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ECONOMIC GROWTH

USAID's Economic Growth Program partners with the Government of Ghana and the Ghanaian private sector and civil society to realize sustainable and broadly shared economic growth across the Nation.

OVERVIEW

Ghana has one of the fastest growing economies in the world¹; however, Ghana's long-term economic growth is challenged by an expensive supply of power, low access to credit, high borrowing costs, low agricultural productivity, a business climate that restricts private sector growth, and constraints in regional trade.

INCREASING AGRICULTURAL-LED ECONOMIC GROWTH

In 2017, the U.S. Government chose Ghana as a focus country under its Global Food Security Strategy (GFSS). The five-year GFSS country plan will help Ghana achieve self-reliance through agriculture-led economic growth, increased resilience, and improved nutrition. To transition Ghana from a U.S. development assistance recipient to a U.S. strategic trade partner, the GFSS will adopt a two-pronged approach.

1. USAID will target food security interventions in 17 districts in northern Ghana where poverty and nutrition statistics are poorest, and work to protect Ghana's marine fisheries and prevent the depletion of fish stocks in coastal areas.
2. USAID will selectively invest in higher-value commercial crops to accelerate trade.

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¹ <https://www.nytimes.com/2018/03/10/world/africa/ghana-worlds-fastest-growing-economy.html>

REFORMING POLICY AND INCREASING ACCESS TO CREDIT

USAID also supports macroeconomic policy reform, facilitates public-private dialogue on policy and regulation, helps farmers access finance and markets, and increases access to credit by guaranteeing bank loans.

Key achievements include:

- Established the Ghana Alternative Exchange for small and medium enterprises to access alternative sources of finance.
- Facilitated over \$5 million to micro, small, and medium enterprises to support agriculture financing to 78,978 rice, maize, and soy smallholder farmers, of which 40,255 (50.97%) were women and 13,558 (17.1%) were youth.
- Supported 87,000 smallholder and mostly women farmers save over \$3 million and receive over \$1 million in loans through USAID-initiated Village Savings and Loan Associations.

EXPANDING TRADE AND FACILITATING ACCESS TO MARKETS

USAID helps the private sector to access and supply domestic, regional, and international markets, and links smallholder farmers to domestic, regional, and international markets as well. USAID also works with companies to improve market information, meet required food safety and health standards, and improve their technology and environmental practices.

Key achievements include:

- Partnered with the Ghanaian-owned firm Sahel Grains to increase high-quality domestic cereal processing capacity from 500 tons/year to over 18,000 tons/year and connect USAID-supported maize farmers to Nestlé for baby food production.
- With the Government of Ghana, promoted trade facilitation, removed technical barriers to trade, and encouraged policies that stimulate regional trade and attract investment.

EXPANDING RELIABLE ACCESS TO AFFORDABLE ELECTRICITY

Through the U.S. Government's Power Africa Initiative, USAID partners with the Government of Ghana to increase its generation capacity and electricity access; and define and implement institutional, regulatory, financial, and commercial strategies to develop the gas and power sectors.

Key achievements include:

- Supported private sector transactions that will add about 550 MW of new power generation to Ghana's grid, increasing the current installed capacity by about 15%, and about 4,500 connections to the populace currently not served by the national electricity grid.
- Developed strategies with the Government of Ghana to strengthen the power sector's financial health through improved planning, pricing, and efficiency, which in turn will enable Ghana to more fully exploit its domestic energy resources such as solar and wind power, and natural gas to drive economic growth.