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MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP FRAMEWORK

FOR

THE REPUBLIC OF GHANA

FOR THE PERIOD FY22-FY26

January 24, 2022

**Ghana, Country Management Unit
Africa West and Central Region
International Finance Corporation
Middle East and Africa Region
Multilateral Investment Guarantee Agency**

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ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
AFOLU	Agriculture, Forestry and Other Land Uses
ARII	Africa Regional Integration Index
ASA	Advisory Services and Analytics
BOP	Balance of Payments
BPO	Business Processing Outsourcing
BRR	Business Regulation Reform
CARES	Coronavirus Alleviation and Revitalization of Enterprises Support
CCDR	Country Climate Development Report
CE	Citizen Engagement
CEM	Country Economic Memorandum
CERT	Community Emergency Response Team
CHPS	Community-Based Health Planning and Services
CIEA	Ghana Composite Index of Economic Activities
COCOBOD	Ghana Cocoa Board
CPESDP	Coordinated Program of Economic and Social Development Program
CPESDP	Coordinated Program of Economic and Social Development Policies
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CPSD	Country Private Sector Diagnostic
DBG	Development Bank of Ghana
DE4A	Digital Economy for Africa
DFS	Digital Financial Service
DLIs	Disbursement Linked Indicators
DPF	Development Policy Financing
DPO	Development Policy Operation
DRM	Domestic Revenue Mobilization
DSA	Debt Sustainability Analysis
ECG	Electricity Company of Ghana
ECG	Education Capitation Grant
ECOMOG	Economic Community of West African States Monitoring Group
ECOWAS	Economic Community of West African States
EDGE	Excellence in Design for Greater Efficiencies

EODB	Ease of Doing Business
ESF	Environmental and Social Framework
ESH	Essential Health Services
ESRP	Energy Sector Recovery Program
FDCO	UK Foreign, Commonwealth and Development Office (formerly DFID)
FDI	Foreign Direct Investment
GALOP	Ghana Accountability for Learning Outcomes
GARID	Greater Accra Resilient and Integrated Development Project
GBV	Gender Based Violence
GDAP	Ghana Digital Acceleration Project
GDP	Gross Domestic Product
GET	Ghana Economic Transformation
GHANEPS	Ghana Electronic Procurement System
GHG	Green House Gas
GII	Gender Inequality Index
GIR	Gross International Reserves
GNHR	Ghana National Household Registry
GNI	Gross National Income
GoG	Government of Ghana
GP	Global Practice
GRID	Greener, more Resilient and Inclusive Development
GSFP	Ghana School Feeding Program
GSS	Ghana Statistics Service
GVC	Global Value Chain
HCI	Human Capital Index
HOC	Head of Cooperation
ICT	Information and Communication Technology
IDA	International Development Association
IFC	International Finance Corporation
IFMIS	Integrated Financial Management and Information System
ILAB	Bureau of International Labor Affairs
ILO	International Labor Organization
IPA Ghana	Innovations for Poverty Action Ghana
IPC	Infection Prevention and Control
IPF	Investment Project Financing
JET	Jobs and Economic Transformation
JIP	Joint Implementation Plan
LEAP	Livelihood Empowerment Against Poverty
LIPW	Labor Intensive Public Works
LMIC	Lower-Middle Income Country
LPG	Liquified Petroleum Gas
MDG	Millennium Development Goals
MFD	Maximizing Finance for Development
MHM	Menstrual Hygiene Management
MIGA	Multilateral Investment Guarantee Agency

MoF	Ministry of Finance
MPA	Multiphase Programmatic Approach
MSCG	Macroeconomic Stability for Competitiveness and Growth
MSME	Micro, Small, and Medium Enterprise
MTEF	Medium-Term Expenditure Framework
NCCP	National Climate Change Policy
NDC	National Democratic Congress
NDC	Nationally Determined Contributions
NEDCo	Northern Electricity Distribution Company
NFIDS	National Financial Inclusion and Development Strategy
NHIS	National Health Insurance Scheme
NPP	New Patriotic Party
OMS	Outage Management System
PASA	Programmatic Advisory Services and Analytics
PBG	Policy Based Guarantee
PEFF	Pandemic Emergency Financing Facility
PER	Public Expenditure Review
PFI	Participating Financial Institutions
PFM	Public Financial Management
PforR	Program-for-Results
PHC	Primary Health Care
PI	Productive Inclusion
PIU	Project Implementation Unit
PLR	Performance and Learning Review
POE	Point of Entry
PPA	Policy and Performance Actions
PPP	Public Private Partnerships
PRI	Political Risk Insurance
RAISE	Reforming Africa's Institutes for Computer Science, Engineering and Digitalization
REDD	Reducing Emissions from Deforestation and Forest Degradation
SCD	Systematic Country Diagnostic
SDFP	Sustainable Development Finance Policy
SDI	Specialized Deposit-taking Institution
SEIP	Secondary Education Improvement Project
SEZ	Special Economic Zones
SHS	Senior High School
SME	Small and Medium Enterprises
SOE	State Owned Enterprise
SORT	Systematic Operations Risk Rating Tool
SPRP	Strategic Preparedness and Response Program
SSA	Sub-Saharan Africa
STEM	Science, Technology, Engineering, and Math
SWCES	Single Window Citizen Engagement Service
TCD	Trade Competitiveness Diagnostic
TVET	Technical and Vocational Education and Training

UHC	Universal Health Coverage
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations International Children's Emergency Fund
WACA	West Africa Coastal Areas
WAMZ	West African Monetary Zone
WAPP	West African Power Pool
WASH	Water, Sanitation, and Hygiene
WBG	World Bank Group
WHO	World Health Organization

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FY22-26 COUNTRY PARTNERSHIP FRAMEWORK FOR REPUBLIC OF GHANA

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I. INTRODUCTION

1. Ghana, a resource-rich country on the west coast of Africa, has achieved considerable economic and social progress in the past 30 years. The country successfully achieved middle-income status in 2011 as a result of strong, sustained economic growth averaging over 5 percent since the early 1990s. This was underpinned by a stable democracy and driven largely by gold and cocoa exports and, following their discovery in 2006, the development of substantial oil and gas reserves.¹ Ghana achieved the first Millennium Development Goal (MDG) of halving poverty from 52.7 percent (1993) to 23.4 percent (2016) which propelled Ghana to the forefront of poverty reduction in Africa. Similarly, human development indicators, including average life expectancy, primary and secondary school enrolment, stunting, and under-5 mortality, have improved considerably over the past three decades. Political stability, investment and rising productivity, a large expansion in agricultural production, and rapid urbanization, all contributed to this remarkable progress.

2. Notwithstanding these impressive gains, the pace of poverty reduction has slowed in recent years, spatial inequalities persist, and vulnerabilities are increasing. More than 20 percent of Ghana's population are still living in poverty with the poor concentrated in the three northern regions where poverty rates remain above 50 percent. Notwithstanding the natural resource sector being a strong driver of Ghana's impressive growth, it has not generated the needed widespread employment opportunities to lift large numbers of people out of poverty, particularly in the North. Despite significant progress in service delivery and human capital, disparities in access and quality persist across many dimensions, while rapid urbanization has brought rising pressures on services and living conditions within cities. These trends have been complicated by unsustainable natural resource exploitation and Ghana's high susceptibility to climate change which could increase the share of the population living below the poverty line by 2 to 6 percent by 2030. The poor and vulnerable are likely to be disproportionately impacted by this, especially farmers in the Northern regions and those living in urban slums.

3. High natural resource dependence and gaps in fiscal governance are likely to create economic volatility, impact macroeconomic management and elevate the cost of finance for the private sector. Export concentration (in gold, cocoa, and petroleum) has exposed the economy to fluctuations in global commodity prices. High fiscal deficits and increasing public debt have elevated Ghana's country risk, limited FDI in non-commodity sectors, and increased the cost of finance for private businesses. Strong growth and a concerted fiscal consolidation program between 2015 and 2018 helped narrow the fiscal deficit and restore macroeconomic stability. However, the reform momentum started to wane in 2018, with financial and energy sector costs contributing to fiscal pressures.

4. The social and economic impact of the COVID-19 crisis has been significant. Ghana was one of the earliest countries in Africa to announce social distancing measures, including school closures and cancelling of religious and other mass gatherings, complemented by aggressive testing. These measures - while saving lives - came at a heavy economic cost in the immediate term, compounding the considerable economic impacts of the COVID-19-related trade disruptions and decline in global oil prices. Moreover, the disruptions to economic activity and service delivery have dealt a blow to gender equality, increased poverty and vulnerability, and put serious pressure on public finances.

¹ Ghana is home to one of the largest oil discoveries in recent history, with offshore oil reserves of at least 3 billion barrels, is one of the world's top five producers of gold, boasts large deposits of diamonds and bauxite, and is among the top three global producers of cacao.

5. The Government of Ghana (GOG) acted swiftly to mitigate the impact of COVID-19 on public health and vulnerable households, and to support economic recovery. The response has focused on: strengthening the health sector to reduce new infections; supporting affected households and MSMEs; and monetary and fiscal policy measures to ease the financial impact on businesses and households and to help sustain employment and incomes. The Government’s Ghana Coronavirus Alleviation and Revitalization of Enterprises Support (Ghana CARES) program focuses on promoting a quick recovery from the pandemic and accelerating transformation towards a more resilient economy through revitalizing and supporting strategic industries, harnessing new opportunities, and safeguarding the economy against future shocks. The government is strengthening surveillance and diagnostic capacity, especially at points of entry, as well as accelerating COVID-19 vaccination. As of mid-January 2022, 9.5 percent of the population were fully vaccinated with several actions taken to speed up outreach.

6. The pandemic magnified the urgency for Ghana to address pre-existing structural challenges to stabilize the macroeconomic framework, ensure debt sustainability, and address chronic energy sector fiscal risks. Public debt ballooned in 2020, reaching 78.9 percent of GDP² while the fiscal deficit rose to 15.2 percent of GDP (including energy and financial sector costs). Ghana is at high risk of debt distress with a narrow path to debt sustainability. Weak management of State-Owned Enterprises (SOEs), particularly in the energy sector, has led to chronic operational losses and the accumulation of large liabilities. Reversing these trends will require significant and resolute structural reforms over time. Rebuilding fiscal buffers is central to improving macroeconomic stability, expanding public and private investment and improving service delivery. Failing to do so could undermine Ghana’s post COVID-19 recovery and medium-term development ambitions.

7. The Government’s ‘Ghana Beyond Aid’ Vision seeks to transform Ghana into an economically self-reliant country that creates opportunities for all Ghanaians, safeguards the environment, and ensures resilient infrastructure, while maintaining a stable, united and safe country. The objective is to deliver productivity gains in manufacturing and agriculture, improving human capital and technological capacity, investing in public infrastructure, and ultimately exporting higher value-added products. The aim is to double per capita income between 2017 and 2024 and increase Ghana’s engagement globally through trade and investment while systematically weaning itself off foreign aid dependency. These priorities are reinforced in the Government’s various national development plans that also seek to position Ghana in West Africa as a regional hub for expertise and integration.

8. The World Bank Group (WBG) is repositioning its partnership with Ghana to support the country in its post COVID-19 recovery and to build the foundations for Ghana Beyond Aid. As the support of other development partners has started to evolve to meet Ghana’s aspirations for greater self-reliance, the WBG engagement has become even more important, including in providing a platform for dialogue on critical development priorities. This Country Partnership Framework (CPF: FY22–FY26), is anchored in the government’s national development plans³ and particularly the Ghana CARES program⁴ and is consistent with the WBG’s COVID-19 response framework.⁵ The CPF will support a recovery pathway that is based on Green, Resilient and Inclusive Development (GRID) principles and structured around three mutually reinforcing focus areas: (i) Enhancing Conditions for Private Sector Development and Quality Job Creation; (ii) Improving Inclusive Service Delivery; and (iii) Promoting Resilient and Sustainable

² This figure includes the Energy Sector Levy Act Bond, without which Debt to GDP in 2020 would be 76 percent.

³ The Medium-Term Development Plan 2018-21, the Coordinated Program of Economic and Social Development Program (CPESDP) and the Ghana Beyond Aid Vision

⁴ The focus of the CARES program is to support Ghana’s businesses and entrepreneurs in productive job creation in the formal sector.

⁵ WBG COVID-19 Response Framework Approach Paper “Saving Lives, Scaling-up Impact and Getting Back on Track”

Development. Exploiting the opportunities of digital transformation will be a cross cutting theme. The CPF was prepared jointly by the World Bank, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) and builds upon the lessons from the Country Partnership Strategy (CPS) FY13-16⁶, which was extended to FY18 through the November 2016 Performance and Learning Review (PLR)⁷. An early PLR at the CPF's 2-year mark will adjust the WBG program, particularly being informed by a forthcoming Country Climate Development Report (CCDR).

9. The CPF envisages some broad shifts in the WBG's strategic and operational approach, informed by the Completion and Learning Review (CLR). The first is a more focused approach to addressing youth employment and economic transformation, underpinned by the Government's ambitions to make Ghana a regional hub. Second, is to explicitly address spatial, economic and social inclusion for a balanced growth path particularly for vulnerable and underserved communities. Several new areas of engagement will be pursued: leveraging digital technology to improve access to services and increase productivity; and engaging directly in addressing climate risks and supporting the government's commitments for mitigation and adaptation under its Nationally Determined Commitments (NDC). Maintaining a robust dialogue on macroeconomic management (specifically fiscal and debt sustainability) and structural reform priorities, particularly in energy, will be critical to achieving the CPF objectives. Operationally, the CPF will move towards larger and more cohesive interventions, potentially across multiple sectors, that align closely to strong government programs and with greater use of results-based financing. A coordinated "One World Bank Group" approach will help to crowd in private sector finance through complementary activities that focus on strengthening the business environment and job creation in Ghana.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

A. Political, Regional and Demographic Context

10. Ghana was the first country in Sub Saharan Africa (SSA) to gain independence in 1957 and is widely regarded as a democratic success story in Africa. Political instability in the three decades after independence undermined economic growth until the return to democracy under constitutional rule in 1993. The mid-1990s ushered in a period of lasting political stability with successive peaceful transitions of power. Political stability also yielded a growth dividend, particularly in the 1990s, when economic growth stabilized, leading to a near doubling of GDP per capita, lifting the country through the threshold for middle-income status in 2011. Ghana has made continued democratic progress under a multi-party system⁸ and consistently ranks in the top three countries in Africa for freedom of speech and the press. Nevertheless, as Ghana's political system continues to evolve, there remains some evidence of persistent clientelism and a public perception of corruption which potentially impacts government effectiveness.

11. Ghana has played an important leadership role in Africa since independence and continues to have strong regional ties. Ghana was a founding member of the Organization of African Union in 1963 as well as the Economic Community of West African States (ECOWAS) and West African Monetary Zone (WAMZ), the latter being headquartered in Accra. The country has provided peace keeping forces in the region including to Liberia, Sierra Leone, Mali and Burkina Faso through the Economic Community of West

⁶ This CPS was presented to the Board of Executive Directors on September 19, 2013

⁷ A gap between the last CPS and this CPF reflects uncertainties related to the COVID-19 pandemic as well as the need for consultations with a new government following the 2020 general elections.

⁸ Ghana's two main parties—the ruling New Patriotic Party (NPP) and the National Democratic Congress (NDC)—have alternated in power since the return of multiparty politics in 1992. In December 9, 2000 Presidential and Parliamentary elections the ruling NPP retained power. The incumbent President Nana Akufo-Addo was sworn in with 51.6 percent of the vote and a narrow majority in Parliament

African States Monitoring Group (ECOMOG). Ghana continues to play a key role in regional integration⁹ and is expected to have a critical role as current Chair of ECOWAS and as the host of the African Continental Free Trade Area (AfCFTA) Permanent Secretariat.

12. Ghana's ethnically diverse population has grown rapidly from a modest population of 6.7 million in 1960 to around 31 million in 2020.¹⁰ The population is projected to reach 45 million by 2040 and is youthful – 75 percent of the population is under 35 years¹¹ – reflecting the high population growth rate (2.3 percent), high fertility rates¹² and declining child mortality rates. Around 10 million young Ghanaians are expected to enter the labor force between now and 2040.¹³ Several demographic shifts are occurring: over 50 percent of the population now lives in urban areas due to migration and socioeconomic progress; and the dependency ratio has progressively increased over the years. These factors present challenges related to rapid and unplanned urbanization, service delivery pressures, employment challenges, as well as a need to invest heavily in human capital to ensure a demographic dividend from Ghana's growing youth cohort.

B. Recent Economic Developments and Outlook

13. The COVID-19 crisis has weakened Ghana's economy: strengthening the macroeconomic and fiscal framework will be critical for a sustainable recovery. This will be needed to restore private sector confidence and underpin economic growth and poverty reduction. It will require the implementation of key reforms to widen the tax base, strengthen tax administration, reduce tax exemptions, plug revenue loopholes and leakages, combat tax evasion and shore up debt sustainability. The Government also needs to continue efforts to strengthen control of statutory expenditures, carefully manage the phasing out of COVID-19 expenditures, reduce contingent liabilities arising from the energy and financial sectors as well as support a broad-based growth agenda with the explicit objective to foster the creation of quality jobs.

14. Prior to the COVID-19 pandemic, Ghana was one of the fastest growing economies in Africa, with growth averaging 7 percent a year over 2017-19. Following a period of economic turbulence after the discovery of oil and gas in 2007, a concerted fiscal consolidation program between 2015 and 2018 helped narrow the headline fiscal deficit to below 5 percent of GDP. Ghana successfully completed an IMF program in 2019 focused on restoring macroeconomic stability and has been on a Post Program Monitoring and Article IV consultation cycle since. The program was supported by the WB Macroeconomic Stability for Competitiveness and Growth (MSCG) Development Policy Financing (DPF) series, which helped contain the public sector wage bill, eliminate petroleum subsidies, and improve debt management. A consistently tight monetary policy stance drove a reduction in the annual average inflation rate from 14.1 percent in 2015 to 7.1 percent in 2019. Robust export growth (of gold, cocoa, and oil) put the merchandise trade balance into surplus and contributed to reducing the current account deficit from 5.8 percent of GDP in 2015 to 2.7 percent in 2019. Service exports and FDI inflows grew rapidly during this period and Ghana became one of the highest per capita recipients of FDI in the region, although a significant amount of this was in the extractives sector.

15. However, the momentum behind these reforms started to wane from 2018. Fiscal pressures arose from a costly financial sector clean-up over 2018-2020, and the start of the Energy Sector Recovery

⁹ The Africa Regional Integration Index (ARII) measures the extent to which African countries meet their commitments under various pan-African integration frameworks, such as Agenda 2063 and the Abuja Treaty. ARII covers five dimensions of regional integration: trade integration, productive integration, macroeconomic integration, infrastructural integration, and the free movement of people.

¹⁰ Ghana Statistics Service (GSS) data 2020.

¹¹ Ghana Statistics Service (GSS) data 2020.

¹² Ghana's total fertility rate decreased from 6.75 percent in 1960 to 3.87 percent in 2018.

¹³ UN Population Forecasts (UN, 2021)

Program (ESRP) in 2019, through which Government committed to finance the annual energy sector financial shortfall and to ultimately bring the sector back to financial sustainability (Box 2).¹⁴ As a result, the overall fiscal deficit, including the energy and financial sector costs, was already elevated in 2019 at 7.5 percent of GDP (of which financial sector costs were 1.7 percent of GDP, and energy sector costs were 1.1 percent of GDP).

16. The COVID-19 pandemic interrupted Ghana's strong growth trend and amplified fiscal risks. As of January 15, 2022, Ghana recorded 154,000 COVID-19 cases, with 1,343 deaths and a mortality rate of 0.9 percent. Economic growth slowed sharply to 0.4 percent in 2020, against a backdrop of weak external demand (including for tourism), low commodity prices (particularly of oil) and depressed FDI, while average inflation rose to the Central Bank's upper limit of 9.9 percent in 2020. Close to 131,000 businesses faced challenges¹⁵ accessing finance and expressed uncertainty over the business environment, particularly firms in the trade and manufacturing sectors. The overall fiscal deficit (including energy and financial sector costs) more than doubled to 15.2 percent in 2020, as revenues declined and the authorities ramped up spending to support households and businesses.

Table 1: Selected Economic and Financial Indicators (2015-2023)

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023
							Proj.	Proj.	Proj.
Real GDP	2.2	3.4	8.1	6.3	6.5	0.4	4.1	5.5	5.0
Non-oil real GDP	2.2	4.6	4.6	6.5	5.8	0.9	5.6	5.7	5.1
Consumer prices (annual average)	14.1	14.8	10.9	8.9	7.1	9.9	10.0	8.5	8.0
Exchange rate (annual average GH¢/US\$)	3.7	3.9	4.4	4.7	5.2	5.7			
Current account balance incl. grants (% of GDP)	-5.8	-5.2	-3.4	-3.1	-2.7	-3.1	-2.2	-3.5	-4.5
Gross International reserves (US\$ Millions)	4,403	4,862	5,491	5,317	6,607	6,962	7,494	7,435	6,886
Gross International reserves (months of imports)	2.6	2.6	2.8	2.7	3.4	3.2	3.2	3.0	2.6
Net international reserves (US\$ Millions)	3,184	3,431	4,557	3,886	5,247	4,559	5,212	5,285	4,873
Net International reserves (months of imports)	1.9	1.8	2.4	2.0	2.7	2.1	2.2	2.1	1.9
Broad Money M2+ ¹⁶ (% Change)	26.1	22.0	16.7	15.4	21.6	29.7	22.1	13.5	12.1
Credit to the private sector (% change)	24.5	14.4	12.8	11.2	4.7	10.6	8.6	7.8	8.6
Revenues and Grants (% of GDP)	14.9	13.4	13.9	14.5	14.3	12.9	14.9	14.9	14.9
Expenditures (% of GDP)	20.2	20.7	18.7	21.5	21.8	28.1	28.8	25.4	24.4
o/w Financial and energy sector costs	0.0	0.0	0.0	3.3	2.8	3.8	3.8	0.8	0.8
Overall balance (incl. finsec clean-up and Bank Capitalization cost--% of GDP)	-5.3	-7.3	-4.7	-7.0	-7.5	-15.2	-13.9	-10.5	-9.5
Overall balance (excl. finsec clean-up and Bank Capitalization cost--% of GDP)	-5.3	-7.3	-4.7	-3.7	-4.7	-11.4	-9.9	-9.5	-8.5
Primary Balance (incl. finsec clean-up and Bank Capitalization cost)	-0.3	-1.9	0.5	-3.7	-0.8	-7.8	-5.8	-1.2	0.0
Central Government Debt (% of GDP)	54.8	57.1	57.3	59.0	62.9	78.9	83.5	84.9	86.4
Nominal GDP (GH¢ Millions)	180,399	215,077	256,671	300,596	347,187	383,171	439,810	500,238	562,943
Nominal GDP (US\$ Millions)	48,595	54,989	58,978	65,518	67,240	66,064	69,776	67,971	76,300

Source: WB and IMF

Note: 2021 Average Annual Inflation is 'Actual'

¹⁴ See Box 3 for more details on Ghana's energy sector operational and financial challenges, and their fiscal impact.

¹⁵ Covid-19 Business Tracking Survey conducted by Ghana Statistical Service (GSS) in collaboration with United Nations Development Programme (UNDP) and World Bank.

¹⁶ Includes foreign currency

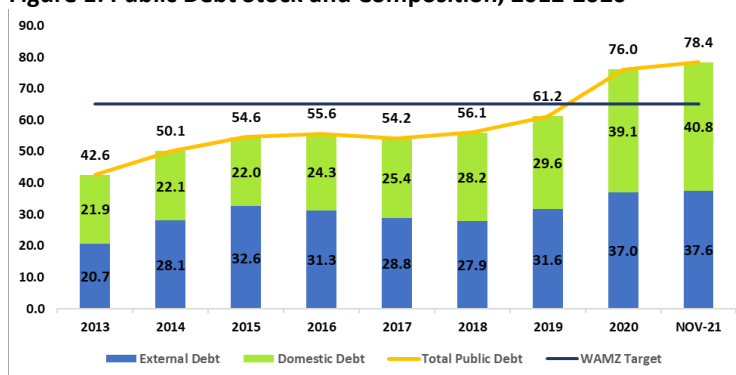
17. External sector balances have also been adversely impacted. Both exports and imports declined in 2020 and the current account deficit widened from 2.7 percent of GDP in 2019 to 3.1 percent of GDP in 2020. The capital and financial accounts recorded lower net inflows as portfolio investment exited Ghana, and FDI fell due to heightened economic uncertainties. As a result, the balance of payments (BOP) recorded a deficit of 0.9 percent of GDP (US\$0.61 billion) in 2020, compared with a surplus of 1.8 percent of GDP (US\$1.55 billion) in 2019. Gross International Reserves (GIR) stood at 3.2 months of imports cover at the end of December 2020, compared to 3.4 months of imports cover as at the end of December 2019.

18. Ghana’s economy is projected to recover gradually in the medium term on the back of rebounding commodity prices, progress on vaccinations and strong domestic demand, subject to the risks of further COVID-19 outbreaks in the region or globally. Economic recovery is underway, as reflected in the Bank of Ghana’s Composite Index of Economic Activities (CIEA)¹⁷ which expanded for seven consecutive months, after being negative over the three months following the March 2020 lockdown. This positive trend continued in 2021. Quarterly GDP released by the Ghana Statistical Services in September 2021 indicates growth of 3.1 percent year-on-year in quarter 1 and 3.9 percent in quarter 2. Growth is projected to average 4.9 percent per year over 2021-2023. The current account deficit is expected to widen to 4.2 percent of GDP in 2022 and to remain elevated through to 2024, driven by high external financing needs associated with debt service declines in oil export volumes and the services trade deficit.

19. Vaccinations are a critical element of the national COVID-19 recovery strategy. Ghana was the first country worldwide to receive vaccines from the COVAX Facility on February 24, 2021. The President set an ambitious target of vaccinating 56.5 percent of the eligible population by end 2021¹⁸, despite early challenges with supply. The Government has initiated several actions to speed up vaccination preparedness, including strengthening social mobilization and Risk Communication and Community Engagement efforts. The pace of vaccination increased steadily in the second half of 2021 as supply improved.

20. The growth outlook is subject to considerable risks if Ghana fails to enact reforms needed for debt and fiscal sustainability. High fiscal deficits and increasing public debt have elevated Ghana’s country risk, limited FDI in non-commodity sectors, and increased the cost of finance for private businesses with nominal interest rates typically above 20 percent. In 2020 public debt increased by 15 percentage points to 76 percent of GDP¹⁹ (Fig. 1), reflecting both the higher fiscal deficit and lower growth associated with the pandemic. External debt is primarily composed of commercial debt, including Eurobonds (Fig. 2).

Figure 1: Public Debt Stock and Composition, 2012-2020



Source: Ministry of Finance

reflecting both the higher fiscal deficit and lower growth associated with the pandemic. External debt is primarily composed of commercial debt, including Eurobonds (Fig. 2).

¹⁷ The CIEA tracks high frequency indicators of real sector activity such as consumer spending, manufacturing activity, vehicle registration, industrial consumption of electricity, ports and harbors activities, labor market activities and international tourists’ arrivals. Historical data show a strong correlation between real quarterly GDP (y/y) and the CIEA.

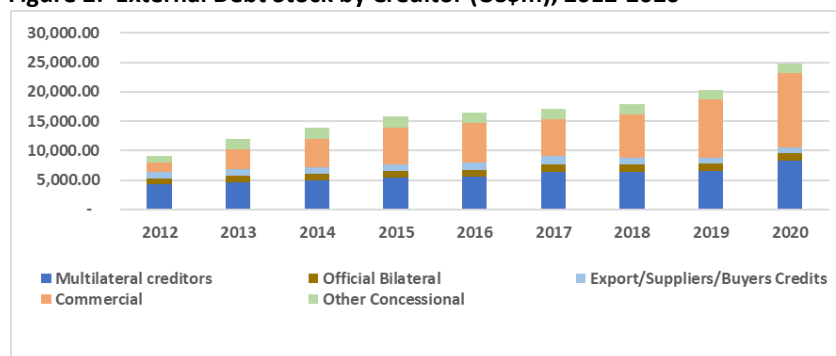
¹⁸ The target is to vaccinate 17.5 million people aged 18 years and above except for pregnant women. As of November 20, 2021, 12.3 million doses of vaccines had reached Ghana and 5.6 million doses had been administered of which 52.1 percent is to women.

¹⁹ The DSA includes guarantees to other entities in the public and private sector including SOEs and certain non-guaranteed SOE debt, driving the total stock to 78.9 percent of GDP

Moreover, as the government relied heavily on the domestic financial market to close the financing gap, including through the Central Bank's Asset Purchase Program, the cost of debt has risen significantly, and maturities have shortened. In 2021, interest payments are expected to represent 55 percent of revenues and gross financing needs to

reach 24 percent of GDP (6 percent of GDP for external financing needs alone). Public debt is expected to reach approximately 86 percent of GDP in 2023 from a pre-crisis level of 63.3 percent in 2019.

Figure 2: External Debt Stock by Creditor (US\$m), 2012-2020



Source: Ministry of Finance

Note: Commerce Includes Eurobond

21. The Government has committed to fiscal consolidation (Box 1) which is critical to reduce country risk and increase private and foreign direct investment over time. The fiscal outlook remains fragile given persistently low levels of domestic revenue mobilization and shortfalls from energy sector SOEs, which the government has committed to partly fill. The fiscal deficit (including financial and energy sector costs) is expected by the WB/IMF to narrow to 13.9 percent of GDP in 2021 and to 9.5 percent by 2023.²⁰ This remains twice the level mandated under Ghana's fiscal rule. Ghana's domestic tax revenue to GDP ratio, at around 13 percent for the past two decades, is below the SSA average of 15 percent and the level required to meet the ECOWAS convergence criteria (20 percent). The fiscal consolidation program is premised on ambitious domestic revenue mobilization targets from 2022 and spending cuts from 2023. Specifically, the authorities have committed through the 2022 budget to improve tax compliance, strengthen revenue administration, and introduce tax policy initiatives, as well as expenditure control measures including right-sizing public sector staffing and strengthening PIM and procurement. Meanwhile, implementation of the ESRP is expected to reduce the accumulated sector revenue shortfall over the period 2019-2023 from US\$12 billion to US\$7.2 billion, a significant but insufficient reduction for the sector to break even.

Box 1 Highlights from the 2022 Budget

In 2022, the Government is aiming for an ambitious turnaround on the fiscal front, targeting a fiscal deficit of 7.4 percent of GDP. The 2022 budget aims to increase total revenue collection to 20 percent of GDP (from approximately 15-16 percent of GDP in 2021). Authorities expect to increase domestic revenue by 44.0 percent in 2022 based on improvements in tax compliance, reforms in revenue administration, and various tax policy initiatives. The measure expected to generate the most revenue (approx. 1.4 percent of GDP) is a 1.75 percent electronic transaction levy, applicable to mobile money payments, bank transfers, and merchant payments.

The 2022 budget also adopts expenditure measures, expecting to bring public spending down from 28.1 percent of GDP in 2021 to 25.5 percent of GDP in 2023. These measures include a public sector staff rationalization exercise aimed at right-sizing the public sector workforce, subjecting all new projects to PIM regulations, and restricting procurement to items specified in approved Plans and ensuring that there is a budget allocation.

22. The July 2021 WBG-IMF Debt Sustainability Analysis (DSA) assesses Ghana to be at high risk of (external and overall) debt distress. Public debt is assessed as sustainable, but only if the authorities tread

²⁰ World Bank/IMF estimates prepared prior to 2021 Annual Meetings. These will be updated to take into account government's 2022 budget policy announcements as these are rolled out.

a narrow fiscal path, the projected growth rebound materializes, and Ghana maintains market access. The government’s FY22 Performance and Policy Actions under the Sustainable Development Finance Policy (SDFP) address revenue mobilization and SOE debt transparency, which are central to bolstering public debt sustainability. Ghana has continued to make progress in debt transparency and management. It has regularly updated and published its Medium-Term Debt Management Strategy since 2015 and submits an Annual Debt Report to Parliament.

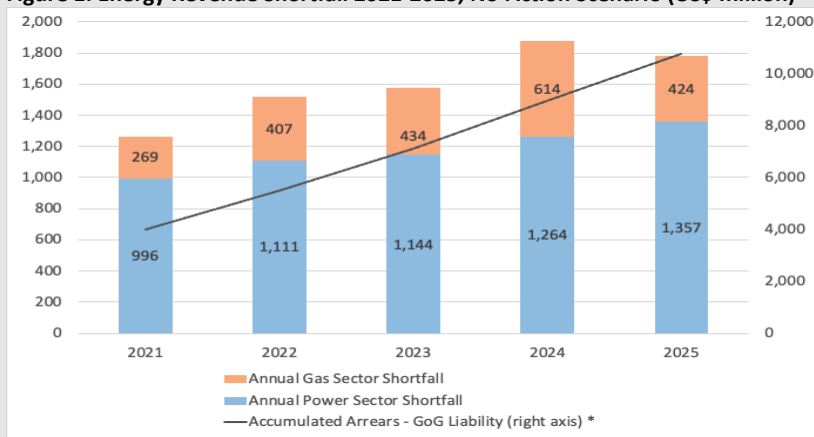
23. Since the DSA was completed sovereign spreads on Ghana’s bonds have risen sharply, well above those faced by countries with similar risk ratings. Investors and agencies have raised concerns about the current fiscal situation and the credibility of Ghana’s medium term fiscal plans. While Ghana does not face large Eurobond redemptions before 2026, it relies on fresh subscriptions for fiscal financing. Moreover, the perceived lack of access to international capital markets (and prospects of tighter global financing conditions) has put a strain on the domestic market (where foreign participation is significant), with recent auctions being undersubscribed. This could hinder the rollover of domestic debt and eventually lead to exchange rate pressures and the erosion of international reserves.

Box 2: Ghana’s Energy Sector Operational and Financial Challenges, and their Fiscal Impact

The energy sector has become a fiscal liability costing Government between 1-2% of GDP annually due to sector revenues being consistently below costs. A combination of electricity underpricing, poor performance of distribution companies, excess power generation capacity and excess gas supply contracts has resulted in an accumulation of sector arrears (legacy arrears) totaling about \$2.3 billion as at the end of 2020, equivalent to about 3.2% of GDP. If no corrective actions are taken, it is projected that these arrears could reach over \$10 billion by the end of 2024.

Electricity tariffs of \$0.12, although amongst the highest in the region, cover only 70% of the costs rendering sector utilities commercially unviable. This has affected the gas sector as utilities are unable to mobilize enough revenues to pay for fuel costs. Thus, since 2020 there has already been three drawdowns on the IDA-backed Letter of Credit for the Sankofa Gas Project. These challenges in the sector have compromised the commercial viability and lending credibility of energy sector utilities, raising concerns about the operational sustainability of the sector and the large transfer of fiscal revenues to it. In 2019 and 2020, GoG paid \$1.2 billion and \$1.4 billion, respectively, to the energy sector, and a similar call on the Government budget in 2022 is expected (see Figure 1).

Figure 1. Energy Revenue Shortfall 2021-2025, No-Action Scenario (US\$ million)



Source: MoF, World Bank estimates

In 2019, GoG launched the Energy Sector Recovery Program (ESRP) to serve as a roadmap to restore and sustain governance and financial viability of the energy sector and attract competitive private sector investments. The three primary objectives of the ESRP are: (a) full restoration of the financial and commercial viability of the sector; (b) curtailment of further accumulation of sector arrears; and (c) payment of outstanding sector arrears. Under the ESRP, the GoG has committed about 1 percent of GDP (around US\$700 million) from the annual budget in the coming years to close the projected

financial gap in the sector. It has also earmarked US\$1 billion from the 2020 Eurobond issuance to rationalize the costs of Power Purchase Agreements and lower IPP capacity charges. Key actions of the ESRP would help reduce the power sector revenue shortfall (GoG liabilities) by about \$3 billion from 2021 to 2025. Critical actions include: (i) the renegotiation of Power Purchase Agreements to reduce power generation costs; (ii) private sector participation in the operations of the distribution utilities to reduce energy losses and improve collections; and (iii) tariff reforms to ensure full cost recovery and full payment of streetlighting costs. GoG has also established a moratorium on any financial guarantees for new power plants until the

current excess capacity situation is over and will follow least cost power expansion plans to determine the time and type of new power plant to be procured competitively. Ghana is a key stakeholder of the West African Power Pool and a net exporter in the ECOWAS Region. It could increase the export of power through its under-utilized power plants. Compliance with the ECOWAS Regional Trade Directive and implementation of infrastructure investments in the coming years will enable Ghana to increase power exports, helping to improve the financial situation of the sector.

Private sector engagement in the energy sector over the long term could help improve efficiency in the sector. There have previously been substantial private sector investments in the power sector, however these were poorly coordinated and resulted in excess capacity far exceeding the country's peak demand of about 3 GW. Private sector involvement in the distribution utility was also short-lived. The main utility, ECG, signed a concession agreement with Power Distribution Services (PDS) Limited in April 2019 with the main objective to improve operational and financial performance and reduce electricity losses. Government terminated the contract in October 2019 alleging fraudulent payment security. Since then, the government has expressed the willingness to consider private sector participation (PSP) in the ECG and the WBG has signaled its commitment to assist the government in Ghana's quest to improve the needed efficiency in the sector through PSP. More generally, without financial equilibrium Ghana will find it challenging to engage private sector investment in generation, especially in renewable energies, thus advancing the clean energy transition and decarbonization of the power sector that Government aims for through utility-scale solar power plants and distributed solar systems. Going forward, attracting further private sector investment will require enhanced governance of the sector as set out in the ESRP.

C. Poverty and Inequality

24. Ghana has significantly reduced poverty over the last 25 years although the poverty rate has stagnated in recent years. Between 1991 and 2016 poverty levels steadily declined from 52.7 percent to 23.4 percent (Table 2), driven by high prices for cash crops, and oil, and rapid urbanization contributed to expanding economic opportunities. Ghana also achieved a substantial increase in consumption among the bottom 40 percent of the population. Nonmonetary dimensions of poverty also improved: assisted births, vaccination rates, fertility, mortality, stunting, as well as access to sanitation, electricity, and clean drinking water. Between 2012 and 2016, the poverty level declined by an average of only 0.2 percentage points annually to 23.4 percent (2016), compared to an annual reduction of 1.1 percentage points in the preceding decade.

Table 2: Poverty and Inequality Trend 1991-2016

Year	Headcount poverty	Poverty gap	Poverty Severity	Inequality (Gini)
1991	52.7	19.0	9.0	0.38
1998	39.5	13.8	6.5	0.38
2005	31.9	11.0	5.4	0.42
2012	24.2	7.7	3.5	0.41
2016	23.4	8.4	4.3	0.42

Source: Staff Estimates based on GLSS 3-7

Fig 3: Percentage Point Change in Poverty between 2012-2016

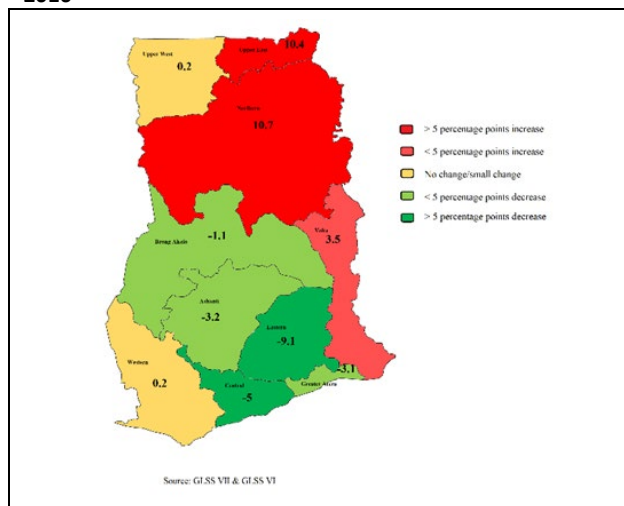
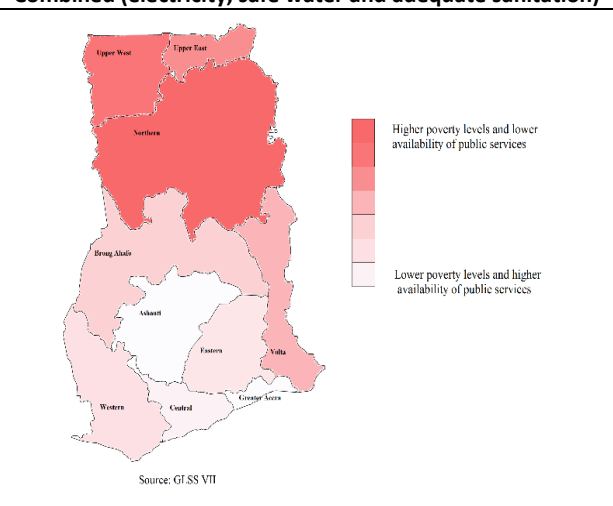


Fig 4: Unavailability of Public Services & Poverty Incidence Combined (electricity, safe water and adequate sanitation)



25. Spatial inequalities, a rural/urban divide, and exclusion from the benefits of economic growth are driving the stagnant poverty picture, despite robust GDP growth between 2012 and 2016. Some regions fared considerably better than others. Poverty decreased in the wealthiest four regions (Greater Accra, Ashanti, Central and Eastern regions) and increased in the four less wealthy regions (Upper East, Upper West, Northern and Volta) (Figure 3 and 4). Rural areas, especially in the Northern, Upper West and Upper East, have the highest incidence of poverty and lack access to critical infrastructure (roads, market access, electricity connection, access to public services) (Figure 3); have low human capital (school enrollment, malnutrition and mortality rates) and are more susceptible to economic and climatic shocks (floods, droughts, seasonal labor/agriculture). In urban areas, even though poverty rates have declined in most regions, increases in consumption have slowed appreciably since 2005 and, with rural-urban migration and population growth, the absolute number of urban poor remains largely unchanged. While overall inequality increased in recent years, the Gini coefficient of 0.42 compares favorably to other Lower Middle-Income Countries (LMICs).

26. Gender inequality remains pervasive with multidimensional poverty significantly higher among women, especially those in rural settings. While women benefited from falling poverty rates and improving social outcomes, inequities remain particularly in economic empowerment. More than 70 percent²¹ of the female labor force are engaged in the agriculture sector, where opportunities are limited for high paying, and productive engagements.

27. The COVID-19 pandemic is likely to result in a short-run uptick in poverty due to slowing economic activity, job losses and wage reduction. Many Ghanaians are expected to have fallen below the poverty line, due to losses of incomes in agriculture (cocoa), services (hotels and restaurants), and manufacturing. At the height of the pandemic, nearly 28 percent of previously employed Ghanaians had stopped working and nearly 3 out of 4 households reported a decrease in their incomes.²² The loss of incomes has been more pronounced in regions outside of Greater Accra. In the first three months of the pandemic, businesses reduced wages for over 770,000 workers with about 42,000 layoffs²³. The loss of incomes has been more pronounced in regions outside Greater Accra. Over 44 percent of Ghanaian households were worried they might run out of food due to a lack of resources and nearly 1 out of 4 households reported being hungry.

28. COVID-19 impacts are expected to worsen the outcomes for women and other vulnerable groups, especially those in under-served regions. Poverty rates among women are expected to rise due to COVID-19 given the loss of income in sectors such as agriculture and services which employ a high ratio of women, particularly in the informal economy. The crisis has reduced access to services for certain groups such as women and the disabled, particularly in lagging regions of the North. The pandemic has placed an added burden on women due to increased caregiving responsibilities. Limitations on mobility and school closures have increased household and childcare responsibilities traditionally attributed to women. Finally, the pandemic increased fear, frustration and anger and led to a rise in Gender Based Violence (GBV) and sexual abuse in line with global trends.²⁴

²¹ ILO 2021

²² Results from high-frequency phone surveys conducted in 2020. GSS (2020) – Brief on COVID-19 Households and Jobs Tracker Wave 1. The COVID-19 Household and Jobs tracker data were collected by the Ghana Statistical Service (GSS) with the support from The World Bank, UNICEF and Poverty Action

²³ GSS (2020) – How COVID-19 is affecting firms in Ghana: results from a business tracker survey. Prepared by GSS with support from the United Nations Development Program (UNDP) and the World Bank

²⁴ <https://ghana.un.org/en/43329-socio-economic-and-health-impact-covid-19-sexual-and-gender-based-violence-sgbv-ghana> and <https://www.unwomen.org/en/news/stories/2020/12/what-happened-after-covid-19-hit-ghana>

Ghana's Development Challenges

29. Ghana has emerged as a development success story in SSA. Over 2000-2020 per capita GDP almost doubled, with growth averaging 3.4 percent a year, well above the average of peers (such as Cote d'Ivoire and Kenya) and above the LMIC average (Box 3 fig. 1). During this period, robust growth was mainly fueled by favorable terms of trade (high prices for Ghana's main commodity exports, gold and cocoa) and the start of commercial oil production in 2011. Poverty reduction was also significant compared to SSA peers, Cote d'Ivoire and Kenya, as well as other LMICs (Box 3 Fig. 2).

30. Nonetheless, at critical junctures, the country missed opportunities to reach even higher, and macroeconomic vulnerabilities have exceeded strong performers in SSA. Although starting at broadly similar points twenty years ago, Lao PDR and Vietnam - two countries that leveraged integration in global value chains to boost industrialization - now have GDP per capita levels that are 50 percent above Ghana's (Box 3 Fig. 1). When poverty reduction began to plateau in Ghana, Vietnam, Lao PDR and other LMICs managed to sustain momentum. While oil and gas discoveries helped propel the country into the middle-income group in 2011, this natural resource dependent growth did not translate into widespread productive opportunities for Ghana's growing population. Challenges in macroeconomic management persisted, with relatively large fiscal imbalances and elevated public debt (which quadrupled in the early 2000s and during HIPC debt relief) (Box 3, Fig 3 and 4). These partly explain why Ghana failed to keep up with East Asian growth champions and why Ghana's poverty rate has remained largely constant since 2012.

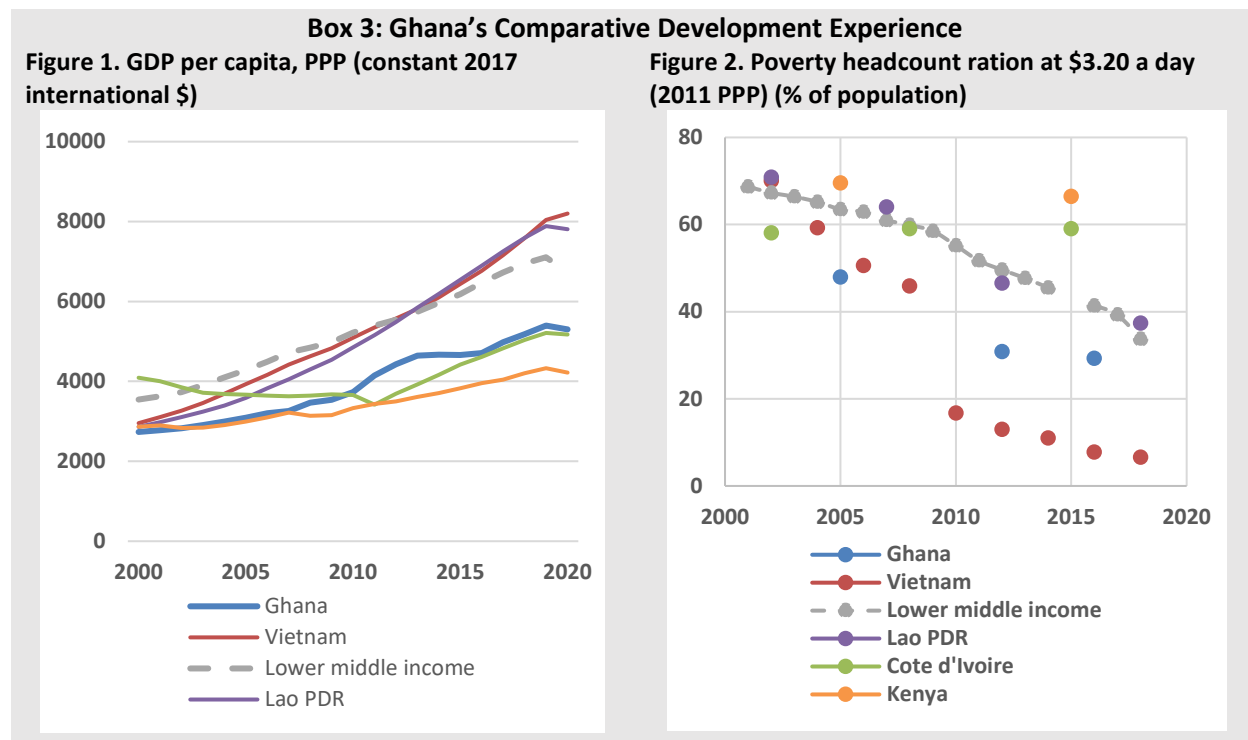


Figure 3. Overall fiscal balance (% of GDP)

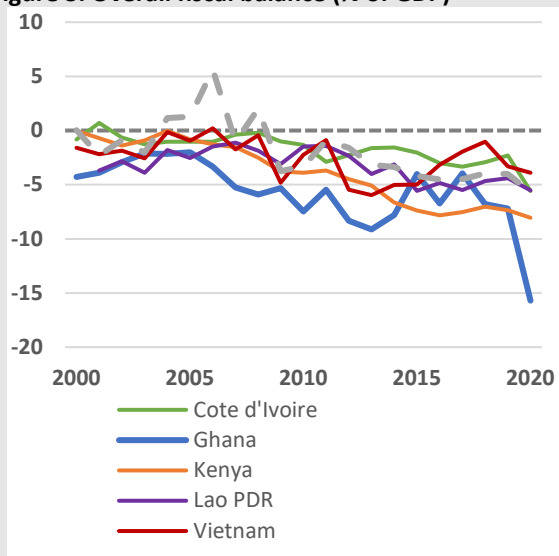
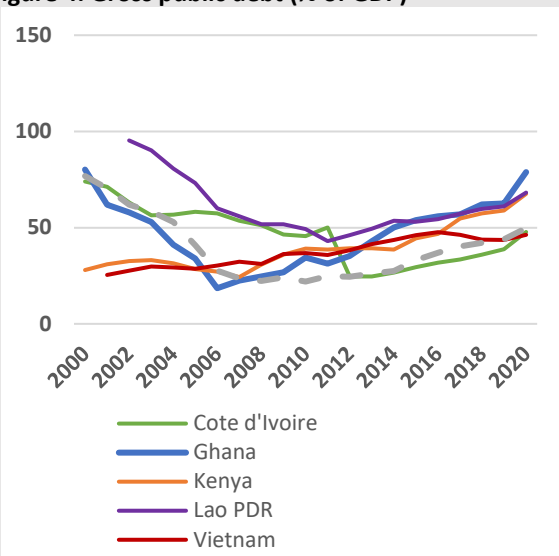


Figure 4. Gross public debt (% of GDP)



Source: WDI, IMF Fiscal Monitor

31. The discussion of Ghana’s development challenges and opportunities in this context were set out in the 2018 Ghana Systematic Country Diagnostic (SCD)²⁵ which encompasses findings from the 2017 Country Private Sector Diagnostic (CPSD). They have been elaborated on by additional analyses in response to emerging client demands and evolving challenges²⁶ including the COVID-19 pandemic. A 2021 Country Economic Memorandum (CEM) deepened the analysis of Ghana’s challenges and is helping to define new opportunities (Box 4). A CCDR is under preparation for delivery in FY22 to help guide discussion on future climate sensitive development pathways and potential WBG support, while a recent Country Environmental Analysis (CEA) is guiding current programming. The GoG, through its Ghana Beyond Aid Vision and the CARES program, seeks to support a rapid recovery from the COVID-19 pandemic and to transform Ghana’s economy into a modern industrial nation with opportunities for all. To achieve these aspirations and advance the twin goals of reducing poverty and promoting shared prosperity, Ghana’s development agenda will require actions across a range of areas.

Box 4: Highlights from the 2017 Country Private Sector Diagnostic (CPSD) and the 2021 Country Economic Memorandum (CEM)

The 2017 CPSD fed into the 2018 SCD and identified four key constraints to increasing foreign and direct investment in Ghana: (i) limited market size without focus on export led growth; (ii) uncertainty for investors created by macro instability; (iii) inadequate provision of basic infrastructure and land; (iv) weak managerial and entrepreneurial skills.

The CPSD identified four main opportunities for creating markets in Ghana: (i) Developing new high-value export markets, such as horticulture and ICT-enabled services;; (ii) leveraging ICT to improve the performance of Ghana’s most important sectors, and government activities and services; (iii) Promoting efficiency and innovation in the key social sectors of education and health; and (iv) addressing cross-cutting constraints, such as facilitating trade, providing competitive green energy, opening rural land markets, developing technical skills, and financing promising SMEs.

The recent CEM built off the SCD and CPSD in to explore what it would take for Ghana to revise inclusive growth, highlighting the need for Ghana to: (i) launch sectoral and spatial transformation by expanding lower skilled jobs in ICT; transition to higher value added labor-intensive tradable services sectors; boost competitiveness in manufacturing; improve connectivity and urban planning; (ii) Leverage digital transformation by accelerating mobile internet adoption; expanding industry 3.0 and 4.0 technologies and invest in digital skills; (iii) leverage the financial sector by increasing availability of long term finance, capital market development, digital financial markets and financial infrastructure and (iv) leverage macroeconomic stability through counter cyclical fiscal policy; efficiency and equity in tax administration and increased revenue mobilization.

²⁵ World Bank. 2018. Ghana - Priorities for Ending Poverty and Boosting Shared Prosperity. Washington, D.C. : World Bank Group.

²⁶ Poverty Assessment, Country Environmental Assessment, the Digital Economy for Africa analysis for Ghana, Rapid gender assessment, A Social impact assessment of COVID 19, RISE diagnostic and the 5th Ghana Economic Update.

Addressing Macroeconomic Imbalances

32. The importance of a stable macroeconomic environment to underpin private sector growth and job creation is even more critical now as Ghana addresses the COVID-19 recovery challenge. Ghana has suffered in recent years from recurrent macroeconomic instability, linked to election and commodity cycles, an energy crisis, and a financial sector weakened by high levels of non-performing loans (NPLs) and insolvency of financial institutions. Increasing public debt and consistently high fiscal deficits have increased Ghana's country risk, potentially limiting the amount of FDI, particularly in non-traditional sectors (outside of commodities). It has also increased the cost of finance (and limited access) for private businesses, as volatility drove risk premia higher, and extensive public sector borrowing to finance deficits has crowded out private borrowers. In the longer term, the extremely constrained fiscal space limits the government's ability to make the investments in human and physical capital required to provide the foundation for long-term inclusive growth. Sound macroeconomic management and a renewed commitment to enhanced revenue mobilization and fiscal consolidation are essential for long-term inclusive productivity growth and job creation in Ghana.

Facilitating Economic Transformation for Inclusive Growth and Job Creation

33. Ghana's economic transformation needs to support the movement of workers into higher productivity firms and sectors, better utilizing trade, urbanization and connectivity. Ghana's impressive growth over the last decade²⁷ driven by the natural resource sectors, has not created sufficient job opportunities for its growing population. Gold, cocoa, and oil exports accounted for over 75 percent of all goods exports (2015 – 2017), while manufacturing exports remained limited. The share of agriculture in value added and employment declined over the last three decades, while labor moved into services, and recently manufacturing. Highly performing services sectors (ICT, Financial and Professional Services) employ very few workers while the bulk of jobs created have been in low productivity manufacturing and other informal service sectors. Thus, there are few mid-productivity, mid-skill jobs for workers moving out of agriculture, or for young people entering the job market.

34. Ghana's private sector has significant potential to expand and create high value jobs but faces challenges in raising productivity. Informal firms and household enterprises account for over half of total employment in Ghana but these enterprises have low productivity, low wages, and struggle to grow. Furthermore, among Ghanaian entrepreneurs, large male-female earnings inequalities persist, driven by gaps in business capital, access to land and other collateral, business practices, and social norms.²⁸ Three cross-cutting constraints are highlighted by the private sector in the CPSD and subsequent surveys: (i) access to finance/credit; (ii) access to land and electricity; and (iii) access to skills. Moreover, despite rapid urbanization, Ghana's cities specialize in low productivity services, driven by the role of natural resources in the economy, with limited agglomeration effects and major issues of uncoordinated informal growth. Creating higher productivity jobs in cities and increasing urban infrastructure, transport and housing will be essential in Ghana's next phase.

35. Increased trade and market access driven by AfCFTA could incentivize improvements in productivity and competitiveness for Ghana's private sector and stimulate productive job creation. Ghana's trade with Africa is projected to double under AfCFTA and its income could grow by 5.7 percent by 2035, assuming adoption of key trade facilitation and non-tariff measures. Manufacturing is likely to

²⁷ ranging from 11.3 percent to -0.11 percent GDP per capita growth,

²⁸ World Bank Group. 2019. Profiting from Parity : Unlocking the Potential of Women's Business in Africa. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/31421> License: CC BY 3.0 IGO.

be the main beneficiary sector and regional value chains could benefit substantially. Export-oriented services, such as ICT and business process outsourcing (BPO), could be important sources of growth if trade facilitation measures under AfCFTA are fully implemented. At present Ghana lags its peers in terms of trade openness and attracts little efficiency-seeking FDI. This reduces the potential for entry and growth of large, productive, formal firms as well as informal firms and household enterprises that struggle to grow and compete in both domestic and external markets.

36. The adoption of modern technologies could support firm upgrading and spur innovation and entrepreneurship. Ghana has made progress in mobile infrastructure over the past decade due to early liberalization and deregulation but is capturing only a fraction of the gains from digital technologies. Broadband infrastructure lags mobile internet and is a major constraint to businesses, with low uptake and high costs. Coverage is concentrated in urban and commercial areas with large segments of rural areas lacking effective connection. Many small enterprises are not taking advantage of digital and technological solutions that could help improve productivity. A more comprehensive, robust nationwide broadband network and last-mile mobile internet infrastructure is needed to enable Ghanaian businesses and households to have cost effective access to internet and digital services. These challenges are exacerbated for women owned businesses.

37. The agricultural sector remains important, especially as an employer of youth in lagging regions, but needs modernization.

Subsistence agriculture remains the dominant occupation in northern areas. The sector is mainly rain-fed and sensitive to climate which constrains the achievement of higher levels of productivity along with lack of private sector investments in agribusiness, poor seeding quality and social risks associated in the cocoa sector (Box 5). In addition, the most poverty-stricken areas in the north of Ghana have limited access to the rural roads and transport facilities vital for connecting local communities to markets, businesses and social services. Underdeveloped trade corridors limit Micro, Small, and Medium Enterprises' (MSME) access to export opportunities, including through development of manufacturing-services linkages. Women contribute 26 percent of total employment in agriculture however, they face challenges that prevent them from engaging in more profitable opportunities including limited access to land, credit and extension services, and social norms that dictate what women can and cannot do in the sector.

Box 5. Social Risks in the Cocoa Sector

As the cocoa sector has expanded over recent years so too have social risks. In addition to poor working conditions and risks to community health and safety, child and forced labor risks persist. It is estimated that one in every four children aged 5-17 years (i.e. 23%) are involved in child labor in Ghana, with this incidence being higher in high cocoa producing areas relative to others. The COVID-19 pandemic and economic downturn worldwide are expected to significantly increase child labor due to schools' closure and decline of household income.

38. Improving the relevance of technical and vocational skills will help leverage Ghana's economic transformation and create quality jobs particularly for youth, women and the marginalized. Ghana's labor market is constrained by a shortage of relevant employable skills, a lack of information on labor market demand and weak links to industry. While digital skills are in high demand by firms,²⁹ this has not translated into significant employment opportunities for youth despite their high inclusion in the sector. Large disparities exist in access to quality Technical and Vocational Education and Training (TVET) and tertiary education across gender, disabled persons and income levels. Government is committed to implementing reforms to help consolidate skills development along with opportunities to engage with the private sector more effectively in education and training.

²⁹ Global Digital Skills Survey conducted by IFC in 2018.

Addressing Inequities and Gaps in Service Delivery

39. A pre-requisite for inclusive growth in Ghana is to address service delivery gaps particularly in the Northern, Upper West and Upper East regions, as well as in growing urban slums. Ghana has made notable progress on building human capital (Box 6), but segments of the population are being left behind. There are persistent urban/rural disparities in access to infrastructure and services (roads, electricity, water supply, sanitation and hygiene (WASH)). Meanwhile, urban slums are expanding in major cities and living conditions are deteriorating due to population pressure. Service delivery gaps in rural areas are further exacerbating migration stress in urban centers. Inequality in access to basic services among marginalized groups and across regions has impacted economic opportunities. This includes people with disabilities and those who suffer from mental health issues who cannot access quality health care and whose care has been disrupted by COVID-19.

40. Access and quality have improved in basic and secondary education, although gaps persist in Ghana's poorest regions and across socio-economic groups, impacting overall learning outcomes. Inadequate teacher content and training, lack of accountability in school management, gaps in mainstreaming disability-inclusive education, and inefficiency in education spending³⁰ have contributed to poor learning outcomes across gender and income levels, particularly in Northern Ghana. COVID-19 restrictions exacerbated shortfalls, with estimates that 35 percent of basic school and 28 percent of senior high school pupils were not engaged in any form of learning.³¹ Nevertheless, the Ministry of Education ensured continuity of learning and reopened schools safely after a 10-month closure from March 2020 to January 2021³². Despite high levels of current expenditure and efforts to establish a performance-based budget, Ghana has been unable to improve equity, increase retention, and address social and geographical disparities in learning outcomes. Schools also have basic infrastructure gaps: for example, only 65 percent³³ of public schools have toilets and girls are unable to practice proper menstrual hygiene management, worsening drop-out rates among girls.

41. Ghana's efforts to strengthen Primary Health Care (PHC) through the Community-Based Health Planning and Services (CHPS) Program have contributed to improvements in health and nutrition outcomes. Health indicators, including under-five mortality, maternal mortality, and essential childhood immunization coverage, have improved dramatically over the last two decades, although socio-economic and regional disparities persist. The GoG's goal is to achieve Universal Health Coverage (UHC) by expanding the financing and delivery of an enhanced package of essential health services, focused on strengthening the PHC system, expanding the network of district hospitals, improving quality of care, leveraging digital tools and strengthening the National Health Insurance Scheme (NHIS). Nonetheless challenges persist in poor PHC coverage (particularly in rural and poor urban areas), poor quality of care (reflecting gaps in human resources, essential medicines and other key inputs), and health sector inefficiencies created by multiple funding sources. Disruptions were experienced in essential health services early in the pandemic, although by September 2021 indicators were largely back to pre-pandemic trends, with some ongoing service delivery disruptions in several regions.

³⁰ These inefficiencies are realized in inefficient teacher deployment, absenteeism and teacher time on task.

³¹ Household and Business Tracking Survey, From June 10 to June 25, 2020, GSS collected data in a nationally representative telephone survey to gauge the effects of COVID- 19 on households and jobs in Ghana.

³² World Bank support led to the safe return in January 2021 of 99 percent of children enrolled in beneficiary schools³² comprising about 5.8 million children.

³³ As of 2017.

Box 6. Ghana's Human Capital

The World Bank's Human Capital Index (HCI) measures that a child born in Ghana today can expect to reach only 45 percent of its potential productivity due to deficiencies in human capital formation. However, when today's child becomes a future worker, she may not be able to find a job or may not be in a job where she can fully use her skills and cognitive abilities to increase her productivity. In these cases, human capital potential is considered underutilized, because it is not being used to increase productivity to the extent it could be.

	HCI 2020			SSA	LMIC I
	Total	Male	Female		
<i>HCI Component 1: Survival</i>					
Probability of Survival to Age 5	0.952	0.948	0.957	0.934	0.959
<i>HCI Component 2: School</i>					
Expected Years of School	12.1	12.0	12.2	8.3	10.4
Harmonized Test Scores	307	308	306	374	392
<i>HCI Component 3: Health</i>					
Survival Rate from Age 15-60	0.768	0.748	0.789	0.735	0.804
Fraction of Children Under 5 Not Stunted	0.825	0.810	0.842	0.688	0.867
Human Capital Index (HCI)	0.45	0.44	0.46	0.4	0.56

- Ghana's HCI is higher than the SSA average but lower than the LMIC average. Key drivers have been reduction in childhood stunting and improvement in school enrollment rates
- HCI for girls slightly higher (46 percent) than for boys (44 percent)
- A "whole of government" approach involving health, education as well as social protection, agriculture, water and sanitation and hygiene contributed these achievements.
- Human capital outcomes vary across socio economic groups – productivity of a future worker of a child born today in the richest 20 percent of households is 50 percent while it is 43 percent for a child born in the poorest 20 percent - a gap of 7 percentage points. However, this gap is smaller than the average gap across all countries that is 15 percentage points.

Sources: *The Human Capital Index 2020 Update: Human Capital in the Time of COVID-19*. World Bank, Washington DC.

42. Rapid urbanization has led to dilapidated infrastructure and low levels of basic services with weakened competitiveness and livability of cities. This has particularly affected women and children with poor health and economic outcomes due to, inadequate water supply and sanitation, poor hygiene practices and waste management, compounded by poor drainage. Only a third of urban households have access to safely managed water,³⁴ and only 20 percent of those living in informal settlements have access to improved sanitation.³⁵ Frequent flooding and poor solid waste management are exacerbating the public health related risks of open defecation, which are above LIC and SSA averages.³⁶ At the same time, there is a growing deficit in affordable housing (currently about 1.7 million homes). Contributing to this problem are both supply and demand factors including; access to land, infrastructure, as well as the lack of a functioning and affordable housing finance system.

Sustainably managing Ghana's natural resources and strengthening resilience to shocks:

43. The sustainability of Ghana's growth is seriously undermined by the rate of natural resource degradation, climate change, natural hazards, and commodity price risks. Poor and vulnerable households face disproportionate economic and social impacts from these shocks. GoG aspires to reduce vulnerability to commodity price shocks and manage fiscal sustainability, build resilience and adaptability to climate change, invest its natural resource wealth into long-term development assets and build an adaptable and efficient social protection system for households to build resilience to these shocks.

44. Ghana's growth volatility reflects not only its commodity-related natural-resource-dependence, but also the lack of a consistent macroeconomic framework to help mitigate such volatility. Increased macroeconomic volatility cost Ghana about 0.3 percent of growth per year during 2000–2015, and as

³⁴ National average is 18.7 percent of households, 32.6 percent of urban and 6.8 percent of rural households.

³⁵ This is even lower in rural areas at 9 percent.

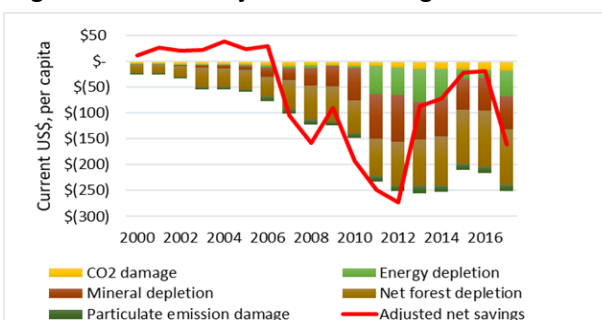
³⁶ Defecation rates in Ghana (32 percent); LICs (27 percent) and SSA (27 percent) (World Development Indicators).

much as 0.7 percent per year in the early 2010s after oil reserves were discovered. Economic concentration in exports (gold, cocoa, and petroleum) exposes the economy to fluctuations in commodity prices and could be further affected by global decarbonization efforts, as part of the international Paris Agreement. The adverse impact of such fluctuations could be mitigated by the implementation of counter-cyclical fiscal policies. Addressing Ghana’s macroeconomic vulnerabilities while sustainably expanding the available fiscal space for capital investment and social spending will be pivotal to broad-based growth, job creation, and achieving the government’s development objectives.

45. Ghana faces critical threats from climate change and a legacy of weak natural resource management.

Ghana’s natural resources have been key drivers of economic growth over the past 30 years, when real GDP more than quadrupled. While total national wealth increased more than 50 percent between 2000 and 2014, much of this growth came with exploitation of natural resources (Figure 5). This has come at a significant cost - according to 2017 estimates, water pollution, agricultural land degradation,

Figure 5: Ghana’s Adjusted Net Savings



deforestation, illegal mining, overfishing, coastal erosion, and flooding cost the economy about US\$6.3 billion annually. Meanwhile it is estimated that the effects of climate change could increase the share of Ghanaians living below the poverty line by 2 to 6 percent by 2030. Cocoa farming is especially vulnerable, as decreased humidity and changes in rainfall due to climate change can increase and alter the type of pests and diseases impacting cocoa farms.³⁷ Half of Ghana’s 540-km coastline is vulnerable to erosion and flooding because of sea-level rise and is a likely threat to the 25 percent of the population that resides there. Climate related flooding will increasingly impact Ghana’s growing urban slums, exacerbating infectious disease risks, particularly those with mosquito vectors such as malaria and dengue.

46. At the household and community level, a lack of adequate and adaptive social protection exposes the poor and most vulnerable to a variety of shocks that can trap them in cyclical poverty.

The country’s flagship safety net programs³⁸ have expanded and strengthened over the years, with important system level reforms introduced, however implementation continues to be fragmented, resulting in duplication, inefficiencies and limited coverage.³⁹ Nevertheless, the safety net system provided critical support to the vulnerable during the COVID-19 pandemic, primarily benefiting the five northern regions where poverty is highest.⁴⁰ In order to improve preparedness and provide timely and effective support during negative shocks, adaptive social protection systems are needed, i.e., programs need a structure that will allow rapid expansion and adjustment in the level and frequency of benefits as necessary.

47. Finally, many communities in the Northern areas of Ghana are especially vulnerable to external fragility factors—chiefly, the spillover of fragility, conflict and violence (FCV) risks from the Sahel, one of the world’s most fragile and risk-prone subregions. The Gulf of Guinea region is highly

³⁷ Choudhary, Vikas; D'Alessandro, Stephen. 2015. Ghana Agricultural Sector Risk Assessment: Risk Prioritization. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/22498> License: CC BY 3.0 IGO.

³⁸ Livelihood Empowerment Against Poverty (LEAP) cash transfer program; the Labor-Intensive Public Works (LIPW); the Ghana School Feeding Program (GSFP); the National Health Insurance Scheme (NHIS) and the Education Capitation Grant (ECG) and Productive Inclusion (PI).

³⁹ Government has introduced rollout of the Ghana National Household Registry (GNHR); digital benefit payment, management information systems; and the Single Window Citizen Engagement Service (SWCES).

⁴⁰ Under the Livelihood Empowerment Against Poverty (LEAP) and the Labor-Intensive Public Works Program (LIPW).

vulnerable as it shares certain FCV dynamics such as the crisis of confidence in state institutions and the justice system,⁴¹ and security challenges, including poor civil-military relations, corruption, a lack of means and equipment, and poor border control exposing them to the potential for southward transmission of the escalating Sahel conflict.

Continuing to Address Governance Challenges

49. Ghana’s durable political stability over the last two decades has been crucial to its progress on poverty reduction, but governance challenges remain, which hinder the building of a more resilient economy. Governance is at the heart of key macroeconomic issues including wage bill reforms, DRM and election cycle fiscal policy. Ghana’s public sector is vast and complex and faces challenges to achieve efficient resource allocation and policy coordination across sectors. Reforms to tax policy and administration are needed to address the persistently low tax-to-GDP ratio and enhance public service delivery and financing of public infrastructure. Transparency and accountability over the use of public resources will also enhance citizens' trust in the state. Ghana has untapped capability to utilize digital technologies to improve transparency, as demonstrated by the recent first fully digital national census in West Africa. Finally, local governments often lack the human and administrative capacity to effectively deliver services. (See Annex 13 on governance challenges.)

Addressing Gender Equality:

50. Ghana has made progress on gender equality, specifically in human capital development; however, constraints remain in enhancing women’s voice and agency and economic empowerment. There has been progress on key gender indices: the Gender Inequality Index improved from 138 in 2013 to 107 out of 153 countries in 2020; Women, Business, and the Law index improved to 75/100 above the SSA average of 71. However, these improvements have not translated into more secure and better paying jobs for women, while income gaps between men and women continue to widen reaching 68 percent in 2019.⁴² The services sector accounts for 55 percent of female employment, highly skewed towards the wholesale/retail trade and restaurants/hotels sub-sectors where work tends to follow social norms and traditional conceptions of “women’s work”.⁴³ Harmful social norms and behaviors continue to sustain gender gaps despite supportive legal and policy frameworks, making women more vulnerable to discrimination and sexual violence in both the private (e.g., intimate partner violence) and public spheres (e.g., sexual harassment in the workplace). Annex 10 summarizes gender gaps and WBG engagement.

III. WORLD BANK GROUP PARTNERSHIP FRAMEWORK

A. Government Program and Medium-term Strategy:

51. Government’s priorities for economic and social development are inspired by the 2017 “Ghana Beyond Aid” Vision and by the Coordinated Program of Economic and Social Development Policies (CPESDP) 2017–2024 (figure 6 below)⁴⁴. The Vision rests on five pillars: (a) enhancing domestic revenue mobilization without undermining productive activities or distorting private incentives for work; (b)

⁴¹ According to Afrobarometer (2021), when asked how much they trust courts of law, Togolese were least trusting; only 36 percent said they trust them “somewhat” or “a lot,” while roughly half of the citizens in Côte d’Ivoire (51 percent), Benin (52 percent), and Ghana (57 percent) concurred.

⁴² World Economic Forum (2019)

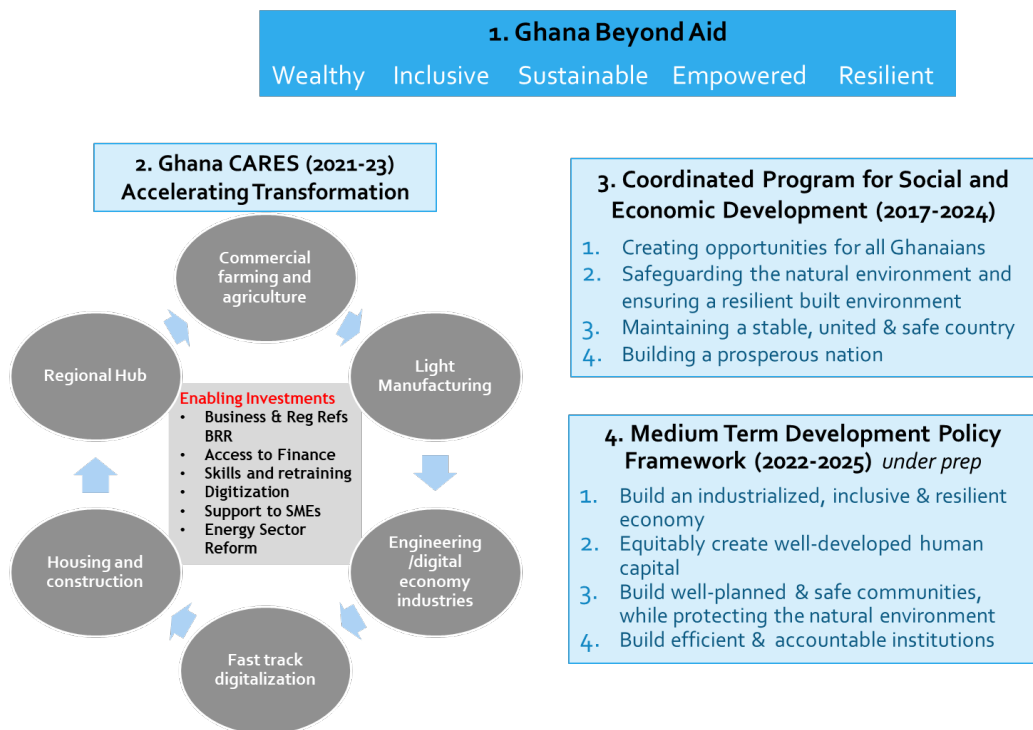
⁴³ This CPF is informed by the 2019 Ghana Gender Assessment, and thereby complies with OP/BP 4.20.

⁴⁴ Republic of Ghana. 2017. The Coordinated Programme of Economic and Social Development Policies (2017-2024). An Agenda for Jobs: Creating Prosperity and Equal Opportunity for All.

encouraging higher private savings as a source of loanable funds to support domestic credit and capital markets; (c) pursuing more transparent, prudent, and accountable use of public resources; (d) leveraging resources in more innovative ways than the conventional model of royalty and tax regimes; and (e) adopting innovative ways to mobilize and use external resources. The CPESDP laid out the target to at least double GDP per capita between 2017 and 2024, an ambitious goal that would entail achieving average annual economic growth rates of at least 7.2 percent between 2017 and 2024. The plan focuses on reviving and strengthening manufacturing, solving Ghana’s energy crisis, and aggressively promoting exports. A Medium-Term Development Policy Framework (2022-2025) is under preparation.

52. To support a quick recovery from the COVID-19 pandemic and build a more resilient economy, the government prepared the medium-term Ghana CARES program. The CARES program sets out a GH¢100bn (US\$17 billion) strategy in two phases: a **Stabilization Phase** from July to December 2020 to ensure food security, strengthen the health system, attract private investments and support Ghanaian business and protect worker incomes; and a medium-term (2021-2023) **Revitalization Phase** to accelerate the Ghana Beyond Aid agenda through enabling investments and support to recover, revitalize and support strategic industries, harness new opportunities and safeguard the economy against future shocks (fig. 6). The government intends to pursue competitive import substitution by easing the constraints in agriculture, agri-business, and industry to increase productivity for a fast-track recovery with the creation of decent employment. It envisions structural reforms in the business environment to support economic diversification and plans to refocus key government flagship programs for increased efficiency, leverage digitization and advance financial sustainability.

Figure 6: Government Programs and Priorities



53. A series of virtual and in person consultations were held with the private sector, civil society including organizations representing youth and the disabled, government agencies and development partners (Annex 15). A wide range of issues were canvassed including the need to address governance and macroeconomic management challenges; the importance of quality jobs and relevant skills training

with emphasis on the youth, gender and people with disability; the scope for private sector engagement in the green economy and access to finance; the need to address spatial and gender disparities; the impact of climate change; and, the role of the WBG as a convener of policy dialogue with government on behalf of development partners. The WBG was encouraged to create synergies with the government and the private sector to promote transformational growth with sustainable job creation and an emphasis on bridging the urban-rural, as well as the North-South gaps. Private sector development in Northern Ghana should involve comprehensive investments, considering the comparative advantage of agriculture in the region.

B. The Proposed WBG Country Partnership Framework

54. Ghana faces the challenge and opportunity of responding to COVID-19 and building forward as the country restores growth and accelerates poverty reduction. The overarching objective of the CPF is to support Ghana's efforts towards creating a dynamic and diversified economy, creating job opportunities for a greener, more resilient, and inclusive society. The CPF covers a period of five years (FY22-FY26) and is designed to be flexible, especially during its early years of implementation, with an early PLR to review progress, and adjust to changes for a post COVID-19 recovery.

Selectivity and Alignment:

55. Given Ghana's development needs, selectivity in the WBG engagement is important. This CPF is guided by three selectivity criteria (Figure 7). The CPF program supports the government's priorities as identified in the CPESDP and Ghana CARES Program and is grounded in the challenges and opportunities identified in the SCD and CPSD and recently updated in the CEM. Recommendations from the forthcoming CCDD will help align WBG engagement with the Government's low carbon and resilient development agenda. The CPF builds on the WBG's comparative advantage in areas where its convening power is clear, where policy and institutional reforms can be combined with investments to leverage longer term transformational outcomes, while deploying a range of performance-based instruments and analytics to bring development partners and government together in dialogue on topics such as energy, PFM, digitization, resilience and macroeconomic stability.

56. The CPF will address the immediate as well as medium term implications of the COVID-19 crisis in line with the Ghana CARES Program and guided by the WBG COVID-19 Response Framework Approach Paper (Box 7)⁴⁵. The first phase of the WBG program includes a scaled-up emergency health and cash transfers response, support to the survival of small businesses, ensuring continued maintenance of critical services with strong private sector engagement. The second phase of the CPF will focus on resilient recovery, strengthening delivery systems and building back better, helping the government to address the medium-term development challenges for a resilient, inclusive, and diversified economy. The program already has strong foundations with sizeable support for economic transformation, jobs and skills, and financial sector as well as engagements in the natural environment.

⁴⁵ Saving Lives, Scaling up Impact and Getting Back on Track- WBG Covid-19 Crisis Response Approach Paper. June 2020.

Box 7: WBG's Response to Ghana's COVID-19 Recovery for Saving Lives and Jobs

To save lives and address immediate health needs, IDA has provided US\$365⁴⁶ million under the COVID-19 Strategic Preparedness and Response Program, using the Multiphase Programmatic Approach (P173788). An additional US\$3.3 million grant under the World Bank Pandemic Emergency Financing Facility to UN agencies; and US\$67.5 million IDA through the Maternal and Child Health and Nutrition Project (P145792) and the Greater Accra Resilient and Integrated Development Project (P164330). The immediate response package supported emergency coordination, case detection and management, diagnosis, infection prevention and control, support to social and public health measures to prevent the spread of the virus and continuation of essential health and nutrition service delivery and expanding COVID-19 vaccination coverage. A further US\$60.6 million is being processed to support vaccine acquisition which targets 12.9 million people out of government's goal of 17.5 million. IFC invested in a health diagnostic center and in hospital upgrades and/or new construction. One of these targets low- and middle-income patients. IFC supported the Excellence in Design for Greater Efficiency (EDGE) Program certification of the Ghana Infectious Disease Center that was built in response to COVID-19.

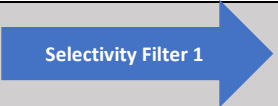







To protect the poor and the vulnerable, the Ghana Productive Safety Nets Project (P164603) increased availability of the national cash transfer program for existing and newly identified poor and vulnerable groups. To preserve human capital, the Ghana Accountability for Learning Outcomes Project (GALOP) and its Additional Financing have added activities for continued learning, recovery, and resilience in basic education while the ongoing Greater Accra Metropolitan Area Water and Sanitation Project (GAMA P119064) and its Additional Financing will enhance hygiene facilities and practices in vulnerable urban and rural areas.

To ensure sustainable business growth and job creation, the Jobs and Skills Project (P166996) is providing cash grants to on-the-job apprentices, entrepreneurs, and MSMEs. The Ghana Economic Transformation Project (P166539) and the Ghana Tourism Development Project (P164211) are providing short term SME grants and technical assistance (TA) to help firms recover from the crisis and to enhance their productivity and competitiveness. The Ghana Development Finance Project (P169742) will support economic recovery through a line of credit and partial credit guarantee targeting SME development. IFC prepared a rapid assessment of the impact of the COVID-19 on the private sector and invested in nine companies in healthcare, information and communication technology (ICT), financial services, retail and the manufacturing sectors. IFC also implemented six advisory projects in capital markets development, agri-business, textiles, and green buildings. An area of focus was financial institutions to which IFC provided trainings on business continuity and financial resilience so they could continue to support MSME's during the critical period. MIGA issued political risk insurance to First Rand Bank of South Africa which will support its subsidiary's continued lending operations in Ghana (along with 6 other countries) throughout the COVID-19 crisis.

57. The CPF draws lessons from the Completion and Learning Report (Annex 2) which concluded that the overall development outcome of the FY13-18 Country Partnership Strategy was moderately satisfactory. In addition, there has been steady progress in those IDA operations which remained open after the CPS period and some results will contribute to the next CPF outcomes (Annex 2 – CLR Attachment 2 table). The key lessons reflected in the strategy are: first, the CPF provides greater flexibility for midcourse correction in its choice of engagements by identifying areas with multi-sector interventions through consolidation of operations in similar sectors and simplifying the results matrix for better clarity of objectives. Second, the CPF will more directly consider the political economy context, institutional incentives and risks related to various reform areas in the context of the energy sector and future DPOs. Third, the CPF has enhanced its collaboration and identified areas where WB, IFC and MIGA could work together (as set out in Annex 9). Fourth, the CPF adopts approaches at the portfolio level to ensure engagements in specific sectors address financial viability issues for long-term program sustainability (e.g., energy, WASH, transport). Finally, the CPF will ensure a more structured approach to closing the gender gap which is critical for Ghana.

⁴⁶ The \$35 million Ghana - COVID-19 Emergency Preparedness and Response Project (P173788) was approved by the Board of Executive Directors on April 2, 2020, the first Additional Financing (P174839) of \$130 million was approved on November 10, 2020 and the second Additional Financing (P176485) in the amount of \$200 million was approved on June 10, 2021. A third additional finance of US\$60.6 million is expected to be approved in the third quarter of FY22.

Figure 7: CPF Selectivity and Alignment

 Selectivity Filter 1	CPF Focus Areas	CPF Objectives	 Selectivity Filter 2
Government Priorities (CPESDP & CARES)	WBG COVID -19 Response Framework 		Key Priorities (SCD & Other Analytics)
<ul style="list-style-type: none"> ▪ Business and regulatory reforms ▪ Financial Inclusion ▪ Sustainable and integrated infrastructure ▪ Modernize agriculture ▪ Build light manufacturing ▪ Development entrepreneurship skills 	 Focus Area 1: Enhancing Conditions for Private Sector Development and Quality Job Creation	<ol style="list-style-type: none"> 1.1 Improved conditions for enterprise development 1.2 Increased access to finance 1.3 Improved connectivity for access to productive opportunities 1.4 Enhanced operational efficiency in the energy sector 1.5 Strengthened market relevant skills for a productive workforce 	<ul style="list-style-type: none"> ▪ Improving regulatory environment ▪ Agriculture productivity and trade facilitation ▪ Leveraging financial sector and digital financial services ▪ Improving connectivity and urban mobility ▪ Spatial and sectoral transformation in ICT, manufacturing ▪ Skills development and digital skills
<ul style="list-style-type: none"> ▪ Inclusive and Equitable Access to all levels of education ▪ Equitable and quality Universal Health Coverage by 2030 ▪ Safe water, sanitation and hygiene and sustainable management of water 	 Focus Area 2: Improving Inclusive Service Delivery	<ol style="list-style-type: none"> 2.1 Improved access to quality education 2.2. Improved quality of primary health care 2.3. Improved delivery of basic services in underserved urban areas 	<ul style="list-style-type: none"> ▪ Addressing spatial inequalities in access to basic services and infrastructure ▪ Addressing disparities in human capital outcomes ▪ Managing urbanization for improved livability and productivity
<ul style="list-style-type: none"> ▪ Sustaining macroeconomic stability ▪ Safeguarding the natural environment and Climate Change Adaptation ▪ Affordable Social Protection System 	 Focus Area 3: Promoting Resilient & Sustainable Development	<ol style="list-style-type: none"> 3.1. Strengthened macroeconomic and fiscal management 3.2. Improved management of natural resources and climate change risks 3.3. Improved household and community preparedness to shocks 	<ul style="list-style-type: none"> ▪ Consistent fiscal policy ▪ Equitable domestic resource mobilization ▪ Improving energy SOE governance ▪ Strengthening natural resource management ▪ Mitigating the impact of climate change ▪ Strengthening social protection systems
<ul style="list-style-type: none"> ▪ Digital infrastructure ▪ E-government 	 Cross Cutting Area: Digital Transformation 	<ul style="list-style-type: none"> ▪ Access to mobile internet and broadband services ▪ Adoption of digital technologies 	
Selectivity Filter 3: WBG Comparative Advantage and Lessons Learned			

58. The CPF envisages some broad strategic and operational shifts in the WBG’s approach. At the strategic level, the CPF will seek to accelerate economic transformation with the creation of more quality jobs for youth through skills and entrepreneurial development, access to finance, investment climate reform and quality infrastructure. The CPF will more explicitly address spatial and other disparities to ensure more inclusivity in Ghana’s growth path including through direct investments in vulnerable communities and integrating underserved areas into the rest of the economy, strengthening national systems to provide basic services (i.e., health, education and social protection) as well as addressing urban

agglomeration and connectivity. Strengthening the Government's macroeconomic management will remain a strategic underpinning of the program, supported by a scaled-up policy dialogue with government. Two new areas of engagement will be pursued: leveraging digital technology to support improved access to services and increased efficiency and productivity; and engaging more directly to address climate risks and the government's NDC commitments, building on the recommendations of the forthcoming CCDR.

59. During the CPF implementation, efforts will be made to consolidate the World Bank portfolio and utilize a richer mix of instruments with the goal of fewer, larger, multisector projects. Consolidation will be facilitated through timely closing of operations, while building the multisectoral nature of the pipeline. Building on a successful track record, the World Bank will selectively pursue Additional Financing for key engagements in social protection, education, and secondary cities. In areas where there is strong government ownership and clearly defined strategies for implementation (i.e., PFM, health, digital and the energy sector), the Bank will intensify engagements and promote results-based financing instruments, such as IPFs with Disbursement Linked Indicators (DLIs) and PforRs. The Bank will explore opportunities in several new areas where multi sector engagements can deliver on complex problems at scale, under an integrated approach with increased private sector participation, for example: sustainable cities (which could encompass engagements in infrastructure, governance and service delivery); and youth employment (which could include training, placement, digital and other activities). DPOs have been an important instrument in Ghana to support strategic reforms, however, given current macroeconomic circumstances and debt sustainability concerns, no DPOs are currently planned.

60. The CPF will support the Government to implement necessary upstream reforms to leverage private sector financing and investment into key sectors likely to facilitate job creation and economic growth. In this regard, WB, IFC and MIGA will concentrate joint efforts in four priority areas, including: i) access to finance by strengthening financial sector stability, increasing access to long term finance for SMEs, improving financial inclusion for households and business and implementation of capital markets master plan and housing finance; ii) Improving the investment climate for the manufacturing sector including the regulatory framework for special economic zones and industrial parks, industrial policy and promotion; (iii) Supporting commercial agribusiness by identifying private sector investment needs and opportunities with innovative financing models particularly in the Cocoa value chain and (iv) creating public and private digital platforms for enabling digital services and private sector-led investments to expand the geographic coverage of broadband networks. (See Annex 9 for specific mapping of areas of collaboration.)

61. Further collaboration between IFC and MIGA will be explored as the CPF implementation evolves. As the World Bank's support to energy sector reforms take hold there may be potential for collaboration with IFC and MIGA in supporting private sector engagement in generation and distribution, particularly of renewable energy. The Bank and IFC are also working closely together to support Ghana's emerging PPP framework, following assistance provided to enact the PPP law in 2020. Support is being provided to operationalize key elements of the PPP Law and to support the Ghana Infrastructure Investment Fund (GIIF) to lay the foundation for an expanded role in financing infrastructure projects. The WBG will also review its own operational and advisory pipeline to identify opportunities for Private Capital Mobilization (PCM) in urban infrastructure and beyond.

62. The CPF is well aligned with anticipated IDA 20 special themes and cross cutting issues.

- **Human Capital:** The WBG will support the health response to COVID-19 as well as policies and

investments in strengthening Ghana’s human capital: a critical long-term investment to eliminate extreme poverty. Key priorities include, moving towards universal access to primary health care, quality of basic education and expanded social protection coverage in both rural and urban areas.

- **Jobs and Economic Transformation (JET):** The CPF will take a whole of WBG approach to supporting Ghana’s structural transformation by creating a sound investment environment, supporting enabling sectors to build productivity and fostering connectivity to markets. The WBG will support programs that directly and indirectly address the supply and demand side of job creation particularly for youth and women. The World Bank’s efforts to support reform programs will be complemented by IFC’s and MIGA’s support for firm level technical assistance, investment de-risking and mobilization of private capital. WBG engagement will be informed by analytical work in competitiveness, skills, human development, and economic management (Figure 8).
- **Gender and Inclusion:** An ongoing Programmatic ASA on Gender, GBV, and Social Inclusion will help develop a Country Gender Action Plan to support teams in addressing key gender gaps in line with the WBG Gender strategy (FY16-23). The ASA, which serves as a technical support and coordination platform, will strengthen GBV risk management in operations, conduct a GBV services mapping for Ghana, and support the implementation of WBG guidance on gender equality across World Bank operations. The ASA will also strengthen social inclusion in the portfolio by improving inclusion of vulnerable and marginalized communities (e.g., persons with disability, sexual and gender minorities) in WB financed operations. The platform will monitor Citizen Engagement commitments, improve the quality of tools used in projects, and build capacity of clients. (Annex 10 and 11.)
- **Climate Change.** The CPF will address climate change through interventions that support low-carbon and resilient development, in climate smart agriculture, natural resource and disaster risk management, sustainable cities, energy and transport. Current programming has been informed by a recent CEA, analytical work on climate smart agriculture and engagement with the government on its NDCs, among other things (Annex 12). A forthcoming WBG CCDR (Box 8) will guide dialogue with Government on how the WBG can further support the climate change agenda.
- **Cross Cutting Issues (Debt, Technology and Governance).** The IDA20 theme of Debt has particular resonance for Ghana given it remains at high risk of debt distress and will be a focus of the Bank’s macroeconomic engagement. Similarly, the CPF seeks to promote the use of digital technology across the WBG program, through standalone operations, an ongoing Programmatic ASA (PASA) to support greater integration of digital solutions within various programs. The WBG will support selected governance reforms to address institutional bottlenecks and improve transparency and efficiency in service delivery through focused policy reforms, stand-alone governance investments and sector interventions in key areas such as health, energy, and agriculture. Enhancing performance monitoring and citizen engagement practices will be built into all new operations, leveraging digital technology. Institutional strengthening and capacity building will remain integral to all WB projects. (Annex 13).

Box. 8 Ghana’s Forthcoming Climate Change Development Report (CCDR)
The CCDR will take stock of challenges and opportunities from climate change and explore how Ghana can navigate climate change to meet its development objectives, by promoting a Greener, more Resilient and Inclusive Development (GRID) pathway in line with the WBG Climate Change Action Plan (2021). The analysis will: explore how climate change will impact upon Ghana’s medium term development goals; review Ghana’s climate-related commitments, policies and capacities; assess macroeconomic and financial implications and policies for climate change; and review specific sectoral policies, investments, and institutional arrangements to encourage climate sensitive development through public and private sector interventions. Sectoral deep dives are expected in: (i) energy, (ii) agriculture, food systems, water, forestry and land, (iii) urban management and transport, (iv) technology and industrialization, (v) social and behavioral change, and (vi) the financial sector/green financing. A sustained policy dialogue will identify how the WBG program should adapt to support the CCDR’s recommendations. Potential changes to the CPF Strategy, as a result of the CCDR, will be addressed during the PLR.

Regional Integration

63. Ghana has a critical role to play in the broader regional environment and stands to benefit from regional IDA resources. Ghana aspires to be a regional commercial and financial hub and a gateway into Africa in the post-COVID world. Its hosting of the AfCFTA Secretariat could position Ghana at the center of African economic affairs, becoming a business gateway for investors and traders interested in the promising African continental market. The WBG is supporting Ghana through regional and national activities including: (i) implementation of the AfCFTA; (ii) improving essential business and regulatory environment reforms; (iii) developing key connectivity infrastructure and strengthening policy and institutional (trade facilitation) arrangements; (iv) deepening of the financial sector; and (v) enhancing higher level skills. In addition, Ghana can take an active role in driving greater digital and energy integration, engaging in regional value chains, managing critical regional eco systems and supporting regional security. A number of these areas will be explored utilizing regional operations where appropriate in collaboration with IFC, and as reflected in the relevant Focus Areas.

C. CPF Focus Areas and Objectives

64. The CPF follows the GRID approach by maintaining a line of sight to long-run goals of greener, resilient and inclusive development. The GRID approach is particularly relevant for Ghana given the severe impacts of climate change and natural resource degradation it faces and the likely impacts of the economic volatility, health and climate shocks on productivity, human capital and economic mobility. The CPF will promote green growth through investing in solutions that sustain natural capital and do not undermine future growth including food and land use systems, sustainable transport and urban infrastructure and - over time - energy transition. To safeguard development, the CPF will support Ghana in building resilience in its physical and economic infrastructure, its fiscal framework as well as its human capital to better handle a variety of shocks – economic, social, climate, or health-related. To pursue inclusive growth, the CPF will invest in human capital, inclusive service delivery, job creation, social protection and pursue the inclusion of women and marginalized groups.

65. The CPF will have a strong emphasis on inclusion. Northern and rural areas, women, youth, and persons with disabilities face various types of exclusion requiring differentiated interventions. The CPF will particularly focus on addressing youth economic inclusion to address high levels of unemployment among this demographic and the risks this can create. The WBG will address gender inclusion through promoting women’s economic participation and increasing access to endowments. Opportunities to address economic participation will be targeted in agriculture, SMEs, access to finance, tourism, and employment programs as well as addressing gaps in access to health, water and education services. The CPF will address spatial inclusion through efforts to improve: (i) mobility and connectivity (transport and digital), (ii) living conditions in marginalized urban areas; (iii) conflict prevention in highly vulnerable areas; (iv) complemented with interventions embedded in broader service delivery engagements (education, health and WASH). To better understand and address spatial inclusion across the CPF period, a vulnerability assessment will be undertaken to map the presence of services and roads in lagging areas, understand access to markets and value chains, identify endogenous and exogenous shocks and identify how the WBG programs can better address shortfalls in these areas in collaboration with others. Annex 11 provide further details.

66. The CPF is structured around three interrelated focus areas and a cross cutting theme of Digital Transformation. The focus areas are: (i) enhancing conditions for private sector development and quality job creation; (ii) improving inclusive service delivery, and (iii) promoting resilient and sustainable

development. A robust macroeconomic dialogue will be an underlying prerequisite for achievement of CPF outcomes. The three areas of focus and cross cutting theme strongly complement each other to support Ghana’s short-term COVID-19 recovery and the government’s long-term ambition to achieve transformational development for all Ghanaians.

Focus Area 1: Enhancing Conditions for Private Sector Development and Quality Job Creation

67. Ghana faces an acute jobs challenge; responding to this challenge is now more pressing than ever and will require more and better job opportunities for lower and mid-skill workers. More than 70 percent of jobs are in the informal sector in Ghana, while over 65 percent of formal jobs are categorized as “vulnerable employment.”⁴⁷ The Ghana CARES program sets out the need to create 140,000⁴⁸ new formal sector jobs per year to reap the benefits of its demographic dividend. This Focus Area will support the Government to create a more conducive and competitive environment for the private sector to flourish and play a greater role in job creation particularly for youth (Fig. 8). The WBG activities will focus on supporting entrepreneurship, removing barriers to SME development, addressing key infrastructure gaps and improving skills for productive opportunities. Across these areas, the WBG will aim to strengthen women’s economic empowerment and digital transformation for connectivity and productivity.

Figure 8: World Bank Group Support for Job Creation



Objective 1.1: Improved Conditions for Enterprise Development

68. To stimulate diversified private sector growth and create better jobs, the WBG will focus on supporting a competitive environment for enterprise development. The CPF program will focus on: (i) improving investment climate and regulatory reforms; (ii) promoting spatial and industrial development; (iii) accelerating SME entrepreneurship and competitiveness; and (iv) modernizing agriculture and enhancing domestic sector integration with global value chains. The World Bank and IFC will work together on the enabling environment for the development of manufacturing and tourism in areas with strong prospects for job creation. Through advisory work, they will jointly support Special Economic Zones (SEZs) and Industrial Parks as well as reforms to improve business regulation and investment climate. The Bank will focus on supporting the legal and regulatory framework for SEZs, adequate spatial development,

⁴⁷ Statistics from Ghana’s 2015 Labor Force Survey (GLFS) (Ghana Statistical Service, 2015).

⁴⁸ Ghana CARES program targets 420,000 formal sector employment between 2021-2023 of which 85% of them is expected to be in the private sector.

investment policy and promotion. IFC will work closely with the Bank to leverage public initiatives to mobilize private resources and undertake a possible financing of companies operating in industry, with a focus on sustainable and green practices. Early-stage financing and technical assistance will be provided to MSMEs (particularly women owned enterprises) in non-resource sectors (e.g., ICT, tourism, agribusiness and education as identified by the CPSD) to improve sales and productivity. The World Bank's engagements will address some of the constraints to women's entrepreneurship including skills gaps (management and socio-emotional), confidence and risk preferences, access to networks and information, access to finance, and time constraints (especially relating to maternal responsibilities). These activities will complement Government's new *YouStart* initiative announced in the 2022 budget to support youth in developing commercially viable businesses, gaining access to capital, training, technical skills and mentoring to enable them to launch and operate their own businesses.

69. Exploiting regional value chains in agriculture provides an opportunity for Ghana to enhance diversification and is a source of economic opportunity for youth in rural areas. The WBG is working closely with the Government to identify potential value chains for expansion, including in the cocoa sector, and more widely on the intraregional food system value chain development and trade facilitation. In this regard, IFC will mobilize technical assistance and private sector financing for the development of competitive value chains (e.g., agribusiness, light manufacturing, textile, building materials, construction, downstream oil and gas and others). More specifically, the WBG will support development of the cocoa sector, in line with the second Ghana Cocoa Sector Development Strategy (2017-2027) leveraging collaborative efforts with the Government of Côte d'Ivoire to improve sector governance at national and local levels; enhance smallholder productivity and diversification; strengthen the national system for prevention of child labor; and ensuring women's participation in all aspects of the sector. To complement these efforts, IFC will explore options for rehabilitation and replanting of cocoa trees, supporting commercial production in the cereal, horticulture and forestry sub-sectors, and leveraging financial institutions to provide agri-finance and digital financial solutions in rural areas. During FY22, the Government and WBG will take stock of lessons learned from previous agriculture engagements, along with an assessment of opportunities for potential future support in the sector.

70. Future engagements in private sector development will be informed by analytical work and policy dialogue. A CEM has identified priorities for fostering broad-based growth, higher productivity, and improved jobs outcomes; a Trade Competitiveness Diagnostic will identify opportunities for export diversification, integration into GVCs, and an assessment of the potential impact and opportunities of the AfCFTA; and a programmatic ASA on Jobs and Economic Transformation in the post-COVID environment will inform dialogue on future private investment, spatial and industrial development. IFC's feasibility studies identified agriculture value chains particularly in horticulture, cereal, forestry and cocoa as potential for future private sector engagement.

Objective 1.2: Increased access to finance

71. Access to finance for business and households in a major impediment to their ability to seize growth and productive opportunities. Ghana's level of financial intermediation is low, and most enterprises identify limited access to finance as a major constraint for their growth, particularly for SMEs. The World Bank and IFC have defined a comprehensive approach to support better access to finance with joint and complementary work across four pillars of the ecosystem: (i) financial stability and resilience; (ii) SME and long-term finance; (iii) financial inclusion; and (iv) capital market and housing finance. To strengthen financial sector stability the WB will support strengthening regulatory framework for SDIs and the introduction of electronic applications for consumer protection and market conducted supervision

contributing the financial soundness of the Participating Financial Institutions (PFIs). This will be deepened by IFC's advisory and technical assistance in credit infrastructure and the insolvency framework through strengthening credit reporting and secured transactions, enhancing contract enforcement, and modernizing the regulatory framework for corporate insolvency.

72. To improve financial inclusion, the WBG will support the implementation of the National Financial Inclusion and Development Strategy (NFIDS) 2017-2023⁴⁹ which seeks to increase access to financial services to 85 percent by 2023. The WBG will support the GoG and the private sector to strengthen Ghana's Digital Financial Services (DFS) platform, by strengthening market-level infrastructure (e.g., payments systems, national identity), providing capacity building to DFS providers, and improving regulatory oversight. The WB's investment will support rural and community banks to introduce digital financial services while IFC will provide technical support to partners in the emerging DFS ecosystem. The World Bank and IFC will work together to support housing finance solutions, including jointly conducting a feasibility assessment for the development of a mortgage refinancing facility. In parallel, the World Bank will implement the capital market master plan to help build market capacity and develop the regulatory framework for housing finance. IFC will assess housing financing solutions and explore options to leverage bonds and the pension market to deepen the capital market.

73. The WBG will support access to long-term finance which is important for all firms but more so for MSMEs. With support from the World Bank and other donors, the Government is establishing a new Development Bank of Ghana (DBG) to address market failures in local financial markets and unlock capital for medium- and long-term private investment in agribusiness, manufacturing, and high-value services with a portion of financing reserved for women-led MSMEs, small corporates and low-carbon investments. IFC will support the design of a commercially viable and sustainable model for a credit guarantee scheme and will continue to provide lines of credit to banks to support MSMEs. MIGA's recent political risk insurance issuances to two South African banks, one of which was issued via MIGA's COVID-19 Fast-Track Facility, will support lending operations and access to finance in Ghana, and regional integration in SSA.

Objective 1.3 Enhanced Operational Efficiency in the Energy Sector

74. Despite having one of the highest electricity access rates in SSA, expensive and unreliable supply remains a barrier to Ghana's private sector competitiveness and impacts inclusion in lagging areas⁵⁰. The World Bank will build upon a long engagement in the sector to support improved financial viability and performance of the distribution utilities. The Bank is supporting improvements to the outage management system which is expected to reduce power outages. Building on this engagement, the CPF could use results-based instruments to support stabilization of sector arrears, reducing power generation costs and electricity losses, increased revenue collection⁵¹ and improved governance of the Electricity Company of Ghana (ECG). Technical assistance will be mobilized to review options for private sector engagement in the distribution sector, to procure utility scale renewable energies at least cost and to set up a path towards decarbonization of the energy sector. While the CPF does not plan to directly invest in renewable energy, by taking ambitious steps to restore and improve the viability of the sector, the WBG

⁴⁹ NFIDS seeks to increase the percentage of Ghanaian adults with access to financial services from 58 percent in 2015 to 85 percent in 2023, focusing on rural areas, women, and the poor.

⁵⁰ The high cost of electricity for commercial and industrial users (above 0.20USc/kWh) increases production costs and reduces competitiveness relative to other countries in the region. The poor financial position of the sector has also created a fiscal burden costing the country 1-2 percent of GDP per year. While there have been substantial private sector investments in the power sector, this was poorly coordinated and resulted in excess capacity. Going forward, attracting further private sector investment will require enhanced governance of the sector.

⁵¹ ECG and NEDCO

engagement will support the enabling environment to diversify the electricity mix and scale-up renewable energy, improving energy efficiency, and expanding access including to clean cooking. The scope for more directly addressing these issues will be revisited during the PLR. Ghana is also a key stakeholder of the WAPP and a net exporter of power in the ECOWAS region. The World Bank is supporting Ghana and WAPP in power transmission and interconnection infrastructure. This objective fits within the MIGA Climate strategy and aligns with MIGA's strengths in partnering with renewable energy investors in Africa.

Objective 1.4: Improved Connectivity for Access to Productive Opportunities

75. Investment in critical infrastructure is necessary for rural and urban industrial connectivity, integration into Global Value Chains (GVCs) and increasing firm and farm productivity. The WBG will support institutional reforms and investments in physical connectivity for economic transformation to improve spatial inclusion in rural areas and to boost competitiveness and efficiency in urban areas. Support will be provided to improve feeder and trunk roads in rural northern areas with high poverty, strengthening connectivity with selected secondary cities⁵² and a critical border post. This will help connect people and businesses in the rural Northern areas with enhanced economic opportunities. Institutional and policy dialogue will address transport sector management, including identifying reforms necessary for viable investments and potential PPPs across transport subsectors. Analytical work on Inclusive and Resilient Urban Mobility will inform the design of investments in urban areas, including potentially rapid transit systems, in collaboration with IFC. Attention will be paid to designing transport systems that are inclusive and accessible for vulnerable populations such as women and the disabled. Private capital mobilization is critical for such investments and will require stronger efforts to build investor confidence which has been subdued⁵³.

76. Based on its key digital foundational blocks, Ghana is accelerating Digital Transformation to harness opportunities of the advanced transformative Digital Economy (Box 9). The WBG will build on a decade of support in the digital sector, to help close the remaining infrastructure gap and build a robust digital ecosystem for the country to fully maximize opportunities through digital transformation. Building off the 2019 World Bank Ghana Digital Economy for Africa Report, and Government's Integrated Digital Transformation Blueprint 2021-30, the WBG's lending and analytical work will support the digital business and innovation eco-system by focusing on missing links (such as acceleration and financial support for digital entrepreneurs, intermediate to advanced digital skills to enhance employability in digital economy). The program will support digital transformation of selected productive sectors (Agriculture, ICT) with high potential for productivity gains, economic growth and employment. In parallel, support will be provided for: (i) strengthening the enabling environment for private sector investment in infrastructure deployment and enhancing access to digital services in underserved rural and marginalized areas, (ii) digitizing of government operations to allow for continuity of service in times of emergencies, (iii) energy-efficient/disaster responsive/climate resilient IT infrastructure. IFC will explore the financing of data centers and cloud services and the development of digital infrastructure (e.g., fiber consolidation and technology for DFS). Analytical work on digital inclusion will identify barriers and proposed solutions for digital access and use by the bottom 40 percent with a focus on women and people with disability.

⁵² Tamale, Yendi, Zubzugu

⁵³ The World Economic Forum Competitiveness 2019 Index indicates that public sector performance when it comes to the burden of government regulation and efficiency of legal framework in settling disputes has decreased since 2017. The EIU risk tracker points to challenges regarding transparency when it come to the procurement of large-scale government contracts, which combines with risks stemming from the energy sector structural challenges, influence investors' perception of risk.

Box 9: Ghana's Aspirations towards Digital Transformation

Ghana has made considerable progress in laying the foundation for a strong digital economy that will accelerate growth and create jobs for the youth. A competitive broadband market improved domestic and international broadband connectivity, and private sector investment participation in digital infrastructure have been instrumental in driving down the cost of the internet and expanding access to high-speed broadband across the country particularly in the Greater Accra region. Ghana's mobile service penetration rates, mobile broadband subscriptions, and internet use exceed 140, 104, and 57 per 100 people, respectively. Migration toward 4G LTE in 2016 and high broadband penetration created a platform for new value-added mobile services, such as mobile money and e-commerce. Internet uptake is increasing via mobile broadband networks, and subscriptions for fixed broadband service stood only at 1.1 percent in 2019. However, most of the infrastructure is concentrated in urban and commercial areas, with large sections of the rural population without adequate coverage.

Penetration of telecom services would further benefit from strong enforcement of competition rules to promote organic competition as market dominance stifle competition and prevent strengthening of smaller players. Ghana benefits from relatively good international connectivity with five active submarine cables connecting to Africa and Europe, yet with limited national coverage outside of main cities. Further extension of fixed broadband is expected through MTV and Vodafone investments as well as Csquared metropolitan fiber rollout.

The Ghanaian entrepreneurship ecosystem is attracting significant foreign investments and home to several successful startups and innovation hubs. The country has attracted regional branch/hubs of global tech companies (e.g., Google, IBM, Oracle, Cisco, etc.) Ghana's modest cloud market (US\$ 95 million) has strong growth potential stemming from growing demand from its over 2,500 mid-size to large corporates and strong momentum with the opening of Google's first Africa-based Artificial Intelligence research center in Accra in 2019 and Twitter's expansion to Ghana announced in 2021. Yet, market growth is hindered by infrastructure shortcomings such as power reliability.

Ghana is moving ahead in digital financial services with one of Africa's highest rates of mobile money usage. The mobile money payment system launched in 2018 set a foundation for an integrated and interoperable electronic payment environment. The country has a significantly larger number of mobile money access points per person compared to any of its regional peers. Nevertheless, an entrenched cash culture and overall low financial literacy remain a barrier to reach a critical mass of users.

Ghana's private digital platforms are transforming the provision of services particularly in retail, transport and accommodation sectors. Ghana ranks third in Africa in private digital platforms, after Nigeria and South Africa. Microwork platforms are becoming a source of jobs while digital commerce is ramping up. The government is supporting increased online presence of Ghanaian products and services but further coordination and streamlining of programs and enhanced platform diffusion would unlock additional opportunities.

The Government continues to invest in public sector digital platforms to improve governance and delivery of public services, including a digital address system, e-procurement, e-immigration, e-parliament and e-justice. The roll out of the digital identification program (the Ghana Card) could be critical to citizens' access to services including through online platforms. However, lack of trust and awareness regarding government services still persist among citizens.

As part of 'Ghana Beyond Aid', the Government developed an Integrated Digital Transformation Blueprint 2021-30, which provides a framework to expand and harmonize digitalization efforts across all sectors of the economy. Based on the strategy, the government developed a program proposal (known as the "Compact") that builds on the digital transformation pillar of the Ghana CARES program to support rapid digitalization of public services. Implementation will require a coordinated and high-level cross-boundary approach for an inclusive digital economy, with high-impact productive applications for health, education, e-commerce, agriculture, and social service delivery, among others, while mitigating risks of exclusion, fraud and cyber risks. To gain citizens' trust and increase the use of e-services, the GoG needs to strengthen data protection policies, protect personal data, enhance data security, and facilitate user experience in delivering e-services.

Objective 1.5: Strengthened market relevant skills for a productive workforce

77. As the economy diversifies through the growth of emerging sectors such as manufacturing, services and ICT, the supply of skills will need to evolve to ensure that the country's young labor force benefits from job creation. Improving relevant skills in key productive sectors that provide better income and more secure employment will also improve rural income opportunities for youth, women, and the vulnerable communities. The Government's *YouStart* program emphasizes the importance of a combination of inputs to support youth in launching new businesses, including appropriate training and

mentorship. The WBG will support the development of market-related skills to improve productivity and access to jobs through: (i) entrepreneurship and business development training grants to SMEs and startups; (ii) on-the-job apprenticeships for self-employment or wage employment opportunities; and (iii) labor market information services to employers, job seekers and entrepreneurs. These activities will be informed by an analysis of socio-economic barriers for women and youth in high skill sectors along with a communications campaign to address underlying social norms that prevent women and youth from meaningful engagement in these sectors.

78. Since many individuals and households rely on informal rural activities, the World Bank will support skills that enhance income opportunities, particularly for women, youth and the marginalized. World Bank operations will support skills opportunities across a range of areas including start-up grants to poor households to set up microenterprises to diversify income or improve the productivity of their enterprises; and providing productive skills for off-farm employment to reduce dependency on cocoa revenues. A combination of these activities across the portfolio is expected to enhance skills and employability, connect workers to productive opportunities and boost labor market participation, especially of women.

79. Finally, the WBG will explore new opportunities to support the government's ambitions for developing a skilled and productive youth workforce for the future. As an entry point, the WBG will undertake a multi-sectoral analysis on Youth Employment and Skills⁵⁴ exploring innovative approaches from other parts of the world, including partnerships between the public and the private sectors, to address skills development for increased employability. This will form the basis for designing future operational engagements. IFC is providing complementary advisory services to improve the links between tertiary education institutions⁵⁵ to labor market needs and plans to continue to provide financing to support education facilities. The WBG will support government's Digital Literacy and Skills Development Program across sectors (e.g., precision agriculture, digital marketing, health informatics, data science, and emerging technologies) while improving access to, and quality of STEM and digital capabilities in Ghana's higher-level institutes.

Focus Area 2: Improving Inclusive Service Delivery

80. Ensuring inclusive growth in Ghana requires attention to addressing inequities and shortfalls in the delivery of critical services that impact human capital, labor productivity and inclusion. The CPF program will address spatial and other disparities in service delivery that were identified in the SCD, while supporting the government's response to COVID-19. The WBG activities under this focus area will support greater inclusion for women, youth and the vulnerable by enhancing access to - and quality of - education in lagging regions, supporting the government's UHC agenda with a focus on under-served populations in urban and rural areas, and improving access to basic urban services critical for human capital development and productivity. These activities are expected to contribute to better learning and health outcomes for the bottom 40 percent of the population and improved living conditions among vulnerable populations.

Objective 2.1: Improved equitable access to quality education

81. The World Bank's ongoing engagement⁵⁶ in basic education is being scaled up to improve learning outcomes in underserved rural and urban areas. Quality of learning will be addressed in

⁵⁴ Skills for the Future ASA (P176978)

⁵⁵ TVET, colleges and Universities.

⁵⁶ Ghana Accountable Learning Outcomes Project (GALOP)

10,000⁵⁷ under-performing schools by strengthening system efficiency, improving in-service teaching practices, decentralized school-based support, and instructional leadership. The program will support improved access for marginalized and out of school children, with a strong disability focus and will use technology to address learning losses associated with COVID-19 containment measures. Digital infrastructure and internet access to senior high schools will complement this effort. A Human Capital Public Expenditure Review (HC PER) will identify policy options for more efficient use of public spending in education (along with health and social protection) and improved targeting of population segments (e.g., women, youth, and people with disability). As part of the CPF's focus on inclusion, analysis on disability inclusive learning⁵⁸ will help address school inequities in access. Over the course of the CPF, the World Bank will explore the potential to deepen its engagement in basic education through extending interventions to additional schools, or out-of-school children, and addressing remaining gaps in quality.

82. The WBG will also support the government to address structural and institutional constraints to improve quality and relevance in post-basic education (secondary, TVET and tertiary levels) through policy dialogue and ASA. This reflects a strategic shift in the WBG's engagement in the education and learning sector. A Youth Employment and Skills ASA will provide policy recommendations for productive labor market transition and human capital development, including systematic reforms in TVET and tertiary education as outlined under objective 1.5. To complement this effort, IFC will seek to leverage the private sector to improve the quality of technical and tertiary education and student housing across multiple sites.

Objective 2.2: Improved quality of primary health care

83. The WBG will continue supporting the Government's COVID-19 response and longer-term health systems strengthening for public health emergency preparedness and response. The Ghana COVID-19 Emergency Preparedness and Response Project will support the government's health sector response to COVID-19, including the government's vaccination effort across the first two years of the CPF. As Ghana continues to face the challenges of COVID-19, lessons from this and other epidemics (e.g., the Ebola outbreak in West Africa, measles, and polio) will be reviewed through a *Pandemic Preparedness Assessment ASA for Ghana, Liberia and Sierra Leone*, addressing the country's preparedness and response capacity and identifying investments to strengthen emergency response and continuity of service delivery for the future.

84. More broadly the WBG will support Government's Roadmap to UHC, through improvements in quality, equity, and utilization of PHC services. Building on a prior engagement in community health and nutrition, a results-based program⁵⁹ will support reforms to management, delivery, and quality of PHC networks and services to increase access among underserved populations in rural and urban areas. Support to the NHIS will strengthen financing for PHC services while enhancing financial protection for the poor. These engagements will be supported through several analytical and advisory activities including, a Sustainable Financing for Primary Health Care ASA,⁶⁰ the Human Capital PER and the Programmatic ASA on Gender, GBV, and Social inclusion which will map GBV services through the standardized methodology implemented in the Africa region.

85. IFC will explore opportunities to support private sector investment in the health sector. With adequate reforms to level the playing field for private health insurance, to ease access to pharmaceuticals and trained professionals, and to develop PPPs and social franchising, IFC could continue to support the

⁵⁷ Out of 25,000 basic school nationwide.

⁵⁸ Inclusive Education Initiative Multi Donor Trust Fund"

⁵⁹ A Health for Human Capital PforR operation (P173168)

⁶⁰ P173966

health sector through financing private health facilities in diagnostics, hospital and clinic networks, pharmaceutical manufacturing and retail, and digital health, following prior investments in FY20 and FY21.

Objective 2.3: Increased availability of basic services in underserved urban areas

86. As Ghana urbanizes, it will be important to manage this process to support spatial transformation, service delivery and job creation. The WBG will support the government to strengthen basic service delivery, urban management and governance for improved productivity and livability of cities. This is also important to begin to transform Ghana's cities from focusing on low efficiency, non-tradeable services⁶¹ towards enabling higher value industrial development and robust rural-urban linkages. To improve living conditions in low-income urban communities, the World Bank⁶² will support investments to improve water supply and sanitation, hygiene facilities in vulnerable urban areas⁶³; solid waste management, access to clean cooking, construction or rehabilitation of drains, greening in selected urban areas and other community infrastructure⁶⁴ including through Labor Intensive Public Works (LIPW) programs. Special attention will be given to designated girls' toilet facilities in schools as part of hygiene education. Strengthening the capacity of municipal and local governments in secondary cities will focus on urban planning and service delivery.

87. Going forward, the World Bank will seek to translate this engagement into a more integrated and programmatic approach to urban management. This will be supported by an ongoing Land Sector ASA as well as a planned *Sustainable Cities* ASA that will explore: spatial/territorial approaches to urbanization, including economic corridors (e.g., Accra/Tema-Kumasi- Tamale- Bolgatanga); approaches to scale up municipal governance, finance and decentralization; including upstream work to mobilize private capital and PPPs for urban service delivery in collaboration with IFC and MIGA. Potentially the development of a program on Green, Productive, Inclusive and Resilient Cities could be supported by multiple donors and the private sector. IFC will work with the World Bank on potential private sector financing for investments in urban transport, affordable housing, and utility management. The need for a specific CPF objective focused on sustainable cities will be reviewed at PLR stage. The WBG is also exploring options for affordable housing through an integrated approach combining financing solutions, expansion and upgrade of access infrastructure, land management, provision of services, and upgrade of the regulatory and policy environment.

88. While the focus will be on leveraging the World Bank's ongoing urban engagement, the WBG will remain engaged on important rural service delivery issues through analytical work. The World Bank is providing technical assistance to develop a consolidated National WASH program for the country. The program will address the sector infrastructure, governance, and sustainability needs, to achieve efficient use and protection of water resources. This will also guide a potential strategic shift towards a results-based integrated programmatic engagement in the future and strengthen the GoG ownership of a consolidated long-term, multi partner sector program to WASH. In addition, the Bank will undertake analytics to better understand the shortfalls and possibilities of addressing service delivery gaps in lagging areas which may be addressed at the time of the PLR.

⁶¹ Jedwab, R. (2013). Urbanization without structural transformation: Evidence from consumption cities in Africa. *George Washington University, Washington, DC. Processed.*

⁶² Greater Accra Resilient and Integrated Development Project (GARID) and Secondary Cities Support Project

⁶³ The Greater Accra Metropolitan Area Sanitation and Water project is supporting hygiene facilities among vulnerable urban areas in the wake of COVID-19 including separate girls toilet facilities in schools as well as hygiene education.

⁶⁴ This includes feeder roads, small earth dams and dugouts, soil and land conservations.

Focus Area 3: Promoting Resilient and Sustainable Development

89. Building resilience to economic, climate and natural disasters, health and other shocks will be critical to sustain a robust recovery and to build back better for a sustainable and inclusive future.

Ghana also needs to urgently reverse the unsustainable extraction of natural resources and limit negative impacts of climate change. This focus area will address Ghana's vulnerabilities and support the goal of a resilient recovery through: (i) building macroeconomic stability and resilience to shocks; (ii) strengthening management of natural resources while enhancing the country's resilience to climate change; and (iii) building the resilience of households and communities to shocks, including loss of income, health crises, natural disasters, and external stresses.

Objective 3.1: Strengthened Macroeconomic and Fiscal Management

90. Addressing the largest structural sources of fiscal vulnerability and restoring a sustainable fiscal framework will be critical for safeguarding Ghana's future macroeconomic stability and economic transformation. This would entail significant reforms in the areas of domestic revenue mobilization, expenditure efficiency, better management of SOE liabilities, and optimal debt management. The reforms under this objective are complex, requiring a commitment to implement institutional changes within government.

91. The WBG will provide in depth analytical work, high level policy dialogue and technical assistance to identify and analyze solutions to support macro-fiscal management with effective advocacy and outreach to relevant stakeholders. Key analytical reports such as the recent CEM proposes reforms to reduce macroeconomic volatility and support domestic revenue mobilization, while forthcoming PERs will look at opportunities to improve efficiency and effectiveness of spending. The Bank will leverage the ongoing Debt and Risk Management ASA and Ghana's participation in the Sustainable Development Finance Policy (SDFP) and adherence to agreed Policy and Performance Actions (PPAs) to address debt management, build a better risk management framework, and enhance cash management capacity. The World Bank's support to address the financial viability of the energy sector through implementation of the ESRP will be critical to address the financial liabilities of the sector, underpin fiscal consolidation and free up resources for public investment. While the macroeconomic framework is not currently adequate for a DPO series, if the Government demonstrates its commitment to substantive reforms in the macroeconomic and energy spheres, these could be reconsidered.

92. A consolidated program of support, including results based financing, and mainstreamed sector measures, will underpin key governance reforms of importance to macroeconomic and fiscal outcomes.

Building on prior engagements in public financial and economic management, the World Bank through a results-based engagement (PforR) will consolidate and deepen its support to the PFM and DRM agenda to improve resource mobilization, budget execution and accountability measures that improve the country's overall fiscal sustainability. Deepening PFM reforms will help to improve the credibility of the medium-term expenditure framework (MTEF) and increase the predictability and control of budget execution. Reforms will include: (i) Improving fiscal performance and sustainability through deepening PFM reforms for budget credibility and execution; (ii) Building robust, transparent and accountable public management systems through modernized management of human and financial resources (e.g. PFM, HRM, procurement); (iii) Accelerating fiscal decentralization to enhance performance of the municipal and local governments; and (iv) Strengthening capacity of Public Accountability Institutions in audit and oversight functions.

Objective 3.2: Improved Management of Natural Resources and Climate Change Risks

93. The WBG will support integrated and cross-sectoral approaches for productive and protective management of natural resources. Prior WBG engagements in Ghana have demonstrated that integrated approaches to addressing land use, water, and soil fertility together, can build resilience in human, physical and natural capital to cope with and recover from external shocks, natural disasters, and future climate change impacts. The proposed portfolio of investment and advisory support will target landscape restoration (including regularization of small-scale mining), biodiversity conservation, reducing deforestation, coastal management, food security and resilience, and environmental pollution. Improving the resilience and sustainability of local and regional food systems through better information, investments to improve the natural capital base, and regional value chains will enhance the food security of vulnerable households. Technical and advisory support for updating the National Biodiversity Strategy and Action Plan, institutionalization of natural capital accounting, and biodiversity monitoring will help integration of environmental and sustainability considerations in natural resource management relevant planning and implementation.

94. The World Bank will support Ghana in addressing climate change by investing in agriculture, forestry, land degradation, energy and waste management. Participation in REDD+ is helping set up systems for monitoring changes in land use and accounting of emissions with lessons that will inform Ghana's engagement in other sectors and for leveraging climate finance⁶⁵. The Climate Smart Agriculture Investment Plan, supported by the World Bank, sets out recommendations to address climate change actions related to food security and cocoa production. In the energy sector, the WB will support activities that contribute to mitigating the impact of climate change, including: reforms that reduce electricity losses of the main utility thereby reducing CO2 emissions; improving the financial situation of the power utility to underpin private sector investment in renewable energies; and improving the enabling conditions for a green energy transition of the power sector. The WB will also engage with GoG to promote LPG for clean cooking reducing the use of charcoal and deforestation. The Government is investing in adaptation in flood and solid waste management in the Greater Accra Odaw River region, with funding from the World Bank. IFC will provide advisory services and potential financing for the agriculture and forestry sectors for improved practices in replanting and rehabilitation.

Box 10: Government's Commitment to Addressing Climate Change

The Government of Ghana has developed a strong policy framework for addressing climate change and transitioning to climate-resilient development. In 2013, the Government approved its first comprehensive National Climate Change Policy (NCCP) to provide strategic direction and a clearly defined pathway for dealing with three objectives: (1) effective adaptation, (2) social development, and (3) mitigation. The NCCP is further complemented by the NCCP Action Program for Implementation which includes the details of initiatives and programs to achieve the objectives within each policy focus area. Ghana submitted its Nationally Determined Contributions (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in September 2015 as a signal of its commitment to mainstream climate resilience in its development agenda. The targets include an unconditional 15-percent reduction of its GHG emissions, with an additional 30-percent reduction conditional on external financial and technical support. In 2016, Ghana put forward thirty-one priority adaptation and mitigation actions in the (NDC) to the UNFCCC in response to the Lima call for action. The NDC is also aligned with priority areas in the National Climate Change Policy (NCCP). To support mitigation, energy, transport, agriculture, forestry and other land uses (AFOLU), waste management and industry are given priorities. To support adaptation, the government is implementing a range of actions focused on agriculture, forestry, water, infrastructure, health, early warning and disaster prevention, and gender. The 2015 NDC is currently being updated according to the Paris Agreement.

⁶⁵ Under the Ghana Cocoa Forest REDD+ Programme, the Government has received the first advance payment of \$50 million for green-house gas emission reduction, and the submission of the monitoring report for the next tranche of results-based payments is under assessment.

95. The WBG will further support Ghana’s NDC commitments to climate change adaptation and mitigation goals (Box 10) over the CPF period. The World Bank will provide technical and advisory support to Government in implementation of new NDC targets into measurable sector-specific action plans, policy reforms and investments. A forthcoming WBG CCDR ⁶⁶ will take a longer-term perspective on low-carbon and resilient development and help identify further areas for WBG support including environmental fiscal reforms. IFC will support the adoption and application of Environmental and Social Safeguard standards through its investments and provide green financing and technical support for green buildings (through its Excellence in Design for Greater Efficiencies-EDGE, Program), energy efficiency, LPG, recycling, climate smart agriculture, clean transportation, sustainable water and wastewater management, sustainable forestry and systems of adaptation to climate change. IFC is working with the Securities and Exchange Commission to develop Green Social and Sustainability Guidelines to set regulatory requirements for banks or companies to issue green, social or sustainable bonds. Opportunities for results-based carbon finance could be leveraged, as Ghana is interested in accessing international carbon markets and is participating in initiatives such as the Climate Market Club.

Objective 3.3: Improved household and community resilience to shocks

96. Shocks such as disease outbreaks, economic downturns, natural disasters, and cross-border instability can lock vulnerable communities and households into a cycle of poverty and exclusion. Without preparedness, coping mechanisms and contingency planning, vulnerable communities and households suffer recurring impacts and losses, which exacerbate poverty and exclusion. COVID- 19 has further exposed the vulnerability of Ghana’s poorest to shocks. Government’s strategy is to help communities manage shocks through strong social protection systems as well as mitigating the most significant shocks likely to impact the vulnerable.

97. The CPF program will provide a comprehensive approach to strengthen social and economic resilience of households and communities through targeted social protection and job support services. The World Bank will support the sustainability and functionality of government’s social protection system through operational and analytical engagements, including expanding coverage, strengthening the delivery infrastructure, further integration of ICT solutions, and improving the shock-resilience and responsiveness of the system. These ongoing programs will incorporate community-level communication and multi-stakeholder dialogue on inclusion of marginalized groups, gender equality and GBV to address the adverse impacts of the COVID-19 pandemic and provide greater social resilience against future shocks. Over the course of the CPF, the Bank and the Government will work towards progressively increasing the financing for transfers under such schemes from Government while that of DPs decreases. At the same time the WBG and the Government will explore the next level of support for youth employment and skills and during the PLR review future support for social protection including the possibility of PforR instruments as appropriate. Going beyond social protection, analytical work will explore the scope for adaptive safety net programs in Ghana.

98. To mitigate adverse impacts of households’ exposure to climate change and environmental degradation the World Bank will support measures for coastal management, flood mitigation and marine pollution. To improve resilience of vulnerable low-income urban communities, World Bank support will address flood mitigation measures and solid waste management in the Greater Accra area along the Odaw River basin benefiting 500,000 people. Similarly, the West Africa Coastal Management Program (WACA) will help develop a Multi-Sector investment plan, to protect coastal communities and

⁶⁶ The CCDR was launched in May 2021 and is a new core country analytics product to capture the interplay between a country’s development goals and climate change.

diversify livelihoods.

99. Finally, there is an urgent need for more coordinated conflict prevention in the northern areas of Ghana, some of which have seen intermittent conflict between farmers, settlers, and pastoralists in recent years. The CPF programming in vulnerable northern areas will seek to address drivers of fragility, including climate vulnerabilities, by supporting inclusive service delivery, resilient livelihood opportunities, and a more sustained engagement with youth and women. Several WB programs in transport, landscape management, jobs and skills and productive safety nets will directly engage in these areas. More specifically, the regional Gulf of Guinea⁶⁷ Project will promote community resilience to address drivers of fragility, by: (i) promoting locally-led economic activities and climate resilient infrastructure; (ii) supporting greater social cohesion through targeted activities for youth; and (iii) financing regional platforms to support integrated territorial regional responses for local development and resilience. In particular, the program will empower vulnerable youth with voice and agency to allow them to play a positive role in fostering social cohesion, preventing violence and building climate resilience in their own and neighboring communities.

Cross Cutting Theme: Digital Transformation

100. COVID-19 has revealed the importance of building efficient and robust digital platforms to support businesses and the delivery of government services. The CAREs program highlights the Government's aspirations to accelerate full deployment and consolidation of digital systems for improvements in economic productivity and service delivery. The WBG will support the implementation of Government's new Digital Policy and Strategy in identifying high priority sectors for digitization to unlock opportunities for private sector job creation and an inclusive economy. The WBG's engagement will support a scaled-up ambition towards digitization including, closing the access gap, enhancing digital inclusion, user centric digital platforms and services. The Ghana Digital Acceleration Project will underpin the World Bank's engagement through supporting sector specific digital transformation as well as digital infrastructure and outreach. The on-going Digital Economy PASA will support cross-sector collaboration and leverage use of digital technologies in different sectors. IFC will seek to finance telecom and digital services providers and will provide advisory services to support growth of private digital services and create the enabling environment for private capital mobilization in the sector. The Digital Economy for Africa (DE4A) diagnostic will guide WBG engagements with a focus on digital entrepreneurship, digital financial services, digital public platforms and e-services, digital infrastructure and digital skills.

IV. IMPLEMENTING THE CPF

Financial Envelope

101. Ghana's active World Bank portfolio is wide ranging with the largest investments in finance & competitiveness (15 percent), education (13 percent), and social protection and jobs (11 percent). Between the end of the CPS in June 2018 and June 2021, the World Bank delivered approximately \$2 billion across 19 IDA operations including, \$330 million in COVID-19 health assistance. During this period there has been a distinct shift in the composition of the portfolio with a scaling up of engagements supporting the private sector, including the financial sector. Ghana's current portfolio stands at US\$3.53 billion across 29 active projects, with 85.4 percent of financing from IDA (National: US\$3.01 billion;

⁶⁷ Benin, Cote d'Ivoire, Ghana and Togo

Regional: US\$210 million) and 8.7 percent from sector-specific trust funds. Prior to the end of FY23, 8 projects are expected to exit the program.

102. The CPF will cover the remainder of IDA19 (FY22), the full IDA 20 (FY23-FY25) cycle and the first year of IDA21. The remaining IDA19 allocation for Ghana is SDR464.7 million as of January 19, 2022, and the indicative IDA20 allocation⁶⁸ is expected to be in line with IDA19 and amount to approximately SDR1,122.4 million. As an IDA country, Ghana is subject to the Sustainable Development Finance Policy (SDFP) introduced in IDA19. Ghana will have access to 100 percent of its country allocation subject to satisfactory implementation of agreed upon PPAs annually to help address key debt vulnerabilities. The last few years have seen record IDA commitments with the compression of IDA19 into two years. IDA would aim to sustain this level under IDA 20 and depending upon Ghana’s continued track record on IDA utilization, eligibility for different windows, leveraging additional funding from DPs. The proposed CPF lays out the indicative areas of engagement on a three-year rolling basis (Table 3). Ghana will access regional IDA resources and potentially the Private Sector Window⁶⁹.

103. IFC’s portfolio in Ghana is the third largest in SSA. Since the end of the CPS in FY18, IFC’s annual commitments have slowed, as Ghana’s macroeconomic framework is less conducive to private investment. As conditions improve, IFC will seek to expand its footprint and grow its current portfolio of US\$1.8 billion of investments and US\$17.4 million of advisory services. The IFC Country Strategy for Ghana (FY19-23) estimates that if adequate reforms were implemented, IFC could invest US\$1 billion during this period by creating markets on top of a “business as usual” scenario of US\$0.7 billion (see Annex 14). While these targets may be difficult to reach during this period given the slow pace of reforms and complications brought about by the COVID-19 pandemic, the potential for IFC to implement its IFC 3.0 US\$1 billion program remains, should progress in key reforms including energy sector efficiency, increased access to finance for MSMEs and improved transparency and efficiency of land administration to unlock potential for greater private sector participation. IFC’s top priority areas include manufacturing, agribusiness and access to finance with leveraging digitization as a cross-cutting approach and aligns with the CPF (Annex 14). IFC will continue to work on opportunities in other sectors such as affordable housing, an emerging government priority.

104. MIGA will seek opportunities to expand its engagements in Ghana including partnerships with IFC and IDA. MIGA will also look for opportunities for South-South investments and regional activities, building on recent successful regional projects in Sub-Saharan Africa in the financial, telecom, tourism and energy sectors.

Table 3: Indicative IDA Lending and ASA FY22-24

CPF Focus Areas	Proposed operation	FY22 (US\$ Mil)	FY23-24 (US\$ Mil)	Advisory Services and Analytics (ASA)		
				Core & Extended Core	Other Key ASA	Cross Cutting Analytics
1. Enhancing Conditions for Private Sector Development	Energy Sector Recovery P4R	250	250	Financial Sector Assessment Plan (FSAP)	Youth Employment and Skills	
	Digital Acceleration	200				
	Youth Employment and Skills		200			

⁶⁸ Referenced IDA20 volumes are indicative. Actual performance-based allocations (PBA) will be determined annually and will depend on: (i) total IDA resources available; (ii) the number of IDA-eligible countries; (iii) the country’s performance rating, per-capita gross national income, and population; (iv) implementation of IDA’s Sustainable Development Finance Policy (SDFP); and (v) the performance and other allocation parameters for IDA borrowers.

⁶⁹ Ghana is currently temporarily eligible for accessing Private Sector Window until June 2022.

with Quality Job Creation	Cocoa Value Chain Development		200		West Africa JET Reassessment post COVID	Economic and Poverty Monitoring
	Reforming Africa's Institutes for Computer Science, Engineering, and Digitalization RAISE (Regional)		50(+100 regional)		Kumasi Bus Rapid Transport	Drivers of Inequality in Northern Ghana (possible)
	Subtotal	450	700 (+100 regional)		Digital Economy Dialogue	Environment and Safeguards PASA
2. Improving Inclusive Service Delivery	Health for Human Capital Investment		150	HD Public Expenditure Review	Sustainable Financing for Primary Health Care in Ghana	Gender, GBV and Social Inclusion PASA
	GARID- AF		65	Pandemic Preparedness	Housing Finance Analysis	Country Gender Action Plan
	Sustainable Cities		200	Sustainable Cities		
	Secondary Cities AF	150				
	Transport/BRT (potential)		200			
	Academic Center Excellence – AF (Regional)		10 (+20 regional)			
	Subtotal	150	625 (+20 regional)			
3. Promoting Resilient and Sustainable Development				Bi Annual Economic Update	Green Growth PASA	
	Landscape Restoration and Artisanal mining	75		Public Expenditure Review (MTI lead)	Shock resilient and responsive safety nets.	
	Governance (Public Sector/PFM) P4R	150		Govt debt and risk management.		
	Food Systems Resilience (Regional)		50 (+100 regional)	Climate Change Development Report (CCDR)		
	Gulf of Guinea Lagging Regions Social Cohesion (Regional)	50 (+ 100 regional)		Ghana, Liberia and SL Accountability Institutions		
	Coastal Resilience (WACA)		50 (+100 Regional)			
Subtotal	275 (+200 regional)	100 (+200 regional)				

*To be confirmed with the government

105. Given the current level of Ghana's development and plans to move "beyond aid", knowledge and peer-learning is likely to increase during the CPF period. ASA activities will include a combination of policy dialogue, technical assistance, programmatic engagements, and just-in-time assistance (to support ESF, PFM, inclusion and CE) and will be necessary to underpin engagement in potential new areas. During the CPF period, the WBG will undertake a range of analytical work on: (i) productivity and job creation; (ii) resilience and sustainability; and (iii) inclusion and service delivery. Core and cross cutting analytics such as the Climate Change Development Report, Sustainable Cities, Green Growth PASA, Economic and Poverty Monitoring and HD PER will address some of these issues. The Bank will maintain a high-level policy dialogue on macroeconomic and fiscal issues with government and other development partners which is crucial for CPF implementation.

106. IDA's portfolio performance is closely monitored through regular engagement with clients. Regular portfolio monitoring and sector deep dives will continue between the World Bank team and government representatives to address implementation challenges and to provide capacity building.

A package of remote supervision tools⁷⁰ has been provided to project teams to facilitate in-country supervision during COVID-19 restrictions.

Partnerships and Development Partner Coordination:

107. Development Partnerships (DPs) and collaborations are a key element of the WBG engagement in Ghana. In the context of Ghana Beyond Aid, many development partners' programs are changing with some evolving into trade and commercial relationships, while others are declining or focusing their technical assistance on government systems or social issues of inclusion, justice or gender. JICA, the European Union, African Development Bank and WBG will remain key financiers of investment projects. Many DPs welcome the Bank's continued engagement in challenging areas such as DRM, Macroeconomic, energy and financial inclusion, which they see as important underpinnings of broader development partner engagement, as well as the emerging focus on results and systemic institutional reforms in health, PFM, and energy. The WBG will continue to collaborate with DPs to build an effective platform for regular dialogue with government in areas such as social protection, energy, jobs and skills, education, health, transport, agriculture, urbanization, water, and digitalization (Annex 16). The WBG is an active member of the Head of Cooperation (HoCs) which works closely with the government through the Ministry of Finance, Sector Ministries and Sector Working groups (SWGs). The WBG has been systematically engaged with civil society in Ghana to ensure COVID-19 funded projects include mechanisms for citizen engagement and meet the needs of the most vulnerable. This partnership is expected to continue under the CPF to support the implementation and performance of the portfolio, and accountability and responsiveness of public institutions and public services.

108. WBG will selectively and strategically leverage additional resources through trust funds and co-financing in areas of common interest with other Development Partners. There is growing interest from development partners to explore co-financing in areas such as energy and transport. The Bank will utilize trust fund resources to complement IDA funding, for example the West Africa Coastal Areas (WACA) management program has committed US\$1.3 million to the coastal resilience agenda in Ghana.

109. The World Bank coordinates with the IMF to support country's macro-fiscal stability. This coordination will be key during the post-COVID-19 recovery phase to ensure fiscal and balance of payments gaps remain at a sustainable level. The World Bank will jointly prepare with the IMF the annual DSA and will identify areas where the government needs capacity building in macro-fiscal management and plan complementary support between the two institutions.

Financial Management and Procurement:

110. The performance of government's financial management and procurement arrangements to manage World Bank's project are satisfactory. However, capacity is uneven across implementing agencies where most projects require accounting staff to strengthen project implementing teams. The government is committed to enhance the Integrated Financial Management Information System (IFMIS) for externally financed projects and statutory funds, currently outside the single treasury account. The Ghana Audit Service provides independent assurance over projects' financial reporting. While capacity is adequate, it will be supported through a PASA to promote a risk-based audit approach. IFMIS roll-out and increased use of results-based financing in Ghana presents an opportunity for better use of country systems for improved transparency and accountability over the use of donor funds. The Public Procurement Authority introduced its web-based procurement system, Ghana Electronic Procurement

⁷⁰ This package includes: geospatial analysis tools including GIS and remote sensing, drone technology, and 360-view cameras with cloud technology.

System (GHANEPS) in 2019 to facilitate all public procurement processes. While the system provides a solid foundation, full rollout accompanied with training for both staff and bidder, enhanced procurement planning and replenishment of standard bidding documents could enhance the efficiency of procurement.

Results Tracking and Monitoring:

111. The results framework will serve as the principal tool for monitoring progress against CPF outcomes (see Annex 1). The results framework also disaggregates indicators to monitor equity for vulnerable and marginalized groups in areas such as access to infrastructure and basic services where data is available. The WBG will continuously track macroeconomic and fiscal developments and closely monitor poverty and key thematic areas that may have implications on WBG operations. The World Bank will support the Government to collect and analyze key economic and social data, including spatial data both for economic monitoring and evidence-based policy making. The World Bank will help the government pool existing data sources (including Surveys, Spatial, Digital, Sectoral/Administrative) to build a “toolkit” to support monitoring of the CPF and to improve understanding of the distributional implications of selected government policies. A PLR will be carried out after two years to take stock of the progress made against the CPF objectives and adjust the strategy and results framework as needed to reflect the evolving country context and changes in client demand.

V. MANAGING RISKS TO THE CPF PROGRAM

Table 4: Systematic Operations Risk Rating Tool (SORT)

Risk Categories	Ratings
Political and Governance	Substantial
Macroeconomic	High
Sector Strategies and Policies	Moderate
Technical Design of Project and Program	Substantial
Institutional Capacity for implementation and sustainability	Moderate
Fiduciary	Moderate
Environment and Social	Substantial
Stakeholders	Low
Others (Epidemiological)	Moderate
Overall Ratings	Substantial

112. The overall level of risk for this CPF is substantial. Macroeconomic risks are assessed to be high (Table 4: SORT). Political and governance risks are substantial given the likely impact on the program if they eventuate. The Government’s sector strategies and policies are appropriate, and its institutional capacity is adequate to implement and sustain the supported reforms although this needs serious commitment to ensure effective implementation. The Government elected in December 2020 embraced a range of reforms as they relate to and support the Government’s newly developed CAREs Program and its Vision of “Ghana Beyond Aid”.

113. Ghana is often susceptible to political risks associated with election periods. The temporary elevation of political risks during the period of elections contestation concluded with a smooth and agreed outcome to the 2020 elections, despite the limited majority achieved. Furthermore, the demonstration of effective legal recourse, popular participation, and active media highlighted institutional resilience, as well as an increasingly engaged, politically aware, and well-organized youth population. Nevertheless, governance and political risks are evident in key areas of reform such as the energy sector that could have a substantial impact on the overall CPF objectives and as a result are substantial.

114. Macroeconomic risks are assessed to be high. Macroeconomic and fiscal risks to the achievement of CPF objectives reflect a combination of: (i) heightened vulnerability to shocks, given elevated levels of debt and limited policy buffers, (ii) challenges with implementing urgent reforms in the energy sector to ensure fiscal sustainability, and (iii) elevated risks of exogenous shocks, including health/COVID-19 related shocks, commodity price shocks and/or international financial tightening. To manage these risks, the Government has committed to fiscal consolidation, and to returning to a “zero” primary balance by 2023. In addition, the GoG is committed to a comprehensive energy sector reform program (started in 2019) to gradually reduce contingent liabilities, although progress on this front has been limited. These efforts will only pay off over time and risks will remain significant in the short to medium term. To mitigate them, the World Bank, will engage in a high-level policy dialogue with government, in collaboration with the IMF and other development partners, on macro-fiscal management and energy issues. Should key reforms in these areas not proceed, the Bank will focus its engagements on areas where there is a strong government commitment and credible programs, and where outcomes are feasible in the absence of significant macroeconomic and energy sector reforms, including key social sectors. A proposed World Bank PforR, focusing on domestic revenue mobilization and public financial management, and engagement in the SDFP will enable the Bank to engage in the areas of fiscal reform.

115. The size and complexity of projects in Ghana portfolio is expected to increase significantly. This will have concurrent risks in the management and implementation of labor and working conditions, community health and safety, land acquisition and involuntary resettlement, stakeholder engagement, resource efficiency, pollution prevention among other ESF requirements. Limited Environmental and Social (E&S) capacity of some line ministries and weaknesses in technical support to beneficiary communities, particularly in remote areas, may make it difficult to monitor implementation performance, and agreed E&S due diligence instruments. The CPF will take a holistic approach to this, drawing on the lessons from the ongoing E&S PASA and other World Bank projects by: (i) Improvement of the regulatory framework for Environment and Social Risk Management (ESRM) in projects; (ii) Cross-institutional coordination and collaboration on Environmental and Social Risk Management; (iii) Capacity strengthening of key institutions and individuals tasked with ESRM relevant mandates; and (iv) portfolio level assessment of projects in high risk sectors. Through the ESF, a portfolio-wide approach will be adopted to ensure persons with disability and other disadvantaged groups are included as active participants and beneficiaries of WB-financed projects. In particular, with regard gender and sexual minorities, the WBG will work to mitigate risks through collaboration and dialogue with government, development partners and civil society, on the importance of inclusion in the WBG programs, and the continued application of the E&S framework.

116. The risk related to the technical design of the CPF is substantial. The inability of the Government to effect real reform in the energy sector previously undermined the ability of the World Bank to provide critical support through DPOs. It also impacted the ability of IFC and others to support private sector investment. The WBG will work closely with the authorities to build a momentum for reform in the sector that is politically palatable and pragmatic. Addressing governance and technical shortfalls in the energy sector is a priority of the Government as reflected in the CARES program and recent budget statements. The World Bank and the IMF will continue to engage with the Government in a coordinated way, including providing technical assistance to help build momentum for macroeconomic reform. DPOs will only be pursued in the program if there are clear indications of reform momentum in the energy sector and in fiscal and debt policy. Social risks are high in the context of ongoing discrimination against gender and sexual minorities and could impact program implementation if potential discriminatory legislation is passed in Parliament. The Bank will attempt to mitigate these risks through ongoing collaboration and dialogue with government and other stakeholders, including development partners and civil society, on

the importance of inclusion in the WBG programs, and the continued application of the E&S framework to World Bank programs.

Annex 1: GHANA CPF (FY22-26) Results Matrix

Focus Area 1: Enhancing Conditions for Private Sector Development and Quality Job Creation

Definition of Focus Area: This focus area will concentrate on jobs intensive sustainable growth through economic diversification and competitiveness that can lay the foundation for long term productivity for firms and enterprises. It will do so by improving connectivity, streamlining the regulatory environment, supporting productivity improvements for MSMEs, providing market relevant skills to increase labor and firm productivity and increasing financial inclusion for the poor and vulnerable. It will also provide support to accelerating a digital transformation to enable the private sector to play a key role in the future transformation of the economy. IDA and IFC activities underpinning this focus area will build on activities across several sectors but with a greater emphasis on addressing systemic constraints to job creation.

Country Development Goals: The government's economic transformation plan as identified in the CPSEDP and CARES program aims to build the most business friendly and industrialized economy in Africa by promoting sustainable and integrated infrastructure; improving business and regulatory reforms, increase financial inclusion to 85 percent of the population; promote digital financial services; modernize agriculture, improve production efficiency and develop entrepreneurship skills. The key focus of the government's CARES program is to support the private sector for the creation of productive employment in the formal sector particularly in the manufacturing, construction and modern services including the digital economy.

CPF Objective 1.1: Improved conditions for enterprise development

Intervention Logic: Ghana's entrepreneurs and SMEs still face considerable challenges to grow their businesses such as high cost of starting a business, enforcing contracts, resolving insolvency and trading across borders. Beyond the challenging business environment, SMEs also have limited access to finance, technical assistance, inefficient practices and low management capabilities. These challenges are further exacerbated for women owned businesses. In order to promote faster growth and increase its global competitiveness, Ghana needs to start diversifying its export base in non-resource- based sectors, adopt investment policy reforms and enhanced business regulations, as well as to take advantage of trade opportunities for greater job creation and boost the incomes of the poor.

The WBG will provide integrated investment and advisory support in the areas of business entry and operations, promoting industrial parks, special economic zones, streamlining tourism regulations and strengthening the regulatory framework to incentivize the private sector and Public Private Partnerships. IFC's advisory support to specific legal and regulatory reforms to facilitate business creation and operations will help improve investment climate and promotion with direct cost savings of US\$30 million in compliance costs to firms. The Bank will also provide early- stage financing for entrepreneurship and productivity in no-resource based sectors (e.g. tourism, manufacturing, agribusiness and ICT). The adoption of digital technologies such as online marketplace for firms will be considered through an SME grants scheme. To increase rural enterprises and enhance small holder's productivity the Bank will support policy and institutional reforms to improve enabling environment for cocoa value chains for higher value outputs that are also climate resilient. It will pay special attention to strengthening the national system for prevention of child labor; and ensuring women's participation in all aspects of the sector. A programmatic ASA on Jobs and Economic Transformation in a post COVID-19 environment will inform policy dialogue with government on further private investment, spatial and industrial development. A Business Pulse Survey will be conducted to assess opportunities and barriers for adoption of digital solutions and differentiating impact of the crisis on women to inform adjustments of the ongoing and pipeline project interventions. The IFC will also provide direct commercial finance to firms in the real sector to support enhanced productivity and job creation.

CPF Objective Indicator	Supplementary Progress Indicator	WBG Program
<p>Ind 1. Direct compliance cost savings⁷¹ Baseline: 0 (2018); Target: \$30.5 m (2024)</p> <p>Ind 2. Privat investment generated for SEZ development⁷²(US\$) Baseline: 0 (2020); Target: \$200 million(2026)</p> <p>Ind 3. Increase in average gross sales of selected SMEs⁷³ Baseline: 0 percent (2020); Target: 15 percent (o/w women owned firms) (2026)</p>	<p>1.1.1. Average days required to process a company registration⁷⁴ Baseline: 2 days (2020); Target: 1 days (2023)</p> <p>1.1.2. Number of SMEs provided capacity building support⁷⁵ Baseline: 0 (2020); Target: 300 (o/w women owned SMEs 120) (2023)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Economic Transformation (P166539); Ghana Tourism Development (P164211); e-Transform Ghana (P144140); IFC IS support to manufacturing: Twyford Brighstar Ceramics (43370), Rider Steel Kumasi (42860); IFC IS support to property and tourism: Mabani Seven real estate property (35396), Kensington Resident Partners apart-hotel (38970), A & C Mall, A & C Mall upgrade (31433), A&C Corner (41983) <p>Financing: Pipeline</p> <ul style="list-style-type: none"> – Cocoa Value Chain Development Project (P172850) <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – Ghana Trade Competitiveness Diagnostic (ongoing) (P172400); Jobs and Economic Transformation for Post COVID for three West African Countries (P175010); Investment Enabling Environment in African Caribbean and Pacific Countries (IEE-ACP); Ghana Investment Climate Program (IFC AS, 602251); Invest Ghana: Agribusiness competitiveness (IFC AS, 602979)
<p>CPF Objective 1.2: Increased access to finance</p> <p>Intervention Logic: A sound and stable financial sector is an important prerequisite for Ghana to increase its financial intermediation in a sustainable manner. Access to financial accounts increased to 58 percent in 2017, up from 41 percent in 2014 and prevalence of mobile accounts has given rise to thriving fintech ecosystem. Despite these gains, the five poorest regions and some key demographics remain under banked. MSMEs face higher credit constraints than large firms as banks prioritize large borrowers. Limited access to affordable external finance prevents firms from entering new markets,</p>		

⁷¹ This indicator is measured through IFC Ghana Investment Climate Program (602251) which supports six legal and regulatory reforms to facilitate business creation and investment promotion across various sectors despite the suspension of DB. After 2-3 years operations completion, businesses in Ghana are expected to save a total of US\$30.5 million in compliance costs.

⁷² Ghana Economic Transformation Project supports this indicator. It measures leveraging private sector infrastructure investment needed to develop SEZs in selected industrial park.

⁷³ The indicator measures increase in additional sales of participating SMEs/firms in non-resource-based sector supported through Ghana Economic Transformation Project

⁷⁴E-transform Ghana project supports this indicator and measures online business registration, system/software upgrading and change management to the Registrar General's Department (RGD)

⁷⁵ Ghana Economic Transformation Project

innovating, and pursuing productivity-enhancing opportunities. In addition, long term finance is another credit constraint affecting all firms, in particular MSMEs and small local corporates. Digital financing is showing signs of early success in Ghana but is yet to scale up to address some of the hurdles hampering MSME access to finance.

The WB and IFC engagements will support government’s initiative to (i) improve regulatory oversight of financial institutions to promote financial soundness and expand financial services for the underserved segments of the population; (ii) establish a financially sustainable development bank to provide long term financing to MSMEs and small corporates through Participating Financial Institutions (PFIs) where ten percent of the lending to PFI’s is reserved to Women led MSMEs; (iii) develop the necessary infrastructure to facilitate digital financial inclusion and necessary reforms for warehouse receipts, affordable housing finance and credit infrastructure and (iv) develop a domestic capital market for long term funding to financial and non-financial firms. IFC will also provide direct financing to the financial sector to improve MSMEs access to finance across sectors and seek to support housing finance. Addressing these activities will generate significant gains in women’s access to quality and affordable financial services. IFC is supporting COVID-19 economic recovery through credit lines to banks to banks for MSMEs and expanding digital financial services. MIGA is supporting two South African banks’ subsidiaries in Ghana, enabling them to maintain lending operations and access to finance.

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Percentage of adult population with financial account⁷⁶ Baseline: 58% (2017); Target: 95% (o/w 85% women) (2026)</p> <p>Ind 2: Percentage of digital payments (by volume or monetary value) made by all agents⁷⁷ Baseline: 1 (2016); Target: 20 (2026)</p>	<p>1.2.1. Development Bank Ghana Digital financial platforms established and operational Baseline: No (2020); Target: Yes (2024)</p> <p>1.2.2. Number of deposit accounts within Rural and Community Bank network⁷⁸ Baseline: 7,031,350 (o/w women 2,960,136) (2020); Target: 8,500,000 (o/w women 3,750,000 (2023)</p> <p>1.2.3. Number of smallholders farmers and agribusinesses with access to credit Baseline: 0 (2017); Target 2400 (2025)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Financial Sector Development (P161787); Ghana Development Finance (P169742); Global Trade Finance program (IFC IS: Bank of Africa Ghana 31275, Fidelity Bank Ghana 34016, Access Bank Ghana 31257; Guaranty Trust Bank Ghana 28657); Credit line, SME risk-sharing facilities and support to financial institutions (IFC IS portfolio: Société Générale 42735, Republic Bank Ghana 42193, Bank of Africa Ghana 41363, CAL Bank 41047 and 38415, Zenith Ghana 39489, UT Bank 30735; Advans Ghana 33856 and 39300, First Rand 44531); ABSA/Barclays Ghana (MIGA); FirstRand (MIGA) <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – IFC- DFS CAL Bank Ghana (601936); IFC- Ghana Warehouse Receipt System (602282); IFC- MFS – Fidelity Bank Ghana (6001361) and

⁷⁶ Ghana Financial Sector Development Project; IFC Warehouse Receipts; IFC- SECO DFS

⁷⁷Digital payments include: G2P, P2G, G2B, P2P, P2B, B2B. Agents include: government, business, individual. IDA Ghana Development Finance project and IFC Digital Financial Services will contribute to this indicator.

⁷⁸ Ghana Development Finance (P169742)

		Tigo Cash Ghana (600351); IFC- SECO Ghana DFS – Market level (601523); IFC- SME Ventures Oasis Africa Fund (601647); Ghana Warehouse Receipts System (602282)
CPF Objective: 1.3: Enhanced operational efficiency in the energy sector		
<p>Intervention Logic: Expensive and unreliable power supply are key constraints to businesses in Ghana. Improved performance of the energy sector is critical for driving private sector competitiveness, access to the underserved and fiscal resilience. The high cost of electricity for commercial and industrial users (above 0.20USc/kWh) increases production costs and reduces competitiveness relative to other countries in the region. High electricity losses of the distribution company deteriorate the financial situation of the sector and hinders its capacity to improve the quality of electricity services.</p> <p>The World Bank will support implementation of government’s ESRP program to improve financial viability of the sector and improved performance of the distribution utilities. The ongoing investment operation is supporting the outage management system (OMS) which is expected to reduce power outage. Building on this engagement a possible Program for Results instrument will support stabilization of sector arrears, reducing power generation costs, reducing electricity losses and increased revenue collection,⁷⁹ and improved governance of the Electricity Company of Ghana (ECG). Technical Assistance (TA) will be provided to mobilize to engage with private sector in the distribution sector, to procure utility scale renewable energies at least cost and to set up a path towards further decarbonization of the energy sector. As energy sector reforms supported by the World Bank take hold there may be potential for greater collaboration with IFC and MIGA in supporting private sector engagement in diversifying the electricity mix and in supporting distribution, particularly of renewable energy. Through the Regional Integration window and the West African Power Pool (WAPP) engagement, Ghana shall be able to increase its power exports to neighboring countries, helping to address the financial challenges of the sector.</p>		
CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Technical and commercial losses in electricity service delivery⁸⁰ Baseline: 34% (2020); Target: 25% (2026)</p> <p>Ind 2. Ratio between ECG average electricity tariff (as per PURC tariff decision) and ECG regulated cost of service⁸¹ Baseline: 85% (2019); Target: 100% (2026)</p>	<p>1.3.1: Government financing of energy sector revenue shortfall (USD million/year⁸²) Baseline: 1,400 (2020); Target: <500 (2026)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Energy Development and Access Project (P074191) IFC IS: Takoradi (TICO, 30228) <p>Financing: Indicative</p> <ul style="list-style-type: none"> – Energy Sector Recovery P4R (P173258) <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – ESMAP Ghana: Clean Energy Transition and Operational Efficiency in the Power Sector;

⁷⁹ ECG and NEDCO

⁸⁰ Ghana Energy Development and Access Project will support this indicator including possible DLI through Energy Sector Recovery PforR.

⁸¹ Energy Sector Recovery P4R intends to support this indicator.

⁸² Energy Sector Recovery PforR will support this indicator.

CPF Objective 1.4: Improved connectivity for access to productive opportunities

Intervention Logic: Investment in infrastructure connectivity is necessary for increasing rural income, creating jobs, and improving private sector competitiveness. Ghana’s transport connectivity remains low with insufficient maintenance of transport networks, weak coordination, lack of integrated multi-modal transport system and rapid urbanization are exacerbating the problem. Northern Ghana have limited access to rural roads and transport which are vital for connecting to local communities, markets and other business opportunities. Urban mobility services have been constrained by growing congestion, deteriorating air quality, rising road accidents, poor quality transport services and lack of planning and coordination. Improving rural-urban transport network would increase access to jobs, tackle spatial inequalities and sustainability. Despite significant progress on digital connectivity across the country, most of the ICT infrastructure is concentrated in urban and commercial areas with large sections of the country’s rural area without effective coverage. In addition, internet cost remains high and with low access, especially in rural areas.

The WBG will seek to improve connectivity in transport and ICT to facilitate better access to services and business opportunities particularly in the disadvantaged areas. In transport, the WB’s support will help reduce travel time and cost on selected all season rural roads to improve interconnectivity, access to markets and other facilities particularly in Northern Ghana. Access to inclusive transport system for vulnerable population such as women and disabled will be a priority. ASA on Urban mobility will address structural connectivity issues with a focus on public transport improvements in secondary cities. Road safety and institutional capacity within transport sector will be promoted to advance the human capital agenda, as roads support inclusion and socioeconomic opportunities. To improve digital connectivity, the WB will continue supporting access to backbone connectivity in 254 Districts Centers, Regional Capitals and Last Mile connectivity to 750 locations across the country. This will boost the infrastructure coverage to most parts of the country and help the Government to ensure business continuity during the COVID-19 pandemic and its aftermath. Building on this program a forthcoming Ghana Digital Acceleration Project will support digital transformation of selected sectors, digital inclusion and availability of digital services in the secondary cities and rural areas in addition to digitizing of government operations for future emergencies. IFC will explore the financing of data centers and cloud services and the development of digital infrastructure.

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Reduction of travel time in selected rural roads and trunk roads⁸³ Baseline: 0 % (2020); Target: 20% (rural roads); 25% (trunk roads) (2025)</p> <p>Ind 2. People provided with new or enhanced access to broadband services in selected areas⁸⁴ Baseline: 0 (2020); Target: 4.5 million (2026)</p>	<p>1.3.1. Selected roads rehabilitated (km) Baseline: 0 (2020); Target: 166 km; 877 km feeder roads⁸⁵ (2023)</p> <p>1.3.2 Number of Government Ministries, Departments and Agencies (MDAs) benefitting from enhanced bandwidth⁸⁶ Baseline:180 (2020); Target: 240 (2023)</p>	<p>Financing: Ongoing – Transport Sector Improvement (P151026); e-Transform Ghana (P144140); GESTIP (P163984)</p> <p>Financing: Indicative – Ghana Digital Acceleration Program (P176126)</p> <p>ASA: Ongoing/Indicative</p>

⁸³ Rural roads is in Northern Ghana region and Trunk Road is Tatala Border Post-Yendi Tamale Road. Transport Sector Improvement Project.

⁸⁴GDAP

⁸⁵Transport Sector Improvement Project

⁸⁶ E-transform Project

		– Kumasi Urban Mobility Policy Note; Digital Economy Policy Dialogue PASA (P174706)
CPF Objective 1.5: Strengthened market relevant skills for a productive workforce		
<p>Intervention Logic: A significant proportion of young people in Ghana lack access to appropriate education and training. From the supply side there is a shortage of relevant skills, among the relevant age group for secondary and tertiary education with a lack of information on labor market demand, weak links to industry and inadequate quality skills strengthening opportunities and resources. In addition, a fragmented approach to government’s skills development - has resulted in an undereducated workforce observed in the priority sectors with marked gender disparities and less than satisfactory labor market outcomes. There are large disparities in access to quality Technical and Vocational Education and Training (TVET) and tertiary education across gender, children with disabilities and income levels. In rural economy lack of managerial and entrepreneurship skills constrains farmers from moving towards commercial agriculture. Digital and ICT skills need to be integrated towards high end skills. A significant number of households, individuals engaged in informal economic activities will likely experience a large, unanticipated negative shock to their labor income as a result of COVID. Therefore, increasing rural incomes through productive opportunities, improving the relevance of technical, entrepreneurial and managerial skills will provide better jobs and income opportunities to youths and women.</p> <p>The WBG under this objective will focus on supply side constraints of the jobs agenda by providing market relevant skills to improve productivity and income opportunities. The Bank’s investment lending will focus on (i) supporting business development and entrepreneurship training to SMEs and start-up; (ii) providing standardized market relevant apprenticeship program for youth and women and (iii) operationalizing labor market information system for job seekers and employers. It will also support government digital literacy and skills development program. The World Bank will also support skills training and start-up cash grants to women, youth and marginalized to set up microenterprises to diversify income or improve the productivity of their enterprises that enhance income opportunities. ASA on Skills for the future agenda will provide policy recommendations for systemic reforms in the TVET and tertiary education for productive labor market transition and human capital development. The ASA will also seek to leverage the private sector for curriculum development and institutional strengthening. An ASA on female labor transitions and behavioral determinants of labor decisions will inform policy and program design in women’s outcome in active labor market.</p>		
CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Percent of jobs created through skills training program⁸⁷ Baseline: 60% (2020); Target: 70% (o/w female baseline: 50%; Target: 60% out of 50%) (2026)</p>	<p>1.5.1. Number of people receiving entrepreneurship and job-related training Baseline: 0 (2020); Target: 75,000⁸⁸ (o/w female 30%) (2023)</p> <p>1.5.2. Number of people receiving start-up grants</p>	<p>Financing: Ongoing – Ghana Jobs and Skills (P166996); Ghana Economic Transformation (P166539); Ghana Productive Safety Net (P164603); Ghana Productive Safety Net- 2 (P175588); Tourism Development Project (P164211); IFC: Ashesi University (39192); Africa Centers of</p>

⁸⁷ This indicator measures participants having jobs six months after training. The baseline is of 60% is the estimated labor market participation rate in the target population for the apprenticeship and entrepreneurship support interventions of the government, supported by WB’s GJSP. Prior to entry into the interventions, individuals can be expected to attach to the labor market with a probability of 60%. With entry and engagement in the interventions, that expected probability increase is 70%. Target is 70% which is a combination of apprenticeship training of 25,000 (o/w 70% is 17,500) and entrepreneurship training program of 50,000 (o/w 70% is 35,000) through Ghana Jobs and Skills Project.

⁸⁸ Jobs and Skills Project: apprenticeship 25,000+ entrepreneurship 50,000

	Baseline: 0 (2020); Target: 25,000 ⁸⁹ (2023)	<p>Excellence for Development Impact Project (P164546)</p> <p>Financing: Indicative</p> <ul style="list-style-type: none"> – Cocoa Value Chain Development (P172850); Ghana Digital Acceleration Project (P176126); Youth Employment and Skills <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – Understanding Female Labor Transition and Behavioral Determinants in Ghana(P172177); Skills for the Future (P176978); Skills in Ghana Program (IFC AS, 603631)
Focus Area 2: Improving Inclusive Service Delivery		
<p>Definition of Focus Area: This focus area will concentrate on addressing key constraints to accelerating human capital improvements by improving service delivery in lagging areas to enhance livability and productive opportunities among Ghanaians particularly the poor. Given the significant gaps by gender and geographic location in achieving human development outcomes, the CPF will aim to achieve greater inclusion for women, youth and vulnerable, particularly in underserved areas. The WBG activities will continue to support government’s economic recovery plans to protect existing and newly vulnerable communities impacted by COVID-19 to ensure efficient access to critical services. As human capital is directly linked to productivity and growth, the WBG program of activities under this focus area will be aligned with the Focus Area 1 which will have impact on producing productive work force through improved health, skills and abilities for better jobs and livelihood opportunities for Ghanaians.</p>		
<p>Country Development Goals: The government medium term strategy as identified in the CPSEDP emphasized creating opportunities for all Ghanaians for effective service delivery, human capital development and social protection. In education, the government policies focus on improving inclusive and equitable access and participation at all levels of education with special focus on mathematics and science in addition to strengthening school management system. Government is committed to provide affordable, equitable and quality Universal Health Coverage (UHC) by 2030 in addition to scaling up disease prevention strategies and strengthening the health system. Policies and regulatory frameworks for the use of safe water, sanitation and hygiene and sustainable management of water resources are stipulated in government’s Water Sector Strategic Plan. This focus area contributes to the government’s efforts to achieving few of Sustainable Development Goals: SDGs 1 (No Poverty); SDGs 2 (Zero Hunger); SDGs 3 (Good Health and Well Being); SDGs 4 (Quality Education); SDGs 5 (Gender Equality) and SDGs 10 (Reduced Inequalities).</p>		
CPF Objective 2.1: Improved access to quality education		
<p>Intervention Logic: While Ghana achieved near universal access to basic education and growing access to upper secondary education, there are still large regional, gender and income disparities in quality of educational attainment. Lack of basic foundational skills in numeracy and literacy, inadequate teacher training, ineffective school management accountability system, inefficiency in education expenditure contributed to poor learning performances mostly at</p>		

⁸⁹ Ghana Productive Safety Net Project

the primary and secondary level among low-income groups. In addition, an estimated 450,000 children remain out of school despite high enrollment in basic education. Gaps remain in mainstreaming gender and disability inclusive quality education despite some initiatives. The COVID-19 pandemic is likely to disproportionately impact enrollment and retention rates of adolescent girls and children coming from disadvantaged backgrounds.

The WBG engagement will focus on improving quality of basic education systems in 10,000 low performing basic⁹⁰ schools and underserved districts for better learning outcomes. The program will support increasing equity in access for 20 percent (out of 450,00 children) out of school children with due regard to gender and disability through various initiatives, including providing digital infrastructure in underserved areas to mitigate the impact of COVID-19 in the short term. To improve quality, the support is being provided in strengthening existing school systems such as improving teaching practices, decentralized school-based support and instructional leaderships and school grants to implement activities to improve equitable learning outcomes. The Universal Design for Learning (UDL) pilot will be expanded and an additional Inclusive Education resource center will be operationalized which will allow further support for the inclusion of children with disabilities into mainstream schools. An HD Public Expenditure Review will assess the patterns and trends in government education spending and its relevance on household/individual outcomes and will provide policy recommendations for efficient use of education expenditure. The World Bank's engagement will also monitor progress in improvement of transition rate of students from basic to secondary education which is a critical milestone for the improvement of quality of basic education.

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Percentage of grade 4 (P4) students in targeted schools⁹¹ with proficiency in Mathematics and English Baseline: TBD percent; (2021/22); Target: percent greater than the baseline (o/w girls%) (2024)</p> <p>Ind 2. Percentage of selected⁹² KG and primary schools with pupil trained teacher ratio below 50:1⁹³ Baseline: 70% (2019); Target: 90% (2024)</p>	<p>2.1.1. Number of schools using accountability dashboard data for school-based management⁹⁴ Baseline: 0 (2020); Target: 15,000 (2023)</p> <p>2.1.2. Number of senior high school/university students and teachers benefitting from enhanced internet bandwidth⁹⁵ Baseline: 0 (2020); Target 150,000 (2023)</p> <p>2.1.3. Percentage of school using the e-learning platform (Edmodo Learning Management System)⁹⁶ Baseline: 0 (2020); Target: 20% (2023)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Accountability and Learning Outcomes (P165557); E-transform Ghana (P144140) – IFC Ashesi University (39192) <p>ASA: Ongoing and Pipeline</p> <ul style="list-style-type: none"> – Disability Inclusive Education in Africa (P165557-TF0A7819); Supporting Parent Engagement and Ghana Educational Response to COVID-19 Using Mobile Phones; Policy Linking Exercise (P165557- TF0B3355); Gender/GBV Social Inclusion and ESF (P170952); HD Public Expenditure Review (P175117)
CPF Objective 2.2: Improved quality of primary health care		

⁹⁰ 2 years of kindergarten, 6 years of primary and 3 years of lower secondary.

⁹¹ Ghana Accountability and Learning Outcomes (GALOP) supported schools. Based on the agreement with the government and decision meeting of the GALOP it was decided the program baseline of the indicator will be measured in year 2. During the PLR stage once the baseline is being established the target will be further defined.

⁹² The indicator targets lowest performing schools under GALOP to capture equity in terms of equitable teacher deployment and expenditure to improve learning environment.

⁹³ GALOP program. The indicator targets the lowest performing schools and therefore captures equity. Because education expenditure is driven by teacher salaries, equitable distribution of teachers implies equitable distribution of Government resources.

⁹⁴ GALOP

⁹⁵ E-transform project

⁹⁶ This indicator is not in the GALOP Results Framework but GALOP program will monitor and support this.

Intervention Logic: The Government will continue to strengthen its response and expanding vaccination coverage as the pandemic persist. While reproductive, maternal and child health and nutrition outcomes have improved substantially, still further progress is needed in expanding coverage and quality of essential health services and address the growing burden of non-communicable diseases. Significant socio-economic disparities in health outcomes and access to health services persist, while the coverage and quality of primary health care services is undermined by gaps in service delivery organization and capacity. There are also gaps in the national capacity for disease surveillance and epidemic preparedness. The National Health Insurance Scheme (NHIS) has contributed to significant improvements in access to services and financial protection for the poor, while still more progress needs to be made, including for financing of primary-level services.

Responding to the health impacts of COVID-19 will be the most immediate priority in the first two years of CPF period. The WB through an emergency lending operation, and portfolio adjustments is supporting the government’s effort to strengthen national systems for public health preparedness and improve health related infrastructure in order to prevent, detect and respond to the pandemic particularly for the poor. This includes significant support to the government’s efforts to rapidly expand COVID-19 vaccination coverage. Implementation of selected aspects of the national eHealth strategy will provide a direct boost to public health emergency preparedness. A result-based operation will support key reforms of governments UHC agenda and investments to improve the organization management, delivery and quality of PHC services, increasing access among underserved populations in rural and urban areas. The IFC will explore potential opportunities to support private health institutions outside urban centers (e.g. clinic network), PPPs or digital health investments. The WB program will be underpinned by planned ASAs on UHC, PHC financing and HD PER.

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Number of PHC networks functioning according to standards⁹⁷ Baseline (2021): TBD; Target (2026): TBD</p> <p>Ind 2. Population fully vaccinated with COVID-19 vaccines Baseline: 590,938⁹⁸ (2021); Target: 12.9 million⁹⁹ (2023)</p>	<p>2.2.1 Strategic plan for an integrated eHealth system developed¹⁰⁰ Baseline: No (2020); Target: Yes (2022)</p> <p>2.2.2 Number of district health hospitals connected to the internet¹⁰¹ Baseline: 0 (2020); Target:50 (2023)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana COVID-19 Emergency Preparedness and Response Project (P173788) and AF1 (P174839) and AF2 ((P176485); E-transform Ghana (P144140); IFC portfolio: Nyaho Healthcare Limited 43161, New Crystal 41966, Bergman Ross 43151 <p>Financing: Indicative</p> <ul style="list-style-type: none"> – Primary Health Care Investment (P173168) <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – Sustainable Financing for Primary Health Care in Ghana (P173976); Gender/GBV Social

⁹⁷ Health for Human Capital Investment Program (P173168). The project is still in design phase and the proposed indicator is part of the DLI. The baseline and target will be added during the PLR stage once the project is on board.

⁹⁸ As of August 2021

⁹⁹ The government goal is 16.9 million and WB is supporting 12.9 million through Emergency Ghana COVID-19 Emergency Preparedness and Response Project (P173788) and AF (P17483

¹⁰⁰ E-transform Project

¹⁰¹ E-transform Project. Health centers at the district level where there is no connection. The World Bank’s E-transform is supporting 50 out of 97 district hospitals.

		Inclusion and ESF (P170952); HD Public Expenditure Review (P175117)
CPF Objective 2.3: Improved delivery of basic services in underserved urban areas		
<p>Intervention Logic: Inadequate key basic services are a threat to Ghana’s human capital. A majority of urban households suffer from dilapidated infrastructure and poor urban services such as poor sanitation, inadequate water supply and waste management compounded by poor drainage. Smaller cities suffer the most with poor access to piped water supply, private latrines, and regular garbage collection. Only 18.7 percent households (of which 32.6 percent urban and 6.8 percent rural) have access to safely managed water. Access to improved sanitation was as low as 20 percent in urban areas, and 9 percent in rural area. In rural areas, scarce and locally declining access to basic water supply and sanitation is leading to high deprivation of human capital, and continued migration stress in the urban centers. As a result of this poor sanitation infrastructure and limited information about MHM, girls are unable to practice proper MHM, leading to missed school days, poor attention span in classrooms and their academic engagement. Local governments have limited resources and weak institutional capacity. These challenges have been further exacerbated by Covid-19.</p> <p>The WBG will continue to support affordable WASH, waste management and other critical basic services in low-income communities to improve livability and human capital development. The program will particularly focus in the key metropolitan areas (Accra and Kumasi), secondary cities, where service delivery is lacking. Special attention will be given to gender inclusive separate girl’s toilet facilities in schools as part of hygiene education. In addition, construction and rehabilitation of local roads, pathways, streetlighting, local markets and terminals in selected flood prone urban informal settlements will help improve livability and reduce vulnerability to floods. The World Bank’s Safety Net program will also support WASH and waste management services in the urban areas through its Labor-Intensive Public Works (LIPW) program. To improve better urban services, capacity building support will be provided for effective urban management in all tiers of government (local, regional and institutional). The ongoing programs are also deepening efforts to save lives as well as support the poor and vulnerable through providing support for enhanced hygiene facilities and practices in vulnerable urban areas due to COVID-19 pandemic. The Work Bank will also provide technical assistance to government for the development of a consolidated WASH program.</p>		
CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Number of additional people with access to water sources in targeted underserved urban communities¹⁰² Baseline: 0 (2020); Target: 668,000 (o/w 51 percent female) (2024)</p> <p>Ind 2. Number of additional people with access to sanitation facilities in low- income urban communities¹⁰³ Baseline: 0 (2020); Target: 469,000 (o/w 51 percent female) (2024)</p>	<p>2.3.2. Number of additional toilets constructed within communities or public spaces Baseline: 0(2020); Target: 42,000 household facilities; 150 institutional sanitation facilities (2023)</p> <p>2.3.3. Drainage rehabilitation in low- income communities¹⁰⁴ (km) Baseline: 0 (2020); Target: 30 (2023)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – GAMA Sanitation and Water (P119063); GAMA – Sanitation and Water – AF (P171620); Greater Accra Resilient and Integrated Development (P164330); Secondary Cities Support Program (P164451); Nyaho (IFC IS); New Crystal (IFC IS) – GESTIP TA (P163984) <p>Financing: Indicative</p> <ul style="list-style-type: none"> – Greater Accra Resilient and Integrated Development – AF; Secondary Cities, AF; Sustainable Cities

¹⁰² GAMA Sanitation and Water Project. Both GAMA and GKMA areas

¹⁰³ GAMA Water and Sanitation. Both GAMA and GKMA areas

¹⁰⁴ GAMA – Sanitation and Water – AF (P171620)

<p>Ind 3. Percentage of households using LPG for cooking. Baseline : 25% (2020); Target 30% (2025)</p>		<p>– Energy PforR ASA: Ongoing/Indicative - Sustainable Cities Review (P176999)</p>
<p>Focus Area 3: Promoting Resilient and Sustainable Development</p>		
<p>Definition of Focus Area: This focus area will build the country’s overall resilience to various shocks for inclusive green growth. They include: (i) creating a sustainable fiscal space to reduce fiscal volatility to mitigate macroeconomic risks; (ii) managing the country’s natural capital sustainably to protect against natural disasters and climate change and (iii) strengthening well targeted social protection system and community building that reflect the population’s susceptibility to a wide range of shocks (e.g. health, weather and economic) and fragility. In the short term the WBG will support the Government’s programs to help households and communities manage the immediate impacts of the COVID-19 crisis. Activities under this focus area will complement focus area 1 and 2 by adapting strategies to mitigate vulnerabilities and build country’s resilience to various economic, health and natural shocks that will help country’s future work force and wellbeing of the people.</p>		
<p>Country Development Goals: The Government of Ghana is committed to strengthening and sustaining macroeconomic stability over the medium-term focus on improving: (i) fiscal revenue mobilization and management; (ii) public expenditure management; and (iii) capacity for effective public debt management. The National Climate Change Adaptation Strategy ensures a consistent, comprehensive and a targeted approach to increasing climate resilience and decrease vulnerability of the populace. The government is currently finalizing the review of the 2015 NDC. The government’s medium-term efforts for socio-economic development will include interventions aimed at strengthening social protection, especially for children, women, persons with disability and the elderly.</p>		
<p>CPF Objective 3.1: Strengthened macroeconomic and fiscal management</p>		
<p>Intervention Logic: Ghana’s economic recovery is threatened by the macroeconomic volatility associated with increasing natural resource dependency and ongoing fiscal challenges. To address weaknesses in fiscal governance the country successfully completed an IMF program in April 2019 and concerted fiscal consolidation program between 2015 and 2018 helped narrow the fiscal deficit to below 5 percent of GDP. However, a costly financial sector clean-up program, accelerated arrears accumulation and fiscal liabilities in the energy sector during 2018-2020 created new fiscal pressures. These challenges have been exacerbated by the COVID-19 crisis and resulting fall in oil prices; the already low revenues are likely to fall further as economic activity is subdued. Public domestic borrowing will likely to continue crowding out the private sector and putting pressure on interest rates. In addition to pandemic-induced macroeconomic risks, Ghana continues to face three main risks: fiscal slippages, the debt of state-owned enterprises in the energy sector, and public debt rollover risks as the country’s debt increasing from 59 percent of GDP in 2018 to 79 percent of GDP in 2020. Enhancing domestic resource mobilization and improving public financial management systems is critical for fiscal consolidation and to promote a transparent and accountable use of resources.</p>		
<p>The WBG will support the government’s efforts to address structural measures to reduce fiscal vulnerability and restore a sustainable fiscal framework to strengthen country’s resilience to macroeconomic volatility and other shocks. The WB through a results-based engagement will support reforms to improve domestic resource mobilization, improve budget execution and strengthen public finance management through effective implementation of PFM reform to support fiscal transparency and accountable use of resources. A fiscal PER will review spending quality and suggest ways to increase efficiency to make the most of Ghana’s limited fiscal space. A Debt and Risk Management ASA will provide recommendations to strengthen public debt and risk management capacity, in order to reduce volatility from future financial shocks. It will be supported through Ghana’s engagement in the Sustainable Debt Financing Program. The World Bank’s support to address the financial viability of the energy sector will critically underpin fiscal consolidation and free up resources for public investment.</p>		

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Increase in tax to GDP ratio¹⁰⁵ Baseline: 12.5% (2019); Target: 14.5% (2026)</p> <p>Ind 2. Additional 15 new signed donor funded projects on the government budget and spent through the Treasury Single Account (TSA) using GFMS¹⁰⁶ Baseline: 23 active in GFMS (2020); Target: additional 15 (2026)</p>	<p>3.1.1 Number of comprehensive annual State Ownership Reports published within 8 months of financial year-end & incl. debt & contingent liabilities statement, climate-smart investments, and gender representation¹⁰⁷ Baseline: 0; Target: 3 reports (2024)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Economic Management Strengthening (P152171); Public Financial Management Reform (P151447); Public Sector Reform for Results (P164665) <p>Financing: Indicative</p> <ul style="list-style-type: none"> – Public Financial Management for Service Delivery P4R (P176445); Energy Sector Recovery P4R (P173258) <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – Country Economic Memorandum (CEM) (P175549); Government Debt and Risk Management Program (P156708); Ghana Economic Update (P177994); Public Expenditure Review (led by MTI team)
<p>CPF Objective 3.2: Improved management of natural resources and climate change risks</p>		
<p>Intervention Logic: Ghana is already experiencing increased temperatures, changes in rainfall patterns, unpredictable extreme weather events, a rise in sea level, and increasing greenhouse gas emissions and loss of carbon sinks. Climate change threatens to adversely affect the health and well-being of people and communities, natural and agricultural resources, and infrastructure, which could derail progress on economic and social development. Despite being endowed with rich natural resources unsustainable management of natural resources is notable together with increased health hazard further exacerbated by climate change.</p> <p>The WBG will provide support to the adoption and implementation of a cross-sectoral integrated landscape management approach to natural resource management and climate change adaptation and mitigation. It will focus on activities that target landscape restoration, biodiversity conservation, reducing deforestation, food security and resilience, and environmental pollution through interventions that cut across climate smart agriculture, regularization of small-scale mining, enforcement of environmental regulations, coastal management, productive and protective management of forests, and local community resilience. There will be emphasis on equitable representation of women in community decision making process to determine land use and type of land management practices. A regional coastal resilience program is supporting the development of a gender action plan to strengthen the participation of women led local decision making for resilience and risk reduction. To reduce greenhouse gas emissions the WBG will continue to support improving sustainable forest and tree management practices in Ghana’s High Forest Zone which will contribute to the country’s NDC mitigation targets. The World Bank will provide</p>		

¹⁰⁵ Public Financial Management for Service Delivery (P176445). Baseline of 2019 is from IMF Article IV Consultation. The target is based on IMF and WB calculation of annual increment of 0.5 percent of tax to GDP ratio which would bring to 14.5 percent by end of the CPS. It is a realistic target and can be revised during PLR if the tax receipts improve.

¹⁰⁶ The indicator is a DLI supported through the proposed Public Financial Management for Service Delivery PforR project (P176445). Both WB and donor funded projects are included in the indicator. Enhanced use of Government systems will contribute to improved fiscal management, government financial reporting and donor coordination.

¹⁰⁷ The indicator will be supported through Public Financial Management for Service Delivery P4R and WB’ support to proposed FY22 PPA on publishing SOE Report.

technical assistance to government's NDC implementation targets into measurable sector specific action plans. A forthcoming CCDR will identify further areas for WBG support. IFC will contribute to the development of a green building market that pay particular attention to energy efficiency.

CPF Objective Indicators	Supplementary Indicators	WBG Intervention
<p>Ind 1. Land area under sustainable landscape management practices (Ha) Baseline: 529,894 (2020); Target: 2,350,750¹⁰⁸ (2026)</p> <p>Ind 2. Number of people benefitting from improved landscape management practices Baseline: 0 (2020); Target: 235,473¹⁰⁹ (o/w female 95,439) (2026)</p>	<p>3.2.1. Land users adopting new agroecological practices in targeted landscapes Baseline: 0 (2020); Target: 125,304¹¹⁰ (2023)</p> <p>3.2.2. Farmers reached with agricultural assets or services Baseline: 0 (2020); Target: 30,000¹¹¹ (o/w female 10,000) (2023)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Landscape Restoration and Small-Scale Mining (P171933); Ghana FIP: Enhancing Natural Forest and Agroforest Landscape(P148183); Greater Accra Resilient and Integrated Development (P164330); Emission Reductions Purchase Agreement (P160339); Seawater Desalination Project (MIGA) <p>Financing: Indicative</p> <ul style="list-style-type: none"> – West Africa Food System Resilience (P172769); Cocoa Value Chain Development (P172850); West Africa Coastal Areas Resilience (P162337); Greater Accra Resilient and Integrated Development -AF <p>ASA: Ongoing/Indicative</p> <ul style="list-style-type: none"> – Ghana Green Growth PASA (P175989); Sustainable Cities Review (P176999); Climate Change Diagnostic Report (P177261); EDGE Ghana (IFC AS, 602332);

CPF Objective 3.3: Improved household and community resilience to shocks

Intervention Logic: Ghana's poorest household and communities are highly vulnerable to shocks. Lack of adequate social protection in addition to having insecure livelihoods, limited savings and assets, exposes the poor and the most vulnerable to a variety of shocks that can trap them in chronic poverty. Ghana's safety net system has been critical in supporting vulnerable population during COVID-19. While the country's flagship safety net programs¹¹² have been expanded in coverage and their implementation strengthened over the years, overall coverage and benefit levels are low, and targeting to the poor needs to be improved. These shortfalls limit ex-ante program coverage of poor and vulnerable households and communities in the face of negative shocks. Government systems also need to be developed for nimble and effective ex-post responses to shocks through the various safety net programs. Particularly in the lagging northern regions, spillover violence of Sahel conflict which can lead to instability and socio-economic crisis. Thus, there also is a need to improve

¹⁰⁸ GLSRM 2,210,750+Cocoa Value Chain Development 60,000+FIP 80,000=2,350,750

¹⁰⁹ GLRSM 192,972+Cocoa Value Chain Development 60,000+ FIP 80,000 = 235,473

¹¹⁰ GLRSM 100,304+Cocoa Value Chain Development 25,000=125,304

¹¹¹ Cocoa Value Chain Development 30,000

¹¹² Livelihood Empowerment Against Poverty (LEAP) cash transfer program; the Labor-Intensive Public Works (LIPW); the Ghana School Feeding Program (GSFP); the National Health Insurance Scheme (NHIS) and the Education Capitation Grant and Productive Inclusion (PI)

social cohesion and strengthen the state-citizen contract in building community resilience to converging shocks including conflict, climate change and COVID-19 pandemic.

The CPF program will support enhanced economic and social resilience of households and communities with targeted activities that reflects the population’s susceptibility to a wide range of shocks (e.g. against illness, weather shocks). The ongoing safety net program will scale up productive inclusion, a labor-intensive public works program and cash transfer programs to cover more households that are poor, vulnerable, or hard-hit by the COVID-induced economic crisis in rural and urban areas. It will also incorporate community-level dialogue on gender and GBV to address the adverse impacts of the COVID-19 pandemic and provide greater support to social resilience against future shocks. The upcoming Gulf of Guinea Lagging Regions Social Cohesion Project will also improve the resilience of highly vulnerable communities and their institutions in the north based on assessment of FCV and climate risks, through financing community and youth-targeted investments. Target communities and local governments will receive extensive capacity building activities to improve understanding on social cohesion/inclusion to strengthen regional collaboration to help prevent FCV risks. As discussed in objective 3.2 the WB will also support coastal management, flood mitigation and marine pollution for household’s exposure to climate change and environmental degradation.

CPF Objective Indicator	Supplementary Indicator	WBG Intervention
<p>Ind 1. Number of households benefitting from safety net programs¹¹³ Baseline: 575,000 (2020); Target 675,000 (2025)</p> <p>Ind 2. Number of people in targeted lagging northern areas have increased access to climate resilient infrastructure and basic services¹¹⁴ Baseline: 0 (2022); Target: 729,000 (o/w female 40%; youth 40%) (2026)</p>	<p>3.3.1. Number of regions with social registry data collected on poor households¹¹⁵ Baseline: 5 (2020); Target: 16 (2025)</p> <p>3.3.2. Female beneficiaries reporting an increase in annual income as a result of benefiting from agricultural assets and services¹¹⁶. Baseline: 0 (2022); Target: 4,050 (2024)</p>	<p>Financing: Ongoing</p> <ul style="list-style-type: none"> – Ghana Productive Safety Net (P164603); Ghana Productive Safety Net- 2 (P175588); Greater Accra Resilient and Integrated Development (P164330) <p>Pipeline Lending:</p> <ul style="list-style-type: none"> – Greater Accra Resilient and Integrated Development -AF; Gulf of Guinea Lagging Regions Social Cohesion Project (P175043) <p>ASA: Human Development Public Expenditure Review; Building Shock Resilience and Responsive Safety Net in Ghana</p>

¹¹³ Ghana Productive Safety Net Project 2. Safety net programs = Livelihood Empowerment Against Poverty; Labor-Intensive Public Works; and Productive Inclusion (Complementary Livelihood and Asset Support Scheme). LIPW and PI beneficiary statistics included in the aggregate figures for the CPF indicator are cumulative; LEAP beneficiary statistics included in the aggregate figures for the CPF indicator are current. See PDO Indicators and Intermediate Results Indicators. The change from baseline to target values comprise +15,000 LEAP beneficiaries, +30,000 CLASS beneficiaries, and +60,000 LIPW beneficiaries

¹¹⁴ Gulf of Guinea Lagging Regions Social Cohesion Project. This indicator will measure the number of beneficiaries in project target areas which are provided with improved access to socio-economic services as a result of project activities. Socio-economic services in the context include, for example, health and education, water and sanitation services. The project is under preparation and baseline/target will be added during PLR.

¹¹⁵ Ghana Productive Safety Net Project 2

¹¹⁶ Gulf of Guinea Lagging Regions Social Cohesion Project (P175043)

Annex 2: The Republic of Ghana CPS (FY13-18) Completion and Learning Review
Date of CPS: September 19, 2013 (Report No: 76369)
Date of Performance and Learning Review: October 20, 2016 (Report No: 105606)
Period Covered by the Completion and Learning Review: FY13-FY18

I. INTRODUCTION AND SUMMARY OF FINDINGS

1. This Completion and Learning Review (CLR) evaluates the World Bank Group’s (WBG) Country Partnership Strategy (CPS) for Ghana during FY13-FY18.¹¹⁷ The CPS was initially planned for four years (FY13-FY16) and was extended by two years at the time of the October 2016 Performance and Learning Review (PLR). The extension of the CPS period through FY18 was intended to support government’s agenda to revive the country’s economy from domestic/external shocks that also affected CPS implementation. The CLR evaluates the achievements of CPS program outcomes as laid out in the revised results matrix during the PLR and assesses WBG performance in designing and implementing the CPS program. While the CLR does not review results achieved between FY19 and FY21 – progress in several areas during that latter period is reflected in the CLR Attachment 2. It also discusses alignment with the WBG’s corporate twin goals and highlights lessons from program implementation that will inform the preparation of the forthcoming Country Partnership Framework (CPF).

2. The CPS sought to support Ghana’s efforts in consolidating its transition to middle-income country (MIC) status through continued growth, poverty reduction, addressing sources of inequality and strengthening key institutions. The CPS program was aligned with Government’s Second Ghana Shared Growth and Development Agenda (GSGDA II), and the WBG’s twin goals of eliminating extreme poverty and boosting shared prosperity and was built around three main pillars: (i) improving economic institutions; (ii) improving competitiveness and job creation; and (iii) protecting the poor and vulnerable. While the overall CPS objectives remained valid, adjustments were made during the PLR to support government’s structural reforms for fiscal consolidation as well as renewing the medium-term development agenda in response to Ghana’s evolving realities. The WBG also aligned its program to the Coordinated Program of Social and Economic Development Policies (CPSED), the newly elected government’s strategic plan after the election of 2017.

3. Ghana’s economy faced significant turbulence at the start of the CPS period due to a combination of external and domestic shocks that exacerbated fiscal and trade imbalances. Initial progress toward restoring macroeconomic stability was reversed at the end-2016, when election-induced spending generated further fiscal slippages and macroeconomic instability. Much was done subsequently to place the economy on a more sustainable path, with significant gains in growth, inflation, fiscal performance and external balances. Despite these gains, the country’s economy is still vulnerable to commodity-related price fluctuations and regional disparities persist in access to services and poverty rates. These challenges have been exacerbated by COVID-19 and the global recession.

4. The overall performance of the CPS is rated as Moderately Satisfactory. The CLR rating is based on an aggregate assessment of 15 outcomes (objectives) in the results matrix as revised during the PLR. Out of the 15 objectives grouped into 3 pillars in the CPS, 7 are rated as achieved, 3 as mostly achieved, 4 as partially achieved and 1 as not achieved. Despite the unanticipated focus on re-establishing macroeconomic stability in the first two years of the CPS, and shifts in government priorities after the 2016 election, progress has been made towards achieving the CPS objectives in varying degrees. See section II for detailed assessment under each pillar and objectives.

5. The WBG’s overall performance in designing and implementing CPS is rated as Fair.¹¹⁸ The CPS pillars were relevant and well aligned with Government priorities and country needs. Flexibility in the CPS design

¹¹⁷ The CPS was jointly prepared by IDA, IFC and MIGA.

¹¹⁸ WBG performance is rated on a four-step scale of Poor, Fair, Good, and Superior.

enabled the WBG to respond effectively to unexpected events such as macroeconomic volatility and political transition. Despite 50 percent of the CPS objectives being achieved the Results Framework had significant design weaknesses, which made it difficult in some areas to assess impact. Similarly, lending, ASA products and trust fund activities were dispersed across a number of sectors, thereby diminishing results in areas such as energy, education, land, and fisheries. The PLR missed the opportunity to formulate more focused, less multi-dimensional objectives. IDA portfolio performance improved and lending volume during the CPS totaled US\$3.2 billion with 18 new operations exceeding the original commitment of US\$1.3 billion due to the CPS extension till FY18. IFC's total commitment was US\$1.7 billion, of which US\$0.9 billion was committed through IFC's own account, US\$0.6 billion through core mobilization and US\$0.2 billion through MIGA mobilization. IFC also supported US\$675 million of trade finance. Funds managed by IFC in providing advisory services reached US\$42 million. MIGA guarantees amounted to US\$0.3 billion in 2018. The risks to the CPS implementation were adequately identified and efforts were made to mitigate them through various WBG's initiatives (see para 36).

II. PROGRESS TOWARDS CPS DEVELOPMENT OUTCOMES

6. This section evaluates CPS performance under the three strategic pillars and the 15 outcomes as laid out in the revised results matrix in the PLR. Table 1 summarizes the CPS outcomes and outcome indicator ratings. This is not an assessment of Ghana's progress towards its development goals, but rather of program achievements directly linked to the design and implementation of WBG-supported activities during the CPS period.

Table 1: Summary of CPS Development Outcome and Outcome Indicator Ratings

CPS Outcomes	Overall Outcome Rating	Outcome Indicator Ratings				Total Number of Indicators
		Achieved	Mostly Achieved	Partially Achieved	Not Achieved	
Pillar 1: Improving Economic Institutions – Moderately Satisfactory						
1.1 Strengthen public financial management and improved e-governance	Partially Achieved		1		2	3
1.2. Strengthen national statistical system	Achieved	2				2
1.3. Strengthen land administration	Partially Achieved	1			1	2
1.4. Increase oil and gas sector transparency	Achieved	1				1
Pillar 2: Improving Competitiveness and Job Creation – Moderately Satisfactory						
2.1. Improve access and quality of education	Partially Achieved				1	1
2.2. Improve skills development and technology adoption	Achieved	2				2
2.3. Improved finance in support of SMEs	Achieved	2				2
2.4. Increased energy generation and trade in electricity	Partially Achieved		1	1	1	3
2.5. Improved mobility of goods and passengers	Mostly Achieved	2	1			3
2.6. Improved land and water management	Achieved	2				2
2.7. Increased adoption of new agricultural technologies	Achieved	1				1
2.8 Improved management of fish and aquatic resources	Not Achieved				1	1
Pillar 3: Protecting the Poor and Vulnerable – Moderately Satisfactory						
3.1. Expansion of social protection	Achieved	1				1
3.2. Improved maternal health	Mostly Achieved	1	2			3
3.3. Increased access to improved water supply and sanitation	Mostly Achieved	1				1

Pillar 1: Improving Economic Institutions – Moderately Satisfactory

Objective 1.1: Strengthen public financial management and improve e-governance – *Partially Achieved*

7. WBG through a combination of development policy financing (DPF)¹¹⁹, investment lending and analytical work supported government's reform measures to strengthen public financial management. The roll out of the Ghana Integrated Financial Management System (GIFMIS) to all the Ministries and 256 Metropolitan Municipal and District Assemblies (MMDAs) helped to enhance spending control, budget execution and timeliness of audits. As a result, 91 percent of total expenditure transactions are processed through GIFMIS and the treasury single account has been strengthened to cover 90 percent of cash accounts. The quality and timeliness of the budget preparation process has improved as a result of an enhanced budget operational framework, expanded coverage of the Budget Module (Hyperion), and Performance-Based Budgeting (PBB). In addition, introduction of the Human Resource Management Information System (HRMIS) has enabled timely updates of payroll records and was further strengthened through the Electronic Salary Payment Verification (ESPV) system. While these improvements in public financial management are notable, to improve budget credibility the CPS indicator (1.1.1) which measured the average expenditure difference between actual outturn compared to originally approved budget as measured by PEFA assessment did not meet the CPS target. The rating for the relevant PEFA indicator, based on the 2018 PEFA assessment declined from C to D. The timing of the PEFA assessment was based on progress during FY14-16 which does not reflect actual progress in 2018 as reflected in the PFM system. As a result, this indicator is assessed as Not Achieved. While CPS did not identify any specific indicator to measure e-governance but progress was made in improving efficiency in government service delivery using ICT (e.g. digitization of public records, business registration, online education portal).

8. The World Bank's Macroeconomic Stability and Growth DPF series supported measures to contain the public sector wage bill and public debt to improve fiscal management. The operationalization of ESPV along with linking the HRMIS to the payroll system for all ministries improved management of the public wage bill - the ratio of wage bill to revenue was reduced from 53 percent in 2014 to 46 percent in 2018 (Indicator 1.1.2). However, the wage bill remains high as a percentage of revenue, due to a shortfall in domestic tax collection, adding pressure to fiscal space. The application of the Medium-term Debt Strategy (MTDS) helped to reduce the variance between planned and actual debt issues from 114 percent in 2014 to less than 10 percent in 2018. In addition, policy measures supported through two DPFs such as development of a credit risk assessment framework prior to issuing loan guarantees, on-lending and other debt-related transactions for State-Owned Enterprises (SOEs) within the energy sector have been highly effective.

Objective 1.2. Strengthen National Statistical System – *Achieved*.

9. Notable achievements have been made in strengthening the country's statistical system for promoting evidence-based policy making. IDA's Statistical Development Project along with grants¹²⁰ from development partners helped strengthen Ghana's National Statistical System (GSS) and other Municipal District Assemblies (MDA). This resulted in a new National Statistical Development Strategy (NSDSII – 2017-2021) which is publicly available on the GSS website. The GSS produced first-ever reports on poverty, labor force statistics and child labor and undertook the seventh Ghana Living Standard Survey (GLSS) in 2016. The timeliness and quality of statistics improved in the areas of gender, natural resources, and environment. The proportion of statistical products released in line with the official statistical calendar increased from 0 percent in FY13 to 60 percent in FY18, against the CPS target of 50 percent (Indicator 1.2.1); while the country's overall statistical capacity score increased from 59 percent in FY12 to 77.8 percent in FY18 (Indicator 1.2.2).

¹¹⁹ Macroeconomic Stability and Growth I and II DPC.

¹²⁰ Department for International Development (DFID) grant and Statistics for Results Program grant.

Objective 1.3: Strengthened land administration – *Partially Achieved.*

10. CPS targets for improving Ghana’s land administration were partially achieved. The World Bank’s Second Land Administration Project helped government to strengthen institutional foundations for land administration by establishing several land policies and regulatory frameworks such as the Land Use and Spatial Planning Act.¹²¹ This Act enabled the creation of the Land Use and Spatial Planning Authority (LUSPA). The program also supported decentralization of service delivery to the regions by establishing 7 Client Service Access Units (CSAU) and 88 Customary Land Secretariats (CLS).¹²² CLSs worked as one-stop shops for customary land management services¹²³ which did not exist before. As a result, the number of land registrations increased from 1,000 in 2011 to 36,178 in 2018 providing increased security of land tenure.

11. While there was an increase in registered land transactions and land rights, efforts to streamline turn-around time were mixed. The target for turn-around times for registering land titles (Indicator 1.3.1) was not achieved; indicators could not be measured due to inaccurate baseline data and a poor methodology. Delays in completing and implementing the Ghana Enterprise Land Information System (GELIS), and poor monitoring and supervision of the system by the CLS, created a backlog of applications for registering titles.

Objective 1.4: Increase oil and gas sector transparency – *Achieved*

12. The World Bank’s support helped to build capacity and transparency in the oil and gas sector. The Oil and Gas Capacity Building Project supported government to build regulatory capacity at the Petroleum Commission which has grown into an effective institution discharging all the functions associated with an upstream oil and gas regulator. The capacity of the Oil and Gas Unit of the Ministry of Finance to promote transparency in oil revenue management also improved. Annual Reports on the Petroleum Funds were published including quarterly revenue reports on the revenue stabilization fund and the intergenerational heritage fund. Transparency in the sector improved by support to the Attorney General's Office, to the Ghana Extractive Industries and Transparency Initiative (EITI), to the Ministry of Energy's Communications Unit, and to the Independent Oil and Gas Information Resource Center. As a result of these initiatives, oil and gas contracts are now available to the public, achieving CPS target (Indicator 1.4.1). Implementation of EITI has enhanced transparency of the extractive industries in Ghana. Annual revenue data from the oil, gas and mining industry is published together with records of commodity trading and ownership of the dominant mining operations. This initiative has contributed to sector reforms, including introduction of a capital gains tax, revision of mineral royalty calculations and systematic disclosure of sub-national revenue transfers.

Pillar 2: Improving Competitiveness and Job Creation – *Moderately Satisfactory*

Objective 2.1. Improve access and quality of education – *Partially Achieved.*

13. Progress was made in reducing the quality gap between better-off and poorer districts in basic and secondary education. The World Bank’s support through the Global Partnership for Education (GPE) project along with analytical underpinnings improved the planning, monitoring and delivery of basic education¹²⁴ in 77 deprived districts¹²⁵ through yearly school planning activities, teacher training and better implementation of school report cards (SRC). These initiatives helped to improve the percentage of qualified teachers, quality of teaching and learning outcomes. However, the CPS indicator (2.1.1) to monitor the progress in quality of grade 3 (P3) students in achieving proficiency in Math and English scores could not be verified beyond 2013 as results for later years were not available and the most recent assessment test (2016) was administered only to grade 4

¹²¹ 2016.

¹²² Ghana Land Administration Project -2 ICR.

¹²³ CLS provide services such as land dispute, registering land rights, and document preparation.

¹²⁴ Kindergarten, primary and junior high.

¹²⁵ Out of 216 districts and covering 7,000 schools.

(P4) students. Nevertheless, other indicators, including early grade reading and math assessments (EGRA and EGMA), continued to show statistically significant improvement in scores between 2013 and 2015 further demonstrating that learning outcomes in those targeted areas improved¹²⁶. Therefore, the indicator 2.1.1 is rated as Partially Achieved.

14. Access to education increased among senior high school students. While the CPS did not have an indicator to measure access, the Secondary Education Improvement Project monitored access as reflected in improved transition rates from junior high school to senior high school, from 39 percent in 2014 to 51 percent in 2017 among targeted low-performing underserved districts. Improved completion rates in targeted schools were also observed during the same period¹²⁷ in addition to providing over 10,000 scholarships to students from low-income families (60.5 percent of whom were girls).

Objective 2.2. Improve skills development and technology adoption – *Achieved*

15. Positive results were achieved in improving demand-driven skills development and technology adoption. The World Bank's investment lending¹²⁸ supported the development of a national skills strategy and institutional strengthening of key agencies and TVET institutions. The program addressed supply and demand aspects of skills and technology in formal and informal sectors to stimulate private sector development. These initiatives helped to increase labor productivity¹²⁹ through on-the-job training among participating firms by 426 percent,¹³⁰ surpassing the CPS target of 40 percent (Indicator 2.2.1). Grants to five technology centers helped to establish technology development, innovation, transfer, and marketing centers to support demand-driven technology development. As a result, 70 new technologies were adopted by participating firms and 50 technologies profiled for transfer and marketing. Participating firms and enterprises increased their investment in new technology or skills training by 129 percent to improve worker productivity, and 97.5 percent of employers reported being satisfied with their employees' competencies with some variation by region and sector.¹³¹ While these are significant steps towards improving skills and labor productivity for quality job creation, long-term program impact is unclear as there have not been any follow-up surveys to monitor the sustainability of the program. IFC's support to the expansion of Ashesi University helped 1,007 students (474 of whom were female) access high-quality education in computer science, MIS, and business administration.

Objective 2.3. Improve finance in support of SMEs – *Achieved*

16. IFC's advisory and investment services supported Ghana's financial infrastructure and access to financial services for SMEs. IFC's support to the financial sector has been essential during the period as bank credit to the private sector decreased, from 16 percent of GDP in 2015 to 13 percent in 2018, due to reduced risk appetite arising from the economic slowdown and deterioration in asset quality.¹³² IFC's investments in various financial institutions¹³³ facilitated the disbursement of 1,206 SME loans valued at over US\$123 million and micro loans of US\$20 million. IFC's US\$50-million loan to CalBank¹³⁴ to fund SME lending operations supported women-owned businesses and energy efficiency projects. Ghana's credit-reporting system improved significantly through IFC's Africa Credit Bureau Program facilitating over US\$144 million in financing to MSME. The Ghana Secured Transaction and Collateral Reform Project supported the Bank of Ghana to improve its collateral regime and implement the first modern collateral registry in Africa. This enabled 25,000 SMEs to receive loans secured with movable property surpassing the CPS target (Indicator 2.3.1) and facilitated US\$4.7

¹²⁶ Global Partnership for Education Fund Grant (GPE) Implementation and Results Report (TF-13140) (Report No: ICR0000403)

¹²⁷ 81.7 percent 2014/15 to 84.1 percent 2016/17.

¹²⁸ Skills and Technology Development (P118112).

¹²⁹ Labor productivity is measured by increase in value of output produced per week and number of hours worked by firm employees.

¹³⁰ Productivity increased calculated using output per labor hour calculated in Ghana Cedi from 12.69 in 2013 to 66.78 in 2016, a 426.2-percent increase.

¹³¹ Greater Accra had higher competencies among employee compare to Eastern Region

¹³² World Bank (2019). "Improving Access to Finance for Ghanaian SMEs: Is there a Role for a New Development Finance Institution?", June 27, 2019.

¹³³ CAL Bank, Zenith Ghana, Advans Ghana and UBA Ghana.

¹³⁴ It formerly stands for Continental Acceptance Limited (Cal) commercial bank in Ghana and is licensed by Bank of Ghana.

million in total financing. IFC provided advisory services to telecommunications companies such as Millicom/Tigo Ghana and Fidelity Bank to expand mobile money services to promote financial inclusion. The mobile money agent network facilitated an additional \$37.4 million non-cash transactions per month, well above the CPS target of US\$7.2 million (Indicator 2.3.2). Finally, IFC's Digital Financial Services project¹³⁵ supported the association of savings and loan companies to develop a strategy and design a platform to provide digital financial services to SMEs, particularly in rural areas.

Objective 2.4. Increased energy generation and trade in electricity – Partially Achieved

17. Mixed results have been achieved in improving efficiency of the electricity distribution system. IDA¹³⁶, the Global Environment Facility (GEF) and GPOBA trust funds supported strengthening of the electricity transmission and distribution network to reduce losses in the overall system and improve the financial efficiency of key electricity utilities. Electricity distribution performance improved as a result of large investments in bulk supply points and primary substations, district offices, business centers, and the upgrade of the distributing metering system. This reduced the average annual hours of unplanned power outages per consumer in the Electricity Company Ghana (ECG) system from 200 hours in 2010 to 114 hours in 2018, against the CPS target of 90 hours (Indicator 2.4.1). However, progress towards the Performance Verification Index (PVI) and loss reduction fell below expectations. This was due to the lack of reform progress on revenue collection (e.g., billing and metering), reduction of the consumer tariffs and the uncertainty surrounding private sector participation in management of the energy sector.

18. To support diversification of energy sources, IFC helped expand the production capacity of the Takoradi II plant (“T2” or “TICO”) by converting to dual-fuel capability. An additional 110 MW of power was generated without incremental fuel consumption. IFC's engagement with TICO further supported clean energy production in Ghana, with an estimated avoidance of 269,710 tons of CO₂/year.

19. WBG support to increase the availability of clean power generation was modest. Given the substantial drop in global oil prices in 2015 and the uncertainties associated with Nigerian fuel supplies, an IDA guarantee, together with a MIGA political risk insurance guarantee¹³⁷ and IFC financing supported government in developing a major offshore natural gas discovery in the Sankofa Field. However, implementation of the gas supplied through the Sankofa field was delayed due to: (i) the market for gas in the western region of the country near the field was limited, and (ii) lack of a pipeline interconnection linking gas supplied from Sankofa to the eastern region of the country.¹³⁸ As a result, by 2018 only 41 MMscfd per day gas was supplied as opposed to the CPS target of 150 MM cfd (Indicator 2.4.2). While no CPS indicator identified energy trade, the West Africa Power Pool (WAPP)¹³⁹ regional project supported an increase in Ghana's power export capacity - 222 GWh of energy has been transferred to Burkina Faso from Ghana in 2018, increasing Ghana's export capacity by 200 MW.

Objective 2.5. Improve mobility of goods and passengers – Mostly Achieved

20. Road connectivity was enhanced in targeted regions. The WBG's national and regional investment operations¹⁴⁰ supported government to improve selected urban, trunk and feeder road conditions, strengthened capacity of transport institutions and enhanced road safety awareness. These measures helped to reduce travel time, vehicle operating costs and fatalities in targeted areas particularly in the rural northern regions. Rehabilitation of a major trunk road from Ayamfuri-Asawinso (52 km) to establish a South-North transport

¹³⁵ Launched in FY17.

¹³⁶ Ghana Energy Development and Access Project (GEDAP) (P074191).

¹³⁷ In FY17, MIGA issued a political risk insurance guarantee for US\$217 million in support of the OCTP Sankofa Gas Field Development Project, while continuing to support through guarantees issued previously for the West African Gas Pipeline project.

¹³⁸ The onshore gas pipeline interconnector served to reverse gas flow through the existing WAGP to the eastern region of Ghana, where there was a waiting market for the gas supplied from the offshore Sankofa field.

¹³⁹ WAPP: The First Phase of the Inter-Zonal Transmission Hub Project of the WAPP (APL3) (P094919) ICR.

¹⁴⁰ Transport Sector Project (P10200) and West Africa-Abidjan-Lagos Transport and Transit Facilitation Project (P116323).

corridor in the west of Ghana helped to reduce travel time from 90 minutes to 50 minutes. On the same network, the roads in fair and good condition improved from 83 percent in 2009 to 93 percent by 2018 (CPS indicator 2.5.1). Border crossing times between Ghana and Côte d'Ivoire (at the Elubo-Noe border point) declined from 36 days to 18 days by 2018 while the data for Kodjoviakope-Aflao border is not available. (CPS indicator 2.5.2).

21. The Urban Transport Sector Project¹⁴¹ supported improved urban mobility in targeted metropolitan, municipal and district areas (MMDAs) through a combination of traffic management improvements, public transport regulations and implementation of a Bus Rapid Transit (BRT) system. However, the program encountered several challenges in the BRT activities such as lack of up-to-date land-use data and outdated urban masterplans in areas such as Accra and Kumasi. As a result of significant delays, design changes and cost overruns, the BRT component was eventually dropped from the project.

22. IFC's program facilitated Ghana's access to overseas markets through support for the development of Ghana's biggest maritime infrastructure, Tema Port. Port-container transits at Tema Port increased from 0.65 to 0.84 million TEU (Twenty-foot Equivalent Unit) containers, surpassing the CPS target of 0.75 (Indicator 2.5.3). In addition, trade efficiency has been supported by the implementation of process redesign solutions at Tema Port.

Objective 2.6. Improve land and water management – *Achieved*

23. Notable improvements have been observed in adopting sustainable land and water management practices in selected savannah areas of Northern Ghana. World Bank support helped bring 10,698 ha of micro watershed land under sustainable land and water management technologies (against a CPS target of 6,000 ha) benefiting 18,246 farmers in 174 communities. Over 6,670 ha of land were cultivated by out-growers in the Savannah Accelerated Development Authority (SADA) zone under formal commercial arrangements surpassing the CPS target of 5,000 ha. The World Bank program supported improved forest and tree management practices by cocoa farmers, Community Resource Management Areas (CREMA) communities and forest reserve managers to reduce forest loss and degradation. Over 660,000 ha have been brought under community stewardship under the CREMAs and 40,000 farmers in 247 communities have adopted improved land management practices. Bottom-up community-led planning, linked to the district development agenda, has yielded positive impacts in income diversification, food security, and adoption of diverse sustainable practices, including agroforestry and watershed rehabilitation – all of which provide substantial employment for women.

Objective 2.7. Improve adoption of new agricultural technologies – *Achieved*.

24. Livelihoods of smallholder farmers improved through adoption of new agriculture technologies. World Bank support through the regional West Africa Agriculture Productivity Project (WAPP) provided 47 improved technologies to 523,000 producers (far exceeding the CPS target of 250,000) who are recorded to have adopted at least one improved technology¹⁴² covering over 613,500 ha of crop land. These technologies helped to make farmers more productive (with a 15-percent increase in farm-level productivity compared to conventional varieties grown by farmers) while increasing farmers' resilience to climate change due to the diversity of seed technology which was disease- and drought-resistant.¹⁴³ In parallel, IFC's Investee Vegpro Ghana, reached 399 farming units by setting up a 1,070-ha commercial farm to produce vegetables, including support for irrigation (768 ha), refrigerated vehicles and construction of a packing house for exporting vegetables to the European Union (EU) markets. The company employs about 400 people, 90 percent of whom are women. IFC's

¹⁴¹ P092509.

¹⁴² Such as crop varieties of cassava, sweet potato, yam, cocoyam, taro, and many others in maize, rice and millet.

¹⁴³ GoG 2018 Project Implementation Completion report for the WEST AFRICAN AGRICULTURAL PRODUCTIVITY PROGRAM (WAAPP 2A).

Agribusiness Competitiveness advisory project¹⁴⁴ is expected to stimulate US\$15 million in private investment in high-value agricultural production, processing and agribusiness services in Ghana.

Objective 2.8. Improved management of fish and aquatic resources – *Not Achieved.*

25. Limited progress was made in improving sustainable management of the fisheries sector to reverse the overexploitation of fish and other aquatic resources by commercial interests. World Bank plans through the regional fisheries program,¹⁴⁵ in addressing overfishing was ambitious. Steps were taken to contain illegal fishing included the October 2015 preparation of a Fisheries Management Plan (FMP) 2015-2019, and operationalization of the Fisheries Enforcement Unit. However, the key changes needed to reverse overfishing – a reduction in industrial trawlers, stock recovery, and reduction of rampant illegal fishing in the artisanal sector – did not take place. Concerns remain that overfishing, including illegal fishing, will not be contained due to resistance by key players in the industry, weak governance, and inadequate capacity to implement existing policies.

Pillar 3: Protecting the Poor and Vulnerable – *Moderately Satisfactory*

Objective 3.1. Expansion of social protection – *Achieved.*

26. Social protection coverage for poor and vulnerable households expanded during the CPS period. World Bank investment lending¹⁴⁶ supported government to strengthen Ghana’s premier social protection programs including Livelihood Empowerment Against Poverty (LEAP), labor-intensive public works (LIPW) and cash transfers by addressing management, payment mechanisms and monitoring and evaluation of these systems. These improvements enabled expanded social protection coverage and income support to poor households comprising 1,110,567 beneficiaries, exceeding the CPS target of 390,000 beneficiaries (Indicator 3.1.1). The program significantly improved coverage of orphan/vulnerable children and elderly across the country (57 percent of beneficiaries were female). In addition, 166,725 unskilled persons were employed under the LIPW, 60.9 percent of whom were women. Going forward, strengthening the coverage of the LEAP program will help improve household resilience to various shocks.

Objective 3.2. Improved maternal health- *Mostly Achieved.*

27. The CPS made positive contributions to improving maternal and child health using community-based health and nutrition services. Activities supported through World Bank interventions¹⁴⁷ benefitted over 2,400 Community Based Health Planning and Services (CHPS) communities and improved service delivery at the primary and Community Health Professional (CHP) level as evidenced by skilled birth attendance, antenatal care visits and vitamin A intake among children under five. The percentage of skilled deliveries conducted at the primary level increased from 27.4 percent in 2014 to 30 percent in 2018 (Indicator 3.2.1). Antenatal care also increased from 43 percent of women visiting a clinic in their 1st trimester in 2014 to 52 percent in 2018 (about 1,156,173 women). However, these targets which are being monitored through the Maternal, Child Health and Nutritional Improvement Project differ substantially from what was stated in the revised CPS results framework.¹⁴⁸ Despite these discrepancies the CPS objective was rated Mostly Achieved given the substantial progress made in this area (see Attachment 1 for progress between FY19-21). Implementation of Community-

¹⁴⁴ Invest Ghana (FY18).

¹⁴⁵ West Africa Regional Fisheries Project (WARFP) (P124812).

¹⁴⁶ Ghana Social Opportunities Project (P115247).

¹⁴⁷ Maternal and Child Health and Nutrition Improvement Project (P145792).

¹⁴⁸ Targets and baselines for both indicators in the revised CPS Results Matrix are not consistent with what was actually monitored in the Child Health and Nutrition Improvement Project.

based Performance Based Financing (CBPF) in eight pilot districts,¹⁴⁹ to incentivize health workers to improve service delivery in the poorest communities, has been successful as well.

28. IFC's Health Africa initiative (HAI) contributed to increasing access to private sector health delivery to nearly 750,000 people by 2018, exceeded the target of 500,000. IFC also supported increased accreditation of private health clinics from 41,000 in 2014 to 227,000 clinics in 2018 exceeding the CPS target (Indicator 3.2.3). The project supported the accreditation of private maternity homes onto the National Health Insurance Scheme to provide services to pregnant women beyond deliveries, through policy dialogue and the development of accreditation and licensing tools. However, there is a need to ensure that accredited clinics continue to deliver quality health services. To improve women's health, the project also financed the training of the midwives in essential obstetrics services and life-saving skills, with certificates allowing for the renewal of annual practice licenses for private midwives. Working with the World Bank's Maternal and Child Health Project, the HAI facilitated facility-improvement grants against debt owed by NHIS to improve healthcare delivery infrastructure for private maternity homes. The project also worked with non-profit organizations PharmACCESS and Marie Stopes International to provide essential inputs for service delivery.

Objective 3.3. Increased access to improved water supply and sanitation – *Mostly Achieved.*

29. Satisfactory progress was made in access to piped water connections in underserved rural and urban areas. The World Bank financed several investment operations¹⁵⁰ to support government in improving water and sanitation facilities through construction and rehabilitation of onsite water pump systems, improvement of urban water distribution networks and provision of environmental sanitation facilities. Overall, 1,968,300¹⁵¹ people benefitted from access to sustainable water supply in targeted rural small towns in six regions and low-income urban communities, including Greater Accra, against a CPS target of 1,350,000 beneficiaries. As of March 2020, 420,000 low-income urban residents benefitted from improved water distribution network through Bank's investment in GAMA project.

30. The World Bank's support through Greater Accra Metropolitan Area (GAMA) project substantially contributed to building resilience against health shocks. Over 10,400 households in low-income urban communities (LIUC) were provided with piped water supply connections, while 297 new toilet blocks were constructed and 89 were rehabilitated for schools in LIUCs. All newly constructed and rehabilitated toilet blocks are equipped with hand washing facilities serving 231,000 pupils. Behavior change and communication materials and training created community awareness of hygiene and sanitation. The overall CPS objective in terms of access to water was achieved but there were no specific indicators in the CPS results framework to measure access to improved sanitation. However, by June 2018, 365,200 people benefitted from increased access to sanitation facilities in targeted rural areas as monitored through Rural Water Supply and Sanitation Project.¹⁵²

III. WBG PERFORMANCE

31. WBG performance in designing and implementing the CPS program is rated as Fair. The WBG's performance was challenged by factors such as lack of selectivity in program design, poor design of the results framework and inadequate inclusion of lessons from the previous CPS, as follows.

CPS Design:

32. The design of the CPS focus areas and objectives remained largely aligned with government

¹⁴⁹ Upper East, Upper West, Northern and Volta Regions.

¹⁵⁰ Sustainable Rural Water Supply and Sanitation (SRWSS); Urban Water Project and GAMA.

¹⁵¹ SRWSS (750,000)+Urban Water Project (850,300)+GAMA (368,000).

¹⁵² Rural Water Supply and Sanitation Project ICR (P120026).

priorities¹⁵³ and the WBG's twin goals. The two-year extension of the CPS through FY18 was appropriate to support Ghana in addressing economic shocks (see para 34). A combination of DPFs, investment lending, guarantees and IFC investments supported a broad range of areas that addressed important priorities for the country. At the same time, the CPS design lacked selectivity - the program was spread across multiple sectors across 15 objectives stretching the ability of the program to deliver the expected outcomes in areas such as land, energy, education and fisheries (see section II and para 35). The WBG did not take the opportunity at the PLR stage to streamline the portfolio and results framework to reflect institutional weaknesses.

33. Lessons learned from the previous CPS (FY07-12) were not fully incorporated. The CPS design did not fully consider factors such as relevant indicators to assess progress in the results framework, the country's electoral cycle, and a likely shift in government priorities. These could have been better considered at the design stage and addressed more effectively during CPS implementation.

34. The CPS design maintained programmatic flexibility and adjusted to the changing country context. The sharp decline in global prices of gold, oil, and gas in 2014, and the high public sector wage bill and energy rationing, exacerbated trade and fiscal imbalances. At the PLR stage, the WBG program was modified to support government's ambitious fiscal consolidation program with new efforts to improve macroeconomic stability, strengthen public financial management (PFM) and generate cheaper sources of energy through the Sankofa gas field. The focus of the DPF series¹⁵⁴ was extended beyond financial sustainability in the energy sector to address challenges in areas such as the wage bill, arrears management and SOE governance. The World Bank DPF series responded effectively to government's request for policy adjustments and to a policy-based guarantee (PBG) to restore market confidence which assured Ghana's US\$1-billion sovereign bond issuance, allowing Ghana to access international finance at longer tenors than previously possible.

35. The results framework had several shortcomings in the links between indicators, objectives and WBG interventions. Some objectives were not adequately measured by the CPS indicators. For example, Objective 3.3 had only an indicator related to water supply, not sanitation. Second, some objectives had multiple dimensions and the associated indicators did not cover all dimensions. For example, Objective 1.1 had two dimensions (strengthen PFM and e-governance), but the indicators were insufficient to gauge e-governance. Third, some objectives had a broad scope, while associated projects had limited scope. This was the case for objectives in energy transparency, land administration and financial sectors. Fourth, some indicators were not aligned with project-level baselines and targets. Objective 3.2 had two health targets (3.2.1 and 3.2.2) which failed to reflect updated baseline and target indicators in the health projects. Fifth, some indicators were only in the form of inputs or process that did not measure intended outcome (e.g., statistical capacity, land administration, and oil and gas).

36. The risks to WBG program implementation remained relevant throughout the CPS period. Macroeconomic risks materialized due to the volatility of international oil, gold, and cocoa prices while high wage bills and the 2016 election-related expenditures placed added pressure on macroeconomic stability. The World Bank's flexible approach through the programmatic DPFs, along with IMF and other development partner support, helped the government to adopt a fiscal consolidation program which mitigated the fiscal risks to some extent. Political risks materialized and affected the program after the 2016 elections when Government reform priorities changed. Mitigation measures included Country Portfolio Performance Review (CPPR), Implementation Support Team meetings and technical support by the fiduciary teams. While WBG had limited influence on the political landscape, these measures helped ensure continued implementation of the portfolio as evidenced by the disbursement ratios.

¹⁵³ GSGDA II and the Coordinated Program of Social and Economic Development Policies.

¹⁵⁴ Macroeconomic Stability and Growth Series I and II.

CPS Implementation:

37. IDA lending delivery during the CPS reached US\$3.04 billion (including regional IDA) covering three IDA cycles.¹⁵⁵ This amount is higher than the original IDA commitment of US\$1.39 billion reflecting extension of the CPS through FY18 at the time of the PLR. While 18 new operations including two DPOs, 14 IPF and two regional projects were delivered, the total number of projects slowly declined from 19 to 13 during the CPS. The introduction of new instruments such as policy-based guarantees supported Ghana's debt refinancing to address macro challenges. An IDA guarantee of US\$125 million,¹⁵⁶ a complementary IBRD enclave guarantee of US\$200 million, MIGA political risk guarantees of US\$460 million along with IFC's investment in Sankofa (US\$300 million) were provided to support Ghana's transition to reliable, clean energy supply. The WBG program also leveraged US\$672 million in trust fund resources.¹⁵⁷

38. The IDA portfolio continued to deliver results after the end of the CPS and engaged in new areas. The WBG continued engagement in several areas approved under the CPS whose results are reflected in CLR Attachment 2. Between the end of the CPS in June 2018 and June 2021, the World Bank delivered approximately \$2 billion across 18 IDA operations including, \$330 million in COVID-19 health assistance. New engagements were started in financial sector development, private sector development, and urban resilience while the period also saw scaled up support in social protection and jobs. A program of ASA was completed that fed into development of the new CPF including a Systematic Country Diagnostic, a Country Environmental Assessment, a Poverty Assessment, a Digital Economy Assessment, a Country Economic Memorandum along with several economic updates plus analytics on the cocoa sector, growth and diversification, urban mobility among others. The operations and ASA approved during the period are set out in the CLR Attachment 4. Towards the end of the CPS the Bank started to introduce new instruments such as Results Based Financing and Disbursement Linked Indicators, building off one experience under the CPS with DLIs under the Secondary Education Improvement Program, through the preparation of two new projects: Ghana Secondary Cities Support Program and Ghana Accountability and Learning Outcomes Project¹⁵⁸.

39. IFC committed over US\$1.7 billion in Ghana during the CPS period. IFC's long-term financing of US\$0.9 billion and US\$0.8 billion of mobilization from other sources supported investments in ports, oil and gas production, private education, hospitality, real estate, and development of the financial market. IFC also supported US\$675 million of trade finance. By end-FY18, IFC's committed portfolio reached US\$988 million up from US\$833 million at the beginning of FY13. The portfolio performed well. Non-performing loans (NPLs) on principal represented 1.8 percent of the committed portfolio in FY18, up from 0.1 percent at the beginning of FY13. IFC also launched 18 advisory services projects totalling US\$40 million covering energy, agribusiness, digital financial services, financial infrastructure, investment climate, SME development and health.

40. MIGA issued over US\$460 million in guarantees during the CPS period supporting four projects in the infrastructure, energy and oil and gas sectors. The Seawater Desalination project involved construction and operation of a seawater desalination plant in Accra, providing potable water to residents and businesses in the project area. MIGA continued to support the expansion of an existing combined-cycle gas turbine power-generation facility through the Takoradi Power plant project, providing baseload capacity to complement hydroelectric generation. The Offshore Cape Three Points (OCTP) Sankofa Gas Field Development project supported development of the hydrocarbon reserves of the offshore OCTP block. Lastly, the West African Gas Pipeline, aimed at supplying natural gas from Nigeria to Ghana.

¹⁵⁵ IDA 16 (FY13-14), IDA 17 (FY15-17), and part of IDA 18 (FY18).

¹⁵⁶ US\$500 million total exposure.

¹⁵⁷ This includes Large and small Recipient executed TFs and GEF.

¹⁵⁸ Ghana Secondary Cities Support Program (P164451) approved in September 2018 and Ghana Accountability and Learning Outcome Project (P16557) approved in October 2019.

41. IDA's portfolio performance improved during the CPS (see CLR Attachment 5). There was a steady rise in the disbursement ratio from 17.6 percent in FY13 to 36.7 percent in FY17, tailing off to 16.6 percent in FY18. The number of problem projects increased from 2 to 5 between FY13 to FY14 but reduced to 2 by FY18 due to monthly reporting in a Monthly Portfolio Executive Summary (MPES) on actions taken by teams and through instituted regular monitoring and performance.

42. Early engagement in complex sectors required a simplified project design, while implementation of large infrastructure programs revealed the need to support client's procurement capacity. During the CPS period, fifteen World Bank projects moved in and out of problem status but only a few remained in problem status for more than one year. Complex projects in high-risk sectors like energy, land administration and fisheries took an average of two to three years to improve performance. This required a re-negotiation with government of legal covenants and effectiveness conditions resulting in restructuring of the projects. In addition, projects with high-value procurement activities that were critical for implementation were delayed. This resulted from low capacity of government to effectively bid for, launch and manage large contracts in infrastructure sectors (energy, transport and water supply) and in new sectors that required advanced technical inputs into procurement bids (digital infrastructure). These factors contributed to both the increase in problem projects from two (FY13) to five (FY14-16) and an average portfolio at risk of 30 percent from FY14 to FY18. Projects were restructured to simplify ambitious designs (land administration), with large and complex procurement activities (e-Transform, transport) simplified or removed to enable effective implementation.

43. Several proactive measures were taken to improve portfolio performance. During the CPS period, the World Bank maintained an active dialogue with Project Implementation Units (PIU); Ministry of Finance (MoF) and sector ministries through regular portfolio reviews¹⁵⁹ to discuss implementation challenges. Fiduciary clinics provided technical assistance to PIUs in critical areas of procurement. These measures helped to reduce the number of problem projects from five to two by the end of the CPS period, increasing the proactivity rate from 50 to 100 percent, and maintaining an average disbursement ratio of 24 percent. These measures will need to continue during the CPF period to ensure healthy portfolio performance.

44. ASA successfully leveraged the policy dialogue with Government in areas where WBG financial support was already strong, but more importantly in areas where knowledge creation and exchange were the main modality of engagement. Several analytical engagements, including Doing Business reforms, access to finance and debt management informed government's reform agenda. For example, a public expenditure review provided actionable policy options for the new government in 2017 to improve expenditure management and address macroeconomic vulnerabilities. The annual economic updates were critical for maintaining country engagement on macro and fiscal matters. ASA work on urbanization directly supported government in implementing core reforms for sustainable urban development in Ghana particularly municipal management. Technical assistance on youth and jobs helped government to draft a National Youth Employment Framework to create employment opportunities for youth. These ASA activities addressed important development challenges, yet they were dispersed and were not uniformly aligned with CPS objectives.

45. There has been some progress in closing gender gaps through the WBG's portfolio. Addressing the gender gaps in improving human capital and economic inclusion were noted in several projects in health, education, social protection, skills, land, and agriculture. The Ghana Commercial Agriculture Program (CGAP) promoted women's access to land, participation in value chains and greater use of female extension agents. About 65 percent of the IDA portfolio was gender tagged, as were about 31 percent of the IFC advisory services. IFC's Banking on Women Initiative supported women-owned enterprises. Despite these efforts, there is a need to strengthen both gender-tagging across the portfolio and, more concretely, continue efforts to support voice and agency and strengthen women's economic opportunities.

¹⁵⁹ Implementation Support Team Meetings.

46. WBG investment lending and grants¹⁶⁰ addressed climate change through sustainable management of forest, land and water resources in Ghana’s High Forest Zone and Northern Savannah region. A locally based climate innovation center offered financial support to entrepreneurs and SMEs to increase business activity in the climate technology sector.¹⁶¹ Furthermore, 13 percent of IFC advisory funds are related to climate-tagged activities and six of IFC’s investment projects¹⁶² contributed to mitigating climate change by supporting energy efficiency, reducing CO₂ production in energy generation, and developing green buildings in the hospitality sector. That being said, a more strategic engagement on climate change going forward would be important to ensure this issue is adequately addressed across the portfolio.

47. The CPS also recognized the importance of coordinating with development partners (DP). The World Bank collaborated effectively for budget support operations with the IMF and the AfDB. The World Bank also worked closely with the Multilateral Donor Budget Support Operation team, the United Kingdom’s Foreign, Commonwealth and Development Office (FCDO) (formerly DfID), EU and other bilateral donors in Accra through regular coordination meetings and sharing economic analysis. In water and sanitation, the GAMA project benefitted from partnership with Global Partnership for Output-Based Aid (GPOBA) and collaborated with partners such as UNICEF. The World Bank also leveraged co-financing or parallel financing to support projects in agriculture, education, skills development, transport, and public expenditure management. IFC advisory activities benefitted from coordination and co-financing through trust funds from DPs such as SECO and USAID in health, digital financial services, agribusiness and private sector development.

48. Fiduciary and Safeguards: Low procurement capacity was a significant challenge at every stage of the procurement cycle: bidding, launching, and managing contracts. Delays and problems with procurement were regularly monitored and addressed through the performance reviews. Financial management arrangements for projects were adequate and met the minimum WBG requirements.¹⁶³ Infrastructure and other investment projects complied with World Bank environmental and social safeguards and with the ESF where applicable. However, some safeguards requirements, although met, were often delayed: securing land, identifying PAPs, processing RAP payments, and setting up GRM systems. Close engagement and follow up with government allowed for a resolution of these delays.

IV. ALIGNMENT WITH CORPORATE GOALS

49. The CPS was explicitly aligned with WBG’s twin goals in a resilient and sustainable manner. The policy reforms supported under the first pillar helped strengthened fiscal management and public financial management which is expected to improve allocative and operational efficiencies for delivering better public services for the bottom 40 percent. The second pillar focused on removing the binding constraints to private investment and growth, emphasizing energy, transportation, the financial sector, and the sustainable agriculture development. Removing these constraints also has a direct impact on poverty by enabling, for example, the poor to have better access to markets and enhancing their income-generating opportunities. WBG engagements in basic services (health, education, social protection, and WASH) supporting the third pillar facilitated improved service delivery in the underserved regions to improve equity and inclusion. For example, World Bank support to government’s social protection program LEAP enhanced coverage by 1.1 million beneficiaries and potential community economic benefits through access to improved infrastructure that directly benefited poor communities in the North.

V. LESSONS LEARNED

¹⁶⁰ Forest Investment Program (FIP) and Sustainable Land and Water Management.

¹⁶¹ Large RETF: Ghana Climate Innovation Center (P145765) project

¹⁶² It accounts for US\$135 million of climate-related commitment.

¹⁶³ As per Bank Policy OP 10.00.

Strategy-Level Lessons:

50. The WBG should be more selective in the type of activities where possible while retaining flexibility to address emerging development issues. The design of the CPS Results Matrix and WBG engagements covered many sectors with multi-dimensional objectives. The WBG also missed the opportunity during the PLR to revise program objectives and simplify the results matrix which limited the ability to show results in some areas. Going forward, achieving selectivity in the CPF will require alignment with clear priorities from the government in areas where WBG program will have significant comparative advantage. This may imply fewer standalone projects and consolidation of non-performing operations where multi-sectoral support can be effective for maximum impact. Consolidation of operations in similar sectors such as WASH and urban services through sector wide engagements can also reduce portfolio fragmentation. ASAs need to be prioritized to ensure strategic relevance and improve complementarity with lending. Finally, CPF design needs to be flexible to respond to changing country context and the PLR process should be fully exploited to make mid-course adjustments to the WBG program and revise objectives and results indicators accordingly.

51. WBG collaboration can be further enhanced. During the CPS period, IFC and World Bank collaboration was primarily limited to the financial and energy sectors. IFC's support through financial credit facilities, advisory services to banks, financial infrastructure and enabling environment reforms complemented World Bank's technical assistance reforms in the banking sector, leading to improvements in overall financial stability and soundness. The World Bank's support to the development of the National Financial Inclusion and Development Strategy and the Capital Market Master Plan and guidelines further complemented IFC's work on warehouse receipts. In the energy sector, the WB and IFC collaborated in several areas such as gas-for-power through joint discussions with the Government, including two workshops with key stakeholders, and in the context of Sankofa project¹⁶⁴. To create markets and encourage private sector led growth, the next CPF could more systematically explore opportunities for collaboration in sectors which are naturally complementary.

52. A more structured approach to closing the gender gap in Ghana is needed. First, providing upstream support to task teams to integrate gender dimensions at the design phase of project preparation will ensure gender chain results (analysis, activities, and relevant indicators) are well established, and familiarity with the portfolio to ensure complementarity of gender activities. Second, a country gender action plan for Ghana along with a monitoring tool would help track progress in closing the gaps and guide the country team on where efforts should be focused. Third, there was no explicit identification of priority areas for WBG engagement in addressing gender which meant the focus was somewhat dispersed. Going forward, the WBG could explore having a specific gender focus (e.g., female labor employment gap or earnings gap) to help orient the programming of the portfolio.

Project-Level Lessons:

53. WBG support should be informed by careful assessment of sector viability as a precursor to any engagements in the sector. Lessons from the energy sector demonstrate that the long-term viability of the WBG-supported Sankofa Gas project was dependent on a financially solvent power sector to pay for the gas. Such gas-to-power operations need to be part of a comprehensive plan, which addresses not only the supply of gas but also the financial health of the power sector, where most of the gas is consumed. Rising arrears in public sector entities for unpaid electricity consumption severely impacted the financial viability of the country's main distribution company, Electric Company of Ghana (ECG) thereby undermining the effectiveness of the Sankofa project itself. Moving forward, the use of WBG financing and/or guarantee instruments needs to be

¹⁶⁴ WB's Sankofa Gas Project (P152670) provided Partial Risk Guarantee supported wider reforms to reduce the financial liabilities of the energy sector and IFC was hired as transaction advisor for the utility concession process.

accompanied by a thorough assessment of the financial health of the overall sector which is critical for long-term program sustainability. This applies to sectors such as WASH and transport as well.

54. The World Bank should continue to leverage its sector expertise in areas where it has shown large scale positive results for future sustainability. The World Bank's engagement through the GAMA project substantially contributed to building household resilience against future disease outbreaks. Increased access to handwashing facilities, new toilets and water supply within houses/yards in the selected low-income urban communities reduced the need for beneficiaries to go out of their homes to obtain water for domestic activities, allowing for social distancing. Behavior changes and communication materials created awareness of hygiene and sanitation. Providing safely managed WASH services and applying good hygiene practices are central to building resilience to future health risks and human capital development.

55. Sustainability of any program requires government' commitment to implement critical institutional reforms. In the case of WB's engagement in social protection government commitment and ownership were essential for scaling up of safety net programs in Ghana. This was demonstrated by passage of the Social Protection Policy in 2015, drafting of the Social Protection Bill, and scaling up of the LEAP program; and was accompanied by a significant increase in funds from GHS 2 million at inception to GHS 168 million in 2017. Between 2014 and 2016, scaling up of LEAP was successful due to the prioritization by the political administration at the time. Government has shown the same commitment to the LIPW, by passing the LIPW Policy in 2016 and scaling up through the World Bank's Social Opportunities Project. For the long-term sustainability of the program, continued government political will to implement reforms will be important to deepen engagements in targeting of social protection programs and creating a mechanism for Adaptive Social Safety Nets which will help build household resilience to future shocks.

56. Adequate sector expertise is critical for early engagement in complex operations. The World Bank team for the Second Land Administration Project did not include a land specialist for most of the duration of the project thereby undermining design approaches. Land projects can be complex, expensive and time-consuming and having expertise on the ground is critical. Going forward, teams need to include the necessary sector expertise at the design and implementation stage. If there is a funding issue, then the project needs to be simplified accordingly.

Instrument-Level Lessons:

57. A mix of WBG's instruments can effectively address development challenges in Ghana. Over the course of the CPS, a variety of instruments started to be utilized. The Bank's program built upon the traditional use of IPFs with new instruments such as Policy Based Guarantees, and in the latter part of the CPS began to prepare operations utilizing results-based indicators. DPOs were also an important component of the instrument mix for Ghana, being highly effective in supporting critical fiscal reforms. Collectively these provided greater flexibility in tackling different development challenges and enabled greater utilization of government systems.

58. Policy-Based Guarantees (PBG) can be a useful instrument in leveraging resources to manage fiscal consolidation for an IDA country. It is attractive from an operational perspective, since guarantees significantly leverage IDA financing. In the case of Ghana, the first PBG¹⁶⁵ helped the country to manage macro challenges by supporting refinancing of debt and reducing pressure on the government and on the exchange rate. The PBG also helped secure financing in the international market at more favorable maturity terms than might otherwise have been available. The measures supported through the World Bank's first DPF¹⁶⁶ helped the government

¹⁶⁵ WBG provided a US\$400-million PBG in October 2015 following the Board approval of First Macro Economic Competitiveness and Growth Credit (MSCG I) in June 30, 2015. The bond raised with the WBG guarantee was not to be used for budget support but was to be exclusively used for refinancing existing debt and improving its maturity structure. The PBG was expected to facilitate raising up to US\$1 billion which would enable the government to refinance or redeem part of its existing debt stock depending on market conditions.

¹⁶⁶ First Macroeconomic Competitiveness and Growth Credit (MSCG I).

achieve fiscal consolidation in 2015 by reducing the fiscal deficit from 10 percent in 2014 to 7 percent in 2015. However, the deficit increased again to 9 percent of GDP due to election induced spending in 2016. Therefore, if PBGs are not supported by credible macro reforms their benefits are not sustainable for the medium to long term. Going forward, if WBG wants to leverage PBGs for Ghana it should be vigilant in monitoring macro developments/volatility in coordination with the IMF and other DPs.

59. Development Policy Operations are an effective instrument to support Ghana's macroeconomic stability however careful assessment of evolving political economy and institutional incentives is also necessary. The Bank supported two Development Policy Financing operations during the CPS based on government priorities and country's emerging fiscal vulnerabilities. The reforms supported by first operation helped to achieve a degree of fiscal consolidation to reduce fiscal deficit below 5.7 percent. The ongoing technical assistance operations were critical in implementing institutional reforms initiated by the two operations. At the same time, election-related expenditure in 2016 almost derailed the fiscal consolidation achieved in 2015. The new Government elected in 2016 asked the World Bank to terminate the three-operation budget support series with the second operation, and launch a new series, aligned with the new development strategy. In retrospect, the Bank task team was aware of the risks related to the political cycle and these risks were highlighted in the operation. Going forward, accommodating the electoral cycle into program sequencing is necessary and the WBG team could make explicit assumptions regarding capability, the level of government commitment, and risks related to the achievement of development objectives for future programs. If reforms initiated through DPCs remain unaddressed due to changes in government priorities, technical assistance can help continue the policy dialogue and reform momentum.

CLR ATTACHMENT 1: SUMMARY OF CPS (FY13-18) PROGRAM SELF-EVALUATION

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
PILLAR 1: IMPROVING ECONOMIC INSTITUTIONS – Moderately Satisfactory			
CPS Objective 1.1: Strengthen public financial management and improved e-governance - Partially Achieved			
<p>1.1.1 Average expenditure outturn compared to originally approved budget (PEFA score) <i>Baseline (FY13): C</i> <i>Target (FY18): B</i></p> <p>1.1.2 Improved control of the wage bill – public wage to tax revenue ratio falls Baseline: 52.9 percent (2014) Target: 45 percent (end 2017)</p> <p>1.1.3 Strengthening of NDPC capacity for policy analysis, forecasting and projecting as demonstrated by preparing satisfactory National Infrastructure Plan and Public Investment Plan (PIP) Baseline: No NIP or PIP Target: NIP and PIP prepared by 2018.</p>	<p>Not Achieved. Actual (FY18): D Source: PEFA (May 2018)</p> <p>Mostly Achieved. Actual: 46 percent (12/31/2018) Source: Ghana, First and Second Macroeconomic Stability ICR (P133664, P157343).</p> <p>Not Achieved. The support from the Bank to develop the capacity of NDPC was delayed due to implementation challenges with the GEMS project. GoG developed a draft national investment plan without Bank support.</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Macro Stability for Competitiveness and Growth DPO I-II; Local Government Capacity Support Project; eTransform Ghana Project; Ghana Public Financial Management Reform Project ; Economic Management Strengthening Project; IDA Policy-Based Guarantee ; Making the Budget Work for Ghana Project; Statistics Development Program <p>ASA:</p> <ul style="list-style-type: none"> – Debt Management Performance Assessment; Strengthening of Accounting Profession Just in time Policy Notes; Debt and Risk Management TA; Enhancing Urban Resilience TA; Distributional Impact of Fiscal Policy; Banking Supervision and Crisis Management TA; Capital Markets Regulation & Supervision TA; Systematic Country Diagnostic; ROSC Assessment; PFM Reform Study; Electricity Company of Ghana TA; Environmental Resilience Analysis 	<ul style="list-style-type: none"> – World Bank projects predicated on low capacity need to avoid overtaxing that capacity with excessive complexity. – Self-assessments among implementing agencies can help improve results. – Strict adherence to pre-determined goals may be counter -productive to the acquisition of capacity.
CPS Objective 1.2: Strengthen Statistical Objective - Achieved			
<p>1.2.1 Proportion of statistical products released in accordance with national statistics release calendar (percent) Baseline: 0 percent (no release calendar) FY13 Target: 50 percent FY18</p>	<p>1.2.1 Achieved. Actual: 60 percent Source: Annual review of publication dates compared with release calendar 80 (Dec 2015)</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Statistics Development Program (P118858); Second Statistics Development Program (FY14); NREG TA ; Disaster Risk Management Country Plan (TF) 	<ul style="list-style-type: none"> – Proper sequencing of activities is critical especially in institutional reforms that generally entail

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>1.2.2 Statistical Capacity Score (GSDP) - score Baseline: 59 (FY12) Target: 70 (FY18)</p>	<p>1.2.2 Achieved. Actual: 77.8. Source: World Bank, Bulletin Board on Statistical Capacity (http://bbsc.worldbank.org)</p>	<p>ASA</p> <ul style="list-style-type: none"> – Ghana Living Standards Survey VII Poverty Profile; Integrated Business Establishment Survey; Energy Sector Review; GH- Municipal Financing Sekondi and Takoradi; Pension/Poverty Trends; SOE Governance Study; National Anti-Money Laundering/CFT Risk Assessment; Public Sector Wage Bill Study; Public Expenditure Review; PFM Bottlenecks to Service Delivery 	<ul style="list-style-type: none"> – information systems development. – Monthly review meetings with the GSS management to address coordination issues and identify bottlenecks as well as procurement meetings helped accelerate progress.
CPS Objective 1.3: Strengthened land administration - <i>Partially Achieved</i>			
<p>1.3.1 Turn-around time for title registration reduced (LAP2) month Baseline: 7 months (FY12) Target: 3 months (FY18)</p> <p>1.3.2 Basic information on standard statutory fees, land values and charges on land transactions made publicly available (disaggregated by media, on-line, website and brochures). Baseline: No (FY12) Target: Yes (FY18)</p>	<p>1.3.1 Not achieved. Actual: Land title registration for the baseline data was inaccurate and not based on a sound methodology. Subsequent reporting did not reflect the realities on the ground due to the inappropriate methodology adopted Source: LAP II ICR</p> <p>1.3.2 Achieved. Actual: The LAP II target of 10 percent of information made available has been achieved. Information is provided in at least in 10 different media, improving transparency and supporting land market activity. Source: LAP II ICR</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Land Administration Project II <p>ASA:</p> <ul style="list-style-type: none"> – Disaster Preparedness & Watershed Management – Urban Local Government Exchange 	<ul style="list-style-type: none"> – Project management and Ownership- Through sound management and effective use of the Steering Committee, five different implementing agencies collaborated coordinated effectively taking responsibility for their specific activities and ensured results – Consider lessons from previous projects prior to designing new follow on projects
CPS Objective 1.4: Increase oil and gas sector transparency – <i>Achieved</i>			
<p>1.4.1 Oil and gas contracts made available to the public (OGCBP) Baseline: No (FY12)</p>	<p>1.4.1 Achieved. Actual: Oil and gas contracts are now available to the public.</p>	<p>Lending:</p>	

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
Target: Yes (FY18)	Source: Gas and Oil Capacity building Project	<ul style="list-style-type: none"> – Oil and Gas Capacity Building Project (Original and Additional Financing); Sankofa IDA guarantee US\$125 million (US\$500m exposure); IFC-Kosmos Energy II (31179); IFC - Vitol Sankofa (36378) <p>ASA:</p> <ul style="list-style-type: none"> – IFC- Eni/Vitol Community Investment Strategy (601850) <p>MIGA guarantees:</p> <p>Sankofa Gas Fields guarantees</p>	
PILLAR 2: IMPROVING COMPETITIVENESS AND JOB CREATION – Moderately Satisfactory			
CPS objective: 2.1. Improve access and quality of education – Partially Achieved			
<p>2.1.1. Students achieving proficiency in English and Maths (NEA results for deprived districts) (GPEG) (percent)</p> <p>Baseline: P3 English: 12.4%; P3 Math: 9.0% (FY14)</p> <p>Target: P3 English: 14%; P3 Math: 12.5% (2018)</p>	<p>2.1.1. Partially Achieved.</p> <p>Actual: P3 English: 16%; P3 Math: 13% (2013)</p> <p>Results from later years were not available as the most recently administered test (2016) was administered to grade 4 (P4) students. However as ICR states early grade reading and math assessments (EGRA and EGMA), continued to show statistically significant improvement in scores between 2013 and 2015.</p> <p>Source: Ghana Partnership for Education Project (FY13) ICR</p>	<p>Lending</p> <ul style="list-style-type: none"> – Ghana Global Partnership for Education Project (grant); Secondary Education Improvement Project (P145741); Africa Regional Higher Education Centers of Excellence (IPF FY14); Secondary Education Project AF; IFC – Ashesi University II (39192) <p>ASA:</p> <ul style="list-style-type: none"> – Demand and Supply of TVET Skills Note; Teacher Community Assistance TA; Competitiveness and Job Creation Policy Notes; Manufacturing Sector Competitiveness Note; 	<ul style="list-style-type: none"> – Transparent and objective targeting criteria ensured appropriate political support and effective implementation. In the case of this project, clearly defined criteria based on education and poverty indicators ensured that that funds were targeted to the districts most in need, and limited political capture of benefits.
CPS objective: 2.2 Improve skills development and technology adoption - Achieved			

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>2.2.1. Labor productivity by participating firms (GSTDP) increased by 40% <i>Baseline: na</i> <i>Target: 40%</i></p> <p>2.2.2. IFC: students graduated (on computer science, management information systems and business administration) at Ashesi University (number) Baseline (2007): 350 Target (2013): 525</p>	<p>2.2.1. Achieved. Productivity increased between 2013 and 2016 by more than 50 percent (426 percent) among participating firms. Actual: 66.78% (December 2016) Source: Skills and Technology Development Project ICR</p> <p>2.2.2. Achieved. Actual (2013): 588 Actual (2016): >791 (o/w 378 female) Actual (2018): 1,007 (o/w 474 female) Data source: iPortal, project 39192 (IFC)</p>	<p>Lending</p> <ul style="list-style-type: none"> – Ghana eTransform ; Skills and Technology Development Project (P118112); IFC – Ashesi University II (39192) <p>ASA:</p> <ul style="list-style-type: none"> – Financial Inclusion Strategy; Structural Transformation Note; Programmatic Urbanization TA; Doing Business reform; IFC- AfsME Solutions West and Central Africa (600726) 	<ul style="list-style-type: none"> – The project demonstrated potential outcomes of the Skills Development Fund (SDF) in terms of increased productivity, generation of resources, and the establishment of mutually beneficial partnerships between research and technology institutes and industry/private enterprises.
CPS objective 2.3: Improved finance in support of SMEs - Achieved			
<p>2.3.1. SMEs receiving loans secured with movable property (number) Baseline (2010): 200 Target (2014): 4000</p> <p>2.3.2. Non-cash transactions per month (US\$) Baseline (2014): US\$139,475 Target (2018): US\$7,250,000</p>	<p>Achieved. Actual (2014): 11,648 Actual (2017): 19,000 Actual (2018): 25,000 Source: DOTS (IFC) Source: iPortal, projects 552667 and 601505 .</p> <p>Achieved. Actual: US\$37,487,823 as of May 2018 Source: iPortal, advisory projects listed (IFC)</p>	<p>Lending</p> <ul style="list-style-type: none"> – IFC- Access Ghana (33037); IFC- Advans GH RI 3 (33856); IFC- Advans GH RI 4 (39300); IFC- BOA G SME RSF (41363); IFC- CAL Bank II (41047); IFC- CAL Bank SME (38415); IFC -EAG RI 2012 (33287); IFC- EBG Tier2 II (36645); IFC- UBA Ghana (38559); IFC- WCS SG Ghana II (39486); IFC- WCSS SG Ghana (34383); IFC- Zenith Bk Ghana (39317); IFC- 8 global trade finance projects <p>ASA:</p> <ul style="list-style-type: none"> – IFC- Africa Credit Bureau Program 2 – Ghana (569789); IFC AMSMETA UT Bank Ghana (595507); IFC- DFS CAL Bank Ghana (601936); IFC- Ghana Collateral Reform (552667); IFC- 	<ul style="list-style-type: none"> – Provision of financing to financial institutions to on-lend to SMEs is viable to narrow the SME finance gap. To improve on such gains, products such as local currency funding and risk sharing facilities need to be deployed. – To do so would require sources of blended finance which can be provided by IBRD to support IFC’s deployment of such products.

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
		<p>Ghana Credit Reporting Project – Phase 2 (600380); IFC- Ghana Secured Transactions Reform Phase 2 (601505); IFC- Ghana Warehouse Receipt System (602282); IFC- MFS – Fidelity Bank Ghana (6001361); IFC- SECO Ghana DFS – Market level (601523); IFC- SME Ventures Oasis Africa Fund (601647); Fin Sector Note; Ag Sector Policy Notes; Prioritizing Infrastructure; Invest-Spatial Lens; Access to Finance Note; Developing Regional PPP Capacity; Private Sector Dialogue</p>	
CPS Objective 2.4. Increased energy generation and trade in electricity - Partially Achieved			
<p>2.4.1. Reduction in average annual hours of unplanned power outages per consumer in ECG system Baseline: 200 hours (2007) Target: 90 hours (2017)</p> <p>2.4.2. Increase in volume of domestic natural gas supplied to power plants from the Sankofa gas field (MM cfg) Baseline: 0 (2016) Target: 150 (mid-2018)</p> <p>2.4.3. Increase in GWh produced from alternative renewable energy sources with IFC support (GWh) Baseline (2010): 1,164 Target: 2,474 (date)</p>	<p>2.4.1. Partially Achieved. Actual: 114 (Dec, 2017) Progress between FY19-21: 101 hours as of September 2020 Source: GEDAP ISR/ICR</p> <p>2.4.2. Not achieved Actual: 41 (2018) (MMscfd per day) Progress between FY19-21: 90 MMscfd per day as of 2019 Source Sankofa GAS ICR</p> <p>2.4.3. Mostly achieved Actual: 2,226 GWh(2018) Supported by IFC Takoradi (TICO) (30228) Project IFC TICO Source: iPortal (IFC)</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Ghana Energy Development and Access Project (GEDAP P074191) and AF; Sankofa Gas Project (P152670); Climate Innovation Center TF; IPP Guarantees (GU, FY18).IFC- Takoradi (TICO) (30228); IFC- Vitol Sankofa (36378); IFC- Kosmos Energy II (31179); IFC- CAL Bank II (41047); Ghana Power (599542) <p>ASA:</p> <ul style="list-style-type: none"> – Energy Sector Review; – Natural Gas Pricing Policy Note. <p>MIGA:</p> <ul style="list-style-type: none"> – Sankofa Gas Fields (FY16). 	<ul style="list-style-type: none"> – The energy sector needs a comprehensive approach to address the different challenges confronting it. Piecemeal approaches and lack of political will tend to complicate the challenges.
CPS Objective 2.5. Improve mobility of goods and passengers - Mostly Achieved			

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>2.5.1 Share of road network in good and fair condition, trunk roads, percent Baseline: 72% Target: 88%</p> <p>2.5.2 Border crossing time of trucks/merchandise along the Elubo-Noe border and Kodjoviakope-Aflao reduced (days) Baseline: 36; Target: 19</p> <p>2.5.3 Increased Tema Port Container operations (Mn TEI Containers) Baseline (2015): 0.6458; Target (2021): 0.75</p>	<p>2.5.1 Achieved Actual: 93% (2018) Source: TSP ICR</p> <p>2.5.2 Mostly achieved. Actual: 18 days border crossing time along the corridor of Noe-Elubo (June 2018) however no data available for Kodioviakope-Aflao corridor. As a result it is mostly achieved. Source: West Africa Abidjan-Lagos Transport and Transit Facilitation Project ICR, Jan 2019.</p> <p>2.5.3: Achieved Actual: 0.84 (2018) Source: DOTS (IFC)</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Transport Sector Project (P102000); Urban Transport Sector Project; West Africa Abidjan-Lagos Transport and Transit Facilitation Project (P116323); Transport Sector Project; MPS Tema Port (36706) 	<ul style="list-style-type: none"> – Urban transport sector reform and the development of an urban transport system need to be implemented sequentially. Institutional arrangements with a clear mandate and involving various local government units are important to design of new systems.
CPS Objective 2.6. Improved land and water management - <i>Achieved</i>			
<p>2.6.1 Area of land in selected micro-water sheds under new sustainable land and watershed management technologies (ha) Baseline: 0 Target: 6,000</p> <p>2.6.2 Land under formal commercial arrangements for sustainable improved rain-fed rice in the SADA zone (ha) Baseline: 0 Target (2018): 5,000 ha</p>	<p>2.6.1 Achieved. Actual: 10,698 (October 2018) Source: SLWRM ISR April 2019</p> <p>2.6.2 Achieved. Actual: 6,672 ha Source: Ghana Commercial Agriculture P114264</p>	<p>IDA:</p> <ul style="list-style-type: none"> – SLWRM Project (P098538, P157595) AF (GEF); Enhancing Natural and Agro-Forest Landscapes Project; Dedicated Grant Mechanism <p>ASA:</p> <ul style="list-style-type: none"> – Pwalugu Economic Growth and Poverty Reduction study 	
CPS Objective 2.7. Increased adoption of new agricultural technologies - <i>Achieved</i>			

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>2.7.1 Processors/producers who have adopted at least one new technology (WAPP II) increased (number) Baseline: 25,000 (2013) Target: 250,000 (2016)</p>	<p>2.7.1 Achieved. Actual: 527,790 Source: West Africa Agriculture Productivity Program 2A (P129565) ICR</p>	<p>Lending:</p> <ul style="list-style-type: none"> – West Africa Agricultural Productivity Program II (P129565); Vegpro (30611). <p>ASA:</p> <ul style="list-style-type: none"> – Invest Ghana: Agribusiness Competitiveness (602979) 	
<p>CPS Objective 2.8. Improved management of fish and aquatic resources – Not Achieved</p>			
<p>2.8.1 Share of total landed catch with improved handling at landing sites supported by the project (percent) Baseline: 0 Target: 10% (2017)</p>	<p>2.8.1 Not achieved Actual: Data not available. Source: Fishery Commission social economic survey</p>	<p>Lending:</p> <ul style="list-style-type: none"> – West Africa Regional Fisheries Project (WARFP) (P124812). 	
<p>PILLAR 3: PROTECTING THE POOR AND VULNERABLE – Moderately Satisfactory</p>			
<p>CPS Objective 3.1 Expansion of social protection - Achieved</p>			
<p>3.1.1. Beneficiaries of safety net programs and labor-intensive public works programs – number of beneficiary households (females) Baseline: 80,000 (15,000) Target:390,000 (253,000)(2017)</p>	<p>3.1.1. Achieved. Actual: 1.11 million individuals (o/w female 57.7 percent) (May 2018) Source: Social Opportunities Project ICR</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Social Opportunities Project (P115247); AF Social Opportunities Project(P146923) <p>ASA:</p> <ul style="list-style-type: none"> – Support to Common Targeting System; Poverty and Labor Assessment; Gender analysis; – Macroeconomics and fiscal management (MFM) investments and gender study; Building National Targeting System TA; Health Insurance review; Poverty Notes; Pensions TA; Youth and Jobs TA; Consumer Protection TA 	<ul style="list-style-type: none"> – Bank support to health insurance should be comprehensive and not focus only on operational aspects. In this case, the project did not give adequate attention to the increasingly difficult financial situation of the fund.
<p>CPS Objective 3.2 Improved maternal health - Mostly Achieved</p>			

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>3.2.1. Births (deliveries) attended by skilled health personnel (HSSP) Baseline: 59% (FY14) Target: 70% (FY18)</p> <p>3.2.2. Proportion of mothers of children under two years of age who had at least 4 pre-natal care visits during their most recent pregnancy Baseline: 74.6 percent (FY14) Target: 85 percent (FY18)</p>	<p>New target (mostly achieved): Baseline: 20 percent (FY14) Target: 30 percent (FY18) Actual: 30.5 percent at the PHC level (Dec 2018) The above baseline and target and actual are based on the Maternal child health project. So data discrepancy between the CPS and original document.</p> <p>Progress between FY19-21: As of Dec 2019 the birth deliveries attended by skilled health personnel at PHC level : 31.3 % Source: ICR (P145792)</p> <p>New target (Mostly achieved): Baseline: 44 percent (FY14) Target: 52 percent (FY18) Actual: 53.1 percent at the PHC level (December 2018) Source: Maternal, Child Health and Nutrition Improvement Project (P145792 ICR. But the indicator was slightly changed during the restructuring of the project. So the revised indicator is: "Pregnant women making the first antenatal visit before the fourth month of pregnancy at PHC level" Source: ICR</p> <p>Progress between FY19-21: As of Dec 2019, proportion of mothers of children under two years of age who had at least 4 pre-natal care visits</p>	<p>Lending:</p> <ul style="list-style-type: none"> - Maternal, Child Health and Nutrition Improvement Project (P145792); IFC - Ghana Health in Africa Initiative (586827). <p>ASA:</p> <ul style="list-style-type: none"> - Child Health Nutrition and Population Community PBF Impact Evaluation 	

CPS objectives indicators	CLR Progress FY13-FY18	Lending and non-lending activities that contributed to the objective	Lessons and suggestions for the new CPF
<p>3.2.3. Number of people (male and female) receiving access to improved services in privately operated clinics supported by IFC Baseline: (2012): 0 Target: 70,000 (2018)</p>	<p>during the most recent pregnancy is 54 percent. Source: ICR (P145792)</p> <p>3.2.3. Achieved Actual: 227,000 (2018) Source: iPortal (IFC)</p>		
CPS Objective 3.3 Increased access to improved water supply and sanitation – Mostly Achieved			
<p>3.3.1 People in poor urban and rural areas provided with access to improved water sources (number) Baseline: 0 Target: 1,350,000</p>	<p>3.3.1. Achieved. Actual: 1,925,300 SRWSS755,000+UrbanWater Project 850,300+GAMA 320,000 Source: ISRs</p> <p>Progress between FY19-21: As of March 2020, 420,000 low-income urban residents benefitted from improved water distribution network through GAMA project.</p>	<p>Lending:</p> <ul style="list-style-type: none"> – Sustainable Rural Land, Water and Sanitation Project (P120026), – Urban Water Project AF (P129544); – GAMA (P119063). <p>ASA:</p> <ul style="list-style-type: none"> – Institutional Options Urban Water and Sanitation 	<ul style="list-style-type: none"> – Stakeholder consultations on local water supply systems are critical to ensure relevant and appropriate designs. – In a country with low capacity and significant governance concerns, there should be more assurance on the soundness of civil works design and contracts, and thorough prequalification of contractors.

CLR Attachment 2: Progress between FY19-21 on IDA Operations

Ten operations from the previous CPS (FY13-18) remained opened beyond FY18. Three projects closed with IEG ratings for overall outcome of “Satisfactory” for two and “Moderately Unsatisfactory” for one project. The seven remaining projects have ISR ratings of either Satisfactory or Moderately Satisfactory for Development Outcomes. These ratings are consistent with the performance of the respective projects under the CPS timeframe. Following progresses have been made.

Sectors	Progress	WB Projects
Capacity Building	To strengthen national statistics systems of timely dissemination and production <ul style="list-style-type: none"> User satisfaction with statistical products and services of the NSS – 94% as of Dec 2018 Ghana Statistical Capacity score overall score – 71% as of Dec 2018 	Ghana Statistics Development Program (P118858) IEG ICR rating: S
Land Administration	Efficient and Transparent Land service delivery <ul style="list-style-type: none"> Turn-around time in registering land deeds reduced from 3 months in 2011 to 2 months in December 31, 2019. Turn-around time in land title reduced from 7 months to Not available by Dec 31, 2019 as data were found unclear and inaccurately reported according to the ICR. 	Land Administration Project 2- (P120636) Source: ICR IEG ICR Rating: MU
Water and Sanitation	<ul style="list-style-type: none"> Access to Rural water increased from 800,000 in 2017 to 1,356,340 (o/w 52 percent female) by June 30, 2020 Access to improved rural sanitation increased from 600,000 in 2010 to 672,676 by June 30, 2020. Access to sanitation in urban areas (GAMA) increased from 0 in 2014 to 284,876 by Nov 2021. 	Ghana Sustainable Rural Water Supply and Sanitation (P120026) GAMA Water and Sanitation (P119063) ISR Rating: S
Health	<ul style="list-style-type: none"> Birth Attended by skilled delivery personnel increased from 180,000 in 2013 to 3,328,828 by December 2019. Pregnant women making the first antenatal visit in the first four months of pregnancy increased from 184,372 in June 2013 to 1,226,074 by December 2019 	Ghana Maternal and Child Health and Nutrition (P145792) IEG ICR Rating: S
Education	Increase in access in secondary education from underserved districts <ul style="list-style-type: none"> Access in transition rate from JHS to SHS from 34% in 2014 to 82% as of Aug 2021. 	Ghana Secondary Education Improvement Project (P145741) ISR Rating: S
Agriculture	Increase in area under formal commercial arrangements from 0 ha to 5,945 Ha by June 30, 2021.	Ghana Commercial Agriculture (P114264) Source: ISR ISR Rating: S
Energy	ECG Performance Verification Index 68.9% (2007) to 68.8% by June 30, 2021 Average annual unplanned power outage per consumer reduced from 200 hour in 2007 to 21.2 hours in June 30, 2021. Supply of domestic natural gas to power plants from Sankofa gas field increased to 90 MMscfd per day in 2019 and 180 MMscfd per day in 2021.	Ghana Energy Development and Access Project (P074191) Source: ISR ISR Rating: MS
Public Expenditure Management	Ratio of four major taxes to GDP remained improved slightly from 9 percent in 2018 to 9.6 percent in December 2020.	Economic Management Strengthening Project (P152171) ISR Rating: S
ICT	Number of e-service available to the public online from 8 in 2013 to 16 in September 2021. Average days to process a company registration reduced from 4 in 2013 to 2 in September 2021.	Ghana e-transform (P144140) ISR Rating: S
Transport	Travel time reduced from 7.50 in 2017 to 7.20 by June 30, 2021	Transport Sector Improvement (P151026) ISR Rating: S

CLR Attachment 3: IDA Planned and Actual Lending (FY13-FY18)

FY	CPS Planned	Amount (US\$ mil)	Actual	Amount (US\$ mil)	
FY13	GAMA Sanitation and Water (P119063)		Actual	150	
			GH-NERG TA Grant	5	
Subtotal FY 13				155	
FY14	Public Sector Reform	150	Dropped		
	e-Transform Ghana (P144140)	97	Actual	97	
	Secondary Education Improvement Program (P145741)	100	Actual	156	
	Public Financial Management Support (P151447)	25	Rescheduled to FY15		
	Economic Management Modernization (P152171)	10	Rescheduled to FY17		
	Youth Employment	60	Dropped		
	Financial Sector TA	15	Dropped		
	Maternal and Child Health and Nutrition Improvement (P145792)	68	Actual	68	
	Integrated Health Systems Strengthening	50	Dropped		
	Common Targeting TA			Dropped	
				Additional Actuals:	
				AF- Ghana Oil and Gas Capacity Building (P148224)	19.8
				AF- Ghana Social Opportunities (P146923)	50
			Africa Higher Education Centers of Excellence (P126974)	240	
Subtotal (FY14)		575	Subtotal Actual (IDA only) With Regional IDA	390.8 630.8	
FY15	DPO- Macro Stability and Competitiveness (P133664)	100	Macro Stability for Competitiveness and Growth I (P151477)	150	
	Energy Results Based Operation	200	Dropped		
	Manufacturing Competitiveness	50	Dropped		
			Additional Actuals:		
			Public Financial Management Reform Project (P151447)	45	
			Policy Based Guarantee (related to Macro DPO I) (P155550)	400	
			Transport Sector Project- Additional Financing (P149444)	25	
Subtotal FY15		350	Subtotal FY 15 (IDA only) Subtotal (IDA+PBG)	220 620	
FY16	Macro-stability for Competitiveness II (P133664)	100	Approved in FY15		
	Financial Sector Development Policy Operation	50	Dropped		
	Roads Results Based Operation	65	Dropped		

	Social Opportunities Project – AF	100		
			Additional Actuals:	
			Ghana Sankofa Gas Project (IDA guarantee \$500mn) (P152607)	500
	Subtotal FY16	315	Subtotal FY16	500
FY17			Economic Management Strengthening (P152171)	15
			Transport Sector Improvement (P151026)	150
			Secondary Education Program AF (P163628)	40
			Sustainable Rural Water and Sanitation AF (P163846)	45.7
	Subtotal FY17		Subtotal FY17	250.7
FY18			Second Macroeconomic Stability and Growth DPO (P157343)	200
			e-transform (P144140)	97
			GH Sustainable Rural Water and Sanitation Services (P120026)	120.7
			GH Commercial Agriculture (P114264)	150
			GH Energy Development and Access (SIL) (P074191)	219.6
			GH Land Administration-2 (P120636)	50
			GH West Africa Regional Fisheries (P124775)	50.3
	Subtotal FY18		Subtotal FY18	887.6
	TOTAL (FY13-FY18)		Total o/w IDA Only o/w Policy Based Guarantee	3,044.1 2,144.1 400.0

CLR Attachment 4: IDA Actual Lending FY19-21

Project No	Project Name	Approval	Amount (US\$ million)
P161787	Ghana Financial Sector Development Project	9/20/2018	30
P163984	Ghana Energy Sector Transformation Initiative Project	7/13/2018	20
P164211	Tourism Development Project	7/13/2018	40
P164330	Greater Accra Resilient and Integrated Development Project	5/29/2019	200
P164451	Ghana Secondary Cities Support Program	9/25/2018	100
P164546	First Africa Higher Education Centers of Excellence for Development	3/27/2019	20
P164603	Ghana Productive Safety Net	10/31/2018	60
P164665	Public Sector Reforms for Results	10/23/2018	35
P165557	Ghana Accountability for Learning Outcomes	10/24/2019	150
P166539	Ghana Economic Transformation Project	7/2/2019	200
P166907	Land Administration Phase 2 Additional Financing	11/21/2018	35
P166996	Ghana Jobs and Skills Project	6/29/2020	200
P169265	Harmonizing and Improving Statistics in West Africa	3/26/2020	50
P169742	Ghana Development Finance Project	10/29/2020	250
P170910	eTransform Ghana- Additional Financing	6/30/2020	115
P171620	Ghana Additional Financing for Greater Accra Metropolitan	9/22/2020	125
P174839	Ghana COVID-19 Emergency Preparedness and Response	11/10/2020	130
P175588	Ghana Productive Safety Net Project 2	3/30/2021	100
P176485	Ghana COVID-19 Emergency Preparedness and Response - AF	6/10/2021	200

CLR Attachment 5: IDA Portfolio Performance FY13-FY18

	FY13	FY14	FY15	FY16	FY17	FY18
Total IDA Project (incl DPO)	19	20	21	19	18	13
<i>o/w new IDA</i>	1	4	3	1	2	7
New IDA Commitment (including regional IDA)(US\$ mil) ¹⁶⁷	155	630.8	620	700	250.7	887.6
Net IDA Commitment (US\$ bil)	1,578	1,920	2,055	1,857	1,943	1,341
<i>o/w new IDA +regional commitment (US\$ mi)</i>	155	630.8	620	700	250.7	887.6
% at Risk (only IPF)	26	30	29	32	28	38
% Commit at Risk (only IPF)	31.4	28.9	21.5	33.8	26.5	38.3
% Proactivity	67	50	80	80	80	100
% Problem Project	11	25	24	26	17	15
# of problem project	2	5	5	5	3	2
Disbursement Ratio (only IPF)	17.6	20.3	26.3	28.7	36.7	16.6

¹⁶⁷ One regional IDA project is captured in this data, the US\$50.3-million West Africa Regional Fisheries Project (P124775), which was active from FY13-FY18.

CLR Attachment 6: Planned and Actual ASA

	CPS PLANNED ASA ACTIVITIES	ACTUAL ASA ACTIVITIES
Pillar 1: Improve Economic Institutions	<ul style="list-style-type: none"> • Natural Gas Pricing Policy • Urban Local Government Exchange • Aid Coordination • Disaster Preparedness and Watershed Management • Ghana Financial Sector Note • Political Economy of Natural Resources • State-Owned Enterprise Governance • Financial Sector Review • Public Expenditure and Financial Accountability 	<ul style="list-style-type: none"> • DeMPA Assessment - 2nd Ghana (P127828) • Increasing Access to Market-Based Financing for Municipalities in the Greater Accra Area (P129833) • Municipal Financing Alternatives for the Municipality of Sekondi-Takoradi (P143692) • Technical Support to Implementation of a Common Targeting System in Ghana (P143207) • Institutional Reform of the Ghana Water Company Ltd (GWCL) to Improve the Provision of Urban Water Services in Ghana (Phase 3) (P145797) • Policy Notes (P133667) • Public Investment Management (P146980) • Strengthening the Accounting Profession #9025 (P119683) • Governance Activities (FY11) (P122484) • Public Investment Management (P146980) • Governance Notes: Governance Constraints to Service Delivery in Ghana (P161651) • Update on Report on the Observance of Standards and Codes - Accounting and Auditing (P161792) • Strengthening the Role of PPPs in revenue collection in municipalities in Ghana (P147148) • Urbanization Review (P143696) • Collaborative Leadership for Development support to GAMA Sanitation and Water Project (P119063) • Public Sector Reform/Wage Bill Management (P151473) • Public Expenditure Review (P151519) • Economic Update and Prospects (Second Edition) (P162825) • Structural transformation, Distributional analysis of fiscal policy (P161110) • Public Financial Management Bottlenecks to Service Delivery (P152964) • State Owned Enterprises and Governance (P147290) • Growth and Diversification Study (P162744) • Public Expenditure and Financial Accountability 2018 (P164437) • Ghana Medium Term Debt Strategy (MTDS II) (P166818)

	CPS PLANNED ASA ACTIVITIES	ACTUAL ASA ACTIVITIES
Pillar 2: Competitiveness and Job Creation	<ul style="list-style-type: none"> • Pwalugu Multipurpose Dam • Energy Sector Review • Increasing Access to Market Based Finance • Prioritizing Infrastructure Investment • Urban Review • Local Government PPPs • Agriculture 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 	<ul style="list-style-type: none"> • Energy Sector Review (P131421) • Financial Sector Note (P132990) • Prioritizing Infrastructure Investment Using a Spatial Lens (P123521) • ROSC A&A (P148614) • Sector Competitiveness and Job Creation (P133304) • Digital Economy Stocktaking Study (P147092) • JIT-Follow-up MTDS (P155252) • NRA (AML/CFT) (P150252) • Economic Update (P160326) • Pensions Technical Assistance (P157403) • Developing a Regional PPP Specialist Center (P154101) • Diagnostic Review of Financial Consumer Protection (P156293) • Access to Finance (P151845) • Private Sector Dialogue (P156594) • Enhancing Urban Resilience in the Greater Accra Metropolitan Area (P156514) • Programmatic Urbanization (P156872) • Doing Business Reform (P162220) • Pwalugu Multipurpose Dam TA (P143944) • Agriculture Sector Policy Notes (P133833) • SME Finance (P169535) • Options for low income housing for preventive resettlement in the greater Accra region (P168948)
Pillar III: Protecting the Poor and Vulnerable	<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 	<ul style="list-style-type: none"> • Poverty Assessment (P173093) • Work program (FY15) (P151600) • Youth Employment Framework (P162873) • Youth and Jobs TA (P157410) • Health Insurance Review (P152828) • Collaborative Leadership for Development support to GAMA Sanitation and Water Project (P119063) • Building National Targeting System (P148916)

**Annex 3: Selected Indicators* of Bank Portfolio Performance
As of Date 01/03/2022**

Indicator	FY19	FY20	FY21	FY22
Portfolio Assessment				
Number of Projects Under Implementation ^a	19.0	20.0	21.0	20.0
Average Implementation Period (years) ^b	4.3	3.8	4.1	3.7
Percent of Problem Projects by Number ^{a, c}	5.3	0.0	14.3	20.0
Percent of Problem Projects by Amount ^{a, c}	4.7	0.0	3.2	9.0
Percent of Projects at Risk by Number ^{a, d}	5.3	10.0	14.3	25.0
Percent of Projects at Risk by Amount ^{a, d}	4.7	3.4	3.2	16.4
Disbursement Ratio (%) ^e	24.7	34.3	23.8	6.3
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US\$)				
Average Supervision (US\$/project)				

Memorandum Item	Since FY80	Last Five FYs
Proj Eval by IEG by Number	154	12
Proj Eval by IEG by Amt (US\$ millions)	8,061.9	1,099.7
% of IEG Projects Rated U or HU by Number	39.9	33.3
% of IEG Projects Rated U or HU by Amt	34.9	31.0

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 4: Operations Portfolio (IBRD/IDA and Grants)

As of 11/30/2021

Closed Projects

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IBRD/IDA*

Total Disbursed (Active)	1,046.84
of which has been repaid(1)	20.98
Total Disbursed (Closed)	8,732.02
of which has been repaid	955.90
Total Disbursed (Active + Closed)	9,778.86
of which has been repaid	976.88
Total Undisbursed (Active)	1,731.62
Total Undisbursed (Closed)	2.57
Total Undisbursed (Active + Closed)	1734.195459

Active Projects

Project ID	Project Name	Last PSR			Original Amount in US\$ Millions				Difference Between Expected and Actual Disbursements ^a		
		Supervision Rating		Fiscal Year	IBRD	IDA	Grants	Cancel.	Undisb.	Orig. Frm	Rev'd
		Development Objectives	Implementation Progress								
P152171	Economic Management Strengthening	MS	MS	2017	0.0	15.0		0.0	0.0	0.0	-0.5
P165557	GALOP	S	MS	2020	0.0	150.0		0.0	112.2	11.2	-30.7
P163984	GESTIP	MS	MU	2019	0.0	20.0		0.0	13.1	3.1	2.5
P164330	GH Accra Resilient & Inte. Devt	S	MS	2019	0.0	200.0		0.0	121.6	-18.9	16.5
P173788	Ghana COVID-19 Response Project	S	S	2020	0.0	365.0		0.0	213.5	-118.3	68.0
P169742	Ghana Development Finance Project	S	S	2021	0.0	250.0		0.0	250.0	13.8	0.0
P161787	Ghana Financial Sector Development	MS	MS	2019	0.0	30.0		0.0	18.4	3.5	0.0
P166996	Ghana Jobs and Skills Project	S	S	2020	0.0	200.0		0.0	184.2	22.0	0.0
P172386	Ghana Landscape Restoration Project GE	#	S	2022	0.0	0.0	12.8	0.0	0.0	0.0	0.0
P164603	Ghana Productive Safety Net Project	MS	MS	2019	0.0	60.0		0.0	12.2	14.0	0.0
P175588	Ghana Productive Safety Net Project 2	S	S	2021	0.0	100.0		0.0	100.0	0.0	0.0
P164451	Ghana Secondary Cities Support Program	S	S	2019	0.0	100.0		0.0	26.7	-11.4	0.0
P074191	GH-Energy Dev & Access SIL (FY08)	MS	MS	2008	0.0	220.0		0.5	16.7	-111.8	37.2
P144140	GH eTransform Ghana	S	S	2014	0.0	212.0		0.0	126.6	0.0	61.9
P119063	GH-GAMA Sanitation and Water Project	S	S	2013	0.0	275.0		0.0	100.3	0.0	6.7
P166539	Gh-GETP-Economic Transformation Project	MS	MS	2020	0.0	200.0		0.0	184.5	14.2	0.0
P164211	GH-Tourism Development Project	MU	MU	2019	0.0	40.0		0.0	24.4	7.2	0.0
P171933	GLRSSMP	S	S	2022	0.0	75.0		0.0	75.0	3.6	0.0
P164665	Public Sector Reform for Results	MU	MU	2019	0.0	35.0		0.0	29.0	1.8	0.0
P151026	Transport Sector Improvement Project	MS	MU	2017	0.0	150.0		0.0	123.3	98.8	24.4
Overall Result					0.0	2,697.0	12.8	0.5	1,731.6	-67.2	186.1

* Disbursement data is updated at the end of the first week of the month.

a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.

Annex 5: Ongoing IDA ASA

Task ID	Task Name	FY	ACS
P172400	Ghana Trade Competitiveness Diagnostic (TCD)	2022	March 31, 2022
P175010	Jobs and Economic Transformation (JET) Post COVID for Three West African Countries	2022	May 31, 2022
P175117	Ghana Human Development Public Expenditure Review	2022	May 31, 2022
P174706	Digital Economy Policy Dialogue in AWCW1 Countries (Ghana, Liberia, and Sierra Leone)	2022	June 6, 2022
P176978	Ghana Skills for the Future	2022	June 6, 2022
P170952	Ghana, Liberia, and Sierra Leone: Gender/GBV, Social Inclusion and Citizen Engagement	2022	June 15, 2022
P177261	Ghana Country Climate and Development Report (CCDR)	2022	June 30, 2022
P176638	Building a Shock-Resilient and -Responsive Safety Nets System in Ghana	2023	August 15, 2022
P156708	Ghana Government Debt and Risk Management Program	2023	December 1, 2022
P177994	AWCW1 Economic Updates FY22-23	2023	June 1, 2023
P176172	Ghana IEE-ACP Program	2023	June 30, 2023
P176999	Ghana Sustainable Cities	2023	June 30, 2023
P173966	Sustainable financing for primary health care in Ghana	2024	December 31, 2023
P175989	Ghana Green Growth PASA	2026	December 9, 2025

Annex 6: Statement of IFC's Advisory and Upstream Portfolios as of 10/19/2021

Project name	Sector	Description	Funds managed (US\$ millions)
Digital Financial Services			
CAL Bank Ghana	Financial Institutions Group	Capacity building to support the development and implementation of a digital financial services strategy	2.2
Fidelity Bank Ghana	Financial Institutions Group	Support to expand access to financial services through its Smart Account mobile banking product	0.8
SECO Ghana DFS - Market level	Equitable Growth, Finance and Institutions	Capacity building to Bank of Ghana to manage DFS market	2.2
Trade			
Trade Facilitation West Africa (TFWA) KM	Equitable Growth, Finance and Institutions	Technical assistance to government to facilitate regional trade.	0.6
Investment Climate			
Ghana Investment Climate Program	Equitable Growth, Finance and Institutions	Improve the transparency, accessibility and quality of business regulation and regulatory governance, as well as strengthen the investment policy and promotion framework	4.2
Agribusiness			
Ghana Warehouse Receipt System	Equitable Growth, Finance and Institutions	Develop an ecosystem to increase access to credit and market opportunities for farmers, traders and processors in the agricultural value chain	2.4
Invest Ghana: Agribusiness Competitiveness Advisory Project	Equitable Growth, Finance and Institutions	Attract sustainable private investment in high-value agriculture by leveraging World Bank investments in irrigation and promoting transparent and efficient land regimes.	1.5
Ghana Agriculture Inputs Market Competitiveness Diagnostics	Equitable Growth, Finance and Institutions	Analysis of the current system for agricultural inputs marketing in Ghana with a view to identifying opportunities to increase private sector participation	0.1
Ghana Sugar	Manufacturing, Agribusiness & Services	Understand the binding policy, legal, and regulatory constraints for long-term/commercially viable investments in the sugar manufacturing sector in Ghana.	0.1
Environmental			
Environmental and Social Risk Management Program Ghana	Environment, Social and Governance	Increase the adoption of environmental and social (E&S) best practices by financial institutions in Ghana	1.1
Circular economy	Environment, Social and Governance	Circular Economy and Recycling for Plastics in West Africa	0.02
Skills			
Skills in Ghana Program	Manufacturing, Agribusiness & Services	Improve the processes and operations in tertiary level education institutions (TVET, colleges, and universities) in Ghana and thus provide improved employability services to at least 18,000 students	1.1
ICT			
SME Ventures Oasis Africa Fund	Telecoms, Media, Technology, Venture Capital & Funds	Capacity building to support emerging fund manager efficiently manage risks associated with investing in small and medium enterprises	1.1
TOTAL			17.43

Annex 7: IFC's Investment Portfolio as of 10/19/2021

Client	Product	Description	Commitment Year	Commitment Amount (US\$ millions)
Manufacturing, Agribusiness and Services (MAS)				
Nyaho Clinic	Debt	Hospital expansion	2020	5.2
Rider Iron and Steel Ghana Limited	Debt	Greenfield Steel manufacturing plant in Kumasi	2020	12.0
Twyford (Brightstar ceramics)	Debt	Brownfield construction of ceramics plant	2020	16.0
	Mobilization		9.0	
New Crystal Healthcare Services	Debt	Hospitals in low-income areas	2019	2.5
	Mobilization		3.2	
Ashesi University Kensington Resident Partners 1	Debt	Construction of research and learning center, sports infrastructure and residential facilities Construction of an apart-hotel	2017	6.3
	Debt		2017	9.0
Mabani Seven	Debt	Development of The Exchange, a mixed-use real estate property	2015	26.3
A & C Mall	Debt	Expansion/upgrade of a mixed-use complex	2012	4.4
A & C Corner	Debt	Construction of a retail mall	2019	3.0
Bergman Ross	Debt	Expansion of diagnostic services	2021	3.0
Financial Markets (FM)				
Société General	Debt	Credit line for on-lending to SMEs	2020	50.0
First Rand	Mobilization	Support for set of financial institution in Ghana	2020	39.7
Republic Bank Ghana	Debt	Credit line for on-lending to SMEs	2019	40.0
Fidelity Bank	Guarantee/RM	Trade line under the Global Trade Finance Program	2019	4.1
BOA Ghana (SME RSF) BOA Ghana	Guarantee/RM	Risk sharing facility to support SMEs	2018 / 2019	4.0
	Guarantee/RM	Trade line under the Global Trade Finance Program	2018	6.2
CAL Bank	Debt	Credit line for on-lending to women-owned SMEs and energy efficient projects.	2018	50.0
	Debt	Credit line for on-lending to SMEs	2017	15.0
Zenith Ghana	Debt	Credit line for on-lending to SMEs	2017	40.0
Access Ghana	Guarantee/RM	GTFP line	2013	10.0
UT Bank Ghana	Equity	Equity support for indigenous bank	2012	7.5
Advans Ghana	Equity	Equity investment to support micro-lending	2008 / 2011	2.9
Infrastructure and Natural Resources (INFRA)				
MPSL	Debt	Construction of a new container terminal at Tema Port	2016	195.0
	Mobilization		2016	472.0
	Guarantee/RM		2018	31.9
TICO (Takoradi IPP)	Debt	Expansion of a 220 MW simple cycle power plant to a 330MW combined cycle gas turbine plant	2012	90.0
	Mobilization		2012	367.5
	Guarantee/RM		2012	14.0
Vitol Ghana	Debt	Development of the Offshore Cape Three Points project (Sankofa)	2016	235.0
	Mobilization		2016	65.0
C-Squared	Rights issue	Partner with Ghana Grid Company to deliver affordable connectivity in the remote areas of Accra	2021	1.4
TOTAL				1,841

Annex 8: MIGA's Guarantee Portfolio as of 12/31/2021

Effective Date	Expiry Date	Management Sector	Investor Name	Project Name	Business Sector	Investor Country	Risk Covers	Gross Exposure (\$USD)
12/31/2004	12/30/2024	EEI	West African Gas Pipeline Company Ltd.	West African Gas Pipeline (WAGP)	Oil and Gas	Ghana	BOC	56,250,000
02/03/2012	02/02/2027	EEI	Societe Generale	Takoradi Power Plant	Infrastructure	France	NHSO	27,142,427
12/16/2016	12/15/2030	EEI	HSBC Bank Plc.	OCTP Sankofa Gas Field Development	Oil and Gas	United Kingdom	TR;EXP;WCD;BOC	89,684,882
12/06/2019	12/05/2034	FINCAP	ABSA Group LTD	ABSA/Barclays Ghana	Financial	South Africa	EXP	84,540,000
06/30/2020	06/29/2035	FINCAP	FirstRand EMA Holdings (Pty) Limited	FirstRand Bank Ghana	Financial	South Africa	EXP	39,735,994
10/25/2012	10/24/2032	INF	Abengoa Water Investments Ghana, B.V.	Seawater Desalination Project - Ghana	Infrastructure	Spain	TR;EXP;WCD;BOC	5,967,000
10/25/2012	10/24/2026	INF	Abengoa Water Investments Ghana, B.V.	Seawater Desalination Project - Ghana	Infrastructure	Spain	TR;EXP;WCD;BOC	13,347,500
10/25/2012	10/24/2032	INF	Daye Water Investment (Ghana), B.V	Seawater Desalination Project - Ghana	Infrastructure	Japan	TR;EXP;WCD;BOC	5,148,000
10/25/2012	10/24/2026	INF	Daye Water Investment (Ghana), B.V	Seawater Desalination Project - Ghana	Infrastructure	Japan	TR;EXP;WCD;BOC	10,488,000
10/25/2012	10/24/2024	INF	The Standard Bank of South Africa Limited	Seawater Desalination Project - Ghana	Infrastructure	South Africa	TR;EXP;WCD;BOC	54,357,824
10/25/2012	10/24/2024	INF	The Standard Bank of South Africa Limited	Seawater Desalination Project - Ghana	Infrastructure	South Africa	TR;EXP;WCD;BOC	4,086,600
Grand Total	11 Contracts							390,748,227

Annex 9: World Bank and IFC Collaboration and Complementary Activities

Priority Areas	World Bank (lending and ASA)	IFC (Advisory, Upstream and Investment)	WB-IFC Joint Work
Access to Finance			
Financial Stability & Resilience	<ul style="list-style-type: none"> - Regulatory Framework for SDIs • Overhaul of the legal and regulatory framework for the capital market and investor protection • ASA on Crisis preparedness and payment systems oversight 	<ul style="list-style-type: none"> • Market and regulatory gap assessment to encourage financing of high-impact sectors (housing, agribusiness) • Develop environmental, social and corporate governance framework 	<ul style="list-style-type: none"> • Capacity building of women-led MSMEs and design of the digital financing platform (Proposed WB ASA)
SME & Long -Term Finance	<ul style="list-style-type: none"> • Wholesale line of credit through Development Bank Ghana • Partial Credit Guarantee Facility • Digital Financing Platform 	<ul style="list-style-type: none"> • Capacity building and design of risk-sharing facilities with eligible financial institutions • Pioneer SME lending in areas such as gender, climate, agri, housing • Seek to broaden range of FI partners 	<ul style="list-style-type: none"> • SME Partial Credit Guarantee Facility
Financial Inclusion	<ul style="list-style-type: none"> • Digitization of rural community banks and credit unions • Financial literacy • Linking informal savings groups to formal financial services providers 	<ul style="list-style-type: none"> • Technical support to partners in the emerging DFS ecosystem • Mapping of rural MFIs • Support next generation of DFS and agri-finance solutions 	
Capital Market & Housing Finance	<ul style="list-style-type: none"> • Implementation of the Capital Market Master Plan – market capacity building, regulatory framework for housing 	<ul style="list-style-type: none"> • Upstream assessment of the housing market and financing options • Explore options to leverage bonds and the pension market to deepen capital market 	<ul style="list-style-type: none"> • Feasibility and business plan for a mortgage refinancing facility (proposed ASA)
Investment Climate and Manufacturing			
Business Promotion	<ul style="list-style-type: none"> • Quality infrastructure • Investment policy and promotion • Business regulation • E-Visas; Tourism schools (PPPs) 	<ul style="list-style-type: none"> • Advisory on business regulations and investment climate (e.g. investment code, property registration, PPP act and industry specific reforms) • Support to investee companies in LPG and light manufacturing 	<ul style="list-style-type: none"> • Joint work with MOTI, ORD, inter-ministerial council on Doing Business Reforms
Spatial Development	<ul style="list-style-type: none"> • SEZ law and regulations • SEZ development including infrastructure, zones, industrial parks • TA for Spatial Development 	<ul style="list-style-type: none"> • Feasibility study in manufacturing in industrial parks / SEZ • Support selected SEZs in attracting tenant • Regional studies on plastic recycling and circularity 	<ul style="list-style-type: none"> • Advisory support Zones and Parks - law, regulations, institution set up and investment attraction
Private Investments	<ul style="list-style-type: none"> • SEZs, parks • Tourism sites • GEA for matching grants (including COVID, green/renewable technology, digital technology) • TA for GEA SME fund 	<ul style="list-style-type: none"> • Feasibility studies in light manufacturing and resource manufacturing • Explore investment opportunities in base materials, light manufacturing and in industrial infrastructure (SEZs, industrial parks, SME supplier finance) 	<ul style="list-style-type: none"> • Bank foundational work on SME ecosystem development • Late stage IFC investments in private firms (SMEs, large investors) in manufacturing, zones etc.
Agribusiness			
Commercial production	<ul style="list-style-type: none"> • Rehabilitation of three large irrigation scheme • Development of model lease agreement and out grower schemes bringing about 5,945 hectares of area under the commercial agricultural arrangement 	<ul style="list-style-type: none"> • Preliminary assessment of the competitiveness of the development of a sugar plantation in Northern Ghana • Feasibility study of wood processing plant to enhance value added in the forestry sector • Market study for the private supply of agricultural inputs 	<ul style="list-style-type: none"> • Invest Agribusiness Ghana project to carry investment outreach activities with MOFA (cereals, fruits) and World Bank GCAP, COVID-19 prevention in the horticulture sector, storage

Priority Areas	World Bank (lending and ASA)	IFC (Advisory, Upstream and Investment)	WB-IFC Joint Work
	<ul style="list-style-type: none"> • Crowding in private sector commercial agribusinesses to the Left Bank 	<ul style="list-style-type: none"> • Upstream support to private sector investors to assess the feasibility of their agribusiness projects 	<ul style="list-style-type: none"> • infrastructure and services assessment
Cocoa sector	<ul style="list-style-type: none"> • Cocoa sector environmental sustainability issues, along with traceability and diversification into other profitable nontraditional export crops • Study on the governance of the Cocoa Sector • Under the CCDR: use of fiscal incentives, such as the carbon tax to encourages emission reduction and crowd in more private investment. 	<ul style="list-style-type: none"> • Develop economic model for replanting and rehabilitation of existing cocoa trees in Ghana 	<ul style="list-style-type: none"> • Identify private sector investment needs and opportunities for innovative financing models in the Cocoa value chain
Agri-finance	<ul style="list-style-type: none"> • Support to farmers in building economic identities and platforms for digital recordings of all economic transactions to improve credit worthiness and financial literacy. • Explore opportunities for value chain -based financing and digitally enabled financial services. 	<ul style="list-style-type: none"> • Support to the adoption of Ghana Warehouse Receipt System and pilot with rural banks • Explore financing option of rural banks and agri-finance solutions 	<ul style="list-style-type: none"> • Explore support to farmers in building economic identities and platforms for digital economic transactions to improve credit worthiness, financial literacy and value chain -based digitally enabled financial service.
ICT			
Enabling digital services	<ul style="list-style-type: none"> • Enhance uptake of existing public digital service deliveries • Development and adoption of digital solutions in economic sectors (i.e agriculture) • TA/financing to digital innovation ecosystem (incubators/accelerators) • Access to finance for digital businesses • TA to telecom sector regulation in terms of mobile money/DFS 	<ul style="list-style-type: none"> • Explore investment in financial technology solutions providers and next generation of DFS value chain • Technical support for supply and demand of data and cloud services • Technical support to various stakeholders (Central Bank, local banks, MNOs) to expand the DFS 	<ul style="list-style-type: none"> • Support creating opportunities for local digital start-ups and tech companies to participate in public digital service delivery • Financing for startups/companies • Digital skills programs for private sector • Identification of high-quality investment-ready digital firms as a potential pipeline source to the VC funds • Market study to assess optimal regulatory framework for DFS
Investing in infrastructure	<ul style="list-style-type: none"> • Technical Assistance to enabling environment for optimizing digital infrastructure • Support spectrum optimization for the next generation technologies • Potential financing to support expansion of digital infrastructure in underserved areas through Ghana Investment Fund for Electronic Communications (GIFEC) 	<ul style="list-style-type: none"> • Review of data regulations and explore for investment opportunities in data center, cloud storage, fiber networks 	<ul style="list-style-type: none"> • Private-sector-led investment to expand the geographic coverage of broadband networks under a MFD approach
Education and Skills			
Building capacity for market-relevant skills	<ul style="list-style-type: none"> • ASA on Skills for Future agenda will address systemic reforms in the TVET and tertiary education for productive labor market transition 	<ul style="list-style-type: none"> • Technical support to tertiary education institutions to improve skills and employability including digital skills assessment. 	<ul style="list-style-type: none"> • Leverage the private sector for market relevant skills in curriculum development and institutional strengthening.
Expanding access to quality education		<ul style="list-style-type: none"> • Explore financing opportunities for better tertiary education and vocational training, increased use of digital tools and an enhanced study environment (e.g. student housing) 	

Annex 10: Addressing Gender Issues in the Ghana CPF

Ghana has seen remarkable growth over recent decades however this has not trickled down to address gender inequalities despite recent reforms. According to the 2020 Gender Inequality Index (GII), Ghana ranks 107 out of 153 countries, an improvement from 2013 when Ghana ranked at 138. This improvement can be contributed to gains in human capital however they are not translating into more secure and better paying jobs for women while gender income gaps between men and women continue to widen reaching 68 percent in 2019.¹⁶⁸ As a result, the share of female-headed households among the poor (and the rich) is rising. This negative trend is primarily due to increasing adolescent birth rates, decreasing female labor force participation and restrictive social norms despite supportive and legal policy frameworks.

Ghana has made progress in gender equality, specifically in human capital development; however, constraints remain in enhancing women's voice and agency and economic empowerment. There has been a general improvement in health outcomes as malnutrition, maternal mortality, and under-5 mortality rates have declined; however, there is a high unmet demand for family planning services while women suffer disproportionately from HIV/AIDS (65.5 per of adults living with HIV AIDS were women in 2019.¹⁶⁹ Women and girls continue to face higher risks of Gender Based Violence (GBV). In 2016, approximately 27.7% of Ghanaian women had experienced at least one form of domestic violence (physical, economic, psychological, social and sexual violence).¹⁷⁰

Key gender gaps in Ghana

Despite recent progress in human capital, education and health outcomes are still significantly lower for women than men. While male and female primary and secondary school enrolment was equal by 2019, a gender gap still exists at the tertiary level (15.8% of females, 18.6% of males). General learning outcomes are relatively equivalent for boys and girls; however, there is a significant sex segregation in subject choice, and girls are not accessing skills required for high-paid jobs. Women are the least educated in the lagging regions of Northern Ghana.

Limited quality and access to basic services are correlated with poor education and health outcomes for women and girls. For instance, lack of access to water especially in rural areas require girls and women to be water bearers which decreases time for study and work. Additionally, the lack of adequate WASH and women hygienic care infrastructure leads to higher dropout rates for girls, resulting in mostly low-skill job opportunities. Finally, inadequate WASH infrastructure causes various diseases, and it is often the women's responsibility to stay at home and take care of the sick, reducing their time to study and work.

Women congregate in low paying and traditional sectors such as agriculture, with limited opportunities for improved productivity and opportunities in agri-business. A high ratio of women work in the informal sector (women: 90.9%, men: 81%)¹⁷¹, while 52% of them (70% in rural areas) work in the agricultural sector.¹⁷² Women contribute significantly to the agricultural sector as farmers, laborers, processors and marketers, accounting for about 26% of total female employment. However, they face major challenges

¹⁶⁸ World Economic Forum (2019)

¹⁶⁹ WDI (2019): Women's share of population ages 15+ living with HIV (%)

¹⁷⁰ UNDP, April 2020, COVID-19 IMPACT ON GENDER-BASED VIOLENCE

¹⁷¹ Haug, Julian. Critical Overview of the (Urban) Informal Economy in Ghana. Friedrich Ebert Stiftung. Ghana Office, Accra. 2014.

¹⁷² West Africa Development and Business Delivery Office (RDGW), African Development Bank/African Development Fund. Republic of Ghana Country Strategy Paper (CSP) 2019-2023, June 2019.

that prevent them from progressing and engaging in more profiting opportunities especially in agri-business due to multiple constraints including limited access to land ownership, limited access to credit and extension services, and social norms that dictate what women can and cannot do in the sector (e.g. social norms that dictate what animals can women rear).

In high growth sectors, poverty is more feminized with women concentrating in low pay jobs. Services sector accounts for 55% of female employment and continues to be the fastest growing sector, outpacing agriculture. However, women’s participation is highly skewed towards wholesale/retail trade and restaurants/hotels sub-sectors and the distribution of their work tends to follow traditional conceptions of “women’s work” and are “low pay jobs”. This is related to many factors including: (i) choice of girls’ courses for education in secondary and tertiary school where they encouraged to study subjects traditional to women’s work, minimizing their chances to transition to high pay jobs, (ii) male entrepreneurs dominate this sector with women lacking access to financial services and collateral, (iii) lack of child care impacts women’s working hours in this sector which often require longer shifts, and (iv) sexual harassment has discouraged women from pursuing advanced opportunities in the sector.¹⁷³

Socio-cultural norms, including the prevalence of GBV are barriers for improving voice and agency of women and girls. The stigmatization of menstruation, teenage pregnancy, child marriage and GBV in schools contribute to female dropout rates.¹⁷⁴ The high prevalence of GBV in the workplace and the lack of female leader role models have a negative impact on employment opportunities. Additionally, women’s responsibility in the family such as child-care, without appropriate support to alleviate some of this burden, decreases the time they can spend on work or further education. The prevalence of Intimate partner violence (IPV) can have an indirect negative health impact as well. For example, some women choose to avoid health practices such as HIV testing in the fear of violence. Moreover, Child, Early, and Forced Marriage (CEFM) still occurs; while some women don’t have autonomy in family-planning and reproductive-health decisions. Many women keep their decisions on contraception in secret by choosing injectable methods or keeping their health insurance cards at health facilities instead of at home.¹⁷⁵

Covid-19 impacts are expected to worsen poverty outcomes for women and other vulnerable groups. Female poverty is expected to rise due to the loss of income in sectors such as agriculture and services which employ a high ratio of women. COVID-19 restrictions have had dire consequences on the female-dominated informal economy. Additionally, limitations on mobility and school closures have increased the household and childcare responsibilities that have been traditionally accepted to the woman’s role. The economic and social crisis have reduced access to services for certain groups such as women, particularly in the lagging regions of the North. Finally, the pandemic has increased fear, frustration and anger in the society, and led to rise in GBV and sexual abuse.

Issues of gender, GBV, and social inclusion will be addressed throughout the CPF. Several programs (see below) will have a gender focus through integrating analytics and activities supported by the Programmatic ASA on Gender, GBV, and Social inclusion.

¹⁷³ Ghana Gender Assessment, World Bank, 2019

¹⁷⁴ Senior secondary school completion rates are 13% higher for boys than girls (male: 55%, female: 42%). Additionally, 19% of girls reported not participating in school, work, or social activities during previous 12 months due to menstruation (2017/18)
UNICEF et al. (2017/18): Ghana Multiple Indicator Cluster Survey

¹⁷⁵ USAID (2020): GHANA GENDER ANALYSIS REPORT

<p align="center">CPF Focus Area 1 Enhancing Conditions for Private Sector Development and Quality Job Creation</p>	<p align="center">CPF Focus Area 2 Improving Inclusive Service Delivery</p>	<p align="center">CPF Focus Area 3 Promoting Resilient and Sustainable Development</p>
<p>CPF Objective 1.1: Women’s empowerment in agribusiness via training on financial literacy, confidence building and ease of accessing credit.</p>	<p>CPF Objective 2.1: Improving access for marginalized and out-of-school girls. Access to digital infrastructure. A regional multi-sector analysis on Gender, GBV, and Social Inclusion.</p>	<p>CPF Objective 3.2: Improving productivity, strengthen the resilience of the cocoa production and enhance environmental sustainability. Direct technical support to small female farmers.</p>
<p>CPF Objective 1.2: Supporting government’s National Financial Inclusion and Development Strategy (NFIDS) 2017-2023 with special focus on increasing the access of women and female-owned business to financial services.</p>	<p>CPF Objective 2.2: minimize the impact of COVID-19 and improve delivery of an enhanced essential health services package that includes GBV services. Strategic support will be provided by the PASA on gender, GBV, and Social Inclusion.</p>	<p>CPF Objective 3.3: Enhancing women’s participation in Productive Inclusion (PI) and LIPW programs. Community-level and multi-stakeholder dialogue on gender equality and GBV will address the impact of COVID.</p>
<p>CPF Objective 1.4: Enhancing connectivity in 254 Districts at 750 locations. Improving digital accessibility, inclusion and availability of services for women. Improving feeder and trunk roads in Northern areas with a design focus on women.</p>	<p>CPF Objective 2.3: Focusing on separating girl’s toilet facilities in schools as part of hygiene education in the Greater Accra Metropolitan Area.</p>	
<p>CPF Objective 1.4: Focusing on barriers to women’s entry to productive skill sectors. Providing training and start-up cash grants for poor households. Support off-farm employment skills to reduce dependency on cocoa revenues.</p>		

Annex 11: Addressing Inclusion in WBG Program

A Social Inclusion analysis of Ghana identified three main dimensions of exclusion: spatial, gendered, and demographics.¹⁷⁶ The analysis covered over 200 quantitative indicators taken from multiple representative surveys and index sources including the Afrobarometer, the Ghana Living Standards Survey (GLSS), the World Value Survey (WVS), the Demographic and Health Survey (DHS), FINDEX and the Living Standards Survey (HIES).

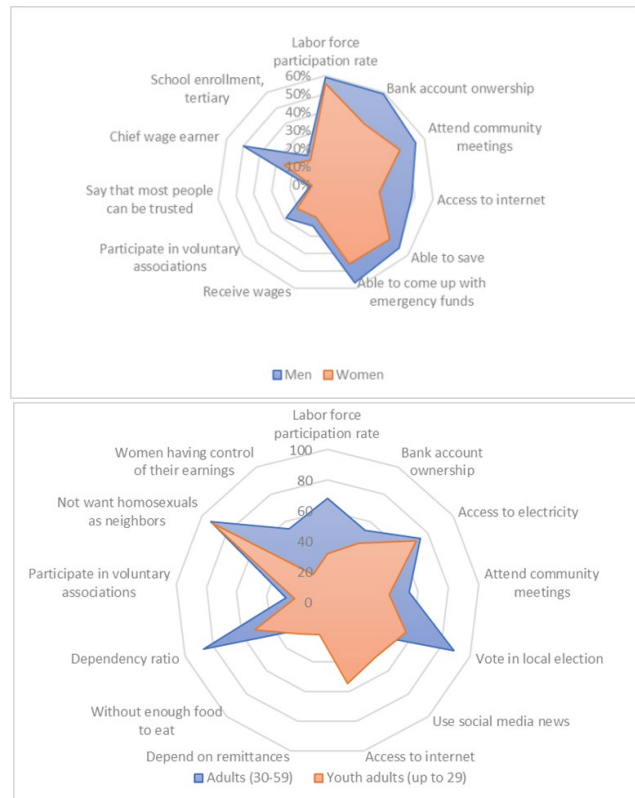
The analysis shows four main groups that need to be at the center of the inclusion agenda in Ghana: women, youth, rural populations, and persons with disability. With the limited availability of quantitative data it was not possible to do a deep dive into other groups that have historically been excluded (e.g. ethnicity, sexual orientation and gender identity, etc). Nevertheless, recently proposed legislation could further outlaw sexual and gender minorities, raising particular raises concerns with regard discrimination against these groups.¹⁷⁷ Sexual and gender minorities are reportedly subjected to violence because of who they are and face discrimination when accessing employment, healthcare, education, and justice.¹⁷⁸

Summary of findings

The analysis found that women are behind men on all indicators. The gender gaps that women face are discussed in annex 10. Compared to men, women face the greatest exclusion in earning equal wages to men, bank account ownership, accessing the internet, and participation in social and leadership activities. (Chart 1)

Youth fare worse than adults on all indicators, with the exception of access to the digital space. The youth labor force participation rate has hovered about 40%, compared to 70% for the adult population as a whole. This problem is particularly acute in urban areas. Evidence shows that unemployed youths are more depressed, more cognitively distorted, more suicidal and had lower self-esteem, and were harder to integrate into social networks.¹⁷⁹ Unemployment and exclusion from democratic processes and decision-making are blamed for leaving youth vulnerable to manipulation by political parties and religious extremists, which can lead some into political violence and migration.¹⁸⁰ (Chart 2)

Charts 1 and 2: Women vs. Men



¹⁷⁶ Social Sustainability and Inclusion Profile, World Bank, (2021), DRAFT

¹⁷⁷ Republic of Ghana. CRIMINAL CODE, 1960 (ACT 29). Amended in 2003.

¹⁷⁸ ILGA World: Lucas Ramon Mendos, Kellyn Botha, Rafael Carrano Lelis, Enrique López de la Peña, Ilia Savelev and Daron Tan, State-Sponsored Homophobia 2020: Global Legislation Overview Update (Geneva: ILGA, December 2020).

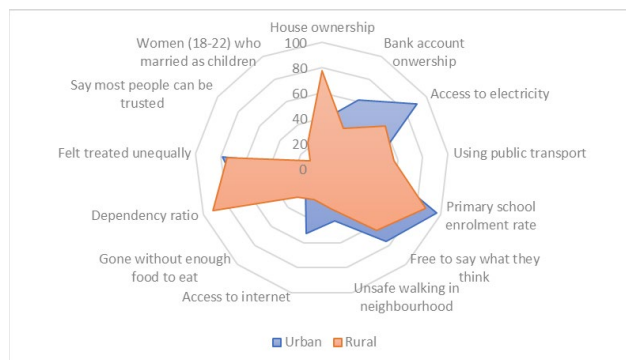
¹⁷⁹ Christopher Amissah, Kingsley Nyarko, Psychological Effects of Youth Unemployment in Ghana, January 2017, [Journal of Social Sciences](#) 13(1):64-77

¹⁸⁰ Afrobarometer 2019

Rural populations lag behind in access to services and livelihoods, and Northern regions starkly lag behind the rest of the country.

Erratic rainfall and poor soil quality in the north has caused unstable economic productivity especially given the lack of socio-economic infrastructure. Northern areas bordering Burkina Faso and Togo see frequent crossing of people and arms, raising insecurity and political instability. Being far from the capital city Accra and its surrounding economic and political opportunities, along with perceptions of exclusion in communities and local governments in the north exacerbate their vulnerability to external threats, particularly to the potential spill-over of fragility, conflict, and violence (FCV) from the Sahel sub region to Ghana’s north.

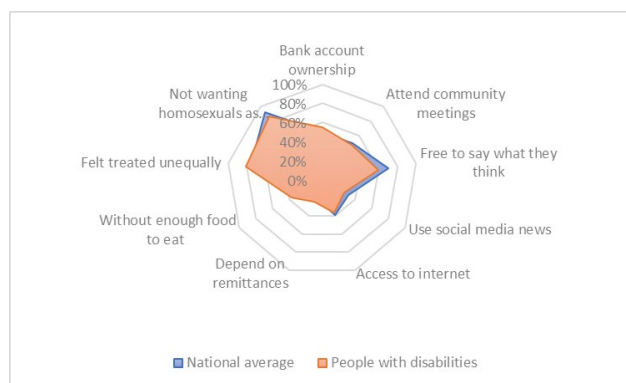
Chart 3: Rural vs. Urban



Persons with disabilities – who account for about 3 percent of the population - experience various forms of discrimination and exclusion.

Anti-discriminatory laws exist to protect the rights of persons with disabilities and facilitate their participation in mainstream social, political and economic activities, however discrimination persists leading to marginalization and exclusion. People with disabilities deal with limited access to quality health care services and face negative perceptions on their inclusion in social and economic activities.

Chart 4: Persons with disability vs. general



Addressing inclusion in the CPF

Inclusion is addressed through inter-related and multi sectoral activities across the three areas of focus and the cross-cutting theme. To address spatial inequalities, connectivity interventions (roads and digital) supported by focus area 1 and the cross cutting area will be complemented with interventions in basic service delivery (education and health) under focus area 2. Similarly, youth inclusion will be supported through jobs and skills programs and enterprise development interventions under focus area 1 complemented with the safety net programs and a regional project in Ghana’s lagging regions to support youth conflict prevention under focus area 3. Complementary programs under focus area 1 and 3 will improve women’s financial and economic inclusion, their productive opportunities and strengthen their resilience against shocks. A portfolio-wide approach will be adopted to ensure persons with disability and other disadvantaged groups are included as active participants and beneficiaries of WB-financed projects, in line with the Environment and Social Framework. Building on recent efforts in the education sector, disability-inclusive project designs will aim to increase education and health outcomes under focus area 2, enhance jobs and economic inclusion and transport accessibility under focus area 1, strengthen social protection and community support under focus area 3 and improve digital inclusion under the cross-cutting areas. The table below provides a summary of the sectoral interventions organized according to the spatial, gender, and social inclusion dimensions.

¹⁸¹ Ghana Statistical Service, October 2014

Spatial Inclusion	Gender (Women and People with Disability)	Youth/Other Inclusion
CPF Focus Area 1		
Transport Sector Investment Project (TSIP): i) Selected rural farm and feeder roads in the Northern regions of East Gonja District; (ii) Trunk Road in Tamale Yendi and Tatale Corridor.	TSIP: (i)Awareness raising on HIV/AIDS and GBV among beneficiaries; (ii) A minimum of 10% of the total person-jobs created under road contracts are for woman.	TSIP : (i)Short-term employment opportunities in road construction; (ii) Promotes safe and inclusive road safety particularly around schools.
Digital Connectivity: Access to high-speed broadband services in Underserved and marginalized communities.	Digital Connectivity: Planned training under new digital operation will prioritize women’s engagement and enrollment.	Digital Connectivity: (pipeline): Targeted digital inclusion to increase access to equipment, information, and training, for youth, women, and people with disabilities.
Financial Sector Development Project: Support competitiveness and financial inclusion in rural areas.	Ghana Development Finance Project: 10 percent of long-term financing to women-led MSMEs through PFI and technical assistance. Financial Sector Development Project: Access to formal financial services for users and non-users through bank agents closer to their communities. Ghana Economic Transformation Project: Capacity building for women-owned SMEs and opportunities to address women’s capital constraints.	
	Jobs and Skills Project: Entrepreneurship training to women and persons with disabilities.	
CPF Focus Area 2		
Education GALOP Project: (i) Improving quality of 10,000 low performing basic schools (one half of basic education school nationwide) and underserved districts. (ii) Access to 20 percent (out of 450,000 children) out of school children from deprived districts and migrant communities with gender and disability inclusiveness.	Education: GALOP: harmonization of the NIB observation tool to address use of language that reinforces gender stereotypes or inequitable access to classroom resources such as textbooks or desks between girls and boys. Regional multi-sectoral analysis on gender inequities in learning outcomes skills and persons with disabilities. Disability Inclusive Education Africa ASA	
COVID-19 Emergency Preparedness and Response Project: Spatial disparities by expanding capacity in case detection and management, as well as enhanced infrastructure and equipment with a focus on the 6 new administrative regions.	Primary Health Care Investment Project: development and delivery of an enhanced health package including primary-level services for the disabled and those suffering from mental health conditions. COVID-19 Emergency Preparedness and Response Project: Supports Persons with disabilities to address particular vulnerability to COVID-19.	
Water and Sanitation GAMA : Access to water distribution network and environmental sanitation services in low-income areas of GAMA and GKMA.	Water and Sanitation: GAMA: Inclusive and gender conscious MHM-considerate school toilets with separate blocks for boys and girls.	Water and Sanitation: GAMA: Disability friendly toilet facilities at school.

<p>Secondary Cities Project: Access to basic urban services in selected under-served Municipal Assemblies.</p> <p>Greater Accra Resilient and Integrated Development: Slum upgrading in Greater Accra Region to reduce vulnerability of low-income communities to flood risk, improve livability and access to jobs.</p>	<p>Secondary Cities Project: (i) Coordination of gender related activities among various Municipal Assemblies and government entities; development of gender strategy for urban management.</p> <p>Greater Accra Resilient and Integrated Development:(a) gender-sensitive flood early warning and response systems; trash value-chain analysis and mapping to support women as trash pickers and participation of women and girls in decision making and benefit sharing for civil works, community mapping, urban upgrading and jobs.</p>	
<p>Energy P4R (pipeline): Access to LPG for cooking to 520,000 households and 7000 Commercial Caterers in all 16 regions and 260 Districts across Ghana.</p>	<p>Energy P4R (pipeline): Monitoring of access to LPG disaggregated by gender. Communication and awareness activities targeted to women to benefit from LPG for cooking.</p>	
<p>CPF Focus Area 3</p>		
<p>Productive Safety Net Project : Targets poor regions and districts in the rural areas and 15,000 poor households in urban areas – indigenous low-income communities and migrant communities.</p>	<p>Productive Safety Net Project (ongoing): Direct women beneficiaries in the safety net programs such as CLASS, LEAP and LIPW to improve women’s economic welfare. Promoting household planning/ budgeting and engaging male household members and community leaders on social norms around women’s engagement in economic spheres.</p>	<p>Cocoa Development Project (pipeline_ Addresses issues of Child Labor through targeted activities</p>
<p>Landscape Restoration: Investments in two vulnerable and high poverty landscapes: Northern Savannah Zone (NSZ) and the Cocoa forest landscape (south central and transitional zone) – with activities at the district level targeting 28 rural districts.</p>	<p>Landscape Restoration: Estimated 103,000 women beneficiaries of SLM practices and alternative livelihood activities. Enhancing women’s role in local-level forest and landscape management institutions and creating better income-generating opportunities for women.</p>	<p>Landscape Restoration: Participatory land-use planning, promoting equity and inclusion of vulnerable and marginalized groups (in decision making and ownership), enhancing community institutions and improving the availability & access to climate information & training for smallholder farmers.</p>
<p>Gulf of Guinea: Support livelihoods and service delivery in lagging regions of the North</p>	<p>Gulf of Guinea: Identify barriers to engage women in sustainable livelihoods and will support improving women economic productivity.</p>	<p>Gulf of Guinea: Conflict prevention and economic inclusion of youth in economic opportunities in the lagging regions of the North</p>
<p>Food System Resilience Program: Improve the resilience and food security of rural communities at risk of climate change.</p>	<p>Food System Resilience Program: (i) targets women for digital extension services to adopt agricultural intensification, land preparation integrated pest management technologies; (ii) scholarships for female students (iii) capacity-building for women’s uptake of ICT and women farmers with no internet access and ; (iv) women’s access to markets and cooperatives.</p>	
<p>WACA Project: Livelihood protection and adaptation of vulnerable coastal communities at risk of climate change.</p>		

<p>Programmatic ASA on Gender, GBV, and Social Inclusion: Support analytics on spatial exclusion</p>	<p>Programmatic ASA on Gender, GBV, and Social Inclusion: Develop a country gender action plan to support the WBG program address key gender gaps for women and girls' inclusion.</p>	<p>Programmatic ASA on Gender, GBV, and Social Inclusion: Develop a disability inclusion profile for Ghana to guide WBG portfolio</p>
<p>Sustainable Cities ASA: Identify solutions to improve inclusion and access to opportunities for underserved communities in informal urban areas.</p>	<p>Land Dialogue ASA: Review constrains for land ownership for woman and explore solutions.</p>	

Annex 12: Addressing Climate Change in Ghana

Ghana's susceptibility to climate change remains high. The main climate risks for Ghana stem from increased temperatures, variability and uncertainty of precipitation, and frequency of natural disasters. *ThinkHazard!* (2018) has ranked Ghana at 'High' risk for coastal floods, extreme heat, river floods, urban floods and wildfires. *People in Harm's Way* (2019) modelling has estimated that around 14 percent of the population is exposed to moderate or high risk of floods, while 'Beyond the Gap' modelling suggests that half of Ghana's 540-km coastline is vulnerable to erosion and flooding as a result of sea-level rise. Ghana's agricultural and forestry sectors, including cocoa farming which employs 70 percent of the population, are very vulnerable to climate change. Northern Ghana is the most vulnerable to increased rainfall volatility, due to higher poverty rates, a drier climate, and more reliance on rainfed agriculture. Access to water will be negatively impacted by climate change, with flows in the Volta Basin predicted to drop 24 percent by 2050. Climate change is expected to contribute to an increase in diseases, such as cholera and malaria in urban and coastal areas. The overall impact on GDP could be substantial, given that activities using land, water, forest and fisheries resources contribute 20 percent of GDP, over 60 percent of jobs, and over 80 percent of exports.

The impacts of climate change in Ghana hit the poorest people disproportionately, especially farmers in the Northern regions and those living in informal slums in urban areas. The increasing occurrence of flooding and droughts, linked to climate change, causes agricultural households to adopt low-risk and low-input strategies, dampening yields and creating a cycle of poverty. Vulnerability to flooding is also impacting coastal areas, and the 25 percent of the country's population that currently resides in the coastal zone. Flooding and change in fish migration patterns could significantly impact coastal communities who depend heavily on fish for protein consumption. Flooding will also increasingly hit urban areas, especially people who have moved into flood-prone slum communities: poor drainage systems have increased the risk of floods and bring significant health risks through contaminated overflows, especially in areas where the population is growing rapidly (Rain et al. 2011; Marinetti et al. 2016).

The Government of Ghana has a strong policy framework for addressing climate change. Environmental protection and responding to climate change feature in Ghana's development agenda. In 2013, the government approved its first comprehensive National Climate Change Policy (NCCP) that focused on: (1) effective adaptation, (2) social development, and (3) mitigation.

Ghana ratified the Paris Agreement in 2016, along with the associated NDCs. Ghana's goal is to unconditionally lower its GHG emissions by 15 percent relative to a business-as-usual (BAU) by 2030, and 12 percent relative to the BAU emission by 2025. The NDC includes thirty-one priority adaptation and mitigation actions¹⁸². Mitigation actions cover energy, transport, agriculture, forestry and other land uses, waste management, and industry; and the adaptation agenda includes initiatives in agriculture, forestry, water, infrastructure, health, disaster prevention, and gender.

Ghana started the NDC revision process in 2020. The World Bank will support the Government in the preparation of archivable sector-specific investment and policy action plans to support implementation of the revised NDCs¹⁸³. This support will include: (i) better alignment of investment programs in target sectors with the NDC objectives; (ii) integration of priority actions in forthcoming development policy operations to support NDC implementation to help the transition to climate resilient development

¹⁸² Republic of Ghana. 2015. *Ghana's Intended Nationally Determined Contributions and Accompanying Explanatory Note*. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ghana%20First/GH_INDC_2392015.pdf. (Ghana's Nationally Determined Contributions submitted to the UNFCCC in response to the Lima Call for Action).

¹⁸³ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ghana%20First/GH_INDC_2392015.pdf

trajectory; (iii) technical and analytical support for implementation strategy and institutional framework, including potential revision of the NDCs in 2025. A forthcoming Climate Change Development Report will facilitate this dialogue and help identify further areas for WBG support. A large body of work is being undertaken including through Grant financing and sector/ cross sectoral analytical work to address climate related issues.

World Bank Group’s ongoing and potential engagement support for Climate Change and Green and Resilient Recovery:

“Green” Solutions: The World Bank promotes an integrated approach to landscape management. Policy-level interventions target forests and land-based ecosystems, alongside land use changes from agriculture and other sectors, while engaging communities and vulnerable groups and addressing climate change needs. The IFC will promote green buildings and sustainable agriculture practices for businesses.

“Clean” Solutions: The World Bank will provide technical assistance and policy guidance to support improved institutional structures for enhanced air quality management and sustainable plastic value chains. The Bank can mobilize finance for policy reforms and program for results in pollution management. The Bank will undertake an analysis of green field technologies to assist in identifying policy measures and the budgeting of interventions to assist in meeting the targets set out in NDC sectoral Program of Actions in the energy and transport sectors. The IFC will promote resource efficiency, recycling and the use of renewable energy by businesses, with a focus on the manufacturing sector.

Building Resilience: The World Bank can leverage instruments, such as environmental fiscal reforms and payment for ecological services to incentivize the transition to climate-adaptive solutions and provide local benefits in the form of green jobs. The ongoing dialogue with Government on mainstreaming climate change mitigation and adaptive actions in sectoral planning, could be linked with legislation on taxation. Ghana has expressed interest in carbon pricing instruments such as carbon taxes or emission trading schemes, aligned with the country’s development priorities. The IFC can mobilize private financing for adaptation and mitigation projects by support Ghana with the design of the legal and regulatory environment for green bonds.

Climate Co-Benefits: As part of its new Climate Change Action Plan, an average of 38% of the World Bank’s financing will have climate co-benefits over the coming five years, with 50% of climate financing allocated for adaptation and resilience support. By 2023, all financing provided by the World Bank will be compliant with the Paris Agreement in Ghana. For all IDA operations, climate and disaster risk screening is one of the mandatory corporate climate commitments.

Current and Pipeline WB Intervention (lending and ASA)

CPF Focus Area 1	CPF Focus Area 2	CPF Focus Area 3
<p>Transport: Ensure that rehabilitation of roads will mitigate the impacts of extreme weather events through drainage structures and use of appropriate paving materials. The Transport Sector Improvement Project</p>	<p>Water and Sanitation: Treatment of sewerage applying climate friendly technologies and provide solar-powered boreholes reducing emissions associated with grid powered pumps. GAMA -AF</p>	<p>Natural Resource Management: Restoration and sustainable management of forests, small scale mining, biodiversity conservation, and livelihoods of communities dependent on natural resource for mitigation and adaptation to climate change. Landscape Management and Small Scale Mining Project</p>
<p>Agriculture: The Cocoa Development Project (P) promotes climate smart agriculture technologies and practices among Cocoa growing farmers.</p>	<p>Urban: includes climate adaptation measures to protect against the impacts of flooding, including urban drainage, flood and solid waste management, and</p>	<p>Forest Management: Ghana’s Emission Reductions Program for the Cocoa Forest Mosaic Landscape (Cocoa Forest REDD+ Program) supports emissions</p>

	resettlement in flood prone informal settlements. Mitigation measures, including the development of green spaces and the construction of pedestrian paths. GARID project A target of 60% CCB from investments in urban planning, services and drainage systems. (Secondary Cities AF)	reductions (tons of CO2 equivalent) of up to US\$50 million.
Energy: provides capacity building through support for investment planning and technical skills to improve renewable energy capacity and maintenance. Energy Sector Transformation Initiative Project	Access to clean cooking solutions. Energy P4R	Coastal Management: promotes integrated management of the coastal zone and its natural resources across multiple sectors to protect coastal communities and diversify livelihoods. WACA -II Regional Project
Financial Sector: Reserve 5 percent of the line of credit (LoC) to low carbon investments that can reduce greenhouse gas emissions and climate resilient investments. Ghana Development Finance project	Health: (i) the national disease surveillance system to detect future outbreaks of climate-related diseases; (ii) the adaptive capacity of the health system to climate-related challenges and (iii) expanding essential health and nutrition services to improve health access to climate vulnerable groups such as women and children. COVID-19 Emergency Preparedness and Response Project	Social Protection: Labor Intensive Public Works include activities that contribute to climate change adaptation and mitigation, including afforestation, reforestation and irrigation. Ghana Productive Safety Net Project
		Food Security: enhance the resilience and sustainability of food systems, through better information, investments to protect natural capital base and support regional value chains. The Regional Food Security and Resilience Project
		Pollution Control: Help reduce exposure to mercury and unintentional persistent organic pollutants at pilot sites and strengthen capacity to manage and regulate mercury use in artisanal small-scale gold mining (ASGM) and e-waste in selected countries in Africa. Africa Environmental Health and Pollution Management Program

Specific Climate Related Notes	
Name	Timeline
Ghana Country Climate Change Diagnostic Reports (CCDR)	2022
NDC Action Plans and greenfield business models (ENB with CSF (Climate Support Facility))	2022
Assessment of increases of temperature on labor productivity (ASA)	2022
CC Institutional Capacity Assessment (Gov)	2022
Ghana Cocoa Forest REDD+ Project (ENB)	2025
West Africa Coastal Areas Management Program (WACA) (ENB)	2023

ANNEX 13: Governance and Institutions for Service Delivery

Despite sustained democracy and political stability, Ghana's governance indicators have shown marginal decline over recent years, including government effectiveness, regulatory quality, rule of law, and control of corruption. The SCD identified limited government effectiveness as constraining the impact of the state on building human capital and creating a sound business environment. The current tax-to-GDP ratio of around 12.8 percent is insufficient to restore growth to pre-COVID levels and tax administration systems need a significant revamp. Ghana's public investment spending has steadily declined since 2011 and the wage bill has been rapidly increasing. Public Financial Management (PFM) systems have been improving, but important gaps still exist. Further reforms in the wage bill, domestic revenue mobilization (DRM) and cyclical fiscal policy would improve the credibility of the medium-term expenditure framework (MTEF) and increase predictability and control of budget execution.

A protracted decentralization process has yet to meet the challenges in managing Ghana's rapid urbanization and reducing spatial inequities. The political framework continues to evolve with respect to local government while there are significant challenges related to mandate, financial and institutional capacity to effectively deliver public services. While progress has been made in administrative decentralization, fiscal autonomy of local governments remains weak, arising out of low capacity and limited opportunity for mobilizing local revenue.

Institutional coordination and capacity of various Government agencies to implement policies remain challenging. Performance of public sector institutions is constrained by weak inter-sectoral coordination, poor performance appraisal systems that undermine a merit-based system; duplication and overlap of functions; misuse of resources; poor incentive structures; ineffective supervision; inadequate infrastructure to ensure an effective working environment; and lack of a comprehensive human resource development policy.

Administrative and regulatory effectiveness of public institutions have declined and perceptions of weakening rule of law have risen. Ghana's measures of *regulatory quality* saw a significant decline between 2011 and 2016. Access to the justice system is unequal and disproportionately difficult for the poor. Recent Afrobarometer surveys show that trust and confidence in the government has eroded steadily over time. Only 35 percent of Ghanaians believe the country is "going in the right direction" and 53 percent of Ghanaians think the level of corruption has risen in the past year.

Government needs to enforce stronger anti-corruption measures by systematizing the interface with the citizens and private sector. Governance of tax incentives is an area where rationalizing and systematizing the administration of exemptions and preferential treatments could increase revenue mobilization and level the playing field for private firms. The private sector faces burdensome bureaucracy, weak enforcement of laws, and weak policies leading to the emergence of 'middlemen' or 'facilitators'. The government needs to accelerate the implementation of anti-corruption strategies, enhance eGovernment investments, implement mobile-based citizen feedback mechanisms, and continue the reform of public procurement to reduce corruption and red tape.

SOEs play a key role in Ghana's economy and are critical for the management of public finances and public policy. Many SOEs (e.g. energy, finance, and infrastructure sectors) underperform and incur losses. SOEs account for a half of all public sector arrears even though their budgets are not included in fiscal accounts and are managed as government departments rather than as modern, autonomous, and professionally run companies. Although some progress has been made in improving corporate governance in specific SOEs, overall governance and transparency in the sector remains weak.

Several dialogue platforms exist for civil society organizations (CSOs), media and civic engagement at local levels. CSOs and private sector representatives participate to influence public policy, to promote transparency and accountability in the governance process. However, significant gaps exist in awareness, advocacy and enforcement of citizens' rights and responsibilities, mainly due to the relatively high levels of illiteracy especially in rural areas, as well as ineffective advocacy strategies by the relevant institutions.

WBG Support to Governance Reform:

The WB has been supporting the government's PFM reform measures through a combination of development policy financing,¹⁸⁴ investment lending¹⁸⁵ and analytical work. Building on this experience, the WBG through a combination of policy reforms, stand-alone interventions, as well as mainstreamed sector measures at the portfolio level will support government to strengthen its institutions. The CPF program is being aligned with the following key governance reform areas:

Reform Area 1: Improving fiscal performance and sustainability in deepening government PFM reforms to improve the credibility of the MTEF and increase predictability and control of budget execution.

Reform Area 2: Building robust public management systems for enhanced service delivery to support government in modernizing management of human and financial resources through improved systems (e.g. PFM, HRM, procurement) for transparency and accountability including governance reforms in several sector operations in education, health, energy, urban, local government and landscape management.

Reform Area 3: Accelerating fiscal decentralization to enhance performance of the municipal and local governments for efficient delivery of public goods and improve intergovernmental fiscal transfers to reduce disparity. The proposed Sustainable Cities engagement could provide further support for efficient fiscal decentralization in selected cities. Policy recommendations to strengthen intergovernmental fiscal framework will be provided through ASA.

Reform Area 4: Strengthening Accountability of Public institutions to improve capacity of audit and oversight functions of key public institutions including support to the Public Accounts Committee, Ghana Audit Service, internal audit agencies and SOEs.

Reform Area 5: Engaging citizens for better service delivery through transparency in public administration and opening space for the demand-side accountability throughout the World Bank portfolio to accelerate improvements in governance.

Reform Area 6: Supporting E-governance to reap the benefits of a growing number of opportunities for disruptive technologies, GovTech tools, and new mobile-based models of citizens and private sector participation that can help chart the way for improving governance.

¹⁸⁴ Macroeconomic Stability and Growth I (FY15) and II (FY18) DPC.





¹⁸⁵ PFM Reform Project (FY15-21), Ghana Economic Management Strengthening Project (FY17-22), and Public Sector Reforms for Results Project (FY19-24) etc.

ANNEX 14: Contribution of IFC Strategy (FY19-23) to Ghana CPF (FY22-26)

Ghana CPF (FY21-26) – IFC Focus Areas

Focus area 1 Enhancing Conditions for Private Sector Development and Quality Job Creation	Focus area 2 Improving Inclusive Service Delivery	Focus area 3 Promoting, Resilient and Sustainable Development
<p>1. Conditions for Enterprise development agribusiness financing & advisory manufacturing financing</p> <p>2. Access to finance SME finance & advisory DFS financing and advisory Trade finance</p> <p>3. Operational Efficiency in Energy Sector no engagement</p> <p>4. Improved Connectivity trade facilitation advisory ICT financing</p> <p>5. Market Relevant Skills employability tool advisory manufacturing financing</p>	<p>1. Quality Education tertiary institutions financing</p> <p>2. Quality Healthcare private healthcare financing</p> <p>3. Basic services in urban areas no engagement</p>	<p>1. Fiscal management no engagement</p> <p>2. Management of natural resources & Climate risks ESG standards advisory green buildings advisory sustainable agri / forestry all investments</p> <p>3. Household & community resilience to shocks and fragility DFS development</p>

IFC Strategy in Ghana (FY19-23): Private investment to be unlocked if reforms are implemented in priority sectors

 Access To Finance	 Agribusiness	 Manufacturing	 ICT
<ul style="list-style-type: none"> Energy Sector Debt: Resolve issues related to government energy sector debt, which are impairing financials of many banks Contract Enforcement and financial infrastructure: Improve legal instruments, particularly insolvency and contract enforcement to protect creditor rights in security arrangements Private Equity LPs: Approve limited partnership structures for private equity funds to limit liability and attract foreign investors <p>Potential to unlock investment:</p> <p>➔ SME lending, next generation of digital financial services</p>	<ul style="list-style-type: none"> Land: Improve transparency and efficiency of land administration and land titling Private Sector Participation: Progressively open agricultural commodity and input markets to encourage greater private investment, including the cocoa sector Warehouse Receipts: Adopt the Warehouse Development Regulatory Act to enable warehouse receipts financing <p>Potential to unlock investment:</p> <p>➔ SME lending, next generation of digital financial services</p>	<ul style="list-style-type: none"> Remove distortion for local production: Review tax policy on inputs and equipment for preferred local products Arrears clearing: Complete payment of subsidy arrears to encourage private participation in the downstream fuel market LPG: Complete Liquefied Petroleum Gas sector restructuring <p>Potential to unlock investment:</p> <p>➔ Building material / consumer goods production, light manufacturing, downstream oil and gas</p>	<ul style="list-style-type: none"> Regulatory Framework for Fiber Optics: Establish regulations for provision of fiber on power lines, ducting new road builds, gas pipelines etc. Strengthen regulatory framework for private participation to develop key infrastructure (such as backhaul fiber) and to increase competition between MNOs Affordability: Review the 4G spectrum and data costs to better align with international benchmarks, thereby increasing connectivity and ICT inclusion <p>Potential to unlock investment:</p> <p>➔ Data center / cloud storage, fiber and mobile networks and operations, internet service providers</p>

IFC Strategy in Ghana (FY19-23): Private investment to be unlocked if reforms are implemented in complementary sectors



Education

- **Essential Skills Policy:** Develop policy that prioritizes essential skills for emerging industry, including incentives for private providers
- **Accreditation:** Reduce fragmentation in the existing National Accreditation Board law that separates accreditation, affiliation and professional credentialing
- **Chartered Status:** Amend regulations to enable online and blended tertiary institutions to transition to "chartered" status

Potential to unlock investment:

- ➡ Private TVETs and tertiary education institutions



Healthcare

- **Fair balance in regulation,** including tariff regime and extra-billing policies in both public and private health insurance, and in the recruitment of trained professionals
- **Tax and trade policies :** review policies for pharmaceuticals to expand through better integration in the sub-region
- **Open space for private financing:** legislation in support of health PPPs, social franchising and the development of networks

Potential to unlock investment:

- ➡ Clinics, diagnostic centers, healthcare facilities



Energy

- **Cash Waterfall Mechanism:** Implement a structured pricing and debt management policy for long-term sustainability of the sector
- **Debt Management:** Clear legacy utility debt and introduce cost-reflective tariffs
- **IPP Rationalization Plan:** Implement plan to mitigate risk of potential over-supply
- **Comprehensive Sector Policy:** Provide clarity on government sector plans to help attract investors

Potential to unlock investment:

- ➡ Renewable energy, distribution



Transport / Cities

- **PPP Law** to strengthen private participation, including in operations and management
- **Review the tolling policy and framework** to introduce efficiency in toll collection and management
- **Coordination and integration** of service delivery between governing agencies
- **Municipal capacity:** Support the implementation of a municipal finance bill

Potential to unlock investment:

- ➡ Toll roads, municipal financing for transport infrastructure



Housing, Tourism, Retail and Property

- **Land administration and property rights:** restructure property rights system to facilitate land acquisition, strengthen the estate management, debt recovery laws and introduce alternative dispute systems
- **Local tourism policy:** develop skilled labor and capacity for the industry
- **Property rights: Property market:** comprehensive framework for land development and real estate and publish annual statistics for valuation

Potential to unlock investment:

- ➡ Affordable housing, hotels, property and SME lending

Annex 15: Stakeholder Consultations

- 1. Consultations on the new CPF were carried out in December 2019, March 2020, September 2020 and June 2021.** The period of consultations was relatively extended due to the COVID-19 pandemic which delayed face-to-face consultations in the regions until June 2021. On-line consultations were also undertaken over the course of 2020. Critical issues raised included: the need to address governance and macroeconomic management challenges; the importance of quality jobs and relevant skills training with emphasis on youth, gender and people with disabilities; the scope for private sector engagement in the green economy and access to finance; the need to address spatial disparities, the impact of climate change and the role of the World Bank Group as a convener of policy dialogue on behalf of development partners with government. The first phase of consultations was held by mid-March 2020 (just before the onset of the pandemic) mostly with government officials and development partners. These were face-to-face sessions. The second phase, held in September 2020, was virtual in nature and involved private sector, civil society including organizations representing youth and the disabled. The third phase involved further virtual consultations with government agencies and development partners (for the second time) as well as consultations with cross-section of stakeholders held at selected regional capitals on face-to-face bases. Throughout all these phases, there were extensive internal discussions with the WBG country team members including from IFC and MIGA.
- 2. The proposed CPF focus on enhancing conditions for private sector development with quality job growth sat very well with all participants throughout the course of the CPF consultations.** In all sessions, there were passionate desire for the WBG to work more at creating the synergies with the government and the private sector to promote transformational growth with sustainable job creation. This could be done with much emphasis on bridging the urban-rural, as well as the North-South gaps. The creation of conducive environment for the private sector remained a top priority for all the sessions, where it was noted that the WBG should continue to play important role in the energy and transport sectors development. In addition, participants from the private sector representatives advocated for the continued momentum in the improvements of the regulatory environment and reduction in cost of doing business. Further, they advocated for more programmatic interventions in the financial sector citing that IFC's project on sustainable banking practices must be made to take more root in the banking sector. Participants advocated that private sector development in the Northern part of Ghana should involve comprehensive investments, taking into account the comparative advantage of the North especially in terms of their agricultural resources. For instance it was advocated that in the WBG's quest to help Ghana modernize the agriculture sector, efforts should not only be on the cocoa sector but investments must be channeled into other crops of the North, such as the shea tree, cashew, mango and dawada.
- 3. Repeatedly, participants raised issues on jobs and the need to address human capital development and protecting the poor and the vulnerable, especially in the context of the COVID-19 pandemic.** All stakeholder groups, especially the youth groups and peoples with disability, stressed the need for skills development of youths, especially vocational and technical training. While satisfactions were expressed about the new CPF's commitment to promote UHC, concerns were raised about access and quality of health care, especially for those in rural areas and the northern parts of Ghana. In one of the sessions with the UN Country Team, even though it was acknowledged that the new CPF will embark on a more structured approach to WBG's engagement to close the gender gap in Ghana, it was strongly advocated the WBG needs to commit more to curb the exploitation of women and girls; as well as gender based.

- 4. Participants recognized the focus on addressing climate change challenges in the new CPF and advocated for a strong role for the WBG in this area.** Participants requested that the WBG engage and collaborate with international bodies and various Development Partners to meet Climate Financing requirements in their respective programs. The WG was also encouraged to leverage and tap into products such as green bonds, SDG Funds, climate funds to compliment the available resources within the new CPF. In one of the engagements with DPs, the AFRITAC West 2 (of the IMF) indicated their readiness to collaborate with the WB on financing for climate change.
- 5. Discussions were held by the World Bank team with the Minister for Finance and his advisors in June 2021 to further discuss policy issues and also confirm how the policies are reflected in the new CPF.** In addition, IFC held a retreat with the Minister of Finance to discuss alignment between the Ghana CARES program and the IFC Strategy. There was a positive response from the Minister and his team on how the CPF adequately draws on the various objectives of GoG documents such as the CPESD and the Ghana CARES program. Further, the Minister emphasized the importance of interventions to address gaps in youth employment, industrialization, agriculture development and promotion of agribusinesses, as well as the need to bridge urban housing.
- 6. Finally, all stakeholders agreed that that there was the need for the WBG to put in the new CPF much emphasis on enhancing accountability and promoting governance effectiveness.** It was acknowledged that even though the WBG has supported the Government of Ghana in the areas of Public Investment Management, Public Private Partnership, SOES (Policy, governance, and asset management), most of these projects are coming to close soon and there is the need to recommit the new CPF to governance enhancement. Participants from the government team alluded that there is still a huge gap in terms of resources to the PIM agenda, PPP, DRM and the new CPF should consider extending assistance in these areas. While there was consensus that Digitalization should be the cross-cutting theme, there were some suggestions with regard governance also being important. Participants encouraged the WBG to strengthen the digitalization agenda by building mechanisms to engage digital enablers and communities within the Bank's digital project.

Annex 16: Partnerships and Donor Coordination:

Donor Partnerships and collaborations are a key element of the WBG engagement in Ghana and the WBG will continue to use its core, IDA financing to leverage additional resources including through country-specific or regional trust funds to help scale impacts and share technical expertise. In Ghana, the World Bank works closely with the UN system, NGOs and bilateral development partners such as European Union (EU), Denmark, Finland, France, Germany, Japan, Norway, Switzerland, UK, USA, Korea, Netherlands, Canada. The WBG is an active member of the Head of Cooperation (HoCs) with the objective of promoting regular exchange of information and strategic coordination to avoid duplication of efforts and align resources where possible. The HoCs work with the government through the Ministry of Finance, Sector Ministries and Sector Working groups (SWGs). The WBG has taken a lead in the areas of macro management (with the IMF) social protection, jobs and skills, education, health, transport, agriculture, urbanization water and digitalization.

- **Social Protection:** the WBG has worked closely with UK Department of International Development (DFID – FCDO) who co-financed the Ghana Productive Safety Nets Project (P164603) in the amount of \$21 million – although this has now ended as a result of budget constraints in the UK. UNICEF has provided technical assistance and funding to the Livelihood Empowerment Against Poverty (LEAP) cash transfers program and provides support towards strengthening social protection systems (under WBG leadership). The EU is also supporting the social protection sector on building systems at the local level, as well as productive inclusion activities in selected regions.
- **Jobs and Skills:** The World Bank works closely with the GIZ and EU in support of the Ministry of Employment and Labor Relations (MELR) to restructure its labor department, refurbish public employment centers and strengthening the Ghana Labor Market Information System. GIZ is also providing support on a variety of skills straining initiatives. In addition, the KfW (German Bank) is supporting the implementation of the Ghana TVET Voucher Program through the Council for Technical and Vocational Education and Training (COTVET) at the Ministry of Education.
- **Education:** The World Bank collaborates with FCDO, UNICEF and USAID in support of the Complementary Basic Education (non-formal education for out-of-school children (OOSC) and the Education Outcome). The World Bank collaborates with USAID on a Learning Program for early grade reading and math, supported by a targeted district grant program, while the WFP supports school feeding to ensure that children of poor households. In the area of skills development, the WBG has been collaborating with the Africa Development Bank (AfDB), DANIDA, GIZ, KfW and the EU and more recently, Mastercard Foundation.
- **Transport:** The WBG has, for several years, been the chair of the Transport Sector Working Group of Development Partners (TSWG-DPs). The TSWG-DPs coordinate efforts and communications among the donor community. The main donors include AfDB, OFID, AFD, SECO and JICA. Ghana currently benefits from close to US\$550 million of transport sector projects. The EU has provided a TF for feeder roads implemented by the WB.
- **Energy:** The main partners and financiers of the sector are Germany (KfW), France (AFD), USAID and the European Union. The donors group also includes, among others, JICA, SECO, Korean Exim Bank and the Norwegian Government. KfW and the German Government are collaborating with the WB in the policy dialogue and preparation of the Energy PforR.
- **Urban:** The main collaborators in Municipal Financing include Germany (KfW), Switzerland (SECO) and the European Union (EU) with the financing of Responsiveness Factor Grants in District Assemblies

Common Fund to all local governments. In the area of Solid waste management, partners include FCDO (plastic pollution), GiZ (e-waste), UNDP and UNICEF (circular economy), Norway (marine pollution), DFID (TA support). Urban services and infrastructure: AFD (TA on climate smart cities) FCDO (sustainable infrastructure).

- **Agriculture:** The AfDB recently approved US\$600 million to develop a sustainable cocoa economy by addressing productivity challenges, among other. IFAD is also interested in addressing similar challenges with a view to promote the development of Ghana's cocoa sector.
- **Water:** Several development partners, including civil society organizations, are involved in financing Water Supply Sanitation and Hygiene (WASH) improvements, including AfDB, UNICEF, Netherlands, Canadian, WaterAid, World Vision, Plan International, Global Communities, and IRC. In irrigation, the main development partners with the World Bank are the Japan International Cooperation Agency (JICA), the United States Agency for International Development (USAID); the French Development Agency; the International Fund for Agricultural Development; and FAO – and several NGOs. They mostly support the GoG to rehabilitate and develop small scale irrigation schemes, improve value chains and access to market, and facilitate the inclusion of private sector in irrigation management. In water resources management the USAID, UNDP, CIDA, DANIDA and DfID support the GoG on water-related advocacy, policy development for the application of integrated water resources management principles, sector studies (e.g. the CIDA-funded Hydrogeological Assessment Program of the Northern Regions), and capacity-building and training.
- **Environment and Climate:** Various areas of collaboration include: (i) On plastics and pollution, partners are engaged through the Ghana National Plastic Action Partnership (DFID, BRS Convention, UNIDO); (ii) AFD – Through its AdaptAction program, is developing a vulnerability assessment for the coastal zone, and conducting a climate change adaptation assessment for Ghana's coastal Savanna zone; (iii) EU Mangrove Program – focuses on protection and revenue generation activities; (iv) GEF – Strengthening the enabling environment, ecosystem based management, and governance to support implementation of the strategic action program of the Guinea Current Large Marine Ecosystem; (v) Cocoa Forest Initiative: the world's leading chocolate companies, led by the World Cocoa Foundation, Prince of Wales, and IDH announced their commitment to support climate-smart cocoa production. Both the FIP and GLRP will be supporting the initiative.

Annex 17: Map of Ghana

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