

REPUBLIC OF GHANA

FOURTH BI-ANNUAL PROGRESS REPORT

January - June 2009

Submitted by:

NATIONAL AFRICAN PEER REVIEW MECHANISM

- GOVERNING COUNCIL

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NOTE VERBALE

With reference to the reporting obligations of the APRM, Ghana hereby submits its National Report on Progress in the Implementation of the National Programme of Action. The National Governing Council agrees to the publication of the entire report on the APRM website.

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LIST OF ACRONYMS

AG	Auditor General
APR	African Peer Review
APRM	African Peer Review Mechanism
BOG	Bank of Ghana
CBO	Community-Based Organization
CICOL	Civil Society Coalition on Land
CHRAJ	Commission for Human Rights and Administrative Justice
DAs	District Assemblies
GDP	Gross Domestic Product
GOG	Government of Ghana
GPRS II	Growth and Poverty Reduction Strategy II
GPSDF	Ghana Private Sector Development Fund
IDEG	Institute of Democratic Governance
IEA	Institute of Economic Affairs
IMF	International Monetary Fund
LAP	Land Administration Project
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MMDAs	Metropolitan, Municipal and District Assemblies
MoE	Ministry of Energy
MoESS	Ministry of Education Science and Sports
MOFA	Ministry of Food and Agriculture
MOFEP	Ministry of Finance & Economic Planning
MoH	Ministry of Health
MMDAs	Metropolitan, Municipal & District Assemblies
NAPRM-GC	National African Peer Review Mechanism – Governing Council
NEPAD	New Partnership for Africa’s Development
NIS	National Identification System
NPOA	National Programme of Action
PFM	Public Financial Management
SMEs	Small and Medium Enterprises
VAT	Value Added Tax

FOREWORD

This Report is the Fourth Bi-Annual Progress report submitted by the National African Peer Review Mechanism - Governing Council (NAPRM-GC) to the APR Panel. The Report covers the period January – June 2009 and provides an overview of Ghana's progress in implementing the National Programme of Action.

The period under review witnessed a smooth transition of power from one democratically elected government to another democratically elected government. Civil society organizations continued to play a vital role in the election process. CSOs such as the Institute of Economic Affairs (IEA), Institute of Democratic Governance (IDEG) were actively involved in the electoral process. Indeed, IEA organized the presidential and vice-presidential debates which brought together the Presidential-aspirants of the New Patriotic Party (NPP), National Democratic Congress (NDC), the Convention Peoples Party (CPP) and the Peoples National Convention (PNC) to sell their manifestoes to the populace. Apart from the numerous international observers who trooped to the country, local CSOs such as IDEG, CODEO and CDD also undertook electioneering monitoring, adding to the credibility of the whole process.

The new Government expressed its commitment to the APRM process, and immediately took concrete steps to implement some of the recommendations in the National Programme of Action.

- A reduction in the number of Ministers and Ministries
- The abolition of the Ministry of Parliamentary Affairs which tended to blur the line between the Executive and Legislature

Whilst we these notable achievements, there is concern over the glossing of due process by the security agencies which is unnecessarily heightening tensions. Whilst the entire country stands by the principles of probity and accountability, the pursuit of justice should not be sacrificed by the non-observance of due process.

The Governing Council continued to deepen the involvement of the populace in the APRM process. 5 District APRM Oversight Committees were inaugurated during the period to bring the total number to 126.

The period under review also recorded experience sharing visits from the Governing Councils of Benin and Sierra Leone.

The Council also collaborated with the Parliamentary Centre in Accra to organize a four day workshop for the Pan-African Parliament under the theme:

Once again the Governing Council extends to all Ghanaians “ayekoo” for the peaceful transition of power.

Rev. Prof. S.K. Adjepong, Chairman

Ambassador Alex Ntim Abankwa, Member

Prof. S.K.B. Asante, Member

Bishop Dr. Paul Bemile, Member

Prof. Miranda Greenstreet, Member

Mr. Nutifafa Kuenyehia, Member

Ms. Gloria Ofori Boadu, Member

EXECUTIVE SUMMARY

1. Introduction

This Report is the Fourth Bi-Annual Progress report submitted by the National African Peer Review Mechanism - Governing Council (NAPRM-GC) to the APR Panel. The Report covers the period January – June 2009 and provides an overview of Ghana’s progress in implementing the National Programme of Action.

The report highlights activities undertaken by the Governing Council during the period January – June 2009, as well progress in the implementation of the NPOA.

1.1 Governing Council Activities

The activities of the Governing Council aimed at achieving two main goals. These are:

- Deepening the populace participation in the APRM process
- Experience sharing with other African countries

1.1.1 Deepening participation of populace in APRM process

The Governing Council inaugurated ten District APRM Oversight Committees during the period. These include: Efutu Municipal, Builsa, Kassena-Nankana, Kassena-Nankana West, Bolgatanga Municipal, Bongo, Talensi-Nabdam, Bawku Municipal, Bawku West and Garu Timpane.

1.1.2 Experience sharing

a) Visits by the Governing Councils of Benin and Sierra Leone

The Governing Council received a 5-member delegation from the APRM Commission of Benin led by Madame Do-rego Bernadine, the Chairperson of the Commission from January 12 to January 15, 2009. The delegation interacted with their Ghanaian counterparts on post-review activities such as finding synergies between the APRM National Programme of Action and Poverty Reduction Strategy documents; tracking expenditures made in the implementation of the NPOA; civil society involvement and participation in the monitoring and implementation of the NPOA.

A four-member delegation from Sierra Leone’s National APRM Governing Council led by the Chairman, Dr. Osman Glba, also paid a visit on the Governing Council from

May 17 – 22, 2009. The delegation held discussions on pre-review activities including sensitization and education strategies, civil society participation and involvement in the review process, organization of the review process.

b) Pan African Parliament

The Parliamentary Centre collaborated with the Governing Council to organize a workshop for the Pan African Parliament. The workshop was under the theme “Assessing Policy Implementation of the APRM, NEPAD and MDGs in Ghana. The workshop was held at the Novotel Hotel in Accra from the 5th to 6th of May, 2009.

1.2 Overall Assessment of Implementation Process

Ghana is committed to the APRM process and continued the implementation of the NPOA.

1.2.1 Democracy and Good Political Governance

The Land Administration Project has reviewed all the laws on land and land use, and submitted proposals for their consolidation and update. The project has also completed inventories on some state acquired lands and has started releasing excess lands to their original owners.

A think-tank, the Institute of Economic Affairs (IEA-Ghana) has launched a Presidential Transition Bill to govern political transition in Ghana.

There has been a surge in violent crime in recent times.

Government is committed to the passage of the Freedom of Information Bill, as well as a Code of Conduct in Government.

The Ministry of Presidential Affairs has been abolished. The number of ministries and ministers has been reduced from 27 to 24, and 88 to 75 respectively.

Though the 40 percent pledge is yet to be achieved, a number of notable appointments for women have been made. These include: the appointment of the first ever female elected to the high office of Speaker of Parliament; and the appointment of a female Minister of Justice and Attorney-General.

1.2.2 Economic Governance and Management

Notwithstanding the upheavals in the international financial markets and energy shortfalls, economic growth reached 7.3 percent in 2008 up from 6.3 percent in 2007.

A review of Ghana's Public Financial Management (PFM) system revealed that progress has been made in the reduction of the audit backlog, the establishment of new internal audit arrangements and the implementation of a new budget preparation timetable.

Inflation is currently pegged at 20.3 percent. The Bank of Ghana increased its prime rate by 1.5 percent to 18.5 percent up from 17 percent. Universal banks responded with upward adjustment of their respective base lending rates. This may tighten the cost of credit which will directly impact on borrowing trends in the country.

Ghana's sovereign rating (by Standard and Poor's) has worsened from B+ to B in the short term. This coupled with an overburdening budget deficit at 14 percent of GDP and a public debt at about 80 percent of GDP, undermines the country's prospects of raising funds from the international capital market. The country has, therefore, reversed its earlier decision to cease taking loans from the IMF and is negotiating a USD 1 billion interest-free facility.

1.2.3 Corporate Governance

There was an increase in bank credit to the private sector – recording a real annual growth of 25.6 percent in 2008 easing from 41.8 percent in 2007.

There were two major labour unrests in the country between January and June 2009. The first was the work-to-rule by doctors, and the second followed the failure of the management of the Ghana Dock Labour Company Limited to organize a referendum to determine which of the two workers unions could have the mandate of the workers.

1.2.4 Socio-Economic Development

The government is continuing the implementation of the Fertilizer Subsidy Programme in a drive to make the prices of fertilizer affordable to small-scale farmers.

The GHC 25 million Northern Development Fund (NDF) is being rolled into a GHC 200 million Savanna Accelerated Development Authority (SADA) aimed at narrowing the yawning development gap in the three northern regions, as well as contiguous savanna areas of the Volta and Brong Ahafo regions, to the rest of the country.

A private waste management company, ZOOMLION Ghana Limited, in collaboration with the Ministry of Health, has launched the Nationwide Mosquito Control Programme (NAMCOP).

CHAPTER ONE

GOVERNING COUNCIL ACTIVITIES FOR THE PERIOD (JANUARY – JUNE 2009)

1.1 Introduction

The activities of the Governing Council for the period January – June 2009 revolved around two main goals:

- decentralization of the APRM process
- experience sharing

1.2 Decentralization of the APRM process

The Governing Council has to date inaugurated one hundred and twenty-six (126) District APRM Oversight Committees.

Region	Number of Districts	Number of DOCs inaugurated
Upper East	9	9
Upper West	9	9
Northern	20	16
Brong Ahafo	22	22
Ashanti	27	26
Eastern	21	12
Volta	18	4
Greater Accra	10	3
Central	17	8
Western	17	17
Total	170	126

The DOCs affords the citizenry the opportunity to be the owners and drivers of the APRM process. The DOCs undertake activities of the Council at the district level. These include:

- educating and sensitizing the populace on the APRM;
- monitoring and evaluating the implementation of the National Programme of Action;
- prepare and submit reports to the Governing Council.

To further deepen the decentralization process, the district reports prepared by the DOCs will be tabled before the District Assembly. The deliberations over the reports will inform district level development projects, and also afford the citizenry the opportunity to witness the direct benefits of the APRM.

1.3 Experience Sharing

The Governing Council had interactions with a number of Governing Councils and institutions.

a) Visits by the Governing Councils of Benin and Sierra Leone

The Governing Council received a 5-member delegation from the APRM Commission of Benin led by Madame Do-rego Bernadine, the Chairperson of the Commission from January 12 to January 15, 2009. The delegation interacted with their Ghanaian counterparts on post-review activities such as finding synergies between the APRM National Programme of Action and Poverty Reduction Strategy documents; tracking expenditures made in the implementation of the NPOA; civil society involvement and participation in the monitoring and implementation of the NPOA.

A four-member delegation from Sierra Leone's National APRM Governing Council led by the Chairman, Dr. Osman Gliba, also paid a visit on the Governing Council from May 17 – 22, 2009. The delegation held discussions on pre-review activities including sensitization and education strategies, civil society participation and involvement in the review process, organization of the review process.

b) Pan African Parliament

The Parliamentary Centre collaborated with the Governing Council to organize a workshop for the Pan African Parliament. The workshop was under the theme "Assessing Policy Implementation of the APRM, NEPAD and MDGs in Ghana. The workshop was held at the Novotel Hotel in Accra from the 5th to 6th of May, 2009.

The PAP also had the opportunity to visit and interact with members of four (4) District APRM Oversight Committees to know at first hand the activities of the DOCs and the impact they are having on local governance.

CHAPTER TWO

OVERALL PROGRESS ASSESSMENT

2.0 Introduction

Ghana continues to steadily implement the recommendations of the National Programme of Action. This Section provides highlights of some of the achievements and challenges under the four themes: Democracy and Good Political Governance; Economic Governance and Management; Corporate Governance; and Socio-Economic Development.

2.1 Democracy and Good Political Governance

2.1.1 Poorly defined land ownership and problems with land administration

The Land Administration Project, designed as the implementation mechanism for the National Land Policy to address the challenges faced in land ownership and administration, has chalked the following successes:

- all laws on land and land use have been reviewed and proposals made for their consolidation and update;
- based on inventories taken on some state acquired lands, government has started returning excess lands to the original owners;
- the Judiciary Service has established six Land Courts;
- a new Lands Commission Act, 2008 (Act 767) has been passed merging four of the six public land sector agencies
- thirty-eight (38) customary land secretariats have been established to provide support to the customary land owners;
- a Civil Society Coalition on Land (CICOL) has been formed;
- eight (8) Land Registries have been established in eight regional capitals, leading to a reduction in the turn around time for land registration from more than 36 months to less than 3 months in the regional capitals;
- the Geodetic Reference Network has been re-organized for the southern part of the country;
- pilot customary boundary demarcation is on-going in two areas;

- two (2) beneficiary assessments have been undertaken on the establishment of the Land Registries which showed a lot of enthusiasm among the populace to register their properties. On average about 30 percent of all lands registered is done by women.

2.1.2 Election and Transition Process

Stakeholders have noted that the controversy surrounding the recent transition process has highlighted the need to adhere to strict rules and procedures that promote transparency and thereby ensure a smooth transition process. In a communiqué issued by the Ghana Anti-Corruption Coalition, stakeholders stated that successive governments have failed to carry out the necessary measures in a transparent and timely manner and as a result, embroiled the change-over process in needless controversy.

Presidential Transition Bill

A think-tank, the Institute of Economic Affairs (IEA-Ghana), has launched a Presidential Transition Bill, a legislation to govern political transition in Ghana. The Bill seeks to establish arrangements in practice for the political transfer of power and other related matters. The Bill makes provision for:

- a Joint Transitional Team and Transitional Committees (Assets, Finance, Interior and Foreign Affairs). The Committees will meet to determine the scope and extent of the privileges and concessions to be given to high-ranking political appointees;
- the compilation of comprehensive handing over notes;
- the election of the Speaker a day before the swearing-in of the President;
- the Creation of the Office of the Administrator-General;
- the creation of the Presidential Estates Unit;
- a schedule of appointees who will leave office with the departing administration; and
- a reasonable period for transitions

Though yet to be passed into an Act, many of the Bill's provisions have been implemented. These include:

- the swearing in of the Speaker a day before that of the President. Though the Speaker was not sworn in a day before the President, she was however nominated before her swearing in. This was a far cry from the 2001 and 2004 experience where haggling over the choice of Speaker, which has to be done before the President, delayed the Presidential swearing in by 6 hours;
- the establishment of a Transitional Committee on the Economy, Assets, Interior and Foreign Affairs to oversee different areas of the transition;
- the preparation of a comprehensive Handing Over Notes and regular meetings of the Joint Transitional Teams to iron out areas of possible conflict;

The National Identification System (NIS) established under the National Identification Authority (NIA) to set up a database of all Ghanaians and non-Ghanaian residents in the country and to provide an Identity Card for citizens and others is being dogged by lack of resources and frequent shortage of materials.

2.1.3 Security of life and property

The recent surge in violent crime is of concern to stakeholders. The spate of armed robberies, car and mobile phone snatching has left many Ghanaians in a state of fear. Cases of armed robberies have revealed that victims are painfully subjected to unforgettable ordeals – rape, torture, gunshot wounds among others. The perpetrators have become so emboldened that some have resorted to daylight robbery and threatened anybody who attempts to come their way. Stakeholders have therefore called on Government to resource the security agencies to bring the situation under control.

2.1.4 Fighting corruption in the public sphere

Stakeholders lamented the lack of clear-cut procedure for handing-over by public officers including the vacation of residences which has resulted in an authorized removal of State property. There is a clarion call for the establishment of the Office of the Administrator-General which would take inventory of all state assets, irrespective of which government is in power.

The Government is committed to the passage of the Freedom of Information Bill, as well as enforcing a Code of Conduct in Government which includes key information disclosures, ethics and anti-corruption measures.

2.1.5 Reduction in number of Ministries and Ministers

As part of efforts to cut down on public expenditure, the new administration has reduced the number of Ministries from 27 to 24, as well as reduced the number of Ministers from 88 to 75.

2.1.6 Under representation of women in public office

Whilst the new administration is yet to achieve its pledge of 40 percent of women occupying public positions, a number of notable appointments have been made. These include:

1. The Speaker of the Fifth Parliament of the Fourth Republic, Rt. Hon. Justice Joyce Bamfo-Addo. This appointment makes Rt. Hon Bamfo-Addo, the first female to be elected to this high office.
2. The Minister of Justice and Attorney General, Mrs. Betty Mould Iddrissu

2.2 Economic Governance and Management

2.2.1 Economic performance

Notwithstanding the upheavals in the international financial markets and energy shortfalls, economic growth reached 7.3 percent in 2008 up from the 6.3 percent recorded in 2007. This performance has been attributed to the higher public sector expenditure and strong public and private sector investment activity. Stakeholders contend that the resilience in growth reveals sound economic fundamentals.

Government expenditure continues to rise faster than revenue collections, causing the fiscal deficit to rise; it is estimated at about 14 percent of GDP. The main driver of government spending continues to be the wage bill, which reached almost 10 percent of GDP.

2.2.2 Public Financial Management

The review of Ghana's Public Financial Management (PFM) system revealed that, progress has been notable in the reduction of the audit backlog, the establishment of new internal audit arrangements and the implementation of a new budget preparation timetable that ensures that appropriations are approved prior to the beginning of the financial year. Stakeholders have, however, called for budget formulation and execution to be further strengthened to improve budget credibility.

2.2.3 Inflation

Stakeholders contend that an increase in general prices as a result of the recent hike in fuel prices would likely put the consuming public in economic hardship and has the potential to setback the country's economic growth. Inflation currently is pegged at 20.3 percent.

2.2.4 Interest Rates

The Bank of Ghana increased its prime rate by 1.5 percent to 18.5 percent up from 17.0 percent. Universal banks in the country responded to this initiative with upward adjustment of their respective base lending rates. Lending rates range between 28 percent and 31 percent. This means a tightening of the cost of credit which will directly impact on borrowing trends in the country.

2.2.5 Credit Rating

Ghana's sovereign rating (by Standard and Poor's) has worsened from a B+ to a B in the short term. This, coupled with an overburdening budget deficit at 14 percent of GDP and public debt

at about 80 percent of GDP, undermines the country's prospects of raising funds from the international capital market. The country has therefore turned to multilateral sources for funds.

The country has therefore reversed its earlier decision to cease taking loans from the International Monetary Fund (IMF) and is negotiating a USD 1 billion interest-free facility.

2.3 Corporate Governance

2.3.1 Banks credit to the Private Sector

Available figures from the Bank of Ghana indicate an increase in bank credit to the private sector – recording a real annual growth of 25.4 percent in 2008 easing from 41.8 percent in 2007. Enterprises accounted for 77.8 percent of the increase in credit to the private sector in 2008 compared with 69.5 percent in 2007. The share of household loans, mostly consumer loans accounted for 20.6 percent of the credit flow in 2008.

The Pseudo-Public Sector Credit

Stakeholders contend that most credit extended to the private sector was to contractors and service providers who contracted lines of credit to execute public works. Thus, instead of Ghana providing mobilization funds, private sector operatives had to contract loans and were later reimbursed by Government. This, they regarded as pseudo-public sector borrowing through the private sector.

A 22-million Euro credit line to support growth of Small and Medium Enterprises (SMEs) and enhance their contribution to the country's development has been launched. Known as the Ghana Private Sector Development Fund (GPSDF), the credit facility made available by the Italian Government, would allow beneficiary SMEs to finance capital goods, spare parts, consumable production inputs and services.

2.3.2 Labour unrest

There have been two major labour unrests in the country during the period. First, is the work-to-rule strike organized by doctors in the country to press for unpaid allowances. Second, is the unrest at the Tema Port following the failure of the management of the Ghana Dock Labour Company Limited (GLDC) to organize a referendum to determine which of the two workers

unions, Maritime and Dock Workers Union (MDU) and the National Union of Harbour Employees (NUHEM), could have the mandate of the workers.

2.4 Socio-Economic Development

2.4.1 Fertilizer Subsidy Programme

The Government is continuing the implementation of the Fertilizer Subsidy Programme in a drive to make the prices of fertilizer affordable and to enable small-scale farmers to procure the product to improve yield. An amount of GHC37 million has been released this year to support the programme.

2.4.2 North-South Development Divide

The government is rolling over the GHC25 million Northern Development Fund (NDF) into a GHC200 million Savanna Accelerated Development Authority (SADA). SADA is aimed at narrowing the yawning development gap in the three northern regions, as well as the contiguous savanna areas of the Volta and Brong Ahafo, to the rest of the country. SADA aims at the creation of a competitive northern economic zone that would highlight the enormous potential of the selected areas.

2.4.3 Malaria Control

A private waste management company, ZOOMLION Ghana Limited, in collaboration with the Ministry of Health has launched the Nationwide Mosquito Control Programme (NAMCOP) beginning with a mass mosquito spraying exercise in all 17 districts of the Western Region. The exercise would target public toilets, urinal sites, container sites, refuse evacuated sites, drains and ditches, stagnant water, market places and disposal sites to control diseases and vectors.

CHAPTER THREE

CONCLUSIONS

3.0 Introduction

The report concludes with an assessment of the progress made towards addressing the overarching issues identified in the Country Review Report.

3.1 Capacity Constraints

The Ministry of Education organized a 2-day forum for more than 700 participants on the theme “Reaching a national Consensus on the Duration of Senior High School for Affordable Quality Education”. The forum failed to reach a consensus for either a 3-year or 4-year SHS duration.

Stakeholders, however, contend that the challenge facing the SHS is quality education and not about the duration. They have therefore urged the Government to focus on the challenges militating against quality education delivery by providing infrastructure facilities, text books, computers and incentive packages to teachers to enhance quality education.

3.2 Gender disparity

The Ghana Institute of Management and Public Administration (GIMPA) has initiated a draft gender policy for the training of public service officials. The draft policy would form the basis for the formulation of a comprehensive gender policy document for ensuring gender mainstreaming in the public service.

3.3 Corruption

The 2009 Global Corruption Barometer (GCB) report identified petty bribery, such as the police standing by the wayside and collecting swathes of GHC1.00 from drivers to civil servants demanding something before working on a letter to be on the increase in Ghana.

3.4 Decentralization

Some progress has been made by the Local Government Service Council (LGSC) regarding the creation of a Local Government Service and related effective establishment of decentralized departments, which in turn implicate the assignment of functions under MMDAs. However, the process risks being negated by adjustments within the key sectors, such as health and education, which still hold substantial mandates for providing “services” and have the financial means, through existing budget arrangements to do so.

3.5 Land Issues

The Land Administration Project (LAP) is assisting to streamline the ownership and administration of land in the country.

3.6 Chieftaincy

The National House of Chiefs' flagship project of codifying all lines of succession to stools and skins to stem the many disputes and conflicts plaguing the chieftaincy institution has been delayed due to lack of resources.

3.7 Unemployment

The unemployment rate in Ghana is estimated at 20 percent as at 2008.

3.8 External Dependency

Ghana reversed its earlier decision of 2007 to do away with loans from the International Monetary Fund (IMF), and is negotiating a USD1 billion loan with the institution to weather the country's balance of payment challenges.