

GHANA



Ghana is a stable and democratic country with a population of 22 million people. In January 2009, Ghana continued to consolidate democracy by transferring power to an opposition party for a second time since 1992. Ghana is a leader in promoting peaceful conflict resolution in Africa and is a major troop contributor to UN peacekeeping missions. However, it faces numerous challenges, including weak institutions, over-centralization of authority, corruption, and a growing narcotics trafficking problem. In addition, the Ghanaian health system is struggling, while Ghanaians suffer from a heavy burden of disease, especially malaria. In the past decade, there has been no improvement in maternal and infant mortality rates. HIV infects almost 20,000 people each year. Access to education has improved, but quality remains poor and only about a quarter of primary school students can read at grade level. To assist the Government of Ghana (GOG) to overcome these hurdles and transition from a transforming country to a sustaining partner country, U.S. foreign assistance will focus on strengthening Ghana's security sector, supporting decentralization and fiscal transparency, improving the quality of basic education, addressing key health threats, including HIV/AIDS and malaria, and ensuring food security.

FOREIGN RELATIONS

Ghana is active in the United Nations and many of its specialized agencies, as well as the World Trade Organization, the Nonaligned Movement, the African Union (AU), and the Economic Community of West African States (ECOWAS). Generally, Ghana follows the consensus of the Nonaligned Movement and the AU on economic and political issues that do not directly affect its own interests. Ghana has played an increasingly active role in sub-regional affairs including prominent roles in ECOWAS and the African Union.

Ghana is a critically important peacekeeping partner; it is the largest African peacekeeping contributor nation to multinational peacekeeping operations (PKO) and the sixth-largest among all peacekeeping contributing nations. Currently Ghana has 3,267 peacekeepers deployed to UN peacekeeping operations. It has large contingents deployed in Democratic Republic of the Congo (DRC), the Darfur region of Sudan, Lebanon, Liberia, and Cote d'Ivoire, with smaller contingents deployed in Chad, Western Sahara, Kosovo, Southern Sudan, and Georgia. Ghana contributes military and police personnel to UN peacekeeping operations outside of Africa, including nearly 900 troops to the UN Interim Force in Lebanon. The United States provides military support to Ghana through a variety of programs, including the International Military Education and Training (IMET) program and the African Contingency Operations Training and Assistance (ACOTA) program. President Mills has been a key ally on all major security initiatives in the region including counterterrorism.

U.S.-GHANAIAN RELATIONS

The United States has enjoyed good relations with Ghana at a nonofficial, personal level since Ghana's independence. Thousands of Ghanaians have been educated in the United States. Close relations are maintained between educational and scientific institutions, and cultural links, particularly between Ghanaians and African-Americans, are strong.

Through the U.S. International Visitor Program, Ghanaian parliamentarians and other government officials have become acquainted with U.S. congressional and state legislative practices and have participated in programs designed to address other issues of interest. The U.S. and Ghanaian militaries have cooperated in numerous joint training exercises, culminating with Ghanaian participation in the African Crisis Response Initiative, an international activity in which the U.S. facilitated the development of an interoperable peacekeeping capacity among African nations. U.S.-Ghanaian military cooperation continues under the successor African Contingency Operations Training and Assistance program; Ghana was one of the first militaries to receive ACOTA training in early 2003. In addition, there is an active bilateral International Military Education and Training program. Ghana also is the site of a U.S.-European Command-funded Exercise Reception Facility that was established to facilitate troop deployments for exercises or crisis response within the region. The facility is a direct result of Ghana's partnership with the United States on a Fuel Hub Initiative. Ghana is one of few African nations selected for the State Partnership Program, which will promote greater economic ties with U.S. institutions, including the National Guard.

The United States is among Ghana's principal trading partners. The Office of the President of Ghana worked closely with the U.S. Embassy in Accra to establish an American Chamber of Commerce to continue to develop closer economic ties in the private sector. Major U.S. companies operating in the country include Newmont, ADM, Kosmos Energy, Anadarko, DHL, FedEx, UPS, KPMG, ACS, CMS Energy, Coca Cola, S.C. Johnson, Ralston Purina, Star-Kist, A.H. Robins, Sterling, Pfizer, IBM, 3M, Motorola, Stewart & Stevenson, PriceWaterhouseCoopers, and National Cash Register (NCR).

The discovery of major oil reserves in deep water in the Gulf of Guinea has led numerous international petroleum exploration firms to enter the Ghanaian market, and many other firms involved in oil and gas auxiliary services express an interest in starting operations in the country. Mining companies and agribusinesses from the U.S. increased their investments in Ghana recently. Political stability, overall sound economic management, a low crime rate, competitive wages, and an educated, English-speaking workforce have increased Ghana's potential to serve as a West African hub for American businesses.

U.S. development assistance to Ghana in fiscal year 2007 was implemented by the U.S. Agency for International Development (USAID), the African Development Foundation, Millennium Challenge Corporation, and others. U.S. development assistance to Ghana in fiscal year 2007 totaled more than \$55.1 million, with programs in small farmer competitiveness, health, including HIV/AIDS and maternal child health, education, and democracy/governance. Ghana was the first country in the world to accept Peace Corps volunteers, and the program remains one of the largest. Currently, there are more than 150 volunteers in Ghana. Almost half work in education, and the others in agro-forestry, small business development, health education, water sanitation, and youth development. Ghana's \$547 million compact with the Millennium Challenge Corporation is the most recent achievement in the U.S.-Ghanaian development partnership.

Peace and Security: While Ghana has enjoyed relative peace and stability, it is in a difficult region and faces a number of challenges. Ghana has become a major transit center for narcotics trafficking. U.S. assistance will continue to improve infrastructure and provide equipment for Ghana's Armed Forces, police, and law enforcement personnel, in order to increase both capacity and professionalism, ensuring

that Ghana does not serve as a base or transit point for illicit shipments of people, goods, and narcotics to the United States. U.S. assistance will focus on strengthening border security and enhancing fraud-detection. Improvements at Accra's police headquarters, the Kotoka International Airport, and a naval base have already begun. In particular, Department of State-funded programs are providing an evidence and training facility for the police, a climate controlled room for equipment at the airport, and a boat maintenance facility for the navy. The installation of Automated Identification System equipment and the recent donation of fast patrol boats complement continuing programs such as Africa Partnership Station, which is designed to enhance the host nation's maritime security. U.S. assistance will support Ghana in meeting its military pledges to the Economic Community of West African States Standby Force and international peacekeeping missions. Ghana is an important contributor of peacekeeping forces in Africa and an anchor for regional stability. The Department of State, through its Global Peace Operations Initiative, will continue its effort to train and equip Ghanaian forces deploying to Peace Support Operations. Ghana currently has personnel deployed to four UN missions and is preparing for a fifth deployment.

Governing Justly and Democratically: Good governance remains a primary U.S. priority to maintain Ghana's democratic gains. The new Ghanaian administration seeks greater cooperation with the U.S. Currently, local governments lack the skills required to effectively plan, budget, fund, implement and monitor programs in a transparent manner, and citizens have poor advocacy skills. U.S. Agency for International Development (USAID) resources will provide direct technical assistance to continue fiscal decentralization and build the capacity of local government and citizen groups to work together on local development issues. Increased fiscal transparency will become even more critical with the anticipated inflow of oil revenues by 2010.

Investing in People: U.S. assistance is helping Ghana to address poor maternal and child health indicators

and improve the performance of its family planning program. Maternal mortality remains high at 540 per 100,000 births and has been declared a national emergency by the GOG. Recent surveys indicate progress in health prevention behaviors including use of bed nets, prenatal care, and immunization. USAID resources will be used to improve delivery of critical preventive health services, while building local capacity and accountability in the most underserved areas. These efforts will improve maternal and child health, increase coverage of family support services and reduce malnutrition rates. USAID resources will also support the Ministry of Health as it makes a strategic shift to focus on results-based management and performance-based financing. Support for water and sanitation will focus on infrastructure development, behavior change communication, and developing the capacity of government personnel, district assemblies, and civil society organizations to manage water and sanitation facilities.

U.S. assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions to achieve of 85 percent coverage among vulnerable groups in order to reach the PMI goal of reducing malaria-related morbidity by 50 percent. The FY 2010 request level for Ghana does not include the total projected funding for the President's Malaria Initiative. Decisions on allocations of centrally managed funds will be made at the time that the FY 2010 operating year budget is set.

Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Ghana will receive significant support to build partnerships to provide integrated HIV/AIDS prevention, care and treatment programs throughout the country and to support orphans and vulnerable children.

U.S. assistance under Basic Education (PIEE/BE) will expand efforts to measurably improve early grade competencies, such as literacy, numeracy, arithmetic, and basic personal finance, basic scientific concepts, general health, including awareness of malaria and HIV/AIDS. Continued emphasis will remain on improving the quality of teacher training, dramatically increasing the quantity of appropriate learning materials available, and monitoring and evaluating progress of the programs. The FY 2010 request for the PIEE countries may not include final funding for PIEE/BE. Final allocations of PIEE funds will be made

when the FY 2010 operating year budget is set and more detailed background information is available. In FY 2008, U.S. programs managed by USAID supported 465,000 primary school students, representing a 13 percent increase in the number supported in FY 2007. Despite this increase, approximately 15 percent of the eligible primary school population remains out of school and only 19 percent of those in school meet literacy standards. In FY 2010, a new program will considerably expand coverage of U.S. programs through the use of country systems to reach approximately 950,000 primary school students and improve the early grade literacy achievement from 19 percent to 35 percent of the school population.

Economic Growth: Ghana must continue to improve its investment climate and competitiveness, in order to sustain strong economic growth and achieve middle-income status by 2015. By 2010, Ghana anticipates producing oil for export, which will present a unique set of opportunities and challenges. U.S. assistance under the U.S. Global Food Security Response program, the African Global Competitiveness Initiative and other programs will encourage continued macroeconomic gains, sector reform (especially in energy), private sector competitiveness, increased access to finance, growth in non-traditional exports, and improved investment and business climates. USAID will also support the conservation and management of natural resources and bio-diversity by developing the capacity of rural communities to implement sustainable management schemes and providing rural households with training in sustainable natural resource-based livelihoods, such as small game rearing. U.S. assistance is in line with the Government of Ghana's own development objectives, as detailed in the Trade Sector Support Program, the Financial Sector Strategic Plan, and the Food and Agriculture Sector Development Policy, and will strengthen the capacity of the public sector to articulate and implement policies that will enhance private sector performance. With larger and more concentrated investments in agriculture to address the structural imbalance in the supply and demand of food supplies, a sub-regional approach is being taken in Africa to increase the production and marketing of food staples, reduce food prices, and increase incomes and revenue needed to buy food. As part of the U.S. Global Food Security Response program, USAID will work with African and international private companies in Ghana, along with local and international non-governmental organizations, foundations, farmer organizations, and national and regional agricultural research and trade organizations, to increase agricultural productivity and production through the deployment of improved technologies and management practices. Regional trade in food staples will be increased through improvements to food staple market structures and the operation of key trade and transport corridors. Sound market-based principles will be promoted to ensure that staple food systems are working effectively.

Focus on Performance: To ensure that Ghana is prepared to effectively and responsibly manage its revenue flows to the benefit of its people, especially given the expected oil revenues, the U.S. will strengthen its emphasis on governance and institutional capacity building within its target sectors – health, education, and economic growth. Funding in FY 2009 will be used to initiate a new cross-sectoral governance strategy in target districts throughout Ghana. The requested increase in FY 2010 funding will allow expansion into new targeted districts in support of the health, education, economic growth and water activities which will be located there. Programs seek to improve local governments' planning, budgeting and implementation skills and to bring local governments and citizens together to set priorities and develop innovative strategies to achieve them. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well.

The FY 2010 budget for Presidential Malaria Initiative (PMI) in Ghana has doubled, consistent with the original three year plan for the initiative. PMI capacity-building activities in the first years (such as training, policy development, and supply chain strengthening) paves the way for scaled-up delivery of malaria control interventions (such as insecticide-treated bed-nets (ITN) in the final year. In FY 2008 and FY 2009, nets have been purchased to support routine distributions mainly in two regions (Central and Western Regions). PMI will look to support scaled-up ITN distributions in additional regions going

forward. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well.

U.S. assistance will help Ghana achieve its health and development goals through voluntary use of family planning methods. The increase in funding in FY 2010 will help provide the significant support that Ghana's family planning program still requires. Unfortunately, it appears that since 2003, family planning practices have actually dropped in Ghana. In the past, not enough emphasis had been placed on behavior change communication. U.S. resources will be used to improve commodities procurement, security and availability as well as to support mass behavior change communications. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well.

The U.S. basic education program is designed to increase school enrollments, accelerate the acquisition of literacy skills and strengthen education management and accountability in order to generate an educated population that will strengthen democratic processes and enhance economic growth. Program progress is assessed through a number of indicators, including school enrollments and learning achievement. The requested FY 2010 funding increase will enable the U.S. to support the new Government of Ghana in reducing school commuting distances for children in northern Ghana and also expand support for girls' scholarships. Although Gross Enrollment Ratio, measuring the ratio of children in schools to the total population of age-appropriate children, improved in FY 2008 from 89.2 percent in FY 2007 to 94.4 percent, significant gender disparities in school attendance and completion between boys and girls remain. Increased access to high quality education services for children in underserved areas, particularly girls, will help create a higher skilled labor force and more participatory democracy necessary to move Ghana towards middle income status. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well.

The requested funds will assist Ghanaian farmers to increase the volume of their produce for export and local supply chains. USAID's agricultural activity has improved horticultural commodity supply chains over the past five years in 25 districts, despite a setback in FY 2008 related to a shift in the type of pineapple variety demanded by world markets. Thanks to MCC-related investments in infrastructure, the market trend for high-value horticulture crops is set to increase. As the agricultural activity closes out in FY 2009, USAID is designing a new Agriculture Trade & Investment program that will scale up the previous program's achievements by continuing to work with previous producer organizations/buyers and expanding to include new small holder farmers beginning in FY 2010. The new program will maximize export market opportunities for high-value horticulture crops. In FY 2009, the new program will only be active in 12 districts. At the end of FY 2009, USAID plans to expand the Agriculture Trade & Investment program to reach 53 districts. These results will be reported in FY 2010.

Linkages with the Millennium Challenge Corporation

Ghana signed a five-year \$547 million compact agreement with the Millennium Challenge Corporation (MCC) on August 1, 2006. Projects are designed to improve the lives of the rural poor by raising farmer incomes through agricultural development. To complement the MCC Compact efforts, USAID will continue to assist small-and medium-sized agricultural businesses to meet regulatory and market-driven standards and attract foreign investment; support community services by training community teachers and support schools constructed with Compact funds; and build capacity at the district level to monitor and maintain compact community investments.

Some very promising actions have been taken by the GOG that complement MCC investments. The GOG's new decentralization policy and district development fund, which provides discretionary funds to local governments that perform well, target a number of the 23 districts where \$547 million is being invested by MCC in economic growth and education. This GOG initiative is designed to support increased local government and community participation in selection and monitoring of MCC funded activities.