

*NATIONAL AFRICAN PEER REVIEW MECHANISM –
GOVERNING COUNCIL*



**IMPLEMENTATION OF THE NATIONAL PROGRAMME OF ACTION
FIRST ANNUAL PROGRESS REPORT
2006**

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TABLE OF CONTENTS

Foreword by Rev. Prof. S.K. Adjepong, Chairman, NAPRM-GC		iii
List of Abbreviations		v
Executive Summary		vii
CHAPTER ONE INTRODUCTION		1
1.1 Background		1
1.2 Rationale for the monitoring & evaluation		2
1.3 Objectives of the monitoring & evaluation		2
CHAPTER TWO METHODOLOGY		3
2.1 Introduction		3
2.2 Sampling Design		3
2.2.1 Sampling Frame & Sampling Units		3
2.2.2 Survey Instruments		3
2.2.3 Desk Review		4
2.2.4 Fieldwork		4
2.2.5 Data Analysis		5
2.2.6 Report Reviews		5
CHAPTER THREE DEMOCRACY AND GOOD POLITICAL GOVERNANCE		7
CHAPTER FOUR ECONOMIC GOVERNANCE AND MANAGEMENT		45
CHAPTER FIVE CORPORATE GOVERNANCE		60
CHAPTER SIX SOCIO-ECONOMIC DEVELOPMENT		80
CHAPTER SEVEN CONCLUSION		95
Matrix on Progress of Implementation of NPoA		100

FOREWORD

This is the second Progress Report submitted to the APR Panel as part of the National African Peer Review Mechanism – Governing Council’s statutory obligation to submit progress report on the implementation of the National Programme of Action every six months. The First Progress Report was submitted in June 2006.

The Annual Progress Report is the result of extensive consultative process with stakeholders – Ministries, Departments and Agencies, private sector operators, traditional authorities, women groups, youth groups, District Assembly persons, Persons living with disabilities, civil society organizations – throughout the ten regions of Ghana.

The Report is aimed at (1) obtaining feedback from government (through the Ministries, Departments and Agencies) on the progress made in the implementation of the Programme of Action, and (2) obtaining feedback from CSOs, citizens and experts about the extent to which the implementation of the national Programme of Action is improving governance and their socio-economic well-being.

The assuring news is that the findings show encouraging trends in all the thematic areas under review. Ghanaians generally were happy with the freedom of expression, and safety and security of life and property. They also expressed satisfaction with the resilience of the economy in the face of increasing oil prices. Support to the private sector, especially micro and small enterprises, was also mentioned as noteworthy. Improving access to water and sanitation was also commended.

Of concern to the majority of Ghanaians, was the lack of improvement in their purchasing power, and the stalled decentralization process. They call on government to enforce the provisions in available legislation that deal with corruption. Ghanaians lamented the failure to fully implement the Affirmative Action that seeks to foster gender equality.

In conclusion, let me say that the Governing Council is aware that changing attitudes and improving the well-being of people is a process that will require time, but we are equally

mindful of the fact that if as a people we set ourselves up to the principles of the APRM we would secure a brighter future for our country.

Rev. Prof. S.K. Adjepong

Chairman, NAPRM-GC

LIST OF ABBREVIATIONS

A-G	Attorney General
APR	Annual Progress Report
APRM	African Peer Review Mechanism
ASDR	African Security Dialogue Research
AU	African Union
CAGD	Controller and Accountant General's Department
CDD-Ghana	Centre for Democratic Development – Ghana
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEPA	Centre for Policy Analysis
CEPS	Customs Excise and Preventive Service
CHRAJ	Commission for Human Rights and Administrative Justice
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
CWIQ	Core Welfare Indicator Questionnaire
DOVVSU	Domestic Violence and Victim Support Unit
DTCs	District Tender Committees
DTRBs	District Tender Review Boards
EFA-FTI	Education for All – fast Track Initiative
EPA	Environmental Protection Agency
FECCIWA	Federation of Council of Churches in West Africa
FGM	Female Genital Mutilation
FOAT	Functional Organisational Assessment Tool
FOSDA	Foundation for Security and Development in Africa
GEPC	Ghana Export Promotion Council
GIAC	Ghana Investment Advisory Council
GIPC	Ghana Investment Promotion Centre
GNCC	Ghana National Commission on Children
GNCSA	Ghana National Commission on Small Arms
GPRS	Growth and Poverty Reduction Strategy
GSS	Ghana Statistical Service
ICA-Ghana	Institute of Chartered Accountants – Ghana
ICT	Information and Communication Technology
IFEJ	Institute of Financial and Economic Journalists
IRS	Internal Revenue Service
ISD	Information Services Department
ISSER	Institute of Statistical, Social and Economic Research
ITN	Insecticide Treated Net
JSS	Junior Secondary School
LAP	Land Administration Project
LEAP	Livelihood Empowerment Against Poverty
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies
MPs	Members of Parliament
MPA	Ministry of Parliamentary Affairs
MOFEP	Ministry of Finance and Economic Planning

MOINO	Ministry of Information and National Orientation
MOWAC	Ministry of Women and Children Affairs
MPSR	Ministry of Public Sector Reform
NERIC	New Education Reform Implementation Plan
PM&E	Participatory Monitoring and Evaluation
NAPRM-GC	National African Peer Review Mechanism Governing Council
NCCE	National Commission for Civic Education
NDPC	National Development Planning Commission
NED	National Economic Dialogue
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations
NPA	New Poverty Agenda
NPOA	National Programme of Action
NRL	National Reconstruction Levy
NYEP	National Youth Employment Programme
OUA	Organisation of African Unity
OHCS	Office of Head of Civil Service
OSS	One-Stop-Shop
PARD	Policy Analysis and Research Division
PEF	Private Enterprise Foundation
PSD	Private Sector Development
PSC	Public Services Commission
PSI	President's Special Initiative
RAGB	Revenue Agencies Governing Board
SSS	Senior Secondary School
STEP	Skills Training and Employment Project
UNHCR	United Nations High Commissioner for Refugees
VAT	Value Added Tax
VELD	Vehicle Examination and Licensing Department
WTO	World Trade Organisation

EXECUTIVE SUMMARY

Introduction

This report presents findings of the Participatory Monitoring and Evaluation (PM&E) assessment undertaken during the preparation of the Annual Progress Report on the implementation of Ghana's National Programme of Action.

The report is in fulfillment of the APRM requirement that obliges countries that have successfully undergone the review process to submit annual progress report to the APR Secretariat in South Africa. This is then tabled at the APR Forum.

The Annual Progress Report provides a basis for assessing the implementation of programmes and policies aimed at addressing the recommendations raised in the National Programme of Action. The PM&E also affords the citizenry an opportunity to be part of the assessment of progress of implementation of the National Programme of Action.

The objectives of the PM&E were to:

- Obtain feedback from government (through the Ministries, Departments and Agencies (MDAs) on the progress of implementation of the National Programme of Action;
- Obtain feedback from citizens about the extent to which the implementation of the National Programme of Action is improving governance and their socio-economic well being.

Methodology

The NAPRM-GC adopted a bottom-up approach in this survey. The methodology involved pre-field (desk reviews, sensitization and awareness creation), field survey, in-house peer review and post-field validation. The survey was two-pronged. The first involved an extensive desk-based research gathering factual data and information from Ministries, Departments and Agencies, the private sector and civil society. The second involved an extensive representation sample of 1,200 citizens from 20 districts in all the ten regions.

FINDINGS

Democracy and Good Political Governance

Decentralization

Results on the decentralization front was mixed. Progress was being made to improve fiscal decentralization with the piloting of composite budgets in 20 District Assemblies. Revenue mobilization for district assemblies was being improved with the introduction of a new revenue collection technology.

Though the Local Government Service Act has been passed and the Local Government Service Council has been instituted, the Service is yet to be operational.

Public pronouncements by government officials indicate that the election of Metropolitan, Municipal and District Chief Executives would require Constitutional Amendments.

Access to justice

Ghanaians (35 percent) are of the opinion that there has been an improvement in access to justice (29 percent for 2005). This has been attributed to the presence of CHRAJ and DOVVSU offices in almost all the districts. Ghanaians (40 percent), however, report that judicial decisions are not fair and objective to ordinary citizens.

Security of life and property

Ghanaians are of the opinion that the security system is offering them protection against torture (48 percent), arbitrary detention (59 percent), violent crime (armed robbery) (55 percent), ethnic conflict (60 percent) and domestic violence (53 percent).

Cultural Practices harmful to women

The Criminal Code of 1998 has been amended to criminalize harmful widowhood rites and ritual servitude. A strengthened law on Female Genital Mutilation (FGM) has been presented to Parliament.

Child Trafficking and Child labour

The Human Trafficking Law has been passed. One Hundred and twenty Child Protection Volunteer Teams have been established in a number of communities to serve as watchdogs for children. Teachers and drivers (GPRTU) have also been sensitized to report incidence of child trafficking.

Under-representation of women in public life

The Affirmative Action is not being implemented to the full. It is only being applied at the district level where 50 percent of government appointees are women, and the Universities in terms of intake of women who qualify to attend.

Street Children and Vulnerable Youth

A National Social Protection Strategy is being developed to cater for the interest and needs of the vulnerable, the excluded and the extremely poor. A Livelihood Empowerment Against Poverty (LEAP) Project is to be implemented in 2007 to further strengthen social protection.

Violations of the Rights of the Disabled

The Law on Disability (Act 715) has been passed.

Adequacy of resources to Governance Institutions

There was a substantial increase to governance institutions in the 2006 budget. However, actual monies received fell short thus hindering the institutions from undertaking planned activities.

Civil engagement in national dialogue and decision

Ghanaians (43 percent) were of the view that they were actively involved in public discussions on major policy issues. Ghanaians, however, lamented that the National Economic Dialogue was poorly organized in 2005 and not at all in 2006.

Fighting corruption in the public sphere

The Whistleblowers Act, 2006 (Act 720) has been passed. The Freedom of Information Bill has been revised and submitted to the Minister of Justice and Attorney-General for consideration.

The Attorney General has indicated that henceforth there will be no bail for those dealing with narcotics, and also their property will be confiscated.

The Commission on Human Rights and Administrative Justice has developed Draft Guidelines on Conflict of Interest entitled "Guidelines on Conflict of Interest to Assist Public Officials Identify, Manage and Resolve Conflicts of Interest".

The Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) has come under intense scrutiny. CHRAJ has declared it would take up the issue in 2007 to compel the Attorney General to enforce the provisions in Act 550.

Ghanaians (89 percent) were of the opinion that corruption is widespread in the public sector, and only 23 percent thought the government was doing enough to fight the menace.

Promotion and Protection of the Rights of Women

The Domestic Violence Bill received a second reading in Parliament. The Labour Law provides for equal opportunity for training and working in the mining industry. The Law also criminalizes sexual harassment in the workplace.

Promotion and Protection of Children and Young Persons

Gross Enrolment Ratio has increased to 78.2 percent for Kindergarten, 89.9 percent for Primary, 73 percent for JSS and 29.06 for SSS as at September 2006.

All 138 districts have one NEPAD School Feeding Programme. All pupils board the Mass Metro Transport free of charge to and from school.

The Gender parity Index for Kindergarten is 1.03, for Primary 0.95, JSS is 0.93 and 0.79 for SSS.

The Domestic Violence and Victim Support Unit (DOVVSU) has been supported to set up 52 additional offices throughout the country.

A Bill on Domestic Workers is being developed.

Inadequate and insecure pensions

A White paper has been published on a Pension Review Commission which The Social Security and National Insurance Trust (SSNIT) has increased pension payments by 15 percent.

Economic Governance and Management

The economy continues to experience deepening macro economic stability and resilience, with rising GDP growth, diminishing inflationary expectations (headline inflation decreased from 14.8 percent in January 2006 to 10.5 percent in December 2006), a stable currency and a build-up of four months of secondary reserves.

Standards and Codes

A number of standards, Codes and Treaties remain unratified. These include: Code of Good Practices on Fiscal transparency, Guidelines on Public Debt Management, International Standards in Auditing, Code of Good Practices in Transparency and Financial Affairs, Best Principles for Budget Transparency.

Macro-Economic Framework

The Ministry of Finance and Economic Planning (MOFEP) is recruiting staff to strengthen its Policy Analysis Division. MOFEP is currently undertaking an in-house capacity building in macro economic modeling.

MOFEP and NDPC are collaborating to ensure that Ministries, Departments and Agencies reflect the objectives of the GPRS II in their budgets.

The Public Procurement Board has developed Standard Tender Documents and Manuals for Entity Tender Committees. A total of 698 Entity Tender Committees have been established in MDAs and MMDAs. In addition, 109 Review Boards have been set up in MDAs and MMDAs.

The Ghana Statistical Service is implementing the National Strategy for the Development of Statistics (NSDS) and the Statistical Literacy Strategy which involves all arms of government, MDAs, MMDAs, the private sector and civil society to appreciate the use and management of statistical information for decision-making, monitoring and evaluation of development outcomes.

Predictability of government economic policies

A Ministry of Public Sector Reforms has been established to spearhead the implementation of the Public Sector Reform Strategy. The Reform has seen a revision in pensions and the setting up of Fair Wages Commission. Codes of Conduct and Citizens Charters have been developed for MDAs.

A number of initiatives have been instituted to get public opinion into national policy making. These include annual invitation by the Ministry of Finance and Economic Planning to individuals and civil society groups to make inputs into the national budget, the annual New Year Schools, National Economic Dialogue, the "Meet the Press" series.

Ghanaians (47 percent) however are of the opinion that their involvement in economic policymaking is low/very low.

Sound Public Finance Management

All revenue agencies have been resourced with additional vehicles to undertake their activities. The retention for Revenue Agencies has been increased from 2.5 percent to 3.0 percent of revenue collected as an incentive to improve revenue collection. A Revenue Protection Unit has been set up with the Revenue Agencies Governing Board to enforce compliance with tax laws. A Revenue College is to be established.

The Ministry of Finance and Economic Planning in collaboration with the Bank of Ghana (BoG) and Controller and Accountant General's Department (CAGD) has established an expenditure

tracking committee with the mandate to track releases for payments from MOFEP through CAGD to BoG.

Ghana's total debt stock as at September 2006 had declined to USD4,670.59 million from USD8,382.5 million as at end 2005. The sharp decline was as a result of as a result of stock of debt cancellation that Ghana benefited both under the Highly Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI) debt relief initiatives.

Corruption and Money Laundering

The Government is committed to a comprehensive pay reform as stated in the 2006 Budget Statement. The Government is thus setting up a Salary and Wages Commission or Fair Wages Commission, and a Secretariat to be responsible for Pay Administration.

Ghanaians (42 percent) indicated that there has not been any change in their purchasing power since 2005.

The legal framework is being strengthened to reduce corruption in the public sector. The enactment of such laws as the Public Procurement Act, the Financial Administration Act, the Internal Audit Agency Act is meant to curb abuse within the public sector. In addition, the Public Sector Reform Ministry is implementing the Public Sector Reform Strategy aimed at among others, to reduce bureaucracy thereby reducing the incentive for corrupt practices.

The Bank of Ghana, Bank Investigators of the financial institutions and the Ghana Police Service have been undertaking series of seminars on Financial Fraud Investigation. Unfortunately, the Judicial Service has not been part of these seminars.

The Anti-Money Laundering Bill has been drafted, and the Attorney General is working on the gazette.

Regional Integration

Capacity building workshops are on-going for CEPS officials on ECOWAS Protocols and directives. With support from the World Bank, the Abidjan-Abuja Corridor Project has been streamlined and rationalized transactions along the border. Road blocks between Ghana and Burkina have been reduced to the minimum.

Ghana, as a member of the West African Monetary Zone (WAMZ) continues to strive towards the goal of economic and monetary integration. Ghana has to date complied with two primary (zero central bank financing of fiscal deficit and gross external reserves) and two secondary criteria. Ghana, however, continues to face challenges in respect of compliance with the single digit inflation and the 4 percent upper limit band for the fiscal deficit-to-GDP targets (excluding grants).

Sensitization programmes have been undertaken along the borders by the ECOWAS Bureau of the Ministry of Foreign Affairs, Regional Integration and NEPAD.

Corporate Governance

The country continues to enjoy a B+ rating from both Standard and Poor's and Fitch Ratings. The country ranks 82nd in the World Bank Study – Doing Business in 2006. The survey also found Ghana as the 9th easiest place to do business in Africa. In West Africa, Ghana ranks number 1 as the easiest place to do business in. There are now 32 companies listed on the bourse with market capitalization of Cedis 112,499.81 billion.

Poor public service delivery, power outages, industrial unrests and environmental concerns continue to be the dark spots on the corporate front.

International Accounting Standards

The Institute of Chartered Accountants – Ghana has declared that all Ghanaian companies and businesses should adopt International Accounting Reporting from January 1, 2007.

Insurance Bill

The Insurance Bill has been proof read and gazetted and corrections are being effected.

Enabling Environment

The Registrar General's Department is implementing the Business Registration Reform Strategy over a four year period. The Strategy includes among other components, the setting up of and equipping a Front Office to provide customer friendly and focused services.

The RGD has started a process of decentralizing its operations to Kumasi, Takoradi and Tamale.

The majority of Respondents (63 percent) felt strongly (very high/high) about the fact that business registration is associated with corrupt practices.

The amended Ghana Investment Promotion Council (GIPC) Law is before Parliament.

The withholding tax rate on the supply of goods and services has been reduced from 7.5 percent to 5.0 percent. Withholding tax on dividends has also been reduced from 10.0 percent to 8.0 percent. The corporate tax rate has been reduced from 28 percent to 25 percent with effect from January 1, 2006.

The Credit Reporting Bill is before Parliament. A Central Securities Depository System has been operationalised.

The Bank of Ghana is setting up the following to hasten the clearance of cheques and improve the payments system: a National Electronic Payments System; Electronic Funds transfer; Domestic Switch; Wide Area Network; Electronic Clearing; Codeline Cheque; and Smart Card payments.

Corporations act as good corporate citizens

Overly restrictive legislations such as the Industrial Relation Act of 1965 which hindered trade union activities have been repealed with the passage of the Labour Act 2003 (Act 651).

As many as 53 percent of Respondents are of the opinion that there has not been any change in the way business entities treat their workers, even with the coming into force of the Labour Law.

Codes of Ethics

The Consumer Association of Ghana has revived its activities. The Association held a public forum on the topic "Consumer's Right to Sustainable Energy Access" on March 15, 2006.

The media continues to be the main watchdog for the Ghanaian consumer. The media blew the whistle on a biscuit manufacturing company that allegedly was using unwholesome flour. The Food and Drugs Board also banned the advertisement of alcoholic beverages on the electronic media following public complaints.

Corporations and Stakeholders

The Registrar-General's Department is recruiting 6 additional company inspectors to enforce compliance with annual reporting. Company information will be posted on the Department's Website and may be accessed for a fee.

A Committee has been set up to review the Companies Code. The Committee's report is not yet out.

To strengthen Shareholder Rights in Ghana, the Securities and Exchange Commission is addressing the void in the securities industry and related laws and regulations with regard to the treatment of unclaimed dividends. This, the Commission believes will help reduce the incidence of unclaimed dividends in the capital market.

Accountability for Corporations, Directors and Officers

The Registrar-General's Department is recruiting 6 additional Company Inspectors to enforce compliance with annual reporting.

The Institute of Directors – Ghana, and GIMPA are offering courses in corporate governance for directors and chief executives in both the public and private sector.

The Ghana Investment Promotion Council's 2005 Club 100 incorporated Observance of Corporate Governance Principles as a criterion for grading companies in Ghana.

SOCIO-ECONOMIC DEVELOPEMENT

Standards and Codes

The following treaties have not been ratified:

- The African Charter for Popular Participation in Development
- United Nations Millennium Declaration
- The United Nations Declaration on the Right to Development

Self reliance in development

A number of initiatives exist to elicit stakeholder input into development programmes. These include the District Assemblies, National Economic Dialogue, Investment Advisory Council, the Institute of Adult Education's New Year School.

MDAs such as the Ministry of Finance and Economic Planning invite memoranda and views from the public and civil society organizations as inputs into the national budget.

Acceleration of Socio-Economic Development

The National Development Planning Commission (NDPC) undertakes annual participatory monitoring and evaluation activities to assess the extent to which the key objectives of the GPRS are being met.

A One-Stop-Shop for investors, to be managed by the Ghana Investment Promotion Council, is operational.

Land Banks have been established to make land readily available for private investors for whom obtaining land with good title deed is a problem. Data on Land and Suitability Maps for the 10 regions of Ghana are available to investors through the GIPC.

The Micro-financing and Small Loans Centre (MASLOC) has strengthened its Microcredit and Small Loans Scheme to support the growth and development of a sustainable micro financing system to reach the productive poor with credit and other financial services. A Micro Credit Fund of USD50 million was launched in September 2006.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The African Peer Review Mechanism (APRM) is a voluntary self-monitoring tool that has been accepted by member states of the African Union to promote good governance through the adoption of laws, policies and practices that lead to political stability, high rates of economic growth, sustainable development and continental integration.

The APRM assess countries based on four thematic areas, namely:

- Democracy and Good Political Governance;
- Economic Governance and Management;
- Corporate Governance; and
- Socio-Economic Development.

As part of the requirements, countries that have successfully undergone the review process are obliged to submit annual progress reports to the APR Secretariat in South Africa to be tabled at the APR Forum.

This second report presents findings of the Participatory Monitoring and Evaluation (PM&E) assessment undertaken as part of the Annual Progress Report on the implementation of Ghana's National Programme of Action. The Annual Progress Report provides a basis for assessing the implementation of programmes and policies aimed at addressing the recommendations raised in the National Programme of Action. The PM&E also affords the citizenry an opportunity to be part of the assessment of progress of implementation of the National Programme of Action.

1.2 RATIONALE FOR THE MONITORING & EVALUATION

The Annual Progress Report (APR) is an essential ingredient of the African Peer Review Mechanism. Broadbased stakeholder consultation and involvement is a core principle of the

APRM. The participatory M&E therefore affords all stakeholders, including ordinary citizens the opportunity to participate and make an input into the implementation of the Programme of Action. The participatory M&E also reinforces civil society ownership of the entire review process through constant dialogue and consultations as regards the implementation of the recommendations of the Country Review Report.

The citizens of Ghana through the M&E process provide an assessment of how government policies and programmes, as well as the activities of the private sector and civil society are addressing the recommendations raised in the National Programme of Action.

1.3 OBJECTIVES OF THE MONITORING & EVALUATION

The objectives of the M&E were to:

- Obtain feedback from government (through the Ministries, Departments and Agencies (MDAs) on the progress of implementation of the National Programme of Action;
- Obtain feedback from citizens about the extent to which the implementation of the National Programme of Action is improving governance and their socio-economic well being.

CHAPTER TWO

METHODOLOGY

2.1 INTRODUCTION

The NAPRM-GC adopted a bottom-up approach in this survey. The methodology involved pre-field (desk reviews, sensitization and awareness creation), field survey, in-house peer review and post-field validation. The survey was two-pronged. The first involved an extensive desk-based research gathering factual data and information from Ministries, Departments and Agencies, the private sector and civil society. The second involved an extensive representation sample of 1,200 citizens from 20 districts in all the ten regions. The National Commission for Civic Education undertook the training of the field enumerators.

2.2 SAMPLING DESIGN

2.2.1 Sampling Frame and Sampling Units

The unit of analysis for the PM&E is the household and the sample universe comprises the population living in individual households (in both rural and urban areas, and in all regions). Using the Ghana 2003 Core Welfare Indicators Questionnaires (CWIQ II) Survey Report two districts were selected from each region. One district was “well-endowed” and the other was “less endowed”.

2.2.2 Survey Instruments

The NAPRM-GC M&E Team developed an interactive citizen questionnaire based on the APRM Base Questionnaire and modeled it after the National Development Planning Commission’s (NDPC) citizen report card questionnaire. This questionnaire was administered to 1,200 citizens across the ten regions. The questionnaire had five sections covering the following:

- Background characteristics of respondents
- Democracy and Good Political Governance
- Economic Governance and Management
- Corporate Governance; and
- Socio-Economic Development.

A survey checklist was also developed for use during the Focus Group Discussions that were held with identifiable groups – traditional authorities, youth groups, etc.

A Progress Report Card was developed to elicit progress on implementation of recommendations raised in the NPOA from Ministries, Departments and Agencies.

2.2.3 Desk Review

The Progress Report Cards were administered to the MDAs through the Chief Advisor to the President in charge of Monitoring and Evaluation of MDAs. MDAs were required to submit the progress report through their Focal Persons to the Chief Advisor. Annual and quarterly reports of institutions such as the Bank of Ghana, Serious Fraud Office, Commission for Human Rights and Administrative Justice, Public Procurement Board, the Labour Commission, were also reviewed. The 2006 and 2007 Budget Statements were also part of the documentation review.

Reports from civil society organizations and the media (both print and electronic) were also monitored.

2.2.5 Fieldwork

The data collection exercise for the survey commenced on October 3, 2006 and ended on December 10, 2006. Ten teams comprising two supervisors and four interviewers were involved in the fieldwork. Two interviewers and a supervisor were assigned to each district. Each interviewer was to interview a total of sixty (60) respondents. Each interviewer was expected to cover a maximum of 6 households per day. Hence, the projection was that the sample size of 1,200 could be covered in 10 days.

Focus Group Discussions were held with various stakeholder groups including traditional authorities (chiefs and queenmothers), youth groups, District Assembly members and civil society organizations across the ten regions of Ghana.

Personal interviews were also held with 32 experts in various fields, economics, governance, finance, gender and child issues.

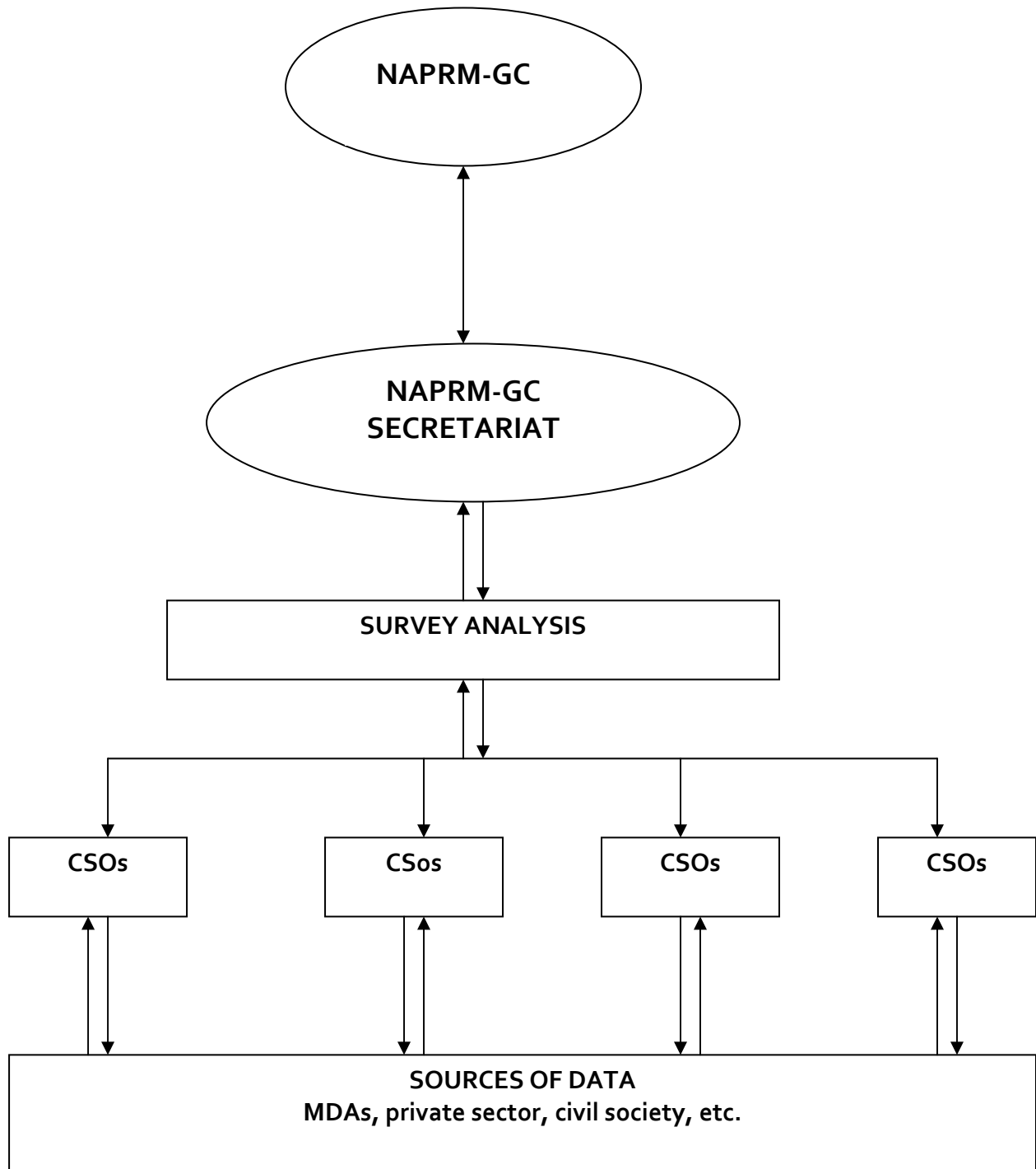
2.2.6 Data Analysis

The citizen survey was analysed using the Statistical Package for Social Sciences (SPSS) to generate frequencies of occurrences.

2.2.7 Report Reviews

The Draft Report was reviewed by a team of in-house experts.

SURVEY METHODOLOGY



CHAPTER THREE

DEMOCRACY AND GOOD POLITICAL GOVERNANCE

3.0 INTRODUCTION

This section examines the degree to which the government is committing itself to the objectives and principles of protecting and promoting democracy, good political governance, human rights and rule of law.

STANDARDS AND CODES

3.1 African Union Conventions not ratified

The Ministry of Foreign Affairs, Regional Integration and NEPAD is to submit all outstanding OAU/AU Treaties for ratification when Parliament reconvenes in January 2007. To this end the Ministry has requested all Ministries, Departments and Agencies (MDAs) who have no objections to notify the MFA to proceed with the necessary ratifications.

MFA has beefed up its staffing strength and will soon establish a Ratification Desk.

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

3.2 Poorly defined land ownership and problems with land administration leading to conflict

3.2.1 *Develop a Land Use Plan that demarcates all lands in disputes*

Under the Land Administration Project (LAP) procurement of consultants to demarcate the boundaries of Wassa Amenfi Traditional Area in the Western Region, Ejisu Traditional Area in the Ashanti Region, and Gbawe Kwatei Family Lands in Greater Accra Region is on-going.

3.2.2 *Establish decentralized one-stop shop for land registration*

A pilot one-stop shop (OSS) is being established at Madina. Office accommodation has been secured and a Task Team recruited for the project. A Drafting Committee has been established and it has commenced work on a new Land Agency Law.

3.3 Effective warning system mechanism

The Ministry of Interior in collaboration with other security agencies and critical stakeholders has developed an Early Warning System for conflicts and disasters. The system provides for the following:

- Identification of areas of conflict and development of conflict maps;
- Alerting of Security Agencies of simmering tension;
- Early and urgent response to potential conflicts;
- Establishment of the Ghana National Commission on Small Arms.

A Peace Architecture which provides for the establishment of National and Regional Peace Councils has also been established. The appointment of Peace Promotion Officers is on-going.

Training is being organized for officials of the Ministry and security agencies to build their capacities in Conflict Resolution and Negotiation Skills.

Security Concerns in the country

During discussion with both stakeholders and traditional authorities both groups expressed concern about the security situation in some parts of the country, notably the Northern Region. Media reports (confirmed by official sources) indicate that factions are amassing small arms and light weapons. The Ghana Police has over the past few weeks arrested a number of persons in possession of small arms, including a cache of weapons concealed in a coffin.

3.4 Sub-regional Security

A series of meetings are on-going between Ministers of Interior (Security) of Ghana, Togo and Burkina Faso to discuss cross-border crime and sub-regional security issues. The last meeting was held in Accra on 23 – 24 February, 2006. Efforts are being made to include Ministers of Interior (Security) from other countries in the sub-region.

On 14th June 2006, fifteen West African countries¹ signed a binding regional Convention (ECOWAS Convention on Small Arms and Light Weapons, their Ammunition and other related

¹ The 15 countries that signed up are: Cape Verde, Senegal, The Gambia, Guinea Bissau, Guinea, Sierra Leone, Mali, Liberia, Cote d'Ivoire, Ghana, Togo, Benin, Burkina Faso, Nigeria and Niger

Materials) intended to reduce the armed violence that has ravaged the region. The West African Action Network on Small Arms (WAANSA) played a critical role in promoting the creation of the legally binding Convention. The Convention is a culmination of a process to transform the 1998 ECOWAS Moratorium on Small Arms into a legally binding instrument.

The Ghana National Commission on Small Arms (GNCSA) which includes civil society organizations, has been embarking on a number of activities all geared towards the realization of the objectives of the ECOWAS Moratorium which re-inforces the United Nations Programme of Action, including:

- Crisis prevention;
- Awareness raising and sensitization;
- Encouraging people to register and or renew their small arms licenses;
- Putting together a more reliable data on firearms.

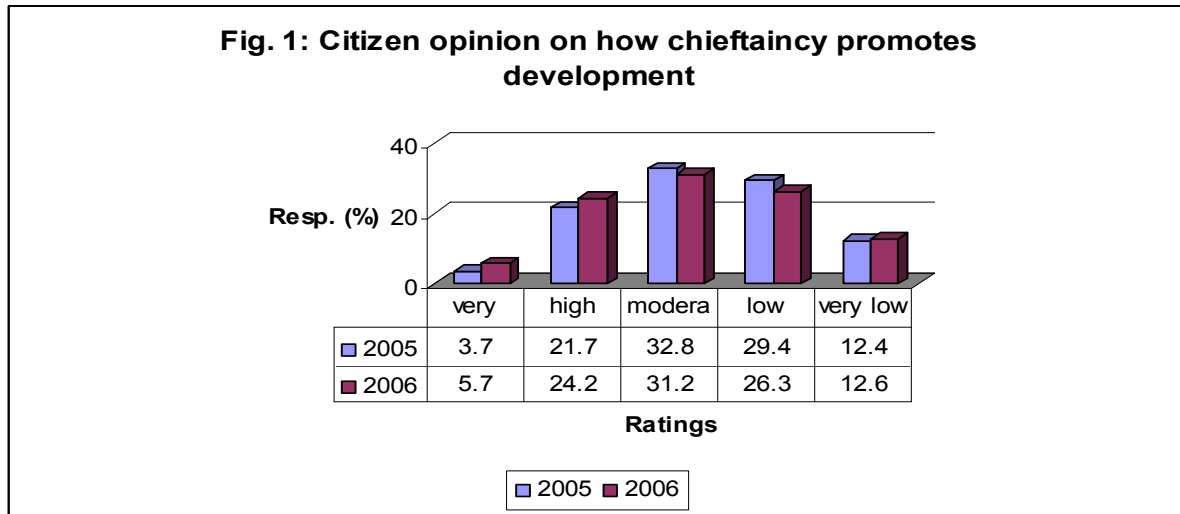
The Commission has particularly targeted artisans and blacksmiths who produce pistols and small arms. The artisans and blacksmiths are being encouraged to register their products to prevent them getting into the wrong hands.

A National Baseline Survey on the proliferation of illicit Small Arms in Ghana was commissioned by the Government of Ghana and conducted by the African Security Dialogue Research (ASDR). The Survey formed the background document for a National Strategic Conference on Small Arms held in Accra from the 14th to the 16th of March, 2006 to foster dialogue and build consensus for a National Plan of Action.

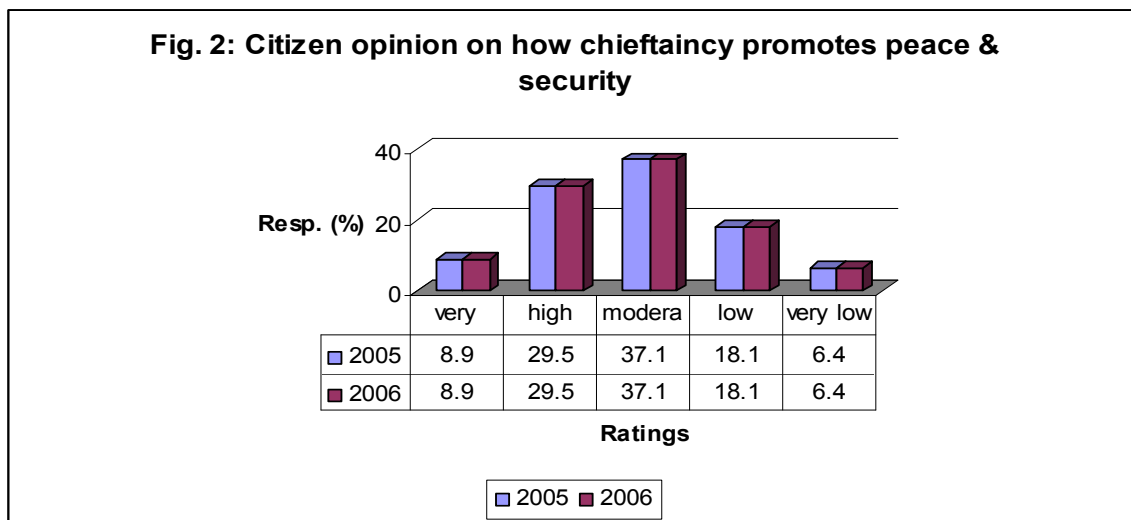
Civil society organizations such as the Foundation for Security and Development in Africa (FOSDA), the Federation of Council of Churches in West Africa (FECCIWA), and the Christian Council of Ghana have also been engaged in small arms work. Their activities revolve around public campaigns, write ups, collaboration with government agencies, and engagement with local arms producers to raise awareness of the dangers of arms production.

3.5 Responsiveness of Chieftaincy to rapidly changing social needs

A Ministry of Culture and Chieftaincy Affairs has been established. Ghanaians were almost split on their opinion as regards the extent to which chieftaincy was promoting national development (Figure 1). 33 percent suggested that the chieftaincy institution was promoting development in their communities (very high/high) and cite the educational campaigns, abolition of certain harmful traditional practices. Almost 28 percent said chieftaincy was retarding development (low/very low) and cite the numerous conflicts relating to succession and land management.



Twenty-seven percent reported that the institution was helping to promote peace and security (very high/high), whilst 24 percent were of the opinion that chieftaincy was rather fomenting the troubles (Figure 2).



During interactions with traditional authorities, the chiefs decried the practice where they are excluded from the decision making process in the District Assemblies, yet the Assemblies rely

on them to mobilize their subjects for development projects. The chiefs also lamented the fact that they are sidestepped even in selecting representatives to the District Assembly, even though the legislation demands that chiefs be consulted to elect a representative.

Queenmothers present during the interactions were of the opinion that they have been relegated to the background, and government's attention was on the chiefs. As kingmakers and agents of development, they contend they also have a lot to offer should they be given the necessary support and encouragement.

The Ministry of Chieftaincy

The Government has created a Ministry of Chieftaincy to deal with chieftaincy issues as well as empower chiefs to lead their people to economic prosperity and political maturity. The creation of the Ministry has, however, provoked debate as to the suitability of such a move.

On the one side, it is seen as cosmetic and a ploy to hook the chiefs into political servitude. The creation of the ministry, they argue, would politicise the institution of traditional rulers and further erode its growth. On the other side, others argue that the creation of the Ministry, if carefully crafted to fit the development challenges of the day, will bring traditional rulers on board the rigours of the development process, make them active in the development process, lessen unprogressive and destructive disputes and smooth out the country's development process.

Objective 2: Promote constitutional democracy, political competition and the rule of law

3.6 Periodic Voter Registration

3.6.1 *Establishment of a National Identification System*

The National Identification Authority Act, 2006 (Act 707) was passed by Parliament on March 17, 2006 and given Presidential Assent on April, 2006. Subsequently, the National Identification Authority has been set up. Two firms have been shortlisted to undertake the registration exercise in 2007.

3.6.2 *Regularly revise the voters register*

The Voters Register was revised in May 2006 to include the names of persons who have turned 18, or who for one reason or the other have been unable to register previously. The exercise also afforded the Electoral Commission the opportunity to remove the names of persons who have died.

The Commission is continuing the training of staff in ICT with the view to implementing the continuous registration of voters in future.

Voters Register and Elections in 2006

The Electoral Commission undertook a Voters Registration and Exhibition exercise and conducted the District Assembly and Unit Committee elections. The Commission also conducted two by-elections for the Tamale and Offinso South Constituencies.

3.6.3 Decentralise the births/deaths registry

Registration facilities have been made available in most health centres. Children under 1 year are registered for free. Since 2004, the Health Service has instituted a Child Health Week every year to increase coverage in immunization and other child survival activities, including registration. The Births and Deaths Registry has increased the age at which non-registration attracts penalty from 21 days. The capacity of Traditional Birth Attendants has been built to undertake birth and death registration. The Births and Deaths Registry has received support from Plan International and UNICEF to conduct vigorous public education on the need for registration. To further promote registration, parents are required to submit child registration certificates before their children are admitted to pre-school and nursery. The Unit Committees have also been grafted in to assist with the registration of births and deaths.

There, however, remain gaps and weaknesses regarding the functionality of the structures put in place to do the registration.

3.7 Decentralization

3.7.1 Accelerating the Decentralization Process (Political, Fiscal, Administrative and Services)

Steps are being taken to procure the services of a consultant for the formulation of a Comprehensive Decentralization Policy.

To improve fiscal decentralization, a pilot scheme on district composite budgeting was undertaken in 20 districts. As part of the scaling up process, all Metropolitan, Municipal and District Assembly core staff will partake in a series of training sessions on district composite budgeting. The Ministry of Finance and Economic Planning and MLGRDE are in the process of validating the Composite Budget Guidelines.

The District Development Fund (DDF) including a road map for operationalizing the DDF for the fiscal year 2008 has received cabinet endorsement. The Ministry will present the final draft of the Functional Organisational Assessment Tool (FOAT) Design Report and FOAT Implementation Manual for Cabinet endorsement. The FOAT will be used to verify the compliance of MMDAs with the provisions of laws, regulations such as the Local Government Act, 1992 (Act 462), Financial Administration Act, 2003 (Act 654), Financial Administration Regulations, 2004 (LI 1802) and the Public Procurement Act, 2003 (Act 663). It will also enhance downward accountability of the MMDAs towards the local population and institutions.

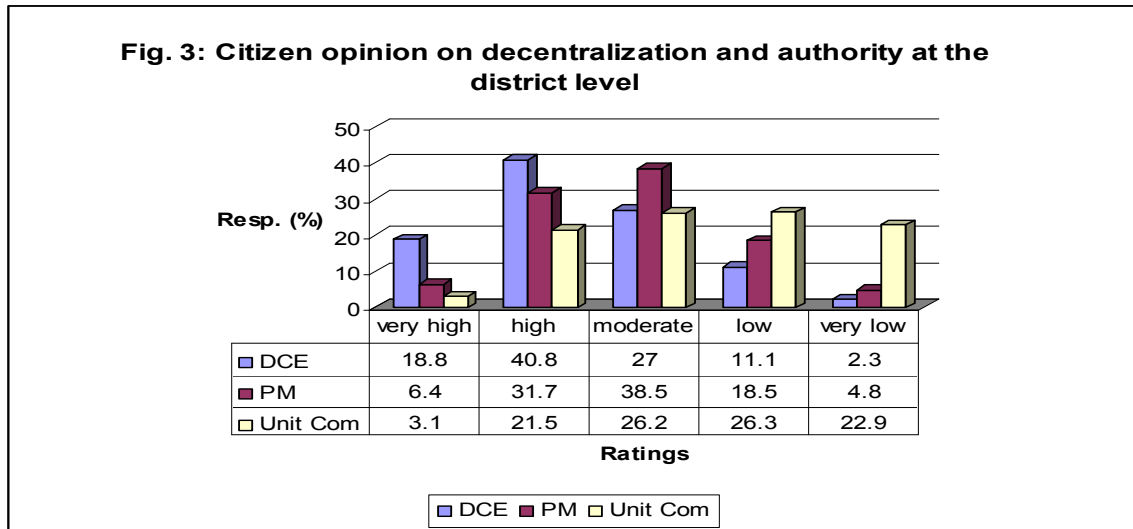
A Local Government Service Act has been passed and measures including a Council to roll out put in place.

The Integration of the four decentralized departments of the Ministry (Community Development, Births and Deaths, Parks and Gardens and Town and Country Planning) is in process.

Election of Metropolitan, Municipal and District Chief Executives

Public pronouncements by government officials seem to indicate that this is a long way coming and will require Constitutional Amendment. Interactions with stakeholders and chiefs across the ten regions point to the fact that District Assemblies exhibit partisan politics and thus should be elected on partisan lines.

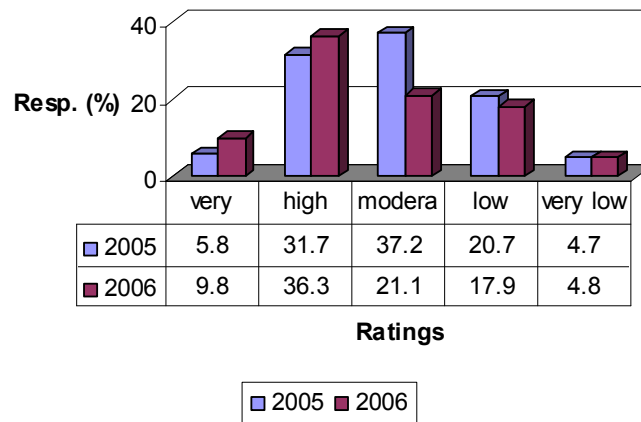
Majority of Respondents (59 percent) noted that decentralization has failed to empower the ordinary citizens but rather strengthen the authority of Chief Executives. Only 24 percent responded that decentralization has increased the authority of the Unit Committees (Figure 3).



They attributed this failure to the fact that as a nation we have failed to develop the institutional, organizational, technical capacity and financial commitment to carry out the new functions associated with decentralization as regards authority and accountability at the local level.

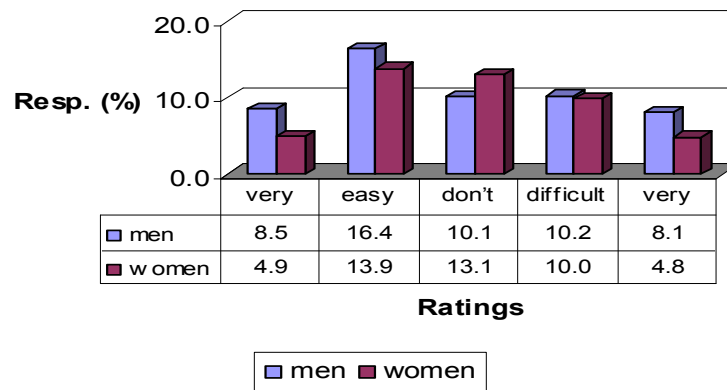
Respondents were, however, of the opinion that effective decentralization has helped to improve information flow from the central government for decision-making at the local level (Figure 4).

Fig. 4: Citizen opinion on decentralization and information flow for decision making



More men (78 percent) knew who their Metropolitan/Municipal/District Chief Executive was than women (74 percent). Men (18 percent) indicated that it was difficult/very difficult to interact with/share ideas with their Chief Executive, compared to 15 percent of women (Figure 5).

Fig. 5: Citizen opinion on ease of sharing ideas/interacting with DCE



3.7.2 Capacity of MMDAs to mobilize additional local revenue

The MLGRDE is adopting specific strategies to increase internally generated revenue from a maximum of 14% to 65%. The strategies include:

- Fix rates generally and gazette them. The MLGRDE will meet with MMDAs to issue guidelines to that effect;

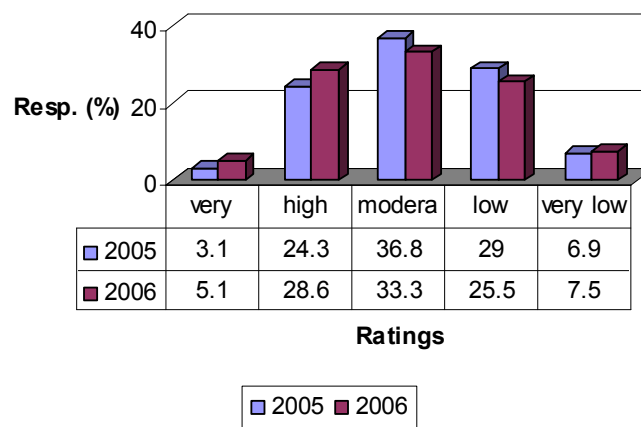
- The leadership of MMDAs are to set performance targets and be involved in the monitoring of the system;
- Rotate revenue collectors every six months
- Ensure security of value books
- Metropolitan and Municipal Assemblies, commercial banks and the private sector will enter into partnerships for the collection of local government revenue as follows:
 - Hands on gadgets with in-built printers to issue receipts will be introduced into the revenue collection system;
 - Commercial Banks will act as collection points to provide a safe repository for tolls collected;
 - MMDAs will carry out the requisite publicity and be involved in monitoring the system.

ICT and Revenue Mobilization

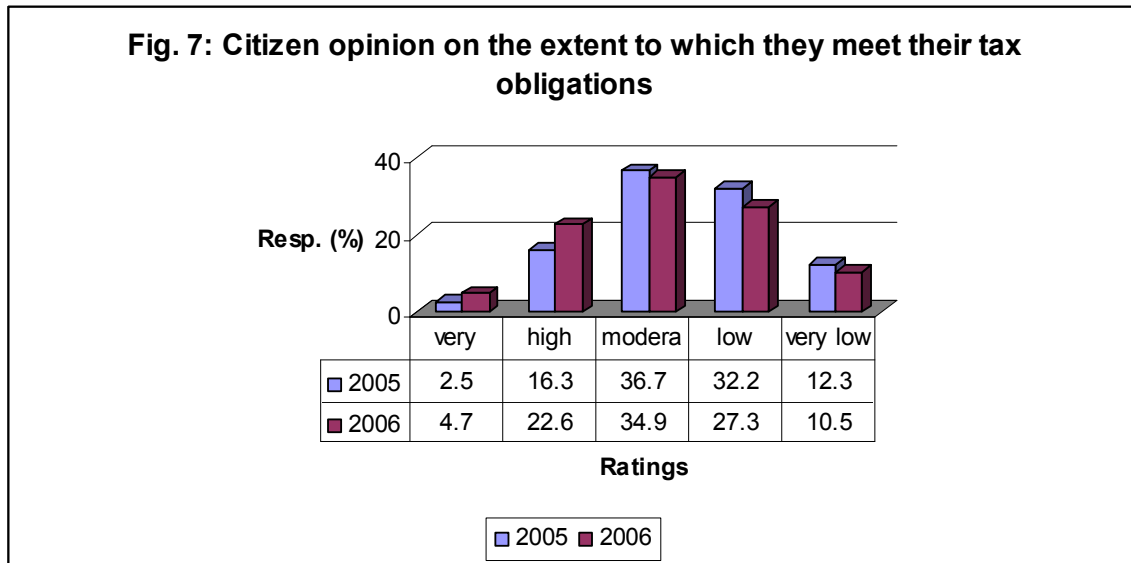
The introduction of a new revenue collection technology at three markets in Accra saw the Accra Metropolitan Assembly collecting Cedis 3.3 billion in three weeks compared to Cedis 1.1 billion collected from 36 markets in one month before the introduction of the technology.

Ghanaians (36 percent) reported that decentralization has failed to improve government’s accountability to the people compared to 27 percent who are of the opinion that it has helped to improve government accountability (Figure 6).

Fig. 6: Citizen opinion on decentralization and level of government accountability



Whilst chastising government for poor accountability, majority of Ghanaians (44 percent) admitted that they have failed to live up to their social responsibility in payment of taxes (income tax, property tax, etc.) (Figure 7).



3.7.3 *Inadequate and improper functioning goods markets*

Hawkers markets are being built in Accra and Kumasi in the effort to decongest the capitals. There is increased private sector participation in the provision of markets. In Accra modern shopping malls such as MaxMart, HouseMart, A&C Shopping Mall have sprang up. An ultra-modern shopping mall by Game is also under construction.

Objective 3: Promotion and protection of civil, political, economic, social and cultural rights

3.8 Access to Justice

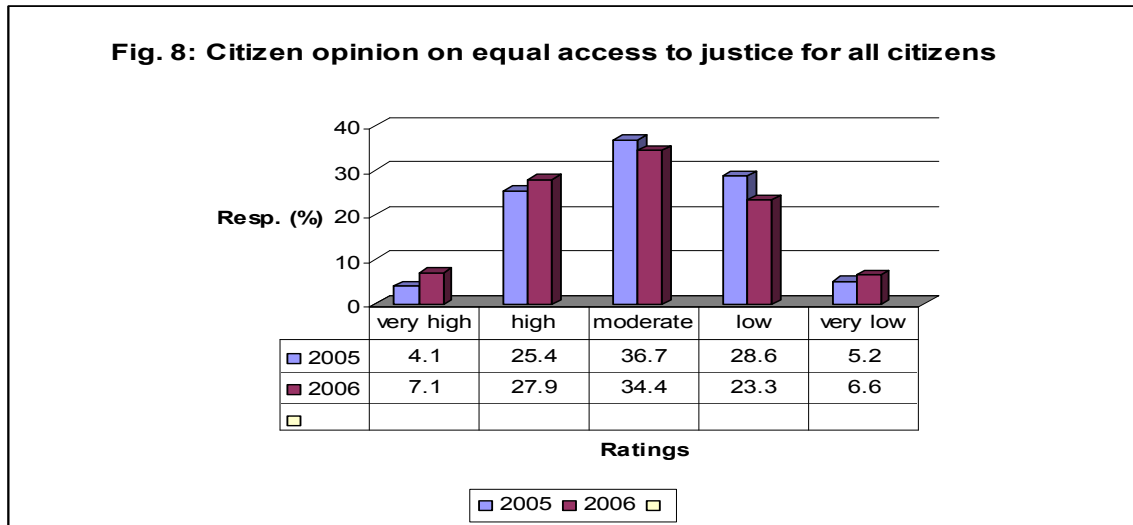
3.8.1 *Adoption of self-regulating mechanism to clear backlog of cases*

The Judiciary has taken steps to regroup the total number of pending cases into offences to be prosecuted by teams.

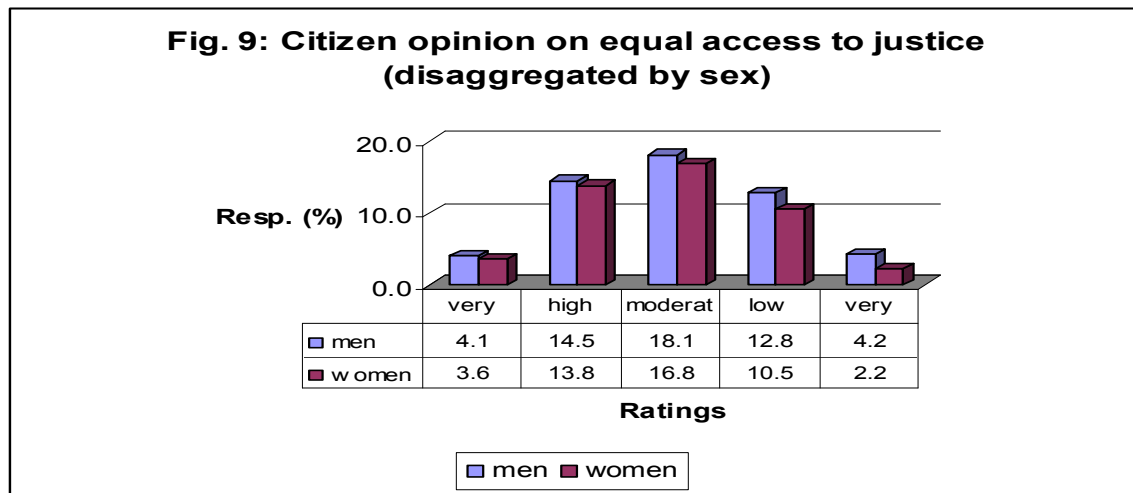
To improve access to justice the Domestic Violence and Victim Support Unit (DOVVSU) has been expanded to all regions. The expansion of DOVVSU offices to all districts is in progress.

The Offices of the Legal Aid Scheme in collaboration with FIDA have undertaken clinics in 5 selected regions to sensitize the populace on the availability of legal aid services.

Ghanaians (35 percent) are of the opinion that there has been an improvement in access to justice for 2006 compared to 2005 (29 percent) (Figure 8).



There was very little difference between men and women as regards access to justice (Figure 9).

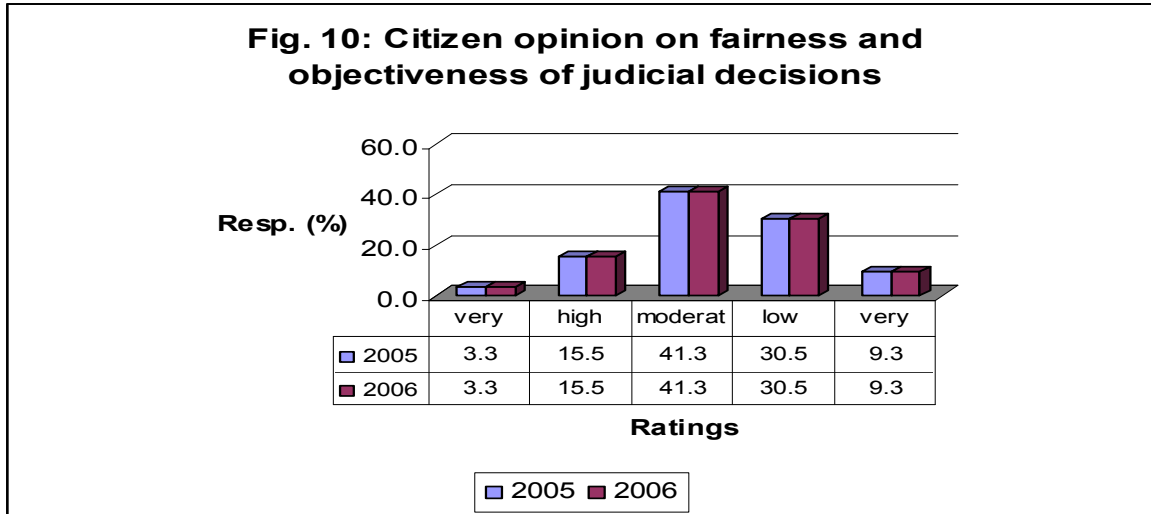


Appointments to the Supreme Court

The Judicial Council issued a statement that the Council has a convention which stipulates that the number of Supreme Court Judges shall not exceed 13.

3.8.2 Low public confidence in the judicial system

On the issue of the extent to which judicial decisions are fair and objective to ordinary citizens, nearly 40 percent responded it was low/very low compared to 18 percent who said it was very high/high (Figure 10).



Reparations for Victims of Human Rights Abuses

The current administration has begun paying reparations to about 2,000 Ghanaians who suffered human rights abuses under former governments. The USD 1.5 million in payments were part of the recommendations of the National Reconciliation Commission formed in 2001 to address human rights violations committed under various governments since Ghana gained independence in 1957.

3.8.3 Recruit more staff for the Women and Juvenile Unit (WAJU) of the Police Service

The Women and Juvenile Unit (WAJU) of the Police Service has been renamed the Domestic Violence and Victim Support Unit (DOVVSU) with a mission to prevent, protect, apprehend and prosecute perpetrators of domestic violence and child abuse.

The DOVVSU has added 52 new desks and offices to the existing ones. A new and elaborate crime statistics data is being developed.

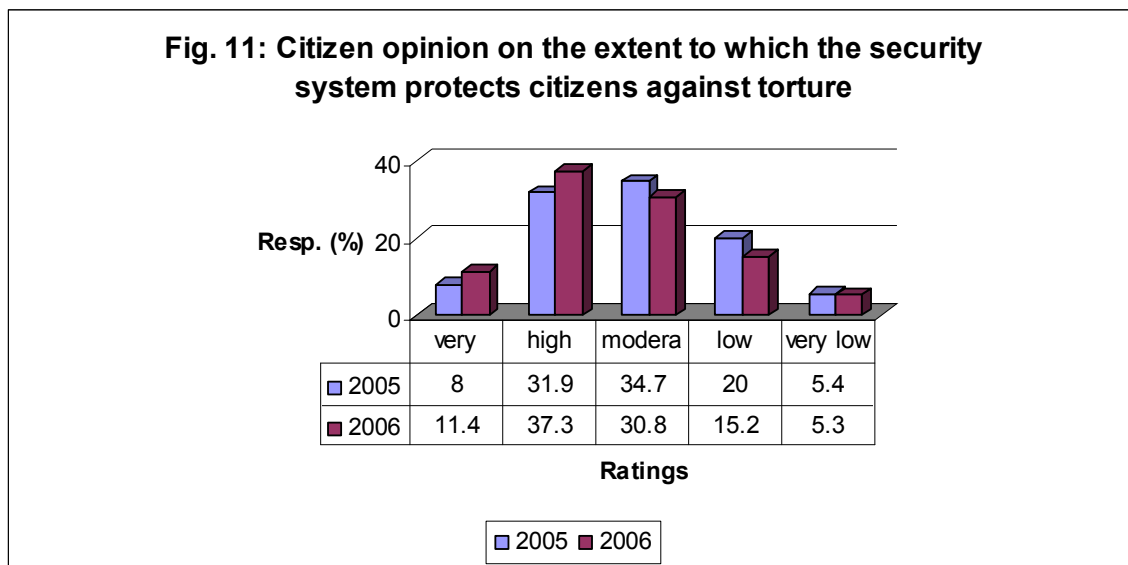
3.9 Safety and security of life and property

The number of law enforcement officers has been increased as well as improved training for the officers. A total of 3,547 personnel had been recruited as at September 2006. Law enforcement agencies have also received additional vehicles and equipment. Police patrols have been increased in communities, crime-prone areas and highways. The Ghana Police has also introduced Community Policing by setting up Neighbourhood Watch Committees. Capacity building workshops and seminars are being organized for law enforcement agencies with collaboration from the Bank of Ghana.

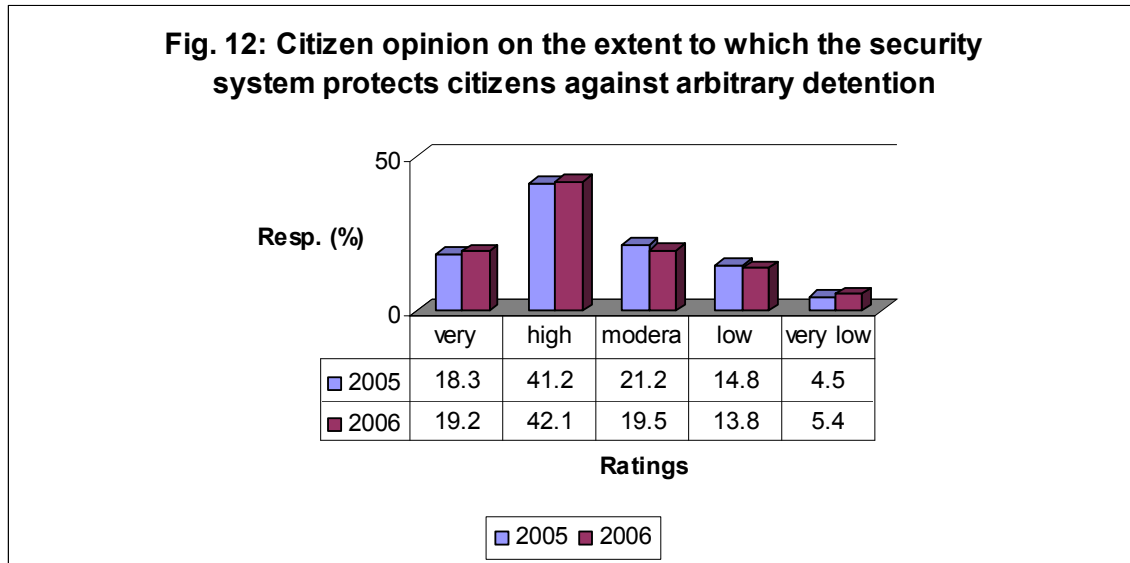
Border Patrol Units have been established to assist in dealing with cross-border crimes, smuggling of arms and human trafficking. Joint border patrols by the Immigration Services and Customs, Excise and Preventive Service (CEPS) have been introduced. The number of metal detectors and scanners at the border has also been increased. The ceding of the Preventive Service domain of CEPS to the Immigration Service is being discussed by government.

Common border check-points have been operationalised at borders with Burkina Faso, Togo and Cote d'Ivoire. There has been increased sharing of intelligence and vital information on cross-border crimes and criminals in West Africa.

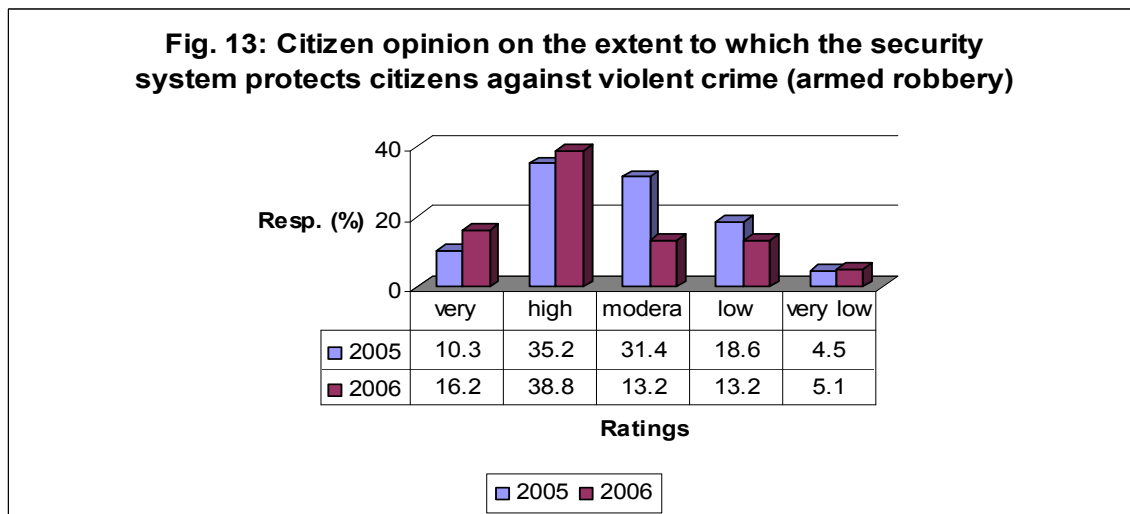
On issues relating to security of life and property, 48 percent of Respondents were of the opinion that the security system is offering more protection against torture in 2006 than it did in 2005 (41 percent) (Figure 11).



As to the extent to which the security system protects citizens, 59 percent of Respondents said it was very high/high in 2005. This increased marginally to 61 percent for 2006 (Figure 12).

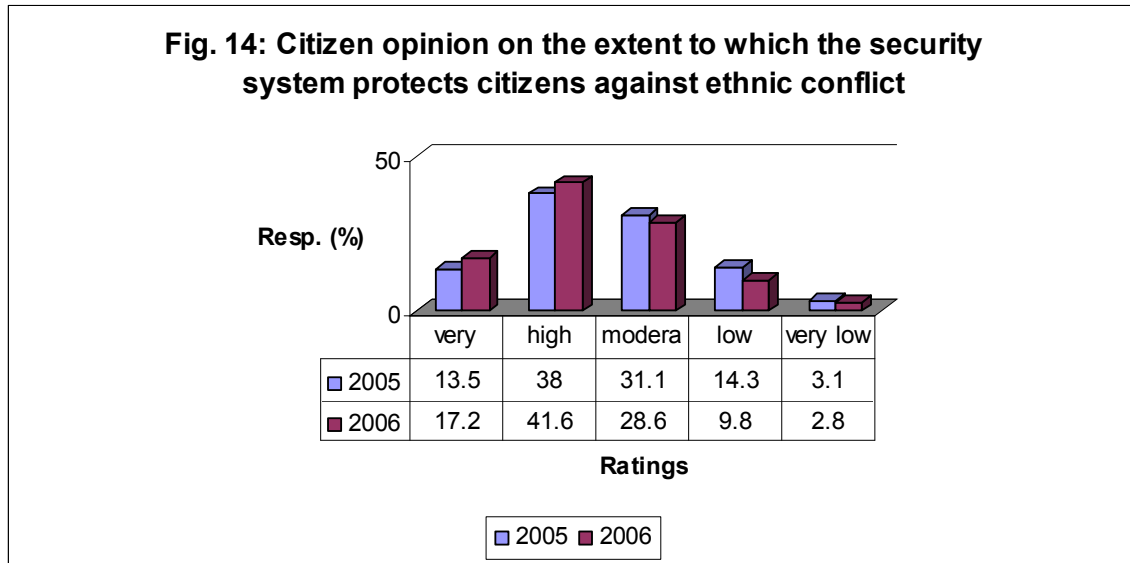


Asked to what extent the security system protected citizens against violent crime (armed robbery), as many as 55 percent reported very high/high for 2006 (Figure 13). Respondents noted the police patrols, formation of neighbourhood watch dogs as some of the factors that have reduced armed robbery. Reasons advanced for the low/very low rating (18 percent) included poor lighting of major roads and a decrease in the police patrols on major highways.

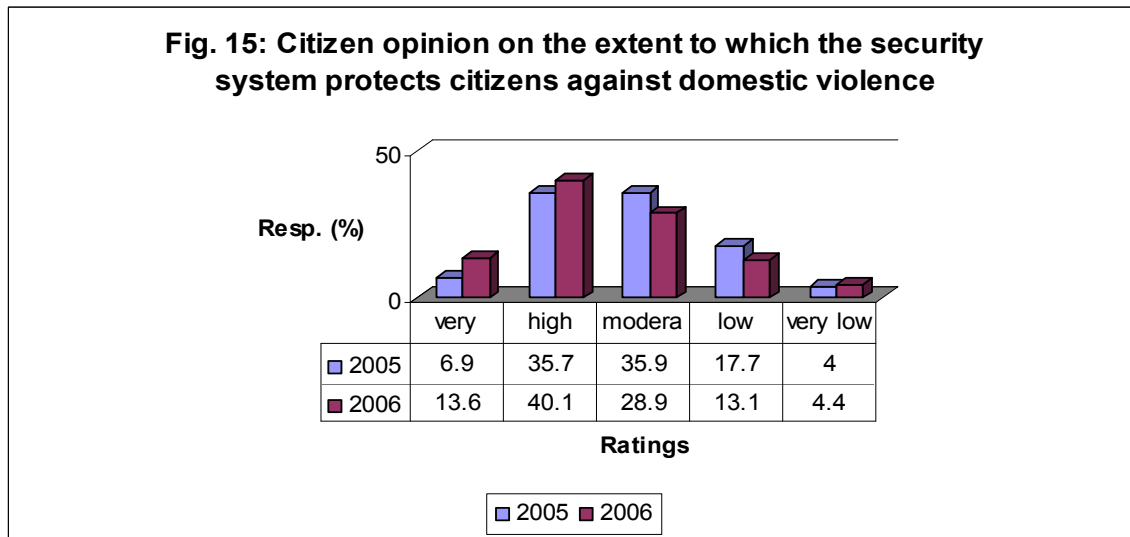


Respondents were of the opinion that the security system's prevention and management of ethnic conflicts are very satisfactory. As many as 60 percent rated the performance very high/high. Not surprisingly, 35 percent of those who rated the performance of the security

system low/very low in the Northern Region accused the security system of complicity in ethnic conflicts.



The majority of Ghanaians (53 percent) are of the opinion that the security system protects them against domestic violence (Figure 15). Respondents noted the efforts being made by District Assemblies to educate the populace on the effects of domestic violence.



Joint Police – Armed Forces Patrol

The Ghana Armed Forces and the Ghana Police conducted joint anti-armed robbery patrols on a daily basis.

During stakeholder workshops, participants described the patrols as being both “a blessing and a curse”. The shooting of innocent civilians by members of the patrol teams in Dansoman and Kotobabi has been a matter of concern to many Ghanaians.

3.10 Cultural Practices harmful to women

3.10.1 Secure release of and rehabilitate girls in ritual servitude

An NGO, International Needs Ghana (ING) has been directly engaged in the negotiations for the release of women and girls in bondage in Trokosi and Woryokwe Shrines in the Volta and Greater Accra Regions. Over 2000 Trokosi in over 500 shrines have been released to their families, rehabilitated and given employable skills.

Denouncing harmful cultural practices

The Member of Parliament for Builsa North Constituency of the Upper East Region, Mrs. Agnes Asanglisa Chigabatia denounced harmful cultural practices against women in her constituency in Parliament. She received support from fellow parliamentarians.

3.10.2 Mount awareness campaign on discontinuation of violence and harmful traditional practices against women

An Educational and sensitization programme dubbed “Harmful Traditional Practices and their HIV/AIDS implications” has been carried out in all ten regions. These programmes are aimed at the elimination of harmful traditional practices such as Female Genital Mutilation (FGM), child marriages, polygamy and traditional medical practices that have HIV/AIDS implications.

Dialogue sessions with traditional authorities to codify positive traditional practices in 5 regions – Volta, Upper East, Upper West, Northern and Central Regions – have been carried out. Public fora were also held on the effects of negative cultural practices on sexual and reproductive health of women and men, and also the effects of HIV/AIDS.

District and Regional policy makers have been sensitized on Sexual and Reproductive Health, and Gender Based Violence.

Weekly radio discussions (hosted by trained staff of the Department of Women) cover topics such as:

- The proposed Domestic Violence Legislation;
- Effects of women's activities on the environment;
- Various issues relating to the Protocol on the African Charter on Human and Peoples' Rights on the Rights of Women in Africa.

Depopulating the Witches Camps

An intensive educational and sensitization campaign against the "witches camps" that holds poor, old and illiterate women on suspicion that they are witches has seen many witches camps dismantling.

3.12 Child trafficking and child labour

3.12.1 Secure the release of and rehabilitate children under difficult circumstances

Through the combined efforts of NGOs and the Ministry of Women and Children Affairs a number of trafficked children from Yeji in the Brong Ahafo Region, Akumfi Akra in the Central Region and Asuogyaman District in the Eastern Region were rescued. These children have since been reintegrated into society and their families.

Challenges in fighting child trafficking

The Domestic Violence and Victim Support Unit (DOVVSU) intercepted a trafficker with a group of young children bound for Mali in Bolgatanga. When the children were interviewed they all claimed the man was their uncle. Unable to get a confession the Unit had to let the group through the border.

DOVVSU report that this is one of many cases they encounter weekly at the border posts. Victims refuse to cooperate with the Unit because of promises of a better life they receive from traffickers. Some victims perceive the Unit as trying to prevent them from bettering themselves. The Unit is unable to detain perceived victims to undertake the necessary investigations because there are no safe houses at the borders to hold them till investigations are completed.

3.12.2 Equip civil society groups to promote enforcement and compliance

One Hundred and twenty Child Protection Volunteer Teams have been established in the communities to serve as watch dogs for children.

The Human Trafficking Law has been simplified to create awareness. An Action Plan is being developed to facilitate the implementation of the Human Trafficking Law. Sensitization programmes have been held on the Human Trafficking Law in the Eastern, Western, Volta and Brong Ahafo Regions. The capacities of law enforcement agencies and the media have been built on the law. Consultative meetings have been held in 12 District Assemblies on the law.

The Children's Act is being simplified into a comic version to ensure better understanding of issues affecting children. Over 100,000 IEC materials on child protection issues have been produced and distributed.

3.13 Under representation of women in public life

3.13.1 Identify and institute schemes to increase participation of women in public life

The Ministry of Women and Children's Affairs launched a "Women in Local Governance Fund" in March 2006, on International Women's Day. An independent board (with members from MDAs, CSOs and NGOs) has been set up to manage the fund. The secretariat of the board is in the Department of Women.

Out of the funds raised, and in collaboration with partners, the Department has carried out capacity building and training for female aspirants to local assemblies. After training, 1,783 women aspirants were given a minimum amount to prepare for the elections. Radio programmes were also run to create awareness for voters to vote for women.

The effect was a marginal increase (2.3 percent from year 2002) in the number of women in the newly inaugurated Assembly.

The Department is working on a project to establish a directory on eminent women in Ghana. This is to produce a well documented information base on women in leadership positions, and to identify capable women and lobby for appointments to leadership positions.

There are plans to publish a book on eminent women and subsequently showcase them through the institutionalization of awards ceremonies, etc. This will be a tool to encourage women to strive to achieve positions of eminence.

3.13.2 Undertake Gender Analysis of all development programmes

This is being implemented on programme by programme basis. The Gender Desks created at the MDAs have not been able to effectively influence public policy. Where gender concerns have been taken on board, it has been at the instance of civil society advocacy.

There is no institutionalized method put in place to ensure that structural inequalities between men and women are taken into account in promoting participation in policy decisions.

3.13.3 Monitor, evaluate and review the Affirmative Action Policy

The Affirmative Action Policy is not being implemented to the full. It is only being applied at the District Level where 50% of government appointees are women. In the area of education, the universities are applying affirmative actions in terms of intake of females who qualify to attend universities. More mixed halls have been created to give females more access.

The inclusion of women concerns in party manifestoes are quite minimal.

3.13.4 Facilitate and implement gender mainstreaming in MDAs

Training has been organized for the Gender Desks at the MDAs.

3.13.5 Analyse budgets and national development policies from a gender perspective

The GPRS II and the ICT for Accelerated Development have been engendered to ensure that programmes are gender-sensitive.

3.14 Street Children and Vulnerable Youth

3.14.1 Review studies on street children and other vulnerable youth to assess needs and means to best address them

The Ministry of Manpower, Youth and Employment completed a pilot project on Street Children under the Community-based Poverty Reduction Project. The project achieved the following:

- A National Policy on Street Children developed to deepen public awareness on streetism;
- About 1,700 street children were removed from the streets and given employable skills in dressmaking, hairdressing, batik tie and dye, carpentry, welding, masonry and photography;
- Parents/guardians of recruited street children were provided with small loans for income generating activities.

The Department of Children under MOWAC submits periodic reports on the situation of children to the UN Committee on the Rights of the Child.

3.14.2 Develop an Action Plan for assisting street children and vulnerable youth

A National Social Protection Strategy has been developed to cater for the interest and needs of the vulnerable, the excluded and the extremely poor. A Livelihood Empowerment Against Poverty (LEAP) Project is to be implemented in 2007 to further strengthen Social Protection. MOWAC is also monitoring the implementation of the Children's Act to assess the level of enforcement of child related laws.

A National Plan of Action on the Elimination of Worst Forms of Child Labour in the Cocoa Sector is on-going. A Child Labour Unit has been set up in the Labour Department to focus on children related issues.

The Department of Children of MOWAC submitted a comprehensive report on the study of Violence and Abuse Against Children to the UN Committee on Children.

3.14.3 Resource and Expand the STEP Programme

The STEP Programme has been incorporated into the National Youth Employment Programme (NYEP) as Trade & Vocation (Skills Training) Component of the NYEP.

Politicization of NYEP

During stakeholder discourses, the National Youth Employment Programme (NYEP) came under attack. Some participants claimed the recruitment into the programme was being done on party lines. The allegations can affect the efficiency of the programme

3.15 Violation of the rights of the disabled

The Law on Disability (Act 715) enacted by the President and Parliament on August 9, 2006 starts to address the physical and social barriers to inclusion faced by disabled persons. The legislation starts to address these issues by giving disabled persons full access to public places and transport, and attempts to address the inequalities in employment opportunities.

Disability Rights in Ghana

Under Act 715 special desks are to be established at various employment centres nationwide for the registration of unemployed disabled persons. It will be the government's duty to ensure that the registered persons get equal access jobs in their districts through the district assemblies. A national council for the disabled would oversee the registration of all unemployed disabled persons.

It is now mandatory for the owner or occupier of a place to which the public has access to provide appropriate facilities that will make the place accessible to and available for use by a person with disability. Subsequently the Building Regulations will be revised to accommodate the law.

The Public Works Department of the Ministry of Water Resources, Works and Housing has been tasked to undertake the needs assessment for providing access to existing public facilities. A plan is currently being developed to provide access to existing facilities and ensure the provision of access in new constructions for the disabled.

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

3.16 Parliament oversight functions

3.16.1 *Strengthening of Committees of Parliament*

The Ministry of Parliamentary Affairs (MPA) accepts the need to finance the committees of Parliament to enable them perform their functions effectively.

Capacity Building Projects

1. Chairpersons of some key Parliamentary Committees have undertaken hands-on sessions in basic ICT under the Ghana Parliamentary Committee Support Project Phase II (GPCSPII). The project aims to strengthen accountability, transparency and participation in the Parliamentary governance.
2. Some Parliamentary Committees have also been equipped with the relevant and basic gender planning skail towards enhancing gender mainstreaming in the work of Parliament.

3.16.2 *Capacity building for MPs of Public Accounts and Finance Committees*

A series of capacity workshops have been organized for both committees by a number of institutions including CDD-Ghana and the Ministry of Parliamentary Affairs. In addition with assistance from UNDP, both committees have been resourced with laptops to facilitate the work of members.

Comment of the Ministry for Parliamentary Affairs on the APRM Country Review Report

The Ministry of Parliamentary Affairs (MPA) in responding to the Progress Report Card stated its position on the recommendations raised in the Country Review Report on the desirability of the

Ministry. NAPRM-GC publishes the Ministry's position below:

"The Minister of Parliamentary Affairs does not agree with the APRM-GC on the relevance of the Ministry. In other jurisdictions like the UK, there is a Ministry of Parliamentary Affairs.

The Ministry, because of the stance of the APRM-GC, has to contend with a problem of power struggle between the Majority, Minority and Office of the Speaker of Parliament on responsibilities and roles in Parliament.

The Ministry of Parliamentary Affairs has, therefore, decided to tread cautiously and put in place a policy document which will provide a framework for the activities of the Ministry".

3.17 Initiation and Passage of Bills by Parliament

3.17.1 Education and sensitization of MPs

A series of workshops were organized for Members of Parliament essentially to improve upon:

- Easing the tension that exists between DCEs/MCEs and MPs;
- Good parliamentary practice by MPs;
- The high expectation of the public/electorate on the core functions of MPs;
- The MDGs and the role of the leadership of Parliament.

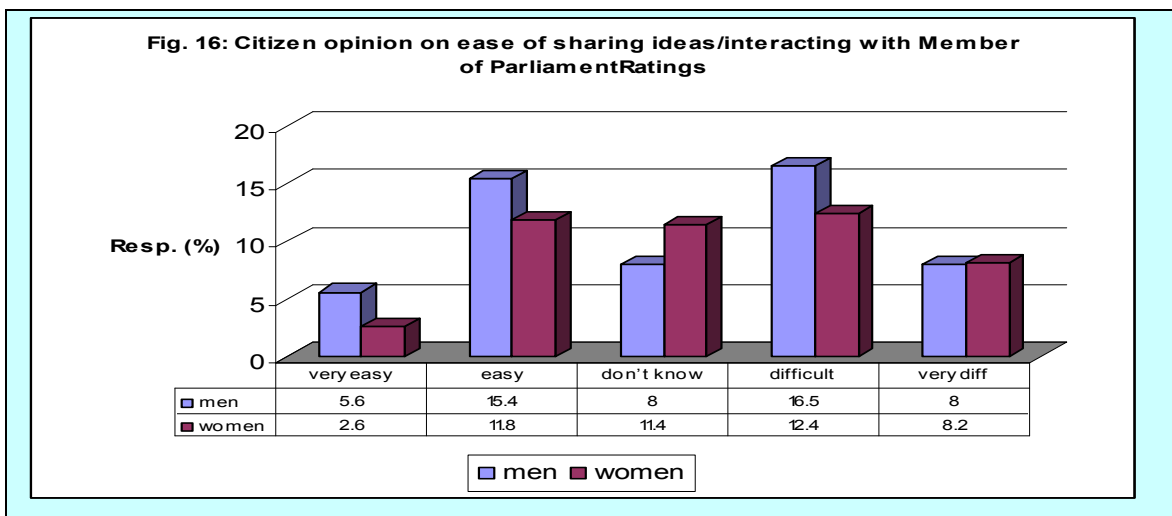
There is no recorded incident of any Member of Parliament initiating a Bill during the year.

3.17.2 Strengthen Parliamentary Draftsman's Office

A number of NGOs including the Centre for Democratic Development (CDD-Ghana) have been undertaking capacity building seminars for the Draftsman's Office.

Citizens and the Legislature

Men (92 percent) know their MPs compared to 85 percent of women. Again, men (24 percent) reported it was difficult/very difficult to share ideas/interact with their MP compared to 21 percent of women (Figure 16).



3.18 Adequacy of resources for Governance Institutions

There was a substantial increase to governance institutions in the 2006 Budget. The National Commission for Civic Education (NCCE) was allocated Cedis 29 Billion with an additional Cedis 25 Billion from HIPC Funds in 2006 as against Cedis 30 Billion in 2005. The Commission for Human Rights and Administrative Justice (CHRAJ) had Cedis 29 Billion with an additional Cedis 5 Billion from HIPC Funds as against Cedis 24 Billion in 2005. The Judicial Service had Cedis 147 Billion and a supplementary of Cedis 37 Billion as against Cedis 128 Billion in 2005.

Whilst budgetary allocation increased, the actual amounts received by the institutions fell short thus hindering the institutions from effectively undertaking planned activities and programmes.

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

3.19 Bureaucracy and inefficient procedures in the public sector

This is being addressed by the Public Sector Reform Strategy Programme and a number of efficiency measures including citizen charters, time clocking/checking devices have been introduced.

3.20 Poor Service delivery in public services

This is being addressed by the Public Sector Reform Strategy Programme through improvements in the conditions of work. This includes changing the work environment, employee attitudes and the installation of biometric clock systems to curb absenteeism.

One-Stop-Shop for DVLA

Under the Public Sector Reform Strategy a number of initiatives have been undertaken to improve public service delivery to the private sector. Notable among them is the one-stop-shop established at the Driver and Vehicle Licensing Authority (DVLA). A private firm undertakes the road worthiness organization at the premises of the Authority. There is an on-site banking service (provided by The Trust Bank) to effect any monetary transactions. It also has an eye clinic to undertake any medical examination, and a Client Service Centre to take up any complaints that customers may have.

The introduction of the one-stop-shop has drastically reduced the illegal activities of the middlemen, the so called “goro boys”.

3.20.1 Accountability of public office holders

Asked the extent to which public office holders are held to account by a number of institutions and public censure, Respondents indicated that CHRAJ (48 percent) and public censure (37 percent) were better able to ensure accountability of public office holders than SFO (35 percent) and Office of Accountability (16 percent) (Table 1). Respondents specifically praised the media for holding public office holders to account.

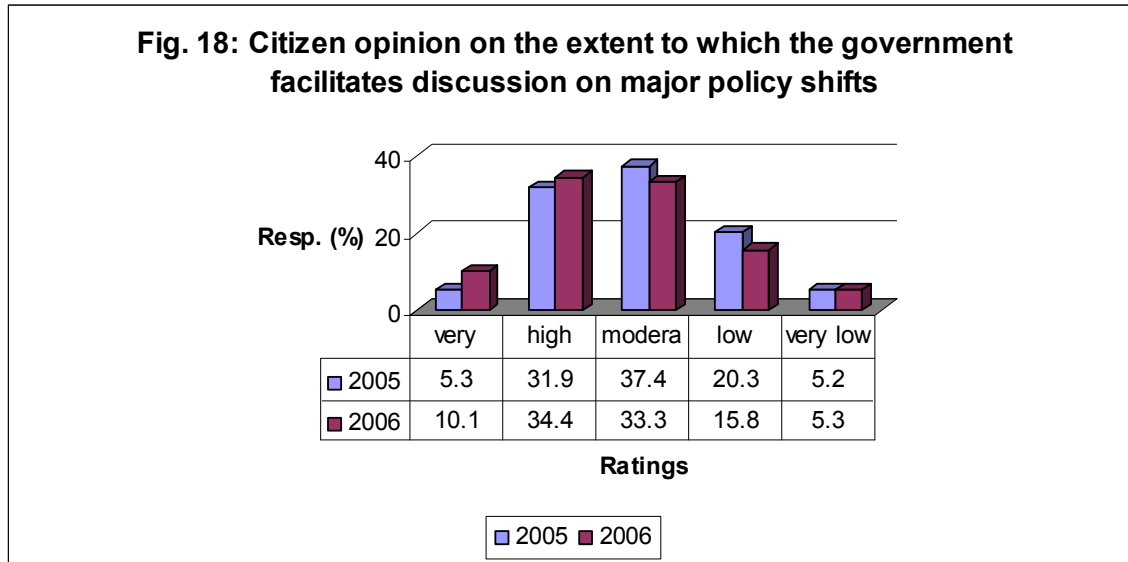
Table 1: Citizen opinion on extent to which institutions hold public office holders accountable

Institution	Ratings				
	Very high	High	Moderate	Low	Very low
CHRAJ	9.1	39.3	34.4	13.4	3.9
SFO	5.9	26.6	29.4	27.2	10.7
OoA	2.2	13.6	29.2	36.6	18.4
Public Censure	13.6	23.9	34.1	18.1	10.3

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

3.21 Civil engagement in national dialogue and decision

Forty-three percent of Ghanaians were of the view that the extent to which government involved them in public discussions on major policy issues in 2006 was very high/high compared to 34 percent for year 2005 (Figure 18).



Respondents, however, lamented the fact that the National Economic Dialogue (NED) was poorly organized in 2005 and not at all in 2006. Government's attention seems to be focused on the organization of the Ghana Investment Advisory Council (GIAC) meetings to the detriment of the NED.

3.22 Lack of media specialization and investigative reporting

The Ghana Institute of Journalism is to become a degree awarding institution. The Institute of Financial and Economic Journalists (IFEJ) and the Africa Institute of Journalism and Communication as well as the School of Communication Studies and the Ghana Institute of Journalism are running professional courses to build the capacity of journalists in specialized fields.

In addition, Trans Africa Media, the training division of Trans Africa Publishing Company Limited, publishers of Africa Week is to set up a training school, known as the West Africa

Graduate School of Economic and Financial Journalism, for financial and economic journalism for West Africa in Ghana in 2007.

Watching the Watchman

There is the apprehension that the “watchmen” are becoming “too powerful” and “arrogant” especially on the airwaves.

3.23 Lack of transparency in frequency allocation

The Ministry of Communication reports of a migration to digital broadcasting and that a first public forum on this was held on October 17, 2006.

Asked about the extent to which individuals and the media enjoy freedom of expression, the majority of Respondents (68 percent) said they can comment on any issue without fear, whilst 79 percent believed the media was not being manipulated by government. This freedom of expression grows from year to year (Figures 19 and 20)

Fig. 19: Citizen opinion on the extent to which the individuals can freely express themselves

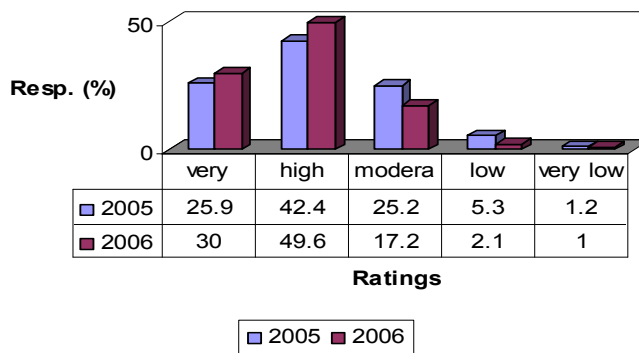
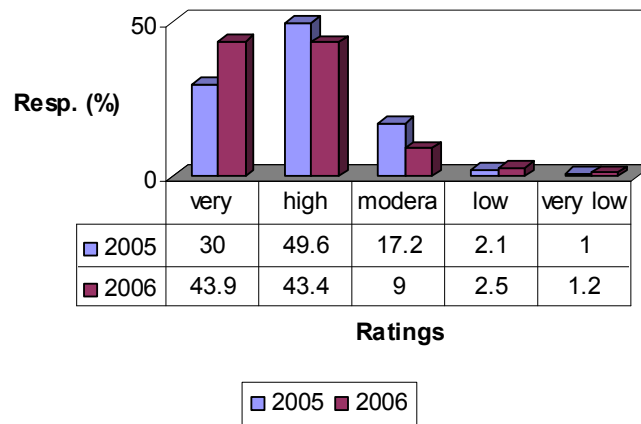


Fig. 20: Citizen opinion on the extent to which the media enjoys freedom of expression



Objective 6: Fighting corruption in the public sphere

3.24 Coordination of anti-corruption agencies

3.24.1 Define and institute an unambiguous definition of bribery and corruption

The Ghana Anti-Corruption Coalition (GACC) and the Ghana Integrity Initiative (GII) have developed definitions for bribery and corruption.

3.24.2 Pass the Freedom of Information Bill

The Bill has been revised and has been submitted to the Attorney-General and Minister for Justice for consideration.

3.24.3 Pass the Whistle Blower’s Protection Bill

The Bill has been passed into law, Whistleblowers Act, 2006 (Act 720)

3.24.4 Define clear guidelines on conflict of interest

The Commission for Human Rights and Administrative Justice (CHRAJ) has developed Draft Guidelines on Conflict of Interest entitled “Guidelines on Conflict of Interest to Assist Public Officials Identify, Manage and Resolve Conflicts of Interest”.

Education on Conflict of Interest

The Commission for Human Rights and Administrative Justice has begun a series of workshops aimed at educating various stakeholders on the fight against conflict of interest. The Commission contends that there was the need for political will to be manifested not only in statements but in action, improving and rationalizing anti-corruption legislation and adhering to international standards relating to corruption.

The Commission further contends that for the fight against corruption to be won, there was the need to have an independent Attorney General, who was not a Minister for Justice, to prosecute since it was sometimes difficult to prosecute fellow Cabinet Ministers.

3.25 Assets declaration regulations

The Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) has come under public scrutiny by a number of stakeholders. Civil society organizations argue that whilst the Constitutional provisions captured under Chapter 24 on the Code of Conduct for Public Officers highlight the key principles of accessibility, verifiability, frequency of filing, sanctions and coverage, Act 550 failed to go beyond the minimum required. The Commission on Human Rights and Administrative Justice has also declared, it would take up the issue in 2007 to compel the Attorney-General to enforce the provisions of Act 550.

Assets Declaration at the District Level

Some District Assembly members and District Coordinating Directors are demanding that members of the District Tender Boards (DTBs) be made to declare their assets as a step to tackling corruption at the district level.

The proponents contend that even though the Public Procurement Act, 2003 (Act 663) was enacted to ensure transparency in the procurement processes, missing in the Act was a provision that should compel members of District Tender Committees (DTCs) and District Tender Review Boards (DTRBs) to declare their assets.

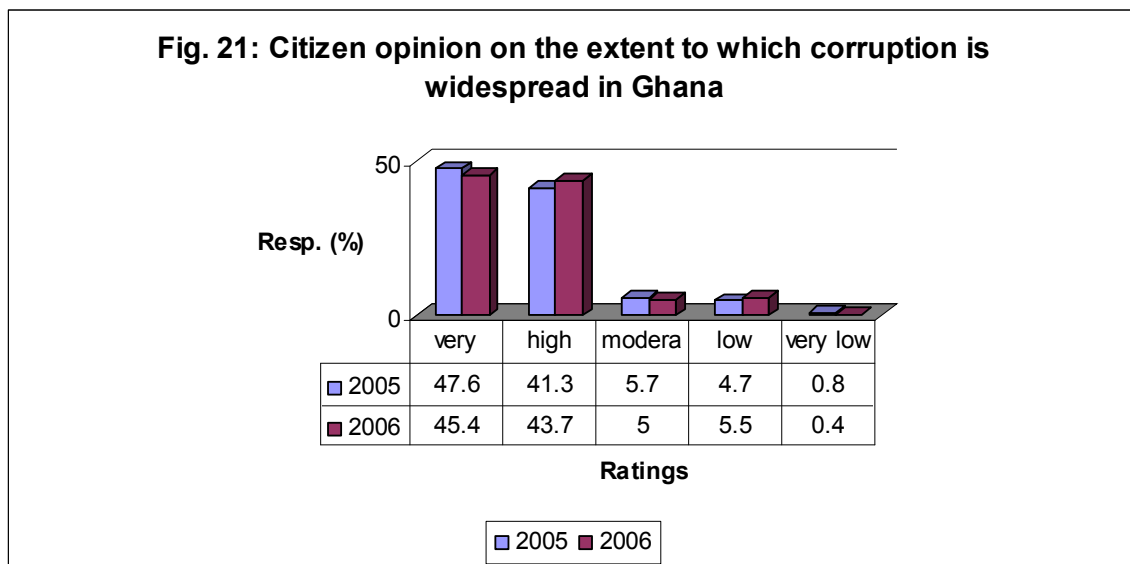
The Local Government Act, 1993 (Act 462) which was replaced by Act 663 clearly provided that members of the then District Tender Boards were to declare their assets but the present law is silent on the issue. Section 39(3) 1993 of the Local Government act 462 stipulates “a person appointed as a member of a District Tender Board shall within three months after the appointment declare his assets to the Auditor-General”. Unfortunately, there is no legislation to enforce compliance.

3.26 Applying public procurement procedures

Most public institutions apply the public procurement procedures in their procurement activities. There has been increased numbers of tenders published in the newspapers.

A total of 698 Entity Tender Committees have been established in MDAs and MMDAs. In addition, 109 Review Boards have also been set up in MDAs and MMDAs.

Despite attempts by government to strengthen the legal and institutional frameworks for fighting corruption, with the enactment of the Whistleblowers Act, the Public Procurement Act, The Financial Administration Act, the Internal Audit Agency Act, almost 89 percent of Respondents said corruption was widespread in Ghana (Figure 21).



Respondents were of the opinion that corruption was more widespread in the public sector (89 percent) than in the private sector (56 percent) (Figures 22 and 23).

Fig. 22: Citizen opinion on the extent to which corruption is widespread in the public sector

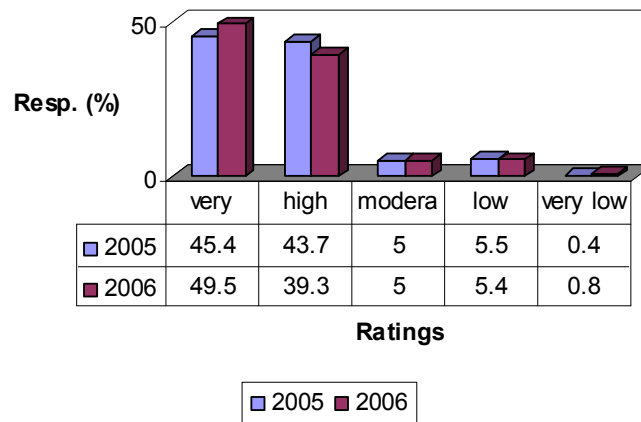
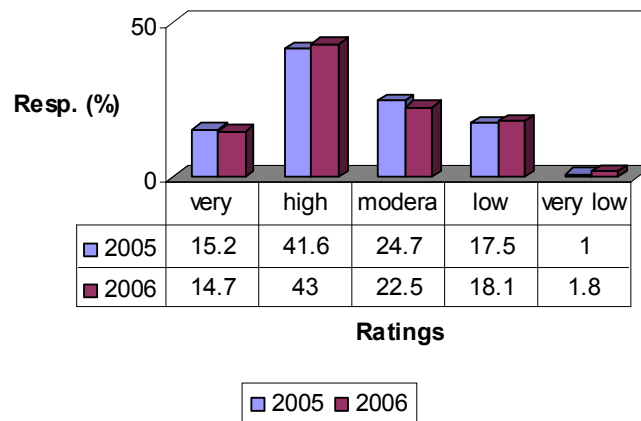
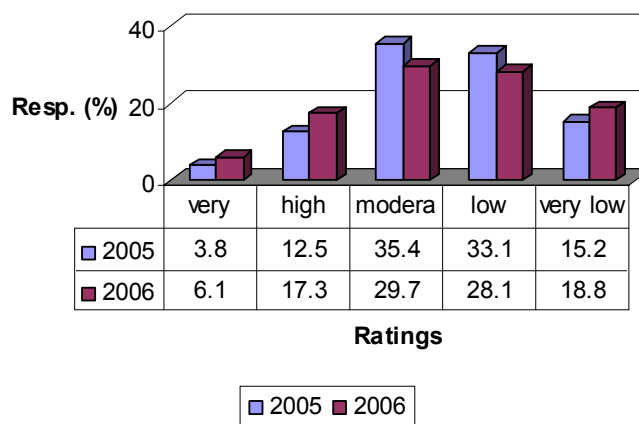


Fig. 23: Citizen opinion on the extent to which corruption is widespread in the private sector



Asked to what extent government was fighting corruption, Respondents noted that whilst the necessary legislation had been put in place, the resources to implement them were lacking. To this extent 23 percent replied that the government fighting of corruption was very high/high, whilst 46 percent said the commitment was low/very low (Figure 24).

Fig. 24: Citizen opinion on the extent to which government is fighting corruption



The Ghana Police Service was ranked as the most corrupt public institution followed by the Customs, Excise and Preventive Service (CEPS), the Ghana Education Service, the Judicial Service, District Assemblies and the Lands Commission.

The Legal and Regulatory Framework to fight corruption

Criminal laws on corruption are scattered in a number of other laws. The Criminal Code of 1960 contains inadequate provisions on corruption. The Commission on Human Rights and Administrative Justice, as part of its decision in the “Anane Case”, recommended that the necessary processes be initiated to upgrade Ghana’s laws to meet the AU minimum standards as contained in the AU Convention Against Corruption.

Objective 7: Promotion and protection of the Rights of women

3.27 Legislation to protect women’s rights

3.27.1 Ensure the passage of the Domestic Violence and Property Rights Bills

The Department of Women at the Ministry of Women and Children Affairs has been carrying out public education and sensitization on the Bill. This has been done nationwide to solicit public opinion and suggestions on the bill. The Department assisted in educating and lobbying

Parliament on the Bill and the effects of violence on family life. The Bill has since received a second reading in Parliament.

Domestic Violence Bill divides House

The second reading of the Domestic Violence Bill drew entrenched positions from Members of Parliament. While one school insisted members needed more time to study the Bill, others were of the opinion that domestic violence would always occur and hence it was nothing exceptional. Some MPs took a swipe at NGOs advocating the passage of the Bill, as using the Bill to collect monies from development partners.

3.27.2 Adopt programmes to domesticate CEDAW and endow it with force of law

This has not begun. CEDAW has not legislatively been incorporated as required.

3.28 Protocol to the African Charter on Human and People’s Rights on the Rights of Women

The African Protocol on Women’s Rights adopted by AU is yet to be acceded to. The Protocol is currently before Parliament.

3.29 Gender Advocacy and women’s rights groups lack capacity and resources

MOWAC is proposing setting aside 10 percent of its HIPC Funds to support this initiative.

3.30 Under representation of women in politics

3.30.1 Develop gender policies with specific actions to help overcome barriers faced by women in entering the political arena

The number of women MPs after the 2004 general election increased to 25 out of 230 seats. A number of CSOs are working to encourage women into politics.

Women in Politics

The table below depicts the under representation of women in the political arena in Ghana.

	Total Members	Men	Women	Percentage
Cabinet Ministers	17	16	1	6
Non cabinet	6	5	1	17

Ministers				
Ministers of State	7	5	2	29
Dep. Ministers of State	32	21	11	34
Regional Ministers	10	10	0	0
Dep. Regional Ministers	10	8	2	20
Total	82	65	17	21
Members of Parliament	230	205	25	11

3.30.2 Implement and publicize policy (Protocol to the African Charter on Human and People's Rights on the Rights of Women)

Yet to be done

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

3.31 Child prostitution and pornography

Ghana on September 24, 2003 signed up to the United Nations Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography.

The Ghana National Coalition on the Rights of the Child reports of the existence of brothels housing teenage girls and young female adults who have migrated into urban centres to make a living only to fall prey to adult male and female pimps. Girls as young as nine years are reported to be engaged in commercial sex. The DOVVSU is under resourced and inundated with all manner of cases to effectively deal with child prostitution.

3.32 Compulsory basic education

3.32.1 Full enrolment of children in compulsory education

The Gross Enrolment Ratio for kindergarten is 78.2%, primary is 89.9%, JSS is 73% and SSS is 29.06% as at September 2006.

Primary pupil textbook ratio is 1:1 and JSS pupil textbook ratio is also 1:1.

All 138 districts have one school feeding programme. Pupils in school uniforms board the Mass Metro Transport free of charge to and from school.

3.33.2 Gender equality in education

The Gender Parity Index for KG is 1.03, GPI for Primary is 0.95, GPI for JSS is 0.93 and GPI for SSS is 0.79 as at September 2006.

Girls' Education Week was celebrated in 72 districts. The Ministry of Education, Science and Sports also provided 5,220 bicycles for girls who commute long distances to schools in deprived districts in four regions (Central, Northern, Upper East and Upper West).

The "Send Your Girl Child to School" campaign took place in all ten regions. The 3 Northern regions have developed accelerated plans for girls' education and have been vigorously pursuing the promotion of girls' education in all districts.

A New Education Reform Implementation Committee (NERIC) has been set up to implement recommendations of review reports and monitor progress.

3.34 Child Trafficking and Child Labour

3.34.1 *Securing the release of and rehabilitation of children living under difficult circumstances*

The Department for Social Welfare under the Ministry for Manpower, Youth and Employment rehabilitated 376 abused and trafficked children. A total of 1,500 street children were provided shelter, education and healthcare. The year also saw the Department protecting and guaranteeing the rights of 3,000 children who were abandoned/denied parental care. The Department paid the National Health Insurance Premium for 2,400 children whose mothers have been infected by HIV/AIDS.

3.34.2 Equipping security agencies and civil society groups to promote enforcement and compliance

The Domestic Violence and Victim Support Unit Division of the Ghana Police Service received resources to set up additional Units at the districts. The security agencies were provided with vehicles and communication equipment.

3.34 Protection of the rights of domestic workers

The Department of Women at MOWAC is working with a local NGO, LAWA, to come up with a Bill on Domestic Workers.

3.35 Autonomy of Ghana National Commission on Children (GNCC)

The GNCC was a semi-autonomous body under the Office of the President. The Commission status of GNCC has been changed (since 2001) to one of an implementing department (Department of Children) under the Ministry of Women and Children Affairs. Unfortunately, the change is not backed by law. The statute setting up the GNCC in 1979 has also not been repealed.

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

3.36 Access to public facilities by the Disabled

The Public Works Department of the Ministry of Water Resources, Works and Housing has been tasked to undertake the needs assessment for providing access to existing public facilities. A plan is currently being developed to provide access to existing facilities and ensure the provision of access in new constructions for the disabled.

3.37 Inadequate and insecure pensions

As part of the recommendations of the Presidential Commission on Pensions set up in 2006, the Social Security and National Investment Trust (SSNIT) has increased pension payments by 15 percent.

3.38 National Policy on the Aged

A draft Policy on the Aged has been completed.

3.39 Protecting the Rights of Refugees

With support from the United Nations High Commissioner on Refugees (UNHCR), refugees from Liberia have been assisted to return home.

Human Rights of the Mentally ill

The Government of Ghana has undertaken to revise the Mental Health Law of 1972. A draft bill has been put before Cabinet. The proposed legislation takes into account all peoples' right including that of mentally ill persons, to freedom and autonomy as well as their right to health and treatment.

It provides for greatly improved quality of care for people with mental illness and seeks to ensure their humane treatment by doing away with the stigma and prejudices associated with illness.

CHAPTER FOUR

ECONOMIC GOVERNANCE AND MANAGEMENT

4.0 INTRODUCTION

This section assesses the degree to which the government is promoting economic growth and reducing poverty.

The year under review recorded positive trends on the economic front. Headline inflation as measured by year-on-year changes in consumer price index declined to 10.5 percent in December from a high of 14.8 percent in January, though it missed government's projection of hitting a single-digit. The Cedi was relatively stable against the major international currencies. The Monetary Policy Committee reduced the Bank of Ghana's Prime Rate to 12.5 percent from 14.5 percent. This development has led to Commercial Banks reducing the base rates to between 18.5 percent and 21.25 percent. Ghana's total debt stock also reduced from USD8,382.5 million to USD4,670.59 million primarily because of debt relief initiatives (Multilateral Debt Relief Initiative and the Highly Indebted Poor Countries Initiative).

Despite these developments, Ghanaians complain of "lack of monies in their pockets", a clear indication that government still faces challenges in balancing gains made in the macro economic front with poverty reduction programmes. The diversification of the economy has been elusive with the country still dependent on the traditional exports. Corruption, still remains a thorny issue for government. The year also recorded a number of bank frauds and drug related offences.

STANDARDS AND CODES

4.1 Many standards, codes and treaties not signed/ratified

The following treaties have still not been ratified:

- Code of Good Practices on Fiscal Transparency
- Guidelines on Public Debt Management
- International Standards in Auditing

- International Accounting Standards
- Code of Good Practices in Transparency and Financial Affairs
- Core Principles of Effective Banking Supervision
- Best Practices for Budget Transparency
- Principles of Corporate Governance

4.2 Building efficiency predictability and transparency in economic management

4.2.1 Enact Insurance Legislation

The Insurance Bill is in Parliament

4.2.2 Ratify the African Union Convention on Preventing and Combating Corruption

The Convention has been ratified.

Objective 1: Promote sound macroeconomic policies that support sustainable development

4.3 The Macro-Economic Framework

4.3.1 Strengthen and upgrade the Policy Analysis Division of MOFEP

The Ministry for Finance and Economic Planning (MOFEP) is recruiting staff for the Division. A new Tax Policy Unit as well as a new Wage Policy Unit are being fully established. Training for these specialized areas is being pursued.

4.3.2 Institute a collaboration for macro-economic building team

MOFEP is currently having an in-house capacity building in the area of macro economic modeling.

Strong linkages already exist between the Research Department of the Bank of Ghana, the Policy Analysis and Research Division of the Ministry of Finance, and the National Development Planning Commission. In addition, the Economic Policy Co-ordinating Committee established in 2001, comprising of MOFEP, BoG, the Controller and Accountant General's Department (CAGD) and the Ghana Statistical Service (GSS) has been meeting regularly to reconcile and monitor the macroeconomic framework.

4.3.3 *Develop baseline projections for estimating the impact of proposed policy changes on future budgets*

The Ministry of Finance and Economic Planning collaborates regularly with other line Ministries, civil society and think tanks, to get their inputs into the budget.

In addition, the following activities are on-going:

- The Policy Analysis and Research Division (PARD) of MOFEP in collaboration with the BoG, Ministries of Public Sector Reform; Manpower Youth and Employment, is currently simulating impact assessment of policy changes on the wage bill for the budget;
- The PARD in conjunction with the Revenue Agencies is also projecting the tax implications of various proposed policies from Government and the Private Sector;
- An Excise Tax review has been carried out to inform the 2007 budget.

4.4 Weak linkage between Economic Planning and Budget Formulation

4.4.1 *Provide clear definition of roles and responsibilities of the NDPC, MOFEP and other MDAs with respect to short, medium and long term planning*

The Planning and Finance divisions have been integrated in the Ministry of Finance and Economic Planning. The NDPC provides medium to long term planning which is currently the GPRS II (2006 – 2009). MOFEP implements the GPRS II through the annual budget within a 3-year framework.

NDPC and MOFEP collaborate to ensure that the MDAs reflect the GPRS II in their budgets.

4.4.2 *Build technical and research capacity of MDAs for budgeting*

The Budget Development Unit of MOFEP has been revamped to improve on the budgeting process. A workshop was organized for MDAs for linking their activities as stipulated in the GPRS II to their budget.

4.4.3 *Implement the Procurement Act*

The Public Procurement Board has developed Standard Tender Documents and Manuals for Entity Tender Committees. A total of 698 Entity Tender Committees have been established in MDAs and MMDAs. In addition, 109 Review Boards have also been set up in MDAs and MMDAs. The Board successfully re-assessed 100 entities to ensure that they fully adhere to the provisions in the Public Procurement Act. To promote and encourage local businesses, a Margin of Preference Document has been developed.

4.5 Quality of macro and micro economic data

The Ministry of Finance and Economic Planning has established a link with the Ghana Statistical Service (GSS) to implement the National Strategy for the Development of Statistics (NSDS) and the Statistical Literacy Strategy which involves all arms of government, MDAs, MMDAs, the private sector, and civil society to appreciate the use and management of statistical information for decision making, monitoring and evaluation of development outcomes.

4.6 Economy susceptible to shocks

4.6.1 Establish trade desks in key MDAs and build capacity of officers to analyse multilateral trade issues

The Ministry of Trade, Industries, PSD and PSI has established trade desks in the Ministry of Foreign Affairs, the Ministry of Food and Agriculture and the Ministry for Finance and Economic Planning.

4.6.2 Post additional officers to Brussels and Geneva and establish new offices in Abuja

MoTI, PSD and PSI has posted trade officers to Geneva. The Ministry is yet to post an officer to Abuja and Brussels.

4.6.3 Strengthen inter-institutional committee on multilateral trade to improve coordination between government, private sector and civil society

The inter-institutional committee has been reconstituted. However, no meeting has been held to date, though two stakeholders workshops have been held on Post Hong Kong Outcomes and New Poverty Agenda (NPA) negotiations.

4.6.4 Strengthen Trade Information Centres

New Trade Information Centre established at Ghana Export Promotion Centre (GEPC).

4.6.5 Strengthen Ministry of Trade, Industries, PSD and PSI to oversee and direct negotiations – WTO, ECOWAS and EPA

The Ministry has been provided with the necessary equipment. Capacity building is on-going.

4.6.6 Participate effectively in negotiations and relevant trade fora.

On-going within WTO, EPA, ECOWAS and AU.

4.6.7 Establish a tariff advisory board

The framework indicating the mandate, composition and institutional representation completed. Training programme for the core staff to serve as nucleus staff has been drawn up.

4.6.8 Review the tariff regime and rationalize to fit national development objectives

Tariff study covering 100 – 150 firms in key sectors of the economy in all the regions began in September 2006 with 10 pilot firms in Accra and Tema. Full scale survey in all the regions is on-going.

4.6.9 Review, compile and publish all applicable export permits and licenses into compendium

Not accomplished. A consultant to undertake the exercise is being recruited in accordance with the Procurement Law.

4.6.10 Train officers and operators to understand issues relating to rules of origin, subsidies, anti-dumping and risk assessment

Not accomplished. Training modules being designed.

4.6.11 Develop effective rates of protection methodology for local industry to create level playing field and enhance competition.

Software for calculating effective rate of protection has been procured and installed at MOTI, PSD & PSI. Data from ongoing survey will be used to create a template for estimating the effective rate of protection.

Objective 2: Implement sound, transparent and predictable government economic policies

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

4.7.1 *Implement the Public Sector Reform Strategy*

A Ministry of Public Sector Reforms has been established to spearhead the implementation of the Strategy. The organizational restructuring and training of the Civil Service is on-going with the development of 10 modules by GIMPA. A Committee on Training (comprising MPSR, OHCS and PSC) has been established for the accelerated training of the Leadership of the Civil Service. The training programme will target 600 staff including Chief Directors, Management Analysts, Human Resource Experts and Directors. A Performance & Management Workshop has been held for Chief Directors and Directors.

The Subverted Agencies Act, 2006 (Act 706) has been passed.

Twenty-five Client Service Units have been revitalized, and plans are far advanced to add an additional 13 including the Revenue Agencies (CEPS, VAT and IRS).

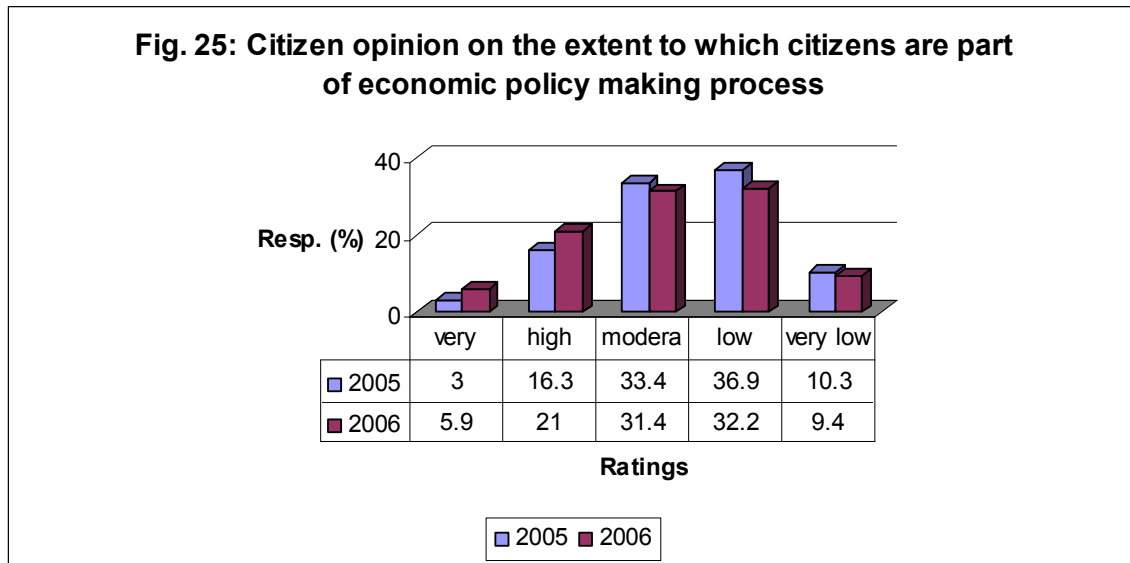
4.7.2 *Draw up codes of conduct for each MDA*

This is being addressed by the Public Sector Reform Strategy. Codes of Conduct have been developed including Citizen Charters.

4.7.3 *Provide avenues for citizens to participate regularly in policy formulation*

Community participation is promoted through the District Assemblies in District Development Plans and government policy implementation at the local level. Citizens also participate in national policy formulation through fora created by such institutions as the National Economic Dialogue, the Institute of Adult Education's New Year Schools, the Institute of Democratic Governance (IDEG) workshops for civil society input into the budget, and NDPCs consultations on the GPRS.

Forty-seven percent of Respondents were of the opinion that in 2005 their level of involvement in policy-making decisions was low/very low. This figure decreased to 41 percent in 2006 indicating a slight improvement in citizens' involvement in decision-making (Figure 25).



4.8 Access to information by citizens

The media (both print and electronic) has been very active in getting information to the populace. The Ministry of Information and National Orientation (MOINO) has been actively collaborating with all MDAs and NCCE to communicate government policies, programmes and activities to the populace through its weekly "meet-the-press" series as well as the weekly "matters arising" from the "meet the press sessions" to explain issues that arose from the presentations of Ministerial plans and action programme.

Regional meet-the-people tours are also undertaken by MOINO to disseminate government policies and programmes. An official website, GOG Portal, provides reliable one-stop information on Ghana.

The Ghana News Agency (GNA) is undertaking a District Computerization Programme which links the GNA headquarters in Accra with key district offices such as Hohoe, Akim Oda, Winneba, Techiman, Aflao, Bawku and Tarkwa.

The Information Services Department (ISD) has been resourced with 146 cinema vans and 4 public address vans to facilitate free flow of information between the government and the public.

It is expected that the passage of the Freedom of Information Bill will further make more information available to the public.

Objective 3: Promote sound public finance management

4.9 Weak tax administration system

4.9.1 Provide facilities to tax administrators to increase tax collections and deposits

Discussions are far advanced for the computerization of the Internal Revenue Service (IRS). All revenue agencies were allocated operational vehicles in 2006.

A Revenue Protection Unit has been set up within the Revenue Agencies Governing Board (RAGB). The automation of IRS operations has been initiated on a pilot basis at its Osu office.

As an incentive to improve on revenue mobilization, the retention for Revenue Agencies has been increased from 2.5 percent to 3.0 percent of revenue collected. A Revenue College is also being set up to train new staff and upgrade the competencies of existing staff.

4.9.2 Enforce tax laws

A Revenue Protection Unit within RAGB has been set up to ensure that tax laws are enforced.

VAT Secretariat gets tough with defaulters

The Value Added Tax Service Secretariat retrieved almost 11 Billion Cedis out of a total of 20 Billion Cedis owed the Service through distress actions it took to meet its tax collection target set for the year.

Following the distress actions, many businesses and companies had been closed in some parts of the country in an effort to collect and recover the total debts owed.

4.9.3 Regularly inform the public of tax obligations

Revenue agencies have intensified their media campaigns.

4.9.4 Regularly publicise sanctions against tax offenders

The Revenue Agencies have publicized sanctions against tax offenders. Throughout the year, revenue agencies named and shamed businesses and companies that persistently defaulted in meeting their tax obligations.

4.10 Weak expenditure tracking, accounting and reporting

4.10.1 Develop guidelines for tracking expenditure

The Ministry of Finance and Economic Planning in collaboration with BoG and CAGD has established an expenditure tracking committee with the mandate to track releases for payments from MOFEP through CAGD to BoG. The Committee meets weekly to review progress.

4.11 MDAs have no prior information on global expenditure

The current practice is for MOFEP to give Ministries, Departments and Agencies their Budget Ceilings for the commencement of their budgeting process.

The Public Expenditure Monitoring Unit of the Budget Division reviews monthly cash plans and monthly expenditure ceilings of MDAs. The Unit tracks releases for payments from MOFEP through the CAGD to BoG.

4.12 Weak coordination of development planning process and low capacity for budget formulation

Strong linkages exist between MOFEP and NDPC in the design of the macroeconomic framework of the country.

4.13 Ineffective oversight functions of Parliament

The Ministry of Parliamentary Affairs is providing resources and organizing capacity building workshops for Members of Parliament.

4.14 Improve debt management

Ghana's total stock of public debt as at the end of September 2006 was USD4,670.59 million. This indicates a 44.3 percent decline over the stock of USD8,382.5 million at the end of 2005. The sharp decline was as a result of stock of debt cancellation that Ghana benefited both under the Highly Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI).

Ghana's medium and long-term external debt has been reduced to USD2,143.79 million as of the 3rd quarter of 2006 from the 2005 figure of USD6,347.9 million. This was primarily as a result of the 66 percent debt reduction under the (MDRI).

The domestic debt stock, however, increased to Cedis 17,061.2 billion or 15.21 percent of GDP as at September 2006. This represents an increase of Cedis 3,420.2 billion or 25.2 percent over the stock Cedis 13,631.0 at the end of September 2005. The factors accounting for the increase in domestic debt include:

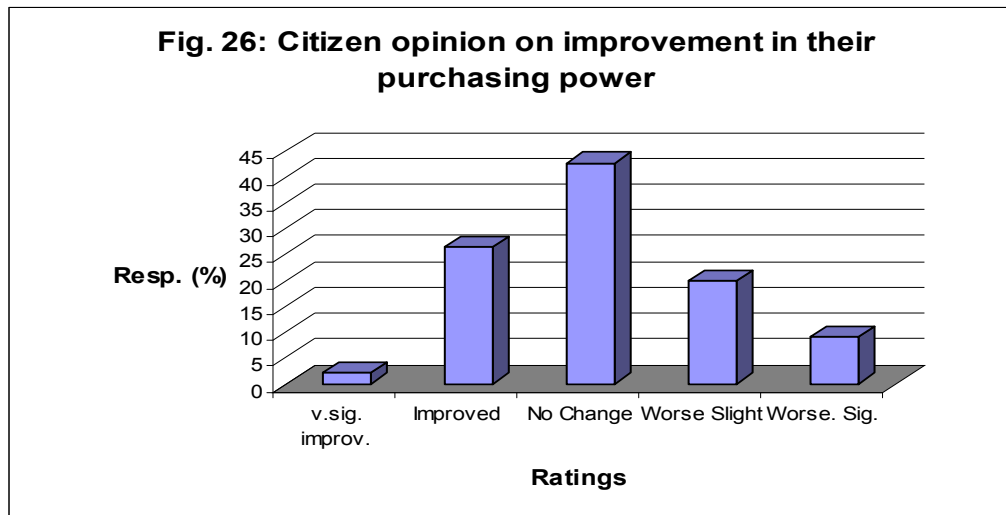
- Lower than programmed inflows from tax revenues and divestiture receipts;
- Delays and non-receipt of some pledged funds from Multi-Donor Budget Support inflows;
- Unanticipated demand and agitation for higher wages by public sector workers; and
- Unanticipated transfers to SOEs such as Tema Oil Refinery (TOR) and Volta River Authority (VRA) on account of under-recovery and higher oil requirements respectively.

Objective 4: Fight corruption and money laundering

4.14 Pay fair wages and salaries

The Government is committed to the comprehensive pay reform as stated in Sub-Section 1143 of the 2006 Budget Statement. The Government is thus setting up Salaries and Wages Commission or Fair Wages Commission, and a Secretariat to be responsible for Pay Administration.

Respondents (42 percent) indicated that there had not been any change in their purchasing power since 2005. Slightly more Respondents (26 percent) indicated an improvement compared to Respondents (20 percent) who indicated a slight worsening of their purchasing power.



4.15 Reduction in corruption

The legal framework is being strengthened to reduce corruption in the public sector. The passage of such Acts as the Public Procurement Act, the Financial Administration Act, the Internal Audit Agency Act is meant to curb abuse within the public sector. In addition, the Public Sector Reform Ministry is implementing the Public Sector Reform Strategy aimed at among others, to reduce bureaucracy thereby reducing the incentive for corrupt practices.

4.16 Weak regulation and administration of foreign exchange activities and payment systems

4.16.1 Implement the Payment Systems Act (Act 662) of 2003

The Payment Systems Act has been operationalised and is being implemented.

4.16.2 Organise training for the Financial Intelligence Unit of the Ghana Police Service and other agencies fighting corruption

The establishment of the Financial Intelligence Unit is being handled by the Ministry of National Security. This will be the umbrella agency to fight corruption and money laundering.

The Bank of Ghana, Bank Investigators of the financial institutions and the Ghana Police Service have been undertaking a series of seminars on Financial Fraud Investigation.

Unfortunately the Judicial Service was not part of these seminars.

4.16.3 Educate banks on how to detect money laundering and crimes associated with it

The Anti-Money Laundering Bill has been drafted, and the Attorney General is working on the gazette.

The Bank of Ghana has conducted a series of trainers-of-trainers workshops for officials of financial institutions and non-bank financial institutions, as well as the security agencies on money laundering.

4.16.4 Provide the agencies fighting corruption with resources

The 2006 Budget provided for increased resources for the security agencies. For example, the Ministry of the Interior was allocated Cedis 826 Billion from the budget, Cedis 20 Billion from HIPC Funds and a supplementary of Cedis 292 Billion as against a total of Cedis 632 Billion in 2005.

4.17 Lack of information on credit worthiness of corporate bodies and individuals

4.17.1 Provide registries where the identities of individuals and corporate organizations can be cross-checked

The Credit Reporting Bill is before Parliament. The National Identification Bill which was passed in March 17, 2006, will help in providing a central database of individuals after its completion.

4.17.2 Discourage the use of cash

The Bank of Ghana is setting up the following to discourage the use of physical cash:

- A National Electronic Payments System;
- Electronic Funds transfer

- Domestic Switch;
- Wide Area Network;
- Electronic Clearing;
- Codeline Cheque; and
- Smart Card payments.

A technical working group has been formed comprising MOFEP, Association of Ghana Industries (AGI), the Ghana National Chamber of Commerce and Industries (GNCCI), the Ghana Union of Traders Associations (GUTA), the Ghana Institute of Bankers, the Private Enterprise Foundation, the ARB Apex Bank, the Ghana Employers Association (GEA) and the banks to educate the public and private sector on cashless transactions.

Objective 5: Accelerate Regional Integration by participating in the harmonization of monetary, trade and investment policies

4.19 Irrelevant application of rules by CEPS

Capacity building workshops are on-going for CEPS officials on ECOWAS Protocols and directives. With support from the World Bank, the Abidjan-Abuja Corridor Project has streamlined and rationalized transactions along the border. Road blocks between Ghana and Burkina have been reduced to the minimum.

West African Monetary Zone

Ghana has fully complied with two of the four core criteria for WAMZ. These are Central Bank's Financing of Budget Deficit being less than 10 percent of previous year's tax revenue and an import cover of at least 3 months. The country faces challenges in attaining the other two which are: single digit inflation and a Budget Deficit to GDP Ratio not exceeding 4 percent.

Other issues that the country must deal with under WAMZ include:

- Ratification of the status of the West African Central Bank by Parliament; and
- Providing a building to house the West African Central Bank.

4.20 Security concerns and cross border crimes

A series of meetings are on-going between Ministers of Interior (Security) of Ghana, Togo and Burkina Faso to discuss cross-border crime and sub-regional security issues. The last meeting was held in Accra on 23 – 24 February, 2006. Efforts are being made to include Ministers of Interior (Security) from other countries in the sub-region.

Policy of Good Neighbourliness

Ghana continues to pursue the Policy of Good Neighbourliness by deepening ties with Burkina Faso, Cote d'Ivoire, Togo and Benin. This has resulted in the establishment of Joint Commissions of Cooperation to reap political, social and economic benefits of enhanced relationship

4.21 Slow pace of economic integration

Ghana, as a member of the West African Monetary Zone (WAMZ) continues to strive towards the goal of economic and monetary integration. Ghana has to date complied with two primary (zero central bank financing of fiscal deficit and gross external reserves) and two secondary criteria. Ghana, however, continues to face challenges in respect of compliance to the single digit inflation and the 4 percent upper limit band for the fiscal deficit-to-GDP targets (excluding grants).

The country is also committed to the efforts of ECOWAS at having a Common External Tariff. Negotiations are already underway with other ECOWAS countries to arrive at acceptable tariff levels for the 600 tariff lines (type B exceptions) for which individual countries are unwilling to voluntarily change their rates.

4.22 Limited knowledge by populace of regional integration issues

Sensitization programmes have been undertaken along the borders by the ECOWAS Bureau of the Ministry of Foreign Affairs, Regional Integration and NEPAD.

4.23 Insufficient resources to support peace mediation in the sub-region

The Kofi Annan International Centre which has been established to facilitate peace in the sub-region continues to organize seminars and workshops of small arms reduction, peace

mediation, conflict resolution, etc. for security officers, law makers, civil society groups in the sub-region.

The Government provided resources to send a Peace Mission to the Cote d'Ivoire. Ghana, through the United Nations continues to support peace mediations across the sub-region.

CHAPTER FIVE

CORPORATE GOVERNANCE

5.0 Introduction

This section assesses the extent to which business entities are applying principles, values and practices that foster corporate governance in the pursuit of their activities, and the extent to which government is supporting the growth of the private sector.

The country continues to enjoy a B+ rating from both Standard and Poor's and Fitch Ratings. The country ranks 82nd in the World Bank Study – Doing Business in 2006. The survey also found Ghana as the 9th easiest place to do business in Africa. In West Africa, Ghana ranks number 1 as the easiest place to do business in. The African Development Bank launched a two-year fixed rate Eurobond offering in Cedis. This makes the Cedi the fourth local currency in Africa that AfDB has issued debt in. Initial Public Offers (IPOs) on the Ghana Stock Exchange have consistently been over subscribed. There are now 32 companies listed on the bourse with market capitalization of Cedis 112,499.81 billion.

Poor public service delivery, industrial unrests and environmental concerns continue to be the dark spots on the corporate front. The power outages experienced since the fourth quarter of the year have affected businesses both large and small. There have been agitations on the labour front for better conditions of service, sometimes in blatant disregard to laid down procedures, and a lukewarm perception of the Labour Commission by the public.

A. STANDARDS AND CODES

5.1 Corporate Governance Guidelines

5.1.1 Develop single Corporate Governance Guidelines

There are two major corporate governance guidelines in use by businesses in Ghana. The first was developed by the Securities and Exchange Commission – Code of Best Practice on

Corporate Governance – for companies listed on the Ghana Stock Exchange. The second was developed for use by micro, small and medium enterprises.

The informal nature of most businesses poses a big challenge to the practice of good corporate governance in Ghana. The Code of Business Ethics for MSMEs is expected to improve good corporate governance practices within the informal sector.

A workshop has been organized by the MOFEP, Ministry of Trade, Industry, PSD and PSI and the World Bank on how to formalize the informal sector.

5.1.2 Intensify education of business community on benefits of good corporate governance

The Companies Code which provides the framework for good corporate governance is still under review. Consultations have stalled since the President inaugurated the Committee to review the Code. Some consultations have been held with the business community.

5.1.3 Run certified training programmes for Directors and Chief Executives

The Institute of Directors – Ghana and the Ghana Institute of Management and Public Administration (GIMPA) run courses in Corporate Governance for Directors, Chief Executives and senior officers both in the public and private sectors.

5.2 National Accounting Standards not reviewed since 1996

5.2.1 Educate accounting personnel in both public and private institutions on International Accounting Standards

The Institute of Chartered Accountants – Ghana has commenced a series of educational workshops on International Accounting and Auditing Standards. The Institute has declared that all Ghanaian companies and businesses should adopt International Accounting Reporting from January 1, 2007.

Ghana's transitional provision states that Small and Medium Scale Enterprises (SMEs), Ministries, Departments and Agencies (MDAs), state-owned organizations and private organizations have a two-year transition period. This implies these entities will continue to use the Ghana Accounting Standards as reporting standards until 2009.

The Auditor-General of Ghana has commenced a series of educational workshops for its personnel in International Accounting and Auditing Standards.

5.3 Labour Laws

5.3.1 Ratify ILO Convention No. 184 – Agricultural Workers Health and Safety

The National Advisory Council on Labour has made recommendations for the ratification of Convention 184 to the Ministry of Manpower, Youth and Employment for onward submission to Cabinet for subsequent ratification by Parliament.

5.3.2 National Agricultural Safety and Health Policy

A National Task Force to prepare a draft National Policy on Agricultural Safety and Health is to be constituted soon.

The Labour Department and Factory Inspectorate are being strengthened to monitor compliance with the National Labour Law

The government through its budgetary process has made available 2 billion Cedis to the two agencies to procure the needed logistics alongside the recruitment of key and qualified personnel. The Labour Department is to recruit about 194 personnel between 2007 and 2009 to strengthen the staff position.

The two agencies will be resourced under the DANIDA supported Business Sector Support Programme to improve their service delivery.

5.4 Insurance Bill

5.4.1 Review the Insurance Bill as regards capital considerations

The Insurance Bill has been proof read and gazetted and corrections are being effected.

5.4.2 Educate the public, business community and insurance institutions on the new law

Public education will be undertaken fully when the Bill is passed by Parliament.

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

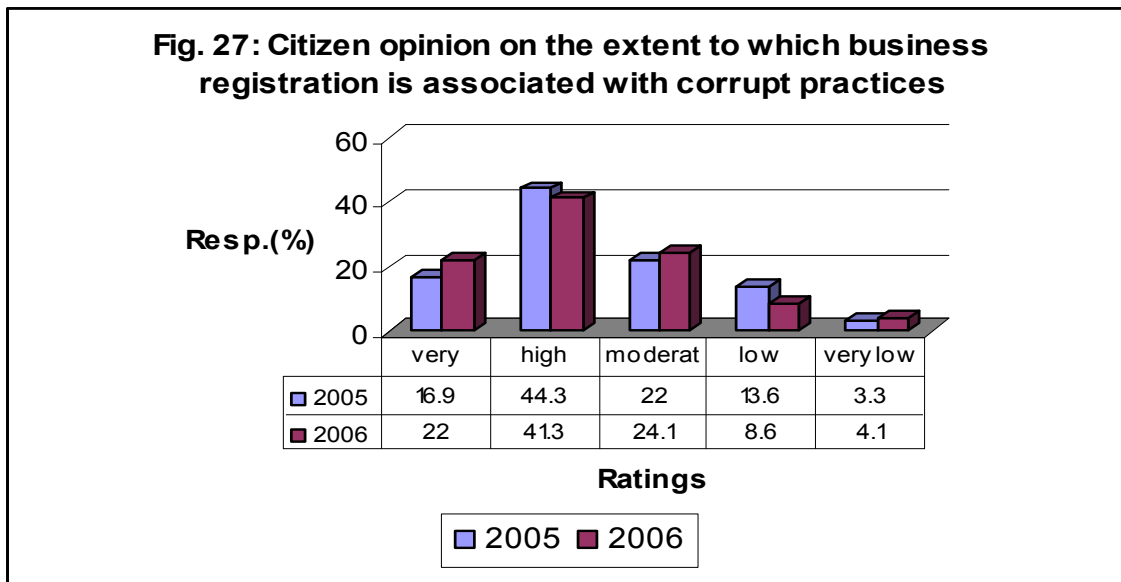
5.5 Business Registration and Approval

5.5.1 Re-organise and resource the Registrar-General's Department

Cabinet has approved the Strategy for the Reform of the RGD. The reform is to cost approximately US\$5 Million over a four year period, and is funded by the Government of Ghana through the Development Partner Pool Fund. The Strategy includes among other components, the setting up of and equipping a Front Office to provide customer friendly and focused services.

The RGD is in the process of setting up a front office. The AESC has completed the design and work on the modifications to the front building of the Department has started.

The majority of Respondents (63 percent, 2006) felt strongly (very high/high) about the fact that business registration is associated with corrupt practices (Figure 27). Respondents believed the situation has slightly deteriorated since 2005.



5.5.2 Upgrade Business Registration Software – RGDPro to provide front offices services and electronic forms processing

The Registration Software, known as RGDPro, has been developed and installed on all RGD's production machines.

Conversion of data in manual registration files to an electronic database has been completed for all categories of business registration.

The Software implementation testing as well as staff training in the use of the software have been completed. Preparation towards the live use of the registration software with electronic forms is in progress.

5.5.3 Decentralize business registration processes

The RGD has started a process of decentralizing its operations to Kumasi, Takoradi and Tamale. The Takoradi Branch is partially operational with the registration process done in Accra and the Registration documents returned to the Branch for distribution. The Kumasi Branch is ready for use, but not operational due to lack of personnel. The Department is yet to find suitable accommodation for the Tamale Branch Office.

In addition, plans are far advanced to use Post Offices nationwide to deliver Business Registration services.

5.6 Duplication of information requirements with company registration procedure

The harmonization of numbering regime, and the development of an electronic data interface to load Tax Identification Numbers from the TIN Centre to RGD are essential components of the RGD's Reform Strategy.

The TIN has provided the RGD with a dedicated computer for electronic transfer of Tax Identification Numbers (TIN) to RGD.

Steps towards harmonization of the registration/identification numbers for the various agencies however, is yet to start.

5.7 Inadequate database and assess to company information

An IT Manager and two IT professionals have been seconded to the Department from the Central Systems Development Unit. In addition, two IT Personnel have been attached to the IT Unit of the Department.

Collaboration with the Statistical Bureau to identify dormant companies is yet to start.

5.8 Limited access to basic corporate information

5.8.1 Enforce obligation under the Companies Code for companies to file annual returns.

The RGD is to recruit 6 additional Company Inspectors to augment existing personnel of the grade.

5.8.2 Post corporate information on RGD website

This is part of the Business Registration Reform Strategy and it is yet to start. Access to the information on the website will be for a fee.

5.8.3 Seek legal backing for electronic display of company information

Three Acts are to be promulgated which will provide the necessary legal backing. These are:

- Right to Information Act;
- Data Protection Act;
- Law for the Acceptability of the Electronic-based Documents and Forms (On-line Registration)

5.9 Outdated Ghana Investment Promotion Council (GIPC) Law

The Amended Bill is before Parliament

5.10 Road transport

5.10.1 Provide street lights and traffic wardens along major roads

Street lights are being provided along some major roads in Accra (Accra-Tema Motorway, Spintex Road) but the majority of the city is still engulfed in darkness. There has also been increased police presence at major junctions especially during power failures at traffic lights. The police presence is, however, complemented by hawkers who act as traffic wardens in the absence of the police.

Traffic Regulations

The Ministry of Transportation will enact New Road Traffic Regulations in 2007 to operationalise the Road Traffic Act, 2004 (Act 683).

5.10.2 Educate pedestrians on road safety regulations

The National Road Safety Commission (NRSC) has been conducting education and sensitization exercises as well as panel discussions on the dangers of over-speeding, drunk driving, wrongful overtaking, unsafe vehicles, fatigue, non-use of seat-belts. Road Safety education for school children is also on-going.

Use of Seat-Belts

The Motor and Traffic Unit of the Ghana Police Service embarked on a massive road safety campaign on the use of seat belts by drivers and passengers. The exercise, however, lasted just as long as the campaign period. The police no longer insist on the use of the seat belts.

5.10.3 Enforce axle control regulations

Cabinet has approved the Axle Load Control Policy. An Action Plan has been developed to be implemented in 2007.

5.11 Poor state of rail network and limited use of rail transport

5.11.1 Rehabilitate Accra-Tema-Nsawam network

About 80 trackmen have been deployed to rehabilitate the track. The Ministry of Harbours & Railways is in the process of procuring some track items.

Regrading of the Accra-Achimota track section commenced on October 17, 2006. About 30 percent of the Achimota-Tema track section has been completed.

5.11.2 Rehabilitate the national network: Accra-Kumasi-Sekondi/Takoradi

Rehabilitation works has not started.

5.11.3 Construct Kumasi-Burkina Faso rail network

The Ministry of Harbours and Railways has received a number of enquiries from firms and organizations in China, South Korea, Czech Republic, Canada and Switzerland. The Ministry is conducting due diligence on all the interested institutions.

5.12 Under-developed water transport

5.12.1 Replace over aged ferries with 4 new ones of larger capacities

The Ghana Maritime Authority (GMA) has been mandated by Section 2 (e) of the Ghana Maritime Authority Act, 2002 (Act 630) to regulate safety of navigation on inland waterways. GMA is seeking government guarantee to obtain a loan facility of US\$10,000,000 to implement a set of projects including the procuring of 4 new ferries for operation on the Volta Lake.

5.12.2 Navigate and chart water courses in the Volta Lake

This safety measure has been captured under the Cabinet Memo for the loan facility.

5.12.3 Harvest tree stumps in Volta Lake

An agreement has been signed between Clark Sustainable Company Ltd. of Canada and VRA acting on behalf of Government, to undertake the exercise.

5.12.4 Revoke sole license of Volta Lake Transport and introduce competition

Section 2 (e) of the GMA Act, 2002 mandates the GMA to regulate shipping including safety of navigation on Ghana's inland waterways. This Act has not been repealed.

5.12.5 Enforcement of regulations on safety to minimize accidents

The GMA with assistance from the Ministry of Harbours and Railways obtained Technical Assistance from the International Maritime Organisation (IMO) to prepare a comprehensive set of regulations in line with the IMO model regulations for safety of transport on inland waterways.

Currently, a Task Force has been commissioned by the Hon. Minister of Harbours and Railways under the sponsorship of GMA to enforce safety on the Lake. The Task Force will in due course be replaced by 3 Lake Traffic Control Units to be stationed at Yeji, Kete Krachi and Abotoase.

5.13 Delays in clearance of goods at Kotoka International Airport

5.13.1 Review laws to allow competition within the freight handling industry

The government policy is to introduce competition in the ground handling activities at the airport. In this regard, a second ground handler has been licensed and has been in operation since January 2006. This company is to compete alongside the existing one.

5.13.2 To investigate the possibility of developing some airports for international travel purposes

The current GCAA development programme is to rehabilitate and expand the facilities at Kumasi and Tamale airports to serve as regional and international airports respectively.

5.14 Limited internal air transport

5.14.1 Develop and upgrade airstrips and airports

The Phase 3 Programme of GCAA is to improve domestic airstrips in the country to open up the domestic aviation industry, particularly the promotion of the use of micro light aircraft for agricultural, medical, etc. services as well as for tourism.

5.14.2 Provide incentives to attract private operators

The GCAA has reduced its landing and navigational charges to domestic operators as a means of reducing the operational cost to make domestic air services attractive and affordable.

5.15 Deterioration of agricultural produce at KIA

The Ministry of Food and Agriculture in collaboration with GCAA and with the support of the World Bank is to establish cold chain facilities at KIA.

5.16 Difficult access to secure quality energy supply

5.16.1 Increased maintenance and introduction of new power stations

The power generation, transmission and distribution infrastructure are maintained in accordance with international industry standards.

Re-engineering of the Takoradi Thermal Power Plant is underway to improve operation and maintenance.

Government is in the process of developing and constructing a new power station to augment the supply from existing sources. A total of about 300 Megawatts of additional capacity (approximately 17% of installed capacity) is to be installed in 2007.

The Environmental Impact Assessment for the Bui Hydropower project has been completed.

The Master Plan for the Natural Gas Infrastructure has been developed. The implementation of the West Africa Gas Pipeline Project is on course. The laying of the entire high-pressure pipeline has been completed. The laying of pipelines connecting Tema and Takoradi to the main pipeline has also been completed. Construction of the Regulatory Metering Stations at Tema and Takoradi has begun.

Regulations for secondary Natural Gas Market has been completed and awaiting Parliamentary approval.

Power outages

Low water inflows into the Akosombo Dam caused power supply shortage. The difficulties resulted in the implementation of an extensive nationwide load shedding management programme at the end of August 2006.

5.16.2 Promote independent power suppliers

A new transmission company, Ghana Grid Company, has been formed to facilitate the operation of Independent Power Producers (IPP). It is intended that the private sector would be actively involved in the construction of future power plants in Ghana.

A licensing Manual for the Power Sector has been completed.

A National Electricity Grid Code is being developed and is expected to be completed by June 2007.

Standards of performance rules for electricity distribution and supply have been completed and awaiting parliamentary approval.

Wholesale Power Supply Market regulations are being developed and expected to be completed by June 2007.

5.16.3 Explore alternative sources of energy

A National Bio-Fuel Policy has been developed. A Renewable Law that will mainstream renewable energy sources into the national energy mix is to be passed by Parliament in 2007.

A major Solar PV Electrification funded under a bilateral agreement with the Spanish Government will be carried out in 2007. The target beneficiaries are schools, health and security posts in remote areas where extension of the national grid is not feasible. The project will enable students in such areas to have access to the President's Special Initiative on Distance Learning. Health posts in such areas will have refrigerators to store vaccines.

A pilot scheme to develop small scale hydro systems in potential areas is expected to be completed in the first half of 2007.

The Ministry of Energy is collaborating with the private sector to establish wind farms to generate electricity to augment existing sources. A Pilot 3 MW grid connected wind power plant is planned for 2007.

5.17 Inadequate and infrequent water supply

5.17.1 Maintenance and rehabilitation of existing pipe network and treatment

A Management Operator is in place and is institutionalizing appropriate structures to improve water supply delivery and reduction of water losses.

5.17.2 Promote Public-Private partnership in water management

The appointed Operator is being given all the support to improve water management.

Access to Water

Despite significant improvement in access to water in some parts of the country (some increasing from a low of 29 percent to a high of 51 percent), access to water is still limited, especially for the urban poor. Stakeholders report of long response time for damaged pipes to be repaired, collusion between some personnel of the Ghana Water Company and some water agents resulting in loss of revenue to the Company, and illegal connections to water lines.

5.18 Delays and difficult access to fixed/land lines; limited efficiency and reliability and relatively high rental charges

5.18.1 Delays and difficult access to fixed lines

Ghana Telecom has expanded its services to reach 4.93 million users as at the 3rd quarter of 2006. Ghana Telecom has a policy of getting line fixed within 2 weeks of application. Kasapa has also introduced land lines.

5.18.2 Limited Efficiency and Reliability of Service

Interconnection Agreements between service providers are reviewed regularly to ensure technical harmony. The National Communication Authority (NCA) conducted a Quality of Service (QoS) examination and defaulting companies sanctioned with fines. The NCA has been publishing its findings on the QoS ranking performance of telecom operators.

5.19 Poor Internet Connectivity and Limited Access

The Ministry of Communication has issued 165 ISP licences, but only 29 are currently operational. Internet usage in the country now exceeds the 1 million mark. The quality of internet has been very much improved with the introduction of broadband internet by Ghana Telecom.

5.20 High withholding Tax

As part of Government's effort for private sector growth a review of the withholding tax was undertaken. The review led to a reduction in the withholding tax rate on the supply of goods and services from 7.5 percent to 5.0 percent. Withholding tax on dividends has also been reduced from 10.0 percent to 8.0 percent.

5.21 High Corporate Tax

Though a Regulatory Impact Assessment was not undertaken, the Government's policy in 2006 has been to release more resources to the private sector for expansion and creation of jobs.

The corporate tax rate has been reduced from 28 percent to 25 percent with effect from January 1, 2006.

The National Reconstruction Levy rates was phased out at the end of the 2006 Budget Year.

5.22 VAT on imported inputs for manufacturing

A Regulatory Impact Assessment was not undertaken. However, Government has identified the problem of upfront cash flow faced by manufacturers associated with the VAT component of large imports of industrial raw materials. To mitigate this and also to pursue Government's vision of a Golden Age of Business, payment of VAT on imported industrial raw materials should be deferred and zero-rated with the coming into force of Act 671.

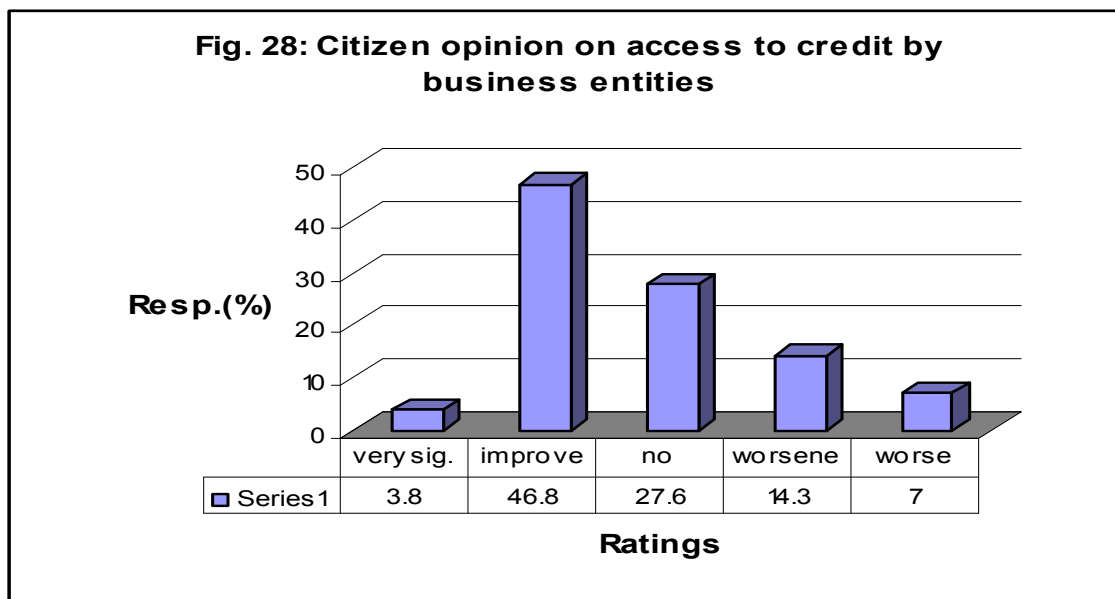
Since some raw materials also double as finished products, companies eligible for this special treatment shall be gazetted quarterly by MOFEP in collaboration with the Ministry of Trade, Industry, PSD and PSI.

5.23 Support for micro, small and medium enterprises

The Venture capital Fund has been operationalised and the Export Development and Investment Fund continue to offer support to businesses.

Majority of Respondents (51.6 percent) noted that private sector access to credit has improved. They noted that this has been driven by a number of developments:

- Increased competition in the banking sector (number of banks has increased to 22);
- Removal of the secondary reserve requirement by the Bank of Ghana.



5.24 Central Registry System

The Credit Reporting Bill is before Parliament. A Central Securities Depository System has been operationalised.

5.25 Delays in clearance of cheques and payment systems

The Bank of Ghana is setting up the following to hasten the clearance of cheques and improve the payments system:

- A National Electronic Payments System;
- Electronic Funds transfer
- Domestic Switch;
- Wide Area Network;
- Electronic Clearing;
- Codeline Cheque; and
- Smart Card payments.

5.26 Capacity of regulatory bodies to monitor compliance

The Registrar-General's Department is recruiting additional Company Inspectors to enforce compliance.

Objective 2: Ensure that corporations act as good corporate citizens with regards to Human Rights, Social Responsibility and Environmental Sustainability

5.27 Protection of Trade Unions

Overly restrictive legislations such as the Industrial Relation Act of 1965 which hindered trade union activities have been repealed with the passage of the Labour Act 2003 (Act 651). The new Act addresses the restrictive provisions in the old laws of the Trade Union Ordinance (Cap 91), 1941 and the Industrial Relations Act, 1965 (Act 299). The new Act now reflects the principle of freedom of association under Sections 79 – 81 of the Labour Act, 2003 (Act 651). It also conforms to the 1992 Constitution of Ghana and ILO Conventions No. 87 and 98 concerning the freedom of association.

5.28 Damage to the environment by corporate bodies

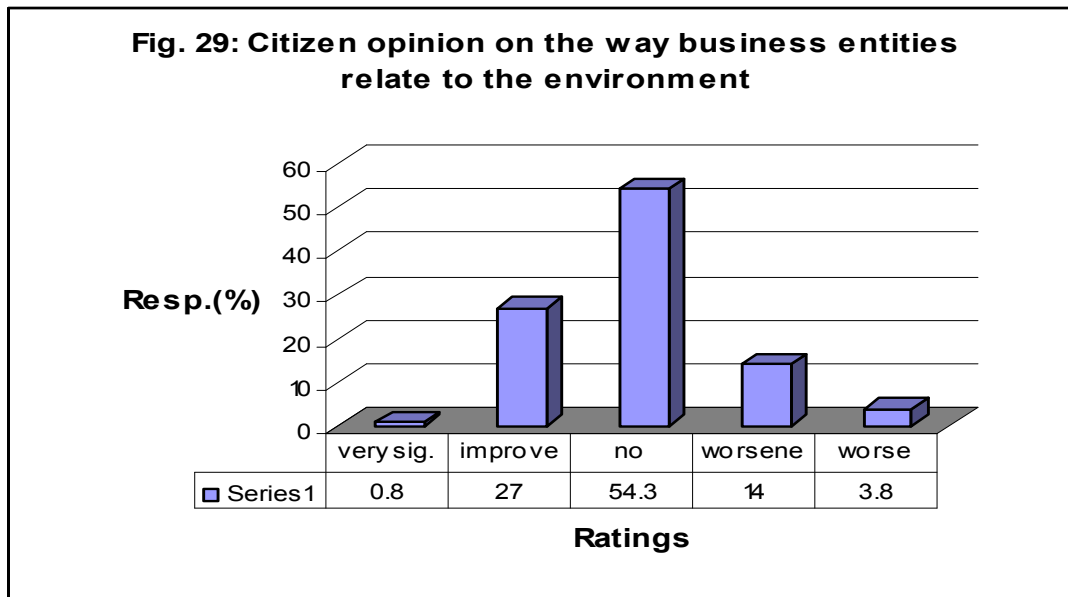
The Ghana Chamber of Mines in collaboration with mining companies in Ghana have developed a Code of Ethics to deal with the issue of environmental sustainability. This Code of Ethics is embedded in the Corporate Social Responsibility Framework developed by the mining firms.

Conflict diamonds

The United Nations Panel of Experts, the global watchdog set up to eliminate the trade in so called "blood diamonds implicated Ghana in trafficking conflict diamonds. Ghana was identified as a conduit for Cote d'Ivoire diamonds. The country was given a three-month reprieve to eliminate "blood diamonds".

Ghana disputed the UN reports that its diamond figures continued to rise despite obsolete mining techniques and capacity constraints at its only mechanised mining company, Ghana Consolidated Diamonds. The country, however, agreed to allow technical experts from the World Diamond Council to help it identify diamonds that did not meet the requirements of the international certification process.

The majority of Respondents (54.3 percent) are of the opinion that there has been no change in the manner business entities treat the environment (Figure 29)



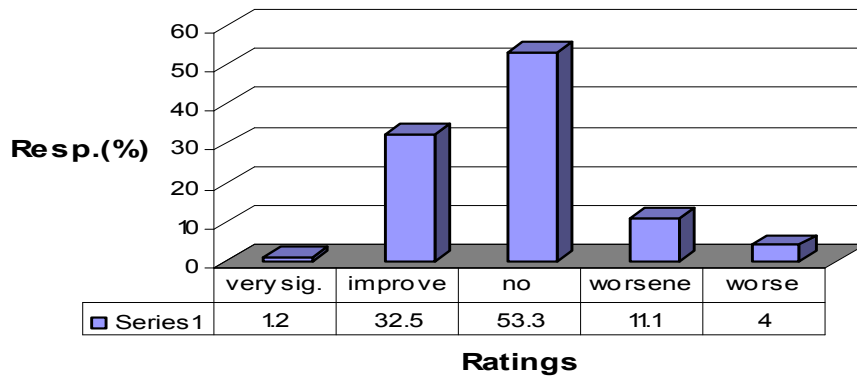
5.29 Poor enforcement of labour laws in urban informal and rural communities

The Labour Department has conducted a Needs Assessment with regard to its manpower situation. Recruitment of qualified personnel is on-going within the budgetary allocation. About 194 personnel will be recruited between 2007 and 2009 to strengthen the staff position of the Labour Department.

The Ministry of Manpower, Youth and Employment under the Business Sector Programme Support is developing the Labour Market Information System to provide relevant information to all key stakeholders in the areas of employment levels, unemployment rates, employment projections, wages and training resources.

As many as 53 percent of Respondents are of the opinion that there has not been any change in the way business entities treat their workers, even with the coming into force of the Labour Law (Figure 30).

Fig. 30: Citizen opinion on the way business entities treat their workers



Mining and Human Rights

Stakeholders from mining communities report that mining companies in the country use all means to protect their property. Over the past year at least 15 people have been shot in mining-related incidents in the country. The problem of “galamsey”, the stakeholders contend, persist because mining companies take the livelihoods of people (their farmlands) and offer very little in return. The youth are not employed by the mining companies because they lack the skills and expertise required, so they are compelled to eke out a living for themselves and their families through “galamsey”.

The level of compensation to farmers was also criticized. The average compensation for a cocoa tree was Cedis 90,000. For a tree worth about Cedis 180,000 a year over the tree’s economic life of 30 to 50 years, this level of compensation, stakeholders contend, is unacceptable.

Stakeholders did, however, acknowledge the efforts by some mining companies to improve the standards of living of communities affected by their activities through their social responsibility programs.

Objective 3: Promoting the adoption of Codes of Good Business Ethics in achieving the objectives of the corporation

5.30 Absence of Consumer Watch dogs for quality goods/service delivery

Consumer International (CI) has merged its offices in Harare, Zimbabwe and Dakar, Senegal into a single office and relocated to Accra.

The Consumer Association of Ghana has revived its activities. The Association held a public forum on the topic "Consumer's Right to Sustainable Energy Access" on March 15, 2006.

The media continues to be the main watchdog for the Ghanaian consumer. The media blew the whistle on a biscuit manufacturing company that allegedly was using unwholesome flour. The Food and Drugs Board also banned the advertisement of alcoholic beverages and uncertified drug adverts on the electronic media following public complaints.

Ban on Alcoholic Beverages

The Consumer Association of Ghana, drawing on the strength of a BBC report that a contaminated variety of the American long grain rice may have found its way into Ghana blew the whistle over the country's over reliance on imported rice.

5.31 Corruption in both public and private sectors

Refer to Chapters 3:20 and Chapter 4: 15

5.32 Weak investigative journalism

Refer to Chapter 3:18

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

5.33 Limited access to basic corporate information

The Registrar-General's Department is recruiting 6 additional company inspectors to enforce compliance with annual reporting. Company information will be posted on the Department's Website and may be accessed for a fee.

5.33 Creditors' Rights with Bankruptcy and Insolvency

The Bankruptcy Act has been passed.

5.34 Review of the Companies Code, 1963

A Committee has been set up to review the Companies Code. The Committee's report is not yet out.

5.35 Shareholder Rights

5.35.1 Shareholder Associations

Shareholder Associations have not been formed to educate shareholders on their rights and obligations.

To strengthen Shareholder Rights in Ghana, the Securities and Exchange Commission is addressing the void in the securities industry and related laws and regulations with regard to the treatment of unclaimed dividends. This, the Commission believes will help reduce the incidence of unclaimed dividends in the capital market.

Unclaimed and Unpaid Dividends

As part of its statutory mandate to develop the securities industry, the Securities and Exchange Commission undertook a study into the issue of unclaimed/unpaid dividends to shareholders by listed companies.

The study revealed widespread and extensive incidence of accumulated unclaimed dividends

owed to shareholders by listed companies in the country.

Among the reasons given for the high incidence of unclaimed dividends are:

- Wrong address of shareholders;
- Death of shareholders without any notification;
- Relatives and heirs may not be aware of deceased's shareholdings;
- Beneficiaries may have traveled without leaving a forwarding address;
- Many shareholders fail to monitor their investments;
- Minimum deposit requirements by commercial banks has forced many small shareholders to close their accounts, hence high incidence of return of dividend cheques back to registrars;
- Many individual small shareholders not satisfied with dividend amount received, do not bother to claim dividend;
- Many foreign residents, who do not have bank accounts in Ghana, find it difficult accepting their dividends in Cedis abroad. This has compelled many to allow their unclaimed dividends to accumulate;
- Ignorance of shareholders is generally regarded as one of the major causes of unclaimed dividends.

Objective 5: Provide for Accountability of Corporations, Directors and Officers

5.36 Non-compliance with requirements on companies to submit timely and accurate disclosure of corporate information

The Registrar-General's Department is recruiting 6 additional Company Inspectors to enforce compliance with annual reporting.

5.37 Training of Directors of companies

The Institute of Directors – Ghana, and GIMPA are offering courses in corporate governance for directors and chief executives in both the public and private sector.

5.38 Corporate Governance Ratings

The Ghana Investment Promotion Council's 2005 Club 100 incorporated observance of Corporate Governance Principles as a criterion for grading companies in Ghana.

CHAPTER SIX

SOCIO-ECONOMIC DEVELOPMENT

6.0 Introduction

This section assesses the extent to which the country is eradicating poverty and fostering the socio-economic well being of her people,

STANDARDS AND CODES

6.1 Unratified codes and standards

The following treaties have not been ratified:

- The African Charter for Popular Participation in Development
- United Nations Millennium Declaration
- The United Nations Declaration on the Right to Development

6.2 Lack of awareness of Standards and Codes

Sensitization programme not undertaken

6.3 Establishment of electronic records on Standards and Codes

The Ministry of Foreign Affairs, Regional Integration and NEPAD will be holding consultative meetings with all relevant Ministries, Departments and Agencies.

6.4 Lack of regular and up-to-date data

The Ministry of Foreign Affairs, Regional Integration and NEPAD will be holding consultative meetings with all relevant Ministries, Departments and Agencies.

Objective 1: Promote self-reliance in development and build capacity for self sustaining development

6.5 Inadequate consultations with stakeholders to ensure effective participation in development programmes

A number of initiatives exist to elicit stakeholder input into development programmes. These include the District Assemblies, National Economic Dialogue, Investment Advisory Council, the Institute of Adult Education's New Year School.

MDAs such as the Ministry of Finance and Economic Planning invite memoranda and views from the public and civil society organizations as inputs into the national budget.

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

Refer Chapter 4

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

6.7 Lack of adequate progress monitoring of national planning documents

The National Development Planning Commission (NDPC) undertakes annual participatory monitoring and evaluation activities to assess the extent to which the key objectives of the GPRS are being met.

6.8 Low savings and investment

6.8.1 Set up investor referral points and dedicated investor handholding services

A One-Stop-Shop for investors, to be managed by the Ghana Investment Promotion Council, is operational.

6.8.2 Develop and promote investment packages for strategic sectors

The GIPC has been charged to develop incentive packages to attract investors.

6.8.3 Increase overseas presence in key investment markets

Officers from the Ministry of Trade, Industry, PSD and PSI have been posted to Geneva. The Ghanaian Missions in various countries send intelligence reports on key investment markets to the Ministry for necessary action.

6.8.4 Develop land banks

Some Land Banks have been established to make land readily available for private investors for whom obtaining land with good title deed is a problem.

A comprehensive review of laws governing public land agencies has been completed. The review has proposed the structuring and merging of six public land agencies into a single corporate entity.

The Land Administration Project is currently working on this proposal. Data on Land and Suitability Maps for the 10 regions of Ghana are available to investors through the GIPC.

6.9 Low agricultural productivity and over reliance on rainfall

To reduce the over reliance on rainfall, 9 irrigation schemes are being rehabilitated to make available a total of 1,896 hectares of irrigable land.

6.10 Slow private sector development and limited gainful employment

The Micro-financing and Small Loans Centre (MASLOC) has strengthened its Microcredit and Small Loans Scheme to support the growth and development of a sustainable micro financing system to reach the productive poor with credit and other financial services. A Micro Credit Fund of USD50 million was launched in September 2006.

6.10.1 Develop industrial policy

An Industrial Policy has been developed and the necessary institutional organizational frameworks are being put in place to operationalise it.

6.11 Large informal sector activities including financial markets

6.11.1 Use taxes, regulations and incentives to integrate the informal sector into the formal sector

The Internal Revenue Service implemented the One-Off Tax Relief on penalties and sanctions for self-disclosure of unreported taxes for the first six months of the year 2006. The Service is relaunching its Tax Stamp for the informal sector, and will establish a Small Tax Payers Bureau to administer Rent Tax and the Tax Stamp.

The Service has intensified its tax education, tax audit and enforcement of compliance, especially for the informal sector.

The Trade Sector Support Programme, the Venture Capital Fund, the Business Incubator Project and the Business Advisory Service Centres are all geared towards supporting the formalization and growth of MSMEs.

The provision of premises (as seen with the introduction of the Hawkers Markets) is one method through which government is enticing the formal sector to begin the formalization procedures by registering their businesses.

6.11.2 Limited access and high cost of credit for private business

With lowering of the bank of Ghana's prime rate, a number of financial institutions have responded by lowering their base rates.

6:12 Lack of proper storage and poor marketing of agricultural products

The Ministry of Food and Agriculture is seeking support from the World bank to establish cold chain facilities at the Kotoka International Airport. The Ministry of Fisheries is also pursuing a programme to establish cold chain facilities for fishing communities.

Objective 3: Strengthen policies, delivery mechanisms and outcomes in key social areas including education and combating HIV/AIDS and other communicable diseases

6.13 Decline in the quality of education

6.13.1 Expand educational facilities including teachers, provide training for teachers, text books for schools

The percentage of qualified teachers at Primary level is 70.8 percent and 85.5 percent at the JSS level.

The Ministry of Education, Science and Sports has instituted a programme – The Untrained Teachers Training Programme – to help upgrade the teaching skills of untrained teachers. It is a

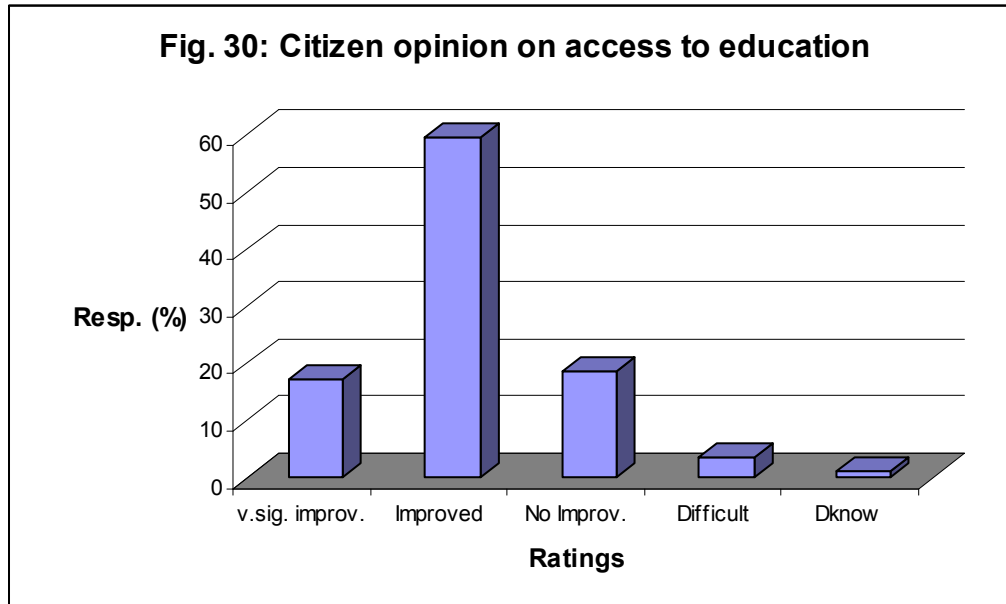
residential face-to-face meeting for Phase 1 & 2 (5,689 trainees for Phase 1 and 7,835 trainees for Phase 2). Monitoring of field support activities are on-going in 26 districts and Teacher Training Colleges under Phase 2.

As many as 195 District Teacher Support Teams (DTSTs) have been trained and equipped to deliver training on Special Needs Education (SNEs) to teachers and skills for handling multi-grade teaching.

The Policy of training JSS teachers in a minimum of two specialized subjects is being implemented and enforced. The policy of providing one model school for each district is also on course. The implementation of the recommendations in the Educational Reform Programme will help to address the issue of quality. Thirty-one model secondary schools have also been established, and an additional 25 is expected to be completed in 2007.

Large capacity buses provided for all 38 Teacher Training Colleges. Bids have been opened for construction of libraries, classrooms and science blocks in all Teacher Training Colleges. Between 2005 and end of March 2006, a total of 1,500 personnel have been deployed as volunteers to rural deprived schools.

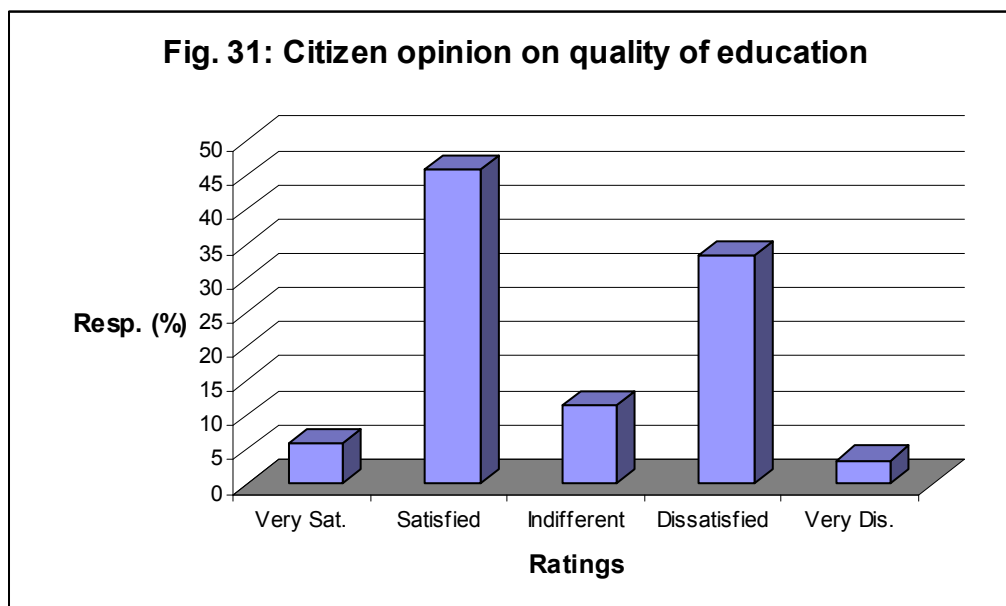
Majority of Respondents (55 percent) reported that there has been an improvement in access to education, especially at the primary level (Figure 30).



They cited the following as some of the reasons for the increase:

- The Free Compulsory Universal Education policy;
- The Capitation Grant;
- Targeted NEPAD School Feeding Programme;
- Free Bus rides for pupils;
- The continuous upgrading of educational facilities under the GETFUND and HIPC Funds.

As many as 45 percent of Respondents expressed satisfaction with the quality of education, whilst 37 percent expressed dissatisfaction (Figure 31).



6.14 Low remuneration of incentives for teachers, particularly those in the rural areas

6.14.1 A daily minimum wage of at least US\$2 for teachers and other professionals

The average teacher's salary is Cedis 2,037,647 per month, which translates to Cedis 67,000 per day or US\$7.50 per day. The average salary for non-teaching staff is Cedis 2,378,327 per month, which works out to Cedis 78,000 per day or US\$9.00 per day.

Under the Education for All – Fast Track Initiative (EFA-FTI) programme which among other thing is aimed at providing decent houses for teachers, 31 six-teacher accommodation units are at various stages of completion. Construction is expected to be completed by the first quarter of 2007.

6.15 Inadequate public-private partnerships in education

The Education Bill proposes that private institutions “shall operate under the supervision of the District Director of Education or, as appropriate, the National Council of Tertiary Education. A private tertiary educational institution, shall not begin operations unless the National Accreditation Board has granted it the requisite accreditation.

The necessary framework has therefore been put in place to promote private initiatives in the provision of quality education for Ghanaians.

6.16 Lack of motivation of health professionals resulting in brain drain

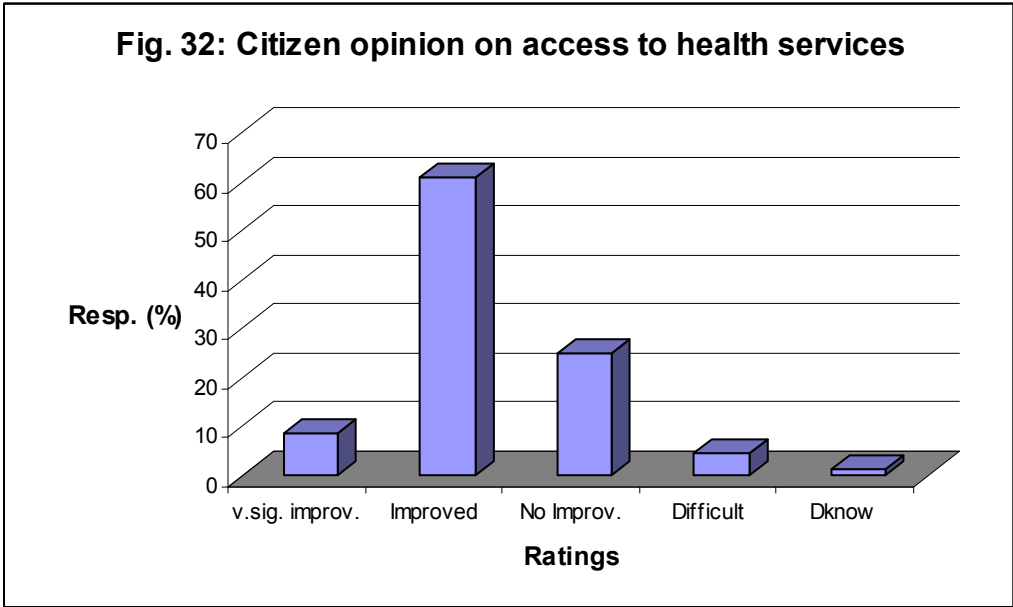
To stem the exit of health professionals from Ghana, the government has instituted a number of incentive packages. These include:

- A review of the salaries of health personnel;
- Payment of additional duty allowances (this is to be abolished and replaced with a more rational remuneration);
- Hire purchase vehicles for doctors and senior health officials.

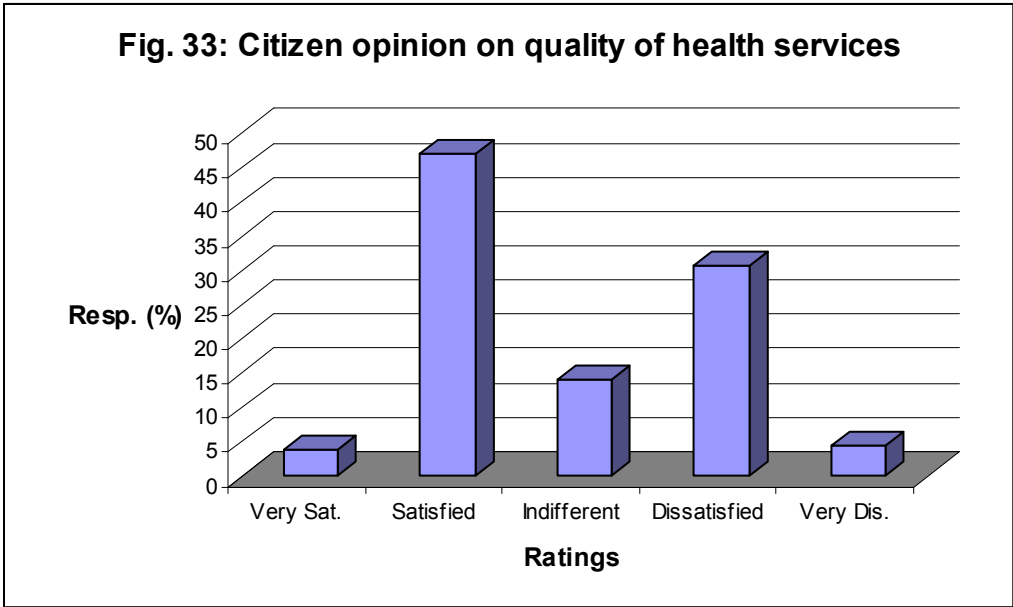
To provide a congenial atmosphere for and the necessary tools and equipment for health personnel to work with, the government procured and distributed 50 ambulances. Twenty ambulance stations have been established in eight regions and are operational.

The National Health Insurance Scheme (NHIS) has been established to provide access to health services for all citizens, especially the poor and vulnerable. In 2006, 11 additional District Mutual Health Insurance Schemes (DMHIS) were established, bringing the total number of functional schemes to 134. About 127 schemes are providing benefits to its members.

Almost 60 percent of Respondents indicated that there has been an improvement in accessing health care, attributing this to the introduction of the national Health Insurance Scheme (Figure 32).



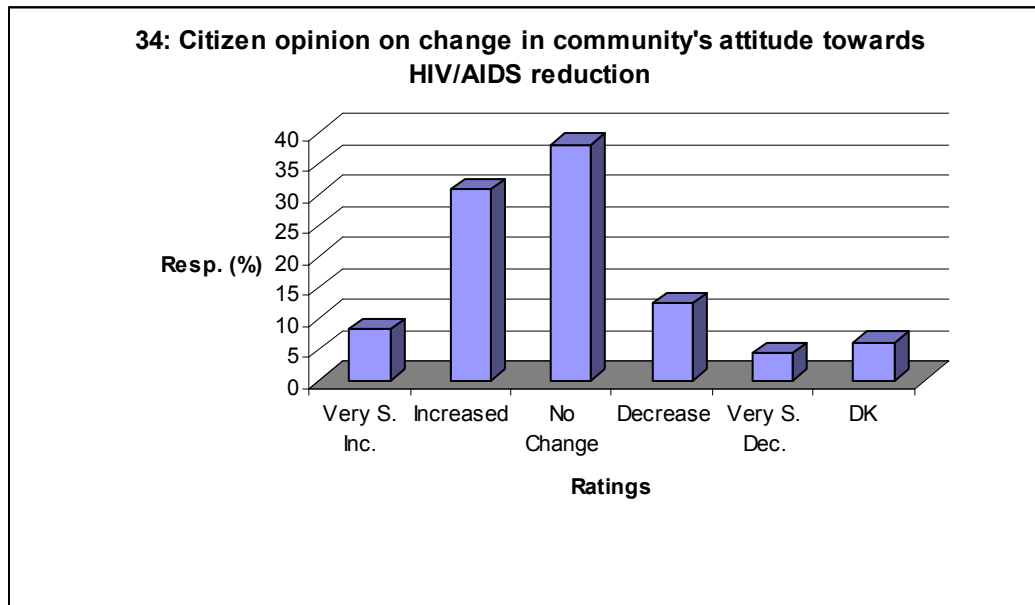
When asked if there has been any improvement in the quality of health services they receive, 46 percent indicated they were satisfied, whilst 34 percent expressed dissatisfaction (Figure 33).



6.17 Reversing the spread of HIV/AIDS

A reduction in the prevalence rate from 3.4 percent in 2003 to 2.7 percent in 2006 is regarded as encouraging. The number of sites providing anti-retroviral therapy increased from 4 in 2004 to 20 in 2006. The number of sites for Voluntary Counseling and Testing and Prevention of Mother to Child Transmission increased from 29 in 2004 to 110 in 2005.

When asked about the attitude of people in their communities towards HIV/AIDS, almost 33 percent reported there has been no change in peoples attitude, whilst about 28 percent indicated peoples attitude has slightly changed (Figure 34).



6.18 Combating malaria and other communicable diseases

Under the Malaria Control Programme, over 5 million Insecticide Treated Nets (ITNs) were distributed at affordable prices throughout the country. During the National Immunisation exercise in December 2006, all children who were immunized were given free ITNs. ITN utilization rate increased to 32.7 percent for pregnant women and 31.0 percent for children.

All district health facilities are implementing the Intermittent Preventive Treatment (IPT) policy. Five million four hundred thousand (5,400,000) tablets of Sulphadoxine pyremthamine (SP) were procured. Over 100,000 pregnant women received SP.

Under the new Malaria Drug Policy, a new anti-malaria drug Artesunate-Amodiaquine was introduced. However, public outcry about the side effects of the drug is leading to an intensified public education. The Ministry of Health is holding discussions with a biological and technological enterprise, Labioform, to produce an insecticide that kills mosquito eggs before they hatch.

Under the Expanded Programme on Immunization, an annualized non-polio rate of 1.4/100,000 children under 15 years was achieved. A hundred percent coverage for measles immunization in children was also achieved.

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

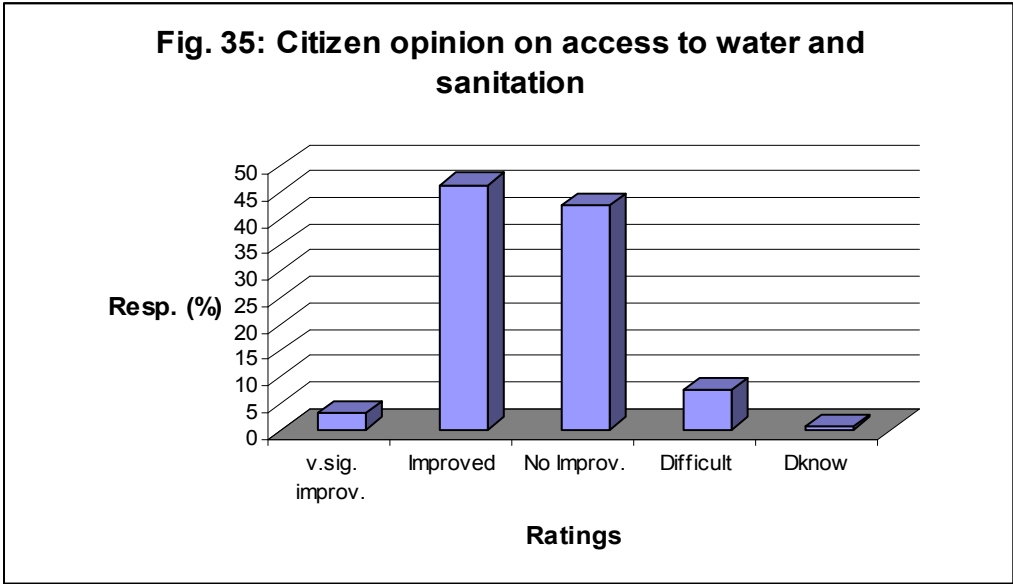
6.19 Limited access to treated water

The Ghana Water Company is undertaking an extension of more than 150 km of water distribution pipelines in all 12 operational regions to improve access to potable water.

A number of projects have been completed to improve access to water both in the rural and urban communities. The Community Water and Sanitation Agency (CWSA) completed the construction of 792 boreholes, 10 hand dug wells, 5 rural community piped schemes, 7 small town piped schemes.

Work is on-going to expand a number of urban water supply systems. These include the Kwanyaku Water Supply Expansion Project; East-West Accra Transfer Interconnection, Kpong Water Supply Expansion, Cape Coast Water Supply Expansion Project, Barekese (Kumasi) Water Supply Expansion Project; Tamale Water Supply Expansion, Koforidua Water Supply Project, Baifikrom Water Supply Expansion Project and the dredging of the Brimsu Dam.

As many as 45 percent of Respondents reported an improvement in their access to water and sanitation, whilst 46 percent reported no change (Figure 35).



6.20 Poor sanitation

The Community Water and Sanitation Agency constructed 5,000 household places of convenience and 250 institutional latrines were also completed.

The public-private sector initiative to improve sanitation run into a lot of difficulties due to:

- Refusal of residents in areas earmarked for sanitary landfills to permit proposed projects to be undertaken. A notable case is the Kwabenya Sanitary Landfill where residents agitated against the location of the facility;
- Inability of District Assemblies to pay accumulated arrears of fees for refuse collectors.

6.21 Lack of access to energy supply

6.21.1 Rural Kerosene Distribution Improvement Programme

Phase II project of the Rural Kerosene Distribution Improvement Programme (RKDIP) is aimed at fabricating 1,500 kerosene surface tanks and accessories and distributing same to selected locations in the districts throughout the country.

The fabrication of the 1,500 kerosene surface tanks and accessories has been completed, and 1,078 out of the 1,500 tanks and accessories have been distributed through the District

Assemblies. Distribution of the remaining 422 tanks and accessories would be completed in the first quarter of 2007.

6.21.2 Implementation of Energy Sector Reforms

The Petroleum Downstream sub sector has been deregulated. There is now private sector participation in the procurement arrangement of petroleum products.

Prices of petroleum products are adjusted periodically to reflect the rise and fall of prices of crude oil and petroleum products on the world market.

The process of Management Reforms in Electricity Company of Ghana is in progress. In order to facilitate the participation of the private sector and also ensure efficiency in the generation segment of the power supply chain, a new transmission company, the Ghana Grid Company, has been formed.

6.21.3 Strategic Reserves

The Strategic National Energy Plan (SNEP) indicating levels of electricity reserve capacity has been completed.

The BOST Depot Expansion Project is aimed at increasing the strategic stock of petroleum products from 3 weeks of national demand to 6 weeks in the medium term and 12 weeks in the long term. Expansion works at various depots are at various stages of completion. These include:

a) Buipe Tank Expansion

- Construction of 3 (no.) 10,000m³ storage tanks with ancillary facilities integrated to the existing depot;
- Tank erection is completed and piping works are nearing completion;
- Civil and electrical/electronic works are on-going
- Total progress is about 85 – 90 percent complete;

b) Bolgatanga Tank Expansion

- Construction of 3 (no.) 10,000m³ storage tanks and ancillary facilities integrated to the existing depot;
 - Tank erection is completed and piping works are nearing completion;
 - Civil and electrical/electronic works are on-going
 - Total progress is about 85 – 90 percent complete;
- c) Accra Plains Depot Expansion
- Construction of 4 (no.) 20,000m³ storage tanks and ancillary facilities integrated to the existing depot;
 - Erection of all 4 tanks completed;
 - Civil and mechanical (piping) works have been completed;
 - Electrical and fire-fighting works are at advanced stages of completion.

6.22 Lack of affordable housing

6.22.1 Review Housing Policy to benefit the poor

The Housing Policy is being reviewed to make it more relevant and focused on the shelter needs of low income people. It is currently at the final stage. A special programme is being proposed under the policy to address the needs of the low income group and vulnerable groups including street children, refugees and the homeless. These include: emergency shelters, hostels with basic facilities at highly subsidized rents, Container and Dormitory Housing.

The Rent Act of 1963 (Act 220) is being reviewed.

6.22.2 Promote Public-Private Partnership to provide affordable housing

The Affordable Housing Programme commenced in 2005 for the construction of 100,000 housing units for the middle and low income groups within a period of five years. Government has committed Cedis 300 billion in the 2005 and 2006 Budgets for this programme. The programme is being executed in collaboration with the private sector.

The Ministry of Water Resources, Works and Housing together with the Ministry of Finance and Economic Planning are in consultation with financial institutions to fashion out Mortgage

Finance Schemes particularly for the low income group and construction finance for the construction firms.

6.23 Inadequate and improper functioning goods market

Refer to Chapter 3 paragraph 3.7.3.

6.24 Low application of ICT and Science and Technology

The E-Ghana Project commenced in November 2006 to promote electronic governance activities.

Seventy Community Information Centres (CIC) are under construction using the MoC's HIPC allocations. Budgetary constraints limit this to 10 CIC per year.

Objective 5: Progress towards gender mainstreaming and equality

6.25 Inadequate implementation of gender policies and programmes

The Ministry of Women and Children Affairs collaborated with NDPC and key MDAs to mainstream gender, vulnerability and children issues into the GPRS II.

CHAPTER SEVEN

CONCLUSION

INTRODUCTION

This concluding section assesses the progress made to address the overarching issues identified by the Country Review Report.

Capacity constraints

There are on-going programmes and projects to address the lack of capacity especially in the public sector. These include the Civil Service Training Programme under the Public Sector Reform Strategy. The Ghana Institute of Management and Public Administration (GIMPA) has developed training modules for the leadership of the civil service. These are Chief Directors, Directors, Human Resource Experts and Management Analyst.

A number of MDAs are recruiting qualified staff to augment their staff strength. To address the problem of staff retention, a Public Sector Pay Policy and Pension Reform is being implemented to improve remuneration both during and after service.

Non-financial incentives (car and housing loans) have been provided to some professionals to retain them in the rural communities.

The abuse within the study leave scheme, especially for teachers, has caused government to review the scheme.

Gender disparity

The National Board for Small Scale Industries (NBSSI) provides skill training and empowerment programmes for women. The Ministry of Women and Children Affairs (MOWAC) has established a Women's Development Fund to give micro-credit to women. The GPRS II has taken on board women economic empowerment issues. More girls are being exposed to science, technical and mathematics education through the institution of Science, Technology and Mathematics Education Clinics by the Ministry of Education and Sports in all 110 districts.

Affirmative action at the tertiary level for women in public universities has resulted in increased female intake and increased provision of female residences.

The Ministry of Education and Sports has achieved a Gender parity ratio of 1.03 for Kindergarten, 0.95 for Primary, 0.93 for JSS and 0.76 for SSS as at September 2006.

Affirmative Action which seeks to ensure 30 percent representation of women in all spheres of public life is not being implemented. As at February 2006, only 12 female DCEs had been appointed, one of which was for a Metropolitan Assembly.

Corruption

The legislative framework for the fight against corruption includes the Public Procurement Act, the Financial Administration Act, the Internal Audit Agency Act, and the Whistleblower Protection Act. The Freedom of Information Bill has been submitted to the Minister for Justice and Attorney-General for consideration.

The Commission for Human Rights and Administrative Justice (CHRAJ) has developed Draft Guidelines on Conflict of Interest to assist public officers identify, manage and resolve conflicts of interests. The Commission has begun a series of workshops aimed at educating various stakeholders on the fight against conflict of interest. During the year CHRAJ investigated two major cases of conflict of interest leveled against the President of the Republic of Ghana, H.E. John Agyekum Kufuor and the Minister for Transport, Dr. Richard Anane. Whilst the CHRAJ investigations found no wrong doing on the part of the President with regards to the "Hotel Kufuor" issue, it indicted Dr. Anane on conflict of interest.

The Public Procurement Act, 2003 (Act 663) to all intents and purposes was enacted to ensure transparency in the procurement processes in a bid to curb corruption. But missing from the Act is the provision that should compel members of District Tender Boards to declare their assets. Again, whilst the Constitutional Provisions captured under Chapter 24 on the Code of Conduct for Public Officers highlight the key principles of accessibility, verifiability, frequency of filing, sanctions, and coverage, the Public Office Holders (Declaration of Assets and Disqualification) Act, (Act 550) failed to go beyond the minimum requirement.

The country was also rocked with the revelation that parcels of cocaine that had been seized and was in police custody had disappeared. Again, following a tip off police raided a fishing vessel, the M.V. Benjamin, only to discover that 77 parcels of cocaine had disappeared. In all of these cases, including the seizure of parcels of cocaine at a house in East Legon, the Ghana Police was alleged to be involved in acts of corruption.

Decentralization

A Comprehensive Decentralization Policy is to be formulated. The Ministry of Local Government, Rural Development and Environment is piloting district composite budgeting in 20 districts. As part of the scaling up process, the Ministry is to undertake training sessions for all Metropolitan, Municipal and District Assembly core staff in district composite budgeting. The Ministry of Finance and Economic Planning and MLGRDE are in the process of validating the Composite Budget Guidelines.

Cabinet has endorsed the District Development Fund (DDF) including a road map for operationalizing the DDF for the fiscal year 2008. The Ministry will present the final draft of the Functional Organisational Assessment Tool (FOAT) Design Report and FOAT Implementation Manual for Cabinet endorsement.

A Local Government Service Act has been passed and measures including a Council to roll out put in place.

The MLGRDE is adopting specific strategies to increase internally generated revenue from a maximum of 14% to 65%. These include among others hands on gadgets with in-built printers to issue receipts will be introduced into the revenue collection system and Commercial Banks to act as collection points to provide a safe repository for tolls collected;

Land issues

Under the Land Administration Project (LAP) procurement of consultants to demarcate the boundaries of Wassa Amenfi Traditional Area in the Western Region, Ejisu Ashanti Traditional

Area in the Ashanti Region, and Gbawe Kwatei Family Lands in Greater Accra Region is on-going.

A pilot one-stop shop (OSS) for land acquisition and registration is being established at Madina. Office accommodation has been secured and a Task Team recruited for the project. A Drafting Committee has been established and it has commenced work on a new Land Agency Law.

Chieftaincy

The Government has created a Ministry of Chieftaincy to deal with chieftaincy issues as well as empower chiefs to lead their people for development. The creation of the Ministry has, however, provoked debate as to the suitability of such a move.

On the one side, the creation of the ministry, they argue, would politicise the institution of traditional rulers and erode its growth. On the other side, others argue that the creation of the Ministry, if carefully crafted to fit the development challenges of the day, will bring traditional rulers on board the steering of development, make them active in the development process, lessen unprogressive disputes and accelerate the country's development.

Unemployment

The STEP Programme has been incorporated into the National Youth Employment Programme (NYEP) as Trade & Vocation (Skills Training) Component of the NYEP.

The Programme has provided employment for over 78,000 youth in various vocations including education, health and revenue collection.

In addition, the National Board for Small Scale Industries (NBSSI) is providing business skills and management training to entrepreneurs and potential entrepreneurs.

External Dependency

Pronouncements from government indicates the country will soon wean itself out of the International Monetary Fund financial assistance. The country will, however, access the IMF's Policy Support Instrument to design effective economic programmes. There have also been

calls from civil society organizations that Ghana should strengthen trade with countries within the sub-region because of the enormous economic potential that exists.

From the foregoing, it is clear that the implementation of the NPoA has not been left on the shelf to gather dust. Rather concrete and verifiable measures have been taken to see to their actualization. In spite of these achievements, a number of activities are still outstanding and yet to see the light of implementation.

As we continue to monitor and evaluate the implementation of the NPoA it is our hope that we shall continue to enjoy the support of all Ghanaians so that the growth and development that the APRM harbours will be realized.

MATRIX ON PROGRESS ON IMPLEMENTATION OF NATIONAL PROGRAMME OF ACTION

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Standards and Codes	Signatures and ratifications by Ghana: <ul style="list-style-type: none"> • NEPAD Framework Documents • International Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) • Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT) • Convention on the Rights of the Child 	Ghana has not ratified the following: <ol style="list-style-type: none"> 2) Protocol on Rights of Women in Africa 3) The ILO Convention 183 on Maternity Protection 4) UN Convention Against Corruption 7) AU Convention Against Corruption 8) Amendments to the Constitutive Act of the African Union, 2003 	Lack of definite Plan of Action to ratify outstanding Treaties, Conventions, Codes and Standards	The Ministry of Foreign Affairs is to establish a Ratification Desk

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Poorly defined land ownership and problems with land administration	<p>Land Administration Project being implemented</p> <p>Demarcation of boundaries of a number of traditional areas in progress</p> <p>10 Customary land Secretariats established to ensure transparency in land administration</p>	Payment of compensation to land owners for lands used for public goods.	Indeterminate boundaries of stool/skin lands resulting from lack of reliable maps/plans	One-Stop-Shops are being established to deal with land issues at the district level.
Effective Warning System Mechanism	<p>Establishment of an Early Warning System</p> <p>Establishment of National and Regional Peace Councils</p> <p>Capacity building workshops for security official in Conflict Resolution and Negotiation Skills</p>	Support for security agencies	Amassing of small arms by a number of warring factions	Collaboration with key stakeholders (traditional authorities, CSOs)

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Sub-regional security	<p>Cross-border inter ministerial meetings</p> <p>Signing of the ECOWAS Convention on Small Arms and Light Weapons, their ammunitions and other related materials.</p> <p>Establishment of the Ghana National Commission on Small Arms</p> <p>Collaboration with CSOs</p>		<p>Blacksmiths and artisans not affiliated to registered bodies;</p> <p>Cross-border smuggling of small arms and light weapons</p>	Intensify and expand the Alternative Livelihood Programme at providing alternative income generating activities for blacksmiths and artisans
Chieftaincy	<p>Establishment of Ministry of Chieftaincy</p> <p>Codification of chieftaincy succession</p>	<p>Mainstreaming chieftaincy into the development process</p> <p>Lack of support to queenmothers</p>	<p>High rate of attrition of legal counsels due to poor remunerations;</p> <p>Backlog of cases in courts</p>	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Chieftaincy	Provision of legal counsels to Regional and National House of Chiefs	Remuneration for legal counsels Delays in payment of royalties		
Voter registration	National Identification Authority act, 2006 (Act 707) passed; Establishment of the National Identification Authority; Review of Voters Register in May 2006			

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Decentralization	Formulation of a Comprehensive Decentralization Policy; Piloting of Composite Budgeting in 20 districts; Introduction of District Development Fund; Development of Functional Organisational Assessment Tool (FOAT) Introduction of revenue collection technology	Citizen participation in district budget preparation; Low government accountability to citizens	Low institutional, organizational, technical capacity and financial commitment; Poor citizen social responsibility	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
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DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Access to Justice	<p>Regrouping of outstanding cases to be handled by judicial teams</p> <p>Automation of courts</p> <p>Establishment of commercial courts</p> <p>Promotion of Alternative Dispute Resolution</p> <p>Increase in number of DOVVSU offices to all regions and some districts</p> <p>Payment of reparations to victims of abuse</p>	Provision of shelters to house trafficked children till DOVVSU completes investigations	<p>Lack of confidence in the judicial service;</p> <p>Connivance of parents and relatives of trafficked children with human traffickers</p> <p>Poor remuneration leading to attrition of lawyers to private practice</p>	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Safety and Security of	Increase in number of	Management and prevention of	Amassing of small arms	

property	<p>law enforcement officers;</p> <p>Provision of logistics and equipment for security agencies;</p> <p>Establishment of border patrol units;</p> <p>Operationalisation of common border check points;</p> <p>Reduction in violent crime (armed robbery)</p>	ethnic conflicts	and light weapons by factions in the Northern Region	
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				

Cultural Practices Harmful to Women	Amendments of the Criminal Law have provisions to protect women from harmful traditional practices such as FGM; Educational and sensitization programmes for traditional authorities	Full implementation of Affirmative Action	Entrenched patriarchal attitudes; Low capacity and lack of resources for agencies charged with ensuring compliance of laws;	
Child Trafficking and Child Labour	Human Trafficking Law, 2005 (Act 694) Sensitization programmes to educate populace on the Human Trafficking Law Simplification of the Human Trafficking Law and Children's Act	Enforcement of child related laws; Provision of shelters especially at border towns	Difficulty in obtaining evidence from victims, witnesses and complainants that makes it difficult to identify the crime and the criminals and harder still to convict traffickers	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Under Representation	Establishment of the	Institutional strategy to ensure	Gender Desks at MDAs	

of women in public life	Women in Local Governance Fund; Training and support for women seeking public office	that structural inequalities between men and women are taken into account in promoting participation in policy decisions; Fully implementing the Affirmative Action	have not been effective in influencing public policy;	
Street Children and Vulnerable Youth	A number of programmes to identify and remove children from the streets – Street Children Project, STEP; Development of a national Social Protection Strategy; The on-going national Plan of Action on the Elimination of Worst Forms of Child Labour in the Cocoa Sector	Enforcement of child related laws		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Violations of the Rights of the Disabled	Law on Disability, 2006 (Act 715);	National Council for the Disabled; Special Desks to undertake		

		registration of the disabled;		
Parliament Oversight Functions	Training sessions for key Parliamentary Committees; Capacity building seminars for Draftsman's Office	Provision of office space, research centres and support staff for Parliamentarians		
Adequacy of resources for Governance Institutions	Increase in Budgetary allocations to NCCE, CHRAJ, Judicial Service;	Full disbursement of budgetary allocations to institutions	High attrition rate of personnel in governance institutions due to poor remuneration	
Bureaucracy and inefficient procedures in the public sector	Implementation of the Public Sector Reform Strategy; Establishment of Client Service Centres; Development of Citizen Charters			

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Civil engagement in national dialogue and decision	Organisation of Peoples Assembly; Invitation of proposals	Poor organization of National Economic Dialogue		

	and comments to inform the national budget;			
Lack of Media Specialization and Investigative Reporting	Increase in number of institutions training journalists; Improvement in allocation of frequencies for radio stations		Poor reportage and insulting behaviour of some media personnel	
Coordination of Anti-Corruption Agencies	Freedom of Information Bill revised and submitted to the Attorney General; Whistleblowers Act, 2006 (Act 720)	National definition for bribery and corruption; Independent Attorney General;		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Coordination of Anti-Corruption Agencies	Development of Draft Guidelines on Conflict of Interest;	Ensuring that Assets declaration are easily accessible and verifiable;		
Applying Public	Training for over 25,000	Ghana is not a signatory to the	Inadequate and	

Procurement Procedures	staff of MDAs and MMDAs by GIMPA and Crown Agents; Developing of a website detailing Standard Procurement Documents, Procurement Manuals and Policies.	WTO Agreement on Government Procurement	unqualified procurement personnel at MDAs and MMDAs	
Promotion and Protection of the Rights of Women	Establishment of a Ministry of Women and Children's Affairs Second Reading of the Domestic Violence Bill	CEDAW has not been incorporated into local laws Accession to the African Protocol on Women's Rights Marginal increase in number of women in Parliament Property Rights		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
DEMOCRACY AND GOOD POLITICAL GOVERNANCE				
Promotion and Protection of Rights of	Signatory to the UN Optional Protocol to the	Bill on Domestic Workers	Existence of brothels housing teenage girls	

Children and Young Persons	Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography Increased enrolment in primary schools Improved Gender Parity Index	Child trafficking and child labour Repeal of the statute setting up the GNCC	DOVVSU under-resourced and inundated with all manner of cases to deal effectively with child prostitution	
Promotion and Protection of the Rights of Vulnerable Groups	Passage of the Persons with Disability Bill Increase in pension payments by 15 percent Draft Policy Agenda on the Aged	Setting up of the National Council on Disability		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
ECONOMIC GOVERNANCE AND MANAGEMENT				
Standards And Codes	Ratification of the African Union Convention on Preventing and Combating Corruption	The Following treaties have not been ratified: • Code of Good Practices on		

	Insurance Bill before Parliament	<p>Fiscal Transparency</p> <ul style="list-style-type: none"> • Guidelines on Debt Management • International Accounting Standards • International Auditing Standards • Core Principles of Effective Banking Supervision • Principles of Corporate Governance 		
Promote sound macro-economic policies that support sustained development	<p>Recruitment of staff for the Policy Analysis and Research Division</p> <p>Setting up of a Tax Policy Unit and a Wage Policy Unit</p> <p>Linkages between MOFEP and NDPC</p>	Weak linkage between MDAs annual budgets and development framework of government (GPRS)	<p>Poor communication between MOFEP and NDPC</p> <p>Weak capacity within MDAs to link activities to GPRS</p>	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
ECONOMIC GOVERNANCE AND MANAGEMENT				
Promote sound macro-economic policies that support sustained	Establishment of an Economic Policy Coordinating Committee to monitor the macro			

development	economic framework Development of a National Strategy for the Development of Statistics Establishment of Trade Information Centre in Accra		Weak usage of statistics in decision making and M&E by MDAs	
Implement sound, transparent and predictable government economic policies	Establishment of Ministry for Public Sector Reform to implement Public Sector Reform Strategy Passage of the Subverted Agencies Act, 2006	Weak citizen participation in development of District Assemblies' Development Plans Poor organization of National Economic Dialogue	Updating the Government of Ghana portal with current information	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
ECONOMIC GOVERNANCE AND GOVERNANCE				
Implement sound, transparent and predictable government economic policies	Codes of Conduct including Citizen Charters developed Weekly "Meet-the-Press"	Passage of the Freedom of Information Bill		

Promote sound public finance management	<p>Setting up of a Revenue Protection Unit to ensure enforcement of tax laws</p> <p>Setting up a Revenue College to upgrade skills of personnel</p> <p>Naming and Shaming tax defaulters</p> <p>Defining Budget Ceilings for MDAs</p> <p>Establishment of an Expenditure Tracking Committee to track releases from MOFEP through CAGD to BoG</p>	Computerization of the Internal Revenue Service (IRS)	<p>Lower than programmed inflows from tax revenues and divestiture receipts</p> <p>Delays and non-receipt of some pledged funds from Multi-Donor Budget Support</p> <p>Unanticipated demand and agitation for higher wages by public sector workers</p>	
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
ECONOMIC GOVERNANCE AND GOVERNANCE				
Fight Corruption and Money Laundering	<p>Setting up of a Salaries and Wages Commission</p> <p>Passage of the Whistle Blower Act, Public Procurement Act,</p>	<p>Freedom of Information Act</p> <p>Anti-Money Laundering Bill</p>		

	<p>Financial Administration Act, Internal Audit agency Act</p> <p>Implementation of the Payment Systems Act</p> <p>Seminars of Financial Fraud Investigation by BoG, Bank Investigators and Financial Institutions</p> <p>Increased budget for Ministry of Interior</p>	<p>Credit Reporting Bill</p> <p>Exclusion of Judicial Service from seminars</p>		
Regional Integration	Capacity building workshop for CEPS officials			

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
ECONOMIC GOVERNANCE AND GOVERNANCE				
Regional Integration	<p>Complied with WAMZ's criteria on budget deficit and import cover</p> <p>Establishment of the Kofi Annan International Centre to facilitate peace</p>	<p>Single Digit Inflation</p> <p>Budget Deficit Ratio not exceeding 4 percent</p> <p>Ratification of the status of the West African Central Bank by</p>		

	in the sub-region	Parliament Provision of a house for the West African Central Bank		
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
CORPORATE GOVERNANCE				
National Accounting Standards	Ghanaian companies to adopt International Accounting Reporting from January 1, 2007			
Insurance Bill	Proof read and gazetted			
Business registration	Approval by Cabinet of	Use of Post Offices as business	Lack of accommodation	

and approval	<p>the Strategy for the Reform of the RGD</p> <p>Development of the Registration Software, RGPro</p> <p>Decentralization of RGD's operations to Kumasi and Sekondi</p>	registration points	and personnel to house and man offices	
Access to basic corporate information	Recruitment of additional staff by RGD to ensure businesses comply with reporting obligations	Passage of: Right to Information Act, Data Protection Act, Law for the Acceptability of electronic-based documents and forms		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
CORPORATE GOVERNANCE				
Road Transport	<p>Education and sensitization exercises on dangers of overspeeding, drunk driving, etc.</p> <p>Axle Load Control Policy</p>	Road Transport Regulations to operationalize the Road Traffic Act, 2004	Sustaining educational campaigns	

Rail network	Rehabilitation of the Accra-Tema-Nsawan network	Accra-Kumasi-Sekondi Takoradi network		
Under-developed water transport	<p>Agreement signed to harvest tree trunks in the Volta Lake</p> <p>Preparation of comprehensive set of regulations for safety of transport on inland waterways</p> <p>Commissioning of Task Force to enforce safety on the Lake</p>	<p>Procurement of new ferries to replace old ones on the Volta Lake</p> <p>Ghana Maritime Authority Act has not been repealed</p>		

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
CORPORATE GOVERNANCE				
Energy Supply	<p>Completion of the Environmental Impact Assessment for the Bui Hydropower Project</p> <p>Completion of the laying of the entire high-pressure pipeline</p>	<p>National Electricity Grid Code</p> <p>Standards of performance rules for electricity distribution</p> <p>Increases of 10 percent annual power to existing capacity</p> <p>Solar PV Electrification</p>	Over reliance on weather elements for power	

	<p>Regulations for secondary Natural Gas Market</p> <p>Setting up of a new transmission company, Ghana Grid Company to facilitate the operation of independent power producers</p> <p>National Bio-Fuel Policy</p>			
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
CORPORATE GOVERNANCE				
Taxes	<p>Reduction in with holding tax from 7.5 percent to 5.0 percent</p> <p>Reduction in corporate tax from 28 percent to 25 percent</p>			

	Phasing out of the National Reconstruction Levy Payment of VAT on imported industrial raw materials deferred and zero-rated			
Environmental degradation	Code of Ethics developed by Chamber of Mines and mining companies	Development of Corporate Social Responsibility Framework for logging companies and others.		Ghana identified as conduit for "blood diamonds"
Consumer Watch Dogs	Opening up of Africa office of Consumer International in Accra Activities of Consumer Association of Ghana revitalised			

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
CORPORATE GOVERNANCE				
Creditors' Rights	Passage of the Bankruptcy Act	Review of the Companies Code		
Shareholder Rights	SEC addressing the void in the laws regarding treatment of unclaimed dividends	Shareholder Associations not operational		

Corporate Governance Ratings	GIPC incorporated observance of corporate governance principles as part of criteria for Ghana Club 100	Publication of criteria for ranking		
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
SOCIO-ECONOMIC DEVELOPMENT				
Progress Monitoring of national planning documents	Publication of Annual Progress Report on GPRS by NDPC			
Low Savings and Investments	Establishment of One-Stop-Shop for investors by GIPC Land Administration Project	Incentive packages to attract investors Establishment of land banks		

Slow Private Sector Development	<p>Establishment of Micro-financing and Small Loans Centre</p> <p>Micro Credit Fund</p> <p>Development of an Industrial Policy</p> <p>Relaunch of Tax Stamp for Informal Sector</p>			
Quality of Education	<p>Institution of Untrained Teachers Training Programme</p> <p>Special Need Education project</p>		High attrition rate of professional teachers to other sectors	

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
SOCIO-ECONOMIC DEVELOPMENT				
Low remuneration for teachers, especially those in the rural areas	<p>Average daily salary of teachers is Cedis 67,000</p> <p>Provision of decent housing under the Education for All – Fast Track Initiative (EFA-FTI)</p>			

	Public-Private initiatives under the Education Bill			
Lack of motivation for health professionals	Review of salaries of health personnel Payment of additional duty allowance Hire purchase vehicles for doctors and senior health officials National Health Insurance Scheme	Rehabilitation of operation theatres Provision of tools and equipment		
Reversing the spread of HIV/AIDS	Reduction in prevalence rate			

Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
SOCIO-ECONOMIC DEVELOPMENT				
Reversing the spread of HIV/AIDS	Increase in the number of sites providing anti-retroviral therapy Increase in number of sites for Voluntary Testing and Testing and Prevention of Mother to Child Transmission			
Combating malaria and other	Under the Malaria Control Program, over 5	Guinea worm infestation		

communicable diseases	<p>million Insecticide Treated Nets have been distributed</p> <p>All districts implementing the Intermittent Preventive Treatment (IPT) Policy</p> <p>New Malaria Drug Policy implemented</p>			
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Issue	Areas of Appreciable Progress	Areas of least progress	Challenges & Constraints to implementation	Remarks
SOCIO-ECONOMIC DEVELOPMENT				
Combating malaria and other communicable diseases	Under the Expanded Programme on Immunization, a 100 percent coverage for measles immunization achieved			
Water and sanitation	<p>Extension of more than 150 km of water distribution lines</p> <p>CWSA completed the construction of 792</p>	<p>Illegal water connections</p> <p>Slow response time for broken pipes</p>		

	<p>boreholes, 10 hand dug wells, 5 rural community piped schemes, 7 small town piped schemes</p> <p>Expansion work on Kwanyaku Supply Expansion Project, East-West Accra Transfer Interconnection, Kpong Water Supply Expansion etc.</p>			
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