

Ghana - Netherlands bilateral relations

# Multi Annual Strategic Plan 2012 – 2015

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This Multi-Annual Strategic Plan is a rolling document. The plan was presented by the embassy in November 2011 and approved by the Ministry of Foreign Affairs in December 2011. During the appraisal process, the focus of the strategy was enhanced and additional clarifications were received from the Embassy. These were incorporated in the final version. In some cases plans will have to be further elaborated and considered before they can be implemented as part of the strategic plan. The new policy priorities will be further developed and operationalized in dialogue with government, civil society and development partners during the coming year.

*Netherlands Embassy Accra, September 2011*

## Table of Contents

Abbreviations.....	3
Chapter 1. Summary.....	4
Chapter 2. Achievements .....	5
Chapter 3. Prospects for cooperation.....	7
Economic prospects.....	7
Governance prospects .....	7
Prospects for security .....	8
Prospects for migration and consular exchanges.....	8
Development prospects.....	9
Prospects for a regional approach .....	10
Chapter 4. Spearheads of the bilateral program .....	10
Urban Drinking Water and Sanitation.....	11
Food Security and Agricultural Modernisation .....	12
Sustainable Cocoa .....	12
Sustainable palm oil.....	12
Agri-business support .....	12
Sexual and Reproductive Health and Rights (SRHR).....	13
Maternal health.....	13
Improving Adolescent Reproductive Health .....	13
National Health Insurance Scheme .....	13
Inputs from the Netherlands private sector .....	13
Chapter 5. Other foreign policy instruments .....	14
Consular affairs .....	14
Trade and economic affairs.....	14
Other issues of Netherlands foreign policy .....	15
Migration and Development.....	15
Organized crime.....	15
Regional stability.....	15
Chapter 6. Co-accreditation countries.....	15
Chapter 7. Financial implications .....	16

## Abbreviations

BRICS	Brazil, Russia, India, China, South-Africa
CAMM	Common Agenda on Migration and Mobility
COCA	Institutional and Financial Assessment Tool
CSO	Civil Society Organization
ECN	Energy Centrum Netherlands
ECOWAS	Economic Community of West African States
EDI	Energy Delta Institute
EIA	Environmental Impact Assessment
EL&I	Netherlands Ministry of Economic Affairs, Agriculture and Innovation
EVD	Economische Voorlichtings Dienst
FME	FME/CWM Association employers and businesses in the technological industry
FOM	Fonds Opkomende Markten, Fund Investing in Emerging Markets
GGNI	Global Gas Networks Initiative
GDP	Gross Domestic Product
CLTS	Community Led Total Sanitation
HIPC	Heavily Indebted Poor Countries
ICT	Information and Communication Technology
IND	Immigratie en Naturalisatie Dienst, Netherlands Immigration Department
IFDC	International Fertilizer Development Center
IPI	Implementatie Platform IFI aanbestedingen
IWRM	Integrated Water Resource Management
KAIPTC	Kofi Annan International Peace Keeping and Training Centre
KLPD	Korps Landelijke Politie Diensten, Netherlands Police Department
LMIC	Lower Middle Income Country
MDG	Millennium Development Goals
MFS	Medefinancierings Stelsel
MIC	Middle Income Country
MT	Metric Ton
NABC	Netherlands Africa Business Council
NGO	Non-Governmental Organization
NREG	Natural Resources and Environmental Governance program
NWP	Netherlands Water Partnership
ODA	Official Development cooperation
OECD	Organization for Economic Cooperation and Development
ORET	OntwikkelingsRelevante ExportTransacties
ORIO	OntwikkelingsRelevante InfrastructuurOntwikkeling
PPP	Public Private Partnership
PSI	Private Sector Investment
RSO	Regional Support Office
SBS	Sector Budget Support, a financing modality
SEA	Strategic Environment Analysis
SME	Small en medium enterprises
SRHR	Sexual and Reproductive Health and Rights
SWAP	Sector Wide Approach
UWP	Urban Water Program
WASH	Water, Sanitation and Health

## Chapter 1. Summary

Ghana achieved economic and political stability with largely untied support of the development community. Ghana now qualifies for lower middle income status. Government, Civil Society and development partners will strive towards an “aid free” Ghana by 2020. The next eight years of Official Development cooperation (ODA) funding will be used to safeguard sustained economic growth and political stability.

Political and economic challenges need to be addressed to consolidate the positive trend. Pressure on the budget remains high, despite the increased revenues from oil. A few external primary commodity markets have a strong influence on the domestic economy. To successfully transit into a middle income society, major investments in both human and physical capital are required. The private sector needs to step up to the task to become the engine of growth and job creation.

Ghanaian development policy increasingly relies on private sector initiatives and funding. The role of the public sector on the economy will change as private sector actors will gain prominence. During the transition period external funding will shift from grants to concessional lending and private sector investment. Large scale funding by emerging development partners such as Korea, Brazil and China will push bilateral donors from financial support to technical assistance and niches where they can add value. For the Ghanaian-Netherlands bilateral relations this implies more focus on sectors of mutual interest.

Since 2000 Netherlands development cooperation has focused on aid efficiency. The Ghanaian government and the development partners have put in place a system of coordination, harmonization and alignment for ODA flows that has substantially increased the effectiveness of aid in Ghana. However, the development landscape of the coming eight years will be dominated by large infrastructure projects funded with concessional loans, to a large extent from BRICS countries. For a grant donor like The Netherlands, the challenge will be to demarcate our collaboration whilst relying on country systems and policy frameworks.

The bilateral program will focus on three themes: water, agricultural modernization and Sexual and Reproductive Health and Rights (SRGR). We will fund a drinking water and sanitation program for peri-urban areas. In agriculture we will support private sector organizations that add value to production in cocoa, palm oil and, provided private partner interests are harnessed, in horticulture. We will help Ghana to accelerate achievement of its maternal mortality objectives (MDG 5). Self-reliance and quality improvements in health will be promoted through technical assistance for the national health insurance fund.

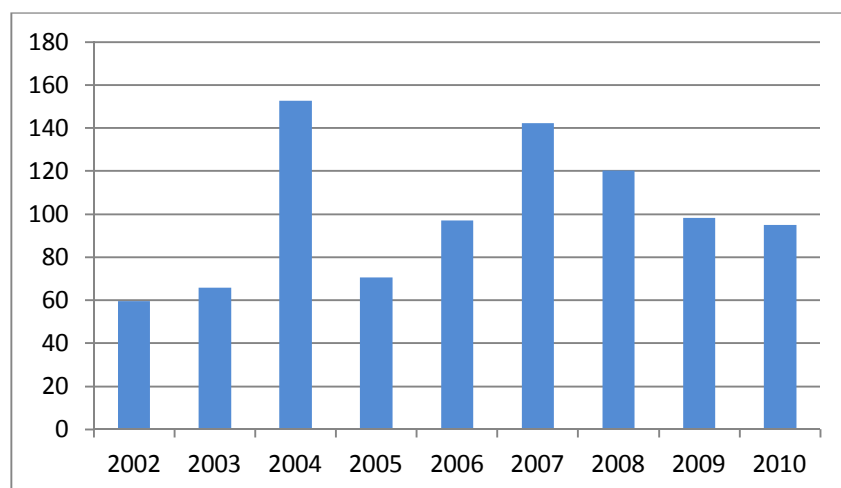
This strategic plan is based on the assumption that Netherlands bilateral assistance to Ghana will phase out by 2020. The programs are designed to be self-sustaining by 2020. By 2020, bilateral relations will have been established that will thrive on mutual interests and less on development assistance per se. We will increase cooperation with the EU partners for example on regional issues, trade, migration, natural resources and environmental governance and health.

The Ghanaian government develops new funding modalities to mobilize private sector partners and external funding. Development of funding modalities is crucial for economic growth in Ghana. Bilateral funds provide the opportunity to develop funding modalities for decentralized service delivery with involvement of private sector partners.

## Chapter 2. Achievements

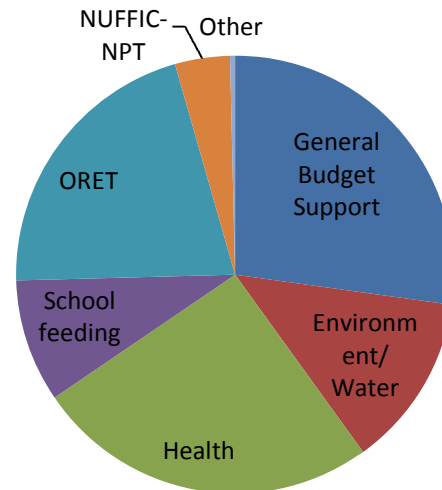
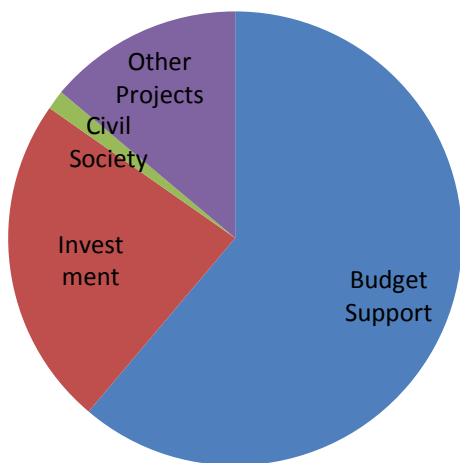
Over the last decade, Ghana has made impressive progress and stands out as a beacon of democratization for the region and for Africa as a whole. Ghana has been among the top ranking countries regarding the achievement of Millennium Development Goals. It witnessed its second successful democratic handover of power since democracy was restored in 1992. The oil and gas find in 2007 became commercially operational at the end of 2010. A recalculation of the size of the economy in 2010 showed that Ghana had surpassed the threshold to become a Lower Middle Income Country (LMIC). With all the caveats one could make, and all the challenges that are ahead, one thing stands out: Ghana has done well.

During this period, The Netherlands has been among the top 10 of development partners in terms of size of contribution, and for many years the second largest bilateral donor after the United Kingdom. Between 2002 and 2007, the portfolio increased consistently (the spike in 2004 can be explained by additional debt relief under the HIPC initiative), driven by a rising portfolio under the ORET program on infrastructure investment (Ghana being the single largest recipient country under this program), and sector and general budget support (up to € 50 million annually divided over three programs in 2008). After 2007, the portfolio has gradually come down, a trend that is likely to continue in the coming years.



**Figure 1 Netherlands ODA to Ghana (2002-2010) in millions US\$. Source: OECD/DAC for 2002-2009; 2010 tentative estimate.**

In 2010, the Netherlands aid portfolio (excluding civil society support through centralized funds) was determined by a majority share for three budget support operations (general, health and environment), together with some additional focused projects (domestic violence, school feeding, sanitation) and civil society platforms (health, environment, governance). The Netherlands portfolio in Ghana was modeled on the internationally agreed principles of aid effectiveness, in view of strengthened ownership by Ghana government, use of in-country plans and procedures, and increased coordination between donors. In recent years, the Netherlands Embassy has taken leading roles in joint government-donor sector groups, including health, governance, public finance management, environment & natural resources, and multi-donor budget support. Additionally, a significant investment portfolio was implemented through contracting of Netherlands companies (ORET) and the World Bank (Urban Water Project), the latter aligned to the management contract of urban water provision awarded to Aqua Vitens (the contract expired in 2011).



**Figure 2 Netherlands support per type (2010)**

**Figure 3 Netherlands support per sector (2010)**

Although development cooperation does not hold the key to sustained development, there is a clear case to relate progress over the last decade and contributions by The Netherlands and other development partners, not only in terms of overall volume, but also in terms of type of assistance. Ghana has done comparatively well over the last decade, making good progress on a number of Millennium Development Goals, redressing macroeconomic instabilities, increasing public space and the assertiveness of civil society, and ensuring peaceful democratic transition. Obviously, the correlation goes into two directions: since Ghana was doing well, it also attracted more development partners and increased sums of support, including significant support from 'emerging' donors like Korea and China. Adding to this the oil commercialization and middle-income status, the outlook for development cooperation today is very different from ten years ago, when Ghana struggled its way into the debt relief initiative for heavily-indebted poor countries (HIPC).

The changing context requires rethinking of the role of development cooperation in Ghana, both in terms of volume and in modes of delivery. The outline for this rethinking was presented at the Consultative Group<sup>1</sup> meeting in 2010, which concluded that the Government of Ghana and de Development partners should envisage an aid free Ghana within the next 5-10 years. Although this timeline may be optimistic (many middle income countries still receive development cooperation long after they have reached the threshold), it sets the tone for a different engagement in the medium term, a road that we will engage on.

The medium term perspective for Netherlands development cooperation with Ghana has been envisaged in line with this changing context<sup>2</sup>. Furthermore, we consider development cooperation as part of the broader bilateral relations between Ghana and The Netherlands, which are also characterized by strong trade relations, consular exchanges, migration and cultural heritage. And lastly, the new program has been designed based on the areas where the Netherlands has added value, building not just on financial means, but also on expertise, networks, comparative advantage and Netherlands interests.

<sup>1</sup> Consultative Group is a high level meeting between representatives of the Government of Ghana, development partners and civil society organizations.

<sup>2</sup> Under Netherlands policy, Ghana will be seen as a Profile 3 country, with more focus on economic cooperation, broadening of the relationship to other domains, and a gradual decrease in development cooperation.

## Chapter 3. Prospects for cooperation

Despite the statistics, Ghana has not become a rich country overnight. Furthermore, Ghana is a country in transition and therefore faces genuine development dilemma's, some of which risk to become binding constraints.

### Economic prospects

The Ghanaian economy has grown steadily over the last ten years, in part due to high prices in primary commodities such as cocoa, timber and gold and oil. Ghana's economy has undergone a gradual change with an increasing service sector. Nevertheless, fundamental changes in terms of diversification, modernization and increased productivity, in particular in the agricultural and manufacturing sectors are lagging, tempering prospects to become competitive with other middle-income countries, or within the West-African sub-region.

The public sector has a strong influence on the economy. Political cycles and public financial management directly influence economic productivity. Public borrowing competes with the funding requirements of the private sector. The livelihoods of many Ghanaians depend on the public sector. Sustained growth of the Ghanaian economy will go hand in hand with an increase in the share of the private sector in the gross domestic product.

The Netherlands stands out as Ghana's biggest export partner largely due to the export of cocoa. The growing economy, its political stability, and its position as a regional hub make Ghana an interesting destination for Netherlands businesses and investment. Over one hundred Netherlands companies have invested, exported to or imported from Ghana, ranging from large multinationals to small and medium enterprises. General interest in Ghana is growing gradually, even though the business environment is seen as challenging.

Ghana's economy will continue to grow with increasing oil production. Mining and cocoa remain an important float of the Ghanaian economy especially with increased production. Investment in the oil and gas sector will increase. The levels of debt will probably continue to be high due to infrastructure requirements. The 2012 presidential elections are important for Ghana's continuous growth, and to break through the election-induced spending increases.

Ghana will need to continue its investment in infrastructure, be it in roads, ports, airports, water supply, railway, power supply and transportation or healthcare. The backlog in infrastructure development is particularly pressing in suburban areas as the increase in population due to urbanization is not matched by service provision. The Ghanaian market will be highly attractive for Netherlands firms, especially if the need for infrastructure is converted into financially viable projects. Sources of funding for these kinds of investments will remain the crucial factor in the next five years.

### Governance prospects

Governance indicators confirm that Ghana is a good performer (in the African as well as in the West African context). Scores are gradually improving over the years. In relation to deepening the practice of democracy and institutional reform, the organisation of the 2012 elections and the eventual subsequent transition of power, the regulation of the media, the constitutional review process and improving parliamentary oversight are important.

Ghana has a positive human rights track record. The country has extensive legislative provisions that protect human rights. Ghana ratified the core international conventions, some of which still need to be codified into domestic law. Poverty, cultural perceptions and a lack of awareness on principles of human rights among the population as well as the weak capacity of the Ghanaian authorities to enforce its laws are still a hindrance for the protection of some human rights.

Human trafficking, particularly of children and women, is a problem in Ghana as it is in the entire West African region. Ghana is a source, transit and destination country for children and women trafficked for the purpose of forced domestic and commercial labour. Violence against women and sexual harassment still is a problem, at the workplace, in schools, in public as well as at home. Child labour is an issue in Ghana, though the exact number of children involved in child labour is difficult to determine. Homosexuality is a highly controversial issue in Ghana.

Corruption, political and ethnic patronage remain governance issues in Ghana, both in the public and private sectors. Governance structures in Ghana are a complex hybrid system of Westminster-style government linked with many semi-autonomous bodies, state-owned enterprises, traditional leaders, and local government structures. Additionally, West-Africa is increasingly attracting illicit economic activities leading to white-washing practices that are difficult to recognise and to battle in an economy that is both largely informal and to a large extent cash-based.

## Prospects for security

Evidence of the instability still prevailing in West Africa is ample: Ivory Coast, split during a civil war in 2002, has recently undergone another period of violence after the elections in November 2010. In Burkina Faso an uprising of students and security forces have created an uncertain situation. A military coup in Niger in 2010. Liberia and Sierra Leone still recovering from long and bloody civil wars.

A recent UN Security Council report on West Africa identified four major emerging threats in the West-African sub region: 1. Drug trafficking and organized crime, 2. Terrorism, 3. Challenges to democratic governance and 4. Piracy. West African countries, including Ghana have structural deficiencies which makes the region particularly susceptible to these threats. These threats are putting an already fragile region to even greater risks. Ghana is swiftly developing its oil industry, and could be prone to illegal oil-trade if not given proper attention.

Ghana is one of the few countries in the fragile West African region that has known a relatively long period of stability. Its democracy is seen as one of the most stable in Sub-Saharan Africa and its development can serve as an example for other countries in the region. Though Ghana has the name of being a stable country, this does not mean that the country is free from political tensions. The political field is strongly polarized, and stakes at elections are high because of the “winner takes all” effect and the small margins between the constituencies of the main political parties. It is likely that tensions towards the 2012 presidential and parliamentary elections will rise. Additional factor to take into account is Ghana’s history of bloc voting by region and ethnicity.

Ghana has a very well developed civil society that is actively creating leverage and space in public policy discussions. Though some tangible results have been achieved in recent years, there still is room for improvement for their interaction with key ministries and agencies in Ghana. It is expected that civil society organisations will play an important role in sensitisation towards peaceful elections in 2012.

In the international field Ghana is an important peacekeeping partner, being the largest African peacekeeping contributor nation to multinational peacekeeping operations and the sixth-largest among all peacekeeping contributing nations. Ghana hosts the Kofi Annan International Peace Keeping and Training Centre, a well-known training institute that is part of the ECOWAS peace and security architecture.

## Prospects for migration and consular exchanges

There is a small but vibrant Ghanaian population in the Netherlands, currently estimated at 20,000 people, excluding illegal migration<sup>3</sup>. Traditionally there are many consular exchanges between our countries. Worldwide 4.6% of the population of Ghana is emigrant and Ghana hosts some 1.7 million immigrants. Two-thirds of the emigrants have a West-African country as destination, with 14.3% living in North, West and South Europe. In absolute numbers Nigeria, Ghana and Senegal dominate in migration to Europe and North America. Data from OECD countries (2005) show that France, UK, Italy, Portugal and the Netherlands are the most important European destination countries for West African migrants. In recent years the Ghanaian community has particularly grown in Italy and, to a lesser extent, in Spain and the Netherlands.

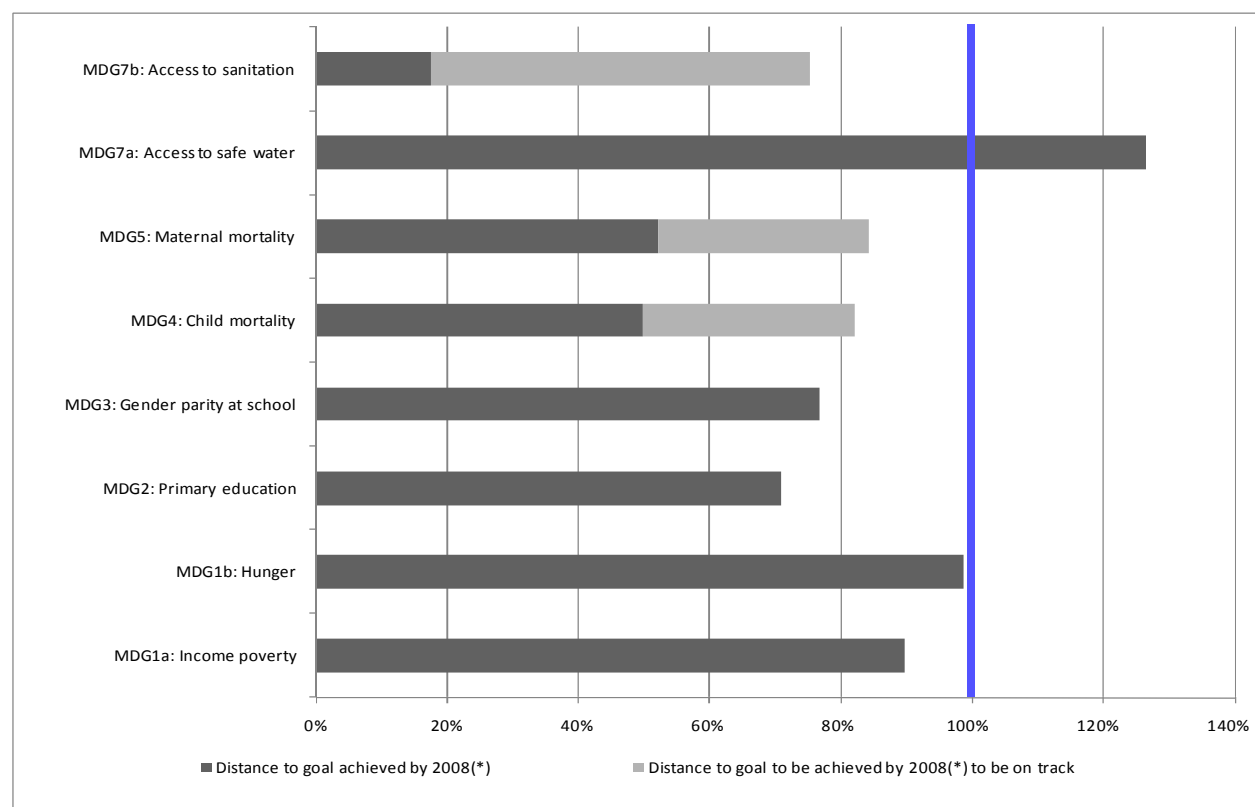
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<sup>3</sup> In 2002, the Central Bureau for Statistics recorded 17,230 citizens from Ghanaian origin, most of which having Netherlands nationality. Illegal immigration was estimated at several thousands.



## Development prospects

Ghana has made significant progress against several Millennium Development Goals, in particular on income poverty reduction, hunger, education and access to safe water. The goals regarding maternal mortality, child mortality, sanitation and environmental protection are lagging. Towards 2015, Ghana has set out its program for an additional effort to meet the MDGs, and joint Development Partners have pledged their sustained support to Ghana in doing so.



**Figure 4 Ghana's progress towards the Millennium Development Goals. Source: Ghanaian Authorities and World Development Indicators and World Bank**

Behind the overall outlook, it is important to highlight a number of underlying development challenges. First, there is an important geographical dimension to progress. Development of the North has received increasing political attention, notwithstanding the fact that most immediate development potential is to be found in the resource-rich southern part of the country. Much of the development potential for poverty reduction resides in the modernization of agriculture, both in terms of productivity and in terms of market development. This will help subsistence and smallholder farmers in the entire country, provide labor potential in the chain, and provide rapidly growing (peri-)urban areas with affordable food.

Second, public services and poverty reduction policies will require better targeting without leading to unaffordable and sometimes distorting social or subsidy schemes. Over the last decade, several social measures have been implemented, like the National Health Insurance Scheme, the Ghana School Feeding Program, cash transfers to the most vulnerable, fertilizer subsidies, with mixed successes. In particular energy subsidies have drained the government coffers, and several state-owned enterprises remain important loss-makers, providing public services at inefficient levels.

Thirdly, progress seems to be bought against important environmental losses. Forest cover is still declining, and little attention is paid to the detrimental impacts of surface mining on land loss and water quality. Sanitation is high on the political agenda, but has not benefitted from adequate investment and proper management.

### ***Spearhead water and sanitation, MDG 7, access to sanitation and safe drinking water***

The achievements of MDG 7 for environment and basic sanitation are poor; for drinking water Ghana made good progress. The major urban populations get their water (drinking, household and industrial) from intake of surface water from the rivers. Discharges of untreated waste water lead to pollution of deltas and marine environment.

Ghana has expressed interest in the Netherlands investing in its water sector. In this broad context the Embassy together with Partners for Water and the Netherlands Water Partnership (NWP) can play an important role. Ghana offers opportunities to make use of the added value of the knowledge and experience of the Netherlands water sector, as already demonstrated in the management contract of Vitens for urban water supply and the ORET/ORIO investments. Investments in urban drinking water and sanitation offer opportunities for private sector partnership.

### ***Spearhead food security, MDG 1 Income poverty and hunger***

Ghana is not a food insecure country in the narrow sense of the word, and has come a long way in bringing down overall poverty and hunger poverty over the last decades. However, Ghana has failed to modernise its agriculture, due to which the sector is dominated by smallholder and subsistence agriculture, and is prone to seasonal and climatic variations. The level of organisation of farmers is low, and the agricultural input chain and marketing chain usually underdeveloped. Experience with the Ghana School Feeding Program has shown that Ghana is able to address poverty through social protection programs, but that it has failed to drive growth and increase food production through the private sector, in particular in the agricultural sector.

Ghana's growth is fragile as it depends on a few primary commodities. In the next decade Ghana will seek to diversify its economy through investments in productive sectors in order to avoid the "Dutch disease". As a latecomer on the world market and with its low technology base there is limited scope for investments in manufacturing. Besides the rapidly growing service sector, modernisation of agriculture offers opportunities.

### ***Spearhead SRGR, MDGs 4 and 5 Maternal Health and child mortality***

The health sector's overall performance scored high in the last couple of years<sup>4</sup>. However, too many women are still at risk of dying through pregnancy and child birth. On every 100.000 live births, 350 mothers do not survive. The cause is too often a preventable or curable condition. With the slow progress in maternal mortality reduction<sup>5</sup>, coupled with high rate of violence against women and girls, it is likely that Ghana will not achieve MDG5 & 4 targets within the next 4 years. It is evident that more effort is needed to bring maternal mortality down in the years up to 2015. The Ghana government and the Development Partners agree maternal deaths and disability should be addressed as a priority for the health sector. This coincides with the focus on SRHR in Netherlands development cooperation.

## **Prospects for a regional approach**

With 24 million inhabitants, Ghana is a relatively small country. Nevertheless, the recent turmoil in the region has made Ghana more attractive as a regional hub for companies and international organizations. Despite the fact that overall regional integration has also proven to be slow a regional perspective, for development, for security and migration, and for economic co-operation, seems imperative. The Netherlands will encourage regional approaches where this would provide an added-value to the Ghana-program (for example on cocoa and oil palm).

## **Chapter 4. Spearheads of the bilateral program**

The Dutch development assistance program for Ghana in the period 2012-2015 will focus on three spearheads: (i) urban water and sanitation, (ii) food security and agricultural modernization, and (iii) sexual and reproductive health and rights (SRHR). These spearheads are expected to receive an estimated amount of 40 million euros per year of bilateral development cooperation over this period. Ghana will also benefit from instruments for economic cooperation, like ORIO and PSI, and

<sup>4</sup> Independent Reviews and Holistic Assessments 2008, 2009 & 2010

<sup>5</sup> Maternal mortality ratio reduced from approximately 560 per 100,000 live births (UN, 2005) to 451 per 100,000 live births (2008). Current estimates put it at 350 per 100,000; almost double the 2015 target of 185 per 100,000.

the tertiary education program through NUFFIC, the major part of which directly linked to the spearheads.

## Urban Drinking Water and Sanitation

The program is focused on urban drinking water, sanitation and hygiene (WASH). Whilst concentrating on Millennium development goal (MDG) 7 the WASH program will have a considerable impact on child and maternal mortality (MDGs 4 and 5). The Embassy will collaborate with the private sector and trigger investment in the water and sanitation sector.

Ghana's priority is the urban sanitation sector in newly established municipalities with poor infrastructure and limited facilities for the fast growing population. The achievement of the sanitation MDG is lagging far behind. Only 13% of the Ghanaian population has access to improved basic sanitation. In recent years Ghana has made considerable progress in the drinking water supply and is likely to achieve the 2015 target. The priority areas for investment are in western Accra, Cape Coast and Elmina. The program invests in innovative approaches for example with public owned and privately managed facilities.

### Refuse dump behind school



BZ/Ruud van der Helm

The program will adopt a rigorous approach to cost recovery. It will ensure that the costs of service delivery are fully understood, and that sufficient financing is identified – be it from users or government – to cover not only operational costs but also capital for long term rehabilitation and capital replacement. Communities will become aware of the link between improved services and their own contributions. The program will build on experience of Community Led Total Sanitation (CLTS) programs in Africa. Another innovative aspect is the emphasis on behavioral change for proper sanitation through schools, women and local pressure groups.

At the city level, integrated urban water management will be promoted for service delivery. The private sector will be involved in reducing pollution to water bodies from urban and household waste and in nutrient recycling. The wastewater will be treated by facilities and where possible through the natural degradation processes in the delta areas. Solid waste collection and disposal will be included in the program and garbage and recycling companies will be involved. Solid waste disposal offers opportunities for private sector investment, especially in relation to the establishment and management of large landfills. All stakeholders at the municipal level will be involved for the technical, managerial, economic and financial aspects of service delivery.

Results will be sustainable sanitation and water facilities for Cape Coast, Elmina, Ga South and West, whereby the latter two in particular will be prepared for future urbanization. The deltas will be strengthened as Ramsar sites. Support activities in the related watersheds such as the Pra and Densu river basins with a focus on ensuring that water resources remain available and of good quality will be considered. Outcomes will be an improved wellbeing and health of the population and a cleaner environment.

The WASH program will be further elaborated during the first half of 2012, including proposals to improve the management of the related watersheds. In the formulation of the program the Netherlands Water Partnership (NWP) is closely involved. This offers opportunities for Dutch partners to buy in with Public Private Partnerships or direct investments.

## Food Security and Agricultural Modernisation

The program will focus on agricultural modernization as the driving force for increased production of improved products. This involves issues like organization of smallholder farmers, access to credit, certification, supply chain development, and improved quality of inputs. Our focus is on both food and non-food crops, since both may drive modernization and improvement of livelihoods. Engagement with or through Dutch partners will be encouraged.

### Sustainable Cocoa

Cocoa is the single most important agricultural commodity in Ghana. The sector is characterized by a large number of smallholder farmers, low productivity per hectare, and lack of professional farming skills and farmer organizations. Cocoa production has increased by expansion, rather than by increased productivity, leading to forest loss. Livelihood conditions for cocoa farmers are often



low and arable land becoming scarcer. Recent initiatives have shown the potential of the sector to increase productivity, quality and, livelihoods for farmers.

The Netherlands is the most important trading port for cocoa and the largest cocoa consumer in Europe. Cocoa products are among the most important export commodities of the Netherlands

The program will support initiatives aiming at a sustainable cocoa supply and responsible farming practices. This will be done through support to farmer-based cooperatives, stimulating improved farming skills and input supply, and support and link Dutch initiatives in the cocoa sector.

### Sustainable palm oil

Oil palm is a promising food and export commodity for Ghana and West-Africa. Data from 2005 suggest that total palm oil use in Ghana was double the local production. An estimated 70% of the palm oil is produced by small and medium scale farmers and traders, among them many women, making the sector highly relevant for pro-poor economic growth.

The program's objective is to improve the production and productivity of small and medium producers. This will significantly increase food and nutrition security. There are several private sector driven initiatives to improve the efficiency of palm oil extraction (small and medium scale). Initiatives aimed at improved small/medium scale milling seek to provide a processing service to existing farms where there is currently low capacity.

From a regional perspective, Ghana is considered a good target country to start working on improving the palm oil sector, as production conditions are representative for the region but government interference is much lower. Successful approaches are likely to be applicable also in other west and central African countries.

Interventions in small and medium scale palm oil processing have gender dimensions. The challenge is to strengthen the position of female producers and traders. Environmental aspects are related mostly to pollution of water, energy efficiency and forest management and link to sustainable forest management.

### Agri-business support

Food security interventions will be implemented through the private sector, in line with the middle-income economy that Ghana is moving into. This includes broader agri-business support as a third pillar. Already, there are many Netherlands-Ghanaian agro-initiatives in Ghana, some more viable than others. The majority of PSI funds flow in this sector, although often attracted by a non-Dutch company. There are business opportunities around several commodities, like fruits, seed sector development, freshwater fisheries (tilapia), soy, etc. Among these, horticulture stands out as a promising sector in which Dutch partners could bring on expertise and investment in the near future. The Netherlands will not engage in these areas through large programs, but will provide support by brokering and precise investments that could take away constraints (like capacity needs, farmer-to-market linkages, access to finance), but only where private partners see

opportunities. A link will be made with the generic instruments that support business development, like PSI.

## Sexual and Reproductive Health and Rights (SRHR)

The Netherlands is and has been a leading partner for health in Ghana over the last ten years. Although much progress has been recorded, bringing down maternal deaths and disability remains one of the more challenging objectives. The maternal mortality rate has come down to 350 deaths per 100,000 live births; still unacceptably high at almost twice the level targeted to reach Millennium Development Goal 5. The following contributions are considered.

### Maternal health

Support to the MDG5 Accelerated Framework (MAF) will provide the best opportunities to directly tackle issues related to maternal health. The MAF funding gap will determine our contribution. This effort will be complemented by innovative interventions designed to accelerate MDG5 achievement.

Use of television to promote maternal health



Behavioral change – promoting uptake & use of family planning, increasing domestic accountability and ability to advocate for better sexual and reproductive health services including safe abortions – is instrumental in this. To this effect, civil society will be engaged to provide advocacy and to complement the efforts of the Ghanaian health services.

We will promote the use of media influence and community mobilisation on safe abortion, to name a few.

The Christian Health Association Ghana (CHAG) provides high quality medical services throughout Ghana. They have developed and tested a concept for maternal clinics adapted to local needs and customs in child delivery. Support to scale up this model will be considered.

### Improving Adolescent Reproductive Health

The program will fund specialized organizations to expand the availability of contraceptive commodities and to raise the level of knowledge on modern contraceptive methods among youth. The approach will be two-fold: firstly focus on communication, information, and education, among through the use of affordable mobile technology; secondly secure an adequate, stable, affordable, and accessible supply of high-quality commodities, specifically focusing on condoms, oral contraceptives, and emergency contraceptives.

### National Health Insurance Scheme

As the Ghanaian economy moved to lower middle income status, the role of the market in the health sector is bound to increase. As one of the few Sub-Saharan countries Ghana has introduced a National Health Insurance Scheme (NHIS) in 2003. After a slow start this scheme is expanding and participation grows exponentially. Particular attention will be paid to targeting the poor, to cost containment and to claims processing. The program will consider the provision of free family planning through Ghana National Health Insurance Scheme.

### Inputs from the Netherlands private sector

The Netherlands facilitates private sector inputs in the health sector particularly under ORIO/ORET and NUFFIC/NICHE programs. In this regard, completion of the Tamale Teaching Hospital rehabilitation (ORET), boosting reproductive and child health (ORIO) as well as the construction of district hospitals in Winneba and in the Western Region of Ghana will be high on the priority list. NICHE projects in the health sector will support midwifery training institutions, improving the quality of hospital management and health systems administration in Northern Ghana.

## Chapter 5. Other foreign policy instruments

### Consular affairs

Representation arrangements for short stay visa applications have been made with Luxembourg, Poland, Austria and France. The representation agreement with France will lead to an estimated total of 10,000 short stay visa applications per year. In Ivory Coast and Togo, The Netherlands is represented by the Belgian and French Embassy respectively for short stay visa applications. Liberians and Sierra Leoneans increasingly apply for short stay visa in Accra.

The number of suspicious family reunion applications of minors is on the increase. In recent collar bone method verification by a Schengen partner, 90% of the applications were older than the 18 years they claimed to be. Verification of applications will continue to demand attention as the number of applicants that revert to fraud remains high.

Currently there are 18 Netherlands detainees in Ghana and one in Togo, all serving long term sentences. The detainees are regularly visited by the Embassy staff and volunteers.

The Regional Support Office for consular and administrative affairs (RSO) Northern Africa will be located in the Embassy in Accra.

### Trade and economic affairs

The growing economy, its political stability, relatively stable inflation, and its position as a regional hub make Ghana an interesting destination for Netherlands businesses and investment. The first half of 2011 the Netherlands was the first investor in Ghana. Ghana will need to continue its investment in infrastructure, be it in roads, ports, airports, water supply, railway, power supply and transportation or healthcare. Therefore the Ghanaian market is potentially highly attractive for Netherlands firms. Out of the ten 'top sectors' for the Netherlands economy, Energy, Agrofood, Water and Logistics have been selected as promising in the Ghanaian context.

A total volume of more than € 250 million of ORET/ORIO projects and new ORIO projects is under preparation. Ghana is one of the four focus countries to increase Dutch business success in internationally financed tenders (the IPI-project of Ministry EL&I) which will try to increase the involvement of the Netherlands private sector in tenders of International Financial Institutes.

Netherlands companies have a track record in the urban water sector in Ghana. Companies in the water sector strongly rely on external funding. Therefore interventions from the economic department will focus on supporting companies in their acquisition of financial resources (International Financing Institutions, ORIO, commercial loans). Beyond the activities under the spearhead Water & Sanitation (Chapter 4), the profile of the Netherlands in the field of water could be strengthened by supporting trade missions which include the major companies in the field of water and sanitation in the Netherlands. A sectorial approach of companies in the water sector should be established, for example with 2g@there and Partners4Water.

The majority of Netherlands companies in Ghana are active in the field of logistics and transport. The direct connections by sea and air give the Netherlands a competitive advantage. Through its programs and targeted support (i.a. in ports and harbors), the Embassy has the right contacts and knowledge in place to advise and help companies for the funding of projects. Close cooperation with financing institutions becomes increasingly essential, since investments will demand a complete financial solution.

The Embassy will broker by proactively using the generic private sector support instruments. This agenda will be brought forward in contacts with the Ghanaian government. The Embassy will connect exporters to importers in the Netherlands. The Embassy adopts a regional focus since companies increasingly select Ghana as main base from which to cover the West African region.

## Other issues of Netherlands foreign policy

### Migration and Development

Ghana and The Netherlands share a common interest in issues of migration and development, security and legal order. The Ghanaian community in the Netherlands is among the largest Sub-Saharan African communities, with an estimated 20,000 Ghanaians residing legally and an estimated several thousand residing illegally. Ghana is one of the countries for which a strategic country approach is being developed by the Netherlands Ministry of Interior and Kingdom Affairs and Ministry of Foreign Affairs. The aim is to establish a cooperative relationship between Ghana and the Netherlands that addresses all aspects of migration, including the forced return of illegally in the Netherlands residing Ghanaian nationals back to Ghana. A return and readmission agreement may be part of this relationship.

The Dutch policy memorandum *International Migration and Development* (2008) identifies policy priorities such as fostering institutional development in migration management (i.e. implementing an effective migration policy) and encouraging sustainable return and reintegration. These are highly relevant in the Ghanaian context.

In European context the concepts of Mobility Partnerships and Common Agenda's on Mobility and Migration (CAMP) are being developed as part of the Global Approach to Migration and Mobility.

Migration and return of illegal migrants will be brought into the political dialogue in line with the country approach when possible and necessary. If deemed necessary an appeal will be made to migration and development funds to initiate supporting activities.

### Organized crime

The West-African region is specifically mentioned in the focus letter as one of the regions where the operation of extremist groups and terrorism may have a negative impact on security and legal order issues in the Netherlands. Trans-border crimes of criminal organizations in West-Africa that are active in the trafficking of weapons, drugs and women have a direct impact on security in Ghana and in The Netherlands. The embassy will follow developments in consultation with the liaison officer accredited to West-Africa from the Netherlands 'Korps Landelijke Politie Diensten' (KLPD), who is based in Rabat.

### Regional stability

Ghana enjoys political stability and strong democratic development. This does not mean that the country is free from political tensions. The political field is polarized and stakes at elections are high. Ghana will have Presidential and Parliamentary elections in December 2012. The risk of political violence destabilizing the country in the run-up to and aftermath of the 2012 elections is not imaginary. For the development of the region it is important that Ghana remains a stronghold of stability. The embassy will, together with other European Union member states in Ghana, follow the developments before, during and after the elections.

## Chapter 6. Co-accreditation countries

The Netherlands ambassador to Ghana is co-accredited to Ivory Coast and Togo. Activities in countries of co-accreditations will be limited to consular affairs and the maintenance of a relevant network and knowledge base. In Ivory Coast and other cocoa and palm oil producing countries the Embassy expands on the Ghana program. A limited number of human rights activities are funded through trusted organizations in Ivory Coast, depending on the countries qualification for funding from the Netherlands Human Rights fund. Human Rights issues in Ivory Coast are most pressing of the countries of accreditation of this Embassy.

## Chapter 7. Financial implications

*Financial ODA implications 2012-2015 in € (Policy area, budget-code, description)*

2.5 Security, good governance and rule of law	213,000
4.1 Food security	28,800,000
4.3 Private sector development	7,500,000
5.3 Equal rights and opportunities for women	38,000
5.3 Sexual and reproductive healthcare and rights & HIV/aids	56,232,000
5.4 Sustainable use of environment	8,174,000
6.2 Integrated water management, water and sanitation	69,611,000
<b>total budget 2012-2015</b>	<b>170,568,000</b>