

Ghana: Current Issues and U.S. Relations in Brief

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Overview

Ghana, a country of 27.5 million people on West Africa's Atlantic coast, faces diverse development challenges, but has built a robust democracy notable for consistent peaceful turnovers of executive power since a transition to multiparty rule in the early 1990s. The country also has made progress toward many of the socioeconomic outcomes that successive U.S. administrations have sought to foster in Africa, and U.S. policymakers have tended to view Ghana as a stable U.S. partner in an often-volatile region. Substantial U.S. bilateral aid has both been premised on and arguably contributed to Ghana's generally positive development trajectory.

Amicable relations between the United States and Ghana, a former British colony, have persisted since 1957, when Ghana became the first colonized sub-Saharan African country to gain independence. In 2008, then-President George W. Bush visited Ghana to showcase U.S. aid programs on trade, entrepreneurship, health, education, and Ghana's first Millennium Challenge Corporation (MCC) compact. In 2009, then-President Barack Obama traveled to Ghana to highlight the nation as a democratic model for other African countries. The Trump Administration has signaled support for continued close cooperation, although there has been some recent tension over reported Ghanaian noncooperation with U.S. immigration law enforcement proceedings. The Administration also has proposed sharp cuts in bilateral aid as part of its overall emphasis on reducing foreign assistance, which could impact relations.

Under the Obama Administration, U.S. aid to Ghana was provided primarily under U.S. Agency for International Development (USAID)-administered global presidential development initiatives. These included Feed the Future (FTF, a global food security effort), the Global Health Initiative (GHI), the Global Climate Change Initiative (GCCI), and several Africa-specific initiatives: Power Africa, Trade Africa, and the Young African Leaders Initiative (YALI). In 2014 Ghana signed a second MCC compact focused on the electrical power sector. Ghana was also selected to join the Obama Administration's African Peacekeeping Rapid Response Partnership (APRRP) and its Security Governance Initiative (SGI), both launched in 2014. Ghana is a key international peacekeeping troop contributor in Africa, and engages in regular joint military training exercises and other security cooperation with the United States.

Ghana has also played an active and constructive role in regional affairs. It has been a leader in various regional interventions to address political and security crises in West Africa and has hosted refugees fleeing conflict. The Ghanaian government is currently helping to mediate long-standing government-opposition political tensions in neighboring Togo. It also hosted a regional hub that supported United Nations (U.N.) operations to counter the 2014-2015 Ebola outbreak in nearby countries. Ghanaians have played leadership roles in regional and multilateral organizations. Ghana supports Economic Community of West African States and African Union efforts to foster regional and continental economic integration. At a global level, Ghana seeks to sustain positive donor relations, aid, and investment, and contribute to multilateral policymaking relating to peace, stability, development, and scientific cooperation, while also expanding its foreign export markets.[1]

[1] Ministry of Foreign Affairs and Regional Integration, "Ghana's Foreign Policy Guideline" and "Foreign Policy Objectives," no date, online at https://mfa.gov.gh.

Figure 1. Ghana at a Glance



People	*Population:* 27.5 million. Population Growth Rate: 2.17% *Ethnic groups:* Akan 47.5%, Mole-Dagbon 16.6%, Ewe 13.9%, Ga-Dangme 7.4%, Gurma 5.7%, Guan 3.7%, Grusi 2.5%, Mande 1.1%, other 1.4% (2010) *Languages:* Asante 16%, Ewe 14%, Fante 11.6%, Boron 4.9%, Dagomba 4.4%, Dangme 4.2%, Dagarte 3.9%, Kokomba 3.5%, Akyem 3.2%, Ga 3.1%, other (including English, the official language) 31.2% (2010) *Religions:* Christian 71.2%, Muslim 17.6%, traditional 5.2%, other 0.8%, none 5.2% (2010) Mortality rate, under-5: 58.8 deaths/1,000 live births. Maternal mortality ratio (modeled estimate): 319/100,000 births (2015). Life expectancy: 67 years. Median age: 21.1 years Literacy rate: 76.6% (2015). Mobile phone subscriptions per 100 people: 135.8
Economy	*Gross Domestic Product (GDP):* $47 billion *GDP per capita & Growth Rate:* $1,663 & 8.4% *Imports:* Capital equipment, refined petroleum, foodstuffs *Exports:* Oil, gold, cocoa, timber, tuna, bauxite, aluminum, manganese ore, diamonds, horticultural products

Sources: CRS map. Data (2017, unless otherwise noted) from CIA *World Factbook*, IMF *World Economic Outlook* database (April 2018 ed.), and World Bank *World Development Indicators* database.

Politics and Governance

The predecessor of Ghana's incumbent president, Nana Addo Dankwa Akufo-Addo, was John Dramani Mahama, who came to office in July 2012 as the constitutional successor of President John Atta Mills, who died in office of natural causes earlier that month. Mahama then won election in polls held in late 2012.

Ghana's most recent general elections, held on December 7, 2016, were generally regarded as free and fair, despite tensions and isolated incidents of political violence. The presidential race featured a rematch between Mahama, of the National Democratic Congress (NDC), and Akufo-Addo, of the New Patriotic Party (NPP). These two parties dominate national politics to such an extent that Ghana effectively has a two-party system. Akufo-Addo won 53.7% of votes—exceeding the 50-percent-plus-one threshold necessary to preclude a runoff vote—against 44.5% for Mahama. Akufo-Addo took office in January 2017. The NPP also won 171 of 275 legislative seats and the NDC 104.[2]

The strength of Akufo-Addo's first-round win was noteworthy, as he had lost two prior presidential runoffs by razor-thin margins. Despite moderate economic improvements in 2016, widespread frustration over poor economic performance under Mahama likely clinched his electoral defeat. During Mahama's tenure, multiple downward economic trends converged, spurring repeated protests over unemployment and socioeconomic challenges.[3]

U.S. Elections Assistance

USAID and the State Department provided $7.4 million in program support for Ghana's 2016 election, including $2 million channeled through the local nongovernmental Center for Democratic Development (CDD). It supported civic education and election monitoring activities by the civil society Coalition of Domestic Election Observers (CODEO), which also conducted a parallel vote tabulation (PVT, i.e., a random sampling of polling station results used to verify the accuracy of official election results). U.S.-supported CODEO PVTs in 2008 and 2012 appeared to contribute to public trust in those close elections. U.S. aid in 2016 also supported technical assistance to Ghana's Electoral Commission and conflict prevention efforts, including a $1.2 million U.N. Development Program conflict prevention initiative. It also funded U.S. National Democratic Institute (NDI) public opinion research focused on electoral risks and violence mitigation, and an NDI election observation mission. U.S. diplomats also engaged with stakeholders with the aim of preventing electoral violence and encouraging trust in the electoral process.[4]

Government Policy Priorities

For two decades, control of Ghana's executive and legislative branches has alternated between the NDC, which has generally supported a social-democratic vision and a key economic role for the state, and the NPP, which has emphasized a more free-market, private-sector-centered approach. Despite these different ideological outlooks, the parties' election platforms and policy records have been broadly similar. Both have tried to foster private-sector-driven growth and

[2] Ghana Electoral Commission, "2016 Presidential Results"; and International Foundation for Electoral Systems (IFES) Election Guide, "Election for Ghanaian Parliament (Dec. 7, 2016)."

[3] Afrobarometer, *Economic Conditions: What Ghanaians Say*, October 22, 2014.

[4] Funding and program data for 2016 elections from State Department and USAID responses to CRS queries in 2016; and ; and USAID, "Ghana Supporting Free, Fair & Peaceful Elections," no date. On past U.S. support for previous elections, see CRS Reports CRS Report RS22809, *Ghana, an Emergent Oil Producer: Background and U.S. Relations*, by Nicolas Cook, and CRS Report R42874, *Ghana: Recent Developments and U.S. Relations*, by Nicolas Cook.

foreign investment, while also supporting state investments in industrialization and infrastructure, and both have emphasized the importance of social services and welfare programs.

President Akufo-Addo is the scion of a well-known political family and a former member of parliament who served as Foreign Affairs Minister and Justice Minister under the NPP government of former President John Kufuor. A major goal of the Akufo-Addo administration—as set out in the NPP's 2016 election platform, presidential speeches, and government policy documents—is to improve the economy. Notable emphases include efforts to increase access to commercial credit, reduce business costs, and generally foster an enabling environment for private-sector-led economic expansion and job growth. Priorities include private-sector-led industrialization, economic diversification, state investment in infrastructure, and tax incentives targeting manufacturing in selected sectors (e.g., light industries, pharmaceuticals, petrochemicals, and garments and textiles). Enhanced agricultural and agro-business productivity are other key objectives.

The Akufo-Addo administration also seeks to strengthen public social service and safety net programs, with a focus on health, education, and housing. In September 2017, it launched the Free Senior High School program, under which universal senior high school (SHS, i.e., post-ninth-grade) education is entirely publicly funded. Previously, there were a limited number of SHS institutions, admission was competitive, and students had to pay multiple fees. The SHS program has reportedly created challenges with respect to accommodating a large influx of students.

The government also wants to create a series of regional development authorities, build public institutional capacities, combat corruption, and enhance governance and accountability.[5] It also aims to "discard a mindset of dependency and living on handouts" and "to build an economy that is not dependent on charity and handouts … a Ghana beyond aid."[6] It seeks to accomplish all of these goals while also reining in public spending, running a balanced budget, and stabilizing the currency.

Law Enforcement and the Rule of Law

Public sector corruption in Ghana has been a chronic challenge. In recent years there have been several high-profile bribery scandals involving top officials, including a major one in 2015-2016 that forced many judges from office. Although both NDC- and NPP-led governments have taken concrete anti-corruption steps, new cases have regularly emerged during the administrations of both parties. Akufo-Addo has pledged to tackle the corruption issue, including by strengthening the asset declaration system for officials and ensuring nonpartisan prosecution of public corruption. In early 2018, the government created an Office of the Special Prosecutor to address state corruption. Akufo-Addo's nomination of former Mahama administration Justice Minister and Attorney General (AG) Martin Amidu to fill the post generated some controversy. Amidu had been dismissed as AG under Mahama after accusing multiple colleagues in the then-ruling NDC of fraud, and later pursued corruption cases through private litigation. In May 2017, Akufo-Addo announced the arrest of customs officials implicated in $276 million in revenue losses in an under-invoicing import collusion case. He also ordered an investigation into the president of

[5] *Voice of America*, "Ghana Launches Free High School Education," September 15, 2017. On government priorities in multiple areas, see Presidency of Ghana, *Initiatives*, at http://presidency.gov.gh/index.php/initiatives.

[6] *MyJoyOnline.com, "*Full Text: Akufo-Addo's speech at 72nd session of UN General Assembly," September 21, 2017; and Kwasi Gyamfi Asiedu, "A Speech by Ghana's President Calling for Africa to End Its Dependency on the West is a Viral Hit," *Quartz Africa,* December 4, 2017.

Ghana Football Association (GFA) for corruption-related offenses, and later dissolved the GFA. The matter has drawn intense local public attention.[7]

Akufo-Addo and the NPP have faced criticism for failing to rein in allegedly criminal acts of intimidation by NPP youth supporters, notably the Delta Force, a pro-NPP political vigilante group. These acts appears linked to unmet demands for patronage or jobs by NPP youth loyalists who helped secure the NPP's 2016 electoral victories.[8] In early 2017, Delta Force members committed acts of assault and rioting, leading to criminal cases against several, and group members later disrupted court proceedings in these cases. Although Akufo-Addo condemned the group, those prosecuted were fined rather than imprisoned.

Ghana has been used by drug traffickers as a hub for the transshipment of cocaine from Latin America and heroin from southwest Asia. These drugs are typically shipped onward to markets in Europe, South Africa, and North America, and Ghanaian drug mules are regularly arrested at airports abroad. There is close U.S.-Ghanaian cooperation to fight drug trafficking. The U.S. Drug Enforcement Administration (DEA) opened an office in Ghana in 2009 and in 2010 helped set up a specially vetted police unit, which the DEA later designated a Sensitive Investigative Unit (SIU), one of a few in Africa. In cooperation with Ghana, the DEA has carried out several extraditions and other law enforcement operations. Ghana also hosts a State Department International Law Enforcement Academy Regional Training Center.

A Threat of Terrorism?

Ghana has not faced Islamist terrorist attacks on its soil, but could, given a rise in violent Islamist extremist attacks and insurgencies in recent years in West Africa, notably including the Sahel, which abuts Ghana's northern border. Côte d'Ivoire and Burkina Faso, which neighbor Ghana, have both faced mass-casualty extremist attacks in urban areas in recent years. Ghana's contribution of troops to the U.N. Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) could also potentially spur extremists to target Ghana.[9]

There are few, if any, overt signs of widespread radicalization among Ghana's Muslims, who in 2010 comprised nearly 18% of the population and were concentrated primarily in the Northern and Ashanti regions. Ghanaian Islamic practices primarily draw on Sufi traditions (which emphasize personal human-divine spiritual relations) and the Ahmadiyya movement (a global sect with historical origins in India). There are some indications that radicalization of Ghanaians by foreigners or by Ghanaians drawing on foreign extremist ideologies may be occurring, though likely on a limited basis.

A Libyan government report on the Islamic State (IS) in Libya that spurred parliamentary debate in October 2017 reportedly suggested that between 50 and 100 Ghanaians may have joined that group. Some local analysts believe there may be a significantly higher number of radicalized

[7] BBC, "Ghana FA Boss Kwesi Nyantakyi Returns to Face Investigation," May 23, 2018, among others.

[8] EIU, "Group Aligned with Ruling Party Causes Judicial Disruption," April 10, 2017, and "Former President Criticizes Current Administration," November 3, 2017; and Ghana Center for Democratic Development (CDD-Ghana), "CDD-Ghana Statement on the Delta Force Verdict," October 23, 2017, among others.

[9] In a claim of responsibility for a 2016 attack in Côte d'Ivoire, the terrorist group Al Qaeda in the Islamic Maghreb stated that its action was a warning against countries contributing to a French invasion of Mali. France intervened in Mali in 2013 to wrest control of large swathes of the country from violent Islamic extremist groups. MINUSMA was deployed to Mali later that year to carry security-related stabilization operations, including in areas secured by the French, among other tasks. Makini Brice, "Al Qaeda Says Ivory Coast Attack Was Revenge Against France," Reuters, March 15, 2016; and CRS In Focus IF10172, *Al Qaeda in the Islamic Maghreb (AQIM) and Related Groups*, inter alia.

Ghanaians with IS links. In early 2018, several individuals in possession of grenades, one with suspected IS ties, were arrested in Ghana.[10]

A separate matter that has caused some local controversy was the Mahama government's 2016 agreement to host two Yemenis who had been imprisoned for 14 years as U.S. enemy combatants in Guantanamo Bay, Cuba. Despite controversy in the case—including a legal suit over the agreement's legality and NPP criticism of the NDC government's original acceptance of the men—the Akufo-Addo government allowed them to remain in the country as refugees after the agreement expired in early 2018.[11]

Human Rights

Ghana has a free and active press and a generally positive record on upholding individual rights and freedoms. Nevertheless, the State Department's 2017 *Country Reports on Human Rights Practices* documents a range of serious human rights challenges, including

> excessive use of force by police, including torture resulting in death and injuries; rape by police; harsh and life-threatening prison conditions; assault on and harassment of journalists; corruption in all branches of government; lack of accountability in cases of violence against women and children, including female genital mutilation/cutting; early and forced marriage; sexual exploitation of children; infanticide of children with disabilities; trafficking in persons (TIP); criminalization of same-sex sexual conduct, through rarely enforced; and exploitative child labor, including forced child labor.

Trafficking in persons (TIP) activities are a notable challenge.[12] In 2015, Ghana signed the first U.S. bilateral Child Protection Compact Partnership, a multi-year plan to address child sex trafficking and forced labor. Notwithstanding this initiative, the State Department rated Ghana's anti-TIP efforts as poor and ranked Ghana on the Tier 2 Watch List in 2015, 2016, and 2017. This ranking placed Ghana at risk of losing certain types of U.S. aid under the Trafficking Victims Protection Act of 2000 (TVPA, P.L. 106-386, as amended).[13]

In 2018, Ghana's TIP ranking improved to Tier 2, a determination indicating that the government does not fully meet minimum anti-TIP standards set out in the TVPA, but is making significant efforts to do so. The 2018 report states that Ghana is a source, transit, and destination for men, women, and children subjected to forced labor in a range of domestic industries, as well as to sex work. According to the report, child labor in the fisheries sector is particularly widespread. Child labor in the cocoa sector has also been a particular concern of U.S. policy-makers for many years. A range of public-private U.S. Department of Labor-monitored programs to end such child labor are in place, as provided for under the 2001 *Harkin-Engel Protocol* and several follow-up agreements.[14]

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[10] EXXAfrica, "Ghana: Terrorism Threat Resurfaces as Islamist Militancy Gains a Foothold," January 26, 2018; Ghana Statistical Service, *2010 Population & Housing Census Summary Report of Final Results*, May, 2012; Godwin Akweiteh Allotey, "Gov't Investigating Report of Ghanaian ISIS Fighters-Majority," *CitiFMOnline.com*, October 11, 2017; and John L. Esposito, ed., *The Oxford Dictionary of Islam*, Oxford University Press, 2003, among others.

[11] Kwasi Kpodo, "Ghana Says Cannot Deport Yemeni Ex-Guantanamo Detainees," *Reuters*, January 24, 2018; and *APA News*, "Controversy re-starts over ex-Gitmo prisoners' stay in Ghana," January 9, 2018, among others.

[12] State Department, *Trafficking in Persons Report 2018.*

[13] CRS Report R42497, *Trafficking in Persons: International Dimensions and Foreign Policy Issues for Congress*.

[14] Named after former Senator Tom Harkin and Representative Eliot Engel, the *Protocol* was signed by these two Members and a range of key cocoa and chocolate industry firms and interest groups.

Economy

Ghana has largely recovered from a period of low growth under former President Mahama. The value of Ghana's GDP reached $47 billion in 2017, up from an annual average of $39 billion from 2014 through 2016, while GDP grew by 8.4% in 2017, up from an annual average of 3.8% during the prior period. The International Monetary Fund (IMF) projects that real growth will continue during the next five years, albeit at more moderate rates—and that the dollar value of Ghana's GDP will reach $74 billion by 2023.[15]

Increases in the prices of Ghana's key commodity exports have helped spur the post-Mahama recovery. Historically, Ghana's most important exports have been cocoa and gold. Crude oil has become a third major commodity export since 2010, when production from newly discovered oil fields began. The oil and gas sector is expected to rapidly expand following a period of weak oil prices and a number of technical production challenges.

Ghana's domestic economy is more diverse and dynamic than the economies of many of its West African peers. The services sector, which includes a small stock market, a nascent call- and information-processing sector, and a mobile money market worth $35 billion, has grown particularly rapidly since the mid-2000s. Services, which are centered in cities, where about 55% of Ghanaians live, contributed an estimated 57% of GDP in 2017. Agriculture's share of GDP has declined over the past decade, from 36% in 1997 to 17% in 2017, but the sector remains an economic keystone; it employed 41% of the labor force in 2017.[16]

Compared with much of West Africa, Ghana has fairly effective public goods and service provision capacities, and relatively high cell phone usage and electricity access rates, which underpin production, digital trade, and financial transactions. Access to reliable power is projected to increase as multiple new power plant projects come online—though in the meantime, power generation and transmission capacities remain unreliable and costly.[17] Ghana is also continuing to expand natural gas production and related transport and storage infrastructure, primarily for use in electricity production, but also for applications in other sectors (e.g., for fertilizer production).

A multi-year slide in the exchange value of Ghana's *Cedi* currency that began under Mahama has continued under Akufo-Addo, hurting the trade balance and hindering economic activity, due to a heavy reliance on imported goods. Despite the NPP's strong criticism of the Mahama government's deficit spending and other aspects of its economic policy record, including its high deficit spending, the Akufo-Addo administration has continued to borrow heavily to fund its policy agenda. It sold $2 billion worth of Eurobonds in May 2018, and has issued roughly $1.2 billion in state-backed bonds to finance state-owned enterprise energy sector debts. Public debt climbed from $22 billion in 2016, Mahama's final year in office, to $23 billion at the end of 2017.[18] Debt payments and efforts to fulfill the NPP's campaign pledges have helped drive such spending.[19]

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[15] GDP data from IMF, *World Economic Outlook* database, April 2018.

[16] Moses Mozart Dzawu, "Ghana's Mobile Money Transactions Double to $35 Billion," *Bloomberg*, February 5, 2018. Sector data from World Bank, *World Development Indicators* database. On the oil sector, see Justina Crabtree, "Ghana is 'About to Have an Oil Boom'," CNBC, March 16, 2018; and CRS Report RS22809, *Ghana, an Emergent Oil Producer: Background and U.S. Relations*, by Nicolas Cook.

[17] *Financial Times*, "Ghana's Goal of Plentiful Power Faces High Costs and Unreliable Supply," September 22, 2017.

[18] CIA, "Ghana," *The World Factbook*, 2018.

[19] EIU, "The NPP's Industrialisation Headache," January 4, 2017, and "Reducing the Public Debt Burden," September

To help Ghana address fiscal imbalances, external account deficits, exchange rate-linked rises in inflation, and power shortages, in 2015 the IMF began a $918 million, policy-conditioned Extended Credit Facility (ECF) loan program. The Akufo-Addo government has maintained the program, while requesting and receiving waivers allowing deviations from some ECF targets. The program is slated to end in late 2018.[20] The IMF has generally praised the government's economic performance, notably regarding revenue collection efforts, public debt audits aimed at identifying invalid claims, and accountability measures (e.g., the creation of a Special Prosecutor post (see above) and a proposed Public Financial Management Act). It has also called new government credit commitments "justified," while also warning that the national debt loads remain "at high risk of distress."[21]

U.S. Commercial Relations with Ghana

Ghana is a small U.S. trade partner in global terms, but is a leading African buyer of U.S. goods, and there is typically a large U.S. trade surplus with Ghana. U.S. exports to Ghana peaked at $1.3 billion in 2012, but have since fallen, to about $886 million in 2017. Key U.S. goods imported by Ghana include autos, fuel, excavation machinery, and oil drilling equipment. U.S. imports from Ghana peaked at $779 million in 2011, but fell substantially thereafter—dropping to $292 million in 2012 before rebounding to $747 million in 2017. Top U.S. imports include cocoa beans and products; petroleum products; wood products; and gold. Ghana is eligible for U.S. African Growth and Opportunity Act (AGOA) duty-free trade benefits, but the proportion of Ghanaian exports to the United States benefitting from AGOA tariff preferences varies considerably (e.g., 3% in 2015 and 42% in 2017).

Three U.S.-Ghanaian bilateral economic agreements are in force: an Overseas Private Investment Corporation Investment Incentive Agreement, a Trade and Investment Framework Agreement, and an Open Skies aviation accord. Exploratory bilateral investment treaty talks stalled in 2012, and there is no bilateral taxation treaty. U.S. firms are key investors in Ghana, especially in the energy sector, and the Commerce Department expanded its presence in Ghana in 2014.[22] There is also U.S. investment in Ghana's medical and computing sectors, and there are direct U.S.-Ghana air links. There were at least 12 U.S.-owned affiliates in Ghana with assets, sales, or net incomes of $25 million or greater in 2015, and in 2016 (latest data) U.S.-owned investments in Ghana were worth $2.9 billion.[23]

On June 19, 2018, U.S. Secretary of Commerce Wilbur Ross announced that he would lead a President's Advisory Council on Doing Business in Africa (PAC-DBIA) delegation to Ghana. The group is slated to use insights from the trip to inform "recommendations to the President to resolve issues related to underdeveloped capital markets, non-transparent and price-based procurement processes, and workforce development" in Ghana, and in Ethiopia, Kenya and Côte D'Ivoire.[24] In an April 18, 2018 report, the PAC-DBIA identified these countries as offering key market opportunities for U.S. firms seeking to expand in Africa. The PAC-DBIA was established under the Obama Administration's *Doing Business in Africa* campaign. The Trump Administration maintained the PAC-DBIA, but it did not continue the broader campaign, an effort to foster U.S. private-sector knowledge about investing in Africa.

Annual foreign direct investment (FDI) has generally grown in recent years, especially in the energy sector. According to the U.N. Conference on Trade and Development, FDI flows into Ghana averaged $3.3 billion annually between 2014 and 2016, while FDI stock averaged $26.5

12, 2017.

[20] IMF, "Ghana Gets $918 Million IMF Loan to Back Growth, Jobs Plan," *IMF Survey (*April 3, 2015), "IMF Extended Credit Facility (ECF)" (March 8, 2018), and *Ghana: Fifth and Sixth Reviews under the Extended Credit Facility, Request for Waivers for Nonobservance of Performance Criteria, and Request for Modification of Performance Criteria*, April 16, 2018.

[21] IMF, *Ghana: Fifth and Sixth Reviews…*, op. cit.

[22] Leading U.S. firms active in Ghana include Chevron West Africa Gas Ltd. (West Africa Gas Pipeline operator); Kosmos Energy, Anadarko, Hess, and Vanco (oil/gas sector); Newmont Mining (gold mining); Archer Daniels Midland and Cargill (cocoa); Affiliated Computer Services (data processing); IBM; and General Electric.

[23] U.S. Bureau of Economic Analysis, "U.S. Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry," 2010-2016; and "Selected Data for Foreign Affiliates in All Countries in Which Investment Was Reported," 2009-2015.

[24] State Department, "U.S. Secretary of Commerce Wilbur Ross Set for Fact-finding Mission to Ghana," June 19, 2018.

billion. The World Bank's 2018 *Doing Business* Report ranks Ghana 120th out of 190 countries surveyed. This is far below its 2012 ranking of 63rd among 183 countries, yet still placed Ghana in the top-performing quarter of African countries. Under Mahama, Ghana created an Investment Promotion Center to oversee FDI and streamline investment procedures. While in its 2017 *Investment Climate Statement* for Ghana the State Department reported that Ghana has "one of the more open" investment climates in Africa, it also cited a number of "troubling" foreign investment policy trends under Mahama.

U.S. Relations

The Trump Administration has not announced any major changes in U.S. policy toward Ghana, but has proposed a sharp reduction to USAID and State Department-administered aid for Ghana, which could impact bilateral relations. According to the State Department, the United States and Ghana "share a long history promoting democracy, human rights, and the rule of law," and Ghana is a model for its peers throughout Africa "in promoting resilient democratic institutions, transparent and peaceful transitions of power and regional stability." There have also been robust "people-to-people" relations since the late 1950s, notably in the form of learning exchange visits and cooperation among educational and scientific institutions, and thousands of Ghanaians have been educated in the United States.[25] There are close cultural ties, notably between Ghanaians and African-Americans; there is a substantial African-American expatriate community in Ghana.

Despite generally amicable relations, in June 2018 the United States threatened to impose visa restrictions on Ghana due to allegedly insufficient Ghanaian cooperation regarding U.S. deportations of Ghanaians who violate U.S. immigration laws—an issue of particular salience for the Trump Administration. According to a June 2018 State Department release, Ghana regularly "fails to meet" its international civil aviation treaty obligations by frequently not interviewing or providing travel documents to Ghanaians being deported from the United States. The United States therefore pays for charter flights to effect such removals.

In 2016, according to the State Department, the U.S. Department of Homeland Security (DHS) "identified Ghana as being at risk of non-compliance on removals of those under deportation orders."[26] Under the Immigration and Nationality Act, the United States can deny visas to nationals of countries whose governments are deemed "non-compliant" with deportation practices—as occurred in September 2017, when the United States imposed visa restrictions on Cambodia, Eritrea, Guinea, and Sierra Leone due to non-cooperation similar to that displayed by Ghana's government.[27]

Bilateral Cooperation and U.S. Assistance

Bilateral cooperation is diverse, ranging from security matters to development assistance programs to professional development and learning exchanges. A flagship exchange program is the Young African Leaders Initiative (YALI), for which Ghana hosts a Regional Leadership Center. YALI, launched by the Obama Administration in 2010, fosters the development of emergent young African business, civic, and public management leaders through U.S. exchange -

[25] State Department, "U.S. Relations with Ghana," June 8, 2018.

[26] These obligations are set out in the Convention on International Civil Aviation and related International Civil Aviation Organization guidelines. State Department/U.S. Embassy in Ghana, "Statement on Immigration Law and International Agreements," June 20, 2018.

[27] DHS, "DHS Announces Implementation of Visa Sanctions on Four Countries," and "Visa Sanctions Against Four Countries Pursuant to Section 243(d) of the Immigration and Nationality Act," both September 13, 2017, inter alia.

based fellowships and follow-up learning and networking in Africa. Another notable initiative is Power Africa, also begun by the Obama Administration, which supports increased access to electricity. The Trump Administration has maintained both programs, but requested less funding for them than did the Obama Administration.

Ghana also hosts a USAID West Africa regional mission and is a beneficiary of its programs, such as the West Africa Trade Hub, which helps build regional trade and investment capacities and seeks to increase AGOA exports. About 150 Peace Corps volunteers, who are part of a program that has been operational since 1961, work in the areas of education, agriculture, and health. Ghana periodically receives additional assistance under State Department and USAID regional programs, periodic short-term programs by other U.S. agencies, and special regional or global initiatives, such as the African Peacekeeping Rapid Response Partnership.

The Trump Administration requested $74 million for FY2019, a nearly 10% decrease from its $82 million Ghana request for FY2018, and 46% lower than the actual FY2017 $137 million bilateral aid total. According to the Trump Administration's FY2019 *Congressional Budget Justification* (CBJ), in addition to supporting global health efforts, U.S. assistance in FY2019 would seek to bolster good governance, poverty reduction, private-sector growth, electricity generation, and access to basic education.

Health sector aid totaling more than $47 million, nearly 64% of the country request, would support nutrition, family planning, reproductive, and child and maternal health programs, and efforts to counter HIV/AIDS and malaria. Non-health activities would be funded with $26 million, about 35% of the country request, under the Trump Administration's proposed Economic Support and Development Fund (a proposed account combining the current Development Assistance and Economic Support Fund accounts, among others).

Table 1. USAID and State Department-Administered Bilateral Aid, FY2016-FY2019

($ in millions, by year of appropriation)

Totals/Accounts	FY2016 Actual	FY2017 Actual	FY2018 Request	FY2019 Request
Total	138.8	135.7	82.2	74.0
DA	71.5	67.2	-	-
ESDF		-	30.0	26.0
GHP-STATE	2.8	2.7	15.0	3.8
GHP-USAID	63.5	65.0	36.5	43.5
IMET	0.7	0.8	0.7	0.7
FMF	0.3	-	-	-

Source: State Department, *Congressional Budget Justification for Foreign Operations*, for FY2019 and FY2018.

Notes: DA: Development Assistance**; ESDF**: Economic Support and Development Fund; **GHP**: Global Health Programs; **IMET**: International Military Education and Training; and **FMF**: Foreign Military Financing. The ESDF is an account proposed by the Trump Administration. It would combine the current Development Assistance and Economic Support Fund accounts, among others. Although FY2018 appropriations have been enacted under the Consolidated Appropriations Act, 2018 (P.L. 115-141), country-level allocations of broad account allocations set out in P.L. 115-141 have not yet been finalized and notified to Congress by the State Department.

MCC Compact

In 2012, Ghana completed a five-year $536 million Millennium Challenge Corporation (MCC) compact focused on improving the agricultural economy, roads and ferry investments, and rural

banks, as well as education, water, sanitation, and power service delivery. In 2014, Ghana signed a second five-year MCC compact, a $498 million set of projects, matched by $37.4 million in Ghanaian public funding. Focused entirely on private- and public-sector electrical system capacity building, it is designed to meet current and future power demand, spur growth, and reduce poverty. A key goal is to improve the service quality and reliability of the Electricity Company of Ghana (ECG), the main national power utility, through technical and governance capacity building, and to bring in a private-sector operator, possibly a U.S. firm, to partially privatize ECG and enhance its commercial viability. This element of the compact has spurred labor opposition and is contingent on EGC clearing much of its legacy debt (a factor in the government's previously discussed recent $1.2 billion bond offering).

The compact provides technical aid for the northern region's power utility and supports efforts to improve power sector regulatory capacities, reform electricity tariff structures, and attract power sector investment. It also seeks to improve energy supply and demand management and energy use efficiency, and provides limited support for distributed, off-grid, solar-power systems and increased access to power connections by small businesses. Gas sector commercialization, the implementation of a national-gas-to-power plan, and the operationalization of an independent electricity producer framework are other areas of compact activity.

Security Cooperation

U.S. and Ghanaian interests in addressing regional political and security crises have often aligned, and Ghana has won international plaudits for its steady contribution of troops to international peacekeeping operations in Africa and elsewhere. For years, Ghana's military has received U.S. training in support of such activities, and Ghana has periodically provided the U.S. military with access to its military facilities, in support of both military exercises and crisis response actions (e.g., emergency embassy evacuations). It also hosts a U.S. military Exercise Reception Facility used to expedite U.S. and Ghanaian troop deployments in West Africa.

U.S.-Ghanaian security cooperation is rooted in bilateral defense agreements dating back to 1972.[28] In early 2018, the two countries signed an updated Status of Forces Agreements (SOFA, a type of agreement governing bilateral defense cooperation and the rights and privileges of U.S. troops stationed in partner countries). The State Department described the agreement as a routine update of the terms governing U.S.-Ghanaian defense cooperation, and as supporting planned joint exercises and the U.S. provision of up to $20 million in military equipment to Ghana. Most of this equipment is being provided primarily under the African Peacekeeping Rapid Response Partnership (APRRP), a U.S. initiative that supports partner military peacekeeping training, with a focus on logistics, troop deployment, and interoperability capacity-building. Ghana has also long participated in the U.S. International Military Education and Training (IMET) program.

Ratification of the SOFA by Ghana's parliament, however, proved controversial. It was preceded by press accounts suggesting that the United States wanted to establish one or more military bases in Ghana, an allegation that the State Department refuted. Opposition members of parliament boycotted the vote, citing national sovereignty concerns. While ostensibly a protest against U.S-Ghanaian cooperation, their action appears likely to have been primarily motivated by NPP-NDC partisan rivalry. The Mahama/NDC administration had itself pursued robust security cooperation with the United States.[29]

[28] State Department, "Treaties in Force," January 1, 2017.

[29] U.S. Embassy in Ghana, "Statement on Status of Forces Agreement," March 20, 2018; Kwasi Kpodo, "Ghana Votes

Ghana is a partner of the North Dakota National Guard under the State Partnership Program, which pairs U.S. state National Guard units with foreign partner nations in support of U.S. security cooperation goals. Ghana has also hosted and benefitted from various U.S. Africa Command (AFRICOM) activities centered on regional crisis-response and maritime security. Ghana has also received Department of Defense (DOD) counternarcotics capacity-building assistance in some years, including aid that ranged between $1 million in FY2017 and $3.5 million in FY2015.[30] DOD has also provided ship traffic monitoring equipment and patrol boats, administered training, and pursued maritime cooperation, in part to boost Ghana's capacity to counter maritime piracy.

In the first half of the 2010s, Ghana received some bilateral Foreign Military Financing, as well as periodic Nonproliferation, Antiterrorism, Demining and Related Programs-Export Control and Related Border Security assistance (NADR-EXBS, last provided in FY2015 at a level of $200,000). FMF supported Ghana's capacity to deploy trained, equipped international peacekeeping troops. NADR aid supported efforts to increase internal and regional security by targeting small arms trafficking. Other U.S. security sector assistance has been provided under the State Department's West Africa Regional Security Initiative (WARSI). WARSI supports increased access to justice, rule of law capacity-building, security sector reform, and efforts to bolster partner nations' capacity to counter transnational threats, including illicit drug trafficking.

Outlook

Despite periodic challenges, a long history of positive U.S.-Ghanaian relations suggests that bilateral cooperation relating to development, trade, and security is likely to endure. President Akufo-Addo's stated goal of decreasing and ultimately ending Ghana's need for foreign aid, and his embrace of private-sector-led growth models, are likely to be received positively by most U.S. policymakers.[31] His message of economic self-reliance may resonate, in particular, with the Trump Administration, given President Trump's contention that leaders of all countries should prioritize their own nations' economic interests.[32] If Ghana is able to become more self-sufficient and boost its economic production and trade capacity, diversify its economy, and reduce poverty, it could also become a more significant U.S. trade partner.

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to Host U.S. Military; Opposition Boycotts Vote," Reuters, March 24, 2018; and Rachel Sigman, "Will 'Ghana First' Protests Threaten a U.S Military Agreement?" *Monkey Cage* [*Washington Post* analytical blog], April 2, 2018.

[30] DOD congressional notifications and reporting, various dates.

[31] Asiedu, "A Speech by Ghana's President…," op. cit.

[32] White House, "Remarks by President Trump to the 72nd Session of the United Nations General Assembly," September 19, 2017.

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