# The Republic of Korea's Country Partnership Strategy (CPS) for the Republic of Ghana 2016-2020

The Government of the Republic of Korea

**March 2017** 

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### The Republic of Korea's Country Partnership Strategy for The Republic of Ghana

#### I. Summary

### The 5<sup>th</sup> Co-ordinated Programme of Economic and Social Development Policies (CPESDP, 2014-2020)

A stable, united, inclusive, and prosperous country with opportunities for all

Ghana Shared Growth and Development Agenda II (GSGDA II, 2014-2017)					
Seven Thematic Areas for Development					
Ensuring and sustaining macroeconomic stability	comp	Enhanced petitiveness of s private sector Accelerated a moderniza sustainable resource ma		tural	Oil and gas development
Infrastructure and hu settlements	Infrastructure and human settlements Human development and emp		ment, productivity, Transparent, reployment accountable		parent, responsive, and ountable governance

#### Objectives of the Republic of Korea's Development Cooperation for the Republic of Ghana

The Korean Government will support the Ghanaian Government to realize CPESDP and GSGDA II focusing on the following objectives:

- Agricultural modernization, comprehensive rural development, and agro-based industry development focusing on agricultural productivity, household income, and regional income disparity
- Improvement of primary health service delivery system, disease control system, reproductive health of female adolescent children
- Improvement of basic education and promotion of TVET for human resource development
- Stabilization of power supply to households and industries focusing on efficiency of power transmission, substation, and distribution

#### **Agriculture and Rural Development**

- Support farmer-based cooperatives and organizations to increase agricultural productivity and household income
- Support development of agro-based industry focusing on rice farming technology and storage, processing, packaging, distribution of other agricultural, and livestock products

#### Priority Cooperation Areas and Support Plans

#### **Public Health**

- Support improvement of community-based primary health service delivery system and disease control management system
- Support reproductive health and sanitation programs in schools targeting female adolescent children at schools
- Support improvement of access to clean and safe water

#### Education

- Support improvement of basic education
- Strengthen vocational training to meet industrial labor market demand

#### Energy

- Contribute to construction of power plant
- Support improvement of electric power transmission, substation, and distribution efficiency
- Support development of a foundation for a stable power supply

- **1. (Vision)** The Government of the Republic of Korea (Korean Government) will make development cooperation efforts to support the key development areas of the Ghana Shared Growth and Development Agenda II (GSGDA II) and support the efforts of the Government of Ghana to realize the vision of "building a stable, united, inclusive, and prosperous country with opportunities for all" set under its 5<sup>th</sup> Co-ordinated Programme of Economic and Social Development Policies (CPESDP, 2014-2020).
- 2. (Objectives) The Republic of Korea's Country Partnership Strategy 2016-2020 for Ghana will focus on strengthening agricultural modernization and rural development; improving primary health service delivery and disease control management; enhancing basic education and TVET; and increasing efficiency of electricity transmission, substation, and distribution.
- **3. (Priority Cooperation Areas)** The priority cooperation areas reflect Ghana's development needs identified in the national development strategies and Korea's strength in development cooperation based on its own development experiences. Korea aims to allocate 70% of its bilateral ODA for Ghana to the following priority cooperation areas during the CPS period.

Agriculture and Rural Development includes agricultural modernization, productivity improvement, household income generation, comprehensive rural development, and agro-based industry development

Public Health includes primary health service delivery system, disease control management, in-school reproductive health, and sanitation

Education includes basic education, TVET and human resource development

**Energy** includes **electricity transmission**, **substation**, **and distribution** 

**4.** (Implementation Strategy) In order to improve the development efficiency of aid projects for Ghana, the Korean Government would adhere to the five fundamental principles: a. Ownership, b. Alignment, c. Harmonization, d. Managing for results, and e. Accountability.

#### II. Priority Cooperation Areas and Implementation Strategy

#### A. Agriculture and Rural Development

#### 1. Needs Assessment

Rural and agricultural development plays an important role in the Ghanaian economy despite its declining share in GDP. Agriculture accounts 29.8% of GDP in 2010, but, decreased to 21.5% in 2014. However, the agriculture sector alone employs 44.7% of the population over the age of 15 in 2013 according to the Ghana Living Standard Survey Round 6 (GLSS6). Moreover, the fact that the 71.1% (2013) of the rural population works in agriculture and fisheries industries highlights the rural region's heavy reliance on agriculture. In this context, regional income disparity and low agricultural productivity is a growing concern. Seventy-eight percent of the rural population lives under poverty line in 2012.

Low levels of mechanization and investment, along with small-scale farming or less productive farming methods are key challenges for agricultural productivity. Improving agricultural value chain development and reducing a heavy reliance on imported key food crops are other concerns. Since the late 1990s, the Government of Ghana has stressed the importance of farmer-based organizations (FBOs) to disseminate new agricultural techniques and improve rural income levels; however, small scale FBOs had its limitations in producing tangible changes.

Currently, the Government of Ghana is actively promoting agriculture-based industrialization focusing on the agricultural value chain. Agricultural processing and end-product exports such as cocoa, cotton, and horticultural crops are encouraged to increase the export revenue from the agriculture sector.

#### < Statistics on Ghana's Agricultural Sector (2012) >

Total Population (2014)	25.91 million
Population Growth Rate	2.4% per year
Key Export Crops	Cocoa, lumber, cashew, and herbs
Total Land Area	23,884,245 ha (100%)
Agric. Land Area	14,038,224 ha (58.8%)
Area Under Cultivation	7,847,300 ha (55.9%)
Area Under Irrigation	30,345 ha (0.4%, as of 2012)
Area Not Under Cultivation	6,190,924 ha (44.1%)
Farming Systems	Continue to utilize traditional farming equipment like hoes and cutlasses and mostly un-mechanized farming systems.
Average Farm Size	More than 90% of the farmers are smallholders with less than 2ha of farm holdings

Source: The Statistics, Research, and Information Directorate (SRID) of the Ministry of Food and Agriculture (MoFA), Agriculture in Ghana - Facts and Figures (2012). 2013

#### 2. Korea's Strength in Development

Korea has experience in comprehensive rural development through farmers' cooperatives and consumer cooperatives with their own management and operation models. Through sharing this experience, Korea can contribute to the development of Ghana's agricultural sector and rural areas.

As the identified drivers behind Korean rural development are technology, enterprises, competition, capacity building of smallholder farmers, and innovation, these drivers can also be applied in Ghanaian context for the development of rural villages and agribusiness units.

For the last 30 years, the Korean Government-directed agricultural cooperatives and private consumers' cooperatives have grown and been able to sustain themselves. The past World Bank support to agricultural cooperatives in Korea has also served a catalytic role, and sharing such experience may induce another catalytic effect in Ghanaian rural areas.

The Korean capacity in irrigation project and rice farming techniques can be applied in the Ghanaian context in order to increase the productivity of rice, a staple crop in Ghana. The successful implementation experience from "Dawhenya Rural Development Project (2011-2013/\$3.6 mil)" will be used as a reference for other regions which show a promising potential for rice cultivation.

#### 3. Implementation Strategy

The Korea's CPS will support:

#### a. Farmer-based cooperatives and organizations

- Korea plans to support agricultural cooperatives among smallholder farmers. The support will include basic agriculture-related education and consulting services to add value to agricultural products.

#### b. Agro-based industry development

- Korea's support aims to share its advanced rice farming techniques and experiences1; promote large-scale irrigation facilities; and introduce a system for storage, processing, package, and distribution of agricultural and livestock products.

<sup>1</sup> Supply of high-quality seeds, training of farming techniques, and technical assistance on harvesting, storage, processing, package and distribution

#### c. Strengthening of regional agricultural capacities and systems

- In order to strengthen sustainability of development cooperation projects, Korea will conduct need assessment surveys of the central or local governments and farmers' organizations and will support their capacity building.

#### B. Public Health

#### 1. Needs Assessment

The Ghanaian government aims to extend health service delivery to the community level. The Ministry of Health (MoH) is currently aiming to provide "quality primary health care to all people living in Ghana" under the Health Sector Medium Term Development Plan (HSMTDP) 2014–2017. In line with the plan, the Community-Based Health Planning and Services Programme (CHPS) is currently being implemented. National IT-based health information reporting system DHIMS2, District Health Information Management System 2, has been running since 2012. The Ministry of Health plans to further develop DHIMS 2 to mobile-based health information database in order to extend its service to the community level.

According to the World Development Report 2015, under-five and maternal mortality rates are 61.6 per 1,000 and 319 per 100,000 live births, respectively. More efforts are needed to achieve MDG targets. The high infant mortality rate, which accounts for 69% of under-five mortality, as well as early marriage and teenage pregnancy must be addressed.

The low number of health workforce, especially outside Accra, remains as a challenge in Ghana. The number of the health workforce is below the recommended health workforce ratio by WHO, which is at least 0.2 doctors and 2.2 nurses per 1,000 residents. The current statistics stands at 0.1 doctors and 1.14 nurses per 1,000 residents. Moreover, access to health services in regions outside Accra is extremely limited, as more than 50% of the total number of doctor work in the capital, Accra.

The quality of drinking water and sanitation have shown great improvement, but, continued efforts are needed as 11.3% (2015) of the population has no access to safe drinking water. The recent outbreak of Ebola in the West Africa and recurrent problem of Cholera and Meningitis are reminders of the importance of national disease control management for health security.

#### 2. Korea's Strength in Development

Korea has successful experience in reducing the fertility rate and infant, child, and maternal mortality rates through the implementation of family planning projects and maternal and child health services. In addition, Korea has introduced a national

health insurance system and health information system to improve basic health indicators and strengthen national health system. The experience can serve as a case study in developing an integrated regional health system and national health care delivery system.

#### 3. Implementation Strategy

Korea's CPS will support:

#### a. Capacity building of basic health service delivery

- Korea will support projects to strengthen community-based health service delivery and the national health system in accordance with the Government of Ghana's CHPS.
- Special attention will be given to reproductive health and sanitation programs for female adolescents and children in schools.
- Capacity building for national disease control and management and for relevant laboratories will be prioritized.
- Korea will foster partnerships with the private sector and other development partners in the area of mobile health (m-Health).

#### C. Education

#### 1. Needs Assessment

The Ministry of Education (MoE)'s Education Strategic Plan (ESP) 2010-2020 identifies "improving quality of and access to education," "reducing gender inequality," and "strengthening linkages between education and industry" as priority tasks. To achieve its priority tasks, the Ghanaian government is currently focusing on strengthening STEM curricula (Science, Technology, Engineering, and Mathematics), teachers' professional reliability, educational environment in disadvantaged areas, and linkage between education and industrial labor market demand.

The net enrollment rate in primary education reached 91% (2015) according to the 2016 World Development Report. This achievement is a milestone for Ghanaian education, a result of the government's policy on universal education and scholarship. However, more efforts are needed to improve quality of education for human resource development. According to the 2014 Early Grade Reading Assessment (EGRA) jointly conducted by the Ministry of Education and National Education Assessment Unit (NEAU), 88.8% of the children in urban areas and 91.8% in rural areas lack basic reading skills in 2013.

Several achievements have been made in addressing teacher absenteeism and low pupil-teacher ratio (PTR), but, continuous effort is needed for further improvement and sustainability of quality of education. According to the 2014 Ministry of Education report, the teacher absenteeism rate has greatly decreased from 27% (2008) to 11%. For primary schools, PTR has improved from 35:1 (2003) to 29:1 (2009), but, it was observed to fall back to 32:1 in 2013. Regional education inequality was also noted by the 2014 Annual Progress Report of GSGDA II. The PTR ratio in the northern regions and rural areas was observed to be lower than the southern regions and urban areas.

Meeting the demands of the industrial labor market and improving vocational training in the field are challenges remaining for the TVET program. The present limitations have discouraged secondary school graduates to enroll in TVET programs, resulting in sharp drop of the public and private TVET enrollment rates by 47% and 77% from 2010 to 2013, respectively. In another words, the number of students enrolled in public institutes fell from 55,147 to 35,349, and from 24,839 to 5,716 in private institutes, according to the 2015 Education for All Report.

Further support for female students is needed to reverse the declining trend of female student's TVET enrollment rate. The enrollment rate of 50.1% in 2009/10 has decreased to 37.1% in 2011/12 and to 29.1% in 2013/14.

#### 2. Korea's Strength in Development

From primary, secondary, to the tertiary level, Korea exhibits high enrollment and completion rates. In addition, as a tool to build teachers' capacity and to provide wider educational opportunities to students, information and communication technology (ICT) are applied throughout educational facilities, systems, and curriculum.

Korea's relative advantage in quality of education system, teacher training and capacity building programs, and TVET program linked to industrial labor market demand can be applied to address the local needs of Ghana.

Within the current Ghanaian context of a growing economy, greater emphasis is placed on the linkage between education and industrial labor market demand. In this regard, Korea can contribute with its comparative advantage in the TVET sector, specifically on advanced TVET equipment (training devices and supplies) and teacher training methods.

A public-private partnership project involving KOICA, GIZ, and Samsung Electronics is currently being implemented (Capacity Building of Female Professionals in Electronics, 2015-2017, USD 1.3 million). The project is aimed to create various positive outcomes to meet industrial labor market demand and create decent job opportunities to Ghanaian women.

#### 3. Implementation Strategy

Korea's CPS will support:

#### a. Quality of basic education

- Korea will support the Ghanaian government's effort to improve quality of basic STEM (Science, Technology, Engineering, and Mathematics) education and literacy rate to enhance academic performance.

#### b. Strengthening the TVET program to meet industrial labor market demand

- Korea will continue to implement and introduce TVET programs to create better employment opportunities. The experience gained from the "Ghana Accra Technical Training Center Capacity Building Project (2010-2012/USD 2 mil)" will be promoted for the further engagement in the Ghanaian context.
- Korea will also provide support to introduce competency-based training (CBT), ICT-based training, and other competitive vocational training programs with close ties to key educational policies of the Government of Ghana.
- Commitment to supporting education for special target groups such as vulnerable groups including people with disabilities is necessary to promote universal basic education, improve the adult literacy rate, realize gender equality in education, and contribute to the achievement of Ghana's educational goals that are linked with the SDGs.

#### **D. Energy**

#### 1. Needs Assessment

As of 2014, it is estimated that approximately 76% of the population of Ghana has access to electricity. Currently, electricity access is concentrated in urban areas of the southern and central regions. The Ghana's electricity generation capacity was 3,656MWat the end of 2015 according to national energy statistics. However, the demand for electricity is increasing by 10~15% annually due to recent rapid economic growth, and it is limiting access to electricity of households.

With increasing demand for electricity and a reduced power supply, Ghana is experiencing a power shortage. The situation is exacerbated with the partial reduction of energy supplied by three hydroelectric power plants which account for almost 55.5% (1,580MW) of the total electricity generation and an unstable gas supply from Nigeria through the West African Gas Pipeline (WAGP). The hydroelectric power generators were partially shut down due to recent a drought and low water reserves and for the purpose of maintenance and repair of the worn-out machinery and facilities.

As a response to the energy situation, the Government of Ghana is implementing a long-term plan which aims to achieve universal access to electricity by 2030 and become a net power exporter and West African power hub. In this regard, the plan is set to increase electricity distribution rate to 93% and expand electricity distribution from 1,081 rural communities in 2014 to 5,315 communities by 2016.

In February 2015, the Ministry of Power was newly established to restructure the sector and position it to address the long-term power requirements of the country. In order to resolve the root of the power shortage situation, the Government of **Ghana** is planning to increase the electricity generation capacity to 5,000MW by 2016. The government also aims to diversify its power source mix from hydro to solar and thermal power plants. The thermal power plant can operate on domestically produced crude and natural gas. The share of solar power in the energy mix is planned to increase to 10% by 2020. The design of the plan involves independent power producers (IPPs) and public-private partnerships.

Securing a stable power supply is an urgent task for the Ghanaian economy to carry on its recent economic growth. However, **improving power efficiency is another task that requires immediate attention as the rate of energy loss caused by inefficient power management has reached 21.5% (2013).** As a response, the Government of Ghana is currently focused on improving and modernizing its wornout power transmission and transformation infrastructure. The government is also promoting the use of energy efficiency and preservation technologies in households and industries.

#### 2. Korea's Strength in Development

A partial competition system has been introduced to the domestic energy industry, dividing the previously government-owned energy corporation into six separate corporations and ensuring participation of independent power producers and local electricity enterprises.

Korea possesses advanced technology in power generation, transmission, transformation, and distribution areas. Specifically, the technology and personnel capacities in electricity transmission, transformation, and distribution; which are crucial to establishing power efficiency; are internationally recognized.

In order to increase the electricity supply in Ghana, Korea Eximbank's Economic Development Cooperation Fund (EDCF) is currently carrying out the Prestea-Kumasi Power Enhancement Project (2012-2017/USD 67 million). KOICA is also working on the Ghana Electricity Transmission/Transformation HRD Infrastructure Development Project, 2015-2017/USD 2.6 million.

In response to Ghana's priority in improvement and modernization of electricity infrastructure, the Government of Korea can offer relevant technologies and experience to the engineers, technicians, and other relevant personnel in order to contribute to the improvement of electricity transmission and distribution efficiency in Ghana.

#### 3. Implementation Strategy

Korea's CPS supports:

a. Improvement of electric power transmission, transformation, and distribution

#### b. Efforts to resolve the electricity shortage problem

- Efforts to resolve the electricity shortage problem include new construction and expansion of power plants and improvement of energy efficiency by reducing loss of electricity during electricity generation, transmission, and distribution.

#### c. Foundation for a stable power supply

- Korea plans to promote efficient energy transmission and distribution for the stable provision of electricity supply in the form of capacity building such as training for operation, management, and maintenance personnel for the master plan. Further consideration may be made to build a relevant training center.

#### III. Assumptions

- 1. It is probable that Ghana will graduate from the IMF bailout program in 2017. Ghana turned to the IMF in April 2015 after lower prices for its gold, cocoa, and oil exports caused debt to balloon and its currency to decline against the dollar. Consequently, the government agencies have not recruited their staff and the expenditure has been reduced since 2015. Positively, Ghana has passed the IMF's third review test under the Extended Credit Facility program. The IMF approved the release of a \$116 million installment to Ghana in 2016 after a review of economic and monetary reforms.
- 2. According to the Ghana Meteorological Agency (GMA), Ghana would record about 50% reduction in rainfall pattern in 2016, citing climatic changes as the possible cause. Last year the country had poor rainfall which affected crop yield, leading to low growth in the crop sector where only 0.04% growth was registered, a record the Ministry of Food and Agriculture is hoping to improve. Comprehensive

measures to cope with climate change would be very important to reduce those negative fallouts. Efforts to mitigate and adapt to climate change should be considered when KOICA designs and implements development projects in rural areas.

### IV. Country Partnership Strategy (CPS) Evaluation Framework

The 5th Co-ordinated Programme of Economic and Social Development Policies					
(CPESDP) 2014-2020  Building a stable, united, inclusive, and prosperous country with opportunities for all					
CPS Strategic (	Goals				
Priority Areas	Goals	Expected Challenges	Achievements	Evaluation Index	
Agriculture and Rural Development	- Enhance agricultural productivity - Increase agricultural household income - Strengthen linkage between agriculture and agro-based industry	- Lack of infrastructure - Low level of technical capacities -Low level of community participation	- Organizational revitalization of farmers' co-ops - Activation of agricultural guidance services - Strengthening of agro-based industry especially on post-harvest storage, processing, package, and distribution techniques	CPS Conformity   (whether a   project has been   appropriately   identified and   developed with   relevance to CPS   goals)    Project   Implementation     Status   (whether   projects aligned   with CPS has   been	
Public Health	- Reduce infant mortality rate - Reduce child mortality rate - Reduce maternal mortality rate - Reduce teenage pregnancy - Strengthen infectious disease control and response capacity - Strengthen community based health system - Provide safe, clean water	- Lack of infrastructure - Low level of community participation	- Improved healthcare services - Strengthened capacities of healthcare facilities - Development of and resource allocation on evidence-based health policies - Draw up best practice for integrative regional healthcare system capacity development, and its application to the strengthening national health system and health security in general		
Education	- Improve basic education - Improve literacy rate - Strengthen TVET linked to industrial labor market demand - Improve vulnerable group's access to education	- Poor educational environment and quality -Gender inequalities	- Improved quality and environment of basic education - Increased educational opportunities for women and people with disabilities - Strengthened TVET linked to industrial labor market demand	implemented)	

Energy	- Contribute to universal basic education and development of human resources  - Contribute to the construction of power plant - Improved efficiency of electricity transmission and distribution - Contribute to the steady supply of electricity - Contribute to the development of West Africa	- Worn out electricity infrastructure - Low level of electricity transmission and distribution efficiency - Low level of technological capacities	- Increased electricity supply through construction of nower plant - Improved electricity transmission and distribution efficiency and improved related technological capacities - Development of self-sustainable technical personnel training	-
	electricity hub		system	
Assumptions  1. Graduation from the IMF bailout program in 2017 2. Response to effects of climate change such as drought				

#### V. Mid-Term Allocation Plan

Korea aims to allocate 70% of Korea's ODA to **priority areas** of bilateral cooperation while some flexibility will be allocated to respond to urgent humanitarian demands and socio-economic changes in Ghana.

Also, resource allocation will be adjusted based on program mission, policy dialogue, interim monitoring, delays in projects, and other possible changes in circumstances.

The budget allocation could also be adjusted during the budget discussions and project planning stages and is subject to parliamentary decision.

### VI. Partnership Plans

#### 1. Partnership with donors

Korea plans to draw lessons from the experience of the projects involved with other donor agencies such as: "Capacity Building of Female Professionals in Ghana Electronics (KOICA-GIZ-SAMSUNG Electronics, 2015-2017/USD 1.5mil)," "Health and Educational Access Improvement Project in the North and Upper East Regions (KOICA-UNICEF)," and the "Digitization Data Capture under Ghana's District Health Information Management System (KOICA-USAID-Samsung Electronics)."

The Korean Government will actively participate in Head of Cooperation (HOCs) and other Sector Working Groups (Public Health, Water and Sanitation, Education, and Energy) that are closely linked with on-going projects to pursue aid harmonization in all areas and review participation in donors' joint projects (e.g. PBA Pool Fund).

#### 2. Partnership with the private sector

Korea will explore opportunities to develop other innovative partnership projects as a follow up for "Hyundai Dream Center (2012-2014/USD 1.5 mil)," an auto repair training institute on a partnership between KOICA and Hyundai Motor Company and the project "Capacity Building of Female Professionals in Electronics (2015-2017/USD 1.5 mil)" based on the tripartite partnership of KOICA-GIZ-Samsung.

#### 3. Alignment

Korea will plan and carry out projects taking into account Ghana's medium-term development strategy, 5<sup>th</sup> Co-ordinated Programme of Economic and Social Development Policies (CPESDP, 2014-2020), the Ghana Shared Growth and Development Agenda II (GSGDA II, 2014-2017), and the Long Term Development Plan 2018-2057 (currently in developing stage).

The Korean Government will also utilize its local aid channels (EDCF, KOICA, and KOFIH) in Ghana to participate in quarterly meetings with the Ghana's Ministry of Finance which is in-charge of the foreign aid to Ghana, as well as with other relevant ministries/organizations to share the progress of projects and budget/expense implementation.