

Country Assistance Programme (Ghana)

<1> POLITICAL, ECONOMIC, AND SOCIAL CONDITIONS

(1) Political Conditions

Ghana gained independence in 1957. After the military coup d'etat at the end of 1981 Ghana was ruled by a military regime, but from 1991 the Provisional National Defense Council?? led by President Jerry John Rawlings embarked upon democratization. A new constitution stipulating introduction of a multi-party system was adopted, a presidential election was held (in which Rawlings was elected) and, after parliamentary elections, Ghana established a civil government in January 1993. In December 1996, presidential and parliamentary elections were held for a second time, and Rawlings was again elected as president.

There are more than 70 ethnic groups in Ghana. The resulting mixture of many different languages and religions is a factor causing instability that it shares with neighboring countries. Ghana's success in overcoming these complex social circumstances and steadily introducing a democratic political system can therefore serve as a model of democratization in Africa.

Since gaining independence, while pursuing a non-aligned, neutral policy emphasizing its relationship with neighboring countries, Ghana has striven to maintain and strengthen its good relations with advanced countries. It has actively promoted peace and stability in West Africa, for example, through its contribution to the achievement of peace in Liberia and efforts to find a solution to the Sierra Leone conflict. It has also played a leading role in regional organizations such as the Organization of African Unity (OAU) and the Economic Community of West African States (ECOWAS).

(2) Economic Conditions

Ghana has also been striving to establish itself as an important base in West Africa from the economic viewpoint. In addition to its relatively well-developed road transportation network, the port and harbor facilities at Tema and Takoradi are among the most modern in West Africa.

Ghana's main industry is agriculture. With cacao beans and gold as its main exports, it has a typical primary product-dependent economic structure and a low per capita GNP of 390 dollars (in 1997). Since 1983, Ghana has been implementing an economic recovery program under the guidance of the World Bank and IMF. It has drawn up socio-economic development plans including structural

adjustment reforms and has been positively promoting the development of social infrastructure and the vitalization of the private sector. As a result, it has achieved annual economic growth of around 5% (in 1996 and 1997) and its structural adjustment reforms have been proceeding smoothly compared to other countries in Sub-Saharan Africa. However, Ghana's economic system remains fragile with dependence on large loans and its economy is easily influenced by factors such as trends in the cacao bean market and fluctuations in gold prices. In order to tackle problems such as the budget deficit, current account deficit and inflation (15.7% in 1998), therefore, it will be necessary to continue promoting economic reforms.

(3) Social Conditions

About 60% of Ghana's population of 18.5 million are estimated to belong to the category of extreme poverty with incomes of 1 US dollar or less per day, and most of them live in farm villages. Since the cultivation of cash crops is extremely difficult in the savannah climate belt*1 in the northern region, farmers have tended to migrate to the south in search of work on cacao bean plantations or in gold mines. This economic discrepancy between the cacao bean-growing region in the south and the savannah region in the north is not only the result of factors such as vegetation and ethnic differences but also has historical roots in the religious differences (Christian/Muslim) between these regions.

The migration of workers from north to south has caused a labor shortage in northern rural areas, leading to the decline of production and exacerbation of poverty. It has also caused a vicious cycle of concentration of the population in cities, particularly the capital Accra, leading in turn to the growth of poverty in urban areas. The rectification of these regional disparities through balanced rural and urban development has become a vital task.

<2> CHALLENGES TO BE ADDRESSED IN DEVELOPMENT

(1) Ghana's Development Plans

(A) Outline

In January 1995, the government of Ghana announced its long-term economic and development plan "Vision 2020." The main objective of this plan is for Ghana to achieve recognition as a middle-income country by the year 2020. Under the principle of "human-centered development," it places priority on five sectors: human resources development, economic growth, rural development, urban

development, and environmental preparation for development.

Vision 2020's specific goals for the achievement of long-term socio-economic development include raising the national income annual growth rate to at least 8%, improving national health and welfare in step with economic growth, ensuring the fair allocation of the fruits of development and, through the elimination of absolute poverty, reducing the annual population growth rate from the current level of over 3% to 2%.

Based on Vision 2020, the government also announced its 1st Medium-Term Socio-Economic Development Plan for the period 1996-2000 (the year of commencement was later postponed to 1997). The goals of this plan include increasing the per capita GDP to 500 dollars, achieving an annual average GDP growth rate of 8%, and reducing the population growth rate from the current level of over 3% to 2.75%.

Japan and other donor countries have praised Vision 2020 for demonstrating the government's strongly independent attitude ("ownership") towards Ghana's development and for formulating and implementing specific development strategies in each sector for the achievement of its objectives.

(B) Relationship with the aims of the DAC Development Partnership Strategy*2

The above-mentioned 1st Medium-Term Socio-Economic Development Plan has aims similar to those of the DAC Development Partnership Strategy, including the improvement of access for the poor to social and economic services, reduction of the infant/child mortality and perinatal women's mortality rates, and upgrading of the elementary and middle school education system.

(2) Primary Challenges in Development

(A) Extreme poverty in rural areas

Although Ghana has achieved a relatively high level of economic growth since 1983, poverty remains a serious problem, particularly in rural areas.

In order to reduce poverty, it is particularly important to promote the development of the rural areas where most of the poor live. Specifically, it is necessary to improve agricultural productivity, which is the key to raising the income levels of the poor, and develop basic social service sectors such as elementary education and health and medical care.

(i) Low agricultural productivity

The agriculture, forestry and fishery industries account for 41% of Ghana's

GNP, 60% of the workforce, and 50% of exports. The main agricultural product is cacao beans, which account for about 30% of the country's total exports. The government is aiming to diversify Ghana's agricultural products by expanding exports of other products such as pineapples. Domestically consumed agricultural products include cassava, yams, and corn.

Agricultural development is not only the basis of economic growth but is also vital for improving the standard of living of rural population, who account for most of the poor. However, most farms in Ghana are small in scale (with less than two hectares of land) and since most of them still use traditional rain-dependent cultivation methods, productivity has suffered due to the unseasonable weather and deterioration of the land in recent years. The improvement of agricultural productivity is therefore an important task.

(ii) Insufficient basic education

The dissemination of basic education has been conspicuously slow in Ghana. The greatest problems are the low elementary education enrollment rate, high drop-out rate, inadequate school facilities, shortage of educational materials, and the shortage and insufficient quality of teachers. Consequently, the literacy rate (60%) and basic educational level are low, and this situation is particularly serious in local areas. Another challenge is the correction of the disparity between men and women in basic education, as reflected in the elementary education enrollment rate.*3

(iii) Insufficient health and medical care services

Like other African countries, Ghana suffers from a chronic shortage of medical care facilities and a very large number of people do not have access to modern medicine, particularly in rural areas.

Ghana's high population growth rate (3.1%) has resulted in increasing number of poor people, the deterioration of education and medical services, food shortages, and exacerbation of the unemployment problem, and these effects have undermined the benefits of economic growth. Although the average life expectancy has improved from 53 in 1980 to 60 in 1997 and the infant mortality rate below five years of age has decreased from 157 in 1,000 in 1980 to 102 in 1997, these levels still remain low.

The problem of HIV/AIDS has also become very grave throughout Sub-Saharan Africa in recent years, and in Ghana about 1,295,000 people (about 7% of the population) are infected with HIV/AIDS (1996). In view of its serious impact on socio-economic growth due to the resulting reduction of the labor force, among other things, this is a problem that needs to be tackled urgently.

(iv) Insufficient access to safe water

In Ghana, the percentage of the population with access to safe drinking water remains low at 65% (88% in cities, 53% in rural areas; 1995 figures). Particularly in rural areas, people are thought to be suffering from infectious diseases such as dysentery and parasites (Guinea worm disease *4, etc.) as a result of drinking or bathing in unsanitary water. Infectious diseases due to drinking unsanitary water have increased the infant mortality rate, and the need to draw water and carry it over long distances places a severe labor burden on women and children.

(B) Need for sustainable economic growth

Economic growth is needed for the improvement of human welfare. In order to achieve sustainable "human-centered" social development, it is necessary to ensure sustained economic growth while promoting the alleviation of poverty.*5

(i) Need for further macroeconomic stabilization

Although Ghana has achieved recognition as a successful case of structural adjustment*6 among the countries of Sub-Saharan Africa, it still has a fragile and unstable economic structure dependent on large amounts of aid and on primary product exports, and is faced with serious macroeconomic problems such as the budget deficit, current account deficit, and inflation (15.7% in 1998). It is therefore necessary to make efforts to promote further macroeconomic stabilization through the continuation of structural adjustment reforms.

(ii) Underdeveloped domestic industry

Although Ghana has been implementing the liberalization of its trade and foreign exchange policies and the reform and privatization of public enterprises through structural adjustment measures, domestic industry, the cornerstone of sustained economic growth, remains in the doldrums. Ghana does not have any domestic industry of sufficient strength to achieve short-term repayment of the foreign debt that is restraining sustained economic growth. Since the productivity of the direct manufacturing sector is low, Ghana's industry depends on specific primary product exports such as cacao beans and gold. It is therefore essential to promote the diversification of industry and exports.

In order to break free from its dependence on aid and achieve economic independence, Ghana must foster domestic industry and promote the diversification and higher added value of its industrial structure.

(iii) Economic infrastructure requiring development

Recognizing that the establishment of basic economic infrastructure is indispensable for independent economic development, the government of Ghana has placed the greatest importance on investment in the transportation sector, particularly the roads essential for the primary industries such as agriculture and mining upon which the country's economic depends so greatly. It also puts priority on the improvement of the convenience of transportation, especially the road network, as a means of rectifying regional disparities.

1) Transportation

Although roads are the most important mode of transportation in Ghana, their condition is deteriorating in every part of the country due to insufficient road development, inadequate maintenance and administration, and the excessive burden on them. This insufficient development of roads and a system of road maintenance have hindered economic development by increasing transportation time and costs, which in turn has had a negative impact on agricultural products.

Apart from road transportation, the deterioration of facilities and inadequate handling capacity of Ghana's ports has made it impossible for them to cope with increases in exports and imports. The development of ports is therefore another important challenge.

2) Other sectors

Ghana depends on firewood and charcoal for 70% of its energy supply, electric power accounting only for about 10%. Since most of this electric power supply is dependent on hydroelectric generation, the country suffers from serious power shortages, particularly in the dry season. The power supply cannot respond to the demand accompanying economic development, and the electrification rate in local areas remains low. Another challenge is the development of telecommunications infrastructure.

(iv) Shortage of human resources essential for sustained economic growth

The lack of human resources essential for industry is a major obstacle to Ghana's independent economic development. It is now vital to foster the human resources needed for economic development through the expansion of industry and establishment of infrastructure. At the same time, there is a great need for the dissemination of basic education and development in the area of professional training.

(3) Relations with Principal International Organizations, Other Donor Countries, and Activities of NGOs

Aid from donor countries to Ghana began in earnest with the commencement of structural adjustment under the guidance of the World Bank and IMF in 1983. Since then, in recognition of Ghana's continued efforts to promote democratization and structural adjustment reforms, the advanced countries have given more loan assistance to Ghana than its neighboring countries.

In 1997, Japan provided the greatest amount of assistance to Ghana (about one third of the total), followed, in descending order, by the United States, Germany, Denmark and Britain. Aid from the World Bank accounted for about two-thirds of assistance from international organizations, while the EAU and African Development Bank (ADB) also played important roles.

Various international NGOs and local NGOs have also been active in a wide range of fields, including rural development, primary medical care, drinking water supply, education, and protection of human rights. Among the local NGOs, the Japan Overseas Cooperation Volunteers (JOCV) is working in close coordination with Japan's program of grant aid for grassroots projects.

At present, sector programs*6 are being formulated and implemented in four sectors: health, education, roads, and agriculture. These programs are being coordinated mainly by the World Bank and meetings are regularly held between the government of Ghana and donors concerning specific sectors or development policy as a whole.

<3> JAPANESE AID POLICIES FOR GHANA

(1) Objectives of Aid to Ghana

As explained below, Japan considers Ghana to be a key country in the West African region. Ghana has continued to make steady progress in terms of addressing both of the major challenges confronting African countries, democratization and economic structural reform, and in its active autonomous efforts to achieve development. Its contributions to United Nations Peacekeeping Operations (KO) have also been evaluated highly, as has the role it has played in regional peace and stability. Continued assistance based on aid provided thus far will serve to strengthen traditionally friendly ties and to highlight the impact of Japan's cooperation in African development. Japan thus regards Ghana as a channel for international contributions, seeing it as an important base for African aid and as a priority country in the region.

(A) Japan's bilateral ties with Ghana have a long history, dating back to 1927, before Ghana's independence, when Dr. Hidden spent time in Ghana to do research on yellow fever. President Jerry John Rawlings has made frequent visits to Japan in recent years, helping to maintain positive bilateral relations, and Ghana has adopted an extremely cooperative stance with regard to Japan's diplomatic policy.

(B) Ghana is demonstrating autonomy in its economic and social development, and is striving to achieve specific development goals. Considering that Ghana's development policy is consistent with the orientation of ADC's new development strategy, Ghana could become a model and a development assistance base for Japanese aid in the West African region as a whole from the perspective of further realizing Japan's support for self-help efforts in Africa which was stressed in the Tokyo Agenda for Action adopted at the 2nd International Conference on African Development (TICAD II)*7.

(C) Ghana is a key country in the West African region, playing a role in regional organizations such as the Organization for African Unity and the Economic Community of West African States, thereby exercising considerable political influence among African countries.

(D) In addition to being active in regional peace and stability, including the achievement of peace in Liberia and an important role in resolving the conflict in Sierra Leone, Ghana has worked to raise its international stature through dynamic contributions to United Nations Peacekeeping Operations (providing the third largest number of KO forces of any country in the world in 1998), and is seeking to increase its voice in international affairs.

(E) Politically, Ghana has instituted fair and transparent presidential and parliamentary elections, and the process of democratization is making steady progress. The country is a neutral and stable political force in the region, and, considering the history mentioned above and the friendly bilateral ties, Japan views Ghana as a beneficial partner in the evolution of African diplomacy.

(F) With its low per capita GNP of \$390 (1997), over half of Ghana's population is estimated to be in the category of extreme poverty. As indicated by indices such as average life span and infant/child mortality, there is still a huge demand for aid, which should be continued from a humanitarian standpoint.

(G) Ghana has been implementing structural adjustment since 1983, and has become a model case for development policy in Sub-Saharan Africa in terms of actively tackling economic reforms. Future challenges, however, include ongoing structural adjustment, poverty alleviation, and industrial development, which will necessitate

continued assistance.

(2) Relationship with ODA Charter Principles*8

Since the transfer to civilian rule in 1993, smooth and steady progress has been made in the democratization process. Also, President Rawlings has also made consistent efforts since his inauguration as head of state to eliminate corruption and graft, and there are no particular problems related to ODA Charter principles.

(3) Orientation for Japanese Aid

(A) Japanese aid to date

Japan has cooperated actively with Ghana since the commencement of economic cooperation in 1973, with cumulative totals through fiscal 1998 of 119.1 billion yen in ODA loans, placing second in the African region; 53.388 billion yen worth of grant aid, placing fifth in the region; and 20.934 billion in technical cooperation, placing fourth in the region. Ghana is the largest recipient of Japanese aid in Sub-Saharan Africa, while Japan has been the largest aid donor for Ghana since 1988.

ODA loans are provided for economic infrastructure development in areas such as transportation and communications, in addition to cooperation in structural adjustment related fields. Grant aid centers on food and increasing food production, as well as fisheries, health and medical care, water supply, and basic infrastructure construction, while technical cooperation is implemented in areas such as health and medical care, transportation, and agriculture.

(B) Orientation for aid over the next five years

In addition to economic development, the concept of "human-centered development" assistance stated in Japan's Medium-Term Policy on ODA*9 emphasizes the aspects of anti-poverty measures and social development to a greater degree than in the past, and recognizes the importance of providing well-balanced economic and social development assistance. Given this recognition, and based on Ghana's development situation and challenges as mentioned above, Japan will position the following areas as aid priorities: (1) agricultural development; (2) improvement of basic living requirements (diffusion of basic education, health and medical care systems and safe water supply); (3) economic structural reforms; (4) industrial development; (5) development of economic infrastructure (transportation, electric power, etc.). In particular, as poverty alleviation represents the biggest challenge that Ghana faces, priority will be given to

the implementation of aid related to the improvement of basic living requirements which will be of direct benefit to the poor. Moreover, since Ghana is a heavily indebted poor country, Japan will prioritize grant aid and technical cooperation in considering assistance in light of the country's debt bearing capacity. Since the government of Ghana has made clear announcements internationally that it intends to repay its debts through its own efforts, Japan will look into the provision of loans while keeping a close eye on Ghana's economic and debt situation and also the economic and debt situation in Ghana. At the same time, it will consider ways of coordinating this assistance with grant aid and technical cooperation.

(4) Aid policies for Respective Priority Areas and Challenges

(A) Agricultural development

The government of Ghana is targeting achievement of 4.1% annual growth in the agricultural sector through improved productivity of food crops, increased production of non-traditional crops, and other means. To meet this goal, improvements in farm management and agricultural technology will be essential, as will factors such as the organization of farm villages.

Japan will assist efforts by the government of Ghana to raise agricultural productivity, and, in order to increase productivity on the small farms that comprise almost the whole of agricultural production, assistance will be considered for the transfer of small-scale irrigation technology and for the maintenance and upgrading/improvement of equipment. In addition, from the standpoint of seeking to rectify regional disparities, and to enable higher incomes for rural farmers by distributing agricultural produce from rural areas to cities, assistance will be conducted to enhance and expand post-harvest (storage, distribution, and processing) capabilities. As part of this process, assistance will also be considered for the construction/maintenance of rural agricultural roads and small-scale bridges.

(B) Basic living requirements

(i) Basic education

Vision 2020 set a medium-term goal of upgrading the elementary and middle school education system by 2000, with the long-term goal of achieving complete dissemination of basic education by 2020. In order to improve the quantity and quality of education, the government of Ghana is working to improve school enrollment rates, enrich the curriculum, and raise the quality of teachers.

Sector programs are currently being carried out in the field of basic education in Ghana. Japan, in concert with other donors, will cooperate in areas such as the

construction of educational facilities and upgrading of equipment, as well as implementing technical cooperation for curriculum enrichment, teacher training, etc. In doing so, ties will be strengthened with NGOs, Japan Overseas Cooperation Volunteers (JOCV), and other such organizations.

In addition, noting the need to improve disparities between males and females in the area of education, the government of Ghana has established the goal of improving the 33% female school enrollment rate of 1997 to 45% by 2001, and Japan will consider gender in the implementation of technical cooperation in this field.

(ii) Health and medical care system

Japan has thus far implemented wide-ranging cooperation in the field of health and medical care, including the provision of vaccines for polio eradication*10 and planning for maternal and child health care services. In this context, technical cooperation to enhance the facilities and assist research to combat infectious diseases at the Noguchi Memorial Institute for Medical Research (NMIMR) of the University of Ghana Faculty of Medicine is one example of Japanese international medical cooperation.

Cooperation will continue to be implemented at NMIMR for the combat of infectious disease such as HIV/AIDS, and for the international anti-parasite measures proposed at the Birmingham Summit.*11 In addition, given the effectiveness of efforts at the local level in terms of measures against infectious disease and parasites, cooperation will be implemented taking into account regional human resources development so as to develop NMIMR into a central medical institution not only for Ghana but for the entire continent of Africa.

Japan also views Ghana as a priority country in terms of the Global Issues Initiative on Population and AIDS (GII),*12 and support for AIDS countermeasures have been provided at the NMIMR. However, in order to further assist efforts by the government of Ghana to reduce the population growth rate, assistance will be implemented for educational activities related to family planning, through development welfare assistance projects*13 and the like.

In addition, in order to reduce the rate of infant/child mortality and perinatal women's mortality, assistance will be continued for vaccinations, together with other assistance such as the retraining of health care workers, educational activities for the poor, and the construction of health centers and other infrastructure in rural districts.

(iii) Safe water supply

To date, Japan has assisted with the construction of water supply facilities

by means of well-drilling throughout Ghana in order to make safe water available in rural areas, and this is demonstrating major results as aid that directly benefits the poor.*14

Assistance will be continued in the field of water supply, with other assistance considered for hygiene education activities as well as the establishment of a system of operation and maintenance of water supply facilities. In the field of rural water supply, full attention will be given to the environment in considering assistance for the strategic investment plan by the government of Ghana, which includes a construction target of 16,000 deep wells by 2004. Consideration will also be given to the possibility of cooperation via ODA loans for the construction and maintenance of the water supply network in urban areas.

(C) Economic structural reform

Pursuit of economic structural reform is essential to the promotion of Ghana's macroeconomic stability and for the achievement of sustainable growth. In order to reduce the accompanying fiscal burden, however, continued cooperation from the international community will be required until autonomous economic development is fully established.

As part of structural adjustment assistance, Japan has thus far implemented co-financing with the World Bank through ODA loans, as well as non-project grants.*15 The World Bank and the IMF have actively supported economic structural reform, and Japan, as part of its poverty alleviation assistance, will assist with achieving a stable macroeconomic balance based on organic coordination with the World Bank and the IMF.

(D) Industrial development

Vitalization of domestic industry is critical to sustainable economic growth, and Japan will proceed with assistance to create an environment that will contribute to promoting industry in Ghana. Assistance will be considered for the development of small and medium enterprises, which are particularly effective for poverty alleviation and the welfare of the people, as well as to areas such as diversification of the industrial structure, higher value added through greater processing, and improvement of the investment environment.

Japan will consider assistance for bolstering the human resources base vital to fostering industry through development surveys and technical transfer carried out by experts and Japan Overseas Cooperation Volunteers.

(E) Construction of economic infrastructure

(i) Transportation

Through ODA loans, Japan has thus far helped restore and maintain the "Golden Triangle" of arterial roads linking Tema, Takoradi, and Kumasi, as well as similar work on trunk roads that connect with this to join the northern and southern parts of Ghana. Roads affected comprise approximately 12% (693 km) of total paved arterial roads.

In the future, while carefully ascertaining Ghana's economic situation, consideration will be given to possible assistance for the continued repair of deteriorated trunk roads, and for the construction of agricultural roads and other branch roads and bridges that directly benefit rural farmers. Also, in order to improve the road maintenance capability of Ghana itself, assistance will be considered for areas such as the strengthening of the capacities of implementing institutions and human resources development.

In the transportation sector, concurrent with the securing of access between rural and urban areas and between the interior and ports, there is also a need for the establishment of efficient distribution systems. Thus, from the perspective of improved transportation sector efficiency, assistance will also be provided for other transportation areas, including the restoration and expansion of ports and harbors.

(ii) Other sectors

In the electric power sector, along with construction of a new 450MW thermal power plant, the government of Ghana has plans for national electrification by 2020. It also aims for the establishment of small-scale solar generation in rural areas. Japan will consider possible cooperation for the maintenance and new construction of power plants, as well as for the promotion of rural electrification. In the telecommunications sector, Japan will look into the possibilities for assistance for the development and rehabilitation of telecommunications networks in both urban and rural areas.

(5) Matters to Note in Aid Implementation

(A) Strengthening aid absorption capacity

It will be important to further promote the understanding of Japan's aid schemes among the organizations responsible for implementing aid projects. From the standpoint of identifying and implementing projects that correspond to DAC's new development strategy, improvements in the fields of policy formulation, aid coordination, and monitoring are also issues for the future. Other urgent issues include budget management improvement plans, which are closely connected to structural adjustment policy, and administration systems improvement programs,

which involve the formation of structures for system reform.

(B) Response to debt problems

Ghana is burdened by external debt amounting to 88.6% of GNP (1997) and is an acknowledged HIPC (Heavily Indebted Poor Country). However, given efforts such as those to improve its debt management system and limited borrowing, Ghana's stance is clear with regard to promotion of economic development using new funds and without resorting to debt alleviation measures. Japan evaluates Ghana's self-help efforts highly, and will consider further assistance while taking into account the country's debt bearing capacity.

(C) The sector program approach

A sector program approach is required in Ghana and at present specialist consultation in individual sectors are being held with the government, as well as sector-specific consultations during donor coordination.

As noted above, sector program consultations are moving forward to a substantial degree in Ghana in the four fields of health, education, roads, and agriculture, with particular progress seen in health and education. In the area of roads as well, development has been accompanied by the involvement of large numbers of donors.

Ghana is a pilot country for the World Bank's Comprehensive Development Framework (CDF) approach,*16 and Japan is strengthening organic linkages with other aid donor countries and organizations in treating Ghana as a key country for sector program implementation in Sub-Saharan Africa, and in treating health and education as key sectors. Japan considers Ghana as a model in the promotion of partnership for development, and will promote priority assistance for the promotion of sector programs. In terms of specific response to sector programs, Japan will consider expansion of its JICA planning and coordination staff together with flexible utilization, as well as deployment of policy advisor experts, which would allow contributions to planning and implementation. Specific responses will also be considered regarding matters such as sector programs, sector surveys through development surveys, and the reflection in programs of the results of project type technical cooperation.

(D) Promotion of South-South cooperation

Based on its record of cooperation to date, Japan needs to promote South-South cooperation through technology transfer and personnel exchange, thus contributing to regional development and stability.

The importance of the region has been taken up in the context of TICAD II,

and Japan views the NMIMR as a base for human development*17 in the field of health and medical care in the West African region. Assistance will be continued for the development of the Institute as a regional center for the combat of infectious disease such as HIV/AIDS and for global parasite control. Japan intends to move forward steadily with such South-South and regional cooperation follow-ups.

Notes

<1> POLITICAL, ECONOMIC, AND SOCIAL CONDITIONS

*1 Savannah climate

The savannah climate is characterized by a narrow annual temperature range and average annual rainfall of 40-120 days during the summer months, with a long period of no rainfall at all in the dry season.

<2> CHALLENGES TO BE ADDRESSED IN DEVELOPMENT

(1) Ghana's Economic Plans

*2 OECD/DAC New Development Strategy

In May 1996, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) adopted a document titled New Development Strategy (Towards the Twenty-first Century: Contributions through Development Cooperation). This development strategy sets specific goals and achievement dates desired to improve the living standards of all people around the globe. Goals include: 1) reduction by half of the number of people in poverty by 2015, 2) spread of elementary education by 2015, 3) alleviation of the disparities between males and females in elementary and middle education by 2005, 4) reduction to 1/3 in the infant mortality rate=

by 2015, 5) reduction to 1/4 of the perinatal mortality rate, 6) spread of= health and medical services related to reproductive health, 7) formulation= of a state strategy for environmental conservation by 2005, 8) turn around= from depletion to increase in environmental resources by 2015. The strategy= emphasizes the importance of a global partnership because it will be= essential that developed and developing countries work together if goals= are to be achieved.

(2) Primary Challenges in Development

*3 Elementary education enrollment rates

Elementary education enrollment rate: 79.5% (men: 89%; women: 70%) (1990) literacy rate (15 years old or above): 35% (men: 47%; women: 24%) (World Bank: African Development Indicators 1995)

*4 Guinea worm disease

Guinea worm disease is caused by drinking water containing tiny water fleas on which the *dracunculus* ("small snake") chrysalis is a parasite. The "D" chrysalis grows to a length of about five centimeters inside the human body, slowly eating away the skin of the legs, etc. As

well as inducing severe pain, this causes tetanus and infectious fever. Since there are no drugs for treating or preventing this disease, the only countermeasure is to prevent contraction of the disease by eliminating the "D" chrysalis from water (by digging wells equipped with simple pumps and using water purification filters).

*5 As a result of structural adjustment reforms, Ghana achieved an average real economic growth rate of 4.65% during the 12-year period from 1985 to 1996, one of the highest growth rates in Sub-Saharan Africa.

(3) Relations with Principal International Organizations, Other Donor Countries, and Activities of NGOs

*6 Sector programs

An approach proposed by Japan in 1993 in order to provide assistance for manufacturing sectors through the Special Program of Assistance for Low-Income Debt-Distressed Countries in Sub-Saharan Africa (SPA), which had previously been based on structural adjustment assistance.

Aimed at overcoming problems such as the overlapping of assistance from donor countries, inefficient use of human and material resources, and lack of coordination among aid-receiving countries' development plans, this approach consists of the formulation, mainly by the aid recipient, of development plans in each sector, detailed discussion of these plans by the donor country and aid recipient, followed by the provision of assistance based on the adjusted plan. Initially called the sector investment programs (SIP), these are now referred to as sector programs. Even when implemented in coordination with the above-mentioned DAC New Development Strategy, this approach is compatible with both the concepts of "ownership" - formulation of sector development plans by aid-receiving countries and cooperation between these countries and donor countries - and "partnership" - cooperation among donor countries and coordination of assistance procedures based upon this.

<3> Japanese Aid Policies for Ghana

(1) Significance of Aid to Ghana

*7 In accordance with the Tokyo Agenda for Action adopted at the 2nd International Conference on African Development (TICAD II) held in Tokyo in October 1998, Japan is providing aid to specific African countries but, particularly with regard to Ghana, it is also implementing projects aimed at benefiting West Africa as a whole.

As a follow-up to TICAD II, the 3rd Asia-Africa Forum is planned to be held in Malaysia in the first half of next year in order to discuss policies for cooperation between Asia and Africa. In addition, the UNDP-sponsored Asia-Africa Business Forum was held in Malaysia in October 1999 with the aim of promoting joint trade and investment between Asia and Africa.

*8 ODA Charter Principles

This is the most basic and important document in Japanese ODA policies, defining aid guidelines

in light of past achievements, experiences, and lessons from ODA. It was adopted by cabinet resolution on June 30, 1992 as a means of providing a clear statement of Japanese ODA principles and rules. The document covers six areas: basic philosophy, principles, priorities, measures for effective implementation of ODA, measures to promote understanding and support at home and abroad, and ODA implementation systems. The "basic philosophy" for ODA are defined as: 1) humanitarian considerations, 2) recognition of interdependency, 3) self-help efforts, and 4) environmental conservation. The "principles" instruct aid administrators to "take into account comprehensively each recipient country's request, its socioeconomic conditions, and Japan's bilateral relations with the recipient country." They are also instructed to consider four areas: 1) balancing environment and development, 2) avoiding use for military purposes or for aggregation of international conflicts, 3) safeguards against diversion for military expenditure, development and production of weapons of mass destruction and missiles, and exports and imports of arms, 4) promotion of democratization, efforts to introduce the market-oriented economy, and guarantees of basic human rights and freedoms.

(3) Orientation for Japanese Aid

*9 Japan's Medium-Term Policy on ODA

Japan's Medium-Term Policy on ODA is a systematic and concrete plan for the implementation of ODA over the next five years, aimed at the more effective and efficient provision of aid and the further clarification of Japan's basic approach and specific policies regarding ODA both at home and overseas.

In view of Japan's severe economic and fiscal situation, no specific target figures were included in the current Medium-Term Policy on ODA announced in 1999. During the formulation process, efforts were made to incorporate citizens' views as far as possible by soliciting advice and opinions concerning ODA reform from various quarters, debating these issues in the Diet, and exchanging opinions with NGOs.

The Medium-Term Policy on ODA is organized under six headings: "Introduction," "Basic Approaches," "Priority Issues and Sectors," "Priority Issues and Sectors by Region," "Methods of Aid," and "Points to be Followed in the Implementation and Management of ODA." Further policies regarding priority tasks will be based on the DAC Development Partnership Strategy and further emphasize "human-centered development" and the "guarantee of security," while considering the balance between economic assistance and assistance for social infrastructure development.

*10 Japan has been providing vaccines to Ghana for the eradication of polio, which has decreased from about 150 recorded cases a year around 1985 to just 4 cases in 1998.

*11 International anti-parasite measures

At the Birmingham Summit in 1998, then Prime Minister Hashimoto proposed that, in order to effectively promote international anti-parasite measures, centers for training and research activities be set up in Africa and Asia and an international network established to promote human resources development and the exchange of information. Accordingly, with the aim of setting up training centers, etc. for the promotion of South-South cooperation in Thailand, Kenya and Ghana, meetings are taking place between the representatives from the Japanese government (Ministry of Foreign Affairs, Ministry of Health and Welfare, and Ministry of Education), JICA, the Japan Parasite Research Society?? and NGOs, etc., and cooperation with international organizations such as WHO is under consideration.

***12 Global Issues Initiative on Population and AIDS (GII)**

The population problem has become a global issue together with the problems of the environment and food/energy resources. In February 1994, Japan announced the Global Issues Initiatives on Population and AIDS (GII), which positively promoted assistance in this field, earmarking for this purpose a total of 3 billion yen in ODA over the 7-year period from 1994 to 2000. In addition to direct aid to tackle the problems of population, family planning, and AIDS, GII aims to take a comprehensive approach by also providing indirect assistance to reduce population growth, including support for basic health and medical care services for women and children, elementary education, and improvement of the social status of women.

To promote GII, field study groups have so far been dispatched to 15 countries, where they have been determining and formulating projects. Moreover, Japan has been coordinating with international organizations in this field and has received assistance from NGOs at the field study stage.

***13 Development welfare assistance projects**

Development welfare assistance projects are model projects for promoting welfare improvement activities in developing countries, drawing upon Japan's experience in this field. These projects are conducted with the participation of local citizens through cooperation with NGOs and other local organizations.

Based on the local JICA office, local consultants are employed in the aid-receiving country to guide local NGOs in the implementation of model projects. The project fields include improvement of health and hygiene, assistance for the aged, disabled and infants, support for women's independence, and promotion of local industries. In addition, technical guidance is provided through the short-term dispatch of specialists in each field.

***14** For example, one water supply project has benefited about 140,000 people.

***15** To assist Ghana in its efforts to implement structural adjustments, Japan has provided a total

of 360.9 billion yen in ODA loans and 12 billion yen in non-project grants as of fiscal 1998.

(5) Matters to Note in Aid Implementation

***16 CDF approach**

This approach, which attempts to achieve comprehensive development over a wide range of fields, is based on the recognition that it is necessary to promote growth through a balance between the macroeconomic aspects and the structural, social and human aspects in order to achieve development that is sustainable and can ensure social equality. Proposed by James Wolfensohn, President of the World Bank, a draft for discussion was published in January this year. The main points of this draft are: (1) The establishment of an overall framework based on the ownership of developing countries and partnership of those involved in development (governments, donors, the private sector, and civil society); (2) The need for the incorporation of social, structural and human aspects in development in addition to conventional macroeconomic analysis; (3) The creation of a matrix based on transparency, responsibility for explanation, and openness so that the status of development in a certain country can be grasped immediately; and (4) The need to place the greatest importance on the ownership (autonomous efforts to achieve development) of developing countries, reflected in the speed with which they tackle problems, their priorities in allocation of funds, etc.

***17** In cooperation with the WHO, Japan has been providing third-country training on yellow fever and polio diagnosis techniques at NMIMR since 1996.