

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP

Distr.
GENERAL

DP/CP/GHA/NOTE/3*
18 March 1983

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Thirtieth session
June 1983
Agenda item 5 (b)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programme

THIRD COUNTRY PROGRAMME FOR GHANA

Note by the Administrator

Programme period

1983-1986

Illustrative IPF for 1983-1986

US \$40 million

1. Nature of the programming exercise

1. The country programming exercise for the third country programme for Ghana started in October 1980 when it was expected that the country proposal would be submitted to the May 1982 special meeting of the Governing Council. However, due to various factors, including the non-finalization of the country's national development plan, submission was finally scheduled for June 1983 and the previous second country programme 1979-1981 was extended by one year till the end of December 1982.

2. The preparatory period, 1980-1982, was of particular significance in the finalization of the present country proposal. Firstly, it was possible to consult with three successive national administrations in Ghana with respect to the country's economic and social orientation, including the objectives, priorities and strategy for development best suited to Ghana's present requirements. Secondly, the participating and executing agencies of the United Nations system which had contributed sectoral proposals earlier in 1980-1981 had the opportunity to reflect further on those proposals and to modify them as appropriate for the current submission.

*The note by the Administrator concerning the previous country programmes for Ghana were issued under the document symbols DP/GC/GHA/R.1/RECOMMENDATION and DP/GC/GHA/R.2/RECOMMENDATION.

Thirdly, UNDP headquarters and the field office in Accra had ample opportunity to refine the country programme proposal with the Government of the Provisional National Defence Council (PNDC), which came into power on 31 December 1981. Finally, the protracted nature of the consultations with three successive Governments and the agreements and understandings which were reached necessarily obviated the need for the preparation in 1981-1982 of a note on the country programme by the Resident Representative.

3. The specialized agencies of the United Nations system have actively participated in various ways in the formulation of the current country programme document. Some agencies, including the Food and Agriculture Organization of the United Nations (FAO), the World Meteorological Organization (WMO), the International Civil Aviation Organization (ICAO), the United Nations Industrial Development Organization (UNIDO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), sent to Ghana sectoral programming missions whose recommendations were reviewed as basis for finalization of the sectoral activities contained herein. In addition, many agencies participated in the last two years or so, in individual project consultations and evaluations of individual projects which refined the specific content of their respective projects. In this connexion, the United Nations was particularly active during 1982 with respect to projects in the mining sector, both ongoing and new proposals. Furthermore, the official country programme proposal submitted by the Government to the Resident Representative in January 1983 was circulated to all the agencies in February 1983 for final review and comments; consultations with key bilateral aid donors resident in Accra were completed also in February 1983 by the Resident Representative. UNDP headquarters staff also visited Accra in January-February 1983 to assist the Resident Representative in the finalization of the country programme document with the Government.

4. The level of resources actually available for programming from 1983 to 1986 totals US\$ 27,218,000. This amount is based on 80 per cent or US\$ 32 million of Ghana's indicative planning figure (IPF) for 1982-1986 (established at US\$ 40 million) from which have been deducted: (a) the sum of US\$ 482,000 which represents over-expenditures from the previous IPF cycle; and (b) commitments for 1982, authorized at US\$ 4.3 million. The amount of US\$ 27,218,000 indicated above includes the sum of US\$ 1,140,000 which has been retained as unprogrammed reserve for unforeseen expenditures and contingencies.

II. Relation of the country programme to national development objectives

5. As Ghana does not at the present time have a current and operative national development plan, and pending finalization of the Three-Year Medium-Term Plan scheduled to be launched in 1984, the content and orientation of the present country programme have been based on: (a) policy statements and pronouncements issued by the Government during the past two years; (b) the Government's Programme for Economic Reconstruction and Development, issued on 30 December 1982; and (c) the Revised Budget Statement 1981-1982, published by the Ministry of Finance and Economic Planning on 24 May 1982.

6. The timing and content of the country programme follows closely the Government's four-year economic recovery programme, 1983-1986, as contained in its Programme for Economic Reconstruction and Development. The Programme essentially entails the restructuring and rehabilitation of the basic institutions of the economy with emphasis on sound monetary and fiscal policies as well as sound financial management. The programme highlights the need to: (a) eliminate through planned institutional changes

rampant malpractices in internal and external trade and tax evasion and avoidance; (b) increase production to realistic targets in a selected number of agricultural products and manufacturing industries; (c) increase production of food and industrial raw materials to planned levels in the context of the Three-Year Medium-Term Plan; (d) lower the rate of inflation; and (e) improve the distribution of goods, services and incomes.

7. The view of the Government is that the UNDP country programme should focus primarily on the above immediate needs, giving special attention to direct food production activities; over-all strengthening of Government institutional capabilities in economic, administrative and financial management; improvement of statistical services; direct assistance to public corporations; energy; as well as industrial planning and mining activities. UNDP assistance is also to be directed to those economic and social areas which are either particularly sensitive or are not covered by other aid programmes. Manpower development remains a key objective of the Government.

III. Content and phasing of the country programme

8. With respect to the specific sectors of the current UNDP assistance, the programme devotes the largest share of programmed resources to agriculture (31 per cent), followed by natural resources (18 per cent); education (11 per cent); development planning (10 per cent); science and technology (9 per cent); industry (8 per cent); transport and communications (8 per cent) and health (5 per cent). A possible future additional project in the area of humanitarian aid and relief will be accommodated under the unallocated portion of IPF.

9. In the field of agriculture, the programme focuses mainly on direct food production and related activities, as well as on forestry. UNDP-financed projects emphasize integrated maize production; cocoa production; development of onchocerciasis free zones for rural improvement and agricultural production; fisheries; and prevention of post-harvest food losses. Agricultural data and statistics and crop forecasting also receive increased attention as well as forestry development and management. One specific project in the third cycle is specifically geared to development of wood resources for a pulp and paper mill of 60,000 tons per annum; the African Development Bank (AFDB) has agreed to consider this project for possible financing.

10. In view of the potential to Ghana for foreign currency earnings, activities in the natural resources sector, particularly in mining and mineral exploration, retain special emphasis initiated under Ghana's second country programme in the second programme's cycle 1977-1981. Projects include operational assistance to the Government's State Gold Mining Corporation; gold, diamond and petroleum exploration; training as well as advisory services to the newly created National Minerals Commission, which now combines the policy and co-ordination functions of the Gold Action Committee and the Diamond Industry Commission, which have recently ceased to exist. Energy planning and development also receive marked attention.

11. In education, assistance is limited to two large-scale projects, namely, technical and vocational training and agricultural science teacher training for school farms.

12. In the field of development planning and related activities, including management, priority has been given to strengthening over-all development planning, assistance to public corporations and improvement of the country's statistical services and institutions.

13. In science and technology the share of the IPF is taken up almost entirely by assistance to the School of Mines, University of Science and Technology (Tarkwa) for the training of mining engineers and technicians. In 1984 UNDP is also to complete assistance, which commenced in 1976, to the Scientific Instrumentation Centre.

14. In industry, the third country programme focuses mainly on general industrial planning and programming and also on the development of two selected industries, namely, the brick and tile industry, and the hotels and tourism industry.

15. In the field of transport and communications the only assistance being provided is to civil aviation.

16. The major emphasis in the health sector is on the improvement of drinking water supply and sanitation. A new large-scale project is to assist the Government in the implementation of its national action plan for drinking water supply and sanitation and will also undertake the technical training of Ghanaian staff for the purpose.

17. It will be noted that the new projects in this country programme represent 75 per cent of the total resources programmed. This ratio, which is notably high, is the result of the UNDP-Government pruning exercises in 1982, during which the Government decided not to extend weak and redundant projects and to particularly develop new projects more relevant to the country's present situation and to the Government's economic recovery programme, which was officially released on 30 December 1982. Moreover, the small amount of US\$ 1,140,000 has been set aside as unprogrammed reserve and contingencies.

IV. Special development problems and needs

18. Perhaps the most serious constraint to Ghana's development efforts at the present time is the acute shortage of technical and management personnel which has been created by the departure of qualified and experienced Ghanaian nationals in recent years. As acknowledged by the Government in May 1982, this has seriously affected the machinery of Government and of over-all financial management, particularly at the middle and upper technical levels of operations. Not only has this development handicapped Government capacity to function effectively but, if the situation is not reversed, it could further impair the performance and execution of approved development programmes and activities.

19. A second obstacle to Ghana's development is the acute shortage of foreign currency in the country and the serious foreign exchange problems being encountered involving the value of the cedi vis-à-vis other international currencies. Not only has this dislocated both domestic production and external trade but, equally important, foreign investors seem hesitant to participate in the country's economy on a large-scale until the current issues are resolved. The new Government of Ghana is fully aware of these problems and is considering various options to normalise the situation.

/...

20. Finally, it will be recalled that the Government of Ghana was suddenly seized in January-February 1983 with the emergency problem created by the influx of Ghanaian nationals who were deported from Nigeria as illegal aliens. An estimated one million men, women and children are involved, of which at least one-half million have already received emergency relief aid (food, medical, drugs and transportation) mobilized by the appeal of the Secretary-General of the United Nations for international assistance and co-ordinated at the Accra level by the UNDP Resident Representative. Although the short-term objectives of emergency assistance have been positively met, the Government remains seized with the long-term objective of the planning and implementation of economic and social programmes designed to accelerate the absorption and integration of these returnees into the productive activities of the national economy. UNDP has already offered to assist with such planning; however, the financial assistance and participation of other donor groups and agencies in programme design and implementation would greatly alleviate the situation.

- - - - -

