

*The Ghanaian-Danish Partnership in Transition:*

# From Aid to Trade

An account of Danida's private sector support and future perspectives



# The ambassador's note: A Renewed Partnership



While it may not be possible to point to one major concrete and visible result of Danida's support to the private sector, I would say that we have contributed to strengthening the capacity of the private sector to do business advocacy to request law reforms etc. from government. In fact, this approach has turned out to be a more efficient way to an enabling business environment than working directly through the government. We have also been in the forefront of supporting skills development and rural finance.

The private sector is now developing very fast in Ghana with a lot of new companies coming up. Some of them are struggling, but we do see companies being able to earn money. And there is a huge potential for Danish companies in Ghana. There is a growing middle class. They are demanding a lot of the products that we are able to produce. What is more, Danida's track record in Ghana does give Denmark and Danish companies clear advantages. Danida is a brand name, well-known in Ghana. Ghanaians would sometimes be in doubt, when we say that we are from Denmark, or that we are Danish, but when we say Danida, the doors open.

*Tove Degnbol*

**W**hen Ghana was chosen as a priority country of Danish aid in 1989, the country was in a rather poor shape. But in 2011, Ghana achieved middle-income status, and it is only natural that the Danish-Ghanaian development cooperation partnership is phased out by 2020. That does not, however, signal the end of our partnership, but rather a transition to a new kind of partnership: on trade, investments, political cooperation, research.

As Danida withdraws from Ghana, the floor opens for a stronger private sector partnership and this partnership has a lot to build on: The first Danish private companies came to Ghana before Danida was born in 1962 and even before Ghana's independence in 1957 – and some of them are still here. So, our private sector partnership is not new, but has been strengthened by the decades of Danida-support to Ghana.

Danida has supported numerous individual partnerships between private Danish and Ghanaian companies – some failed, others prospered and developed. From 2003, Danida's support to Ghana's private sector gradually evolved from individual projects to broader programme support.

## E-PAPER, REPORT AND FILMS

The story of the Ghanaian-Danish private sector partnership is worth telling, documenting and learning from. The Danish Embassy in Ghana therefore wanted to highlight some of the challenges, successes, beneficiaries and key players and commissioned consultant Lars Jøker to write a technical report and freelance-journalist Jesper Heldgaard to produce this e-paper and seven short films, which are all available on [www.ghana.um.dk](http://www.ghana.um.dk)

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# IT STARTED – AND ENDS – WITH BUSINESS

After decades of development cooperation, the Ghanaian-Danish partnership now comes full circle.



From furniture to cashewnuts: Paul Wallevik's old Scanstyle factory produced furniture. His son, Lars Wallevik's company, now produces cashew nuts, also for overseas export.

When young Paul Wallevik in 1957 left Denmark to settle in Ghana, he came to do business, in fact to sell Tuborg Beer. He was optimistic, as were the Ghanaians. Ghana had just gained independence as the first Sub Saharan African colony; Ghana had the highest GDP per capita in Africa at the time – higher than that of Asian countries like South Korea, Malaysia and Singapore. And Ghana's new leader, Kwame Nkrumah, was a leading and internationally celebrated Pan-Africanist.

In 1957, Paul Wallevik found several Danish companies already doing business in Ghana like Maersk, Emborg and ØK. Danish development aid to Ghana, though, was yet to really take off. A Danish embassy opened in Ghana in 1961, but soon, the post-independence optimism in Ghana faced harsh realities: Nkrumah was toppled in a military coup in 1966, followed by more than 20 years of political instability. Ghana's private sector and economy suffered badly, but Paul Wallevik stayed on and successfully went into furniture production, making use of Ghana's natural timber resources. In 1974, however, Wallevik was forced to leave Ghana during one of the many political crises.

## The u-turn

Only in the late 1980ies, optimism again started to take root in Ghana, and then president Jerry John Rawlings announced his intention to restore democracy and reintroduce multiparty elections. This caused the donors – now called development partners – to return to Ghana in full force. Among them Danida: In 1989, Ghana was chosen as a priority country for Danish development cooperation. And in 1991, the Danish embassy in Ghana reopened.

These developments coincided with a changing focus in Ghana – and in international development cooperation in general – to put more emphasis on the role of the private sector. In 1983, Ghana had adopted free-market economic policies, and Ghana became one of three countries where the new Danish Private Sector Development Programme was piloted from 1992, supporting partnerships between private Danish and Ghanaian companies.

## TIMELINE

Danida Ghana

<b>1958</b> Official Danish aid to Ghana takes a modest start	<b>1957</b> Ghana's independence
<b>1961</b> Denmark opens an embassy in Ghana	<b>1966</b> Ghana's 1st president, Kwame Nkrumah, overthrown in military coup
<b>1968</b> Ghana is included on the list of priority countries for Danish aid	<b>1981</b> Flight lieutenant Jerry John Rawlings takes power in a military coup
<b>1983</b> The Danish embassy in Ghana is closed	<b>1983</b> Ghana adopts free-market economic policies
<b>1989</b> Ghana is chosen as one of the first 12 programme cooperation countries of Danida	<b>1992</b> New constitution introducing a multiparty system adopted at a referendum
<b>1991</b> The Danish embassy in Accra reopens	<b>1993</b> Ghana Vision 2020: Ghana a middle-income country by 2020
<b>1993</b> A strategy for Danish aid to Ghana is adopted focusing on 4 sectors: Water and sanitation, transport, energy and health	<b>2000</b> Peaceful election and transition of power to the opposition's John Kufuor
<b>2003</b> Danish program support for the private sector is launched	<b>2005</b> Ghana adopts its first private sector strategy, "Engine of Growth"
<b>2010</b> 2nd phase Danish program support for the private sector. The Danish Investment Fund for Developing countries (IFU) opens an office at the Danish embassy	<b>2007</b> Oil is discovered in Ghana
<b>2012</b> The Danish Trade Council opens an office at the Danish embassy in Accra	<b>2008</b> Peaceful transition of power: Opposition candidate John Atta-Mills elected president
<b>2013</b> Denmark decides to phase out aid to Ghana by 2020	<b>2011</b> Ghana graduates from the status as a low income to a lower middle-income country
<b>2017</b> 3rd and last phase of Danish program support for the private sector November: HM The Queen makes a State Visit to Ghana	<b>2012</b> John Atta-Mills dies. John Mahama becomes president
<b>2020</b> Danish aid to Ghana comes to an end	<b>2016</b> Peaceful transition of power: Opposition candidate Nana Akufo-Addo elected president

The new Danish aid programme was also designed to support an improved business environment in various ways.

In 2003, Danida took its support to Ghana's private sector to a more ambitious level, when the Business Sector Programme Support (BSPSI) was launched at a time, where Ghana was preparing its first ever full-fledged strategy for private sector development. It was launched in 2005 and supported by Danida.

## Middle-income status

With economic and political stability, Ghana regained its international status and was seen as one of Africa's rising stars. In 2007, oil was discovered, and oil production began in 2010. This combined with years of high economic growth – peaking at over 14 percent in 2011 – reduced poverty rates dramatically, and in 2011 Ghana passed a symbolic threshold,

moving from a low-income country (LIC) to a middle-income country (MIC), albeit a lower middle-income country.

As a result, the Danish government – in 2013 – announced the phasing out of Danish aid to Ghana by 2020. This was not to be the end of the partnership, though. The phasing out of the development cooperation was to run in parallel with the transition to a future partnership with the emphasis on trade, commercial and political cooperation. Built on the strong foundation laid by 30 years of development cooperation.

Now, private companies and business people again take centre place in the partnership. Among them a new Wallevik: Lars – the son of Paul – who in 2007 returned to Ghana and took over a cashew company in Mim, where Paul Wallevik years back bought the timber for high quality, Ghanaian produced furniture... ■

## DANIDA LISTENS

"Danida as a partner has been with us along the journey and made an impact, particularly its private sector support. Danida's approach is very special: At the base, they listen to us and that is very important, because at the end of the day, the government and the people of Ghana should own the process. For that, I want to applaud Danida and the people in Danida.

I want to pick one example: When we, in 2005, launched our first integrated private sector development strategy, Danida was first among the development partners to pledge support, both financially and in terms of skills set to help us achieve that.

But the world we are living in is changing. We want to move as a country from aid to trade and investment. Thus, the Ghanaian-Danish relationship has to develop beyond aid, and I see a huge potential for Danish companies in Ghana."

**Robert Ahomka-Lindsey, Ghana's Deputy minister of Trade and Industry.**



## Ghana facts:

	1990	2015
Population	14.6 million	27.4 million
Area		238,535 km <sup>2</sup>
GDP (Constant 2005-prices)	USD 8.7 billion	USD 33.5 billion
GNI per capita (current USD)	USD 400	USD 1,480
Share of poor of total population	51.7 %	24.2 % (2012)
Annual GDP growth	3.3 %	3.9 %
Annual inflation	31.2 %	18.8 %
Trade balance (of GDP)	-9 %	-10.7 %

Sources: World Bank, Ghana Statistical Service

# REDISCOVERING THE PRIVATE SECTOR



West African Fish is one of several successful Ghanaian-Danish business partnerships.

*In the early 1990ies, Danida developed a model to inject aid directly into private companies. And piloted it in Ghana.*

1989 saw the fall of the Berlin Wall, which marked the end of the cold war. This in many African countries – including Ghana, paved the way for multiparty democracy and for a fresh view on the private sector as the engine for growth and development.

Also in 1989, in Denmark three development experts with very different backgrounds got together and started designing what was to become the Danish Private Sector Development (PSD) Programme piloted in Ghana, India and Zimbabwe from 1993. For the first time, official development aid was to go directly to private companies. The programme supported partnerships between private Danish companies and companies in either of the 3 developing countries.

“We realised, that aid to government structures alone cannot reduce poverty or create much-needed jobs, so we wanted to give direct support to private companies in developing countries combined

with access to Danish companies’ expertise and knowhow,” says one of the three designers, **Ole Blicher-Olsen**, who was later to become Danish ambassador to Ghana (1998-2003).



In the pilot phase, 32 partnerships received support, half of them in Ghana, 11 in Zimbabwe and 5 in India. The pilot was well-received, and in 1996 a new and more ambitious phase was launched covering the period 1996-2001. Here, the programme was also extended to 3 more countries.

In this phase, Ghana was again home to most PSD-supported projects, more than 70. Eventually, the programme was extended to cover all priority countries of Denmark’s development cooperation, and it has been renamed and recalibrated several times over the years (see timeline). Since the early start in 1993, more than 200 pilot projects and projects in Ghana have received an estimated total of well over DKK 300 million.

## TIMELINE

**1993**  
The Danish Private Sector Development (PSD) Programme is launched with Ghana as 1 of 3 pilot countries

**1996**  
The PSD Programme is made permanent and expanded

**2006**  
The PSD Programme is renamed the Business to Business (B2B) Programme and revised

**2011**  
B2B Programme reprogrammed to Danida Business Partnership (DBP) – the grant element is reduced from 90 to 50 per cent

**2014**  
A critical evaluation of the DBP causes the Danish government to close it and launch a new facility, Danida Explorer and – in 2016 – the Danida Market Development Partnership

## A mixed success

While the programme was very popular among the beneficiary companies in both Denmark and partner countries and among Danish politicians, the results were mixed. This was also reflected in several evaluations over the years. There were success stories – also in Ghana, but the general picture – again also in Ghana – was that few partnerships survived, when Danida support came to an end.

“The fact that the programme initially covered 90 per cent of the companies’ costs attracted too many companies reluctant to invest the resources and time it takes to build up sustainable partnerships on new markets,” Ole Blicher-Olsen concedes.

“On the other hand, it was important to attract interest to this new concept when it started and from that point of view, we succeeded. Furthermore, this very direct involvement with private companies also taught us new insights into the challenges and problems, the private sector faces in a country like Ghana. That proved very useful in the design and planning of our private sector development programme support.”

Ole Blicher-Olsen adds that although the majority of the supported partnerships may have failed, it takes just a few successful partnerships to make the overall outcome of the programme positive:

“In many cases, the PSD/B2B Programme has served as the starting point for new partnerships which have later shown impressive results like the Margins Group and West African Fish.” ■



# A PIONEERING PARTNERSHIP

*Danida’s support to the Association of Ghana Industries’ partnership with Danish Industries became a turning point.*

“Before, we always complained that the donors were most comfortable working with government, and that a lot of their resources were channeled through government. But a very welcome change started in the 1990ies – also in Ghana – with Danida in a pioneering role,” says **Seth Twum-Akwaboa**, CEO of the Association of Ghana Industries (AGI).

Danida – through its Private Sector Development Programme – from 1999 supported a twinning arrangement between AGI and its Danish sister organisation, Danish Industries, DI. “The 3-year project became a turning point for AGI and for business advocacy in Ghana – and helped paving the way for a far more constructive dialogue between the government and the private sector.”

AGI was established in 1958 and has more than 1,500 member companies, but for decades AGI was struggling as was Ghana’s private sector: “Remember, that after independence many private companies in Ghana were nationalized. The private sector was neglected, and everything was controlled by government. Private sector organisations and companies – when raising their voice – were seen as grumblers only seeking to promote their own self-interests,” Seth Twum-Akwaboa explains.

“Fortunately, the attitude – internationally and in Ghana – started to change in the 1990ies, when it was recognized that Ghana like any other country needs a vibrant private sector to create jobs and growth. And Danida was among the early

movers to support the private sector in Ghana.”

Danida’s support to AGI amounted to about DKK 5 million and the twinning arrangement with DI allowed AGI to tap into the experience of its Danish sister-organisation: “We were inspired and supported to develop a much more professional approach to research, data-collection,

evidence-based advocacy and communication. Based on that, we have developed into a strong organisation with branches across the country. We are recognized by government authorities at both national, regional and local level. We are invited to give our inputs to the national budget speech and to policies that affect the private

sector, we have representatives on important boards like those of the technical universities etc.”

AGI is especially proud of having developed the capacity to, at the same time, deliver business development services to member companies and generate income for AGI, a concept that has proven difficult in many other countries.

Seth Twum-Akwaboa praises Danida for maintaining a direct dialogue with Ghana’s private sector:

“Danida involves the private sector in anything they do and recognizes the vital role of the private sector. This sets an example, not only to other development partners, but also to the Ghanaian government. Indeed, Danida’s contribution to the private sector in Ghana has been phenomenal and will be missed.” ■



# THE ENGINE OF GROWTH OVERHAUL



Ghana needs a thriving private sector to create jobs and development.

by Danida. Danida committed to align – whenever possible – its private sector support to Ghana’s national strategy and pool its funding, thus paving the way for a basket-funding approach of other donors/development partners as well.

## TIMELINE OF PS PROGRAMME SUPPORT

**2003**  
Danish program support for the private sector: Business Sector Programme Support (BSPS I). DKK 205,2 million (2003-2010)

**2010**  
Support to Private Sector Development (SPSD II). DKK 400 million (2010-2016)

**2017**  
3. and last phase of Support to Private Sector Development (SPSD III). DKK 140 million (2017-2020)

*In 2003, Danida changed its support to the private sector from project to programme support.*

When Danida in 1993 launched its first Ghana strategy, water and sanitation, transport, energy and health were picked as the 4 focus sectors of Danish aid. Support to the private sector was to come through the Private Sector Development Programme, which was, however, made up of support to individual projects.

In 1994, a new Danish aid strategy called for a general transition to sector programmes, rather than isolated projects, and in Ghana, the very same year,

phase I of the Danish Health Support Programme was launched. The transition in Danish support to the private sector, though, took a little longer.

Only in 2003, phase I of Danida’s Business Sector Programme Support (BSPS I) was launched. It came at a time, where Ghana’s government had introduced its “Engine of Growth”-policy and was preparing its first ever Private Sector Development Strategy (PSDS I), which was launched in 2005 and supported

In 2010, Danida aligned its private sector support even further to the extent that phase II of Danida’s Support to Private Sector Development (SPSD II) was synchronized with Ghana’s PSDSII.

The 3<sup>rd</sup> and last phase of Danida’s Support to Private Sector Development (SPSD III) from 2016 to 2020 was designed to ensure that results from the past are consolidated and sustained as much as possible, when Danida support to Ghana comes to an end in 2020.

### Early PS-related support

Reliable and affordable energy is important for a thriving private sector and energy was picked as one of the 4 prioritised sectors for Danish aid to Ghana in 1993. Over a decade Danida financed among other things electrification in the Upper West and Central regions, but in 2002 Danida – frustrated by lack of energy sector reforms – withdrew from the sector, and reliable and affordable energy remains a major challenge for Ghana and its private sector.

From 1993 to 2001 Danida also supported Ghana’s financial sector, in particular rural finance. ■

### QUICKER COMMERCIAL JUSTICE

“The support to creating the commercial court in Ghana is one of the important results of Danida’s support to the private sector,” says Robert Aho-mka-Lindsey, Ghana’s Deputy minister of Trade and Industry. “A lot of private companies and businesses came to government to push for quick equitable justice, and Danida supported that.”

The establishment of a commercial court in 2005 constituted one of the flagship achievements under the first phase of Danida’s support to private sector development 2003-2008. Danida’s support amounting to DKK 18.2 million helped the court achieving the aim of reducing the average period from the date of filing a case to the delivery of final judgement to a maximum of six months.

## THE ICONIC COMPANY

*A business idea conceived in 1960 still survives*

They are all over Ghana, the Fan Milk vendors with their eye-catching bright blue bicycles and cooler boxes with the white and blue fan logo selling Fan Milk ice-cream, frozen yoghurts and many other products. And they have been around for years. The front runner of Fan Milk Ltd. was established in Ghana in 1960 by the Danish entrepreneur Erik Emborg. Together with his partners, he created the foundation for a business idea that has survived. The idea was to import milk powder – often available at low export-subsidized prizes – to Ghana and there, simply explained, mix it with water, flavours etc. to produce a wide range of dairy products and sell them through the special system of bicycle vendors. The bicycles were until the mid 1990ies imported from Denmark.

The manufacturing process in combination with the unique distribution system made high-quality Fan Milk products available throughout Ghana at affordable prices and created an income for thousands of vendors. And it also made Fan Milk a profitable company, which has expanded into other countries in the region. A survey in 2011/12 showed that Fan Milk had a higher level of brand-awareness than for instance Coca Cola in West Africa.

In 1989, Jesper B. Jeppesen joined Fan Milk as the new Managing Director and initiated a major turn-around, partly financed by a Danida-loan. Fan Milk was insolvent and needed fresh capital. The Danish Investment Fund for Developing Countries (IFU) was invited to participate as a new and significant shareholder. Subsequently, through a public issue of shares, new investors were given an opportunity to become shareholders in Fan Milk Ltd. Partly through the new infusion of capital and partly through a Danida-loan, Fan Milk was able to undertake

a rehabilitation project and expand the project range. New and modern production facilities were installed, brand names introduced, and the world’s first frozen yoghurt was invented and successfully introduced into the market. At a later stage, Fan Milk received a new IFU-loan to expand even further.

Thanks to the remarkable results, The Fan Milk Group was in 2013 acquired by The Abraaj Group, an equity investment fund based in Dubai. Later, the same year, Abraaj was joined by the international dairy giant Danone. But the concept with the many thousands of Fan Milk bicycle vendors all over Ghana remains intact. Over the years, the bicycle vendors have been joined by additional vendors using push-carts and hand-carried cooler boxes. The more than ten thousands of jobs thus created by Fan Milk Ltd.



# BRIDGING THE PUBLIC-PRIVATE SECTOR GAP

*Concerted support to business advocacy has given Ghana's private sector a much stronger voice.*



"The BUSAC Fund was established in 2004, as Danida had eyed a gap between the private and the public sector," says **Nicolas Gebara**, manager of the Business Sector Advocacy Challenge Fund (BUSAC Fund) since 2013. Danida had already supported The Association of Ghana Industries (AGI) from 1999 to 2002, but decided to take its support for business advocacy to a more ambitious level.



"The private sector in Ghana used to be reticent to go to government and put issues affecting them on the table. And government hardly listened to the concerns of the private sector. Legislation was passed and enforced without prior consultations with private businesses, and, as a result, things did not work on the ground. This had to change to make the private sector an engine for growth and job creation," Nicolas Gebara explains.

The BUSAC Fund is demand-driven, and by end of 2016 the fund had provided 780 grants totaling more than DKK 150 million. The list of beneficiaries comprises all types of business organisations including

trade unions, farmer-based organisations and media houses from all over Ghana.

Things have changed as a result of the BUSAC-funded capacity-building: "The private sector has developed a lot, and we have been able to promote the interests of the private sector. On issues like tax, import-export, registration and licensing of businesses, etc., government authorities now listen attentively to what the needs of the private sector are at national, regional and local levels."

Nicolas Gebara adds that the Danish model of tripartite dialogue between employers' organisations, trade unions and government inspires BUSAC Fund's approach: "Everybody benefits from open dialogue and transparent and inclusive decision-making."

## Sowing seeds of entrepreneurship

**Elisabeth Joyce Villars** is the chairperson of the BUSAC Fund. She has her own Company, Camelot Ltd., and has been president of both AGI and Private Enterprises Federation (PEF). She points to

BUSAC's focus on small and medium-sized enterprises, SMEs:

"BUSAC has supported hundreds of associations, many of them very small ones representing small businesses. BUSAC Fund took them through basic things like bookkeeping and helped making them more credible and confident. Several of them are now quite successful. That also includes associations in the informal sector. That is crucial, because if we can help SMEs grow and informal sector actors cross to the formal sector, there is a huge potential for job creation and growth."

Elisabeth Joyce Villars also stresses another impact of BUSAC: "BUSAC has played a major role in promoting the idea of entrepreneurship in Ghana. It is only quite recently that our educational institutions started having programs on entrepreneurship. This is a big step forward, but there is still some way to go." ■

## BUSAC FUND AND DANIDA

The Business Sector Advocacy Challenge Fund (BUSAC Fund) was established in 2004 to support private sector organisations, trade unions and business media. BUSAC Fund received support from DANIDA (the lead Development Partner), USAID and DFID in the first phase of the programme from 2004 to 2010.

BUSAC continued in a second phase from 2010 to 2016, again with Danida as the lead donor contributing DKK 77 million. USAID joined in and contributed USD 4 million, while the EU contributed Euro 3.3 million.

BUSAC Fund III (2016-2020) is aimed at building the long-term sustainability of the PSOs to continue with structured and evidence-based business advocacy in the absence of BUSAC Fund support. It is also funded by DANIDA, the EU and USAID. Danida's support expires by 2020, but the need for the BUSAC Fund will remain, and the hope is that BUSAC shall survive and be anchored with a Ghanaian institution, like a think tank, university, research institute or the like.



## WOMEN INCREASED THEIR INCOME

Sales have seen a 40 per cent increase, since electricity in 2012 was extended to the premises of the Sirigu Women's Organization for Pottery and Art (SWOPA) in the Upper East Region. This came as a result of SWOPA's successful advocacy with a grant from the BUSAC Fund. Bringing electricity to the centre has not only helped the women, but also positively changed the business environment for the local community.

## UMBRELLA UNDER WATER.

"Without the support of BUSAC, PEF would have been under the water bank today," says **Nana Osei-Bonsu**, CEO of the Private Enterprise Federation (PEF), an umbrella organisation for Ghana's private sector. PEF in 2012-13 received support from the BUSAC Fund to restructure and now has 15 members. These members are among the biggest associations in Ghana and together represent about 70 per cent of corporate taxpayers in the country and 70 per cent of the jobs.



## TURNING PLASTIC WASTE INTO MONEY

Plastic bags, bottles and other plastic waste are all over, polluting cities and villages, blocking drains. In Dansoman, a suburban town in the Greater Accra Region, **Jane Amerley Oku** has decided to help cleaning up the mess – and at the same time making a small income. She keeps some 20 plastic waste collectors busy and sells the waste. She is also a member of the Plastic Waste Collectors' Association of Ghana (PWCAG), which has received several BUSAC grants to advocate incentives to promote the collection of plastic waste. In 2011 PWCAG received a BUSAC grant to – successfully – advocate the establishment of a waste management fund. The levies paid into the fund, however, were spent by government on other expenditures, so PWCAG in 2013 received a new grant to advocate for the money to be spent on their intended purpose.

# INVESTING IN SKILLS PAYS OFF



*Danida saw the need for skills development very early and piloted a new approach, which shows impressive results.*

“In China, one person can produce 20 shirts a day. In Ghana, we are doing maybe 7 or 8 shirts per person per day. No wonder, that this shirt I wear comes from China, and that in Ghana, we import so many goods which we should be producing ourselves,” **Ato Simpson** sighs. But as the fund manager of the Skills Development Fund (SDF), he also has a solution to the problem: Skills development.



into much-needed growth and jobs. “Danida saw this need very early and decided to pilot a new approach to skills development,” Ato Simpson explains. “Traditionally, a donor would support the supply side of skills development, that is the vocational schools.

But Danida launched an innovative, de-

mand-driven and tailor-made pilot project, which was later developed – in close cooperation with The Council for Technical Vocational Education and Training (COT-VET) – into a full-fledged program and the launching of the Skills Development Fund in 2010.”

The very idea is, that private companies come forward with their concrete needs for skills development and apply for a grant. In many cases, and increasingly, the applications are made in close cooperation with training institutions like vocational schools, which in that way are challenged to develop demand-driven, hands-on and practical training.

And the concept works, experience,

“The underlying reason for all this import coming in – and too little export going out, is that we produce at high unit costs and the quality is also quite low. We just can’t compete.”

In 2006, a study commissioned by the government of Ghana, revealed that the generally poor quality of the skills set of the Ghanaian workforce could be one of the major reasons for the country’s failure to translate its abundant natural resources



## BOOSTING PINEAPPLE EXPORT

The tasty and sweet pineapples from Ghana’s pineapple belt, some 60 kilometers west of Accra, are in big demand in Europe, North Africa and the Middle East, and Ghana’s 4<sup>th</sup> largest pineapple exporter, Gold Coast Fruits, is privileged to be able to export all the pineapples they can produce. Thus, better skills and production methods directly impacts on the profitability and employment of the company. And on Ghana’s exports. That is why, Gold Coast Fruits in 2013 applied for a grant from the Skills Development Fund.

“At the time, our yield was 35 tons per hectare, which compares to the global average of 70 tons,” says **Patrick Osei Serebour**, Farm Manager, Gold Coast Fruits. “We got an SDF grant of 61,000 USD and were able to bring in experts from Costa Rica, one of the world’s leading pineapple producers. They went through and improved our entire production chain, and trained our staff. With this, we have been able to increase the yield to almost 50 tons per hectare.”

The relatively modest grant from SDF helped Gold Coast Fruits to increase annual production to now 4,500 tons per year and employment to 180. And the company is aiming to increase productivity and production even further.



facts and figures document: More than 43,000 companies have received a grant from SDF and more than 110,000 people have been trained. The increased technical capacity has led to significant – and documented increases in productivity and employment in the supported companies.

### Applicants queuing up – and paying

“We have been able to prove that investing in skills development works,” says Ato Simpson, who joined SDF in 2012. “And, this is also reflected in the increasing number of applicants from all over the country and across all sectors. For the most recent call – early this year – we had

895 applicants, more than ever before. And this is despite the fact, that we have increased the share of the training that applicants have to pay themselves. For the formal sector, this share was 20 per cent initially, now its 40. For the informal sector, it has increased from 10 to 20 percent.”

And Ato Simpson wants to increase companies’ own contribution even more: “For several reasons: It would allow us to support more projects. Companies would develop even better projects, and it would keep the providers of the training even more on their toes. And, eventually skills development could – and should – become completely self-financed.” ■



## FROM 200,000 TO 600,000 FINGERLINGS

In 2009, **Jacob Ainoo-Ansah** and his wife Theresa eyed the potential of developing a farm in a dry area located at Okyereko near Winneba, west of Accra. The area has a dam and thus the water needed for farming, aquaculture etc. They leased the land and set up Ainoo-Ansah farm, which among many other activities, includes a fish hatchery.

“But we – and our staff – needed skills training and applied for an SDF grant and got it,” explains Jacob Ainoo-Ansah. “As a result, we have increased our production from 200,000 to 600,000 fingerlings per month. We are now exporting fingerlings to neighbouring countries, but also selling to locals. We even train local fish producers who come here to buy fingerlings. We noticed that some of them hardly knew anything about aquaculture, so the fingerlings died and their production failed. Now, we are offering producers short training courses, and we are seeing the survival rate of the fingerlings increasing from 40 to 90 per cent.”

### DANIDA AND SKILLS DEVELOPMENT

The Skills Development Fund (SDF) was initially supported by Danida with 98 million DKK for the 2011-2016 period as a continuation of the pilot project under Danida’s Business Sector Programme Support (2003-10). With the World Bank’s decision in 2011 to support SDF with 50 million USD, SDF really was able to expand. In 2016, the World Bank’s support to SDF came to an end, but Danida decided to commit an additional 95 million DKK to SDF covering 2017-2020 on the condition, that the government of Ghana will contribute financially as well.

# ADDRESSING THE PARADOX OF RURAL FINANCE



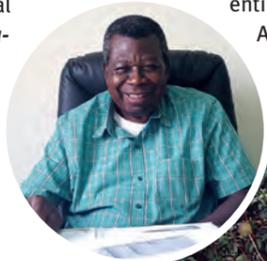
*Ghana has a huge potential in agriculture and food processing. Yet, credit is difficult to obtain in the rural areas.*

“All our resources come from the rural areas. Talk of cocoa, timber and even the food we eat. And yet, the banks in Ghana for many years ignored the rural areas,” says **Emmanuel Asiedu-Mante**. He is a veteran banker in Ghana and has often been wondering about this paradox.

“In the past, our rural areas were completely cut off from formal financial services. The major banks were only present in the cities and towns. They were basically mobilising funds from the rural areas to finance activities in urban areas. So constantly, the rural areas were being siphoned, deprived of funds.”

Emmanuel Asiedu-Mante has throughout his long career been a strong advocate for supporting rural development through improved access to rural finance. He has been Deputy Governor of Bank of Ghana and played an active role when

the bank introduced rural and community banks in the 1970ies. Ghana now has some 140 such banks covering the entire country. Thus, Emmanuel Asiedu-Mante was a natural choice as chairman, when



Danida in 2007 set up a special programme, SPEED, as part of its support to rural finance. SPEED is the Support Programme for Enterprise Empowerment and Development, and it extended ‘wholesale funds’ to more than 40 rural banks and thus enabled them to improve lending and services to their clients.

“Half of our population live in the rural areas and most of them are peasant



farmers. They don’t have the courage to approach commercial banks like Barclays for credit to expand their business and would have to go to private money lenders and pay huge interest rates. SPEED made it possible for rural banks to give much-needed long-term loans to peasant farmers, and there were hardly any defaulters. It worked perfectly well and should be emulated,” says Emmanuel Asiedu-Mante.

## Danida a household name

Danida has supported Ghana’s financial sector since 1993. In the early years, Danida’s support included the setting up of Ghana’s National Banking College in 1994. Here, many staff and board members of rural and community banks have received – and continue to receive – training. Gradually, Danida’s support increasingly targeted rural finance. Among others, Danida has supported the Association of Rural Banks’ (ARB) and the establishment of the ARB Apex Bank between 1998-2000.

“Danida’s support to rural banking in Ghana has been phenomenal and constant. Danida has become a household name in the sector,” says Emmanuel Asiedu-Mante. ■

## FOCUS ON NORTHERN GHANA

Danida’s support to agricultural and rural finance in the period 2010-2016 amounted to DKK 86 million and was allocated through the ARB Apex Bank. On top of this, DKK 60 million under the Agricultural Value Chain Facility (AVCF) were reserved to support agricultural development in Northern Ghana through commercial banks and non-bank financial institutions including Sinapi Aba. Though some components achieved good results, others did not, and in 2016 Danida decided to discontinue support to the ARB Apex Bank and instead channel support to all the financial funds under the Rural Finance component and the Agricultural Value Change Facility to a new fund: The Rural Development Fund (RDF) with a focus on agribusiness and sustainable energy.

# SOWING MUSTARD SEEDS



Eric Boakye Yiadom is a proud farmer. Since 2014, he has been able to expand his farm, EBY Farms close to Kumasi, increase production and employment, he explains as he enthusiastically takes his visitor on a guided tour to the new feeder room, the modernized structures for the breeder pigs and piglets, and the new water tanks, which serve an extra purpose. Here, he has started producing catfish.

“All this I have been able to achieve through favorable loans from Sinapi Aba,” he says and stresses that such loans also help Ghana a lot: “When a business like mine is being expanded, it leads to more jobs. Formerly, I was having just 1 labourer for the whole farm. Right now, I am having 4. And the people who are buying what I produce also expand their business.”

The example of Eric Boakye Yiadom illustrates the message of the parable of the mustard seed: That big things can grow from small beginnings. And that is also what inspired the name of the not-for-profit savings and loans institution, established Kumasi in 1994, Sinapi Aba Trust. Sinapi meaning mustard, aba seed in the local Ashanti language.

Sinapi Aba itself, has also grown bigger, now boasting an impressive headquarter in Kumasi and no less 45 offices throughout Ghana. And Sinapi Aba administered one of the revolving funds, which was part of Danida’s Private Sector Programme focusing mostly on agricultural and rural finance projects 2010-2016.

“The overall aim of what we do is

similar to what Danida wanted: To help create rural jobs and development and assist farmers to move from subsistence to commercial farming. We were able to offer loans with an interest rate of 18-25 per cent as compared to the normal 35+ percent,” says **Joyce Owusu-Dabo**, chief programme officer at Sinapi Aba. Also, the payback time was favorable: 3-5 years against the normal 1-2 years. More than 150 clients have taken loans totaling some 12 million GHS with Sinapi Aba under the Danida scheme.

“In many cases, the loans were used to invest in a tractor. This not only helps the individual farmer to expand his fields and production. Typically, he would also rent it to other farmers and earn an income, which helped pay back the loan, and also helped other farmers. We estimate, that no less than 30,000 people have benefitted from our loans under the Danida-financed scheme,” explains Joyce Owusu-Dabo. And what is more interesting is that, no less than 95 per cent of the farmers were able to service their loans on time.

Joyce Owusu-Dabo stresses that Sinapi Aba does more than provide loans: “We go out and meet the farmers where they are. We encourage them to establish farmers’ groups, we train them not only in farming techniques, but also in marketing and farming as a business. And we try to link them to other organisations and businesses. All to achieve sustainable impacts of the loan we provide.” ■

# FROM SILOS TO CHAINS



*Too much support to the agricultural sector has come with a silo-approach. In Northern Ghana, Danida tested a new practice – looking across the agricultural value chain.*

Isaac Kankam-Boadu can easily make long lists of problems that Ghanaian farmers, and the small peasant farmers in Northern Ghana in particular, are facing. That would be rather depressing if he did not enthusiastically follow it up with even longer lists of practical solutions to the challenges.

Isaac Kankam-Boadu is in the business of problem solving. He is working with ADRA, Adventist Development and Relief Agency, in the Northern Region of Ghana and has been the lead facilitator of the training and technical support provided to a vast number of local communities under the Danida supported Agricultural Value Chain Facility (AVCF).

“We took an integrated approach to the support in the sense, that we looked at all the aspects of production, marketing and linkages to other actors in the value chains of maize, rice and soya beans,” says Isaac Kankam-Boadu. And together with his staff and the farmers, he made use of a wide range of tools to address the

various aspects, and also developed new tools and combinations of tools.

“We realised that soil fertility was very low, so we trained the farmers in integrated soil fertility management. But teaching alone is not enough. We also trained them to adopt the new practices, and many of



the farmers were able to double, or even triple yields per acre. With increased production comes the challenge of storing and selling the produce. Actually, some 30 per cent of farm produce goes to waste due to poor storage, so we also included storing in our training. And, of course, business and marketing skills.”

Demonstration farms, farmer-based organisations, voluntary extension farmers were some of the useful tools: “We trained more than 700 voluntary extension workers. They not only fill the gap that non-recruitment of government extension workers has created; they also ensure that the impact of the training lives on, when our support winds up. The farmer-based organisations serve to improve cooperation among the farmers and put them in a stronger position to advocate their case towards the agro-industry, local authorities etc.”

## A perfect match

When Danida launched the Agricultural Value Chain Facility in 2010, the Alliance for a Green Revolution in Africa (AGRA) was chosen as the implementing partner, and that was a natural choice, says Kwasi Ampofo, Ghana country director of AGRA:

“The approach of Danida’s Agricultural Value Chain Facility fits perfectly with AGRA’s approach: Rather than the typical silo-approach to support to agriculture – focusing on just one link of the whole

## SEIDU’S SHOP IS THRIVING

Reliable, high-quality inputs are one of the keys to improved farming. That is why AVCF included training of and support to agro-dealers. One of them was **Mohammed Seidu**. In 2012, he set up Hadiola Agro-Chemicals in Tamale: “In the beginning, I faced a lot of challenges, but through the training by ADRA I came in touch with farmers’ groups that are now my clients. I also got a loan from Sinapi Aba to revamp my shop and have been able to employ 3 staff.”

chain – we also want to look across the whole value chain. When for instance, we train farmers to use fertilizer, they increase production, but they also incur increased costs, so they need to feel assured that they can sell their produce at a fair price.”

“Danida’s support was key to developing an innovative model and apply it in Northern Ghana with quite some success. We do see an impact on the ground. It is a pity that Danida now withdraws, but we shall use the experience and lessons learned in our future work – in Ghana and other African countries, so the legacy lives on.” ■



## FEMALE FARMER FOCUS

In Ghana, 3 out of 4 farmers in rural communities are peasants, and 2 of the 3 will likely be women.

Women constitute half of all agricultural sector workers. They produce most of the country’s food, yet benefit little from the various initiatives aimed at helping farmers.

Danida wanted to address this paradox and ADRA did pay particular focus on reaching out to female farmers. One of them is **Comfort Bamboa** in West Gonja District:

“Before, we could hardly take care of our families with the little income we had from the farming. But now, we have received training and are organised in a farmers’ group. Our production and income have increased, and we are doing much better.”



## AVCF INPUTS AND RESULTS

The Agricultural Value Chain Facility was implemented from 2010 to end of 2016 and had a total budget of DKK 89.5 million.

### Some of the results:

- Some 28,000 farmers received technical training in integrated soil facility management and practices – and a further 64,000 farmers indirectly via radio programmes.
- New crop varieties, improved soil management and agricultural practices resulted in significant yield increases – from 10 up to 150 per cent.
- 1,279 lead farmers and 722 volunteer extension workers received intensive training.
- 1,470 agro-dealers and small and medium sized enterprises received training.
- Staff in commercial banks and Sinapi Aba were trained in rural lending.



## AGRA – INSPIRED BY A GHANAIAN ICON

The Alliance for a Green Revolution in Africa (AGRA) was founded in 2006 through a partnership between the Rockefeller and the Bill and Melinda Gates Foundations, and it was inspired by former United Nations Secretary-General, the Ghanaian, Kofi Annan’s call for a green revolution in Africa.

AGRA focuses on the ‘heart of African agriculture, the millions of hard-working men and women, who typically cultivate less than 2 hectares of land.

# GHANA'S HIDDEN POTENTIAL

*An unusual alliance supports Ghana's informal sector to reduce poverty, create jobs and increase the tax base.*



“Some 70-75 percent of Ghanaians make their living in the informal sector, and as a trade union, we simply cannot ignore this,” says **Rose Kwei** of Ghana's Trade Union Congress (TUC). That is why TUC has joined forces with Ghana Employers' Association (GEA) to – in close cooperation with government – develop a roadmap for the transition of informal businesses to formal businesses.

This is also why TUC more than 10 years ago, together with their Danish partner, the LO/FTF Council (the Danish Trade Union Council for International Development Co-operation), decided to target not only employees, but also various groups within the informal economy like the small-scale caterers.

“We can make a much bigger impact if we reach out to the caterers on markets and along the roadsides, in short the informal sector, both the owners and their staff, than if we focus on employees in hotels and restaurants only,” says Rose Kwei.

And she was proven right: “People in the informal sector have no rights and are time and again harassed by police and government authorities. Our efforts have made an impact for thousands of informal caterers and have also contributed to changing perceptions. We are slowly

convincing government and others that the informal sector holds a huge potential if treated well and informed about their rights.”

The Danida-financed support to the informal sector through TUC-Ghana and the LO/FTF Council over the years included skills development, training in health and safety and decent working conditions and has helped pave the way to formalize former informal businesses. This again has



## STELLA'S RISE

**Stella Akrashie** is one of Ghana's many proud and hard-working women. For 30 years, she was a successful caterer running several street kitchens on Accra's busy markets, assisted by relatives and friends. Now, she is a registered employer and tax payer, she is the President of a local organisation of caterers, she has opened a nice restaurant, S-Royal, in the northern outskirts of Accra, run by her daughter, Charlotte. And even though she is an employer, she is also a member of TUC.

Stella's move from Ghana's informal to the formal sector has come about partly as a result of training provided by the Danish LO/FTF Council and supported by Danida.

“We were trained in all aspects of making food and catering: Hygiene, recipes, how to plan our shopping to avoid buying too much and waste it, how to calculate the prices to make a profit etc. In short, to run a professional business. It was very hands-on and extremely useful and it has helped me – and many of my colleagues – expand the business,” says Stella.

contributed to improve labour productivity and product quality according to Jørgen Assens from the LO/FTF Council.

In 2014, The Danish Federation of Small and Medium-Sized Enterprises also joined TUC's and the LO/FTF Council's efforts targeting the informal caterers funded by a special, short-lived Danida-window for 'alliance'-projects, involving both trade unions and business associations. This was followed up with an even more ambitious project, “Culinary Heritage” focusing on caterers and developing a joint marketing platform for high-quality Ghana food. ■

# BRINGING GLOBAL TRADE TO LOCAL SHORES

*A.P. Moeller-Maersk has a long history in Ghana and is still going strong.*

“Bringing Global Trade to Local Shores”. That is one of the slogans of the A.P. Moeller-Maersk Group, which includes Maersk Line, the world's largest container shipping company. Maersk Line entered the shipping business in Ghana in the late 1950s when it operated through an appointed agent. Maersk Line was incorporated in Ghana in March 1991 and has since established offices in the major business cities including Tema, Takoradi and Kumasi.

But it is another unit of the A.P. Moeller-Maersk Group, APM Terminals, which has really come to Ghana bigtime. APM Terminals is a leading global port and inland services provider with a presence in 59 countries, including Ghana. From 2007, APM Terminals has operated the port of Tema, Ghana's biggest port, with its partner, Bolloré. In 2015, APM Terminals and Bolloré, with their joint venture partner, Ghana Ports and Harbours Authority, agreed with the Government of Ghana to invest a massive 1.5 billion USD in building a brand-new port in Tema.

The Tema port project will create 5,000 jobs, and the new port will be a modern multi-purpose facility located on what was, before construction began in 2015, a beach area adjacent to the existing port. When ready in 2019, it will allow Tema Port to accommodate some of the world's largest container ships, and improve cargo



handling services and capacity.

The project also includes the expansion of the 19-km long Tema-Accra Motorway from 4 to 6 lanes to ensure that cargo will move smoothly in and out of the port. This highway handles 70 percent of Ghana's trade.

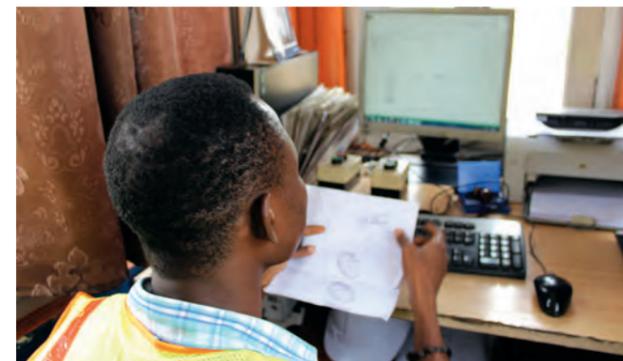
In January 2012, APM Terminals started a wholly owned Inland Services business in Ghana with Depot facilities in Tema, Takoradi and Kumasi. Also in 2012, APM Terminals Ghana got a loan from the Danish Investment for Developing Countries (IFU) to co-finance the construction of a



state of the art Import Bonded Inland Container Depot in Tema.

“In 2013, we opened as the most modern and efficient terminal in Ghana,” says **Joseph Asare**, Managing Director of APM Terminals Ghana. Currently, Inland Services in Ghana has 220 employees, all Ghanaians that are trained on the job.

Joseph Asare sees a huge potential for the maritime sector in Ghana: “We've had a maritime university since 2007, and the expansion of the port will handle the full range of Ghana's growing needs for many years to come. So, Denmark did well to appoint a maritime advisor at the Danish embassy in Accra in 2015. Denmark has strong competences in the maritime sector, that Ghana can learn from.” ■



# GHANA IN THE FAMILY GENES



*In 1975, young Paul Wallevik left Denmark to settle and do business in Ghana. Now his son runs a cashew nut company, employing hundreds of Ghanaians.*

8 hours' drive from Ghana's capital Accra, where the rainforest has taken over from the savannah, the company Mim Cashew is struggling to do exactly what Ghana's governments for years have encouraged private businesses to do: To add value to Ghana's abundant natural resources to create jobs and development.

"The goal for the Mim Cashew Company is to have our own retail brand so we can begin selling consumer packaged Mim Cashew nuts in ideally Denmark or Europe or America, that is in developed markets, where consumers appreciate the quality, the integrity and the story behind our company – and are prepared to pay for it," explains Lars Wallevik, Executive Director, Mim Cashew and Agricultural Products Ltd.

Lars Wallevik took over Mim Cashew Company in 2007. He is a Dane, living in Copenhagen, but his family has a long history of doing business in Ghana. Lars's father, Paul, moved to Ghana in 1957 to sell Tuborg beer and was immediately taken by Ghana and the Ghanaians.



"It was a very optimistic time. He arrived a few months after Ghana's independence, and there was a lot of positive expectations for the future." So, Paul Wallevik decided to settle in Ghana and start a business of his own. He took over a closed down soap factory, Star Soap, and started it up again. He also ventured into boat building, both in Accra and Nigeria. But furniture production was to become his most successful business in Ghana, and the Wallevik family, now including

young Lars, only left Ghana in 1974, when forced to during one of the most turbulent and politically unstable periods of independent Ghana's history.

## Ghana and Mim revisited

In 2007, Lars went back to Ghana to make a new start: "I had always been intrigued by Ghana. I was only there until I was 3½ years old, but it had always been a large component of my family's talks and history. I wanted to start something on my own. I was talking to my father and thought Ghana was a great place to go and explore. The philosophy was still to add value to local raw materials."

So, Lars went to visit Scanstyle Mim, the old factory, which still had the same owner, his father had sold to in 1981. But he suggested that Lars took a look at the property across the road, a cashew company for sale, complete with plantations, land, nice houses, forests and a factory. It was run down, but the old employees were ready to start again, and the old customers were also interested.

In early 2008, Lars took over the property and began the long and unfinished struggle to revitalize the company. At its peak, Mim Cashew employed 1,400 people and purchased raw cashew nuts for processing from some 4,000 private farmers, both Ghanaian and from nearby Ivory Coast. The processed nuts are exported, mainly to the USA. But competition is strong, mainly from Asian countries like Vietnam and India.

"Ghana is one of the few major cashew producing countries without a policy on



how to create a conducive environment for processing and exporting the nuts. We used to have 13 cashew factories in Ghana. Now, we are just 2 left – not even producing at full capacity."

Today, the number of staff has been trimmed to 300 in an attempt to make the company more competitive. Lars Wallevik, however, is optimistic: "Demand for cashew nuts is increasing, and while we have struggled a lot, we have produced hundreds of containers of cashew nuts to the biggest customers in the world who say that our quality is the best compared to processors in Asia and the rest of Africa. So, people look and they see a very successful model and pioneer in the cashew industry. And we are determined to live up to that."

While Mim Cashew Company has not received Danida support, the Danish Investment Fund for Developing Countries (IFU) in 2013 invested some DKK 12 million in shares and provided a loan of DKK 20 million to pave the way for an expansion and modernization of the production.

In Ghana, the Walleviks have learned an important lesson according to Lars: "Most business people come to Africa with a higher return requirement and a shorter time horizon because of the risk factors. But to make it, you really have to do the opposite." ■

## THE RISE AND FALL OF SCANSTYLE MIM

In 1964, it created excitement that furniture produced in Africa was for the first time ever shown at the international furniture fair in Cologne, West Germany. The furniture came from Paul Wallevik's factories in Ghana and Nigeria, but actually his production of furniture started almost by coincidence. Initially, Paul Wallevik made use of Ghana's rich timber resources to produce boats.

"And one of the workers in the factory was a very good carpenter, so my father asked him, if he could copy some Danish-style furniture to make just for his own home, so he didn't have to bring it from Denmark," explains Paul's son Lars. The carpenter did a very nice job, and Paul's Danish and other friends asked if they could also buy furniture from him. Little by little, it increased and the boat factory in Accra converted to a furniture factory. And this factory needed timber.

"In Mim there was a large saw mill, Mim timber company, and in the mid-60ies there was an initiative from Ghana's government to do more value-adding and not just export timber. So, the owner of that

company, contacted my father and they set up Scanstyle-Mim in 1967, a joint venture between Mim Timber and my father's company, to produce furniture from the offcuts of the sawmill."

Scanstyle-Mim at its peak employed several hundred people and exported furniture and furniture components to markets overseas used to only imported raw timber from Africa. Paul Wallevik might have stayed in Ghana, had he not been forced to leave Ghana in 1974 and concentrate on – again successful – furniture production in Singapore.



## THE RAINFOREST ACADEMY

To compete internationally, Mim Cashew needs highly skilled and specialized staff, but they are not readily available in the relatively remote area. As a result, the company has often had to bring in expat specialists. That sparked off the idea of setting up a technical academy on the



company's compound and the academy is now up and running with its first batch of students – 30 young Ghanaians who are to become well-trained electrical engineers. The academy has received financial support from the Paul Wallevik Foundation and is headed by Lasse Dalén Andersen, a Danish vocational school teacher.

"The goal of the academy is to – little by little – begin developing the skills of Ghanaians required to be more competitive, not only in the cashew industry, but in most technical areas," says Lasse Dalén Andersen. "And this vision is very much in line with the Wallevik dream: In short to train Ghanaians to have skilled Ghanaians processing Ghanaian natural resources – not only cashew nuts – to Ghana and to the world."

# A MARKET OF 1 BILLION PEOPLE



From piles to files: Thousands of old documents are scanned in the process of digitalizing administration.

*Ghana hosts the first ever modern and high-tech production of smartcards in Sub-Saharan Africa as a result of a Danish-Ghanaian partnership.*

“Why focus on Denmark, a market of only 5-6 million people and dozens of other companies offering products like yours? Come to Ghana and have access to the entire African market of soon 1 billion people and with no producers of smart cards.” That is what Ghanaian businessman **Moses Baiden** told his Danish counterpart, Peter Blom, when they first met in the late 1990ies.

At the time, Peter Blom was the owner of the Danish company Supercard – and had never been to Africa, while Moses Baiden headed the Ghanaian company Margins Group, still a new and small company. But Moses Baiden had a wild dream of starting the first modern, high-tech production of smartcards in Sub-Saharan Africa. And he needed the expertise of Peter Blom.

“The idea really seemed far out at that time, but somehow Moses managed to convince me. He was extremely dedicated and convincing, so we decided to go for it,” remembers Peter Blom. The 2 partners formed a joint venture in 1999, Margins ID Systems (now Margins ID Group), and



only a few months later, the new partnership came up for the first serious test: “Moses submitted a bid to provide security and visitors’ identity cards for a big international conference in Accra. We won the tender and even though we were new and had little time and experience, we managed to do a good job.”

In 2004, Margins went on to form a new company, Intelligent Cards Production Systems, and set up the first intelligent card producing factory in Sub-Saharan Africa.

“As Ghanaians, we tend to look abroad for high-tech products, but if we want to develop and create jobs for future generations, we must also position ourselves to produce the goods and services, that the domestic market and foreign markets will buy in the years to come. And identification cards and software of all kinds certainly falls in that category,” says Moses Baiden.

In March 2017, the Danish ambassador to Ghana, Tove Degnbol, officially inaugurated Intelligent Cards Production

Systems’ new high-tech and certified factory in the industrial area of Accra. The company now employs some 400 people and has won several contracts with private companies and Ghana’s government to produce modern plastic identity cards to all 27 million Ghanaians, driver’s licenses, car registration cards, you name it.

“It is a win-win relationship,” says Moses Baiden. “The modern smart cards save government authorities a lot of money and resources, much more than we are paid to produce the cards, set up and run the systems. And on top of that, it creates much more transparency.”

## Inspiration from Denmark

The Danish-Ghanaian partnership has received various forms of support from Danida over the years: Initial support from the Danish Private Sector Development Programme, loans and investments from the Danish Investment Fund for Developing Countries (IFU) and credits from the Danish Mixed Credit Scheme.

“The consistent support from Danida – and the Danish embassy in Accra – has been crucial for many reasons,” says Moses Baiden. “We have had access to relatively cheap credit, which is otherwise not available for Ghanaian companies. We have had support to build the relations to a Danish partner with the right experience and knowhow, and our relationship to the Ghanaian authorities are to a great extent inspired by the way, private businesses and government authorities work together in Denmark. At some point, the Confederation of Danish Industries (DI) invited representatives of government authorities in Ghana to Denmark to study how public-private-partnerships work in Denmark, and that was very useful.” ■



# FROM DANIDA TO NOVO NORDISK

*As Danida phases out decades of aid to Ghana’s health sector, Danish Novo Nordisk opens special diabetes support centres.*

“We give back life to people suffering from diabetes,” says medical doctor **Augustin Kwasi Kusi**, head of the Diabetes Support Center at Ga South Municipal Hospital in Accra.

“Here, we are trained in diabetes management and can diagnose patients and offer them the treatment they need. In most general hospitals, many doctors and nurses do not have this kind of training. As a result, many patients could go with the wrong diagnosis and treatment – or no diagnosis or treatment at all. Untreated diabetes can lead to blindness, amputations, early deaths, and we do see that much too often. Here, we can give an almost normal life back to many people. So, what we offer, benefits not only the patient, but all of society at large.”

The Diabetes Support Center at Ga South Municipal Hospital opened in 2014. There are 5 other such centers in Ghana – and 2 more to be commissioned later this

year. All on the initiative of – and supported by – the Danish pharmaceutical company Novo Nordisk, the world’s largest producer of insulin. Novo Nordisk



has financed the building and the equipment of the centres, while the running costs – including the salaries of doctor Kusi and other staff – are paid for by the Ghanaian government.

Other than Ghana, the Novo Nordisk initiative, ‘Reaching the Base of the Pyramid’, is currently also running in Nigeria, Kenya and India. The aim is to facilitate access to diabetes care for the working poor in low- and middle-income countries. Novo Nordisk estimates that 46 million people globally in this segment have diabetes and that the number will grow to almost 75 million in 2030. In Ghana, the International Diabetes Federation in 2015 estimated that 266,000 were living with diabetes, some 189,000 of them without a diagnosis.

While Novo Nordisk, of course, hopes to



increase sales through the initiative, Novo Nordisk’s Base of the Pyramid Project Manager in Ghana, **Samuel Kofi Tovor**, stresses that the company’s support to the centres comes with no strings attached:

“The centres can prescribe whatever diabetes medicine to the patients, and they do. We have no say on that. We do not see increased sales in Ghana after the opening of the centres, but we do, of course, hope it will come in the long run.”

When Novo Nordisk opened the centres in Ghana, the company was not very known. Here, it was a big advantage that Denmark was well-known – and in the health sector in particular – due to Denmark’s development aid to Ghana.

“Denmark and Danida are popular names in Ghana’s health sector, and that has certainly served as a door opener for us,” says Samuel Kofi Tovor.

To Tove Degnbol, Danish Ambassador to Ghana, this is a welcome development: “In Ghana, many poor suffer from diabetes, and it is a problem that the Ghanaian government does not have the capacity to deal with it. So, when Novo Nordisk offers to build diabetes centres in a number of hospitals all over the country, it is actually a major asset to the government and to the people of Ghana, and we clearly see a development perspective in this.”

At the Diabetes Support Center at Ga South Municipal Hospital in Accra, medical doctor Augustin Kwasi Kusi is proud of the change that he and his staff make: “Very often, we see quite sick people recovering very fast when getting the right treatment. The news about this spread and create more demand, and that is why Ghana should have many more centres like this.” ■



# EASY MONEY, BUT HARD TO EARN



*There is easy money to earn in Ghana, but it takes time, dedication and hard work.*

“Ghana has so much to offer: An abundance of natural resources, a pleasant climate, young people eager to get a job. There is a lot of easy money to be made here. The problem is, that the easy money is difficult to earn,” says Lars Lyngge, CEO at West African Fish, a joint venture between Palm Acres Ltd. in Ghana and Royal Danish Fish Group A/S from Hanstholm in Denmark.

West African Fish is making money from its fish farm located on Lake Volta in the Eastern Region, near the small town of Asikuma. It has also created jobs. Currently, the farm employs some 100 people, almost all of them from the local area; and it is estimated that 400 families benefit from the farm directly or indirectly. But it

has taken years of hard work to get there.

It all started, when **Lars Lyngge** in 2007 was invited on a tour to Ghana for Danish companies interested in doing business in Ghana: “At the time, we only had activities in Denmark and were looking for opportunities to expand. And Ghana looked promising.”

Assisted by the Danish embassy in Accra, Royal Danish Fish Group A/S identified a partner in Ghana, Palm Acres Ltd., and formed a joint venture. The partner-



ship received a Danida grant of DKK 5 million to set up the fish farm.

“The total startup investment was some DKK 40 million, so the grant from Danida was relatively small. Still, we would never have started in Ghana without this grant and the other advice and assistance we received from Danida. The risks of investing in Ghana without such support are far too high for a company like ours,” says Mogens Mathiasen, Managing Director of Royal Danish Fish.

The startup investments included building 7 kilometers of road from the fish farm to the nearby village of Asikuma and connecting the farm to the national electricity grid. All paid in full by West African Fish, which also supports the local school and various other activities.

# FIGHTING THE BITTER AFTERTASTE

*Danish chocolate producer runs a program to prevent child labour.*

## Show respect

“Here, we are the strangers and the ones with a different colour,” says Lars Lyngge. “As visitors, we have from day 1 prioritized building a good relationship to the local community, and that has paid off. Our workers are loyal. We have lots of local customers who come and buy tilapia from us to sell it on markets nearby, but also far away from here – all the way to Accra, Takoradi etc. They are good ambassadors for us.”

The first year, 2008, West African Fish, produced 28 tons of fish. Since then, the production has expanded to some 4,000 tons, mainly tilapia, per year using technology that makes the farm one of the most environmental-friendly fish farms in Africa. The company has received loans from the Danish Investment Fund for Developing Countries (IFU). And there are plans to expand further.

“We can sell everything we produce. Ghana imports some 800,000 tons of fish per year. The tilapia we produce is very popular and sells at high prices. But the environment is also difficult. I still spend about 6 months per year in Ghana. We do have good and qualified staff here. Still, it is necessary to be present most of the time to monitor production, sales etc. and to be able to react fast, for example when signs of diseases appear. You cannot run a business like this from far away Denmark, and I think that some of the Danes, who have come here to start a business and failed, underestimated that,” says Lars Lyngge. ■



*West African Fish has sponsored the construction of new classrooms at the local Asikuma Presbyterian Primary School.*



*Toms supports the schools in the villages in Western Ghana, where Toms' cocoa comes from.*

In 2001, the global chocolate industry came under fire in the media, accused of buying cocoa produced by children in West Africa. In Denmark, focus was on Toms, a leading Danish chocolate producer importing almost all its cocoa from Ghana. Terminating imports from Ghana was not an option as it would dramatically affect the livelihoods of several thousand small-scale farmers and their families.

Instead, Toms embarked on a long journey to put an end to child labour and to improve the working and living conditions of the cocoa farmers. Toms has done that with a number of different partners: Among them Danida, the Danish development organisation Ibis and Toms' local partner in Ghana, Armajero.

Armajero holds a state license to buy cocoa from farmers and buys the cocoa directly from the villages – without intermediaries – and handles the cocoa in a fully traceable manner until the cocoa is shipped to Europe. This means that all the cocoa can be traced directly to the 5,000 farmers in the 2 districts of Western Ghana, where Toms' cocoa comes from. Traceability also makes it possible to work directly with the farmers through local organisations to improve the yield of their crops and test new and improved methods

for growing cocoa, resulting in a higher quality product.

In fact, all 5,000 farmers have been trained in various methods to improve cocoa farming to increase the quality and the quantity of their production and with it, their income. This is key to reducing child labour, and allowing children to go to school. However, the local schools lack good teachers, so in cooperation with Ibis – and supported by Danida, Toms has trained several teachers.

On a different note, Toms has, in cooperation with the Cocoa Research Institute of Ghana and the University of Copenhagen's LIFE-institute, co-developed a new method of fermenting the cocoa beans, which leads to a much higher and more uniform quality.

Cocoa is the chief agricultural export of Ghana and the country's main cash crop. Ghana is the second largest cocoa exporter in the world, behind Ivory Coast. ■



# IS AFRICA'S STAR RISING?

Since independence, Ghana has been in for a political and economic rollercoaster. While challenges remain, one of Africa's stars now seems to be on the rise.



All political parties in Ghana are free to campaign.

Ghana is again hailed as one of Africa's shining stars. An island of democratic rule, peace and stability and economic growth in an otherwise fragile and conflict-ridden region. And the facts seem to document the positive image. Politically, Ghana holds the African record with an unbroken sequence of 7 democratic elections resulting in 3 peaceful transitions of power. This stands in stark contrast to the political chaos, Ghana went through from the mid 1960ies to the 1980ies with 5 military coups. The consolidated democracy and political stability are major assets to Ghana, when it comes to attracting private business and investors.

When gauging the economic status of Ghana in more detail, the picture is more of a mixed bag: Over a decade ago, the country's economy was



growing at an average 7 percent per year. In 2007, Ghana discovered oil, and in 2011, oil production began. Also in 2011, economic growth reached an all-time high of 14 per cent and promoted Ghana from being a low-income to a middle-income country. But since then, growth has declined, reaching only 5 percent in 2015. Ghana's economic problems do not stop here. Currently, Ghana is under a bailout programme financed by the International Monetary Fund (IMF) because of its inability to contain its huge budget deficit, rising inflation and falling currency.

On top of this comes Ghana's long-standing power crisis.

### A critical voice

These are not exactly characteristics, that describe an enabling business environment, says **Charles Mensa**, an independent economic and political expert in Ghana and outspoken critic of shifting governments' performance: "Our private sector is very weak, because

it has been undermined by government policies. We have had governments running huge deficits over the past 30 years. Governments' borrowing simply crowd out the private sector, and local companies can only borrow at interest rates of 30-35 percent with a payback time of 1-2 years. That is the major reason why no indigenous private sector company can grow here. Those, that do, typically have foreign partners with access to cheaper finance."

Charles Mensa also questions Ghana's new status as a middle-income country: "When Ghana was independent in 1957, our GDP per capita was ahead of South Korea, Malaysia, Cambodia, Laos and Singapore. After 60 years of independence, our GDP per capita stands at some 1,600 dollars while South Korea has about 27,000."

Despite the long list of challenges, Charles Mensa and others agree that Ghana does have a huge potential: Abundant natural resources and a growing workforce thirsty for jobs to add value to these resources – for the domestic market and for exports. ■

### GHANA'S INTERNATIONAL SCORES

**Ease of doing business-index:** On this World Bank index, launched in 2002, Ghana was in 2015 ranked as 108 out of 190 countries. Ghana received a low ranking on getting electricity (120), trading across borders (154), paying taxes (122) and resolving insolvency (155). A good ranking in registering property (77) and getting credit (44).

**Global Competitiveness Index:** In the Global Competitiveness Report 2016-2017, published by World Economic Forum, Ghana jumped from 119 to 114 caused by the progress made in the area of primary education and health, goods market efficiency, and labour market efficiency. The report identified access to finance as one of the major factors affecting the country's competitiveness.

# TOUGH ON ANTI-CORRUPTION

Denmark pursues its zero-tolerance on corruption in policy and practice in Ghana.

Earlier this year, Danish companies operating in Ghana and active in the Danish Anti-Corruption Partnership were issued with the direct mobile number of the Danish Ambassador to Ghana, Tove Degnbol, and encouraged to call her immediately if they find themselves in a situation where they feel under pressure to pay a bribe or 'grease' authorities to expedite necessary permissions or approvals.

The Danish Anti-Corruption Partnership was launched by the Danish embassy in Accra in early 2017 and supplements several other Danish anti-corruption efforts over the years.

"Denmark has for several years supported the fight against corruption through our Good Governance Programme. Here, we have primarily given broader support to institutions such as courts and human rights institutions, but also to organisations as the Ghanaian chapter of Transparency international for training and advocacy," says Nicolas Roy-Bonde, Counselor at the embassy and responsible for the Anti-Corruption

### THE SILVER TEASPOON

When the time in office in 2015 was up for the former Danish Ambassador to Ghana, Margit Thomsen, and she prepared to hand over the residence to her successor, she found out that a silver tea spoon was missing. "She was so upset and kept complaining to all of us," Emmanuel Kodwo Sackey, remembers. "A silver teaspoon that got lost, and she even offered to pay for it. That really caught my attention and illustrated the unique Danish attitude towards corruption and misuse of public funds. This 'silver spoon' attitude is worth gleaning as Ghanaians; for us in Ghana, bigger things get missing in public offices and public homes, these are often overlooked and costs us a lot of revenue as a country."



A.P. Moeller-Maersk is part of the Danish anti-corruption network in the maritime sector.



Partnership. "But we wanted to also take practical action. In our conversation with businesses in Ghana, corruption is often mentioned as one of the main challenges of doing business in this country; and in December 2016, Ghana had a new government, who promises to act on corruption, so we thought the time was right for this initiative."

11 of the Danish companies operating in Ghana have so far joined the partnership and meet at the embassy on a regular basis. "In this closed forum, companies share ideas and experiences – good and bad – on how to tackle the very delicate dilemmas they often face. What can a company do, for example, if clearing of imports or a necessary approval from the fire authorities drag on and on and seem

to be conditional of paying a 'little something'? It also gives us at the embassy a hands-on insight to the problems and we can use that to raise issues with relevant authorities, of course without naming companies etc."

The 5 major Danish shipping companies operating in Ghana has formed a similar network focusing on anti-corruption efforts in the maritime sector.

### Danish role models

The Danish companies operating in Ghana typically have a clear zero-tolerance on corruption policy. But what is more: They also practice it according to the Danish ambassador to Ghana, Tove Degnbol:

"A common characteristic of Danish companies in Ghana – and I am particularly proud to say this – is that they do not pay bribes. There is a clear attitude towards corruption as a thing that you simply do not embark upon. I know this, because we are discussing it intensively with the Danish companies and they very often come to us and mention examples of pressure that they are under. But it is also a common message that if you start paying, it will never end. Next time it will be more and more money required; so, also business-wise it is a very bad strategy. Overriding this, of course, is the moral argument that it is a complete waste of resources, and that we will not contribute to build capacity and institutions if we are at the same time undermining them through paying bribes." ■

### CORRUPTION PERCEPTION INDEX:

Ghana dropped four percentage points in Transparency International's 2016 corruption perception index, scoring 43 out of a clean score of 100. Ghana was ranked 70 out of 176 countries globally and Ghana is scoring favourably compared to other African nations, but worse than countries such as Rwanda, Namibia and Senegal. And over the past two years Ghana, has significantly declined in international corruption rankings.

# THE AID-TRADE SYNERGY

*The future commercial partnership between Ghana and Denmark builds on the strong position Danida has earned Denmark in Ghana.*

Danida's substantial support to Ghana's water sector may not be THE reason why the Danish company Kamstrup in early 2017 landed a contract to deliver 40,000 high-tech water meters to Ghana Waters.

"But it was definitely a contributing factor," says Søren Robenhagen from the Danish Trade Council in Accra. "Denmark has earned a strong name through Danida's engagement in Ghana's water sector. Strong relations and links have been built through the training, investments and co-operation supported by Danida. Denmark is seen as a strong and reliable partner in Ghana – and in the sectors Danida has supported like water, energy and health in particular. The case of Kamstrup illustrates that there is a lot to gain from that for private Danish companies."

The Danish ambassador to Ghana, Tove Degnbol, adds that in some cases Danish companies can do even more good in Ghana, than Danish aid has achieved: "I could take the example of environment. Now we see a lot of Danish companies coming into this area, interested in waste management, in renewable energy etc., and they will probably be able to do much more than we have done with our development aid cooperation."

To Emmanuel Kodwo Sackey, Senior Programme Advisor for Private Sector Development at the Danish embassy, there is a direct link between Danish aid activities in the past and the future trade and business relations:

"With the support by Danida and other development partners, Ghana has been able to build up the capacity, the work rate, the efficiency, the knowhow in Ghanaian businesses, and this is what the Danish businesses can now rely on and work with to enhance productivity and profitability going forward to aid also Danish-Ghanaian relationships." ■



## 40,000 DANISH WATER METERS TO GHANA

In 2014, representatives of Ghana Water Company Ltd. were part of a Ghanaian business delegation to Denmark. The visit was arranged by the Trade Council at the Danish embassy in Accra and included a visit to the Danish company Kamstrup in Skanderborg, which is a world leader in intelligent water systems. This first contact in 2017 led to an agreement with Ghana Water to deliver 40,000 intelligent water meters. It was Kamstrup's first and – so far – largest project in the field of intelligent water metering in Africa.

The visit in Denmark of Ghana Water in 2014, combined with the support of the Trade Council at the embassy of Denmark in Ghana during the negotiations on the contract with Ghana Water, were instrumental for landing the contract, according to Senior Vice President of Kamstrup, Per Trøjbo.

"It is a pleasure and a privilege to cooperate with the Danish embassy and Trade Council in Accra. It opens doors at a high level and gives us access to key people, which is essential for a company like ours being new in Ghana. And with this first contract, our chances of doing more in Ghana and in Africa have definitely improved. There is a huge demand for the new and efficient technology, we offer saving both water and energy – and money."

## GHANA HAS THE UPPER HAND

Trade between Denmark and Ghana is still at a low level, but increasing. In recent years, imports of goods from Ghana to Denmark have exceeded exports from Denmark to Ghana: In 2015, Ghana's total exports to Denmark were estimated to a total DKK 337.7 million (USD 50.3 million), while Denmark's total exports to Ghana amounted to an estimated DKK 200 million (USD 31.5 million).

Major exports from Denmark to Ghana include machinery, transport equipment, chemicals, pharmaceuticals, services and technical knowhow. The major Danish imports from Ghana are cocoa, oil seeds, fruit and biomass with Toms and AAK Aarhus as the leading importers.

## CLIMATE INNOVATION CENTRE

Supporting Ghanaian entrepreneurs to develop profitable and country-driven solutions to climate mitigation, adaptation and green growth. That is the aim of the new Ghana Climate Innovation Centre (GCIC). Already in 2013, Danida decided to support the establishment of the centre with a grant of DKK 65 million, and the Dutch embassy in Accra has since joined.

The GCIC forms an integrated part of

the World Bank's Climate Technology Program (CTP) which aims at creating a global network of Climate Innovation Centres targeting the early stages of innovation, including the key role of entrepreneurs and growth-oriented start-ups.

GCIC admitted its first group of 11 entrepreneurs into its business incubator at the Ashesi University College in June 2017.



## A GLOBAL NETWORK OF DANIDA FELLOWS

From 2007 to 2010, **Margaret Owusu** from Ghana was a PhD student at the Faculty of Life Science at Copenhagen University, partly sponsored by Danida Fellowship Centre, partly by the Danish chocolate producer Toms Group. Together with a team of other cocoa and agriculture experts from Ghana and Denmark, Margaret Owusu's research led to the development of chocolate from improved fermenting techniques of the raw cocoa beans used for the Toms Ekstra (more on page 25).

Margaret Owusu is one of about 20,000 fellows from 120 countries in the Global South, who have since the early 1960s been awarded Danida Fellowships to come to Denmark to study. Of these, more than 1,700 come from Ghana.

All over the world former Danida fellows take up important positions.



Margaret Owusu is now Senior Research Scientist and Head of the Food Microbiology and Mushroom Research Division at CSIR-Food Research Institute in Accra.

Besides enhancing their professional qualifications, the Danida fellows have

gained knowledge about Danish culture and values, challenges and opportunities. They are therefore obvious ambassadors to bridge and facilitate collaboration between Danes and Denmark's international partners in the South and to ensure, that users and providers of knowledge and capacity development support are connected and provided opportunities to cooperate.

To support and expand on the linkages and partnerships in the unique global network of fellows, Danida Fellowship Centre in May 2016 launched Danida Alumni Network with pilots in 2 countries – Ghana and Vietnam. In Ghana, the Danida Alumni Network (DAN-G) was launched in January 2017 at the Danish embassy in Accra. The network in Ghana now has 105 members. One of them is Margaret Owusu.

# THE EMBASSY WITH A WALL STREET WING



*Most of the staff at the Danish embassy in Accra used to concentrate on development cooperation, but this is changing.*

“For decades, Denmark had very extensive activities in development cooperation including health, water and sanitation, environment, private sector development, support to parliament, judiciary service, well, you name it, and most of the embassy staff were working on development cooperation one way or another. These years we are phasing out development cooperation, while at the same time gradually building our cooperation in trade,” **Tove Degnbol**, Danish ambassador to Ghana since 2015, explains.

“Now we have one part of the embassy which we call the Wall Street. That is all our staff working with trade in various forms or private sector development. And we work closely together across teams: Our colleagues in the development team liaises closely with the colleagues in the trade team and vice versa. When Danish companies contact us, and tell us they want to invest in or trade with Ghana, we can provide tailor-made support to help them overcome the initial challenges and tell them what to watch out for.”

## The bridge builder

As Senior Programme Advisor for Private Sector Development at the Danish embassy, **Emmanuel Kodwo Sackey** holds a key job in the transition from aid to trade, namely to ensure that Danida’s wide range of development aid activities in the private sector are exited in a sustainable way, while at the same time serving as a bridge to a stronger trade and commercial relationship between Danish businesses and Ghanaian businesses and private sector organisations.



## The Blue Man

In 2015, **Nicolas Roy-Bonde** came to Ghana to take up the new position of Maritime Counselor at the embassy and to facilitate partnerships between Danish and Ghanaian maritime authorities. The purpose is twofold: To support better framework conditions for Ghana’s maritime sector to contribute to Ghana’s continued economic growth. But the purpose is also to support Danish companies that wish to engage in Ghana’s blue sector. The Maritime Counselor in Ghana is part of the initiative, ‘Partnering with Denmark – Danish Authorities in International Cooperation’, launched by the Danish Government in 2015.



## The Trade Team

Promoting Danish companies’ engagement in Ghana – and Ghanaian companies’ engagement in Denmark, and promoting trade and other commercial relations between the 2 countries. That is the responsibility of the Danish Trade Council, which in 2012 opened its office in Ghana, hosted by the embassy. The transition



from traditional development cooperation into commercial relationships keeps the 2 staff of the trade team extremely busy.

“Here in Ghana, we promote what Denmark and Danish companies are good at, like renewable energy, architecture etc. We also tell Danish companies about the potential in Ghana. We arrange Ghanaian business delegations to Denmark, and Danish business delegations to Ghana and offer professional advice – at a fee – to private companies,” explains **Linda Kafui Abbah-Foli**.

## The investor

“Danida may be leaving Ghana, but IFU shall stay on and hopefully scale up our activities in Ghana and the region,” says **Nana Yaw Kwakye**, Investment Manager of IFU, The Danish Investment Fund for Developing Countries. IFU was established in 1967, but only in 2010, opened its office in Ghana – at the Danish embassy and, of course, now part of the Wall Street Wing. In Ghana, IFU’s portfolio includes companies like Fan Milk, West African Fish, the Margins Group etc.

“It makes sense that we are located at the embassy, because the embassy – with its Wall Street Wing – is positioned as a one-stop-shop business anchor for Danish companies coming to Ghana and also for Ghanaian companies seeking to work with Danish technology or Danish competences,” says Nana Yaw.



## The incubators

In 2015, the Danish embassy opened 2 incubator facilities for Danish companies wanting to establish themselves in Ghana. One of them is Bluetown, which provides low-cost, sustainable Wi-Fi solutions to connect people in rural areas of the world. The incubator companies give embassy staff useful insights into the conditions for starting businesses in Ghana, while the companies benefit from easy access to the embassy and its trade section.



## The tax collector

With the transition from aid to trade, Ghana shall increasingly rely on mobilising internal resources to finance public expenditures, and as part of the transition Denmark is actively supporting Ghana Revenue Authority (GRA). The support to GRA is focused primarily on strengthening customs to also facilitate opportunities for trade and doing business in Ghana. Denmark also gives core support to civil society organisations to improve transparency, accountability and good governance and to fight corruption, explains **Angela Farhat**, macroeconomist at the embassy and responsible for the tax and development support. ■





*Creating jobs for future generations like this boy at Asikuma Presbyterian Primary School in Eastern Region is one of Ghana's major challenges.*

## **Watch 7 short films on the Danish-Ghanaian private sector partnership:**

### **From Aid to Trade**

Three decades of development cooperation build a strong foundation for a renewed Danish-Ghanaian partnership based on business, trade and investment.

### **Farming as a Business**

Support to the agricultural sector has often come with a silo-approach. In Northern Ghana, Danida tested a new approach in practice – looking across the agricultural value chain.

### **The Paradox of Rural Finance**

Ghana has a huge potential in agriculture and food processing. Yet, credit is difficult to obtain in the rural areas. Something can be done about it, Danida-support to rural finance shows.

### **Bridging the Public-Private Sector Gap**

For almost two decades, Danida has been pioneering support to business advocacy in Ghana. As a result, the private sector has a much stronger voice.

### **Investing in Skills Pay Off**

The Skills Development Fund – piloted by Danida – makes use of a new and innovative approach, which has proven successful.

### **Ghana in the Family Genes**

In 1975 Paul Wallewik left Denmark to settle and do business in Ghana. Now his son runs a cashew nut company, employing hundreds of Ghanaians.

### **The Embassy with a Wall Street Wing**

The Danish embassy in Ghana changes its focus towards strengthening Danish-Ghanaian business and trade relations.

The films are available on [www.ghana.um.dk](http://www.ghana.um.dk)