

# Country Development Cooperation Policy to the Republic of Ghana

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## 1. Objectives of Development Cooperation to Ghana

Ghana has been maintaining political and social stability, as seen in a peaceful change of government between the ruling and opposition parties in the presidential election held at the end of 2016. As a result, the international community's acknowledgement and expectations of Ghana as a driving force for democracy in West Africa are increasing. In addition, Ghana has been actively engaged in economic and social reforms, and the results of these reforms are extremely important for the economic development of West Africa. Bilateral relations with Japan are cordial, as symbolized by the ties between Japan and Ghana including Dr. Hideyo Noguchi, who traveled from Japan to study yellow fever about 90 years ago, and chocolate made from Ghanaian cacao beans.

On the economic front, commercial oil production began and GDP per capita exceeded US\$1,300 in 2010, making Ghana a low-middle income country. In recent years, foreign investment has been flourishing due to oil and gas production, but the country still faces a number of challenges in terms of infrastructure and public services. On the fiscal side, the country is recovering from the decline in economic growth over the past few years, but still faces difficulties in implementing social development projects due to its large public debt. In addition, the promotion of youth employment is a major challenge.

To cope with these challenges, in October 2017, the Ghanaian Government announced a new medium-term economic and development policy, the "Coordinated Programme of Economic and Social Development Policies 2017-2024." The Program focuses on revitalizing the economy, transforming agriculture and manufacturing, rehabilitating economic and social infrastructure, strengthening social protection and inclusion, and growing and developing public service institutions to realize the goal of private sector-led economic development and job creation. It also aims to reduce dependence on foreign aid and establish self-reliant national management.

In light of these current conditions, it is important for Japan to provide assistance that contributes to sustainable and stable economic growth in Ghana through development cooperation with a focus on ODA.

## 2. Basic Policy of Japanese ODA: Promotion of Sustainable and Stable Economic Growth

Ghana maintains political and social stability in the West African region, and has established close economic relations with Japan, with many Japanese companies operating in the country. Therefore, it is important also to Japan to promote the development of agriculture and other industries in Ghana, develop infrastructure in the West African region that support such development above, improve health services centered on the promotion of Universal Health Coverage (UHC), and strengthen the human resource including those in the industry and civil

servants. In order to promote sustainable and stable economic growth in Ghana, Japan will support infrastructure development, strengthening of industrial bases including agriculture, health, and human resource development.

### 3. Priority Areas

#### (1) Infrastructure development

In order to create an environment for industrial promotion and export expansion, support will be provided for the realization of corridor development including infrastructure development that contributes to the development of the West African region as a whole, as outlined in the “West Africa Growth Ring Corridor Development Master Plan.” In addition, urban issues (urban planning, urban transportation, disaster prevention, water supply and drainage, waste, etc.) will also be considered because of the increased concentrated population in the city.

#### (2) Strengthening of industrial infrastructure including agriculture

With regard to agriculture as a key industry in Ghana, Japan will continue to support small-scale farmers to improve productivity and profitability and dissemination system of the techniques, with emphasis on rice cultivation, in which Japan has expertise. In addition, Japan will also support efforts along the entire rice value chain and support for crops with higher cash conversion potential, as well as nutritional improvement. Furthermore, in order to strengthen support for industrial development and job creation, Japan will also provide support for improving the quality and productivity of small and medium-sized enterprises (SMEs) and fostering industrial human resources, in order to promote value-adding and competitiveness of products by utilizing the results of past support for SMEs.

#### (3) Health

In supporting the Ghanaian government’s efforts for UHC that enables all citizens to receive quality health services, Japan will provide support for promoting health covering from newborns to adults and the elderly, including improvement of nutrition and lifestyle-related diseases, in addition to reducing maternal and infant mortality, which is an urgent issue in Ghana, by reflecting on Japan’s past cooperation achievements. In particular, Japan aims to improve health services in rural areas by strengthening awareness-raising activities, supporting capacity building of medical personnel, and dispatching experts to government health authorities.

#### (4) Human Resource Development

In order to develop industrial human resources that will contribute to stabilizing the economic growth, Japan provides support to improve the quality of science and mathematics education in primary education by enhancing education governance and school management,

strengthening the capacity of teachers, and other measures. In addition, as local governments obtain more authority because of decentralization, in order to develop human resources who can play a role in improving administrative and financial management, Japan will focus on strengthening the basic capacity of civil servants through enhancing the functions and quality of the Civil Service Training Center, strengthening the administrative capacity of local governments, which play a vital role in decentralization, and their management ability to establish fiscal discipline.

#### 4. Notes

##### (1) Promotion of public-private partnerships (PPPs)

In recent years, Japanese companies are increasingly interested in Ghana, thanks to its economic growth brought about by the country's abundant natural resources, democratic and stable politics, and favorable security conditions. The Ghanaian government aims to diversify the economy through private sector-led industrialization and expand public services through PPPs, and Japan will actively pursue the possibility of collaboration with Japanese companies including SMEs.

##### (2) Regional Integration

Ghana is promoting the development of ports and the expansion of main roads with the goal of becoming the transportation hub of the West African region, and Japan is actively working on wide-area infrastructure development in the "West African Growth Ring," which was positioned in TICAD7 as a priority development region.

##### (3) Donor Coordination

In implementing ODA, Japan will strive to further improve their impact in cooperation with other donors and international organizations, while taking advantage of Japan's comparative advantage.

Annex: Rolling Plan