

REPUBLIC OF GHANA

NATIONAL AFRICAN PEER REVIEW MECHANISM – GOVERNING COUNCIL

PROGRESS IN IMPLEMENTING THE NATIONAL PROGRAMME OF ACTION

SECOND BI-ANNUAL PROGRESS REPORT FOR THE PERIOD JANUARY - JUNE 2007

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June 2007

Table of Contents

List of Abbreviations	3
Executive Summary	5
Chapter One: Introduction	13
Chapter Two: Methodology	15
Chapter Three: Democracy and Good Political Governance	18
Chapter Four: Economic Governance and Management	30
Chapter Five: Corporate Governance	34
Chapter Six: Socio-Economic Development	40
Chapter Seven: Conclusion	46

LIST OF ABBREVIATIONS

ADB	African Development Bank
ADR	Alternative Dispute Resolution
AG	Attorney General's Department
APRM	African Peer Review Mechanism
ART	Anti-Retro-viral Therapy
ATT	Arms Trade Treaty
BESIP	Basic Education Sector Improvement Programme
BoG	Bank of Ghana
CAGD	Controller and Accountant General's Department
CBO	Community Based Organization
CEPA	Centre for Policy Analysis
CEPS	Customs Excise and Preventive Service
CHRAJ	Commission for Human Rights and Administrative Justice
CPI	Corruption Perception Index
CSOs	Civil Society Organisations
CWIQ	Core Welfare Indicators Questionnaire
CWSA	Community Water and Sanitation Agency
DA	District Assemblies
DACF	District Assemblies Common Fund
DAs	District Assemblies
DCEs	District Chief Executives
DPs	Development Partners
DSW	Department of Social Welfare
ECOWAS	Economic Community of West African States
EPA	Environmental Protection Agency
FCUBE	Free Compulsory Universal Basic Education
FGD	Focus Group Discussion
GACC	Ghana Anti-Corruption Coalition
GAWU	Ghana Agricultural Workers Union
GCB	Ghana Commercial Bank
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GES	Ghana Education Service
GET FUND	Ghana Education Trust Fund
GLSS	Ghana Living Standards Survey
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Service
HIPC	Heavily Indebted Poor Country Initiative
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technologies
IGR	Internally Generated Revenue
ILO	International Labour Organization
IMF	International Monetary Fund
ISODEC	Integrated Social Development Centre

ITTU	Intermediate Technology Transfer Unit
LAP	Land Administration Project
M&E	Monitoring and Evaluation
MCT	Ministry of Communication and Technology
MDAs	Ministry(ies), Department(s) and Agency(ies)
MDBS	Multi Donor Budget Support
MDGs	Millennium Development Goals
MLGRD	Ministry of Local Government and Rural Development
MOES	Ministry of Education and Sports
MOFA	Ministry of Food & Agriculture
MOFEP	Ministry of Finance and Economic Planning
MOH	Ministry of Health
MOTI	Ministry of Trade and Industry
MOWCA	Ministry of Women and Children Affairs
MPSD	Ministry of Private Sector Development
MRT	Ministry of Roads and Transport
MTEF	Medium Term Expenditure Framework
NACOB	Narcotics Control Board
NAPRM-GC	National African Peer Review Mechanism – Governing Council
NDAP	National Decentralization Action Plan
NDPC	National Development Planning Commission
NED	National Economic Dialogue
NGP	National Governance Program
NPOA	National Programme of Action
OHCS	Office of the Head of Civil Service
OOP	Office of the President
PPB	Public Procurement Board
PSR	Public Sector Reform
PSRP	Public Sector Reform Programme
PPSD	Private Sector Development
PSI	Presidential Special Initiative
PURC	Public Utilities Regulatory Commission
PWDS	Persons With Disabilities
REDP	Rural Enterprise Development Programme
SHEP	Self Help Electrification Project
SME	Small Medium Enterprises
STEP	Skills Training & Employment Programme
TIN	Tax Identification Number
TVET	Technical & Vocational Educational Training
UNICEF	United Nations International Children Educational Fund
VCT	Voluntary Counselling and Testing
WB	World Bank
UNDP	United Nations Development Programme

EXECUTIVE SUMMARY

This report presents the findings and conclusions on a Monitoring and Evaluation survey of the status of implementation of Ghana's National Program of Action. The overall purpose of the survey is to assess the extent to which various stakeholders have implemented the recommendations raised in the National Program of Action.

During the period under review, NAPRM-GC conducted a number of dissemination workshops aimed at promoting dialogue and obtaining feedback on the progress of implementation of the NPOA. The Council also used the opportunity to distribute copies of the 2006 Annual Progress Report to stakeholders.

Available data from the **MTEF Activate** also indicated that Government of Ghana approved nearly USD1,129 Billion for APRM-related activities during the 2006 Budget Cycle, but only USD596 Million was actually released.

Methodology

The findings were gathered through progress reports submitted by MDAs, key informant surveys and a household survey of all the 138 districts of the country. The household survey covered a total of 1,380 respondents drawn from a wide variety of stakeholders including traditional authorities, youth groups, women groups, public sector, private sector, civil society organizations.

Findings

A. Democracy and Good Political Governance

Codes and Standards

Even though the Ministry of Foreign Affairs, Regional Integration and NEPAD is yet to set up a Ratification Desk, there are strong indications that the Amendments to the Constitutive Act of the AU, 2003 and Non-Aggression and Common Defense Pact, 2005 will be ratified before the AU Summit on July 1, 2007.

a) Prevent and reduce intra- and inter state conflicts

The Land Commission Secretariat has decentralized its office to all 10 regional capitals. This has reduced the period for registration of land and title deeds from 36 months to 9 months.

A number of Capacity Building programmes are being conducted for the Police, Immigration Service, Prisons and the Narcotics Control Board (NACOB).

Parliament has passed the Bill on Small Arms, it is awaiting Presidential assent. Government has been called upon to present its position paper on Arms Trade Treaty (ATT) to the United Nations before the deadline of June 20, 2007 and to ratify the ECOWAS Treaty on Small Arms.

b) Promote Constitutional Democracy, Political Competition and Rule of Law

The Electoral Commission is to embark on continuous registration from 2007. The National Identification System is to be rolled out to undertake registration of all persons 18 years and above.

There is no indication in the new Decentralization Policy on Government's position on the election of DCEs.

c) Promotion and Protection of Civil, Political, Economic, Social and Cultural Rights

To improve access to justice, 3 new district courts have been commissioned. In addition, 10 magistrate/circuit courts have been refurbished and automated. 46 percent of Respondents reported an improvement in access to justice, whilst 40 percent indicated no improvement.

There is no policy yet on the option of integrating traditional arbitration into the justice delivery system. However, a comprehensive programme of mainstreaming and incorporating Alternative Dispute Resolution (ADR) in the adjudication process of the courts has been completed.

CHRAJ's has not been granted the mandate to prosecute cases, it still has to refer all cases to the Attorney General.

The Criminal Code (Amendment) Bill has been passed. The Bill proposes that perpetrators of Female Genital Mutilations should be sentenced to a minimum of 5 years and a maximum of 10 years jail sentence.

A number of institutions, MOWAC, GAWU, IOM are engaged in sensitization, education and consensus building on the issue of child labour and trafficking. A number of children were re-united with their families in mid-May 2007.

Ghana appointed her first female Chief Justice. 60 percent of Respondents were of the opinion that there has been an improvement in the representation of women in public life.

d) Uphold the separation of powers, including the protection and independence of the Judiciary and an effective Legislature

The Public Accounts and Finance Committees were supported with training and resources. Though the 2007 Budget indicated an increase in allocation to Parliament, it failed to establish resource parity.

All Bills are still drafted from the Office of the Attorney General.

e) Ensure accountable and efficient public office holders and civil servants; and promote participation of civil society and media in governance

As part of the Public Sector Reforms, Client Service Units have been set up in line Ministries and key Agencies to facilitate improved client services. 54 percent of Respondents are of the opinion that public office holders are not accountable to clients.

Institutional space exists for citizen participation in national dialogue but it is not clear how they feed into the policy making process.

There is limited engagement of political parties in policy formulation processes so as to ensure consensus on policy issues.

f) Fighting corruption in the public sphere

The Public Procurement Board has successfully assessed 213 entities as regards their adherence to the provisions in the Public Procurement Act. Ghana's Public Procurement System is 70 percent compliant with international procurement standards. Additional regulations and guidelines that will give full backing to Act 663 are still before Parliament waiting to be passed.

There is no synergy between the institutions fighting corruption. Government is yet to develop strategies to meet this challenge.

The Serious Fraud Office (SFO) does not have a substantive Chief Executive.

The Assets Declaration Regulations have not been reviewed.

g) Promotion and protection of the Rights of Women

The law on Domestic Violence has been passed.

MOWAC and the Attorney General's Department are working towards the early enactment of the Property Rights for Spouses Bill.

h) Promotion and Protection of the Rights of Children and Young Persons

A number of institutions including Ministry for Manpower and Employment and Catholic Action for Street Children have programmes and projects that are taking children off the streets.

Ghana is yet to develop a comprehensive plan on Commercial Sexual Exploitation of Children.

In some parts of the country, girls aged between 14 – 16 years are forced into marriages by their parents.

i) Promotion and protection of the rights of vulnerable groups including internally displaced persons and refugees

Though the Disability Law has been passed, no Legislative Instrument has been issued to implement the law. The National Disability Council is yet to be constituted to spearhead the implementation of the Law.

B. Economic Governance and Management

Standards and Codes

The following standards and codes have still not been ratified:

- Guidelines of Good Practices on Fiscal Transparency
- Guidelines on Public Debt Management
- Code of Good Practices in Transparency and Financial Affairs
- Best Practices for Budget Transparency
- Principles of Corporate Governance

a) Promote Sound Macro-Economic Policies that support Sustainable Development

The Ministry of Finance and Economic Planning provides expenditure ceilings for all line Ministries prior to the start of the budgetary process.

Variance between actual expenditures and planned budgets still remains a serious challenge.

The collaboration between MOFEP, BoG and NDPC and independent think tanks has improved, however, there is still room for further improvement.

Reports on Expenditures and revenues of Metropolitan, Municipal and District Assemblies (MMDAs) are very difficult to interpret since the data are neither current nor accurate.

The Ghana Statistical Service (GSS) is preparing a strategic plan for the production, distribution and management of statistics.

b) Implement Sound, Transparent and Predictable Government Economic Policies

The Ministry of Information and National Orientation organizes weekly **Meet the Press sessions** to inform citizenry about government policies.

c) Promote Sound Public Finance Management

The computerization of the Internal Revenue Service is in progress. There has been a reduction of tax registration from 7 days to 3 days.

An Expenditure Tracking Committee has been set up to track releases from MOFEP to CAGD to BoG.

Ghana's external debt service as percentage of exports of goods and services reduced from 5.81 percent (2005) to 3.17 percent (2006).

Ghana has conducted a Debt Sustainability Analysis.

Ghana has no real fiscal decentralization policy yet, even though the issue is addressed in the new Decentralization Policy. The CAGD has established Financial Monitoring Units at Headquarters and Regional Directorates to ensure effective and efficient fiscal decentralization.

d) Fight Corruption and Money Laundering

The Public Sector Reforms Strategy is incorporating corporate governance principles into the public sector. The Ministry of Public Sector Reform is reconciling the payroll and personnel database.

Ghana slipped 0.2 points on the 2006 Corruption Perception Index (CPI) published by Transparency International.

44 percent of Respondents indicated that there has been no improvement in the fight against corruption.

C. Corporate Governance

Standards and Codes

The following standards and codes have still not been ratified:

- ILO Convention on Minimum Age
- Principles of Corporate Governance

The Insurance Act, 2006 (Act 724) was passed into law at the close of December 2006.

a) Promoting an Enabling Environment and Efficient Regulatory Framework for Economic Activities

Time spent on searching for names and retrieving information on registered companies has been reduced from a baseline of 2 days to 5 minutes. This has resulted in an improvement for processing business registration documents from 7 days to 3 days.

The National Road Safety Commission under the National Youth Employment Programme has recruited and trained over 200 traffic wardens to manage and direct traffic on major intersections.

The Ghana Maritime Authority has prepared a draft Legislation Instrument on the construction, use and operation of commercial and leisure boats on inland waterways. The Authority has started the rehabilitation of one of the Volta Lake Transport Company's ferries.

CEPS, SIC and GCNET have established an Electronic Transit System at Takoradi to reduce bureaucratic transit clearance. Stakeholders at the ports are still, however, worried about the insistence on 100 percent examination of all containers and the increased number of MDAs involved with clearance which lead to undue delays at the ports.

Despite the reduction in corporate tax and phasing out of the National Reconstruction Levy, businesses contend they have to deal with over 30 taxes and levies.

b) Ensure that Corporations act as Good Corporate Citizens with regards to Human Rights, Social Responsibility and Environmental Sustainability

There is disagreement between the EPA and civil society organizations on the extent of environmental pollution perpetrated by corporate bodies. Whilst the EPA insist that more environmental pollution is caused by illegal "galamsey operators" and small scale mining firms whose operations are difficult to monitor, the Wassa Association of Communities Affected by Mining (WACAM) points to spillage by a major gold firm at Bogoso in 2006.

WACAM has conducted training for about 30 communities in Wassa West (Western Region) and Obuasi (Ashanti Region) to detect and report on cyanide spillage.

c) Promoting and Adoption of Codes of Business Ethics in Achieving the Objectives of the Corporation

Ghana is yet to develop and pass Anti-Competition Law.

d) Ensure Corporations treat all their stakeholders (shareholders, employees, suppliers and consumers) in a fair and just manner

The Credit Reporting Act, 2007 (Act 726) has been passed. The Credit Referencing Bureau is yet to be established.

The review of the Companies Code is on-going

D. Socio-Economic Development

Standards and Codes

The following codes and standards remain unratified:

- African Charter for Popular participation in development
- The World Summit on Social Development
- The United Nations Declaration on the Right to Development

a) Promote self-reliance in Development and Build Capacity for self-sustaining development

At the national level MOFEP invites inputs from civil society to inform the budget process. Although such a platform exists at the district level the level of participation is low.

b) Accelerate Socio-Economic Development to Achieve Sustainable Development and Poverty Eradication

MOFEP is restructuring its M&E Unit

The passage of the Foreign Exchange Act, 2006 (Act 723) has lifted the 10 percent limit on non-resident foreign investors' holdings in securities listed on the GSE.

The over subscription of shares on the GSE is an indication of the changing attitude of Ghanaians to investment packages.

Since 2001, the agricultural sector has been growing at an average of 5.7 percent, faster than overall GDP growth of 5.2 percent. Despite gains made in the provision of small-scale irrigation facilities, the majority of farmers still rely on rainfall.

c) Strengthen Policies, Delivery Mechanisms and Outcomes in Key Social areas including education and combating HIV/AIDS and other Communicable Diseases

A New Educational Policy is to be implemented as from September 2007 to address the issue of quality of education.

The incentive package proposed for teachers, especially those in rural areas, is not being implemented.

Generally, most Respondents reported that there has not been any change in their purchasing power (Fig. 9)

The National HIV/AIDS prevalence rate increased from 2.7 percent in 2005 to 3.2 percent in 2006.

The Malaria Control Programme Report notes a decrease in under-five malaria case fatality rate from 2.4% in 2005 to 2.1% in 2006 (against a target of 2% set for the year). The decline may be partly attributed to the increase in utilization of ITNs and other effective interventions.

d) Ensuring affordable access to water, sanitation, energy, finance, markets, ICT and Land to all citizens, especially the rural poor

There was a marginal increase in the number of Ghanaians with access to treated water. Access to treated water in rural areas increased from 52 percent (2005) to 53 percent (2006), whilst those in urban areas increased from 55 percent (2005) to 56 percent (2006).

CHAPTER ONE

INTRODUCTION

This is the Third Progress Report on the implementation of Ghana's National Programme of Action (NPOA) submitted by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) to the APR Panel in accordance with the APRM Reporting Standards. The report covers the period January – June 2007.

The objective of the Report is to provide information on the progress made by stakeholders (Government, CSOs and other stakeholders) in implementing the National Programme of Action. Specifically it outlines progress made in the four thematic areas of the African Peer Review Mechanism (APRM) – Democracy and Good Political Governance; Economic Governance and Management; Corporate Governance and Socio-Economic Development.

The Third Progress Report, like the previous reports, dwells extensively on stakeholder inputs.

Structure of the Report

The Report is structured into seven main chapters.

Chapter One gives an overview of the monitoring and evaluation activities undertaken by NAPRM-GC for the period January – June 2006

Chapter Two outlines the Methodology adopted for the Monitoring and Evaluation of the NPOA.

Chapters Three to Six present the findings under the four thematic areas.

Chapter Seven is the concluding chapter.

Challenges to data collection

The submission of 6-monthly report is putting a lot of pressure on MDAs as well as civil society organisations. During the compilation of the APRM Annual Progress Report, most MDAs had not completed their Annual Reports, so when requested to give updates for the period January – June 2007, most MDAs reported on activities for the year ended 2006.

Dissemination of 2006 Annual Progress Report

NAPRM-GC published and distributed 5,000 copies of the 2006 Annual Progress Report to various stakeholders. In addition, NAPRM-GC conducted a dissemination workshop in each of the 10 regions.

The objectives of the workshops were to:

- Deepen public awareness of the APRM and dispel myths and misconceptions;

- Share with stakeholders the progress made in the implementation of the National Programme of Action;
- Promote dialogue and obtain feedback on the progress made in implementing the NPOA;
- Distribute copies of the Popular Version of the Country Review Report and the 2006 Annual Progress Report;
- Collect data for the Third Progress Report.

APRM NPOA Financing

The APRM National Program of Action has been mainstreamed into the Ghana Growth and Poverty Reduction Strategy (GPRS II) and hence the issues under the four thematic areas have been incorporated into the MTEF through the GPRS Matrix. Available data from the MTEF Activate indicates that **nearly USD1,129,863,400 was approved for APRM-related activities** during the 2006 budget cycle, which is made up of 48.7 percent discretionary expenditures, 51.3 percent statutory funds (including 15 percent HIPC inflows, 11.4 percent GETFUND, 10.3 percent Road Fund). However, **only USD596,557,400 was released for NPOA activities.**

Out of the amount of USD 596,557,400 released for NPOA activities, almost 33 percent went into Democracy and Good Political Governance related activities. Nearly 43.5 percent of the releases to this theme was spent on “Ensuring accountable, efficient public office holders and civil servants”; 25.2 percent went into “Promoting Civil, Political, Social and Cultural Rights” and 22.3 percent was spent on “Preventing and reduction of intra- and inter state conflict”. The remaining 9 percent was spread over the other six objectives under this theme.

CHAPTER TWO

METHODOLOGY

Mindful of the APRM principle of all-inclusiveness, NAPRM-GC adopted an open, participatory approach in gathering information for the preparation of this Third Progress Report.

NAPRM-GC used a three-pronged approach in data/information collection.

The **first approach** was to send to all Ministries, Departments and Agencies (MDAs) progress report cards that detailed specific issues raised in the National Program of Action that are to be addressed by each MDA. The MDAs were required to indicate for each issue:

- (i) areas of appreciable progress
- (ii) areas of least progress
- (iii) challenges and constraints to implementation
- (iv) the way forward/remarks

The progress report cards were designed in this form:

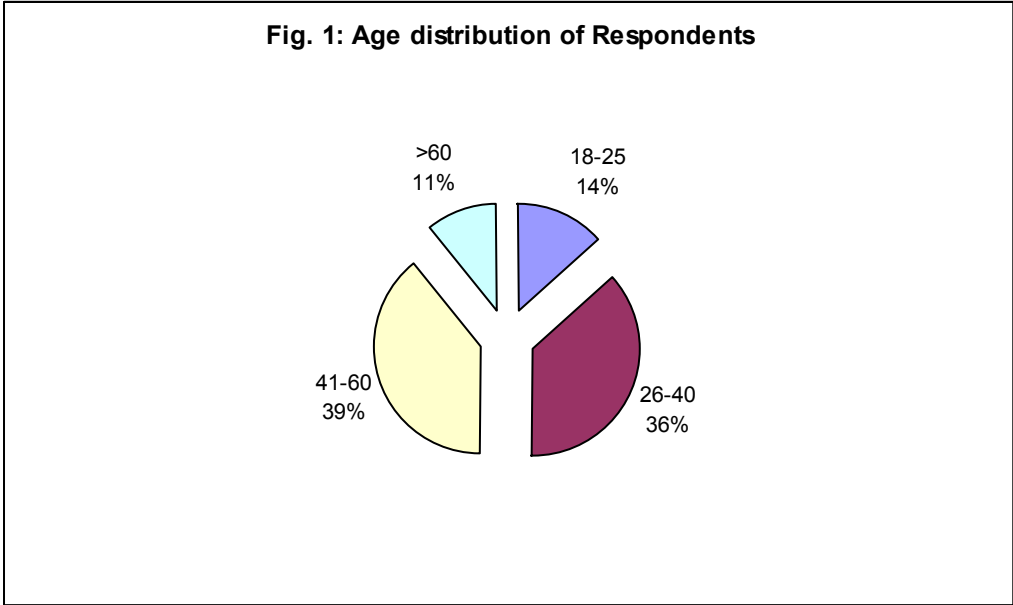
Issue	Areas of Appreciable progress	Areas of least progress	Constraints and challenges to implementation	Remarks

The **second approach** was to design a citizen report card that was administered to 1,380 citizens (citizen survey) in all the 138 districts (10 per district). The administration was conducted by Civic Leaders residing in the districts. The citizen survey covered a total of 1,380 respondents drawn from a wide variety of stakeholders including traditional authorities, youth groups, women groups, public sector, private sector, civil society organizations.

Characteristics of Respondents

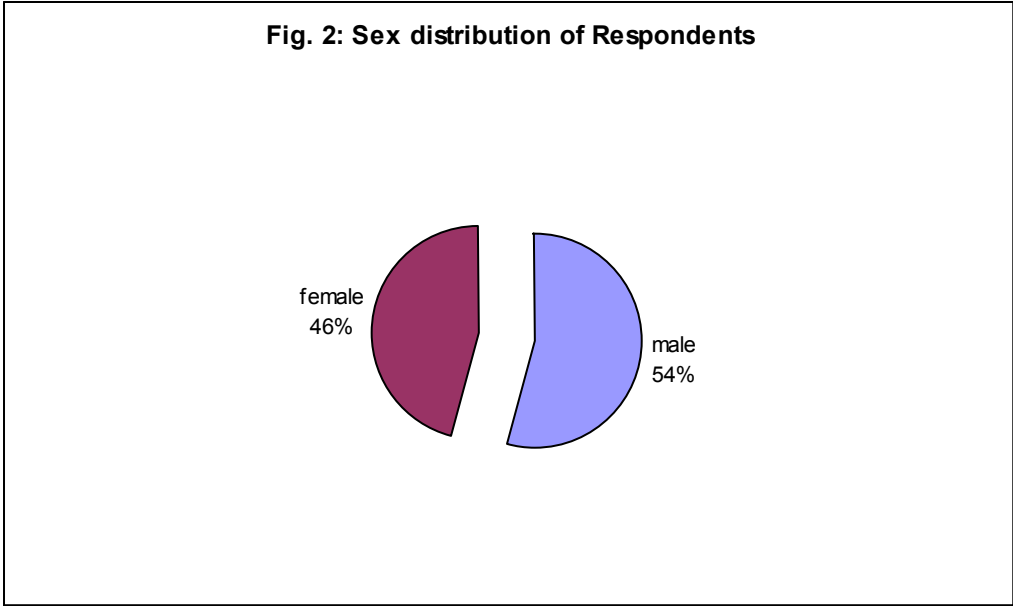
a) Age Distribution

The age distribution of the Respondents is shown in Figure 1. About 75 percent of Respondents were within the 26 – 60 year group. 14 percent were within the 18 – 25 year group, whilst the above 60 constituted 11 percent of Respondents.



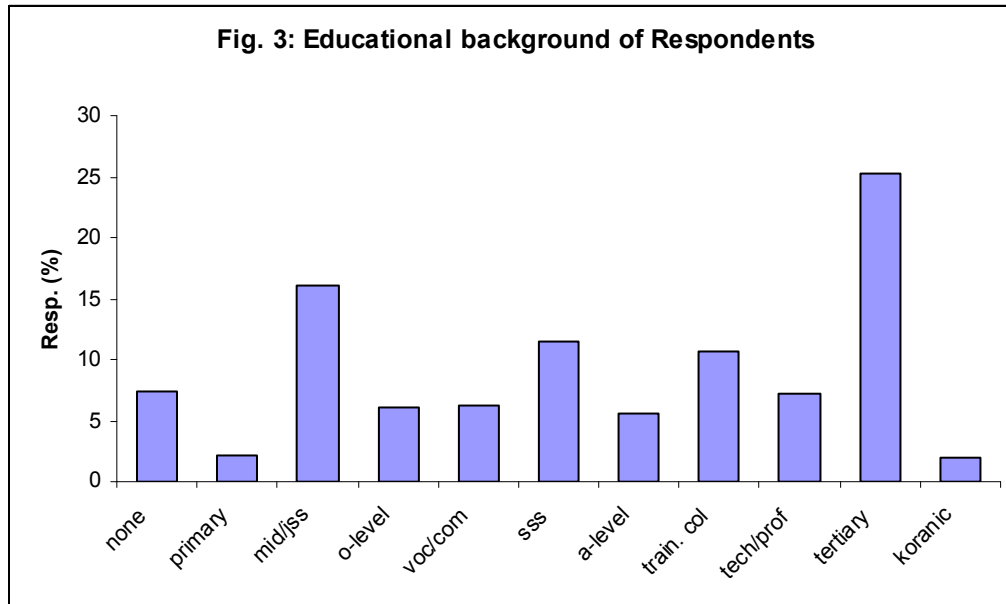
b) Sex Distribution

The number of males interviewed was slightly more (54 percent) than females (46 percent) (Figure 2).



c) Educational background of Respondents

The Respondents were well educated with about 60 percent having SSS certificate and over, with 25.2 percent having tertiary education. Only 7.4 percent had no education (Fig. 3).



The **third approach** was to conduct focus group discussions/expert group workshops for targeted groups like institutions/organizations dealing with gender issues, governance issues, private sector issues, local governance issues, etc.

Validation Workshop

A national validation workshop was organized from Friday, June 22 to Sunday, June 24, 2007 at Manna Heights Hotel, Mankessim. The objective of the validation workshop was to afford stakeholders the opportunity to interrogate and critique the Draft Third Progress Report. Stakeholders were drawn from all regions and all walks of life – public sector, private sector, civil society, traditional authorities, PWDs, youth groups, women groups, etc.

CHAPTER THREE

DEMOCRACY AND GOOD POLITICAL GOVERNANCE

3.0 Introduction

This Section presents the findings on the continuing implementation of the recommendations raised under the Democracy and Good Political Governance of the National Program of Action.

3.1 Standards and Codes

The Ministry for Foreign Affairs, Regional Integration and NEPAD has not set up the Ratification Desk. The following Conventions have still not been ratified:

1. Amendments to the Constitutive Act of the AU, 2003
2. Protocol on the African Court of Human and People's Rights, 1998
3. Protocol on the Rights of Women, 2003
4. Protocol on the African Court of Justice, 2003
5. AU Non-Aggression and Common Defense Pact, 2005
6. Protocol to the OAU Convention on the Prevention and Combating Terrorism, 2004

There are strong indications that the Amendments to the Constitutions Act of the AU, 2003 and Non-Aggression and Common Defense Pact, 2005 will be ratified before the AU Summit on July 1, 2007.

Objective 1: Prevent and reduce intra and inter-state conflicts

3.2 Poorly Defined Land Ownership and Land Registration

By decentralizing its activities with the establishment of the 10 regional Land Commission Secretariat offices, the period for registration of land deeds and titles have been reduced from 36 months to 9 months.

The Land Administration Project (LAP) is documenting all lands, their owners and identifying their specific uses. About 15,000 square kilometers have been mapped out and documented for the benefit of owners and investors.

The exercise to merge the four main agencies (Lands Commission Secretariat, the Land Valuation Board, the Survey Department and the Land Title Registry) which all deal with land administration is also on course.

3.3 Effective and Efficient Early Warning System Mechanism

Capacity building programmes for Police, Immigration Service, Prisons, NACOB are being supported by a number of DPs.

3.4 Sub-Regional Security

The Kofi Annan International Peace Training Centre continues to run courses on peace keeping, conflict resolution and management for individuals from over 90 countries.

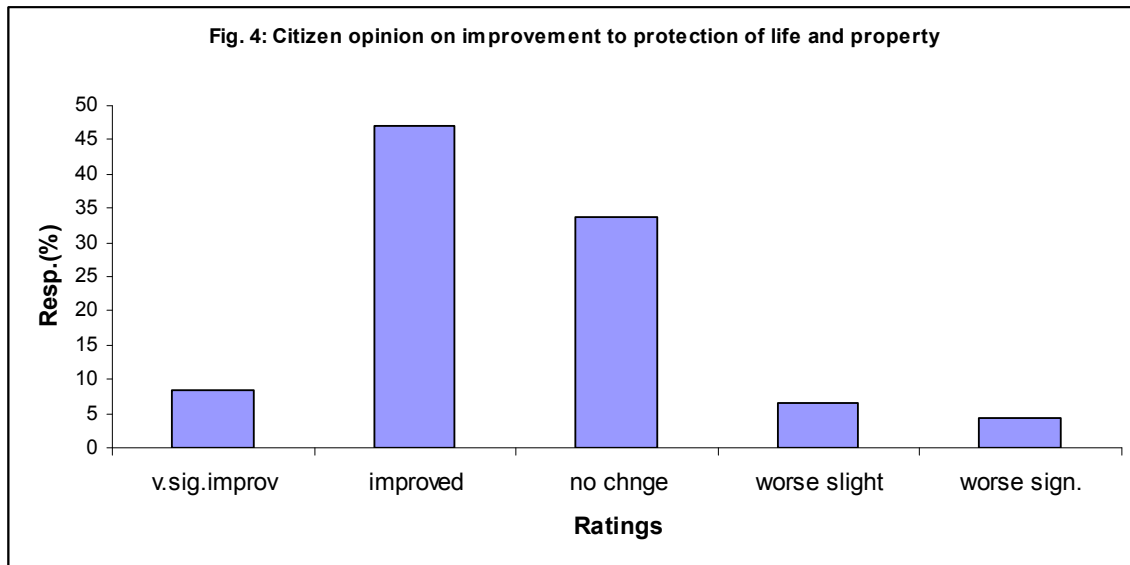
Interior Ministers of ECOWAS nations met to deliberate on the issue of cross-border arms smuggling within the sub-region.

3.5 Safety and Security of Life and Property

The Bill on Small Arms has been passed by Parliament. It is awaiting Presidential assent.

The Ministry of Interior is developing regulations for the operation of private security companies. A national architecture for peace is being implemented by the Ministry of Interior which brings together civic actors and government at all levels in building peace.

The country continues to witness occasional highway robberies and robbing of houses resulting in loss of lives and property as a result of the proliferation of small arms. The interception of caches of arms by security forces is a cause for concern. Nevertheless, Respondents (55.4 percent) were of the opinion that the security situation has improved (Fig 4).



Stakeholders task Government to control small arms

The Government of Ghana has been asked to present a position paper on the Arms Trade Treaty (ATT) to the United Nations before the deadline of June 20, 2007 and also ratify the Economic Community of West African States (ECOWAS) Treaty of Small Arms.

3.6 Responsiveness of Chieftaincy to the rapidly changing social needs

Government is being supported by some DPs to implement programmes that strengthen capacities of chiefs for modern leadership. The codification of chieftaincy succession is on-going.

The Ministry of Chieftaincy and Culture is consulting with chiefs to establish a Royal College to groom potential chiefs.

During interactions with chiefs, the chiefs requested that a Common Fund be established for chiefs to undertake development activities in their communities. They remarked that they have also been marginalized in the local government process.

Queenmothers complained that chiefs are marginalizing them.

Objective 2: Promote Constitutional Democracy, Political Competition and Rule of Law

3.7 Periodic Voter Registration

The Electoral Commission has plans to embark on continuous registration from 2007.

The National Identification System is expected to be operational this year to undertake the registration of all Ghanaians and non-Ghanaian residents above the age of 18 years.

3.7.1 Voter Education

The NCCE is finalizing the draft of a national framework for civic education.

3.8 Decentralization

The new Decentralization Policy has been submitted to Cabinet for scrutiny. The Policy Document contains the revision of the legal and operational frameworks in Phase 1 of the upcoming Decentralization Policy Implementation Plan (DPIP). Implementation of the National Decentralization Action Plan (NDAP) is still in progress. 80 percent of planned activities under NDAP 2006 implementation was achieved. NDAP 2007 has been developed and presented to the NDAP Steering Committee on 20 February 2007.

Following the passage of the LGS Act, 656 and the establishment of the Local Government Service Council, the operationalization of the Act has been slow due to inadequate capacity and insufficient budgetary allocation to the LGS Council. The Council's ineffective functioning is adversely affecting integration of civil servants into the Local Government System. The preparation of schemes and conditions of service is priority task for the Council, but no significant progress has been made so far. **The restructuring of the Area and Zonal Councils which is under Phase 1 of the upcoming DPIP has not been tackled.**

In the new Decentralization Policy, election of DCEs and all Assembly members are addressed in three outlined options, two of which require Constitutional Amendments. **Option 1:** all Assembly members elected by 2010 with the exception of traditional leaders,

and all DCEs elected starting 2014. **Option 2:** all Assembly members elected starting 2010, but DCEs remain appointed. LG Act will be amended to specify requirements and process for becoming DCE. **Option 3:** maintain the status quo, but clear guidelines, on the appointment of Assembly members would be prepared.

There is no indication in the Decentralization Policy document as to which option government will choose.. Stakeholder consultations with the Minister for MLGRDE indicate that he would be advocating for Option 1. No constitutional review has been initiated so far. However, there are indications of reviewing relevant laws to facilitate the process.

Objective 3: Promotion and Protection of Civil, Political, Economic, Social and Cultural Rights

3.9 Access to Justice

Under the Judicial Service Reform Programme the registries of the Supreme Court and the Court of Appeal have benefited from the installation of an Electronic Case Management System (ECMS). The installation is to assist judges and staff to capture and retrieve data more efficiently thereby speeding up the processes in the Courts. Two High Courts – the Automated Fast Track High Court in Accra and High Court in Sekondi – have also benefited from the software (ECMS).

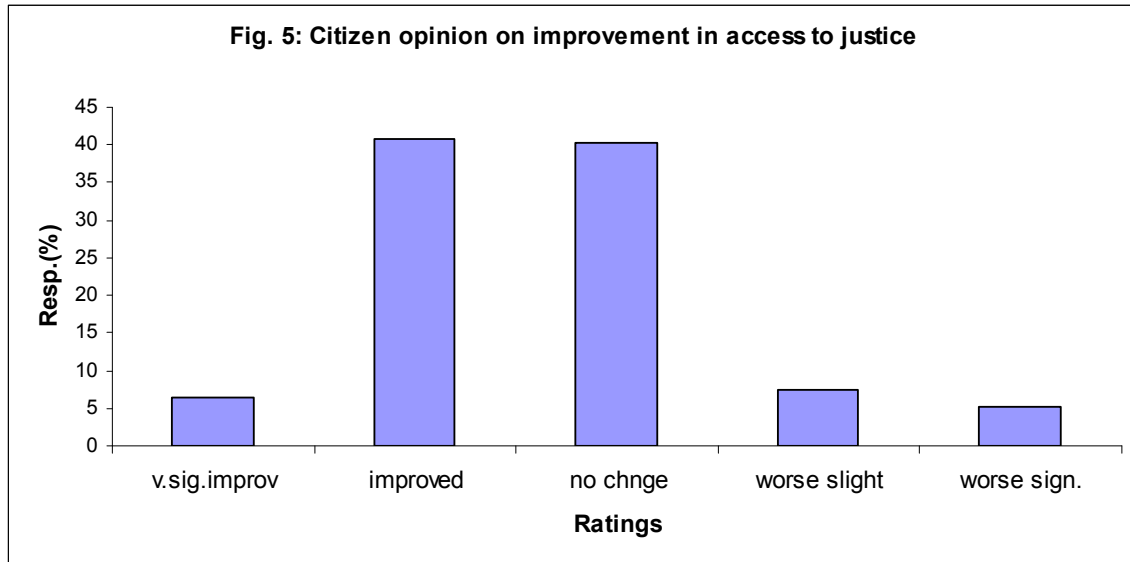
In efforts to bring justice to the doorsteps of Ghanaians, three new district courts were commissioned in 2006. These were at Pokuase, Medina and Ejura. Two new courts are to be opened in Axim and Anyinasi in the Western Region. In addition, 10 magistrate/circuit courts have also been refurbished and automated in addition to the 5 completed in 2006.

The Judicial Service is also pursuing the Career Magistrates Programme. During 2006, 44 Career Magistrates were posted to 44 districts that did not have permanent magistrates. This year (2007), 30 career magistrates are undergoing training.

There is no policy decision yet on the option of integrating the traditional arbitration into the justice delivery service.

However, a comprehensive programme of mainstreaming and incorporating Alternative Dispute Resolution (ADR) in the adjudication process of the courts has been completed. In the Commercial Court (Division of the High Court) for instance, judges attempt mediation in all cases and if a particular judge fails in mediation, the case is sent to another judge for full trial. In other High, Circuit and Magistrate Courts when a case is called for trial, the Judge or Magistrate may refer it to the Registrar or ADR Officer in the court for the mediation process to commence. If the attempt at mediation fails, the case is returned to court for full trial.

46 percent of Respondents were of the opinion that access to justice has improved (very significant improvement/improved) for the majority of Ghanaians, whilst 40 percent reported “no improvement”. Only 12 percent reported a worsening situation (Fig. 5).



3.9.1 Low public confidence in the justice system

The Judicial Service has developed a Code of Ethics for the Judiciary. Under its Sensitization Programme, staff of the Service are being sensitized on the issue of corruption.

The Judicial Service of Ghana has automated its Public Complaints Unit to assist in capturing data and data collation for purposes of analyses. The Petitions and Complaints Unit was set up to receive complaints from the general public against staff and Judges of the Judicial Service as part of efforts to build an honest and transparent Judiciary.

Mob Justice

There has been increased incidence of “mob justice” by sections of the populace that have resulted in the loss of innocent lives.

3.9.2 Capacity of CHRAJ to prosecute its mandate

CHRAJ mandate to prosecute has not being reviewed. CHRAJ must refer all cases to the Attorney General for prosecution.

3.10 Cultural Practices Harmful to women

The Criminal Code (Amendment) Bill was passed by Parliament on Thursday, June 14, 2007. Under the Bill the offence of female circumcision has been changed to “female genital mutilation” and the scope of offence widened to reflect the actual nature of the offence. The Bill proposes that perpetrators of FGMs should be given a minimum of 5 years and a maximum of 10 years custodian sentence.

3.11 Child Trafficking and Child Labour

The Ministry of Women and Children Affairs (MOWAC) has undertaken education and sensitization in communities on the effects of parents selling their children to traffickers. The Ministry is now poised to enforce the Law on Trafficking having created sufficient awareness amongst Ghanaians.

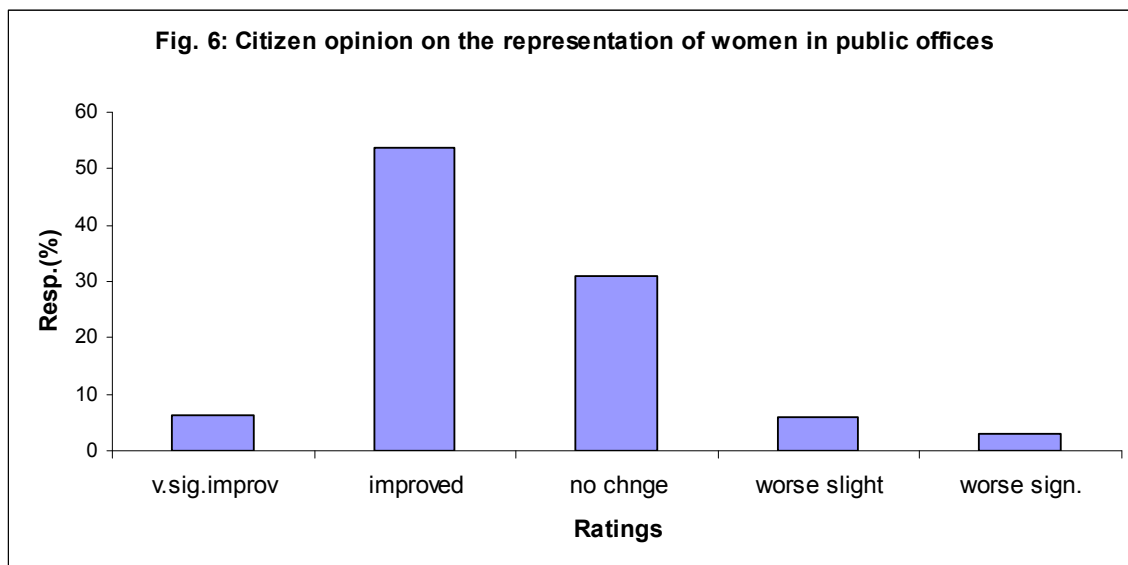
The International Organisation for Migration (IOM)'s Trafficked Children Project in Ghana has focused on awareness-creation, sensitization, and consensus building on the issue of child trafficking for labour exploitation in 25 fishing villages around the Lake Volta. Working with MOWAC, IOM re-united 25 trafficked children with their families in mid-May 2007.

The General Agricultural Workers Union (GAWU) is executing a project in Kpandor-Torkor in the Volta Region to free under aged children engaged in fishing along the Volta Lake. GAWU also conducted research on child labour in the cocoa producing regions. As a result of the study, GAWU in collaboration with COCOBOD and the Ministry for Manpower and Employment is sensitizing people in cocoa growing areas on child labour issues.

3.12 Under representation of women in public life

Little progress on implementation of Affirmative Action Guidelines (1998).

The appointment of the first female Chief Justice influenced the perception of Respondents on the representation of women in public offices. 60 percent reported it has improved (very significant improvement/improved) against 9 percent who were of the opinion it had worsened (Fig. 6)



Objective 4: Uphold the separation of powers, including the protection and independence of the Judiciary and an effective legislature

3.13 Parliament oversight functions

There isn't unanimity among stakeholders on reviewing the constitutional power relations.

Public Accounts and Finance Committees of Parliament were supported with training and resources by a number of DPs. These include:

1. Institutional Support Project for Governance and Poverty Reduction (AfDB)
2. Ghana Parliament Committee Support Project Phase II (CIDA)
3. Danish Cooperation with Parliament (DANIDA)
4. Parliamentary Strengthening Programme (USAID)
5. Capacity Building of Parliament, NCCE, Judiciary, NEC (UNDP)

3.14 Lack of adequate resources for governance institutions

Parliamentary budget for 2007 increased. 2007 budget did not establish resource parity.

3.15 Initiation and passage of bills by Parliament

All bills are still drafted from the Office of the Attorney General.

Objective 5a: Ensure Accountable, efficient public office holders and civil servants

3.16 Bureaucracy and inefficient procedures in the Public Service

The Ministry of Public Sector Reform is re-introducing professionalism at the Human Resource Management level.

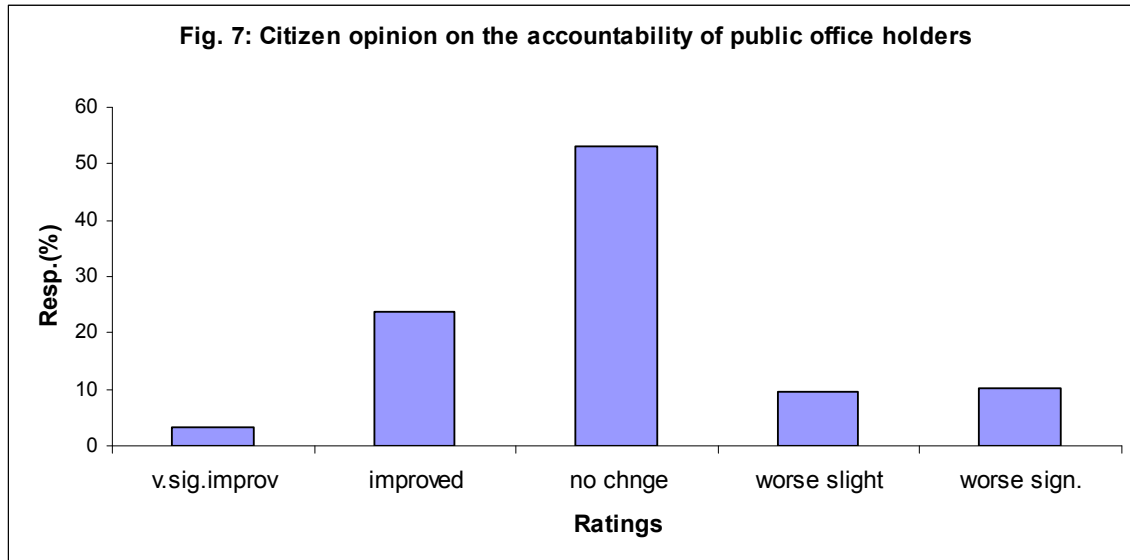
The Ministry is also promoting an efficient Performance Management System (PMS) for all MDAs. In this regard, MPSR in collaboration with each MDA is re-focusing the objectives of each MDA. As part of the Reform Strategy each MDA should create the necessary environment where achievements are encouraged, measured and appraised and where each member of staff receives regular feedback.

3.17 Poor service delivery in public services

Under the Public Sector Reform Strategy, Client Service Units (CSUs) have been set up in 10 Districts and 25 MDAs to facilitate improved client services.

The Ministry of Public Sector Reforms has updated Service Charters which outline the standards and/or procedures which govern the relationship between MDAs and clients.

The majority of Respondents (54 percent) were of the opinion that public office holders were not accountable to clients (Fig. 7).



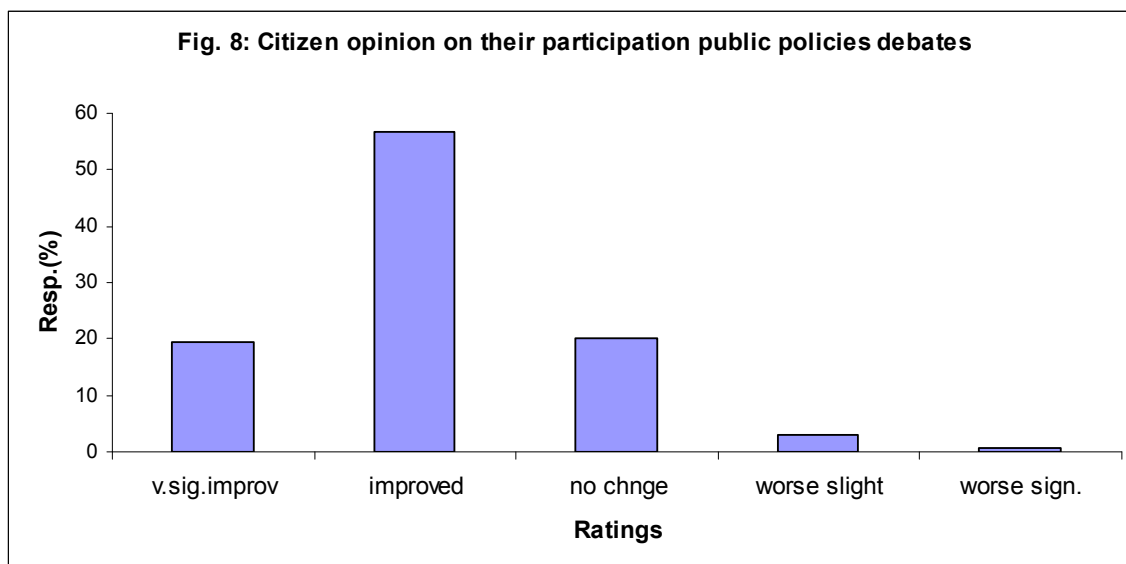
Objective 5b: Promote participation of civil society and media in governance

3.18 Civil society engagement in national dialogue and decision

Institutional space exists for citizen participation in economic policies but they are ad hoc. There are several fora for discussing public policy but it is not clear about how much they feed into the policy making process.

There is still limited engagement of political parties in policy formulation processes so as to ensure consensus on policy issues.

Respondents (56 percent) are of the opinion that there has been an improvement in citizens' participation in public policy debates (Fig. 8). Respondents point to the People's Assembly, radio debates on the various FM stations, the various platforms raised by Ministers and DCEs to interact with constituents.



3.19 Lack of media specialization and investigative reporting

A number of institutions are providing specialized training for journalists.

Objective 6: Fighting Corruption in the Public Sphere

3.20 Coordination of anti-corruption agencies

There is very little operational synergy between the institutions. Government is yet to develop strategies that address this challenge.

3.21 Assets declaration regulations

The Assets Declaration Regulations have not been reviewed.

3.22 Applying public procurement procedures

The Public Procurement Board has successfully assessed 213 entities (up from the 100 entities assessed as at December 2006) as regards their adherence to the provisions in the Public Procurement Act.

The World Bank Mission on External Review of Public Financial Management (ERPFM) rated Ghana's Public Procurement System, 70 percent compliant with international procurement standards. The Procurement Act however still has operational and implementation challenges.

Additional regulations and guidelines that will give full backing to Act 663 are still before Parliament. Meanwhile training and sensitization are on-going.

The Board has also developed a Computerised Procurement Planning software (referred to as e-procurement) and trained 211 key entities in its use. The entities trained include: Public Service Commission, Office of the Head of Civil Service, MDAs, SOEs, subverted agencies and departments, MMDAs and Office of the President.

Appeals and Complaints Panel

The Public Procurement Board has established an Appeals and Complaints Panel to receive and address grievances from suppliers who feel aggrieved by entities. Already suppliers have started lodging complaints at the PPB on what they perceive as procurement malpractices amongst entities.

Objective 7: Promotion and protection on the Rights of Women

3.23 Legislation to protect women's rights

a) Law on Domestic Violence

The Law on Domestic Violence has been passed.

b) Law on Property Rights for Spouses

Acting on Article 22 (2) of the Constitution which provides for enactment of a legislation to regulate the property rights of spouses during the dissolution of marriage, the Ministry of Women and Children Affairs (MOWAC) and the Attorney General's Department are working towards the early enactment of the Property Rights for Spouses Bill.

GoG intends to come out with a set of specific commitments on women's rights and women's participation in public processes.

Objective 8: Promotion and Protection of Rights of Children and Young Persons

3.24 Child prostitution and pornography

Ghana has not yet developed a comprehensive plan on Commercial Sexual Exploitation of Children.

3.25 Compulsory basic education

Communication materials on girl enrolment drive were launched and disseminated to communities and schools in to promote girl-child education,

5,220 bicycles were provided for girls who commute long distances to schools in deprived districts in four regions (Central, Northern, Upper East and Upper West).

3.26 Street Children and Vulnerable Youth

A number of NGOs, notably the Catholic Action for Street Children (CAS) have projects and programmes that are taking children off the streets.

A fully costed National Social Protection Strategy is currently before Cabinet. The Strategy will address the social security needs of both the formal and informal sectors of the economy. The Strategy recognizes the need to build capacity of the poor and vulnerable through long term assistance. The Strategy will also establish a Livelihood Empowerment

Against Poverty Social Grants Programme to provide cash transfers to the poor and vulnerable, thereby giving practical meaning to Articles 28, 29 and 37 of the 1992 Constitution.

The implementation of the National Youth Employment Programme is on course. Available employment figures collected from the Ministry of Manpower, Youth and Employment for the various regions are as follows:

- Ashanti - 6,437
- Brong Ahafo - 6,432
- Central - 6,391
- Greater Accra - 5,056
- Northern - 15,614
- Upper East - 8,530
- Upper West - 8,488
- Volta - 7,574
- Eastern - 7,000

Total employment figure is 78,195. Employment figures by the various sectors are:

- Agri-Business - 13,069
- Community Education - 20,021
- Community Protection - 300
- Auxillary Nursing - 10,500
- Waste and Sanitation - 4,550
- Internship - 2,800
- Trades and Vocation
 - ICT - 0
 - Other modules - 26,760

Fighting for Children's Rights

The Department of Social Welfare's Child Rights Protection Unit is seriously underfunded to deal with the estimated 50,000 children roaming the streets of regional capitals. The Unit has a nationwide operating budget of about USD1,700 for the first quarter of 2007, which translates into about USD170 for each of the country's ten regions.

Objective 9: Promotion and protection of the rights of vulnerable groups including internally displaced persons and refugees

3.28 Access to public facilities by the disabled

Following the passage of the Disability Law, no Legislative Instrument has been issued to implement the law. The National Disability Council is yet to be constituted to spearhead the implementation of the Law.

Legal Action by GFD

The Ghana Federation of Disabled (GFD) is threatening to take District Chief Executives (DCEs) who are refusing to disburse 5 percent of their District Common Fund meant for persons with disability to the Commission for Human Rights and Administrative Justice.

3.29 Inadequate and Insecure Pension Scheme

Following the submission of the Presidential Commission on Pensions in March 2006, A Pension Reform Implementation Committee has been set up to implement the approved recommendations of the Commission.

The Committee will undertake, inter alia, the following activities:

- Facilitate the drafting of a new Pension Reform Bill that will give legal backing to all the recommendations requiring the passage of laws.
- Provide guidance and direction on transitional matters, in both the public and private sectors that need to be resolved to ensure the smooth take-off of the new pension scheme. This will include restructuring of Social Security and National Insurance Trust (SSNIT) and a review of the SSNIT Law.
- Establish the administrative structures of a Pensions Regulatory Body which will prepare the Legislative Instrument for the operation of the new Pension Reform Law.
- Provide information and education program on the new Pension Reform Law.

The Government has also tasked the Implementation Committee to undertake a comprehensive study to facilitate the setting-up of social insurance scheme(s) for the Informal Sector.

CHAPTER FOUR

ECONOMIC GOVERNANCE AND MANAGEMENT

4.0 Introduction

The economy recorded a 69.3 percent growth in total receipts for the first 4 months of 2007 compared to the corresponding period last year, yet recorded a GHC 1,560 Billion domestic budgetary deficit as at the end of April due to sharp increases in public spending. Overall budget deficit for the first 4 months stood at GHC2,485.5 Billion. Inflation increased from 10.6 percent to 11 percent.

4.1 Standards and Codes

Ghana is a member of the International Federation of Accountants and hence is complying with both the International Standards in Auditing and International Accounting Standards. Ghana has also signed up to the Basel Principles and so is complying with the Core Principles of Effective Banking Supervision.

The following standards and codes have still not been ratified:

- Guidelines on Good Practices on Fiscal Transparency
- Guidelines on Public Debt Management
- Code of Good Practices in Transparency and Financial Affairs
- Best Practices for Budget Transparency
- Principles of Corporate Governance

Objective 1: Promote Sound Macro-Economic Policies that support Sustainable Development

4.2 Ineffective implementation of macro-economic policies

The Ministries of Finance and Economic Planning provides expenditure ceilings for all line Ministries prior to the start of the budgetary process. This year (2007) all line Ministries have been given their expenditure limits.

The collaboration between MOFEP, BoG, NDPC and independent think tanks has improved but there is still more room for optimal results.

The conditions of service at MOFEP, BoG and NDPC have not changed.

4.3 Weak Linkage between Economic Planning and Budget Formulation

The Joint Government of Ghana and Development Partner Decentralization Policy Review¹ (January 2007) observed that expenditures and revenues of Metropolitan, Municipal and District Assemblies (MMDAs) are entirely opaque, with data that is neither current nor accurate.

Variance between Actual expenditures and planned budgets still remains a serious challenge.

4.4 Economy susceptible to shocks

Recent studies have indicated that despite the country's strong growth, the resource and export base of the economy remains narrow and the economy is highly vulnerable to external shocks. Though the country experienced export diversification, this was not enough to spur the economic growth. The economy still relies heavily on of the country's its traditional exports (cocoa, timber, gold). The PSIs are yet to provide the diversification platform.

4.5 Quality of macro and micro economic data

Support to GSS increased. New staff recruited and institutional re-organization in progress to revamp GSS. Steps have been taken to prepare strategic plan for the production, distribution and management of statistics.

4.6 Concerns of transparency as well as implementation of reforms in particular departments

Objective 2: Implement Sound, Transparent and Predictable Government Economic Policies

4.7 Provision of Information

The Ministry for Information and National Orientation organizes weekly **Meet the Press sessions** to inform the citizenry about government policies.

The Ministry of Finance and Economic Planning has introduced monthly publications to provide information to the general public.

Websites for all line Ministries to disseminate information to the general public have been established.

4.8 Transparency in policy making

Institutional space exists for citizen participation in economic policies but they are ad hoc. There are several fora for discussing public policy but it is not clear how much they feed into the policy making process.

There is still limited engagement of political parties in policy formulation processes so as to ensure consensus on policy issues.

¹ Government of Ghana (2007). *Joint Government of Ghana and Development Partners Decentralization Policy Review. January 2007. mimeo.*

Objective 3: Promote Sound Public Finance Management

4.9 Weak Tax Administration

Computerization of IRS is in progress. In line with the Foreign Investment Advisory Service (FIAS) recommendations, the IRS has achieved the following:

- A reduction of tax registration to 3 days, though the process of company registration and taxation registration are yet to be fully integrated;
- The use of Tax Collection Manuals by all the 50 District Offices of the IRS as part of measures to intensify the enforcement of tax regulations; and
- The re-launch of the Tax Stamp in September 2006

4.10 Weak Expenditure Tracking, Accounting and Reporting

An Expenditure Tracking Committee has been established to track releases from MOFEP through CAGD to the BOG.

4.11 Improve Debt Management

Ghana's external debt service as a percentage of exports of goods and services reduced from 5.81 percent (2005) to 3.17 percent (2006).

4.12 Fiscal Decentralization

No real policy on fiscal decentralization yet, even though the issue is addressed in the new Decentralization Policy. An Inter-Ministerial Working Group, coordinated by MLGRDE has been established to work on a comprehensive fiscal framework and financial management. This framework has not been implemented so far.

It is difficult to measure percentage increase in Internally Generated Funds (IGFs) due to unavailability of comprehensive data. Measures have been introduced to facilitate and improve tax collection in market places.

Composite budgeting has been piloted in 25 districts, and will be expanded to 50 in 2007, and would eventually cover all 138 districts by 2009. It is difficult to assess whether the 40 percent of Districts implementing the NDPS Matrix for 2006 are reached because of unavailability of data.

The CAGD has established Financial Monitoring Units at Headquarters and Regional Directorates to ensure effective and efficient fiscal decentralization.

Objective 4: Fight Corruption and Money Laundering

4.13 Accelerate governance in public administration

The public sector reforms are aimed at incorporating corporate governance principles into the public sector.

The Ministry of Public Sector Reform has begun work on reconciling the payroll and personnel database. It is also conducting a human resource audit of the public service.

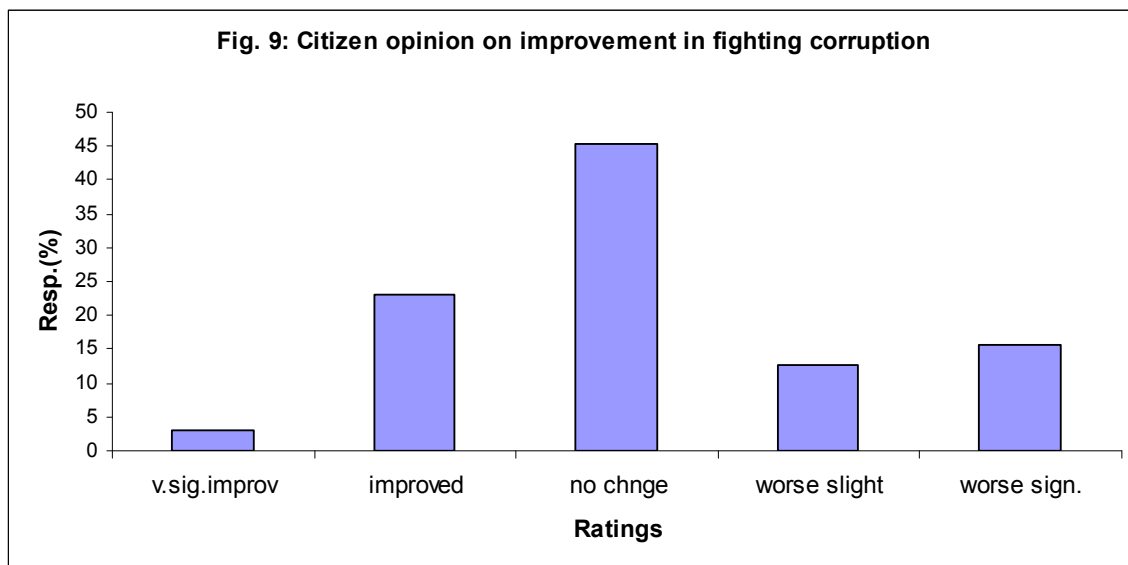
4.14 Speedy delivery of Justice

Under the Judicial Service Reform Programme the registries of the Supreme Court and the Court of Appeal have benefited from the installation of an Electronic Case Management System (ECMS). The installation is to assist judges and staff to capture and retrieve data more efficiently thereby speeding up the processes in the Courts. Two High Courts – the Automated Fast Track High Court in Accra and High Court in Sekondi – have also benefited from the software (ECMS).

4.15 Reduction in corruption

Difficult to measure due to data unavailability. Reports indicate the rapidity with which corrupt practices are being unearthed within the public sector are indications that the long term strategy to combat the menace may finally be paying off.

Ghana has slipped 0.2 points on the 2006 Corruption Perception Index (CPI) published by Transparency International. The country ranked 70th out of 163 countries included in the 2006 index, with a score of 3.3 out of the clean score of 10. The 3.3 score represents a drop from the 2005 score of 3.5



4.16 Lack of Information on Credit Worthiness of Corporate bodies and individuals

The Credit Reference Bill has been passed.

CHAPTER FIVE

CORPORATE GOVERNANCE

5.0 Introduction

The Stock Market has been making slow but steady growth since 2006, with market capitalization standing at GHC114,132.03 Billion (as at May 31, 2007) compared to GHC112,415.68 Billion (as at December 2006). The listing of the Government of Ghana 2 year and 3 year fixed rate Bonds in October 2006 is highly expected to deepen Ghana's bond market.

5.1 Standards and Codes

Insurance Bill

The Insurance Act, 2006 (Act 724) was passed into law at the close of December 2006. The new law requires insurance companies to recapitalize with Cedi equivalent of USD 1 Million. Apart from capital requirement, the law abolishes the composite operations for the establishment of two separate companies, life and non-life (general business).

Objective 1: Promoting an Enabling Environment and Efficient Regulatory Framework for Economic Activities

5.2 Business Registration and Approval

Under the Registrar-General Department's Reform Strategy the following progress has been made:

- time spent on searching for names and retrieving information on registered companies has been reduced from a baseline of 2 days to 5 minutes. This has resulted in an improvement for processing business registration documents from 7 days to 3 days.
- training of staff in the use of electronic workflows has been completed with businesses registered with the right classification.
- the installation of the network infrastructure has been completed.
- user training in data conversion software was conducted for RGD staff
- RGD's gained access to TIN Office network and can call up TIN numbers but still these have to be inserted on RGD forms manually.
- work on establishment of a customer-friendly front office was commenced and tenders for the construction are currently being evaluated.
- regional offices in Kumasi and Takoradi have been furnished and staffed, as part of the process of RGD's decentralization programme. The two regional branches serve as collection and distribution points and would become fully operational when fully equipped and connected to the Head office via a wide area network.

It is anticipated that when the RGD starts using the electronic registration workflow fully, the turnaround for registration of companies could be reduced further. RGD's database is to be classified into sectors and sub-sectors, to enable RGD analyze business data on a sector by sector basis and to facilitate information sharing with other MDAs.

5.3 Commercial Dispute Resolution

Under the Judicial Sector reforms, specialized training has been organized for Commercial Court Judges. Staff of all commercial courts have also undergone ICT training. Regional sensitization workshops were also organized for about 220 lawyers and entrepreneurs in the Volta, Greater Accra, Eastern, Central, Western, Ashanti, Brong-Ahafo, Northern, Upper East and Upper West.

5.4 Infrastructure

5.4.1 Roads

a) Road congestion and traffic jams

The current load shedding exercise has resulted in non-functioning traffic lights. The Road Safety Commission has recruited and trained traffic wardens to augment the efforts of the Road Traffic Police in directing traffic. However, the wardens operate till around 7:00 p.m. and motorists are left to fend for themselves on major speed ways.

The Motor Traffic Unit and the National Road Safety Commission has not undertaken any comprehensive road safety education for the general public.

b) Poor trunk road condition

The total national road network currently stands at 48,381km, out of which 45 percent are in good condition, 28 percent in fair condition and 27 percent in poor condition. This is a slight improvement over 2005 conditions which stood at 42 percent in good condition, 31 percent in fair condition and 27 percent in poor condition.

5.4.2 Rail network

The Accra-Tema-Nsawam railway is about 80 percent complete. The upgrading of Accra-Sekondi-Kumasi network has not yet started.

5.4.3 Water Transport

The Ghana Maritime Authority (GMA) has prepared a draft Legislative Instrument (LI) on the construction, use and operation of commercial and pleasure boats on the inland waterways to regulate and improve safety.

The Authority has started the rehabilitation of the Volta Lake Transport Company's (VLTC) "Uniflote" II Pontoon (Ferry A) under a serialized repair works to enable VLTC continue the provision of transport services for communities along the Volta Lake.

5.4.4 Air Transport

The total number of air freight, number of aircraft flying into airspace, and the number of air traffic passengers increased though some fell short of Ministry of Aviation targets. Total airfreight reached 49,500 tonnes falling short of the target of 50,500 tonnes for 2006.

Number of air traffic passengers (458,800) exceeded its 2006 target of 446,600. Number of aircraft movement of 13,800 fell short of the target of 14,400 for 2006.

Antrak expands flights

Antrak Air has gained a foothold in the West African sub-region with flights to and from Cotonou International Airport. The inaugural flight suffered a set back when port authorities in Benin refused it landing rights.

5.4.5 Sea Ports

a) Clearance delays and High Charges at Ports

To reduce bureaucratic transit clearance and better management of transit risk, CEPS, SIC and GCNet have established an Electronic Transit System at Takoradi and it is expected to be fully operational by June 15, 2007. The system has been test tried and has demonstrated that it can deliver.

Revitalization of the GCNET. The port authorities still insist on 100 percent examination of all containers leading to undue delays. This has been attributed to the increased number of MDAs involved with clearance. The Ghana Institute of Freight Forwarders propose the establishment of a one-stop-shop for clearance of goods at the ports.

b) Long turn around time for ships

To improve turn around time for ships and improve port security the Maritime Sector has undertaken the following:

- ❑ ceding of nearly 75% of stevedoring operations and 100% of shore handling of conventional cargo to the private sector as part of the wider policy of encouraging private sector participation in port operations as well as transforming the Ghana Ports and Harbours Authority (GPHA) into a Landlord Port Authority.
- ❑ the construction and commissioning of a modern car terminal at the Port of Tema. GPHA is also developing a modern Container Terminal with the 1st Phase of the project at the Tema Port completed with the installation of state of the art equipment for faster and more efficient container handling to reduce ship turn around times. In addition, a modern container devanning terminal is under construction to receive all groupage containers and empty containers passing through the terminal.
- ❑ a truck park has been commissioned to handle all loaded transit trucks awaiting documentation before leaving the port. This has reduced the congestion in Tema Port created by these trucks. Closed Circuit Television Systems (CCTV) have also been installed at both Ports to ensure that users of the ports and their cargo are secured.
- ❑ the GPHA purchased two modern tug boats, the biggest in the sub-region. The tug boats named M/V Sakumo Lagoon and M/V Ankobra River were deployed to the Ports of Tema and Takoradi, respectively, to augment the marine equipment capacity of both Ports.
- ❑ weighbridges have been installed at both Tema and Takoradi ports to ensure compliance with axle load limitations, check fraud and support national efforts in improving safety on the road.

Electronic Permits

To improve turn around time, the Environmental Protection Agency (EPA) has since May 2007 started the issuance of Electronic Permits through the GCNet at the Kotoka International Airport. The EPA has joined the following Agencies in their use of Electronic Permits and Exemptions:

- Minerals Commission
- Ghana Investment Promotion Council
- Ghana FreeZones Board
- Ghana Standards Board

The System has the following benefits:

- Electronic submission of permit applications
- Improved turn-around time
- Long term record of all permit applications, approvals and utilizations
- Automatic posting of all permits to Ghana Customs Management System for Customs use reduces fraud opportunities, improves liaison with CEPS and reduces delays.

5.4.6 Energy

The Power Section Expansion Programme, especially for power generation and rural electrification is being pursued in an uncoordinated manner with no clear responsibilities assigned.

5.4.7 Water

A National Water Policy has been submitted to Cabinet and is awaiting Cabinet approval.

A 5-Year Investment Plan for rural water has been approved by Cabinet and the Implementation Framework has also been approved by the Ministry of Water Resources, Works and Housing (MWRWH).

Increased GoG budget for Rural Water is reflected in the 2007 Budget.

5.4.8 Information and Communication Technology

The country has developed a new Telecom Policy to promote fair and competitive terrain to attract ICT investment. This development has brought about an increase in the telephone subscriptions in both the fixed and mobile sectors. Fixed line population is now 365,991 whilst mobile subscription is 5,363,299. A total teledensity of 25 percent has been achieved.

5.4.9 Land

Government's determination to create land banks for economic activities is in progress.

5.4.10 Taxes

Stakeholders in the private sector complain that despite the reduction in corporate taxes and the removal of the reconstruction levy, businesses still have to contend with about 30 taxes and levies.

5.4.11 Credit

A new venture capital firm, Fidelity Fund 2, a partnership between the Government of Ghana's Venture Capital Fund and the Danish Government's International Aid Agency, FMO, will begin operations in June 2007. This brings to 4, the number of venture capital companies operating in the country.

5.4.12 Central Registry System

The Credit Reporting Act (Act 726) provides the framework for credit transactions in the country. The law mandates the establishment of Bank-of-Ghana regulated, privately owned credit reference bureaux that will maintain records and performance status of institutions and individuals that do credit transactions with banks in the country.

5.4.13 Payments system

The Bank of Ghana and the Association of Bankers have agreed to establish the Ghana Interbank Payments and Settlement System (GIPSS) by the end of 2007. The GIPSS would be an independent entity responsible for the different components of Ghana's payment and settlement system infrastructure and would include the following:

- National Switch (the Common Platform)
- Biometric Smart Card
- Cheque Clearing
- Codeline Cheque Truncation
- Real Time Gross Settlement System (RTGSS) and
- Automated Clearing House

5.4.14 Regulatory Bodies

A number of regulatory bodies – Registrar-General's Department (RGD), the Controller and Accountant General's Department (CAGD) and the Securities and Exchange Commission (SEC) – are undertaking capacity building exercises. The RGD department is recruiting Factory Inspectorates to beef up its current strength to enforce compliance on disclosures. The CAGD is implementing an internship programme where young graduates are recruited to re-inforce the staff strength of the Department. The Economic Management Capacity Building Project is aimed at strengthening the capacities of the following – Bank of Ghana, Securities and Exchange Commission, Ghana Stock Exchange and the National Insurance Commission.

Objective 2: Ensure that Corporations Act as Good Corporate Citizens with regards to Human Rights, Social Responsibility and Environmental Sustainability

5.5 Damage to environment by corporate bodies

There is disagreement between the EPA and civil society organizations on the extent of environmental pollution perpetrated by corporate bodies. Whilst the EPA insists that more environmental pollution is caused by illegal "galamsey operators" and small scale mining

firms whose operations are difficult to monitor, the Wassa Association of Communities Affected by Mining (WACAM) points to spillage by a gold firm in 2006.

WACAM has conducted training for about 30 communities in Wassa West (Western Region) and Obuasi (Ashanti Region) to detect and report on cyanide spillage.

The Minerals and Mining Act, 2006 (Act 703)

Ghana's Mineral and Mining Act, 2006 (Act 703) stipulates that records of mining holders shall be treated as confidential. Stakeholders were of the view that since mining affected communities and livelihoods, the timely release of information is very critical.

Conflict Diamonds

Ghana has been re-admitted to the World Diamond Council following clearance from the Council of any wrong doing in the trade in "blood diamonds".

Objective 3: Promoting the Adoption of Codes of Good Business Ethics in Achieving the Objectives of the Corporation

5.6 Absence of Consumer Watch Dogs

Ghana is yet to develop and pass Anti-Competition Law.

Objective 4: Ensure Corporations treat all their stakeholders (shareholders, employees, suppliers and consumers) in a fair and just manner

5.7 Limited access to basic corporate information

A Credit Referencing Bureau is yet to be established.

5.8 Review Companies Code

The review of the Companies Code is on-going

CHAPTER SIX

SOCIO-ECONOMIC DEVELOPMENT

6.0 Introduction

This Section assesses the extent to which the country is eradicating poverty and reducing inequality among the populace.

According to the Ghana Living Standards Survey (GLSS 5) overall poverty has declined remarkably from 51.7 percent in the early 1990s to 39.5 percent in the early 2000 and then to only 28.5 percent in 2005/6. Not only was the poverty rate halved but also the absolute number of the poor decreased from 7.9 million in 1991/2 to 7.2 million in 1998/9 and then to 6.2 million in 2005/6.

6.1 Standards and Codes

The following codes and standards remain unratified:

- African Charter for Popular participation in development
- The World Summit on Social Development
- The United Nations Declaration on the Right to Development

Objective 1: Promote self-reliance in Development and Build Capacity for self-sustaining development

6.2 Lack of effective stakeholder participation in the district budgeting and planning process

At the national level MOFEP invites inputs from civil society to inform the budget process. Although such a platform exists at the district level the level of participation is low.

Objective 2: Accelerate Socio-Economic Development to Achieve Sustainable Development and Poverty Eradication

6.3 Lack of adequate progress monitoring of national programmes

MOFEP is restructuring its M&E Unit

6.4 Low savings and investments

The passage of the Foreign Exchange Act, 2006 (Act 723) has lifted the 10 percent limit on non-resident foreign investors' holdings in securities listed on the GSE.

The over subscription of shares on the GSE is an indication of the changing attitude of Ghanaians to investment packages.

6.5 Low agricultural productivity and over reliance on rainfall

Since 2001, the agricultural sector has been growing at an average of 5.7 percent, faster than overall GDP growth of 5.2 percent. Despite gains made in the provision of small-scale irrigation facilities, the majority of farmers still rely on rainfall.

Objective 3: Strengthen Policies, Delivery Mechanisms and Outcomes in Key Social areas including education and combating HIV/AIDS and other Communicable Diseases

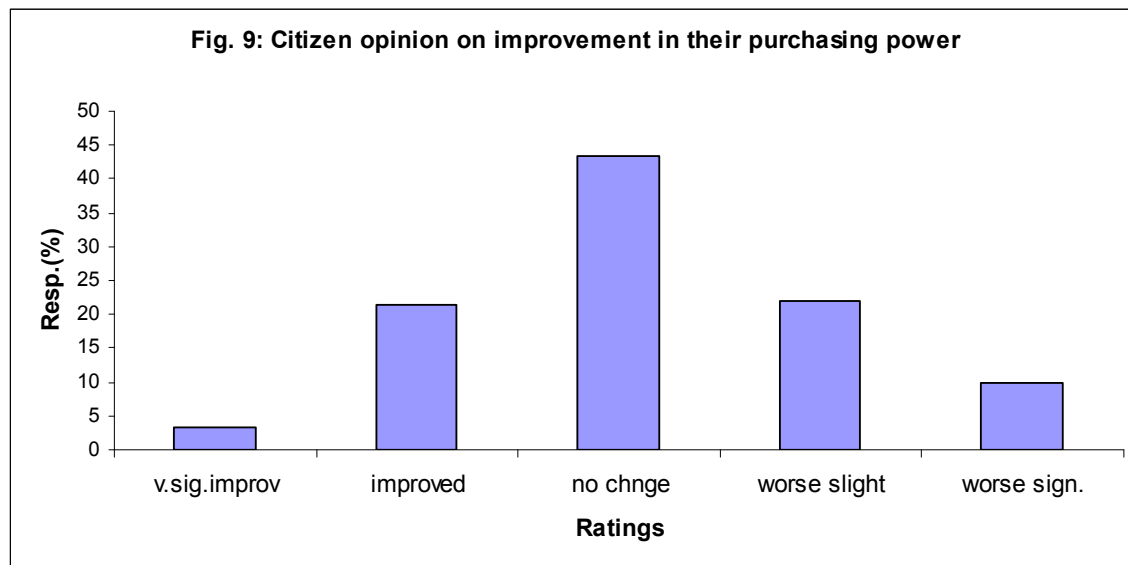
6.6 Decline in quality of education

A New Educational Policy is to be implemented as from September 2007 to address the issue of quality of education.

6.7 Low remuneration and incentives for teachers

The incentive package proposed for teachers, especially those in rural areas, is not being implemented.

Generally, most Respondents reported that there has not been any change in their purchasing power (Fig. 9)

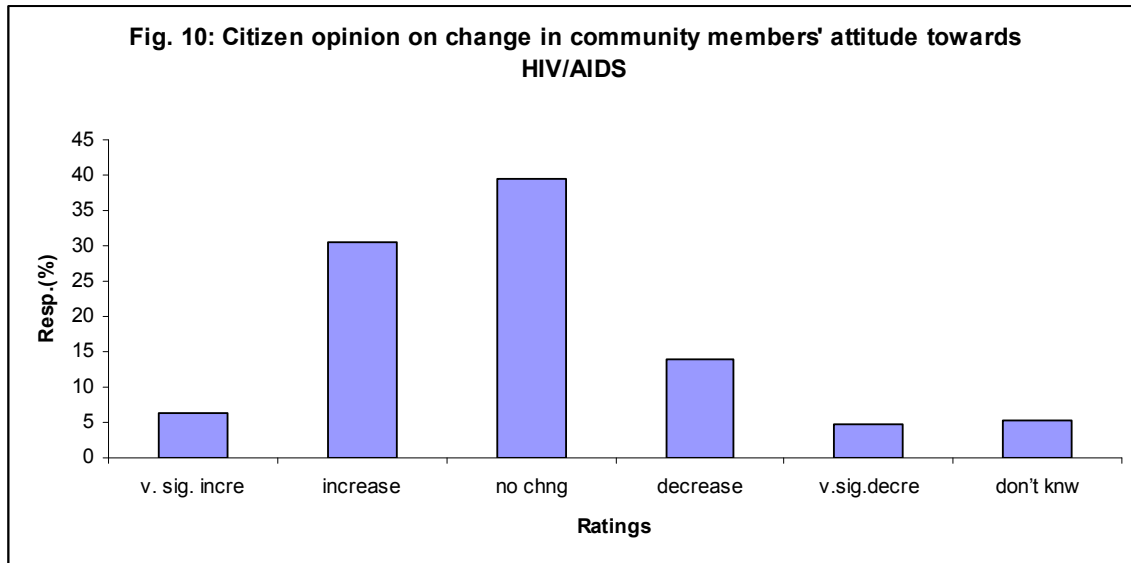


6.8 Reversing the spread of HIV/AIDS

The National HIV/AIDS prevalence rate increased from 2.7 percent in 2005 to 3.2 percent in 2006.

Age group	2005	2006	% increase
National	2.7%	3.2%	0.5%
15-19	0.8%	1.4%	0.6%
20-24	2.4%	2.4%	0.0%
25-29	3.6%	4.2%	0.6%

Respondents (38 percent) reported there has been no change in community members' attitude towards HIV/AIDS (Fig. 10).



6.9 Combating Malaria and other Communicable Diseases

The Malaria Control Programme Report notes a decrease in under-five malaria case fatality rate from 2.4% in 2005 to 2.1% in 2006 (against a target of 2% set for the year). The decline may be partly attributed to the increase in utilization of ITNs and other effective interventions.

Objective 4: Ensuring affordable access to water, sanitation, energy, finance, markets, ICT and Land to all citizens, especially the rural poor

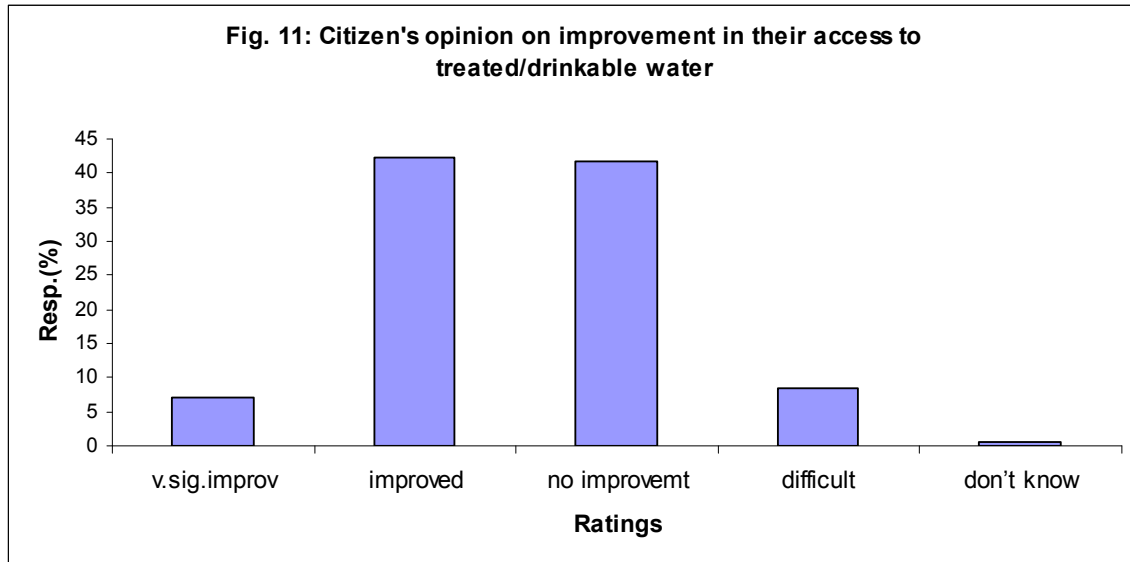
6.10 Limited access to Treated water

There was a marginal increase in the number of Ghanaians with access to treated water. Access to treated water in rural areas increased from 52 percent (2005) to 53 percent (2006), whilst those in urban areas increased from 55 percent (2005) to 56 percent (2006).

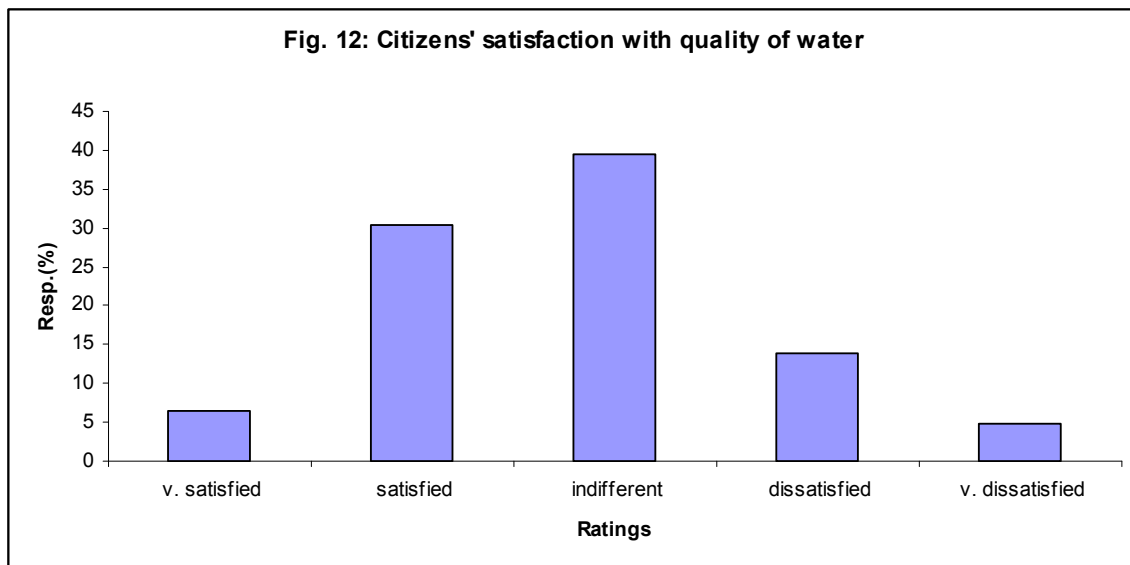
A Consultant has completed work on the 5-Year Medium-Term Investment Plan. The Draft has been submitted to the Community Water and Sanitation Agency (CWSA) and MWRWH for review.

According to the 2006 Annual Report of the Guinea Worm Eradication Programme, proportion of endemic villages increased to 47 percent.

40 percent of Respondents indicated an improvement in their access to treated water. This was countered by almost 39 percent who indicated that there has not been any change in their access to treated water (Fig. 11)



When asked about their satisfaction with the quality of water, 32 percent indicated satisfaction, whilst 42 percent indicated indifference (Fig. 12).



6.11 Poor Sanitation

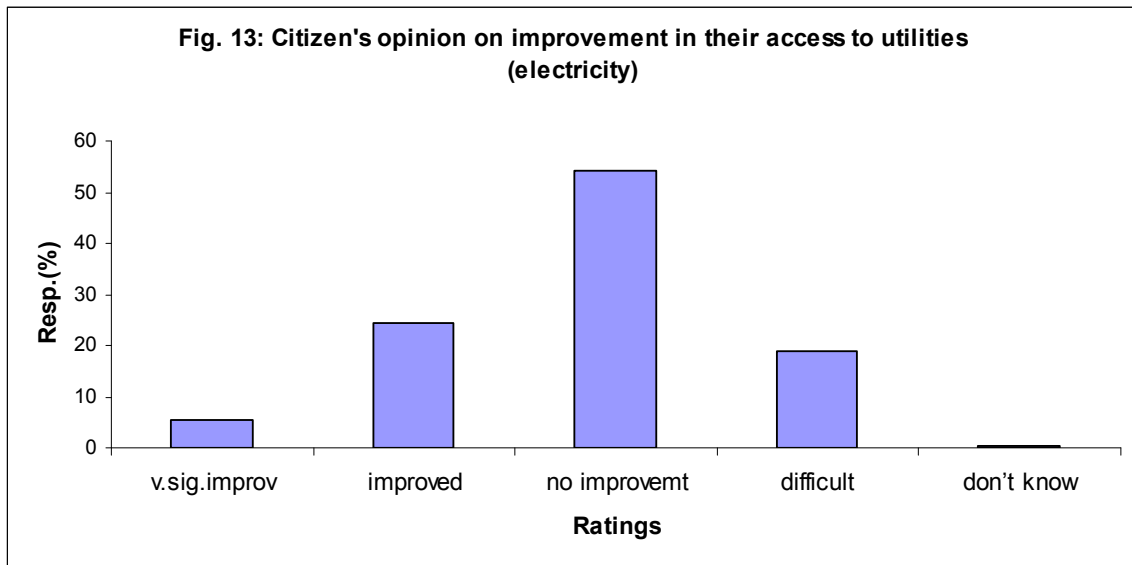
Draft National Sanitation Policy has been approved by the Ministry of Local Government, Rural Development and Environment. The draft has been presented to various stakeholders for comments.

Stakeholders commented that sanitation (especially with regards to solid waste management) is improving with the introduction and subsequent operation of the ZOOMLION Sanitation Project. Stakeholders also welcomed the introduction of Sanitary Inspectors by the Ministry of Local Government, Rural Development and Environment.

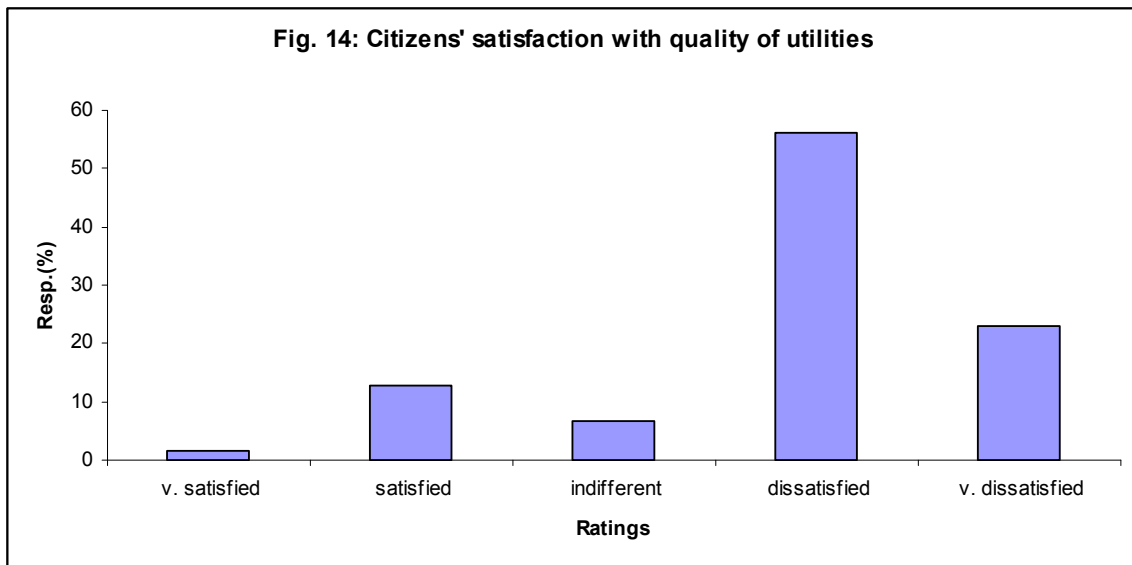
6.12 Lack of Access to Energy

The business community has called on Government to charge “realistic” tariffs on electricity consumption and to ensure that the necessary investments are made within the energy sector.

Over 50 percent of Respondents reported no improvement in their access to electricity (Fig. 13).



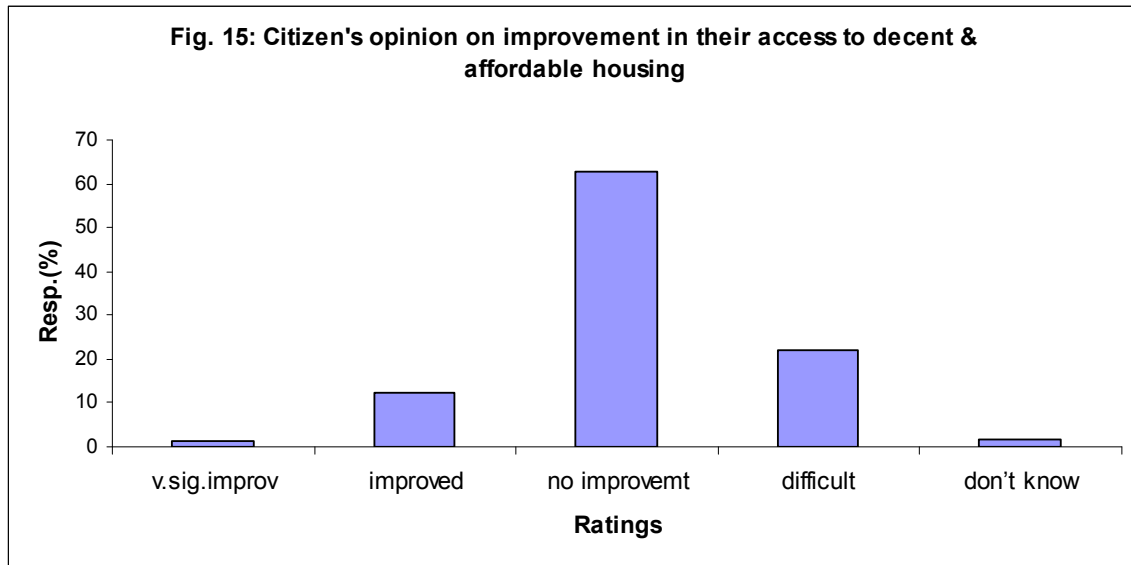
Nearly 60 percent of Respondents indicated their satisfaction with the quality of electricity they receive (Fig. 14)



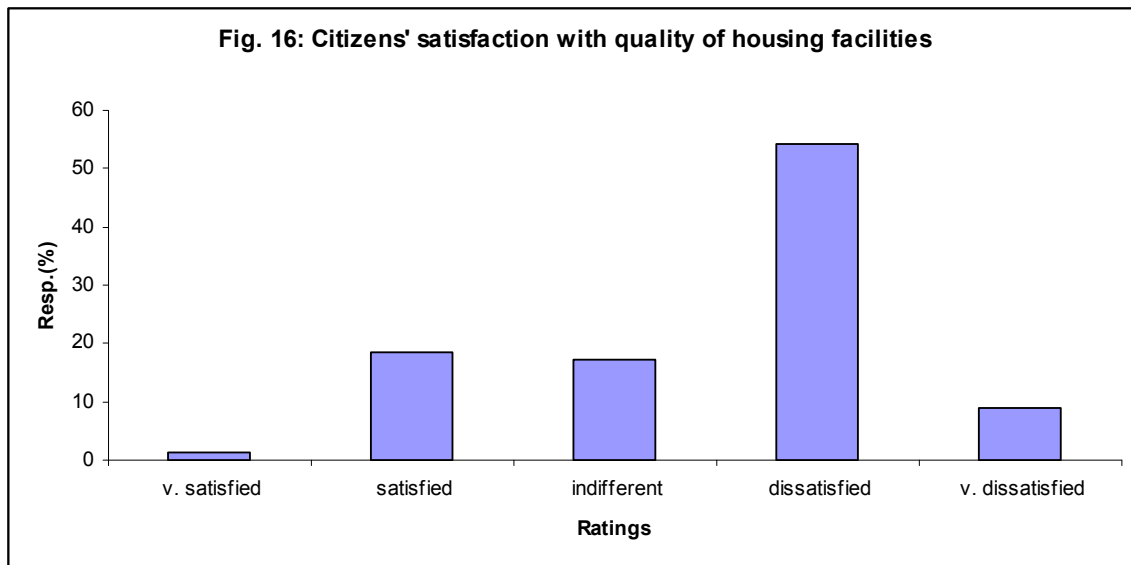
6.13 Lack of affordable housing

Access to secure and affordable housing hasn't improved. About one in five Ghanaians live in what can be described as slum areas and in unsanitary conditions.

Nearly 65 percent of Respondents reported there has not been any improvement in their access to decent/affordable housing (Fig. 15).



Over 50 percent of Respondents indicated their satisfaction with the quality of housing they occupy (Fig. 16)



Objective 5: Progress towards Gender Mainstreaming

6.14 Inadequate implementation of Gender Policies and Programmes

Little progress on implementation of Affirmative Action Guidelines (1998)

A Gender Law Project which is aimed at developing a gender responsive legal reform process to improve gender equity and establish a supportive institutional environment for the enforcement of gender equity in Ghana is not progressing as was expected.

CHAPTER SEVEN

CONCLUSION

Introduction

The study concludes with an assessment on the progress made towards addressing the overarching issues identified by the Country Review Report

Capacity Constraints

A number of regulatory bodies – Registrar-General's Department (RGD), the Controller and Accountant General's Department (CAGD) and the Securities and Exchange Commission (SEC) – are undertaking capacity building exercises. The RGD department is recruiting Factory Inspectorates to beef up its current strength to enforce compliance on disclosures. The CAGD is implementing an internship programme where young graduates are recruited to re-inforce the staff strength of the Department. The Economic Management Capacity Building Project is aimed at strengthening the capacities of the following – Bank of Ghana, Securities and Exchange Commission, Ghana Stock Exchange and the National Insurance Commission.

A coherent national capacity building strategy is not in place. The Government recognizes the need for capacity building in the public sector to formulate and implement development policies and projects. Almost every ministry has a capacity building program for its officials. In addition, many DPs implement separate capacity building programs. However, there is no central authority in charge of setting a unified framework to coordinate these initiatives and to ensure relevance and impact.

Gender Disparity

A Gender Law Project which is aimed at developing a gender responsive legal reform process to improve gender equity and establish a supportive institutional environment for the enforcement of gender equity in Ghana is not progressing as was expected.

Little progress on implementation of Affirmative Action Guidelines (1998)

Corruption

The Public Procurement Board is continuing its assessment of public procurement entities to ensure their compliance with the provisions of the Public Procurement Act.

Decentralization

Significant progress has been made in the area of political decentralization from the district to the sub-district levels. Stakeholders, however, complain of centralization of authority at the MMDA level such that the sub-district levels are marginalized.

Progress in the areas of administrative, fiscal and service decentralization has not been encouraging. The composite budgeting is being extended to 50 districts from an initial 25

districts. An effective and operational fiscal decentralization framework and the complementary capacity to handle more complex planning and financial flows at the district level are lacking.

Land Issues

The Land Commission Secretariat has decentralized its office to all 10 regional capitals. This has reduced the period for registration of land and title deeds from 36 months to 9 months.

Chieftaincy

The Ministry of Chieftaincy and Culture is consulting with chiefs on the establishment of a Royal College to train prospective chiefs on a number of issues including conflict management.

Unemployment

The National Youth Employment Programme is providing employment to a number of unemployed youth. There have been recent calls for prompt payment of persons recruited into the programme.

External Dependency

There is no indication that Government has weaned itself off the International Monetary Fund's financial assistance.