



2006

JOINT ANNUAL REPORT

EU – GHANA COOPERATION

European Commission

National Authorising Officer

1 Executive summary

Ghana, the “shining star” of Africa at independence in 1957, experienced political and economic shocks that led to a deterioration of living standards. From the mid nineties, macroeconomic stability has improved considerably and Ghana's democratic gains were impressive. At the moment, Ghana faces no external threats and plays a key stabilizing role in the otherwise troubled West African Region.

The country's Growth and Poverty Reduction Strategy provides an agriculture–led industrialisation strategy aiming to achieve middle income status by 2015, with a proposed change in the economy through diversification from traditional cocoa to other cash crops for export markets, and recognising transport's importance in serving economic development and growth. GPRS advocates regional integration and recognises south-south trade as engines for growth, but the plan also suggests 'interventionism' in support of the private sector with not enough emphasis on the importance of civil service reform and budget processes improvement.

Ghana must intensify efforts to address governance, private sector competitiveness and human development issues to achieve equitable growth and to reduce poverty in the context of sustainable development. Civil society involvement and increased accountability are key drivers for political governance reforms. Other risks, which could limit Ghana's growth or have a potential de-stabilising effect, are unsustainable external commercial borrowing, the current energy crisis, and a spill-over effect stemming from further instability in neighbouring countries.

In 2006, income poverty levels have declined and Ghana is well placed to meet some of the MDGs by 2015. However, non-income dimensions of poverty point to continued weaknesses in human and social development. Of most concern is key infant and child health indicators and persistently high maternal health mortality. Poor management of natural resources are estimated to cost the country at least 1.1 % of GDP every year, although Ghana started addressing these issues through adherence to global initiatives such as FLEGT and EITI.

For the larger part of 2006, EC Ghana cooperation placed much emphasis on the programming exercise for the 10th EDF and preparation of CSP/NIP 2008-2013. At the same time, under the Harmonisation and Aid Effectiveness framework, most Ghana's Development Partners including the EC and some of its Member States, have worked out a Joint Assistance Strategy.

At the End Term Review of the 9th EDF in 2006, Ghana was acknowledged as good performer and was thus entitled to receive additional € 29 million. As a result, the total A-envelope reached the level of € 315.8 million.

The global good performance should however not hide that related to the MDDBS programme no common understanding could have been reached on the PAF 2006-2008. Nevertheless, the consensus between DPs and GoG has been preserved and a jointly agreed alternative solution will be implemented in 2007 when a new PAF 2007-2009 will be agreed.

On the same vein, the development of a stronger dialogue and support to the civil society has not gone very far and will have to be reinforced in the implementation of the coming 10th EDF.

On the EU-ECOWAS negotiations for EPA, several demarches were made with Minister of Trade, Minister of Finance and Economic Planning and Minister of Foreign Affairs and meetings with civil society and the media were also organized.

2 Political, economic, social and environmental situation

2.1. Political situation

The democratic process has made impressive gains in Ghana over the last decade; the advancement of democracy is perhaps Ghana's most impressive achievement during this period.¹ Ghana's gains in press freedoms is unmatched by other countries in the region or by countries with a similar income per capita.² Equally impressive are Ghana's gains in civil liberties and its continued progress on political rights and the protection of human rights. As a result, Ghana's political rights, civil liberties and freedom of press rankings are not only amongst the best in Africa but are as good or better than solidly middle-income countries such as Argentina, Brazil, Mexico or South Korea.³ Democracy has become a strong comparative advantage.

Hence the democratic gains in Ghana are substantial, popular⁴ and have contributed to economic liberalization but they are in need of consolidation. The first peaceful transfer of power in Ghana took place in 2000 and after a post-colonial period which was marked by economic downturn and military takeovers. Ghana's political stability is particularly important in a region that has experienced a general decline in political stability.⁵

The government understands the need to consolidate political achievements, and it is actively participating in the African Peer Review Mechanism. Ghana was the first country to be reviewed under this initiative, thanks to the strong support of President Kufuor and the involvement of all stakeholders.⁶ The executive summary of the 2006 Annual Progress Report on political governance is attached in annex 3.

However, the African Peer Review Mechanism identified two key constraints to Ghana's political governance; (a) executive dominance, weak legislature, weak oversight institutions, and judiciary resulting from inadequate resources to perform and (b) weak accountability, professionalism, and effectiveness in the Civil Service. Informal political arrangements have contributed to a situation where "after more than 15 years of public sector reform programs, the Ghanaian public service remains large and weak."⁷ The weakness of the civil service contributes to a weak budget process and financial controls. So far, the reform process did not generally change the attitude but only affected the rules.

International corruption indicators do not appear high in Ghana relative to other countries.⁸ However, a recent national survey found that 75% of all households regarded corruption as a serious national problem and 80% felt that it had worsened during the past few years.⁹ The structural weaknesses in existing checks and balances limit the capacity of the executive and of the legislative oversight in the fight against corruption.

Decentralisation is essential to promote citizen participation and to achieve better service delivery, but progress has been slow. The government has stated its commitment to decentralisation, but it has chosen to follow a top-down approach in devolving responsibilities.

¹ See Ghana "Drivers of Change in Ghana. Overview Report," Booth, et. al. (May 2004, financed by DFID), p. 20, Ghana tables of indicators, 2006 EC (prepared for the CSP). The APRM also reports "Stakeholders generally believe that the protection of human rights is possibly Ghana's most spectacular success since the return of democratic rule in 1992." African Peer Review Mechanism, Country Review Report and Programme of Action of the Republic of Ghana, June 2005. NEPAD

² Only Nigeria shows similarly impressive gains during 1996-2004 on Freedom of Press Indicators. Freedom House.

³ Table of Independent Countries, 2006. Freedom House.

⁴ 2004 Afrobarometer survey finds that 82% of respondents see democracy as preferable to any other form of government.

⁵ The most marked deterioration in political stability in the last decade was registered in Cote d'Ivoire and Benin, contrasted with improvements in Sierra Leone. (Governance indicators, WBI).

⁶ GPRS II, APRM and "Drivers of Change in Ghana", op. cit.

⁷ Country Assistance Strategy of the World Bank for the Republic of Ghana, February 2004.

⁸ CPI Transparency International (2005). Ghana scores 65 out of 159 countries, slightly ahead of Mexico, Turkey and Poland. See also Worldwide Governance Indicators 2005, Control of Corruption. World Bank.

⁹ APRM, June 2005, p. 36.

Political arrangements continue to provide strong incentives for keeping the powers at the centre and not devolving resources and responsibilities to the districts..

Civil society is active and potentially a key driver for political governance reforms. Farmers' movements, Trades Unions and Professional Associations have traditionally been involved in the nation's political process. More recently, other civil society organisations such as "home town" development associations, welfare clubs, parent-teacher associations, faith based organisations and groups providing social services are providing renewed vibrancy to civil society engagement.¹⁰ The Diaspora is also increasing its involvement and has formed Ghanaian Home Town Associations (HTA) overseas.¹¹ Moreover, some advocacy groups and think tanks are well rooted in society, though often over-centralised in Accra.¹² Civil society groups offer great potential to strengthen the demand for good governance and social accountability in government processes.

Ghana faces no significant external threats and plays a key stabilizing role in the otherwise troubled West African Region. President Kufuor has invested considerable time and prestige in mediating the conflicts that blight the sub-region and on building friendly relations with neighbouring countries through a policy of "good neighbourliness". Ghana is also a strong supporter of ECOWAS' regional integration and conflict resolution initiatives as well as an active participant in UN peacekeeping activities.

In light of these results President Kufuor has been appointed as Chairman of the African Union for 2007 by his Peers.

2.2. Economic Situation

The Ghanaian economy has performed well in recent years; in 2006 real GDP growth reached 6.2 percent, the highest rate since the early 1990s. An exceptionally good cocoa harvest, two new gold mines coming on stream, and activities in construction and services (responding to the improved business environment) were the main factors. Large remittance inflows fuelled both consumption and private investment in housing. The economy has thus far proved reasonably resilient to the energy shortages that began in September 2006.

However, despite the economic reforms over the last twenty years, the structure of the economy has not changed substantially. The economy continues to be largely dependent on agriculture (40% of GDP and 50% of employment). Agriculture is constrained by low-tech farming practices, land tenure uncertainties, gender inequalities, limited access to inputs, and poor roads. The industrial sector also remains dominated by small firms with low productivity and capital labour ratios.¹³ Foreign direct investment is also still relatively low for an economy with Ghana's potential.

Exports have recovered significantly but strong dependence on traditional exports remains. After the initial decline of exports in the 1960s and 1970s, exports as a share of GDP have increased sharply in the last 15 years due to trade and exchange rate liberalisation, cocoa and gold production, favourable terms of trade and non-traditional exports (including pineapples, yams, wood products, cocoa products, canned tuna and palm oil).¹⁴ In 2005, trade as percentage of the GDP was high internationally at 80%.¹⁵

Remittances and tourism, both linked to the Diaspora, have recently become the largest sources of foreign exchange. Private transfers are currently about US \$1.5 billion and originate from

¹⁰ "Drivers of Change in Ghana", op. cit. p. 30.

¹¹ For example, the Ghanaian Co-operative Society formed in Italy, whose main objective is raising money for investment in community projects in Ghana. Presidential Address. Accra Regional Forum on Remittances. March 30, 2006.

¹² "The Not for Profit Sector in Ghana: A CIDA CDPF Development Document". J. Langdon. Undated. 2005.

¹³ "Operationalising Pro Poor Growth", op.cit.

¹⁴ Exports of cocoa products have increased from US\$ 463 m in 2002 to US\$ 1071m in 2004.

¹⁵ Trade intensity (exports and imports of goods and services as a percentage of the GDP) was 117% in 2000. World Development Indicators, On-Line, World Bank.

Ghana's high rates of emigration of skilled workers.¹⁶ Together with tourism receipts, estimated at around US \$ 1 billion,¹⁷ they dwarf traditional exports and official development assistance and are equivalent to a quarter of GDP. This is important because the human and financial resources of the Diaspora have an enormous potential to contribute to the development of the country.

However, poor government management of natural resources is reducing Ghana's economic growth potential by 1% each year, due to resource depletion, while the continued tapping of Ghana's natural resources stocks is costing Ghana approximately 10% of GDP,¹⁸ of which 3.5% is in Forestry. Natural resources are a traditional source of growth in Ghana, accounting for 15% of GDP, 25% of government revenues and a substantial source of livelihood. Moreover, the sustainability of this key sector and the prospects of economic growth are put at risk by the absence of effective regulatory institutions as well as a strong political commitment to sustain the natural resource base.

Recently, the shortage of electricity supply is becoming another constraint to growth scaling-up and diversification of economy, caused by a lack of generation capacity, uncompleted reforms of the regulatory framework, and considerable losses in transmission. The unsatisfactory rain season in 2006 and the subsequent load-shedding highlighted the delays encountered in investments and reforms in that field. The impact of this crisis is still difficult to assess but it might hamper the Growth Agenda.

Inflation continued to decline, fluctuating above and below 10 percent in early 2007. As the original inflation objective of 8.3 percent for end-2006 under the past Poverty Reduction and Growth Facility (PRGF) arrangement would have been missed due to higher-than-projected oil prices, the objective was revised upward to 10.4 percent in mid-year.

This revised objective was attained in the context of offsetting forces. On the one hand, drops in oil prices in the second half of the year helped achieve lower inflation. On the other hand, strong demand pressures from large public sector wage increases and a nominal effective depreciation of the currency pushed inflation higher. The latter was the result of a stable exchange rate vis-à-vis the U.S. dollar when it depreciated against other major currencies in Ghana's trade basket.

After years of sustained consolidation, the fiscal deficit (including grants) widened to 7.7 percent of GDP in 2006 from 2.3 percent of GDP in 2005 and against 5.1 percent of GDP in the mid-year supplementary budget. Lower revenue from import-related taxes and significant overruns in both wages and subsidies and transfers to state-owned enterprises (SOEs) in the energy sector were the main culprits for the deviation from both the 2005 outcome and the 2006 supplementary budget. Public sector wage increases were considerably higher as large wage increases in the health sector in the first half of the year, aimed at retaining skilled labor, led to demands for additional wage increases in the rest of the public sector in the second half of the year.

The public sector wage bill and related allocations now exceed 10 percent of GDP, absorbing close to half of domestic revenue. Higher subsidies and transfers to the energy sector reflected the suspension of pass-through of utility price increases to end users after May 2006.

Ghana continued to accumulate international reserves, despite a widening of the external current account deficit (including grants) to 8.2 percent of GDP in 2006 from 7.0 percent of GDP in 2005.

¹⁶ Presidential Address, Accra Regional Forum on Remittances, March 30, 2006. USAID website.

¹⁷ Overview of Economic Policy and the budget. November, 2005. Minister of Finance.

¹⁸ Ghana Country Environmental Analysis (2006) financed by the World Bank, France and the Netherlands and Ghana Natural Resources Management and Growth Sustainability (2005). World Bank, U.K and Institute of Statistical, Social and Economic Research, Ghana.

A significant improvement in the trade deficit as a share of GDP, helped by terms of trade gains and strong export growth, was more than offset by a decline in project grants. But strong capital inflows helped raise gross international reserves to slightly over 3 months of imports. Thanks to massive HIPC and MDRI debt relief and good macroeconomic policies, Ghana's external debt dropped from about 120 percent of GDP in 2000 to just 22 percent in 2006.

Rise in public spending or in external non-concessional debt before the 2008 election is a risk. If Ghana does not manage its public spending or its external non-concessional borrowing, the macro economy will be vulnerable since excessive spending may lead to large negative terms of trade shock. The cost of losing macroeconomic and financial stability may be very high, in the context of large private and official transfer receipts. However, Ghana decided in early 2007 to borrow on commercial terms 750 Million US\$ over 3 years to finance investments mainly in the energy and road sector.

In 2006 the authorities started to liberalize capital controls, focusing on the longer end of the market (maturities of 3 years or more) and requiring a minimum holding period of 1 year. This allowed foreign investors to buy the cedi-denominated 5-year-maturity treasury bonds issued in December 2006.

Enhanced macroeconomic and financial sector stability has helped removing two key constraints to private sector growth. Since the elections of 2000, the government has gradually achieved improved fiscal accounts, partly as a result of increase of revenues (particularly petroleum taxes), high aid inflows (including debt relief) and positive terms of trade.

Tax revenues are now amongst the highest in Africa and domestic debt has been reduced considerably.¹⁹ Tax burden is high and government is taking measures to reduce direct taxation somewhat. Monetary growth also continued to slow. Inflation and interest rates have fallen rapidly, the nominal exchange rate is stable and domestic debt has almost halved to 15.2% of the GDP in 2006. The fiscal position has provided scope for a substantial increase in the share of credit to the private sector. The financial sector is healthier, with banks generally liquid and meeting financial requirements.²⁰

Government reports that budget expenditures are increasingly in line with the national plan. Poverty-related expenditures have increased from 6.5 percent of GDP at the end of 2003 to 10.5 percent in 2006. The largest items in the budget are spending on education and health wage bills and domestic debt interest payments. The IMF has expressed concern over the relatively high wage bill of government (10% of the GDP).

Government capital expenditures have doubled to 12% of the GDP since 2003, but in the past these expenditures have fluctuated depending on the availability of domestic financing. However, the efficiency of public investment remains low. The absence of strategic plans in many sectors is also noticeable.

During late nineties, and first years of the second millennium, under-funding, weak strategies and a government focussed on building roads rather than on network maintenance, have left infrastructure in a poor state to cope with demand and recent economic growth. The vast majority of freight and passengers is transported by road. In 2003, 34% of roads were in good condition and 56% in poor condition. During the implementation of the Road Sector Development Programme 2002-2007, transport sector MDA's and DP's intensified its dialogue on policy development and institutional reform, maintenance funding through the Road Fund increased, and major rehabilitation projects were concluded with GoG and DP resources (including EC). This has led to steady improvement of the road condition mix, resulting in a road network in 2006 with 45% in good and 27% in poor condition.

¹⁹ Interest as a share of budget expenditure has fallen from 21% in 2003 to 8% in 2006. The reduction of domestic debt to GDP being the nominal fiscal anchor of the PRGF arrangement with the IMF concluded in 2003.

²⁰ However, the difference between active and passive rates is still large.

Overall, the Public Finance Management (PFM) system is performing at an average standard and in some areas at an above average level.²¹ Whilst predictability of overall revenues and expenditures has been maintained in aggregate over the last three years, credibility of the budget is undermined by significant in-year variations across budget heads. There is an increased emphasis on budget transparency and comprehensiveness, particularly in the Budget Statement, and external scrutiny has been strengthened through more timely completion of the Auditor-General's reports.

Public Expenditure Management improvements have been limited. The donor supported Public Financial Management Reform Programme (initiated in 1997), the Budget and Public Expenditure Management System and the Medium Term Expenditure Framework have shown limited results so far.

Ghana's fiduciary risks are still an issue,²² because of poor budget execution, (over-spending on payroll, lack of predictability in releases to line ministries) and because of weak Parliament oversight. The weakness of the civil service also makes it difficult to ensure the consistent enforcement of financial management rules and procedures, including internal audits.

Government is committed to improvements to public financial management and to the new programme for public sector reform. It has recently prepared a 3 year strategic plan for the public finance management reform programme, including an undertaking to extend the government's accounting system (BPEMS), the rollover of the management system and devolving Treasury functions to line ministries.

Ghana ranks amongst the Top 10 Reformers in the most recent Doing Business report (World Bank, 2006) but important constraints still remain. In 2005 Ghana also ranked fourth in Africa in the growth competitiveness index of the World Economic Forum and during 2002-2004 it reduced the time required for business registration by 50%. However, the country is still affected by a state-owned sector that weighs heavily on the economy, unreliable and high cost utility services, poor infrastructure, red tape with potential for corruption, and weak trade facilitation.

2.3. Social Situation

2.3.1. Poverty trends

The publication in April 2007 of the results from the Ghana Living Standard Survey 5 carried out over 2005-2006 have helped updating poverty profile in Ghana. GLSS 5 results show a dramatic decrease of poverty incidence to 28.5% in 2006 from 51.7% in 1991 and 39.5% in 1999. At this pace, Ghana would achieve MDG 1 (halve poverty incidence) well ahead of 2015 (possibly in 2008 or 2009) and would be the first sub-Saharan country to do so. The same trend can be noticed for the extreme poverty which has dropped to 18.2% in 2006 from 36.5% in 1991 and 26.8% in 1999. In that context, cocoa farmers and public sector employees would have experienced the largest fall in poverty.

However, poverty level would have deteriorated in Greater Accra Region (11.8% from 5.2% in 1999 even if verifications are on-going to check whether this stems from statistical distortions). This and more evidence on poverty incidence (see annex 5) underlines that efforts still have to be done to reduce disparities in the country, mainly in direction to northern regions and food crop farmers, and promote a real pro-poor growth. Further analysis by Ghana Statistical Service

²¹ Taking a C as the average level, nearly half of the indicators are above this level (i.e. C+ or above). PEFA 2006.

²² Public Expenditure and Financial Accountability (PEFA) desk study conducted by DFID as part of their mandatory Fiduciary Risk Assessment. A previous study financed by DFID concluded that « the expenditure side of the budgetary process is so weak as to be essentially ritualistic, with limited bearing upon reality » "Drivers of Change in Ghana" Op. cit.

(GSS) and National Development Planning Commission (NDPC) is being made to specify those findings.

2.3.2. Education

A summary of current performance of the key indicators on human capital formation and development indicates an increase in gross enrolment rates at primary (86.3% to 93.7%), junior secondary school (70.2% to 77.4%), and post-basic education from 2003 to 2006. Survival and completion rates have also improved indicating a growing interest in schooling and a willingness to complete the full cycle of basic education. Secondary and Tertiary levels have had their admission numbers increase. Nonetheless there are about 700,000 children in Ghana who have not accessed primary education who should be the target of other strategic interventions to ensure that Ghana is able to achieve MDG 2.

Ghana aims at a Gender Parity Index (GPI) of 1 for all levels of education and training both under the MDGs and the Education Sector Strategic Plan (ESSP). Female participation in education has improved remarkably over the period with the attainment of a gender parity index in primary education of 0.96 (2006/2007) from 0.93 (2003/2004). On the whole gender parity has improved more rapidly at the primary level than at junior and senior secondary school levels. In some cases direct transfers are made to girls in the form of cash or support in kind by both government and non-governmental organizations.

Policy interventions such as capitation grants following the abolition of school fees, expansion of the school feeding programme, albeit on a pilot basis, targeted support to promote girls' access to education have contributed to the improvements in the performance of the education sector.

The increases in the supply of textbooks, leading to the current pupil to textbook ratio of 1:1 has been achieved. The introduction of a new system of assessment to monitor and measure pupil learning achievement and outcomes is progressively contributing to the quality of teaching and learning in schools. The National Education Assessment (NEA) and the School Education Assessment (SEA) programmes have already been implemented on a pilot basis.

The junior secondary school concept is widely regarded to be the major shortcoming of the 1987 educational reforms. In the vast majority of cases the system has not been able to prepare and graduate a reasonable calibre of JSS pupils, ready to take on basic and intermediate level training in practical industrial skills or to enter the job market. The evidence suggests however that transition at the JSS level is beginning to improve as indicated below:

- Gross Admission Rates at the JSS level were reported in 2006 from 76.6% in 2004/05 to 77.3% in 2005/06.
- Net Admission Rate at this level jumped from 12.2% to 25.3% in 2005/06.
- A positive trend has been established in the JSS completion rate with a sharp increase from 55% in 2004/05 to 74.7% in 2005/06.
- The percentage of pupils which obtained aggregate score of 6-30 at the BECE increased to 62.6% in 2006. The performance of female candidates (59.3%) closely matching that of the males (65.3%).

The imbalance in teacher deployment remains a challenge in spite of efforts being made to attain the recommended pupil to teacher ratio of 35:1. The persistence of this situation could undermine the positive gains made in enrolment as the quality of education is challenged by increasing workload on the few teachers at post. The unwillingness of many trained teachers to accept postings to deprived and rural areas poses an additional challenge to the attainment of quality education in those localities.

Since 2001 total enrolment at the university level has risen by 82%, while the polytechnics saw a more modest increase of 20%. Female participation also grew from 24% to 30.43%. A major

issue is the declining enrolment in science and technology disciplines at the polytechnic level. It is significant to note that less than 5% of the population has completed tertiary education.

The main focus of Non-Formal Education (NFED) now is the out of school youth and adults, with special attention on women and the rural poor. NFED is implementing the second phase of the National Functional Literacy Project in 15 Ghanaian languages. So far about one million learners had been recruited by 2005 most of whom are women. The target for adult literacy for 2007 is 64.5%.

Overall there have been quite important improvements in infrastructure with increases in both public and private school facilities. Gross enrolment ratios (GER) at the basic level have also gone up. But in spite of the positive trends the reforms did not dramatically shift gender, regional and rural urban disparities in enrolment across the different levels of education. The issue of funding education remains a critical one across all levels of education.

2.3.3. Health

In the health sector, some progress has been recorded, although significant challenges persist in the sector. This includes, especially the high turnover of qualified health personnel within the past decade. It is estimated that attrition rate of qualified personnel in the health sector amounts to 30% in the decade up to 2003.

Efforts to bridge the equity gap in access to quality health services continue with the completion of 190 out of the 250 targeted Community Health Planning and Services (CHPS) projects. The inability to accelerate progress in the provision of CHPS centres is partly due to the reluctance of staff to accept posting to rural areas and the lack of ownership of the CHPS programme. Sixteen model health centres have so far been completed.

Under five mortality rate rose from 108 in 1998 to 111 deaths per 1000 live births in 2003. Maternal mortality rate per 1000 births also increased from 1.86 in 2004 to 2.05 in 2006. Other health indicators such as nutritional status, breastfeeding, and immunization show steady progress in coverage and access, but the use of iodated salt in households requires further intensive education. In the area of maternal control the number of Insecticide Treated Nets (ITN) distributed increased from 75,000 in 2002 to 2,100,000 in 2005-2006. Training programmes have been organised for 13,330 health providers and 18,000 Community Birth Attendants (CBAs) in intermittent preventive treatment for pregnant women.

A significant development in the health sector so far has been the introduction of the National Health Insurance Scheme (NHIS), which replaced the cash and carry system. As an intervention to ensure sustainable financial arrangement that protect the poor, the scheme has, since its introduction in 2005, increased its membership significantly and the number of District Mutual Health Insurance Schemes rose from 123 in 2005 to 142 in 2006. However the operations of the scheme appear to be challenged by a number of management problems including:

- the use of multiple identification systems by the different District Mutual Health Schemes renders coordination and management at national level difficult;
- virtual lack of accountability of the service providers to the Boards of the District Mutual Health Insurance Scheme makes it difficult to assess the quality of health care offered to members of the scheme;
- reported incidence of preferential treatment offered to cash paying patients over health insurance policy holders; and
- Management Boards of the District Mutual Health Insurance Schemes are not accountable to the Management of the National Health Insurance Scheme.

Activities to strengthen HIV/AIDS control produced mixed results. The national prevalence rate which stood at 3.6% in 2003 declined to 3.1% and 2.7% in 2004 and 2005 respectively.

The current rate of 3.2% (2006) raises concerns about the effectiveness of the communication strategy as well as the coverage of the prevention campaign. Should this state of affairs continue, it is not likely the country would achieve the MDG target of reversing and halting the spread of the disease by 2015. The intensification of the ongoing campaign to reduce stigmatisation of infected and affected persons may help to encourage more disclosure in Ghana. There are only 243 public Voluntary Counselling Test (VCT) sites, 104 Prevention of Mother to Child Transmission (PMTCT) services across the country and 32 Highly Active Anti-retroviral therapy sites. These are inadequate and the provision of additional facilities will contribute to accelerating the prevention, treatment and care processes.

The Ministry of Health has in recent times conceded that the overemphasis on institution based medical care may be inadequate for a developing state like Ghana to cope with the myriad of health problems it faces. The country has pointed to its intention to re-launch the more holistic model for attacking the disease burden through directing more resources to the promotion, protection and restoration of good health. Besides sanitation good nutritional practices is central to the success of the holistic model. Nutrition carries a lot of benefit for learning ability and efforts are now being made to provide Ghanaian children with minimum requirements through micro-nutrient supplements (Vitamin A) and an iodisation policy. Malnutrition has been found to be high among children. This exposes them to the risk of low intelligence quotient (IQ), low absorptive capacity, stunting, wasting, obesity and ill health in adult life.

2.3.4. Population Management

The adoption of efficient population management programmes is essential for sustainable socio-economic development. Fertility rate has reduced from 4.6% in 2000 to 4.2%, while contraceptive prevalence rate has increased from 28.5% in 2005 to 30.0% in 2006. Current coverage of birth registration for 2006 stands at 54% in 2006, but the rate of reporting and registering of deaths fell from 24% in 2004 to 23% in 2006. This has implications for disease control and governance and if it remains unchecked could have grave consequences for the country.

Ghana's youth (15-24 years) constitute about 18% of the total population and 39% of the total active population. About 42% of the population is below the age of 15 years and as much as 60% is below 25 years of age. Ghana has experienced a high growth rate of the youth population over the last two decades. The youth population growth per annum almost doubled during the period of 2000-2005 compared to the period 1984-2000. The youth population bulge experienced over the last five years is likely to continue until 2010, after which the impact of declining fertility rates would be felt. In the short to medium term this will pose significant challenges to government, in terms the education budget and the ability to harness the increased human capital for economic growth.

2.3.5. Employment

The estimated national rate of unemployment increased from 10.4% in 2002 to 12.2% in 2003. Unemployment is largely an urban phenomenon and it is predominantly found among the educated youth. The rapid urbanization trend in Ghana is further worsening the unemployment situation in the urban centres. Ghana's urbanization rate is estimated at 46% in 2004 compared to the Sub Saharan African (SSA) average of 33%, and substantially more than the 30% average rate for low-income countries²³. Ghana is expected to cross the 50% urbanization mark by 2015. The key issue is that wage employment opportunities in the urban centres are not expanding fast enough to absorb the increasing number of the youth that join the urban labour market each year. Urban unemployment stood at 7.6% compared to a rural unemployment rate of 3.5% in 2004. There is however, a higher level of underemployment or disguised unemployment in rural areas because of the dominance of subsistence agriculture.

Meanwhile, the informal sector continues to grow as the leading source of employment in Ghana. The introduction of the National Youth Employment Programme (NYEP) has made it easier for some unemployed youth to find jobs in sectors such as, agriculture (13,069) education, forestry, resource mobilization (26,760) health (auxiliary nursing: 10, 850), waste and sanitation (4,550) and internship (2,800). Sustaining the NYEP beyond the medium term however is a challenge.

2.3.6. Water and Sanitation

The on-going community water and sanitation programme involving the state, development partners and non-governmental organizations has contributed immensely to improving safe water supply to households in Ghana. In addition, various poverty reduction programmes that are currently being implemented (e.g. GPRS I and II) and also on-going public health campaigns and non-formal education programmes, are expected to help households to improve their hygiene and sanitation practices to reduce the incidence of water borne and environmentally-related diseases (Ghana is still one of the few Guinea worm disease endemic countries). By 2006 78% of the population had access to safe drinking water (including 91% of urban dwellers and 69% of rural dwellers), which means that Ghana is on track against the MDG target of 75% by 2015. But regularity and quality of supply are not guaranteed especially in urban areas, due to frequent water shortage and storage in unhygienic containers.

An assessment of progress made towards improving sanitation is seriously compromised by the absence of adequate data. The result of the 2003 Core Welfare Indicator Questionnaire (CWIQ) which indicate that only 55% of the population had access to adequate sanitation with marked regional variations. However data available on solid waste disposal indicate that three out of the four largest cities in Ghana namely Accra, Kumasi and Takoradi, exceeded target set for 2006.

2.4. Environmental Situation

2.4.1. Forestry and Wildlife

Satellite imagery shows southern Ghana as a mosaic of depleted reserves, surrounded by “off-reserve” agriculture. The policy to date has been to allow the conversion of the off-reserve high forests to agriculture, and these have been a major source of timber for the timber-processing industry. In the wildlife sector, theoretically the state controls exploitation through licensing, but in practice it has not been able to effectively regulate at the local level.

The potential of the timber industry has not been realized. Industry has captured much of the value of forests, but in an inefficient way. Too little processing for high-value export markets occurs, and estimates indicate that the primary processing would be value-subtracting if timber were priced at world market prices. Over the last 15 years, the government of Ghana’s policy on plantations has been in disarray.

However, in December 2006 Ghana formally announced her intention to negotiate a Voluntary Partnership Agreement with the EU under the EU FLEGT initiative. It is expected that a VPA will be concluded in spring 2008. Ghana will in this respect need to undertake substantial governance reforms that not only address timber export but also the issue of illegal timber in the domestic market.

2.4.2. Mining

Ghana continues to have an important geological potential and has recently adopted a new mining law. However, Ghana has missed some of the opportunity to significantly increase its revenues from royalties without affecting the competitiveness of the mining sector. Metal prices have risen greatly in the last two years. Gold prices more than doubled in the last three years. The concerns and needs of stakeholders involved in and affected by mining, especially

artisan and small-scale mining and those related to land compensation and post closure restoration must be addressed.

2.4.3. Land Resources

Sustainable utilization of the country's land resources is critical for Ghana. Several low-input, site-specific technologies and conservation practices that substantively reduce land degradation while enhancing productivity are currently applied in Ghana. However, large-scale adoption of these practices continues to be elusive due to a number of barriers. Land degradation and sustainable land management elements are weakly integrated into the key policies, strategies and action plans. The existing regulatory framework is characterized by a plurality of land tenure and land management systems and by a multitude of laws and regulations, often outdated or in contradiction among each other. The existing incentive framework - characterized by weak tenure security, inadequate access to credit, inappropriate pricing of resources, and poorly functioning markets - does not provide the adequate incentives to farmers for long-term investments in land management.

2.4.4. Urban Environment

2.4.4.1. Water Supply

Costs related to mortality and morbidity from inappropriate water supply, sanitation, and hygiene practices amounts to almost 2.1 percent of the Ghanaian GDP in 2004. More than 8,000 people die every year from diseases related to poor water supply, sanitation, and hygiene conditions. Seventy percent of the morbidity in Ghana is attributed to the same shortcomings. The supply of piped water is inadequate. A low proportion of the poor urban population has access to potable water, and the supply to those who are connected suffers from frequent interruptions because of leaks and the like.

2.4.4.2. Sanitation and Solid Waste Management

The number of sanitation facilities continues to be quite low. Estimates suggest that 30 percent of the population in the largest cities have household latrines, and 30 percent use public toilets. In some poor communities, less than 10 percent of households have latrines. Moreover, the quality of sanitation facilities in urban areas remains far from satisfactory. At the household level, poor hygienic practices by individuals and communities are compounded by weak hygiene education. Vector-borne diseases such as malaria and bilharzia are rife because of the virtual absence of vector control programs for pests and disease. Partly as a result, more than half of all reported diseases are related to poor environmental sanitation and the attendant social and economic costs.

The situation in solid waste management is worse. Ninety-one percent of the population faced unsafe methods of solid waste disposal. Less than a third of the daily refuse generated is decently disposed of, and the rest is abandoned to pollute the environment. Even the existing disposal sites and landfills are poorly managed; some of them are leaking polluted water into the surroundings and becoming a breeding ground for mosquitoes, parasites, and the like.

3 Analysis of past and on-going cooperation

The Country Support Strategy for Ghana for the period 2002-2007 was signed in 2002 and focuses on three sectors: rural development, road transport, and macro-economic support, while 'governance' forms the thematic orientation in the non-focal sectors.

The 9th EDF made an initial amount of € 231 million (A-envelope) available to Ghana for the implementation of the National Indicative Programme until 2007. The B-envelope of € 80 million included € 40 million from ex-Sysmin, and although this was a non-programmable

instrument under 8th EDF, it could now be regarded as part of the 9th EDF A-envelope, as it is being implemented as a normal EDF commitment. The Mid-Term Review of 2004 led to the transfer of € 32.5 million from the B- to the A-envelope. In conjunction with de-commitments made in projects financed by previous EDFs, the total A-envelope had increased to € 284.3 million at the end of 2005.

In 2006, at the End Term Review of the 9th EDF, Ghana was acknowledged as good performer and was thus entitled to receive additional € 29 million. As a result, the total A-envelope reached the level of € 315.8 million.

After the End of Term review the final outlook of the 9th EDF is likely to be as follows:

	Initial indicative allocation		Indicative allocation after the MTR (according to addendum)		Indicative allocation after the ETR	
Rural Development	80	35%	90	32%	77.8	25%
Road transport	70	30%	70	25%	103.5	33%
Macroeconomic support	60	26%	90	32%	102.2	32%
Non-Focal sectors	21	9%	31	11%	32.3	10%
	231	100	281	100	315.8	100%

In 2006, global commitment reached 42.2M€ which is lower than expected due to the on hold position taken by EC under MDBS. The FP for 49 M€ PRBS III will be submitted in the course of 2007 once an agreement is reached on the PAF 2007-2009.

Individual commitments reached 82.6M€ resulting in an amount contracted close to the gross IC forecasts (83.3 M€ before application of payment risk). This is the highest performance so far.

With 59.3M€, payment target has been reached (+/- 3%). Non payment of 4,8M€ under PRBS II (performance tranche reduced by 40%) has been partially compensated by other payments.

3.1. Focal sector Transport and Infrastructure

3.1.1. Results

The FA for Feeder Roads Improvement Project (9 ACP GH 014) was signed by the NAO in Jan 2006 (27M€)

Financing Decision for the Transport Sector Integration and Planning Programme (5 M€) was taken in September 2006

In anticipation of the 9th EDF ETR conclusions, Delegation submitted a PIF for the Eastern Corridor Road Project (22 m€).

A request for additional financing (10M€) for TRIP III to cover additional works, price fluctuation, and potential claims, was approved in October 2006.

3.1.2. Progress in activities

Feeder Roads Improvement Project –contracts for Project Management Unit Support Services (1.1 M€) and for Supervision Services (1.8 M€) were signed in September and December respectively. The first Programme Estimate was signed before end of December (8.4 M€).

Kumasi Techiman Section 2 –Works contract was signed in November 2006 and for Supervision Services, a Direct Agreement for additional services was negotiated and signed with the Consultant for Section 1.

Kumasi- Techiman Section 1 road rehabilitation: Contractor is behind schedule and physical progress is less than 70% by end 2006, which is about 11% behind schedule.

Abuakwa-Bibiani Road Project: The project was completed 10 December 2005, and provisional acceptance inspection was done in February 2006.

Axim Tarkwa Road Project: by end of 2006, physical progress was 94%. In January 2006, contractor requested second extension of time for 15 months till end March 2007. The EOT was reviewed and Supervisor approved EOT2 till 6 June 2006 (without costs). Following Contractor's disagreement with this EOT2, Supervisor's Representative re-assessed the contractor's request and came up with a recommendation till 19 July 2006. This was however not approved by the Supervisor up to date. The Delegation organised an independent contractual review of the project, in particular because of an issue with the asphalt turning bad some 6 months after laying it on the road. The Contractor issued a notification of dispute, aiming to get more time and related costs, and asked for an amicable intervention of the Commission to find a solution to the situation. Late December 2006, the Delegation forwarded the Commission's Good Offices Procedures to contractor and contracting authority, and HQ will start considering an intervention only after receiving a request from both parties.

3.1.3. Degree of integration of cross-cutting themes (gender, environmental issues and institutional development and capacity building)

As a rule, the preparation of road infrastructure projects includes an environmental impact assessment, in line with Ghanaian regulations, conducted together with the feasibility study. Recommendations for mitigating measures are incorporated in the works contracts, and in particular HIV/AIDS prevention and awareness raising measures have been explicitly included in the most recently signed works contract.

Capacity development is foreseen through the approved Transport Sector Planning and Integration Programme, with particular focus on policy and planning, and on public finance management in the transport sector. In 2006, WB and AfDB provided support to the transport sector in field of institutional reform and national transport policy development.

3.2. Focal sector Rural Developments

3.2.1. Results

In the agriculture sector, the Ministry of Food and Agriculture (MoFA) reviewed the Food and Agriculture Sector Development Policy (FASDEP). Initial steps are being taken to move towards Sector Wide Approach and Budget Support in agriculture. CIDA shifted to direct agricultural sector budget support, while most other donors continue with the project approach.

The Agriculture DP group meets monthly and MOFA organizes quarterly meetings with development partners. Although donor coordination is not achieved yet, progress is being made.

Results related to the project portfolio are:

- FP submitted to HQ for the eradication of Guinea Worm in the Northern Region of Ghana.
- Two projects have been accepted for funding by the Water Facility pending administrative process for signature.
- A new FIP for the Cocoa Sector Support Programme Phase II was submitted to HQ in December 2006, after earlier FP preparations failed.

3.2.2. Progress in activities

Strengthening MoFA

Strengthening monitoring and evaluation capacities in the decentralised Ministry of Food and Agriculture (9 ACP GH 8): 8 Steering Committee meetings have taken place. The start-up PE activities were completed more or less as scheduled. The long term TA has taken up duty in

May 2006. The first operational PE was signed late due to a delay with the opening of a bank account and due to initial reluctance of the line Ministry to endorse the PE caused by a staff change at Chief Director level. Implementation of activities has intensified in the second semester of 2006. The ROM report proposes a Rider to the Financing Agreement in order to achieve all objectives and results.

Microprojects

Microproject Programmes have been a central element in EC co-operation with Ghana since the early 1990's. The 6th Microproject Programme (€ 25 m), foreseen for the period July 2005 to June 2007, covers 79 districts in the Northern, Upper East, Upper West, Volta, Central and Eastern Regions. The overall objective of the programme is to sustainably improve the living standards of the rural and peri-urban poor in Ghana. In 2006, an education and information campaign was organized. The contract with the Institutional Specialist (TA) had to be terminated end of November 2006 due to his non-performance. His replacement will be at post at the end of January 2007. A microprojects manual and an infrastructure manual have been completed. The operational manual for income-generating microprojects is nearly completed. The first phase of physical implementation of microprojects (1 July 2006 – 31 December 2007, financed from EDF and CPF) is ongoing and covers the construction of 566 microprojects in 79 districts. € 2,2 million of the Counterpart funds have been committed in July 2006 for the construction of 79 3-classroom school blocks under the 6th Microprojects Programme.

Cocoa

For progress on the Cocoa Sector Support Programme, refer to section 3.5.1 on STABEX. A draft Financing Proposal for a successor programme was under preparation in 2005, but an additional formulation study needs to take place early 2006 in order to develop a more efficient and cost-effective approach, leading to a limited package of € 3-5 million in stead of the initially foreseen € 15 million. Cocoa Sector Support Programme Phase II (5 M€): As requested by HQ, an additional formulation mission took place in March-April 2006. The performance of the two international experts was very disappointing, resulting in a further delay in the submission of the Financing Proposal. At the request of HQ a new PIF was submitted mid-December 2006.

Water and Environment

The start up Technical Assistance ended in April 2006 and presented its final report. Immediately after that, the Long Term Technical Assistance started with the arrival of the Team Leader, and, by the end of 2006, two Park Management Advisors were installed in the Ankasa and Bia Protected Areas. The Logical framework was revised to bring it up to date and more relevant to the objectives of the project. The Inception Report was finalised in August 2006. A rider to the Financing Agreement was prepared for 1.3 million euros in order to carry out all the works as envisaged in the FA.

For the Rural Water and Sanitation Project in the Northern Region (8 ACP GH 19), two works contracts were signed in March 2006 for the construction of 11 piper water supply systems. The tender for 35 remaining KVIP latrines was launched, and the supervision consultant's contract was extended till June 2007 to cover the remaining works.

For the 40 Small Towns Water Supply and Sanitation Project () in Central & Western Regions, a consortium lead by BCEOM has been selected for the provision of Long Term Technical Assistance. The team is due to be mobilised early in 2007.

Other activities

Eight concept notes and three full Proposals for the Water Facility were evaluated with comments being sent to the Water Facility. Two projects have been accepted for funding by the Water Facility pending administrative process for signature. The Delegation has participated in the evaluation of the budget line Calls for Proposals of "Programmes on Environment and on Forests in Developing Countries" and "Capacity strengthening", of which 12 proposals have

been assessed, and in the evaluation of concept notes of proposals under the Energy Facility, of which 5 national and 8 regional proposals (3 as lead Delegation) have been evaluated. Furthermore, implementation of final PE activities has been completed for PACE Ghana (8 ACP TPS 32 / 70), with the exception of the deliveries under a few supply contracts. The PACE programme has funded the purchase of reagents to face the avian flu emergency (€ 6,600).

3.2.3. Degree of integration of cross-cutting themes (gender, environmental issues and institutional development and capacity building)

The gender balance has been specifically integrated in the constitution of Water Boards, where specific targets have been set and achieved. All Water Boards have women in their executive committee. The Microprojects Programme is designed to improve in particular the living conditions of rural women (e.g. boreholes, clinics, markets) and children (e.g. schools).

Environmental sanitation is specifically taken into account in the Rural Water and Sanitation project in the Northern region, the Water and Sanitation projects in Central and Western Region, and in the construction of sanitary microprojects.

Capacity building and institutional development: the involvement of the District Water and Sanitation Team (DWST) is paramount for the sustainability of the interventions, which have been specifically targeted for training. The elaboration of the District Water and Sanitation Plans is being supported. In addition, under the microprojects programmes, particular attention is given to capacity building of communities and districts and to development of District Assemblies. The project "M&E for the decentralized Ministry of Food and Agriculture" is also contributing to capacity building of the Ministry as a whole, technical directorates and regional and district offices.

3.3. *Macro-economic support*

3.3.1. Results

The general conditions being met, the base tranche 2006 of 12 M€ was released in March 2006 within the framework of Multi-Donor Budget Support (MDBS). As regards the performance tranche 2006, the assessment versus the 2005 policy matrix has been done during a joint donor mission from 29 March to 12 April 2006. The result of this assessment showed that Government met all the triggers but two as far as the EC is concerned where other DPs considered that only one is not met. The triggers in question related to the energy sector and to the computerised financial and accounting system under development (BPEMS). As a result for the PRBS2, EC disbursed only 60% of the performance tranche has been disbursed in August 2006 (7.2 M€ out of 12 M€). More generally and in accordance with its internal guidelines on budget support, the EC delegation has been instrumental in strengthening the dialogue amongst DPs and with GoG and focusing it on the substance rather than on a unanimous consensus at all costs. This has paved the way for the negotiations of a PAF 2007-2009 much more result-oriented and based on performance indicators.

3.3.2. Progress in activities

By end 2006, the financing proposal for PRBS III (49M€) was under preparation, and, contrary to the initial planning, the submission to HQ is expected only in early 2007, because there is a need to reach a prior agreement with GoG and DPs on the future PAF 2007-2009. The Financing Proposal should however be approved in June-July 2007, allowing for a first disbursement thereafter.

3.3.3. Degree of integration of cross-cutting themes (gender, environmental issues and institutional development and capacity building)

Gender and environmental issues are addressed in the MDBS Performance Assessment Framework both as cross-cutting issues and through specific targets or triggers.

3.4. Non Focal sector

3.4.1. Results

Governance and migration profiles for Ghana were established in the framework of the preparations for the new Country Strategy Paper 2008-2013. The Financing Proposal for the 2nd phase of the NAO support project (3M€) was approved by EC Headquarters on 19.12.06.

In view of strengthening donor coordination and division of labour a Silent Partnership Agreement with DFID was signed in June 2006 whereby DFID was tasked to represent the EC on educational matters.

Rehabilitation of the Cultural Heritage in Elmina and Old Accra (9 ACP GH 05), both components, Elmina and Old Accra, could be brought to a satisfactory level by the end of 2006 when the Financing Agreement expired.

3.4.2. Progress in activities

The *NAO Support Project* (7 ACP GH 76) ended equally on 31/12/2006. Due to several internal and external factors, such as difficult working conditions for NAO staff, long decision taking processes inside the NAO hierarchy, unsatisfactory results and interruption of long term TA, lack of qualified C+F staff, etc., the project could only partially achieve its expected results and implementation rate of successive programme estimates was generally low. In November 2006 an institutional assessment of the NAO office was undertaken to analyse strengths and weaknesses in the functioning of the NAO office. Its findings will be taken into account when implementation of the successor programme will start, for which FP was approved in December 2006.

Implementation of the Support to Local Governance (9 ACP GH 13) could finally start under component one (support to the implementation of the National Decentralisation Action Plan, NDAP) with the recruitment by the Ministry for Local Government, Rural Development and Environment of one programme coordinator and one accountant for the Decentralisation Secretariat finalised in October 2006. Component 2 of the project (TA to the Institute to Local Government Studies, ILGS) saw first achievements as well with the finalisation and signature of a programme estimate on 15/12/06. Implementation of component 3 (a call for proposals to support activities strengthening the relationship between civil society and local governments) had not formally started by the end of 2006.

Identification for a governance programme focussing on capacity building for enforcement agencies (police) and on the migration/development nexus took place during the second semester of 2006.

In December 2006 a 'Joint DP/GoG Decentralisation Policy Review Mission' analysed achievements and gaps in the decentralisation process as conducted in the country since the late 80ies in view of paving the way for further collaboration between donors and GoG in a future Sector wide approach.

Rehabilitation of the Cultural Heritage in Elmina and Old Accra (9 ACP GH 05): As to the Elmina part, all works and services – apart from the painting of the castle itself – could be finalised and official handing over took place on 13/12/2006. The painting of Elmina castle, initially part of a larger works contract, was taken out of that contract because of several delays accumulated by the contractor, re-tendered under Counterpart Funds and executed only during the first half of 2007. For Old Accra, substantial progress on implementation was made during the last months of 2006 with the Contribution Agreement (with UNESCO) extended from 19/12/2006 to 31/12/2006 and works pushed forward in day and night shifts. All major components of the project could be finalised by the end of 2006.

The National Commission for Culture recruited project staff for the implementation of the Cultural Initiatives Support Project (9 ACP GH 17) and a Start-up PE could finally be signed in December 06.

EMMSDAG (9 ACP GH 2) After delays in undertaking field work, more progress was made in 2006 with the implementation of PE 2. A geo-coded harmonised data system with easy access has been established in some districts. Facilities which have large-scale usefulness to the public such as those belonging to the community, government and NGOs have been mapped. The next stage of the project is to present the work so far accomplished to the District Assemblies for adoption (confirm the existence of the facilities) before being sent to MLGRD and the Ministry of Finance and Economic Planning. Every district is expected to be furnished with a set of maps pertaining by August 2007. For that purpose, a rider to the PE 2, extending its implementation period to the end of June 2007 (or the end of the implementation period of the project), has been signed in December 2006. It will enable CERSGIS to continue activities undertaken in 2006.

GRATIS Phase III (8 ACP GH 11) The implementation of the third phase of the project ended in June 2006 following an extension of the Financing Agreement in 2005. With the importation of new equipment under PE 5 in 2006, GRATIS' quest for self sufficiency by 2007 has been enhanced.

Support to Ghana Audit Service Phase II (9 ACP GH 12) After an unsuccessful call for expression of interests, the NAO with the approval of the EC entered into direct negotiation with the National Audit Office of the UK and a Technical Assistance Service Contract was signed in March 2006. Following the assessment made by the TA team, a strategy has been drawn up and approved by the Steering Committee in early November. Consequently a draft PE no.1, aiming at covering training costs, has been submitted in mid-December and should be signed in early 2007. In the meantime, the contractual process to supply cars to the institution has been achieved, their delivery being scheduled in January 2007. Alongside those operational aspects, the Delegation has taken several initiatives to help the GAS in its effort to raise public awareness about its activities and to strengthen its independence from Government.

Sector Budget Support to Private Sector Development and Trade The Financing Proposal of the pilot Private Sector and Trade Enabling Programme (PSTEP) amounting to 5M€ over 2007-2009 has been finalised in October 2006 and should be approved in early 2007. The first disbursement should occur in the course of 2007 as soon as the financing agreement is signed.

Economic Partnership Agreements (EPA)

During 2006, many activities have been mobilised to create general awareness about EPA and what exactly is at stake for ACP States in general and Ghana in particular. To enhance general awareness and to get the national discussion more focussed and based on facts instead of myths, seminars, conferences, and TV and radio interviews were organised. The Government was regularly sensitized and stimulated to give - at the national and regional basis - support to the EPA process. Regular publications on EPA were made in the written press to inform the larger public and/or to react to publications and statements by NGOs.

Demarches were held with the Minister of Trade, Minister of Finance and the Minister of Foreign Affairs on the EU-ECOWAS negotiations for EPA. The dialogue improved with the mission of the EC Deputy Director General for Trade, end of June 2006, and positions of the three main Ministries was clarified (Trade, Finance, Foreign Affairs).

A special conference for stakeholders was organised on the subjects of private sector development, regional integration and EPA. The Conference included two working groups that discussed and formulated recommendations on, respectively, (a) improving Ghana's EPA competitiveness in relation to EU and West Africa, and (b) developing Ghana's institutional

position as a regional hub for delivery of business services. For more information on the EPA negotiation process, see Annex 6.

3.5. Utilization of B-Envelope

In October 2006, HQ agreed with the NAO's proposal to commit the remaining funds under the B-envelope for an Avian Influenza project (2.8 M€). The PIF was approved by HQ at the end of October 2006. A service contract for the formulation of the Financing Proposal has been prepared. A Financing proposal is being drafted after the FIP approval by EC HQ.

3.6. Other instruments

3.6.1. Stabex

Since 1975, Ghana has received more than € 141 million in STABEX transfers to compensate for export earning losses in the cocoa sector and the timber industry. Implementation of the last Stabex allocations is now well advanced, with the final phase of the feeder roads programme as remaining activity.

Programme	Transfer	Net Interest	Total Funds	Commitments	Payments	Bank Balance
TOTAL	50,581,460	9,214,787	59,796,247	59,796,247	55,180,873	4,615,374

Stabex (1990-93) – Situation as at 31 December 2006

EC assistance to agriculture has long focused on cocoa, Ghana's major export commodity. The Cocoa Sector Support Programme I (€ 11.2 million) was used to support the Cocoa Swollen Shoot Virus Disease (CSSVD) Control Programme (€ 9.2 million), compensating farmers for the eradication of CSSVD infected cocoa trees and assisting them with replanting hybrid cocoa seedlings. A follow-up programme of 5 M€ to be financed from 9th EDF resources has been prepared and will concentrate on the most important problems in cocoa production.

The main objective of the STABEX Feeder Roads Programme - Phase III (€ 11.8 million) is the improvement of the feeder roads in cocoa growing areas and other agricultural production areas in the Western Region and to some extent in the districts of the Central, Ashanti and Brong Ahafo Regions, bordering the Western Region, with objective to enhance diversification and thus reduce the export dependency on cocoa. The total length of the feeder roads under consideration is estimated at 389 km. In August 2005, 22 works contracts were signed, and by the end of 2006, 10 contractors have completed the works, 11 contractors received justified extension of time. Due to bad performance and after receiving many warnings, 1 contract was terminated, and of the contracts still on-going 7 are scheduled for completion in February 2007, 2 for March 2007 and 2 for April 2007.

3.6.2. Sysmin

Signed in December 2002, the Mining Sector Support (MSS) programme makes available an amount of € 40 million, using the last funds of the 'Sysmin Facility', to assist the mining sector in Ghana in regaining its economic importance. The MSS programme specifically aims at increasing private-sector led exploration activities and investments in mining.

The MSS programme will stretch over a period of 6 years and include four main activities. First, mining sector support institutions will be strengthened. Second, geological data provision will be improved. Third, a nation-wide socio-economic and environmental impact assessment will be undertaken to address the effects of large-scale mining operations, as well as consequences of future mine closures. Fourth, the MSS programme makes available funds for pre-feasibility and feasibility studies on the infrastructure that supports mining activities in the west of Ghana.

In 2006, the contract for Airborne Gravity Survey (8th EDF) was granted and a contract document was submitted to the consultant for signing in October 2006. Following the promulgation of the new Mining Law, which seeks to re-align the various institutions under the Ministry, it was decided to redefine the Terms of Reference of the Technical Assistance in order to cover the broader scope of coordinating the roles of the institutions towards the realization of the objectives of the new law.

On the Information Management System, the contract period of performance was extended by 2 months in order to enable the contractor to complete the installation of the system. On the Geological Mapping, a desk study presentation workshop took place in January 2006 as a start-up of the project. The Mapping teams have completed the field work in the Upper West Region, but due to some processing delays, not all layers of the maps were completed in 2006, and may be expected early 2007. The magnetic/spectrometric survey of the airborne geophysics project has been completed and the aircraft demobilized in June 2006. The Time Domain Electromagnetic survey started in December 2006 and will be on-going in 2007.

The Environmental Impact Assessment desk study and SEA scoping report was approved by the supervisor and the field work started in May 2006 and is well underway. Quality Control review of Airborne Survey Data is on-going.

3.6.3. Budget lines

In the field of migration, the 2005/06 call under the 'Aeneas' budget line brought forward a contract between the Ghana Immigration Service and the EC on a project *supporting the eradication of document fraud*. The grant contract was prepared and signed by EC HQ in December 06, but monitoring of the project implementation will be shared between HQ and the Delegation due to the rather complex nature of the project design.

The 'SMESS 1' project (PVD/2001/571) - alleviation of poverty through the strengthening of rural small and micro enterprises - run by the Italian NGO COSPE under the NGO-cofinancing line finished successfully its implementation in January 2006. A successor action proposed by the same NGO, 'SMESS 2', was signed in December 2006 under the same EC budget line (PVD/2006/119-145).

A further grant contract with the NGO 'Basic Needs' on assistance to people afflicted by mental illnesses was signed as well before end of 2006 (PVD/2006/118-719).

Pro-poor production and export of fair-trade and organic fruits from Ghana and Burkina Faso (B76000/PVD/2202/021-126) An organisational and financial audit has been launched by the EC to inform decision over the future of this project, after the regular annual audit report was found to be inadequate by the Delegation. An external audit contract was awarded in June 2006 to review the institutional, management and financial setting of the project to define future strategy. Following conclusions of the final audit report delivered in December, actions will be taken on the organisational set-up, the transfer of property of assets and shares and the non-eligible expenses to allow the continuation and completion of the action.

The REEP project (PVD/2004/64-290) - *Rural Environmental Empowerment Project* – underwent important changes during 2006 with the signing of two riders, one changing the local partner from FASCU to NCRC, and the other amending certain project activities to reflect the new situation. Important progress has since been made.

The project *Strengthening Water, Sanitation and Hygiene Promotion Services in Ghana* (PVD/2001/11-698) - managed by Water Aid – ended successfully in 2005. A successor action was signed in December 2005 (PVD/2005/095-444), aiming to reduce poverty through contributing to MDG achievement in water and sanitation. Project started in April 2006.

Several evaluations for budget line projects were accomplished under the new CRIS evaluation system: 'gender' call - 2 proposals, 'Aeneas' call - 5 proposals, 'NGO –co-financing' call - 20 proposals, 'reproductive health' call – 3 proposals).

4 Assessment of performance indicators

Focal Sector Rural Development

The intervention assessment framework of this focal sector is included in Annex 7 and shows progress in terms of access to safe water and gross enrollment rates in the three northern regions, but the real agricultural growth rate has not met its target. National level targets are reflected in the GPRS Annual Progress Report.

Focal Sector Transport

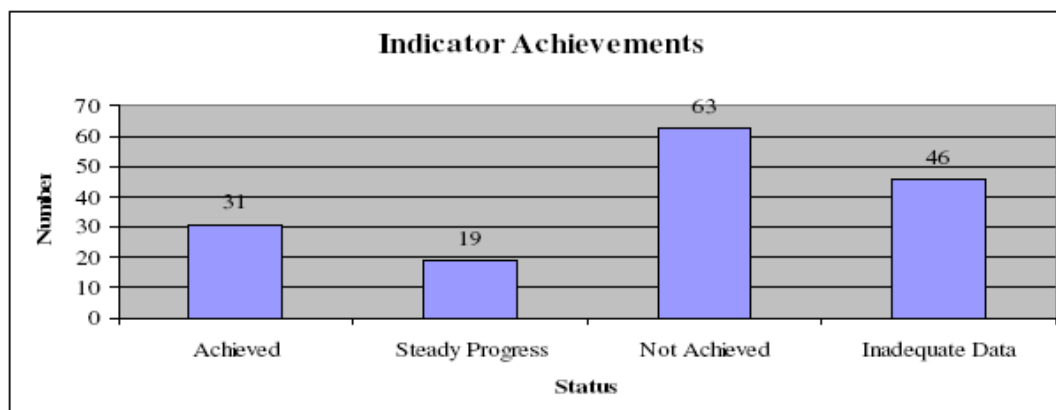
The tables with road condition mix and road maintenance indicators are presented in annex 8. Although these tables illustrate Ghana's difficulties in ensuring continuous commitment to annual routine and periodic maintenance during past years, the condition of Ghana's road network is still showing a steady improvement. This improvement is possibly linked to increased routine maintenance since 2002, and implementation of rehabilitation projects under RSDP, aiming at closing the maintenance backlog.

EC is the lead donor for this sector. Road maintenance remains a central issue in the policy dialogue with road sector MDAs – annual maintenance expenditures are increasing, but 2006 targets were set too ambitiously and have not been fully met. Axle Load Regulations were submitted to Attorney General in 2006, to be annexed to Road Traffic Act, and this includes enforcement of axle load in cooperation with police, weigh bridge operators, and highway authority. EC closely monitors the preparation of the Transport Sector Development Plan 2008-2012, which covers rail, water, air and roads, and for the road sub-sector it includes clear targets for routine and periodic maintenance, and axle load control and number of weighbridge stations. Furthermore, TSDP will include a comprehensive set of performance indicators guiding the transport sector policy dialogue, including on road network condition mix and road maintenance achievements, which will be part of the monitoring framework of 10th EDF CSP/NIP.

Macroeconomic Indicators and GRPS Implementation (GPRS Annual Progress Report)

A full set of economic and financial indicators on Ghana is included in Annex 2. – Ghana at Glance.

Figure 1.1a: Summary of Indicator Achievement for 2006



Source: NDPC, GPRS 2006 Annual Progress Report, July 2007

So far, performance indicators have been defined in the presented intervention frameworks for both focal sectors and following MDG's for non-focal sectors such as health and education.

Indicators were collated from different sources for the purpose of this report. GoG however is reporting on its performance against GPRS implementation and it is foreseen that these indicators will be more and more aligned with sector and national policies. Therefore, GoG's reporting on performance has a potential to satisfy the requirements of this joint Annual Report, thus strengthening these critical monitoring tools, also under 10th EDF.

An achievement summary of the 159 key indicators selected in 2006 to monitor GPRS II implementation is presented in the chart above.

Out of this full set of indicators, the results against education and health subsets are presented in the annex 9. It is to be noted that these targets are to be achieved in the period 2006-2009.

5 Donor coordination and harmonization²⁴

In 2006, donor coordination and harmonization has been marked by the development of a joint assistance strategy. The Ghana Joint Assistance Strategy (G-JAS) aims to improve the alignment of development assistance with the core business of Government and the government's political and partnership cycle. It builds on commitments by development partners (DPs) to work toward the achievement of goals and priorities of the second Ghana Growth and Poverty Reduction Strategy (GPRS II) and to accelerate progress against mutually defined harmonization principles.

An important backdrop for the G-JAS is the Ghana Partnership Strategy (GPS) endorsed at the November 2005 Consultative Group/Annual Partnership Meeting (CG/APM) and updated for the CG/APM in June 2006. The GPS comprises a results matrix which maps DP-funded activities to GPRS II policy priorities; an annual harmonisation action plan; and an overview of external assistance, detailed by GPRS II pillar and sectors. As such, the GPS provides a framework for monitoring the effectiveness of development assistance in supporting GPRS II.

The G-JAS involves the majority of Ghana's GPS development partners (representing about 95% of official development assistance flows), who wish to take the DP response in support of the GPRS II one step further. It consists of five interlinking elements that contribute to a comprehensive approach on the part of DPs to the aid relationship in Ghana:

- (i) a joint assessment of the current country situation (political, economic, social);
- (ii) a joint description of the major challenges facing Ghana in its quest to achieve the Millennium Development Goals (MDGs) and middle-income status;
- (iii) a statement of principles and commitments on how G-JAS partners will work with each other, with Government, and with civil society and private stakeholders;
- (iv) priorities for the joint DP response at the GPRS II pillar and sector level; and
- (v) arrangements for results monitoring and risk mitigation.

The G-JAS should be seen as a milestone in an on-going process, which provides a framework for continued action over the next four years. Concrete actions for moving forward are therefore presented as part of the G-JAS conclusions.

In 2006, the EC also signed 2 silent partnerships with DFID whereby DFID represents EC in the Education sector and EC represents DFID in the Transport sector.

All DPs signed an agreement with GoG on a Mission Free Period (15/09/xx – 15/11/xx) and another one on travel allowance and per diem.

6 Dialogue with the NAO and NSAs

The relationship with the NAO is generally amicable and frank. The lack of a Head of the ACP-EU Unit for the greater part of 2006, whilst not substantially affecting implementation of

²⁴ The updated harmonization action plan is in Annex.

day-to-day activities, did give rise to some concern. The need for office space for the NAO staff, and recruitment of new staff, in particular contract and finance staff, was not addressed in 2006. The Delegation continued to substitute in many cases. MOFEP plans to construct a 2 to 3 storey office adjacent to the main block, to ease spatial pressure on its staff. New staff will be recruited to support the NAO in its contract and finance section, which will be established in 2007.

As to the dialogue with civil society, the NAO and the Delegation jointly carried out three in-country consultative workshops in September 06 to seek comments, suggestions and inputs for the 10th EDF CSP/NIP. The first workshop took place on the 19th September 2006 for the Northern Belt and comprised the Northern, Upper East, and Upper West regions. The thematic area for focused discussion was good governance and decentralization. The second workshop was held in Kumasi on 21st September 2006 for the Middle Belt, comprising Brong Ahafo, Eastern and Ashanti Regions and focusing on economic development, business, trade and Economic Partnership Agreement (EPA). The third workshop was held in Accra on 28th September 2006 for the Southern Belt and comprised Volta, Central, Western and Greater Accra Regions. In Accra the discussions centred mainly on the Ghana Joint Assistance Strategy (JAS). The workshops brought together both state and non-state actors, high ranking representatives of government ministries, departments and agencies involved in ACP-EU Cooperation, district assembly men and women, civil society, non-governmental organizations and traditional rulers. Each workshop was attended by more than 70 participants. All three in-country consultative workshops engendered a heightened sense of involvement and ownership, contributing to improved programming of the 10th EDF CSP/NIP.

A consultation on the Strategy Paper for the Thematic Programme “Non State Actors and Local Authorities in development” was launched locally from 18/08 to 11/09/2006. A questionnaire was sent to 24 Non-State Actors across the country, comprising research and advocacy based organisations, social partners, private sector institutions, local government representatives, women's groups, international and national NGOs and civil society umbrella organizations. Replies were received by two Ghanaian NGOs, three international NGOs and one local government umbrella organization and a summary of the results was sent to EC Headquarters.

Finally, the EC Delegation was instrumental in setting up a coordination group between donors and representatives from civil society working in the field of decentralisation. The first meeting took place on 26th September 2006 at the ECD.

7 Conclusions

From 2002 to 2007, Ghana will have demonstrated her capacity to implement the 9th EDF in an efficient and effective way if all funds are committed as planned. Macro-economic support and the transport sector will have attracted at the end of implementation the largest part of funds. This approach should be maintained in our future programming in line with the European Consensus on Development.

At the End Term Review of the 9th EDF in 2006, Ghana was acknowledged as good performer and was thus entitled to receive additional € 29 million. As a result, the total A-envelope reached the level of € 315.8 million.

The global good performance should however not hide the problems that the EC-Ghana cooperation faced in 2006 in the framework of the MDBS where no common understanding could have been reached on the PAF 2006-2008. Nevertheless, the consensus between DPs and GoG has been preserved and a jointly agreed alternative solution will be implemented in 2007 when a new PAF 2007-2009 will be discussed.

On the same vein, the development of a stronger dialogue and support to the civil society has not gone very far and will have to be reinforced in the implementation of the coming 10th EDF.

However NAO and EC Delegation organized a stakeholder consultation meeting in March 2006 on the 2005 Joint Annual report with good level of participation.

In 2006 a lot of efforts have been put in the drafting of our future Country Strategy Paper and National Indicative Programme and the Ghana Joint assistance Strategy developed with all key partners. Civil society has been constantly involved in these two processes.

The process of improving Division of labor has been translated in two silent partnerships with DFID in the Education sector (DFID lead) and Transport sector (EC lead).

Several demarches were made with Minister of Trade, Minister of Finance and Economic Planning and Minister of Foreign Affairs on the EU-ECOWAS negotiations for EPA. Meetings with civil society and the media were also organized.

ANNEXES

General Annexes

Annex 1 – Ghana's MDG's

Annex 2 – Ghana at a Glance

Annex 3 - African Peer Review Mechanism 2006 Annual report

Annex 4 - Ghana Partnership Strategy / Aid Harmonisation and Effectiveness Targets

Annex 5 - Poverty incidence by administrative region in 1991/92, 1998/99 and 2005/06

Annex 6 - Economic Partnership Agreements

Annexes with a retrospective character

Annex 7 - Rural Development Intervention Framework

Annex 8 - Transport Sector Performance Indicators

Annex 9 - Status of indicators in the education sector 2004-2006

Annex 10 – Financial Situation ²⁵

Table 1 - Summary of EU Assistance to Ghana 2001-2006 (including EIB's Risk Capital)

Table 2 – 7th EDF Financial Reporting

Table 3 – 8th EDF Financial Reporting

Table 4 - 9th EDF Financial Reporting

Table 5 – Decision and Disbursement Rates from 7th EDF 2003-2006

Table 6 – Decision and Disbursement Rates from 8th and 9th EDF 2003-2006

Table 7 – EDF disbursements in Ghana 2002-2006

Budgetary Support / Use of counterpart funds

Budget Lines





Annex 11 – CRIS Project Fiches

Annexes with a prospective character

Forecast Commitments and Disbursements 2007

²⁵ EIB projects included in Table 1 Summary

Will Ghana's Millennium Development Goals Be Met?

	Target already met or very close to being met		Target is not expected to be met by 2015 if prevailing trends persist
	Target is expected to be met by 2015 if prevailing trends persist		Slow progress or stagnation

Goals and Targets	MDG Target 2015	Ghana 2006	SSA 2005
Poverty headcount ratio (%)	26	28.5	46
Gross primary school enrolment rate (%)	100	92.1	62
Ratio of girls to boys in primary education (%)	100	96	86
Immunization, DPT3 (% children)	100	84	61
Under 5 mortality rate (per 1000 live births)	40	111	172
Infant mortality rate (per 1000 live births)	32	64	103
Maternal mortality ratio (per 100,000 live births)	185	205	920
Skilled attendance at delivery (% of total)	100	54	41
Prevalence of HIV (% of adults)	<2.4	3.2	6.1
Access to safe water (% total population)	75	55	58
Forest area (% of total land area)	>33	24	27

Ghana at Glance

Table 1. Ghana: Selected Economic and Financial Indicators, 2003–07

	2003	2004	2005	2006	2007
				Est.	Proj.
(Annual percentage change, unless otherwise specified)					
National accounts and prices					
Real GDP	5.2	5.6	5.9	6.2	6.3
Real GDP per capita	2.6	3.0	3.2	3.6	3.7
GDP deflator	28.6	14.4	15.0	14.6	11.2
Consumer price index (annual average)	26.7	12.6	15.1	10.9	9.4
Consumer price index (end of period)	23.6	11.8	14.8	10.5	9.0
External sector					
Exports, f.o.b. (percentage change, in U.S. dollars)	20.1	12.7	0.7	31.3	8.1
Imports, f.o.b. (percentage change, in U.S. dollars)	20.1	31.9	24.4	22.0	17.9
Export volume	-6.8	14.5	-0.9	14.9	-0.1
Import volume	6.9	13.8	14.1	11.9	19.2
Terms of trade	14.8	-15.1	-6.9	4.8	9.4
Nominal effective exchange rate (end of period)	-15.5	-8.7	7.1	-8.3	...
Real effective exchange rate (end of period)	2.4	-0.5	19.9	-1.1	...
Cedis per U.S. dollar (avg.)	8,677	9,005	9,073	9,183	...
Money and credit					
Net domestic assets ¹	7.2	1.0	7.0	16.0	16.0
Credit to the private sector ¹	16.4	10.0	23.1	25.8	24.2
Broad money (excluding foreign currency deposits)	40.9	26.4	13.7	39.4	23.9
Velocity (GDP/average broad money)	4.7	4.3	4.3	3.6	3.4
Prime rate (Bank of Ghana; percent; end of period)	25.7	19.1	15.5	12.5	...
(Percent of GDP, unless otherwise specified)					
Investment and saving					
Gross investment	22.9	28.4	29.9	30.2	31.6
Private ²	14.0	16.0	17.9	18.0	18.0
Central government	8.9	12.4	12.0	12.2	13.6
Gross national saving	24.6	25.7	22.8	22.1	23.0
Private ²	18.4	14.9	12.0	13.7	14.3
Central government	6.2	10.8	10.8	8.4	8.7
Government operations					
Total revenue	20.8	23.8	23.8	21.6	22.2
Grants	4.7	6.4	5.2	5.2	5.1
Total expenditure	28.8	33.3	30.7	33.8	33.6
Overall balance (including grants) ³	-4.6	-3.7	-2.3	-7.7	-6.8
Overall balance (including grants)	-4.4	-3.6	-3.0	-7.5	-6.8
Domestic primary balance	2.3	0.7	3.4	-4.8	-3.2
Net domestic financing	0.6	0.1	-1.7	4.9	-0.9
Discrepancy/resource gap	-0.2	-0.1	0.7	-0.1	0.0
Total government debt	118.8	93.4	77.1	42.4	39.6
Domestic debt (gross) ⁴	19.8	20.7	17.9	20.0	16.0
External debt	99.0	72.7	59.2	22.3	23.6
External sector					
Current account balance (including official transfers)	1.7	-2.7	-7.0	-8.2	-8.6
Current account balance (excluding official transfers)	-3.5	-8.8	-12.3	-11.2	-11.9
NPV of external debt outstanding	71.5	35.2	19.9	17.5	19.0
(Percent of exports of goods and services)	175.7	89.6	55.1	45.9	53.6
Gross international reserves (millions of U.S. dollars)	1,427	1,816	1,951	2,325	2,568
(Months of imports of goods and services)	3.2	3.3	2.9	3.1	3.0
Total donor support (millions of U.S. dollars)	681	837	971	694	1,039
(Percent of GDP)	8.9	9.4	9.1	6.9	6.9
Memorandum items:					
Nominal GDP (billions of cedis)	66,158	79,888	97,261	118,404	140,075
(Millions of U.S. dollars)	7,824	8,872	10,720	12,894	...

Sources: Data provided by Ghanaian authorities, and IMF staff estimates and projections.

¹ Percent of broad money at the beginning of the period.

² Including public enterprises and errors and omissions.

³ Below-the-line.

⁴ Gross debt including all outstanding government obligations, and previously excluded items: noninterest-bearing perpetual Bank of Ghana revaluation stocks, and bonds issued in 2004-06 for recapitalization of BoG and TOR.

Table 2. Ghana: Balance of Payments, 2003–07

	2003	2004	2005	2006	2007
				Est.	Proj.
(Millions of US dollars, unless otherwise indicated)					
Balance on current account (including grants)	127	-235	-754	-1,054	-1,287
Trade balance	-788	-1,512	-2,542	-2,843	-3,711
Exports f.o.b.	2,471	2,785	2,803	3,880	3,980
Cocoa	818	1,071	908	1,187	1,127
Gold	830	840	946	1,277	1,566
Other	823	874	949	1,216	1,287
Imports, f.o.b.	-3,259	-4,297	-5,345	-6,523	-7,692
Non-oil	-2,698	-3,522	-4,218	-5,107	-5,849
Oil	-563	-775	-1,127	-1,416	-1,842
Balance on services and income	-280	-564	-329	-392	-215
Of which: interest payments ¹	-110	-167	-103	-89	-75
Balance on transfers	1,184	1,831	2,117	2,181	2,839
Private transfers (net)	801	1,287	1,550	1,788	2,143
Official transfers (net)	383	544	567	393	496
Capital account	379	223	1,063	1,591	1,530
Official capital (net)	88	53	309	735	659
Medium and long-term loans					
Inflows ¹	370	402	500	4,349	783
Amortization ²	-284	-350	-191	-3,614	-134
Private capital	75	332	559	717	851
Short-term capital	116	-183	128	78	20
Errors and omissions	102	21	67	61	0
Overall balance	508	-13	309	537	242
Financing	-508	13	-309	-537	-242
Debt deferral	-35	-35	0	0	0
Net international reserves (- is increase)	-679	-184	-309	-537	-242
Of which: use of Fund credit	53	-5	0	-265	0
Disbursements (PRGF)	74	39	0	116	0
Repayments (PRGF)	-21	-44	0	-381	0
Exceptional financing	208	231	0	0	0
<i>Memorandum items:</i>					
Current account balance, excl. official transfers	-286	-779	-1,321	-1,447	-1,783
Current account balance, excl. official transfers (percent of GDP)	-3.5	-8.8	-12.3	-11.2	-11.9
Current account balance, incl. official transfers (percent of GDP)	1.7	-2.7	-7.0	-8.2	-8.6
Trade balance (percent of GDP)	-10.3	-17.0	-23.7	-22.0	-24.8
Gross international reserves	1,427	1,816	1,951	2,325	2,568
Gross international reserves (months of imports of goods and services)	3.2	3.3	2.9	3.1	3.0
External debt (percent of GDP)	99.0	72.7	59.2	22.3	23.6
External debt service paid (percent of exports of GNFS)	5.2	5.6	2.4	11.9	3.9
MDRI debt-service savings	...	...	...	75.6	112.2
MDRI debt-service savings on obligations to IMF	...	...	...	37.8	48.9
MDRI debt-service savings on obligations to World Bank	...	...	...	23.9	49.0
MDRI debt-service savings on obligations to AfDB	...	...	...	13.9	14.3
GDP	7,624.2	8,871.9	10,720.3	12,993.8	

Sources: Bank of Ghana; and IMF staff estimates and projections.

¹ Including the capital transfer in 2006 of MDRI debt relief from the Fund, IDA, and the African Development Fund.

² In 2006, including the repayment of debt to the Fund, IDA, and the African Development Fund.

Table 3. Ghana: Summary of Central Government Budgetary Operations, 2003-08 ¹

	2003	2004	2005	2006	2007	2008
				Est.	Proj.	Proj.
(Percent of GDP)						
Total revenue and grants	25.5	30.1	29.1	26.8	27.3	25.6
Revenue	20.8	23.8	23.8	21.6	22.2	22.1
Tax revenue	20.2	21.7	20.6	19.6	20.0	19.9
Direct taxes	8.1	8.6	6.7	6.0	6.2	6.5
Indirect taxes	9.3	10.3	9.7	9.0	9.3	8.9
Trade taxes	4.8	4.8	4.2	4.6	4.6	4.5
Nontax revenue	0.6	1.5	2.0	0.8	0.8	0.8
Grants	4.7	6.4	5.2	5.2	5.1	3.4
Total expenditure	28.8	33.3	30.7	33.8	33.6	31.6
Recurrent expenditure	19.8	20.9	18.7	21.6	20.1	19.0
Of which: wages and salaries	8.4	8.7	8.5	9.6	9.4	9.4
utility subsidy			0.0	0.8	0.1	0.1
Capital expenditure (total)	8.9	12.4	12.0	12.2	13.6	12.6
Of which: domestic	4.6	6.4	5.9	7.8	7.7	6.5
foreign	4.4	6.0	6.1	4.5	5.9	6.1
Arrears clearance and VAT refunds	-1.1	-0.4	-1	-0.5	-0.5	-0.1
Overall balance	-4.4	-3.6	-3.0	-7.5	-6.8	-6.1
Discrepancy	-0.2	-0.1	0.7	-0.1	0.0	0.0
Total financing	4.6	3.7	2.3	7.7	6.8	6.1
Divestiture receipts	0.6	0.4	0.2	0.0	2.1	0.9
Foreign (net)	3.3	3.3	3.7	2.8	5.6	5.2
Domestic (net)	0.6	0.1	-1.7	4.9	-0.9	0.0
(Billions of cedis)						
Total revenue and grants	16,862	24,073	28,256	31,764	38,222	41,726
Revenue	13,743	18,994	23,156	25,569	31,143	36,121
Grants	3,119	5,080	5,100	6,195	7,079	5,605
Total expenditure	19,035	26,584	29,895	40,051	47,126	51,555
Recurrent expenditure	13,122	16,696	18,221	25,569	28,087	31,038
Capital expenditure (total)	5,912	9,888	11,673	14,492	19,039	20,517
Overall balance	-2,884	-2,836	-2,869	-8,917	-9,592	-9,971
Discrepancy	-138	-104	637	-171	0	0
Total financing	3,022	2,941	2,233	9,088	9,592	9,971
(Percent of GDP, unless otherwise indicated)						
<i>Memorandum items:</i>						
Total poverty spending ²	6.5	7.7	8.5	10.5	10.4	10.6
Domestic primary balance ³	2.3	0.7	3.4	-4.8	-3.2	-0.9
Total domestic debt (gross) ⁴	19.8	20.7	17.9	20.0	16.0	13.8
Nominal GDP (billions of cedis)	66,158	79,888	97,261	118,404	140,075	163,195

Sources: Ghanaian authorities, and IMF staff estimates and projections.

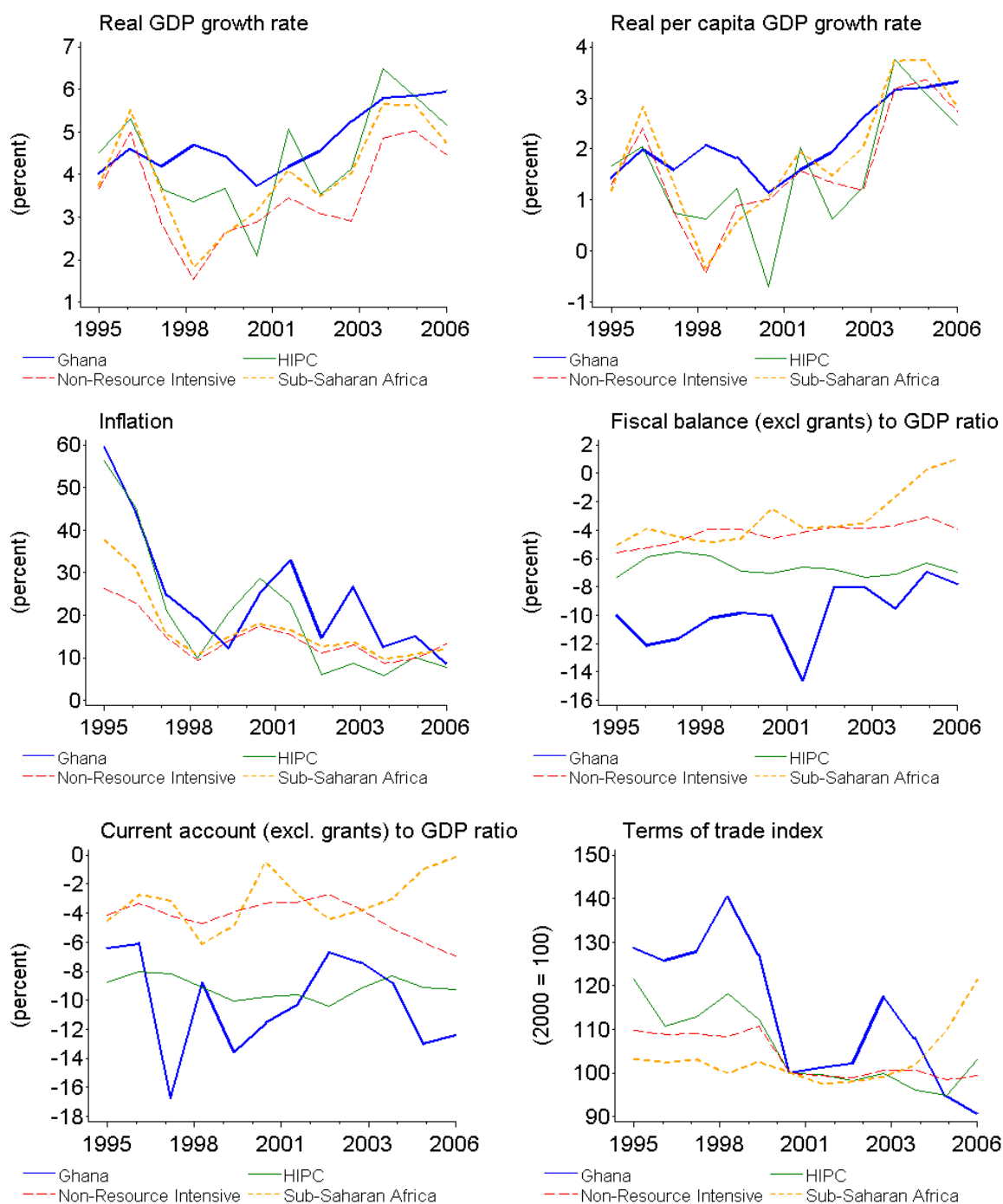
¹ Above-the-line data for domestic recurrent and capital expenditure are presented on a cash basis.

² The authorities revised the definition of poverty spending in 2008; it now includes growth enhancing spending on energy and key infrastructure.

³ Defined as total revenue plus VAT refunds (negative) and discrepancy, less noninterest recurrent spending and domestic capital expenditure.

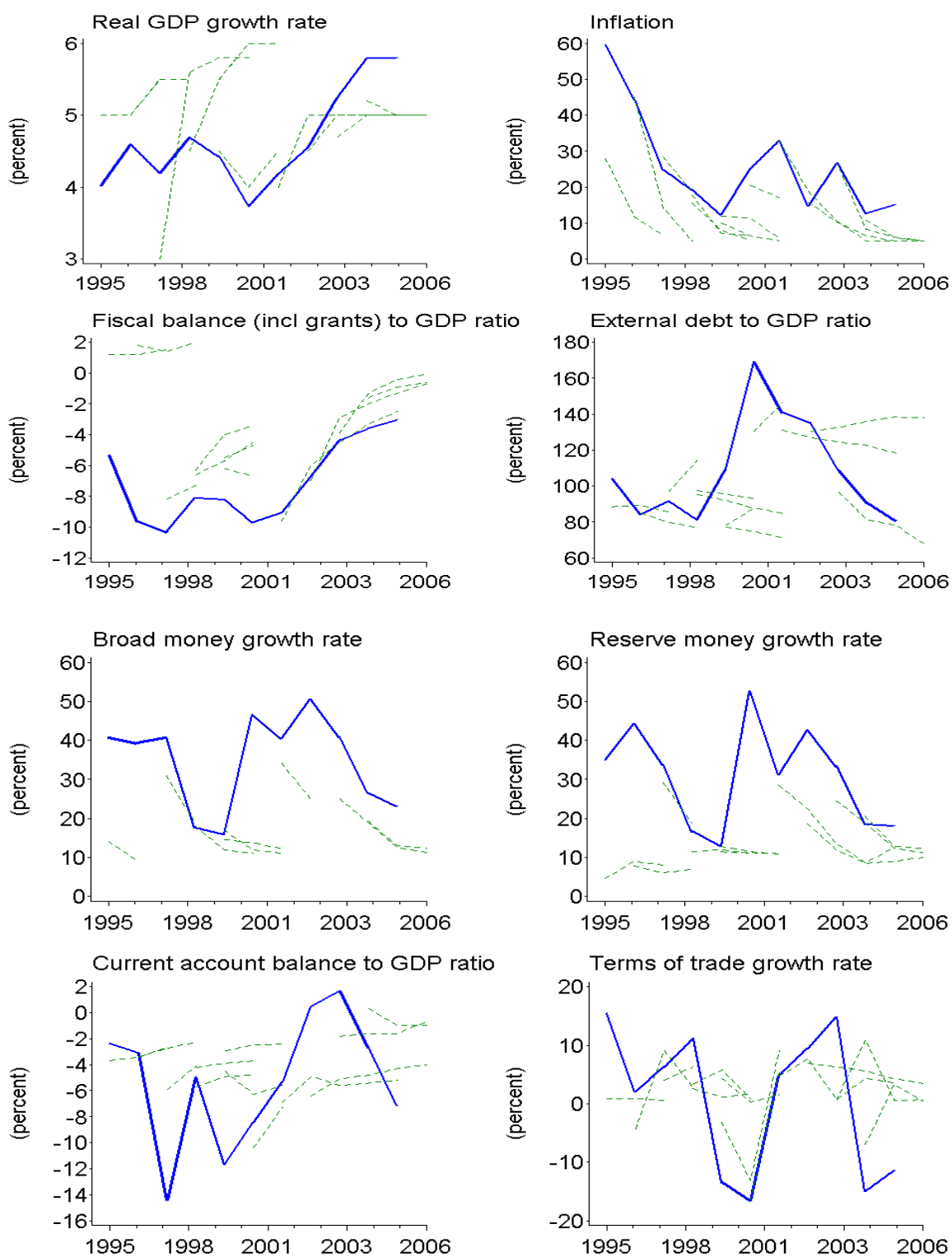
⁴ Gross debt including all outstanding government obligations, and previously excluded items: noninterest-bearing perpetual Bank of Ghana revaluation stocks, and bonds issued in 2004-06 for recapitalization of BoG and TOR.

Ghana: Comparative Economic Performances, 1995-2006



Sources: IMF, African Department database; and IMF, World Economic Outlook.

Ghana: Summary Program Performance: 1995-2006



Solid line – actual values. Dashed line – staff projections. Source: IMF staff reports.

African Peer Review Mechanism **2006 Annual report**

Democracy and Good Political Governance

Decentralization

Results on the decentralization front were mixed. Progress was being made to improve fiscal decentralization with the piloting of composite budgets in 20 District Assemblies. Revenue mobilization for district assemblies was being improved with the introduction of a new revenue collection technology. Though the Local Government Service Act has been passed and the Local Government Service Council has been instituted, the Service is yet to be operational. Public pronouncements by government officials indicate that the election of Metropolitan, Municipal and District Chief Executives would require Constitutional Amendments.

Access to justice

Ghanaians (35 percent) are of the opinion that there has been an improvement in access to justice (29 percent for 2005). This has been attributed to the presence of CHRAJ and DOVVSU offices in almost all the districts. Ghanaians (40 percent), however, report that judicial decisions are not fair and objective to ordinary citizens.

Security of life and property

Ghanaians are of the opinion that the security system is offering them protection against torture (48 percent), arbitrary detention (59 percent), violent crime (armed robbery) (55 percent), ethnic conflict (60 percent) and domestic violence (53 percent).

Cultural Practices harmful to women

The Criminal Code of 1998 has been amended to criminalize harmful widowhood rites and ritual servitude. A strengthened law on Female Genital Mutilation (FGM) has been presented to Parliament.

Child Trafficking and Child labour

The Human Trafficking Law has been passed. One Hundred and twenty Child Protection Volunteer Teams have been established in a number of communities to serve as watchdogs for children. Teachers and drivers (GPRTU) have also been sensitized to report incidence of child trafficking.

Under-representation of women in public life

The Affirmative Action is not being implemented to the full. It is only being applied at the district level where 50 percent of government appointees are women, and the Universities in terms of intake of women who qualify to attend.

Street Children and Vulnerable Youth

A National Social Protection Strategy is being developed to cater for the interest and needs of the vulnerable, the excluded and the extremely poor. A Livelihood Empowerment Against Poverty (LEAP) Project is to be implemented in 2007 to further strengthen social protection.

Violations of the Rights of the Disabled

The Law on Disability (Act 715) has been passed.

Adequacy of resources to Governance Institutions

There was a substantial increase to governance institutions in the 2006 budget. However, actual monies received fell short thus hindering the institutions from undertaking planned activities.

Civil engagement in national dialogue and decision

Ghanaians (43 percent) were of the view that they were actively involved in public discussions on major policy issues. Ghanaians, however, lamented that the National Economic Dialogue was poorly organized in 2005 and not at all in 2006.

Fighting corruption in the public sphere

The Whistleblowers Act, 2006 (Act 720) has been passed. The Freedom of Information Bill has been revised and submitted to the Minister of Justice and Attorney-General for consideration.

The Attorney General has indicated that henceforth there will be no bail for those dealing with narcotics, and also their property will be confiscated.

The Commission on Human Rights and Administrative Justice has developed Draft Guidelines on Conflict of Interest entitled “Guidelines on Conflict of Interest to Assist Public Officials Identify, Manage and Resolve Conflicts of Interest”.

The Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) has come under intense scrutiny. CHRAJ has declared it would take up the issue in 2007 to compel the Attorney General to enforce the provisions in Act 550.

Ghanaians (89 percent) were of the opinion that corruption is widespread in the public sector, and only 23 percent thought the government was doing enough to fight the menace.

Promotion and Protection of the Rights of Women

The Domestic Violence Bill received a second reading in Parliament. The Labour Law provides for equal opportunity for training and working in the mining industry. The Law also criminalizes sexual harassment in the workplace.

Promotion and Protection of Children and Young Persons

Gross Enrolment Ratio has increased to 78.2 percent for Kindergarten, 89.9 percent for Primary, 73 percent for JSS and 29.06 for SSS as at September 2006.

All 138 districts have one NEPAD School Feeding Programme. All pupils board the Mass Metro Transport free of charge to and from school.

The Gender parity Index for Kindergarten is 1.03, for Primary 0.95, JSS is 0.93 and 0.79 for SSS.

The Domestic Violence and Victim Support Unit (DOVVSU) has been supported to set up 52 additional offices throughout the country.

A Bill on Domestic Workers is being developed.

Inadequate and insecure pensions

A White paper has been published on a Pension Review Commission which The Social Security and National Insurance Trust (SSNIT) has increased pension payments by 15 percent.

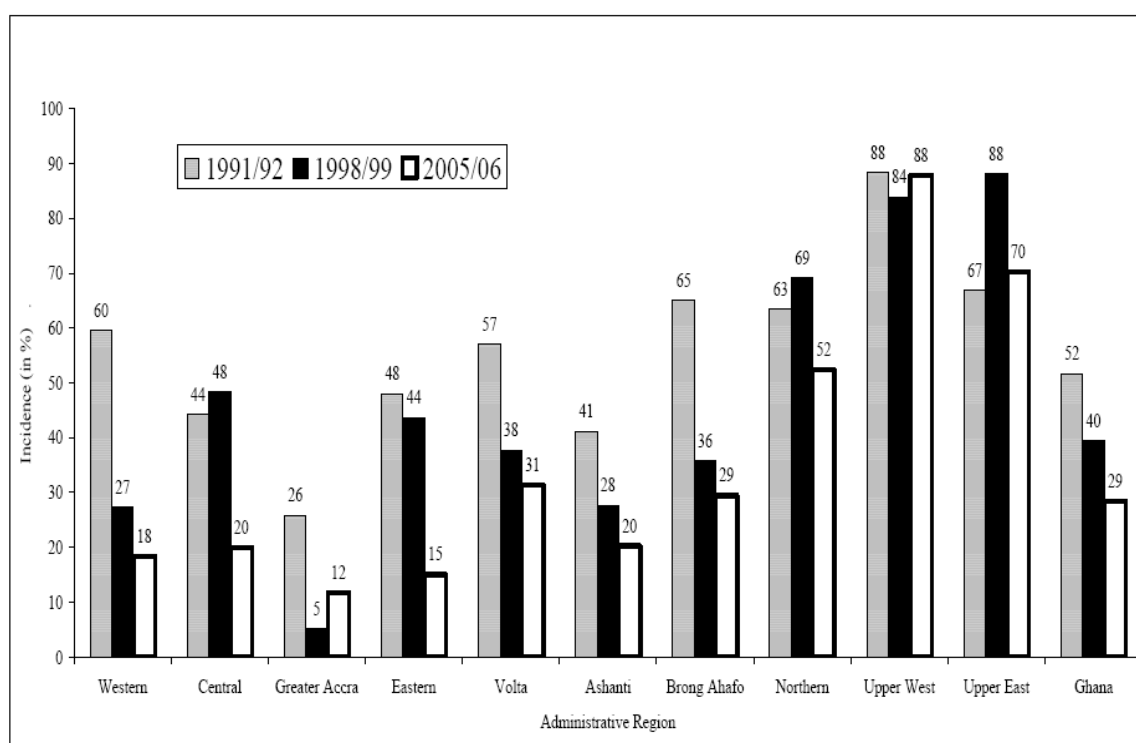
Ghana Partnership Strategy Aid Harmonisation and Effectiveness Targets				
Pillar	Indicator	Assessment Criteria	2004 Baseline	2010 Target
Ownership	(1) Countries have operational development strategies	<ul style="list-style-type: none"> • Coherent long-term vision • Medium term strategy derived from vision • Country specific development targets • Holistic, balanced, well-sequenced strategy • Capacity and resources for implementation 	Global: 9% rated A or B Ghana: C	Global: 75% rated A or B Ghana: B
Alignment	(2a) Reliable Country Public Financial Management Systems	<ul style="list-style-type: none"> • A comprehensive and credible budget linked to policy priorities • Effective financial management systems of budget expenditure and budget revenues • Timely and accurate fiscal reporting • Clear, balanced assignment of expenditures and revenues to each level of govt 	Global: na Ghana: 3.5	Global: ½ of countries move up at least one measure (0.5 points) on the PFM scale Ghana: 4.5
	(2b) Reliable Country Public Procurement Systems	<ul style="list-style-type: none"> • Legislative and regulatory framework • Institutional framework & management capacity • Procurement operations and market practice • Transparency & integrity of public procurement systems 	Global: na Ghana: C	Global: ⅓ of partner countries move up one measure (eg D to C, etc.) on the scale Ghana: B
	(3) Aid flows are aligned on national priorities	<ul style="list-style-type: none"> • Numerator: aid flows to the government sector reported on government's budget • Denominator: aid flows to the government sector scheduled for the fiscal year 	Global: 90% Ghana: ??	Global: halve the gap not on budget (minimum target of 85%) Ghana: 95%
	(4) Strengthen capacity by coordinated support	<ul style="list-style-type: none"> • Numerator: volume of technical cooperation (TC) provided through coordinated programmes in support of capacity devt • Denominator: total volume of TC provided at country level 	Global: 27% Ghana: 14% (7 responses)	Global: 50% of TC flows are through coordinated programmes Ghana: 50%

Ghana Partnership Strategy Aid Harmonisation and Effectiveness Targets

Pillar	Indicator	Assessment Criteria	2004 Baseline	2010 Target
Alignment	(5a) Use of country PFM systems (% of aid flows)	<ul style="list-style-type: none"> Numerator: aid flows that use country PFM systems Denominator: total aid flows to govt sector 	Global: not available Ghana: 59% (7 responses)	Global: depends on country rating Ghana: 75%
	(5a) Use of country PFM systems (% of donors)	<ul style="list-style-type: none"> Numerator: number of donors that use country PFM systems Denominator: total number of donors in a country 	Global: not available Ghana: 100% (7 responses)	Global: depends on country rating Ghana: 90%
	(5b) Use of country procurement systems (% of aid flows)	<ul style="list-style-type: none"> Numerator: aid flows that use country procurement systems (CPS) Denominator: total aid flows to govt sector 	Global: not available Ghana: 27% (5 responses)	Global: depends on country rating Ghana: 50%
	(5b) Use of country procurement systems (% of donors)	<ul style="list-style-type: none"> Numerator: number of donors that use country procurement systems Denominator: total number of donors in a country 	Global: not available Ghana: 100% (5 responses)	Global: depends on country rating Ghana: 90%
	(6) Avoid parallel implementation structures	Number of parallel project implementation units (PPIUs)	Global: 1652 PPIUs in 34 countries Ghana: 21 (8 responses)	Global: Reduce stock of PPIUs by two thirds Ghana: 7 (to confirm based on exit strategies)
	(7) Aid is more predictable	<ul style="list-style-type: none"> Numerator: aid flows disbursed within the fiscal year for which scheduled Denominator: aid flows scheduled for the fiscal year 	Global: 80% (2001-4 average) Ghana: 62% (2002)	Global: Halve the gap Ghana: 90%

Alignment	(8) Aid is untied	Numerator: Untied bilateral ODA commitments. Denominator: Total bilateral ODA commitments.	Global: 41% of reported aid was untied Ghana: not available	Global: Progress over time Ghana: TBD
Harmonisation	(9) Use of common arrangements or procedures	<ul style="list-style-type: none"> • Numerator: volume of aid released as programme-based approach (PBA) • Denominator: total aid flows 	Global: 43% Ghana: 50% (14 responses)	Global: 66% of aid flows are within PBAs Ghana: 75%
	(10a) Joint missions	<ul style="list-style-type: none"> • Numerator: number of donor missions to field by 2 or more donors or by 1 donor on behalf of other donor(s) • Denominator: total number of donor missions to the field 	Global: 15% of missions are joint Ghana: 14% (8 responses)	Global: 40% of missions are joint Ghana: 40%
	(10b) Joint country analytic work	<ul style="list-style-type: none"> • Numerator: number of country analytic reports undertaken by 2 or more donors jointly or by 1 donor on behalf of other donor(s) • Denominator: total number of country analytic reports 	Global: 30% (34 country sample) Ghana: no baseline available	Global: 66% of country analytic work is joint Ghana: TBD
Managing for Results	(11) Results-oriented frameworks	<ul style="list-style-type: none"> • Quality of development information • Stakeholder access to development information • Coordinated country level monitoring & evaluation 	Global: 4% rated A or B Ghana: C	Global: halve the gap (52% rated A or B) Ghana: B
Mutual Accountability	(12) Mutual Accountability	<ul style="list-style-type: none"> • Numerator: number of countries that undertake mutual assessments of commitments and development partnerships • Denominator: total number of countries 	Global: 9% (34 country sample) Ghana: no MA	Global: 100% have mutual assessment reviews Ghana: annual MA

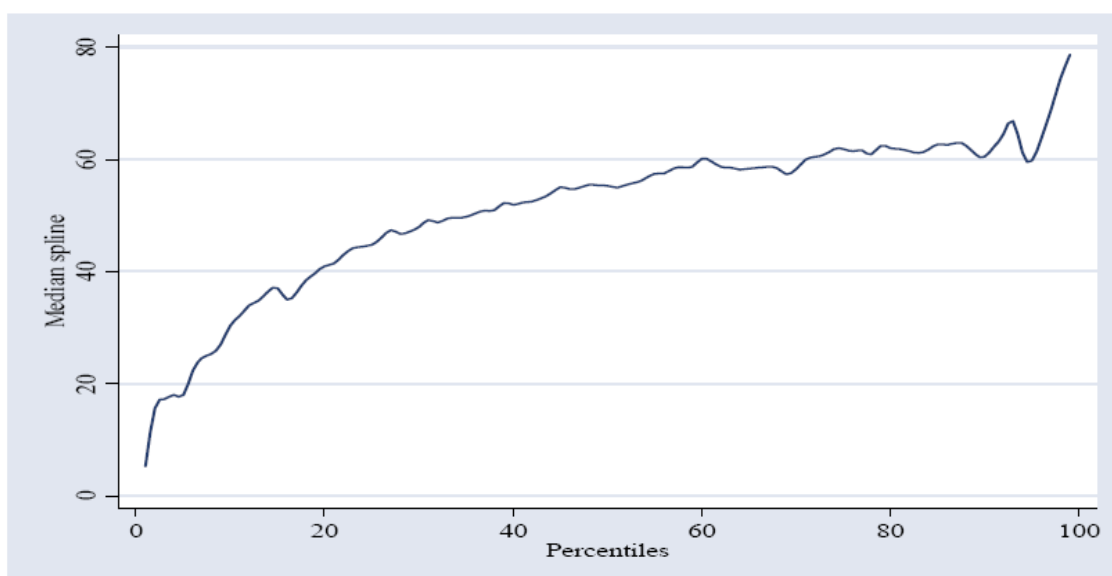
Poverty incidence by administrative region in 1991/92, 1998/99 and 2005/06



Source: Ghana Statistical Service, *Pattern and Trends of Poverty in Ghana 1991-2006*, April 2007

The survey also indicates that most of the poverty reduction has been concentrated in the Coastal region (both urban and rural), while the Northern Savannah region, which is already by far the poorest of the ecological zones, appears to have been left behind in the poverty reduction trend. Even though the poverty headcount index in the Northern Savannah region is smaller in 2006 than in 1998, the national trends in poverty results in an increasing share of the poor living in the rural savannah areas. While the rural savannah areas account for only 25% of the population in 2006, it accounted for just over 50% of the poor in Ghana.

Growth incidence curve at national level from 1991/92 to 2005/06



Source: Ghana Statistical Service, Pattern and Trends of Poverty in Ghana 1991-2006, April 2007

The graph above displays the growth rates in consumption across percentiles of population classified according to their consumption level at the beginning of the period. It shows that, over the period from 1991/92 to 2005/06, the richer you were (horizontal axis, closer to percentile), the more you gained from growth in terms of consumption (vertical axis, closer to 80). Even though growth appears to have benefited to all groups, it indicates that there has been an increase in inequality as indicated by the Gini coefficient, which increased from 0.353 to 0.394 over those 15 years. If there had been no change in inequality, the reduction in poverty would have reached 27.5 points, so that Ghana would have achieved the MDG target of reducing poverty by half versus its level of 1990. This target has not yet been achieved because the increase in inequality led to an increase in poverty of 4.3 points.

This underlines that efforts still have to be done to reduce disparities in the country, mainly in direction to northern regions and food crop farmers, and promote a real pro-poor growth. Further analysis by Ghana Statistical Service (GSS) and National Development Planning Commission (NDPC) is being made to specify those findings.

Economic Partnership Agreements.

The negotiations on the Economic Partnership Agreement (EPA) between the African, Caribbean and Pacific (ACP) countries and the European union (EC) were launched in Brussels on 27 September 2002. The opening Ministerial Conference decided that the negotiations would be conducted in two phases . In accordance with the relevant provisions of the Cotonou Agreement, the EPA shall enter into force no later than 1 January 2008.

Composition of EPAs.

EPAs are composed of several elements.

The primary building block of EPAs is the establishment of a free trade area, which progressively abolishes substantially all tariffs between the Parties, as well as all non tariff measures, such as quotas and measures having equivalent effect.

In this context and in order to increase economic efficiency, EPAs will also aim at simplifying all requirements and procedures related to imports and exports, drawing on the highest international standards. In fact, EPAs will address all area relevant to trade.

Free trade should not only extend to trade in goods, but also to trade in services. Indeed, the importance of trade in services in world trade is increasing and there are many examples of sectors wher ACP countries have a comparative advantage. Services are therefore potentially a significant source of growth for the ACP countries. In addition the service sector is increasingly becoming an important input to trade in goods and therefore a key determinant for a country's competitiveness.

EPA negotiations

The EPA negotiations between West Africa and the EC have been launched during the Ministerial meeting of October 2003 in Cotonou. In August 2004 the two parties have adopted a road map that defines priorities, time path and the structure of the negotiations.

The first phase of the negotiations took longer than foreseen as Western Africa, before launching the second phase of the negotiations, wanted (1) to finish the work on the impact of EPA on productive sectors, (2) define a programme for the improvement of the competitiveness and of the upgrading of industries, (3) to agree a reference framework for the EPA. The obstacles to the negotiations have only been taken away in February 2007 and the two parties have committed themselves to a satisfactory process and signature of the agreement. The accompanying measures, like the upgrading of industries, the absorption of the net fiscal impact of the EPA and the modalities of implementation for the regional EPA fund are being discussed in the Task Force for Regional Preparation (TFRP).

Special importance for Ghana being a non-LDC

As Ghana is a non-LDC the impact of non-signing of the EPA at the end of the year would be significant. Ghana would not qualify for the EBA regime, but would have to deal with the GSP regime. For West Africa, it is more than 1 billion Euro of trade which would be most probably lost, as the average tariff to be paid under GSP is in average

20%. £^% of today exports from Ivory Coast (700 millions Euro) would face a tariff of 27% against 0% under Cotonou and EPAs, for Ghana it is 25% of exports (240 million Euro) would be at risk, with a tariff of 8.4%. Main products are: bananas, pineapple, canned tuna, fish products, shrimps, textile clothing , cacao pasta and butter, aluminium, vegetables.

Rural Development Intervention Framework

Level of Target	Performance Indicators	Status 2005 (or latest available)	Sources of information / verification	Status 2006	Target 2007
Intervention / Programme level ²⁾	• % of rural population with access to safe drinking water.	52%	CWSA	53.18	54.73
	• Gross enrolment rate in basic schools (primary/ JSS) in the three Northern Regions:		Ministry of Education and Sport		
	- Northern (primary)	72.7%	(only annual rate available)	76.2%	83.7%
	- Upper East (primary)	80.4%		84.4%	87.8%
	- Upper West (primary)	77.3%		81.05%	85.5%
	- Northern (JSS)	51.5%		74.7%	N/A
	- Upper East (JSS)	51.5%		74.7%	N/A
	- Upper West (JSS)	59.6%		74.7%	N/A
• Number of reported cases of guinea worm	3981	GPRS progress report	4136	50% of previous year	
• Real agricultural growth rate*	6.5% (Jan-Sep)	GPRS progress report	5.24%	6.7%	

Transport Sector Performance Indicators

Road Agency/Road Type	2001	2002	2003	2004	2005	2006
	G-F-P	G-F-P	G-F-P	G-F-P	G-F-P	G-F-P
GHA – Trunk Roads	23-27-50	26-27-47	29-30-41	40-30-30	43-31-26	46-29-25
DFR – Feeder Roads	29-13-58	33-19-48	36-26-38	41-31-28	43-33-24	46-30-24
DUR – Urban Roads	27-19-54	25-18-57	29-17-54	30-17-53	30-17-53	34-15-51
National Summary	27-17-56	30-21-49	34-26-40	40-30-30	42-31-27	45-28-27

Table - Road Condition Mix (Good-Fair-Poor) for the Years 2001-2006²⁶

Activity	2001	2002	2003	2004	2005	2006
Routine Maintenance						
- planned	24,733	24,494	33,036	34,675	36,713	39,617
- approved	23,081	24,413	33,037	33,988	40,423	42,197
- achieved	21,615	13,981	28,185	27,649	32,559	33,800
Periodic Maintenance						
- planned	4,623	4,411	5,163	4,232	3,508	4,679
- approved	2,525	1,477	3,784	5,916	2,794	3,687
- achieved	1,699	1,477	2,670	5,564	2,567	2,489

Table - Road Maintenance Programme for 2001-2006 (in kilometres)

²⁶ The DFR 2005 and 2006 figures are based on a similar network size to the one in 2004, i.e. a road network of 32,600 km. In 2007, it will be agreed that, although it is acknowledged that the network may increase, only that part that is engineered and maintainable, should be part of the registered/vetted database for the road condition surveys.

Status of indicators in the education sector 2004-2006

Status of indicators in the education sector 2004-2006

POLICY OBJECTIVE	INDICATOR	Target in 2006	Indicator Level at 2004	Indicator Level at 2005	Indicator Level at 2006	Progress towards target
Increase access to and participation in education and training.	Gross Enrolment Ratio:					
	- Kindergarten	64.5%	54.58%	60.14%	75.20%	Exceeded
	- Primary	90.90%	86.3%	87.50%	92.10%	Exceeded
	- JSS	75.63%	70.20%	72.80%	74.70%	Steady progress
	Net Enrolment Rate:					
	- Kindergarten					
	- Primary	61.70	55.60%	59.10%	68.80%	Exceeded
	- JSS	Na	29.50%	70.30%	74.50%	Significant progress
Bridge Gender in access to education	Gender Parity Index:					
	- Kindergarten	1.00	0.98	0.98	1.03	Steady progress
	- Primary	1.00	0.93	0.93	0.95	Steady progress
	- JSS	0.94	0.88	0.88	0.93	Steady progress
Improve the quality of education	Proportion of students passing national assessment Examinations (BECE)	60%	61.30%		62%	Target exceeded
	Percentage of trained teachers:					
	- Kindergarten	37.40%	37.90%	32.70%	33.10%	Steady Progress
	- Primary	77.70%	73.90%	72.40%	70.80%	Target not achieved
- JSS	87.10%	84.20%	83.50%	85.50%	Steady progress	
Implement skills and entrepreneurial training for the unemployed youth	Proportion of the youth benefiting from skills/entrepreneurial training.	45%	Na	Na	Na	

Status of indicators in the health sector 2004-2006

POLICY OBJECTIVE	INDICATOR	Target in 2006	Indicator Level at 2004	Indicator Level at 2005	Indicator Level at 2006	Progress towards target
Increase access to healthcare and nutritional services	Outpatient per capita	0.6	0.52	0.54	0.52	Target not achieved
	<u>Vaccination coverage</u>					
	-Penta	90.0%	72.9%	85%	84%	Target not achieved
	-Measles	90.0%	78%	81%	79%	Target not achieved
	Supervised deliveries	60%	37.8%	40.3%	44.5%	Steady progress
	Incidence of guinea Worm	2000	7275	3981	4136	Target not achieved
Improve quality of health services	Population: doctor ratio	1: 10,500	1: 17,773	1: 16,000	1: 10,380	Significant progress
	Population: nurse ratio	1:1,500	1: 1,513	1: 1,800	1:1,578	Steady progress
	Health expenditure as percentage of GDP	***	12.0%	16.8%	***	
Ensure financial arrangement that protect the poor	NHIS coverage of indigents	Na		79,008 (2.0%)	140,994(1.8%)	
Reduce new HIV infections	HIV prevalence among pregnant women					
	National			2.7%	3.2%	
	15-19			0.8%	1.4%	
	20-24			2.4%	2.4%	
	25-29			3.6%	4.2%	
Prevent and control Malaria	Malaria case fatality in children under five years.	2	2.7	2.4	2.1	Steady Progress
	<u>ITN coverage of at risk groups</u>					
	-Children under five	56	9.1	26	32.3	Target not achieved
	-Pregnant women	56	7.8	26.8	46.3	Significant progress

Financial Situation

- Table 1 - Summary of EU Assistance to Ghana 2001-2006 (including EIB's Risk Capital)
- Table 2 – 7th EDF Financial Reporting
- Table 3 – 8th EDF Financial Reporting
- Table 4 - 9th EDF Financial Reporting
- Table 5 – Decision and Disbursement Rates from 7th EDF 2003-2006
- Table 6 – Decision and Disbursement Rates from 8th and 9th EDF 2003-2006
- Table 7 – EDF disbursements in Ghana 2002-2006
- Budgetary Support / Use of counterpart funds
- Budget Lines

TABLE 1 (in million €)						
Summary of European Union Assistance to Ghana (2001 - 2006)						
	Allocation	Decision	% of Allocation	Disbursements	% of Allocation	Disbursements in 2006
European Development Fund (EDF)						
EDF 4 - NIP	50.0	50.0	100%	50.0	100%	0.0
EDF 5 - NIP	46.7 ⁽¹⁾	46.7	100%	46.7	100%	0.0
EDF 6 - NIP	97.5	97.0	99.7%	96.2	98.7%	-
EDF 7 - NIP	109.4	100.3	91.7%	105.3	96.3%	0.6
EDF 7 - (Balance from EDF 5)	13.3 ⁽¹⁾	11.8	88.7%	11.4	85.7%	0
EDF 8	130.0	130.0	100.0%	118.5	91.2%	20.2
EDF 9	231.0	231.0	100.0%	57.1	24.7%	36
Structural Adjustment Facility - EDF 7	87.2	87.1	100%	87.1	99.9%	0.0
Structural Adjustment Facility - EDF 8	84.6	84.6	100%	84.4	99.8%	0.4
Stabex - EDF 4	5.2	5.2	100%	5.2	100.0%	0.0
Stabex - EDF 5	85.4	85.4	100%	85.4	100.0%	0.0
Stabex - EDF 6	-	-	-	-	-	-
Stabex - EDF 7	50.6	50.6	100%	50.6	100.0%	0.0
Risk Capital - EDF 4	2.3	2.3	100%	2.3	100.0%	0.0
Risk Capital - EDF 5	16.0	16.0	100%	13.6	85.0%	0.0
Risk Capital - EDF 6	23.0	23.0	100%	22.0	95.7%	0.0
Risk Capital - EDF 7	1.7	1.7	100%	1.7	100.0%	0.0
Risk Capital - EDF 8	40.0	13.0	32.5%	3.0	7.5%	0.0
Interest rate subsidies - EDF 4	1.9	1.9	100%	1.9	100.0%	0.0
Interest rate subsidies - EDF 6	3.2	3.2	100%	3.2	100.0%	0.0
Interest rate subsidies - EDF 7	13.5	13.5	100%	9.9	73.3%	0.0
Emergency Aid - EDF 4	2.7	2.7	100%	2.7	100.0%	0.0
Emergency Aid - EDF 5	3.8	3.8	100%	3.8	100.0%	0.0
Emergency Aid - EDF 7	1.3	1.3	100%	1.3	100.0%	0.0
Total - all EDF⁽²⁾	1,100.3	1,062.1	96.5%	863.3	78.5%	57.2

(1) The 5th EDF, which had an initial allocation of euro 60 million, was closed at the level of euro 46.7 million. The balance of euro 13.3 million was transferred to the 7th EDF and appears separately in the column "allocation".

(2) The portion of EDF Regional Projects disbursed in Ghana is not available and is therefore not included in this table

(3) The euro 40 million indicative allocation for the EIB under the 8th EDF NIP is entirely classified as risk capital for the time being

GHANA - 7TH EDF Financial Reporting
Breakdown of EDF decision by Economic Sector (*)
Period ending at 31:12:2006

TABLE 2
(In €)

Project No.	Project Title	Decision		Commitment			Disbursement		
		at 31:12:2006	In 2006	at 31:12:2006	In 2006	Balance	at 31:12:2006	In 2006	Balance
	1. Rural Development:	42,537,687	(900,000)	42,423,008	(686,541)	114,679	41,815,675	37,994	607,333
*7.019	Rural Bank Scheme	289,776	-	289,776	-	-	289,776	-	-
*7.020	Twifo Smallholder Oil Palm	483,782	-	483,782	-	-	483,782	-	-
*7.016	Aveyime Livestock Development	56,900	-	56,900	-	-	56,900	-	-
7.025	WERADEP - Pre-project study	503,150	-	503,150	-	-	503,150	-	-
7.005	WERADEP - Appraisal	118,156	-	118,156	-	-	118,156	-	-
7.031	Microprojects III	4,882,430	-	4,882,430	-	-	4,882,430	-	-
7.037	Protected Areas TA Tender (MGM)	47,276	-	47,276	-	-	47,276	-	-
7.034	Small Town Water Supply - Study	98,790	-	98,790	-	-	98,790	-	-
7.053	Small Town Water Supply - TA	657,479	-	657,479	-	-	657,479	-	-
7.045	Decentralised Cooperation	1,054,149	(200,000)	1,034,144	(186,000)	20,005	920,638	-	113,506
7.049	Self Help Electrification - Evaluation	58,055	-	58,055	-	-	58,055	-	-
*7.051	Microprojects IV	4,990,590	-	4,990,590	-	-	4,990,590	-	-
7.055	Microproject IV - 2nd Tranche	3,903,386	-	3,903,386	-	-	3,903,386	-	-
7.059	Rural Electrification Project	74,748	-	74,748	-	-	74,748	-	-
7.064	Rural Electrification Project	9,300,000	(200,000)	9,292,223	(146,918)	7,777	9,194,541	6,176	97,682
7.060	5th Microproject Workshop - TA	29,678	-	29,678	-	-	29,678	-	-
7.061	Small Town Water Supply - AR, BA, WR	13,600,000	(500,000)	13,579,302	(330,381)	20,698	13,486,292	(381)	93,010
7.067	Rural Water Supply Project - N/Region	91,511	-	91,511	-	-	91,511	-	-
7.070	Small Towns Water & Sanitation Project	80,000	-	73,760	-	6,240	69,791	-	3,969
7.077	Small Towns Water & Sanitation Project - C/R	1,997,000	-	1,968,878	(23,242)	28,122	1,685,570	32,199	283,308
7.074	Monitoring & Evaluation Study - AGSSIP	63,381	-	31,544	-	31,837	31,544	-	-
7.078	Elaborate Feasibility of PADP II	78,400	-	78,400	-	-	62,542	-	15,858
7.079	Final Evaluation & Audit of PADP	79,050	-	79,050	-	-	79,050	-	-
	2. Transport Infrastructure	15,559,931	(580,000)	15,507,967	(448,683)	51,964	15,390,081	38,553	117,886
7.043	Transport Infrastructure Programme II	9,307,520	(200,000)	9,288,995	-165,500	18,525	9,194,691	8,043	94,304
*7.040	Transport Infrastructure Programme II	5,529,442	(250,000)	5,496,003	(283,183)	33,439	5,473,787	-	22,216
7.046	Monitoring & Audit of Stabex Roads	68,455	-	68,455	-	-	68,455	-	-
7.069	TA to the Donors' Joint Evaluation	34,514	-	34,514	-	-	34,514	-	-
7.081	Feasibility & Design for Feeder Road	620,000	(130,000)	620,000	-	-	618,634	30,510	1,366
	3. Private Sector Development	11,565,993	(400,000)	11,330,043	4,129	235,950	10,627,584	474,869	702,458
7.004	GRATIS - Phase II	2,929,780	-	2,929,780	-	-	2,929,780	-	-
*7.017	NIB 2nd Line of Credit	13,893	-	13,893	-	-	13,893	-	-
7.006	TA - Woodworking Sector	319,900	-	319,900	-	-	319,900	-	-
7.054	Woodworking Sector Dev. Programme	3,450,000	(400,000)	3,288,627	-	161,373	3,288,626	-	-
7.052	Adviser to the Min. of Lands & Forestry	184,421	-	184,421	-	-	184,421	-	-

TABLE 2 - continued

Project No.	Project Title	Decision		Commitment			Disbursement		
		at 31:12:2006	In 2006	at 31:12:2006	In 2006	Balance	at 31:12:2006	In 2006	Balance
7.042	Draft Fin. Prop. - study (woodworking sector)	17,201	-	17,201	-	-	17,201	-	-
7.009	Private Sector Development - Feasibility study	127,849	-	127,849	-	-	127,849	-	-
7.014	SME Development Programme	2,209,675	-	2,209,675	-	-	2,209,675	-	-
7.066	Ghana Poverty Reduction	162,316	-	162,316	-	-	162,316	-	-
7.068	EDF Project Adviser	60,948	-	60,948	-	-	60,948	-	-
7.075	Study of the Mining Sector	78,386	-	78,386	-	-	78,386	-	-
7.076	Institutional Strengthening of NAO's Office	1,885,000	-	1,822,729	4,129	62,271	1,120,271	474,869	702,458
7.080	Preparation of a Financing Proposal	65,875	-	53,569	-	12,306	53,569	-	-
7.082	Final Evaluation of WSPD	60,749	-	60,749	-	-	60,749	-	-
	4. Social Sector	7,435,804	(2,790,000)	7,344,803	(2,230,009)	91,001	7,111,120		233,683
	Education & Training	6,160,337	(2,140,000)	6,108,576	(1,830,009)	51,761	5,969,132		139,444
7.028	Inter University Link - UG/V.U.B	1,195,333	-	1,195,333	-	-	1,195,333	-	-
7.022	Reintegration of African Nationals Ph. II	324,142	-	324,142	-	-	324,142	-	-
*7.015	Multianual Training Programme	122,031	-	122,031	-	-	122,031	-	-
7.039	Seminar on EDF Financial Procedure	18,954	-	18,954	-	-	18,954	-	-
7.008	Human Resources - Study	42,147	-	42,147	-	-	42,147	-	-
7.041	Human Resources Development Programme	2,850,000	(950,000)	2,802,312	(640,009)	47,688	2,775,606	-	26,706
7.062	European Film Festival	14,171	-	14,171	-	-	14,171	-	-
7.063	TA - Preparation of Note of Gen. Info.	1,451	-	1,451	-	-	1,451	-	-
7.071	Support to the provision of Photo ID	667,000	(390,000)	667,000	(390,000)	-	666,578	-	422
7.072	Support to 2000 Elections	886,765	(800,000)	882,692	(800,000)	4,073	770,376	-	112,316
7.073	9th EDF Programming Exercise	38,343	-	38,343	-	-	38,343	-	-
	Health	1,275,467	(650,000)	1,236,227	(400,000)	39,240	1,141,988		94,239
7.047	Economic, Social & Health Review	15,326	-	15,326	-	-	15,326	-	-
7.050	Support for STD & HIV/AIDS Control	1,247,000	(650,000)	1,207,760	(400,000)	39,240	1,113,521	-	94,239
7.057	Ghana Health Sector - TA	13,141	-	13,141	-	-	13,141	-	-
	5. Trade & Tourism	101,844		101,844			101,844		
7.013	Trade Fairs - Pret A Porter, Paris	25,000	-	25,000	-	-	25,000	-	-
7.027	Pret A Porter Paris	39,094	-	39,094	-	-	39,094	-	-
7.033	Participation Salon Paris/D'Dorf	37,750	-	37,750	-	-	37,750	-	-
	6. Programme Aid - NIP	30,234,605		30,234,605			30,234,605		
7.003	GIP I - NIP	11,000,000	-	11,000,000	-	-	11,000,000	-	-
7.036	GIP IV - NIP	4,334,605	-	4,334,605	-	-	4,334,605	-	-
7.048	GIP V - NIP	14,900,000	-	14,900,000	-	-	14,900,000	-	-
	Total NIP	107,435,864	(4,670,000)	106,942,270	(3,361,104)	493,594	105,280,909	551,416	1,661,360

Project No.	Project Title	Decision		Commitment			Disbursement		
		at 31:12:2006	In 2006	at 31:12:2006	In 2006	Balance	at 31:12:2006	In 2006	Balance
7.002	GIP I - SAF	9,000,000	-	9,000,000	-	-	9,000,000	-	-
7.012	GIP II - SAF	28,860,000	-	28,860,000	-	-	28,860,000	-	-
7.030	GIP III - SAF	32,200,000	-	32,200,000	-	-	32,200,000	-	-
7.035	GIP V - SAF	17,000,000	-	17,000,000	-	-	17,000,000	-	-
7.001	STABEX - 90	6,889,065	-	6,889,065	-	-	6,889,065	-	-
7.007	STABEX - 91	16,430,110	-	16,430,110	-	-	16,430,110	-	-
7.023	STABEX - 92	4,883,722	-	4,883,722	-	-	4,883,722	-	-
7.029	STABEX - 93	16,381,086	-	16,381,086	-	-	16,381,086	-	-
7.044	STABEX BALANCE 1990-94	5,997,477	-	5,997,477	-	-	5,997,477	-	-
	Total non-NIP	137,641,460		137,641,460			137,641,460		
	Grand Total	245,077,324	(4,670,000)	244,583,730	(3,361,104)	493,594	242,922,369	551,416	1,661,360

*Project carried over from the 5th EDF or financed with funds transferred from the 5th EDF

Original Allocation	109,400,000
Transfer from 5th EDF	13,286,459
Total Allocation	122,686,459
Decision/Allocation	87.6%
Commitment/Allocation	87.2%
Disbursement/Allocation	85.8%

GHANA - 8TH EDF Financial Reporting
Breakdown of EDF decision by Economic Sector
Period ending at 31:12:2006

TABLE 3
(In €)

Project No.	Project Title	Decision		Commitment			Disbursement			Status
		at 31:12:2006	In 2006	at 31:12:2006	In 2006	Balance	at 31:12:2006	In 2006	Balance	
	1. Transport Infrastructure	56,000,000	-	55,813,706	359,081	186,294	44,740,268	9,967,096	11,073,438	
8.009	Transport Infrastructure Prog. -Ph III	56,000,000	-	55,813,706	359,081	186,294	44,740,268	9,967,096	11,073,438	AC
	2. Rural Development	38,065,887	(2,700,000)	36,896,562	1,301,137	1,169,325	30,644,509	2,801,758	6,252,053	
8.008	5th Microproject - Phase I	2,701,692	-	2,675,686	-	26,006	2,662,433	-	13,253	EXP
8.010	5th Microproject - Phase II	20,550,000	(2,700,000)	20,470,065	(2,397,337)	79,935	19,946,390	(157,364)	523,675	EXP
8.012	Agric Services subsector appraisal	14,195	-	14,195	-	-	14,195	-	-	EXP
8.019	Rural Water Supply in Northern Region	14,800,000	-	13,736,616	3,698,474	1,063,384	8,021,491	2,959,122	5,715,125	EXP
	3. Programme Aid - NIP	13,000,000	-	12,492,201	-	507,799	12,487,523	-	4,678	
8.023	Structural Adjustment Support (NIP)	13,000,000.00	-	12,492,201	-	507,799	12,487,523	-	4,678	AC
	4. Social Sectors & Others	19,119,000	-	18,984,407	46,489	134,593	18,199,435	1,253,288	784,972	
8.002	Support to Audit Service	3,511,000	-	3,415,219	(89,850)	95,781	3,212,073	10,482	203,146	EXP
8.003	Health Sector support	11,000,000	-	10,982,003	-	17,997	10,907,309	-	74,694	EXP
8.004	Support to Health Sector - Follow Up	4,700	-	4,700	-	-	4,700	-	-	CL
8.006	EDF Project Adviser	69,937	-	69,937	-	-	69,937	-	-	CL
8.007	UEMOA - Economic & Monetary study	99,477	-	99,477	-	-	99,477	-	-	CL
8.011	GRATIS Phase III	4,350,000	-	4,329,185	136,339	20,815	3,822,053	1,242,806	507,132	AC
8.016	Diognostic study of the RTD	8,613	-	8,613	-	-	8,613	-	-	CL
8.026	Preparation for Cultural Programme	31,144	-	31,144	-	-	31,144	-	-	CL
8.028	Prequalification Dossiers PMU of MSS	44,129	-	44,129	-	-	44,129	-	-	CL
	Total NIP	126,184,887	(2,700,000)	124,186,876	1,706,707	1,998,011	106,071,735	14,022,142	18,115,141	
	5. Transfer from 9th EDF									
8.027	Mining Sector Support Programme	40,000,000	-	31,430,917	1,106,358	9,675,441	12,379,232	6,139,904	24,085,231	AC
	Total with transfers	166,184,887	(2,700,000)	155,617,793	2,813,065	11,673,452	118,450,967	20,162,046	42,200,372	
8.005	SAF	10,577,063	-	10,577,063	-	-	10,577,063	-	-	CL
8.021	SAF	22,100,000	-	22,100,000	-	-	22,100,000	-	-	CL
8.022	SAF	3,315,000	-	3,315,000	-	-	3,315,000	-	-	CL
8.024	SAF	37,900,000	-	37,837,703	(2,343)	62,297	37,655,764	358,358	181,939	EXP
8.025	SAF	4,900,000	-	4,900,000	-	-	4,900,000	-	-	CL
	Total non-NIP	78,792,063	-	78,729,766	(2,343)	62,297	78,547,827	358,358	181,939	
	Grand Total	244,976,950	(2,700,000)	234,347,559	2,810,722	11,735,749	196,998,794	20,520,404	42,382,311	

Total Allocation 130,000,000
Decision/Allocation 127.8%
Commitment/Allocation 119.7%
Disbursement/Allocation 91.1%

AC - Active
EXP - Expired
CL - Closed

GHANA - 9TH EDF Financial Reporting
Breakdown of EDF decision by Economic Sector
Period ending at 31:12:2006

Table 4
(In €)

Project No.	Project Title	Decision		Commitment		Disbursement	
		at 31:12:2006	In 2006	at 31:12:2006	In 2006	at 31:12:2006	In 2006
	1. Transport Infrastructure	78,515,000	14,865,000	52,734,415	52,121,205	6,921,050	6,921,050
9.004	Feasibility and Design Studies - Tech-Kinta	615,000	(135,000)	613,210	-	122,642	122,642
9.014	Feeder Roads Improvement Project (FRIP)	27,000,000	-	11,306,550	11,306,550	2,465,210	2,465,210
9.015	Rehabilitation of Kumase-Techiman Rd. Lot 2	35,900,000	-	31,414,655	31,414,655	3,073,967	3,073,967
9.019	Transport Sector Planning & Integ. Program	5,000,000	5,000,000	-	-	-	-
9.021	Rider No. 3 - Augmentation	10,000,000	10,000,000	9,400,000	9,400,000	1,259,231	1,259,231
	2. Rural Development	58,462,938	202,938	22,504,804	16,340,491	10,735,631	8,888,230
9.002	Mapping & Monitoring system for Develop.	1,700,000	-	1,443,014	132,414	644,817	126,209
9.003	Private Sector Development	75,000	-	17,650	-	17,463	-
9.005	Cultural Heritage & Local Dev. In Elmina	1,985,000	-	1,976,900	(8,100)	1,499,817	641,252
9.010	Protected Area Dev. Programme - Phase II	6,500,000	-	3,328,712	2,676,952	634,662	403,407
9.011	6th Microproject Programme	25,000,000	-	13,234,158	11,034,855	7,938,872	7,718,994
9.016	STWS Project in Central & Western Regions	23,000,000	-	2,504,370	2,504,370	-	-
9.018	Protected Area Dev. Programme - Phase II(Ex 6/45)	202,938	202,938	0.31	0.31	-	(1,632)
	3. Programme Aid - NIP	63,995,000	-	61,430,155	1,026,873	55,953,157	19,711,416
9.006	Technical Cooperation Facility	1,995,000	-	1,424,755	1,026,873	748,049	511,416
9.007	Poverty Reduction Budget Support	62,000,000	-	60,005,400	-	55,205,108	19,200,000
	4. Governance & Non Focal Sectors	17,388,200	5,000,000	8,015,720	5,007,232	2,718,804	457,776
9.001	Support to Audit Service	800,000	-	800,000	-	712,015	29,800
9.008	Strengthening, Monitoring Capacities-MoFA	1,989,200	-	1,322,844	1,064,356	574,783	555,970
9.009	Support to the 2004 Ghana Elections	1,999,000	-	1,454,376	(495,624)	1,306,255	(253,745)
9.012	Support to Ghana Audit Service Ph. II	4,600,000	-	3,615,000	3,615,000	-	-
9.013	Support for Local Governance	3,000,000	-	740,900	740,900	125,751	125,751
9.017	Cultural Initiative Support Programme	2,000,000	2,000,000	82,600	82,600	-	-
9.020	Support to the NAO's Office	3,000,000	3,000,000	-	-	-	-
	Total NIP	218,361,138	20,067,938	144,685,094	74,495,801	76,328,642	35,978,472

Total Original Allocation	231,000,000
Total Present Allocation	235,272,910
Decision/Allocation	92.8%
Commitment/Allocation	61.5%
Disbursement/Allocation	32.4%

TABLE 5

**Decision & Disbursement rates in %
for 7th EDF from 2003 - 2006
in Million Euros**

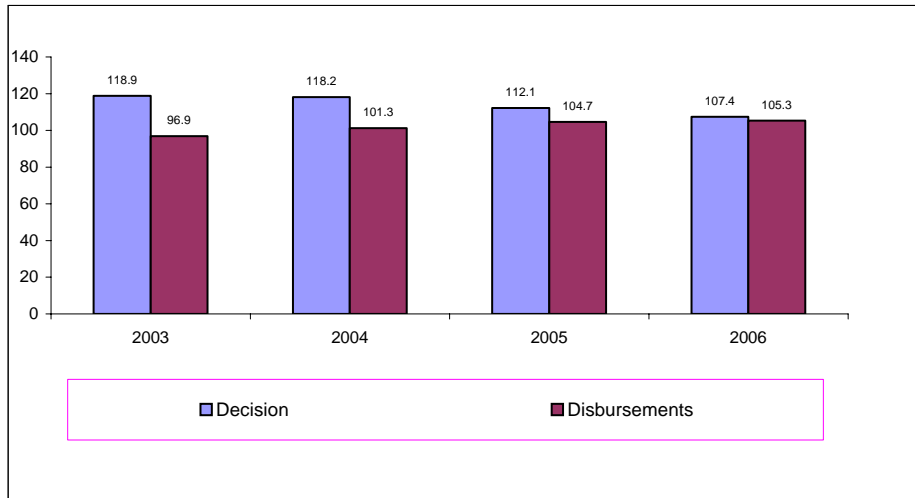


TABLE 6

**Decision & Disbursement rate for 8th & 9th EDF NIP
In % from 2003 - 2006**

In Million Euros

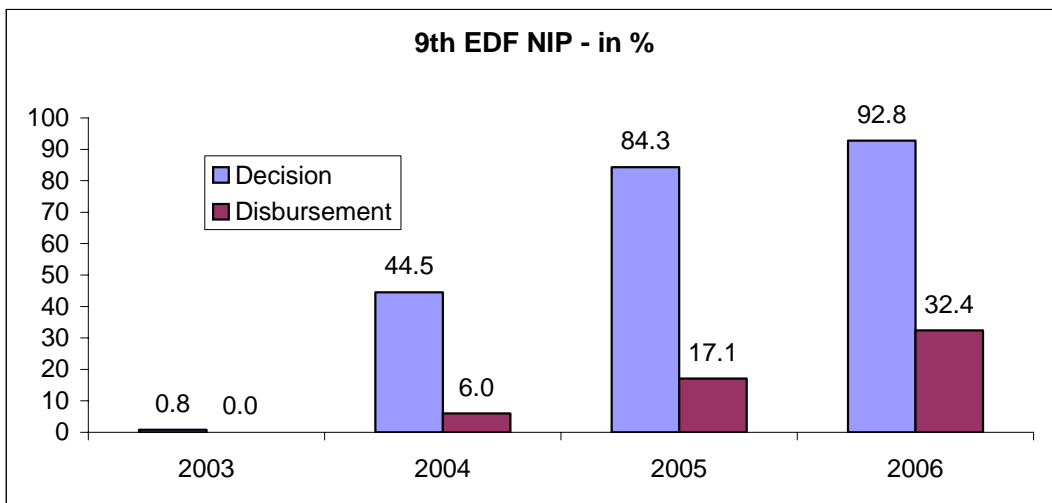
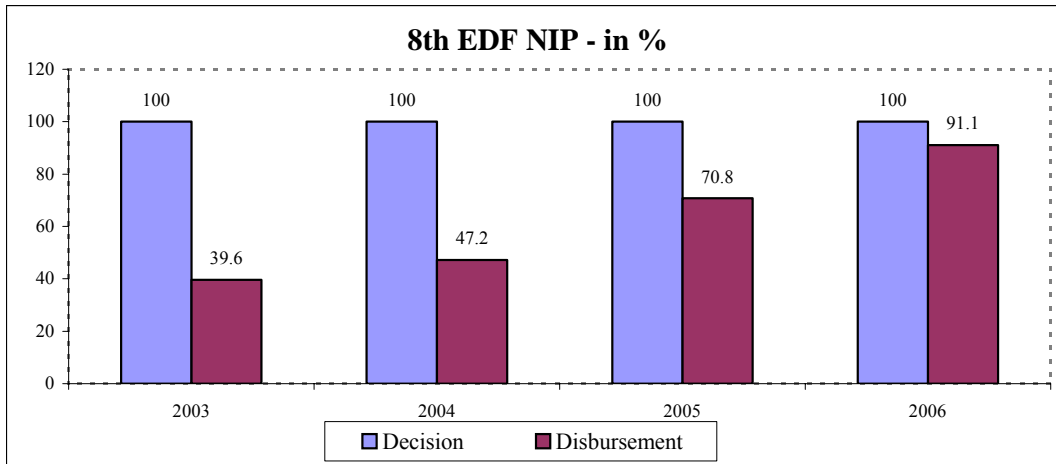


TABLE 7

EDF DISBURSEMENTS IN GHANA 2002 - 2006						
(Managed by the European Commission (in million €)						
	2002	2003	2004	2005	2006	Total
6th EDF/NIP	0.6	(0.8)	0.3	-	-	0.1
7th EDF/NIP (*)	12.4	8.1	4.6	5.1	0.6	30.8
8th EDF/NIP	11.6	26.7	9.9	35.7	20.2	104.1
9th EDF/NIP	-	-	14.1	26.3	16.8	57.2
Total NIP	24.6	34.0	28.9	67.1	37.6	192.2
SAF	22.2	29.1	15.9	0.4	0.4	68.0
Stabex	-	-	-	-	-	-
Total Non-NIP	22.2	29.1	15.9	0.4	0.4	68
Grand Total	46.8	63.1	44.8	67.5	38.0	260.2

NB: The table does not include aid managed by the EIB (either from the EDF or from its own resources) as well as disbursements from regional funds, emergency and food aid and the Commission's budget

(*) The amount of 19.7 million in 1998 includes 14.9 million General Import Programme financed through the National Indicative Programme.

Budgetary Support / Use of Counterpart Funds

Budgetary Support in 2006

Project Number	Project Name	Tranche	Amount Paid (€)	Comments
9 ACP GH 007	Poverty Reduction Budgetary Support 2	Base Tranche 2006	12,000,000	Released in March 2006
9 ACP GH 007	Poverty Reduction Budgetary Support 2	Performance Tranche 2006	7,200,000 out of 12,000,000	EC considered two triggers were not met, as a result only 60% of the performance tranche was disbursed in August 2006.

For detailed comments see section 3.3 *Macro-economic support* on page 15.

Use of Counterpart Funds

COUNTERPART FUND MANAGEMENT TABLE - Year Ending 31/12/ 2006

C. nb	Commitment Title Payments	Type contract Contractor	Amount planned	Amount committed	Payments to date	Balance (RAP)
	Bank balance available as at September 2006		34,392,884,799	34,392,884,799	-	
	Inflow in October 2006 (GPHA Loan repaid)		3,222,265,431	3,222,265,431		
	Total amount available		37,615,150,230	37,615,150,230	37,615,150,230	
1	CRIG - Supply of Server (paid Oct. 2006)	Supply	39,412,950	39,412,950	39,412,950	-
2	PE Microprojects - 79 Core Districts Additional facilities (school buildings) Initial Advance	PE PMU-MPP	25,361,616,356	25,361,616,356	12,680,808,178	12,680,808,178
3	Painting of Elmina Castle	Works	650,000,000	629,107,362		629,107,362
4		Supervision	55,000,000	54,947,000		54,947,000
5	Harmonisation Agenda High Level Forum 3	PE?	3,000,000,000			
6	Internal Audit Agency IT Equipments	Supply tender	729,000,000	729,000,000		
7	Training to IAA	Service tender	1,271,000,000	1,271,000,000		
8	Cocoa Museum	Works + supervision	1,500,000,000			
9	Support to Kente traditions and culture (proposal from NGO for grant in direct agreement)	Grant with dero from HQ	3,400,000,000			
10	Old Accra (outside wall and toilets)	CA UNESCO Centralised mngt.	720,000,000	600,000,000		
11	Booklet Elmina (direct agreement with Urban Solutions)	Services Urban Solution	750,000,000	437,500,000		
	Elmina Support to Homeowners and tourism activities (direct agreement with Urban Solutions)	Dero CDD		312,500,000		
	Total Amount to date		37,476,029,306	29,435,083,668	12,720,221,128	16,714,862,540
	Balance to date		139,120,924	8,180,066,562	24,894,929,102	

Budget Lines – New Grant Contracts signed in 2006

Grant Contracts signed in 2006

FINANCING SOURCE: Budget line 21.02.03						
Grants awarded under Call for Proposals Publication reference code EuropeAid/122438/C/G						
A. Budget Year 2005/2006						
Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.
BASICNEEDS	Ensuring secure Livelihoods for the poor People with mental illness...	Ghana	36	€750,000.00	73.91%	ONG-PVD/2006/118-719
COSPE	SMESS II-SMALL/MICRO ENTERPRISES SUPPORT SYSTEM.- GHANA	Ghana	48	€724,458.00	75.00%	ONG-PVD/2006/119-145
FINANCING SOURCE: Budget line 21.02.13						
Grants awarded under Call for Proposals Publication reference code: EuropeAid/122-670/M/G/TG/CDC						
FINANCING SOURCE: Budget line 19.02.03						
Grants awarded under Call for Proposals Publication reference code: EuropeAid/122-511/AENEAS						
Republic of Ghana	Countering Document Fraud	Ghana	36	€1,832,463.10	75.13%	2006/120-219
FINANCING SOURCE: Budget line 19.04.05						
Grants awarded without a Call for Proposals						
Beneficiary: Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.
Contribution Agreements with Int. Organisations						
Beneficiary: Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.

Forecast Commitments and Disbursements 2007

GHANA

	FORECASTS 2007										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
New Global Commitments	23.250.000					81.800.000					105.050.000
New Individual Commitments	75.984.368	58.211.119	12.449.566	5.323.683	64.435.902	37.669.000	14.781.063	15.447.302	7.440.635	45.059.532	109.495.434
Payments	45.014.886	34.485.605	7.375.409	3.153.872	38.173.310	33.339.512	13.082.201	13.671.866	6.585.445	19.918.134	58.091.444
Decommitments back to the NIP	3.492.715										3.492.715
Decommitments to recommit	2.394.366										0
Reduction of Old RAL	28.440.527	19.468.600	6.181.055	2.790.872	22.559.128	22.229.512	10.034.201	6.981.866	5.213.445	13.525.134	36.084.262

	FORECASTS 2008										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
Engagements Individuels	34.375.000	23.824.826	8.818.970	1.731.204	28.234.311	4.030.000	1.856.729	1.858.242	315.030	2.785.849	31.020.160
Payments	50.752.242	35.175.660	13.020.582	2.556.000	41.685.951	26.902.500	12.394.700	12.404.800	2.103.000	18.597.100	60.283.051

	SITUATION on 01/01/2007		SITUATION on 31/12/2007	
	ALL PROJECTS	PROJETS decided before YEAR 2002	ALL PROJECTS	PROJETS decided before YEAR 2002
R A L				
Σ Ongoing GLOBAL COMMITMENTS	395.991.014	160.302.814	499.788.664	159.657.359
R A C	82.162.890	2.048.084	76.465.106	1.462.629
R A P	101.686.454	18.951.966	150.850.080	-14.076.341
R A L	183.849.345	21.000.050	227.315.186	-12.613.713
% RAL / Σ GLOBAL COMMIT.	46%	13%	45%	-8%
Nbr of years to absorber RAL	3		4	

	Amount	Nbr
Ceiling increase riders	1.300.000	#N/A
Extension Date		0
Réaménagement budgétaire		1
Modification DTA		1
Total number of projects		133

GLOBAL COMMITMENTS ON AVAILABLE EDF ALLOCATIONS UNTIL END 2007

SUMMARY of	AMOUNT
CUMULATED TOTAL GLOBAL COMMITMENTS on 31/12/2006	211.217.786
TOTAL NEW GLOBAL COMMITMENTS FORSEEN in 2007	105.050.000
TOTAL GLOBAL COMMITMENTS	316.267.786

SUMMARY of	AMOUNT
COUNTRY ENVELOPE A & B AT 31-12-2006 avant ETR	287.037.678
DECOMMITMENTS OVER THE PERIOD OF 2007	3.492.715
TOTAL EDF AVAILABLE COUNTRY RESOURCES	283.544.963
USE OF AVAILABLE RESSOURCES in %	111,54%
EDF COUNTRY RESSOURCES THAT COULD BE LOST	-32.722.823