

GHANA

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About Ghana

- Around 22.9 million people live in Ghana. Population growth is about 2% a year (World Bank Stats 2007).
- Economic growth has increased steadily since 2000 with annual GDP increasing from 3.7 % in 2000 to 6.5% in 2006/07 (World Bank 2007 and Government of Ghana figures).
- The average national income (GNI) per person is US\$520 (compared to US\$ 40,180 in the UK). (World Development Indicators, World Bank 2007).
- Less than a third of Ghanaians live below the national poverty line (**Poverty has fallen from 52% in 1991/92 to 28 % in 2005/6 - Ghana Living Standards Survey 2005/6**).
- Ghana is considered an 'island of peace and stability' in the West Africa Sub-Region. The country has had four consecutive free and fair elections and democracy and freedom of expression is deepening.
- For Ghana's progress against the MDG's (Maternal and Child mortality, primary school enrolment etc), see section overleaf.

DFID: Working to reduce poverty in Ghana

Between 2005 and 2007, DFID provided over £205 million in support of Ghana's Poverty Reduction Plans. From 2008 – 2010, DFID will provide at least £250 million in aid to Ghana of which 86% will be in the form of **Poverty Reduction Budget Support (PRBS)**. Ghana continues to receive debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) - \$160 million in 2008 - and is benefiting from the Multilateral Debt Relief Initiative (MDRI) in the order of \$4 billion over the next 40 years from 2005.

Making aid effective

What is PRBS? PRBS is when a donor provides funds directly to a partner government's own financial system to support their own poverty reduction programmes. Transferring resources directly to a partner government's budget gives them more money to spend on – for example – paying doctors and teachers and building schools. When circumstances are right, DFID believes that PRBS is the aid instrument most likely to build long term ability of governments to deliver services to their people – whilst helping to build stronger accountability between the state and their citizens. We only provide aid in this way where we are satisfied that the Government gives sufficient priority to poverty reduction and has open and transparent financial systems.

Working with Others – Seventeen Donors in consultation with Government led a process of developing a [Ghana Joint Assistance Strategy](#) which sets out clear expectations and commitments for donors to deliver effective aid. DFID together with other donors and Government have produced a Harmonisation Action Plan based on the Paris Declaration which sets out targets to improve aid effectiveness by 2010. Together with other donors DFID also supports sectoral programmes (Growth and Governance, Health, Gender, Private Sector Development/Trade, Education and Health) as well as targeted funding to civil society and other stakeholders. The areas include:

Governance

Poor governance contributes towards poverty. People suffer when Governments do not allow participation in political life, provide access to justice, deliver adequate public services or control corruption. Serious problems with governance still exist in much of Africa – but the situation is improving. Working with the Ghanaian Government, DFID is:

- Providing £5 million from 2007-2009 to support reforms of public financial management systems such as improving procurement and strengthening and oversight by the Parliament's Public Accounts Committee.
- Supporting civil society through a number of competitive grant facilities (about £11.5 million from 2004-2010) to help strengthen the voices of ordinary Ghanaians on issues affecting them and their ability to hold Government and Donors to account. These funds are [Rights and Voice Initiative](#), [Ghana Research and Advocacy Programme](#) and [Business Associations Advocacy Fund](#).
- Helping the Government improve the provision of public services by supporting the management of expenditure and improving the allocation of funds in line with the poverty reduction strategy.

Social Sectors

Poverty Reduction Budget Support and growth in domestic revenues have helped Ghana to increase spending on health and education:

- **Health** – DFID contributed £6 million in 2006 for the national distribution of 2.1 million bed nets to all under twos. In 2007 a further £2.7 million was provided for the distribution of bednets to all under ones and pregnant women. UNICEF estimates that this support should save up to 52,000 child lives over three years (2006-2009). This programme together with other donor support will help to kick start the implementation of high impact interventions to help achieve the health MDGs. Our £42.5 million support (2008-2012) to the Health Sector Support Programme will ensure a healthy and productive population that reproduces itself safely .
- **Education**: DFID is providing £105 million from 2006-2010 to help the Government to provide free and quality basic primary education for all Ghanaian children. DFID's support has contributed to improving gross primary enrolment figures, which has risen from 94% in 2006/07 to 95% in 2007/08 (Gross Primary School Enrolment - Ghana Ministry of Education Stats).
- **Water** - DFID is supporting access to clean water through a £7.7 million grant over three years (2005-2008) to the Ministry of Water Resources, Works and Housing to provide safe water to about 200,000 households in rapidly expanding small towns in Greater Accra, Volta and Eastern Regions as well as to rural villages, with an emphasis on areas where Guinea Worm is endemic.

HIV/AIDS

The overall HIV prevalence in Ghana can be said to be stabilizing with a relatively low prevalence rate compared to other sub Saharan African countries. The median HIV prevalence (among pregnant women) for 2007 is 2.6% showing a slight decrease from the 2006 rate of 3.2 %. There is continuous effort to build on existing programmes and intensify interventions aimed at preventing new infections especially among Most at Risk Groups and young people. DFID's contribution of £7.5 million over three years (2006-2009) towards the multi sectoral national response will help scale up prevention, treatment and care interventions.

Private Sector Development, Trade & Growth

Ghana's economy remains strong but the annual growth rate of 6.3% (in 2007) needs to be sustained if Ghana is to achieve middle income status by 2015. This will require concerted action to improve the business environment, building trade capacity and ensuring that growth is equitable and pro-poor. DFID is providing about £13 million from 2005-2011 to support:

- The implementation of the Government's Private Sector Development Strategy to reduce red tape for businesses and improve Government's services to the private sector.
- Financial sector reforms to encourage more access to financial services for more Ghanaians especially the poor.
- DFID is also supporting the development of a strategy for Northern Ghana which will outline new ways of supporting the North to achieve higher levels of growth that can reduce poverty.

Making progress against the Millennium Development Goals (MDGs)...

Ghana is making good progress towards several of the MDGs:

- Net primary school enrolment (MDG 2) rose from 79% in 2006/07 to 83% in 2007/08 (Ghana Ministry of Education Stats). This rise has happened while maintaining broadly equal numbers of boys and girls (MDG 3). For every 100 boys there are 96 girls. (Basic Statistics in Education, Ministry of Education, 2005)
- Less than a third of Ghanaians live below the national poverty line (**Poverty has fallen from 52% in 1991/92 to 28 % in 2005/6 - Ghana Living Standards survey 2005/6**).

More progress is needed in other areas:

- Ghana's maternal mortality ratio has remained largely unchanged for a decade. 214 out of 100,000 women die in child birth (MDG 5). (Demographic and Health Survey, Ghana Statistical Service, 1998)
- More than 1 in 10 children die before their fifth birthday (Demographic and Health Survey, GSS, 1998)

For more information about DFID's work in Ghana please visit www.dfid.gov.uk. If you are a journalist and wish to know more about DFID and its work to reduce poverty in Africa please call DFID Press Office: 020 7023 0600.