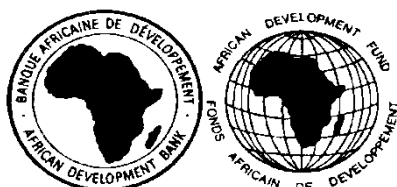


**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**GHANA: 2010 UPDATE OF THE  
2005 – 2009 COUNTRY STRATEGY PAPER  
AND REQUEST TO EXTEND VALIDITY TO 2011**

**REGIONAL DEPARTMENT, WEST 1 – ORWA  
JULY 2010**

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## ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
AIDS	:	Acquired Immune Deficiency Syndrome
CODE	:	Committee on Operations and Development Effectiveness
CPPR	:	Country Portfolio Performance Rating
CSP	:	Country Strategy Paper
DFID	:	United Kingdom's Department for International Development
ECOWAS	:	Economic Community of West African States
DPs	:	Development Partners
ESW	:	Economic and Sector Work
EU	:	European Union
EUR	:	Euro
GDP	:	Gross Domestic product
GHS	:	Ghana Cedi
GoG	:	Government of Ghana
GPRS II	:	Growth and Poverty Reduction Strategy II
GTZ	:	Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HIV	:	Human Immune Deficiency Virus
IMF	:	International Monetary Fund
KfW	:	Kreditanstalt für Wiederaufbau
MDAs	:	Ministries, Departments and Agencies
MDBS	:	Multi-Donor Budget Support
MDGs	:	Millennium Development Goals
MTDPF	:	Medium Term Development Planning Framework
MTEF	:	Medium Term Expenditure Framework
MMDAs	:	Municipal and District Assemblies
M&E	:	Monitoring and Evaluation
MOFA	:	Ministry of Food and Agriculture
MoFEP	:	Ministry of Finance and Economic Planning
NEPAD	:	New Partnership for Africa's Development
NGO	:	Non-Governmental Organizations
NTF	:	Nigeria Trust Fund
ODA	:	Overseas Development Assistance
PFM	:	Public Financial Management
PIU	:	Project Implementation Unit
RBCSP	:	Results Based Country Strategy Paper
SDR	:	Special Drawing Rights
SMEs	:	Small and Medium Enterprises
SMMEs	:	Small, Medium and Micro Enterprises
SOEs	:	State Owned Enterprises
UA	:	Units of Accounts
UN	:	United Nations
UNAIDS	:	United Nations AIDS Program
UNDP	:	United Nations Development Programme
UNICEF	:	United Nations Children's Fund
USAID	:	United States Agency for International Development
USD	:	US Dollar

## **FISCAL YEAR**

1 January to 31 December

## **CURRENCY EQUIVALENTS (June 2010)**

<b>National Currency</b>	<b>=</b>	<b>Ghana Cedi (GHS)</b>
UA 1.0	=	SDR 1.0
UA 1.0	=	GHS 2.14126
UA 1.0	=	USD 1.47433
UA 1.0	=	EUR 1.19051

## **WEIGHTS AND MEASURES**

Metric System

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## **1. INTRODUCTION**

1.1 The purpose of this Country Strategy Paper (CSP) Update is to inform the Boards of the status of the implementation of the Bank's 2005 – 2009 Country Strategy for Ghana (ADB/BD/WP/2005/71-ADF/BD/WP/2005/81) which was approved by the Boards of Directors in July 2005 and to request the Boards to extend its validity to December 2011. The extension of the validity of the CSP will allow the Bank Group to better align its CSP cycle with the Government's own planning cycle.

1.2 The Government's current development strategy is spelt out in the GPRS II, covering the period 2006-2009 whose main thrust is on growth-inducing policies and private sector development, with the overarching goal to attain middle-income status. The GPRS II expired at the end of 2009 and is to be replaced by its successor, the Medium Term Development Policy Framework (MTDPF) which is currently being prepared by the Government. Pending the finalization and approval of the MTDPF, the Government's medium term policies are being implemented on the basis of the government's Medium-Term Expenditure Framework (MTEF), 2010-2012. The objective of the MTEF is to consolidate the achievements of the GPRS II. Over the period of the extension, the Bank Group's strategy will be aligned with the Government's Medium-Term Expenditure Framework (MTEF), 2010-2012. Contingent upon the finalization of the MTDPF by the Government, the Bank's new RBCSP will be prepared and presented for Board's consideration in 2011. Along with the new RBCSP a completion report for the Ghana CSP, 2005 – 2009 will also be prepared.

1.3 In approving the 2005 – 2009 Country Strategy Paper, the Boards commended the CSP's close alignment with the GPRS and its strong focus on results. They also noted the progress made by Government in maintaining macro-economic stability, reducing poverty and attaining the MDGs. However, the Boards noted that despite the considerable progress made on poverty reduction, much more needed to be done to meet the MDGs, improve revenue mobilization, strengthen governance and public sector management, reform the power sector, and implement appropriate monetary policies to achieve single-digit inflation. Given the overall importance of growth and private sector development, the Boards urged the Government to undertake wide-ranging structural reforms to diversify the economy and improve the economic and regulatory environment for private sector development. The Boards expressed appreciation for the development of the Multi Donor Budget Support (MDBS) approach and urged the Bank to ensure close donor collaboration to avoid duplication of efforts and maximize the development effectiveness of interventions in Ghana.

1.4 This Country Strategy Paper (CSP) Update for Ghana outlines the recent economic developments in the country, the status of implementation of the CSP, 2005 – 2009, the government's strategies in addressing the country's development challenges, and the Bank Group's strategy and pipeline of projects for 2010 - 2011. The CSP update proposes the continuation of the strategic thrust of the 2005 – 2009 CSP since this is still in line with the country's development priorities. The analysis is based on data and information collected during a Bank mission to Ghana undertaken in December 2009, as well as recent updates from the field office in Ghana.

## **2. COUNTRY CONTEXT, BUSINESS CLIMATE AND PROSPECTS**

### **2.1 Political, Economic and Social Context**

2.1.1 *The democratic process has made impressive gains in Ghana during the last decade.* As a result, Ghana's political rights, civil liberties and freedom of press rankings are among the best in Africa and the country provides an excellent example of successful political and

economic performance in West Africa. The last presidential and parliamentary elections took place on the 7<sup>th</sup> of December 2008 with a run-off on 28<sup>th</sup> December 2008 which produced a slim majority for the National Democratic Congress (NDC) with 114 seats out of a total of 230 seats in parliament compared to 107 for the New Patriotic Party (NPP).

2.1.2 ***Ghana's economy remains resilient in spite of the global crisis.*** In spite of the food and energy crisis which started at the end of 2007 and continued into 2008 Ghana's economy remains resilient. The high rate of growth which the economy recorded over the past decade continued in 2008. Real GDP growth during the CSP period (2005-2008)<sup>1</sup> averaging 6.3% despite disruptions in power supply in the latter part of 2006 that persisted into the first half of 2007. Robust economic growth in recent years was made possible by expansionary fiscal policies, robust agricultural performance, buoyant remittances, strong growth in the services sector, and strong contribution to growth by the gold sector through its continued attraction of new investment. Although the Ghanaian economy was able to weather the first round effects of the global financial crisis, there are signs of slowdown in the economy due to the second round effects of the global financial crisis and economic recession. This, coupled with policy tightening by the authorities, resulted in a lowering of Ghana's growth estimates for 2009 to 4.7% compared to a target of 5.9% in the 2009 budget statement and a Sub-Saharan African average of 2%.

2.1.3 Agriculture and mining are traditionally two very important sectors in the Ghanaian economy in terms of contribution to output and GDP growth, employment, and exports. Agriculture accounts for about 50% of employment, 40% of GDP and exports. Also, significant oil reserves were discovered in 2007 in Ghana and the country is expected to start production of oil towards the end of 2010. However, this may bring with it the risks of misuse of oil revenues, as the institutional framework encourages political capture of oil rents<sup>2</sup> which could reverse some of the important progress Ghana has made in terms of governance and executive accountability. There is also the risk of the so-called "Dutch disease", in which the discovery of oil, if not properly managed, could impose enough stress on non-oil sectors of the economy which could lead to a slowdown in growth after the initial boom years of oil revenues. Agriculture could be particularly exposed to Dutch disease consequences in Ghana during the oil boom period. If the resources from oil and gas exploitation are not properly managed the combined effects of the above risks could severely undermine Ghana's medium-term development prospects.

2.1.4 ***The twin deficit (fiscal and current account deficits) narrowed in 2009.*** Following Government's adoption of a multi-year fiscal stabilization plan in 2009, fiscal deficit which widened consistently between 2005 and 2008 narrowed in 2009 and, on a cash basis, ended the year at 9.7% compared to a target of 9.4%. However, this was achieved partly by the deferment of revenue transfers to statutory fund (2.4% of GDP) and by incurring new arrears to domestic suppliers (1.8% of GDP). These arrears have impacted the banking sector and brought projects to a standstill. Consequently, on a commitment basis, including arrears, fiscal deficit which stood at 20.1% in 2008 narrowed to 14% in 2009. A fiscal deficit of 8% of GDP is being targeted for 2010 but for the first quarter alone, provisional data on the execution of the 2010 budget indicate a fiscal deficit, on a cash basis, of 4.1% of GDP. On a commitment basis projected spending in 2010 is expected to remain broadly unchanged from 2009 levels. Areas of spending pressure are interest payments and the public wage bill as the government moves

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<sup>1</sup> Real GDP growth in 2008 was 7.3%, 2008 marking Ghana's eighth consecutive year of accelerated real GDP growth and the fifth straight year of growth of 5% or better.

<sup>2</sup> The risk of political capture of oil resources manifests itself where groups or individuals with political power capture oil revenues to satisfy their personal interests rather than the public good.

towards a unified public pay structure. A major challenge relates to the composition of government expenditure with particular emphasis on investment to underpin economic growth. The current account balance which worsened from a surplus equivalent to 0.5% of GDP in 2003 to a deficit of 19.3% in 2008 recorded an improvement to an estimated deficit of 5.3% of GDP at the end of 2009 compared to a targeted 13%. This led to a positive overall balance of payments. The improvement was due mainly to moderate increase in exports resulting from increased production and robust prices for gold and cocoa combined with a significant reduction in imports as well as the receipt of the SDR 670 million from the IMF PRGF programme. However, the expected start of oil and gas production towards the end of 2010 constitutes an important opportunity in the medium term to diversify government's revenue base and should provide the government with the fiscal space to invest in poverty reducing programmes. This notwithstanding, there is a need to continue to maintain policies that promote macroeconomic stability including fiscal consolidation and the strengthening of budget implementation.

**2.1.5 Inflation and Exchange Rate:** Reflecting a depreciating exchange rate and demand pressures as well as increased international oil prices and adjustments in utility and petroleum product prices, the inflation rate (end of period) accelerated from 10.9% in 2006 to 12.8%, 18.4% and 20.7% in 2007, 2008 and mid-2009 respectively. However, with slower growth, tighter fiscal and monetary policy, and modest currency appreciation since July 2009, inflation declined from 20.7% in June 2009 to 9.5% in June 2010. The challenge to keeping inflation low surrounds oil price volatility, increases in electricity tariff, and the implementation of the single pay spine. The BoG has, since the beginning of 2010, cumulatively reduced the Monetary Policy Rate (MPR) by 450 basis point (the latest being a 150 basis point cut in July 2010) bringing the MPR to 13.5%. The exchange rate depreciated by about 50% against the dollar between 2008 and the first half of 2009 as a result of Ghana's macroeconomic imbalances and declining foreign exchange inflows. However, by mid-2009 there were signs of stabilization in the exchange rate. Much of the exchange rate adjustment was however, offset by Ghana's high inflation rate and the appreciation of the dollar. Consequently, the real effective exchange rate by mid-2009 was just about 8% more depreciated than in 2007.

**2.1.6 Recent Social Developments:** As a result of Ghana's strong economic performance over the past decade and half, national poverty rate almost halved from 51.7% in 1992 to 28.5% in 2006. The country is well on track towards meeting the Millennium Development Goal (MDG) of halving poverty and eradicating extreme poverty by 2015. Other MDG targets that are on track include: delivery of universal primary education with considerable improvement in access to primary education, improvement in health indicators, and accessibility to safe water. For instance, progress with net enrolment at the primary levels has been quite impressive, rising from 60% in 2004 to 88.5% in the 2008/09 academic year. The gross admission rate (GAR) has been over the 100% mark and, provided that the pupils enrolled remain in school and do not drop out or repeat, the Universal Basic Completion rate by 2012 appears to be achievable. Ghana has made progress in promoting gender equality and the government is currently piloting gender responsive budgeting in three ministries. However, while a fairly comprehensive policy and legal framework exists for gender equality and women's empowerment, overall, implementation has been slow and significant gender disparities remain. Also, progress in other MGD areas, such as eradication of hunger and malnutrition, and reductions in maternal and child mortality, has been slow and the targets in respect of these indicators are not likely to be met. The country's high maternal mortality has recently been declared a national emergency. HIV/AIDS control remains a major challenge although the respective MDG is on track.

**2.1.7 Structural Reforms and Economic Governance:** There were critical structural reforms in recent years, especially in the area of economic management and financial governance. Measures taken by the Government during the CSP period to improve PFM include,

strengthening internal audit arrangements in MDAs, improving fiscal reporting, treasury reform, deployment of a computerized payroll management system, and the adoption of a new budget preparation timetable to ensure that appropriations are approved prior to the start of the financial year. Measures were also taken to improve banking supervision, promote financial deepening and provide safeguards against money laundering. On the downside, implementation of the 2006 Public Sector Reform (PSR) Strategy has been slow and effective civil service reforms, starting with the rightsizing of MDAs, remain to be implemented. Also, the Government has yet to develop and implement a comprehensive decentralization policy, with a view to enhance governance on a country-wide level and improve public service delivery at Metropolitan, Municipal and District Assemblies (MMDAs). The arrival of oil brings additional challenges related to governance in the oil and gas sectors especially the management of public resources. Government will need to expedite action on the necessary fiscal, regulatory and institutional framework for the oil and gas industry.

## **2.2 Private Sector and the Business Climate**

**2.2.1 *General Characteristics and Role of the Private Sector:*** It is estimated that the private sector in Ghana consists of approximately 80,000 registered companies and 220,000 registered partnerships. The sector is dominated by enterprises in the informal sector, with approximately 90% of the companies being micro, small and medium enterprises and employing less than 20 persons. Though predominantly micro and unstructured, the private sector (including the informal sector) in Ghana remains the main employer (accounting for about 90% of the country's workforce), and the primary generator of exports. The informal segment of the private sector provides employment and a source of livelihood to many low skilled Ghanaians accounting for about 91% of the employment generated by the private sector. In terms of sectoral concentration, the retail and personal service sectors are reported to be the leading employers, followed by artisans and social services. It is expected that the private sector will continue to be critical in the country's drive towards productive employment creation. The private sector plays a role in overall economic development through industrial expansion, productivity efficiency improvements and job and wealth creation. In addition, the contribution to Government revenues through taxation is significant and available data estimates the contribution of the private sector to Gross National Income and Real Gross Domestic Product at 40% and 22% respectively.

**2.2.2 *Increasing productivity is a key challenge for improving competitiveness and private sector development in Ghana.*** The development of the private sector in Ghana, crucial for the achievement of broad based economic growth, poverty reduction and employment creation, remains constrained by concerns about productivity and competitiveness. The 2009 Global Competitiveness Index indicated that Ghana has serious productivity and competitiveness challenges. The report also shows relative weaknesses in the related areas of technology, innovation, education and labour market efficiency. Ghana was ranked 102 out of 134 in the 2009 Global Competitiveness report. Ghanaian firms (dominated by the informal sector) are said to be less productive than those of comparator low income countries in Sub-Saharan Africa mainly because they are less capital and skill intensive and relatively small in size. The fact that the small- and medium-scale enterprises (SMEs) create a significant number of jobs in the Ghanaian private sector underscores the importance for government to continue to support their growth and integration into the formal sector.

**2.2.3 *Business Climate:*** Government policies and mechanisms to promote private sector development remain focused on privatization, deregulation, and liberalization to achieve sustained growth and structural transformation of the economy. In pursuance of its objectives, Government has continued to invest in improving the productive infrastructure so as to create

the requisite environment for private sector development and increased foreign investment. Government policies and reforms aimed at improving the business environment for private sector activities has led to improvements in certain private sector indicators including: simplification and reduction in the time and cost for business registration; streamlined processes with regards to registering property and the computerization of customs procedures aimed at accelerating the clearance of goods; and reduced time (less than three months) to enforce contracts in the commercial courts. Consequently, the World Bank's Ghana Doing Business 2010 Report ranks Ghana 92 on the ease of doing business out of 183 economies surveyed. The above notwithstanding, a number of issues continue to adversely affect Ghana's private sector efficiency and present major constraints for growth of the country's private sector. At the micro-firm level, challenges in accessing capital for expansion (high interest rates and rigid bank loan requirements) are compounded by limited managerial and technical capacities. Structurally and at the macro-level, there remains a lack of focus on policies that address the needs of SMEs and the weak linkages that exist between the formal and informal sectors.

### **2.3 Medium-Term Outlook and Development Challenges**

2.3.1 *The medium term outlook remains generally favourable* and projections by the Government indicate that macroeconomic conditions will continue to improve in the medium term, starting with a modest recovery of real GDP growth from an estimated 4.7% in 2009 to 6.5% and 20.1% in 2010 and 2011 respectively. However, if the contribution of oil is excluded the 2011 growth rate is estimated at 5.6%. Potential drivers of growth in Ghana in the medium term would include gross fixed capital formation, the emerging oil and gas sector, and total factor productivity (TFP). A recent World Bank study<sup>3</sup> which analyzed the sources of growth over four phases of Ghana's political and economic history covering the period from 1970 to 2005 showed that over the period 2001-2005, aggregate growth became increasingly driven by both TFP and capital accumulation with estimates indicating strong influence of TFP which contributed about 30.6% of the aggregate GDP growth.

2.3.2 *Ghana's recent petroleum discovery in commercial quantities* and expected start of oil and gas production towards the end of 2010 constitutes an important opportunity in the medium term to diversify government's revenue base. Oil and gas revenues could potentially be applied to priority areas including: closing the infrastructure gap and capital accumulation in energy, transport, ICT, water and sanitation; productivity enhancing measures in agriculture and agro-based industrial development; and human capital and skills development in education and health. Proven reserves, as of January 2009, amount to 490 million barrels.<sup>4</sup> At its peak (mid 2011-mid 2016), some 120 thousand barrels of oil per day could be extracted, and the overall period of exploitation could span over 2 decades. It is estimate that gas would be produced in association with oil at a rate of 120 cubic feet per day and in the medium term gas exploitation could encourage the development of a number of downstream economic activities.

2.3.3 *A major challenge will be the promotion of transparency in the oil and gas industry* and ensuring that revenues are not misused so as to further consolidate the important progress Ghana has made in terms of governance and executive accountability. In this regards, there is the need to further strengthen the institutional framework for promoting transparency in the

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<sup>3</sup> See World Bank, Ghana: Meeting the Challenge of Accelerated and Shared Growth, *Country Economic Memorandum (CEM)*, Vol. 1, Nov. 2007, pp. 17-31.

<sup>4</sup> By comparison, Ghana's proven reserves put it at par with Cameroon (400 million barrels); above Cote d'Ivoire (100 million barrels); but much below Nigeria (36,200 million barrels). However, additional drilling and tests are being conducted to prove a higher reserve base estimated to be at least 1,200 million barrels, and possibly as much as 1,800 million barrels. See World Bank: *Economy-wide Impact of Oil Discovery in Ghana*, Report No. 47321-GH.

extractive industries. Ghana became an EITI candidate in the mining sector in 2007 and has so far, produced three reports outlining payments and revenues from the sector. On the 24<sup>th</sup> of May 2010, the cabinet approved the Ghana Extractive Industries Transparency Initiative (GHEITI) Revised Institutional Framework document. This approval gave the GHEITI Secretariat of the Ministry of Finance and Economic Planning the mandate to roll-out Ghana EITI to the oil and gas sector and to subject the crude production and sales to public scrutiny. Government is expected to publish its income from the sale of the country's crude oil. Similarly companies which buy the oil would be obliged to publish the amounts they paid to government for it. On its part, the Bank will explore the possibility of assisting the Government in building and strengthening the capacity of oversight institutions in the oil and gas industry.

### **3. STATUS OF IMPLEMENTATION OF THE 2005 – 2009 CSP AND BANK GROUP ASSISTANCE**

#### **3.1 Status of Implementation of the 2005 – 2009 CSP for Ghana**

3.1.1 The 2005 – 2009 CSP for Ghana was underpinned by the Ghana Poverty Reduction Strategy, 2003 - 2005 (GPRS) and the Growth and Poverty Reduction Strategy, 2006 - 2009 (GPRS II). It was consistent with the Ghana-Joint Assistance Strategy (G-JAS) which contains a joint commitment by the development partners (DPs) to support the implementation of the GPRS II and accelerate progress towards a set of aid effectiveness principles and commitments.

3.1.2 The 2005 – 2009 CSP had as its overarching thrust the scaling up of development impact, improvement of the quality of life for Ghanaian citizens, and the achievement of the MDGs. To achieve these goals, the CSP was articulated around two pillars: (i) Improving the Investment Environment; and (ii) Promoting Pro-poor, Pro-gender Equity Policies. The direct indicators of success of the 2005 – 2009 CSP were based on a set of fourteen (14) outcomes which were originally defined under the CSP's two strategic pillars (see annex 5 for details). The operations strategy of the Bank to support the Government in the achievement of these goals included: (i) lending activities mainly to Government; (ii) non-lending activities involving institution building projects and Economic and Sector Work (ESW); and (iii) lending to the private sector including private financial institutions and private sector projects (see annex 6 and table 1 for details).

3.1.3 Preliminary analysis of the status of the 14 outcomes of the original CSP Results-based Framework from the data obtained from a Bank mission to Ghana in December 2009 indicates that most of the CSP outcomes were met. Concerning the six (6) outcomes under pillar I, four outcomes in the areas of establishing a business-friendly environment, utility tariff, poverty reduction, and performance of the agricultural sector were met. However, performance with regards to the CSP outcomes on exchange rates and inflation was mixed, while the outcome on fiscal performance was not met. With regards to the eight (8) outcomes under Pillar II all, except the outcome relating to maternal mortality, were met.

3.1.4 Most of the operations planned for the CSP, 2005 – 2009 period for both Pillars I and II were implemented. Under Governance, the following operations were implemented: (i) the Second Poverty Reduction Support Loan (PRSL II) which was completed in October 2006; and (ii) the Third Poverty Reduction Support Loan (PRSL III) which was approved in 2008 and is still on-going. Transport operations implemented include: (i) Road Infrastructure Project 2003 Phase I and Phase II; (ii) Akatzi-Dzodze-Noepe Road Rehabilitation Project Phase I and Phase II; (iii) Tema-Aflao Road Rehabilitation Project Phase I and Phase II; (iv) Ghana/UEMOA Road Program 1 Techiman-Kintampo Road Ghana Phase I and Phase II; and (v) Awoshie-Pokuase Road and Community Development Project. Energy projects approved include: (i) the Ghana-Togo-Benin Power Interconnection project, and (ii) the Power Systems Reinforcement Project.

The following agricultural operations were implemented: (i) Export Marketing/Quality Awareness project; (ii) Northern Rural Growth Program; and (iii) Afram Plains Agricultural Rural Development project. Social sector operations implemented include: (i) the Urban Poverty Reduction project; and (ii) Gender Responsive Skill and Community Development Project. Under Economic and Sector Work, the Country Gender Profile was completed in December 2007.

3.1.5 However, due to a reordering of government priorities, the following operations (Education IV Project and Health IV project) which were initially scheduled for the CSP period under Pillar II were not prepared while a planned Social Sector Expenditure Review also under Pillar II was not undertaken. Also, the Two Towns Water Supply Project and a Country Governance Profile which were scheduled under Pillar 1 were not undertaken. In line with the “front loading” principle of the ADF-XI, the Fufulso-Sawla Road Rehabilitation Project which was part of the new infrastructure projects added to the CSP during the Mid-Term Progress report is scheduled for 2010 to coincide with the end of the ADF-XI cycle. The project would be appraised in 2010 and presented to the Board in the course of the year.

## **3.2 Portfolio Management Issues**

3.2.1 ***Bank Group Public Sector Operations in Ghana:*** The Bank’s public sector portfolio in Ghana as at 31<sup>st</sup> March 2010 consisted of 33 approved and on-going operations with a total commitment of UA 679.76 million. The portfolio is diverse in terms of lending instruments and sectoral allocation. Project lending remains the most important lending instrument for the Bank’s intervention in Ghana with 85.5% of the portfolio. Policy-based lending (Multi-sector Budget support) operations accounts for 14.5% of the portfolio. With the growing shift in focus to sector or program lending it is expected that the share of policy-based lending in the portfolio will continue to grow in the coming years. The Bank Group’s on-going portfolio in Ghana is dominated by the infrastructure and agriculture sectors which accounts for 28% and 24% respectively.

3.2.2 ***A Country Portfolio Performance Review (CPPR)*** was undertaken in June 2009. The outcome of the CPPR shows that the Bank’s portfolio in Ghana experienced delays in signing loan agreements and achieving loan effectiveness, as well as procurement and implementation delay. A major finding of the review was that two critical factors responsible for delays in project implementation were non-readiness of project designs and lack of project implementation plan prior to loan approvals. The foregoing underpins the importance of ensuring that, in preparing the remaining project for the current CSP and in implementing the proposed new RBCSP for Ghana, project designs and project implementation plans are done and ready prior to Board approval of related loan.

3.2.3 The issues identified above were particularly pronounced in the transport sector. However, following pro-active portfolio management actions taken since the CPPR exercise, substantial progress has been made to improve the performance of the Road Sector Projects. The overall disbursement rate for the Bank’s four ongoing road projects in Ghana has more than tripled, increasing from 7.17% (UA 8.5 million) in May 15, 2009 to 25% (UA 19.7 million) as of May 2010. Lessons learnt from the 2009 Country Portfolio Review were reflected in the design of the latest project approved by the Board for Ghana, the Awoshie-Pokuase Road and Community Development project. The loan agreement for this project was signed in April 2010, six months after board approval, a record for Ghana where hitherto loan signature took on average two (2) years. The relevant documents have been submitted to the Bank’s legal department and it is anticipated that the loan will soon be declared effective. Furthermore, the procurement process for the road works has commenced and the contractor shall be in place by December 2010.

3.2.4 **Bank Group Private Sector Operations in Ghana:** The private sector portfolio in Ghana currently accounts for only about 8% of the Bank's overall portfolio in Ghana. As at 31<sup>st</sup> March 2010 the value of Board-approved private sector operations amounted to UA 81.04 million, with total commitments of UA 26.58 million. The Bank's Private sector operations in Ghana cover a range of sectors: Agribusiness – oils; hospitality – hotel; energy – thermal power generation; and financial sector-commercial banks. In supporting the private sector in Ghana, the Bank uses a mix of lending instruments including loans, lines of credit, guarantees and technical assistance. In terms of sector distribution, financial intermediation accounts for about 53 % of the portfolio, followed by infrastructure and industries and services with 26% and 21%, respectively. During the CSP period, Bank's active private sector portfolio in Ghana consisted of six (6) projects, comprising three (3) disbursing projects at UA 38.78 million and three (3) non-disbursing projects valued at UA 42.26 million<sup>5</sup>. The status and issues of the Bank's on-going private sector portfolio in Ghana as at 31<sup>st</sup> March 2010 are summarized in 1 above.

**Table 1: Bank Group Ongoing Private Sector Operations and Project Status as at 31<sup>st</sup> March 2010**

Project Name	Project Information	Project Status
<b>KEMPINSKI ACCRA HOTEL PROJECT</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>USD 16 M (UA 10.68 M)</b></li> <li>▪ Approval: <b>23.01.2008</b></li> </ul>	The project stalled for over 24 months due to a financing gap (USD 16 M) created by the withdrawal of the co-financier from the project in 2008. Two banks, EBID and Merchant Bank Ghana have now confirmed their commitment to participate in the project, bringing in USD 6 m and USD 8 m, respectively. OPSM has re-appraised the project to take into account the new developments. The project is expected to be re-presented to the Board by the third quarter 2010.
<b>EXPORT ORIENTED SME GUARANTEE PROGRAM</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>USD 16 M ((UA10.22 M)</b></li> <li>▪ Approval: <b>18.03.2008</b></li> </ul>	The project has now been cancelled.
<b>TEMA OSONOR POWER PLANT</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>USD 32 M (UA 21.36 M)</b></li> <li>▪ Approval: <b>15.10.2008</b></li> </ul>	The delay in the signature of the loan agreement has been due to the inability of the senior lenders' (AfDB, FMO and EAIF) and the sponsor to agree on certain terms. Major hurdles have however been removed with the signing of a Joint Development Agreement. In addition, negotiations of the various finance documents for TOPL are now progressing and it is expected that the signing of the loan agreement will take place by the third quarter of 2010.
<b>GCOCOBOD (THE GHANA COCOA BOARD)</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>USD 35 M (UA 22.35 M)</b></li> <li>▪ Approval: <b>25.09.2009</b></li> </ul>	The Bank initially approved its participation of USD 100 M in this syndicated trade finance operation for Cocobod for the 2009-10 cocoa harvest. The terms of the financing were: a first tranche of an amount of USD 50 M to be disbursed, pro rata with other investors; and a second tranche of an amount of up to USD 50 M to be disbursed subject to evidence of a financing gap. However, as a result of a subsequent elevated interest from commercial lenders in the transaction, the Bank's final participation was reduced to USD 35 million. The duration of the loan was for 1 year. Cocobod is current on its obligations. A PCR mission is scheduled for September 2010.
<b>SECOND LINE OF CREDIT TO CAL BANK LIMITED</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>USD 15 M (UA 10.03 M)</b></li> <li>▪ Approval: <b>24.07.2008</b></li> </ul>	The funds of the LoC have been fully disbursed and subsequently allocated to three sub-projects in the real estate and non-bank financial sectors. Repayment of principal will begin after a two-year grace period (November 2010).
<b>GHANA OIL PALM DEVELOPMENT COMPANY (GOPDC)</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount: <b>EUR 7.14 M (UA 6.4 M)</b></li> <li>▪ Approval: <b>12.12.2002</b></li> </ul>	Funds have been fully repaid and the project is off the OPSM portfolio.

<sup>5</sup> This value of non-disbursing projects will drop to UA 32.04 M when the cancellation process of the Export Oriented SME project is finalized and subsequently removed from the portfolio. The total value of the private sector portfolio in Ghana will therefore reduce to UA 47.47 M, while the total number of projects will come down to five (5).

#### **4. THE DEVELOPMENT AGENDA OF THE GOVERNMENT**

4.1 Ghana's long-term policy objective is to achieve middle-income status by 2020 and become a leading agri-industrial country, thereby substantially reducing poverty. The Government's current development strategy is spelt out in the GPRS II, covering the period 2006-2009 whose main thrust is on growth-inducing policies and private sector development, with the overarching goal to attain middle-income status. It is anchored on the following three pillars: (i) Private Sector Competitiveness; (ii) Human Resource Development; and (iii) Good Governance and Civic Responsibility. The GPRS II expired at the end of 2009 and is to be replaced by its successor the Medium Term Development Policy Framework (MTDPF). The MTDPF is currently being prepared by the Government.

4.2 In the interim, the Government's medium term policies are implemented on the basis of the government's Medium-Term Expenditure Framework (MTEF), 2010-2012 with the objective of consolidating the achievements of the GPRS II and ensuring macroeconomic stability with sustained real GDP growth of 8%, single digit inflation rates, gross international reserves of not less than 3 months of import cover for goods and services, and overall budget deficit of about 3.0%. The Government hopes to accomplish these objectives primarily by: (i) pursuing prudent macroeconomic policies; (ii) pursuing strategies to increase economic growth and social interventions to reduce poverty and unemployment; (iii) modernisation of agriculture; (iv) provision of infrastructure including ICT; (v) development of the private sector; and (vi) development of the oil and gas industry.

#### **5. COUNTRY DIALOGUE ISSUES**

5.1 The CSP, 2005 – 2009 for Ghana indicated three main areas in which the Bank will dialogue with Government during its implementation. The areas were; (i) Macroeconomic policy dialogue, (ii) Good governance, and (iii) Portfolio Performance. In the area of macroeconomic policy the Bank's dialogue was guided by the Framework Memorandum of the MDBS which provides for the DPs to take part in the IMF review of the country's macroeconomic performance. In 2009, a Macroeconomic Sub-Working Group was established within the framework of the MDBS to monitor on behalf of the DPs, macroeconomic developments that could affect the medium term macroeconomic framework and development objectives supported by the DPs. The Bank is a member of the Macroeconomic Sub-Working Group. On good governance the Bank maintained dialogue with government in the area of public sector reforms, public financial management (PFM) and decentralization using the instrument of its PRSL III programme and within the MDBS framework.

5.2 In the 2010 – 2011 period, the Bank will undertake detailed dialogue with the authorities on emerging public financial management challenges that will accompany the onset of oil production. Government will be challenged to maintain policies that promote macroeconomic stability including fiscal consolidation and the strengthening of budget implementation so as to create the fiscal space for poverty-reducing programs. Government would also have to set in place mechanisms to manage oil revenue volatility and its uncertainty and smoothen the impact of the inflow of oil revenues on the macroeconomic stability (Dutch disease) and budget. The Bank will also dialogue with the authorities and other stakeholders on the role that the Bank can play to support investment in upgrading the electricity supply infrastructure in the national and regional context.

## **6. BANK GROUP STRATEGY FOR 2010 - 2011 AND PIPELINE OF PROJECTS**

### **6.1 The Bank's Intervention Strategy for 2010 - 2011**

6.1.1 The Bank is in the process of preparing a new result-based CSP (RBCSP) for Ghana covering the period 2011 – 2015. The new RBCSP is expected to be presented to the Boards in 2011. In the meantime, and to provide the strategic context within which the Bank can continue to do business with Ghana until the new RBCSP for Ghana is finalized, this CSP update is proposing the continuation of the strategic focus of the 2005 – 2009 CSP since this is still in line with the country's development priorities as enunciated in the MTEF, 2010 - 2012. As noted above, the Government's MTEF, 2010 – 2012 aims at consolidating the achievements of the GPRS II and has similar objectives as the GPRS II. This CSP Update is therefore anchored on the Government's Medium Term Expenditure Framework, 2010 – 2012.

6.1.2 *Bank's Strategic Objectives in 2010 - 2011:* In 2010 to 2011, the Bank will continue to pursue the objectives articulate under the pillars of the 2005 – 2009 CSP for Ghana because they remain relevant to the government's development priorities as enunciated in the GPRS II and the MTEF, 2010 - 2012, especially in relation to poverty reduction through growth-inducing policies and private sector development. Thus, the overall thrust of the Bank's intervention during 2010 will be to continue to support the improvement of the investment environment through infrastructure development; and to support the promotion of pro-poor, pro-gender equity policies of the Government.

### **6.2 Activities Linked to the Bank's Strategy for 2010 - 2011**

6.2.1 In accordance with the two strategic pillars of the 2005 – 2009 CSP and the broad areas of focus identified under each of them, a work programme for the period, 2010 – 2011 is being proposed. The work programme will combine both lending and non-lending activities. The lending activities being proposed will be in the infrastructure sector, including transport and rural infrastructure, and in governance as well as private sector operations. The non-lending activities, on the other hand, will be mainly in the form of Economic and Sector Works (ESW). The ESW programme will provide the analytical underpinning for the next Country Strategy Paper, facilitate policy advice and broaden the scope for private sector development and will be focused on addressing emerging issues particularly in the oil and gas industry.

#### **Lending Activities**

6.2.2 *The Ffulso-Sawla Road Rehabilitation Project* was envisaged in the 2005-2009 CSP and is scheduled for 2010. The proposed Ffulso-Sawla Road Rehabilitation Project is located in the Northern region which is one of the least developed and isolated areas of the country. Movement of goods and people in the Northern and Upper West Regions has been impeded by the bad state of its road networks. Following a requested from the Government of Ghana (GOG) in 1999 the Bank the financed feasibility and detailed technical studies for the Ffulso-Sawla road in 2003. The studies were updated in 2010. The Ffulso-Sawla road rehabilitation project has the potential to play a key role in the socio-economic, political, administrative and regional integration of Northern Ghana. The objective of the project is to enhance mobility, promote efficient, affordable transport services along the Ffulso-Sawla road and improve livelihoods in the project area and it is in line with the Government development priorities. The Ffulso-Sawla road project is also included in the Transport Sector Development Programme (TSDP) 2008-2012 which aims at an integrated, efficient, cost-effective and sustainable transportation system supporting growth, poverty reduction and promoting regional integration. Under ADF-XI, Ghana's allocation is currently UA 296.4 million. So far UA186.69 million of this allocation has been utilized leaving a balance of UA 109.7 million which has been allocated to the proposed Ffulso-Sawla Road Rehabilitation Project.

6.2.3 A new Budget Support Program (BSP), to be funded from ADF-XII resources in 2011, will focus on governance and private sector development, including enhanced national competitiveness and improving the business enabling environment. The program<sup>6</sup> will aim at deepening and consolidating achievements of past operations in governance. Also, a number of potential private sector interventions have been identified and are currently being explored by the Bank. All of these private sector projects, some of which may be presented to the Board for consideration during the requested extension period, conform to the strategic thrust of the 2005 – 2009 CSP.

### **Non-Lending Assistance**

6.2.4 In furtherance of its objective of enhancing its support to the regional integration agenda in the continent the Bank is currently in the process of preparing a number of Regional Integration Strategy Papers (RISP), including one for West Africa, for the sub-regions of the continent. Ghana is one of the countries that have been identified for particular focus in the West Africa RISP. Through the interventions to be proposed in the West African RISP, the Bank intends to address some of the structural bottlenecks impeding regional integration efforts in the sub-region including weaknesses in regional infrastructure and regulations that hamper the creation of a free and integrated regional market for goods and services, weak capacity, slow macroeconomic convergence, and low level of intra-regional trade. Also, as a means of enhancing its knowledge and advisory services in Ghana, the Bank would undertake a study on “Oil and Gas and Sector Linkages with the Rest of the Economy” in Ghana in 2010/2011. These knowledge products will be undertaken by the Regional department in close collaboration with the Chief Economist Complex (ECON). Once completed, the two products will significantly strengthen the Bank’s and the authorities’ knowledge base and enable the preparation of a new CSP for Ghana, which adequately leverages the opportunities, and address the challenges, of the country.

## **7. CONCLUSION AND RECOMMENDATION**

7.1 The purpose of this Update is to inform the Boards of the status of the implementation of the Bank’s 2005 – 2009 Country Strategy for Ghana approved by the Boards of Directors in July 2005 and to request the Boards to extend its validity to December 2011. The extension of the validity of the CSP will allow the Bank Group to better align its CSP cycle with the Government’s own planning cycle. The Government’s Development Strategy is spelt out in GPRS II, which expired at the end of 2009 and is to be replaced by the Medium Term Development Policy Framework (MTDPF). The MTDPF is currently being prepared and will be finalized by the end of 2010. In the interim, the Government’s medium term policies are implemented on the basis of the government’s Medium-Term Expenditure Framework (MTEF), 2010-2012.

7.2 This CSP update which does not propose a change in strategy would also, provide the strategic context within which the Bank can continue to do business with Ghana pending the finalization of the MTDPF and the preparation of a new result-based CSP for Ghana. The Ffulso-Sawla Road Rehabilitation project which was envisaged in the 2005 – 2009 CSP would be appraised in 2010 and presented to the Board during the year. In addition, a new Budget Support Program (BSP), to be funded from ADF-XII resources is envisaged for 2011, and there are a lot of opportunities for further business collaboration in the private sector which the Bank hopes to exploit in 2010 and 2011.

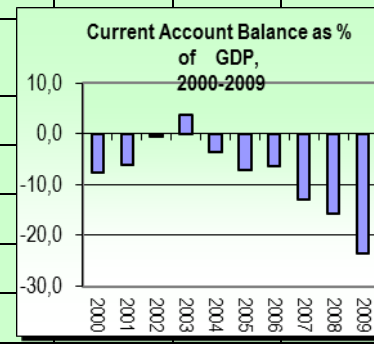
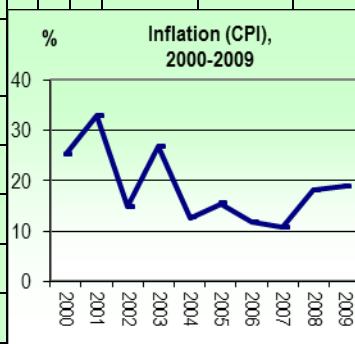
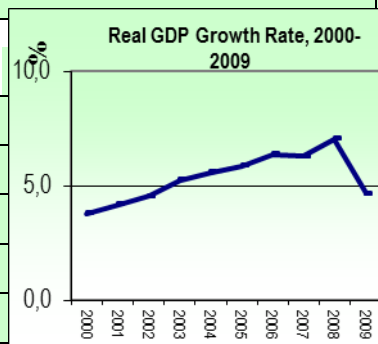
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<sup>6</sup> Amount to be determined on availability of ADF-XII resources.

7.3 The Board is invited to take note of this CSP update for Ghana and to approve the extension of the validity of the Bank's 2005 – 2009 Country Strategy for Ghana (ADF/BD/WP/2005/81), to December 2011.

### Annex 1: Ghana - Selected Macroeconomic Indicators

Indicators	Unit	2000	2004	2005	2006	2007	2008	2009
<b>National Accounts</b>								
GNI at Current Prices	Million US\$	6,459	8,144	9,966	11,704	13,763	15,744	...
GNI per Capita	US\$	330	380	450	520	600	670	...
GDP at Current Prices	Million US\$	4,980.2	8,881.4	10,731.9	12,537.8	14,702.2	16,114.1	15 331.5
GDP at 2000 Constant prices	Million US\$	4,980.2	6,027.5	6,381.2	6,787.6	7,213.8	7,721.7	8 080.8
Real GDP Growth Rate	%	3.8	5.6	5.9	6.4	6.3	7.0	4.7
Real per Capita GDP Growth Rate	%	1.4	3.2	3.6	4.1	4.1	4.9	2.5
Gross Domestic Investment	% GDP	24.0	28.4	29.0	33.3	33.8	35.9	29.7
Public Investment	% GDP	9.2	12.4	12.0	13.6	14.3	14.9	8.2
Private Investment	% GDP	14.8	16.0	17.0	19.7	19.5	21.0	21.4
Gross National Savings	% GDP	15.6	18.4	20.7	20.5	21.8	17.3	17.2
<b>Prices and Money</b>								
Inflation (CPI)	%	25.2	12.6	15.4	11.7	10.7	18.1	18.8
Exchange Rate (Annual Average)	Local currency/US\$	0.5	8,995.0	9,062.8	9,164.5	9,352.5	10,578.6	14,165.0
Monetary Growth (M2)	%	54.2	27.4	9.3	42.8	...	...	...
Money and Quasi Money as % of GDP	%	28.2	0.0	0.0	0.0	...	...	...
<b>Government Finance</b>								
Total Revenue and Grants	% GDP	19.8	29.7	29.1	27.8	29.5	28.4	28.1
Total Expenditure and Net Lending	% GDP	27.7	33.3	30.7	34.9	38.1	42.4	38.0
Overall Deficit (-) / Surplus (+)	% GDP	-7.9	-3.5	-1.6	-7.1	-8.7	-14.0	-10.0
<b>External Sector</b>								
Exports Volume Growth (Goods)	%	7.2	14.5	-0.9	15.4	-3.7	7.5	7.2
Imports Volume Growth (Goods)	%	-26.0	13.8	14.2	14.4	14.6	14.1	7.9
Terms of Trade Growth	%	-21.6	-21.1	-4.1	4.4	11.5	5.3	5.1
Current Account Balance	Million US \$	-386.2	-315.9	-773.4	-810.3	-1,899.9	-2,543.8	-3,590.7
Current Account Balance	% GDP	-7.8	-3.6	-7.2	-6.5	-12.9	-15.8	-23.4
External Reserves	months of imports	0.7	2.4	2.2	2.0	...	...	...
<b>Debt and Financial Flows</b>								
Debt Service	% exports	22.0	5.6	5.8	11.4	3.0	4.7	7.7
External Debt	% GDP	134.6	107.9	74.4	33.6	39.1	38.6	47.6
Net Total Financial Flows	Million US \$	520.0	2,051.7	2,088.9	1,792.7	1,801.2	1,648.5	...
Net Official Development Assistance	Million US \$	599.7	1,403.4	1,135.9	1,201.1	1,153.9	1,293.3	...
Net Foreign Direct Investment	Million US \$	165.9	139.3	145.0	636.0	855.4	2,120.4	...



Source : ADB Statistics Department; IMF: World Economic Outlook, September 2009 and International Financial Statistics, February 2010;

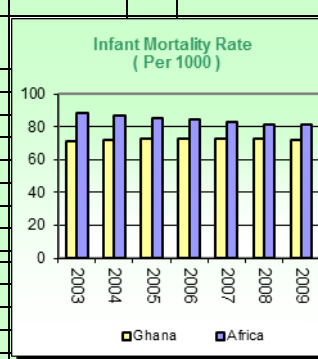
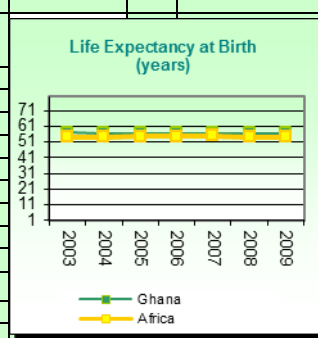
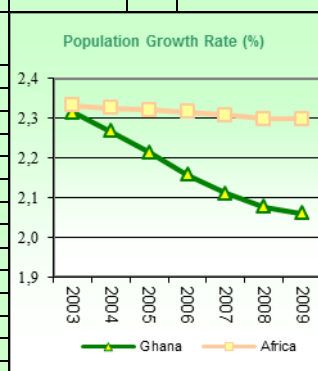
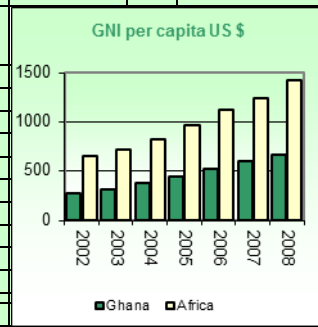
ADB Statistics Department: Development Data Platform Database, March 2010. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available

Last Updated: May 2010

## Annex 2: Ghana – Comparative Socio-Economic Indicators

	Year	Ghana	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ( '000 Km <sup>2</sup> )		239	80 976	80 976	54 658
Total Population (millions)	2009	23.8	1,008	5,629	1,069
Urban Population (% of Total)	2009	50.7	39.6	44.8	77.7
Population Density (per Km <sup>2</sup> )	2009	99.9	3.3	66.6	23.1
GNI per Capita (US \$)	2008	670	1 428	2 780	39 688
Labor Force Participation - Total (%)	2009	45.4	41.2	45.6	54.6
Labor Force Participation - Female (%)	2009	49.0	41.2	39.8	43.3
Gender -Related Development Index Value	2005	0.549	0.525	0.694	0.911
Human Develop. Index (Rank among 182 countries)	2007	152	0.514	n.a	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2006	30.0	50.8	25.0	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2009	2.1	2.3	1.3	0.7
Population Growth Rate - Urban (%)	2009	3.5	3.4	2.4	1.0
Population < 15 years (%)	2009	38.4	56.0	29.2	17.7
Population >= 65 years (%)	2009	3.6	4.5	6.0	15.3
Dependency Ratio (%)	2009	72.5	78.0	52.8	49.0
Sex Ratio (per 100 female)	2009	102.8	100.7	934.9	948.3
Female Population 15-49 years (% of total population)	2009	24.8	48.5	53.3	47.2
Life Expectancy at Birth - Total (years)	2009	56.8	55.7	66.9	79.8
Life Expectancy at Birth - Female (years)	2009	57.7	56.8	68.9	82.7
Crude Birth Rate (per 1,000)	2009	32.1	35.4	21.5	12.0
Crude Death Rate (per 1,000)	2009	11.0	12.2	8.2	8.3
Infant Mortality Rate (per 1,000)	2009	72.0	80.0	49.9	5.8
Child Mortality Rate (per 1,000)	2009	115.2	83.9	51.4	6.3
Total Fertility Rate (per woman)	2009	4.2	4.5	2.7	1.8
Maternal Mortality Rate (per 100,000)	2005	560.0	683.0	440.0	10.0
Women Using Contraception (%)	2006	...	...	61.0	75.0
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2004	14.7	42.9	78.0	287.0
Nurses (per 100,000 people)*	2004	89.3	120.4	98.0	782.0
Births attended by Trained Health Personnel (%)	2008	58.7	50.5	63.4	99.3
Access to Safe Water (% of Population)	2006	80.0	64.0	84.0	99.6
Access to Health Services (% of Population)	2006	...	61.7	80.0	100.0
Access to Sanitation (% of Population)	2006	10.0	38.5	54.6	99.8
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2007	1.9	4.5	1.3	0.3
Incidence of Tuberculosis (per 100,000)	2007	203.0	313.7	161.9	14.1
Child Immunization Against Tuberculosis (%)	2007	99.0	83.0	89.0	99.0
Child Immunization Against Measles (%)	2007	95.0	74.0	81.7	92.6
Underweight Children (% of children under 5 years)	2006	18.0	25.6	27.0	0.1
Daily Calorie Supply per Capita	2005	2 759	2 324	2 675	3 285
Public Expenditure on Health (as % of GDP)	2006	1.7	5.5	4.0	6.9
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2008	101.8	100.2	106.8	101.5
Primary School - Female	2008	101.3	91.7	104.6	101.2
Secondary School - Total	2008	54.1	35.1	62.3	100.3
Secondary School - Female	2008	50.9	30.5	60.7	100.0
Primary School Female Teaching Staff (% of Total)	2008	33.0	47.5	...	...
Adult Illiteracy Rate - Total (%)	2007	35.0	59.4	19.0	...
Adult Illiteracy Rate - Male (%)	2007	28.3	69.8	13.4	...
Adult Illiteracy Rate - Female (%)	2007	41.7	57.4	24.4	...
Percentage of GDP Spent on Education	2005	5.4	4.5	...	5.4
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2007	18.0	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2006	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2006	...	10.9	...	...
Per Capita CO2 Emissions (metric tons)	2008	0.3	1.1	1.9	12.3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators; UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports. last update : May 2010  
 Note : n.a. : Not Applicable ; ... : Data Not Available.

### Annex 3: Ghana – Progress towards Attaining the Millennium Development Goals

MDG Goal/Target	Indicator	Status	Probability of Attaining Goal/Target
<b>Goal 1 – Eradicate Extreme Poverty and Hunger</b>			
Target 1: Halve between 1990 and 2015 the proportion of people living on less than 1 US dollar a day	<ul style="list-style-type: none"> <li>Proportion of people living below the poverty line</li> <li>Poverty Gap ratio, \$1.25 per day</li> </ul>	<ul style="list-style-type: none"> <li>Decreased from 49% in 1990 to 30% in 2008</li> <li>Decreased from 17% in 1990 to 10% in 2008</li> </ul>	The country is likely to meet this goal in 2015.
Target 2: Halve between 1990 and 2015 the proportion of people who suffer from hunger	<ul style="list-style-type: none"> <li>Prevalence of underweight children under 5 years old (%)</li> <li>Proportion of undernourished people in total population (%)</li> </ul>	<ul style="list-style-type: none"> <li>Decrease from 24.1% in 1990 to 13.9% in 2008</li> <li>Decreased from 34% in 1990 to 9 in 2005</li> </ul>	
<b>Goal 2 – Achieve Universal Primary Education</b>			
Target 3: Ensure that by 2015 all boys and girls will be able to complete a full course of primary school	<ul style="list-style-type: none"> <li>Net primary enrolment ratio (%)</li> <li>Primary completion rate (%)</li> <li>Literacy rate, female (15-24 yrs)</li> <li>Literacy rate, male (15-24 yrs)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 61% in 2000 to 73% in 2008</li> <li>Increased from 61% in 1990 to 78% in 2008</li> <li>Increased from 65% in 2000 to 76% in 2008</li> <li>Increased from 76% in 2000 to 80% in 2008</li> </ul>	The country is likely to meet this goal in 2015
<b>Goal 3 – Promote Gender Equality and Empower Women</b>			
Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in levels of education not later than 2015	<ul style="list-style-type: none"> <li>Ratio of girls to boys in enrollment primary education</li> <li>Ratio of girls to boys enrollment in secondary education</li> <li>Ratio of girls to boys enrollment in secondary education</li> <li>Proportion of seats held by women in the National Assembly (%)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 0.84:1 in 1990 to 0.99:1 in 2008</li> <li>Increased from 0.65:1 in 1990 to 0.89:1 in 2008</li> <li>Increased from 0.30:1 in 1990 to 0.54:1 in 2008</li> <li>Increased from 9% in 2000 to 11% in 2008</li> </ul>	The country is likely to meet this goal in 2015
<b>Goal 4 – Reduce Child Mortality</b>			
Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<ul style="list-style-type: none"> <li>Under-five mortality rate (per 1,000 live births)</li> <li>Infant mortality rate (per 1,000 survivors to age 1)</li> <li>Immunisation, measles (% of children ages 12 - 23 months)</li> </ul>	<ul style="list-style-type: none"> <li>Decreased from 120/10000 in 1990 to 115/10000 in 2008</li> <li>Decreased from 76/1000 in 1990 to 73/1000 in 2008</li> <li>Increased from 61% in 1990 to 95% in 2008</li> </ul>	The country is unlikely to meet this goal in 2015.
<b>Goal 5 – Improve Maternal Health</b>			
Target 6: Improve by three-quarters, between 1990 and 2015, the maternal mortality ratio	<ul style="list-style-type: none"> <li>Maternal mortality ratio (per 100,000 live births)</li> <li>Birth attended by skilled health staff (% of total)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 40 in 1990 to 59 in 2008</li> </ul>	The country is unlikely to meet this goal in 2015.

<b>Goal 6 – Combat HIV/AIDS, Malaria and Other Diseases</b>			
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	<ul style="list-style-type: none"> <li>HIV prevalence among 15-24 year old pregnant women(%)</li> </ul>	<ul style="list-style-type: none"> <li>Remained the same at 1.3 between 2005 and 2008</li> </ul>	There is a potential to meet this goal in 2015 but progress is currently slow.
Target 8: Have halted by 2015 and begun to reverse the incidence of tuberculosis and other diseases	<ul style="list-style-type: none"> <li>Proportion of Children with fever receiving anti-malaria drugs</li> <li>Proportion of tuberculosis cases detected under directly-observed treatment short courses</li> </ul>	<ul style="list-style-type: none"> <li>Decreased from 61% in 2000 to 43% in 2008</li> <li>Increased from 16% in 1995 to 36% in 2008</li> </ul>	
<b>Goal 7 – Ensure Environmental Sustainability</b>			
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<ul style="list-style-type: none"> <li>C02 emissions and consumption of Ozone-depleting CFCs</li> <li>Forest land as percentage of land area</li> </ul>	<ul style="list-style-type: none"> <li>Remained the same at 0.3 metric tonnes per capita between 1990 and 2005</li> <li>Decreased from 33% in 1990 to 24% in 2005</li> </ul>	The country is likely to meet this goal in 2015.
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation Target 11: Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020.	<ul style="list-style-type: none"> <li>Proportion of the population with sustainable access to improved water sources</li> <li>Proportion of the population with access to improved sanitation facilities</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 56% in 1990 to 80% in 2008</li> <li>Increased from 6% in 1990 to 10% in 2008</li> </ul>	
<b>Goal 8 – Develop a Global Partnership for Development</b>			
Target 12: Develop further an open, rule-based, predictable, non discriminatory trading and financial system includes a commitment to good governance, development, and poverty reduction – both nationally and internationally. Target 13: Address the special need of the least developed countries includes: tariffs and quota free, access for least developed countries’ exports; enhanced programme of debt relief for HIPC’s and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.	<ul style="list-style-type: none"> <li>Aid Per Capita (current US\$)</li> <li>Internet Users (per 100 people)</li> <li>Mobile Cellular subscription (per 100 people)</li> <li>Telephone lines (per 100 people)</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 37 in 1990 to 52 in 2005 and fell to 50 in 2008</li> <li>Increased from 0.2 in 2000 to 4.3 in 2008</li> <li>Increase from 1 in 2000 to 50 in 2008</li> <li>Same at 1 between 2000 and 2008.</li> </ul>	The country is likely to meet this goal in 2015

Source: UNDP Millennium Development Goals Report, World Development Indicators, and African Development Bank, Statistics Department.

**Annex 4: Ghana – Ongoing Bank Group Operations**

No	SECTOR	PROJECT NAME	AMOUNT SIGNED (UA)	DATE APPROVED	EFFECTIVE DATE	TOTAL DISBURSED AS AT 28/02/2010	Undisbursed Amount	% DISB as at 28/02/10	PROJECT CLOSING DATE
1	AGRICULTURE	SMALL-SCALE IRRIGATION DEVELOPMENT PROJECT	15,000,000	04.12.1997	25.08.00	12,170,706	2,829,294	<b>81.14</b>	30.09.2009
2	AGRICULTURE	CASHEW DEVELOPMENT PROJECT	9,890,000	31.10.2000	24.12.01	7,791,177	2,098,823	<b>78.78</b>	31.09.2010
3	AGRICULTURE	INLAND VALLEY RICE DEVELOPMENT PROJECT	15,000,000	18.05.2001	06.06.02	4,859,805	10,140,195	<b>32.40</b>	30.06.2011
4	AGRICULTURE	LIVESTOCK DEVELOPMENT PROJECT	19,580,000	10.10.2001	05.12.02	9,788,181	9,791,819	<b>49.99</b>	31.12.2010
5	AGRICULTURE	RURAL ENTERPRISES PROJECT	7,500,000	12.12.2002	30.09.03	3,222,295	4,277,705	<b>42.96</b>	31.12.2011
6	AGRICULTURE	COMMUNITY FORESTRY MANAGEMENT PROJECT	7,000,000	03.07.2002	13.10.03	6,216,554	783,446	<b>88.81</b>	30.12.2010
7	AGRICULTURE	EXPORT MARKET AND QUALITY AWARENESS PROG	17,000,000	13.07.2005	24.03.06	2,413,557	14,586,443	<b>14.20</b>	31.12.2011
8	AGRICULTURE	AFRAM PLAINS RURAL DEVELOPMENT PROJECT	19,970,000	31.05.2006	02.02.07	6,894,880	13,075,120	<b>34.53</b>	31.12.2012
9	AGRICULTURE	NORTHERN RURAL GROWTH PROGRAM	40,000,000	17.12.2007	24.04.2008	221,861	39,778,139	<b>0.55</b>	31.12.2015
		<b>SUB-TOTAL</b>	<b>150,940,000</b>	-	-	<b>53,579,015</b>	<b>97,360,985</b>	<b>35.50</b>	
						-	-		
1	MULTINATIONAL	NERICA DISSEMINATION PROJECT - GHANA	2,650,000	26.09.2003	05.02.05	1,610,611	1,039,389	<b>60.78</b>	31.12.2010
2	MULTINATIONAL	INVASIVE AQUATIC WEEDS - GHANA	1,680,000	22.09.2004	10.10.05	456,144	1,223,856	<b>27.15</b>	31.12.2011
3	MULTINATIONAL	GHANA - CREATION OF SUSTAINABLE TSETSE A	6,640,000	08.12.2004	28.12.05	4,142,260	2,497,740	<b>62.38</b>	31.12.2011
4	MULTINATIONAL	GHANA - CREATION OF SUSTAINABLE TSETSE A - G	240,000	08.12.2004	28.12.05	235,746	4,254	<b>98.23</b>	31.12.2011

5	MULTINATIONAL	GHANA - PROM OF SCIENCE AND TECH. FOR AGRIC. DEVT.	15,581,000	29.11.2006	18.12.06	2,666,189	12,914,811	<b>17.11</b>	31.12.2013
6	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME	64,500,000	19.11.2003	12.10.04	11,655,839	52,844,161	<b>18.07</b>	31.12.2012
7	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME (SUPPLEMENTARY)	4,300,000		not effective	-			
8	MULTINATIONAL	GHANA - TOGO - BENIN POWER INTERCONNECT	14,870,000	04.04.2007	not effective	-			
9	MULTINATIONAL	BENIN - TOGO - GHANA POWER INTERCONNECT	17,390,000	04.04.2007	not effective	-			
7	MULTINATIONAL	UEMOA GHANA ROAD PROGRAMME (SUPPLEMENTARY)	4,300,000	16.12.2008		-			
8	MULTINATIONAL	GHANA - TOGO - BENIN POWER INTERCONNECT	14,870,000	04.04.2007		-			31.12.2010
9	MULTINATIONAL	BENIN - TOGO - GHANA POWER INTERCONNECT	17,390,000	04.04.2007		-			31.12.2010
		<b>SUB-TOTAL</b>	<b>127,851,000</b>	-	-	<b>22,625,493</b>	<b>105,225,507</b>	<b>17.70</b>	
							-		
1	MULTI-SECTOR	INSTITUTIONAL SUPPORT TO THE MINISTRY OF FINANCE G	2,000,000	28.10.1998	02.01.2000	1,671,850	328,150	<b>83.59</b>	31.12.2005
2	MULTI-SECTOR	CAP.BUILDING, GOVERNANCE & POVERTY RED. G	3,000,000	14.11.2001	20.06.2003	2,987,628	12,372	<b>99.59</b>	30.06.2008
3	MULTI-SECTOR	THIRD POVERTY REDUCTION SUPPORT	90,000,000	17.09.2008	11.12.2008	80,000,000	10,000,000	<b>88.89</b>	31.12.2011
		<b>SUB-TOTAL</b>	<b>95,000,000</b>	-	-	<b>84,659,478</b>	<b>10,340,522</b>	<b>89.12</b>	
							-		
1	PRIVATE SECTOR	*KEMPINSKI ACCRA HOTEL PROJECT	10,330,000		not effective	-	10,330,000	-	31.12.2011
2	PRIVATE SECTOR	EXPORT ORIENTED SME GUARANTEE PROGRAM (DCA)	10,117,920	18.03.2008		-	10,117,920		30.09.2018
3	PRIVATE SECTOR	LINE OF CREDIT TO CAL MERCHANT BANK (NO2)	9,231,451	24.07.2008	03.12.2008	9,231,451	(0)	<b>100.00</b>	17.11.2009
4	PRIVATE SECTOR	GHANA OIL PALM DEVELOPMENT COMPANY (GOPDC)	5,369,027	12.12.2002	21.01.2004	5,369,027	(0)	<b>100.00</b>	25.12.2005

5	PRIVATE SECTOR	TEMA OSONOR POWER PLANT	19,576,495			-			
		<b>SUB-TOTAL</b>	<b>54,624,893</b>	-	-	<b>14,600,478</b>	-	<b>26.73</b>	
1	SOCIAL	HEALTH SERVICES REHABILITATION III	17,640,000	30.10.2002	30.03.2004	3,520,202	14,119,798	<b>19.96</b>	24.12.2010
	SOCIAL	HEALTH SERVICES REHABILITATION III -G	1,000,000	30.10.2002	09.09.2003	603,907	396,093	<b>60.39</b>	24.12.2010
2	SOCIAL	SENIOR SEC. SCHOOL SUPPORT PROJECT - III	20,000,000	24.09.2003	03.09.2004	8,504,423	11,495,577	<b>42.52</b>	31.12.2009
	SOCIAL	SENIOR SEC. SCHOOL SUPPORT PROJECT - III G	5,000,000	24.09.2003	03.09.2004	953,070	4,046,930	<b>19.06</b>	31.12.2009
3	SOCIAL	URBAN POVERTY REDUCTION PROJECT	25,000,000	12.10.2005	21.03.2006	8,123,687	16,876,313	<b>32.49</b>	30.12.2011
4	SOCIAL	GENDER RESPONSIVE SKILLS & COMMUNITY DEV'T PROJ	5,950,000	19.17.2007	20.01.2009	107,461	5,842,539	<b>1.81</b>	31.12.2012
	SOCIAL	GENDER RESPONSIVE SKILLS & COMMUNITY DEV'T PROJ -G	2,360,000	19.12.2007	20.01.2009	-	2,360,000	-	31.12.2011
		<b>SUB-TOTAL</b>	<b>76,950,000</b>	-	-	<b>21,812,751</b>	<b>55,137,249</b>	<b>28.35</b>	
							-		
1	TRANSPORT	TEMA-AFLAO ROAD REHABILITATION PROJECT	14,700,000	17.04.2002	05.12.2002	4,219,839	10,480,161	<b>28.71</b>	30.06.2012
	TRANSPORT	TEMA-AFLAO ROAD REHABILITATION PROJECT - SUPPLM	25,400,000	16.12.2008		-			
2	TRANSPORT	AKATSI-DZODZE-NOEPE ROAD(AKATSI-AKANU)	12,720,000	20.12.2002	23.07.2004	3,133,455	9,586,545	<b>24.63</b>	30.06.2012
	TRANSPORT	AKATSI-DZODZE-NOEPE ROAD(AKATSI-AKANU) - SUPPLM	13,400,000	16.12.2008		-			
3	TRANSPORT	AWOSHIE-POKUASE	53,590,000			-			
4	TRANSPORT	ROAD INFRASTRUCTURE PROJECT 2003	18,000,000	17.09.2003	24.09.2004	4,111,322	13,888,678	<b>22.84</b>	30.06.2012
	TRANSPORT	ROAD INFRASTRUCTURE PROJECT 2003 G	800,000	17.09.2003	01.04.2004	505,985	294,015	<b>63.25</b>	30.06.2009

		<b>SUB-TOTAL</b>	<b>138,610,000</b>			<b>11,970,601</b>	<b>126,639,399</b>	<b>8.64</b>	
							-		
1	WATER/SANITATION	RURAL WATER & SANITATION PRORAMME	12,800,000	08.09.2004	12.05.2005	4,457,864	8,342,136	<b>34.83</b>	30.06.2011
2	WATER/SANITATION	ACCRA SEWERAGE IMPROVEMENT PROJECT (ASIP)	46,000,000	26.04.2006	23.06.2007	1,832,964	44,167,036	<b>3.98</b>	31.12.2011
		<b>SUB-TOTAL</b>	<b>58,800,000</b>	-	-	<b>6,290,828</b>	<b>52,509,172</b>	<b>10.70</b>	
						-	-		
1	POWER	*POWER SYSTEMS RE-INFORCEMENT PROJECT	27,600,000	28.11.2007	20.11.2008	-	27,600,000	-	31.12.2010
		<b>SUB-TOTAL</b>	<b>27,600,000</b>	-	-	-	<b>27,600,000</b>	-	
						-	-		
		<b>GRAND TOTAL</b>	<b>730,375,893</b>			<b>215,538,644</b>	<b>474,812,834</b>	<b>29.51</b>	
		<b>ACTIVE PORTFOLIO</b>	<b>559,041,478</b>			215,538,644		<b>38.56</b>	

**Annex 5: Summary Of Original CSP Outcomes' Status at End Of 2009**

CSP Pillar	CSP Outcomes	Status at end of 2009
<b>Pillar I</b> Improving the Investment Environment	1. Reduced time and cost of doing business	<b>Met:</b> The World Bank Doing Business in 2010 Report indicates that the number of days it takes to start a new business is 34 days down from 85 days in 2005. The cost of doing business has also declined to 32.7 from 65.1 (% of income per capita) in 2005.
	2. Urban tariff raised to permit cost recovery and network extension	<b>Met:</b> Electricity tariffs were adjusted upward by 35% in December 2007. Tariffs for high voltage consumers (mining etc) were adjusted upward by 16.1% in June 2008. Also, effective June 1 2010 the Public Utility Regulatory Commission (PURC) approved an average increase of 89% and 36% in electricity and water tariffs respectively.
	3. Proportion of people living below the poverty line reduced from 40% in 1999 to 32% in 2007	<b>Met:</b> Poverty continuously reduced and poverty incidence decreased from 39.5% in 1998/99 to 28.5% in 2005/2006. However, there have been no further GLSS surveys undertaken since 2005.
	4. Expenditures stay within appropriations	<b>Not Met:</b> Increased fiscal deficit in 2008 and budget deviation was 4.6% in 2007/08 (2009 PEFA report). The government however, adopted a multi-year fiscal stabilization plan targeting a fiscal deficit of 9.5% in 2009, 6.5% in 2010 and 4.5% in 2011.
	5. Stable and competitive exchange rate and reduction in inflation rate	<b>Mixed Results:</b> Ghana operates within a framework of flexible exchange rates and maintains an inflation targeting regime. The inflation targeting policy of the BoG has been under pressure since its inception and in spite of the recent depreciation the Cedis, the currency remains modestly over-valued due to the high inflation rate.
	6. Increased productivity of the agricultural sector	<b>Met:</b> Improved Agricultural Productivity and robust sectoral growth. For instance average Birth Weight for livestock improved by 9% West African Dwarf (WAD) Goat; 17% for Djallonke sheep; and 15% for Ashanti Black Pig and Mortality reduced by 45%. There was also an increase of income of rice farmers by 50%, due to doubling of rice yields from average 1.5mt/ha to average 3.0mt/ha., and a reduction in milled rice import by at least 2037 mt., and corresponding savings in foreign exchange
<b>Pillar II</b> Promoting Pro-Poor, Pro-Gender Equity Policies	7. Increased pro-poor spending	<b>Met:</b> Poverty reduction expenditure in the budget increased from 1.19 billion in 2006 to 1.58 billion in 2008, however when compared to the total budget, the percentage of poverty spending decreases over the CSP period from 24.5% to 19.83% in 2008
	8. HIV/AIDS strategy revised	<b>Met:</b> A National Strategic Framework for HIV/AIDS developed for 2006-2009 and a program of work for 2006-2010 is currently under implementation focusing on treatment of HIV infected persons.
	9. Availability of anti-retroviral treatment	<b>Met:</b> The number of people with advanced HIV infection receiving ARV therapy increased from 6,000 in 2006 to 23,614 in 2008
	10. Reduced under-five mortality	<b>Met:</b> Under-five mortality rate decreased from 111 in 2003 to 80 in 2008
	11. Improved health status of children under five	<b>Met:</b> Infant mortality rates per 1000 live births decreased from 71 in 2005 to 50 in 2008.
	12. Improved maternal health	<b>Not Met:</b> Maternal mortality ratio increased from 503 to 580, decreasing the rate has remained a challenge to GoG due mainly to budgetary constraints towards sustaining the Government's free antenatal care programme as well as low doctor to population ratio.
	13. Reduced gaps between girls and boys enrollments	<b>Met:</b> Steady progress in overall and gender-specific Primary Completion Rates. The Gender parity index increased from 78.7% in 2004/2005 to 88% in 2007/2008.
	14. Increased access to water and sanitation	<b>Met:</b> Improved access to safe water. The proportion of the population with access to safe drinking water in urban areas increased from 55% in 2005 to 58% in 2007, but fell to 55% in 2008. In rural areas, access increased from 52% in 2005 to 57.1% in 2008.

<b>Annex 6: Ghana - Bank Group Public Sector Operations Envisaged during the CSP Period</b>					
Sector/Project Name	Date Approved	Approved Amount (UA million)	Amount Disbursed (UA million)	Disbursement Rate (%)	Status of Tangible Project Activity
<b>Pillar I Improving the Investment Environment</b>					
<b>Governance</b>					
Poverty Reduction Support Loan (PRSL II)	Sept. 2005	44.00	43.98	100.0	Project Completed in Oct. 2006
Poverty Reduction Support Loan (PRSL III)	Sept. 2008	90.00	60.00	66.66	GOG met all the conditions for the 1 <sup>st</sup> disbursement and made satisfactory progress under the 2 <sup>nd</sup> review. UA 60 million disbursed so far. Government has requested front loading of UA 20 million out of the final tranche of UA 30 million which was approved by the Board in January 2010.
<b>Agriculture</b>					
Northern Rural Growth Program*	Dec. 2007	40.00	0.22	2.05	Project was effective in and launched in April 2009, Procurement of 150 irrigation equipment completed and distributed to farmers; procurement of works has commenced; value chain analysis and elaboration of commodity business plans on target
Export Marketing/Quality Awareness Project	Jul. 2005	17.00	0.719	14.50	Project was effective on the 24.03.06. Farmer capacity building in full gear; procurement of goods and works about 30% complete; project mi-term review programmed for third quarter.
Afram Plains Rural Development Project*	May 2006	19.97	5.12	34.53	Project was effective on the 02.02.07, Construction/rehabilitation of office accommodation, staff quarters completed. Farmer field schools established and relevant inputs procured; procurement of works for rural infrastructure launched and at final stages; cage culture technology for fisheries sub-component well advanced with about 240 cages completed for installation.
<b>Road Transport</b>					
Road Infrastructure Project 2003 Techiman-Kintampo (Apaaso-Kintampo) (Supplementary)	Dec. 2008	4.3	0.00	0.0	Procurement of Works completed. Bank has given its 'no objection' for all three contracts. Disbursement yet to commence. Mobilisation Advance is anticipated to be disbursed end of April 2010.
Akatsi-Dzodze-Noepe Road Project	Dec. 2008	13.4	0.00	0.0	

(Supplementary)						
Tema-Aflao Road Project (Supplementary)	Dec. 2008	25.40	0.00	0.0		
Awoshie-Pokuase Road and Community Development Project*	Oct. 2009	53.59	0.00	0.0		Loan ratified by parliament. Loan signature anticipated early April 2010
Reconstruction of the Fufulso Junction-Sawla Road						Scheduled for 2010 (To be appraised in 2010)
Ghana-UEMOA Road Program I						Project was effective on the 24.03.06, Procurement of Goods and works has been launched, disbursement rate of the project is 18.07% as at February 2010
<b>Power and Energy</b>						
Power Systems Reinforcement Project	Nov. 2007	27.60	0.00	0.0		No physical project activity yet. Condition to first disbursement yet to be satisfied. The EAs have submitted evidence/documents in pursuant of the condition to first disbursement. Bank response on the sufficiency of the submitted documents is still awaited.
West African Power Pool: Ghana-Togo-Benin Interconnection Project	August 2006	14.86	0.00	0.00		No physical project activity yet. Condition to first disbursement yet to be satisfied.
Distribution System Upgrade Program (Northern Electricity Department)						Scheduled for 2010 (May not be appraised because of insufficient ADF XI resources)
<b>Water and Sanitation</b>						
Two Towns Water Supply Project						Scheduled for 2010 (To be appraised in 2010 – May not be appraised because of insufficient ADF XI resources also due to change in GoG priorities)
<b>Economic and Sector Work</b>						
Country Governance Profile						Not undertaken
Study on Socio-Economic Impacts of Improved Water Supply & Sanitation						Not undertaken
<b>Pillar II Promoting Pro-Poor, Pro-Gender Equity Policies</b>						
<b>Social Sector</b>						
Gender Skills/Community Development Project	Dec. 2007	7.31	0.11	1.81		Project was effective on 20.01.2009 and launched in December 2009, Procurement of Goods and works has

					commenced Disbursement rate of the projects is 1.81% as at February 2010
Urban Poverty Reduction and Decentralization Project	Oct. 2005	25.00	8.3	33.28	Project was effective on 19th June 2006. The overall physical implementation is 41% and the disbursement rate is 33.3%.Project is progressing steadily and the Mid term review is expected to be undertaken in June this year.
Education IV Project					Not undertaken
Health IV Project					Not undertaken
<b>Water and Sanitation</b>					
Accra Sewage Improvement project*	Apr. 2006	46.00	1.83	3.98	
<b>Economic and Sector Work</b>					
ESW: Social Sector Expenditure Review					Not undertaken
ESW: Country Gender Profile					Completed in December 2007
* These projects were not explicitly proposed in the CSP but approved by the Boards during the CSP period					

## Annex 7: Map of Ghana

