography and income quintiles in addition to improving the efficiency and quality of service delivery in order to accelerate Ghana's progress in meeting the MDG targets for maternal and infant mortality. Although Ghana is reported as having attained the MDG target of halving the population without access to improved water, service expansion lags behind population growth in urban areas. Between 1990 and 2010, the urban population grew by 5.4 million without the corresponding expansion in piped water supply, affecting particularly the poor.	III.2 Improving maternal health <i>Births (deliveries) attended by skilled health personnel (HSSP) (percent)</i> Baseline: 59 Target: 70 Data source: health facility data on number of deliveries and sub-district data on number of pregnant women (presented at annual health sector review) III. 3 Increase access to improved water supply and sanitation <i>People in poor urban and rural areas provided with access to improved water sources (number)(SRWSP, GAMA, UWP)</i> Baseline: 0 Target: 1,350,000 Data source: CWSA and GWCL calculation of number of household connections verified in technical audit times average household size (2010 census data) plus	<i>Proportion of mothers of children under two years of age who had at least 4 pre-natal care visits during their most recent pregnancy</i> Baseline: 74.6 percent Target: 85 percent Data source: routine surveys by sub-districts and village health volunteers <i>New piped household water connections (number)(SRWSP, GAMA, UWP)</i> Baseline: 9,200 Target: 20,000 Data source: data from technical audit <i>Improved community water points constructed or rehabilitated (number)(SRWSP, GAMA, UWP)</i> Baseline: 64 Target: 200 Data source: data from technical audit <i>Communities sensitized about hygiene practices and eradication of open free defecation (SRWSP)(number)</i> Baseline: 0	AAA: Support to Common Targeting System (P121386, PP143207), Competitiveness and Job Creation (P133660), Policy Note (P133304), Institutional Options Urban WS (P131198) Pipeline: Macro Stability for Competitiveness and Growth DPO (General Budget Support) (P133664), Youth Employment Project (P132248), Public Sector Reform Project (P127452), Health Systems Strengthening Project (HSSP)(P132950), GAMA Sanitation and Water Project (P119063) Partners: EU, Denmark, Switzerland, UK, US, France, Netherlands, Switzerland, Japan

Country Development Goals ²⁷	Issues and Obstacles ²⁸	CPS Outcomes ²⁹	Milestones ³⁰	Bank Program (and Partners) ³¹
		<p>estimates of number of users of other improved water sources.</p> <p><i>People in poor rural areas with access to improved sanitation under the project (number) (SRWSP)</i> Baseline: 0 Target: 600,000 Data source: CWSA calculation of number of people using improved sanitation based technical audit.</p>	<p>Target: 200 Data source: report of sensitization campaign</p>	

Annex 2. The Compact

**LEVERAGING PARTNERSHIP FOR
SHARED GROWTH AND
DEVELOPMENT**

**GOVERNMENT OF GHANA –
DEVELOPMENT PARTNERS COMPACT**

2012 - 2022

21-06-2012

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Preface

The Government of Ghana (GoG) and its Development Partners (DPs) have agreed to enter into a Compact with the objective of improving the effective and strategic use of Official Development Assistance (ODA) and other forms of development finance and cooperation, in support of Ghana's medium to long-term development. GoG and DPs agree to respect the objectives and guiding principles of the Ghana Shared Growth and Development Agenda (GSGDA) 2010-2013 and Ghana's Aid Policy and Strategy (2011-2015). Both documents are considered as the basis for the cooperation relationship. Partners to the Compact also reaffirm their commitment to the aid effectiveness principles as agreed by the Paris Declaration (2005), the Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Cooperation (2011).

The Compact is a partnership between GoG and DPs, managed and monitored through GoG-led processes. Based on a shared analysis of Ghana's key development challenges, the Compact will in particular take into account the changing context in which ODA and other forms of development finance and cooperation are provided to Ghana. In 2010 Ghana became an oil producing, lower middle income country, with a high potential for sustained growth over the next decade but with important developmental and social challenges still to overcome. This changing status of Ghana has come at a time when some traditional donor countries face severe financial problems as a consequence of the international debt crisis and changing political orientations and priorities. Over the past decade, Ghana has also been exploring new partnerships, leading to a reorientation of the country's trade and investment flows, a process driven mostly by trade and investment capital inflows from the large economies of Brazil, Russia, India, China and South Africa.

It is within this perspective of declining relative ODA shares as a percentage of Ghana's GDP that the partners have developed this Compact. The Compact will provide guidance for the strategic choices to be made by GoG and DPs alike in the period 2012-2022. It will also foster the creation of new alliances with emerging new players in development cooperation, with the ultimate goal of transforming Ghana into an established middle income and a less aid dependent country. Although the Compact is not legally binding, it contains a synthesis of key GoG approved policies and strategies and DPs commit to align and use the document as a key element for their future programming of aid to Ghana¹. It includes collective commitments to a set of focal areas as well as shared principles that will ensure that development cooperation is effectively used to help GoG achieve its growth and poverty reduction objectives.

The Compact confirms the priorities outlined in the GSGDA for which concessional flows are the preferred choice of development financing. It is understood that the Compact priorities are not static; they will evolve along the national development plans and will reflect results achieved and emergence of new challenges. DPs will work within the framework established by the

¹ Several DPs (e.g. the EU and its member states and the World Bank) have indicated that the Compact could be the core document on which to base their future (joint) programming processes.

Compact and will align their support to the priorities and strategic interventions identified by GoG under the Compact.

Under this Compact, GoG expresses its commitment to reducing Ghana's aid dependency in the medium to long-term by: (i) gradually assuming full financial responsibility for investing in accelerated development to reduce poverty and inequality. (ii) developing a plan for a phased transformation of ODA and other forms of development finance and cooperation, specifying the projected volumes of development financing which the country can expect, projected time-lines, and outlining the role of ODA and other sources of financing; (iii) promoting diversified trade, investment and regional integration and (iv) rightsizing the public sector. This commitment, however, cannot be fulfilled unilaterally; they should be driven by the shared-vision of partnership with DPs, and within the context of the Ghana Aid Policy. On their part, DPs recognise Ghana's need for continued development assistance during the transition period, which need should gradually reduce to make the country less dependent on aid but with significantly reduced levels of poverty by year 2022.

Chapter 1 Rationale for a Compact

1.1. Ghana as an Emerging Middle Income Country

1. The Ghana Shared Growth and Development Agenda (GSGDA) lays the foundation for the rapid structural transformation of the economy, premised on agricultural modernization and a sustainable exploitation of mineral resources. This strategy builds on human development, growth and macroeconomic stabilization gains achieved over the last decade. The GSGDA emphasizes the need for continued macroeconomic stability and greater executive efficiency, transparency and accountability to provide the setting for the reduction of poverty and geographic disparities. The GSGDA is conceived as the first phase of the "Coordinated Program of Economic and Social Development Policies (2010-16)", which was presented by the President of the Republic of Ghana to the Parliament in December 2010.
2. GoG estimates that US\$23.9 billion of services and investment expenditure would be needed over the 4-year period (2010-2013) to implement the GSGDA. Public expenditure priorities are agriculture, infrastructure (including oil, gas and energy development), health, sanitation, water and education. Of the total, 39 percent of spending would be on infrastructure, 25 percent on human development, 15.1 percent on oil and gas, and 4.1 percent on agriculture.
3. GoG has identified a financing gap of US\$12.5 billion over the 4-year period of the GSGDA. In light of (i) Ghana's Official Development Assistance being among the highest in Sub-Saharan Africa, (ii) Ghana's per capita income now exceeding the threshold for low-middle income countries, and (iii) some "traditional" donors facing their own fiscal challenges, GoG acknowledges that a sharp rise in concessional financing seems unlikely. In the face of all these developments, accelerated disbursements of existing ODA projects would deliver faster results, and GoG is committed to do all it can, in concert with DPs, to address barriers and bottlenecks. At the same time, greater domestic resource mobilization, the development of domestic financial markets, the coming on stream of new bilateral official partnerships, and public private partnerships could potentially offer new resources to finance GSGDA programs and projects.
4. In 2011, GoG made significant progress to improve domestic resource mobilization and to develop new partnerships. GoG revenue as a percentage of GDP increased by 3.6 percentage points, from 14.4 percent of GDP in 2010 to 18.0 percent in 2011. Strong macroeconomic stability and the clearance of a large stock of public arrears helped the financial sector to restore its credit ratings and mobilize domestic savings. The adoption of the public private partnership policy provided the regulatory framework needed to develop partnerships with the private sector in the provision of public infrastructure and services. According to GoG, the conclusion of a Master Facility Agreement (MFA) with the China Development Bank will also allow Ghana to undertake major infrastructure projects in petroleum and transport sectors notably. The fifth review of the International Monetary Fund Extended Credit Facility in December 2011 confirmed that the MFA provides a significant opportunity for Ghana to advance its Shared Growth and Development Agenda without compromising external debt sustainability.

1.2. Development Partners' Support

5. A recent rebasing² of the national accounts raised Ghana's GDP by 65% and the GDP per capita to USD1,286 in 2010, making Ghana a lower middle-income country. The upwards revision of the GDP almost halved the country's public debt ratio. At the same time, it reduced the country's domestic revenue-GDP ratio significantly below that of comparable countries, suggesting space for increasing domestic revenue. Indeed GoG has put in serious efforts to enhance domestic revenue mobilization, which has increased the domestic revenue-GDP ratio significantly in the last two years.
6. It is important to recall that, before Ghana became a lower middle income country, the international community had embarked on a program to increase aid to the country and to improve its effectiveness. The key objective of this effort was to help the country to meet the Millennium Development Goals (MDGs) and to improve the life of millions of people living in poverty. With the attainment of a middle-income status, the prospects of large increases in ODA flows have become unlikely, even as the prospects of aid effectiveness improve.
7. Being a middle income country presupposes that Ghana has substantially moved beyond food insecurity, economic stagnation, aid dependence, and widespread poverty which tend to characterize low income countries. However, the reality of Ghana today still reflects the salient characteristics of a low-income country. Like many lower middle income countries, Ghana continues to face some structural problems affecting low income countries and needs to create opportunities to expand incomes, reduce poverty and inequality, and meet the MDGs. Progress for Ghana will require strategic interventions by GoG and DPs to fully exploit the opportunities for growth and development that the country's advantages provide. Continued progress will depend on raising incomes and focusing attention on social and economic infrastructure that support and sustain growth and development. Given the structural imbalances of the economy, an abrupt withdrawal of development assistance is likely to undercut the country's capacity for sustained economic growth and its ability to reduce extreme forms of poverty and promote other dimensions of the MDGs.
8. A large share of the population remains poor, and has become increasingly concentrated in the northern parts of the country – the Northern Savannah, where no significant poverty reduction has been recorded since 1992. Ghana is also lagging behind in the attainment of several important MDGs, such as child and maternal mortality, as well as sanitation. Gender disparities, which mostly manifest themselves in unequal access to economic opportunities and high maternal mortality rates, remain high, especially in the Northern Savannah. The cost of environmental degradation (water, soils, forests, fisheries) and the effect that climate-change has on exacerbating poverty in the country are also significant. Combined with the rapid depletion of mineral (gold, bauxite) resources, these could undermine Ghana's prospects of sustainable development unless the country manages to better protect its environment and convert the remaining part of its depleted natural resources into social, human and infrastructure capital, converting adversity to opportunities for sustained growth.
9. Prices of Ghana's major export commodities (gold, cocoa, oil) are currently high from a historical perspective. Thus, a downturn in commodity price trends would bear large consequences for GDP growth, poverty, fiscal accounts and the balance of payments, to the extent that it could threaten to reverse the very important developmental gains observed in recent years, including access to middle-income status. In order to mitigate the impact of such risks, GoG intends to amplify ongoing

² The rebasing was done in 2010 using 2006 constant prices

efforts pursued on various fronts, including (i) economic diversification through the provision of strategic infrastructure, (ii) the expansion of safety nets through better targeting, (iii) the implementation of cost recovery mechanisms for utilities, (iv) sustained productivity gains along the agricultural value chains and (v) strengthened tax administration.

10. The coming on stream of oil revenue has provided the opportunity for Ghana to enhance the fiscal space to support higher economic growth. It is the aim of GoG to build on the combination of cocoa, gold, oil and gas to establish the base for a modern and diversified economy. Although there is a great deal of expectation about the potential benefits of oil to the country, the revenues are modest at the initial stages of production compared to the country's investment requirements. In 2011 for example the revenue that accrued to GoG amounted to GH 666.2 million (US\$444.1 million), representing 5.5 percent of total revenue or 1.2 percent of GDP. Based on current forecasts and prices, oil revenues are not expected to be sufficient to fully replace current ODA levels. Ghana will therefore require additional external resources as it goes through a transition period of relatively low oil revenues and human resource capacity and institution building to better manage higher levels of oil revenues in the future.
11. During the past three decades, ODA has constituted an important source of financing of the national budget, providing critical support for programs, projects, and the balance of payments. Despite this, ODA flows and their management in the country have been characterised with a number of challenges. In response to the challenges, Ghana has developed an Aid Policy which seeks to ensure that the country's priorities, procedures, human resource capacity, economic management and institutional arrangements determine the optimal allocation of aid and its impact on the country.
12. Increased reliance on domestic resource mobilization calls for the strengthening of the revenue institutions. Rapid progress in public sector reform, public financial management, legislative reforms and decentralization are required to solidify the emerging social contract between citizens and GoG, whereas increased taxation can only be justified by better public service provision. Monitoring and evaluation needs to be strengthened to measure effective progress in GoG performance and policy implementation and also satisfy citizens' demands for transparency and accountability. Increased reliance on non-concessional financing will call for better selection and implementation of projects, and more sophisticated debt management to protect debt sustainability. The sustainable development of the petroleum upstream sector will also call for a mobilization of expertise currently not available in the country.
13. Improving these core government functions is a pre-requisite to gradually reduce dependency on traditional development assistance. Ghana's country systems and public sector capacity need to be strengthened to rise up to the peculiar challenges that natural resource-based economies and middle income countries face. Traditional development assistance also remains invaluable in its capacity to provide lessons learned elsewhere in policy implementation and harness resources and efforts towards focused and measurable objectives.
14. The Consultative Group meeting held in September 2010 concluded on the need for DPs to support Ghana's transition to an established middle income status, focusing on geographical disparities, lagging MDGs, and the strengthening of core Government functions. At the Multi Donor Budget Support (MDBS) retreat held in January 2012, capacity building, developing monitoring and evaluation systems, financial management reforms, strengthening of governance structures and poverty reduction interventions in the Northern Savannah zone were identified by GoG as areas where continued DP support would be critical. GoG also invited DPs to provide technical assistance

and bolster initiatives that will facilitate market access to Ghanaian exporters, promote a better integration of Ghanaian exports into the global supply chains and strengthen Ghana's trade policies.

1.3. **Objectives of the Compact**

15. In line with the renewed vision, GoG and DPs commit themselves to the following objectives for the Compact :

- To contribute to accelerated and inclusive economic growth, and sustained poverty reduction, through a smooth transition of Ghana to established middle income status with a reduced dependence on ODA and with increased levels and reliance on alternative development funding and domestic resource mobilisation;
- To ensure the predictability of, and minimise the risk of abrupt reductions in, flows of ODA and other forms of development finance and cooperation to Ghana;
- To focus development assistance to issues/sectors of significant strategic importance for national development where aid is needed;
- To increase accountability, transparency and effectiveness of development assistance to Ghana so that it delivers results and value for money;

Chapter 2 . Development Priorities for Ghana

2.1. Introduction

16. Taking into consideration GoG's overall vision and the medium-term priorities, GoG proposes to direct the application of ODA and other forms of development finance and cooperation towards the implementation of programs and projects in the following eight areas:
 - i) Reducing disparities and inequality
 - ii) Human development
 - iii) Accelerating agricultural modernization
 - iv) Provision of strategic infrastructure
 - v) Natural resources management and environmental governance
 - vi) Deepening democratic and accountable governance
 - vii) Private sector development
 - viii) Strengthening public sector institutions and systems

2.2. Reducing disparities and inequality

17. Endemic poverty in the Northern Savannah has already led to the creation of a special purpose vehicle, the Savannah Accelerated Development Authority (SADA), to maximize growth opportunities and coordinate accelerated development efforts. DPs have been invited to collaborate in ensuring that SADA becomes a sustainable vehicle for growth and poverty reduction in the northern savannah zone in the medium to long-term. In addition, GoG will create other special-purpose vehicles to target development in other deprived areas of the Western corridor (covering Western and Central Regions) and the Eastern Corridor (encompassing the Volta region and the Accra and Afram Plains). These instruments will gradually be absorbed in GoG budget system and in 10 years become institutionalized in the planning and budget mechanisms.
18. As part of the priority of drastically reducing poverty in a targeted manner, social safety-nets will be expanded and better targeted to ensure efficiency. For instance, the Livelihood Empowerment Against Poverty (LEAP) and other national social protection programs such as NHIS will be better aligned.
19. In order to address other forms of inequality, more gender-disaggregated instruments will be deployed to ensure that women and children are better targeted. Persons living with disabilities will be especially targeted to enable them benefit more fully from social protection measures, and institutions representing persons with disabilities will be engaged in the processes of policy formulation and program implementation at all levels.

2.3. Human Development

20. Ghana has made significant progress on the MDG reflecting universal primary education for boys and girls, yet major gaps persist in the quality of educational attainment, in particular reflecting wide regional disparities in school structures, availability of teachers, quality of curricula, high drop-out rate for girls, especially in rural areas in the North. GoG will undertake a thorough assessment of these disparities in education and propose policies and programs to systematically redress these to ensure a smooth transition to middle-income status characterized by equal access and high educational attainment. This will lay the basis for continued progress in addressing the major human development challenges as Ghana transitions to middle income.
21. Progress on the achievement of some MDG targets has been slow in areas of health, (especially maternal and child mortality), and sanitation. Working closely with UN agencies and other DPs, GoG will develop and implement specifically-targeted MDG acceleration programs, both sectorally and spatially. Prominent among these MDG targeted investments include an accelerated plan for improved access to water supply and sanitation services, based on the water and sanitation plan being developed by the Ministry of Works, Water Resources and Housing.
22. The health sector continues to be faced with some challenges in respect of child and maternal healthcare, malaria, HIV and AIDS and general delivery of affordable healthcare to the populace, especially the poor. The inadequate healthcare infrastructure and the existence of "hidden hunger" and malnutrition are the manifestations of ineffective policy coordination and harmonisation among institutions and actors in the education, health and nutrition sectors. GoG will continue to implement policy measures aimed at improving access to quality health care. These include bridging equity gaps in access to health care and nutrition services; improving governance and strengthening efficiency in health service delivery; sustainable financing arrangements that protect the poor; intensifying prevention and control of non-communicable and communicable diseases; improving access to quality maternal, child and adolescent health services to meet the relevant MDG targets; strengthening mental health service delivery; providing support for HIV and AIDS/STI/TB patients; and improving nutrition and food security.

2.4. Accelerated Agricultural Modernization

23. A modernized agricultural sector is expected to underpin the transformation of the economy through job creation, increased export earnings, food security, and the supply of raw materials for industrial value addition. Further, agricultural modernization is expected to create the needed linkages with the emerging oil and gas sector in a manner that utilizes agro-chemical potential in accelerated agricultural growth, linking the emerging oil economy to the Northern Savannah food sector. Measures to increase productivity (especially of smallholders) will be instituted through agricultural mechanization, innovation and utilization of appropriate and affordable agricultural machinery and equipment, investments in small irrigation facilities, climate-change adaptation measures, and accelerated irrigation of large parcels of arable land in the Northern Savannah and the Accra Plains will all be at the center of the agricultural modernization agenda.
24. These policy measures will be complemented by: the promotion of good agricultural practices and the development of value chains; encouraging commercial farmers' linkages with out-growers, especially the youth; promotion of the formation of Farmer-Based Organizations to enhance farmers' knowledge, skills and access to resources, especially finance; and supporting the development and

provision of agricultural insurance products to protect farmers against natural and man-made disasters such as floods, drought and bush-fires as well as loss of income and livelihood. Cardinal objectives of such an agricultural modernization effort are to create employment, especially among the youth, but also to enhance the linkages between large commercial farmers and small holders in out-grower schemes, and fully engage civil society in facilitating the linkages between the two.

2.5. Provision of strategic infrastructure

25. In collaboration with the MDAs, the NDPC is preparing a National Infrastructure Plan (NIP). The plan will identify and prioritize infrastructure needs, and focus on road, rail, air, maritime and inland transport, and water resources that enhance the opening-up of markets, especially in the most deprived areas. Priorities include the Western and the Eastern corridors transport infrastructure, and the North-western link to Burkina Faso through the Northern Brong Ahafo. Additionally, a network of roads will be constructed to upgrade the rural roads that support Ghana's production infrastructure.
26. Energy, oil and gas development are central to the provision of strategic infrastructure. GoG, as a priority, will ensure access of households and industry to reliable and adequate energy supply and diversify the national energy mix. Energy infrastructure will be rehabilitated and expanded to ensure adequate and reliable supply of energy and increased access to the modern forms of energy to the poor and vulnerable through the extension of the national electricity grid. The cost of electricity production and distribution will also be progressively reduced with the availability of cheaper natural gas for power generation. Additionally, national policy will promote energy efficient technologies that safeguard the health of domestic users especially women and children.
27. As an emerging oil and gas economy, a number of strategic investments in this sector such as gas plants and other petro-chemical applications to convert oil by-products into agricultural and industrial applications are being explored. Using oil and gas to support the development of the energy and transport sectors is expected to expand Ghana's accelerated industrial development.

2.6. Natural Resource Management and Environmental Governance

28. Ghana's once abundant natural resource endowment is threatened by continuous exploitation, deforestation, air and water pollution, desertification, over-grazing and the pressure of a relatively fast growing population. This situation is being aggravated by climate change, affecting the coastal, forest and Northern Savannah ecosystems in a manner that diminishes their biodiversity. GoG will implement strategies aimed at preventing further damage to the environment and natural resources. The policies will include improving farming practices and reforestation; strengthening of legislation to maintain and enhance the protected area system; improve forest management including the consideration of global issues such as reducing emission from deforestation and forest degradation plus (REDD+), Voluntary Partnership Agreement/ Forest Law Enforcement, Governance and Trade (VPA/FLEGT); investing in control structures for mitigating floods and droughts in the Northern Savannah; reversing coastal erosion; and promoting sustainable practices that avoid irreversible ecological processes and damage to critical natural capital. Government is also committed to taking appropriate measures to reduce vulnerability to climate variability and change by embarking on

awareness programs to enhance national, regional and zonal capacity to adapt to climate change. GoG will also develop effective mitigating policies to address Greenhouse Gas (GHG) emissions.

2.7. Deepening Democratic and Accountable Governance

29. In spite of the significant progress made over the last years, sustaining and deepening the practice of democratic governance in Ghana faces a number of challenges that require urgent resolution. These include rule of law and justice, managing pre and post- election processes, effective participation of women, enhancing the role of civil society and non-state institutions in governance, corruption and economic crimes and public safety. Policy measures establishing transparent, democratic and accountable governance will focus on the completion of the constitutional review process, addressing the emerging constraints to the progress of decentralization by strengthening the institutional and financial capacities of district assemblies and other local governance structures to deliver effectively on their mandates, promoting women's participation in the development and governance processes at all levels, and strengthening the capacities of law enforcement and security agencies and the independent governance institutions to fight corruption and crime as well as taking specific measures to enhance public security, the rule of law and access to justice (especially for the poor and vulnerable).
30. NGOs, civil society organizations and other non-state actors need to be supported to enable them develop tools and mechanisms for regular consultation with Government, and to play the crucial role of involving citizens in the demand for accountability. In pursuing this objective, GoG will develop mechanisms for promoting citizen-based monitoring and evaluation of public policies and programs, as well as providing feedback and suggestions on ways of improving the targeting of social and economic development programs.
31. The role of traditional institutions, long marginalized in the development process, will be strengthened to promote accountable governance. Working with the National House of Chiefs and Ministry of Chieftaincy Affairs, the strategic plan being developed by the House of Chiefs will be enhanced and DPs engaged in the process of streamlining the role of Chiefs in the transition to middle-income status. Such a role will be prominent as issues of regularizing land acquisitions and streamlining the legal status of leases for investment purposes become more prominent.
32. Strengthening Parliament is a crucial element in managing a successful transition to middle-income status. This includes ensuring that Parliament has the capacity to play its oversight role effectively. The Parliament of the Republic of Ghana has formulated a strategic plan to reinforce its institutions and to link better with the public. These plans will be strengthened as part of GoG priorities for capacity building.

2.8. Private Sector Development

33. In partnership with the public sector, the private sector is expected to play a critical role in driving the transformation agenda. This entails the development of a private sector that creates jobs and enhances livelihoods for all Ghanaians. The capacity of the private sector to play its role will be enhanced through the implementation of the second Private Sector Development Strategy (PSDS II). Additionally, a Public-Private-Partnership (PPP) framework and policy guidelines have been prepared and launched by GoG to promote the even spread of PPP initiatives across the country to ensure

that private sector investments penetrate all spheres of the economy. The decentralization effort of the Ghana Investment Promotion Center(GIPC) will be enhanced and better linked to efforts of MMDAs to produce local economic development and private sector investment promotion plans.

34. For Ghana's financial sector to play a stronger role in driving economic transformation, much needs to be done to increase private sector access to credit at competitive cost and to provide innovative products that are better suited to the needs of the private sector. To ensure that the financial sector responds effectively to the needs of the private sector, GoG will continue to deepen financial sector reforms and also continue to implement, monitor, evaluate and regularly update the Financial Sector Strategic Plan (FINSSP II).
35. Given Ghana's current limited access to the global market, there is the critical and urgent need to aggressively pursue measures to expand access and share of global trade. Though a number of trade-related policy initiatives have been implemented by way of preferential trade regimes /relations, there still remain a number of pertinent challenges that need to be addressed to achieve real expansion in global market access. In the medium-term, GoG will accelerate the implementation of the National Trade Policy which is aimed at promoting the integration of Ghana into regional and global markets. The specific strategies to be implemented include: (i) Pursuing regional economic integration; (ii) promoting regional infrastructure; (iii) securing emerging market level competitiveness; and (iv) leveraging existing trade and investment partnerships and building new ones. The possibility of deriving maximum relief under all international trade arrangements and protocols to support domestic industry to grow will be explored.

2.9. **Strengthening Public Sector Institutions and Systems**

36. To sustain the high growth of the economy requires strong and efficient institutions, as well as highly skilled personnel to manage and create more wealth. To this end, GoG will broaden and intensify the reforms of the public sector through the following: (i) ensuring that frontline agencies are staffed by qualified personnel with the appropriate work ethos to provide efficient services; (ii) enhancing the human resource management system that is capable of planning, attracting and retaining talented employees; (iii) right-sizing of the civil and public service to enhance its performance and effectiveness; (iv) sustaining the implementation of public sector pay reforms to ensure appropriate remunerations and increase productivity (v) re-structuring of the state owned enterprises to make them more efficient and profitable; and (vi) establishing competency-based human resource management institutions to nurture a workforce with the right attitude, skills and knowledge.
37. With the implementation of the Single-Spine Salary (SSS) in an advanced stage, attention will be given to the establishment of an efficient e-Governance structure to ensure the integration of institutional networks within the public sector. It is the objective of the e-Governance Project to ensure that the operations of the key agencies of government are fully automated, networked, interfaced and interconnected.
38. The capacity to plan and coordinate development in a strategic manner is also crucial for the transition to middle-income status. The Ministry of Finance and Economic Planning (MoFEP) is already undergoing structural reform and needs substantial strengthening to lead the processes of transition. The National Development Planning Commission (NDPC) has initiated the process of preparing a 20 year long term development strategy, on the basis of which a medium term national

development policy framework and plan would be developed as a successor to the GSGDA. The NDPC is currently undergoing a functional and organizational re-structuring to re-position itself to perform its role of coordinating the implementation, monitoring, and evaluation of national development policies, programs, and projects.

39. Strong and effective country systems are indicative of maturing middle income countries. Strategic and integrated planning and budgeting systems supported by management information systems which provide decision and policy makers at all levels with timely and reliable information will be strengthened.
40. The output of an efficient Monitoring and Evaluation (M&E) and Statistical systems will inform national development planning; support sector policy and program design; inform the budget allocation process; enhance transparency and accountability in the management of public resources; encourage continuous improvement in public policy management as well as policy dialogue within Government, and with Civil Society Organisations (CSOs), the Private Sector, and DPs. GoG is therefore committed to the strengthening of the existing systems instead of creating parallel systems.
41. The Busan Partnership for Effective Development Cooperation calls for the use of country systems and results frameworks as common tools by all concerned actors and providers of development cooperation. It also emphasizes the need to accelerate and deepen efforts to collect, disseminate, harmonize and make full use of data disaggregated by sex.
42. Within the current framework of mutual accountability and managing for results, the Joint Agenda for Strengthening Monitoring and Evaluation, and Statistics (JASMES) would be adopted as the key framework for coordinating the implementation of interventions aimed at strengthening (i) GoG's leadership in ensuring well-functioning government M&E and Statistical systems; (ii) demand and utilization of M&E results to inform policy and to hold stakeholders accountable; (iii) production and dissemination of data that meet international data quality standards and user needs; and (iv) ensuring sustainable M&E and Statistics systems
43. To effectively and efficiently manage fiscal policy, GoG will focus on improving public expenditure management; enhance revenue generation; and continue with the financial management reforms including asset management in all MDAs and MMDAs and the Ghana Integrated Financial Management Information System (GIFMIS).

2.10. **Time-frame**

44. The above priorities are central to Ghana's long-term planning during this transition phase, expected to run for 10 years.

Chapter 3 DPs Response to GoG Priorities

3.1. Introduction

45. DPs welcome the efforts of GoG in increasing domestic resource mobilisation, including revenues coming from oil exports and the resources from new partners. This is a clear manifestation of managing the transition towards reduced dependence on development assistance and inclusive growth for all Ghanaians.
46. DPs support the efforts of GoG in addressing the challenges the country needs to overcome in its aim to become a middle level country. In particular, over the coming years, DPs will align their support to the following:

3.2. Reducing Disparities and Inequality

Special Development Areas

47. DPs recognise the country's key challenge of growing inequalities between the North and South of Ghana. DPs will support GoG's efforts to address the multiple challenges affecting the northern savannah zone as well as other deprived areas of the country. Such assistance can target special mechanisms such as SADA or be multi-sectoral in nature. DPs will cover a wide range of social and productive sectors in order to create the necessary conditions for growth, expand the quality and quantity of social services, address the special needs of smallholders, and ensure improved targeting of social protection. Special attention will be paid to strengthen the implementation of the national peace architecture and support ongoing efforts to curb perennial conflicts that have undermined peace, social cohesion, and economic progress.
48. DPs will work with GoG to mainstream and integrate development efforts in a closely coordinated manner and across all sectors. DPs are already providing support to the SADA zone and they will apply the lessons learnt from these efforts to other deprived areas.

Social Protection

49. DPs will support the implementation of key social protection policies and programmes. These can include, among others, the National Social Protection Strategy; the Livelihood Empowerment Against Poverty (LEAP); the conditional cash transfer programme targeting the extreme poor, the aged, and people with severe disabilities; people living with HIV/AIDS; the national action plan on child labour; the disability policy and action plan; the policy on the aged and action plan; the Women's Development Fund; the Domestic Violence Act and plan of action; the national health insurance scheme; and the free maternal health scheme. DPs intend to support and strengthen M&E systems for social protection, with a view to improving targeting and efficiency of such programmes.

Gender Equality

50. DPs will work with GoG to take renewed action to address the needs of women and girls, within the overall aim of achieving gender equality.

3.3. Human Development

51. In the first phase of the Compact implementation, GoG and DPs will deploy a sustained effort on poverty reduction and, more specifically, in the areas covered by the MDG's, some of which are unlikely to be attained by 2015 unless investments are rapidly stepped up.
52. GoG is working with the UN and other partners to develop MDG Acceleration Frameworks (MAFs) for lagging MDGs. DPs will support the MAF and Country Action Plan for improving maternal health and reducing newborn deaths. DPs will work with GoG at the level of both community and health care facilities through the use of evidence-based, feasible and cost-effective interventions, to achieve accelerated reduction in maternal and newborn deaths. DPs' support will focus on three key priority intervention areas identified by the MAF – extending and improving family planning services, skilled delivery and emergency obstetric and newborn care.
53. DPs will support Ghana implement the MAF on Sanitation and the Ghana Sanitation and Water for All (SWA) Compact, signed in April 2010, through which the GoG recognised sanitation and water as 'essential services' and made commitments for increased allocations for sanitation and water improvements and for capacity building for hygiene education including proper hand washing methods and countrywide outreach of Community Led Total Sanitation. DPs will increase alignment with GoG systems to deliver aid within the context of a Sector-Wide Approach and provide technical assistance to enable GoG and sector agencies to accelerate the achievement of the MAF for Sanitation and other sector strategic plans which address identified sector bottlenecks. DPs will endeavour to increase current levels of financial support, particularly investments in the sanitation sector.
54. Although Ghana is showing good progress in enrolling children in primary school, the quality of education is poor, reflecting a number of weaknesses (e.g. availability of teachers, quality of curricula and teaching methods, and high drop-out rates, especially for girls). DPs will work with GoG to sustain and increase efforts at all levels of education to ensure all children get a good quality education and so endow the country with well-educated citizens that can take Ghana to a higher level of development consistent with its middle income status.

3.4. Agriculture modernization

55. DPs will support the GoG in the implementation of the Food and Agriculture Sector Development Policy (FASDEP) and Medium Term Agriculture Sector Investment Program (METASIP). To monitor the performance of DP investments in this area, DPs will use sex-disaggregated agriculture and nutrition-related indicators aligned with the national sector M&E system. Efforts will include enhancing productivity and efficiency along all levels of the value chain, improving linkages with the private sector, improving access to credit and finance, building of service delivery and policy-related capacity at all levels, improving demand-driven research and development for better and more sustainable agriculture inputs that can be disseminated through extension services and modernising land tenure. DPs will also assist GoG to address nutrition issues and to prepare a national nutrition strategy.
56. A large part of DP efforts will focus on the northern savannah region to address the special needs of this deprived area, and will focus also on smallholder farmers, with special attention given to the needs of women smallholders.

57. DPs will coordinate closely with MoFA through the Sector Working Group and the METASIP Implementation Steering Committee, as a means to enhancing coordination for all matters relating to agriculture, nutrition and food security, as well as with the Special Development Areas Working Group for efforts in the SADA region and other designated deprived areas.

3.5. **Provision of strategic infrastructure**

58. GoG and DPs will explore all potential sources of funding for infrastructure, compatible with debt sustainability requirements - budget funding, concessional and non concessional borrowing, and public private partnerships. Concessional funding will complement budget resources and will particularly be targeted to financing infrastructure with low anticipated commercial but high social returns. DPs will support GoG initiatives in developing Infrastructure Master Plans and building Government capacity and institutions to manage public investment and utilities operating infrastructure.
59. DPs will support the implementation of the Transport Policy and Integrated Transport Plan, will work with GoG to create a vibrant investment and performance-based management environment that maximises benefits for public and private sector investors and ensure sustainable development in the transport sector.
60. GoG aims to provide access to electricity for all its citizens by 2020. DPs support the expansion, generation, distribution and transmission of energy in the country. DPs will work with GoG to improve energy efficiency and to promote investment in and use of renewable energy sources, in line with the UN-SG's "Sustainable Energy for All" initiative, for which DPs agree to make funding available. This funding should be used to leverage private capital for higher investment in the energy sector.
61. DPs will support the implementation of the Water Policy and Strategic Investment Plan to increase access to affordable and safe water supply; improve infrastructure and management of water supply systems; establish and strengthen partnerships in water provision; and develop capacity to manage water resources at all levels. DPs will also work with the Implementation Manual to standardise project implementation across the sector.

3.6. **Natural Resources Management and Environmental Governance**

62. DPs envisage to support Ghana to strengthen environmental management and governance at national, regional, district and community levels. Efforts will include support for development and implementation of key policies and strategies as well as strengthening monitoring and evaluation. DPs will support the Environmental Protection Agency (EPA) in the implementation of its Five Year Strategic Plan (2011-2015), which focuses on the policy goal of ensuring that "all sections of the community value the environment and strive for environmentally sustainable development, with sound and efficient resource management, taking into account social and equity issues". DPs will support the EPA to provide the needed leadership in environmental management and governance in the districts; they will also support the Ministry of Environment, Science and Technology (MEST) in the development and implementation of the National Environment Policy.
63. To mitigate the impact of climate change, DPs will assist GoG's implementation of a National Climate Change Policy Framework, including sector specific strategies for water and sanitation, agriculture, energy and transport. DPs will also support GoG in its implementation of the National Climate

Change Adaptation Strategy as well as in accessing climate change financing. Moreover, DPs will support GoG in its efforts to reduce deforestation and forest degradation (REDD+) and promote sustainable management of the remaining forests. DPs will support national efforts to move from disaster response to emergency preparedness through the implementation of the Ghana Action Plan on Disaster and Risk Reduction (2011 – 2015). DP support for sustainable land management interventions at the district and community levels will also help to preserve agricultural/arable lands and also recover lands lost to degradation due to climatic elements and human activities. DPs will promote coherence across Ghana's environment interventions including identifying linkages between climate change, desertification and sustainable land management to inform the development of interventions that will make sustainable impacts on land management.

64. To stem the tide of environmental deterioration associated with mining, DPs will support GoG's efforts at regularizing the activities of small scale miners in the sector. DPs will continue to support ongoing measures by the Minerals Commission, MEST and EPA to manage the environmental problems associated with large scale commercial mining.
65. To ensure the integration of environmental sustainability considerations in Government policies, plans and programs, DPs will support the training of personnel of MMDAs and MDAs in the conduct of strategic environmental assessments. DPs will also support the implementation of the recommendations of Strategic Environmental Assessments (SEAs) carried out in various sectors. DPs will continue to work closely with the relevant ministries and agencies through the Environment and Natural Resources Sector Working Group to promote the integration of environmental sustainability across other sectors. Linkages between the environment and agriculture and other renewable resource-related livelihoods (fisheries, forestry) will be promoted including the consideration of the gender equality dimensions and involvement of civil society organizations.

3.7. Deepening Democratic and Accountable Governance

66. DPs will assist GoG to build and maintain reliable governance systems and to strengthen key governance institutions - Parliament, Electoral Commission, Ghana Audit Service, Commission on Human Rights and Administrative Justice (CHRAJ), etc. DPs will provide support to key reform-oriented processes including decentralisation, constitutional review, National Peace Council and Legal & Judicial Sector Reform. Support will be provided for strengthening the rule of law, promoting the respect of human rights, civic registration and improving access to justice for Ghanaian citizens. All levels of Government, including districts and municipalities, but also relevant civil society organisations, will be considered for technical support, in particular in relation to enhanced domestic and social accountability and local service delivery. Support will be provided to CSOs to enhance citizens' participation and dialogue with Government.
67. DPs will provide support to strengthen revenue mobilisation and management, tax reform and strategic resource allocation, as GoG's own revenues gradually replace ODA and other forms of development finance and cooperation. Specific attention will be paid to the management of revenues from natural resources, including oil & gas, mining and forestry. DPs with specific experience in these areas stand ready to provide advice and technical support to GoG as needed.

3.8. Private Sector Development

Private Sector Development

68. DPs will support the implementation of the Private Sector Development Strategy (PSDS) II through the PSDS Pooled Fund and other appropriate mechanisms. DPs will also provide support directly to the private sector among others through strengthening business associations as well as through mechanisms such as Trust Funds and Challenge Funds. DPs will support GoG to improve the enabling environment for private sector investment and participation and to actively promote PPPs. DPs will provide technical assistance for developing relevant and quality human resources within the private sector, increasing access to appropriate technology and facilitating technology transfer and marketing systems to enhance fair and competitive pricing and returns to the private sector. DPs will also support labour market reforms that aim to provide greater incentives for creating formal, decent jobs. DPs will continue to provide support to the Land Administration Project to facilitate land tenure and to improve land administration.
69. DPs will work with GoG to improve the efficiency and competitiveness of Micro, Small and Medium Enterprises (MSMEs) by facilitating their access to training and business development services to improve their managerial and entrepreneurial capacity; facilitating their access to affordable credit; providing MSMEs with appropriate technology; strengthening linkages between large firms and SMEs to facilitate technology transfer and providing incentives for local SMEs to increase formalisation of the informal sector.

Financial Sector Development

70. DPs will provide support to the Financial Sector Strategic Plan (FINSSP) II with the aim of deepening financial intermediation and to enhance access to credit for the private sector. This will be done by addressing the structural issues that constrain lending; encouraging financial sector provision of innovative products that respond effectively to the needs of the private sector and continued implementation of financial sector reforms. DPs will also support GoG to increase the capacity of regulators in both micro and macro prudential regulation and supervision to help manage systemic risks.

Trade and Regional Integration

71. DPs will support GoG efforts to enhance regional economic integration; promote intra-regional trade and cross-border infrastructure; foster stronger intra-regional relationships, and to strengthen existing trade and investment partnerships and promote new ones.

3.9. Strengthening Public Sector Institutions and Systems

72. DPs recognise public sector performance and accountability as a key success factor for Ghana as a future aid independent middle-income country. DPs note and agree on the need for strategic planning and coordination capacities to be developed within Government to lead the transition. DPs also recognise the need to improve the efficiency of the public sector linked to budgets and salaries consistent with fiscal space for investment. DPs will work with GoG towards right-sizing the civil and public service and enhancing its performance and effectiveness.
73. Capacity development will be a key priority in the transition phase. Partners are willing and committed to support an accelerated and coordinated approach to capacity development. DPs are prepared to discuss, and contribute to the preparation of, a comprehensive National Capacity Development Strategy and Action Plan and will support its implementation. DPs will coordinate their

assistance in support of the plan and will provide financial and technical assistance, to include sharing and transfer of knowledge and expertise. Partnerships with private sector organisations and international and domestic institutions of higher education will be sought for funding and implementation of capacity development programs.

74. DPs collectively commit to support the strengthening of capacities and improvement of the M&E function across Government in a way that can ensure appropriate assessment of policy and program implementation and impact, building on and making the best use of the differentiated roles and responsibilities among the various players at all levels and spheres of Government. DPs are willing to provide support for the preparation and implementation of a country wide M&E and Statistics action plan, using the Joint Agenda for Strengthening Monitoring and Evaluation, and Statistics (JASMES) as the framework. Capacity-building of NDPC and GSS will be a priority in this regard.

Chapter 4 Shared Principles for Development Partnerships

4.1. Introduction

75. This chapter outlines the general principles expected to guide the delivery of development partnerships, as well as the operational principles that will guide the implementation and management of this Compact.
76. GoG and DPs share and agree that the focus of the Compact should be on a limited number of strategic interventions and principles for development partnerships. DPs recognise and accept that the ways in which the focus of development assistance and shared principles are applied will differ among them based on their unique characteristics and respective merits. DPs will therefore differentiate in their commitments to the Compact in line with the Busan Partnership for Effective Development Cooperation.
77. To enable Ghana to become less dependent on aid, it is imperative that the development challenges facing the country are dealt with in an efficient and sustainable manner. To this end, it would be most effective for GoG and DPs to commit themselves to a set of aid delivery and operational principles that will ensure that development assistance is concentrated to the priority areas identified in the Compact. Therefore GoG and DPs have pledged to adhere to the following key principles for development cooperation:

4.2. Principles for Aid Effectiveness

78. Though progress has been achieved in development cooperation, many challenges still remain. To achieve the goal of obtaining better value for money and quality and contribute towards development effectiveness, issues of alignment, fragmentation, harmonisation, mutual accountability, aid predictability and transparency should be further addressed.

4.2.1. Mutual Accountability

79. DPs and GoG will hold themselves accountable for making progress against the commitments and actions agreed in Busan, alongside those set out in the Paris Declaration on Aid Effectiveness and Accra Agenda for Action. To this end, GoG will use the DP Performance Assessment Framework (DP-PAF) to track progress in aid effectiveness.

4.2.2. Better Alignment

80. Better alignment requires that aid allocation and decisions are fully embedded in national ownership. Ensuring better alignment of ODA and other forms of development finance and cooperation to national priorities and refraining from DP policies that are inconsistent with national policies would make great contribution to the outcomes. The alignment to national policies applies to all aid regardless of whether it is directed to the national government, local government, non-governmental entities or sectors.

4.2.3. Improving Harmonization

81. DPs confirm their commitment to the Paris Declaration principle of harmonization and will:

- Work together to reduce the number of separate, duplicative missions to the field and diagnostic reviews; and promote joint training to share lessons learnt and build a community of practice;
- Implement where feasible, common arrangements at country level for planning, funding (e.g. joint financial arrangements), disbursements, monitoring evaluating and reporting to government on donor activities and aid flows. Increased use of programme-based aid modalities can contribute to this effort.

4.2.4. Greater Aid Predictability and Transparency

82. Greater aid predictability and transparency requires action by GoG and DPs to meet commitments made under the Accra Agenda for Action. While progress has been made, much remains to be done if Ghana is to improve development planning and avoid bottlenecks in implementation caused by uncertain financing and slow disbursement of funds. More joint consultations about policies and priorities underlying aid allocations and delivery would go a long way to achieve greater transparency.
83. DPs reconfirm their commitment in Busan to work with GoG in ensuring that information on publicly funded development activities, their financing, terms and conditions, and contribution to development results, subject to legitimate concerns about commercially sensitive information, is made public, to promote transparency and accountability.
84. DPs will, by the year 2013, provide to the GoG regular and timely rolling three to five-year indicative forward expenditure and/or implementation plans as required by the Aid Policy and Strategy. Furthermore, DPs are committed to implementing a common, open standard for electronic publication of timely, comprehensive and forward-looking information on resources provided through development co-operation, taking into account the statistical reporting of the OECD-DAC and the complementary efforts of the International Aid Transparency Initiative and others. This standard must meet the information needs of the GoG and non-state actors. DPs will agree on this standard and publish their respective schedules to implement electronic sharing of financial information by December 2012, with the aim of implementing it fully by December 2015.

4.2.5. Managing for Results

85. Aid Effectiveness is not an end in itself. Investments and efforts must have a lasting impact on eradicating poverty and reducing inequality on a sustainable basis, and on enhancing Ghana's own capacities. In realising the GoG's vision of a full-fledged middle income country, where the benefits of development are widely shared by the Ghanaian population, it is essential that GoG takes ownership of, and responsibility for, providing the framework that will ensure that DPs' collective action will lead to development results and ensure development effectiveness.

4.2.6. Using Country Systems

86. The use and strengthening of Ghana's country systems - including financial management, procurement, auditing, monitoring and evaluation - remains one of the most important strategic elements in GoG and DPs' efforts to ensure a sustainable and irreversible transition of Ghana to MIC-status with more efficient and effective governance institutions. Ghana's commitment to strengthen its key institutions and policies will be supported through approaches that aim to manage – rather than avoid – risk, including the development of joint risk management frameworks. To this end, DPs will apply the principles for use of country systems reconfirmed in the Busan Partnership for Effective Development Cooperation, viz.

- a) Use country systems as the default approach for development co-operation in support of activities managed by the public sector;
 - b) Assess jointly country systems, using mutually agreed diagnostic tools. Based on the results of these assessments, providers of development co-operation will decide on the extent to which they can use country systems. Where the full use of country systems is not possible, the provider of development cooperation will state the reasons for non-use and will assist the Government to improve on the weaknesses and strengthen the systems to move towards their full use.
87. The sustainability of country systems is of crucial importance in the transition to a middle income country. To that end, GoG will assume full responsibility to provide sufficient operational resources to key institutions mandated to ensure the effectiveness, efficiency, transparency and accountability of country systems, such as financial management, procurement, auditing, monitoring and evaluation
88. DPs will support capacity building efforts to strengthen country systems based on the commitment of GoG to accelerate key reforms and ensure quality, value for money, independence of oversight institutions and address corruption effectively.
89. GoG will put in place effective mechanisms to ensure intra and inter MDA coordination to facilitate the capture, management and use of credible aid information provided by DPs.
90. To ensure that all these interventions are effectively harmonized, GoG has agreed with DPs to work towards ensuring that "all aid to the government sector is on budget". This means:
- All aid to the government sector is included in the budget planning;
 - All aid to the government sector is approved by Parliament as part of the Appropriation Act.
 - All donor funds to the government sector are channeled through government systems.
 - Aid to the government sector is accounted for through GoG systems and in the Chart of Accounts.
 - All aid to the government sector is audited by the Ghana Audit Service (GAS).
 - All aid to the government sector is included in the Government's ex-post reports

4.2.6.1. Public Financial Management and Procurement

91. With reference to the principles agreed in Paragraphs 86 and 87 here above, DPs will use country systems to review and evaluate the use of funds. In line with this, DPs will engage in dialogue with the Ghana Audit Service (GAS), Internal Audit Agency (IAA), and Public Accounts Committee (PAC) to further develop the capacity of these institutions to ensure better quality, coverage and timeliness of audits. Assistance to these institutions will include harmonising audit requirements and institutional support.
92. DPs will support GoG-led public financial management reforms (e.g. the Ghana Integrated Financial Management Information System, GIFMIS) and will align procedures to integrate with Government systems.

93. DPs will continue to support Ghana's procurement system by strengthening the implementation of the Public Procurement Act. GoG will facilitate transparent, fair and efficient procurement system in the country.

4.2.6.2. Monitoring and Evaluation

94. M&E is essential to guide Ghana's implementation of development policies and programmes. It is also a fundamental tool in transparent, democratic and accountable governance.
95. In accordance with the principles agreed to in Busan and in line with Ghana's Aid Policy and Strategy, DPs collectively agree to rely on the M&E system of the GSGDA, including the Annual Progress Report for results monitoring on development. DPs also support the improvement of M&E functions across GoG i.e. through support for development of a National M&E Plan and capacity building in M&E as per requirements of the M&E Plan.
96. DPs will partner with GoG to enhance the capacity of the Ghana Statistical Service to enable it provide relevant, reliable and timely statistics and for the NDPC to monitor progress, evaluate impact, ensure sound, results-focused public sector management, and highlight strategic issues for policy decisions.
97. Special attention will be given by DPs to support M&E capacities in the Compact priority areas. DPs commit to adopt a transparent, GoG-led and country-level results framework as common tools for assessing performance. Providers of development co-operation will minimise using additional frameworks and refrain from the introduction of performance indicators that are not consistent with Ghana's national development strategies.

4.2.7. Aid Modalities and Programming

98. While GoG preferred aid modality continues to be general budget support, within the MDDBS framework, proposals for development assistance instruments that could be considered more suitable for a middle income country and better tailored at targeting geographical poverty will be welcomed by GoG. The expectation is that any such changes will of itself not affect the overall size of development financing and cooperation during the transition phase; these modifications will be aligned to GoG Budget, through the agreed instruments of "Aid on Budget".
99. On the other hand, DPs acknowledge the important role of the Ghana Aid Policy and Strategy (2011-2015) in providing overall guidance and procedures for sourcing and managing aid to Ghana. Acknowledging that GoG's preferred modality for aid is general budget support, DPs will endeavour to continue providing general budget support through the Multi Donor Budget Support (MDDBS) instrument, as well as seek a right balance among the full spectrum of aid instruments available to them – GBS; SBS; Pooled Funds; Project Aid etc. DPs will also work with GoG to further improve the GBS instrument's effectiveness.
100. In line with Busan commitments, DPs will by the year 2013 make greater use of country-led co-ordination arrangements, including division of labour, as well as programme-based approaches, joint programming and delegated co-operation.

101. DPs commit themselves to use this Compact as one of the core documents for (joint) programming of their future assistance to Ghana³.

4.2.8. Division of Labour

102. DPs are committed to a division of labour to ensure complementarity of aid contributions and to overcome proliferation and fragmentation. GoG will initiate a division of labour process, based on a set of principles mutually agreed under the Ghana Aid Policy and Strategy. This will require a joint effort, with GoG taking a leadership role in consulting and coordinating with DPs to alleviate sector congestion and minimizing overlaps between ODA funded-initiatives.

103. DPs intend to strengthen division of labour through regular exchange of information and agree with GoG about future engagement and geographic concentrations. To this end, DPs will regularly inform GoG to enable an up to date mapping of intervention areas including a mapping of current and planned interventions within the priority areas of this Compact⁴.

4.2.9. Commitment to Reduce Transaction Costs in Aid Management

104. The Aid Coordination Architecture is well developed in Ghana, with a number of Sector Working Groups and other mechanisms constituted to manage GoG/DPs joint planning, reviews and management processes. Each SWG or mechanism requires senior GoG personnel to be represented at meetings. In view of the amount of time, effort and resources taken up by these meetings, GoG and DPs commit themselves to review these mechanisms and make necessary adjustments to reduce the burden on Government while ensuring improved coordination and aid effectiveness, particularly in the priority areas identified in this Compact.

³ As an example the EU and its member states providing development assistance to Ghana are committed to strengthening Joint Multi-Annual Programming on the following principles:

- Joint Programming is led by the partner country wherever possible, is based on partner country's national development strategy and is aligned to the partner country's strategy and programming cycles; the present Compact will be a key document that will guide programming by the EU and its member states;
- Joint Programming is kept simple and pragmatic and conducted at partner country level in order to respond to specific needs and the situation on the ground;
- Participation by all member States who are present in Ghana strengthens the coherence of the EU's action. All other Member States are invited to contribute for the purpose of reinforcing joint EU external action. Joint Programming will build on the comparative advantages of all EU donors;
- The EU will keep joint programming flexible and avoid parallel processes where, for example, donor-wide strategies exist or are being developed. While Joint Programming is not meant to be an exclusive EU process, the EU will act as a driving force.
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⁴ The EU and its member states providing development assistance to Ghana will seek to improve in-country division of labour processes in an inclusive manner, where the EU will aim to function as a catalyst with non-EU DPs under the leadership and ownership of the GoG. EU DPs commit themselves to focus their involvement in no more than three sectors and to limit the number of active EU DPs to a maximum of three to four per sector.

4.2.10. Dialogue

105. The success of the Compact will depend on continued, high-level, high-quality dialogue on a regular basis between DPs, GoG and other domestic stakeholders. Accordingly, GoG commits to engage with DPs more frequently in order to deepen and expand the level of policy dialogue. GoG will also improve inter-ministerial dialogue in order to improve coordination and harmonization. This will help to move towards new mechanisms to better coordinate the flow of funds from all sources to ensure that they provide maximum benefits to the country. The high-level Government-Development Partner Group (GDPG) proposed in the Aid Policy will be activated in 2012 to follow up on and monitor the Compact implementation. It will also bear the responsibility to (i) ensure the proper functioning of Sector Working Groups, particularly in the priority domains above mentioned, (ii) foster dialogue between DAC (Development Assistance Committee) and non DAC partners and (iii) strengthen mutual accountability mechanisms, including the review of DPs' Performance Assessment Framework.

4.3. Operational Modalities for Compact

4.3.1. Progress of Implementation

106. The signatories to this Compact agree to discuss progress in its implementation at least twice a year in the high-level GDPG, and as many times as needed at the technical level.

107. The GDPG will produce rolling, multi-year work plans, containing the most important action points and objectives for the Compact implementation for the ensuing year.

108. GoG will prepare an annual Compact Implementation Report (CIR), and present same to the GDPG

4.3.2. Monitoring

109. The GDPG will develop a set of indicators based on the existing aid effectiveness and DP-PAF indicators, but taking into account Ghana's specificities as described in this Compact, which will measure progress and success of the Compact implementation. Reporting on this performance will be included in the annual CIR.

110. Partners may engage independent experts to assist them with the monitoring of progress and performance of the CIR, and the rolling, multi-year work plans. Civil Society may be engaged and involved in monitoring of the Compact implementation.

4.3.3. Review and Evaluation

111. Signatories to the Compact agree to regularly review the relevance (e.g. of GoG's development priorities and DP's response) of, and Partners' adherence to, the Compact, as well as progress made in its implementation. On the basis of review conclusions, changes to the Compact may be proposed and agreed.

112. Mid-term and terminal evaluations of the Compact will be undertaken.

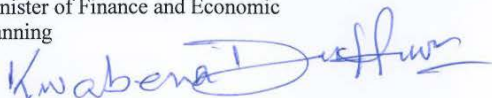
4.3.4. Duration

113. The Compact is concluded for a period of ten years (2012 – 2022) to reflect the GoG and DPs medium to long term aspiration.

Signed in Accra, 21 June 2012

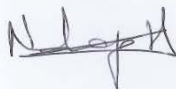
For the Government of Ghana

H.E. Dr. Kwabena DUFFUOR
Minister of Finance and Economic
Planning



For Development Partners

Marie Laure Akin-Olugbade
Resident Representative
African Development Bank

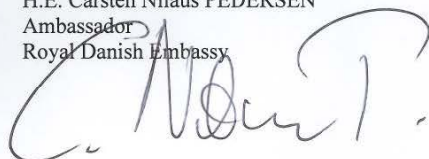


Stephen C. BLAIS
Country Director
CIDA

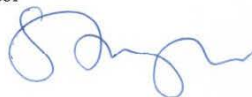


Canada 

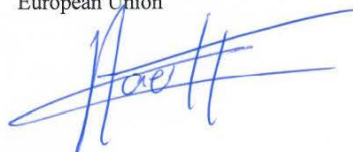
H.E. Carsten Nilaus PEDERSEN
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H.E. Mr. Eberhard SCHANZE
Ambassador
Embassy of the Federal Republic of
Germany



H.E. Mr. Naoto NIKAI
Ambassador
Embassy of Japan



H.E. Jea-Min KYUN
Ambassador
Embassy of Korea



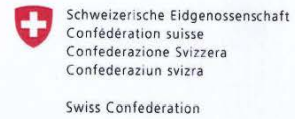
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Brigitte CUENDET
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Country Director
World Bank



Annex 3. CAS Completion Report

Date of CAS	May 31, 2007	Report No. 39822-GH
Date of CAS Progress Report	March 1, 2010	Report No. 52988-GH
Period covered: FY2008 to FY2012		

I – INTRODUCTION

This Country Assistance Strategy Completion Report (CASCR) assesses the World Bank (WB) program for Ghana over the period July 1, 2007 to June 30, 2012. The Country Assistance Strategy (CAS) was prepared as part of the multi donor Ghana Joint Assistance Strategy (G-JAS). Both were aligned to support Ghana's Growth and Poverty Reduction Strategy (GPRS II – 2006-2009) and its three broad objectives of: (i) sustaining economic growth of at least 6 percent per year; (ii) surpassing the Millennium Development Goal of halving poverty to 26 percent during the CAS period; and (iii) starting to reduce inequalities. The CAS was also aligned with sector-specific results that contribute to the country's results matrix under the three pillars of: (i) raising private sector competitiveness; (ii) improving human development outcomes; and (iii) strengthening governance.

While the original objectives of the CAS remained relevant at mid-term, the original strategy was revised significantly in light of the macroeconomic events after the political transition from the Kufuor Administration to the Mills Administration, and the subsequent launch of the Ghana Shared Growth and Development Agenda (GSGDA) 2010-2012 which has specific focus on good governance, water and sanitation, agriculture, and climate change. Furthermore, the evolving country context, namely large macro-economic imbalances and the discovery of oil and gas, required a shift or consolidation in certain focal areas. Increased resources allocated to Ghana under IDA 15, significantly higher than predicted at the onset of the CAS, allowed the WB to increase its support through addition of new instruments and the scaling up of selected operations. New activities aimed to respond to the new priorities in oil and gas, commercial agriculture, fisheries, energy, water and sanitation, skills and technology, and statistics development. Governance, social accountability and gender were identified as cross-cutting issues to be mainstreamed going forward and enhanced focus were placed on regional integration, water resources development and climate change.

Progress towards CAS outcomes has been positive; the most important is the achievement of macroeconomic stability, although there were also notable advances in agricultural crop production, natural resources governance, land management, household electrification, ICT, primary education completion, social protection, and access to safe water. Weaker progress was registered in private sector development, transport, health, sanitation, and public sector. Overall, out of a total of the 54 indicators selected to measure progress towards achieving the CAS objectives, approximately 61 percent show good progress (Achieved/Partially Achieved), with 44 percent of the indicators having reached their target (Achieved) as shown in the Results Matrix presented in Annex 1.

Based on this overall assessment, both Bank Program and Bank Performance are rated Moderately Satisfactory.

II – COUNTRY-LEVEL ACHIEVEMENTS

The GPRS II supported three broad objectives: (i) sustain economic growth of at least 6 percent per year; (ii) surpass the Millennium Development Goal (MDG) target of halving poverty to 26 percent during the CAS period; and (iii) start to reduce inequalities.

Sustaining economic growth of at least 6 percent per year. The Ghanaian economy was hard hit in 2007 and 2008 by a series of exogenous shocks (droughts, floods, oil, food, and financial crises) which exacerbated a structural trend of widening fiscal imbalances, and exposed the economy to the need for sharp correction. Indeed, by end-2008, fiscal and current account deficits respectively culminated at 8.5 and 10.3 percent of GDP and annual inflation was running at two digits. In response, the Government of Ghana adopted a multi-year stabilization program in 2009 which received financial and technical support from the IMF and DPs, including the World Bank. Since then, the economy has shown strong signs of stabilization, while weathering the impact of the global financial crisis: fiscal and current account deficits have been significantly reduced, the exchange rate was stabilized and consumer price inflation decelerated to single-digit levels. Economic growth rebounded in 2010 (7.7 percent) and 2011 (13.6 percent), pulled by continued favorable terms of trade and the onset of oil production on a full-year basis. On average, GDP and non-oil GDP grew respectively by 7.6 and 6.6 percent annually over the period 2007-11.

Surpassing the MDG target of halving poverty to 26 percent. In the regrettable absence of any new household poverty survey since 2006³⁶, it is impossible to firmly assess Ghana's progress in poverty reduction over the CAS period. Nonetheless, it is likely that the rapid poverty reduction recorded between 1991 and 2006 from 51.7 per cent to 28.5 per cent has continued since 2006, in light of the significant growth in per capita private consumption and the broad-based nature of economic growth in Ghana observed since 1992. Assuming unchanged income distribution, the poverty headcount index would have approached 24.8 percent by end-2010. However, important uncertainties regarding the measurement of private consumption and its distribution among households and regions, and the fact that some recent shocks (e.g., climatic events, price variations) might have disproportionately affected the poor could mean lower actual poverty reduction gains. At the same time, the rapid agricultural output growth recorded in the North since 2006 (in particular maize and rice) could suggest stronger poverty reduction.

Starting to reduce inequalities. Twenty years of rapid economic development in Ghana have done little, if anything, to reduce the historical North-South divide in standards of living. Between 1992 and 2006, the number of poor in the South declined by 2.5 million, while it increased by 0.9 million in the North³⁷. While inequalities might have mechanically increased as a result of poverty reduction, and thus should be welcomed, inequity—unequal access to opportunities, across regions in particular—remains a major concern for future development and national unity. Indeed, should current economic and demographic trends continue, poverty could be eliminated in the South, while still affecting two-fifths of the population in the North by 2030 (vs. three-fifths in 2010). Thus, any poverty alleviation strategy for Ghana must put poverty in Northern Ghana at center stage, and acknowledge its specific causes in the design of future interventions.

Non-monetary indicators of wellbeing show mixed results on education, health, and sanitation. The review of progress towards the Millennium Development Goals (MDGs), summarized in the following table, shows that income poverty, hunger, primary completion, gender parity at school and access to water goals (MDG1a, MDG1b, MDG2, MDG3 and MDG7a respectively) are on track to be met by 2015, if not already met (MDG7a).³⁸ These services have been extended to millions of poor in the past decade, and protecting the gains of the past must be a key priority for the coming years. At the same time, other important MDGs, such as sanitation (MDG7b), child (MDG4) and maternal mortality (MDG5) are still off-track and require more effort, for their own sake and likely large impact on other MDGs.³⁹

Ghana's Progress towards the Millennium Development Goals					
MDG	Initial		Most recent		Target 2015
MDG1a. Poverty headcount ratio, national poverty line (percent of population)	51.7	1992	28.5	2006 ¹	25.9
MDG1b. Malnutrition prevalence, weight for age (percent of children under 5)	27.4	1993	13.4	2011 ²	13.7
MDG2. Primary completion rate, total (percent of relevant age group)	61.2	1991	93.7	2012 ³	100
MDG2a Net enrollment ratio (percent of relevant age group)	61.4	1990	74.6	2010 ⁴	100
MDG3. Ratio of girls to boys in primary and secondary education (percent)	78.5	1991	95	2010 ⁴	100
MDG4. Mortality rate, under-5 (per 1,000)	119.7	1990	90	2010 ⁴	53
MDG5. Pregnancy-related mortality rate (per 100,000 live births)	740	1990	483	2010 ⁴	185
MDG7a. Improved water source (percent of population without access)	44.0	1990	23.6	2010 ⁴	22
MDG7b. Improved sanitation facilities (percent of population without access)	96.0	1993	86.4	2010 ⁴	48
Notes: 1/GSS 2/Multiple Indicator Cluster Survey 2011 3/Ministry of Education 4/UN Tracking progress towards MDGs in Ghana 2012 based on 2010 GSS Census					

³⁶ The next Ghana Living Standards Survey (GLSS 6) which provides data on poverty was scheduled for 2011 but will now take place in 2012 with data available in 2014.

³⁷ Source: Ghana Living Standards Surveys 3, 4 and 5

³⁸ When at least two observations are available after 1990, with a sufficient number of years separating them, the World Bank determines whether a country is on or off track to meet a given MDG by 2015. To do so, it compares the progress recorded so far with that needed to reach the MDG, under the assumption that progress becomes increasingly difficult the closer countries get to the goal. Technically, this is equivalent to comparing the annual growth rate between 1990 and today with the constant growth rate required to reach the MDG in 2015 from the situation in 1990.

³⁹ See A Sourcebook for Poverty Reduction Strategies, 2002, World Bank, Washington D.C.

III – PROGRAM PERFORMANCE

A significant proportion of World Bank assistance has been provided through general budget support with two programmatic series, PRSCs 4-6, started under the previous CAS and PRSCs 7-8⁴⁰ which is ongoing. Underpinned by thorough analytical work, budget support complemented by select investment lending has brought about achievements in outcomes across the three pillars of the CAS. The *Results Matrix*, Annex 1 to this Report provides details on outcome indicators. What follows is a general assessment of progress achieved and notable World Bank Group contributions under the three pillars.

PILLAR ONE: Raising private sector competitiveness

Under Pillar I, support focused on ensuring solid macroeconomic performance; enacting energy sector reforms; improving financing for development; eliminating barriers to private sector development and trade; and encouraging rural development and natural resources management. Except for a sudden deceleration in 2009, GDP growth rates⁴¹ have been on the rise since 2007, reaching 13.6 per cent in 2011, are forecast to remain above 6 per cent in 2012. Structural progress was achieved in terms of financing for development and removing some barriers to private sector development and trade⁴², while progress in rural development and natural resources management focused on laying the groundwork for separate multi-donor budget support (MDBS) instruments.

Private sector competitiveness. Although Ghana's competitiveness is still rated as weak⁴³, and merits attention moving forward, the overall business environment in Ghana has improved in recent years as can be seen from the indicators from the Doing Business Reports in 2004 and 2012 as an example. Private sector credit and foreign direct investment have both increased, but access to long-term credit is still an issue. Most related CAS outcomes were achieved and the Bank's lending contributed to the country's goals of enhancing competitiveness, although several projects encountered implementation problems and have had to be restructured.

Agriculture. Agriculture has played an important role in spreading the benefits of growth to the general population: Ghana is expected to achieve MDG1 of halving extreme poverty and hunger by 2015. The sector has reached its outcomes in terms of crop yields and enhanced production: better irrigation and fertilizer use has improved the livelihood of small-holders, along an ambitious reform program in the fisheries sector. The Bank's main contribution consisted of sector budget support in the form of an Agriculture Development Policy Operations (AgDPO) series (complemented by a GEF grant) which led to better planning and budgeting at the Ministry of Food and Agriculture, with greater efficiency in public spending, increased spending at the decentralized level and targeting of funds in the three lagging regions of the North. The first AgDPO series was discontinued and replaced by a new series after Ghana developed an agriculture sector investment plan and signed the CAADP Compact⁴⁴, which committed Government, DPs, private sector, and other stakeholders to implement the investment plan. As the food price crisis was unfolding in 2008, the lending amount of the first agriculture DPO was increased to enable Government to support the fertilizer subsidy program that has led to important yield gains. In addition to the AgDPO series, additional financing was provided under PRSC6 to deal with the effects of the food price crisis and a recent commercial agriculture project was approved. IFC also provided advisory services and investments to address the constraint of inadequate agricultural credit to the farming and agribusiness sector by Ghana's commercial banks.

Natural Resources Management. Good progress was achieved towards the CAS outcomes in this area. World Bank contribution was primarily by sector budget support under the Natural Resources and Environmental Governance (NREG) credits, with four DPs, which has contributed to the adoption of key policies in the mining and environment sectors, and less so in forestry. It has also helped the government improve its sector planning and budgeting processes so that adequate funds are made available to enact the existing environmental policies in the country. MDBS has also contributed to progress with the refinement of institutional responsibilities under the new Inter-Ministerial Advisory Panel on Environment and Natural Resources, and support to the Extractive Industries Transparency Initiative Secretariat has been provided, under the multi-donor EITI trust fund. Lastly, a cross-sector

⁴⁰ The PRSC8 became a grant, PRSG8, as Ghana was allowed back to get grant funding from IDA in FY12.

⁴¹ GDP growth rates: 6.5 percent (2007), 8.4 percent (2008), 4.0 percent (2009), 7.7 percent (2010), 13.6 percent (2011), Ministry of Finance and Economic Planning

⁴² Ghana ranks 5th out of 46 in the Region in "Ease of doing business" (Doing Business Report 2012)

⁴³ Statement derived from the latest World Economic Forum's Global Competitiveness Index, www.weforum.org/gcr

⁴⁴ The Comprehensive Africa Agricultural Development Program (CAADP) is an African Union-led agriculture development framework adopted by African governments who have committed to achieving 6 percent annual sector growth by allocating a minimum of 10 percent of their budgets to agriculture sector investments.

analysis of a value chain approach to the natural resources sectors has provided valuable recommendations for the future management of oil and gas reserves.

Climate change. Efforts to support climate change adaptation and mitigation were introduced under the CASPR and, under the guidance of the Environmental Protection Agency, for which the Bank has prepared a study on the economics of adaptation to climate change. In addition to its contribution through various pieces of analytical work, the Bank's engagement was primarily through NREG support, the Global Facility for Disaster Reduction and Recovery (GFDRR), and a GEF project. In response to the 2010 floods, GFDRR has supported the establishment of a model-based flood hazard assessment for the White Volta. Furthermore, a review of Carbon Finance opportunities in Ghana, completed in FY10, showed that major opportunities exist in the Reduction of Emissions from Deforestation and Degradation (REDD), as well as in the avoidance of gas flaring, both of which will be supported in the future. Moving forward, it will be essential to address disaster risk and vulnerability to natural hazards in a more comprehensive manner and to strengthen meteorological and hydrological services. A component of the social protection network now has a quick response component to natural disasters.

Land Administration. The Bank supported the objectives of Ghana's National Land Policy by undertaking reforms that would lay the foundation for a well-functioning decentralized land administration system. The Land Administration Project was the first and to-date only stand-alone World Bank-financed project of its kind in Africa. Although it did not achieve its objectives fully, it contributed to the decentralization of the deeds registry, bringing registration closer to the clients and simplifying access to land for agricultural purposes. The reduction in both distances travelled and time necessary to register titles and deeds has led to significant cost savings to users. Another achievement is its gender impact as highlighted in the ICR. The project yielded useful lessons that have been incorporated LAP2, a follow-on project aiming to consolidate and complete the reforms started in LAP and to support the scaling-up of the successful pilot initiatives. Reforms in land management need a sustained commitment and the World Bank can be a catalyst to mobilize other donors support and coordinate interventions in this area.

Energy. The Bank and other DPs supported the Government's progress in household electrification with lending and grants: substantial progress was achieved in the area of household electrification with rates rising from 58 percent in 2009 to 62 percent in 2011; however distribution losses have remained around 25 percent. Notwithstanding this progress, the sector remains financially precarious following long delays in adjusting tariffs to cost recovery levels. A major game-changer in the energy sector was the discovery of oil and gas in commercial quantities in Ghana. This resulted in a shift in the Bank's program with additional technical assistance and analytical work designed to help the government lay out a legislative and policy agenda in the sector and mitigate the risks, and new lending geared towards capacity building in the sector. IFC has also increased its engagement in the oil and gas sector. The support to the Government culminated in the Oil and Gas Capacity Building Project, approved in December 2010. The Bank did not participate in the Jubilee gas infrastructure project due to preference of the Government to seek funding from the China Development Bank.

Transport. In the transport sector, the quality of the overall network has not improved as expected. Progress in this area has been limited in spite of the substantial amount of IDA - approximately US\$500 million, including regional operations and grant resources dedicated to the sector. On feeder-roads, the Bank has worked with the Government to identify possible labor-based solutions for maintenance that would create jobs for the poor, while improving the quality of these roads. Poor progress in this sector overall is largely the result of lags in timely completion of procurement processes which have impacted implementation, as well as weak governance in the sector (lack of proper delegation, human resources, etc). Continuous dialogue with the Government on procurement issues is ongoing; however, this remains a major challenge which will continue to impact implementation of the transport portfolio if not resolved. Capacity-building activities have been imbedded in the ongoing transport operations to provide additional support to address the governance challenges.

ICT. There has been significant progress in the ICT Sector. Teledensity rates in mobile telephony have more than doubled from about 40 per cent in June 2008 to about 85 per cent in December 2011⁴⁵. Competition in the telecommunications sector increased and there are now six mobile operators, resulting in network expansion and reductions in the cost of communication⁴⁶. The IT-Enabled Services sector (ITES) has benefitted from this boom and from the creation of dedicated support institutions, both public and private. In 2007, 2009 and 2011, Ghana was rated by AT Kearney among the top 50 most attractive destinations in the world for ITES business. The e-Ghana

⁴⁵ Source: Ghana National Communications Authority

⁴⁶ There has been at least a 50 percent decrease in local and international call rates, and a threefold reduction in internet access prices from US\$3 to less than US\$1/hr.

Project, with additional financing in FY10, has contributed to these achievements by supporting critical infrastructure and applications, skills development, and regulatory institutions, and IFC has been instrumental in providing investments to private operators in Ghana (MTN, Airtel, BusyInternet). The CAS outcomes were partially achieved in this sector and are likely to be achieved by the end of 2012.

PILLAR TWO: Improving human development outcomes

Under Pillar 2 support has been provided under general budget support, as well as through investment operations in health, HIV-AIDS, education, water and sanitation, and skills and technology. Progress was the strongest in areas of priority under the GPRS II, with gains in education, health, social protection and access to water. The PRSCs contributed to these outcomes by enabling the Government to increase spending in these sectors while maintaining macroeconomic stability (except in 2008 and 2009).

Education. Important strides have been achieved in the education sector and Ghana is on track to reach the MDG goal of achieving universal primary education by 2015⁴⁷. The Government's Education Strategic Plan (ESP 2003–2015) was developed in consultation with stakeholders and DPs. In spite of the progress achieved there remain significant challenges. Quality is still low and learning achievements have not improved significantly⁴⁸. Furthermore, efforts to improve equity and address geographic and gender disparities have not yielded the expected results⁴⁹. The Bank's contribution has been limited as both the Education Sector Project and the Education for All grant suffered from design challenges, high staff turnover, and slow disbursements, which led to poor implementation. The EFA grant was ultimately cancelled and reimbursed so its contribution is null. The Education Project has had a better impact and greater potential for sustainability given the devolvement of funding to districts and through competitive grant allocations for higher education institutions. The Education project was refocused after the floods in 2007, towards the deprived districts that were affected, which showed the flexibility of the instrument to attend an emergency; however the overall performance in the sector has been affected by the turnover of senior staff at the Ministry of Education. Given these challenges in primary education in the deprived sectors, the World Bank agreed for Ghana's application process for the Global Partnership for Education (GPE) although it had been agreed to a withdraw from the sector in the CAS Progress Report in 2010.

Health. Progress has been achieved in the health sector in Ghana, nevertheless infants continue to suffer from poor nutrition and the MDG target for infant and maternal mortality remains off-track. Bank contributions include analytical work, including the Ghana Health Status Report (2011) which was well-received, as well as IDA lending. Most of the Bank's projects in the health sector have encountered problems and significant delays. Lending for HIV/AIDS mitigation was mainly unsatisfactory. The two ongoing operations, Health Insurance and Nutrition and Malaria Prevention projects, are expected to achieve their objectives following restructuring and intensified supervision after implementation delays. Only two out the three CAS indicators under this sector were achieved.

Water and Sanitation (W&S). Official data indicates that Ghana is on track, not only to meet, but exceed, the MDG on safe water access. These figures, however, appear to be overly positive when factoring in the inadequacy of the W&S sector monitoring system and the definition of "access to improved drinking water"⁵⁰. Indeed, a household receiving water supply once weekly or monthly would qualify as having access. On improved sanitation, Ghana remains woefully behind with only 12.4 per cent of the population covered⁵¹. The World Bank has supported the sector through several lending and grant operations complemented by IDA and GEF grants, also technical assistance has been provided to help the Government cope with the institutional reform of the sector. The Small Towns Water Supply and Sanitation met its objectives although the question of long-term sustainability has been raised in the ICR. The three ongoing operations, including a new project approved in FY10, are achieving results for

⁴⁷ Primary completion rate increased from 85.5 percent in 2007/08 to 91.6 in 2010/11. Source: Preliminary National Education Sector Performance Report, 2011.

⁴⁸ Less than a third of primary school children reach proficiency levels in English or in Mathematics, Ministry of Education.

⁴⁹ In 2008/09, out of 170 districts, the bottom five performing districts on Basic Education Certificate Examination (BECE) English exams were all found within the more deprived Northern region of Ghana, Ministry of Education.

⁵⁰ Numbers vary depending on the source; while the Ghana Demographic and Health Survey indicates that 83.8 percent of the population had access to safe drinking water in 2008; data provided by the water supply agencies GWCL/CWSA indicate that the figures are 57 percent for rural areas and 58 percent for urban areas.

⁵¹ In 2008, 12.4 percent of the population had access to improved sanitation, well below the MDG target of 53 percent by 2015, (source: Ghana Water and Sanitation Monitoring platform, 2008) – Also see Footnote 36.

the most part, in spite of earlier procurement issues and relatively slow disbursements affecting the two older projects. There are no recent data which makes the task of assessing progress very difficult.

Social Protection. In order to respond to the evolving country context and the new administration's priorities, Bank engagement in this area shifted from a planned DPL to investment lending. The Social Opportunities Project aims to complement existing social protection interventions with a labor-intensive works program focusing on climate change mitigation activities and to strengthen the targeting and effectiveness of the main social protection programs in the country. The Project which was underpinned by the Bank's poverty analytical work carried out in 2009 received an additional US\$49 million from the Crisis Response Window. Overall implementation seems to have recovered from initial delays. The Project co-finances the Government flagship cash transfer program Livelihood Empowerment Against Poverty (LEAP) as well as Labor-Intensive Works Programs (LIPW) in the poorer districts. Both LEAP and LIPW are underpinned by an objective and transparent common targeting system to identify beneficiaries.

PILLAR THREE: Good governance and Civic Responsibility

Under Pillar 3, support included a mix of multi-donor budget support (MDBS), lending and grants. Results have been mixed and lack of progress reflects a lack of consensus around the pace and models for public sector reform and decentralization. More progress was achieved in public financial management than in governance, decentralization and public sector reform. This disparity in achievements is largely due to the complexity of the reforms in the latter areas and their challenging political economic aspects.

Decentralization. Progress has been made in devolving decision-making and resources. The DPs supported the Government in developing the National Decentralization Policy and Implementation Plan which, following a thorough consultative process, was approved by the Cabinet in April 2010. Administrative decentralization of civil servants to all regions has already been completed which the Bank supported through capacity-building activities primarily. A new Local Government Capacity Support operation (US\$175 million) was approved in 2011 which is expected to yield results under the next CAS.

Public Financial Management (PFM). The World Bank, along with other DPs, at the request of the Government, resumed its active participation in this sector to foster more transparency and openness, through enhanced reforms related to expenditure management, including the establishment of a single treasury account, publication of the fiscal reports, enactment of the procurement law and Freedom of Information Bill. While these policy reforms constitute a positive development, their implementation remains work in progress, and analytical work indicates that while budget documentation in Ghana is fairly complete, budget credibility has been hampered by several factors. The Bank supports the Ghana Integrated Financial Management Information System (GIFMIS) through a component of the eGhana Project, co-financed with other DPs. This aims at improving the budgeting and expenditure management and control systems as well as government processes at the central and local levels.

Monitoring & Evaluation (M&E) and Statistical Systems. Progress has been achieved in the use of country systems with the regular, yet delayed, production of the Annual Progress Report (APR) of the Ghana Shared Growth and Development Agenda (GSGDA), and the development of sector and national M&E plans. District Assemblies produce high-quality APRs annually. The launch of the five-year Ghana Statistical Development Plan (GSDP) is significant but substantial progress needs to be achieved before the national statistical system is able to produce good-quality, relevant and timely data. New support to statistics was approved in 2011 including a multi-donor trust fund and an IDA project that will support implementation of the GSDP. Both are expected to show results under the next CAS. M&E and the Statistics System need to be strengthened further to foster good governance, PFM, social accountability, MDBS annual assessments, and overall impact of public policies, with more regularly available data.

Cross-cutting themes

Use of Country Systems. The government has advocated the use of country systems in projects and programs financed by DPs. The Bank relies upon the review and approval procedures as set out in Ghana's procurement legal framework, and some pilots have been conducted in the use of local regulations for safeguards. The World Bank Financial Management team accepts audits from the Ghana Audit Service for our investment operations. Adherence to use of country systems by DPs is reviewed as part of the annual performance assessment under the MDBS and the results, often mixed, are disclosed to the public

Economic Governance and Social Accountability. World Bank's public sector and governance program outcomes include improved commitment to greater transparency and accountability. Prior actions in budget support and policy

dialogue resulted in executive approval in 2010 of the Ghana Freedom of Information (FOI) Bill⁵², which Parliament approval is pending. A records readiness study was prepared, in support to the FOI, which promoted proactive disclosure of information by line ministries and departments. The support to CSOs has resulted in their active participation in national policies: (i) the extension of the EITI principles to the Oil and Gas Sector (ii) the legal mandate to disclose oil and gas contracts by extractive companies, (iii) the mandate of independent oversight of Ghana's Petroleum Revenue Management Act of 2011 (iv) the Preparation of Ghana Anti-Corruption Strategy in 2011, currently pending Parliament's approval and (v) Ghana joining the Open Government Partnership. Political economy work has also been piloted around some issues, and a more structured approach across the portfolio is being developed to address governance constraints. In the area of Public Sector reform important achievements include the elimination of ghost workers in the Ministries of Health and Education, the development of a decentralization policy, and the implementation of a Single Spine Salary Structure for civil servants. The Bank contributed through budget support and investment lending as well as IDF grants in support of the judicial service, the internal audit agency, and the supreme audit institution. Outcomes in economic governance still remain weak and call for specific interventions to strengthen the on-going GIFMIS.

Gender. Gender is mainstreamed as a cross cutting issue under the CAS and with many of the projects having sex-disaggregated or gender specific indicators. A recent Bank study⁵³ provides a thorough gender analysis in various sectors, such as, land administration, finance and social protection, which helps to better understand gender differences in Ghana. Its findings can assist the government and DPs in developing appropriate policy responses to increase the economic empowerment of women, particularly in rural areas. Results are starting to show in areas such as education, agriculture and land administration. The Land Administration Project (LAP) featured a gender strategy which benefited from broad nationwide consultations with stakeholders, and covered all aspects of the Project activities. One concrete result of LAP gender focus is the increased share of women in land registration and ownership. The strategy has been incorporated into LAP2

Regional cooperation. In Ghana 30 per cent of overall commitments is dedicated to regional operations, primarily in trade and transport facilitation, energy, fisheries, and agriculture. Internally, cooperation between different Country Management Units (CMU) in the West Africa sub-region is being enhanced to improve the quality of the joint portfolio, as progress towards DO tends to adjust to the "weakest link" and produce a unified lower rating. By the same token, safeguards issues in a single country may pose a reputational risk to the other countries involved. In terms of disbursements, the regional portfolio tends to perform better than the country portfolio in Ghana, however the same sectoral issues found at the country level are found at the regional project level. The impact of regional projects in Ghana is significant, as exemplified by: the reduced cost of electricity⁵⁴ resulting from gas supplied from Nigeria through the West Africa Gas Pipeline, which is less than half the cost of the crude oil previously used for power generation; greater flexibility in electricity trading through the West Africa Power Pool Project; and improved travel conditions for transit goods (transit corridor Tema-Ouagadougou-Bamako) through the introduction of cargo tracking system on the Ghana portion of the corridor and through the partial elimination of the customs escort system for transit goods. The West African Agricultural Project has also helped poor farmers in the North preserve cassava and yam for longer periods thus preventing market gluts and smoothing price cycles.

Donor harmonization. Donor coordination is essential in Ghana given the large number of active DPs, which is essential to reduce costs in terms of time to key government officials). The Bank participates in most of the 16 Sector Working Groups and co-chairs six of them, including the MDBS. The best example of donor coordination has been the MDBS Sector Group, channeling approximately 30 per cent of total aid to Ghana, which holds an annual performance assessment of targets and triggers, a key event for assessing overall progress in Ghana. The Bank is also managing and implementing a number of trust funds, involving many DPs. The DPs annual performance reviews are open to civil society organizations (CSOs) who are an integral part of the dialogue with the Government and the DPs; their involvement provides greater opportunities for social auditing. DPs and the Government have sought to address mutual accountability with the introduction of the Development Partner Performance Assessment Framework (DP-PAF)⁵⁵: a tool to assess the performance of DPs in implementing their 23 commitments on aid effectiveness, in the latest evaluation, the Bank does well, in 19 indicators (ODA recorded in

⁵² The Freedom to Information Bill is also known as the Right to Information (RTI) Bill

⁵³ Linking Gender, Poverty, and Environment for Sustainable Development in Ghana, June 2011

⁵⁴ Ghana Energy Commission: http://new.energycom.gov.gh/downloads/STATISTICS_percent202000-2010.pdf

⁵⁵ Independent Review of Development Partner Performance and Update of Development Partner Performance Assessment Framework Assessment, 2010

national budget, ODA delivered as budget support, Use of PFM procedures, Parallel PIUs, Untied aid, ODA delivered in year scheduled, Provision of non-binding indication of sector-specific future ODA, Transparency, MDDBS indicators), and we need to improve on 5 indicators (Number of sectors of concentration, Use of procurement systems, ODA in support of PBAs, Violation of mission-free period, General Budget Support disbursed within first 4 months of Government fiscal year).

Trust Funds (TF). The World Bank Group in Ghana manages a large TF portfolio (81 as of 3/1/2012) which requires a lot of attention and staff time. Supervising this relatively large number of grants has proven to be challenging and, moving forward, it would be important to rationalize better the use of trust funds, and to ensure all TF requests are vetted by the CMU.

IV – WORLD BANK PERFORMANCE

A World Bank Country Survey was conducted in 2011. In terms of overall views of the World Bank in Ghana, it found that while a majority of respondents would like to see greater World Bank involvement in development in Ghana, effectiveness ratings on nearly all areas of sectoral work, as well as general attitudes toward the Bank's presence in the country show a decline from earlier surveys.

Design

The CAS was relevant and aligned with the Government's Strategy at the time. Its implementation contributed to the achievement of several CAS outcomes. Thirty-one operations, totaling US\$2.19 billion, were delivered to date since FY08, including 11 DPLs for US\$862 million. Budget support has been critical to allow both the Government and the Bank the flexibility needed to respond to successive crises. The Bank was flexible in adapting its Strategy to changing circumstances and priorities at the time of the Progress Report, as explained in the CASPR and summarized in the introduction section. There has been close collaboration with, MIGA, WBI and IFC: IFC's main contributions are highlighted in this report; MIGA's involvement has been in the form of guarantee in the oil and gas and telecom sectors; and WBI has contributed important analytical work related to the discovery of oil in Ghana and its implications.

The AAA program was relevant, flexible and key to informing new lending and policy. The AAA program was revisited under the Progress Report to reflect the new economic and political environment and support new priorities with special focus on country systems, public financial management and effectiveness. Budget support operations were informed by regular Public Expenditure Reviews with in-depth analysis of the budget at the sector level. Furthermore, the 2011 poverty study focused on regional disparities, mirroring the Government's own interest in spatial development. The Bank increasingly resorted to just-in-time policy notes to complement more formal economic and sector work in order to increase its capacity to adapt quickly to changing realities. A complete list of WBG studies and papers is included in Annex 3.

In a number of operations, the original project design was too complex or not well thought-through. Several ICRs⁵⁶ point to poor project design, which lead to difficult implementation. As a result, several projects had to be restructured to address design issues which ranged from inadequate implementation arrangements, poorly defined or unrealistic development objectives, overambitious results indicators, lack of baseline and/or poor M&E frameworks.

Implementation

Regular portfolio reviews were held with high-level participation from both the Bank and the Government to identify bottlenecks, propose solutions and agree on appropriate action plans, which included partial cancellations.

The decentralization of key staff has had a positive impact with the client, but staff turnover has affected implementation in some cases. At present, 43 percent of the Ghana portfolio is managed by field-based staff in AFCW1, along all four field based sector leaders. Decentralizing lead financial management, M&E Specialist, a statistician, and procurement staff led to improvements in supervision, results reporting, and disbursements. Furthermore, to respond to the need for increased field support in safeguards which was identified as an area of vulnerability under the CASPR, one social development specialist was decentralized and one environment specialist was hired, bringing the total number of field-based staff working on safeguards to three. Given the sheer size of the Bank's portfolio in Ghana, more decentralized operational support would strengthen portfolio oversight. In terms of project supervision, several projects, such as MSHAP, and EFA, have been impacted by high TTL-turnover, a contributing factor to weak results.

The World Bank has increased transparency over its portfolio however its own assessment of project performance lacks realism. Through participatory monitoring of its projects and the publication of Implementation

⁵⁶ Land Administration, M-SHAP, Education, EFA

Status Reports (ISR) under the Access of Information Policy, the World Bank has enhanced overall transparency over its engagement in Ghana. Notwithstanding this improvement, there seems to be a lack of realism in the rating of operations under supervision, as exemplified by the low proportion of projects rated unsatisfactory, which doesn't seem to be congruent with the various implementation challenges and/or delays identified in the ISRs. Furthermore all World Bank projects in Ghana carry a country flag due to disconnect on a number of ICRs when the Independent Evaluation Group (IEG) did not concur with the Bank's assessment (usually overly positive) of projects achievements. Since FY08 the Ghana lending portfolio overall disbursement rate has remained below the regional average⁵⁷. While the long political transition mid-way through the CAS impacted disbursements, other contributing factors include slow disbursements in the transport sector, capacity constraints, especially in procurement, and the low use of project readiness solutions, such as the Project Preparation Facility (PPF). Several concrete measures were adopted at the time of Progress Report to improve disbursement, but no real progress has been achieved and this remains a challenge.

Based on this assessment, World Bank Group performance is rated **moderately satisfactory**.

V – LESSONS LEARNED

Both the CAS and CASPR had relevant indicators to measure progress; however, the outcomes could not be assessed properly due to lack of reliable and timely household data from national household surveys. The indicators selected for the CAS should be aligned with more regular, timely and available information than national surveys, which can suffer delays for external reasons, for example in this CAS cycle, the household survey was delayed a year due to capacity constraints associated with undertaking the national population and housing census. Delays in availability of data make it difficult to ascertain progress of individual policies or programs. In addition, calculating attribution in a highly harmonized environment becomes very challenging; as we provide resources, along other DPs, to the general budget under nationally owned strategies.

To the extent possible, CAS preparation should be aligned with the political cycle. The Government transition halfway through the CAS implementation resulted in serious portfolio implementation delays and difficulties, given the shift in political priorities, which led to extensive reprogramming under the CASPR. The CASPR was an opportunity to adjust the initial CAS, which confronted a deteriorating macroeconomic situation which required strong consolidation of new operations. The CASPR provided the space to adjust to more strategic policy advice to new issues, such as the Oil and Gas economy.

Improved project design in future operations is critical to avoid implementation delays and better success in reaching Project Development Objectives. The use of Project Preparation Facilities should be encouraged, to allow the feedback from recent experiences and the operating environment, the capacity constraints and inherent complexities; it also allows for a better project preparation phase to affirm the definition of DO, relevance and measurability of indicators, and strength of the M&E framework. Portfolio supervision efforts should continue to create opportunities to Government to take proactive actions for project restructuring, including partial cancellations, or retrofitting older project to the new Country Financing Parameters. Innovative approaches should be encouraged, such as the E-ISR to improve the feedback from the citizens.

The use of larger civil society organizations can help reduce transaction costs and promote efficiency, a model worth keeping in mind for future projects. Evidence of this was seen in the M-SHAP operation, otherwise unsuccessful. The access to information policy should provide more transparency by actively sharing the disclosable ISRs with CSOs, including the Aide Memoire, which sectors have been reluctant to classify as public, even when agreed with the client to have the Aide Memoire disclosed. It is also important to have geographical disclosure of economic sector work and technical assistance, to make sure the Bank's response to Government's request is received in particular in the deprived areas.

Grants. One lesson learned during this CAS is that it is essential that grants be streamlined into the Bank's portfolio and be supervised by the same TTL as the related Bank operation, to ensure greater synergy and efficiency, better reporting, and cost-effectiveness. There were several events of lapsed grants during the period because of mismanaged grants.

⁵⁷ **FY09:** GH 15.4/AFR 23.4; **FY10:** GH 12.5/ AFR 23.1; **FY11:** GH 15.0/ AFR 18.6; **FY12** GH 14.8/AFR 20.4, **FY13**^{*Dec*}: GH 7.3/AFR 7.8

Annex 1 to the CASCR – Results Matrix

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
Macro-economic stability			
<p>1. Non-oil fiscal deficit is reduced from 10 percent of GDP in CY2009 to below 6 percent in 2012.</p> <p>2. Consumer price inflation rate is reduced from 19 percent in 2009 to below 7 percent in 2012.</p>	<p>Achieved. With rebased GDP, non oil GDP fiscal deficit (cash basis, before arrears) was reduced from 8.0 percent of GDP in 2008, to 4.0 percent in 2009 and finally to 2.4 percent in 2011⁵⁸.</p> <p>Partially Achieved. Consumer price inflation was reduced from 19.3 percent in 2009 to 8.7 percent in 2011, with continued downward trend and likely to be achieved by the end of 2012⁵⁹.</p>	<p><u>Ongoing (LEN/TF)</u> Economic Governance and Poverty Reduction Credit (EGPRC) – June2009/June2010/ICR S</p> <p>Poverty Reduction Strategy Credit 7 (PRSC7) – January 2011/June 2011</p> <p>Poverty Reduction Strategy Grant 8 (PRSG8) – January2012/June2012</p> <p>Oil and Gas Capacity Building Project – December2010/June2015/ISR MS/MS</p> <p>AAA Joint review of Public Expenditure and Financial Management – October 2011</p>	<p>It is widely acknowledged among DP that the three DPO strongly contributed to restore Ghana’s macroeconomic stability and focus policy attention and implementation to strategic issues, such as transparency and accountability, energy, public sector reform social protection and oil and gas institutional frameworks. The Bank, as permanent co-chair of the Multi Donor Budget Support group, was able to leverage large resources and play a critical and pivotal role to make budget support more strategic and responsive to emerging development issues. In support of the transition to middle income country, general DPO should continue to focus on core budget functions, and strengthen Ghana’s external credibility through the enforcement of multi-year macroeconomic frameworks.</p>
Finance and private sector development			
<p>3. Average number of days to register a business reduced from 33 days in 2009 to 28 days in 2012.</p> <p>4. percent of private sector credit to local private enterprises from 66 percent in 2008 to 70 percent in 2011.</p>	<p>Achieved. Average number of days to start a business is 12 in 2011⁶⁰</p> <p>Not achieved. The ratio of (credit of the private sector)/(credit to the private sector + claims on government + claims on public sector enterprises + cocoa financing) in August 2011 is 55 percent⁶¹</p>	<p><u>Ongoing (LEN/TF)</u> Micro, Small & Medium Enterprises Project (MSME) – January2006/-/ISR S/MS</p> <p>Economic Management Capacity Building Project (EMCB) – November2005/-/ISR MS/MS</p> <p>PPIAF TF Phase I (dropped)</p> <p>Regional Trade Facilitation Project II – June2011/-/-</p>	<p>Access to finance remains a key barrier to business: real interest rates are high; long-term debt is scarce, and equity markets are illiquid and under-developed. Whilst banks are relatively numerous in Ghana, the general fragmentation and lack of scale in the sector drives a high cost structure, and limits the capacity for deepening private sector expertise in areas like risk-based management, and market segment-focused credit skills. State influence within the banking sector – while somewhat reduced – remains an issue. While strengthening the core commercial</p>

⁵⁸ IMF: Fifth Review Under ECF Arrangement for Ghana

⁵⁹ Ghana statistical Service

⁶⁰ www.doingbusiness.org

⁶¹ Own calculations from information of the Bank of Ghana

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
<p>5. Growth in number of Rural Community Banks' deposit accounts from 3.0 million in 2009 to 3.1 million in 2011.</p> <p>6. At least two MDAs submitted PPP proposals to fully operation PPP unit in MOFEP by 2012.</p>	<p>Achieved. Number of Rural Community Banks deposit accounts was at 3,392,290 as of March 2011.⁶²</p> <p>Partially Achieved. The PPP Policy has been approved by Cabinet in June 2011, and the Government has set up a PPP Unit at the Ministry of Finance and Economic Planning, already a proposal was submitted by the city of Accra, and the pipeline from the Ministry of Transport is under analysis.</p>		<p>banking system and supervisory capacity remains the over-riding priority for financial sector development, much still remains to be done beyond banking. Attaining an effective regulatory capacity for pensions, and capital markets development are two stand-out priorities.</p> <p>On broader private sector development, the advent of a new oil (and soon, gas) industry presents both threats and opportunities for Ghana. Mis-management of these 'booming sectors' at the macro level could deliver a body blow to the competitiveness of the rest of the private sector, both in terms of a rising real exchange rate, and in the competition for factor inputs. With an election looming, continued prudence in macro-economic management remains paramount, and FPD will support PREM in its advocacy of fiscal responsibility through the election period and beyond. On the positive side of the ledger however, the on-shoring of gas should eventually feed through into more reliable and lower cost electricity supplies (reducing the cost base of local businesses), and enhanced revenues will allow the government to accelerate spending to address deficits in infrastructure (including through PPPs) and skills (including managerial capacity), and to amplify support for emerging new growth poles. Ghana's Public Private Partnership (PPP) development process is already underway, with a pipeline of specific transactions to be processed through 2012.</p> <p>In line with the new Private Sector Development Strategy II, efforts to improve the overall investment climate should broaden beyond 'Doing Business' type reforms, to encompass specific sectoral competitiveness issues in key sectors with strong diversification prospects such as agribusiness, tourism (niche markets, not mass market), ICT and</p>

⁶² ARB (Association of Rural Banks) APEX Bank

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
			<p>light manufacturing. Similarly, in terms of firm-specific issues a sharper focus on key ‘evolutionary hurdles’ such as informal (including household enterprises) to formal transition; fitness for debt financing; and fitness for equity financing, will be important. A pragmatic approach is required that is flexible enough to both identify and help reduce costs along sectoral value chains, but is also able to pro-actively able to support innovation and Total Factor Productivity growth.</p> <p>Key lessons that will need to be factored in to the next CAS include: (i) structure operations more effectively to cater for MDAs with limited administrative capacity; (ii) to develop a better shared understanding of how best to work with commercial, financial and other partners on innovative programs where disbursement timelines are largely taken out of the hands of both the Government and the World Bank; and (iii) more carefully align indicators with activities in order to strengthen attribution, and lesson the probability that the indicator will be affected by exogenous factors (e.g. the current private sector credit indicator would be <i>negatively</i> affected by a bumper cocoa harvest – an unambiguously <i>positive</i> event for private sector development).</p>

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
Modernizing agriculture			
<p>7. Improved cropping intensity ratio in irrigation schemes from 0.85 in 2008 for formal schemes to 1.40 in 2010 and from 0.48 for informal schemes in 2008 to 0.72 in 2010.</p> <p>8. Increased yields in key staples by 12 percent by 2012, in relation to baseline, resulting from adoption of improved technologies – average yields for key staples in 2006 (mt/ha): Maize: 1.50, Cassava: 12.20, Rice: 2.00, Sorghum: 0.98, Millet: 0.83</p> <p>9. Increased proportion of formal sector credit going to agricultural sector from 4.3 percent in 2008 to 10 percent by 2010.</p> <p>10. Progress made towards meeting NEPAD commitment by increasing the share of government spending to the agricultural sector by at least 2 percentage points by 2011 from a baseline of 3-7 percent in 2008.</p>	<p>Not achieved. Cropping intensity ratio in formal schemes: 0.86 and informal schemes: 0.41.⁶³</p> <p>Achieved. Yield in key staples is maize: from 1.50 to 1.89 mt/ha (+26 percent) rice: from 2.00 to 2.71 mt/ha (+36 percent) sorghum: from 0.98 to 1.28 mt/ha (+31 percent) millet: from 0.83 to 1.24 (+49 percent) cassava: from 12.20 to 15.43 mt/ha (+26 percent) and unweighted average 33.5 percent.⁶⁴</p> <p>Not achieved. Proportion of formal sector credit to agriculture increased to 7.3 percent in 2010. Total private sector lending increased from GHS 3.34m in 2008 (Dec 2007 measurement) to GHS 6.82m in Dec 2010 (+104 percent) and agricultural lending from GHS 210m to GHS 495m in 2010 (+135 percent)⁶⁵.</p> <p>Not achieved. A sector-wide budgeting system is being established. Until then, no accurate data are available. However, in 2010 (AgDPO2 PAD) it was estimated that public expenditures on agriculture amounted to 4-5 percent, which includes regular expenditures by the Ministry of Food and Agriculture, rural roads by the Ministry of Roads and Highways, and agricultural research by the Ministry of Environment,</p>	<p><u>Ongoing (LEN/TF)</u> Economic Governance and Poverty Reduction Credit (EGPRC) June2009/June2010/ICR S</p> <p>West Africa Agricultural Productivity Program (WAAPP) – March2007/-/ISR S/S</p> <p>Poverty Reduction and Support Credit 7 (PRSC7) – January 2011/June 2011</p> <p>Third Agricultural Development Policy Operation May2011/November2011/ISR S/S</p> <p>Fourth Agricultural Development Policy Operation – May 2012/-/-</p> <p>Commercial Agriculture Project – March 2012/-/-</p> <p><u>Ongoing AAA</u> Commercial Agriculture Notes (dropped)</p> <p>GFDR for Flood Management (dropped)</p> <p>Cotton sector support; a) Pricing mechanism; b) Regulatory framework; c) Strengthening farmer organizations (not found)</p>	<p>Agricultural production and productivity have increased significantly during the period of the CAS. Moreover, agriculture growth was more pronounced in the northern regions compared to the rest of the country. Despite the global economic crisis, formal credit to the agriculture sector more than doubled in absolute terms during the CAS, although the proportional were not achieved. Irrigation sector management remains a challenge, and monitoring its performance was hampered by a lack of rural data. Bank support to the sector through three agriculture sector DPOs has been strategic in different ways. First, it has enabled the provision of resources for the agriculture sector investment plan that has made contributions to investments in on-farm technology adoption and subsequent productivity gains. Second, sector DPOs provide an opportunity to develop a focused and ambitious policy and institutional reform agenda program that facilitates the implementation of the investment program. Third, a number of reforms have been included that benefit not only the sector agenda, but have specifically supported other Bank operations, such as the Land Administration Project, the Fisheries Project, the Ghana component of the West Africa Agricultural Productivity Program, and the new Commercial Agriculture Project. As such, the level of coherence of the Bank program in the sector has improved greatly and this approach should continue into the next strategy.</p> <p>Notes on specific indicators:</p> <p>7. The area under cultivation is underestimated due to data collection constraints. More relevant</p>

⁶³ http://mofa.gov.gh/site/?page_id=2976 - Ghana Irrigation Development Authority (GIDA)

⁶⁴ Ministry of Food and Agriculture. Annual Reports and annual Fact & Figures publication.

⁶⁵ Bank of Ghana. Bank of Ghana annual reports and requested detailed data. Includes lending to private sector agriculture and cocoa marketing

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
<p>11. At least 3 public private partnerships established to promote private investment in commercial farming (to include out-grower arrangements) by 2012.</p>	<p>Science and Technology are included. If expenditures by the Cocoa Marketing Board are added, this figure increases to 9 percent.</p> <p>Achieved: The fertilizer subsidy program⁶⁶ is a PPP in fertilizer marketing, for 2010 and 2011: The Government of Ghana entered into a PPP transaction with selected private firms that took on the responsibility of importing and distributing fertilizer products for sale to farmers. The objective of the arrangement was to increase fertilizer use among commercially viable farmers in order to improve their productivity and farm profitability. In order to accelerate the technology adoption rate, the Government contributed a partial subsidy payment equal to the transport cost of the fertilizer, which was paid retroactively to fertilizer importers upon proof of distribution at the retail level. Selected fertilizer importers performed the functions of importation, port clearing, handing, and transport. These companies pre-financed the entire program and took on the associated risks. Not only did this PPP arrangement achieve its objective of increasing fertilizer use by leveraging private sector financing and logistics capacity, it also contributed to the development of a private sector distribution network for fertilizer in rural areas that will facilitate the commercial viability of the agricultural input supply chain in the medium and longer term. Vegpro⁶⁷ has established an out grower scheme near Kpong on the left bank of the Volta River in partnership with the Government’s Millennium Development</p>		<p>developments in the irrigation sector are ongoing reforms that encourage joint management (users/government) of public schemes that will improve efficiency, and the development of a public and public-private investment pipeline.</p> <p>9. An agriculture finance indicator should be expressed in absolute terms. In a structural transformation process the relative importance of the agriculture sector (as a proportion of GDP) declines while its growth in absolute terms continues. Likewise, agricultural lending has more than doubled in four years, more than non-agriculture sectors, yet its relative share has only increased marginally due to substantial increases in lending to the commerce & finance, energy, and services sectors.</p> <p>10. A sector-wide budgeting system is being established. Until then, no accurate data are available. However, in 2010 (AgDPO2 PD) it was estimated that public expenditures on agriculture amounted to 4-5 percent, which includes regular expenditures by the Ministry of Food and Agriculture, rural roads by the Ministry of Roads and Highways, and agricultural research by the Ministry of Environment, Science and Technology are included. If expenditures by the Cocoa Marketing Board are added, this figure increases to 9 percent.</p>

⁶⁶ Ministry of Food and Agriculture, 2011. Fertilizer Subsidy Programme Implementation Guidelines.

⁶⁷ <http://mida.gov.gh/site/?p=4316> - MiDA Meet The Press – CEO’s Speech.

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
	<p>Agency. Shed 9 at the Port of Tema⁶⁸, it is a tripartite management agreement between the Port of Tema(GPHA), the Ministry of Food and Agriculture, and the Fruits Terminal Company Limited (FTCL). FTCL is a special purpose vehicle established jointly by SPEG (the exporters association) and Golden Exotics (the local subsidiary of Compangie Fruitiere, the biggest horticulture sector multinational company and the largest user of Shed 9, by volume).</p>		
Sustainable natural resources management			
<p>12. 75 percent of all timber exports verified as legal⁶⁹ by 2011.</p> <p>13. Improved mining sector revenue collection, management, and transparency as evidenced by: (a) fiscal model applied to six mines, resulting in improved overview of revenues due to the Government of Ghana and a reduction of the “revenue gap” difference between paid amounts and amounts actually due) by 2012.</p> <p>14. National environmental assessment system (EIA and SEA) institutionalized and consolidated by 2012.</p>	<p>Not achieved. Baseline share of domestic timber market from legal sources (sawmills and bush mills) estimated at 16 percent, policy measures to increase legal supply and repeat monitoring yet to be established.</p> <p>Achieved. Application of fiscal models completed and has allowed modification of the method of calculating royalties and removal of certain allowable deductions for the mining companies, and has given support to proposals to revise regulations, including an increase from 3 to 5 percent royalty payments⁷⁰.</p> <p>Achieved. Environmental assessment guidelines were produced for the general construction, health, mining, agriculture, energy, tourism, manufacturing and services and transport sectors which led for</p>	<p><u>Ongoing (LEN/TF)</u> Natural Resources and Environmental Governance Development Policy Operation I (NREG) – June2009/June2010/ICR MS</p> <p>Natural Resources and Environmental Governance Development Policy Operation II (NREG) – June2010/June2011/ICR MS</p> <p>EITI++ TF</p> <p>EITI ++ - TF10102: November2011</p> <p>Oil and Gas Capacity Building Project – December2010/June2015/ISR MS/MS</p> <p>Regional Fisheries Project – July2011/-/-</p> <p><u>AAA</u> Economics of Adaptation of Climate Change Policy Note - December 2010</p>	<p>Strengthening the capacity for sustainable use of natural resources and the environmental management remains a key challenge for Ghana as its economy continues to be reliant on natural resources for growth and livelihoods. Ghana has developed a comprehensive policy and legal framework on the sector. However Ghana still needs to create an adequate incentive framework for local communities, private sector and government to collaborate in sustainable management of those resources. The new CPS may support Ghana:</p> <ul style="list-style-type: none"> • To upscale landscape level/basin wide approaches for holistic natural resources and environmental management (e.g. GEF SLWM project) addressing climate variability, livelihoods and biodiversity conservation, especially in the Northern regions. • Continue support to mainstreaming natural resources management –particularly in forestry and mining – in the economic planning sector

⁶⁸ Horticulture Export from Ghana: A Strategic Study. June 2011. A Joint Departmental Discussion Paper Issue from the Agriculture and Rural Development & Africa Region.

⁶⁹ Establishment of baseline values is planned for 2009, as of today; there is no reliable data collection on forest products.

⁷⁰ Technical assistance provided by the EITI work financed by grants and by NREG dialogue.

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
	preparation of an institutional framework including. An online system was created at EPA to streamline EIA application process ⁷¹ . In addition to Sector Strategic Environmental Assessment some district assemblies have also adopted this environmental policy instrument to mainstream social and environmental concerns upstream in their planning processes.		(e.g. through strengthening of revenue forecasting and management at MoFEP and MDAs). <ul style="list-style-type: none"> • Support strategic and transformational investments in forestry and mining. • Enhance the ESW program to improve the understanding of the sector, in particular in regard to incentives framework and sector political economy.
Land administration			
<p>15. Turnaround time for registering titles reduced from 17 months in 2007 to less than 6 months by 2010.</p> <p>16. Land laws consolidated and harmonized with customary land practices by 2011.</p>	<p>Achieved. Turnaround land title registration 2.5 months in 2010⁷².</p> <p>Partially Achieved. Land Bill prepared⁷³.</p>	<p><u>Ongoing (LEN/TF)</u> Land Administration Project I – July2003/June2011/ICR MS</p> <p>Land Administration Project II – March2011/-/ISR S/S</p>	<p>Land administration reforms are long-term interventions and should be conceived and planned as such. The key activities supported under LAP, ranging from merging and streamlining land agencies, systematic land titling and demarcation of customary boundaries to developing systems for resolving land conflicts, were merely laying the basis for a longer term engagement in reforming land administration. The progress under the first LAP will be consolidated under LAP2.</p> <p>The design of the LAP should have been tailored to complexity of the type of project and the implementation capacity of the Government. The first phase perhaps should be longer and would have assured a smoother implementation, and when the likelihood of achieving the project's development objectives is slim, corrective action should be taken promptly through restructuring. The approach to this innovative type of project should have been more modest and based on the Ghanaian reality.</p> <p>Political and key stakeholder commitment needs to be addressed, consciously built, reinforced, and</p>

⁷¹ <http://www.epaghanaeia.org>

⁷² Review report of data from land title registries by LAP M&E unit

⁷³ www.ghana.gov.gh/index.php/governance/ministries/328-ministry-of-lands-and-natural-resources

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
			<p>sustained throughout the project cycle, as it was done in the LAP and planned for LAP2. Given the multiplicity of stakeholders and interest groups, land administration reforms require much broader consultation and consensus building, combined with greater awareness building, than some other reforms. These activities should be appropriately planned and budgeted in project design, as done in the LAP and LAP2.</p> <p>Better land administration services are provided when they are demand-driven and delivered through a decentralized system that brings services closer to clients. These arrangements reduce the cost of services to citizens and improve the public image of the service organization. In LAP, decentralization of deeds registration contributed to a drastic reduction in the number of days taken to register property. LAP2 addresses this lesson by giving greater emphasis to decentralization and service orientation.</p> <p>An effective M&E system and program take considerable resources and time to develop. Even with two full-time staff and reasonable support, the M&E arrangements for the LAP did not meet expectations. More support is provided under LAP2; each region will have a dedicated M&E staff member employed by the National Lands Commission.</p> <p>Donor commitment to long-term programs of land management and administration is essential to their success. The success of land projects and programs depends on long-term commitment, including a commitment to avoid the premature termination of disbursements.</p>

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Energy			
<p>17. National household electrification rate is increased from 58 percent in 2009 to 63 percent in 2012.</p> <p>18. Losses in ECG energy distribution are reduced from 23 percent in 2009 to 19 percent in 2012.</p> <p>19. 15,000 rural households to access solar lighting by 2012 (0 rural households have access in 2009).</p> <p>20. ECG bill collection efficiency is increased from 88 percent to reach 92 percent by 2012.</p> <p>21. Extension of EITI principles to the oil and gas sector by 2011.</p> <p>22. Establishment of new Petroleum Regulatory Authority 2011.</p> <p>23. Quantity (MW) of electricity traded between WAPP “Zone A” increases from 0 to 200 CEB, 70 CIE, 70 NEPA, 80 VRA by 2012.</p>	<p>Achieved. Electrification rate is 66 percent by the end of 2011⁷⁴</p> <p>Not Achieved. Losses remain about 26.6 percent by December 2011⁷⁵</p> <p>Not achieved. 5,519 rural households have access to solar lightning, i.e. 5,174 (ARB APEX BANK) and 345 (MoEn)</p> <p>Not Achieved. By close of 2010 the ratio stood at 89.1 percent⁷⁶</p> <p>Achieved. This was a trigger for the PRSC7.</p> <p>Achieved. This was a trigger for the PRSG8.</p> <p>Not Achieved. No data.</p>	<p><u>Ongoing (LEN/TF)</u> Energy Development & Access Project (GEDAP) – July2007/-/ISR S/S</p> <p>West Africa Power Pool Project I and II (WAPPP) June2005,June2006/-/ISR MS/S, MU/MU</p> <p>EITI++ Trust Fund</p> <p>Oil and Gas Capacity Building Project – December2010/June2015/ISR MS/MS</p> <p>West Africa Power Pool III (WAPP III) – June2011/-/-</p> <p>Energy Development & Access Project – additional financing (GEDAP)</p> <p>EITI ++ Development Policy Lending – NREG</p> <p><u>Ongoing AAA</u> Oil Policy Notes – Natural Gas Pricing Policy</p> <p><u>Planned (LEN/TF)</u> IBRD Oil and Gas Enclave (TBC)</p>	<p>Among all projects in the Ghana portfolio, the ones implemented by the Ministry of Energy usually had the largest disbursed amounts and implemented more smoothly. This reflects a very well organized structure, which is in place to act as an agent for change in Ghana. Having grown at sustained rates, the increase in the demand for more supply and better and more efficient distribution of electricity is also a challenge. The set of public utilities have arranged themselves to allow for regional energy trade, both by regional interconnection to neighboring countries, Nigeria, Togo, Benin, Burkina Faso and Cote d’Ivoire, but also, with connections of gas from Nigeria with the West Africa Gas Pipeline.</p> <p>The demands for additional financing in the sector is likely to come from different partners, such as China, or India, but also from other financial instruments, such as guarantees, sub national financing or even Independent Power Producers, which will leverage the scarce funding from multilateral agencies.</p>

⁷⁴ <http://www.energymin.gov.gh/>

⁷⁵ ECG 2010 annual report <http://www.ecgonline.info/ecgweb/LinkClick.aspx?fileticket=M96m5aZjBfs percent3d&tabid=148&mid=470>

⁷⁶ ECG 2010 annual report <http://www.ecgonline.info/ecgweb/LinkClick.aspx?fileticket=M96m5aZjBfs percent3d&tabid=148&mid=470>

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
ICT			
<p>24. Increased employment in the ICT/ITES sector from 3,050 new jobs in 2009 of which 1,773 held by women to 6,000 in 2012 of which more than 3,000 held by women.</p> <p>25. Increased export led revenues in the ICT/ITES sector from 60 m USD in 2009 to 90 mill USD in 2012.</p>	<p>Partially Achieved. Employment in ICT/ITES sector increased to 5,000 of 2,650 (53 percent) are held by women ⁷⁷</p> <p>Partially achieved. Export-led revenues in the ICT/ITES sector at 52 M USD in 2011. ⁷⁸</p>	<p><u>Ongoing (LEN/TF)</u> eGhana Project – August 2006/-/ISR S/S</p> <p><u>AAA</u> ICT Development Policy Note – ICT for Transformation – December 2011</p>	<p>Ghana has been a pioneer in African telecommunications, launching the first cellular mobile network in sub-Saharan Africa in 1992, among the first countries on the continent to be connected to the Internet and to introduce ADSL broadband services, and leading the region on market liberalization and deregulation with privatization of Ghana Telecom (GT) and introduction of a second fixed operator to break the monopoly as early as 1996. The World Bank has been very instrumental in this process, providing resources and technical advice to launch the liberalization program, and later assisting to develop a licensing framework and licenses which gave confidence to private investment. Ghana has become one of the continent's most vibrant mobile markets with six competing operators, including regional heavyweights such as MTN, Vodafone, Airtel and Millicom (Tigo). It has also become a key hub for submarine cables linking the north and south of Africa, resulting in impressive broadband speeds (leading the continent) and reduced prices. The eGhana Project has leveraged these successes and is supporting the government with automation of key government functions including revenue, immigration, justice, parliament and procurement. Despite these tremendous successes, Ghanaians do not use ICT extensively in their business processes and transactions, and in accessing information. The recent ICT for Transformation Report prepared under a World Bank TA concludes that Ghana's potential to really develop a knowledge based economy and become a preferred destination for ICT business transactions is hindered primarily by the lack of a critical mass of users which is in turn due primarily to lack: i) local</p>

⁷⁷ ISR of e-Ghana: survey of ICT companies

⁷⁸ ISR of e-Ghana: survey of ICT companies

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			content/services/applications (entertainment, agriculture, health, education, banking, governance/accountability, identification) that are interesting and affordable to attract enough users (either individual or corporate) to pay for or use the services, and ii) widespread use of m-payment systems that offer micro-transactions to facilitate easy payment for services.
Transport			
<p>26. Average travel time by bus on Bus Rapid Transit System pilot corridor improves from 65 minutes in 2007 to 40 minutes by 2012.</p> <p>27. Average transit time for imports moving by containers from the exit at the Port of Tema to Ouagadougou decreases from 7 days in 2007 to 6 days in 2012.</p> <p>28. Percentage of road in good condition (International Roughness Index (IRI) <4.5) on the Tema – Ouagadougou portion of Corridor is increased from 50 percent in 2007 to 80 percent in 2012.</p>	<p>Not achieved. The construction contract under procurement and travel time will be measured subsequent to implementation of the BRT system.</p> <p>Achieved. Average transit time for imports moving by containers from the exit at the Port of Tema to Ouagadougou is currently 6 days.⁷⁹</p> <p>Not achieved. Percentage of road in good condition (International Roughness Index (IRI) <4.5) on the Tema – Ouagadougou portion of Corridor is currently 55 percent⁸⁰</p>	<p><u>Ongoing (LEN/TF)</u> Transport Sector Project (TSP) – June2009/-/ISR S/MS</p> <p>Urban Transport Project (UTP) – June2007/-/ISR MS/MS</p> <p>Community-based Rural Development Project (CBRDP) – July2004/June2011/ICR S</p> <p>West African Transport and Transit Facilitation Project (WATTFP) – June2008/-/ISR MS/MS</p> <p>Abidjan-Lagos Transport & Transit Facilitation Project (ALTTFP) – March2010/-/ISR MS/MU</p> <p><u>AAA</u> Skills and Vocational Training Policy Paper (dropped)</p>	<p>The transport sector suffers from procurement and implementation bottlenecks caused by mainly a lack of delegation of authority at the Ministry of Transport to its agencies, unlike, other ministries, which approve the annual work plan and then the Directors or Agencies are free to implement.</p> <p>The sector has yet to respond to a rapid need for better traffic management, road construction, maintenance and financing, and this work will require more coordination with mayor metropolitan areas like Accra, to make sure all available resources can be channeled through local taxation as well.</p> <p>During the next CPS will be hard to provide resources to main trunk roads with the current level of resources accumulated in the four ongoing operations.</p>
Health			
<p>29. Infants born to HIV infected mothers who are infected reduced from 30 percent in 2004 to 15 percent in 2011.</p> <p>30. Proportion of children between 6 and 59 months of age who have received at least one</p>	<p>Achieved. Infection rate of infants born to HIV infected mothers reduced 5.2 percent⁸¹.</p> <p>Achieved. The coverage in the region of interest was: Northern Region 59.2 percent,</p>	<p><u>Ongoing (LEN/TF)</u> Multi-sectoral HIV/Aids Project (MSHAP) – November2005/June2011/ICR U</p> <p>Nutrition and Malaria Control for Child Survival Project (NMP) – July2007/March2013/ISR S/MS</p>	<p>Community based delivery service proves effective by reaching the target population and involving the community members directly, however the implementation is challenging, takes a lot of time, and especially when using volunteers most of who are unlettered. Coordination at the District Level is</p>

⁷⁹ Ministry of Roads and Highways

⁸⁰ Ministry of Roads and Highways

⁸¹ Programmatic data from the National AIDS Control Program (NACP), Ministry of Health OH, 2010

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
<p>vitamin A supplement in the last six month kept at the level of 80 percent (2008 achievement) or above by 2011.</p> <p>31. National Health Insurance Scheme: percent of total claims not paid within statutory 30 days reduced from 30 percent in 2007 to 15 percent in 2011.</p>	<p>Upper East Region 68.3 percent, Upper West Region 46.8 percent⁸², however these figures do not capture the effect of the Child Health Week in each May and during the National Immunization Days each year, which in 2011 reported coverage during the Child Health Week in 2011 was 93.5 percent and 95.3 percent.⁸³</p> <p>Achieved. 100 percent (percent of total “clean” claims) reimbursed by NHIS within 60 days⁸⁴</p>	<p>Health Insurance Project (HIP) – July2007/-/ISR MS/MS</p> <p>Health Country Status Report - January2012</p> <p>Poverty Reduction and Support Credit 7 (PRSC7) – January 2011/June 2011</p>	<p>also challenging, because of the lack of understanding of their roles in the health and nutrition services delivery.</p> <p>Ghana is already performing well in the AIDS/HIV prevention efforts, with reduction in new infections. Ghana already has an institutional framework in place for the AIDS/HIV fight, and it is important to harmonize it with any global initiative to assure its effectiveness in country.</p> <p>The flexibility of the World Bank to a Government initiative, as it was the National Health Insurance Scheme, was very much appreciated, in particular when it did not enjoy the support from other DPs. Of course, the implementation of the project was challenging given the innovative approach, however, the Health Insurance Project is expected to close in a satisfactory manner by achieving its original objectives.</p>

⁸² District level data based on village volunteer reporting to Ghana Health Service

⁸³ ISR for the Nutrition and Malaria Project (NMP)

⁸⁴ NHIA M&E system

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Education			
<p>32. Primary completion rate in deprived districts increased from 83.2 percent in 2009 to 91.6 percent in 2011.</p> <p>33. Teacher absenteeism reduced from 27 percent in 2005 to 20 percent in 2011.</p> <p>34. Council of Technical, Vocational, Education and Training (COTVET) established by 2012.</p>	<p>Achieved. Primary completion rate in deprived districts at 91.6 percent⁸⁵</p> <p>No data. Teacher absenteeism data are not collected systematically but mechanism with school report cards and accountability mechanisms planned under GPEF grant⁸⁶</p> <p>Achieved. COTVET was established by Act 718 of July 2006.⁸⁷</p>	<p><u>Ongoing (LEN/TF)</u> Education Sector Project (EdSeP) – March2004/October2011/ISR MU/MS</p> <p>Education For All – Fast Track Initiative (EFA FTI) III – April2009/June2011/ICR U</p> <p>Poverty Reduction and Support Credit 7 (PRSC7) - January 2011/June 2011</p> <p>Community-based Rural Development Project (CBRDP) – July2004/June2011/ICR S</p> <p>Skills Development and Technology Project – March2011/-/ISR S/S</p> <p><u>Planned</u> Education For All – Fast Track Initiative TF (EFA FTI) IV – Now GPEF</p> <p><u>Ongoing AAA</u> Education Country Sector Report (CSR) (dropped)</p>	<p>Even though education coverage indicators are very high for Ghana, the number of children, particularly girls, who do not complete their training with quality standards, is too high. This problem is even more acute in deprived areas, where teachers are not willing to go and teach. Thus the targeting of the Bank’s program will be to those underserved with innovative approaches.</p> <p>The Bank is also looking to engage with demand side approach for vocation training, to bridge the gap between the needs from the private sector for qualified personnel, and the availability of people with basic education.</p>
Water and Sanitation			
<p>35. 500,000 people to gain access to safe water supply in urban areas by 2012.</p> <p>36. 700,000 people to gain access to safe water supply in rural areas by 2012.</p>	<p>Not Achieved. 250,000 people expected to be connected⁸⁸. A total of 550,000 expected to be connected by 2014, i.e. target will likely be exceeded, but with delay</p> <p>Not Achieved. 561,754 people provided with water supply systems (in excess of the project target of 550,000)⁸⁹</p>	<p><u>Ongoing (LEN/TF)</u> Urban Water Project (UWP) – July2004/-/ISR MS/MS</p> <p>Small Towns Water Supply and Sanitation Project – July2004/April2010/ICR S</p> <p>Community-based Rural Development Project (CBRDP) – July2004/June2011/ICR S</p>	<p>Need to address sanitation as well, both in rural peri-urban and urban areas, especially in the latter subject to rapid growth. New proposed project for the Greater Accra is called Sanitation and Water to emphasize sanitation needs and is targeted more at peri-urban and low income urban settlements which seem to have been neglected over the years. There is also the need to identify & establish an institution that will coordinate sanitation programs in the urban</p>

⁸⁵ Education Management Information System, Ministry of Education

⁸⁶ Ghana Education Service staff

⁸⁷ www.cotvet.org

⁸⁸ Project Management Unit estimates based upon work in progress

⁸⁹ Beneficiary assessment done by an independent consultant at the request of CWSA, included in the ICR for the Small Towns Water and Sanitation Project

CAS Outcome/Cluster of Outcomes and Outcome Indicators	Status and Evaluation Summary	Bank Program and Interventions – lending and non-lending that contributed to the outcome Approval/Completion-date/ICR/ISR/(DO/IP) Rating	Lessons and Suggestions for the New CPS
<p>37. 100,000 people in small towns have access to appropriate sanitary facilities by 2012.</p> <p>38. 90,000 children to benefit from sanitation facilities at schools by 2010.</p>	<p>Not Achieved 50,424 people provided with sanitation facilities (in excess of the project target of 50,000) – same source as above.</p> <p>Not Achieved. 60,000 children benefited by 2012</p>	<p>Economic Governance and Poverty Reduction Credit (EGPRC) June2009/June2010/ICR S</p> <p>Second Urban Environmental Sanitation Project (UESP2) – April2004/-/ISR MS/MS</p> <p>Sustainable Rural Water Services June2010/-/ISR S/S</p> <p><u>Planned</u> Urban Water and Sanitation Project [in progress Additional Finance for Urban Water and GAMA]</p> <p><u>Ongoing AAA</u> Water Resources Policy Notes - 2012</p>	<p>& peri-urban communities within the decentralized structure.</p> <p>More emphasis needed on sanitation; this was corrected with the introduction of Community Lead Total Sanitation (CLTS) in the Sustainable Rural Water & Sanitation Project. However within the CLTS strategy there should still be the opportunity to assist communities to climb up the sanitation ladder.</p> <p>The installation of sanitation facilities has a very positive impact on school attendance, especially girls.</p>
Social protection			
<p>39. 500,000 person days of employment created under the labor intensive public works program by 2012.</p> <p>40. No. of households benefiting from cash transfers increases from 16,000 in 2010 to 50m000 by 2012.</p> <p>41. Adoption and implementation of the common targeting approach by 2011.</p>	<p>Partially achieved. Baseline is zero and target for GSOP Jun 2012 is 1 M, of which 240,000 by Feb 2012 achieved⁹⁰.</p> <p>Achieved. Share of pro-poor expenditures of total public expenditures at 28.4 percent in third quarter of 2011⁹¹.</p> <p>Achieved. A common targeting system using a PMT has been adopted and tested⁹².</p>	<p><u>Ongoing (LEN/TF)</u> Economic Governance and Poverty Reduction Credit (EGPRC) June2009/June2010/ICR S</p> <p>Social Opportunities Project – May2010/-/ISR S/S</p> <p>Poverty Reduction and Support Credit 7 (PRSC7) - January 2011/June 2011</p> <p><u>Ongoing AAA</u> Poverty Assessment - March2011 Ghana – Developing a Common Targeting System Policy Note (completion FY 12) Poverty Expenditures Targeting Report (FY10) – June2011</p>	<p>Despite agreement on the need to introduce a common targeting system and having developed that in partnership with various MDAs, there is a strong reluctance to change specific rules for the programs , for example, despite having a valid proxy means test based targeting system, distribution of fertilizer and cooking gas subsidies still relies on administrative means. Going forward, there will be a need to secure agreement on the use of a system to rationalize poverty targeted expenditures.</p> <p>Redefine Poverty Targeted Expenditures better, the current definition includes programs such as School Feeding where 80 percent of beneficiaries are from the top quintile.</p>

⁹⁰ Monthly Reports consolidated by National Coordinating Office/Ministry of Local Government and Rural Development

⁹¹ Ministry of Finance and Economic Planning, Controllers and Accountant's General Department, Ghana Education Trust Fund, RDF, District Assembly Common Fund

⁹² Livelihood Empowerment Against Poverty (LEAP) Secretariat

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Public sector reform			
<p>42. Public sector reform strategy developed by June 2010 and implemented thereafter.</p> <p>43. National Decentralization Policy endorsed by Cabinet by July 2010.</p> <p>44. Civil Service Bill endorsed by Cabinet by July 2010.</p> <p>45. Establishment of a single Ghana Revenue Authority by 2011.</p> <p>46. Real time financial reports are produced by MDAs through GIFMIS by 2012.</p> <p>47. Improved consolidation and comprehensiveness of reliable government fiscal reports, based on GFSM2001 reporting standards, for quality economic decision making.</p> <p>48. Every year, recommendations of Public Accounts Committee on Audited Accounts and Audit Reports on Consolidated Accounts are implemented.</p>	<p>Achieved. PSR strategy finalized in Feb 2011⁹³.</p> <p>Achieved. ND Policy approved by Cabinet in April 2010.⁹⁴</p> <p>Not achieved. The Civil Service Bill is yet to be approved by Cabinet.⁹⁵</p> <p>Achieved. The GRA was established in May 2010 and the Board inaugurated In September 2010.⁹⁶</p> <p>Partly Achieved. The implementation of the related GIFMIS project activity is on track for completion by July 2012.</p> <p>Not achieved. Consolidation for MDAs (excluding subvented agencies and donor funded operations) is now scheduled to be achieved upon implementation of the GIFMIS 'Pay-to-Procure' and 'General Ledger Modules' by July 2012. A GFS compliant chart of accounts/budget classification basis for the fiscal reports is now instituted in GoG to support the consolidation process.</p> <p>Partially achieved. Process is ongoing but Implementation of recommendations across audited entities uneven and weak.⁹⁷</p>	<p><u>Ongoing (LEN/TF)</u> Economic Management and Capacity Building Project (EMCBP) – November2005/-/ISRMS/MS</p> <p>Community-based Rural Development Project (CBRDP) – July2004/June2011/ICR S</p> <p>IDF - Internal Audit – May2007</p> <p>IDF – External Audit – May2007</p> <p>IDF – Judicial Reform –March2011</p> <p>Ghana Integrated Financial Management Information Systems Project – through additional Financing for the eGhana Project. - August2006/-/ISR S/S</p> <p><u>Ongoing AAA</u> Non-Concessional Borrowing Paper - yearly</p> <p>Public Expenditure Review – November2011</p> <p>Urban Development and Social Accountability of Service Delivery Policy Note - dropped</p>	<p>The main lesson learnt during the period is that there is the need to sustain the policy dialogue on public sector reform. Also, Bank support through a combination of DPOs and TA helped in achieving results.</p> <p>With Ghana becoming a lower middle income country, there is the need to strengthen the public service to be more efficient in the delivery of services. To this end, issues of improved human resource management, improved payroll management and control, improved monitoring and evaluation of policies and procedures need to be at the forefront of Bank engagement with authorities</p>

⁹³ Public Sector Reform strategy documents

⁹⁴ National Decentralization Policy Document

⁹⁵ Public Sector Reform Secretariat

⁹⁶ Website: GhanaWeb

⁹⁷ Audit Reports of the Consolidated Fund

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Evidence Based Policy Making			
<p>49. Provisional results of the 2010 Population and Housing Census available in 2011.</p> <p>50. Proportion of Ghana Statistical Service (GSS) staff with professional qualifications increases from 39 percent in 2009 to 50 percent in 2012.</p> <p>51. Annual Progress Reports (APRs) available for all sectors with gender disaggregation of key indicators by 2012.</p>	<p>Achieved. Provisional results of the 2010 Population and Housing Census released in February 2011⁹⁸</p> <p>Not achieved. No data. These indicators are associated with the Ghana Statistics Development Plan which has not yet been implemented.</p> <p>Not achieved. Production and availability of Ministries, Divisions and Agencies APR is a trigger for the 2011 Performance Assessment Framework under the MDBS⁹⁹</p>	<p><u>Ongoing (LEN/TF)</u> Poverty Reduction and Support Credit 7 (PRSC7) - January 2011/June 2011</p> <p>Ghana Statistics Development Multi-Donor Trust Fund (MDTF) – February 2011/-/ISR S/MU</p> <p>Ghana Statistics Development Project – August 2011 and not effective</p> <p>IDF - National M&E Capacity - 2006/2009/MS</p>	<p>Early identification of capacity constraints (people, skills, other demands) and support provided to strengthen implementation capacity or to defer project. Implementing the MDTF at same time as undertaking census has been a key challenge for GSS.</p> <p>Getting key consultant specialists to support implementation in place for beginning of project (e.g. procurement).</p> <p>Stronger and earlier pro-active support to strengthen national and sectoral M&E systems through capacity development and improved institutional frameworks and fortified links to planning and budgeting: M&E policy, legal instruments, evaluation facility, service delivery satisfaction survey, data quality systems, training and systems for feed-back, incentives, sanctions and rewards.</p>
Social accountability			
<p>52. Social Accountability (SA) mechanisms mainstreamed into the monitoring and evaluation of four projects: fisheries, water, transport and gas infrastructure by 2011.</p> <p>53. Use of SA mechanisms, tools and approaches in Bank program aligned with strategic plan for mainstreaming by 2012.</p>	<p>Partially achieved. SA mechanisms mainstreamed in two projects: (a) Oil and Gas Capacity Building Projects and in Local Government Capacity Support Project¹⁰⁰</p> <p>Achieved. Cabinet approved recommendation to in 2011 to extend EITI principles to the Oil and Gas sector. Subsequently, the National EITI Committee was expanded to include 2 CSOs active in the Oil and Gas Sector, Petroleum Companies, and Ministry of Energy. EITI Secretariat developed Template for tracking payments and expenditure from the Oil and Gas sector.</p>	<p><u>Ongoing (LEN/TF)</u> Poverty Reduction and Support Credit 7 (PRSC7) - January 2011/June 2011</p> <p>TF on EITI</p> <p>GPF Social Accountability Project – May 2010/August 2013/S</p>	<p>Budget support is a good tool to support policy actions, but there has to be effective demand, as well as some technical assistance, to achieve desired outcomes.</p> <p>Sustaining effective demand through well thought out advocacy campaigns is challenging but effective.</p> <p>World Bank lacks tools for working effectively with Parliament on social accountability, however, peer Learning and south-south exchange can be helpful in exposing clients to best practice.</p>

⁹⁸ www.statsghana.gov.gh -press release by Ghana Statistical Service

⁹⁹ www.mofep.gov.gh - The MDBS Performance Assessment Framework.

¹⁰⁰ Governance Partnership Facility (GPF) grant on social accountability: Progress Report December 2011

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<p>54. Conditions for improved access to information: FOI legislation approved by Parliament by Dec 2010 and the development of systems for public disclosure by June 2011.</p>	<p>A 2011 stakeholder workshop reviewed and refined the template.¹⁰¹</p> <p>Not achieved. The Freedom of Information (FOI) Law has not yet been passed by Parliament. However some results were achieved: (i) Prior action through budget support and policy dialogue resulted in executive approval in 2010 of the FOI bill, which is pending Parliament approval; (ii) Action plan to promote proactive disclosure of information by line ministries; and (iii) Executive directives in 2011 mandated disclosure of oil and gas contracts by extractive companies¹⁰².</p>		

¹⁰¹ Ghana EITI 2010 Annual report

¹⁰² Governance Partnership Facility (GPF) grant on social accountability progress report

Annex 2 to the CASCR - Planned and Actual Lending FY08-12

	Project ID	Approval FY	Amount (US\$ millions)	Undisbursed Amount (US\$ millions)	Status at CASCR
Ongoing projects at CAS beginning					
Land Administration	P071157	2004	20.5	13.9	Closed FY11
Community-based Rural Development	P081482	2005	60.0	29.6	Closed FY11
Economic Management Capacity Building	P092986	2006	25.0	23.2	Ongoing
Education Sector SIL	P050620	2004	78.0	53.7	Closed FY12
Health Sector Programmatic Support 2	P073649	2003	89.6	0.4	Closed FY07
Multi-Sector HIV-AIDS – M-SHAP	P088797	2006	20.0	17.2	Closed FY11
Road Sector Development Program	P050623	2002	220.0	33.6	Closed FY08
Rural Financial Services SIL	P069465	2000	5.1	0.2	Closed FY08
Small Towns Water Supply & Sanitation	P084015	2005	26.0	15.3	Closed FY10
Trade Gateway and Investment SIL	P000970	1999	50.5	18.1	Closed FY10
Urban Environment Sanitation 2	P082373	2004	62.0	58.9	Ongoing
Urban Water SIL	P056256	2005	103.0	89.3	Ongoing
MSME Initiative	P085006	2006	45.0	45.4	Ongoing (AF)
e-Ghana	P093610	2007	40.0	40.0	Ongoing (AF)
PRSC 5	P099287	2007	110.0	110	Closed FY08

	Project ID	Proposed FY	Approval FY	Planned Amount (US\$ millions)	Actual Amount (US\$ millions)
Programmed projects at CAS					
GPRS General Budget Support					
• PRSC 6	P103631	2008	2008	100.0	100
• PRSC 7	P117924	2009	2011	100.0	215
• PRSG 8	P127314	2010	2012	100.0	100
• PRSC 9		2011		100.0	
Other operations					
GH-Urban Transport Project SIL (FY09)	P100619	2007	2008	45.0	45
WA Regional Transit and Trade	P079749	2008	2008	60.0	80
WA Regional Corridor Abidjan Lagos	P096407	2009	2010	60.0	120
WA Regional Transit and Trade Phase 2		2010		105.0	
WA Regional Air Safety		2009		15.0	
WA Trade Insurance	P112456	2010	2012	20.0	27.5
Transport SWAp		2009		100.0	
Business Environment DPO		2011		10.0	
WA Power Pool Phase 3	P094919	2009	2012	30.0	25.9
WA Agricultural Productivity	P094084	2007	2008	15.0	15
GH-Agriculture DPL – closed FY09	P102675		2008	10.0	25
GH Second Agriculture DPO – closed FY11	P110147		2011	10.0	25
GH Third Agriculture DPO – closed FY12	P122796		2012	15.0	57
Agricultural DPO4	P122808		2012	15.0	50
Agricultural DPO5	P122818		2013	15.0	
GH: Commercial Agriculture	P114264	2011	2012	100.0	100.0
NREG DPO 1 – Environmental Governance	P102971		2009	3.0	20
NREG DPO 2	P113172		2010	8.0	10
NREG DPO 3	P118188		2010	8.0	10
NREG DPO 4	P120009		2011	8.0	
GH-Land Administration – 2	P120636	2010	2011	20.0	50.0

	Project ID	Proposed FY	Approval FY	Planned Amount (US\$ millions)	Actual Amount (US\$ millions)
e-Ghana (Additional Financing)	P120942	2009	2010	15.0	44.7
GH-Energy Dev & Access SIL (FY08)	P074191	2008	2008	90.0	90.0
GH-EMCB Supplemental SIL	P105424		2009		10.0
GH: Community Based Rural Development Project Supplemental	P081482		2008		22.0
GH-Transport Project SIL (FY09)	P102000		2009		225.0
GH-EGPRC (fast-track) – closed FY10	P113301		2009	100.0	300.0
GH-2 nd Add Fin Small Towns WSSP	P115065		2009		15.0
GH-Social Opportunities Project (GSOP)	P115247		2010		88.6
GH- Add Fin for the GEDAP (FY10)	P120016		2010		70.0
GH: Sustainable Rural Water & Sanit Serv	P120026		2010		75.0
GH-Skills and Technology Development Pro	P118112		2011		70.0
GH:Gas and Oil Capacity Building Project	P120005		2011		38.0
GH Local Government Capacity Support	P122692		2011		175.0
GH-Statistics Development Program (FY11)	P118858		2012		30.0
GH-West Africa Regional Fisheries	P124775		2012		50.3
GH-PRSG 8 – closed FY12	P127314		2012		100.0
GH-Health Insurance Project SIL (FY08)	P101852	2007	2008	15.0	15.0
GH-Nutrition & Malaria Ctrl Child Surv	P105092	2007	2008	25.0	25.0
Small Town Water Supply and Sanitation Supplemental	P084015	2007	2010	10.0	15.0
Urban Water 2 – GAMA	P119063	2010		100.0	150.0
Urban Policy – Local Governments	P122692	2011	2012		175.0
Social Protection DPO1–consolidated GSOP		2009		10.0	
Social Protection DPO 2–consolidated GSOP		2010		10.0	
Social Protection DPO 3–consolidated GSOP		2011		10.0	
Employment-consolidated Skills		2010		20.0	
Non-programmed projects					
GH-Energy Dev & Access Additional Financing	P074191	n/a	2011		70
Ghana PPP Project	P125595				30.0
WA Agriculture Productivity	P129565		2012		60.0
WA Power Pool 3	P094919		2012		40.6
Grants and Special Financing Projects					
Ghana Urban Water Additional Financing	P129544		2012		50.0
GH-Urban Transport GEF	P092509	2007	2008	7.0	7.0
Ghana Statistics Development Project, MDTF	P118585		2011		6.2
IDF Strengthening M&E Capacity	P101451		2006		0.5
IDF Kumasi-Atlanta City Partnership Project	P102977		2007		0.1
IDF Strengthening the Adjudication Capacity of Traditional Leaders	P103741		2007		0.3
IDF Support to Internal Audit Agency to improve Internal Auditors Skills	P103927		2007		0.4
IDF Capacity Building for Specialized Audits for the Ghana Audit Service	P104416		2007		0.3
GH-Energy Dev & Access - GEF	P070970	2008	2008	5.5	5.5
GH-Energy Dev & Access - Africa Catalytic Growth Fund	TF090450	2008	2008	50.0	50.0
Statistics for Results SRF-CF TF	P118858		2012		10.0
EFA – closed FY10	P116441		2009		14.2

Annex 3 to the CASCR - Planned and Actual ESW-TA FY08-12

Planned under the CAS	Year planned	Year delivered	Filed in Imagebank?
Telecom Assistance TA - Interconnection regulatory strategy	FY08		P089477
Job creation and Skills Development – Two Volumes	FY08	FY09	Yes: 40328-GH
Decentralization and Accountability	FY08		Not found
External Review of Public Financial Management 2007	FY08	June 2008	Yes: 67466-GH
Poverty Assessment	FY08	March 2011	Yes: 53991-GH
Urban Development and Economic Growth	FY07		Not found
Country Economic Memorandum (CEM)	FY08	Nov 2007	Yes: 40934-GH
Planned under the CAS Progress Report	Year planned	Year delivered	Filed in Imagebank?
Investment Climate Assessment	FY09	Not delivered.	Not disclosed.
Agriculture Sector Review	FY09	April 2009	Not found. ¹
Commercial Agriculture Notes	FY10		Not found.
Water Resources Development Policy Paper	FY10	FY12	Yes: 67517-GH
Non concessional borrowing	FY10, 11, 12	January 2010 May 2008	Yes: 52805-GH, 43501-GH
Poverty Assessment	FY10	March 2011	Yes: 53991-GH
Targeting of Pro-poor Expenditures: Improving the targeting of Social Programs	FY10	June 2011	Yes: 55578-GH
PSIA on Energy Tariffs	FY10	Part of PRSC7	No.
Education Sector Strategy: Education in Ghana - Improving equity, efficiency and accountability of education service delivery	FY10	February 2010	Yes: 59755-GH
Science, Technology, and Innovation Policy Review	FY10	FY11	Not found
Skills and vocational Training	FY10		Not found
Ghana Health Status Report	FY10	FY11	Yes: 67325-GH
Ghana Country Study: A roadmap for Africa on the strategic application of information and communication technology – Ghana ICT for Transformation	FY11	December 2011	Yes: 67843-GH
Economics of Adaptation to Climate Change Policy Note	FY11		Yes ²
Western Corridor Study	FY11		Not found
Joint review of public expenditure and financial management	FY11	October 2011	Yes: 67466-GH
Public Expenditure Review	FY11	November 2011	Not yet disseminated
Just-in-Time Policy Notes Ghana Nigeria Trade Dispute Cocoa Sector Activity Mining Tax Administration (delivered to client) Oil Revenue Forecasting (delivered to client) Informal Sector Regulation Public Investment management CDB Master Facility Agreement (delivered to client) Interparty Policy Collaboration (workshop)	FY11	Notes already delivered	
Non planned	Year planned	Year delivered	Filed in Imagebank?
Tackling poverty in Northern Ghana	FY11	March 2011	Yes: 53991-GH
External Review Public Financial Management 2009		May 2009	Yes: 47639-GH

¹ www.ifpri.org/sites/default/files/publications/gsspwp17.pdf

² http://climatechange.worldbank.org/sites/default/files/documents/EACC_Ghana.pdf

JSAN for the GSGDA		August 2011	Yes: 63286-GH
Ghana-Economy wide impact of oil discovery in Ghana	FY10	November 2009	Yes: 47321-GH
<i>Prioritizing Demand-Side Governance in Emerging Oil Economies</i>	FY12	FY12	Not yet disseminated
Crisis response			Not found
Faith and Service Delivery in Health and Education		June 2011	Not yet disseminated
Political Economy in the Mining Sector of Ghana (Policy Research Working Paper)		July 2011	Yes: WPS5730
Public Expenditure and Financial Accountability, PEFA 2009		August 2010	Yes ³
Policy Research Working Paper - Second Best? Investment Climate and Performance in Africa's Special Economic Zones		October 2010	Yes: WPS5447
Climate Risk and Business - Agribusiness - Ghana Oil Palm Development Company (IFC)		January 2011	Yes 62638-GH
The Social Dimensions of Adaptation to Climate Change in Ghana		December 2010	Yes: 58902-GH
Carbon Rights in Ghana		January 2012	Yes: 65868-GH
The Cost to Developing Countries of Adapting to Climate Change (consultation draft)		December 2010	Yes: 58902-GH
Mainstreaming Environment and Climate Change in the Implementation of Poverty Strategies			Not found
Assessing Vulnerability and Adaptive Capacity to Climate Risks: Methods for Investigation at Local and national Levels			Not found
Disaster Risk Management: Address disaster risk and vulnerability to natural hazards – particularly droughts and floods - in a more comprehensive manner through investments in structural and non-structural interventions, as well as strengthening meteorological and hydrological services.	FY12	FY13	Not found
Ghana 2007 External Review of Public Financial Management (2 vol)		June 2008	Yes

³ EUROPEAID/ 119860/C/SV/multi Framework contract Beneficiaries – Lot n°11 – Macro Economy, Statistic and Public Finance Management

Annex 4. Joint WBG-IMF Debt Sustainability Analysis (DSA)



INTERNATIONAL MONETARY FUND

GHANA

May 29, 2013

STAFF REPORT FOR THE 2013 ARTICLE IV CONSULTATION— DEBT SUSTAINABILITY ANALYSIS—UPDATE

Approved By
**Michael Atingi-Ego and
Mark Joseph Flanagan
(IMF) and Jeff Lewis and
Marcelo Giugale (IDA)**

Prepared by the International Monetary Fund and the
World Bank¹

The analysis suggests that Ghana's risk of debt distress has risen, but remains moderate. Driven by expansionary fiscal policy in 2012, several of Ghana's public domestic and external debt indicators have deteriorated, but external debt burden indicators are projected to remain well below their respective indicative thresholds, provided fiscal consolidation is realized as planned and continues beyond the medium term. Total public debt is projected to stabilize at approximately 52 percent of GDP in the long run, with debt service absorbing more than 40 percent of government revenue. A more front-loaded adjustment would be needed to set the debt ratio on a declining trend.

¹ Prepared in collaboration with Ghanaian authorities. The previous DSA was prepared in November 2011 (IMF Country Report No. 12/36).

KEY ASSUMPTIONS UNDER THE BASELINE SCENARIO

1. Macroeconomic assumptions are broadly in line with those in the November 2011 DSA, with deviations mainly related to the projection of oil production (Box 1 and Tables 1–2). Revisions reflect: (i) updated information on proven reserves in the Jubilee field and recently assessed new fields; (ii) associated FDI inflows, particularly in 2016–2018; and (iii) a slightly higher share of non-concessional borrowing, consistent with Ghana's rising wealth and income status. By assuming a back-loaded production start for the newly assessed fields, and no production from future discoveries, the growth projections are conservative.

2. The projected debt dynamics are, however, contingent on successful fiscal consolidation.

	2012	2013	2013-18	2019-31
Real growth	(annual percentage change)			
DSA-2011	8.5	7.4	5.6	5.5
DSA-2013	7.9	7.9	6.3	5.3
Level of nominal GDP	(in millions U.S. dollar)			
DSA-2011	43,396	46,994	57,363	119,840
DSA-2013	40,435	45,643	58,768	126,135
Inflation (GDP deflator)	(annual percentage change)			
DSA-2011	11.9	7.6	7.6	5.8
DSA-2013	13.3	13.7	10.7	6.9
Real interest rate (foreign debt)	(percent)			
DSA-2011	1.3	1.8	2.3	4.3
DSA-2013	1.1	1.6	1.6	3.5
Real interest rate (domestic debt)	(percent)			
DSA-2011	-1.2	4.8	3.0	3.2
DSA-2013	0.5	-1.1	1.8	4.2
Current account balance	(percent)			
DSA-2011	-6.0	-3.8	-4.5	-5.1
DSA-2013	-12.2	-11.9	-9.0	-6.4
Primary fiscal balance	(in percent of GDP)			
DSA-2011	0.7	1.4	0.8	-0.2
DSA-2013	-7.9	-6.5	-3.5	-0.5

Consistent with the authorities' plans, the baseline scenario assumes a reduction of the fiscal deficit (financing basis) to 6 percent of GDP in 2015. The long-run projections assume further gradual adjustment, consistent with the assumptions in the 2011 DSA.

	2012	2013	2014	2015	2016	2017	2018
Disbursements							
Multilateral	491	671	550	550	499	479	460
Bilateral	100	487	347	387	424	339	339
Commercial	735	750	1079	1279	1550	2607	2272
of which CDB	193	750	1029	1029	0	0	0
Total	1326	1908	1976	2216	2473	3426	3072

Box 1. Baseline Macroeconomic Assumptions

Real GDP-growth: After the acceleration of real GDP growth in 2011 to 15 percent, driven by oil production and a considerable expansion of the non-oil economy, Ghana experienced another year of high real GDP growth of almost 8 percent in 2012. Increased oil production is projected to keep the growth rate at this level in 2013. In the medium-term, growth is projected to moderate until production from new oil fields boosts output in 2018. In the long-run, real growth is assumed to stabilize at 5-6 percent, with new oil discoveries implying significant upside potential.

Inflation: CPI inflation increased in late 2012, and survey-based expectations point to a further rise to above 10 percent in 2013. Supported by an improvement in the policy mix, inflation is expected to decline in the medium run, with the GDP deflator stabilizing at 7-8 percent in 2018–2033.

Government balances: After widening to 7.9 percent of GDP in 2012, the primary deficit is projected to improve to 2.2 percent of GDP by 2015, and to gradually fall to less than 1 percent of GDP in the long run.

Current account balance: Notwithstanding strong export growth of 15 percent, the current account deficit widened to 12.2 percent of GDP in 2012, as a result of sharply rising imports. Owing to weaker terms of trade, the current account deficit is expected to remain close to 12 percent in 2013 and above 8 percent of GDP until 2017, driven by strong capital imports. Beginning in 2018, the deficit is projected to gradually decline to approximately 4 percent of GDP in 2033, broadly in line with its optimal level according to Fund staff's external balance assessment.

Financing flows: Ghana continued to attract significant FDI of above 8 percent of GDP in 2012, the main part of which was related to the oil sector. Driven by the discovery of new fields, FDI is projected to stay close to 7 percent of GDP until 2018, and then to gradually decline to 4 percent of GDP by 2033. Consistent with Ghana's improving income status and wealth, inflows from grants are projected to decline to less than ½ percent of GDP in the medium to long term. Borrowing is projected to become increasingly non-concessional with above 90 percent of loans. The Eurobond, which the authorities are considering, is not included in this DSA, but could help smooth rollover needs and actually reduce total debt service cost by replacing more expensive borrowing from the less liquid domestic market.

EXTERNAL AND PUBLIC DEBT SUSTAINABILITY

A. External Debt Sustainability Analysis

Baseline scenario

3. Ghana's external debt indicators are all projected to remain below the relevant indicative thresholds. The projected level and composition of external debt is broadly in line with the November 2011 DSA, with a deterioration of export-based indicators caused by a downward revision in the terms of trade, but an improvement in the revenue indicators, reflecting further improvements in revenue administration and tax collection. All indicators remain below their respective thresholds in the baseline scenario (Table 3 and Figure 1A and Table 3A).

Standard stress tests

4. Standard stress tests confirm a moderate risk of debt distress (Figure 1A and Table 3A). Though pushed up, all three stock indicators as well as the debt service-to-export ratio remain under their respective thresholds even under the standardized stress tests. However, the debt service to-revenue-ratio—which is already close to its threshold level in the baseline scenario—increases to 26–30 under the most extreme shock which constitutes a one-time 30 percent depreciation relative to the baseline in 2014. While having a more moderate impact, a decrease of non-debt creating flows to their historical averages minus one standard deviation would also result in a breach of the debt service-to-revenue threshold.

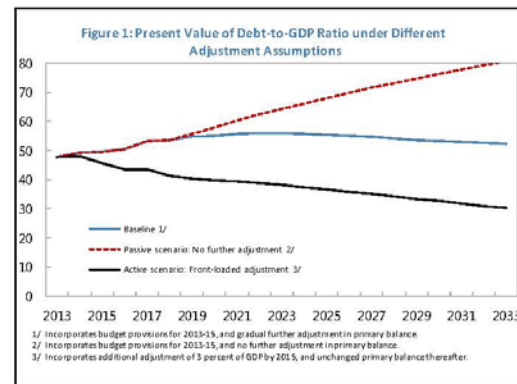
	2018	2023	2031
PV of debt-to-GDP ratio			
DSA-2011	27.4	29.8	32.6
DSA-2013	26.1	29.5	24.8
Threshold	50.0	50.0	50.0
PV of debt-to-exports ratio			
DSA-2011	72.1	79.4	83.0
DSA-2013	82.7	96.7	80.4
Threshold	200.0	200.0	200.0
PV of debt-to-revenue ratio			
DSA-2011	140.4	162.3	182.0
DSA-2013	120.7	138.3	115.4
Threshold	300.0	300.0	300.0
Debt service-to-exports ratio			
DSA-2011	6.3	10.5	13.1
DSA-2013	6.4	12.8	14.2
Threshold	25.0	25.0	25.0
Debt service-to-revenue ratio			
DSA-2011	12.2	21.5	28.8
DSA-2013	9.4	18.4	20.4
Threshold	22.0	22.0	22.0

B. Public Debt Sustainability Analysis

5. **Additional risks arise from the sharp increase in domestic debt, as indicated by the total public debt dynamics (Table 4 and Figure 2A).** Both considered stock indicators of public debt have deteriorated significantly compared with the November 2011 assessment, with domestic currency debt now exceeding external debt. On the basis of the authorities' plans to decrease the fiscal deficit by 6 percentage points of GDP by 2015, and assuming further gradual consolidation in the medium to long term, Ghana's present value of total public debt would stay at around 52 percent of GDP in the long run, leaving the country vulnerable to shocks. This is 10 percent of GDP higher than in the previous DSA, of which about 2 percent is attributable to the decrease in the discount rate from 4 to 3 percent. Debt service is projected to be lower compared to the previous assessments, mainly reflecting less conservative assumptions on the maturity profile of domestic borrowing, consistent with the authorities' intentions.² However, even assuming longer maturities for domestic debt and an improvement of revenues in percent of GDP in response to ongoing administrative reforms, public debt service would still absorb 40 percent of government revenue. Standard stress tests confirm the case for additional consolidation in the medium to long term to keep public debt sustainable and provide buffers against plausible shocks (Table 4A).

6. **Customized scenarios imply that additional consolidation of 3 percent of GDP by 2015 would set public debt dynamics on a much more benign path (Figure 1).** Two additional scenarios were compared with the baseline scenario: The "passive scenario" assumes no further adjustment beyond that programmed for 2015, implying a steadily increasing debt-to-GDP ratio. Alternatively, a more front-loaded "active scenario", with additional savings of 3 percent of GDP by 2015—through, for instance, a far reaching removal of tax exemptions and a rationalization of the wage bill—would be needed to set the debt ratio on a more benign trend, providing growing fiscal space in the long run.

	2018	2023	2031
PV of debt-to-GDP ratio			
DSA-2011	35.4	38.0	41.8
DSA-2013	53.4	56.1	52.9
PV of debt-to-revenue ratio			
DSA-2011	175.0	202.9	231.5
DSA-2013	239.7	258.4	244.5
Debt service to revenue ratio			
DSA-2011	32.8	44.7	53.3
DSA-2013	29.1	37.6	40.0



² The World Bank is providing technical assistance to strengthen the capacity of the debt office and deepen the domestic debt market.

CONCLUSIONS

7. While Ghana's public debt situation has worsened since the last DSA, risks of distress remain moderate. Deteriorations in the debt indicators relative to exports are mainly driven by a weaker external outlook, while fiscal slippages in 2012 have set total public debt on a less favorable path. Revenue-based indicators have overall improved compared to the last DSA, but the debt service-to-revenue ratio still presents the most pronounced risk.

8. Robust growth, a realization of the planned fiscal consolidation, and further adjustment in the long run are essential to achieving the projected debt paths. The baseline scenario assumes the authorities' envisaged consolidation of 6 percent of GDP by 2015 followed by gradual further consolidation in the long run. These measures will help stabilize the public debt ratio at a still elevated level of about 52 percent of GDP. More ambitious upfront adjustment could set the debt ratio on a much more favorable path.

9. The authorities broadly agree with the analysis, but consider the projections to be on the conservative side. In particular, they expect larger growth dividends from infrastructure investments in the context of a more rapid development of the oil and gas sector and overall higher potential GDP growth. A more optimistic growth projection would result in stronger debt indicators.

Appendix

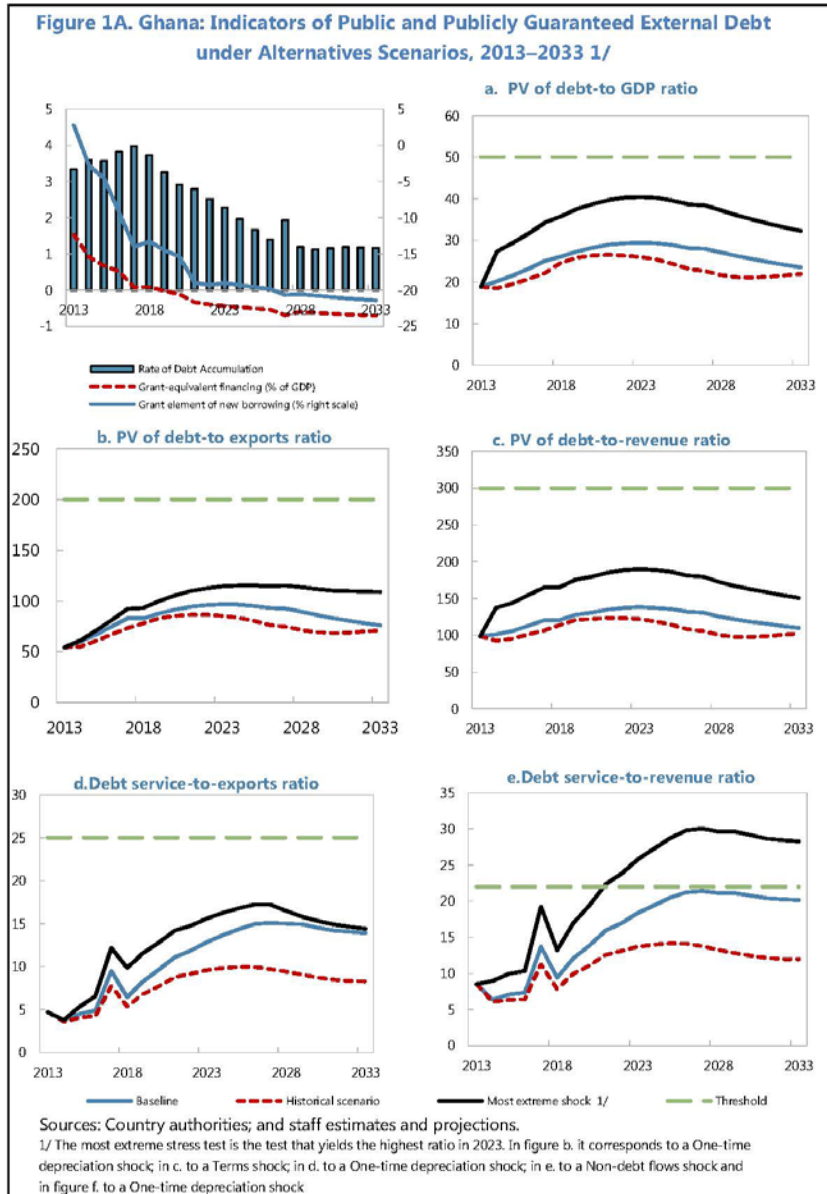


Figure 2A. Ghana: Indicators of Public Debt Under Alternative Scenarios, 2013–2033

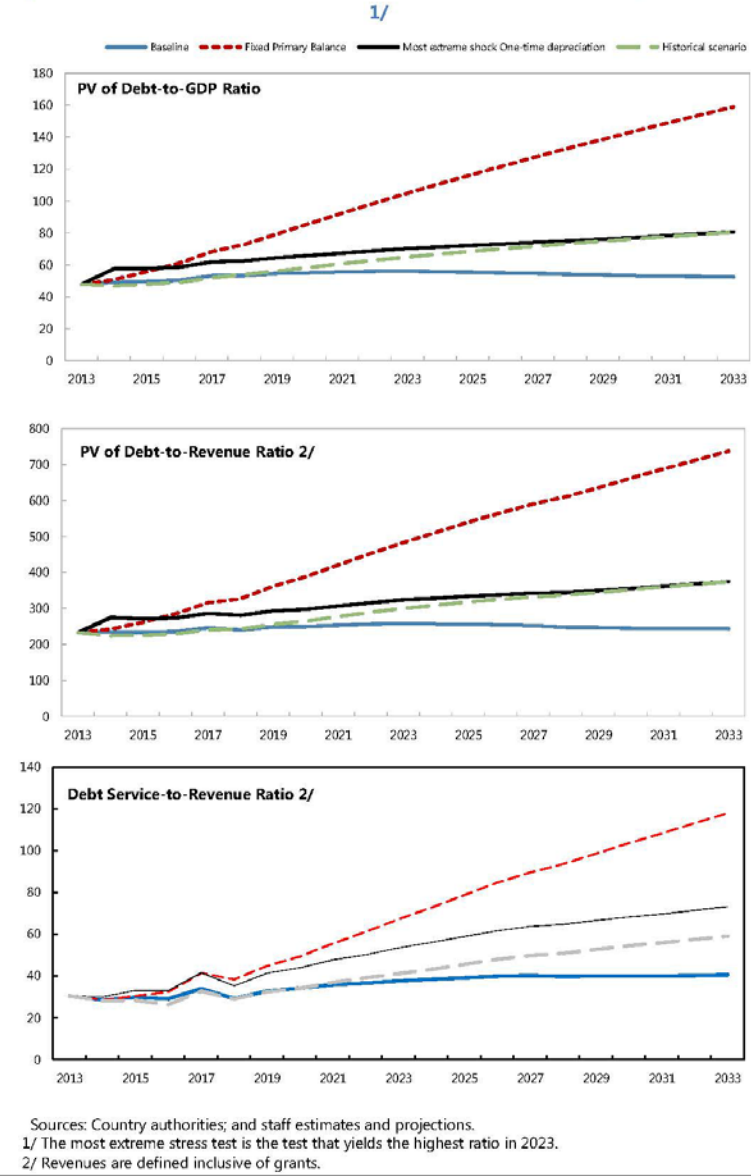


Table IA... External Debt Sustainability Framework, Baseline Scenario, 2010-2033 1/
(In percent of GDP, unless otherwise indicated)

	Actual											Projections										
	2010	2011	2012	Historical σ		Historical σ		Historical σ		2013	2014	2015	2016	2017	2018	2013-2018		2019	2020	2013-2033		
				Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	Average	Deviation	
External debt (nominal) 2/	27.2	28.6	28.2							26.5	27.3	28.1	28.6	28.4	28.6	30.8	30.8	30.8	30.8	30.8		
Change in external debt	19.4	19.7	21.9							22.5	23.5	24.5	25.7	26.9	27.5	28.7	28.7	28.7	28.7	28.7		
Identified net debt-creating flows	-0.1	-0.6	-0.4							0.3	0.7	0.8	0.5	0.8	0.2	-0.1	-0.4	-0.4	-0.4	-0.4		
Non-interest current account deficit	-4.6	-3.8	2.9							2.7	0.8	0.5	0.5	0.5	1.5	0.0	-1.0	-1.0	-1.0	-1.0		
Deficit in balance of goods and services	14.2	12.7	12.9						11.3	8.5	6.0	7.8	7.7	6.4	8.3	5.3	2.9	2.9	2.9	2.9		
Exports	29.3	37.7	41.6						15.5	12.9	12.2	12.0	11.7	10.1	10.1	30.5	31.0	31.0	31.0	31.0		
Imports	43.5	50.3	54.4						50.2	46.5	44.4	42.9	42.0	41.7	41.7	39.0	35.5	35.5	35.5	35.5		
Net current transfers (negative = inflow)	-0.2	-0.7	-0.9						-0.1	-0.9	-0.7	-0.7	-0.5	-0.7	-0.7	-0.5	-0.5	-0.5	-0.5	-0.5		
Net current services (negative = inflow)	-1.1	-0.6	-0.8						-0.1	-0.9	-0.7	-0.7	-0.5	-0.7	-0.7	-0.5	-0.5	-0.5	-0.5	-0.5		
Other current account flows (negative = net inflow)	1.1	2.6	4.6						1.9	1.4	1.5	1.6	1.4	1.0	0.7	0.8	0.8	0.8	0.8	0.8		
Net FDI (negative = inflow)	-7.9	-8.3	-8.1						-7.3	-6.8	-6.8	-6.8	-6.8	-6.8	-6.8	-6.9	-6.9	-6.9	-6.9	-6.9		
Endogenous debt dynamics 2/	-4.8	-4.0	-0.4						-5.4	-5.4	-0.9	-0.7	-0.5	-0.4	-1.1	-0.8	0.1	0.2	0.1	0.1		
Contribution from nominal interest rate	0.6	0.6	0.7						0.6	0.6	0.6	0.6	0.6	1.0	1.1	1.6	1.5	1.5	1.5	1.5		
Contribution from real GDP growth	-1.7	-3.4	-2.0						-1.8	-1.5	-1.4	-1.3	-1.3	-1.3	-1.3	-1.5	-1.3	-1.3	-1.3	-1.3		
Contribution from price and exchange rate changes	-3.6	-1.2	0.9						-2.4	-0.1	0.4	0.0	0.3	1.7	0.0	-0.1	0.6	0.6	0.6	0.6		
Residual (3-4) 3/	4.8	3.2	-3.3						10.9	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
of which: exceptional financing	0.0	0.0	0.0						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PV of external debt 4/	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
In percent of exports	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
PV of PPG external debt	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
In percent of exports	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
PPG debt service to revenue ratio (in percent)	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
PPG debt service to exports ratio (in percent)	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
Non-interest current account deficit that stabilizes debt ratio	815	1608	2462						2917	1873	1595	1565	2824	1530	4220	7727	420	7727	420	7727		
Key macroeconomic assumptions																						
Real GDP growth (in percent)	6.0	15.0	7.0						7.9	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1		
Real GDP growth (in percent) - change in percent	15.0	7.0	-3.3						1.0	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5		
Effective interest rate (in percent) 5/	2.8	2.6	2.6						2.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3		
Growth of exports of G&S (US dollar terms, in percent)	24.0	54.7	15.1						13.5	-5.7	7.0	5.6	5.4	6.1	15.5	5.7	7.0	8.0	7.4	7.4		
Growth of imports of G&S (US dollar terms, in percent)	27.3	39.4	12.8						13.7	4.2	2.6	5.1	6.1	6.2	9.7	5.6	6.2	7.0	6.4	6.4		
Growth element of new public sector borrowing (in percent)	14.5	17.3	17.7						13.7	2.8	-2.8	-4.6	-9.3	-14.1	-13.3	-6.9	-18.0	-21.4	-19.5	-19.5		
Government revenues (excluding grants, in percent of GDP)	755.1	784.1	841.8						110.8	871.8	829.2	848.3	838.9	875.2	841.9	875.2	841.9	875.2	841.9	875.2		
Ad flows (in millions of US dollars) 7/	755.1	784.1	841.8						110.8	871.8	829.2	848.3	838.9	875.2	841.9	875.2	841.9	875.2	841.9	875.2		
Of which: Concessional loans	...	...	...						453.5	350.0	350.0	307.5	295.6	284.3	307.5	295.6	284.3	307.5	295.6	284.3
Grant-equivalent financing (in percent of GDP) 8/	...	...	...						1.5	0.9	0.7	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Grant-equivalent financing (in percent of external financing) 8/	...	...	...						27.4	18.7	13.9	10.3	1.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Memorandum items:																						
Nominal GDP (in billions of US dollars)	32,186	38,732	40,435						45,643	50,588	55,681	61,057	66,339	73,300	58,768	104,984	219,166	137,488	137,488	137,488		
Nominal dollar GDP growth	24.8	20.4	4.3						11.2	12.9	10.8	10.1	9.7	8.7	10.5	10.4	7.4	7.8	7.6	7.6		
PV of PPG external debt (in percent of GDP + remittances)	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
PV of PPG external debt (in percent of exports + remittances)	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...
Debt service of PPG external debt (in percent of exports + remittances)	...	...	...						...	...	...	...	...	...	...	...	...	...	...	...

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private external debt. Excludes USD denominated promissory notes of 2017m. to state-owned enterprises.

2/ Derived as $(\dot{E} - E) / (E + \text{PPG})$ times previous period debt ratio, with $E =$ nominal interest rate, $g =$ real GDP growth rate, and $\dot{E} =$ growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Assumes that PV of private sector debt is equivalent to its face value.

5/ Current-year interest payments divided by previous period debt stock.

6/ Historical averages and standard deviations are generally derived over the past 10 years, subject to data availability.

7/ Defined as grants, concessional loans, and debt relief.

8/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing. Difference between the face value and the PV of new debt.

Table ZA. Ghana: Public Sector Debt Sustainability Framework, Baseline Scenario, 2010–2033
(in percent of GDP, unless otherwise indicated)

	Actual										Estimate										2019-33					
	2010	2011	2012	Average 5/ Standard 15/ ^{1/}	2013	2014	2015	2016	2017	2018	Average	2013-18	2018	Average	2013-18	2018	Average	2013-18	2018	Average	2013-18	2018	Average	2013-18		
Public sector debt: 1/	45.7	42.5	50.2		51.4	52.5	52.5	52.9	54.9	54.8		56.3	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	
of which: foreign-currency denominated	19.4	19.7	21.9		22.5	23.5	24.5	25.7	26.9	27.5		29.7	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	
Public sector debt, excluding arrears	37.4	39.5	47.2		50.3	52.5	52.5	52.9	54.9	54.8		56.3	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1	
Change in public sector debt	9.6	-3.1	7.7		1.3	1.0	0.0	0.4	2.1	-0.1		0.0	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
Identified debt-creating flows	2.4	-3.9	5.5		2.2	1.5	-0.3	0.1	0.7	-0.3		-0.1	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
Primary deficit	4.8	1.3	7.9	3.4	6.5	5.1	2.3	2.3	2.3	2.2	3.5	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	
Revenue and grants	16.8	19.3	19.3		20.5	21.0	21.3	21.4	21.6	22.3		21.7	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	
of which: grants	2.3	2.0	1.6		1.4	1.0	0.9	0.9	0.8	0.6		0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Primary (noninterest) expenditure	21.6	20.6	27.2		27.0	26.1	23.6	23.8	23.9	24.5		22.4	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	
Automatic debt: dynamics	-3.1	-6.1	-2.2		-4.2	-3.5	-2.6	-2.1	-1.6	-2.5		-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	
Contribution from interest rate/growth differential	-1.1	-6.2	-2.8		-3.7	-2.7	-1.9	-1.5	-1.2	-2.5		-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	
of which: contribution from average real interest rate	1.5	-0.2	0.3		0.0	0.3	0.8	1.0	1.4	1.6		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
of which: contribution from real GDP growth	-2.7	-6.0	-3.1		-3.7	-3.0	-2.7	-2.5	-2.5	-4.1		-2.8	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	
Contribution from real exchange rate depreciation	-2.0	0.1	0.6		-0.6	-0.8	-0.7	-0.6	-0.4	-0.1		...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other identified debt-creating flows	0.7	0.8	-0.2		-0.1	-0.1	-0.1	-0.1	-0.1	-0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Privatization receipts (negative)	1.0	1.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recognition of implicit or contingent liabilities	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt relief (f4PC and other)	-0.3	-0.2	-0.2		-0.1	-0.1	-0.1	-0.1	-0.1	-0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other (specify, e.g. bank recapitalization)	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Residual, including asset changes	7.2	0.8	2.2		-0.9	-0.5	0.3	0.3	1.4	0.2		0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Sustainability Indicators																										
PV of public sector debt	...	...	46.0		47.7	48.1	49.5	50.4	53.1	53.4		56.1	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4	52.4
of which: foreign-currency denominated	...	...	17.7		18.8	20.1	21.6	23.2	25.1	26.1		29.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5
of which: external	...	...	17.7		18.8	20.1	21.6	23.2	25.1	26.1		29.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5
PV of contingent liabilities (not included in public sector debt)
Gross financing need 2/	12.1	11.3	17.8		18.5	19.6	17.3	17.0	18.0	17.2		17.1	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	
PV of public sector debt-to-revenue and grants ratio (in percent)	...	...	238.6		232.7	234.3	232.4	235.0	245.5	238.7		258.4	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1	243.1
PV of public sector debt-to-revenue ratio (in percent)	...	...	259.9		250.0	246.4	242.1	245.1	254.9	246.8		263.2	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6	244.6
of which: external 3/	...	...	98.8		98.4	101.0	105.4	112.7	120.3	120.7		138.3	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8
Debt service-to-revenue and grants ratio (in percent) 4/	23.7	25.4	27.0		30.3	28.5	29.7	29.0	33.9	29.1		37.6	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	
Debt service-to-revenue ratio (in percent) 4/	27.6	28.4	28.5		32.6	30.0	31.0	30.3	35.2	29.9		38.3	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	40.7	
Primary deficit that stabilizes the debt-to-GDP ratio	-4.8	4.5	0.2		5.3	4.1	2.3	1.9	0.2	2.3		0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
Key macroeconomic and fiscal assumptions																										
Real GDP growth (in percent)	8.0	15.0	7.9	7.2	7.9	6.1	5.5	5.1	5.1	8.0	6.3	5.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	
Average nominal interest rate on forex debt (in percent)	0.0	3.6	2.9	0.7	1.4	3.0	2.7	3.0	3.4	4.1	4.3	3.4	5.6	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	
Average real interest rate on domestic debt (in percent)	1.7	-1.9	0.5	-1.0	3.8	-1.1	0.1	1.9	2.5	3.2	4.1	1.8	4.4	3.7	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	
Real exchange rate depreciation (in percent, + indicates depreciation)	-10.2	0.6	3.0	-5.1	7.8	-2.8	-3.6	-2.9	-2.7	-1.5	-0.2	-2.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Inflation rate (GDP deflator, in percent)	16.5	13.0	13.3	17.2	5.2	13.7	12.8	11.1	10.3	8.8	7.4	10.7	6.8	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	
Growth of real primary spending (deflated by GDP deflator, in percent)	15.2	9.9	42.3	15.1	13.5	7.3	2.4	-4.4	5.7	5.8	10.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	
Grant element of new external borrowing (in percent)

Sources: Country authorities; and staff estimates and projections.

1/ Excluding arrears to state-owned enterprises.

2/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period.

3/ Revenues excluding grants.

4/ Debt service is defined as the sum of interest and amortization of medium and long-term debt.

5/ Historical averages and standard deviations are generally derived over the past 10 years, subject to data availability.

Table 3A. Ghana: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2013–2033								
(in percent)								
	Projections							
	2013	2014	2015	2016	2017	2018	2023	2033
PV of debt-to GDP ratio								
Baseline	19	20	22	23	25	26	29	24
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2013-2033 1/	19	18	20	21	22	25	26	22
A2. New public sector loans on less favorable terms in 2013-2033 2	19	20	23	25	28	29	35	34
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2014-2015	19	20	22	23	25	26	30	24
B2. Export value growth at historical average minus one standard deviation in 2014-2015 3/	19	19	20	22	23	25	28	23
B3. US dollar GDP deflator at historical average minus one standard deviation in 2014-2015	19	21	24	26	28	29	33	26
B4. Net non-debt creating flows at historical average minus one standard deviation in 2014-2015 4/	19	25	32	33	34	34	33	24
B5. Combination of B1-B4 using one-half standard deviation shocks	19	19	17	19	21	23	28	23
B6. One-time 30 percent nominal depreciation relative to the baseline in 2014 5/	19	27	29	32	34	36	40	32
PV of debt-to-exports ratio								
Baseline	54	60	67	75	83	83	97	76
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2013-2033 1/	54	55	61	67	73	78	85	71
A2. New public sector loans on less favorable terms in 2013-2033 2	54	61	71	81	92	93	114	109
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2014-2015	54	58	65	73	81	81	95	74
B2. Export value growth at historical average minus one standard deviation in 2014-2015 3/	54	57	60	68	76	76	91	72
B3. US dollar GDP deflator at historical average minus one standard deviation in 2014-2015	54	58	65	73	81	81	95	74
B4. Net non-debt creating flows at historical average minus one standard deviation in 2014-2015 4/	54	75	98	106	112	107	109	76
B5. Combination of B1-B4 using one-half standard deviation shocks	54	53	45	52	59	60	76	63
B6. One-time 30 percent nominal depreciation relative to the baseline in 2014 5/	54	58	65	73	81	81	95	74
PV of debt-to-revenue ratio								
Baseline	98	101	105	113	120	121	138	110
A. Alternative Scenarios								
A1. Key variables at their historical averages in 2013-2033 1/	98	93	95	101	106	114	122	102
A2. New public sector loans on less favorable terms in 2013-2033 2	98	102	111	122	134	136	164	157
B. Bound Tests								
B1. Real GDP growth at historical average minus one standard deviation in 2014-2015	98	100	106	113	121	122	140	111
B2. Export value growth at historical average minus one standard deviation in 2014-2015 3/	98	97	97	105	112	114	133	107
B3. US dollar GDP deflator at historical average minus one standard deviation in 2014-2015	98	104	116	125	133	134	154	122
B4. Net non-debt creating flows at historical average minus one standard deviation in 2014-2015 4/	98	126	155	160	163	157	156	110
B5. Combination of B1-B4 using one-half standard deviation shocks	98	97	83	92	101	104	130	109
B6. One-time 30 percent nominal depreciation relative to the baseline in 2014 5/	98	137	144	154	165	165	190	151

Table 3A. Ghana: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2013-2033 (continued)									
(In percent)									
	Projections								
	2013	2014	2015	2016	2017	2018	2023	2033	
Debt service-to-exports ratio									
Baseline	5	4	4	5	9	6	13	14	
A. Alternative Scenarios									
A1. Key variables at their historical averages in 2013-2033 1/	5	4	4	4	8	5	10	8	
A2. New public sector loans on less favorable terms in 2013-2033 2/	5	4	4	4	9	5	14	22	
B. Bound Tests									
B1. Real GDP growth at historical average minus one standard deviation in 2014-2015	5	4	4	5	9	6	13	14	
B2. Export value growth at historical average minus one standard deviation in 2014-2015 3/	5	4	4	5	9	6	12	14	
B3. US dollar GDP deflator at historical average minus one standard deviation in 2014-2015	5	4	4	5	9	6	13	14	
B4. Net non-debt creating flows at historical average minus one standard deviation in 2014-2015 4/	5	4	5	7	12	10	16	14	
B5. Combination of B1-B4 using one-half standard deviation shocks	5	4	4	4	8	4	10	12	
B6. One-time 30 percent nominal depreciation relative to the baseline in 2014 5/	5	4	4	5	9	6	13	14	
Debt service-to-revenue ratio									
Baseline	9	6	7	7	14	9	18	20	
A. Alternative Scenarios									
A1. Key variables at their historical averages in 2013-2033 1/	9	6	6	6	11	8	14	12	
A2. New public sector loans on less favorable terms in 2013-2033 2/	9	6	6	7	13	8	20	32	
B. Bound Tests									
B1. Real GDP growth at historical average minus one standard deviation in 2014-2015	9	6	7	8	14	10	19	21	
B2. Export value growth at historical average minus one standard deviation in 2014-2015 3/	9	6	7	7	13	9	18	20	
B3. US dollar GDP deflator at historical average minus one standard deviation in 2014-2015	9	7	8	8	16	11	21	23	
B4. Net non-debt creating flows at historical average minus one standard deviation in 2014-2015 4/	9	6	8	10	18	14	22	21	
B5. Combination of B1-B4 using one-half standard deviation shocks	9	6	7	6	13	8	17	20	
B6. One-time 30 percent nominal depreciation relative to the baseline in 2014 5/	9	9	10	10	19	13	26	28	
Memorandum item:									
Grant element assumed on residual financing (i.e., financing required above baseline) 6/	-25	-25	-25	-25	-25	-25	-25	-25	
Sources: Country authorities; and staff estimates and projections.									
1/ Variables include real GDP growth, growth of GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.									
2/ Assumes that the interest rate on new borrowing is by 2 percentage points higher than in the baseline, while grace and maturity periods are the same as in the baseline.									
3/ Exports values are assumed to remain permanently at the lower level, but the current account as a share of GDP is assumed to return to its baseline level after the shock (implicitly assuming an offsetting adjustment in import levels).									
4/ Includes official and private transfers and FDI.									
5/ Depreciation is defined as percentage decline in dollar/local currency rate, such that it never exceeds 100 percent.									
6/ Applies to all stress scenarios except for A2 (less favorable financing) in which the terms on all new financing are as specified in footnote 2.									

Table 4A. Ghana: Sensitivity Analysis for Key Indicators of Public Debt 2013–2033									
	Projections								
	2013	2014	2015	2016	2017	2018	2023	2033	
PV of Debt-to-GDP Ratio									
Baseline	48	49	50	50	53	53	56	52	
A. Alternative scenarios									
A1. Real GDP growth and primary balance are at historical averages	48	47	48	49	52	54	65	80	
A2. Primary balance is unchanged from 2010-2012 average*	48	51	56	61	68	73	105	159	
A3. Permanently lower GDP growth 1/	48	50	51	52	56	57	68	91	
B. Bound tests									
B1. Real GDP growth is at historical average minus one standard deviations in 2014-2015	48	50	52	54	57	58	65	67	
B2. Primary balance is at historical average minus one standard deviations in 2014-2015	48	50	55	55	58	58	61	56	
B3. Combination of B1-B2 using one half standard deviation shocks	48	49	52	53	56	56	59	55	
B4. One-time 30 percent real depreciation in 2014	48	58	58	59	62	63	70	81	
B5. 10 percent of GDP increase in other debt-creating flows in 2014	48	60	60	61	64	63	65	61	
PV of Debt-to-Revenue Ratio 2/									
Baseline	233	234	232	235	245	240	258	243	
A. Alternative scenarios									
A1. Real GDP growth and primary balance are at historical averages	233	223	224	229	240	243	300	374	
A2. Primary balance is unchanged from 2010-2012 average*	233	242	261	285	316	327	483	737	
A3. Permanently lower GDP growth 1/	233	236	237	244	259	257	314	423	
B. Bound tests									
B1. Real GDP growth is at historical average minus one standard deviations in 2014-2015	233	240	245	251	265	262	298	311	
B2. Primary balance is at historical average minus one standard deviations in 2014-2015	233	239	256	259	269	261	279	262	
B3. Combination of B1-B2 using one half standard deviation shocks	233	233	243	246	257	250	270	255	
B4. One-time 30 percent real depreciation in 2014	233	275	271	273	286	281	324	374	
B5. 10 percent of GDP increase in other debt-creating flows in 2014	233	287	283	285	294	285	302	281	
Debt Service-to-Revenue Ratio 2/									
Baseline	30	28	30	29	34	29	38	40	
A. Alternative scenarios									
A1. Real GDP growth and primary balance are at historical averages	30	28	28	26	33	29	41	59	
A2. Primary balance is unchanged from 2010-2012 average*	30	28	30	32	41	38	67	118	
A3. Permanently lower GDP growth 1/	30	29	30	30	35	31	45	67	
B. Bound tests									
B1. Real GDP growth is at historical average minus one standard deviations in 2014-2015	30	29	31	31	36	31	43	51	
B2. Primary balance is at historical average minus one standard deviations in 2014-2015	30	28	30	32	39	32	41	44	
B3. Combination of B1-B2 using one half standard deviation shocks	30	29	30	30	37	30	39	42	
B4. One-time 30 percent real depreciation in 2014	30	30	33	33	41	35	53	73	
B5. 10 percent of GDP increase in other debt-creating flows in 2014	30	28	34	41	40	34	46	47	
Sources: Country authorities; and staff estimates and projections.									
1/ Assumes that real GDP growth is at baseline minus one standard deviation divided by the square root of the length of the projection period.									
2/ Revenues are defined inclusive of grants.									

Annex 5. Gender in Ghana

There have been significant improvements in narrowing gender disparities in education and increasing access to health services. Women continue to be active in the labor force and women's empowerment has seen some gains. Nevertheless, there are still persistent challenges nationwide and disparities in equity between northern and southern regions and rural and urban areas that need to be addressed in order to improve gender equality outcomes and take advantage of the benefits that such equality will bring for growth and development.

Following the three dimensions of gender equality presented by the World Development Report 2012, the main focus areas are: endowments (health, education and access to assets), economic opportunities, and agency (empowerment, participation and voice).⁴

Endowments

Gender parity in education is improving. Ghana is close to parity on several indicators including youth literacy, net enrolment rates, and primary completion rates. Between 2000 and 2012, net primary school enrolment of children of the relevant age group increased from 64 percent to 83 percent; the gender gap has almost closed, 82 percent of girls are enrolled, compared with 84 percent of boys. While the primary completion rate (as a percentage of the relevant age group) has also improved over the same period, with the female primary completion rate increasing from 67 percent to 88 percent; there is still a gender gap and about 20,000 more girls than boys are still out of school⁵.

Yet gender gaps remain, especially for senior high school years. Gender gaps are larger at secondary compared to primary level, even though between 2000 and 2012 the progress has been made here, with the female enrolment rate increasing from 32 percent to 56 percent, and the ratio of female to male enrolment rates increasing from 0.86 to 0.90. Gender enrolment gaps at secondary level are thought to be higher in rural areas and in the northern part of the country. Several factors contribute to lower enrolment and higher dropout rates for girls at secondary level, though some of these have been moving in a positive direction. These factors include: the costs of schooling and the relatively lower value parents place on girls' education; girls' greater responsibilities for taking care of siblings and carrying out domestic chores; early marriage; and adolescent pregnancy. Higher school fees and other costs at senior secondary level bring poverty into play as a factor, with boys' education often prioritized ahead of girls.' Additionally, there are continuing gaps between those in urban and rural areas and between the richest and the poorest members of society. For example, a rural girl from the poorest wealth quintile is 13.9 times more likely to have had no schooling than an urban boy from the richest quintile (World Bank, 2010)⁶.

Health indicators for women are improving, but critical targets are unlikely to be met. Progress has been made in most areas, including maternal mortality, fertility rates, access to health services, use of contraception, HIV prevalence, and access to water. The World Development Report considers Ghana part of "progressive Africa" together with countries such as Ethiopia. These countries have largely escaped the HIV/AIDS epidemic, mortality rates of children under

⁴ World Bank, 2012, World Development Report 2012, Gender Equality and Development

⁵ Source: World Development Indicators 2013

⁶ World Bank, 2010, "Ghana - Improving Equity, Efficiency and Accountability of Education Service Delivery".

age five are under 76 per 1,000 live births in the case of Ghana, excess female mortality after birth is lower than in the rest of the region, and reductions in fertility rates have decreased exposure to mortality risks during childbirth. However, significant inequalities between different groups of women exist, with poorer outcomes for rural women, those from the Northern Regions, poorer women, and for those with less education. Serious issues also remain with regard to sanitation, the use of solid cooking fuels, and the prevalence of malaria.

There has been significant progress in increasing access to professional medical care for pregnant women. The proportion of women assisted at delivery by a health professional increased from 25 percent to 68.4 percent over the 2000 – 2011 period. The maternal mortality rate showed a significant decline from 500 to 350 deaths per 100,000 live births by 2010. However, a close look at the data shows that the increase appears to mainly consist of births attended by health professionals other than doctors, with the proportion attended by doctors in rural areas remaining stagnant across the period at around the 5 percent level. Despite progress, the MDG maternal mortality target of 160 is unlikely to be met by 2015.

Headway has been made in terms of access to improved water sources, which has important benefits from women's health and time use. Between 2000 and 2010, the proportion of Ghana's population with access to an improved water source increased from 71 percent to 86 percent: the majority of this improvement occurred in rural areas where access increased from 58 percent to 80 percent (well above the average for all West African countries of 59 percent). An adult woman is responsible for collection of water in 44 percent of households (compared to an adult man in 14 percent of households). Fifty-six percent of rural households indicate that an adult female bears water collection responsibility, versus 15 percent indicating that an adult man bears the responsibility. The burden is estimated to take 30 minutes or longer for 21 percent of rural households. A 15-minute reduction in hauling time would have effects such as increasing the proportion of girls aged 5-15 attending school by 8 to 12 percent (Nagues and Strand 2011)⁷.

Women's health and time-poverty is also affected by poor access to sanitation, as well as modern fuels for cooking. WaterAid (2012) notes that 8 in 10 women in Ghana have no access to a safe toilet, adding to about 10.5 million women and girls lacking safe and adequate sanitation, and about a quarter of them have no access to any type of toilet facilities. Poor hygiene has serious implications on health of women and children, such as diarrhoeal diseases caused by a lack of adequate sanitation and clean water every year. Seventy percent of urban households and 94 percent of rural households use solid fuels for cooking in Ghana. The use of solid fuels is thought to increase the occurrence of Acute Respiratory Infections, which mostly affect women and their young children due to the disproportionate amount of time they spend at home. Evidence from elsewhere in Africa suggests that in almost all countries women spend a substantially greater amount of their time fetching fuel, as well as on other unpaid, non-market productive activities that are not included in the system of national accounts (SNA) and thus remain largely invisible to policy makers. Improving access to modern fuels is essential in order to both improve women's health and to reduce the time burden they face, thereby freeing up time for greater income generation.

⁷ Nagues and Strand, 2011, Water hauling and girls' school attendance: some new evidence from Ghana. World Bank.

Economic Empowerment

Women in Ghana are relatively active in the labor market compared to other African countries; however there is still room for enabling them to make a larger contribution to poverty reduction and economic growth in Ghana. Female labor force participation is on par with figures for males (73.8 percent versus 75.2 percent respectively). The informal sector is the largest source of employment for both men and women, however, a higher proportion of women (95 percent) than men, (80 percent) earn their living in the informal sector.

Where women do work in the formal sector, they appear to be less likely to hold senior management positions. The proportion of permanent full-time non-production workers that are female stands at only 4.7 percent, which is less than the Sub-Saharan Africa average of 7.2 percent. These figures may be a result of lower educational levels. On the positive side, the labor market does not appear to be segmented along gender lines, suggesting that the benefits for women's employment to investing in education are similar to those for investing in male education.

The agriculture sector, a critical pillar in Ghana's economy, is a significant employer of Ghanaian women. However, women are relatively more concentrated in food crop farming—they produce 70 percent of food crops—whereas men dominate in cash crop production. Poverty levels in food crop production are higher than in cash crops. Studies have shown that ensuring that women farmers have the same access as men to fertilizer and other agricultural inputs would increase maize yields by 17 percent in Ghana.

However, women's lower access to land, negatively impacts their agricultural productivity and economic opportunities. One country-level econometric study found that even after controlling for the farmer's age, residency status (native or settler), marital status, ecological zone and level of infrastructure, Ghanaian women have significantly less access to land. While one study in Ghana found that most men and women had some access to land, it also found that men were more likely to own land and to have primary access, while women were more likely to have only user rights. Access to land is especially important in Ghana as control over land equates to control over the farming of that land and of the income generated. Therefore, even where women have users' rights and are able to use part of their husbands' land, the husband will maintain a certain degree of control over the income generated by the wife. The share of assets and the share of land owned by women are positively associated with higher food expenditures among rural households in Ghana.⁸

Women's poorer access to land is influenced by the use of customary law and land allocation systems and by women's poorer knowledge of their rights. These allocation systems may not provide sufficient security for women, who may be sidelined after death of their spouse. In addition, some customary processes to resolve land disputes may be biased against women. Where there is no will, intestate succession laws in Ghana exclude customary land from the property a widow can inherit from her husband. Under customary rules of inheritance, such land usually passes to a male heir. This practice strips women of their right to inherit a great deal of land, as customary land represents the majority of land in many countries. Customary law in some matriarchal societies can be particularly favorable to women. However, in Ghana,

⁸ Doss, Cheryl R. 2006. "The Effects of Intrahousehold Property Ownership on Expenditure Patterns in Ghana." *Journal of African Economies* 15 (1): 149–80.

inheritance follows female bloodlines but the male relative inherits. Ghana also provides for inheritance rights to women in customary marriages but not rights to property in divorce. Separate property regimes are widespread in common law countries such as Ghana, where no option for community of property by agreement is granted. When there are multiple wives, the group inherits the amount left to “the wife” or “the spouse,” meaning that that share is divided among them. In Ghana, for example, “the wife” is entitled to use the marital home. Even if there were four wives, each in her own home, on the death of the husband, the wives would be entitled to only one home among the four of them. Knowledge of land laws and rights can also impact upon women’s access to land - one study found that while men and women both have poor knowledge of relevant land laws, women’s knowledge of these laws is lower⁹.

Women are well represented as entrepreneurs but run very small businesses in less profitable sectors. Evidence suggests that the majority of women business owners own small or micro businesses (over 70 percent starts with capital of less than US\$100) and are concentrated in less profitable areas than men – such as food processing and handicrafts. Around 90 percent of women-owned businesses started with personal savings, as opposed to credit from formal financial institutions. Women are the predominant customers of informal micro-credit institutions, but are thought to borrow very small amounts from these providers and consistent data is not available. Women’s poorer access to credit is confounded by their greater levels of illiteracy; around 95 percent of rural women businesses owners in Ghana are thought to be illiterate – this may suggest potentially large returns to investing in basic literacy and/or business skills training for small women business owners.

Despite women’s high degree of participation in the labor market, women’s productivity is constrained. Limitations include: greater time burdens for domestic chores (working an extra 5.4 hours per week compared to men); a lower likelihood of having wage jobs in the formal sector; higher likelihood of working as unpaid family workers in agriculture; and lower remuneration than men (men earn 44 percent more than women among urban wage earners). In addition, women are likely to lack access to formal credit, and to face cumbersome bureaucracy, corruption, and a lack of information on markets.

Agency

Changes in female representation in political bodies have been seen in Ghana, largely due to changes in the numbers of representatives at all levels. At the parliament level, 28 women were elected in the 2012 election, representing 10 percent of seats; half of the 21 percent level of Sub-Saharan Africa countries, representing no change since the 2004 election in the proportion of representatives due to a change in the total number of parliamentary seats from 230 to 275. The Constitution Review Commission established in 2012 recommended that at least 30 percent of authorities at all levels of government should be female. Given that the Constitution also establishes that the majority of ministers should sit in parliament, the 10 percent representation would be clearly insufficient to fulfill the commitment at the executive level. At the District Assembly level the government has advanced women’s representation with a quota for female appointments - this 40 percent quota resulted in 35.5 percent of appointed members (spread over 97 out of the 110 districts) being made up of women in 2006, but it saw a decline by the 2010

⁹ Source: Hallward-Driemeier, Mary, and Tazeen Hasan. 2012. *Empowering Women: Legal Rights and Economic Opportunities in Africa*. Africa Development Forum series. Washington, DC: World Bank

election. The number of Districts has increased from 110 in 2005 to 170 in 2008 and currently stands at 216. Less than 10 percent of candidates for the 2010 election were women.

The explicit legal framework for women in Ghana is relatively positive compared to many countries in Africa. There are relatively few legal restrictions for women in Ghana compared to other countries and there have been some specific legal advances with regards to women's and children's rights in recent years, including: the Domestic Violence Act (2007); the criminalization of Trokosi (ritual servitude) and Female Genital Cutting or Mutilation; and the 1998 Children's Act (criminalizing underage and forced marriage). However, it should be noted that customary law is valid under the Constitution, even in cases where it violates the principles of gender equality enshrined in the non-discrimination clause of the Constitution. Finally, there are still gaps in the protection of gender equality in property rights as outlined in the section above.

Coming up with an exact measure of the level of Gender Based Violence (GBV), including domestic violence, is difficult given the likelihood of non-reporting. In 2005 13,224 cases of domestic violence were reported in Ghana. The Domestic Violence and Victims Support Unit of the Ghana Police recorded 12,906 cases in 2012. For the Northern region the Unit recorded a total of 377 cases in 2012 compared with 209 in 2011. A more comprehensive picture of incidence can be seen by the Demographic Health Survey (DHS), the latest one taking place is 2008 in Ghana. The survey reports 17 percent of women having experienced some domestic violence in the last 12 months with divorced or widowed women among the highest reporting at 25 percent. Around 2.7 percent of women in Ghana report having experienced severe violence—less than other countries in the sub-region—and approximately 20 percent of women report having experienced less severe violence—more than in Nigeria (17.2 percent) and Mali (19.6 percent), though less than Liberia (34.9 percent).

Women's involvement in household decision making provides a useful proxy for women's general status and agency within society. Encouragingly, women in Ghana appear to be more involved in household decision making than women in other West African countries. In around 31 percent of cases, Ghanaian women are excluded from decisions regarding their own health care, with the decision being made by their husband alone or by someone else. This figure is lower than in other countries in the sub-region. While differences exist between women of different characteristics, participation in decision making with regard to their own health appears to be reasonably strong across all groups of women in Ghana. Overall, 69 percent of Ghanaian women are involved (either jointly with husbands or on their own) in decisions on their own health care. Those with the lowest participation (making decisions on their health either jointly with their husbands or on their own) include unemployed women, women from the Upper West region, and women aged 15-19. Women in Ghana are slightly more likely to be excluded from decisions regarding major household purchases, but the figure is still only 38 percent and is lower than in many other African countries. Finally, women's sole involvement in decisions regarding the purchase of daily household needs appears to have increased, from 29 percent in 2003 to 44 percent in 2008.

Annex 6. Statistical Assessment

The country statistical assessment looks at the structure and status of Ghana's national statistical system (NSS) including its role in generating data for, among others, the preparation, monitoring and evaluation of the GSGDA and the Country Partnership Strategy (CPS).

1. Country Statistical Context

The 1985 Statistical Service Law (PNDC Law 135) established the Ghana Statistical Service (GSS) as an autonomous, independent public service with responsibility for overseeing the collection, compilation, analysis, publication and dissemination of official statistics in Ghana and coordination of the National Statistical System (NSS). The NSS produces the data from which most of the indicators for the monitoring and evaluation of government policies, programs and projects are derived. It supports the M&E system by helping in the design of methodologies, approaches and instruments employed in collecting data at the national, regional and district level.

The GSS is primarily responsible for compiling national accounts and price statistics and conducting large scale household and establishment based surveys, including the decennial population and housing censuses. Whereas each Ministry, Department and Agency (MDA) is required to have a Policy, Planning, Monitoring and Evaluation Division (PPMED) - responsible for planning, implementation, monitoring and evaluation within the sector; and a Research, Statistics, Information and Public Relations Directorate (RSIPR) - responsible for research, statistics, information gathering and dissemination for that sector. Line ministries are responsible for producing administrative statistics e.g. births and deaths, school and health records, land registration, agriculture production, etc. Each MDA is meant to have an M&E Plan and prepare an Annual Progress Report (APR). These are collated by NDPC to inform the national APR which reports progress against the current national development plan – the Ghana Shared Growth and Development Agenda (GSGDA).

Ghana has a National Strategy for the Development of Statistics (NSDS) - the Ghana Statistics Development Plan (GSDP) 2009-2013 - developed through an interactive consultative process involving the government, NGOs, the private sector and DPs. It covers GSS and sector statistics plans for nine¹⁰ Ministries, Departments and Agencies (MDAs) that, combined, produce around 80 percent of government statistics. The GSDP aims at legal and institutional reform, fostering coordination, collaboration, networking and information sharing among data producers and users, and investment in data development, human capacity and physical infrastructure. The cost of implementing the GSDP is estimated at US\$166.6 million (in 2008) with a large part required

¹⁰ The 9 MDAs are: Ministry of Communication (MOC); Ministry of Education (MOE); Ministry of Food and Agriculture (MOFA); Ministry of Health (MOH); Births and Deaths Registry (B&D); Ministry of Lands and Natural Resources (MLNR); Ministry of Employment and Social Welfare (MESW); Ministry of Trade & Industry (MOTI) and; Ministry of Women and Children Affairs (MOWAC). The next phase of the national strategic plan will cover the remaining MDAs, the Regional Planning Coordinating Units (RPCUs) and the District Planning Coordinating Units (DPCUs).

for the surveys and censuses planned over the five years of the plan, including the 2010 Population and Housing Census and the Census of Agriculture¹¹.

Ghana has the institutions and the legal framework to support a national M&E and statistical system. In addition, the Government recognizes the importance of statistics and backs the GSS reform agenda but the macro-economic situation with large fiscal and balance of payment deficits means that insufficient Government resources are available for full implementation of the GSDP.

2. Current status of Ghana National Statistical System

2.1 Overview

The World Bank Statistical Capacity Indicator (SCI) for Ghana in 2012 was 59 (out of 100)¹². This is a drop from 62 in 2011 and 66 in 2010 and Ghana's score now falls below that of a number of other SSA countries¹³. The areas within the SCI that have lower scores are: availability of poverty data, agricultural census, completeness of the vital registration system, recency of re-basing of Consumer Price Index and Production Index, and availability of consolidated central government accounts.

In 2012, GSS undertook a User Satisfaction Survey. Overall, for most of the types of statistics asked about, a high proportion of users (over 85 percent) rated the statistics as either useful or very useful. However, only 22 percent rated business statistics, 21 percent crime statistics and 19 percent labor statistics as either useful or very useful. Overall, users' satisfaction with official statistics in terms of their relevance, frequency of publication and style of presentation was positive. Users were less satisfied with timeliness of releases of official statistics.

In recent years there have been some notable statistical achievements, including the undertaking of the 2010 Population and Housing Census and several key household-based surveys, the re-basing of the national accounts and the issue of the first set of quarterly national accounts. In addition, with support from the WBG Multi-Donor Trust Fund, there has been progress on implementing some key elements of the GSDP, including on legal and institutional reform, capacity strengthening and improvements in physical infrastructure (including upgrading the ICT environment). GSS have subscribed to the IMF General Data Dissemination System (GDSS) and benefit from the IMF Enhanced Data Dissemination Initiative program.

There remain challenges as evident in the 2011 Annual Progress Report on the GSGDA, where one-fifth of the listed indicators (65 of 320) did not have data to assess progress¹⁴. The GSGDA pillars on private sector competitiveness, agriculture and natural resource management, and oil and gas had, proportionately, the most indicators without data (41 percent, 27 percent and 26 percent respectively). The area with least missing data was human development, productivity and employment. A number of the indicators with no data in 2011 (25) also had no data in 2010 and

¹¹ This cost is mainly for GSS activities but a proportion covers the other nine MDAs included in the GSDP. This figure excludes inflation, annual contingencies, cost of probable staff redeployment and recurrent costs (estimated at US\$29 million over 5 years).

¹² See <http://data.worldbank.org/data-catalog/bulletin-board-on-statistical-capacity>.

¹³ Ghana scores lower than: Rwanda (77), Mozambique (77), Nigeria (76), Malawi (74), Burkina Faso (72), South Africa (71), Uganda (70), Tanzania (69), Niger (69), Ethiopia (63), Cote d'Ivoire (63) and Zambia (62).

¹⁴ [http://www.ndpc.gov.gh/GPRS/2011_percent20APR_percent20-Final_percent20Version\(November_percent202012\).pdf](http://www.ndpc.gov.gh/GPRS/2011_percent20APR_percent20-Final_percent20Version(November_percent202012).pdf). Assessment of indicators lacking data extrapolated from appendix tables in the 2011 APR.

no baseline data for 2009. These persistent data collection challenges suggest institutional weaknesses and wider public sector reform issues, including inefficient M&E and statistical systems.

2.2 General statistical data

2.2.1 Censuses & household surveys

GSS is the key agency responsible for censuses and household surveys. The last Population and Housing Census was undertaken in 2010, with final results available in May 2012 and a number of analytical reports currently being prepared. The Census in its coverage provides a wealth of data on the country, its people and household characteristics, including at district level. Between censuses, the GSS undertake a number of household surveys, including the DHS, Multiple Indicator Cluster Survey (MICS) and the GLSS. Many of these are funded by DPs rather than by Government, although Government is partially funding the GLSS 6 and funded the GLSS 5 and most of the 2010 Census.

There is a long-term census and survey program but this has been poorly publicized among data users and is not strictly adhered to in planning and undertaking these surveys. GSS have recognized certain data gaps and have proposed instigating surveys to address this – including e.g. an annual Labor Force Survey and an Integrated Business Enterprise Survey. However these are again, at least initially, to be funded from DPs which questions the longer-term sustainability. The statistical system has suffered from delays and postponements of key data collection, including the Agricultural Census (due in 2011 and not yet confirmed) and the GLSS 6 (due in 2010 and undertaken in 2012) which has led to lack of timely and more recent data in key areas, including poverty.

2.2.2 Economic statistics

Economic statistics are important for the Government to enable it to make strong economic decisions. Many organizations, including the private sector and DPs, rely on economic data to inform their investment decisions. Civil society, the media and citizens need economic data to monitor the impact of the use of public resources. Key data for assessing the state of the economy include GDP, national accounts and inflation. Robust GDP figures are necessary when so many other financial and economic statistics use GDP as their denominator.

The compilation of statistics on national accounts is undertaken by the National Accounts Unit of the Economic Statistics Division of GSS. In 2010 the national accounts were rebased from 1993 to 2006 and based on the 1993 System of National Accounts (SNA). Quarterly national accounts have been published since mid-2011 and the oil sector reflected in the national accounts from the first quarter of 2011. Currently, only the production and expenditure accounts are published. GSS are benefitting from the Enhanced Data Dissemination Initiative (EDDI) implemented by the IMF and receive IMF technical assistance in the area of national accounts. Satellite accounts pilot questionnaires are being prepared for environmental and informal sector statistics.

Some of the challenges in production of national accounts include lack of comprehensive and complete data to inform the national accounts calculations and the reliance on estimation and proxy indicators in lieu of primary data. The national accounts could be improved to deliver information on relative sectoral performance. There are capacity constraints within the GSS national accounts team in both human resources and equipment.

National and regional Consumer Price Indices are produced monthly based on surveys covering both urban and rural areas in 40 markets in the 10 regions for a basket of 242 products. The CPI is currently being re-based and the revised CPI will be launched in March 2013. GSS are considering moving to electronic data collection of market data for the CPI. This is already being done by the Bank of Ghana and GSS are working closely with the Bank of Ghana to benefit from their experiences. The GSS also produce monthly Producer Price Index (PPI). There are plans to re-base the PPI in the near future. These and other improvements to economic statistics will be supported by the Bank's forthcoming statistics project.

2.2.3 Vital registration

A comprehensive vital registration system is fundamental to planning for population changes and for informing population projections and well as for identifying patterns in mortality to inform public health policy and delivery. Births and deaths registration is poor in Ghana, as it is in many developing countries, with approximately 65 percent of births registered within the first year and around 25 percent of deaths registered. The Births and Deaths Registry (BDR) has over 16 million manual records in their vault. A recent collaboration grant from the Rockefeller Foundation has allowed BDR to begin digitization and indexation of records, but this needs to be scaled up. The BDR have also taken a number of steps to improve registration including small-scale community based initiatives but again this needs to be rolled out more comprehensively, further initiatives investigated (including use of mobile phone to register) and more done to sensitize people to the importance of registering births and deaths. The Bank's forthcoming statistics project provides support to BDR for the continued capturing of the backlog of data and for the community population registers.

2.3 CPS Areas of Engagement: statistical assessment

This section reviews the status of the statistical data system by sector aligned with the CPS areas of engagement.

2.3.1 Pillar I: Improving economic institutions.

Under this area of engagement, data needs include: government financial statistics; forestry; mining; and environment and climate change.

MOFEP produces and disseminates statistics on government finances including capital flows, domestic and external debts (in the form of quarterly fiscal operations reports). It relies on the Ghana Revenue Authority for data on the various sources of revenue and its internal sources for expenditure and other data. There are challenges in the availability and timeliness of financial statistics, particularly on expenditures, and their comprehensiveness. On the WBG SCI, Ghana scores poorly on government finance due to the lack of consolidated central government accounts. Although the government publishes quarterly fiscal operations reports and provides monthly reports on the consolidated fund (as narrowly defined) these are often delayed and their reliability suffers from lack of comprehensiveness and accuracy as expenditure data related to statutory funds, internally generated funds, and donor funds are not comprehensively captured. Unless all general government (central, local, and sub-vented) funds are considered as sub-accounts of the consolidated revenue fund of the GoG and accordingly linked and expenditures reported in a consolidated manner, the issue of data inadequacy and incomprehensiveness will continue.

Accessibility of data can be enhanced through the use of transparency instruments, such as BOOST for reporting budget information. The Bank's support for GIFMIS will broadly address the accessibility constraint, but BOOST can reinforce effective reporting. An active and publicly accessible information portal for MDAs will enhance access and use of information to hold government accountable. Strengthening the capacity of appropriate units within MDAs and equipping them with statisticians can help improve data reporting at MDA level as well.

The Ministry of Environment, Science and Technology has the mandate to prepare the policy framework and coordinate the monitoring of the status of the environment and climate change in all sectors and activities in Ghana. There are environmental focal points in all the ministries, regions and districts. The monitoring of environmental impact focuses on industrial development, climate change, wetland and forestry resources and human settlement. The Ministry coordinates environmental information and publishes quarterly and annual reports. The activities related to environment are funded from retention of a proportion of fees from permits issued to industries, subventions from the government and grants from donors including the Bank, CIDA, Netherland, Norway and UNDP. The challenges facing environmental activities include weak institutional framework, shortage of skilled manpower and equipment and weaknesses of statistical functions in the various MDAs.

The Bank is already working to strengthen natural resource accounting, including sector statistics, through the Ghana Natural Resources and Environmental Governance Technical Assistance project. The project aims to mainstream NRE in economic management including developing a revenue forecasting model for NRE sectors and to build Government capacity to adequately forecast potential revenues from Forestry, Mining, and Oil and Gas sectors. This project will also support the Government to initiate the design of a robust and comprehensive M&E system for the NRE sector. Such an M&E system is critical to ensuring good monitoring of the implementation of the reforms in the NRE sectors; it is also instrumental to adequately align national priorities with public resources allocation to the sector. The project will support a public expenditure review for one priority sector and an additional component will establish a framework building a national natural capital accounting system. Such a system would allow environmental considerations to be better taken into account in strategic decision-making processes.

Ghana has signed to key international conventions relating to Gender, Women and Girls, and Children. It is committed to publishing data disaggregated by sex to enable assessment of differences by sex and to inform policy and to including gender indicators, as appropriate, in data collection. There is a Gender Statistics Working Group chaired by CIDA with secretariat provided by GSS. The Group meets quarterly and to date has focused on advocacy, raising understanding among group members and a planned stock-take of data available for reporting on gender and gender related commitments. GSS itself are committed to sex-disaggregation of the data they collect where appropriate and all survey and census publications show sex-disaggregated data. There will be a thematic report from the 2010 Population and Housing Census on Women and Men in Ghana that will explore sex differences on a range of demographic, social and economic indicators. There is collaboration with the Ministry of Gender (previously MOWAC) on collecting data on gender sensitive indicators but capacity constraints within the Ministry limit their ability to drive this agenda. GSS are also engaged with international initiatives to improve the availability of data on gender issues.

The Bank are supporting the Ministry of Gender to undertake a number of statistical projects including improving access to data and documents on women and children and research in specific areas of domestic violence and harmful socio-cultural practices.

2.3.2 Pillar II: Improving competitiveness and job creation

Under this area of engagement, data needs include financial statistics, employment and labor, competitiveness and private sector, agriculture and infrastructure.

Financial statistics are provided by the MOFEP but the Bank of Ghana (BOG) is responsible for production of statistics on monetary operations, reserves, interest rates, exchange rates and, balance of payments. It collaborates closely with the MOFEP on generation of statistics on Government Finance and capital flows. The BOG is the best resourced agency in the NSS in generating statistical data in its areas of activity. It has a Research Department that is well funded and fully equipped. Under its legal instruments, banks and other money deposit institutions are required to provide information on a regular basis. BOG has field staff located in Accra and the 10 regional capitals for its bi-weekly price surveys.

The BOG has received support from DPs for some of its work program including: (i) EDDI from IMF; (ii) technical assistance for cross border financial flows from DFID; and (iii) survey on informal capital flows from the World Bank. BOG is making plans to expand the scope of financial statistics it produces to cover the Ghana Stock Exchange, credit unions, cooperative societies and expanded monetary surveys and remittances. Statistics collected on monetary operations, government finance and capital flows are up to date. BOG produces monthly, quarterly and annual publications which can be accessed on its web-site.

Apart from the data from the Bank of Ghana, other financial data are variable in availability, timeliness and comprehensiveness as well as ease of accessibility. The Bank through the EMCB Project (and with UK DFID support) funded a FinScope survey on financial access in 2010. For the sector overall there are a lack of good baselines, particularly for the large informal MSME sector, with high variability between firms and thus many tailor-made indicators rather than standard indicators as found in other sectors. This poses particular data collection and aggregation challenges and can make it difficult to assess whether progress is being made or not. The Bank will conduct a new Enterprise Survey (including the formal and informal sector) in 2013. In the 2011 APR, of the 22 indicators on private sector competitiveness nine (41 percent) lacked data including all three indicators on developing micro, small and medium enterprises and all three on industrial sector performance.

Data on employment and labor in Ghana have been irregular and available through a variety of different household surveys and censuses as supplementary information, and not providing the range and depth of labor statistics required. GSS has committed to an annual Labor Force Survey from 2012. For 2012 this has been merged with the GLSS-6 to allow for 12 month data collection. GSS intend releasing quarterly labor force data from the GLSS-6 and will analyze seasonal fluctuations in labor force characteristics. A Child Labor Survey was carried out with the assistance of the ILO in 2001-2003. Child Labor is included as a module in the 2012 GLSS/Labor Force Survey.

Secondary sources of labor information include employment registers in regional employment centers and labor departments of the Ministry of Employment and Social Welfare, Pensioners' records from SSNIT, records of Ghana Revenue Authority and Ghana Investment Promotion

Centre (keeps track of proposed new jobs to be created by new investors in Ghana). The generation of regular and reliable labor statistics from administrative data systems faces challenges including poor organizational structure and absence of adequate statistical skills and resources in the Ministry of Employment and Social Welfare. The information from these sources is incomplete and unsystematic and does not provide reliable estimates.

An annual Labor Force Survey will go a long way to meeting the need for timely and regular data on the labor force in Ghana. The Bank is supporting GSS in the annual labor force survey for the period 2012-2015, thereafter it will fall to the Government to finance.

Despite the importance of agriculture to the economy, agriculture data systems have often been neglected and funding constrained. This makes it difficult to get an accurate and timely view on the agriculture sector, changes over time, employment issues, production and profitability and on the impact of issues such as food price crises and climate change. In the 2011 APR, 17 of 62 (27 percent) indicators for this thematic area lacked data to assess progress.

The Ministry of Food and Agriculture (MOFA) has primary responsibility for generating statistics for the agricultural sector. The RSIM Directorate prepares the publication *Agriculture in Ghana: Facts and Figures* on an annual basis. Data for this comes from a range of sources including crop area and production data from the Multi-Round Annual Crop and Livestock Survey (MRACLS), livestock data from the MRACLS supplemented by the Veterinary Services Directorate. Input and commodity prices are derived from weekly reports by market enumerators, export data provided by the Ghana Export Promotion Council and import data from MoTI and World Food Program. Other data and information are provided by other MoFA directorates, GSS, Bank of Ghana, ISSER and Ghana Meteorological Agency.

The MRACLS is the primary source for monitoring performance of the agricultural sector. This is an annual survey with a total sample of around 17,000 agricultural households, data is collected by the Agricultural Extension Agents (AEAs). The Ministry maintains permanent field staff in the districts for carrying out the surveys and preliminary analysis. The data generated facilitates national estimates of production of crops and livestock and other related information on the sector activities. However, the sample size is too small for reliable district estimates and a lack of funding reduces data collected on large holdings potentially biasing the picture of the current agricultural situation. There are additional challenges from the use of the agricultural extension system for data collection including the number of extension workers, lack of transportation and potential conflict of interest between the data collection and the support they are meant to provide. The International Food Production Research Institute (IFPRI) has supported, through MOFA, the Ghana Agricultural Production Survey to test improvements to the MRACLS.

GSS is responsible for the agricultural census and other surveys that also collect agriculture-related data. The Agricultural Census is programmed in cycles of ten years but due to resource constraints the last one for Ghana was carried out in 1985. An agricultural census was planned to follow soon after the 2010 Population and Housing Census but there is, as yet, no confirmed date for this due to lack of funds. Household surveys collecting agricultural data as supplementary information to the main purpose are unable to collect the depth and wealth of data on agriculture that is required.

The Global Strategy to Improve Agricultural and Rural Statistics proposes that governments develop and maintain a statistically-based core program to provide statistics for major crops and

livestock at the national and regional levels that is funded by the country. When sufficiently established, donors' needs can be addressed by adding a few questions to the existing survey(s) and/or adding extra samples in project districts, as needed, to obtain required M&E data. Ghana is part of the Africa Action Plan and will benefit from Technical Assistance and training although there is not financing for improvements to the data collection system. The Bank is also supporting MOFA to strengthen agricultural statistics including improving data collection and expanding the coverage of the annual crop survey.

Data on infrastructure (roads, electricity, energy, ICT and telecommunications) are variable with previous support to some sectors ensuring a management information system that can provide some data, whereas for others there is a paucity of data available on a timely and comprehensive basis.

The Ministry of Roads and Highways generates statistics on the various modes of transportation initiated through the Transport Indicators Data Base (TIDB) project, 2005-2009 financed by DANIDA. However, the statistical functions in the RSIM face challenges of statistical staff and resources to provide effective support to the activities in the ministry. Program and project level data have been variable due largely to implementation challenges and monitoring not being carried out on a timely basis. Some of the program level indicators require survey-type data collection which is not being appropriately planned for and undertaken by the sector.

The Ministry of Water Resources, Works and Housing, Ministry of Communication, the Ministry of Energy, and the Energy Commission have RSIM and PPME Directorates. The statistical functions in the ministries are weak and not functioning as required in some cases. The limited data produced in the sub-sectors provide support for project planning and M&E. They are however inadequate for comprehensive sector medium-term strategic planning, work program, or M&E framework to inform progress on the GSGDA. On ICT, for example, of 12 indicators in the 2011 APR, 7 lacked sufficient data to assess progress. The Ministry of Communication, through the eGhana project has invested in an extensive M&E framework and statistics which need to be reflected in the APR. The PPME Directorate in the Energy Commission generates a comprehensive range of data on the energy sector but the level of analysis is weak. The RSIM Directorate is weak and engages in neither statistical functions nor research due to capacity constraints. The Commission recognizes the need for a comprehensive reform program in its statistical functions. In this regard, it has initiated the process to establish a National Energy Processing and Information Center (NEPIC). Donor support, potentially as a component of projects, will be critical in this regard.

Oil and gas is still a relatively new sector but of strategic importance. As a new sector there are numerous project interventions many, of which, are aimed at capacity building with less stringent theory of change underpinning the intervention and link to outcomes. Governance structures are still being established and sectoral and societal data needs should be addressed within these structures from the beginning. There is a need for transparency in reporting data on oil revenues and the proportion of the national budget supported by these revenues, on financing arrangements within the sector and on the wider impacts, including on employment. Such data are currently lacking or not yet available.

2.3.3 Pillar III: Protecting the poor and vulnerable

Under this area of engagement, data needs include: poverty and welfare; health; water and sanitation; and education. Data on living standards, poverty and welfare are available through the

GLSS. This survey is undertaken by the GSS and is meant to be held every five years. The last living standards survey (GLSS 5) was conducted in 2005/06 and data collection for the GLSS 6 is ongoing with data likely to be available early 2014. The GLSS6 was originally planned for 2010 but delayed due to census commitments at GSS in 2010 and throughout 2011. There are no administrative data systems that can provide the depth of data on consumption and expenditure that is required to properly assess living standards. There is a need for assured, regular and timely data on living standards for Ghana to better enable monitoring of progress on reducing poverty, to help identify the extreme poor and to ensure targeting is to those most in need. Consideration should be given to ensuring data on living standards are collected at least every 3-4 years.

The Ministry of Health (MOH) collaborates with GSS to undertake regular and ad hoc household surveys on health issues. This includes the Ghana DHS (latest 2008 and next planned in 2013), the MICS (2006 and 2011) and Maternal Mortality Survey (2007). Both these surveys have been regular and provide data on many MDG indicators and other health indicators useful for health sector planning and programming. However, there is a question of the longer-term sustainability of this data collection where it has been donor-funded.

There is a well-developed administrative data system in the health sector. The Center for Health Information Management System (CHIMS) is responsible for compiling, managing and disseminating all facility health data and covers all health facilities under Ghana Health Services (GHS) and mission hospitals assisted by government (CHAG). However, the coverage of facilities under the private sector, Ahmadiya missions, quasi government including the military is not comprehensive. The district health information management system (DHIMS) has benefitted from support from USAID, EU, CIDA, UNICEF and others for its development and maintenance. This administrative system, while well established, faces capacity constraints in specialized skills required at the district, regional and HQ (only 75 percent of the district hospitals have trained hospital records officers) as well as equipment.

Current data on the health insurance scheme registration comes from the National Health Insurance Authority which maintains a database of those who have registered and renewed their registration. Accurate data on registration and renewals and on active membership are important for assessing the success of the scheme, particularly whether it is getting to those people most in need, and its continued viability. While there had previously been challenges with the data, the data system has been strengthened and comprehensiveness and accuracy of the data improved such that NHIA can now tell the number of active members. Data are also available through household surveys where interviewers record whether they have seen a membership card or not. Investment in an electronic claims management system under the NHIA is also leading to improved data collection at facility level.

Data on access to improved water and sanitation are collected in most household surveys and in the Population and Housing Census providing relatively regular updates on progress towards achieving these MDGs as well as identifying particular parts of the population where improvements are slower. However, the data collected in Ghana does not directly align with international definitions of 'improved water' and 'improved sanitation' making it difficult to assess how well Ghana is progressing in relation to the specific MDGs. In addition, these data are not available annually and do not have the detailed population coverage of administrative data. Administrative data are available from Ministry of Water Resources, Works and Housing and the Ministry of Local Government and Rural Development and reported in their Annual

Progress Reports. There are challenges in availability of data on communities with access to safe water. Changes in sanitation practices are largely connected to behavior change and access to and use of improved facilities. Valid, reliable and timely data in these areas are a challenge.

Education statistics are available from the Ministry of Education through its Education Management Information System (EMIS). Data for the EMIS are collected through an annual school census based on standard questionnaires completed by schools at the various levels. The EMIS generates data on all pre-tertiary levels while reporting on higher education is the responsibility of the National Council for Tertiary Education. The system has been financed from a pool of multi-donor support including AfDB, the World Bank, UNICEF, DFID, JICA, CIDA and USAID. The system faces capacity challenges relating to staffing, inadequate skills and equipment. As attention moves from enrolment to quality of education, to focusing on more deprived areas, and to tertiary and higher education it is important that data on these issues will be available from the Ministry of Education and its associated bodies. Accurate data on spend on education are also required to assess the proportion of the education budget that is spent on non-salary elements.

2.4 Challenges in the statistical system

There are a number of challenges that continue to be faced by the NSS. The larger MDAs all have a statistical plan developed as part of the GSDP but have struggled to implement this due to capacity and financial constraints and so many of the challenges identified when preparing their plans still exist.

The main challenges relate to:

(1) Physical infrastructure, including: (a) lack of or poor office accommodation; (b) lack of and outdated equipment for statistical activities at HQ, regional, and district offices, including ICT hardware and software and access to LAN; and, (c) non-harmonization of systems across the NSS;

(2) Human resources, including: (a) shortage of managerial and professional staff; (b) poor incentive structure leading to high staff turnover; (c) limited national training facilities for statistical staff; (d) weak technical capacity for timely data analysis, data management and dissemination; and, (e) inadequate performance and management systems;

(3) Financial resources, including: (a) limited financial resources for programmed statistical activities, e.g. household surveys, MDA fieldwork; (b) unpredictability of government releases for statistical activities; and (c) over-dependence on financial, technical and material support from DPs and other external agencies for physical and statistical infrastructure and for the conduct of routine surveys and censuses. A study undertaken in 2011 that looked at financial resources spent on M&E and statistics showed that of the government budget allocated to M&E and statistics (excluding the Ghana Statistical Service) in 2010 only 35 percent was actually released and spent¹⁵ on M&E and statistics.

(4) Legal and organizational structure, that inadequately (a) defines the national statistical system, the jurisdiction and responsibilities of the various producers of statistics; and (b) gives

¹⁵ The amount spent on M&E and statistics includes funds provided by DPs so is higher than would have been without these contributions. The baseline study was funded by UNICEF and carried out by Ernst & Young.

statistical functions a central role in MDAs to facilitate effective collection of administrative statistics, the integration of management information systems (MIS), and generation of indicators for M&E on national development priorities;

(5) Coordination and collaboration, including: (a) lack of GSS capacity to support MDAs; (b) inadequate collaboration with and cooperation between MDAs and GSS and between individual MDAs; (c) inadequate coordination of the NSS; (d) lack of standardization and harmonization of concepts, definitions, classification, etc., that meet international standards; and, (e) lack of commitment of stakeholders to coordination, collaboration, cooperation and sharing of information.

(6) Data supply, demand and use including: (a) gaps in statistical data; (b) delays in the supply of administrative data and release of statistics; (c) inadequate data analysis and interpretation; (d) lack of feedback mechanisms for statistics produced and disseminated; (e) inadequate dissemination channels for statistics; (f) absence or inadequate establishment of databanks in the MDAs to network with the GSS central databank to facilitate data exchange and sharing; and (g) limited use of statistics in public decision-making and planning socio-economic development.

The National Statistical System (NSS) has found it hard to meet the increasing demand from its many users. In some MDAs the production of statistics has decreased over time due to technical and financial constraints. The statistical units in many MDAs are not well set up or resourced and do not function properly. In general, the NSS is widely perceived to be inadequately structured and insufficiently equipped and as such is failing to provide the quality and range of statistics essential for the efficient planning and monitoring of national development.

Full implementation of the GSDP would go a long way to resolving a number of these challenges. Elements of the GSDP have been implemented since 2009, but the GSDP is underfunded and there has been a lack of coordinated implementation of the GSDP. The current GSDP runs out in 2013 and GSS will need to take the lead in reviewing progress and planning the next NSDS for Ghana.

3. DPs supporting the NSS

3.1 General

DPs are active in supporting the GSS and NSS through financing household surveys, technical assistance, training, and support to sectoral administrative data systems. Overall, DPs in Ghana are committed to delivering their statistical capacity building programs in a harmonized and coordinated way through the GSDP, although the lack of strategic implementation of the GSDP results in some cherry-picking of activities and less coordinated support.

Under the Multi-Donor Budget Support framework there is a Sector Working Group on M&E and Statistics (M&E SWG) which meets monthly and is a forum for dialogue between MDA and DP representatives engaged in monitoring and evaluation and statistics. There is a sub-committee on statistics to ensure active DP engagement on GSDP implementation. This Committee is intended to meet quarterly but meetings have been less regular due, in part, to other commitments at GSS. Both forums provide a means to strengthen the coordination of DP activities and have an objective to mobilize resources for statistics. There are, however, a number of DPs supporting statistics who are not members of either committee (e.g. KOICA, AfDB).

Current support to the NSS from DPs, other than the Bank, includes:

African Development Bank (AfDB): The AfDB has a multinational statistical capacity building program implemented on a regional basis through bodies such as ECOWAS. The AfDB are also co-implementers of the Global Strategy for improving rural and agricultural statistics along with UNECA and FAO. Ghana is likely to be one the first countries to benefit from this support.

Canadian International Development Agency (CIDA) and Danish International Development Agency (DANIDA): Both agencies are providing support for district level analysis of the 2010 Population and Housing Census.

European Union (EU): EU has contributed to the MDTF.

Korean International Cooperation Agency (KOICA): KOICA have financed the establishment and furnishing of a statistics training center at GSS and provided training of trainers in a range of statistical topics.

UK Department for International Development (DFID): DFID have contributed to the MDTF supporting GSS. They have also provided the in-country donor statistician on secondment to the World Bank. DFID, through sector program support, have supported a number of sector ministries management information systems including strengthening the school census at the Ministry of Education. DFID also contributes centrally to the SRF-CF.

UN organizations: UNICEF, UNDP and UNFPA are the main UN bodies supporting statistics. Their support includes the Multiple Indicator Cluster Survey (latest 2011), the 2010 Census (including technical assistance and funding for census thematic reports, GLSS-6 (and including the ILO), and support to various sector ministries for data collection and situational analyses.

USAID: USAID fund the Demographic and Health Survey and the Malaria Indicator Survey (part of MICS 2011) and a range of sector specific statistical support including support to agriculture statistics.

3.2. The World Bank

The Bank has provided support to the GSS, and the NSS, over several years and has built a strong relationship with the GSS. It has supported through the Trust Fund for Statistical Capacity Building (TFSCB), the MDTF Ghana Statistical Development Project, and the forthcoming SRF Catalytic Fund grant (US\$10 million) and IDA credit (US\$30 million). Specifically, the MDTF has supported GSS in: preparing for institutional reform; building capacity (people and equipment); improving the quality and dissemination of statistical products; and analysis and dissemination of the 2010 Census. The forthcoming support will build on this base to help GSS implement institutional reform; strengthen capacity at GSS and in the MDAs; and improve data collection, compilation, validation, management, analysis and dissemination. A DFID-seconded statistician has been placed in the Ghana World Bank Country Office, since 2009, specifically to lead and coordinate support to statistical capacity building through implementation of the GSDP on behalf, and at the request, of the DPs.

The Bank is recognized as an international leader in supporting statistical capacity development, including through its TFSCB program, which has provided support to 92 countries, and STATCAP. The Bank was also requested by DPs to manage the implementation of the SRF and its associated Catalytic Fund. The Bank, more generally, leads on a wide range of international statistical initiatives including the Accelerated Data Program, International Household Survey Network and the International Comparison Program as well as supporting implementation of the

Busan Action Plan for Statistics, Open Data, the World Development Indicators database and report, and supporting a number of countries in undertaking Living Standards Measurement Surveys and poverty analysis.

4. Future steps to strengthen the NSS

Recognizing the challenges facing the M&E and statistical system in Ghana, the M&E SWG prepared the JASMES. This framework has been adopted in the recent GoG-DP Compact. The JASMES aims to strengthen national, sectoral and district M&E and statistical systems for the timely and sustainable production, analysis and use of quality data for evidence-informed decision making, dialogue and accountability and specifically to increase harmonization and coordination between DPs and with the GoG. The JASMES is built around four pillars: (i) Leadership - Strengthened leadership in ensuring use and sustainability of well-functioning government M&E and Statistics systems; (ii) Use and Demand - Increased access, demand & use of data to inform the public and the policy process and hold government and DPs accountable; (iii) Data quality - Improved production and dissemination of data that meets international data quality standards and user needs; and (iv) Sustainability - Ensuring sufficiently embedded and capacitated M&E and statistical systems capable of responding to changing and increasing demands.

The JASMES pulls together, in a coordinated and strategic framework, a number of current and planned activities to strengthen M&E and statistics, including the GSDP. The Bank has taken a lead in the development of the JASMES and will actively support its implementation through current projects, technical advice and leadership of the M&E SWG.

The Bank's enhanced support to Ghana's National Statistical System through specific statistical projects and the JASMES is justified by (a) the increased attention to delivering and reporting results; (b) the need for M&E of the Bank's portfolio to ensure operational effectiveness; and (c) the comparative advantage of the Bank in supporting statistical capacity building, including existing support to the Ghana NSS. Many of these activities will not require major funding or program support but technical support and a focus on strengthening through the Bank's planned sectoral engagement. Enhanced allocation for M&E and statistics, including through sectoral projects, to strengthen country data systems, will facilitate greater support for statistical capacity building and data generation that would lead to better M&E and portfolio performance.

Some suggestions for the way forward are proposed:

- *Rationalizing surveys to a core set:* In reviewing the long-term census and survey program the GSS should look to streamline the number of surveys, minimize duplication in survey topics, plan their implementation on a regular basis to ensure they provide the most commonly requested statistics to meet national planning needs and international reporting requirements. This would include opportunities for government institutions, donors and other stakeholders to include ad-hoc surveys or specific modules to these core surveys as needed or as feasible. As part of this review the GSS should look to experiences and practices in other African countries.
- *Adequate funding for core surveys:* It is critical for GSS to have adequate, timely and predictable government financial support that can cover all core survey implementation activities. This is crucial to ensure statistical data collection commitments are met. In line with the Constitutional Review recommendations, consideration should be given to

establishing the GSS as a statutory agency with annual assured funding for the undertaking of its work, including household surveys.

- *Increasing attention to economic statistics (and other neglected areas):* In reviewing its survey calendar, GSS should consider all areas of statistical data collection and look at ways of strengthening collection of data in support of economic statistics, agriculture and other weaker or neglected areas. In economic statistics this would include support to improving data availability and coverage for national accounts and the GSS ability to re-base key economic statistics every five years. In financial statistics it would be encouraging Government to improve their availability, timeliness and comprehensiveness and commit to making these publicly available through, for example, the Ghana Open Data Initiative.
- *Ensuring country engagement is in alignment with the Busan High Level Forum commitments:* The Busan High Level Forum, following the Accra Agenda for Action and the Paris Declaration on Aid Effectiveness detailed the following commitments: (a) Use of country results frameworks adopted as a common tool among all concerned actors and providers of development cooperation; (b) Minimized use of additional frameworks and refrain from requesting introduction of performance indicators not consistent with countries' national development strategies; (c) Partner to implement a global Action Plan to enhance capacity for statistics to monitor progress, evaluate impact, ensure sound, results-focused public sector management, and highlight strategic issues for policy decisions; and (d) Accelerate and deepen efforts to collect, disseminate, harmonize and make full use of data disaggregated by sex to inform policy and investment decisions.
- *Strengthening the statistical processes and systems in MDAs:* Household surveys are too costly and do not happen annually yet. There is a need for robust, timely and reliable data from sectoral administrative systems to assist Government in monitoring progress on its program and for DPs to monitor progress of their support on a regular basis. Each new sectoral program should include an assessment of the existing sectoral data system and its ability to meet national and program data needs. Where there are gaps the program should consider support to strengthening the country sectoral data system as part of the program implementation. An agreed proportion of program funds could be earmarked for this specifically. MDAs to be targeted for statistical assistance through M&E and statistics allocations for projects under the CPS would include: Ministry of Environment, Science and Technology, Ministry of Transport, Ministry of Lands and Natural Resources, MOFEP (financial data), and Ministry of Local Government and Rural Development (MLGRD).
- *Support to strengthening M&E and Statistics:* The Compact adopts the JASMES as the key framework for coordinating the implementation of interventions aimed at strengthening (i) GoG's leadership in ensuring well-functioning government M&E and Statistical systems; (ii) demand and utilization of M&E results to inform policy and to hold stakeholders accountable; (iii) production and dissemination of data that meet international data quality standards and user needs and (iv) ensuring sustainable M&E and Statistics systems. DPs in turn have committed to supporting the preparation and implementation of the JASMES framework and recognize the importance of capacity-building of NDPC and GSS. The Bank is well placed to lead and coordinate DP efforts in this area.
- *Learning from best practice in other countries:* The Bank's global presence should be harnessed to share best practice and lessons from other countries on statistical practices, e.g. use of new technology for data collection, on poverty measurement and analysis, on Open Data.

Annex 7. Mapping of the Development Partners in Ghana

Task Force on Working Groups

2 May 2012

WORKING GROUPS (WG) IN GHANA - LIST OF CHAIRS AND ACTIVE PARTICIPATION

Pillars	Working groups sub-Working Group	Joint or	GoG ch. 2011/2012	DP lead 2009/2010	DP lead 2010/2011	DP lead 2011/2012	ADB	Can	CH	DE	DK	EU	FR	JP	NL	UK	WB	IFC	IMF	IT	Nor.	Sp.	USA Aid	MCC	Un. syst.	Others	tot.	
General	HOMs	DPs		UK/WB	DK/WB	CH/WB																						
	HOCs	DPs		WB-CIDA-NL	DK-DE-EU	JP/UN-FR							X												UN-RC		5	
	TF on Compact	DPs											X												UN-RC		2	
	TF on DP PAF	joint											X														2	
	TF on Working Groups	DPs											X														3	
	TF on Divis. of Labour	DPs											X														3	
MDBS	MDBS core group	DPs	MOFEP	CH-WB	GIDA-WB	DK-WB					X						X						obs		obs		10	
Pillar 1 Promoting growth, income and employment	Private Sector Development	joint	MOTI		WB	DE				X															UNDP		11	
	Financial Sector	joint	MOFEP		AADB	CH				X																	6	
	Energy	joint	ME	WB	FR	FR							X														13	
	Transport	joint	MT		EU	EU							X														2	
	axle road maintenance	joint	MoRH		EU	EU/WB							X														2	
	Agriculture	joint	MoFA		DE	USAID/WB																					11	
	Sector policy harmonisation	joint	MoFA			USAID																					9	
	Human Resources Management	joint	MoFA			WB																					2	
	Financial Management	joint	MoFA			JP								X													5	
	Envir-Natural Res. Man.-Clim. C.	joint	EPA		NL	NL																						9
Forestry	joint	For. Com.		NL	NL																						5	
Pillar 2 Improving service delivery for human development	Education	joint	MED		WB/UK	UK/Unicef																					8	
	Public Finance Management	joint	MED			JICA																					5	
	EMIS and results	joint	MED			UK																					6	
	Global partnership	joint	MED			UK																					8	
	Health	joint	MH		DK/WHO	WHO/NL	WHO/NL																					12
	HIV Aids	joint	Ghana Aids Com.		UNAIDS	UNAIDS																						17
	Water & Sanitation	joint	MWRWH		Cida/ Irc-Unicef	Unicef/ WB																					7	
	Social Protection	joint	MESW		UNICEF/ WB	UK/ UNICEF																					4	
	Decentralization	joint	MJGRD		DK	EU/FR																						9
	Public Sector Reform	joint	OP/PSR		UK	GIDA	FR/WB																					7
Pillar 3 Improving governance and public sector management	Public Finance Management	joint	MOFEP		NL then EU	EU, then DK/UK																					14	
	Audit	joint	GAS		USAID	USAID																					5	
	Gender Equality	joint	MWC		UN Wom/UK	ArDB																					7	
	Governance	joint	Att. gen.		GIDA	EO DK	UNDP/ Usaid																				10	
	Elections	joint	Elect. Com			UNDP/ EU																					9	
Cross-cutting	Monitoring & Evaluation	joint	NDPC		UNICEF	WB/GIDA																					9	
	Statistics	joint	GSS		IWB	WB																					7	
Cross-cutting	Deprived Areas	joint	NDPC			UK																					10	
chairs of SWG (excluding HOMs/ HOCs/ Task Forces)								1		1	1	2	2	2		1	2	3					1	1	3	19		
chairs of sub SWG												2	2				1	1	3							2	13	
total chairs of SWG/sub SWG								1	0	1	1	2	4	2	2	2	3	6	0	0	0	0	0	0	3	0	5	32
Total active participation in SWG								10	11	6	12	6	14	8	12	7	13	15	2	1	2	1	1	1	13	1	15	150

Total: 18 WGs, 12 sub WGs

X DP Lead active participation passive participation (e-mail list) or silent partnership

Annex 8. Key Economic and Program Indicators

Ghana Social Indicators

	Latest single year			Same region/income group	
	1980-85	1990-95	2005-11	Sub-Saharan Africa	Lower-middle-income
POPULATION					
Total population, mid-year (millions)	12.6	16.2	24.3	853.4	2,518.7
Growth rate (% annual average for period)	4.6	2.5	2.5	2.5	1.6
Urban population (% of population)	32.9	40.1	50.9	37.4	39.4
Total fertility rate (births per woman)	6.1	5.1	4.0	4.9	2.9
POVERTY					
<i>(% of population)</i>					
National headcount index	..	50.0	28.5		
Urban headcount index	..	..	10.8		
Rural headcount index	..	..	39.2		
INCOME					
GNI per capita (US\$)	250	420	1,440	1,176	1,619
Consumer price index (2005=100)	3	33	511	147	140
INCOME/CONSUMPTION DISTRIBUTION					
Gini index	..	38.1	42.8		
Lowest quintile (% of income or consumption)	..	6.7	5.2		
Highest quintile (% of income or consumption)	..	45.3	48.3		
SOCIAL INDICATORS					
Public expenditure					
Health (% of GDP)	..	..	4.3	3.0	2.0
Education (% of GNI)	..	..	..	5.0	4.0
Net primary school enrollment rate					
<i>(% of age group)</i>					
Total	..	..	77	75	85
Male	..	..	76	77	87
Female	..	..	77	73	83
Access to an improved water source					
<i>(% of population)</i>					
Total	..	63	82	61	87
Urban	..	86	91	83	93
Rural	..	47	80	49	83
Immunization rate					
<i>(% of children ages 12-23 months)</i>					
Measles	21	70	86	75	80
DPT	22	70	87	77	79
Child malnutrition (% under 5 years)	..	25	14	22	25
Life expectancy at birth					
<i>(years)</i>					
Total	55	59	57	54	65
Male	53	58	56	53	64
Female	56	60	58	55	67
Mortality					
Infant (per 1,000 live births)	89	70	47	76	50
Under 5 (per 1,000 live births)	143	110	69	121	69
Adult (15-59)					
Male (per 1,000 population)	400	334	327	379	244
Female (per 1,000 population)	334	270	289	346	175
Maternal (per 100,000 live births)	..	540	485	650	300
Births attended by skilled health staff (%)	..	44	59	46	57

CAS Annex B5. This table was produced from the CMU LDB system.

02/07/13

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment rate: break in series between 1997 and 1998 due to change from ISCED76 to ISCED97. Immunization: refers to children ages 12-23 months who received vaccinations before one year of age or at any time before the survey.

Annex 9. Ghana at a Glance

Page 1 of 3

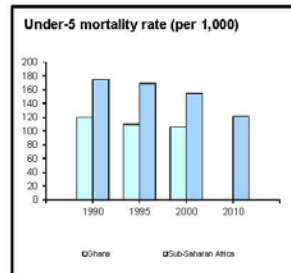
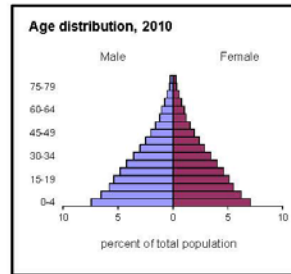
Ghana at a glance

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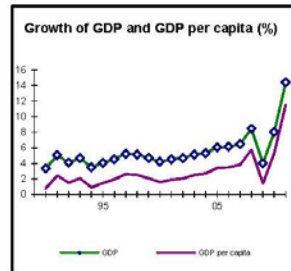
Key Development Indicators	Ghana	Sub-Saharan Africa	Lower middle income
<i>(2011)</i>			
Population, mid-year (millions)	24.3	853	2,519
Surface area (thousand sq. km)	239	24,243	23,579
Population growth (%)	2.6	2.5	1.5
Urban population (% of total population)	51	37	39
GNI (Atlas method, US\$ billions)	34.9	1,004	4,078
GNI per capita (Atlas method, US\$)	1,440	1,176	1,619
GNI per capita (PPP, international \$)	1,620	2,148	3,632
GDP growth (%)	14.4	4.8	6.9
GDP per capita growth (%)	11.5	2.3	5.3

(most recent estimate, 2005–2011)

Poverty headcount ratio at \$1.25 a day (PPP, %)	29	48	..
Poverty headcount ratio at \$2.00 a day (PPP, %)	52	69	..
Life expectancy at birth (years)	57	54	65
Infant mortality (per 1,000 live births)	47	76	50
Child malnutrition (% of children under 5)	14	22	25
Adult literacy, male (% of ages 15 and older)	73	71	80
Adult literacy, female (% of ages 15 and older)	60	54	62
Gross primary enrollment, male (% of age group)	106	104	110
Gross primary enrollment, female (% of age group)	105	95	104
Access to an improved water source (% of population)	82	61	87
Access to improved sanitation facilities (% of population)	16	31	47



Net Aid Flows	1980	1990	2000	2011 ^a
<i>(US\$ millions)</i>				
Net ODA and official aid	191	560	598	1,694
<i>Top 3 donors (in 2010):</i>				
United States	19	13	63	208
United Kingdom	35	22	80	167
Canada	14	28	16	114
Aid (% of GNI)	4.3	9.7	8.2	5.4
Aid per capita (US\$)	19	39	32	71



Long-Term Economic Trends

Consumer prices (annual % change)	51.1	37.3	25.2	8.7
GDP implicit deflator (annual % change)	-20.6	39.4	14.0	12.5
Exchange rate (annual average, local per US\$)	0.0	0.0	0.5	1.5
Terms of trade index (2000 = 100)	..	186	100	258

Population, mid-year (millions)	10.0	14.3	18.4	24.3
GDP (US\$ millions)	7,400	8,831	7,354	38,394
<i>(% of GDP)</i>				
Agriculture	60.1	33.0	29.9	25.6
Industry	12.3	12.3	18.3	25.9
Manufacturing	8.1	7.2	6.5	6.7
Services	27.6	54.7	51.9	48.5
Household final consumption expenditure	50.4	56.8	52.4	84.4
General gov't final consumption expenditure	6.7	6.2	11.5	9.8
Gross capital formation	3.4	9.6	16.6	18.6
Exports of goods and services	5.1	11.2	42.9	38.0
Imports of goods and services	5.5	17.2	61.5	50.8
Gross savings	2.7	5.6	4.0	9.3

1980–90 1990–2000 2000–11
(average annual growth %)

3.6	2.5	2.5
4.1	4.5	6.3

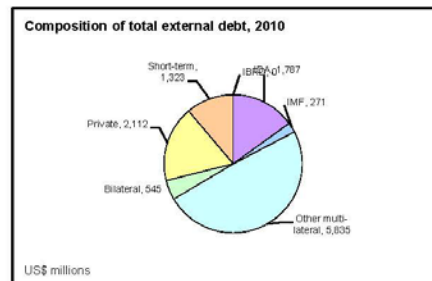
Note: Figures in italics are for years other than those specified. 2011 data are preliminary. .. indicates data are not available
a. Aid data are for 2010.

Development Economics, Development Data Group (DECDG).

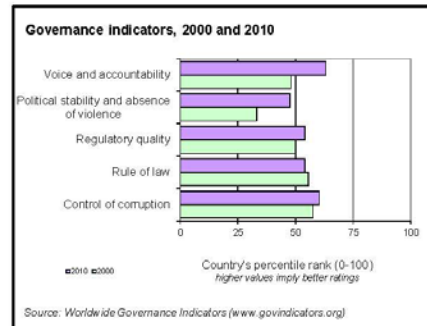
Balance of Payments and Trade	2000	2011
<i>(US\$ millions)</i>		
Total merchandise exports (fob)	1,888	12,785
Total merchandise imports (cif)	3,344	17,188
Net trade in goods and services	-925	-4,917
Current account balance as a % of GDP	-371	-3,549
	-5.0	-9.2
Workers' remittances and compensation of employees (receipts)	32	136
Reserves, including gold	297	5,475

Central Government Finance		
<i>(% of GDP)</i>		
Current revenue (including grants)	11.0	15.8
Tax revenue	8.5	12.7
Current expenditure	12.5	14.7
Overall surplus/deficit	-5.3	-4.1
Highest marginal tax rate (%)		
Individual	30	25
Corporate	33	25

External Debt and Resource Flows		
<i>(US\$ millions)</i>		
Total debt outstanding and disbursed	7,248	15,442
Total debt service	388	402
Debt relief (HIPC, MDRI)	3,083	2,549
Total debt (% of GDP)	98.6	40.2
Total debt service (% of exports)	15.7	2.7
Foreign direct investment (net inflows)	166	2,382
Portfolio equity (net inflows)	0	0



Private Sector Development	2000	2011
Time required to start a business (days)	-	12
Cost to start a business (% of GNI per capita)	-	11.9
Time required to register property (days)	-	34
Ranked as a major constraint to business (% of managers surveyed who agreed)	2000	2010
n.a.	..	..
n.a.	..	..
Stock market capitalization (% of GDP)	6.8	11.0
Bank capital to asset ratio (%)	11.8	7.9



Technology and Infrastructure	2000	2010
Paved roads (% of total)	29.6	12.6
Fixed line and mobile phone subscribers (per 100 people)	2	73
High technology exports (% of manufactured exports)	1.9	2.0

Environment		
Agricultural land (% of land area)	63	68
Forest area (% of land area)	26.8	21.7
Terrestrial protected areas (% of land area)	14.7	14.7
Freshwater resources per capita (cu. meters)	1,506	1,272
Freshwater withdrawal (billion cubic meters)	..	..
CO2 emissions per capita (mt)	0.33	0.37
GDP per unit of energy use (2005 PPP \$ per kg of oil equivalent)	2.6	3.6
Energy use per capita (kg of oil equivalent)	404	388

World Bank Group portfolio	2000	2010
<i>(US\$ millions)</i>		
IBRD		
Total debt outstanding and disbursed	9	0
Disbursements	0	0
Principal repayments	8	2
Interest payments	1	0
IDA		
Total debt outstanding and disbursed	3,130	1,787
Disbursements	204	216
Total debt service	47	23
IFC (fiscal year)		
Total disbursed and outstanding portfolio of which IFC own account	24	451
Disbursements for IFC own account	24	405
Portfolio sales, prepayments and repayments for IFC own account	0	233
	7	39
MIGA		
Gross exposure	15	290
New guarantees	0	225

Note: Figures in italics are for years other than those specified. 2011 data are preliminary
.. indicates data are not available. - indicates observation is not applicable

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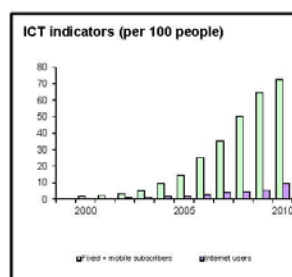
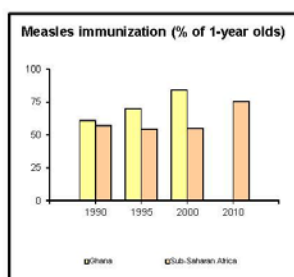
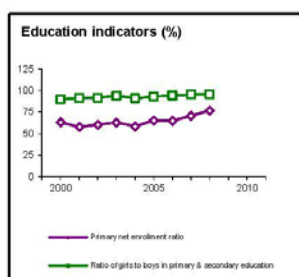
Development Economics, Development Data Group (DECDG).

Millennium Development Goals

Ghana

With selected targets to achieve between 1990 and 2015
(estimate closest to date shown, +/- 2 years)

	Ghana			
	1990	1995	2000	2010
Goal 1: halve the rates for extreme poverty and malnutrition				
Poverty headcount ratio at \$1.25 a day (PPP, % of population)	49.4	..	39.1	28.6
Poverty headcount ratio at national poverty line (% of population)	50.0	..	39.5	28.5
Share of income or consumption to the poorest quintile (%)	7.0	..	5.6	5.2
Prevalence of malnutrition (% of children under 5)	24.1	25.1	20.3	13.9
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	..	..	63	77
Primary completion rate (% of relevant age group)	64	..	71	94
Secondary school enrollment (gross, %)	35	..	41	58
Youth literacy rate (% of people ages 15-24)	..	..	71	79
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	78	..	90	96
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	..	32	62
Proportion of seats held by women in national parliament (%)	..	..	9	8
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	120	110	106	69
Infant mortality rate (per 1,000 live births)	76	70	68	47
Measles immunization (proportion of one-year olds immunized, %)	61	70	84	86
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	630	540	500	485
Births attended by skilled health staff (% of total)	40	44	44	59
Contraceptive prevalence (% of women ages 15-49)	13	20	22	24
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	0.3	1.7	2.3	1.8
Incidence of tuberculosis (per 100,000 people)	220	220	210	200
Tuberculosis case detection rate (% of total)	28	30	37	70
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	54	63	71	82
Access to improved sanitation facilities (% of population)	7	8	9	16
Forest area (% of land area)	32.7	29.8	26.8	21.7
Terrestrial protected areas (% of land area)	14.6	14.7	14.7	14.7
CO2 emissions (metric tons per capita)	0.3	0.3	0.3	0.4
GDP per unit of energy use (constant 2005 PPP \$ per kg of oil equivalent)	2.5	2.6	2.6	3.6
Goal 8: develop a global partnership for development				
Telephone mainlines (per 100 people)	0.3	0.4	1.1	1.1
Mobile phone subscribers (per 100 people)	0.0	0.0	0.7	71.5
Internet users (per 100 people)	0.0	0.0	0.2	9.5
Computer users (per 100 people)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available

2/7/13

Development Economics, Development Data Group (DECDG).

Annex 10. Ghana Selected Indicators of Bank Portfolio Performance and Management

CAS Annex B2 - Ghana Selected Indicators* of Bank Portfolio Performance and Management

As Of Date 1/27/2013

Indicator	2010	2011	2012	2013
Portfolio Assessment				
Number of Projects Under Implementation ^a	18	20	22	20
Average Implementation Period (years) ^b	3.8	4.8	3.8	4.4
Percent of Problem Projects by Number ^{a, c}	27.8	5.0	13.6	15.0
Percent of Problem Projects by Amount ^{a, c}	19.9	1.4	8.7	16.5
Percent of Projects at Risk by Number ^{a, d}	44.4	10.0	27.3	20.0
Percent of Projects at Risk by Amount ^{a, d}	31.6	5.7	27.9	31.5
Disbursement Ratio (%) ^e	12.5	15.1	14.9	8.5
Portfolio Management				
CPPR during the year (yes/no)	yes	yes	yes	yes
Supervision Resources (total US\$000)	1847.0	1893.0	2573.0	2226.0
Average Supervision (US\$000/project)	102.6	94.7	117.0	111.3

Memorandum Item	Since FY 80	Last Five FYs
Proj Eval by OED by Number	116	6
Proj Eval by OED by Amt (US\$ millions)	5,453.3	436.3
% of OED Projects Rated U or HU by Number	39.1	80.0
% of OED Projects Rated U or HU by Amt	32.1	32.5

- a. As shown in the Annual Report on Portfolio Performance (except for current FY).
 b. Average age of projects in the Bank's country portfolio.
 c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).
 d. As defined under the Portfolio Improvement Program.
 e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.

* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

Annex 11. IDA Program Summary

CAS Annex - IBRD/IDA Program Summary

Ghana

Proposed IBRD/IDA Base-Case Lending Program ^a

<i>Fiscal year</i>	<i>Proj ID</i>	<i>US\$(M)</i>	<i>Strategic Rewards b (H/M/L)</i>	<i>Implementation b Risks (H/M/L)</i>
2013	GH-GAMA Sanitation and Water Project	150	H	M
	GH-Macro Stability for Competitiveness	150	H	H
	GH-NREG TA Grant	5	M	L
	Result	305		
2014	GH-Ghana Manufacturing Competitiveness	50	M	M
	GH-Public Sector Reform Project	10	H	H
	GH-Youth Employment	60	M	M
	GH-Public Financial Management Support	25	H	M
	GH-eTransform Ghana	40	M	L
	GH-Integrated Health Systems Strengthening	50	H	H
	GH-Secondary Education Program	100	H	H
	GH-Economic Management Modernization	10	H	L
	GH-Common Targeting TA	15	M	H
	Result	360		
2015	GH-Macro Stability for Competitiveness II	100	H	M
	GH-Financial Sector TA	15	M	M
	GH-Energy Results Based Operation	200	H	H
	Result	315		
2016	GH-Financial Sector Development Policy Opera	100	M	M
	GH-Ghana Social Opportunities II	135	H	L
	GH-Roads Results Based Operation	150	M	M
	Result	385		
Overall Result		1,365		

Annex 12. IFC Investment Operations Program

Ghana: IFC Investment Operations Program

	2010	2011	2012	2013*
<u>Original Commitments (US\$m)</u>				
IFC and Participants	305.3	245.0	322.8	294.3
IFC's Own Account only	305.3	191.8	322.8	294.3
<u>Original Commitments by Sector (%) - IFC Own Account</u>				
Accommodation & Tourism Services		13.6	1.7	
Agriculture and Forestry			2.2	
Chemicals	49.1			
Electric Power				28.9
Finance & Insurance	16.9	81.3	58.6	59.9
Information	33.6			
Oil, Gas and Mining			36.2	11.2
Professional, Scientific and Technical Services				
Transportation and Warehousing		5.1		
Wholesale and Retail Trade			1.3	
Total	100	100	100	100
<u>Original Commitments by Instrument (%) - IFC Own Account</u>				
Equity	1.2		2.4	
Guarantee	62.7	85.9	54.6	59.9
Loan	27.8	11.0	43.0	38.4
Quasi-Equity	8.2	3.1	0.0	
Risk Management				1.7
Total	100	100	100	100

*Data as of May 31, 2013

Annex 13. Summary of Non-lending Services for Ghana

CAS Annex - Summary of Nonlending Services - Ghana

As Of Date 1/27/2013

<i>Product</i>	<i>Completion FY</i>	<i>Cost (US\$000)</i>	<i>Audience^a</i>	<i>Objective^b</i>
Recent completions				
GH-Natural Gas Pricing Policy	13	78	G	K PD PS
GH-Institutional Options Urban WS	13	74	G D B PD	K PD PS
GH Support to a Common Targeting System	13	198	G D B PD	K PD PS
Underway				
GH-Pwalugu Multipurpose Dam	13	218	G D B PD	K PD PS
Ghana-Energy Sector Review	13	235	G D B PD	K PD PS
GH-Increasing Access to Market-Based Fin	13	138	G D B PD	K PS
GH-Urban Local Government Exchange (FY13)	13	34	G B PD	K PS
GH-Aid Coordination (FY13)	13	2	G D B PD	K PD
GH - Impact Evaluation (FY10)	14	162	G	K PD
Prioritizing Infrastructure Investment	14	352	G D B PD	K PD PS
GH-Disaster Preparedness & Watershed Mana	14	951	G D B PD	K PD PS
Ghana Financial Sector Note	14	7	G D B PD	K PD
Planned				
Political Economy of Natural Resources	14	20	G D B PD	K PD PS
Urban Review	14		G D B PD	K PD PS
Local Government PPPs	14		G D B PD	K PD PS
Agricultural Sector Review	14		G D B PD	K PD PS
Digital Economy Strategy	14		G D B PD	K PS
State Owned Enterprise Governance	14		G D B	K PD PS
Financial Sector Review	14		G D B	K PS
Investment Climate Assessment	15		G D B PD	K PD PS
Developing Accra into a Regional Business Ce	15		G D B	K PS
TA for COCOBOD	15		G D B	K PS
Public Expenditure Review - Education	15		G D B PD	K PD PS
Poverty Assessment	15		G D B PD	K PD PS
The cost of water and sanitation for the poor	16		G D B PD	K PD PS
The costs of running water and sanitation	16		G D B PD	PD PS
Diagnostic on the construction industry	16		G D B PD	PD PS
Public Expenditure and Financial Accountabilit	16		G D B	PD PS
Western Regional Development	16		G D B	PD PS

a. Government, donor, Bank, public dissemination.

b. Knowledge generation, public debate, problem-solving.

Annex 14. Key Economic Indicators

Annex B6
Page 1 of 1

Ghana - Key Economic Indicators

Indicator	Actual			Estimate			Projected		
	2007	2008	2009	2010	2011	2012	2013	2014	2015
National accounts (as % of GDP)									
Gross domestic product ^a	100	100	100	100	100	100	100	100	100
Agriculture	29	31	32	30	26	22	20	18	17
Industry	21	20	19	19	26	30	33	34	33
Services	50	49	49	51	49	47	48	48	50
Total Consumption	99	103	89	89	94	91	91	91	88
Gross domestic fixed investment	18	17	24	23	19	20	20	21	22
Government investment	4	3	7	8	6	8	8	9	10
Private investment	14	14	17	15	12	12	12	12	12
Exports (GNFS) ^b	25	25	29	29	38	42	42	37	35
Imports (GNFS)	41	44	42	41	51	53	53	49	45
Gross domestic savings	1	-3	11	11	6	9	9	9	12
Gross national savings ^c	9	5	18	17	9	11	13	12	15
<i>Memorandum items</i>									
Gross domestic product (US\$ million at current prices)	24758	28528	25978	32186	38394	40124	42817	49204	54311
GNI per capita (US\$, Atlas method)	1040	1200	1240	1310	1430	1580	1690	1790	1920
Real annual growth rates (% calculated from 06 prices)									
Gross domestic product at market prices	6.5	8.4	4.0	8.0	14.4	8.2	7.8	8.1	7.5
Gross Domestic Income	6.5	8.4	4.0	8.0	14.3	8.6	8.0	9.7	8.8
Real annual per capita growth rates (% calculated from 06 prices)									
Gross domestic product at market prices	3.8	5.7	1.4	5.3	11.5	5.5	5.1	5.5	4.8
Total consumption	2.1	8.3	-1.9	6.0	14.2	2.4	4.4	7.4	1.8
Private consumption	2.5	8.1	-4.5	7.2	20.1	2.0	3.5	7.5	1.7
Balance of Payments (US\$ millions)									
Exports (GNFS) ^b	6004	7071	7609	9437	14596	16667	18019	18415	19163
Merchandise FOB	4172	5270	5840	7960	12785	14814	16129	16386	17076
Imports (GNFS) ^b	10065	12567	10989	13925	19512	21154	22617	25154	25194
Merchandise FOB	8066	10268	8046	10922	15843	17373	18786	21107	21157
Resource balance	-4061	-5496	-3380	-4488	-4917	-4487	-4598	-6739	-6031
Net current transfers	2043	2211	2078	2322	2597	2335	2639	3054	3320
Current account balance	-2158	-3400	-1395	-2699	-3549	-3649	-3169	-5157	-4235
Net private foreign direct investment	1085	2902	2762	2034	2863	2823	2890	3334	3702
Long-term loans (net)	2186	487	1086	880	650	1217	1163	1267	1170
Official	257	368	439	543	477	298	160	63	-31
Private	1929	119	647	336	173	919	1003	1204	1201
Other capital (net, incl. errors & omissions)	-1680	953	-3581	-1773	-983	-1633	-2684	-2088	-2643
Change in reserves ^d	567	-941	1129	1559	1020	1242	1800	2644	2005
<i>Memorandum items</i>									
Resource balance (% of GDP)	-16.4	-19.3	-13.0	-13.9	-12.8	-11.2	-10.7	-13.7	-11.1
Real annual growth rates (YR06 prices)									
Merchandise exports (FOB)	-3.8	5.1	-5.0	17.0	42.7	0.5	-4.6	-11.5	-5.1
Primary	-1.2	9.3	-2.1	15.9	12.5	0.8	-9.8	-7.9	-5.3
Manufactures	13.0	-9.5	-2.3	17.0	4.7	15.2	9.4	-4.2	0.1
Merchandise imports (CIF)	16.7	12.5	-40.8	30.9	37.4	-7.8	-4.6	1.8	2.8

(Continued)

**Ghana - Key Economic Indicators
(Continued)**

Indicator	Actual			Estimate		Projected			
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public finance (as % of GDP at market prices)^e									
Current revenues	15.0	13.7	14.4	14.3	15.8	16.3	15.3	15.5	15.4
Current expenditures	13.9	14.8	13.4	15.1	14.7	17.2	14.8	14.6	14.3
Current account surplus (+) or deficit (-)	1.1	-1.2	1.0	-0.8	1.1	-0.9	0.5	0.8	1.1
Capital expenditure	8.7	9.1	7.1	7.6	6.2	7.8	8.0	8.8	9.6
Foreign financing	5.2	1.9	4.1	3.9	2.6	3.3	4.4	3.8	3.3
Monetary indicators									
M2/GDP	24.8	26.7	28.0	29.9	30.7	33.2	33.1	32.9	33.8
Growth of M2 (%)	35.9	40.2	26.9	34.5	32.2	34.8	22.8	23.4	21.2
Private sector credit growth / total credit growth (%)	99.0	50.8	43.6	41.1	68.9	79.3	96.9	99.9	88.0
Price indices (YR06 =100)									
Merchandise export price index	116.3	139.8	163.0	189.9	213.6	246.3	281.0	322.5	354.3
Merchandise import price index	6083.6	6868.8	9133.3	9305.1	10040.6	11983.4	13813.0	14922.0	15963.1
Merchandise terms of trade index	1.9	2.0	1.8	2.0	2.1	2.1	2.0	2.2	2.2
Real exchange rate (US\$/LCU) ^f	113.7	110.5	101.6	107.3	106.6	111.2	107.2	103.7	103.8
Real interest rates									
Consumer price index (% change)	10.7	16.5	19.3	10.7	8.7	9.8	10.9	9.0	8.5
GDP deflator (% change)	16.3	20.2	16.6	16.5	12.5	15.3	14.1	14.8	9.9

- a. GDP at factor cost
b. "GNFS" denotes "goods and nonfactor services."
c. Includes net unrequited transfers excluding official capital grants.
d. Includes use of IMF resources.
e. Consolidated central government.
f. "LCU" denotes "local currency units." An increase in US\$/LCU denotes appreciation.

Annex 15. Key Exposure Indicators

CAS Annex B7 - Key Exposure Indicators - Ghana

As Of Date 1/27/2013

Indicator	2006	Actual			Estimated			Projected		
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Total debt outstanding and disbursed (TDO) (US\$m) ^a		3942	5757	6237	7091	8561	10078	10838	11630	13479
Net disbursements (US\$m) ^a		..	0	0	0	1406	1558	1530	2353	2636
Total debt service (TDS) (US\$m) ^a		..	79	143	129	294	372	446	466	511
Debt and debt service indicators (%)										
TDO/XGS ^b		75.6	94.1	86.8	91.6	90.2	68.8	67.6	68.1	72.9
TDO/GDP		19.3	23.3	21.9	27.3	26.6	26.1	28.7	30.4	32.2
TDS/XGS		..	1.3	2.0	1.7	3.1	2.5	2.8	2.7	2.8
Concessional/TDO		32.8	28.3	32.0	34.9	35.4	35.0	35.5	34.6	30.4
IBRD exposure indicators (%)										
IBRD DS/public DS	
Preferred creditor DS/public DS (%) ^c		..	32.4	20.5	19.1	..	20.5	21.1	23.0	24.9
IBRD DS/XGS	
IBRD TDO (US\$m) ^d		0	..	..	..	..	..	..	..	..
Of which present value of guarantees (US\$m)										
Share of IBRD portfolio (%)		0	..	..	..	..	..	..	..	..
IDA TDO (US\$m) ^d		815	1087	1330	1581	1787	1954	2070	2127	2151
IFC (US\$m)										
Loans			96.4	368.0	301.6	191.8	315.0	294.2		
Equity and quasi-equity /c			0.5	2.0	3.8	0.0	7.8	0.1		
MIGA										
MIGA guarantees (US\$m)		154.3	115.4	114.8	223.3	58.3	147.5	309.4		

a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.

b. "XGS" denotes exports of goods and services, including workers' remittances.

c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.

d. Includes present value of guarantees.

e. Includes equity and quasi-equity types of both loan and equity instruments.

Annex 16. IFC Committed and Disbursed Outstanding Investment Portfolio

B8 (IFC) for Ghana

Ghana
Committed and Disbursed Outstanding Investment Portfolio
As of 5/31/2013
(In USD Millions)

Commitment FY	Institution	Committed					Disbursed Outstanding				
		Loan	Equity	**Quasi-Equity	*GT/RM	Participant	Loan	Equity	**Quasi-Equity	*GT/RM	Participant
2012	A & C	4.35	0	0	0	0	1.50	0	0	0	0.00
1997/ 2001	AEF Tacks Farms	0.43	0	0	0	0	0.43	0	0	0	0.00
1998	AEF NCS	0	0	0.53	0	0	0	0	0.53	0	0.00
2010	AEF Esoko	0	1.15	0	0	0	0	1.15	0	0	0.00
2010	AEF NGB Ghana	0	0.00	0	0	0	0	0.00	0	0	0.00
2008/ 2009/ 2011/ 2012	Advans Ghana	0.56	0.53	0	0	0	0.56	0.53	0	0	0.00
2009	Airtel Ghana	0	0	20.00	0	0	0	0	20.00	0	0.00
2012	Alliance Estates	5.45	0	0	0	0	0	0	0	0	0.00
2009	Ashesi	2.50	0	0	0	0	2.50	0	0	0	0.00
2013	BOA Ghana	0	0	0	0.39	0	0	0	0	0.39	0.00
2009/ 2010/ 2013	EB-ACCION	0	0.51	0	0	0	0	0.51	0	0	0.00
1993/ 1997/ 2008/ 2009/ 2010/ 2011/ 2012/ 2013	ECOBANK - Ghana	5.00	0	20.00	42.70	0	0	0	20.00	42.38	0.00
1992	GHANAL	0	0.22	0	0	0	0	0.22	0	0	0.00
2009	GHL	10.00	0	0	0	0	10.00	0	0	0	0.00
2008	GOPDC	8.25	0	0	0	0	8.25	0	0	0	0.00
2011/ 2012/ 2013	GTBG	0	0	0	14.99	0	0	0	0	14.99	0.00
2013	HFC	0	0	0	0.00	0	0	0	0	0	0.00
2010	IFC/SCB - BDCs	0	0	0	150.00	0	0	0	0	0	0.00
2011	KHI Ghana	16.67	0	5.00	0	16.67	16.67	0	5.00	0	16.67
2012/ 2013	Kosmos Energy FI	100.00	0	0	0	0	60.00	0	0	0	0.00
2008	Marina Market	3.92	0	0	0	0	3.92	0	0	0	0.00
2007/ 2008/ 2009/ 2010/ 2011	Merchant Bnk GHA	0	0	0	(0.00)	0	0	0	0	0	0.00
2007	Newmont Ghana	35.29	0	0	0	4.71	35.29	0	0	0	4.71
2005/ 2007	School Fin Facil	0	0	0	0.50	0	0	0	0	0.38	0.00
2009	Stanbic Ghana	0	0	5.00	0	0	0	0	5.00	0	0.00
2011	StanbicGhanaLBCs	0	0	0	25.78	0	0	0	0	7.51	0.00
2013	TICO	80.00	0	0	5.00	0	32.83	0	0	1.63	0.00
2009/ 2012	Tullow	165.00	0	0	0	0	107.49	0	0	0	0.00
2012/ 2013	UT Bank Ghana	5.00	7.50	0	21.30	0	5.00	7.50	0	21.30	0.00
2012	Vegpro	7.00	0	0	0	0	2.00	0	0	0	0.00
2010/ 2011	Vodafone Ghana	75.00	0	25.00	0	33.25	75.00	0	25.00	0	33.25
Total Portfolio		524.42	9.91	75.53	260.67	54.62	361.44	9.91	75.53	88.58	54.62

* Denotes Guarantee and Risk Management Products.

** Quasi-Equity includes both loan and equity types..

Annex 17. IDA and Grants Operations Portfolio

CAS Annex B8 - Ghana

Operations Portfolio (IBRD/IDA and Grants)

As Of Date 1/27/2013

Closed Projects 139

IBRD/IDA *

Total Disbursed (Active)	441.60
of which has been repaid	0.00
Total Disbursed (Closed)	2,496.65
of which has been repaid	247.83
Total Disbursed (Active + Closed)	2,938.25
of which has been repaid	247.83
Total Undisbursed (Active)	1,046.84
Total Undisbursed (Closed)	5.06
Total Undisbursed (Active + Closed)	1,051.90

Active Projects

Project ID	Project Name	Last PSR			Fiscal Year	Original Amount in US\$ Millions				Difference Between Expected and Actual Disbursements ^{2/}	
		Supervision Rating		Undisb.		IBRD	IDA	GRANT	Cancel.	Orig.	Frm Rev'd
		Development Objectives	Implementation Progress								
P122692	GH Local Government Capacity Support	S	S	2011		175.0			159.2	9.3	
P092986	GH-Economic Management CB	MS	MS	2006		35.0			2.6	-9.0	1.0
P093610	GH-eGhana SIL (FY07)	S	S	2007		84.7			44.2	-2.4	23.9
P074191	GH-Energy Dev & Access SIL (FY08)	MU	MU	2008		160.0			55.3	-21.3	
P070970	GH-GEF Rural Energy Access	MU	MU	2008			5.5		2.9	2.9	
P098538	GH-GEF Sust. Land & Water Mgmt (SIP)	S	S	2011			8.4		5.4		
P092509	GH-GEF Urban Transport Project	MS	MS	2007			7.0		1.3	1.2	
P101852	GH-Health Insurance Project (FY08)	S	S	2008		15.0			6.3	5.8	0.3
P120636	GH-Land Administration - 2	S	S	2011		50.0			43.0	37.4	
P105092	GH-Nut. & Malaria Ctrl Child Surv (FY08)	S	S	2008		25.0			3.3	2.6	-2.0
P118112	GH-Skills and Technology Development Pro	MS	MS	2011		70.0			60.8	5.1	
P115247	GH-Social Opportunities Project (FY10)	S	S	2010		88.6			59.3	-30.6	
P118858	GH-Statistics Development Program (FY11)	MU	MU	2012		30.0			30.3		
P102000	GH-Transport Project SIL (FY09)	S	MS	2009		225.0			197.3	144.5	
P100619	GH-Urban Transport Project SIL (FY07)	MS	MS	2007		45.0			19.9	18.4	-0.5
P056256	GH-Urban Water SIL (FY05)	MS	MS	2005		153.0			82.4	27.1	3.0
P124775	GH-West Africa Regional Fisheries	MU	MU	2012		50.3			42.7		
P120005	GH:Gas and Oil Capacity Building Project	MS	MS	2011		38.0			31.5	20.6	
P120026	GH:Sustainable Rural Water & Sanit Serv	S	MS	2010		75.0			65.2	12.6	
P125595	Ghana - PPP Project	S	S	2012		30.0			28.7	3.0	
P124812	Ghana - W. Afr. Regional Fisheries GEF	MU	MU	2012			3.5		3.2		
P114264	Ghana Commercial Agriculture	MS	MS	2012		100.0			99.3		
P085006	MSME Initiative	MS	MS	2006		45.0		10.9	15.6	23.4	13.6
Overall Result						1494.6	24.4	10.9	1059.5	242.8	39.2

Annex 18: Trust Fund Portfolio

Trust Fund #	Trust Fund Name	Net Grant Amount (in US\$ thousands)	Program Source	Grant Closing Date	Donor Name	Exec. By
TF098354	GH Forest Investment Program (FIP)	100.80	CSCFIA	11/1/2012	MULTIPLE DONORS	Bank
TF090450	ENERGY DEVELOPMENT AND ACCESS PROJECT	50,000.00	ACGF	11/30/2012	MULTIPLE DONORS	Recipient
TF011946	Skills for Better Labor Market Outcomes	183.40	NPEF	12/31/2012	Norway - Ministry of Foreign Affairs	Bank
TF012138	GH: Institutional Options for Improving Urban Water Supply in Ghana (Phase 2)	68.43	PPIAF	12/31/2012	MULTIPLE DONORS	Bank
TF092248	GH: DISASTER PREPAREDNESS AND WATERSHED MANAGEMENT	1,005.00	GFDRR	12/31/2012	MULTIPLE DONORS	Bank
TF096248	GH - Skills and Technology Development Project	297.45	NPEF	12/31/2012	Norway - Ministry of Foreign Affairs	Bank
TF011765	Community Score Cards in the Natural Resource Sectors	36.99	JSDF	3/4/2013	Japan - Ministry of Finance	Bank
TF011968	GH Support Rural Income Generation for the poor	50.00	JSDF	3/31/2013	Japan - Ministry of Finance	Bank
TF094774	GH: Economic Management Capacity Building Project	2,435.00	AFCW1	4/30/2013	Swiss State Secretariat for Economic Affairs (SECO)	Recipient
TF099453	PSIA of Artisanal and Small-Scale Mining (ASM) Policy	124.50	PSIA	5/30/2013	MULTIPLE DONORS	Bank
TF099455	PSIA of Artisanal and Small-Scale Mining (ASM) Policy in Ghana - Staff time and travel	24.50	PSIA	5/30/2013	MULTIPLE DONORS	Bank
TF013426	GPOBA (W1): Ghana GAMA Sanitation and Water Project - Technical Assistance	73.59	GPOBA	6/28/2013	United Kingdom - Department for International Development (DFID)	Bank
TF010345	Africa Credit Bureau Program Ghana	50.00	IFC	6/30/2013	MULTIPLE DONORS	Bank
TF010375	GPOBA (W3 SPN): Ghana SHS	23.47	GPOBA	6/30/2013	United Kingdom - Department for International Development (DFID)	Bank
TF011228	GH: Increasing Access to Market-Based Financing for Municipalities in the Greater Accra Area	175.00	PPIAF	6/30/2013	MULTIPLE DONORS	Bank
TF012132	Urban Local Government Exchange Programme	49.90	SOUTH	6/30/2013	MULTIPLE DONORS	Bank
TF012468	Credit Bureau Ghana	150.00	IFC	6/30/2013	Swiss State Secretariat for Economic Affairs (SECO)	Bank
TF012661	Cities Alliance: Ghana Urban Voice Radio Program	58.00	CITIES	6/30/2013	MULTIPLE DONORS	Bank
TF013335	Ghana Energy Sector Review	250.00	ESMAP	6/30/2013	MULTIPLE DONORS	Bank
TF092833	GPOBA GHANA SHS - SOLAR PV SYSTEMS TO INCREASE ACCESS TO ELECTRICITY SERVICES	2,350.00	GPOBA	6/30/2013	United Kingdom - Department for International Development	Recipient

Trust Fund #	Trust Fund Name	Net Grant Amount (in US\$ thousands)	Program Source	Grant Closing Date	Donor Name	Exec. By
					(DFID)	
TF092834	GPOBA: GHANA SHS - SOLAR PV SYSTEMS TO INCREASE ACCESS TO ELECTRICITY SERVICES	2,000.00	GPOBA	6/30/2013	MULTIPLE DONORS	Recipient
TF097577	Ghana Statistical Development Project (GSDP)	6,007.42	AFCW1	6/30/2013	MULTIPLE DONORS	Recipient
TF099101	Overcoming barriers to climate-resilient land and water management in northern Ghana	450.50	ILWAC	6/30/2013	Danish Ministry of Foreign Affairs (DANIDA)	Bank
TF098802	Ghana Secured Transactions	899.97	IFC	7/31/2013	Swiss State Secretariat for Economic Affairs (SECO)	Bank
TF096836	Spain EFSP - Jose Casanova Anoll	953.45	DFSP	8/2/2013	Spain - Ministry of Economy and Competitiveness	Bank
TF010101	Supervision of TF Activities	100.00	AFCW1	8/31/2013	MULTIPLE DONORS	Bank
TF097576	Institutional Support to the Accountancy Profession	497.00	IDF	10/25/2013	IBRD	Recipient
TF013645	Ghana: Municipal Financing Alternatives for the Municipality of Sekondi-Takoradi	166.75	PPIAF	10/31/2013	MULTIPLE DONORS	Bank
TF010305	GPOBA (W3 SPN): Ghana SHS	92.59	GPOBA	11/30/2013	MULTIPLE DONORS	Bank
TF010102	Post-Compliance I: Support to EITI Implementation	400.00	EITI	12/31/2013	MULTIPLE DONORS	Recipient
TF011280	CITIES ALLIANCE: Building Capacity of the Urban Poor for Inclusive Development in Ghana - Phase 1	250.00	CITIES	12/31/2013	Bill and Melinda Gates Foundation, USA	Recipient
TF095774	Ghana Strengthening the Accounting Profession	310.00	FIRST	12/31/2013	MULTIPLE DONORS	Bank
TF013245	Cities Alliance: Support to the development of an integrated environmental sanitation strategy for the Greater Accra Metropolitan Area	450.00	CITIES	1/31/2014	Bill and Melinda Gates Foundation, USA	Bank
TF096984	W1-Social accountability for inclusive and transparent governance in Ghana	2,000.00	GPF	2/28/2014	MULTIPLE DONORS	Bank
TF010592	Sustainable Mining in Ghana	71.50	IFC	6/30/2014	MULTIPLE DONORS	Bank
TF011142	RSPO Ghana	77.99	IFC	6/30/2014	MULTIPLE DONORS	Bank
TF011275	CITIES ALLIANCE - Land, Services and Citizenship for the Urban Poor - Developing a National Urban Agenda	755.90	CITIES	6/30/2014	Bill and Melinda Gates Foundation, USA	Recipient
TF011279	CITIES ALLIANCE - Sustainable Urban Local Government Capacity Building in Ghana	414.16	CITIES	6/30/2014	Bill and Melinda Gates Foundation, USA	Recipient
TF014128	Evaluating and enhancing local benefits from large agricultural investment	145.0	PSIA	6/30/2014	MULTIPLE DONORS	Bank
TF014276	UT Bank Ghana	529.4	IFC	6/30/2014	IFC	Bank

Trust Fund #	Trust Fund Name	Net Grant Amount (in US\$ thousands)	Program Source	Grant Closing Date	Donor Name	Exec. By
TF099406	Public Accounts Committee Capacity Building Project	497.5	IDF	9/6/2014	IBRD	Recipient
TF090542	GEF FSP - REPUBLIC OF GHANA: ENERGY DEVELOPMENT AND ACCESS PROJECT	5,500.0	GEFIA	9/30/2014	MULTIPLE DONORS	Recipient
TF010903	GHANA - FCPF READINESS GRANT	3,400.0	FCPFR	11/3/2014	MULTIPLE DONORS	Recipient
TF090550	GEF FSP: URBAN TRANSPORT PROJECT	7,000.0	GEFIA	12/15/2014	MULTIPLE DONORS	Recipient
TF013675	Ghana Health	50.0	IFC	12/31/2014	MULTIPLE DONORS	Bank
TF011860	Roundtable for Sustainable Palm Oil (RSPO) Certification in Ghana	280.0	IFC	6/30/2015	SOFINEX SA MR BERNARD LIEBIN, Belgium	Bank
TF095476	GH Statistical development Program (GSDP)	100.0	SRTF	6/30/2015	MULTIPLE DONORS	Bank
TF010405	GH Statistical Development Project	350.0	SRTF	8/31/2015	MULTIPLE DONORS	Bank
TF013140	GH Partnership for Education Grant	75,500.0	EFASE	10/31/2015	MULTIPLE DONORS	Recipient
TF012944	GH Partnership for Education Grant Supervision	400.0	EFASE	12/31/2015	MULTIPLE DONORS	Bank
TF013357	GH Health PPP	576.0	IFC	12/31/2015	Netherlands - Senter, Ministry of Economic Affairs	Bank
TF097579	GH: SUSTAINABLE LAND AND WATER MANAGEMENT PROJECT	8,150.0	GEFIA	2/15/2016	MULTIPLE DONORS	Recipient
TF014181	Ghana Commercial Agriculture Project supervision and fees	930.0	AFRSD	9/30/2017	United States Agency for International Development (USAID)	Bank
TF010905	GEF Grant for Ghana Fisheries	3,500.0	GEFIA	12/31/2017	MULTIPLE DONORS	Recipient
TF012876	AMSMETA UTBG	300.0	IFC	11/30/2018	United Kingdom - Department for International Development (DFID)	Bank
TF050474	HIPC - IDA - GHANA	1,445,744.5	HIPC	12/31/2030	IBRD	Recipient
TF050654	HIPC - AFDB - GHANA	147,945.5	HIPC	12/31/2030	MULTIPLE DONORS	Recipient
TF051066	HIPC - NDF - REPUBLIC OF GHANA	6,900.1	HIPC	12/31/2030	MULTIPLE DONORS	Recipient
TF053960	HIPC - IFAD - GHANA	1,637.8	HIPC	12/31/2030	MULTIPLE DONORS	Bank
Total		1,782,839.0				

Source: Trust Fund Portal

Annex 19. Country Financing Parameters for Ghana

GHANA: COUNTRY FINANCING PARAMETERS

Date: April 25, 2006

The country financing parameters for Ghana set out below have been approved by the Regional Vice President, Africa Region, and are being posted on the Bank's internal website.

ITEM	Parameter	Remarks/Explanation
Cost sharing. Limit on the proportion of individual project costs that the Bank may finance	Up to 100%	Counterpart funding will continue to be encouraged. The types of projects which may be financed up to 100% include those related to community based programs, governance, capacity-building, and biodiversity / international waters protection. Counterpart funding will be the rule in SWAs and for projects executed by entities with own sources of income (eg, ports, power, water).
Recurrent cost financing. Any limits that would apply to the overall amount of recurrent expenditures that the Bank may finance.	No country level limit	Recurrent cost financing will be applied on a case-by-case basis, subject to project or sector-level assessment of medium-term sustainability. Projects that include financing for staff costs will be accompanied by explicit agreement that Government will assume the cost of permanent positions after the Bank's contribution to the project is completed. Performance based incentive programs for civil servants may be financed, provided that such programs are part of the government's public sector reform program and are applicable to all donor-funded programs.
Local cost financing. Are the requirements of IDA financing of local expenditures met, namely that: (i) financing requirements for the country's development program would exceed the public sector's own resources (e.g., from taxation and other revenues) and expected domestic borrowing; (ii) financing of foreign expenditures alone would not enable the Bank to adequately assist in the financing of individual projects.	Yes	The requirements for local cost financing are met. The Bank may finance local costs in the proportion required by individual projects.
Taxes and duties. Are there any taxes and duties that the Bank would not finance?	None	Taxes and duties are considered reasonable. Local tax regimes will need to be monitored as decentralization progresses. IDA will consider whether taxes and duties constitute an excessively high share of project costs.



GHANA

- SELECTED CITIES AND TOWNS
- ⊙ REGION CAPITALS
- ⊛ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- REGION BOUNDARIES
- INTERNATIONAL BOUNDARIES