



# JOINT PROGRAMMING GHANA 2021-2027

#TEAMEUROPE

## **1. The overall lines of the European Partners' international cooperation in the Republic of Ghana**

Ghana is a key country in West Africa for the development of a privileged partnership for sustainable economic growth, political stability and security as well as multilateralism to promote shared values and achieve common interests. The future EU – Ghana partnership should aim at supporting the sustainable economic and social development of the country while at the same time ensuring environmental protection with a view to eradicating poverty and achieving the SDGs; promoting peace in the country and in the region; and fostering respect for democratic principles, human rights and the rule of law. The partnership should further encourage ECOWAS regional economic integration, as well as reinforced regional initiatives in conflict prevention, peace and security, including maritime security.

The Joint Programming collectively supports Ghana's economic transformation agenda, focusing on boosting strategic sustainable investments, to achieve decent job creation and private sector development, tapping into the potential of economic integration and trade, ensuring sustainable agriculture, enhancing critically needed skills development and education, and promoting renewable energy and energy efficiency. It also aims at addressing the challenges of urban development, in particular through climate mitigation and adaptation initiatives and social inclusiveness endeavours. Key governance and security challenges are another priority, in particular strengthening the rule of law, enhancing accountability standards and improving economic and financial governance, as well as inclusion of the most disadvantaged and discriminated, among which women and youth. Through this Joint Programming, the partnership supports the Paris Climate Agreement, Ghana's Nationally Determined Contributions, and Ghana's National Climate Change Adaptation Strategy.

Digital technologies are also considered crucial for attaining the "Ghana Beyond Aid Agenda" that emphasises the maximisation of resource/revenue mobilisation, reduction of corruption, investments in agriculture and industrialisation and boosting productivity through changes in attitudes, work ethics and respect for laws and regulation. The government is in the process of finalising a new Digital Economy Policy and a Digital Transformation Blueprint to position the country as the leader in ICT innovation in Sub-Saharan Africa. <sup>1</sup>The future EU – Ghana partnership should aim at supporting this digital transformation agenda. The approach will be in line with the EU-AU Digital Economy Task Force priorities, the Digital Transformation Strategy for Africa (2020-2030)<sup>2</sup>., and the Science, Technology and Innovation Strategy for Africa 2024 (STISA 2024)<sup>3</sup>.

### **1.1. Basis for programming**

The EU, the Czech Republic, Denmark, France, Germany, Hungary, the Netherlands, Spain and Switzerland, in cooperation with the European Investment Bank (hereafter referred to as European Partners) jointly commit to support the priorities and objectives identified by the Government of Ghana in the Long-Term National Development Plan (LTNDP) 2018-2057, and the first Medium-Term National Development Agenda (MTNDA) 2018–2021 which form the basis programming.

---

<sup>1</sup> Ghana is in the process of launching the newly developed Science, Technology and Innovation (STI) for SDGs Roadmap, which will focus on SDGs 1, 2, 3, 4, 6, 8 and 9 and aims at building a strong STI capacity to support social and economic development for the sustainable transformation of the economy.

<sup>2</sup> <https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf>

<sup>3</sup> [https://au.int/sites/default/files/newsevents/workingdocuments/33178-wd-stisa-english\\_-\\_final.pdf](https://au.int/sites/default/files/newsevents/workingdocuments/33178-wd-stisa-english_-_final.pdf)

The EU-Ghana partnership is based on shared values and common objectives. The strategic objective of the Joint Programming in Ghana is to accompany Ghana's transformation process towards consolidation of its middle-income status in a sustainable manner. This Joint Programming will focus on supporting Goals 1 and 4 of Ghana's LTNDP over the 2021-2027 period:

- **Build an industrialised, inclusive and resilient economy** through enhanced competitiveness and support to the private sector; employment policies, skills development and social protection; energy generation and supply, including renewable energy; agriculture, agribusiness and rural development in line with SDGs: 1, 2, 5, 7, 8, 9, 12, 13, 14, 15, 16;
- **Build effective, efficient and dynamic institutions for national development** through decentralisation; Public Finance Management, Tax policy and tax administration support; Accountability, anti-corruption and rule of law in line with SDGs: 1, 10, 16, 17.

Ghana is a well-rooted democracy since 1992, credentials the country demonstrated again with the 2020 general elections. In a region subject to political instability, terrorism, maritime security threats and increased economic and organised crime, Ghana is a stable country and a key interlocutor both at regional and continental level. Ghana is a lower middle-income country with a good economic track record in the recent past, even though the COVID-19 pandemic represents a severe blow to growth.

The Ghanaian economy suffered severe setbacks in 2020. Government revenue fell to 14.4% of GDP while the budget deficit jumped from 4.7% to 11.7%, thereby breaching the 5% threshold set by the Fiscal Responsibility Act, currently suspended until 2024. Public debt increased substantially and stood at 78% of GDP at the end of 2020. Overall, economic growth in 2020 slowed to 0.4%, as opposed to 6.8% pre-pandemic projection and is projected to reach 4.8% in 2021. Headline inflation hovered around the 10% mark while the Ghana Cedi remained relatively stable. In a context of low oil and commodity prices combined with taxation challenges, perspectives to improve domestic resource mobilisation are dire. The country remains at high risk of debt distress with the majority of revenue going into servicing the debt. The debt-to-GDP ratio is expected to continue rising until it levels off at over 86% in 2025. The bulk of Ghana's recovery efforts is packaged into Ghana's COVID-19 Alleviation and Revitalisation of Enterprises Support (CARES) Programme launched in November 2020, which aims to stabilise, revitalise and transform Ghana's economy to create jobs and prosperity.

Fiscal space for new initiatives is however extremely limited. All of this will make tackling the country's long standing problems particularly arduous. First is economic diversification. Despite years of strong growth, Ghana's economy remains undiversified and vulnerable to external shocks.

Second is the reduction of poverty and inequalities. Ghana has seen substantial improvements in various indicators of human development but has made marginal progress on poverty concentrated in the Northern regions since 2012/2013. The recent, mostly oil-driven, economic growth has been insufficiently pro-poor and important social, geographical and income inequalities subsist. Those imbalances are one of the causes for youth migration, particularly high for certain population groups. The drive for industrialisation also puts the environment and climate at risk.

Ghana has made progress in gender equality and women's empowerment (as illustrated by the World Economic Forum Global Gender Gap Index, ranking Ghana 59th out of 144 countries),

and in its legal and policy framework. However, gender equality remains a challenge due to the persistence of deeply rooted discriminatory social norms and inadequate institutional accountability, coordination, capacities and financial resources. Female labour force participation is high (75.5% in 2015), but women do not have equal access to formal jobs, qualified jobs and earnings. Women's participation in decision-making and public life is still insufficient (only 40 women were elected to the 275-seat Parliament in December 2020). As part of implementing the EU Gender Action Plan III, some key challenges of gender equality in Ghana will be addressed with an intervention having gender equality as its main objective.

With regards to the governance framework, there is room to improve public accountability and effective checks and balances to counterbalance a predominance of the Executive branch. Some of the persisting challenges include: prevalence of high corruption, limited access to justice, relative impunity when it comes to prosecution of economic crimes, and weak public service delivery. The Government security apparatus remains insufficiently equipped to face the important regional security pressures, in the North due to jihadist groups and in the South due to trafficking and crimes committed at sea. Since October 2020, Ghana features on the EU list of high-risk third countries with strategic deficiencies in their Anti-Money Laundering/Countering the Financing of Terrorism regimes. Authorities have made good progress in addressing shortcomings identified in the Financial Action Task Force (FATF) Action Plan, and Ghana was removed from the FATF grey list during the FATF Plenary of 25 June 2021, as a consequence, the European Commission has initiated the necessary steps to remove Ghana from the EU list.

When a national or trans-regional action includes the outermost regions of one or more Member States, the relevant Commission services shall discuss the implementing modalities and specific interventions for implementation, pursuant to the NDICI Regulation (Article 43), and to European territorial cooperation regulation (Article 55), which will be reflected as appropriate in the relevant Annual Action Plans/measures and within the Interreg programme(s). The Government of the Canary Islands, acting as Managing Authority, is preparing the future INTERREG MAC programme 2021-2027 in which Madeira, Azores, Canary Islands, Cape Verde, Ivory Coast, The Gambia, Ghana, Mauritania, Sao Tome and Principe and Senegal are participating. The above mentioned paragraph applies to this MIP programme, these EU regions, and these Countries.

## **1.2. Status of joint programming**

The previous Joint Programming covered the period 2017-2020; it was officially adopted and presented to the Government in January 2018. A monitoring report prepared in November 2019 concluded that the Joint Programming 2017-2020 contributed positively to Ghana's reform agenda and growth policies with a strengthened and more coherent approach of European Partners. It also argued in favour of a simplified approach, which is reflected in the present document. This common strategy will be reviewed, if relevant, against the next Medium-Term National Development Agenda (MTNDA), which is expected to cover the period 2022–2025.

## **1.3. Priority areas of the European Partners' cooperation with the partner country/region**

### **Priority area 1 – Green growth for jobs**

Natural resource depletion, accompanied by inadequate waste management and sanitation, make Ghana extremely vulnerable to climate change and environmental degradation. The

Political Guidelines of the 2019–2024 Commission state that Europe must lead the transition to a healthy planet and a new digital world. The European Green Deal provides a roadmap with concrete actions to boost the efficient use of resources by moving to a clean, circular economy, to mitigate and to adapt to climate change, halt the loss of biodiversity and cut pollution. The EU Gender Action Plan III recalls that the promotion of gender equality is a key political objective of the EU external action. These policies constitute the guiding principle for our cooperation. Fostering a green digital economy through industry and the financial sector, while tackling inequalities and discrimination, in particular against women, will be essential for meeting the Green Deal objectives.

A greener economy means new growth and job opportunities according to a circular and sustainable model. Aligned with EU values such as equality and solidarity, it is a transitional approach matching Ghana's resilient economy objective of its LTNDP and its post-COVID-19 recovery plan, Ghana CARES. Ghana was also among the first countries to join the African Circular Economy Alliance in 2019, confirming the country's ambition to steer the Circular Economy Transition on the continent. Moreover, a National Green Job Strategy was recently launched and aims to ensure a just and socially inclusive transition. The strategy is fully aligned with the ILO's Guidelines and principles. The strategy will also ensure that the transition to a greener economy has minimal negative impact on the livelihoods of workers and that the labour force is adequately prepared to take advantage of the enormous decent job creation potential. European Partners' support will prioritise enabling policies, procurement, and regulatory frameworks to raise environmental and social norms and standards. It will mobilise financing to back the circular economy transition, the private sector and the creation of more decent green jobs, to support activities aimed at climate change mitigation and adaptation, as well as to increase environmental protection and biodiversity conservation or to foster inclusion, in line with the Sustainable Development Goals (SDGs). This will contribute to the implementation of the Paris Agreement objectives and Ghana's nationally determined contributions (NDC). Emphasis will also be placed on developing the blue economy by promoting ocean governance, the fight against illegal, unreported and unregulated (IUU) fishing, forced labour on fishing vessels and marine biodiversity conservation.

European Partners, together with relevant CSOs, will support business creation to open up more opportunities, particularly for women, girls, youth and socially excluded groups, thereby facilitating the development of viable green and digital enterprises. Enhanced cooperation with existing networks of EU businesses, such as the European Business Organization and the European Chamber of Commerce in Ghana, will be sought in order to foster the creation of business cooperation opportunities between European and local businesses. Improving business access to financing through innovative and sustainable financial modalities, in particular for MSMEs, and de-risking investments with guarantees will have a catalytic effect in this regard. Sustainable finance represents a real potential in the region and could help accelerate financial flows towards green, inclusive and resilient transitions, e.g. through green bonds and other relevant sustainable finance instruments. While commercial banks continue to provide support measures to cushion borrowing as the COVID-19 pandemic continues to hit the economy, the need for financing banks will increase.

The COVID-19 pandemic has highlighted the excessive dependence of the African continent on external supplies of medical products, particularly vaccines. Ghana has clearly stated its ambition to participate in the Team Europe Initiative (TEI) on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+). This Team Europe Initiative, currently under development, wishes to tackle barriers to manufacturing and access to health products and technologies in Africa from all angles. The TEI places the continent's own actors and institutions at its heart. It will involve support under the following dimensions: 1) supply-

side (industrial development and technology transfer), 2) demand-side and 3) the enabling environment (health and pharmaceutical systems, including support to regulatory authorities). Ghana was identified as a country with strong potential and the support to the country's private sector under this priority will be key for this initiative. It will also enable to capitalise on the prospects opened by the EU-Ghana interim Economic Partnership Agreement (EPA) and the African Continental Free Trade Area (AfCFTA).

Given the role of agriculture and fishery for the economy, employment, environmental protection, and food security, as well as their high potential for MSME development, the European Partners will also focus on sustainable agribusinesses, including in fishery and forestry. This will contribute to tackling poverty in rural and coastal areas, where production takes place and climate change has the biggest impact, and where measures redressing gender imbalances and targeting youth are required. This focus concurs with the Government's "Planting for Food and Jobs" policy. It will also build on past and ongoing activities in business linkages and export promotion, supporting value chain development (for domestic and export markets, including aspects of food loss), while taking advantage of opportunities provided by the EPA and the AfCFTA and facilitating access to capital. Activities in this sector could also provide support to an EU continental initiative aimed at the eradication of the transboundary issue of PPR (small ruminants pest).

In line with the European Green Deal, there is a growing consensus in Europe for greater social and environmental sustainability of imported commodities; the European Parliament is working on two pieces of legislation, respectively on EU-driven global deforestation, and due diligence on supply chains. The cocoa sector will constitute a flagship partnership for European Partners, aiming to ensure a decent living income to the farmers, a deforestation-free and child labour-free cocoa production. Sustainable cocoa fits also into three of the five objectives of the Farm-to-Fork strategy of the European Green Deal. European partners, together with the private sector and NGOs, will work together to address the various challenges Ghana as a cocoa producing country faces. In that regard, the possibility to develop a Forest Partnership with Ghana will be explored.

As an underlying condition to green growth for jobs, the education sector in Ghana has undergone substantial reforms in the past 10 years. The Education Strategic Plan 2018-2030 outlines a twelve-year roadmap for the education sector in Ghana and is accompanied by a series of four-year implementation plans starting with the Education Sector Medium Term Development Plan 2018-2021. European Partners and the World Bank have been supporting the Strategic Plan implementation and the EU has established a trustful relationship with main technical and vocational education and training (TVET) stakeholders in the framework of the Ghana Skills Development Initiative, implemented by GIZ. The EU will increase its support to integrate green and digital skills into TVET, as well as higher education and research. EU interventions will reduce the persistent mismatch between job requirements of employers and skills offered by TVET and higher education institutions and will boost the creation of new careers in low-carbon and digital economies, as well as in the pharmaceutical sector in the framework of the MAV+ Team Europe Initiative. Further increasing the quality and accessibility of the primary and secondary education system (also in rural areas) is recognised as a crucial element in the fight against child labour.

Ghana is investing in its transition to renewable energy and a more efficient use of energy to promote sustainable growth. The European Partners already have an important history of support to the country in the energy sector; it could therefore benefit from a mix of tools and instruments to accompany a process towards sector reforms, the financial health of the sector,

increased renewable energy, legislative/regulatory reforms for energy efficiency as well as enhancing the creditworthiness of utilities.

The digital transformation offers key opportunities to implement these changes. Through these interventions, the partnership should therefore also focus on strengthening the local digital innovation ecosystem that provides solutions for technological innovation in various sectors and generates productive employment in the digital economy and traditional sectors of the economy.

### **Priority area 2 – Smart and sustainable cities**

In line with Local Economic Development principles and Ghana's Nationally Determined Contributions, the European Partners will support local development initiatives based on an integrated territorial approach, focusing on secondary cities and regional capitals of Ghana.

Integrated urban development will exploit opportunities in the transition to climate mitigation, adaptation, resilience, and circularity, preservation of the environment, towards zero pollution ambitions, and the sustainable use of Ghana's natural resources and ecosystems. To harness these opportunities, the integrated territorial approach will take into account how urban development may underpin or constrain the achievement of wider sustainable development outcomes. They will target climate adaptation and resilience initiatives that could include nature based solutions, urban forestry, landscape restoration, green-grey infrastructures, protection and conservation actions.

European Partners' support will target sustainable urban development initiatives, governance, municipal services and economic growth of all regional capital cities, and possibly other medium-sized Metropolitan, Municipal, and District Assemblies (MMDAs), according to priorities and capacities of their municipal administrations, customary authorities, interests of private operators, and support by civil society. European Partners will target in particular integrated, inclusive, human rights-based and sustainable urban planning, including coastal management and marine spatial planning in coastal cities, and delivery of municipal services (notably health-related, as well as waste management and sanitation services, mobility, etc.).

Resource mobilisation and related accountability will ensure the necessary supply of resources, to complement insufficient transfer of resources from central/governmental level (municipal finance). Local economic development, which also encompasses medium and long-term planning, infrastructures, and municipal service delivery to citizens are domains in which European Partners and their local and regional administrations could grant support. This could be done through institutional twinning, city to city or utility to utility partnerships, Copernicus services, exchanges, and other forms of innovative cooperation (including financial support to PPPs with blending and guarantee instruments), in addition to the more traditional forms of projects financing, technical assistance, and capacity building. Sustainable cities could also be an entry point for culture/cultural heritage-related activities.

Digital technologies (such as Internet of Things, artificial intelligence, robotics, Geographic Information System (GIS) based e-services, and big data analytics) will also support innovation in services management and delivery, domestic resource mobilisation and accountability, inclusion and security, innovation and knowledge economy as well as better regulation at urban scale.

### **Priority area 3 – Good governance and security**

Elections in December 2020 confirmed Ghana as the region's most solid democracy. The country has a favourable track record on good governance, the rule of law and respect for

human rights although challenges remain in these areas. Some argue that Ghana's 'Winner Takes All' political system undermines multiparty democratic representation and national development efforts. Challenges in strengthening the constitutional and legislative frameworks still exist, with enhancing the independence of accountability bodies and the separation of powers on the agenda. The dominant role of the executive branch is perceived by some as unbalanced, and corruption remains a challenge. European Partners will support measures to enhance accountability, rule of law and transparent governance of natural resources, as well as to follow up on the findings and recommendations of the 2020 Electoral Observation Mission report, all in line with the EU Action Plan on Human Rights and Democracy 2020-2024.

European Partners will continue seeking meaningful engagement with CSOs. Civil society and oversight institutions have played an important role in promoting reforms. Ghanaian CSOs have been especially successful in the research and advocacy space, particularly when it comes to constitutional, legislative, and judicial reforms; government effectiveness; voice and accountability; and anti-corruption. While civil society in Ghana is vibrant, it faces challenges in terms of sustainable funding and strengthening capacity.

European Partners will provide specific attention to gender issues and will support interventions aiming at increasing women's representation in governance and decision-making to create an enabling environment for equal opportunities. European Partners will also address the persistent gender gaps in education, digital access, and ownership of key assets.

More domestic revenues and internally generated funds need to be mobilised in a transparent and fair way. The European Partners will continue to support Ghana's efforts to mobilise its resources, on one hand by closing the tax policy and compliance gaps, and on the other hand, by encouraging efficient, effective and predictable public spending, all carried out in a transparent and accountable manner and within a good economic governance frame.

European Partners will aim at developing a coherent, comprehensive and mutually beneficial migration partnership with Ghana, along the lines of the five pillars of the external dimension of the Pact on Migration and Asylum, and in line with the renewed EU action plan against migrant smuggling (2021-2025), as well as the EU strategy against trafficking in human beings (2021-2025). The new programme for Ghana will be in line with SDG targets, the GAP III, national priorities and based on the lessons learned from the implementation of the EU Trust Fund for Africa.

In recent years, the Government of Ghana has put digital transformation at the top of its political priorities to boost not only the economy but also domestic revenue mobilisation, to improve service delivery to citizens and to fight corruption. Government has developed efforts to improve governance and delivery of public services but a number of challenges remain that affect the government's ability to operate digitally. European Partners will support the digital transformation policies through the Ministry of Communication, the National Information Technology Agency (NITA) and the National Cybersecurity Centre. The EU will also support the Data Protection Commission to protect personal data in view of the growing threats to the security and privacy of users of digital technologies.

A conducive business environment with stable rules and an effective justice system is vital for Ghana to attract investment for jobs and growth. Private sector operators often cite weak governance and corruption as major obstacles to investment. This includes mismanagement of public finances, in particular in public procurement, tax collection and customs administration. European Partners will provide support focussing on making Ghana more attractive to businesses, promoting transparent and predictable tax administration, including green taxation,

while fostering public-private dialogue. A specific focus may be set on the business environment and investment climate in relation to the pharmaceutical industry.

Corporate Social Responsibility (CSR) will be promoted, as will preparations for the upcoming EU due diligence legislation, be it for EU enterprises active in Ghana, for local enterprises from Ghana or for enterprises from third countries active in Ghana interacting with international supply chains linked to the EU market.

In terms of security, European Partners will focus on enhancing human security at individual and community levels. The security situation in Ghana's North is outlined by the persistent chieftaincy conflicts, political violence and possible infiltration by terrorist elements from abroad, all fuelling the rise of transnational organised crime. In addition to this, radicalisation and polarisation tendencies continue to be fuelled by farmer-herder competition, exploitation of resources related to mining (e.g. gold, bauxite) and felling of timber, particularly rosewood. All the above challenges the capacity of law enforcement agencies, particularly the police. At regional level, the Gulf of Guinea remains a hotspot for piracy and other crimes committed at sea. European Partners will continue to support conflict prevention and the fight against terrorism, organised crime and maritime insecurity in the country and the region.

In November 2013, Ghana was pre-identified as a non-cooperating third country under the European Union Illegal Unreported and Unregulated fishing (IUU) Regulation 1005/2008 (a so-called yellow card). This was due to various shortcomings in Ghana's ability to comply with its duties under international rules against IUU fishing. Consequent to the lifting of the yellow card in October 2015, the Commission established an IUU Working Group with Ghana in 2016 as to capitalise on the positive dialogue established during the yellow card period. However, in June 2021, Ghana has again received a yellow card as a warning that it risks being identified as a non-cooperating country in the fight against IUU fishing. This offers Ghana the opportunity to react and take measures to rectify the situation within a reasonable time and the decision does not entail any measures affecting trade. However, in case of prolonged and continued non-compliance, the country could ultimately face a procedure of identification (a so-called red card), which entails sanctions.

#### **1.4. Justification and context**

##### **Priority area 1 – Green growth for jobs**

The private sector is an engine for growth and employment. Developing MSMEs, which contribute with circa 70% to Ghana's GDP, is therefore crucial. Circular Economy notably provides important opportunities in Ghana with potential positive economic, social and environmental impacts<sup>4</sup>. However, access to finance by the private sector is limited. Therefore, capacity development for financial service regulators in developing an appropriate regulatory framework and supervisory tools for green financing is crucial. Capacity development for financial service providers in developing finance products and services for MSMEs combined with capacity development of MSMEs on how to access financial services and related green products should complement these measures. There is, for instance, a need to support MSMEs, Start Ups, business founders through entrepreneurship and financial literacy training, business incubators and acceleration, as well as coaching and mentoring. This needs to be considered in the optic of green and digital economies, especially for disadvantaged population groups in rural and semi-urban areas, women and youth in particular. Ghanaian banks will require

---

<sup>4</sup> Cf Ghana country report – Circular Economy in EU-Africa cooperation. <https://op.europa.eu/en/publication-detail/-/publication/cc861891-3e83-11eb-b27b-01aa75ed71a1>

financing to allow them to provide cushioning measures to their customers well beyond the pandemic; or else many will eventually cease to have access to financial services and suffer from rising bankruptcy rates.

Private sector is at the core of Ghana's development. This is demonstrated with flagship policies such as 'One District One Factory' and in the 'Ghana Beyond Aid' vision. More efficient and sustainable production, improvements in supply chains, business linkages and export promotion in the agribusiness sector, as well as improved conditions for FDIs, will drive more growth and jobs for Ghana. A private sector with better linkages to larger African and European companies, thanks also to the EPA, will create more opportunities for improved value chains in agribusiness, pharmaceutical industry and other sectors, increased exports in the West African region and – with the implementation of AfCFTA – the whole continent.

While Ghana is characterised as market-friendly and open to trade, it is one of the least integrated countries in Africa in terms of regional trade: only 5.7% of its total trade occurs within ECOWAS. Other important challenges include trade barriers such as long customs clearance times, complex rules, red tape and local content requirements, as well as inexistent or ineffective quality standards, rules of origin issues, and weak coordination and management of existing trade agreements. In this respect, successful implementation of the EPA and the recently agreed AfCFTA could lead to substantial improvements in the medium-term.

Agriculture's contribution to GDP has decreased over the past decades: 40% of GDP from 2001 to 2005, 30% in 2010, and 17% of GDP in 2019. In the policy document "Investing for Food and Job (IFJ): An Agenda for Transforming Ghana's Agriculture" (2018-2021), the Government of Ghana recognises the importance of modernising the agri-food system to consolidate the country's middle-income status. Furthermore, with agriculture strongly affecting water usage and biodiversity, while being a major victim of the impacts of climate change, proper management of natural resources such as forests, pastures, soil and water is crucial for sustainable agriculture production.

About 70% of cocoa production worldwide originates in Côte d'Ivoire (2/3) and Ghana (1/3), and over 60% of their cocoa production is exported to the EU. Cocoa is a key resource for the Ghanaian economy, accounting for 17.4% of exports (2019), and contributes to the livelihood of 0,8 million farmers. Cocoa also has the largest land-use conversion footprint of all crops in Ghana. Poverty is still a daily reality for most smallholder cocoa farmers in Ghana and gender inequality remains the rule rather than the exception. The sector experiences important incidences of labour right abuses, including child labour, deforestation and land degradation.

The Ghanaian strategy for the sector, the Productivity Enhancement Programmes (PEP), is implemented by the Cocoa Board (COCOBOD). The strategy focuses on productivity, targeting in priority rehabilitation of farms at large, and the promotion of domestic processing.

Investing in education and skills development by providing youth with education, training, skills, and preparing them for the job market is a key priority in the EU partnership with Africa. In Ghana, TVET faces key challenges: i) fragmented management and delivery, ii) low levels of financing, iii) poor perception of skills training and iv) limited relevance of skills training due to inadequate private sector engagement in curriculum design, training and assessment. Poor counselling and job placement have also been identified as key issues. The Strategic Plan for TVET Transformation (2018-2022) emphasises industry demand-driven and competency-based training. Nevertheless, there is still insufficient integration of labour market needs in the content and design of TVET. Ghana's TVET sector must pursue the substantial reforms initiated in recent years, involving the private sector to ensure that outcomes align with the needs of the service sector and the industry and the growing demand for green, digital and

pharmaceutical skills. Higher education also faces challenges, particularly in terms of limited provisions and quality. Current courses offered across universities are often neither sufficiently diversified nor relevant to the demands of the job market. Important reforms are needed in higher education to boost employability in new emerging sectors.

Ghana's energy sector is particularly under stress. Main challenges are: (i) significant financial imbalances; (ii) energy-intensive utilities' performance; (iii) inequality of access between South and North, and (iv) unsustainable use of natural resources. To remedy the difficulties of the sector the Government has developed a series of reforms embedded notably in the Energy Sector Recovery Programme (ESRP). The programme requires a high level of financial resources, and the Government is looking to Donors to support its strategy, which also contributes to the reduction of CO<sub>2</sub> emissions and Ghana's NDCs. To facilitate Ghana's energy decarbonisation path, the European Partners will join forces to support parts of the reform process, focusing on investments in energy efficiency, renewable energy, as well as strengthening regional integration (WAPP), in line with the ESRP.

Interventions under this priority will contribute to the implementation of the pan African Great Green Wall initiative for the Sahara and the Sahel in which Ghana partakes without however being a member of its Agency.

## **Priority area 2 –Smart and sustainable cities**

Rapid urbanisation and structural transformation over the past three decades have generated rapid economic growth (5.7% annual GDP growth 1984-2013) and have helped reduce poverty, create (formal and informal) jobs, increase human capital, expand opportunities, and improve living conditions for millions of Ghanaians. In 2000, there were only 9 towns with a population between 50.000 and 100.000; by 2010 the number had quadrupled to 36. In the same period, Accra saw its total population share (referred to the population of Ghana) diminishing from 24.4% to 16.6%, in favour of a more balanced relation with coastal and port towns (Sekondi-Takoradi, Tema), crossroad economic centres (Kumasi, Tamale), market towns with neighbouring countries (Wa, Bolgatanga, Ho), and other rural centres. According to forecasts, 65% of Ghana's population will live in urban areas by 2030, and the total population is expected to double by 2040.

Yet, this rapid urban growth puts pressure on the country's urban centres, including secondary cities, which have grown comparatively faster than larger ones. Internal North-South migration and relocations from rural to urban areas contribute to urban sprawl, expansion of informal settlements and urban poverty. Fast-paced urbanisation compounds the risk, both economic and social, of climate change on urban areas and dwellers, with emerging stresses on air and water pollution, rising temperatures, congestion, inequalities, which increasingly jeopardise the resilience of communities and the economic growth of cities. In some urban contexts, urbanisation has already reached a point of unsustainability, because of the lack of administrative decentralisation and the lack of human and financial resources leading to inappropriate response capacities to the rising challenges. The fast urbanisation is underpinning a strong demand for urban infrastructures and services (housing, mobility, waste, water, sanitation and health, communication, education, social infrastructure, etc.) and for an efficient use of available resources to unleash opportunities for economic growth. Unplanned spatial expansion of metropolitan areas, and limited connectivity both within and across Ghana's cities, is presenting challenges to economic efficiency, increasing social and environmental costs for commuting, unequal access to basic services, increasing health risks and environmental damages, and therefore increased costs and disrupted growth opportunities. Secondary cities' main challenges thus relate to the enhancement of local governance, and local

administrations' capability to plan, finance, and manage change, to the improvement of connectivity, to the provision of efficient water, sanitation and health services, to ensuring inclusion and security, and to the reinforcement of social-economic interaction with their immediate rural areas.

### **Priority area 3 – Good governance and security**

Ghana is not only an important economic partner for the EU, its Member States and Switzerland with investment and trade opportunities for European companies, but a reliable ally in addressing continental and global challenges, including climate change, good governance, the management of migration, peace and security, and the fight against illicit trafficking.

Yet, Ghana still faces some internal challenges. Considering the substantial importance of natural resources for Ghana's economic growth, and the considerable impact of environmental degradation on the national economy (estimated to be +/- 10% of GDP), there is a need of improving good environmental governance through reinforcing the regulatory institutions and its legal framework, strengthening compliance monitoring, the criminal justice system and supporting civil society organisations. The potential of further mobilising domestic revenues in the Extractive Industries Sector is not fully achieved, mainly because of gaps in the regulatory frameworks and lack of enforcement capacities (e.g. transfer pricing for tax evasion). Moreover, in the framework of the Voluntary Partnership Agreement (VPA), which entered into force in 2009, Ghana could soon be the second country in the world and first in Africa emitting FLEGT licences for legal timber exports to the EU. Additionally, in the marine and fisheries sector, Ghana suffers from high levels of Illegal Unreported Unregulated (IUU) fishing offences largely due to overcapacity and weak enforcement of laws, which hampers efforts to raise government revenues from the sector.

Ghana's ranking on the Global Gender Gap Index is 107 out of 153 countries indicating that women are not participating equally in the country's development. The country has made a clear commitment at the highest political level to the 2030 Agenda and its national development strategy is based on it. Creating Prosperity and Equal Opportunity for All (2017-2024) adheres to the leave no-one behind (LNOB) principle, pointing out the need for inclusive development allowing all citizens of Ghana to participate equally in the country's development and providing a special degree of protection to children, women, people with disabilities and the elderly. There is a need to support women participation in politics, business and digital.

Corruption as recognised by several surveys over the years remains a key issue. The Corruption Perception Index has remained constant in the past years (between 38-45). In 2019, the Auditor General has only detected irregularities amounting to about 3bn GHS in Ministries, Departments and Agencies. However, the implementation of its Public Financial Management Act in 2016 laid the foundations for better budgetary discipline and transparency. The Act has also made it easier for elected representatives and civil society to demand accountability for budget implementation and strengthens the independence of the Audit Committees.

Raising domestic resources is a priority for the economy and includes specific measures to increase the taxpayer base, ensuring compliance, guaranteeing effective and transparent use of public resources and strengthening institutions in charge. With this in mind, Ghana is planning to reduce its dependence on the somewhat volatile funding allocations from external donors and is pursuing its Ghana Beyond Aid strategy, which focuses on increasing domestic revenue. MMDAs are responsible for providing services to their citizens but limited by budget constraints. Boosting internally generated funds is crucial as it leads to more independence of MMDAs from national transfers, which are frequently unreliable and delayed. This applies

even more to the COVID-19 situation when the overall budget of the government is going to decrease and subsequently also the transfer of payments.

In spite of a significant level of remittances, Ghanaian diaspora could be further engaged in supporting the development of the country (increasing investments, “brain gain”, etc.). In addition, many challenges remain in all areas: migration governance (lack of coordination, lack of reliable data, etc.); integrated border management (corruption, document and identity fraud, etc.), irregular migration (migrant smuggling, difficulties with readmissions, etc.), legal migration (brain drain, too selective, etc.), and assistance to returning migrants (lack of sustainable reintegration, etc.), IDPs (lack of emergency support, etc.), refugees (lack of sustainable solutions, etc.), nomadic communities (marginalisation, etc.) and host communities (not enough involved, etc.). Despite efforts from the Government and its partners, the root causes of forced displacements (lack of livelihoods, environmental challenges, insecurity, etc.) are indeed not decreasing enough to limit flows of vulnerable people and their negative consequences as migrant smuggling and human trafficking.

The Government took important measures to improve governance and delivery of public services, including a digital address system, e-procurement, e-immigration, e-parliament, and e-judiciary. However, the trust in e-services offered by the government is generally low and the majority of Ghanaians are un-aware that e-government services exist. The National Information Technology Agency (NITA) lacks the capacities in terms of technical, complex and fully integrated digital government planning skills and the funding for implementation of the ambitious digital government platforms that the government envisions. As a result, public institutions often suffer from low quality of digital government services.

Addressing the aforementioned issues and other targeted measure shall contribute to improve the business environment, which remains challenging despite the fact that Ghana stands amongst the top investment destinations. The country’s 2020 Doing Business ranking is 118 out of 190 economies – down from 67 in DB 2011. The main challenges Ghana’s businesses face are: i) red tape and corrupt practices from public agencies related to private businesses and investment; ii) lengthy procedures in issues such as permits, connections with public utilities, property rights and court decisions; iii) a lack of structured dialogue between Ghana’s public agencies and the private sector. Ghana sees improvement of the business environment as a priority and pays close attention to progress in its DB scores. The SDGs refer directly to the importance of investment promotion in targets 17.3 and 17.5 where FDI and investment promotion are key for poverty reduction and accelerated development.

Ghana, although a relatively peaceful country in a volatile region, continues to experience pockets of conflicts and criminality within and around its land and maritime borders. In spite of the efforts made by the country to maintain peace, the pressure remains on both the borders with Burkina Faso and Côte d’Ivoire due to the expansion of terrorist armed groups, land disputes, local hostilities, and increasing vigilantism, all taking place in an environment where social cohesion could be improved. The activities of violent extremists, terrorists and pirates in the Gulf of Guinea have become more widespread, frequent and deadly, with the underlying dynamics growing increasingly complex. These factors highlight the need to strengthen the capacity of law enforcement agencies in maintaining peace and order.

### **1.5. Duration of the Joint Programming and option for synchronisation**

The JPD will have a duration of 7 years (2021-2027) with a mid-term review in 2024. The Joint Programming first phase coincides with the political cycle that follows the presidential election cycle 2021-2024 (4 years).

## **2. European Partners support per priority area and proposals of Team Europe Initiatives**

### **2.1 Priority area 1 - Green growth for jobs**

Priority will be given to empowering women and youth to participate in digital, green and circular economy activities by promoting access to financing and innovative entrepreneurship skills.

UN Sustainable Development Goals: SDG 5: Gender equality; SDG 8: Decent work and economic growth; SDG 12: Responsible consumption and production; SDG 2: Zero Hunger; SDG4: Quality Education; SDG 7: Affordable and clean energy; SDG 14: Life below water

DAC codes: 321 – Industry, 310 – Agriculture, Forestry, Fishing, 110 – Education, 230 – Energy

#### **2.1.1. Specific objectives related to the priority area**

Specific Objective 1: Foster business, trade and value chains development that promote inclusive growth with a particular focus on women and young entrepreneurs of MSMEs in digital, circular and green economy as well as the pharmaceutical sector.

Specific Objective 2: Support sustainable and inclusive agribusiness value chains with a particular focus on the cocoa sector.

Specific Objective 3: Improve efficiency, relevance and quality of TVET and higher education to boost employment in the green, digital and pharmaceutical sectors.

Specific objective 4: Support Ghana's energy transition.

#### **Expected results per specific objective**

##### **Result 1.1: Innovative and inclusive financial instruments are available for MSMEs**

Innovative and inclusive financial instruments adapted to the needs of MSMEs will be used to help them grow sustainably and become bankable. Interventions will seek increased opportunities for MSMEs and entrepreneurs to digitalise their core business and develop new digital products to strengthen competitiveness. Support will target in particular innovative, export-oriented companies and private sector involved in the pharmaceutical sector.

##### **Result 1.2: A dynamic business ecosystem fostering greener, inclusive and digitalised businesses**

Support will be channelled to intermediary organisations to promote private sector development, notably MSMEs and digital and innovative entrepreneurship with a focus on competitiveness, business linkages, investment promotion and structured public-private dialogue. This support will foster green and inclusive growth along value chains, leading to a reduction in carbon emissions by Ghanaian businesses, to increased job opportunities in green and digital sectors as well as to an improved and inclusive access to markets and value chains. Leveraging the private sector's knowledge and resources will also be aimed at the local pharmaceutical production in Ghana.

### **Result 1.3: Ghana is better integrated in the regional, continental and international trade and investment**

Actions will help Ghana become more open to international trade and investment with a special focus on the interim Economic Partnership Agreement and the African Continental Free-Trade Area. Support will notably focus on increased private and public-private investments and trade volumes with the region, the EU area as well as intra-African trade. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **Result 2.1: Sustainable agribusinesses' growth is increased with more efficient value chains and increased exports**

Support will aim for more sustainable and inclusive value chains in the agribusiness sector, including by increasing the productivity of agriculture, husbandry and fisheries, and by improving transformation, commercialisation and export of products while targeting deforestation-free supply chains, food security and adequate nutrition. It may also include the adoption of reforms for a sustainable use of land and natural resources in general, infrastructure, services and markets, promoting in particular circular economy approaches. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **Result 2.2: Cocoa production is more sustainable leading to decent living income for farmers, and decreasing deforestation and use of child labour**

A structured policy dialogue on cocoa production will continue following the Cocoa talks initiated in 2020. The strengthened policy dialogue and interventions on institutional, legal and regulatory capacities will aim for decent living income for cocoa farmers via increased productivity and diversification of revenues, target deforestation and child labour and foster gender balance. Interventions will also target the adoption of sustainable practices by the private sector, improved traceability and transparency mechanisms to support the sustainability of the cocoa value chain, including through digitalisation.

### **Result 2.3: Farmers' organizations are strengthened and participate to the agro-ecological transition of the country**

Support will notably strengthen farmers' organisations' capacities to promote the agro-ecological transition and inclusive nutrition-sensitive value-chains but also their advocacy vis-

à-vis institutional and private actors (e.g. Farmers to Business and Farmers to Government dialogues).

**Result 3.1: An efficient management and a sustainable financing of TVET education service delivery is supported**

Interventions under this result will contribute to the structural reforms started in recent years to reduce fragmentation of the trainings delivery and increase the budget allocated to TVET. The recent passing of three educational bills have formed the new Commission for TVET (former COTVET) and mandated it to be the sole regulator of all TVET institutions under all 19 Ministries. European Partners will support these structural changes and support the Commission for TVET, as well as the equally new TVET service, to perform their roles in collaboration with key partners, such as the German Cooperation implementing agencies GIZ and KfW as well as the World Bank.

**Result 3.2: The relevance of curriculum is increased and driven by labour market demands**

Interventions under this Result will boost TVET-industry cooperation by enhancing private sector engagement in TVET curriculum design, training and assessment. This cooperation will increase the relevance of skills training and qualification frameworks with a focus on green and digital skills (including renewable energy and energy efficiency) as well as skills related to the production of medicines and vaccines. Scientific cooperation will also be strengthened in TVET. Finally, a stronger cooperation between academia and private sector to better use research results in the field of green and digital technologies (e.g. African European Digital Innovation Bridge – AEDIB) will be promoted.

**Result 3.3: Job seeker’s skills on digital, green and pharmaceutical technology are improved**

Interventions under this Result will increase the number and strengthen the quality of training delivered in TVET and higher education in green, digital and pharmaceutical areas (included Science, Technology, Engineering and Mathematics – STEM). Investments in R&D will be boosted. Key activities to improve on-the-job training, rapid-skill-training, knowledge sharing, mentoring and job placement - within national and regional innovation hubs around green, digital and pharmaceutical skills - are envisaged in order to promote new career in low-carbon, digital and health economies. Interventions under this result will also support innovative approaches on North-South cooperation promoting partnership between European and Ghanaian universities. The increased cooperation aims to bridge the gap between universities and Research and Development sector. In addition to Erasmus+, twinning of institutions will be promoted.

All interventions under Result 3 will be guided by the “*leaving no one behind*” principle. Despite improvements in gender parity at the lower levels of education, low female enrolment rates still persist at the higher levels, particularly in technical and vocational education, which has a gender ratio of girls to boys of 0.36 (EMIS 2018). The interventions will ensure inclusive and equal access to training opportunities, thereby increasing participation by women, the

disabled and socioeconomically disadvantaged groups in TVET and higher education. This is fully aligned with the Ghana Education Strategic Plan 2018 – 2030 and the National Green Job Strategy 2021-2025. The envisaged interventions will complement the regional NDICI Regional Programme for Sub-Saharan Africa and the SSA component of the Erasmus+ programme.

**Result 4.1: Energy efficiency in buildings, and in transmission/distribution network is increased.**

The EU support will focus on policy reforms and standards for energy efficient electrical appliances, and for green buildings in Ghana. In this framework, capacity-building for reverse bidding auctions for renewable energy, for data collection, analysis, and modelling, as well as job creation related to efficient appliances and buildings could be also targeted. The electrical transmission and distribution network in Ghana will be upgraded in terms of technology (digitalisation and smart networking) and energy efficiency (loss ratio), and secured by redundancy of interconnections with neighbouring countries and internal network loops.

**Result 4.2: Access to electricity from renewable sources is increased**

Increased access to electricity will be granted by financing schemes for the adoption of renewable energy solutions by business and residential clients (on-grid and off-grid), and the establishment of private operators or public-private-partnerships (PPPs) for mini-grids, or off-grid renewable energy plants to supply irrigation, productive rural districts, and isolated settlements. At the same time, the renewable energy contribution to the country energy mix will also increase (aiming to the 10% target of the NDC). Ghana is expected to consolidate the legislative and management framework to ensure reliable transport and trade of electricity between ECOWAS member states, with harmonized norms and standards, improved governance, thus increasing its resilience to shocks. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

**2.1.2. Indicators (including baseline and targets), per expected result**

*Please refer to the intervention framework in Annex 1.*

**2.1.3. Possible use of blending and guarantees for investment under EFSD+**

The EIB expects to apply for EFSD+ guarantees (and/or blended finance) as necessary to support a wide range of private (including project finance/PPPs where relevant) and sovereign financings related to green growth, energy efficiency (including of mobile sites), renewable energies, energy efficiency, sustainable agriculture and forestry, pharmaceutical manufacturing, access to communication and financial services (via banks and microfinance institutions), etc. It is expected that EFSD+ guarantees could have a wide geographical coverage.

The EIB's support could be delivered in the form of direct loans, intermediated loans (to banks and microfinance institutions) and/or investments in funds (targeting microfinance, private equity or infrastructure and climate).

Access to finance could play a significant role in increasing farm productivity and food security in the predicted changing climate, but remains a key constraint for smallholder farmers, and MSMEs in Ghana. Therefore, the use of guarantees for investments on green growth, such as Archipelagos or InclusiFI (by Cassa Depositi e Prestiti) already funded under the current EFSD, the predecessor of EFSD+, could be envisaged in particular in support of the agricultural sector, with a technical assistance component including vocational trainings, skills development, access to labour market, new investments/start-ups, and development of local value-chains, with particular attention to the most vulnerable people, women and youth.

In energy, a facility could be envisaged to support further development of private/industrial renewable energy schemes, or special purpose vehicles for the establishment of mini-grids at agricultural/community level, and initiatives for energy-efficient solutions for clean cooking.

Furthermore, as AFD has already engaged in blended operations with the EU (SUNREF, and to GridCo); it will consider systematically the use of EU blending facilities or guarantees for any future operations with a non-sovereign counterpart. Potential non-sovereign partners could be Agricultural Development Bank (ADB) in the agricultural sector, and GridCo (transmission), VRA (power generation) and NEDCo (distribution) in the energy sector. Sovereign AFD operations are currently blocked because the risk of debt non-sustainability is considered high by IMF standards.

Given the financial instruments currently being used by KfW in Ghana (mostly budget loans and grants), at the moment there is no need for EU guarantee or blending mechanisms.

Finally, the use of EFSD+ may be envisaged for investments concerning Ghana's participation in the Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+).

Subject to its confirmation through the implementation phase, it is envisaged that an indicative amount of EUR 29 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area and priority area 2.

#### **2.1.4. Joint programming division of labour**

Sector 1- Private sector and circular economy: EU, France, Germany, the Netherlands, Spain, Switzerland and the EIB are planning actions.

Sector 2 – Agribusiness and sustainable cocoa: EU, France, Germany, Hungary, the Netherlands, Spain, Switzerland and the EIB are planning actions.

Sector 3 – TVET and higher education: EU, France, Germany, Hungary, the Netherlands, Spain and Switzerland are planning actions.

Sector 4 – Energy transition: EU, France, Germany, the Netherlands, Spain, Switzerland and the EIB are planning actions.

#### **2.2 Priority area 2 – Smart and sustainable cities**

Initiatives will need to deliver benefits first to the people who need them most; therefore, there will be adequate consultation of civil society and citizens, with particular attention to strengthening economic and social rights of women, and advancing equal participation of women, young citizens, people with special needs, and internally displaced people. Beneficiaries will be involved in the discussion of priorities, constraints and opportunities for local development (including informal sector) in the urban areas, on circularity, and sustainable use or protection of local resources.

UN Sustainable Development Goals: SDG 11: Sustainable cities and communities; SDG 13: Climate action; SDG 8: Decent work and economic growth; SDG 12: Responsible consumption and production; SDG 6: Clean water and sanitation; SDG 5: Gender equality.

DAC codes: 430 – Urban development and management, 160 – Other social infrastructure & services.

### **2.2.1 Specific objectives related to the priority area**

Specific objective 1: Support urban infrastructures for climate change mitigation and adaptation.

Specific objective 2: Promote urban governance and social inclusiveness.

### **2.2.2 Expected results per specific objective**

#### **Result 1.1: Urban infrastructures are developed so to increase their contribution to mitigation and adaptation**

Resilience and greening of cities is increased by developing urban strategies promoting urban spatial planning and public/private low carbon investments in urban sectors with potentially high impact on climate mitigation, adaptation and biodiversity conservation. Urban development plans (a) respond to population dynamics, (b) ensure balanced territorial development, (c) are based on a gender analysis of risks, needs/demands, barriers, (d) promote circular economy initiatives, and (e) increase biodiversity conservation and reduce pressure on ecosystems. Urban mobility and transport/traffic management, water supply and sanitation, health, clean cooking, solid waste management, energy efficiency will be in particular targeted.

#### **Result 1.2: Digital technologies are mainstreamed in urban services.**

Innovation and mainstreaming of digital technologies (notably artificial intelligence, robotics, GIS based e-services, and big data analytics) will be encouraged to maximise impact of urban services, increase transparency, provide accountability of service providers, and reduce their costs. The digital transition will include e-governance solutions improving the management and delivery of quality urban e-governance services to citizens. Indeed, the citizens should benefit of improved and transparent public/private e-services (land registry, registry office, tax office, trade office, transport, services to people with disabilities, etc.), based on progress in digital innovation.

#### **Result 2.1: Sustainable municipal services are strengthened**

Multi-level urban governance will be strengthened by supporting local authorities' role in developing accountability, and contributing to the development and implementation of municipal services on agreed quality service level. The large majority of the urban population

should have convenient access to services (mobility, drinking water and sanitation facilities, energy, decent housing, social services, etc.) independently of sex, age and physical conditions (disabilities). The financing and long-term sustainability will be ensured through increased local fiscal space, and Public Private Partnerships. Workplace based or TVET/skills development initiatives will be undertaken to increase digital skills, innovation, and circularity, so to create new quality jobs, and contribute to urban growth creation.

## **Result 2.2: Urban prosperity for all is improved**

Prosperity and social inclusiveness of cities will be strengthened by supporting social and economic opportunities for all, and adequate planning and investments, preventing the causes and effects of inequality, marginalisation and segregation, including tackling the needs of marginalised and vulnerable groups such as disabled people, internally displaced people, and migrants. Local Authorities' capacities in the design and implementation of inclusive public policies and urban development will be improved, streamlining a gender perspective and granting inclusiveness.

### **2.2.3 Indicators (including baseline and targets), per expected result**

*Please refer to the intervention framework in Annex 1.*

### **2.2.4 Possible use of blending and guarantees for investment under EFSD+**

To support urban development and management, access to finance could be enhanced through blending operations, sovereign, sub-sovereign and private guarantees, accompanied by relevant advisory services / technical assistance. Investments in equity/quasi-equity tools could also be considered (on top of debt and guarantees) for PPPs upscaling their business model or acquiring equipment, investing in new technologies, or mainstreaming digital technologies. Budgetary guarantees to private loans could facilitate urban development or microcredit lending, with a focus on affordable green urban housing and slum upgrading.

The EIB expects to apply for EFSD+ guarantees and/ or blended finance as necessary to support a wide range of private (including risk sharing facilities to lend to women and young entrepreneurs, project finance/ PPPs, or fund investments where relevant) and sovereign financings related to sustainable cities including water, sanitation, and health projects, rainwater drainage, waste management, mobility, communication, health, etc. It is expected that EFSD+ guarantees could have a wide geographical coverage.

AFD promoted non-sovereign financing in urban development; AFD declared its interest to consider the use of EU blending facilities or guarantees also for any future operation in/with cities with a non-sovereign counterpart.

The World Bank is considering initiating a programme of policy level advisory service and analytics (ASA) on Sustainable Cities/ Spatial Development with a territorial approach, which could be expanded further with EU co-financing. In parallel the City Resilience Program, a multi-donor initiative aimed at increasing financing for urban resilience, could activate a Technical Assistance (TA) to assess policy and technical conditions at pre-feasibility level for the guarantee RECIDE in Ghana financed by the EU under the EFSD, the predecessor of EFSD+.

On the investments side, potential synergies and co-financing with EIB, AFD, and WB could be considered in the sectors of urban mobility, coastal management (the West Africa Coastal

Areas Management (WACA) programme could be expanded soon to Ghana), urban services and infrastructures, digital technologies, nature based solutions, water, sanitation and health, solid waste management, municipal finance and governance (on-going in the Secondary Cities Program for Results).

Subject to its confirmation through the implementation phase, it is envisaged that an indicative amount of 29 MEUR may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area and priority area 1.

### **2.2.5 Joint programming division of labour**

Sector 1- Urban infrastructure for climate mitigation and adaption: EU, Denmark, France, Germany, Hungary, the Netherlands, Spain, Switzerland and the EIB are planning actions.

Sector 2- Urban governance and social inclusiveness: EU, Czech Republic (enhancing capacities of health sector), France, Germany, the Netherlands, Spain and the EIB are planning actions.

### **2.3 Priority area 3 – Good governance and security**

UN Sustainable Development Goals: SDG 5: Gender equality; SDG 8: Decent work and economic growth; SDG 13: Climate action; SDG 16 Peace, Justice, and Strong Institutions.

DAC codes: 151 – Government and Civil Society, 250 – Business and Other Services, 152 – Conflict, Peace and Security.

#### **2.3.1. Specific objectives related to the priority area**

Specific objective 1: Support green, democratic and financial governance and migration management.

Specific objective 2: Improve the business environment for local and foreign private investors and promote Ghana as an investment destination.

Specific objective 3: Improve security, ensure peace and prevent conflicts.

#### **2.3.2. Expected results per specific objectives**

**Result 1.1: Ghana’s natural resources and biodiversity are better conserved and managed in a sustainable and transparent manner**

Sustainable use and management of natural resources will be promoted with improved governance and models for biodiversity conservation. It will also support preparation and implementation of green development plans and strategies, including land governance, forest governance, and fisheries governance. Support will notably focus on the implementation of Ghana’s Nationally Determined Contributions (NDCs), prevention of deforestation and enhancement of biodiversity conservation and blue economy development. Interventions will also target forest and biodiversity conservation, support to FLEGT, the fight against illegal,

unreported and unregulated (IUU) fishing. Synergies will be sought with the NaturAfrica and the Great Green Wall initiatives. Civil Society engagement in community participation will be strengthened by enhancement of relevant monitoring and accountability mechanisms.

**Result 1.2: The rule of law and the accountability and transparency of institutions are strengthened**

Interventions will boost the capacities of key government agencies and local authorities in the fight against corruption through a reinforced legal and institutional framework. They will also support reforms, in particular in the areas of democratic governance (including elections) and access to justice, among others through the development of digital government services and technologies. Civic engagement in policy-making will be strengthened by enhancement of relevant monitoring and accountability mechanisms. Support will focus on the digitalisation of critical judicial functions and on better collaboration between various actors of the judicial chain.

**Result 1.3: Public Finance Management including domestic revenue mobilisation are more efficient and transparent**

Support will target Public Finance Management reform activities based on the collect more – spend better approach and integrated approaches to financing such as Integrated National Financing Frameworks (INFFs). It will promote clear performance indicators, which will improve domestic resource mobilisation (including collection of internally generated funds (IGF) at the MMDA level) and service delivery, in a credible, predictable, efficient, transparent and digitalised manner, thereby developing the country’s capacity to expand fiscal space gradually over the long term.

**Result 1.4: A coherent and comprehensive management of migration in all its aspects is reinforced**

Migration actions will focus on the development benefits of international migration and the migration management, with the aim as well of further strengthening cooperation with the EU. Actions will notably contribute to supporting diaspora engagement, as well as improving migration governance, facilitating access to legal migration pathways, and assisting migrants and ensuring their protection (returning migrants, IDPs, asylum seekers, refugees, and nomadic communities) and assisting host communities. Actions will also address irregular migration challenges, including migrant smuggling and readmission..

In addition, integrated border management will be consolidated through capacity development of all relevant agencies and non-state actors (in synergy with the support to other priorities: fight against organised crimes - including document fraud, human trafficking and migrant smuggling - and terrorism, fight against corruption, improvement of civil registries, and trade facilitation).

Efforts to reduce root causes of irregular migration will be incorporated in priority areas 1 and 2 as well. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **Result 2.1: Business environment and investment climate are conducive to attracting and retaining local and foreign investment**

Actions will be geared towards fostering an environment conducive to business creation and to domestic and foreign investment, notably in the pharmaceutical sector, promoting SMEs, and promoting entrepreneurship while encouraging innovation. Support will strengthen the legal, regulatory, policy and institutional frameworks that govern business activity and investments. A strong focus on reforms encouraging business simplification will contribute to lowering transaction costs and streamlining procedures required to start up and operate businesses in Ghana.

### **Result 3.1: Conflict prevention in most vulnerable districts of Ghana is more efficient and effective**

The activities will aim at providing community security at the local level, especially in the most vulnerable districts of Ghana, including border areas. They will also strengthen and support relevant existing peacebuilding and mediation mechanisms and structures, constructed with the purpose of soothing or resolving local disputes. In this way, they will contribute to the prevention of outbursts of violence and to countering radicalisation. Interventions will eventually bring security actors closer to the population through institutional strengthening of the former and through building of mutual trust. Regional and cross-border cooperation in these fields will be envisaged and activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **Result 3.2: Institutional and structural capacities in the areas of Counter-terrorism (CT) and Anti-Money Laundering (AML) are enhanced**

Relevant counter-terrorism (CT) policies will be updated and operationalised. They will also better take into account existing international cooperation arrangements in order to effectively allow for an efficient fight against terrorism spill-over from the Sahel. On this basis, the coordination mechanisms between different Ghanaian and regional security actors will be further strengthened. Additionally, the activities will reinforce the institutional and legal frameworks addressing Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT). Furthermore, the interventions will boost the capacities of institutions mandated to investigate, prevent and prosecute serious economic and money laundering crimes in Ghana. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **Result 3.3: Security actors' interventions in the sub-sectors of transnational organised crime, environmental criminality, cybersecurity and maritime security are effective and more streamlined**

Structural and functional capacities of relevant security actors, particularly in the areas of fight against smuggling and countering all forms of trafficking, will be reinforced. The activities will strengthen evidence collection as well as prosecution procedures of the police, including detention and processing of charges against suspects of transnational organised (TOC) and environmental crimes, as well as capacity to fight against document fraud. Furthermore, the interventions will improve capacity of relevant central-level bodies designed to fight cybercrime as well as of relevant actors in the fight against piracy and crimes at sea. In all these

areas cross-border and regional cooperation will be supported with the aim of achieving the multiplier effect. Activities will be complementary and articulated with the NDICI Regional programme for Sub-Saharan Africa.

### **2.3.3. Indicators (including baseline and targets), per expected result**

*Please refer to the intervention framework in Annex 1.*

### **2.3.4 Possible use of blending and guarantees for investment under EFSD+**

The use of blending and guarantees are not envisaged for this priority sector.

### **2.3.5 – Joint Programming division of labour**

Sector 1- Green, democratic and financial governance and migration: EU, Czech Republic, Denmark, France, Germany, Spain and Switzerland are planning actions

Sector 2- Business environment: EU, Denmark, France, Germany, the Netherlands, Spain and Switzerland are planning actions.

Sector 3- Security, peace and conflict prevention: EU, Czech Republic, Denmark, France and the Netherlands and Spain are planning actions.

## **2.4 Proposals of country/multi-country/regional Team Europe Initiatives**

The **Team Europe Initiative: Smart, green and digital recovery in Ghana** potentially represents the EU's most visible action in the country as it is expected to produce tangible and far-reaching results in terms of a transition towards a circular economy model, climate smart agribusiness, and inclusive and resilient urban development. The initiative will support the Paris Agreement's objectives while creating sustainable jobs, promoting human capital development and the digital transformation, allowing reaching out to remote parts of the country.

The EU overall estimated contribution to this TEI is EUR 101.5 M. This represents 50% of the NDICI-GE indicative amount for the period 2021 – 2024 (see Financial overview- European Response).

The EU's indicative contribution to this TEI is subject to the confirmation of the partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per Article 210 TFEU, always applies.

### **2.4.1 – Smart, Green and digital recovery in Ghana**

The Team Europe Initiative will contribute to the government's transformation and recovery agenda, with a strong accent on the green and circular economy and robust policy support to the climate and environmental policymaking. The initiative will support the Paris Agreement's objectives while creating sustainable jobs, particularly if associated with human capital development and the impulse to the digital transformation, allowing reaching out to remote

parts of the country, leveraging on a strengthened STI ecosystem. Furthermore, good financial management at central and municipal level may be addressed.

The proposal is fully in line with the external dimension of the EU Green Deal. Climate change mitigation and, to an even greater extent, adaptation will also reduce incentives to irregular migration and preserve livelihoods, particularly in the Northern part of the country, where the youth and women are most vulnerable to extremist influence. It is therefore in the interest of Europe, as much as of Ghana.

The EU and its Member States can use their experiences and competences in climate, natural resource management, sustainable and green economy to offer a broad range of hard and soft tools through which cooperation can be implemented such as expertise, capacity building, technology transfer, scientific cooperation, scholarships, twinning and covenants, innovative financing, private and public partnerships.

The EU will prioritise three sectors: Sustainable inclusive growth, Sustainable cities and urban governance, and Climate-smart agriculture and biodiversity. Acknowledging the potential to boost more inclusive and sustainable growth by spurring innovation, generating efficiencies, improving services, attracting youth, and increasing transparency and accountability, therefore fighting corruption, digital transformation initiatives will be included in all three pillars. EIB in particular could contribute to invest in telecom infrastructures and digital services. A solid gender dimension (EU Gender Action Plan) as well as digitalisation will be systematically included in all pillars.

#### ***Sustainable inclusive growth:***

MSMEs provide the backbone of Ghana's economy. Support to MSMEs in general and more specifically to businesses in the circular economy could be addressed as aspects of a green economy, building on the successful circular economy seminar organised in 2019. Support to TVET-system to equip young people with the skills that are in demand by the private sector to foster job creation. France, especially through Proparco and AFD's support to banks (including public banks), will target MSMEs and sustainable infrastructure as a way to promote green economy, jobs and gender equality. Specifically, technical assistance to MSMEs through capacity building program would increase MSMEs' investment readiness, which will clearly increase investment opportunities for Proparco through its financial partners including private equity funds. Proparco would be willing to set-up a program with UE in order to reinforce investment readiness of MSMEs in Ghana.

The initiative will support Ghana's transition to a green economy model, which factor-in scarcity and cost of inputs. The initiative will aim to unlock investments in sustainable and circular businesses, ensure sustainable product management and resource efficiency, in sectors such as renewable energy, plastic policy, and waste management. Support to the energy transition will also be part of a possible combination of EU instruments. France, already supporting investment and reforms in energy transition, will look for new ways (innovative financing and policy dialogue) to promote a sector still in a situation of financial distress.

Germany will continue with support to private sector development, MSMES (e.g. Development Bank of Ghana, support to the bankability of private sector investments, digitalisation of MSME and the banking sector), the further development of TVET with a strong focus on private sector involvement, employment creation through innovative investment vehicles (e.g.

Investing for Employment – IFE Facility), E-Waste, Renewable Energies and Energy Efficiency through technical and financial cooperation as well as development partnerships with the private sector / PPP.

The Netherlands will continue support for green entrepreneurship through various private sector development programmes, aimed in particular at developing business skills of youth and women and creating jobs and increasing their access to finance. Furthermore, the Netherlands aims to contribute to private sector initiatives in circular economy, building on decades of assistance in WASH and waste management.

Spain will continue to offer support for entrepreneurship, particularly in the field of tourism, by facilitating the adaptation of professionals faced with new professional requirements, especially those arising from innovations related to new strategies and technologies, and transferring know-how in the field of training and business consultancy. Actions will continue to be envisaged in the areas of higher education and research.

The EIB will continue to support MSMEs through commercial banks, microfinance institutions, private equity funds, and risk sharing facilities.

Digitalisation and digital entrepreneurship (e.g. AEDIB) will increase opportunities for MSMEs to digitalise their core business and to develop new digital products to strengthen competitiveness and productivity. Thus, digitalisation will contribute to job creation as well as unlock the circular economy potential addressing technology, market structure, policy and skills/knowledge. France will be supportive of digital economy through dedicated operations or by including digital component in its operations. Germany will consider promotion of inclusive growth by fostering digital innovation via support for digital transformation in rural areas, support to technology start-ups, support to strengthen know-how on Artificial Intelligence. The EIB is keen to finance the digitization of Ghanaian commercial banks, especially with the aim of improving access to finance for female and young entrepreneurs. EIB support could also be achieved through venture capital, private equity and infrastructure funds, particularly those focusing on investments to support innovation and digital sectors. Hungary contributes to the tertiary education and TVET with its scholarship scheme, and also promotes career guidance approaching the less developed rural areas of Ghana.

### ***Sustainable Cities and Urban Governance:***

The EU support will target sustainable urban planning, mobility and infrastructure, including municipal water and waste management, as well as resource mobilisation and accountability.

Germany is providing support to 100 MMDAs across the country including all 16 regional capitals with technical to support local governance, revenue mobilisation, public financial management and accountability. Via financial cooperation all 260 Metropolitan and Municipal District Assemblies are supported with performance based transfers through the District Assemblies Common Fund – responsive Factor Grant (DACF-RFG) to finance social infrastructure. The GIS based digital revenue management system will be further developed to use for spatial planning and management of municipal services and to include additional options such as collection of stool land fees, rent tax and electronic payments.

France has long been involved in urban development and city mobility in Ghana – especially in Kumasi –, and will build on that experience to support the development of this key sector,

including through digitalisation. Digitalisation should strongly contribute to innovative solutions for urban management (application of software to establish fiscal cadastres, collect revenues, develop spatial and climate adaptive plans in urban areas). This should have a positive impact on the equitable access to services, notably in health. Synergies exist with ongoing Danish technical support to urban water management in Tema municipality, Greater Accra. Support that may be further developed through concessional loans from the Danish Industrialisation Fund for Developing Counties that will support an expansion of wastewater management capacity.

Hungary is planning to execute water treatment projects in Accra, Takoradi, Tamale and Cape Coast. Besides the technology transfer and financial support, Hungary is keen on the education of Ghanaian experts of the water industry as well as civilians on responsible water consumption and environment protection for sustainability.

France will also strengthen the cooperation between Ghanaian and French municipalities to build cities more sustainable, as the partnership between Accra and Paris –both members of C40-, signed in 2019, to support innovative initiatives in the waste management sector (funding from City of Paris and French Ministry for Europe and Foreign Affairs). Germany and the Netherlands also contribute to Digitalisation with software development for revenue collection, fiscal cadastres development and urban planning and support to digital transformation at the MMDA-level.

Spain is already providing support in water and sanitation, particularly in municipalities in the Volta Region, and urban infrastructure (bridges) in several regions. New projects are being discussed in the fields of waste management and health. Additionally, Spain is ready to provide support for urban planning, architecture and sustainable management of cultural and natural heritage.

#### ***Climate smart agriculture, agribusiness and natural resources management:***

The initiative will boost the economic and financial viability of the sector, factoring in sustainability and climate change adaptation in all stages of the value chains (i.e. production, post-harvest in particular storage, primary and secondary processing, transportation and marketing).

France has been involved in the agriculture sector and water management for decades, and will look to reinforce its activities in perennial crops – especially cocoa and shea trees, and research. Perennial/tree crops are key for the Ghanaian economy and strongly co-benefit to biodiversity, deforestation, gender, and poverty reduction. It will privilege ecosystem-based rehabilitation and conservation agriculture, sustainable timber industry and forest protection, biodiversity management, and scale-up use of innovative financial initiatives to foster private investments, linking MSMEs to markets, building on the experience of the agriculture focal sector in the 11<sup>th</sup> EDF and the practice of EIB and other IFIs. The EIB is keen to engage with interested promoters in all these areas to make the bioeconomy more resilient and aligned with climate commitments. France will support biodiversity management through different financial tools, mostly dedicated to CSOs (French Facility for Global Environment FFEM, “Strengthening the Professional Skills of Civil Society Organizations in Ghana” programme).

Germany supports promotion of agribusiness to foster import substitution and export through technical and financial cooperation. Digitalisation will strengthen data collection, enhance land

governance, and allow efficiency gains. The Netherlands will continue to build on decades of involvement in climate smart agriculture and agribusiness especially with regard to the cocoa, palm oil and horticulture value chains. Hungary continues its intensive research activities in Ghana on the development of drought-resistant crops and also contributes to the development of efficiency in agro-processing in order to promote sustainable industrialisation.

**Instruments:** Interventions will be designed in coordination with EU MS, while seeking complementarity and cooperation with the EIB, which flagged explicitly its interest in all three sectors, as well as other donors and IFIs, to leverage private investments. It will have two components, addressing respectively the public and the private sector:

A comprehensive **policy component** will provide support to relevant authorities (national, regional and municipal) to develop, reform and enforce policies, laws and regulations, standards, share practices, facilitate policy, public-private dialogues between the EU and Ghanaian partners, supporting inter-ministerial coordination and dialogue with civil society, environmental and professional organizations. Sound macro-economic management will be crucial for the stabilization of Ghana's economy. France will more specifically look to support policy dialogue in the energy sector. Netherlands will aim to further strengthen the policy dialogue with regard to sustainable cocoa production. Policy dialogue is an important aspect in all of Germany's priority areas.

The interventions under the policy component will include harmonisation and revision of laws and regulations in the fields covered by the initiative, decentralised management, multi-level governance, support domestic revenue mobilisation, transparency and reliability of budgets, accountability, support to green and digital public policies and management (including procurement), development of green and digital skills and curricula, and green financing and fiscal reforms. France will be more specifically involved in improvement of State Owned Enterprises supervision by the State, through its support to State Interests and Governance Authority. It will also support preparation and implementation of reliable baseline data, development plans and strategies, relevant for the green and digital transition. Grants, technical assistance, studies, Copernicus, and TAIEX & twinning will be used. Budget support / reform financing could be instruments to consider, possibly in joint operations with Germany as was planned under the SDG Contract before the COVID-19 crisis.

An **investment component** will provide direct funding and mobilise additional resources, through direct grants, blending and guarantees, IFI's and private investments in green businesses, sustainable infrastructure, and natural capital. The mobilisation of EU instruments will be at the heart of AFD group strategy in Ghana. It will actively look to promote and use EU grants, blending and guarantees, and will promote alignment and partnership with EU and other Member States. The EIB is planning to reinforce its investments in Ghana, using a mixture of financial instruments targeting the public sector, the private sector, as well as eligible financial institutions (including banks and microfinance institutions). In addition, the EIB will support MSMEs, digitalisation or the energy transition via equity fund investments. Targeted investment initiatives will be defined for both private and public sectors.

Human capital development will take the form of targeted skills training, including in the digital and tech field, and higher education including scholarships and support to local academic institutions. As Germany combines the instruments of technical and financial cooperation, investments are made in all of Germany's priority areas.

### **3. Support measures**

#### **3.1. Support measures in favour of Civil Society**

Support to civil society will be mainstreamed throughout the three priority areas with a view to:

- Increase civil society's participation in the formulation and implementation of government policies and programmes in Ghana.
- Promote civil society as a catalyst for development through active citizen participation in development processes.
- Strengthen the watchdog role of civil society, including through investigative reporting in the media.
- Develop and strengthen relevant thematic Non-Governmental Organisation networks and platforms to actively participate in the implementation of EU's development cooperation programmes.
- Increase civil society's contribution to communication and visibility of European Union's development cooperation programmes.

#### **3.2. Technical cooperation and Dialogue facility**

The Dialogue Facility will contribute to the strengthening of relations between the European Union and Ghana. Its purpose is to facilitate the implementation of the five pillars of the Joint Communication "Towards a comprehensive strategy with Africa" (March 2020) and of the interim Economic Partnership Agreement.

- Support capacity development and institutional building, including through technical assistance and exchange of public expertise, such as TAIEX and Twinning.
- Support policy dialogues: events, conferences, studies, fellowships, exchange platforms to support sector dialogues leading to policy reforms and engagement with governments and other stakeholders, including on climate action, fair green transition, and labour standards and inspections.
- Support to facilitate coordination and Joint Programming between the EU and its Member States at country level.
- Support the participation of the country in EU Programmes and cooperation with EU Agencies, where relevant.
- Finance communication including strategic communication and fight against disinformation and visibility actions on EU cooperation and public diplomacy specific interventions to promote EU policies as well as its multilateral agenda in the partner country.
- Support the preparation, implementation and evaluation of the Union's cooperation, including via technical assistance.

The facility will include Technical Assistance needs for Ghana's participation into global Team Europe Initiatives, such as those on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa.

## Risks and mitigating measures

Risks	Mitigating measures
Institutional weaknesses and/or insufficient commitment by national/regional/municipal authorities and institutions.	Early involvement of authorities, institutions and communities during programme formulation. Selection of beneficiary Municipalities to implement activities on the basis of political commitment and involvement.
Numerous and insufficiently coordinated initiatives among donors, which can lead to fragmentation, duplication, and inefficiencies.	Promotion of strong donors' coordination mechanism between EU and MS and with other key donors (UK, WB, etc.), information sharing.
Weak capacities of local authorities to manage integrated planning and manage projects.	Increased capacity building support and networks through traditional technical assistance and twinnings.
Gender imbalances in terms of participation, and targeting of measures.	Strict gender requirements for the implementing partners, organisation of activities, focusing of targets and indicators.

## **Financial overview- European Response – JPD Ghana**

Although the duration of this JPD is seven years, the indicative allocations for Ghana and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this JPD, will be subject to a decision by the EU. This decision will be preceded by a review of the implementation of this JPD, which will include a dialogue with the authorities and other stakeholders of Ghana.

### ***NDICI-GE Total indicative amount (for the first period of the JPD)***

Priority area	Amount (M EUR)	% of total
Priority 1 : Green growth for jobs	71,05	35%
Priority 2 : Smart and sustainable cities	71,05	35%
Priority 3 : Good governance and security	46,69	23%
Support measures	14,21	7%
<b>Total for the initial period*</b>	<b>203,00</b>	<b>100%</b>

\* Subject to its confirmation through the implementation phase, it is envisaged that out of the total of EUR 203 million, an indicative amount of EUR 29 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations.

### *Annexes*

1. Intervention framework
2. European partners financial matrix
3. Main international donors in Ghana

## ANNEXES

### Annex 1- Intervention Framework<sup>5</sup>

<b>Priority area 1 – Green growth for jobs</b>		
<b>Specific objective 1: Foster business, trade and value chains development that promote inclusive growth with a particular focus on women and young entrepreneurs of MSMEs in digital, circular and green economy as well as the health sector</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 1.1: Innovative and inclusive financial instruments are available for MSMEs	Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced (ID 16)	Baseline: 0 Target: 10 processes initiated  Source of verification: Ministry of Trade & Industry (MOTI) and periodic (at least ex ante, ex post) surveys as part of the intervention Monitoring and Evaluation (M&E) system
Result 1.2: A dynamic business ecosystem fostering greener, inclusive and digitalised businesses	Number of jobs supported/sustained by the EU, disaggregated for green jobs (ID 14)	Baseline: 0 Target: 500.000  Source of verification: Expert analysis to be commissioned by the Action
Result 1.3: Ghana is better integrated to regional, continental and international trade and investment	Volume of intra-regional trade in supported region (POLICY_MARKER-Trade development   SIG-Business Environment Reform)	Baseline: 15% Target: 25%  Source of verification: WTO and regional trade organisations' reports
<b>Specific objective 2: Support sustainable and inclusive agribusiness value chains with a particular focus on the cocoa sector</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 2.1: Sustainable agribusinesses' growth is increased with more efficient value chains and increased exports	Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (EURF-Level 2)	Baseline: 0 Target: 1.000.000.  Source of verification: Expert analysis to be commissioned by the Action
	Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) [EURF-Level 2]	Baseline: 0 Target: TBD  Source of verification: Expert analysis to be commissioned as part of the Action

<sup>5</sup> The EU will intervene in all Expected Results.

Result 2.2: Cocoa production is more sustainable, leading to decent living income for farmers, and decreasing deforestation and use of child labour	Number of Farmers in the cocoa value chain reached with EU support with increased revenues (disaggregated by gender)	Baseline: 0 Target: 100.000  Source of verification: Expert analysis to be commissioned by the Action
	Decreased deforestation rate induced by agribusinesses	Baseline: 2-3% per year Target: Reverse deforestation trends  Source of verification: FAO-Global Forest Resources Assessments (FRA); Country level statistics on forests and deforestation
	Percentage of child labour prevalence in the cocoa value chain (disaggregated by gender)	Baseline: 770.000 (2020) Target: Decrease child labour prevalence (rate TBD)  Source of verification: ILO / UNICEF reports
Result 2.3: Farmers' organizations are strengthened and participate to the agro-ecological transition of the country	Number of farmers associations supported	Baseline: 0 Target: 10  Source of verification: Project Reports as part of the intervention Monitoring & Evaluation (M&E) system
<b>Specific objective 3: Improve efficiency, relevance and quality of TVET and higher education to boost employment in green, digital and pharmaceutical sectors</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 3.1: An efficient management and a sustainable financing of TVET education service delivery is supported	Amount of public education expenditure allocated to TVET	Baseline: average 2% of total public education expenditure allocated to TVET  Target: at least 3% of total public education expenditure allocated to TVET;  Source of verification: UIS, national statistics offices, ministry of finance
	Status of (revised) national education curricula (green and digital) according to quality standards developed by regional and continental guidelines.	Baseline: 0 Target: TBD  Source of verification: Project progress reports as part of the intervention M&E system
Result 3.2: The relevance of curriculum is increased and driven by labour market demands	Number of Public-private dialogues (PPD) supported by the EU	Baseline: 0 Target: at least 3 PPDs organised  Source of verification: Project progress reports as part of the intervention M&E system

	Number of educational institutions and social partners involved in exchanges of good practices on labour market-aligned training, supported by the EU.	Baseline: 0 Target : at least 10  Source of verification: Projects databases of educational institutions and social partners
Result 3.3: Job seeker's skills on digital, green and pharmaceutical technology are improved	Number of people who have benefitted from institution or workplace based VET/skills development interventions supported by the EU, disaggregated for digital skills and EE skills (EURF-level 2) (GAP3) and disaggregated by gender and disability	Baseline: 0 Target : at least 3.000  Source of verification: Projects' databases of training participants
	Number of job seekers that benefits from on the job training, rapid-skill-training, mentoring and job placement promoted by the EU, disaggregated for digital skills and EE skills and disaggregated by gender and disability	Baseline: 0 Target : at least 10.000  Source of verification: Projects' databases of training participants
<b>Specific objective 4: Support Ghana's energy transition</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 4.1: Energy efficiency in buildings and in transmission/distribution network is increased	Number of approved policies and regulations for the use of energy-efficient appliances in residential and office buildings, public and private	Baseline: 0 Target: 4  Source of verification: Project Reports as part of the intervention M&E system
	Reduction of loss ratio of energy transmission/distribution networks with EU support.	Baseline: 5% Target: 2.5%  Source of verification: Expert analysis to be commissioned by the Action
Result 4.2: Access to electricity from renewable sources is increased	Renewable energy share in the energy mix of the country (taking into account public and private contribution)	Baseline: 1% Target: NDC 10%  Source of verification: national statistics; intervention feasibility or appraisal reports
	Renewable energy generation capacity installed (MW) with Union support	Baseline: 0 MW Target 20 MW  Source of verification: intervention feasibility or appraisal reports
	Number of individuals with new access to electricity with EU support	Baseline: 0 Target: 3.000.000 people  Source of verification: Project Reports as part of the intervention M&E system

<b>Priority area 2 – Smart and sustainable cities</b>		
<b>Specific objective 1: Support urban infrastructures for climate change mitigation and adaptation</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 1.1: Urban infrastructures are developed so to increase their contribution to mitigation and adaptation	Number of MMDAs/cities with climate change and/or disaster risk reduction strategies: a) developed, b) under implementation, with EU support	Baseline: 0 Target: 15  Source of verification: SDG indicator 11.b.2
	Number of municipalities that have local development plans that (a) respond to population dynamics; (b) ensure balanced territorial development; (c) increase local fiscal space; and (d) are based on a gender analysis of risks, needs/demands, and barriers	Baseline: 0 Target: 1 for each region  Source of verification: Text of strategies and policy documents
	Greenhouse Gas (GHG) emissions avoided (tonnes CO <sub>2</sub> eq) with EU support	Baseline: 0 Target: NDC targets  Source of verification: intervention feasibility or appraisal report; EURF indicator 2.21
Result 1.2: Digital technologies are mainstreamed in urban services	Number of urban priority infrastructures, or services, implementing substantial innovation and mainstreaming digital technologies (artificial intelligence, robotics, GIS based e-services, and big data analytics), which are planned and designed with EU support	Baseline: 0 Target: 5  Source of verification: Project Reports as part of the intervention M&E system
	Proportion of urban population that has convenient access to public transport, waste collection, improved drinking water, and sanitation facilities, with EU support, by sex, age and persons with disabilities	Baseline: 50% Target: >80%  Source of verification: Baseline and endline surveys to be conducted and budgeted by the intervention; EURF indicator 2.8 (water source), also EFSD indicator 8.2
<b>Specific objective 2: Promote urban governance and social inclusiveness</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 2.1: Sustainable municipal services are strengthened	Number of citizens benefitting of improved and transparent public/private e-services (land registry, registry office, tax office, trade office, transport, services to people with disabilities, etc.), and services based on advances in digital innovations including GIS systems, with EU support, by gender and age	Baseline: 0 Target: 10.000.000 people  Source of verification: Progress reports as part of the intervention M&E system)

	Number of public policies and urban development initiatives, in which a gender perspective granting voice to women and youth has been streamlined	Baseline: respectively 0-0 Target: respectively 3-10  Source of verification: Expert analysis to be commissioned by the Action
Result 2.2: Urban prosperity for all is improved	Proportion of urban population living in slums, informal settlements or inadequate housing is reduced;	Baseline: TBD Target: decrease of proportion  Source of verification: Baseline and end line surveys to be conducted and budgeted by the intervention; SDG indicator 11.1.1. (adapted for city level)
	Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality	Baseline: 0 Target: 1 M people  Source of verification: Beneficiaries database; Progress reports as part of the intervention M&E system
<b>Priority area 3 – Good governance and security</b>		
<b>Specific objective 1: Support green, democratic and financial governance and migration management</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 1.1: Ghana's natural resources, , and biodiversity are better conserved and managed in a sustainable and transparent manner	Number of compliance monitoring reports concluded with EU support	Baseline: 0 report Target: 5 reports  Source of verification: Progress reports as part of the intervention M&E system
Result 1.2: The rule of law and the accountability and transparency of institutions are strengthened	Corruption Perception Index score (Transparency International)	Baseline: 43 (2020) Target: increase by at least 2 points Source of verification: Transparency International
Result 1.3 Public Finance Management including domestic revenue mobilisation are more efficient and transparent	Improvement in PEFA scores	Baseline (2018): PI-1:D*; PI-2:D+; PI-3:D+; PI-11:D; P-13:C; PI-14: C; PI- 19:D+ Target: TBD  Source of verification: PEFA reports
	Tax-to-GDP ratio is improved	Baseline – (2019): 12,8% Target - 2027: 20%  Source of verification: National statistics / IMF
	Number of MMDAs and other institutions which increase their Internally Generated Funds (IGF) with EU support Number of MMDAs and other institutions which make use of GIS based digital solutions to improve	Baseline: 0 MMDA / institution Target: 5 MMDAs / institutions  Source of verification: Progress reports as part of the intervention M&E system

	transparency of their revenue collection	
Result 1.4: A coherent and comprehensive management of migration in all its aspects is reinforced	Number of migrants, refugees, and internally displaced people or individuals from host communities protected or assisted with EU support.	Baseline: 0 beneficiary Target: 4,000 beneficiaries  Source of verification: national statistics; Progress reports as part of the intervention M&E system
	Number of diaspora members, who received EU support - either directly or indirectly - to contribute to Ghana economic development.	Baseline: 0 beneficiary Target: 500 beneficiaries  Source of verification: Progress reports as part of the intervention M&E system
<b>Specific objective 2: Improve the business environment for local and foreign private investors and promote Ghana as an investment destination</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 2.1: Business environment and investment climate are conducive to attracting and retaining local and foreign investment	Number of tax and non-tax policies developed and/ or revised with EU support	Baseline: 0 policy Target: 4 policies  Source of verification: Publications and expert analysis as part of the intervention M&E system
<b>Specific objective 3: Improve security, ensure peace and prevent conflicts</b>		
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>
Result 3.1: Conflict prevention in most vulnerable districts of Ghana is more efficient and effective	Number of state institutions, non-state actors and relevant coordination mechanisms supported on security, border management, countering violent extremism, conflict prevention, protection of civilian population and human rights [EU RF SSR 2.29]	Baseline: 0 Target: TBD* Source of verification: Progress reports as part of the intervention M&E system
Result 3.2: Institutional and structural capacities in the areas of Counter-terrorism (CT) and Anti-Money Laundering (AML) are enhanced	Status of the operationalisation of national strategy on countering terrorism (CT) and violent extremism (CVE) – [EU RF P/CVE 2.28]	Baseline: the relevant strategy was approved in January 2020  Target: TBD* Source of verification: Meeting minutes and draft strategy from the work groups for National Strategy/Roadmap/Guidance on CVE, progress reports.
	Number of suspicious transactions reported to the Financial Intelligence Centre (FIC) or equivalent body(including those	Baseline: the average annual number of suspicious transaction reports (STRs) received within the five (5) year period of 2012-2016 was 374

	based on declarations and smuggling)	Target: increase of this number (annual average for the 2022-2026 period)  Source of verification: Ministry of Finance / FIC/ FATF recommendations
	Number of cases brought to prosecution originating from Suspicious Transaction Reports (STRs), Cash Transaction Reports (CTRs) and independent law enforcement investigation	Baseline: In 2012-2016 720 Intelligence Reports (IRs) were disseminated to Investigating Authorities, Intelligence Agencies and Revenue Agencies in Ghana and abroad (annual average of 144)  Target: the annual average of intelligence reports disseminated to Investigating Authorities, Intelligence Agencies and Revenue Agencies in Ghana and abroad over the 5-years-long period is increased  Source of verification: Ministry of Finance / FIC/ FATF recommendations
Result 3.3: Security actors' interventions in the sub-sectors of transnational organised crime, environmental criminality, cybersecurity and maritime security are effective and more streamlined	Status of laws/regulations determining standards of prosecution processes in the areas of fight against environmental criminality and countering transnational organised crime are in line with international standards [EU RF SSR 2.29]	Baseline: TBD**  Target: TBD*  Source of verification: Legislation/policies developed/updated with support of the EU-funded intervention. Notes from the policy development working group meetings.
	Status of an implementation plan (or roadmap) for delivering on the strategic commitments in the field of cybersecurity [EU RF CYBER]	Baseline: non-existent as of 2020  Target: TBD*  Source of verification: Legislation/policies developed/updated with support of the EU-funded intervention. Notes from the policy development working group meetings

\*---- Due to their sensitivity, these targets will be decided upon the approval of results of respective policy dialogue rounds with the partner country.

\*\*---- Will be determined upon the reception of results of the baseline analysis.

## Annex 2 – European partners financial matrix

### GHANA 2021-2027 JOINT PROGRAMMING

(Amounts announced or already allocated, they are indicative and do not always cover the whole period)

Priorities	Sectors	Team Europe Initiative: Smart, green and digital	Joint Programming	DE <sup>6</sup>	FR <sup>7</sup>	DK	NL <sup>8</sup>	CZ	HU	ES <sup>9</sup>	CH	EIB
Priority area 1  Green, resilient and inclusive growth	1- <u>Private sector and circular economy</u>	FR + DE + NL: support to MSMEs ES: entrepreneurship in the field of Tourism. NL + HU + DE : agribusiness DE: Access to Finance, MSME Support Digitalisation (digital entrepreneurship, AEDIB), Private Sector Development and Cooperation, Employment Promotion, Migration and Diaspora Trade, Support to Ghanaian Development Bank. EIB: support SMEs through intermediated lending via commercial banks, microfinance institutions and funds, as well as private equity funds EIB to support agricultural value chains via dedicated risk sharing facilities		€ 197 m (including TVET)	X		X			X	€ 25 m	€ 150 m

<sup>6</sup> DE active in all priority areas with technical (TC) and financial cooperation (FC); figures are preliminary and may be subject to change

<sup>7</sup> FR is one of the European Partners committing to the Joint Programming Document, but does not have programmable funds and it is therefore not possible to indicate any amounts.

<sup>8</sup> NL as well does not have programmable funds.

<sup>9</sup> ES as well does not have programmable funds.

	2- <b><u>Agribusiness and sustainable cocoa</u></b>	DE, FR, NL, HU, CH, ES and the EIB are planning actions.	NL: resilient cocoa production systems EIB and AFD could support projects on the transition of the cocoa value chain towards sustainability	€ 10 m	X		X		Up to € 3 m in agribusiness over 2021-23	X	X	€ 60 m
	3- <b><u>TVET and higher education</u></b>	DE + FR: TVET + digital FR + HU + ES : higher education and research		see above	X		X		Up to € 5 m in education and research	X	X	
	4- <b><u>Energy transition</u></b>	FR + DE + ES + EIB + NL : energy transition & renewables  DE: Renewable Energy and Energy Efficiency ( including TVET) Energy Sector Recovery		€ 275 m	X		X			X	€ 4.5 m	€ 170 m
<b>Priority area 2 Sustainable cities</b>	1- <b><u>Urban infrastructure for climate mitigation and adaptation</u></b>	DE : e-waste DK + HU : urban water management NL: WASH FR: integrated urban development ES: WASH, infrastructure, waste management		€ 25 m	X	€ 4.7 m + TA (21-22) + possible soft loan	X		Up to € 6 m over 2021-23	X	€ 4.5 m	€ 120 m

	<b>2- <u>Urban governance and services delivery</u></b>	FR + DE + EIB: digital for urban management and development FR : mobility DE + NL: revenue mobilisation Twinning cities DE: Urban Planning, Digitalisation, Marginalized Groups EIB support via infrastructure and climate funds ES: urban planning, sustainable management of cultural and natural heritage	CZ: support to enhance the capacities of health sector (training, expertise, technology)	€ 30 m	X		X	Up to € 1 m over 2021-23 (with possible continuation)		X		50
<b>Priority area 3</b> <b>Good governance and security</b>	<b>1- <u>Green, democratic and financial accountability and migration</u></b>	DE: Accountability, Anticorruption, Civil Society DK: CSOs, decentralization & anticorruption ES: capacity building on migration	CZ: cybersecurity, fight against cybercrime	€ 74 m	X	€ 0.6 m		€ 0.1 m over 2021-23 (est.)		X	X	
	<b>2- <u>Business environment</u></b>	DE + NL: DRM, District Assemblies Common Fund FR: SOE supervision (SIGA) DK: Economic Transformation	FR + ES: AfCFTA	€ 40m (including PFM)	X	€ 0.27 m	X			X	€ 24.5 m	
	<b>3- <u>Security &amp; Conflict prevention</u></b>	DE: PFM / Anti Money Laundering	NL: prevention of spill over VE FR + DK + ES: maritime security FR + ES : migration management DK: national & regional peace and security			X	€ 7.2 m € 10.75 m for maritime security	X	X		X	
<b>Support measures</b>	<b><u>Cooperation and Dialogue Facility</u></b>		NL + ES: Culture									

### Annex 3: Main international donors in Ghana

International donors that are members of the OECD DAC have two working groups: one at Heads of Missions level that has been mostly inactive in the past years (1 or 2 yearly meetings) and one at Heads of Cooperation level that meets on a monthly basis and that the EU chaired in 2020.

Precise information on what every donor finances with sectoral breakdown is unavailable. The attached charts from the OECD DAC provide an accurate picture of the biggest actors, first the World Bank Group with an approximate level of \$500 million / year (commitment level) and second USAID with an approximate level of \$140 million / year (commitment level).

Other bilateral partners (France, Germany, United Kingdom, Canada, Japan, Korea are the most important) represent volumes between \$50 million to \$80 million varying from one year to another.

The current chair (Canada) of the Heads of Cooperation Group has gathered information on donor interventions based on the SDGs (in Annex). It does not cover all donors (USAID missing) and does not provide with financial details.

There is no donor coordination organised by the Government but there is good coordination between donors in the various Sector Working Groups and the Heads of Cooperation Group. The EU Delegation is working on a regular basis with other partners to coordinate future interventions and build partnerships, first with EU Member States for the Team Europe Initiatives but also with the World Bank (private sector).

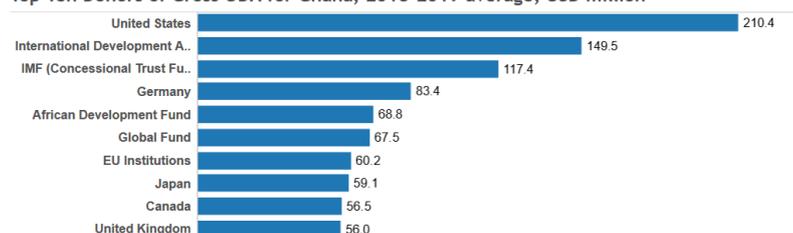
#### Receipts for Ghana

	2017	2018	2019
Net ODA (USD million)	1,263.5	1,067.5	936.3
Net ODA/GNI (%)	2.2	1.7	1.4
Gross ODA (USD million)	1,410.4	1,285.7	1,095.6
Bilateral share (gross ODA) (%)	44.3	52.2	53.0
Total net receipts (USD million)	1,833.9	1,441.6	1,157.7

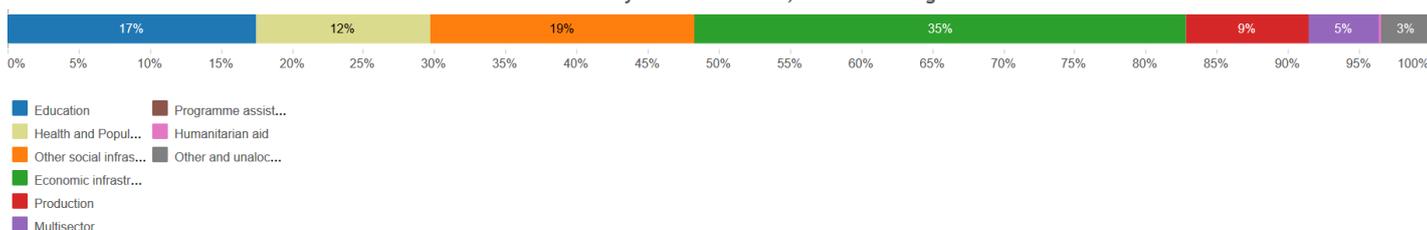
#### For reference

	2017	2018	2019
Population (million)	29	30	30
GNI per capita (Atlas USD)	1,890	2,130	2,220

#### Top Ten Donors of Gross ODA for Ghana, 2018-2019 average, USD million



#### Bilateral ODA by Sector for Ghana, 2018-19 average



Source: OECD - DAC : <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm>