



GHANA POVERTY REDUCTION STRATEGY - POVERTY DIAGNOSTICS AND REDUCTION STRATEGY

● *September 8 2003*



Definition of Poverty

Poverty is a multi-dimensional phenomenon. It is not merely defined by low level of income but includes the absence of medical care, poor sanitation, the absence of good drinking water, illiteracy and in fact the inability to participate effectively in decisions that affect an individual's life directly. It is indeed an unacceptable deprivation of physiological, biological and basic material needs.



I. INCIDENCE OF POVERTY

- **There are 2 levels of Poverty:**
 - **The Upper Level (The Poor)**
 - People with incomes of up to 900,000 Cedis a year, or 75,000 cedis a month or 2,500 cedis a day are considered poor
 - **The Lower Level (The extremely Poor)**
 - People with incomes of below 700,000 Cedis a year or 58,000 cedis a month or 1,900 cedis a day are considered extremely poor



NATIONAL POVERTY TREND

- **Poverty level reduced by 12 percentage points between 1991-92 and 1998-99 (i.e. an average of 2 percentage points a year reduction)**
- **Extreme poverty declined by 9 percentage points over the same period (i.e. an average of 1.5 percentage points a year reduction)**
- **About 40% of Ghanaians currently have incomes below the upper poverty Line**
- **About 27% (more than a quarter) of the population have incomes below the Extreme Poverty Line**



REGIONAL POVERTY TRENDS

- **Poverty incidence is lowest in Greater Accra (5%) and highest in the north (Northern (69%), Upper East (88%) and Upper West (84%))**
- **Many regions in the south (Central (48%), Eastern (44%), Volta (38%) also have high incidence of poverty.**
- **Other Regions Fall between the Greater Accra and the Volta Region Figures.**



RURAL/ URBAN DIFFERENCES

- **The Eastern (12%), Volta (7%) and Northern Regions had significant increases in Urban Poverty between 1992 and 1999.**
- **Upper East (28%) and Upper West (6%) had very large increases in rural poverty.**
- **Substantial falls in rural poverty took place in Brong Ahafo (35%), Volta (25%) and Ashanti (17%) Regions.**
- **Overall urban people have the larger proportion of total income (49%) but are still only a third of the population**



POVERTY TRENDS BY ECONOMIC ACTIVITY

- **Poverty is highest among Food Crop Farmers (59%)**
- **Other categories that are relatively poor include export farmers (39%) and private informal employees (25%)**



II. THE DEPTH OF POVERTY

- **The Average income among the poor is 36% below the poverty line**
- **The average income of the extremely poor is 30% below the lower poverty line.**



Household Size

	Urban	Rural
Extremely Poor	5.55	5.80
Poor	5.34	5.39
Not Poor	3.66	3.80
Ghana	3.91	4.54



***Poverty from the
perspective of lack of
access to basic
services***



Infant mortality is 57 deaths per 1000 live births

About one in nine children born in Ghana dies before their fifth birthday

About one-third of children are not fully immunised before their first birthday

Births supervised in health facilities is still fewer than 50%



Malaria, Acute Respiratory Infections (ARI), diarrhea, malnutrition and measles remain the five main killer diseases of children

26% of children under five are stunted

Maternal mortality is 214-740 per 100,000 even though the nature of the causes is preventable



About one-third of the population still has no access to potable water a constraint to the full eradication of guinea worm

Over 50% of Ghanaians have no access to safe sanitation

HIV/AIDS 200 people are infected daily!!



**At the primary level, almost a quarter of school-age children are out of school
Dropout rates remain high - at 20% for boys and 30% for girls at the primary level,
and 15% for boys and 21% for girls at the junior secondary level**

**At JSS level, almost 40% of children are not enrolled,
and at the SSS level, 60% are not enrolled
Female participation in education
decreases at each ascending level of
education**



The number of street children in Accra alone is estimated at 15,000 - 20,000. Rural poverty appears to be the major push factor; with poverty in urban indigenous low-income areas, increasing the phenomenon

The elderly and physically impaired with no family support also constitute other poverty groups usually not captured by policy



Part II A

Component of the GPRS

Outline of Presentation

- PART I
- Ghana Poverty Reduction Strategy
 - Scope,
 - goals,
 - objectives
 - **Targets**
 - **Major Strategies**

PART II

**Monitoring the implementation of the
GPRS**



What is the GPRS?

- The GPRS is the operational National Medium Term Development Framework.



Scope of the GPRS

The GPRS consists of:

- The Policy Framework – Volume 1
 - Containing objectives and targets
 - strategies, and actions for accelerated growth and poverty reduction.
 - Programme areas and interventions
- The Costed Programme – Volume 2
 - Containing costed programmes, projects and activities for realizing the objectives identified in the Policy Framework.



Goal

**TO ACHIEVE SUSTAINABLE
EQUITABLE GROWTH,
ACCELERATED POVERTY
REDUCTION AND THE
PROTECTION OF THE
VULNERABLE AND EXCLUDED
WITHIN A DECENTRALIZED
DEMOCRATIC ENVIRONMENT**



Broad GPRS Objectives

- ENSURE MACRO-ECONOMIC STABILITY
- INCREASE PRODUCTION AND GAINFUL EMPLOYMENT
- FACILITATE DIRECT SUPPORT FOR HUMAN RESOURCE DEVELOPMENT & BASIC SERVICES
- EXPAND SPECIAL PROGRAMMES TO SUPPORT VULNERABLE GROUPS
- ENHANCE GOOD GOVERNANCE



POVERTY REDUCTION TARGETS - 2005

- The national target is to reduce the incidence of poverty from 40% to 32%
- To reduce poverty in the Central (48%), Northern (69%), Upper East (88%) and Upper West (84%) to the current national average of 40%
- The target for the other Regions excluding Greater Accra is to reduce poverty by 8 percentage points by 2005



POVERTY REDUCTION TARGETS - ECONOMIC ACTIVITY

- Reduce poverty among crop farmers from 59% to 40% (National Average)
- Poverty among other economic activity groups to be reduced by 6 percentage points



TARGET FOR INCOME GAP

- The target is to increase the average income among the poor from 36% below the poverty line to only 30%.
- The target is to increase the average income of the extremely poor from 30% below the lower poverty line to 24%



TARGETS FOR MORTALITY INDICES BY 2005

- Reduce Under 5 Mortality Rate from 108 per 1,000 to 100 per 1,000
- Reduce Infant Mortality Rate from 57 deaths per 1,000 live births to 52 per 1,000 live births.
- Reduce Maternal Mortality Rate from 214-740 per 100,000 live births to 195-673 per 100,000 live births



TARGETS FOR ACCESS TO HEALTH

- The target of access to ante-natal care (ANC) is to increase from current 87% to 92%,
- Average ante-natal visit to clinic to increase from 2.4 to 4.0



TARGETS FOR ERADICATION OF MAJOR DISEASES

- **The target is to reduce the incidence of malaria by at least 50% by 2004**
- **The target is to eradicate guinea worm by 2005**



Major Strategies



Macro-Economic Strategy

- ✓ Reducing and Restructuring domestic Debt
- ✓ Improving Public Expenditure Management
- ✓ Increased resource mobilisation
- ✓ Price and Exchange Rate Stability
- ✓ Deepening of capital markets
- ✓ Export competitiveness
- ✓ Export Diversification



Employment

- ✓ Increasing agricultural yields and production – infrastructure, high yielding varieties, market extension service provision
- ✓ Increasing production & employment in agro-processing
- ✓ Improving productivity in industrial and service sectors
- ✓ Creating the right institutional environment for entrepreneurial development in agriculture



Cont'd

- Increasing the extent and quality of health care, bridging equity gaps, ensuring sustainable financing, increasing efficiency in service delivery
- Increasing access to potable water & sanitation & improving management
- Expanding essential basic services to the vulnerable and excluded



VULNERABILITY & EXCLUSION

- ✓ **Direct State Interventions for the Vulnerable & Excluded**
 - Expanding coverage and effectiveness of essential services to the poorest groups and geographical areas
 - Developing systems that enforce the rights of protection, especially for women and children
- ✓ **Increased partnership with non-governmental organizations**



GOOD GOVERNANCE

- ✓ Deepening effective political involvement in support of growth and poverty reduction
- ✓ Increasing the capacity of the public services
- ✓ Rationalizing and defining structures, roles, and procedures for institutions responsible for poverty reduction, growth and development
- ✓ Instituting land reform



Cont'd

- ✓ Strengthening the leadership and capacity of the District Assemblies
- ✓ Deepening District Assemblies association with civil society
- ✓ Facilitating best practices for all financial and asset control processes
- ✓ Institutionalizing public access to matters of Government



GOVERNMENT'S MEDIUM TERM PRIORITIES (2003 – 2005)

A. Macroeconomic Strategy

**Reducing and restructuring domestic
debt**

**Improving public expenditure
Management**



2. PRODUCTION AND GAINFUL EMPLOYMENT

A. MODERNIZED AGRICULTURE BASED ON RURAL DEVELOPMENT

- Support private sector to add value to
agriculture produce**
- Reform land acquisition laws, regulations
and practices**
- Actively promote production of NTE crops**
- Promote the development of agro-
processing**
- Increase environmental Protection
through re-afforestation**



✓ B. Infrastructure

- 3 major highways to open up country, promote West African integration leading to increased job creation
- Linking rural areas to urban markets – one road in each region
- Accelerate access to telecommunications
- Increase energy availability to boost industrial growth & production



3. ENHANCED SOCIAL SERVICES

- ✓ Reform educational system to ensure uninterrupted education from pre-school to age 17 to create opportunity for human development & reduce poverty
- ✓ Develop model senior secondary schools in every district
- ✓ Develop a model health centre in each district
- ✓ Phase out cash & carry system & replace it with a more humane & effective system



4. Vulnerable and the Excluded

- Promoting Women's access to micro credit
- Attainment of social justice, equity and respect for human rights
- Prevention of the spread of HIV and providing care for PLWHA
- Improving the quality of the physically handicapped



5. GOOD GOVERNANCE

- ✓ Support Parliament for better governance
- ✓ Restructure civil service for improved efficiency & effectiveness related to better compensation
- ✓ Strengthen capacity of AG's office & judiciary to ensure rule of law
- ✓ Enhance social order by improving police service
- ✓ Ensure transparency & accountability in resource generation, allocation & mgt





PART II B

GPRS: MONITORING THE FIRST YEAR OF IMPLEMENTATION

THE MONITORING PROCESS

- The process of monitoring the GPRS implementation process began with the identification of 52 indicators
- There were 3 types of indicators
 - Input indicators
 - Output indicators; and
 - Outcome indicators



PROCESS (2)

- The input indicators included disbursements, and resources such as construction materials, and equipment purchases.
- The output indicators include completed or semi-finished products resulting from combining the inputs such as school buildings, maternity wards, and kilo-meter of feeder roads
- The outcome indicators include the impact measurements such as the level of enrolment, access to health care, etc,



PROCESS (3)

- The report to be submitted focuses mainly on input and output indicators
- Outcome indicators tend to have long lags (over 2 years) between implementation and realization. So we could not provide data on outcomes as a result of GPRS implementation
- However we have provided baseline data for a large number of the outcome indicators in the main report
- It is hoped that the on-going CWIQ will capture some of the outcome indicators resulting from GPRS Interventions
- The GLSS(5) to be conducted next year will capture most of the GPRS intervention outcomes



PROCESS (4)

- The primary data for the report was collected by the MDAs and the DCPUs of the District Assemblies
- The NDPC's role was to collate and analyse the data.
- This involved preparation of a format or questionnaire identifying the information required for the MDAs and the DAs to supply the necessary information



The Medium Term Priority Programmes and Projects





I. Macro-Economic Stability

Programs/Projects Status

Reducing and Restructuring the domestic debt

- Applied ₦81.4 billion of HIPC funds to finance interest on domestic debts



Improving Revenue Collection and Expenditure Management

- Established a Budget Development Unit to internalize the MTEF process within the Budget Division
- Introduced an allocation register to track releases made to MDAs
- Established a Public Expenditure Monitoring Unit to collate data on expenditure returns from MDAs
- Established a Non-Tax Revenue Unit to facilitate the collection accounting and reporting of non-tax revenue from MDAs
- Appointed 21 debt collection agencies to assist in the recovery of loans and increase domestic revenue mobilization
 - Recovered loans from SOEs, Parastatals and Private Companies totaling ₦48.4 billion in 2001.



● II. Production & Gainful Employment

Programs/Projects Status

Modernizing Agriculture based on Rural Development

Irrigation Programs:

- Current coverage is 0.04% of arable land
- Target for 2004 is 0.12% of arable land, ie 2590 ha.
- Work on 15 small scale irrigation facilities in progress nationwide. Expected to cover 2077 ha of land.
- Other interventions under VIP and others are also in progress.



MECHANIZATION

- Rehabilitation of 1,000 tractors in progress

Fishing Hatcheries

- About 24 fishponds constructed at Fuu in the Northern Region under the Special Program for Food Security
- A pilot aquaculture center to produce fingerlings for fish farmers in the middle belt (Ashanti, B.A, Eastern & Volta) completed



Export Led Poverty Reduction Projects

- 5,355 farmers in the Northern Ashanti and Brong Ahafo regions assisted to plant 10,000-acre Soya beans for 20,000-ton export order
- Five handicraft villages established and completed in the Ashanti, Eastern, Volta, Northern and Upper East regions
- Achieved 32% increase in non-traditional exports in 2002
- Obtained AGOA visa systems, exported \$8m worth of textile and garments and created about 1,000 jobs
- EDIF fund established and ₵87.9 billion disbursed.
- 31 companies approved to operate under the free zone program and 6,841 jobs created in 2002



Environmental & Natural Resource Management

Reforestation Programs

- Sum of \$55,312 made available by GOG to reforest Akwamu, Krobo Akwapem range and Densu river basin

Forest Plantation Development

- Target: 20,000 ha. of degraded forest to be planted by 2002
- 17,000 has been planted with less than 50% of funding secured to date
- 30,000 km of existing forest boundary maintained
- 25 million plantation seedlings in nurseries raised nationwide.



Enhanced Infrastructure - ROAD Projects

1. Major Highway Construction

Accra-Yamoransa stretch

- Tender procedures on going

Accra – Kumasi stretch:

- total length of 219.4 km divided into 8 sections.
- 2 sections on-going with about 50% completion.
- Funds secured for 3 sections. Work begins in September 2003. Aide Memoire signed for another section between GOG & ADB.

Accra – Aflao stretch

- Total length of 166 km divided into 3 sections.
- Work on-going on one section, two sections yet to start



2. Access to Markets Through Improved Farm/Feeder Roads

- Feeder road maintenance program target for 2002 totaled 19,450 km (13,700 km routine maintenance and 5,750 km periodic maintenance.)
- About 10,459 km (58%) so far completed.

3. Access to Urban Markets

- About 1,092.5km of road to be constructed between 2002-2004
- About 23% of funding secured to date
- About 18,092 km out of planned 23,369 km road covered under routine maintenance and 797 km under periodic maintenance program by the Ghana Highways Authority
- About 2,844 km of urban roads covered under routine maintenance.
- 19 bridges completed by the department of feeder roads.



Enhanced Infrastructure: Reliable Access to Energy

1. West African Gas Pipeline: - Status
 - Concession agreement negotiation completed
 - Gas Purchase and Sale agreement, environmental impact assessment, public education campaign and market demand study all on-going
2. Takoradi Thermal Plant expansion and Bui Dam projects.
 - No activity has been recorded to date.
3. Buipe – Bolga Petroleum Products Pipeline Project
 - Feasibility study and topographical & soil surveys completed
 - Funding secured and loan agreement to be signed by June 2003
 - A Korean consortium selected to undertake project.



4. Kerosene Distribution Improvement Program
 - Project in 3 phase with 1st phases ongoing
 - 700 surface tanks fabricated for distribution to districts. Distribution is on going and 55% completed
5. Residual Fluid Catalytic Cracker Project – Status
 - Project completed commissioned and in use
 - Boiler not functioning at 100% capacity
6. Self Help Electrification Program (SHEP)
 - Phase 1 & 2 of SHEP 3 completed. Phase 3 to serve 650 communities. No fund available for project in 2002
 - Phase 1 of SHEP 4 to serve 190 communities. Currently in survey stage





III. Human ● Development & Basic Services

Programs/Projects Status

ENHANCED SOCIAL SERVICES - Education and Health

- **Establish one model secondary school in each district.**
 - Criteria for selection of schools established.
 - Identification of physical infrastructure and academic requirements completed
 - R48 billion released for upgrading 30 selected senior secondary schools throughout the country.

- ◆ **Phase out cash and carry system and promote health insurance scheme**
 - A policy and legal framework for health insurance developed. A draft Bill on the policy framework awaiting enactment by Parliament.
 - Promotion of the health insurance scheme on-going
 - Implementation of the scheme scheduled for January 2004



SOCIAL SERVICES contd...

- **Establish one model health center for each district.**
 - Construction of 16 Health Centers 90% completed.
 - Work for provision of residential accommodation commences this year



● **IV. GOVERNANCE**

Programs / Projects Status

4. Deepening political involvement for Poverty Reduction and Economic Growth

- Parliamentary Committee on Poverty Reduction established in December 2002

5. Increasing Capacity of Public Service

- National Procurement Bill currently before Finance Committee of Parliament
- Electronic expenditure tracking system being piloted at MOF and C&AGD

6. Accelerate the implementation of Decentralization

- Local Government Service Bill is currently before Parliament



V. Vulnerable & Excluded

Programs / Projects Status

Promoting women access to micro-credit

- **Credit for women's small and micro enterprises:**
 - Total of ₵41.9 billion disbursed to women farmers, agro-processors and traders
- **Technology for small and micro scale enterprises:**
 - Agro-processing machines (gari, shea butter, groundnut oil) distributed to SMEs, sewing machines donated to vocational schools.



Improving the quality of life of the vulnerable and the Excluded

- **Increase Support to institutions caring for Vulnerable & excluded:**
 - Training of street girls on-going at women Training Institute, Madina
 - Street Child Policy Project, a learning project for street children in Kumasi, Accra, Sekondi-Takoradi and Tamale on-going.
- **Adequate security and protection for Women and Children**
 - Program to build capacity for the Police on-going (includes communication equipment, transports and gender training)
 - Program to establish WAJU in every district being implemented
 - Program to increase utilization of Legal Aid Services on-going.
- **Lifeline Pricing for Utilities**
 - Lifeline Pricing for electricity adopted and operational





District Assemblies

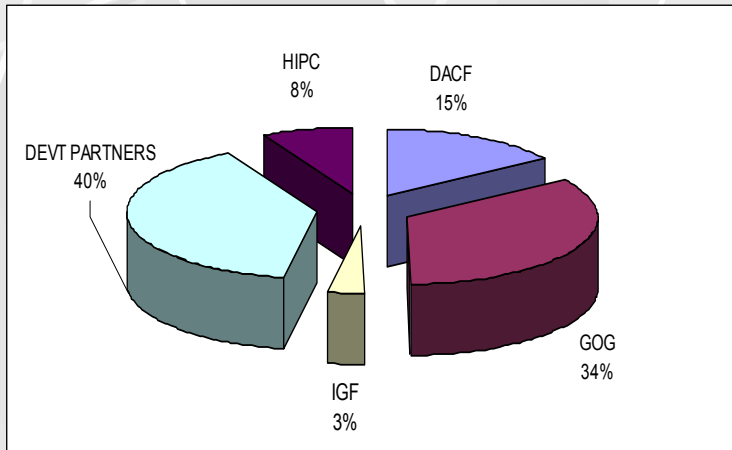
Programs / Projects Status

Funding Sources

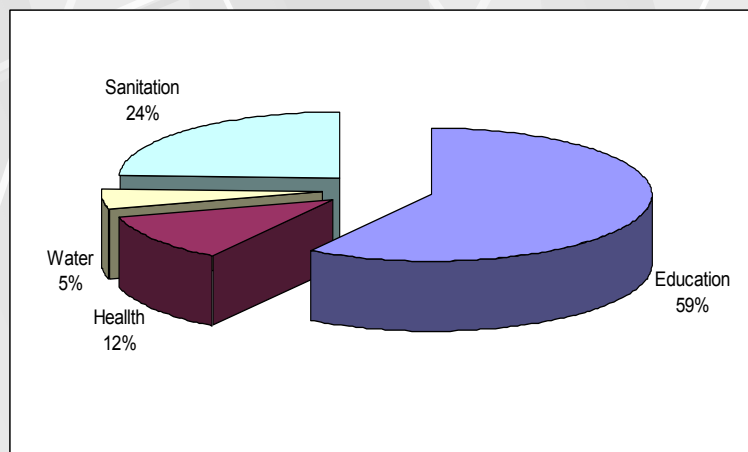
- HIPC relief
- District Assemblies Common Fund (DACF)
- Government Direct Funding (GOG)
- Development Partners
- Internally Generated Funds (IGF)



Proportion of Funding Sources (2002)



Intervention Areas: HIPC Relief



FEEDBACK TO GOVERNMENT

- The report is ready to influence the 2004 Budget process
- It details where much was done and where little was done in 2002.
- This information must be used carefully since there is a one-year lag. Remember it is not what has been achieved in 2003 which we do not know yet.
- However there are lessons that can be used to influence the 2004 budget and in the disbursement of HIPC funds



FEEDBACK TO GOVERNMENT

- For instance, the report has thrown light on the proportion of funds available to the district by all manner of sources.
- It has also indicated the areas that each funds are spent on the average.
- The last chapter of the report provides the Policy implications of the report outcomes
- This will serve as a useful information in resource allocation by the various sources and a tool for programme coordination



Thank You

