

**IMPLEMENTATION OF THE  
GHANA POVERTY REDUCTION  
STRATEGY**

**2005  
ANNUAL PROGRESS REPORT**

**GOVERNMENT OF GHANA  
NATIONAL DEVELOPMENT PLANNING  
COMMISSION**

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## ACRONYMS

ADB	African Development Bank
ADR	Alternative Dispute Resolution
AESD	Agricultural Engineering Services Directorates
AG	Attorney General's Department
APR	Annual Progress Report
ART	Anti-Retro-viral Therapy
AS	Audit Service
ABEDA	Arab Bank for Economic Development in Africa
BESIP	Basic Education Sector Improvement Programme
BoG	Bank of Ghana
BPEMS	Budget and Public Expenditure Management
CAGD	Controller and Accountant General's Department
CBO	Community Based Organisation
CEPA	Centre for Policy Analysis
CEPS	Customs Excise and Preventive Service
CG	Consultant Group
CHPS	Community Health Planning and Services
CHRAJ	Commission for Human Rights and Administrative Justice
CIDA	Canadian International Development Agency
CPI	Consumer Price Index
CMA's	Central Management Agencies
CRMAS	Community Resource Management Areas
CRT	Criterion Referenced Test
CSOs	Civil Society Organisations
CSPG	Cross Sectoral Planning Groups for the GPRS update
CWIQ	Core Welfare Indicators Questionnaire
CWSA	Community Water and Sanitation Agency
DA	District Assemblies
DACF	District Assemblies Common Fund
DANIDA	Danish Aid Agency
DAs	District Assemblies
DFID	Department for International Development (UK)
DHS	Demographic and Health Survey
DMHIS	District Mutual Health Insurance Scheme
DMTDP	District Medium Term Development Plan
DP	Development Partners
DPCU	District Planning Coordinating Unit
DPMG	District Poverty Monitoring Group
DSW	Department of Social Welfare
DWST	District Water and Sanitation Team
EFA	Education For All
EMIS	Education Management Information System
ESP	Education Strategic Plan
EPA	Environmental Protection Agency
EXIM	Export Import
FASDEP	Food and Agriculture Sector Development Program
FCUBE	Free Compulsory Universal Basic Education

FGD	Focus Group Discussion
FOB	Free On Board
GACC	Ghana Anti-Corruption Coalition
GBB	Government Book of Business
GCB	Ghana Commercial Bank
GDHS	Ghana Demographic and Health Survey
GDO	Gender Desk Officer
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GES	Ghana Education Service
GET FUND	Ghana Education Trust Fund
GHDS	Ghana Health and Demographic Survey
GHS	Ghana Health Service
GIDA	Ghana Irrigation Development Authority
GLSS	Ghana Living Standards Survey
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Service
GTZ	German Technical Assistance
HIRDP	High Impact Rapid Delivery Programme
HIPC	Heavily Indebted Poor Country Initiative
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
HRD	Human Resource Development
ICCES	Integrated Community Centres for Employable Skills
ICT	Information and Communication Technologies
IDA	International Development Agency
IEA	Institute of Economic Affairs
IGR	Internally Generated Revenue
ILO	International Labour Organisation
IMF	International Monetary Fund
ISODEC	Integrated Social Development Centre
ITTU	Intermediate Technology Transfer Unit
KfW	Kreditanstalt für Wiederaufbau
KIA	Kotoka International Airport
LAP	Land Administration Project
LPG	Liquefied Petroleum Gas
LTU	Large Taxpayers Unit
M&E	Monitoring and Evaluation
MCT	Ministry of Communication and Technology
MDAs	Ministry (ies), Department(s) and Agency (ies)
MDBS	Multi Donor Budget Support
MDGs	Millennium Development Goals
MLGRD	Ministry of Local Government and Rural Development
MMR	Maternal Mortality Ratio
MOES	Ministry of Education and Sports
MOFA	Ministry of Food & Agriculture
MOFEP	Ministry of Finance and Economic Planning
MOH	Ministry of Health
MOTI	Ministry of Trade and Industry

MOWAC	Ministry of Women and Children Affairs
MPSD	Ministry of Private Sector Development
MRT	Ministry of Roads and Transport
NDAP	National Decentralisation Action Plan
NDPC	National Development Planning Commission
NED	National Economic Dialogue
NGP	National Governance Program
NIPMG	National Intra-Agency Poverty Monitoring Group
NTR	Non Tax Revenue
OHCS	Office of the Head of Civil Service
OOP	Office of the President
OVC	Orphans and Vulnerable Children
PEM	Public Expenditure Management
PFM	Public Financial Management
PLWHA	People Living With HIV/AIDS
PPB	Public Procurement Board
PRGF	Poverty Reduction and Growth Facility
PRSC	Poverty Reduction Support Credit
PSR	Public Sector Reform
PSRP	Public Sector Reform Programme
PPSD	Private Sector Development
PSI	Presidential Special Initiative
PSIA	Poverty and Social Impact Assessment
PUFMAP	Public Financial Management Reform Programme
PURC	Public Utilities Regulatory Commission
PWDS	Persons With Disabilities
RCC	Regional Co-ordinating Council
REDP	Rural Enterprise Development Programme
RPMG	Regional Poverty Monitoring Group
RPCU	Regional Planning Co-ordinating Unit
SEA	Strategic Environmental Assessment
SHEP	Self Help Electrification Project
SME	Small Medium Enterprises
STEP	Skills Training & Employment Programme
TIN	Tax Identification Number
TOR	Terms of Reference
TPD	Transaction Price Databases
TVET	Technical & Vocational Educational Training
UNICEF	United Nations International Children Educational Fund
VCT	Voluntary Counselling and Testing
WB	World Bank
UNDP	United Nations Development Programme



# EXECUTIVE SUMMARY

## 1.0 INTRODUCTION

This is the fourth and final Annual Progress Report (APR) on the implementation of the Ghana Poverty Reduction Strategy (GPRS, 2003-2005). The report is an important output of the Monitoring and Evaluation (M&E) Plan developed to track progress made towards attaining the goals and objectives of the GPRS. It also presents a summary of findings and recommendations made by stakeholders towards enhancing delivery of policies formulated to promote poverty reduction in Ghana.

This APR builds on the experiences gained from the formulation of the previous versions and provides an update on the set of core indicators agreed in the GPRS M&E plan including additional indicators identified during the implementation of the GPRS. In addition it reports on the linkage between the 2005 Annual Budget and the GPRS policy initiatives prioritised for action during the fiscal year; and an overview of the major sources of funding for the District Assemblies; the status of triggers and targets of the Poverty Reduction Support Credit (PRSC-4)/Multi Donor Budget Support (MDBS) initiatives; and the assessment of performance towards the attainment of the Millennium Development Goals (MDGs) are also included.

Consistent with the methodology used in compiling the previous APRs, this report was produced in a consultative and participatory manner, through the involvement of the National Inter-Agency Poverty Monitoring Groups (NIPMG) and Regional Poverty Monitoring Groups. A special session was also held with Chief Directors and Directors of PPMEDs to enhance the commitment of the MDAs at the very senior level to the APR process and to facilitate data collection, analysis, validation and the policy recommendation processes.

A number of the challenges to data collection identified in the 2004 APR still persist. These include:

- differences in reporting cycles of the various MDAs;
- inadequate commitment on the part of the MDAs, RCCs and MMDAs to mainstream and institutionalise the GPRS M&E process into their annual work programme;
- inconsistencies in data capture formats adopted by the different regions and districts;
- difficulties in harmonising the different M&E needs of various stakeholders; and
- inadequate resources for M&E at all levels.

Although stakeholder interest in the M&E process is deepening, a number of shortcomings need to be address at the national, regional and district levels to upgrade competencies in assessing the effects of policies being implemented under the GPRS.

With this in view, a National Technical Committee has been established and tasked to ensure the effectiveness and ownership of the Monitoring and Evaluation system. The Committee is required to provide greater coordination and harmonisation for M&E activities among the Central Management Agencies of government (CMAs) and assist with better information flows and tools to improve the GPRS M&E system.

In further support of strengthening Monitoring and Evaluation capacity and coordination at the national, regional and district levels, the National Development Planning Commission (NDPC) in collaboration with the Ghana Statistical Service (GSS) launched the GhanaInfo Database system in 2005. Senior M&E staff of MDAs, some researchers and staff of selected United Nations Agencies

have also been trained in the use of this tool. A programme to roll-out the GhanaInfo to the regions and the districts has also been prepared for implementation in 2006.

To complement the quantitative data obtained from the MDAs and to obtain further feedback on the impact of key government actions on the citizenry, a national citizens' survey was undertaken. This initiative forms an important part of the annual GPRS monitoring process. The survey covered the key thematic areas of the GPRS, namely Macroeconomic Stability, Production and Gainful Employment, Human Resource Development and Basic Services, Governance and Vulnerability and Excluded.

The 2005 survey covered respondents drawn from 2100 households in all 10 regions of the country. The results of the survey indicate that over 50% of the households interviewed are of the view that living conditions had worsened over the last year, while less than 18% reported an improvement in their livelihood over the same period. In addition, over 81% of respondents were of the opinion that the improved macroeconomic environment in the country is yet to impact positively on their purchasing power and thus livelihoods..

## **2.0 THE LINKS BETWEEN THE GPRS AND THE 2005 BUDGET**

The focus of macroeconomic policy in the 2005 budget statement was largely consistent with the macroeconomic framework of GPRS. The key policies outlined in the budget were designed to sustain the gains in macroeconomic stability to date and position the economy to support accelerated growth in subsequent years.

Under the 2005 Budget, a number of initiatives were undertaken to align the priority programmes and projects of MDAs to the policy objectives of GPRS. These included:

- the organisation of workshops designed to enhance the capacity of MDAs to effectively link their sector programmes and activities to those prioritised under the GPRS;
- requiring MDAs, not only to incorporate the GPRS policies into their sector plans but also to show evidence of progress made in achieving sector targets set in the GPRS as well as identified policy gaps to be implemented for the period up to 2005.

Through this process the allocation of discretionary public expenditures in the 2005 budget was largely influenced by the policies outlined in the GPRS. Consequently the policy of shifting expenditures from General Administration to support the Services and Investment category of Poverty Reduction expenditures was implemented. The Social Service Sector benefited significantly from these budgetary allocations, as expenditures for General Administration steadily declined over the period from 34% in 2001 to 13.47% in 2005.

Budgetary allocations to the Social Service Sector increased consistently over the period from 38.8% in 2004 to 37.4 in 2005. This trend has the potential to impact positively on the provision of social services (health and water and sanitation) for the vulnerable and excluded. It is noteworthy that 44.4 % of GoG budget is spent on the Social sector.

Although total poverty spending in 2005 was lower than planned in the Budget, the actual expenditures were higher in 2005 than in 2004. Poverty-reduction spending increased by about 34.8% in 2005.

### 3.0 MACROECONOMIC STABILITY

The performance of macroeconomic indicators under the GPRS (2003-2005) showed a positive trend. This has in a large measure contributed to the emergence of the current relatively stable macroeconomic environment. The GDP growth rate of 5.8% achieved in 2005 is comparable to that obtained in 2004. Thus the projected target in the 2005 budget as well as the outturn exceeded the GPRS target of 5%.

The GDP growth rate of 5.8% attained in 2004 was principally due to the good performance by the agricultural sector which grew at 7.5%. However the agricultural sector growth rate fell to 6.5 % in 2005, as a result of the reduction in the growth of cocoa production from 29.9% in 2004 to 13.2% in 2005. The GDP growth rate of 5.8% attained in 2005 may be explained by the improvement in the performance of the food crops sub-sector which recorded a growth rate of 6% compared to 5.4% in 2004.

Industrial growth rate which was 5.1% in 2003 and 2004 respectively was projected to increase to 5.8% in 2005. The provisional outturn, however, stood at 5.6%, with the construction sub-sector making the largest contribution of 7%.

The performance of the services sector also improved from the 2004 figure of 4.7% to 5.4% at the end of 2005. This also reflected in corresponding increases in growth in the services sub-sectors as compared to the performance in 2004. Thus for the period 2003-2005 all the three major sectors- Agriculture, Industry and Services- exceeded targets set in the GPRS.

The rate of inflation as measured by the year-on-year CPI stood at 23.6% at the end of 2003. By the end of 2004, the rate had declined to 11.8%. Inflation rate, however, increased to 14.8% by the end of 2005. This increase may be attributed to the upward adjustment in petroleum prices in the international market, and its consequential negative effect on non-oil producing developing countries including Ghana. Overall, the inflationary environment has been generally benign with inflation easing down to 14.8% by the end of December 2005. The rates of inflation achieved over the period were however higher than the single digit target set in the GPRS.

Interest rates generally declined in 2005 in line with the reduction in Bank of Ghana's prime rate, supported by lower average Government borrowing and increased liquidity of the banks following the revision of the secondary reserve requirements from 35% to 15%. The prime rate was lowered on two occasions in 2005 by 3.0 % to 15.5% by the end of December 2005.

Growth in domestic revenue has been significant since 2000, exceeding 40% of target in 2001 and 56.2% in 2003. In 2002, a lower growth rate of 27.6% was achieved. As a percentage of GDP, growth in domestic revenue has registered a steady increase from 18% in 2002 to 21.2% in 2004. Domestic revenue mobilisation was robust in 2005 and was expected to be €24,116.2 billion, equivalent to 24.9% of GDP, thus exceeding the budget estimate.

Total receipts (domestic revenue, grants, loans, divestiture receipts and exceptional financing) were projected at €35,672.5 billion. This was lower than the 2005 budget estimate of €35,801.3 billion (by €128.8 billion) as a result of lower-than-projected non-tax revenue and divestiture receipts.

The overall budget balance recorded a deficit of 2.4% of GDP, as against the budget estimate of 2.2%, and below the 2004 deficit of 3.2%. The domestic primary balance is however projected to perform better with a surplus outturn of 2.7% of GDP as against the budget estimate of a surplus of



2.5% of GDP.

The exchange rate of the cedi remained stable against the US dollar while gaining strength against the British pound sterling and the euro. For the period January-September 2005, the cedi depreciated cumulatively, by 0.4% against the US dollar but appreciated by 8.2% and 11.6% against the pound sterling and the euro respectively. This compares with year-on-year movements of 2.3%, 5.7% and 2.1% depreciation against the US dollar, the pound sterling and the euro respectively for the same period in 2004.

Preliminary estimates of the balance of payments account for the year 2005 indicate that the current account would record a larger deficit of US\$164.89 million, compared with the deficit of US\$21.95 million in 2004. The overall balance of payments, however, was projected to be in a surplus of US\$86.7 million by the end of 2005, mainly from an improved capital account position.

Ghana's foreign exchange reserves stood at \$1,647 million at the end of September 2005, equivalent to 3.4 months' of goods or 3.0 months of imports of goods and services, and this increased to equivalent of 3.6 months' cover for imports of goods and services.

Projected gross external debt service payment for 2005 was US\$406.2 million and actual debt service payment up to end of September 2005 amounted US\$109.25 million. Projected payment from October to December amounted US\$39 million, made up of US\$27.1 million in principal and US\$11.9 million of interest payments.

In terms of broad creditor categorisation of external debt, the composition of the external debt stock remained the same as in 2004. Multilateral institutions including the IMF represented 88.6%, bilateral creditors constituted 8.4% and 3% from commercial creditors.

The composition of external debt still reflects the strategy of seeking more concessionary loans and maintaining the size of the external debt at sustainable levels. Based on the above developments, it is estimated that the external stock of debt will amount to US\$6.27 billion by end December 2005. This is expected to be reduced significantly under the multi-donor debt relief initiative (MDRI) in 2006.

The domestic debt-to-GDP ratio reduced to 11.5%, lower than the budget target of 13.5%, and the 2004 actual of 15.2%.

#### **4.0 PRODUCTION AND GAINFUL EMPLOYMENT**

The focus of the medium-term development policies outlined in the Production and Gainful Employment thematic area of the GPRS was to ensure: the development of the rural economy through modernisation of agriculture; sustained environmental protection through re-forestation; enhanced infrastructure development and; the creation of an enabling environment for private sector activities and development.

Out of a total of forty-six selected indicators, 26% achieved the set targets, 52% recorded noticeable improvement, though they fell short of the intended target marginally, while 21% recorded slow progress towards targets. The performance of these indicators over the GPRS period is detailed in the subsequent sections.

### Modernised Agriculture

In the area of modernised agriculture about thirteen out of sixteen of the indicators monitored showed significant improvement, though some of them fell short of the set targets

The volume of major food crops produced declined in 2004 but showed a marginal increase in 2005. The targeted reduction in post harvest losses for cereals, however, was achieved with the acquisition of additional processing equipment. The tonnage of silos established exceeded the target of 35Mt in 2004 and 2005.

The number of hatcheries constructed for aquaculture development increased from 6 in 2004 to 9 in 2005, and the area under fish farming increased from 112.3ha in 2004 to 231ha in 2005, though falling short of the target of 450ha. This translated into increases in the quantity of fingerlings produced per annum from 3,500,000 tonnes in 2004 to 6,900,000 tonnes in 2005 (nearly 100% increase). Apart from the quantity of fish produced per unit area of pond per cycle which showed a systematic decline over the period of implementation, all the others showed gradual improvement from the 2002 levels. The overall outcome of the interventions under this policy objective can therefore be said to be positive.

In the area of irrigation, the hectares of arable land under irrigation increased from 12,000ha in 2002 to nearly 19,000ha (about 58%), while the number of dugouts constructed stood at 1,069 in 2005 up from 262 in 2002 (nearly 400% increase). Farmers' access to processing equipment which was programmed to reach 30% in 2005, exceeded the target by 13%, while the tractor-to-farmer ratio which stood at 1:180,000 in 2002 improved to 1:110,000.

### Sustained Environmental Protection through Re-forestation

Data in 2005 show little progress for most indicators. Out of the eleven indicators monitored, only two showed improvement over the 2004 level, while the rest either stagnated or declined.

The size of urban area planted stagnated at 1350ha in 2005, while the hectares of degraded forest reserve planted declined from 27,050ha in 2004 to 21,705ha in 2005. This notwithstanding, the latter indicator exceeded the set target during the period of implementation. It was envisaged under the strategy that a total of 60,000ha of degraded forest reserve would have been restored by 2008. This target has already been exceeded by 24% in 2005. This development impacted positively on growth in employment which rose from 88,000 in 2004 to 121,188 in 2005.

The Land Administration Project did not make appreciable progress during the period under review. Indicators continued to show slow progress towards achieving set targets as most of the planned interventions were still at the preparatory stages. Existing administrative and legal constraints should be quickly resolved to facilitate the realisation of the land reform agenda.

### Enhanced Infrastructure Development

A key policy recommendation under the GPRS was the provision of enhanced infrastructure in ICT, energy and transport sectors to support the growth of the real sectors (particularly agriculture and industry), while opening up the rural areas to additional economic activities.

Good progress was made in promoting the strategy of increased access to Information and Communication Technology. The number of schools provided with ICT (i.e. computer terminals and PCs) increased from virtually nothing in 2002 to a total of 913 at the end of 2005. Although, the number of schools provided with ICT reduced in 2005, it exceeded the overall target by 399.

The number of fixed telephone lines installed increased significantly from the 2002 level of 200,000

to 331,000 in 2005, while the number of cellular phones and pay-phones stood at 2,655,000, and 11,037 respectively (about 72% and 11% increases respectively, over their 2004 levels).

The network of feeder roads in 2005, increased by 54% over the size in 2001. The condition report of 2005 indicates that the network of 41,039km, with an additional 8,405km of un-engineered roads yet to be accounted for during the compilation. This compares well with the 2004 figure of 23,000km. The condition of the 41,039km engineered network in 2005 is given as 35% in good condition, 27% fair, and 38% poor, indicating a poorer condition compared with the 2004 condition mix which stood at 46% in good condition, 25% fair, and 29% poor. The time lag in feeder road contract delivery stood at 64% in 2005, a decrease from 87% in 2004.

Under the policy objective of ensuring a reliable supply of energy, the review of indicators produced mixed results. The ratio of energy demand to supply virtually stagnated in 2005 (0.73 in 2004 to 0.72 in 2005) primarily due to system weakness. Total installed capacity reduced from 1,760 megawatts to 1,730 megawatts within the same period due to the shut down of the Tema Thermal Plant, as a result of fire outbreak. However, total energy generated within the same period showed an increase from 6,039 GWh hours to 6,789.9 GWh hours to meet increased demand. The proportion of households with access to electricity increased marginally from 52% in 2004 to 54% in 2005, while the proportion of the population with access to non-wood fuel energy remained unchanged (40%) in 2005. The share of electricity in total household energy consumption increased from 9% in 2004 to 11% in 2005 due to the shut down of the Volta Aluminium Company (VALCO) in 2004.

#### *Strengthening the Private Sector*

The focus of medium-term policy towards the private sector under GPRS include; (i) facilitating private sector access to long-term finance, (ii) promoting entrepreneurial skills, (iii) facilitating reduction of bottlenecks in private sector development, and (iv) generation of employment.

In the effort to strengthen the private sector, some significant progress was made during the period under review towards relieving small and medium-scale enterprises (SMEs) of one of their major constraints, which is access to affordable long-term funds. The African Development Foundation (ADF) provided \$2.5 million in loans to 9 SMEs. Also, following the initiation of three key interventions aimed at promoting entrepreneurial skills development in 2004, ten (10) award winners under the, "Growing the Young entrepreneur" programme, received initial entrepreneurship training and counselling and prize money of \$10,000 each in 2005 to enable them implement their respective business plans.

In spite of the considerable progress in addressing the many constraints to private sector development, substantial structural problems still exist. These include lack of access to finance, especially for women; falling but still fairly high interest rates; weak commercial dispute resolution system; insecurity and vulnerability in the informal sector where the youth and women predominate; weak linkages between the informal sector and the formal sector, and weak institutional and regulatory framework for supporting the small business sector.

## **5.0 HUMAN RESOURCE DEVELOPMENT AND THE PROVISION OF BASIC SERVICES**

Programmes and activities implemented under this thematic area were geared towards enhancing access to education; reducing gender disparities in education; improving skills through training; enhancing access to and delivery of quality health services; and increasing access to safe water and sanitation. The following three areas were prioritised for the effective implementation of policies

and projects which could impact positively on poverty reduction:

- Education
- Health, including HIV/AIDS control
- Water and Sanitation

## 5.1 Education

The medium term policy objectives of the education sector focused on (a) enhancing access to basic education, with greater emphasis on gender and geographical equity and (b) improving the quality of basic education.

### Access to Education

Relevant indicators selected to assess progress made under this objective show a positive trend. At the national level, gross primary school enrolment grew by an average of 4.7% between the 2001/2002 and 2004/2005 academic years. The growth in primary school enrolment for the three deprived northern regions has been particularly encouraging with all the regions exceeding targets set in GPRS.

However the rate of growth was not sufficiently high for the attainment of the Millennium Development Goal of universal primary education by 2015. It is noted that the introduction of the capitation grant as subsidy on school fees in all basic schools, will provide an additional incentive for increased enrolment of pupils from the poorer communities.

Under the objective of bridging the gender gap in access to education, an assessment of the indicators showed positive but slow improvements in female enrolment both at the national level and in the deprived regions, female enrolment targets for 2004-05 were exceeded in the Upper East and Upper West regions, except in the Northern region. Despite these achievements the rate of enrolment was not high enough for the attainment of the Millennium Development Goal of Gender Parity in education by 2005.

The availability of adequate number of classrooms in good condition is a key factor in promoting additional enrolment, and retention of pupils in schools. The 2005 Education Sector Performance Report, indicates that 30.3% of the stock of the current total number of 59,210 public primary classrooms need to be rehabilitated

### Quality of Education

A key policy objective under GPRS was to enhance the quality of teaching and learning. A new Minimum National Standards System for comprehensive assessment of educational quality has now been developed and is being implemented on pilot basis.

Pupil: Teacher Ratio (PTR): The MOES and GES recommend a PTR of 35: 1. PTRs at the national, regional and district levels remain unfavourable. The situation is likely to worsen in the coming years if the capitation grants results in the expected impact on enrolment. Thus unless this trend is reversed, the quality of education is likely to be compromised, particularly in the 40 deprived districts where the PTR increased dramatically between 2002-03 and 2004-05. This calls for renewed emphasis on teacher recruitment, training and deployment.

Percentage of Trained Teachers: The overall percentage of trained teachers to the total teacher population fell at the national level, the three northern regions, as well as in the deprived districts in 2004-05 compared to 2003-04. These call for strengthening measures to enhance teacher training

and redeployment.

Availability of Core Textbooks: The GES textbook policy, prescribes that each pupil in basic education should have access, on individual basis, to a textbook in each of the core subjects of English, Mathematics, and Science. This translates into a pupil core textbook ratio of 1: 1. This target was not achieved. The national pupil: core textbook ratio fell only marginally from 1:0.6 in 2002-03 to 1:0.3 in 2004-05. The trend was the same across the country with little regional variations.

## 5.2 Health

The main goal of the health sector under the GPRS is to improve the health status and ensure equity in health outcomes for all Ghanaians. The key objectives for this sector under the GPRS focused on the following:

- bridging the equity gaps in access to good quality healthcare and nutrition services;
- ensuring sustainable financing arrangements for health care delivery that protect the poor; and
- reducing the spread of HIV/AIDS pandemic.

### Bridging the Equity Gaps in Access to Quality Healthcare and Nutrition Services:

The general performance of the health sector in the area of child health has stagnated over the period. The results of the Ghana Demographic and Health Survey (GDHS) which was last conducted in 2003 indicates that the significant improvements in child survival indicators observed since 1988 had begun to register disturbing trends by 2003. This was particularly the case for the infant mortality rate (IMR); child mortality rate (CMR); and the incidence of child malnutrition

In contrast with the performance of child health indicators, significant achievement has been made on expanding the coverage of the immunisation programme. The level of coverage increased from 75% in 2004 to 85% in 2005

The child malnutrition rate remains rather high. According to the 2003 GDHS, 22% of children 0-59 months old are underweight, with wide regional and socio-economic variations. Prevalence of children underweight is significantly higher in rural areas (25%) than in urban areas (15%) and higher among socio-economically disadvantaged households (31% for households in the lowest quintile and 11% for households in the highest quintiles). Two priority interventions identified in the 2005 Health Sector Programme of Work to reduce the incidence of malnutrition are:

- promotion of improved early childhood nutrition through the adoption of improved child feeding practices (breastfeeding and complementary feeding);
- control of micronutrient deficiencies by promoting universal consumption of iodized salt, large-scale implementation of the Vitamin A Supplementation Programme and the intake of iron-folate supplementation during pregnancy.

The level of Maternal Mortality Rate (MMR) is a key indicator of access to and utilisation of improved quality of maternal health services. Although there is lack of consensus on the level of maternal mortality rate in Ghana among various stakeholders, the general opinion is that the rate is quite high. Available data from the MOH reveal that the national institutional MMR increased from an average of 1.86 per 1000 live births in 2004 to 2.05 in 2005, with wide regional variations. The 2005 institutional mortality ratio ranged from 1.04/1000 live births in the Central region to

2.88/1000 live births in the Eastern region.

To reduce the level of maternal mortality, the government continues to invest in maternal health programmes including increasing access to antenatal care during pregnancy and promoting institutional delivery. As a result there have been significant gains in the utilisation of these maternal health services.

The focus on increasing geographical access to good quality health care in 2005 was on the completion of more functional Community Health Planning Services (CHPS) compounds. A functional CHPS zone consists of a Community Health Organisation (CHO) in place with registered households and a community-based service being delivered. Progress in implementing the CHPS has been unsatisfactory. In 2005, 190 functional CHPS compounds were established as against a target of 250. Major constraints in implementing this measure include:

- the reluctance of staff to accept postings to rural areas;
- inadequate resources such as transport for home visits; and
- the absence of community involvement and ownership of the CHPS programme.

#### Ensuring Sustainable Financial Arrangements that Protect the Poor

A major policy initiative implemented in 2005 was the launch of the National Health Insurance Scheme as required under Act 650 of 2003. Activities undertaken in implementing the National Health Insurance Scheme in 2005 focused on the setting up of the management structure for the scheme, public awareness creation, infrastructure development, and the operationalisation of the scheme.

As at the end of December 2005, 4,400,279 persons had registered to participate in the District/Municipal/Sub-Metro Mutual Health Insurance Schemes. This represents 22% of registration coverage nationwide compared to the 10% target set for the year. Close to half (48.6%) of the registered members comprised persons under 18 years of age, over 70 years of age, pensioners, indigents all of whom are eligible for exemption from fees applicable under the scheme. Indigents make up about 2% of total registrants.

#### Reduce the Spread of HIV/AIDS Pandemic:

There appears to be early signs of stabilisation of the HIV/AIDS pandemic in Ghana as indicated by trends in the national median prevalence rate. The national prevalence rate of 3.6% recorded in 2003 has reduced to 3.1% by 2004 and further down to 2.7% in 2005. However, caution is required in the interpretation of this pattern of decline as there is the need to observe consistent decline in prevalence over a longer period of time.

At the regional level, the median HIV prevalence in 2005 ranged from 1.2% in the Northern region to 4.7% in the Eastern region. The Eastern region has consistently recorded the highest prevalence rate in Ghana to date.

The observed decline in national HIV prevalence rate could be attributed to a number of factors including:

- the contribution made by the impact of the national response initiative (expansion of counselling, testing and PMCT services)
- expansion of STI treatment services
- sustained implementation of HIV/AIDS prevention programmes;
- effective promotion of awareness on the need to avoid the stigmatisation of persons living

with HIV/AIDS.

### 5.3 Water and Sanitation

The priority medium term policy objectives of GPRS in this sector were to accelerate the delivery of:

- potable and safe water; and
- improved sanitation to rural communities and small towns, with special emphasis on guinea worm endemic areas.

#### Access to Safe Water

The proportion of the rural population with access to safe water has been increasing steadily over the years. The percentage of the rural population with access to safe water has increased from 30% in the late 1990s to 52% in 2005. The GPRS target of 46% by 2005 has thus already been exceeded. The regional distribution of access to safe water however indicates existing disparities across the regions. The proportion of the rural population with access to safe water ranges from a high of 87% in the Upper West region to a low of 36.5% in the Central region.

#### Access to Improved Sanitation

There is an urgent need for a national study on sanitation to provide adequate data for assessing the comparative levels of access and quality of sanitation services for better planning and targeting of resources. Currently the most reliable data on access is obtained from the 2003 CWIQ, which indicates that only 55% of the total population of Ghana has access to adequate sanitation. However significant regional variations exist in the provision of improved sanitation facilities.

#### Incidence of Guinea Worm Disease

Some communities in the country continue to be plagued with guinea worm infections. However, available data indicate that the reported cases of infections have been declining, albeit not sufficient enough for the eradication of the disease. The number of reported guinea worm cases decreased from 7,275 in 2004 to 3,778 in 2005, representing a decline of about 48%. Close to 68% of guinea worm cases detected in 2005 were also contained, representing 2% higher than 2004. The Guinea worm eradication programme was re-designed in 2005 to make Ghana free of the disease in the next four years.

## 6.0 GOOD GOVERNANCE

This section of the report is a review of performance of the implementation of the number of programmes and measures identified under the medium term priorities of the GPRS including the MDBS/PRSC initiatives and being implemented in the following broad policy areas:

- Security and Rule of Law
- Transparency and Accountability, including reduction of corruption
- Deepening the process of Decentralisation
- Public Sector Reforms

#### Security and Rule of Law

Analysis of available data on crimes recorded in 2005 indicates that overall incidence levels have declined by 15.7% compared to those of 2004. Out of the 190,019 cases recorded, 183,494 were registered as cases warranting police attention. The remaining 6,525 cases, which were considered as civil in nature or without merit, were rejected. The level of commonly committed crimes such as rape, declined by 24.5% in 2005 as compared to 34% in the previous year. Defilement cases

decreased by 14.6% in 2005; murder decreased by 19.7% and fraud cases also decreased by 20.6% in 2005. An overall average of 14.5% decline in offences committed is sufficient evidence of improving public safety.

The Ghana Police Service continued the implementation of the component of its Strategic Medium Term Plan that projected an annual recruitment of 2,000 additional personnel into the service to enhance its ability to combat crime expeditiously. A total of 1,852 recruits, including 252 women, graduated from the various police training schools. The staff strength of the police service increased to 17,944 in 2005 bringing the police: citizen ratio to 1:1003. Although this ratio falls short of the 2004 target of 1:925, the trend is indicative of an improving performance.

The Ministry of Justice recruited 33 new attorneys in 2005. This shows a remarkable improvement over 2004 where only 8 attorneys were recruited. Work was started on the construction of a 12-storey building to be known as Law House to accommodate the Ministry of Justice, the Attorney General's Department, the Law Reform Commission and Legal Aid Board

#### Transparency and Accountability

Government strengthened the implementation of programmes targeted at reducing corruption by increasing budgetary allocation to the state institutions established to ensure public transparency and accountability, and fraud detection, including the Serious Fraud Office, The Commission on Human Right and Administrative Justice (CHRAJ) and the Office of Accountability in the Presidency. Progress made in strengthening anti-corruption measures initiated in 2005 by the Attorney General's office, include the following:

- provision of an index on existing anti-corruption laws by the Attorney General's office
- ratification of the AU and UN conventions against corruption
- strengthening the capacity of the Serious Fraud Office

Progress was also made in ensuring compliance with the provisions of the Financial Administration Act 2003, Act 654; the Internal Audit Agency Act 2003, Act 658 and the Public Procurement Act 2003, Act 663, which were enacted to support the objective of ensuring transparency in, especially, economic governance.

In addition to these public sector initiatives a number of civil society interventions were implemented. The Ghana Anti-Corruption Coalition undertook a number of activities on creating public awareness on the negative impact of corruption on poverty reduction.

#### Deepening the process of Decentralisation

To accelerate the pace of implementation of decentralisation, programmes and measures were instituted in the following priority areas of the GPRS;

- operationalise the Local Government Service Act
- implement the National Decentralisation Action Plan, with integrated planning and composite budgeting in at least 25 districts

Government is vigorously implementing the fiscal decentralisation agenda in the area of district focused decentralised budgeting within the medium term. The objective of this policy is to implement the relevant provisions under ACT 462, which requires DAs to prepare integrated district budgets, which harmonise and synthesise expenditure, and revenue estimates of all departments in the District.



The Local Government Service Council Act 2003, Act 656 was passed in 2003 and the Local Government Service Council inaugurated in 2004. The Act seeks to secure the effective administration and management of Local Government in the country. The Local Government Service Council has drafted the following: Strategic Plan (2005 – 2008); Draft Organisational structure, Scheme of Service; and Communications strategy for the marketing of the service.

### Public Sector Reforms

A major stimulus for public sector reforms was provided by the creation of the Ministry of Public Sector Reforms in May 2005. This attests to Government's acknowledgement of the central role public sector reforms play in the entrenchment of good governance in Ghana. The Ministry serves as the lead institution and the coordination point for all activities related to the agenda on public sector reforms. The following areas have been prioritised for action over the medium term:

- refocusing of the mandate and structure of the Civil Service
- establishment of effective HR Management policies
- improving service delivery across board
- improving records management
- improving conditions of work
- rationalising and improving pay levels and pension.
- restructuring central management and strategic management agencies
- reducing dependence of sub-vented agencies on government
- expanding and deepening financial management systems
- promoting enhanced decentralisation
- promoting effective use of information technology.
- promoting communication enhancement programme
- developing communication plan
- strengthen reform initiatives in MDAs

## **7.0 SPECIAL PROGRAMMES FOR THE VULNERABLE AND EXCLUDED**

The introduction of the Capitation Grant and the Health Insurance Scheme and the expansion of the Metro mass transit system assisted many vulnerable persons to access services that would otherwise be unavailable to them for reasons of high cost of the services. Other policies and programmes to support the vulnerable and excluded focus on:

- promoting access of persons with disability to public goods.
- reducing the spread of HIV/AIDS; and
- promoting social justice;

A National Disability Policy was formulated and the Disability Bill which was subsequently drafted was widely disseminated during the year. The bill seeks to mainstream the needs of persons with disability in the formulation, implementation, monitoring and evaluation of national development policies. Similar provisions were made in the Labour Bill, which was drafted in 2005. Upon the passage of the bill, the appropriate subsidiary legislation and the operationalisation of the provisions of the Act will become obvious next steps.

Economic empowerment of women has been identified as one of the ways in which the vulnerable and excluded especially women can be helped to generate employment and reduce poverty among women, especially those in the rural areas. The Ministry of Women and Children's Affairs disbursed

a total of €2.0 billion of the Women Development Fund to women groups all over the country in 2005 for various income-generating activities. The Ministry has also in collaboration with some local banks (National Investment Bank, Agric Development Bank and the rural banks), disbursed to the tune of €10.44bn to 10, 443 women beneficiaries in 2005.

Other initiatives implemented towards ensuring adequate security for Orphans and Vulnerable Children (OVCs), Persons Living with HIV/IDS (PLWHA) and persons affected by HIV/AIDS, as well as persons in high risks areas are as follows:

- the provision of services for domestic violence by the Domestic Violence and Victims Support Unit (DOVVISU), MOWAC, Legal Aid Board and other agencies such as the Department of Social Welfare and NGOs in a sustained manner.
- the Ghana Aids Commission and NGOs extended services and undertook intensive advocacy across the country. This led to a decline in the HIV/AIDS prevalence rate from 3.6% in 2003 to 3.1% in 2004 and to the current level of 2.7%.

A Social Protection Strategy targeted at empowering the citizenry including the vulnerable and excluded to manage social, economic, political and cultural shocks within the framework of the successor medium term development policy framework has been developed by the Ministry of Manpower, Youth and Employment.



# CHAPTER ONE

## INTRODUCTION

### 1.1 BACKGROUND

This is the fourth and the final Annual Progress Report (APR) of the implementation of the Ghana Poverty Reduction Strategy (GPRS) which is the medium-term development policy framework of the country. The implementation of the GPRS, is aimed towards achieving the Medium Term Priorities of the Government (2003-2005).

The APR provides a framework for the systematic review of the implementation of GPRS policies and programmes and their impact on the socio-economic development of the country. This review is done through a set of indicators, triggers and targets which are used for monitoring and evaluating the achievements of the key policy and programme interventions undertaken to reduce poverty. To complement this, a national survey was also undertaken for the citizens to participate in the assessment of the impact of the implementation of key policies of the GPRS.

The objectives of the Annual Progress Report are to:

- provide a single source of information on progress being made to reduce poverty through the implementation of the GPRS.
- assist in identifying weaknesses and constraints to the attainment of the goals and objectives of the GPRS and propose recommendations to help address the shortcomings.

The 2005 APR builds on the results of the 2004 APR and provides:

- an update on the set of core indicators agreed upon in the GPRS M&E Plan including additional indicators identified in the course of implementation;
- the linkage between the 2005 Annual Budget and the GPRS;
- the status of implementation of policy initiatives outlined in the 2005 Annual Budget;
- an overview of major sources of funding for District Assemblies;
- an update on GPRS Medium Term Priority programmes and projects implemented in 2005;
- the status of actions taken on the recommendations made in the 2004 APR;
- the status of triggers and targets of the Poverty Reduction Support Credit (PRSC-4)/Multi Donor Budget Support (MDBS) programme;
- the assessment of performance towards the attainment of the Millennium Development Goals (MDGs);
- an overview of the African Peer Review Mechanism (APRM) process in Ghana.

This report is presented in eight chapters. Chapter one presents an overview of the activities leading to the development of APR. The second chapter focuses on the linkage between the 2005 Annual Budget and the GPRS, while the financial performance of District Assemblies is presented in chapter 3.

Chapters four to eight outline the status of actions on the implementation of policies and measures outlined in the five thematic areas of the GPRS (namely, Macroeconomic Stability, Production and Gainful Employment, Human Resource Development and Basic Services, Governance and the Special Programmes for the Vulnerable and the Excluded.

## 1.2 CHALLENGES TO DATA COLLECTION IN THE MONITORING AND EVALUATION OF THE GPRS I

Data used in the preparation of this report were obtained primarily from MDAs and MMDAs. The results from a national citizens' participatory assessment survey commissioned by NDPC in 2005 were also incorporated into this report.

Major challenges identified in the data collection especially from the MDAs included:

- the inconsistency and unavailability of updated data from the various sources.
- the differences in the annual reporting cycles for the various MDAs as shown in Table 1.1 below.

**Table 1.1: MDA Annual Reporting Period**

<b>MDAs</b>	<b>Annual Reporting Schedule</b>
Ministry of Road Transport	March
Ministry of Food and Agriculture	End of February
Ministry of Lands, Forestry and Mines	March
Ministry of Health	June
Ministry of Works and Housing	April
Ministry of Education	February
Legal Aid Board	June
Ministry of Private Sector Development	January

In this connection some of the data presented were based on the provisional data submitted by the MDAs and MMDAs. There is therefore the need to realign the reporting timelines of all MDAs with that of the APR and also with the annual national budget which is now presented in November.

Other challenges to data collection were similar to those identified in 2004. These include:

- lack of Motivation and inadequate capacity of staff of the MDAs, RCCs and MMDAs to institutionalise the process of collecting and analysing data;
- inconsistencies in data obtained from the national and sub-national levels;
- difficulties in harmonising the different M&E needs of various stakeholders;
- inadequate resources for the collation of data at all levels
- inadequate capacity at the district levels to process and provide data within the appropriate time frame.

## 1.3 THE M&E TECHNICAL COMMITTEE ON GPRS

Part of the recommendations made in the previous APR was the need to establish the M&E Technical Committee envisaged in the GPRS M&E plan to ensure improved ownership and commitment by key stakeholders to the M&E process. The M&E Technical Committee is made up of key stakeholders including; NDPC, MOFEP, GSS, MLGRD, Parliament, Civil Society Organisations, Development Partners & the Private Sector Organisations. The Technical Committee has since been established to:

- promote greater coordination and harmonisation of M&E activities among Central Management Agencies (i.e. NDPC, OOP, MOFEP, MLGRD, GSS, MOWAC, and OHCS).
- ensure better information flows to improve GPRS monitoring and evaluation system
- strengthen the capacity of key CMAs/MDAs to generate, analyse and disseminate M&E information.

- improve communication across all levels of government and the wider stakeholder community about M&E processes by addressing the systemic deficiencies in M&E data collection and information flows.

#### **1.4 POVERTY MONITORING GROUPS**

The National Inter-Agency Poverty Monitoring Groups (NIPMGs) which are made up of stakeholders from MDAs, DPs and CSOs at the national level, participated in the preparation of the Annual Progress Report.

Consistent with the practices adopted in the previous years, the National and Regional Poverty Monitoring Groups were convened to review and validate selected indicators for tracking the progress of the GPRS implementation. Through the inter-agency monitoring process, members appreciated the urgent need to harmonise the data required to support the M&E process.

Meetings were held with the Regional Poverty Monitoring Groups (RPMGs) to assist in improving the regional level data collection process. However, District Poverty Monitoring Groups (DPMGs) are yet to be set up due to both managerial and financial resource constraints.

A meeting was also held with Chief Directors and Directors of PPMEDs as part of the processes to strengthen the commitment of MDAs at a very senior level to the M&E process.

#### **1.5 DISSEMINATION OF THE 2004 ANNUAL PROGRESS REPORT (APR)**

A series of workshops to disseminate the 2004 APR was conducted country-wide during the third quarter of 2005 for the purposes of:

- promoting public awareness on the content of the 2004 APR.
- obtaining feedback and assessing the impact of the progress made in the implementation of key policy and programme interventions undertaken in the five thematic areas of GPRS I.
- distributing copies of the 2004 APR to targeted stakeholders.
- collecting data for the preparation of 2005 Annual Progress Report

The interaction among stakeholders on the results of the monitoring exercise is one of the key mechanisms NDPC employs to disseminate the findings contained in the APRs. Facilitators during this occasion adopted an interactive approach with participants and discussed the extent to which the 2004 Annual Progress influenced the annual budget.

##### **Box 1.1: The 2004 APR Dissemination Process**

In the 3<sup>rd</sup> quarter of 2005, the National Development Planning Commission (NDPC) organised a series of meetings in all the 10 regions to disseminate the 2004 Annual Progress Report (APR). The Report was presented and discussed at workshops attended by over eight hundred stakeholders including senior officials from the 10 Regions and 138 District Assemblies. Most participants were members of the Regional Planning and Coordinating Units (RPCUs) and the District Planning and Coordinating Units (DPCUs), - the regional and district directors of key departments: Agriculture, Health and Education and the Regional/District Coordinating Directors, Planning Officers and Budget Officers participated. Representatives from Civil Society Organisations (CSOs) also attended the meetings.

Key recommendations made by participants on the results of the 2004 APR are as follows:

- participants were of the opinion that APR must be disseminated prior to the next policy formulation and coordination cycle;
- indicators must be monitored continuously and the results applied quickly to address the difficulties emerging from the implementation of policies;
- indicators on vulnerability and exclusion must be expanded to cover a wide range of issues including those that affect people with disabilities (PWDs);
- composite budgeting must be operationalised in all districts;
- the Policy Planning Monitoring and Evaluation Divisions of the Ministries/Departments/Agencies must be adequately resourced to collect relevant, timely and reliable data;
- NDPC must explore the possibility of obtaining other complementary statistics for monitoring poverty reduction in Ghana;
- appropriate indicators for monitoring the incidence/reduction of corruption must be included in the APR.

As part of the process of improving the dissemination of the APR and related publications, the NDPC website ([www.ndpc.gov.gh](http://www.ndpc.gov.gh)) has been activated.

## 1.6 GHANAINFO DATABASE

The GhanaInfo database was launched by NDPC and GSS in July 2005. It is a comprehensive national socio-economic database made up of a compilation of indicators suitably adopted for planning and policy formulation.

As the official database for M&E in Ghana it will enable the compilation and dissemination of indicators required for the monitoring of the GPRS at the district, regional and national level. It will also make available to users, data presentation tools to effectively communicate M&E results (See Box 1.2 for key objectives of the GhanaInfo).

### **Box 1.2: The GhanaInfo Database**

The main objective for establishing the GhanaInfo is to broaden access, use and dissemination of accurate data on a wide range of socio-economic indicators in a user-friendly manner. The specific goals are to:

- provide information and indicators on progress and setbacks in the socio-economic and development situation of the country;
- facilitate the creation of common indicators and information systems for the country, the UN agencies and other development partners;
- maintain updated and organised indicators with their corresponding information sources and data collection methodologies;
- facilitate the dissemination of information on the demographic and socio-economic situation on the country, through CD ROMs, Internet and Publications;
- increase availability of up-to-date indicators for analyses on issues relevant to the country, e.g. progress towards the poverty reduction strategy and MDGs;
- allow the monitoring of international, regional and national goals and commitments, e.g. Millennium Development Goals (MDG);
- strengthen of the capacity of government and its counterparts to organise, analyse and disseminate information at the national and sub-national levels; and
- facilitate the formulation of policies, in favour of social, development, poverty reduction and economic grow.

The constraints to making the GhanaInfo operational include difficulties involved in

obtaining data from government institutions and the lack of available electronic data. There is thus the need to establish coordinating links with governmental institutions to produce key statistics and major survey data in a format that is applicable to the GhanaInfo. The GhanaInfo Secretariat also needs to be adequately staffed to undertake data collection, entry, validation and other related activities.

Progress, however, has been made towards operationalising the GhanaInfo Database system. This includes:

- training at the district level on a pilot basis in selected districts;
- training in the use of the Administrative model of the GhanaInfo;
- sensitisation programme of GhanaInfo to the media, Members of parliament, CSOs, organised labour;
- identification and selection of key indicators for inclusion in the database;
- training of all MDAs at both the national and regional levels; and
- training of selected staff of the United Nations System in Ghana.

## 1.7 PARTICIPATORY M&E/CITIZENS' ASSESSMENT SURVEY

A National Citizens' survey was conducted in the first quarter of 2006 to provide the opportunity for citizens to participate in the monitoring and evaluation of the GPRS (see Box 1.3). The primary objectives of the survey were to:

- obtain feedback from citizens at the grassroots about the extent to which the key objectives of the GPRS are being met from their perspective.
- assess whether citizens' are experiencing the expected impact from the gains made in the macroeconomic environment.
- obtain views from the local communities on how to improve the implementation of the GPRS policies to achieve maximum impact on poverty reduction.

### **Box 1.3: Coverage of the Citizens' Assessment Survey:**

The survey focused on the key thematic areas of the GPRS, namely macroeconomic stability, production and gainful employment, human resource development and basic services, governance and vulnerability and excluded. For these areas, information was sought on: access to facilities/services, usage of facilities/services, quality of services, adequacy of services, reliability of services, cost/affordability of services, responsiveness of service providers, overall satisfaction with services, and the impact of macroeconomic reforms on households' livelihoods.

A total of 2100 households were interviewed and the sample was selected in two stages:

- 210 Enumeration Areas were randomly selected
- at the second stage, 10 households were selected systematically and randomly within each EA to produce a total of 2100 households nationwide. In addition three supplementary households were selected for each EA.

The preliminary findings from the survey suggest the following:

### *The Quality of Social Services:*

Majority of the population (over two-thirds) ranked the quality of services provided in the health and education sectors as satisfactory. Fifty-six percent were satisfied with the quality of water provided in their communities. However, the majority of the respondents were not satisfied with the quality of sanitation in their communities (see Table 1.2).



**Table 1.2 Citizens Assessment of the Quality of Social Services Delivery**

	Satisfied	Dissatisfied	Indifferent
Education	70%	23%	7%
Health	67%	27%	6%
Water	56%	41%	3%
Sanitation	34%	62%	4%

Source: PM&E Survey Data, 2006

Governance:

The quality of legal services was rated very low in the citizens' assessment survey. Only 20 % classified the services provided by the courts as satisfactory. However, over 50% of the respondents were satisfied with the quality of services provided by the National Security Agencies. Only 27% were satisfied with the quality of service provided by the District Assemblies.

**Table 1.3 Citizens Assessment of the Quality of Governance**

	Satisfied	Dissatisfied	Indifferent
Security Services	53%	34%	13%
Legal Services	20%	15%	65%
Performance of the District Assemblies	27%	62%	11%

Source: PM&E Survey Data, 2006

Production and Gainful Employment:

With respect to opportunities for securing wage employment, about 90% of the respondents maintained that there had not been any significant improvement, while 41 % suggested that access to wage employment had become even more difficult. These results were consistent for both rural and urban respondents, albeit more pronounced for the rural respondents.

The Macroeconomic Environment:

The results of the macroeconomic section of the survey indicate that over 50% of the population held the view that the standard of living had worsened over the preceding year, with a lot more urban respondents claiming that their standard of living has deteriorated over the previous year. Only 20% of the urban population maintained that their status had improved compared to the previous year.

**Table 1.4 Current Living Conditions Compared to the Preceding Year**

	Worse	Better	No Change
Total	53.7%	17.5%	28.7%
Urban	54.8%	19.5%	25.7%
Rural	52.7%	15.5%	31.7%

Source: PM&E Survey Data, 2006

Over 80% of respondents were of the opinion that improved macroeconomic stability is not reflecting in their purchasing power.

**Table 1.5 Improved Macroeconomic Stability has not impacted Positively on Purchasing Power**

	Yes	No	Not Mentioned
Total	81.5%	17.4%	1.1%
Urban	78.6%	20.3%	1.2%
Rural	84.5%	14.6%	1.0%

The results of the survey, including detailed analysis by region and by gender are provided in a separate report.

## **1.8 SUMMARY OF PROGRESS – GPRS CORE INDICATORS**

The following table provides a summary of progress made on sixty (60) GPRS core indicators that were identified in the M&E plan and monitored to date.

**Table 1.6 Summaries of Indicator Achievements for 2005**

	Achieved	Steady Progress	Not Achieved	Inadequate Data	Total
Macroeconomic Stability	3			5	8
Production & Gainful Employment	3	3	8	7	21
Human Resources Development	3	1	6	5	15
Governance		5	1	1	7
Vulnerable & Excluded		4		5	9
<b>Totals</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>23</b>	<b>60</b>

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<sup>12</sup> Traditional Land administration system among the Tendambas clans at the North of Ghana.



## **CHAPTER TWO**

# **THE LINK BETWEEN THE GPRS AND THE 2005 BUDGET**

### **2.1 INTRODUCTION**

This chapter analyses the extent to which the 2005 Budget is linked to the funding of programmes prioritised in the GPRS. In this respect, actual allocations provided in the budget are compared with the targets set out in the GPRS.

Additionally the assessment covers the following:

- the process of formulating the budget for 2005;
- the level of consistency between the macroeconomic framework adopted in the formulation of the budget and that outlined in the GPRS;
- the distribution of the discretionary budget by sector;
- sources of budgetary inflows by domestic and external inflows;
- the allocation of expenditures by functional item (i.e., personnel emoluments, administration, service, and investment);
- spending on poverty reduction programmes and projects.

### **2.2 THE PROCESS OF FORMULATING THE BUDGET**

In the preparation of the 2005 Annual Budget, the following activities were undertaken to link the budget to the GPRS:

- workshops were organised to improve MDAs understanding of the MTEF process as well as aligning respective MDA budgets to the objectives of the GPRS I;
- within each priority area, MDAs were required to indicate the progress made in achieving targets set in the GPRS, as well as the gaps in the implementation of policies in 2004;
- in addition, MDAs were required to incorporate poverty reduction policies outlined in the GPRS I into their respective Strategic Plans.

### **2.3 THE GPRS MACROECONOMIC FRAMEWORK AND THE BUDGET**

The following objectives underlying the macroeconomic framework of the GPRS guided the formulation of the 2005 Budget:

- sustaining the pace of economic growth;
- continued reduction in inflation;
- further reduction in the level of poverty.

The budget was to maintain and even improve upon the medium term macroeconomic framework set out in the GPRS. These objectives were to be achieved by:

- increasing revenue mobilisation;
- strengthening public expenditure management;
- reducing the stock of the domestic debt thus enhancing the opportunity for private sector access to more capital;

- accelerating the pace of the public sector reforms; and
- maintaining a monetary policy regime consistent with attaining the targeted reduction in inflation to single digit.

Table 2.1 gives a comparison between the macroeconomic targets set out in the GPRS and those projected in the 2005 Budget, as well as the actual outturn. The macroeconomic targets set in the GPRS include:

- reduction of the domestic debt with net domestic debt repayment as a percentage of GDP of 2.0%;
- GDP growth rate of 5.0%;
- reduction of inflation to single digit;
- increasing revenue mobilisation to 22.3% of GDP; and
- curtailing deficit financing with a projected budget deficit of 0.6% of GDP.

In terms of actual performance:

- the GPRS target GDP growth rate of 5% was exceeded in 2005 with a growth rate of 6.0%;
- although inflation rates fell significantly in 2005, the single digit target was not realised. The end of year inflation stood at 14.8%. The single digit rate targeted was difficult to attain in view of the high and increasing prices in the world's crude oil market;
- sectoral growth rates targeted in the GPRS were all exceeded in the 2005 fiscal year.;
- revenue targets were also attained.

**Table 2.1. Comparison of GPRS and Budget Macroeconomic Framework and Actual Performance**

	<b>GPRS 2004 targets</b>	<b>Budget 2004</b>	<b>Outturn 2004</b>	<b>GPRS 2005 targets</b>	<b>Budget 2005</b>	<b>Outturn 2005</b>
Real GDP growth (%)	5.0	5.2	5.8	5.0	5.8	6.0
Inflation						
Annual (%)	8.0	Under 10%	12.6	6.0		
End of period (%)	7.0	Under 10%	11.8	5.0	13.5	14.8
Stock reserves (months imports cover)	2.8	3 months	3.8	3.1	4.0	3.6
Domestic primary surplus as % of GDP	2.6	1.7	0.7	2.5	2.4	3.4
Budget deficit as % of GDP	1.6	1.7	3.2	0.6	2.2	1.96
Net domestic debt repayments as % of GDP	2.4	2.2		2.0	1.0	1.62
Sectoral growth (%)						
Agriculture	4.8	6.0	7.5	4.8	6.5	6.5
Industry	5.2	5.2	5.1	5.2	5.8	5.6
Services	5.1	4.7	4.7	5.1	5.4	5.4
Ratio of revenues (excluding grants) to GDP (%)	22.5	22.5	23.8	22.3	24.6	24.9

*Sources: MOFEP, Budget Statements, GPRS I Document, Bank of Ghana*

## 2.4 DISCRETIONARY BUDGET FOR 2005 AND THE MEDIUM TERM PRIORITIES

Table 2.2 shows the functional distribution of total expenditure by Government of Ghana (GoG) and Development Partners (DPs). The broad sectoral targets as envisaged in the GPRS costing framework for 2005 show a close alignment with the projected expenditures in the budget.

The policy of re-allocating funds from the General Administration item of the budget to support Investment and Services prioritised in the GPRS has been consistently applied since the inception of GPRS. Consequently budgetary allocation to the Administration Sector over the period decreased from 34% in 2001 to 13.5% in 2005.

The Social Services Sector has benefited from increased budgetary allocations during the 2003 - 2005 period. The allocation has increased consistently over the period although there was a slight decline in 2005 from 38.8% in 2004 to 37.4%. This notwithstanding this figure is above the GPRS targets.

**Table 2.2: Functional Distribution of Total Expenditure (including Donor): 2001-2005 (%)**

	2001	2002	GPRS 2003 Target	2003 Budget	GPRS 2004 Target	Budget 2004	GPRS 2005 target	Budget 2005
<b>Administration</b>	<b>34.86</b>	<b>19.79</b>	<b>14.2</b>	<b>14.84</b>	<b>13.3</b>	<b>17.1</b>	<b>13.3</b>	<b>13.5</b>
<i>Ministry of Local Government Rural Development</i>	3.31	2.35	Na	2.75	Na	2.36	Na	2.24
<i>Ministry of Finance</i>	2.20	3.15	Na	2.23	Na	2.15	Na	2.41
<i>General Govt. Services</i>	21.19	5.07	Na		Na		Na	3.53
<b>Economic</b>	<b>14.99</b>	<b>18.02</b>	<b>9.7</b>	<b>9.06</b>	<b>10.3</b>	<b>8.9</b>	<b>10.3</b>	<b>10.3</b>
<i>Ministry of Food &amp; Agriculture</i>	7.17	4.69	Na	3.91	Na	3.03	Na	3.4
<b>Infrastructure</b>	<b>11.64</b>	<b>17.20</b>	<b>17.2</b>	<b>15.53</b>	<b>19.1</b>	<b>10.9</b>	<b>19.1</b>	<b>16.8</b>
<b>Social</b>	<b>30.18</b>	<b>34.71</b>	<b>38.1</b>	<b>38.67</b>	<b>34.3</b>	<b>38.8</b>	<b>34.3</b>	<b>37.4</b>
<i>Ministry of Education</i>	22.44	24.14	Na	26.85	Na	26.65	Na	23.2
<i>Ministry of Health</i>	6.67	9.38	Na	10.89	Na	11.15	Na	13.2
<b>Public Safety</b>	<b>7.94</b>	<b>9.67</b>	<b>11.1</b>	<b>11.52</b>	<b>9.0</b>	<b>11.7</b>	<b>9.0</b>	<b>6.9</b>
<b>Utilities</b>	-	-	<b>2.7</b>	<b>2.69</b>	<b>3.2</b>	<b>2.5</b>	<b>3.2</b>	<b>1.7</b>
<b>Revenue Agencies</b>	-	-	Na	<b>3.08</b>	Na	<b>3.0</b>	Na	<b>2.7</b>
<b>Contingency</b>	<b>0.39</b>	<b>0.62</b>	<b>6.9</b>	<b>4.62</b>	<b>10.9</b>	<b>7.1</b>	<b>10.9</b>	<b>10.7</b>
<b>Grand Totals</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total c\$ billion</b>						<b>13,005.4</b>		<b>18,528.2</b>

Sources: Computed from Appropriation Acts, Budget Statements 2002-2005, Ministry of Finance and Economic Planning

NB: "Na" implies data is not categorised by these items

In 2003 the budgetary allocation to the Economic sector drastically declined from 18% to 9.1%, which is close to the GPRS target of 9.7%. This reduction appears to have contributed to the increase in resource allocation to the social sector for the provision of relief and safety nets to the poor and vulnerable.

There has been an increase in the share of Infrastructure in discretionary budgetary allocation from 15.5% in 2003 to 16.8 in 2005, although the proportion is still below the GPRS target of 19 %.

Expenditure on Public Safety increased steadily from 7.9% in 2001 to 11.9% in 2004 and exceeded the GPRS target of 9.0%. However in 2005 budgetary allocation was reduced to 6.9%.

Table 2.3 shows GoG expenditures for the 2001- 2005 period. It must be noted that 44.4% of GoG budget is spent on the Social sector, with Education getting the largest share.

**Table 2.3: Functional Distribution of Total GOG Expenditure 2002-2005 (in percentages)**

Functional Classification	2001	2002	2003	2004 Budget	2005 Budget
<b>Administration</b>	41.5	25.8	16.4	18.2	14.6
<i>Ministry of Local Government Rural Development</i>	2.4	1.7	1.8	1.63	1.4
<i>Ministry of Finance</i>	2.9	4.0	1.9	1.69	1.8
<i>General Govt. Services</i>	27.8	8.3	0		4.2
<b>Economic</b>	5.3	6.8	5.4	5.3	4.4
<i>Ministry of Food &amp; Agriculture</i>	1.4	2.3	1.7	1.36	1.7
<b>Infrastructure</b>	4.4	3.7	3.8	4.6	4.5
<b>Social</b>	37.2	47.4	45.8	42.7	44.4
<i>Ministry of Education</i>	28.4	35.3	33.4	31.69	30.9
<i>Ministry of Health</i>	0.0	10.3	11.2	9.77	12.2
Public Safety	11.0	15.3	14.8	14.3	10.0
Utilities	-	-	3.6	3.0	2.5
Revenue Agencies	-	-	4.1	3.7	3.9
Contingency	0.5	1.0	6.1	8.3	15.7
<b>Grand Totals</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total billions cedis</b>					<b>12693.8</b>

Source: Sources: Computed from Appropriation Acts, Budget Statements 2002-2005

**Table 2.4: Expenditures in Priority Areas as Percentage of Total Expenditure**

Priority Areas	2002	2003	2004	2005 Budget
Economic services	18.02	9.06	8.92	10.33
Social services	34.71	38.67	38.82	37.4
Infrastructure	17.20	15.33	10.93	16.8
Public Safety	9.67	11.53	11.67	6.9
Total	79.6	74.78	70.5	71.43

Source: computed from MOFEP, Budget Statements 2002-2005

Table 2.4 summarises expenditures on the priority sectors of the economy. These expenditures have declined since 2002 from 79.6% to 70.5% in 2004, increasing slightly to 71.4% in 2005.

While Table 2.3 provides data on budgetary expenditures, Table 2.5 shows the actual discretionary expenditure. Actual Government expenditures increased by 20.5% between 2004 and 2005. The pattern of allocations of expenditures shows that more than 50% of MDAs expenditures were incurred in the Social sector..

GoG expenditures are supplemented by HIPC transfers (Table 2.5). HIPC expenditures increased and were above the levels budgeted or allocated. The share of HIPC expenditures for Administration and Infrastructure increased from 17% and 16.5% in 2004 to 21.7% and 26.8% in 2005 respectively. While the proportion of actual HIPC expenditures declined in the Economic Services sector, expenditures on Public Safety increased slightly within the same period.

**Table 2.5: Annual Discretionary Expenditures by MDAs and HIPC Spending\***

Classification	GOG Actual Spending 2004	GoG Actual Spending 2005	HIPC Allocation 2004	HIPC Releases 2004	HIPC Actual exp 2004	HIPC Allocation 2005	HIPC Releases 2005	HIPC Actual Exp 2005
	%				%			
Administration	21.7	21.22	20.75	27.32	17.0	12.75	17.9	21.7
Economic Services	5.4	5.03	31.78	22.34	26.94	45.82	32.0	17.4
Infrastructure	4.1	4.37	13.46	13.21	16.48	21.81	19.69	26.8
Social Services	55.1	57.14	25.56	30.10	29.22	3.80	27.90	29.5
Public safety	13.8	13.4	1.56	3.46	3.72	1.61	1.60	4.3
Others		-	5.28	-	-	1.73	-	
Contingency		-	-	-	-	12.5	-	
Total Percentage	100	100	100.0	100	100	100	100	
Total billions of cedis	9,646	11,666.41	1,287.06	1674.39	1787.05	1594.3	1605.46	1,699,276

*Source: Controller and Accountant General's Department, Ministry of Finance and Economic Planning*

*\*This excludes payment of domestic debt.*

## 2.5 GOVERNMENT SPENDING ON POVERTY REDUCTION

In addition to the general activities broadly discussed above, there were specially packaged poverty reduction related activities targeted at accelerating the attainment of targets set under the GPRS and the MDGs within a measurable period of time. Consequently there has been a consistent increase in the allocation of resources for the last three years (2003 to 2005) in relation to these activities. In 2005, direct spending to poverty reduction related activities increased significantly from €6,122.61 billion in 2004 to €8,256.01 billion, an increase of about 34.8%.

Total spending on direct poverty reduction in 2005 was higher than planned in the budget. It constituted about 34.5% of total government spending in 2005 which exceeded the actual expenditures of 28.1% in 2004. The poverty related expenditures were made in such sectors as Basic Education, Primary Health Care, Agriculture, Rural Water, Feeder Roads and Rural Electrification.

**Table 2.6: Government Spending on Poverty Reduction**

	2003 Budget	2003 Actual	2004 Budget	2004 Actual	2005 Budget	2005 Actual
Total poverty reduction exp. € billion	4059.28	4278.74	5456.21	6122.61	8,014.93	8,256.01
Total govt. expenditure € billion	15712	15744.10	19507.80	21765.10	25,052,040	23,948.62
Total poverty red. Exp. as % of total Govt exp.	25.83	27.18	27.97	28.13	31.99	34.47
<b>BASIC EDUCATION</b>						
Basic education exp. € billion	1911.28	2356.52	2605.37	2969.76	3,029.77	3,708.82
Education Expenditure € billion	3300.59	4049.13	4512.65	5289.76	5331.87	6,601.47
Basic education as % of education Exp.	57.91	58.20	57.73	56.15	56.82	56.18
% of Total poverty Spending	47.1	55.07	47.75	48.50	37.80	44.90
<b>PRIMARY HEALTH CARE</b>						
Primary Health Care Exp.	826.20	633.54	1205.32	1088.20	1988.80	1,749.95
Health sector exp.€ billion	1124.94	1061.21	1550.92	1622.02	3203.64	2,915.69
PHC AS % of Health sec exp	73.44	59.70	77.72	67.09	62.08	60.02
% of Poverty Spending	20.3	18.81	22.09	17.77	24.80	21.20



	2003 Budget	2003 Actual	2004 Budget	2004 Actual	2005 Budget	2005 Actual
<b>POVERTY FOCUSED AGRIC</b>						
Poverty Focused Agric Exp. € billion	141.89	109.51	132.68	145.05	205.33	175.91
Agric. Sector Exp. € billion	157.40	114.27	146.91	150.34	217.32	205.07
Poverty Agric. As % of Sector Exp.	90.15	95.83	90.31	96.48	94.48	85.69
% of Poverty Spending	3.5	2.56	2.4	2.4	2.56	2.13
<b>RURAL WATER</b>						
Rural Water Exp. € billion	108.86	41.42	140.86	111.99	160.27	117.67
Works & Housing exp. € billion	156.98	89.95	225.11	228.64	264.05	238.23
Rural Water Exp. As % of Works and Housing Exp.	64.41	46.05	62.57	48.98	60.7	49.39
% of Poverty Spending	2.7	1.0	2.6	1.8	2.0	1.43
<b>FEEDER ROADS</b>						
Feeder Roads exp. € billion	227.98	306.38	296.552	337.98	395.56	410.24
Roads and Transport exp € billion	887.38	809.28	1039.69	1045.32	1424.73	1,505.56
Feeder Roads Exp as % of Roads and Transport exp.	25.69	37.86	28.52	32.33	27.76	27.25
% of Poverty Spending	5.6	7.2	5.4	5.5	4.91	4.97
<b>RURAL ELECTRIFICATION</b>						
Rural elect. Exp. € billion	91.93	58.21	156.15	187.81	644.87	381.91
Energy sector exp. € billion	111.0	69.21	193.8	216.39	655.95	385.94
Rural electrification as % of Energy sector exp.	82.82	83.98	80.57	86.79	98.31	98.96
% of Poverty Spending	2.3	1.4	2.9	3.1	8.04	4.63
<b>OTHER POVERTY EXPENDITURES*</b>						
Other Poverty exp. € billion	751.04	773.16	919.31	1281.82	1,590.33	1,711.51
Other Poverty exp. as % of Total Govt exp.	4.78	4.91	4.71	5.89	5.64	7.15
% of Poverty Spending	18.6	18.1	16.8	20.9	19.84	20.73

Sources: Computed from, Budget Statements 2002-2006, and MOFEP data.

Poverty reduction spending was highest on education (representing about 45% of total), followed by primary health care (21.2%), feeder roads (5%), rural electrification (4.6%), poverty focused agric (2.1%), and rural water (1.4%) in that order. Expenditures on basic education increased from €2,969.76 billion in 2004 to €3,708.82 billion in 2005. Although the quantum of resources to poverty-focused initiatives under agriculture increased from €145 billion in 2004 to €175.91 billion in 2005, as a percentage of spending on general agriculture, it declined from 96% to 85.8%. Also there was a slight decline in poverty spending on rural water and feeder roads in 2005 as compared to 2004, decreasing from 1.8% and 5.5% respectively to 1.4% and 5% respectively, while spending on rural electrification increased from 3.1% in 2004 to 4.6% in 2005.

Overall, about 70% of total poverty reduction related expenditures were made on human development activities, 22% on private sector development and 7% on good governance.

Pro-poor spending was supplemented by allocation from the HIPC resources on all of the priority areas of the GPRS. Details of allocations are outlined in Table 2.7 below.

**Table 2.7: Supplementary Allocations from HIPC Resources**

Priority Area	Total Allocation from HIPC Resources
Macroeconomic Stability	➤ c398.6 billion was used for domestic debt payment (20% of the HIPC fund)
Human Resource Development: 1. Education	<ul style="list-style-type: none"> <li>➤ c276.74 billion was spent on various educational programmes and activities including upgrading of 148 senior secondary schools, the payment of capitation grant, and the implementation of the first pilot phase of the Ghana-NEPAD school feeding programme</li> <li>➤ c23.6 billion was disbursed as subsidy for the Basic Certificate Examination (BECE)</li> <li>➤ c12.5 billion going into the Endowment Fund for the University of education, Winneba.</li> </ul>
2. Health Sector	➤ c221.62 billion
3. Provision and Improvements in Water and Sanitation	➤ c26 billion
Private Sector Development	➤ c362.08 billion was disbursed for its activities in agriculture and infrastructure; Feeder roads development and rail transportation
Energy Sector	➤ c280.8 billion

## 2.6 DONOR SPENDING ON GPRS PRIORITIES

In 2005 total donor disbursement amounted to c4,911.41 billion which was below the projected inflow of c5,834.4 billion. The bulk of this disbursement was channelled to the infrastructure sector which in 2003 benefited from more than 50% of total inflows. This proportion however declined to 37.8% in the 2004 Budget, but increased to 43.5% in the 2005 Budget. For the year under review actual disbursement made on the infrastructure sector amounted to 41% with the largest share going to the Roads sector (constituting about 27.8%) of total inflows.

Donor inflows to the Administration sector have been consistently declining over the period from 17.5% in 2001 to 11.8% in 2005. Within the Administration sector, Ministry of Local Government and Rural Development, Office of Government Machinery, Finance, Audit Service, National Development Planning Commission (NDPC) and the Information Ministry were the key beneficiaries.

Within the Economic sector, Agriculture and Energy sectors were the major recipients of donor funding. Education and Health took 99.6% of allocations to Social sector, although the bias was towards Education.

**Table 2.8: Functional Distribution of Total Donor Spending: 2001-05**

	2001	2002	2003	2004 Budget	2005 Budget Billion cedis	2005 Budget % of Total	2005 Disbursements Billions cedis	2005 Disbursements % of Total
Administration	17.5	10.4	9.9	12.8	648.966	11.1	561.38	11.84
<i>Ministry of Local Government Rural Development</i>	<i>5.73</i>	<i>3.4</i>	<i>5.5</i>	<i>5.40</i>	<i>233.473</i>	<i>4.0</i>	<i>283.11</i>	<i>5.76</i>
<i>Ministry of Finance</i>	<i>0.5</i>	<i>1.8</i>	<i>3.3</i>	<i>4.10</i>	<i>214.824</i>	<i>3.7</i>	<i>86.90</i>	<i>1.77</i>
<i>General Govt. Services</i>	<i>3.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>130.869</i>	<i>2.2</i>	<i>144.44</i>	<i>2.54</i>
Economic	40.2	35.4	20.3	24.3	1,351.112	23.2	1058.71	21.56
<i>Ministry of Food &amp; Agriculture</i>	<i>22.3</i>	<i>8.5</i>	<i>10.7</i>	<i>10.10</i>	<i>422.331</i>	<i>7.2</i>	<i>481.71</i>	<i>9.80</i>
Infrastructure	30.5	38.2	51.5	37.8	2,537.656	43.5	2,013.97	41.0
Social Services	11.8	15.0	16.7	22.6	1,288.424	22.1	1,254.75	25.54
<i>Ministry of Education</i>	<i>6.9</i>	<i>6.8</i>	<i>6.7</i>	<i>5.38</i>	<i>375.163</i>	<i>6.4</i>	<i>490.39</i>	<i>9.90</i>
<i>Ministry of Health</i>	<i>4.9</i>	<i>8.0</i>	<i>9.9</i>	<i>16.93</i>	<i>900.854</i>	<i>15.4</i>	<i>758.89</i>	<i>14.45</i>
Public Safety	0.0	1.0	1.6	1.5	8.277	0.14	2.62	0.05
Utilities	-	-	-	-	-	-	-	-
Revenue Agencies	-	-	-	-	-	-	-	-
Contingency	-	-	-	1.0	-	-	-	-
Grand Totals	100	100	100	100.0		100		100.0
¢ Billion				2,492,200	5,834.435		4,911.42 Grants- 2445.28 Loans- 2466.14	

*Source: computed from Budget Statements, 2001-2006. 2005 Disbursement data computed from 2006 Budget Appendix 15*

## 2.7 UTILISATION OF DISCRETIONARY PAYMENTS

Table 2.9 shows that although the sectoral allocations broadly reflect GPRS priorities, personnel emoluments constitute the largest component of total government expenditures. These expenditures increased in 2005 both as a percentage of total expenditures and as a percentage of GDP. Allocation to Administration and Service declined over the 2003-2005 period.

Allocation for Investment increased over the last three years from 27.8% to 30.8% of total expenditures and from 5.4% to 7.4% of GDP. This increase is attributed to increased development partner inflows. The level of domestic funding has remained constant over the period, with its share in overall investment expenditure constituting only 19.8%. Donor investment still accounts for a greater part of the nation's investment expenditure thus rendering development efforts extremely vulnerable to the fluctuations in donor resource flows.

Table 2.9: Utilisation of Discretionary Payments (in billion cedis)

	2002	2003	2003 Actual	2003 Actual	2004 Planned	2004 Actual	2004 Actual	2005 Planned	2005 Actual	2005 Actual
ITEM		¢ billion	% of total exp.	% of total GDP	% of total exp.	% of total exp.	% of total GDP	% of total exp.	% of total exp.	% of total GDP
Personal Emoluments	4,197.1	5,661.3	43.7	8.55	44.3	35.1	8.7	36.9	37.0	8.9
<b>Administration and Service</b>	1,452.4	1,762.9	13.6	2.7	18.2	11.9	3.0	11.0	11.0	2.7
Service	372.4	662.7	5.1	5.1	7.8	4.7	1.2	4.1	4.1	1.0
<b>Investment</b>	1,951.2	3,600.7	27.8	5.4	24.9	29.4	7.3	30.9	30.8	7.4
Domestic Financed	299.6	524.9	4.0	0.8	8.2	6.1	1.5	6.1	6.1	1.5
Foreign Financed	1,654.5	3,075.7	23.7	4.6	16.6	23.3	5.8	24.8	24.7	6.0
Utility price subsidies	449.9	272.5	2.1	0.4	0.6	11.2	2.8	1.5	1.8	0.4
HIPC financed Expenditure	175.1	866.3	6.7	1.3	8.1	9.5	2.3	6.8	6.9	1.7
Others	545.3	797.3	6.1	1.2						
<b>Total</b>			<b>100</b>		<b>100</b>	<b>100</b>		<b>100</b>	<b>100</b>	
<b>(¢ billion)</b>	<b>8,771</b>	<b>12,961</b>			<b>14,982.6</b>	<b>19,773.2</b>	<b>79,803.7</b>	<b>23,560.9</b>	<b>23,454.8</b>	<b>97,018.0</b>

Source: MFEP, Budget Statements 2002-2006

## 2.8 POLICY RECOMMENDATIONS

- There is the need to clearly streamline the definitions and formats for data capture for the purposes of analysing revenue and expenditure data obtained from the Controller and Accountant-General's Department (CAGD) and the Ministry of Finance and Economic Planning (MOFEP).
- The computerisation process should be accelerated to strengthen the information flow between CAGD and MOFEP.
- The 2004 APR made recommendations with respect to gender specific budgeting. This needs to be seriously addressed by strengthening the role of the Ministry of Finance in this area.
- There is the need to further strengthen the link between the Budget and the GPRS. The MDAs in their budget preparation process should ensure that their budgetary requests are aligned to the objectives of the GPRS.



## CHAPTER THREE

### OVERVIEW OF THE FINANCIAL PERFORMANCE OF DISTRICT ASSEMBLIES

#### 3.1 INTRODUCTION

This section provides an overview and analysis of the contributions of the major sources of funding towards strengthening the capacity to address poverty reduction at the district level. These include a review of the District Assemblies Common Fund (DACF), HIPC Fund, the District Assemblies' own Internally Generated Funds (IGF) and other additional resources channelled through a number of district based programmes and projects being implemented jointly with Development Partners and NGOs within the local government sector.

#### 3.2 THE DISTRICT ASSEMBLIES' COMMON FUND (DACF)

The DACF continues to be the major reliable source of funding for the DAs for implementing poverty reduction initiatives. The total disbursement of the DACF amounted to €993 billion in 2005, representing an increase of 15.8% over the 2004 level. This comprises of total receipts for all four quarters of 2005 and one quarter of arrears in payment. Of the total inflows, €843.85 billion (about 85%) was directly transferred to District Assemblies from the Office of the Common Fund Administrator. The remainder was allocated to the ten Regional Coordinating Councils, the Reserve Fund, the Administrator's Office, and to the funding of the National Sanitation programme.

The disbursement of arrears which were carried over from 2000 begun in 2003. Two additional tranches of arrears are expected to be disbursed by 2007. Table 3.1 below indicates the level of allocations from the DACF by region and programme for the year 2005.

**Table 3.1 Distribution of DACF Allocations in 2005 (in cedis)**

REGION	Q1	Q2	Q3	Arrears	Q4	Total for 2005
WESTERN	19,530,856,709	15,518,181,656	18,120,780,895	4,082,894,784	17,948,299,421	<b>75,201,013,465</b>
CENTRAL	18,657,790,389	14,824,489,517	17,310,747,636	3,900,381,647	17,145,976,412	<b>71,839,385,601</b>
GT. ACCRA	10,632,034,602	8,447,650,135	9,864,430,032	2,222,610,061	9,770,536,097	<b>40,937,260,927</b>
VOLTA	20,781,803,832	16,512,117,815	19,281,412,969	4,344,403,307	19,097,884,094	<b>80,017,622,017</b>
EASTERN	22,641,098,394	17,989,414,545	21,006,471,417	4,733,085,902	20,806,522,686	<b>87,176,592,944</b>
ASHANTI	31,228,113,692	24,812,200,932	28,973,527,091	6,528,187,903	28,697,744,459	<b>120,239,774,077</b>
BRONG AHAFO	28,674,812,146	22,783,483,103	26,604,567,113	5,994,424,243	26,351,333,272	<b>110,408,619,877</b>
NORTHERN	28,355,329,655	22,529,639,280	26,308,150,407	5,927,636,932	26,057,737,989	<b>109,178,494,263</b>
UPPER EAST	11,845,556,325	9,411,850,059	10,990,338,721	2,476,294,863	10,885,727,897	<b>45,609,767,865</b>
UPPER WEST	13,920,604,256	11,060,572,960	12,915,573,720	2,910,080,359	12,792,637,673	<b>53,599,468,968</b>
<b>TOTAL to MMDAs</b>						<b>794,208,000,000</b>
MPs Fund	12,891,750,000	10,243,100,000	11,961,000,000	2,695,000,000	11,847,150,000	49,638,000,000
RCCs	6,445,875,000	5,121,550,000	5,980,500,000	1,347,500,000	5,923,575,000	24,819,000,000
Reserve Fund	5,156,700,000	4,097,240,000	4,784,400,000	1,078,000,000	4,738,860,000	19,855,200,000
National Sanitation	25,783,500,000	20,486,200,000	23,922,000,000	5,390,000,000	23,694,300,000	99,276,000,000
Administrator's Office	1,289,175,000	1,124,310,000	1,196,100,000	269,500,000	1,184,715,000	5,063,800,000
Total DACF Release	<b>257,835,000,000</b>	<b>204,962,000,002</b>	<b>239,220,000,001</b>	<b>53,900,000,001</b>	<b>236,943,000,000</b>	<b>992,860,000,000</b>

**Table 3.2 DACF allocations in 2004 & 2005**

REGION	DACF 2004 (in cedis)	DACF 2005 (in cedis)	% change in disbursement
WESTERN	71,641,767,423	75,201,013,465	5.0
CENTRAL	69,530,599,951	71,839,385,601	3.3
GAR	39,037,743,642	40,937,260,927	4.9
VOLTA	79,207,129,644	80,017,622,017	1.0
EASTERN	88,892,768,826	87,176,592,944	-1.9
ASHANTI	112,646,855,808	120,239,774,077	6.7
BRONG AHAFO	106,316,594,164	110,408,619,877	3.8
NORTHERN	104,772,944,274	109,178,494,263	4.2
UPPER EAST	48,474,935,004	45,609,767,865	-5.9
UPPER WEST	50,933,461,265	53,599,468,968	5.2
<b>TOTALS to Districts</b>	<b>771,454,800,000</b>	<b>794,208,000,000</b>	2.9
<i>MP's Fund</i>	42,858,600,000	49,638,000,000	15.8
<i>RCCs</i>	21,429,300,000	24,819,000,000	15.8
<i>Reserve Fund</i>	14,546,465,000	19,855,200,000	36.5
<i>National Sanitation</i>		99,276,000,000	-
<i>Admin. Office</i>	6,882,835,000	5,063,800,000	-26.4
<b>Grand TOTAL</b>	<b>857,172,000,000</b>	<b>992,860,000,000</b>	15.8

*Source: Office of the Administrator of the DACF, 2005*

### 3.2.1 DACF Allocation by Regional Population

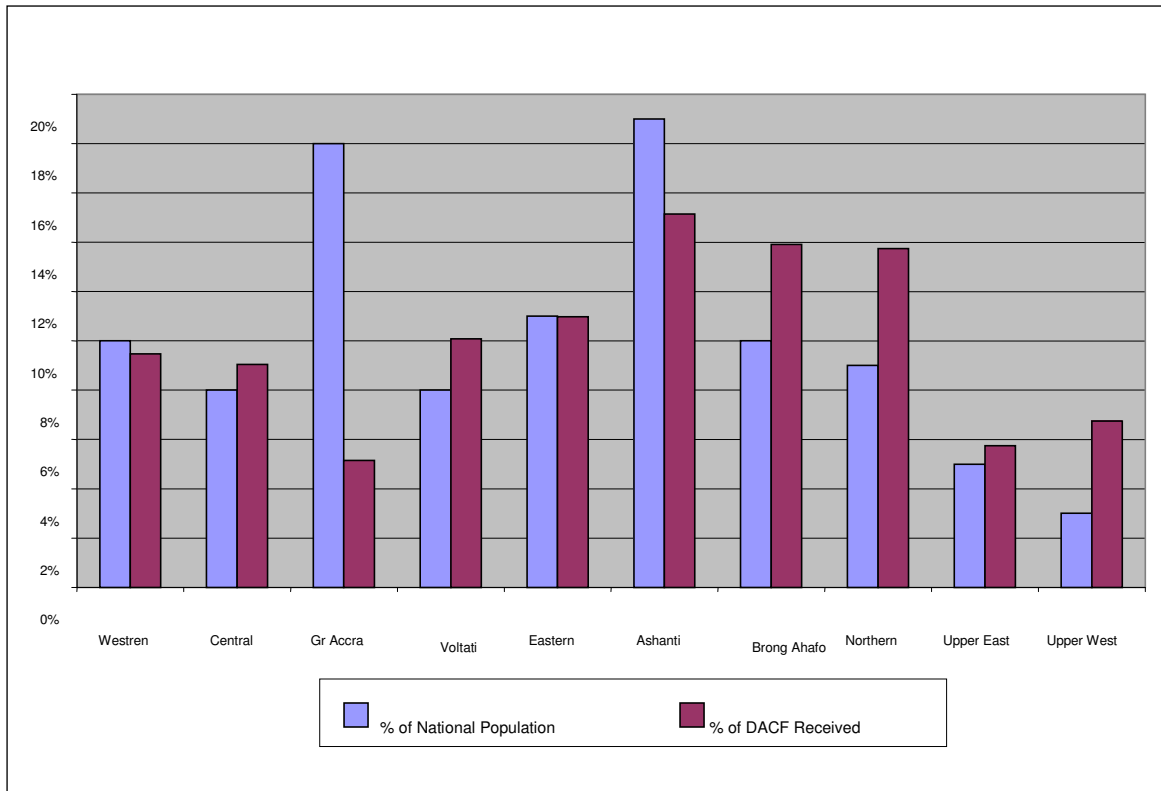
Analysis of the distribution of the DACF allocations received in 2005 by region indicates a strong correlation between size of population and the share of the DACF. The relatively low shares in the DACF allocations received by Greater Accra and Ashanti region are compensated for by higher receipts from the National Sanitation Programme Fund. The MLGRD allocates most of the National Sanitation Programme Fund to the Accra and Kumasi Metropolitan Assemblies. It is also observed that the three northern regions which constitute about 17% of the total population together received a relatively higher share of the DACF, constituting about 27% in 2005. (Table 3.3 and Figure 3.1).

**Table 3.3 Regional Percentage Shares of Population and DACF**

Region	Population	% of National Population	2005 DACF (in cedis)	% of DACF Received
WESTERN	2042340	10%	75,201,013,465	9%
CENTRAL	1687311	8%	71,839,385,601	9%
GREATER ACCRA	3576312	18%	40,937,260,927	5%
VOLTA	1636462	8%	80,017,622,017	10%
EASTERN	2274453	11%	87,176,592,944	11%
ASHANTI	3924425	19%	120,239,774,077	15%
BRONG AHAFO	1968205	10%	110,408,619,877	14%
NORTHERN	1790417	9%	109,178,494,263	14%
UPPER EAST	963448	5%	45,609,767,865	6%
UPPER WEST	561866	3%	53,599,468,968	7%
Total	<b>20,425,239</b>	100%	<b>794,208,000,000</b>	100%

*Source: Office of the Administrator of the DACF & GSS, 2005.*

**Figure 3.1 Regional Percentage Shares of Population and DACF**



Source: Office of the Administrator of the DACF & GSS, 2005.

### 3.2.2 Utilisation of DACF by Key Sectors

In 2005, a total of €679.1 billion of DACF was used in financing a number of prioritised projects and programmes in five main sectors categorised in Table 3.4 below.

The review of data indicates that expenditures on local governance and administration remain the highest in the order of utilisation of DACF (representing about 38%). This covers expenditure on Staff accommodation, Transport and Travelling Expenses, Logistical Support, Matching Funds for Community Initiated Projects, Disaster Management, Project Management, and Security. This is followed by expenditures on Production & Employment initiatives which cover about 25% of DACF utilisation. This general trend is consistent with what was observed in 2004. Fund utilisation was the highest for Local Governance & Administration, followed by Production and Employment, Education, Water & Sanitation, and Health in that order (see Table 3.4 and Figure 3.2). The regional breakdowns of DACF utilisation is as show in Table 3.5 below:

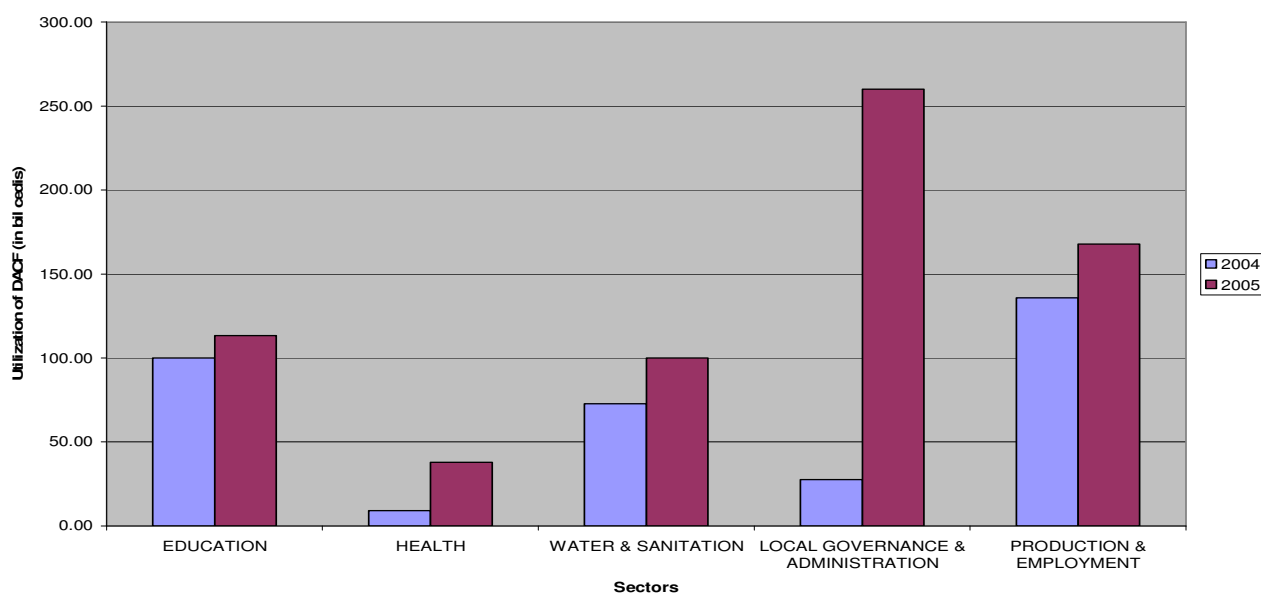


Table 3.4 Utilisation of DACF 2004 and 2005 by Key Sectors

KEY SECTORS	2004		2005	
	Amount (in cedis)	% Share	Amount (in cedis)	% Share
<b>EDUCATION:</b> Basic, Secondary and Tertiary Education, Sports and culture To improve basic school infrastructure, provision of furniture, Ensuring teacher development, and supervision at the basic school level.	99,917,895,000	16.8	113,213,195,000	16.7
<b>HEALTH:</b> Health Infrastructure and programs Bridging equity gaps in access to quality healthcare; Ensuring sustainable financing arrangements that protect the poor, Enhancing efficiency in service delivery	9,076,100,000	1.5	37,947,376,000	5.6
<b>WATER &amp; SANITATION:</b> Provision of Water Sources; Environmental Sanitation; Waste Management, Accelerating provision of safe water in rural outputs especially to guinea worm endemic communities and ensuring effective management of urban systems. Ensuring safe liquid and solid waste management and to Develop capacity building for environmental sanitation Introduce technological options to the KVIP in poor areas	72,649,202,649	12.2	99,916,463,000	14.7
<b>LOCAL GOVERNANCE &amp; ADMINISTRATION:</b> Disaster Management, Staff Accommodation, Logistical Support, Project Management, Security	275,966,707,175	46.5	260,104,303,871	38.3
<b>PRODUCTION &amp; EMPLOYMENT:</b> Electricity, Markets, Agriculture, Roads, ICT, support for Private Sector, micro-credit, Tourism, Sports, Culture. Community initiated projects, and Capacity Building	135,934,605,000	22.9	167,897,895,544	24.7
<b>TOTAL: Value (in cedis)</b>	<b>593,544,509,824</b>	<b>100.0</b>	<b>679,079,233,415</b>	<b>100.0</b>
<b>% changed between 2004 and 2005</b>	<b>14.4%</b>			

Source: Ministry of Local Government and Rural Development, 2005

Figure 3.2 Utilisation of DACF 2004 and 2005 by Key Sectors



Source: Ministry of Local Government and Rural Development, 2005

**Table 3.5: Utilisation of DACF in 2004 and 2005 by Region**

REGION	Health (in bill of cedis)		Education (in bill of cedis)		Water & Sanitation (in bill of cedis)		Production & Employment (in bill of cedis)		Local Governance and Administration (in bill of cedis)	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
WESTERN	1.04	3.225	9.872	10.013	5.85	10.274	15.927	17.017	26.726	22.258
CENTRAL	0.963	2.522	10.317	11.731	6.65	6.511	17.501	19.265	28.358	22.868
GT. ACCRA	0.177	1.051	4.743	5.315	9.773	34.398	5.26	5.189	13.242	7.562
EASTERN	0.371	3.676	20.063	15.069	10.419	8.759	18.197	20.223	33.681	24.797
VOLTA	1.317	4.331	6.097	7.716	7.7	6.148	13.99	22.171	26.75	35.2
ASHANTI	1.452	7.808	19.798	19.503	11.43	13.782	22.103	22.568	43.631	38.34
BRONG AHAFO	1.48	4.306	8.623	17.46	11.477	9.161	10.406	19.685	33.057	38.628
NORTHERN	1.36	4.942	9.546	14.88	4.577	7.313	16.039	17.545	42.52	32.928
UPPER WEST	0.063	3.543	6.042	6.084	2.412	1.576	9.001	12.26	11.718	23.094
UPPER EAST	0.85	2.544	4.817	5.442	2.359	1.994	7.506	11.975	16.283	14.429
<b>TOTALS</b>	<b>9.073</b>	<b>37.947</b>	<b>99.918</b>	<b>113.213</b>	<b>72.647</b>	<b>99.916</b>	<b>135.93</b>	<b>167.898</b>	<b>275.966</b>	<b>260.104</b>

Source: Ministry of Local Government and d Rural Development, 2005

### 3.3 INTERNAL REVENUE GENERATION BY MMDAs (2001 – 2005)

MMDAs represented only 14% of all revenue inflow. Aggregated data on IGF generated by districts in all ten regions for the year 2005 indicates that MMDAs collected 90% of their estimated revenue as shown in Table 3.6.

For many District Assemblies, revenue collection efforts are still inadequate and not able to bring in sufficient revenue. There is no transparency in accounting and full disclosure with regard to internal revenue collected.

Analysis of the data has revealed that at least five out of the ten regions recorded a decline in IGF in 2005, while nearly all the regions experienced a declining trend in the percentage change in IGF generation (Table 3.7 and figure 3.3)

Regional performance in IGF is shown in the Table 3.8 according to item of revenue. The main sources of IGF are from Fees & Fines which generated 34% of the total, followed by Rates which generated 22%, issuing of Licences 18%, and Lands 12%.

**Table 3.6 Internally Generated Funds Estimates vrrs Actual in 2005 by Region (in cedis)**

REGION	2005 IGF Estimates	2005 IGF Actual	% Shortfall
WESTERN	36,654,771,932	31,246,651,695	-14.8
VOLTA	15,349,704,264	11,909,835,229	-22.4
CENTRAL	15,413,948,389	8,800,701,686	-42.9
EASTERN	22,291,435,149	18,685,577,726	-16.2
GREATER ACCRA	102,937,907,057	92,813,463,896	-9.8
NORTHERN	7,574,655,665	5,985,799,975	-21.0
ASHANTI	44,153,910,765	39,020,005,237	-11.6
BRONG AHAFO	n/a	13,165,056,966	
UPPER EAST	8,298,138,320	4,811,953,653	-42.0
UPPER WEST (incomplete data)	n/a	1,552,365,012	
	<b>252,674,471,541</b>	<b>227,991,411,075</b>	-9.8
		<b>90% of Estimates</b>	

Source: Ministry of Local Government and d Rural Development, 2005

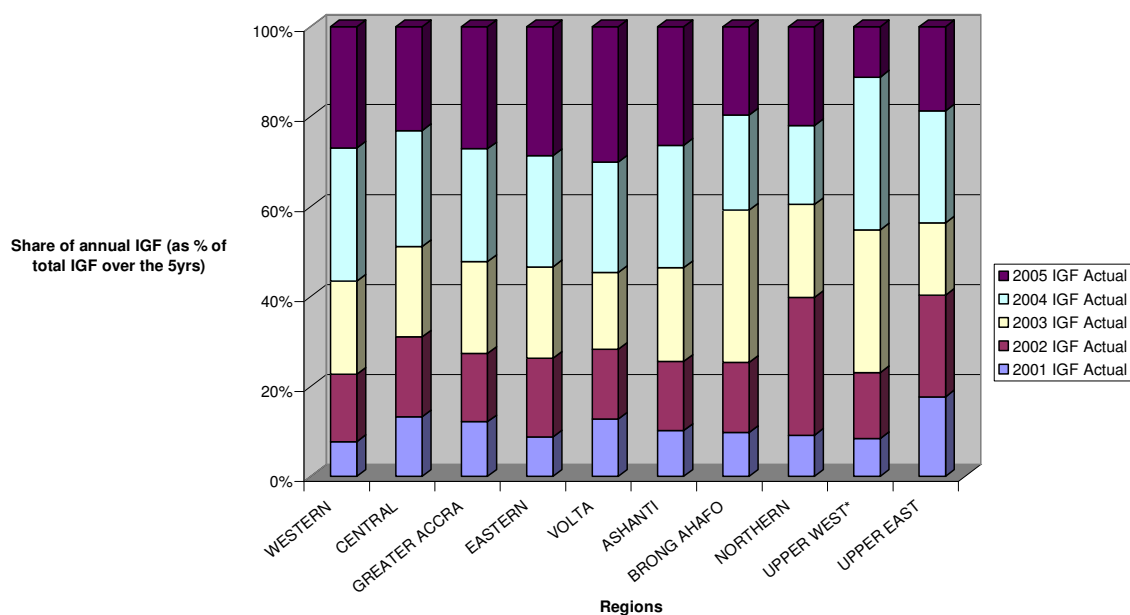
**Table 3.7 Trend in Internally Generated Funds of District Assemblies by Region, 2001 - 2005**

REGION	2001	2002		2003		2004		2005	
	IGF (in bil. cedis)	IGF (in bil. cedis)	% Change	IGF(in bil. cedis)	% Change	IGF (in bil. cedis)	% Change	IGF (in bil. cedis)	% Change
Western	8.943	17.316	94%	23.992	39%	34.340	43%	31.247	-9%
Central	5.030	6.750	34%	7.654	13%	9.823	28%	8.801	-10%
Greater Accra	41.355	52.024	26%	69.575	34%	85.727	23%	92.813	8%
Eastern	5.672	11.392	101%	13.189	16%	16.080	22%	18.686	16%
Volta	5.038	6.114	21%	6.750	10%	9.683	43%	11.910	23%
Ashanti	14.960	22.763	52%	30.848	36%	40.213	30%	39.020	-3%
Brong Ahafo	6.506	10.375	59%	22.663	118%	14.105	-38%	13.165	-7%
Northern	2.494	8.336	234%	5.608	-33%	4.779	-15%	5.986	25%
Upper West*	1.155	2.035	76%	4.384	115%	4.709	7%	1.552	-67%
Upper East	4.533	5.793	28%	4.112	-29%	6.361	55%	4.812	-24%
<b>TOTAL</b>	<b>95.686</b>	<b>142.898</b>	<b>49%</b>	<b>188.775</b>	<b>32%</b>	<b>225.819</b>	<b>20%</b>	<b>227.991</b>	<b>1%</b>

Source: Ministry of Local Government and Rural Development, 2005

Note: \* implies the data on Upper West is incomplete

**Figure 3.3: Internally Generated Funds Estimates vrs Actuals in 2005**



Source: Ministry of Local Government and Rural Development, 2005

Note: \* implies the data on Upper West is incomplete

**Table 3.8 IGF Performance by ITEM in 2005**

REGION	AMOUNT (IN BILLION CEDIS)							Totals
	Rates	Lands	Fees & Fines	Licences	Rent	Investment	Miscellaneous	
WESTERN	6.665	13.479	3.987	4.584	1.113	0.209	1.210	31.247
VOLTA	2.286	0.436	4.963	1.211	0.445	1.289	1.280	11.910
CENTRAL	2.266	0.910	2.723	1.406	0.303	0.485	0.708	8.801
EASTERN	3.683	2.391	6.841	2.870	1.260	0.235	1.406	18.686
GT. ACCRA	21.783	0.469	35.967	22.818	5.664	2.891	3.220	92.813
NORTHERN	0.716	0.134	2.272	0.605	0.574	0.509	1.176	5.986
UPPER EAST	0.632	0.094	2.925	0.435	0.270	0.287	0.168	4.812
ASHANTI	9.805	6.628	11.236	5.853	2.185	1.015	2.297	39.020
B. AHAFO	1.614	2.218	5.919	1.991	0.302	0.157	0.964	13.165
UPPER WEST	0.199	0.012	0.567	0.073	0.015	0.393	0.294	1.552
<b>TOTALS</b>	<b>49.649</b>	<b>26.769</b>	<b>77.401</b>	<b>41.848</b>	<b>12.132</b>	<b>7.469</b>	<b>12.723</b>	
	22%	12%	34%	18%	5%	3%	6%	100%
<b>TOTAL IGF: 227.991</b>								

Source: Ministry of Local Government and Rural Development, 2005

### 3.4 HIPC FUND DISBURSEMENT AND UTILISATION

#### 3.4.1 HIPC Fund Disbursement and Utilisation by Districts Assemblies

A total amount of €2 trillion was allocated from the HIPC debt relief in 2005 to be disbursed to MDAs and MMDAs. Out of this amount a total of €199 billion (representing about 10%) was expected to be allocated and disbursed in three tranches, to 4 Metropolitan, 10 Municipal and 124 District Assemblies, as shown in Table 3.9 below. But by the end of the financial year 2005, only about 56% of this amount (constituting €112.3 billion) had been disbursed directly to the districts. This brings the total HIPC funds transferred through the MLGRD to districts to €743.1 billion since 2002 when the HIPC fund was introduced. These resources have been used to provide basic services in education, health-care, water and sanitation.

**Table 3.9 Allocation of HIPC Funds to MMDAs in 2005**

Category of Assembly	Amount Allocated (in billion cedis)	Total (in billion cedis)
124 District Assemblies	1.200	<b>148.800</b>
10 Municipal Assemblies	2.000	<b>20.000</b>
4 Metropolitan Assemblies		<b>30.200</b>
- Accra Metropolitan Assembly	10.000	
- Kumasi Metropolitan Assembly	8.000	
- Shama Ahanta East Metropolitan Assembly	7.000	
- Tema Metropolitan Assembly	5.200	
<b>Total</b>		<b>199.000</b>

Source: MLGRD / CAGD / MOFEP, 2005

#### 3.4.2 HIPC Fund Disbursement and Utilisation by MDAs

An amount of €1,993 billion was allocated by the Ministry of Finance and Economic Planning to be disbursed to MDAs that had fulfilled the requirements for accessing HIPC (Poverty Related) Funds in 2005. However available data from the CAGD in terms of actual expenditures by MDAs indicate that nearly €2,085 billion, has so far been released to the MDAs.

The pattern observed over the past four years indicates that between 14.4% - 30% of earmarked HIPC Funds to MDAs has been spent on settling the domestic debt, while the remaining was transferred to the MDAs for their respective programmes. The details of allocations made from the fund to support eligible programmes and projects of MDAs are provided in Table 3.11 below. In 2005 nearly 86% of the Fund (as against 76% in 2004) was allocated to eight key institutions, including BOG- for Domestic Debt repayment, Ministry of Local Government & Rural Development, Ministry of Energy, Ministry of Education Youth & Sports, Ministry of Works & Housing, Ministry of Health , Ministry of Finance and Economic Planning, and Ministry of Roads & Transport. This is in contrast with the pattern observed in 2002 when nearly 77% of the funds were allocated to domestic debt repayment and for the activities of Ministry of Local Government and Rural Development alone.

The purposes for which these funds were released to the MDAs are detailed in the Table 3.10 below:

**Table 3.10 Programs and Activities Undertaken by MDAs with HIPC Funds in 2005**

<b>MDA</b>	<b>Purpose for HIPC transfer</b>
Ministry of Education, Youth & Sports	Capitation Grants, Subsidies, Upgrading of SSS, Subsidy for BECE, Construction Works, Purchase of Vehicles and Education Materials, Contributions to United Nations University and Ghana-NEPAD School feeding program
Ministry of Finance & Economic Planning	West African Gas Pipeline Project, Printing of Value Books for Revenue Collecting Agencies, CAGD-IPPD project, support to GSS, Special Nationwide Audit, Pension Computation Project, and other construction projects
Ministry of Energy	National Electrification Projects, SHEP, contribution Social Impact Migration accounts and construction works
MLGRD	Direct transfers to various districts, & for the ministries' construction works waste management, and also disbursements to parliamentary constituencies
Ministry of Works & Housing	Construction works, and water and sanitation
Ministry of Health	NHIC, Ariel Photographs, construction of health facilities and support to FDB consumer protection programmed
Ministry of Trade & Industry	Reactivation of Tomato Factory and other SMEs, Purchase of equipments, vehicles etc. for Ghana Standards Board
Ministry of Roads & Transport	Road Projects , Production of Aerial Photographs and other purchases
Ministry of Lands & Forestry	Ghana National Forestry Plantation Project
Ministry of Private SD & PSI	PSI projects, Construction of PSI-Secretariat and construction of CCTC
MOFA	Supply of White Maize and other procurements
Ministry of Presidential Affairs	Micro and Small Loan schemes
Ministry of Interior	Support to Ghana Police Service, NADMO, Ghana Immigration Service, Campaign against Small Arms, and Prisons expansion project
Office of Parliament	Renovation of MP's flats and other commitments of the office
Ministry of Justice	Police claims and logistical support to Ghana School of Law
Ministry of Tourism & MCC	Construction works
Ministry of Environment & Science	Support to Ghana Science Association, construction works and other purchases
MOWAC	Sensitisation workshops on Domestic Violence Bill
Ministry of Communications	Facilitating ICT learning under NEPAD and construction projects
Audit Service	Nationwide Special Audits and support to Audit Service
MRC-NEPAD	African Peer Review Mechanism and NEPAD School Feeding Programme
Ministry of Ports, Harbours & Rails	Railway Project, Electromotive of General Motors
Ministry of Manpower Dev & Employment.	Seed Grant Support

Table 3.11 Disbursement of HIPC Funds to MDAs in 2004 &amp; 2005

MDA	2002	% share in total	2003	% share in total	2004	% share in total	2005	% share in total
BOG (Payment for Domestic Debt)	81,400,000,000	30.3	144,000,000,000	17.1	301,400,000,000	14.4	398,600,000,000	19.1
Ministry of Local Government & Rural Development	126,677,475,568	47.1	101,720,478,015	12.1	194,190,000,000	9.3	63,140,624,277	3.0
Ministry of Education Youth & Sports	Na		188,653,275,075	22.4	310,980,000,000	14.9	276,742,248,178	13.3
Ministry of Works & Housing	3,010,128,603	1.1	105,123,147,119	12.5	132,990,000,000	6.4	133,436,033,391	6.4
Ministry of Energy	519,758,328	0.2	35,111,346,154	4.2	138,910,000,000	6.7	280,797,224,583	13.5
Ministry of Health	Na		70,827,992,137	8.4	179,000,000,000	8.6	221,623,366,286	10.6
Office of Government Machinery	Na		Na		113,700,000,000	5.4	12,000,000,000	0.6
Ministry of Roads & Transport	Na		87,168,558,128	10.4	149,980,000,000	7.2	191,117,640,118	9.2
Ministry of Lands & Forestry	Na		10,999,800,000	1.3	68,710,000,000	3.3	53,070,175,936	2.5
Ministry of Interior	2,491,435,000	0.9	18,941,264,192	2.2	59,000,000,000	2.8	25,395,696,324	1.2
Ministry of Finance	Na		Na		42,130,000,000	2.0	226,519,747,738	10.9
Ministry of Trade, Industry & PSI	4,502,381,000	1.7	13,583,133,914	1.6	77,640,000,000	3.7	95,375,000,000	4.6
Office of Parliament	Na		Na		40,130,000,000	1.9	14,538,066,006	0.7
Ministry of Food & Agriculture	Na		16,420,642,575	2.0	176,910,000,000	8.5	16,174,258,000	0.8
Ministry of Manpower Development & Employment	Na		7,610,000,000	0.9	16,697,049,187	0.8	455,600,000	0.0
Ministry of Communication	Na		5,854,565,000	0.7	12,670,000,000	0.6	Na	
Ministry of Women & Children Affairs	14,966,362,500	5.6	12,000,000,000	1.4	13,035,220,000	0.6	4,200,000,000	0.2
Ministry of Private Sector Development	Na		8,700,000,000	1.0	9,108,550,000	0.4	17,841,666,667	0.9
Ministry of Information	3,501,100,000	1.3	8,160,000,000	1.0	8,500,000,000	0.4	1,400,000,000	0.1
Judicial Service	Na		Na		6,638,500,000	0.3	Na	
National Electoral Commission	Na		Na		5,384,661,755	0.3	Na	
Min. of Tourism & Modernisation - Capital City	Na		5,807,469,479	0.7	5,200,000,000	0.2	13,100,000,000	0.6
Ministry of Mines	3,231,519,000	1.2	Na		Na		Na	
National Commission on Culture	Na		Na		2,500,000,000	0.1	Na	
Ministry of Parliamentary Affairs	Na		Na		2,000,000,000	0.1	9,395,641,938	0.5
NEPAD & Regional Co-op. NEPAD	9,922,500,000	3.7	550,000,000	0.1	11530000000	0.6	1,833,002,000	0.1
Ministry of Justice	Na		Na		1,501,000,000	0.1	14,427,306,799	0.7
National Media Commission	Na		Na		1,049,622,000	0.1	Na	
Audit Service	Na		Na		1,044,385,237	0.1	5,184,731,495	0.2
CHRAJ	Na		Na		900,000,000	0.0	Na	
Ministry of Environment & Science	Na		Na		550,000,000	0.0	Na	
Office of the Senior Minister	18,600,000,000	6.9	Na		Na		Na	
Ministry of Defence	Na		846,901,072	0.1	Na		163,800,000	0.0
Ministry of Ports, Harbours & Railways					Na		8,145,000,000	0.4
Ministry of Mines					4,470,000,000	0.2		
<b>Total</b>	<b>268,822,659,999</b>	<b>100.0</b>	<b>842,078,572,860</b>	<b>100.0</b>	<b>2,088,448,988,179</b>	<b>100.0</b>	<b>2,084,676,829,736</b>	<b>100.0</b>

Source: MOFEP / CAGD

### 3.5 MAJOR PROGRAMMES/PROJECTS UNDER THE MLGRD

Development Partners continue to play a direct role in strengthening the decentralisation process in Ghana by contributing to capacity building and funding infrastructural development in the districts among others. A number of programmes and projects are being funded by development partners in the districts under the auspices of the MLGRD. These are in the areas of provision and rehabilitation of basic infrastructure, the provision of basic services – education, health water and sanitation, markets and also capacity building. However there is the need to develop and operationalise a comprehensive data management system within the Local Government sector to provide an objective assessment of the management, implementation and monitoring and evaluation of these interventions.

### 3.6 STATUS OF ACTIONS ON POLICY RECOMMENDATIONS MADE IN 2004 APR

Policies and programmes of the MLGRD have been aimed at strengthening local government sub-structures in capacity building and improving the resource and financial base of the District Assemblies to enhance their performance.

A key activity for 2005 has been action on Fiscal Decentralisation with Composite Budgeting as a core activity. Composite Budgets have been prepared for 25 districts by the end of 2005. The activity in this area was to prepare integrated district budgets to cover all decentralised departments of the district. However this policy initiative has remained at the planning stage with no district actually implementing or operating the Composite Budget system. The target districts are to operate composite budgets by 2009.

Outlined in the table below are the key policy recommendations made in the 2004 APR and the status of actions taken on them so far;

**Table 3.12: 2004 APR Recommendations and Action Taken**

2004 Recommendation	Actions Taken
<ul style="list-style-type: none"> <li>○ <i>Even though the process began in Parliament to have the DACF increased to 7.5% there has not been any action on this matter. The MLGRD and the DACF Administrator should expedite action so that more resources will get transferred to the districts</i></li> </ul>	<p>The position of the MLGRD and the Administrator of the DACF on the issue of increasing the DACF to 7½% is that the matter now rests with Parliament where the request has been made. However some level of executive action is still required to push through this policy.</p>
<ul style="list-style-type: none"> <li>○ <i>The MLGRD should insist on compliance with the reviewed Act 59 (Financial Memoranda issued to DAs) governing the management of their finances. Sanctions should be brought to bear on DAs and offending officials should be vigorously prosecuted.</i></li> </ul>	<p>In 2005 workshops were organised in five regions to introduce the Financial Memoranda for DAs which governs all matters of financial management in the Metropolitan/ Municipal/District Assemblies as well as the lower tiers in the local government structure.</p>
<ul style="list-style-type: none"> <li>○ <i>Revenue generation/ collection by District Assemblies is still inconsistent and not all areas are covered. The MLGRD should therefore initiate policy to encourage private participation in revenue generation by districts</i></li> </ul>	<p>Revenue officers nation-wide are being trained in ways to raise revenues. Internal Audit Units in the DAs are being strengthened to stem fraud and other malfeasances, and to safeguard resources.</p>
<ul style="list-style-type: none"> <li>○ <i>HIPC fund allocation</i></li> </ul>	<p>A procedure for allocating the fund, requiring parliamentary approval, has been put in place.</p>

## CHAPTER FOUR

### MACROECONOMIC STABILITY

#### 4.1 INTRODUCTION

The broad objectives of the medium term macroeconomic framework outlined in the GPRS are: promote private sector-led growth including small-scale business development, in a manner that is consistent with poverty reduction and to adjust government's budget for increased expenditure on some selected priority social sectors. Achieving this in the medium term requires ensuring prudent fiscal and monetary policy management to achieve price stability, maintain interest rate at levels that are conducive to both savings and investments, ensure stable, yet competitive exchange rates and a fiscally sustainable debt burden.

A number of macroeconomic targets and measures have been selected and categorised under the broad policy objectives to achieve macroeconomic stability. These objectives were set in accordance with the Medium Term Priorities (MTP) of the GPRS, the Multi-Donor Budgetary Support (MDBS) initiative, the Poverty Reduction and Growth Facility (PRGF), and the Poverty Reduction Support Credit (PRSC).

A review of selected macroeconomic indicators for monitoring the GPRS (2003-2005) reveals that targets set by Government have largely been achieved. The relative macroeconomic stability is as a result of:

- reduced inflation – from 40.5% in December 2000 to 11.8% in 2004, increasing to 13.5% in 2005 (year-on-year);
- a stable exchange rate regime –depreciating against the dollar by 0.4% in 2005 compared to 49.8% in 2000; and
- lower interest rates – from 24% in 2003 to 15.5% in 2005;

Improved fiscal management and prudent monetary management largely accounts for the relatively macroeconomic stability attained to date. This section of the report reviews the performance under the Macroeconomic Stability thematic area outlined in the GPRS. The review will include:

- trends in the performance of selected macroeconomic indicators;
- impact on growth and government spending; and
- the status of implementation of key policy recommendations made in the 2004 APR.

#### 4.2 TRENDS IN THE PERFORMANCE OF SELECTED MACROECONOMIC INDICATORS

Table 4.2 presents the performance of selected macroeconomic indicators for the period 2003 to 2005.

##### 4.2.1 Real GDP Growth Rate

The year 2005 recorded GDP growth outturn of 5.8% (same as that for 2004). It is significant that both the target set in the 2005 budget and the actual performance exceeded the GPRS target of 5%.

The GDP growth rate of 5.8% for 2004 was attained principally as a result of good performance by the agricultural sector. In 2005, even though the agricultural sector growth



of 6.5% fell below that of the previous year of 7.5%, GDP growth rate of 5.8% was attained against the background of reduced cocoa production from 29.9% in 2004 to 13.2% in 2005. The GDP growth rate of 5.8% attained in 2005 could therefore be accounted for by the increase in the performance of the food crop sector which recorded a growth rate of 6% compared to 5.4% in 2004. Table 4.2 below shows the Sectoral Growth rates for the period 2003-2005.

Industrial growth rate which was 5.1% both in 2003 and 2004 respectively was projected to increase to 5.8% in 2005. The provisional outturn of industrial growth rate, however, stood at 5.6%, with the construction sub-sector making the largest contribution of 7%.

**Table 4.1: Selected Macroeconomic Indicators, 2001 - 2005**

INDICATORS	2001	2002	2003 GPRS Target	2003 Actual	2004 GPRS Target	2004 Budget	2004 Actual	2005 GPRS Target	2005 Budget	2005 Actual provisional
Real GDP growth rate	4.2	4.5	4.7	5.2	5.0	5.2	5.8	5.0	5.8	5.8
Real per capita GDP growth rate (core indicator)	1.6	1.9	2.1	2.6	2.4	2.6	3.2	2.4	3.2	3.2
Real Agric growth rate (%)	4.0	4.4	4.5	6.1	4.8	6.0	7.5	4.8	6.5	6.5
Real Per capita Agric growth rate (core indicators)			1.9	3.5	2.2	3.4	4.9	2.2	3.9	3.9
Food crop growth rate	5.0	5.2	4.8	5.3	Na	Na	5.4	Na	Na	6.0
Real per capita food crop growth rate	2.4	2.6	2.2	2.7	Na	Na	2.8	Na	Na	3.4
Food Price Inflation (core indicator)	16.7	22.0	15.0	21.5	Na	Na	15.5	Na	Na	15.0
Growth of Domestic Revenue (core indicator)	43.29	27.6	Na	56.2	Na	Na	38.4	Na	Na	21.89
Domestic Revenue (excluding grants ) as % of GDP	18.0	18.0	22.3	20.8	22.3	22.4	21.2	22.3	24.6	24.9
Growth of credit to agric (core indicator)	20.83	9.04	Na	51.12	Na	Na	20.67	Na	Na	22.9
Proportion of total resources going to key GPRS sectors (core indicator)	64.75	79.6	Na	74.78	79.45	70.5	Na	Na	Na	Na
Domestic debt to GDP ratio	20.9	23.9	23.6	18.3	17.8	Na	15.2	14.8	13.5	11.5
Proportion of official bilateral HIPC debt cancelled	Na	Na	Na	Na	Na	Na	77.9	Na	Na	Na
Debt service as a % of exports of goods and services	10.1	10.2	15.6	5.2	13.4	Na	3.6	13.1	Na	Na
Proportion of IDA facility provided as debt relief	Na	Na	Na	0.9	Na	Na	19.5	Na	Na	Na
Annual Average CPI	32.9	14.8	15.1	26.7	8.0	<10%	12.6	6.0	14.4	15.1
Year on year CPI	21.3	15.2	9.0	23.6	7.0	< 10%	11.8	5.0	13.5	14.8
Gross International Reserves (months of imports of goods and services)	1.2	1.9	2.3	3.2	2.7	3.0	3.7	3.1	4.0	3.6

Source: Budget Statement 2001-2006s, Ministry of Finance and Economic Planning/ Bank of Ghana, GPRS 2003-2005

The performance of the Services sector also improved from the 2004 figure of 4.7% to 5.4% at the end of 2005. This also reflected in the corresponding increases in growth in the services sub-sectors as compared to the performance in 2004. Thus for the period 2003-2005 all the three major sectors- Agriculture, Industry and Services- exceeded targets set in the GPRS.

**Table 4.2: Sectoral Growth Rates, 2003-2005 (%)**

	2002	2003	2004 Actual	2005 GPRS Target	2005 Budget	2005 Provisional
GDP	4.5	5.2	5.8	5.0	5.8	5.8
<b>Agriculture</b>	4.4	6.1	7.5	4.8	6.5	6.5
Crops and livestock	5.2	5.3	5.4	Na	6.0	6.0
Cocoa	-0.5	16.4	29.9	Na	13.2	13.2
Forestry & Logging	5.0	6.1	5.8	Na	5.6	5.6
Fishing	2.8	3.0	3.5	Na	3.6	3.6
<b>Industry</b>	4.7	5.1	5.1	5.2	5.8	5.6
Mining & Quarrying	4.5	4.7	4.5	Na	4.9	3.0
Manufacturing	4.8	4.6	4.6	Na	5.5	5.5
Electricity & Water	4.1	4.2	3.7	Na	4.5	6.6
Construction	5.0	6.1	6.6	Na	7.0	7.0
<b>Services</b>	4.7	4.7	4.7	5.1	5.4	5.4
Transport, Storage & Communication	5.7	5.8	5.6	Na	6.0	6.0
Wholesale & Retail Trade	5.6	5.0	4.9	Na	6.1	6.1
Finance & Insurance	5.5	5.2	4.8	Na	5.6	5.6
Government Services	3.6	4.0	4.4	Na	4.3	5.0
Community, Social & Personal Services	4.4	4.1	4.2	Na	Na	4.3
Producers of private non-profit services	3.1	3.3	3.5	Na	3.8	3.8

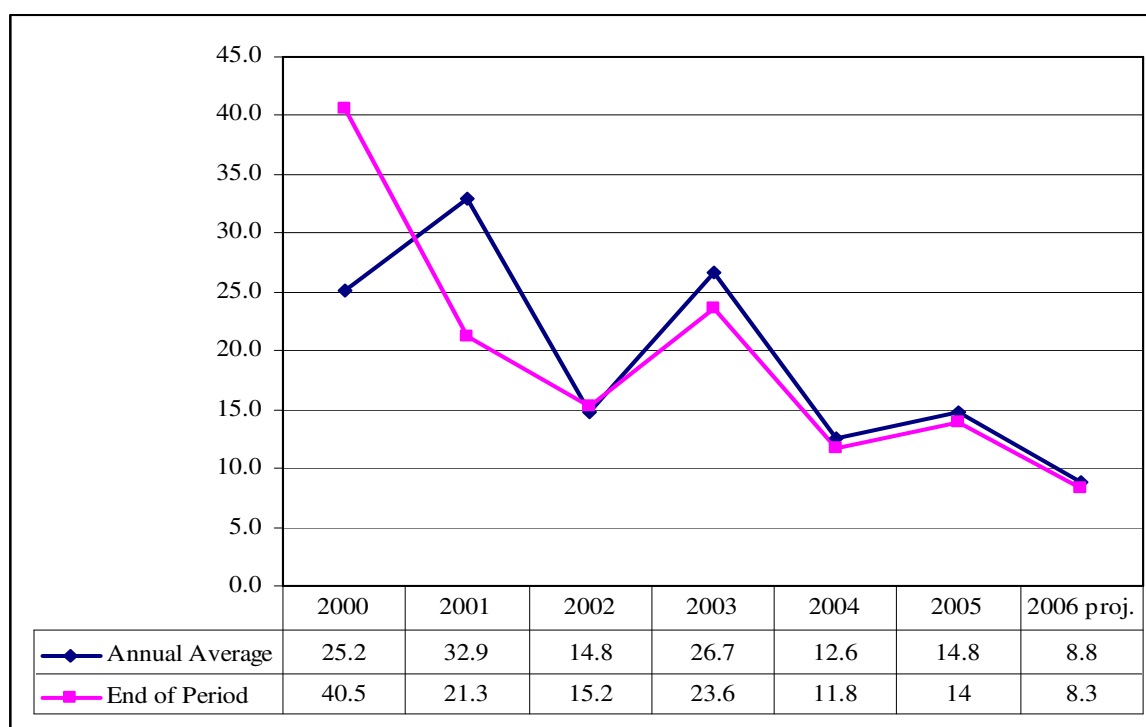
*Source: 2004 Annual Progress Report/2003-2005 Budget Statement*

#### 4.2.2 Rate of Inflation

The rate of inflation as measured by the year-on-year CPI stood at 23.6% at end of 2003. By the end of 2004, the rate had declined to 11.8%. This, however, increased to 14.8% at the end of 2005. This increase may be attributed to the upward adjustment in petroleum prices in the international market, and its consequential negative effect on non-oil producing developing countries including Ghana.

However there was an increased in the growth rate of the food crops sub-sector from 5.4% in 2004 to 6.0% in 2005, and this may have ameliorated the price of food crops. Overall, the inflationary environment has been generally benign with inflation easing down to 14.8% by the end of December 2005. The rates of inflation achieved over the period were however significantly higher than the single digit target set in the GPRS

Figure4.1: Trends in Inflation, 2000 - 2005



Source: 2006 Budget Statement/MOFEP

### 4.2.3 Interest Rate

Interest rates generally declined in 2005 in line with the reduction in Bank of Ghana prime rate. This was supported by lower average government borrowing and increased liquidity of the commercial banks following the revision of secondary reserve requirements from 35% to 15%. The prime rate was lowered on two occasions in 2005 by 3.0 % to 15.5% by the end of December 2005.

### 4.2.4 Government Budget

During the period under review, steps were taken to improve tax administration. A number of reforms that were implemented covered procedures, reporting requirements, and increased vigilance to prevent smuggling and under-invoicing of imports. These measures have subsequently improved domestic revenue mobilisation. The tax revenue for the full year was expected to exceed the target set in the 2005 budget.

#### *i. Domestic Revenue*

Growth in domestic revenue has been significant since 2000, exceeding 40% of target in 2001 and 56.2% in 2003. In 2002, a lower growth rate of 27.6% was achieved. As a percentage of GDP, growth in domestic revenue has registered a smooth and steady increase from 18% in 2002 to 21.2% in 2004. For 2005, domestic revenue mobilisation has been robust and is expected to be ₵24,116.2 billion, equivalent to 24.9% of GDP, thus exceeding the budget estimate.

Total tax revenues in 2005 exceeded the budget projection of ₵21,027.8 billion by 2.3 % to reach ₵21,517 billion.

Overall, total receipts (domestic revenue, grants, loans, divestiture receipts and exceptional financing) were projected at ₵35,672.5 billion. This was lower than the 2005 budget estimate

of €35,801.3 billion (by €128.8 billion) as a result of lower-than-projected non-tax revenue and divestiture receipts.

#### *ii. Overall Budget Deficit*

The overall budget balance recorded a deficit of 2.4% of GDP, as against the budget estimate of 2.2%, and below the 2004 deficit of 3.2%. The domestic primary balance is however projected to perform better with a surplus outturn of 2.7% of GDP as against the budget estimate of a surplus of 2.5% of GDP.

### **4.2.5 External Developments**

#### *i. Exchange Rate*

The exchange rate of the cedi remained stable against the US dollar while gaining strength against the British pound sterling and the euro. For the period January-September 2005, the cedi depreciated cumulatively, by 0.4% against the US dollar but appreciated by 8.2% and 11.6% against the pound sterling and the euro respectively. This compares with year-on-year movements of 2.3%, 5.7% and 2.1% depreciation against the US dollar, the pound sterling and the euro respectively for the same period in 2004.

#### *ii. Balance of Payments*

Preliminary estimates of the balance of payments for 2005 indicated that the current account would record a larger deficit of US\$164.89 million, compared with the deficit of US\$21.95 million in 2004. The overall balance of payments, however, was projected to be in a surplus of US \$86.7 million by the end of 2005, mainly from an improved capital account position.

#### *iii. Foreign Reserves*

Ghana's foreign reserves stood at \$1,647 million at end September 2005, which is the equivalent of 3.4 months' of goods or 3 months of imports of goods and services, and this increased to an equivalent of 3.6 months' cover for imports of goods and services.

#### *iv. External Debt Service Payments*

Projected gross external debt service payment for 2005 was US\$406.2 million, and actual debt service payment up to end of September 2005 was about US\$109.25 million. Projected payment from October to December was about US\$39 million, made up of US\$27.1 million in principal and US\$11.9 million of interest payments.

#### *v. External Debt Stock*

In terms of broad creditor categorisation of external debt, the composition of the external debt stock remained the same in 2005 as in 2004. Multilateral institutions including IMF represented 88.6%, bilateral creditors constituting 8.4%, and 3% to commercial creditors.

The composition of external debt still reflects the strategy of seeking more concessionary loans and a strategy of maintaining external debt at sustainable levels. Based on the above developments, it is estimated that the external stock of debt will amount to US\$6.27 billion by end December 2005. This is expected to be reduced significantly under the multi-donor debt relief initiative (MDRI) in 2006.

### **4.2.6 Domestic Debt/GDP & Domestic Debt Service**

Substantial progress was made in enhancing public expenditure and financial management, revenue administration, as well as increasing domestic resource mobilisation. These, together with the enhanced growth, led to a marked reduction in the domestic debt-to-GDP ratio from 2004 actual of 15.2% to 11.5%, lower than the budget target of 13.5%.

As in previous years the reduction in the domestic debt resulted in “the crowding-in” of the private sector with improved access to credit.

The Bank of Ghana has over the period continued to reduce its prime rate. Although the commercial banks responded to these declines, the interest rate spread remains high. Moral suasion by the BOG has not changed the downward rigidity of lending rates.

#### **4.2.7 Real Agricultural Growth Rate**

The 5.8% growth in GDP was attributed to the 6.5% growth in the agricultural sector. The contribution of this sector to overall GDP growth was projected to be 41.4%, a reduction of 5.3% from the 46.7% contribution in 2004. This growth rate has been attributed to the lower growth rate of 13.2% compared to 29.9% in 2004 in the cocoa sub-sector

The non-cocoa sub-sectors experienced slight increases in growth rates compared to performance in 2004. The forestry sub-sector however experienced a reduction in its growth rate to 5.6% compared to 5.8% recorded in 2004.

### **4.3 IMPACT OF ECONOMIC GROWTH AND GOVERNMENT SPENDING ON POVERTY REDUCTION**

The impact of economic growth and government spending on the poor cannot be easily assessed because of lack of adequate data. The CWIQ data of 1997 and 2003 and the Participatory assessment survey undertaken in August 2004 provided mixed results on the impact of macroeconomic stability and government spending on the poor’s welfare.

However, to the extent that most of the increased growth in real GDP (averaging 5% per annum) originated from growth in agriculture where the majority of the rural households derive their income, it may be concluded that household incomes have generally improved in agricultural communities. The contribution of the cocoa sub-sector to the improved agricultural performance also means that any increases in cocoa production will lead to income gains to the communities in the cocoa growing areas.

### **4.4 DEVELOPMENTS IN THE MACROECONOMIC POLICY ENVIRONMENT**

The priority areas of policy in the 2005 fiscal year are human resource development, private-sector-led growth, and good governance. The macroeconomic underpinnings for the attainment of the broad objectives of these priorities included:

- promoting private sector-led growth, including small-scale business development, in a manner consistent with poverty reduction, and
- adjusting government’s budget to accommodate increased expenditures on education, health and other priority social sectors.

Government’s fiscal policy was focused on the goal of accelerating the growth of the economy, transforming its underlying structural deficiencies and promoting measures designed to harness the capacities of selected potential high growth sectors in the economy.

The objectives for attaining this goal of accelerated economic growth are:

- reduce further the domestic debt stock
- create a more diversified financial sector and improve access to financial services
- implement refocused public sector reform

- modernise the public expenditure management regulatory framework
- strengthen the budget formulation process
- strengthen budget execution and reporting

***Policy Objective 1: Reduce further the domestic debt stock***

*Policy measure 1: Pay down domestic debt*

*Indicator(s): 20% of projected HIPC relief fund applied to the reduction of the domestic debt stock*

The expected outcome of this policy measure was to increase credit to the private sector as share of domestic credit. The estimated total debt relief from HIPC in 2005 was 1,992.9 billion cedis. Out of this 398.6 billion cedis (representing 20% of the HIPC funds) was used to pay down domestic debt.

*Policy measure 2: Development of medium and Long-Term instruments*

*Indicator(s): Number of medium and long term instruments developed*

Two new BOG instruments – the 14-day and 28-day Bank of Ghana bills - were introduced along side the already existing bills in July 2005.

***Policy Objective 2: Create a more diversified financial sector and improve access to financial services***

*Policy Measure 1: Improve the administrative framework for micro finance*

*Policy Measure 2: Establish a Central Securities Depository for government securities*

*Policy Measure 3: Enact long-term savings law for private pension and housing schemes*

The expected outcome of this policy objective is the increase in long-term savings, overall savings as percentage of GDP, as well as an increase in credit to the private sector as a share of domestic credit.

As part of the efforts towards creating a more diversified financial sector and improving access to financial services, the Government continued to implement the blueprint for the financial sector deregulation as follows:

- The Central Securities Depository (CSD) is now operational with the bill submitted for Parliamentary approval to make it possible for equities to be admitted into the depository.
- The Long Term Savings (LTS) bill was passed along with the subsequent appointment of the respective Boards of the Venture Capital Trust Fund and the Long term savings scheme. The Chief Executive Officer of the Venture Capital has also been appointed.
- The Insurance Bill was to be laid in Parliament before the end of 2005 to facilitate the efficiency and competitiveness of the insurance industry. This is expected to support innovation and risk management in pursuit of capital market development in the country.

### ***Policy Objective 3: Modernise the Public Expenditure Management Regulatory Framework***

*Policy measure: Develop guidelines and procedures for more comprehensive collation of annual financial accounts.*

It is expected that compliance with the guidelines would increase public finance standards in the Consolidated Fund, Statutory Funds, Donor funds and Project/Programme Funds; this would also lead to improvement in the completeness of budget and financial statements for the Consolidated Fund.

As part of the efforts towards improving Public Expenditure Management, government through the Ministry of Finance and Economic Planning has extended procurement planning to all MDAs. Tender Review Committees in MDAs and MMDAs as well as the Central Tender Review Board have been established.

Oracle Financials was 100% complete in both test and production instances and has been deployed in a number of MDAs including the Ministry of Finance and Economic Planning, Controller & Accountant General Department, Ministry of Health – Headquarters (HQ), Ghana Health service – Headquarters (HQ), Ministry of Education & Sports – Headquarters (HQ), among others.

### ***Policy Objective 4: Strengthen the Budget Formulation Process***

*Policy Measure: Issue guidelines for the 2006 budget using functional classification aligned with GFS and revised MTEF methodology.*

This policy objective would lead to:

- improved capacity in the area of public financial management;
- alignment of the budget strategic policy priorities with the GPRS; and
- increase in compliance with generally accepted public finance standards.

A major achievement in this regard was the fulfilment of MOFEP's constitutional mandate of presenting the Annual Budget Statement and Economic Policy for the following year to Parliament on 30<sup>th</sup> November 2005.

### ***Policy Objective 5 Strengthen Budget Execution and Reporting***

*Policy Measure 1: Prepare monthly (commitment and expenditure) budget execution with 4-6 weeks lag and a quarterly report on execution (itemised) of poverty related expenditures, with no more than eight (8) weeks lag.*

*Policy Measure 2: Publish first annual procurement report of the Public Procurement Board, and fully operationalise Public Procurement Institutions within MDAs.*

*Policy Measure 3: Establish Internal Audit Agency Secretariat (LAA) and begin the process of staffing existing Internal Audit position in MDAs and MMDAs; also create and staff Internal Audit units of MDAs and MMDAs currently without such units.*

*Policy Measure 4: - Expand BPEMS to other MDAs*

- Transfer of core accounting for the Consolidated Fund (revenues, budget, and fund requisitions, and other expenditures under the CAGD) to BPEMS;

- CAGD to submit final accounts and financial statements to Auditor-General within statutory timeframe;
- Auditor-General to submit outstanding 2002 and 2003 audited accounts for the Consolidated Fund and MDAs

These measures are expected to produce the following outcomes:

- provide a more transparent and accountable expenditure management;
- reduce the scope for waste and irregularity in the execution of public expenditure;
- ensure compliance with legal regulations; and
- strengthen the quality and timeliness in external audit.

*Policy Measure 1:* Monthly (commitment and expenditure) budget execution with 4-6 weeks lag and a quarterly report on execution (itemised) of poverty related expenditures, with no more than eight (8) weeks lag are prepared.

*Policy Measure 2:* Entities are still finalising their procurement plans for submission. PPB is developing software to assist easy preparation of procurement plans; the software will be finalised by March 2006.

A contract has been awarded and the Consultant has produced a draft document. The final document is expected to be ready by March 2006.

Publication of tender notices is already in the national Dailies, however modalities for institutionalising the process are included in the contract for the procurement regulations manual. This is already taking place in the entities and was proven during an assessment of 75 procurement entities.

The status of Entity Tender Review Boards in place is as follows: MDAs -72.5%; MMAs – 60.14%; RCC- 90.8%. It is expected that the PPME tool for M&E will be tested on at least 76 entities beginning late October 2005.

*Policy Measure 3:* The Director-General of Internal Audit Agency (IAA) has been appointed, whilst the process is on-going for the appointment of Deputy Director-General (DDG) and the support staff. An office accommodation has been identified for use by the team.

Internal Audit Units (IAU) have been set up in MOFEP, MOE, MOH, MLGRD and MRT. The IAUs of MOE and MOH have manuals and programmes that guide their operations and consultants are being engaged to develop IA regulations, Standards, Procedures, manuals and programmes as required under the IAA Act. The Director-General and nine Audit Managers (Including 3 for MDA audit, 2 for MMDA audits and 2 for Treasury & Accounts and Budget & Procurement) have been appointed.

*Policy Measure 4:* The BPEMS has been expanded to other MDA and is fully operational.

### ***Policy Objective 6: Improve Fiscal Resource Mobilisation***

*Policy Measure 1: Strengthen revenue collection institutions for tax collection*

*Policy Measure 2: Improve collection of non-tax revenue.*

The Ministry of Finance and Economic Planning continued to implement measures to improve non-tax revenue mobilisation.



The following activities among others were implemented:

- MDAs were sensitised on the reporting requirement of the FAA and FAR as a result of which most of them are now reporting their NTR/IGF in accordance with the new format contained in the FAR;
- restructuring of the revenue collection procedures started in 20 MDAs. 5 MDAs have reported completion of the process as at September 2005;
- a pilot system for the tracking and validating of retained IGFs for selected MDAs was started; and
- a total amount of c5.0 billion was released to 18 MDAs to implement revenue enhancement measures, including provision of vehicles to enhance revenue monitoring, training of revenue collectors, provision of equipment, publicity and public education etc.

### ***Policy Objective 7: Pursue Price and Exchange Rate Policy***

Monetary policy in 2005 has continued to focus on creating the environment for accelerated growth and wealth creation by sustaining the progress made in reducing inflation and maintaining exchange rate stability

The independence given to the Bank of Ghana has enabled the Bank to implement monetary policy focusing on price stability for growth.

- a Real Time Gross Settlement Payments System was introduced in 2003 to facilitate the settlement of high value transactions between banks;
- an Interbank Credit Transfer System has also been introduced to facilitate the settlement of small value payments through the banking system;
- a Payments System Bill was passed into law in 2003; and
- a Central Securities Depository System became operational in November 2004.

The process of separating Bank of Ghana's open market operations (OMO) for liquidity management and public sector borrowing requirement (PSBR) of Government also started in July, 2005. In line with this, and in order to enhance flexibility in managing market liquidity, two new BOG instruments—the 14-day and 28-day Bank of Ghana bills—were introduced along side the already existing bills in July.

#### **4.5 STATUS OF ACTIONS ON POLICY RECOMMENDATIONS MADE IN 2004 APR**

Several policy initiatives were suggested in the 2004 APR and were expected to be implemented by Government. Table 4.3 below summarises these initiatives and the progress made towards their implementation in 2005.

**Table 4.3: 2004 APR Recommendations and Status**

2004 APR Policy Recommendations	Status in 2005
1. Continued progress will require improving upon the medium-term macroeconomic objectives set out in the GPRS, such as economic growth, external stability, reduction in the domestic debt, reduction of inflation to single digits, increasing revenue mobilisation, curtailing deficit financing by pursuing a policy of zero net domestic financing.	The macro economic indicators achieved are as follows: <ul style="list-style-type: none"> <li>▪ Real GDP growth of 5.8%</li> <li>▪ 12 month CPI inflation of 14.8%</li> <li>▪ Gross international reserves build-up of 3.6 months of import cover</li> <li>▪ Domestic primary surplus of 3.4% of GDP</li> <li>▪ Budget deficit of 1.96% of GDP</li> </ul>

2004 APR Policy Recommendations	Status in 2005
2. The government will pursue more ambitious growth policies that will propel the economy into an accelerated growth mode rather than being caught in 5% “growth trap”.	The targeted growth rate of 5.8% as stated in the 2005 budget was exceeded by 0.2%. This is however still below rates that can propel the economy to a middle income status by 2015.
3. While food crop production will be encouraged with continued emphasis on modernised agriculture dependent on irrigation and better crop varieties, the government will focus on the high growth sectors of tourism, trade, information and communication technology (ICT).	<p>Progress made in food crop production included ensuring the availability of quality planting materials and improved seeds. Focus on identified emerging sectors improved with the following outcomes:</p> <ul style="list-style-type: none"> <li>▪ An increase in domestic and international tourism attracted arrivals that exceeded the period average by 11% in July 2005.</li> <li>▪ A number of initiatives in progress to develop a reliable and cost effective ICT infrastructure</li> <li>▪ The completion of the Trade Sector Support Programme (TSSP) to implement the Ghana trade policy.</li> </ul>
<p>4. Real government spending especially in areas which support production such as infrastructure will need to be increased. This will have to be financed in a non-inflationary manner by strengthening resource mobilisation through;</p> <ul style="list-style-type: none"> <li>• the strengthening of the revenue collection machinery,(IRS and VAT Secretariat)</li> <li>• expanding the tax net to cover small businesses and the informal sector</li> <li>• improving non-tax revenue generation, including monitoring and collection of reasonable dividend from the operations of State-owned enterprises pay;</li> </ul>	<p>Government increased poverty spending significantly to accelerate the attainment of its targets and help Ghana progress towards the Millennium Development Goals (MDGs).</p> <p>Efforts of the revenue agencies have subsequently improved domestic revenue mobilisation. There was an increase in vigilance to deal with revenue leakages resulting from smuggling and under invoicing of imports.</p> <p>Non-Tax revenue mobilisation has been improved as a result of the:</p> <ul style="list-style-type: none"> <li>▪ Restructuring of revenue collection procedures in 20 selected MDAs. 5 MDAs have however completed the process</li> <li>▪ Implementation of pilot system for tracking and validating of retained IGF’s for selected MDAs</li> <li>▪ The release of c5billion to 18 MDAs to execute revenue enhancement measures such as provision of vehicles for monitoring, training of revenue collectors, equipment etc.</li> </ul>
5. Reduce the domestic debt stock with the goal of widening access of the private sector to domestic capital. While the GPRS targets halving the domestic debt/GDP ratio by the end of 2005 down from 26 % in 2000, further reductions to a ratio of below 10% will be needed to improve credit to the private sector and in attaining a single digit inflation.	The domestic debt stock (excluding long term and interest bearing revaluation stocks) as at August 2005 was 16.03% of GDP representing an increase of 8.9% over the stock at the end of December 2004. This increase is attributed to the delays in accessing the programmed external borrowing and lower than programmed revenue inflows. This increase though significant, compares favourably to the increase of 24.3% recorded in December 2004.
6. Address weaknesses in the reform of public expenditure management to enhance the transparency and accountability of government outlays.	<p>Improved Public Expenditure Management and procurement planning has been extended to all MDA’s. The Central Tender Review Board has been established as well as Tender Review Committees in MDA’s and MMDA’s.</p> <p>Oracles financials has also been set up as a centralized solution and deployed in seven selected MDA’s ( MOFEP, CAGD, MOH, GHS, MOE, GES, MRT)</p>
7. There have been problems with the operation of the Budget and Public Expenditure Management System (BPEMS). The objective of government in 2005-06 will be to make the BPEMS work.	BPEMS is operational, and was used in the development of the 2006 budget presented in November 2005.

2004 APR Policy Recommendations	Status in 2005
8. The goal of monetary policy will continue to focus on reducing the rate of inflation towards single digits. The BOG will use open market operations and adjustments to the prime rate to achieve this objective.	Headline inflation rate has declined continually from April, except in September, that recorded a marginal increase from 14.7 % to 14.9 % as a result of petroleum price realignment. Inflation at the end of the year was recorded at 14.8%.  Interest rates have declined in response to the monetary policy measures put in place in 2005. The BOG prime rate was reduced by 3.0% to stand at 15.5% as at September 2005.
9. The current large interest rate spread that limits the private sector's access to capital need to be lowered. This will be achieved through fiscal policy, stepped up bank supervision and the reduction in the secondary reserve requirements for banks.	Interest rates have declined in line with the trends in the BOG prime rate. This trend was further supported by a reduction in Government borrowing and the increased liquidity of banks as a result of the revision of the secondary reserve requirements from 35% to 15%.
10. Deregulating the petroleum sector to open up to private sector investment and activity and establishing a pricing regime that will be devoid of government influence while credibly and effectively isolating government from decisions relating to the determination of petroleum prices, except for taxes.	The National Petroleum Act (ACT 691) has been enacted and the Governing Board of NPA constituted and inaugurated. Four tenders have been opened for the participation of the private sector in the importation of petroleum products and ex-refinery prices for petroleum products for the third quarter of 2005 and the resultant marginal adjustments have been recalculated.
11. The Government to sustain dialogue with the development partners through the Multi-Donor Budgetary Support Framework to improve on the quantum of budgetary support and the timely disbursement of pledges for financing the implementation of the GPRS.	The effective coordination of the Multi-Donor Budgetary Support mechanism yielded 100% receipts of expected support to the budget.
12. Refinements will be made to the GPRS to pursue poverty reduction strategies while at the same time pursuing the objective of achieving the \$1000 per capita income target.	The GPRS II has been developed as a successor framework with the focus on accelerated growth.
13. Government expenditures as published do not clearly show the extent to which the poor benefited, especially the deprived areas of Northern, Upper east and Upper West and Central Regions. A more detailed breakdown of spending will be provided to forge a closer link between budget allocations and beneficiary targets.	Expenditure breakdown are still not detailed enough to show the extent of allocation to the deprived areas.
14. While the pursuance of the growth objective will lead to reductions in poverty, activities related to poverty reduction will need to be allocated additional resources. There are competing demands for government resources; government will thus strive to expand the resource envelope.	By December 2005, total Government expenditure utilized to implement direct actions for the poor amounted to €8,256 billion as against the planned €8,014.4 billion.
15. External sector policy will pursue the diversification of export earnings and the accumulation of foreign exchange reserves in the medium term.	Foreign reserves stood at \$1,647 million as at September 2005, the equivalent of 3.4 months of imports of goods and services.
16. The unemployment rate is a critical macroeconomic indicator of welfare. But information on the unemployment rate which is regularly reported in other countries is not available. Government will work hard to ensure that labour market information be made available more frequently	Two initiatives have been instituted by the GSS to provide comprehensive and up-to-date data on the labour market <ul style="list-style-type: none"> <li>▪ A module has been attached to the 5<sup>th</sup> round of the GLSS to collect data on the demand side of the labour market</li> <li>▪ A collaborative effort with the Ministry of Manpower and Employment to upgrade employment statistics especially on the supply side</li> </ul>

2004 APR Policy Recommendations	Status in 2005
17. There is a need for the development of a Ghana macroeconomic database (jointly by the GSS, MOFEP, and BOG) that is accessible to all Ministries, donors, and the NDPC.	The framework for the Ghana Info Database has been developed. The GSS and NDPC are undertaking regional training programmes on the management of the tool..
18. While data indicates that actual poverty levels have declined, the perception is that the attainment of macroeconomic stability has not materially improved the purchasing power and living condition of the poor. The government will need to step up its information dissemination programme to better inform. The GLSS5 survey also needs to be promptly executed.	Activities undertaken to disseminating information on Government policies and programmes included: <ul style="list-style-type: none"> <li>▪ Resumption of Sector Ministers' Meet-the-Press</li> <li>▪ Procurement of six additional cinema vans to enhance the Information Services Department's (ISD) outreach communication activity</li> <li>▪ Airing of various events on both local and international (OBE) TV network</li> <li>▪ Sourcing of funds to rehabilitate GBC to improve its coverage and deliver service across the entire country.</li> <li>▪ The GLSS5 survey was launched in collaboration with NDPC for execution in 2006.</li> </ul>

#### 4.6 POLICY RECOMMENDATIONS

The following are some recommendations to ensure the sustenance of macroeconomic stability, prudent fiscal management, and overall growth in the economy and poverty reduction:

- i. Implementation of the Public Financial Management Short and Medium Term Strategic Plan. This covers Fiscal Policy Management; External Resource Mobilisation; Budget Formulation/Preparation; Public Expenditure Management; Non-Tax Revenue Mobilisation; Financial Sector Regulatory Framework; Public Information; and Economic Planning and Modelling.
- ii. Development of a comprehensive aid policy, which among other things will provide the broad framework for development assistance in Ghana, streamline and facilitate the mobilisation of external resources, take concrete steps to harmonise aid flows, and enhance capacity in analytical techniques for External Aid and Debt.
- iii. Improve effective debt management through improvement in Public sector Borrowing Requirements (PBSR) determination and forecasting and enhance monitoring and recovery of loans owed to government
- iv. Ensuring the efficient allocation and utilisation of resources in order to strengthen the preparation and implementation of the Budget through:
  - building the capacity of Parliamentarians in national development strategies and budgeting;
  - ensuring that budget preparation by MDAs are rigorous and expenditures are clearly and directly related to growth targets;
  - ensuring timely and accurate production of Poverty Related Expenditure Reports;
  - publishing HIPC Expenditure Reports from National Expenditure Tracking System (NETS); and
  - establishing a more structured mechanism for public/private sector dialogue for inputs into budget preparation and policy formulation.
- v. Improved Public Expenditure Management by reducing waste and ensuring value for money on all government expenditures. This would be achieved through
  - strengthening the capacity of the Public Expenditure Monitoring Unit to track and monitor the timely implementation of all government and donor funded

- projects;
  - ensuring that expenditures by MDAs are consistent with budget estimates and the achievement of growth targets; and
  - reviewing and streamlining procurement plans of all MDAs to avoid duplication of activities and expenditures.
- vi. Vigorously pursue appropriate mechanisms and procedures for effective mobilisation of revenue. These will include assisting MDAs to expand the scope of their current collections through further improvement in compliance with regulation on the payment of fees and licenses, establishing data base on revenue transactions for all NTR/IGFs generating MDAs, and working collaboratively with the State Enterprises Commission to track operating financial performance of SOEs on quarterly basis.
- vii. Creating an enabling business atmosphere is of paramount importance to government. Consequently, government will pursue the continuation of the legislative review agenda by which five key laws have been earmarked for promulgation in 2006. These are the:
  - companies Code which: will finally address the irregularities and speed up the process of doing business in Ghana;
  - foreign Exchange Law;
  - securities Industry Law (SIL): will strengthen the supervisory authority of the Security and Exchange Commission (SEC) and bring it in line with international best practices and standards. More importantly and to leverage the capital markets, the review will strengthen the SEC's role in supervision, regulation and development of the soft securities markets such as the commodities exchange market and the over-the-counter market in addition to credit rating agencies and the LTS;
  - credit Union Bill: will give direction and guidelines in savings mobilisation by credit associations; and
  - credit Bureau Law: will directly address credit risk signalling and adverse portfolio selection due to lack of reliable information on the history of borrowers.
- viii. Infrastructural support through the funding arrangement for majority of the regulatory agencies under the money and capital market development agenda through the establishment of a common trading screen for primary dealers at Bank of Ghana, automation of the Ghana Stock Exchange and full computerisation of Bank of Ghana operations.
- ix. Improvement in the depth of financial service delivery to the rural economy
  - In order to enhance transparency in the management of the economy, government will develop a communication strategy that will provide adequate and reliable information on the management of the economy. Activities to be implemented would include the publication of quarterly state of the economy reports and undertaking periodic media encounters.

**MACROECONOMIC STABILITY  
STATUS OF INDICATORS- 2005**

**Table 4.4: Summary of Status of Medium-term Priorities (MTP) indicators for the Macroeconomic Stability, MDBS/PRSC, 2002 - 2005**

Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
<b>MTP</b>						
Reduce and Restructure domestic debt	Pay down domestic debt	20% of HIPC Funds	€81.4 billion applied to domestic debt	€144 billion was paid to reduce domestic debt	€301.4 billion was used to repay domestic debt representing 16.4% of HIPC funds	€ 398.6 billion is projected to have been paid to reduce domestic debt. Representing 20% of HIPC funds
	Develop medium and long term instruments	Number of medium to long term instruments developed	GILB, Cocoa Bill introduced	GoG index linked bond Cocoa Bills continued	Government issued Medium Term Bonds: 2-3 Year Fixed and Floating rate bonds	Two new BOG instruments – the 14-day and 28-day Bank of Ghana bills - were introduced along side the already existing bills in July 2005
Improve Public Expenditure Management	Review, refinance and strengthen implementation of MTEF and PUFMARP	Revenue allocated to financing MTEP and PUFMARP	\$37.224 million allocated to funding PUFMARP I, of which approx. \$29.114 million has been disbursed and the remaining \$8.11 million as outstanding. The funding sources were: DFID, CIDA, EU, IDA and GoG	Financial information project that will house the BPEMS operating system is 65% completed due to lack of funds	Financial Administration regulations, 2004, LI 1802, for Financial Administration Act passed. PUFMARP continued, BPEMS set up in selected MDAs	Extension of procurement planning to all MDAs. Tender Review Committees in MDAs and MMDAs as well as the Central Tender Review Board have been established.
<b>PRSC/MDBS</b>						
Create a more diversified financial sector and improve access to financial service	1. Implement FINSSP, including i) Improving the administrative framework for micro finance,				Nomination of Board Members and recommendations for appointment of Chief Executive Officer of Microfinance Centre forwarded to the President for approval.  In the interim, a four member technical committee together with stakeholder beneficiaries are performing the services of the Centre pending the appointment of the Board and formal staffing of the Centre.	Action plan on MFI still being reviewed by the Minister for Presidential affairs.

Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
	<p>ii) Establishment of a Central Securities Depository for government securities; and</p> <p>iii) The enactment of Long Term Savings law for private pension and housing Schemes.</p>				<p>A list of all current interventions to support Microfinance activities in Ghana is prepared. The list will include the name of activity, a brief description, the concluding date, and the responsible agency.</p> <p>CSDS being implemented under a committee, to go live by November 2004 for government securities as the first phase. Auction of Government Security done through CSDS evidenced by a copy of transaction.</p> <p>Long Term Savings (LTS) law passed by parliament</p>	<p>The Central Securities Depository (CDS) is now operational for Government securities. To allow for the equities to be admitted into the Depository, the CSD bill is to be sent to parliament.</p> <p>The Board of the Venture Capital Trust Fund and the Long Term Savings Scheme has been appointed, likewise the CEO for the Venture Capital. The operation of the fund was subsequently launched in Dec 2005.</p>
Modernize PEM regulatory framework	<p>Within the context of existing legislation, develop guidelines and procedures for more comprehensive collation of annual financial accounts comprised of:</p> <ul style="list-style-type: none"> <li>- Consolidated Fund</li> <li>- Statutory Funds</li> <li>- Donor Funded Sector Project/Program Funds</li> </ul>			<p>The Financial administration Bill was passed into law at the end of December</p>	<p>Draft guidelines and procedures for the collation of annual financial accounts developed. This will include amongst others information on sources of funds and accounting standards.</p> <p>The present procedures for collation of data for annual financial accounts are:</p> <ul style="list-style-type: none"> <li>-aggregate receipts/revenue from Revenue Agencies, MDDBS as well as Non Tax Revenue</li> </ul>	

Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
					Monitoring Unit. -consolidate expenditure using ACCPAC at the headquarters for data obtained in soft copy from treasuries and regional offices. -Use the NETS (National Expenditure Tracking Systems) to generate report on functional classification and reports on Poverty Focused Expenditure	
Strengthen budget formulation	Deepen alignment of functional classification of the budget with GFS, with a view to simplifying budget format and reporting			Health and Education ministries limited their outputs considerably. Linkages of MTEF & GPRS were enhanced as budget volumes included summaries of MDA objectives and related GPRS MTP and expenditure by GPRS thematic areas, MTP and sources of fund	GFS based reports generated regularly and circulated to all MDAs to enhance decision making. Revised budget formats for submission and reporting, with standardized activities across all MDAs as well as MDA specific activities.	A major achievement was the presentation of the Annual budget statement and Economic Policy for 2006 in November 2005.
	Increase non-salary poverty related budgeted expenditures as share of domestically-financed expenditures (including HIPC) compared to the 2004 budget			A 27% increase in 2004 over 2003 budget in poverty reduction expenditures	2005 Budget statement shows a real increase in non-salary Poverty related expenditure as share of domestically financed expenditures.	Government increased poverty spending significantly to accelerate the attainment of targets and help Ghana progress towards the MDGs by 2015.
Strengthen budget execution and reporting	Establish Internal Audit Agency Secretariat and begin process of staffing existing Internal Audit positions in MDAs and Midas;  Create and staff Internal Audit Units in MDAs and				The Director-General and Unit Heads of the Internal Audit Agency in place.  Appointment process to fill vacant existing internal audit positions in MDAs and MMDAs well advanced.  Internal Audit Units created and	The DG of IAA has been appointed. Process is on-going for the appointment of DDG and the support staff.  An office accommodation has been identified.  IAUs have been set up in MOFEP, MOE, MOH,



Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
	MMDAs currently without such Units				<p>staffed in MDAs and MMDAs without Internal Audit Units (IAAB by Feb. 2005 to provide baseline data as at April 2004, and estimation of completion by April, June and December 2005.)</p> <p>Under the Internal Audit Agency Act, the current Internal Auditors at the various MDAs and MMDAs shall be deemed to be internal audit staff of various MDAs and MMDAs, but are subject to reassignment.</p> <p>** A list of MDAs and MMDAs without Internal Audit Units would be completed with the view to formally instructing them to establish and staff their Internal Audit Units by end February 2005.</p> <p>** Meanwhile, a general circular requesting such MDAs and MMDAs without Internal Audit Units to establish their Units and submit returns would have been issued</p>	<p>MLGRD and MRT. IAUs of MOE and MOH have manuals and programmes that guide their operations. Consultants are being engaged to develop IA regulations, Standards, Procedures, manuals and programs as required under the IAA Act.</p> <p>Director –General and Nine Audit Managers (Including 3 for MDA audit, 2 for MMDA audits and 2 for Treasury &amp; Accounts and Budget &amp; Procurement) appointed.</p> <p>IAA 2006 Budget has been approved.</p> <p>IAUs of MOE and MOH have manuals and programmes that guide their operations. Consultants are being engaged to develop IA regulations, Standards, Procedures, manuals and programs as required under the IAA Act.</p>
	Fully operationalise Public Procurement Institutions within MDAs				<p>Chief Executive and Unit Heads of the Public Procurement Board in place.</p> <p>All Entity Tender Review Boards in place and of the Entity Tender Committees, at least 95% at the Ministerial level, and 50% at the Department and</p>	<p>There has been progress since Oct 2005</p> <p>Entities are still finalising their procurement plans for submission. PPB is developing software to assist easy preparation of procurement plans; the</p>

Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
					<p>Agencies level formed and functional.</p> <p>Tender Review Boards in MDAs and MMDAs are in the process of being constituted.</p>	<p>software will be finalised by March 2006.</p> <p>A contract has been awarded and the Consultant has produced a draft document. The final document will be ready by March 2006</p> <p>Publication of tender notices is already in the national dailies. however modalities for institutionalising the process are included in the contract for the procurement regulations manual</p> <p>This is already taking place in the entities and was proven during an assessment of 75 procurement entities.</p> <p>Status of Entity Tender Review Boards in place and of the is as follows:  MDAs -72.5%  MMAs – 60.14%  RCC- 90.8%  PPME tool for M&amp;E will be tested on at least 76 entities from late October 2005.</p>
	Expand the Government's computerized financial and accounting system to cover additional four (4) MDAs			Implementation of a budget and Public Expenditure Management System in MFEP and CAGD continued	<p>Currently, set up of Oracle Financials as a centralised solution is 100% complete in both test and production instance for the following MDAs' headquarters:</p> <ul style="list-style-type: none"> <li>• Ministry of Finance</li> <li>• Controller &amp; Accountant General</li> </ul>	<p>Eight pilot sites setup completed centrally.</p> <p>MOH/GHS, MOFEP/CAGD are currently operational (Using system to process their transactions-(warrants, PO, AP).</p>

Policy Objective	Measure/Activity /Triggers	Indicator	2002	2003	2004	2005
					<ul style="list-style-type: none"> <li>• Ministry of Health Headquarters</li> <li>• Ghana Health Service Headquarters</li> <li>• Ministry of Education, Youth and Sports Headquarters</li> <li>• Ghana Education Service Headquarters</li> <li>• Ministry of Roads and Transport Headquarters</li> </ul> <p>The Budget and Public Expenditure Management System (BPEMS) using Oracle Financials will be operational (all modules) in four more MDA Headquarters that is:</p> <ul style="list-style-type: none"> <li>• Ministry of Interior – headquarters</li> <li>• Ministry of Works and Housing – headquarters</li> <li>• Ministry of Information – headquarters</li> <li>• Ministry of Local Government and Rural Development – headquarters.</li> </ul>	<p>Items 1 &amp; 2 of 2006 approved budgeted have been loaded onto the BPEMS.</p> <p>Cash ceiling release for MOFEP/CAGD, MOFA, MOH/GHS, have been processed on the system.</p> <p>All warrants for the remaining MDAs for the first qtr will be processed by end March.</p> <p>All Standard reports currently being produced (GFS &amp; Monthly revenue &amp; expenditure reports) have been configured and customized on the system.</p> <p>Contract has been awarded to change the existing WAN to Fibre Optic and is due to be completed by Mid February 2006.</p>
	Auditor-General to submit 2004 audited accounts for the Consolidated Fund and MDAs				<p>2003 Audit Reports on Consolidated Fund and on MDAs submitted to Parliament.</p> <p>In respect of 2003 report on MDAs, the Auditor-General in November 2004 submitted advance copies to MOFEP and Parliament while printing of the report is in progress.</p>	<p>The Auditors report on MDAs 2004 has been completed and submitted to Parliament in December, 2005.</p> <p>The Audit of the Consolidated Fund has been completed and submitted to Parliament in November, 2005.</p>

## CHAPTER FIVE

### PRODUCTION AND GAINFUL EMPLOYMENT

#### 5.1 INTRODUCTION

The focus of the medium-term policies outlined in the Production and gainful employment thematic area of the GPRS was to ensure: development of the rural economy through the modernisation of agriculture; sustained environmental protection through re-forestation; enhanced infrastructure development and; creation of an enabling environment for private sector activities and development. These were to be achieved through the following strategies;

- facilitate access to farming inputs such as fertilizers, insecticides, high yielding seed varieties and irrigation-based farming techniques;
- develop additional marketing channels for agricultural produce;
- promote the development of non-traditional exports so as to expand industrial production and avenues for gainful employment;
- accelerated growth of small and medium scale manufacturing industries through, the adoption of appropriate technologies and vibrant training programmes among others;
- utilise information and communication technology to further enhance our development efforts;
- address the gender dimensions of production including access to credit;
- vigorous encouragement of tourism to take advantage of both its foreign exchange earning capability, and its direct and indirect employment creation potential;
- ensure the sustainability of resources on which production is based.

Selected indicators have been monitored over the past four years to track the progress of implementation of the policy interventions. This chapter sets out to: review the progress made in 2005 towards the achievement of set targets; assess the extent to which recommendations from previous APRs have influenced policy actions in 2005; and take stock of policy initiatives that have not been implemented and the implementation challenges that emerged over the period.

#### 5.2 STATUS OF SELECTED INDICATORS AND KEY POLICY ACTIONS IN 2005

A total of forty-six selected indicators have been monitored over the implementation period of the GPRS. These include 16 under the policy area of Modernisation of agriculture; 11 for sustained environmental protection; 10 for enhanced infrastructure development; and 9 for creating an enabling environment for private sector and development.

In all 26% of the indicators achieved their targets, 52% recorded noticeable achievements, though they fell short of the intended target marginally, while 21% recorded slow progress towards targets. How each of these indicators performed over the period 2002-2005 is detailed in the subsequent sections.

##### 5.2.1 Modernised Agriculture

The thrust of agricultural development policy under the GPRS was to ensure the

improvement of farm and non-farm incomes (especially for the rural population which constitutes nearly 60% of the country's population) and food security through increased mechanisation of agriculture, improvements in irrigation facilities, improvement in the marketing and distribution of farm produce and the development of the fisheries sub-sector.

Key indicators selected for monitoring in this regard include:

- Percentage post harvest losses
- Tonnes of major crops produced
- Tonnes of silo space established
- Extension officer/farmer ratio,
- Quantity of fish produced per unit area of pond per cycle
- Area under fish farming
- Number of hatcheries constructed
- Quantity of fingerlings produced per Annum
- Percentage of arable land under irrigation
- Number of dugouts constructed
- Farm gate price of cocoa
- Increased exports of cash crop: cocoa
- Farmer access to mechanised tillage
- Access to harvesters
- Access to processing equipment
- Tractor to farmer ratio

Some progress has been made in this sector over the period of implementation. Thirteen out of sixteen of the indicators monitored in this sector showed significant improvement in status. The status of the specific indicators for each policy area is outlined below.

### ***Policy Objective 1: Ensuring Food Security***

#### Status of Indicators

Most of the indicators under this policy objective did not show any significant change between 2004 and 2005. With the exception of “tonnes of major food crops produced” which showed marginal positive adjustment, the rest stagnated in 2005. This contrast with 2004 when two of the four indicators (i.e. percentage of post harvest losses and the number of farmers served by one extension officer) showed marked improvements. The percentage of post harvest losses for cereals and perishables; ratio of extension officer to farmers; and the tonnes of silos established all stagnated at 20-25%, 33-35%; 1:1400; and 450MT respectively in 2005 (see Table 5.1). This trend has been re-enforced, in part, by evidence from the Participatory Monitoring and Evaluation (PME) Survey conducted in January 2006 in which between 45%-80% of the 2081 respondents in eight out of the ten regions of the country indicated that the quality of the extension services they received has not improved.

However, the overall trend was positive over the period of implementation, as three of the four indicators show, at least, 50% improvement over their levels in 2002. Percentage reduction in post harvest losses for cereals achieved the target set due to the acquisition of more processing equipment, while post-harvest losses in the perishables is expected to reduce further from its current level. The tonnes of silos established exceeded its target of 35Mt in 2004 and 2005 by, more than, a thousand fold. This, to a large extent, has improved the proportion of farmers with access to storage and processing equipment as indicated in the Participatory Monitoring and Evaluation (PME) Survey report of 2006. The result of the analysis shows that between 53%-86% of most of the 2081 households surveyed indicated that their access to storage and processing equipment has improved. This notwithstanding, the tonnes of major food crops produced showed mixed results over the period, with a

decline in 2004 but a marginal increase in 2005.

**Table 5.1: Ensuring Food Security**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
% of post harvest losses	15-20%	Cereals: 25-30% Perishables:35-40%	20-25% (cereals) 35-38% (perishables)	15-20% 33-35%	15-20%(cereals) 33-35%(perishables)	Targets achieved for cereals. With the acquisition of more processing equipment, post-harvest losses in the perishables is expected to reduce further
Tons of major crops produced			Maize=1.29m Mt Rice= 0.239m Mt Millet= 0.176m Mt Sorghum=0.338m Mt Cassava=10.2m Mt Yam=3.8m Mt Plantain = 2.3m Mt	Maize=1.16m Mt Rice= 0.242m Mt Millet= 0.144 Mt Sorghum=0.287m Mt Cassava=9.7m Mt Yam=3.89m Mt Plantain = 2.38m Mt	Maize=1.17m Mt Rice= 0.237m Mt Millet= 0.155mMt Sorghum=0.299m Mt Cassava=9.567m Mt Yam=3.923m Mt Plantain = 2.792m Mt	Inconclusive: No initial target was set, but clearly the result has been mix
Tones of silo space established	35mt	35mt	35mt	450MT Household Metallic silo	450MT	Target Exceeded
Extension officer farmer ratio	1:1200	1:2200	1: 1500	1:1400	1:1400	In spite of new recruitment in year 2004, ratio remained stable as a result of high attrition rate of staff

*Source: MOFA, 2005*

### Policy Measures and Achievements

It was planned in 2005 that quality planting materials and improved seeds will be made available to farmers to increase production and productivity. Significant achievements were made in this regard.

Under the roots and tubers programme, a total of 80 hectares of 5 new cassava varieties were established at 8 primary sites. These include Salaga and Damongo in the Northern Region, Mampong in Ashanti Region and Wenchi in the Brong Ahafo Region. The others are Kwamoso in the Eastern Region, Bawdjiase and Asuansi in the Central Region, and Kpeve in the Volta Region. This initiative is expected to make enough planting materials to cover a total of 640 hectares of land in 2006 and yield 12,800 metric tonnes of cassava.

Approximately 4.8 hectares of sweet potato multiplication plots were established at Tono and Okyereko and the Crop Research Institute (CRI) – Kwadaso site. Vines produced from the primary and second multiplication programme is expected to be made available for the production of 45,000 metric tonnes of sweet potato in 2006.

As part of measures towards increased output of cereals, a total of 20 farmers and 18 seed inspectors were trained in hybrid seed maize production; and additionally about 2.5 hectares of Nerica rice has been harvested as seed base to be distributed to farmers for planting.

Under the livestock development project the following activities were undertaken in 2005;

- ❑ rehabilitation of farm structures at the 6 breeding stations and re-stocking with improved breeds
- ❑ Ashanti Black Pig, Sanga Cattle, Djallonke and Sahellian sheep and goats were supplied to breeding stations
- ❑ 880 animal breeders, 647 Agricultural Extension Agents and 507 Milk Processors were trained in hygienic milk collection and processing in the project Districts of the National Livestock Project; and
- ❑ the Epidemiology Unit of the Veterinary Services Directorate together with Regional Development Officers organised farmer educational programmes for 13,205 livestock farmers nationwide.

During the year, 30 members of a fish farming group at Obane were also assisted to construct five ponds, expand 10 fish ponds and procure processing facilities under the Special Programme for Food Security (SPFS) of the Ministry of Food and Agriculture.

### ***Policy Objective 2: Rehabilitating the Fisheries Sub-sector***

#### Status of Indicators

There are four indicators under this policy objective, three of these showed improvements, over and above the 2004 levels, while one declined. The number of hatcheries constructed increased from 6 in 2004 to 9 in 2005. Six of these hatcheries were privately owned, while the remaining three were public. This is consistent with the pattern observed in 2004 where four of the hatcheries were privately owned and two were public.

The area under fish farm increased from 112.3ha in 2004 to 231ha in 2005, though falling short of the target of 450ha. This translated into increases in the quantity of fingerlings produced per annum from 3,500,000 tonnes in 2004 to 6,900,000 tonnes in 2005 (nearly 100% increase). However the quantity of fish produced per unit area of pond per cycle declined from 2tonnes/ha/year to 1.5tonnes/ha/year, indicating a drop in productivity (Table 5.2).

Apart from the quantity of fish produced per unit area of pond per cycle which showed a systematic decline over the period of implementation, all the other indicators showed gradual improvements from the 2002 levels. The quantity of fingerlings produced per annum and the number of hatcheries constructed exceeded their respective targets by 36% and 125% respectively. The overall outcome of the interventions under this policy objective can therefore be said to be positive.

**Table 5.2: Rehabilitation of the Fisheries sub-sector**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
Quantity of fish produced per unit area of pond per cycle	3 tonnes /ha/yr	2.5tonnes/ha/yr	2.5tonnes/ha/yr	2.0 tonnes/ha/yr	1.5 tonnes/ha/yr	Target not met
Area under fish farm	450ha	350-400ha	450ha	112.3 ha Functional fish ponds 2480.8 ha reservoirs	231ha	Target not met: Fell short of target by 119ha
No of hatcheries constructed	4	3	2	6 (2 Government owned & 4 privately owned)	9 (3 Government owned & 6 privately owned)	Exceeded Target
Quantity of fingerlings produced per annum	5million	150,000	3,455,614	3,500,000	6,900,000	Exceeded Target

*Source: MOFA, 2005*

### Policy Measures and Achievements

The focus of Government's policies in 2005 regarding the fisheries sub-sector was to promote sustainable and thriving fisheries enterprises through research, technology development and extension services to fishermen, processors and fish mongers.

Against these, some of the important activities undertaken in 2005 include the following;

- ❑ formation of 131 Community-Based Fisheries Management Committees (CBMFC) in 17 coastal districts;
- ❑ the procurement of a Vessel Monitoring System (VMS) which will monitor the operations of fishing vessels in Ghanaian waters, has been, installed and functioning. So far 70 vessels have been fitted vessels tracking devices;
- ❑ distribution of 1,000 outboard motors to beneficiaries along the coast. The second batch of 755 outboard motors is expected to be distributed in four coastal regions by the end of 2006;
- ❑ organisation of two workshops to formulate a strategic framework for aquaculture development in the country. Training of fish farmers has commenced in Kumasi with at least 12 farmers benefiting from it;
- ❑ commencement of a pilot phase of an Alternative Livelihoods Programme in fishing communities to provide skills and vocations. It is expected to provide employment and other sources of income during lean seasons for fishermen and their families in both marine and Volta lake fisheries.

### ***Policy Objective 3: Provision of Irrigation Facilities***

#### Status of Indicators

The year 2005 saw an improvement in the two key indicators monitored under this policy objective. The proportion of arable land under irrigation increased, though marginally, from 0.08% to 0.10%, while the number of dugouts constructed increased from 999 in 2004 to 1,069 in 2005(about 7% increase).

Though none of the targets set for the indicators were achieved, they showed modest gains



during the period of implementation. The hectares of arable land under irrigation increased from 12,000ha in 2002 to nearly 19,000ha (about 58% increment), while the number of dugouts constructed now stands at 1,069 compared to 262 in 2002 (nearly 400% increase).

**Table 5.3: Provision of Irrigation Facilities**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
% of arable land under irrigation	0.17% (33,000ha)	0.04% 12,000ha	currently estimated at 0.08%	0.08%	0.10% (19,000ha total land irrigated)	Target not met: Fell short of target by 0.07%
Number of dugouts constructed	1,309	262	713 out of 1309 (bore holes, dugouts, water storage, stream diversion, stream and tube well pumping) were completed	999 out of the 1,309 water facilities were constructed.	1069 out of the 1,309 water facilities were constructed.	Target not met: Fell short of target by 240

Source: MOFA, 2005

### Policy Measures and Achievements

In 2005, the Irrigation Development Authority prepared a draft irrigation development policy. Feasibility studies aimed at bringing 20,000 hectares of the Accra plains under cultivation through irrigation are being prepared. Also contract has been awarded for the rehabilitation of the following irrigation schemes; (i) Weija in Greater Accra Region, (ii) Aveyime, Afife and Kpando Torkor in Volta Region, (iii) Sata and Akumadan in Ashanti Region (iv) Tanoso and Subinja in Brong Ahafo region; and (v) Boltanga in the Northern Region.

In addition 30 dugouts and 40 boreholes have been drilled for irrigation purposes (8 of these boreholes have been installed with pumps in six districts).

### ***Policy Objective 4: Improve Farm and non-Farm growth in the Rural Sector***

#### Status of Indicators

The objective of this policy intervention was to improve rural incomes through the development of cash crops, particularly cocoa, among others. The policy accordingly focused on improving the method and quantity of cocoa production, and increasing the farmers' share of the F.O.B price of the produce. Available data indicates that farmers' share of F.O.B price increased to 73% in 2004, and then stabilized at 70% in 2005. The current figure, however, exceeded the target of 69% by 2005. The volume of cocoa produced in the 2004/2005 crop season stood at 583,109 tonnes, falling short of the volume recorded in 2003/2004 cocoa season by 20%. The total F.O.B value achieved was US\$830.51million (Table 5.4).

**Table 5.4: Improving Farm and Non-farm Incomes**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
Farm gate price of Cocoa	69% of FOB		The farm gate price of cocoa was raised to 69% of FOB	The farm gate price of cocoa was raised to 73.01% of FOB	The farm gate price of cocoa was maintained at 70% of FOB	Target exceeded by 1%
Increased exports of cash crop: Cocoa			Exports of cocoa increased by 11%	Exports of cocoa increased by 75%	Exports of cocoa declined by 20%	Significant Achievement

Source: MOFA, 2005

### Policy Measures and Achievements

To increase rural incomes and sustain the improvement of the cocoa industry, a consistent policy to improve agronomic practices, diseases and pests control and increase value addition was pursued during the year under review. Specific initiatives include;

- ❑ maintain the farmer's share of the F.O.B price of cocoa above 70% during the 2004/2005 crop year (this amounted to c9million per tonne produce price).
- ❑ continuation of the Cocoa Diseases and Pest Control Programme, which involves the control of black pod disease and capsid attack. The exercise currently covers over 90% of the total land area under cocoa cultivation and created about 56,000 jobs for unemployed youths in the local communities of the traditional cocoa growing areas in Ghana. An amount of c454 billion has been spent so far and covers 1.6million hectares.
- ❑ payment of a total bonus of c429 billion to cocoa farmers so far. In addition, the Cocoa Board Scholarship Fund also increased to c15billion from the previous year's figure of c12 billion to make more awards available to the children of cocoa farmers.
- ❑ continue with the programme of rehabilitating roads in cocoa growing areas to facilitate haulage of cocoa and other farm produce. During the year the cocoa industry contributed c25 billion to improve feeder roads in the cocoa growing areas.
- ❑ the COCOBOD released c1billion as seed money for the commencement of the proposed Cocoa Farmers Housing Scheme project. The Board of Trustees to manage the funds in the Western Region has been officially inaugurated in Sekondi.

### ***Policy Objective 5: Increased Mechanisation of Agriculture***

#### Status of Indicators

The indicators for this policy objective in 2005 showed some modest improvement. Three out of the four indicators monitored showed some improvement, with the fourth indicator stagnating at its 2004 level. Farmer's access to mechanised tillage increased from 12% in 2004 to 14% in 2005, while access to processing equipment, increased marginally from 42% in 2004 to 43% in 2005. The tractor-to-farmer ratio decreased from 1:120,000 in 2004 to 1:110,000 in 2005, while access to harvesters remained at 2%.

The general trend of indicators over the period of implementation was positive as almost all the indicators showed significant improvements, with one exceeding its target. Farmers access to processing equipment which was programmed to reach 30% in 2005, exceeded its target by 13%, while farmer access to mechanised tillage fell short of its target by only 1%. The tractor-to-farmer ratio which stood at 1:180,000 in 2002 declined to 1:110,000 (showing an improvement), while farmer access to harvesters remained at its 2002 level of 2% (Table 5.5).

However, the Participatory Monitoring and Evaluation (PME) Survey of 2005 indicates that between 74%-96% of farmers in nine regions in Ghana (excluding Greater Accra region) do not have access to mechanisation.

**Table 5.5: Increased Mechanisation of Agriculture**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
Farmer access to mechanised tillage	15%	Less than 5%	8%	12%	14%	Target not met: Fell short of target by 1%
Access to harvesters	5%	Less than 2%	2%	2%	2%	Target not met: Fell short of target by 3%
Access to processing equipment	30%	20%	24%	42%	43%	Target Exceeded by 13%
Tractor to farmer ratio	1:90,000	1:180,000	1:150,000	1:120,000	1:110,000	Target not met

*Source: MOFA, 2005*

### Policy Measures and Achievements

In line with Government's efforts to reduce post harvest losses and improve value addition to agricultural produce, 20 cassava graters, 47 equipment engines, 4 rice threshers, 1 solar dryer and 9 metallic silos were distributed to beneficiaries in the Western, Volta, Central, Upper East and Northern Regions in 2005. Another 52 assorted processing and storage equipment were distributed to beneficiaries in five regions. This has improved farmers' access to mechanisation considerably.

### **5.2.2 Sustained Environmental Protection through Re-forestation**

The emphasis of Government policy towards the attainment of environmental sustainability and protection under GPRS was on reforestation and improved land administration. These were prioritised in view of the persistence of environmental protection problems, including desertification, and the broad issue involving access to land for productive activities.

Key indicators selected for monitoring progress towards the attainment of improved environmental protection and administration included:

- number of hectares planted
- rate of deforestation
- number of Community Resource Management Areas (CREMAS) established
- hectares of urban areas planted
- hectares of degraded forest reserve planted
- number of permanent employment generated
- number of registered and titled urban lands to individuals
- number of titled and registered allodial titles to stools, skins and tendambas<sup>2</sup> clans
- number of current land cases concluded
- number of customary land administration units established
- number of regional land courts established

A review of the data in 2005 shows little progress in most of the indicators. Out of the eleven indicators monitored, only two showed improvements over their 2004 levels, while the rest either stagnated or declined. The status of the selected indicators for each policy objective is detailed as follows.

***Policy Objective 1: Increased Environmental Protection through Reforestation***

Status of Indicators

The forestry sub-sector did not show any significant progress in 2005. Out of the six indicators monitored, only one showed significant progress. The hectares of urban area planted stagnated at 1350ha in 2005, while the hectares of degraded forest reserve planted declined from 27,050ha in 2004 to 21,705ha in 2005.

This notwithstanding, the latter indicator exceeded its target during the period of implementation. It was envisaged under the strategy that a total of 60,000ha of degraded forest reserve would have been restored by 2008, but even by 2005 this target had been exceeded by 24%. The hectares of urban area planted did not make significant progress towards its overall target by 2005. With the overall target of 20,000ha by 2008, only 20% of it has been achieved by the end of 2005.

The status of the indicator on the rate of deforestation could not be determined in 2005 due to lack of data. This indicator is measured every 10 years, but the indications are that it is on the decline from its 2002 level. The amount of employment generated in 2005 increased from 88,000 in 2004 to 121,188 (10,783 was as a result of HIPC programme; 49,500 were as a result of Forestry Commission’s regular programmes; and 60,905 from private sector initiatives). The average number of jobs generated over the past four years amounts to 101,396 per annum, exceeding the intended target of 100,000 jobs per annum. The indicator level for the number of “Community Resource Management Areas (CREMAS)” is unavailable and so an assessment could not be made in relation to the 2004 indicator level.

**Table 5.6: Increased Environmental Protection through Reforestation**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
No of hectares planted***	40,000ha by 2008	17,000ha	30,326ha	28,400(this excludes outside reserve planting)	Na	
Rate of deforestation	Na	65,000ha per year	50,000ha per year	Less than 50,000ha (yet to be determined).Indicator is measured every 10 years.	Less than 50,000ha (yet to be determined).Indicator is measured every 10 years.	No firm conclusion due to lack of initial target
Number of CREMAS established	2	2	1	nil	Pilot areas under establishment	Target not met
Ha of urban areas planted***	20,000ha by 2008	Na	1300ha	1,350ha in 2004 alone	1350 ha	Far behind Target
Ha of degraded forest reserve planted***	60,000 by 2008	Na	25,691ha	27,050(HIPC plantation-10950) (forestry commission-16100)	21,705 (HIPC plantation – 8,250; forestry Commission – 9,105.20 & Private Sector – 4350 hectares)	Target Exceeded
Number of permanent employment generated	100,000 Jobs per annum		95,000 jobs	88,000(HIPC-18,000;Forestry commission-70,000)	121,188: 3 10,783 HIPC (Full time – 6,650 & part time – 4128) 4 49,500 FC (hired labour – 18,000 & farmers – 31,500) 5 60,905 from Private sector	Target met in 2005: Target exceeded by 1,425 (on the average) annually.

Source: MLFM, 2005

\*\*\* = The indicators do not include information on hectares maintained. Future indicators should make room for such discrepancies, as this could underestimate the true outcome of the interventions.

### Policy Measures and Achievements

The Government's strategy for forest resource management included continuing the plantation development programme, extending competitive bidding in allocation of harvesting rights for existing natural and planted timber, and developing a framework for operationalising a legal validation and an effective log tracking system. It is expected that the plantation cover will be expanded from the 2002 level of 20,000 hectares to 80,000 by end of 2007.

The specific actions taken and achievements in 2005 towards the forestry sub-sector are as follows;

- The Forest Services Division (FSD) of the Forestry Commission (FC) as at the end of the second quarter cleared 8,231 hectares of degraded forests for planting. About 6,475 hectares of new plantation has so far been developed under the Plantation Development Programme.
- In order to improve the competitive bidding process of allocation of timber resources, discussions and sensitisation workshops have been organised for major stakeholders including chiefs and industry players. A vigorous monitoring system is currently in place to reduce illegal logging of timber and trade malpractices. The export duty on lumber, veneer and plywood was abolished.
- The validation of Legal Timber Project to ensure transparency, accountability and compliance with external market requirements was started. Technical Partners have also been selected to implement a log tracking system which among other benefits will facilitate the implementation of the Validation of Legal Timber Project.
- A pilot forest yield assessment programme has already been carried out in 12 forest reserves to determine the scientific basis for the conversion of all existing timber leases.
- About 300 people have been trained in bamboo furniture, crafts and construction as part of the sensitisation programme on the economic potentials of lesser known species, alternative to timber.

### ***Policy Objective 2: Improved Land Administration***

#### Status of Indicators

A review of the indicators shows limited progress in 2005. Of the five indicators reviewed, only one of them showed any significant progress. The number of registered and titled urban lands to individuals increased from 2,555 in 2004 to 2,638 in 2005, while number of customary land administration units established declined from 3 in 2004 to 1 in 2005. All the remaining three indicators did not show progress beyond the level attained in 2004.

An overview of progress made during the period of implementation did not indicate any significant results either. Indicators continued to show slow progress towards targets and most of the interventions are still at the preparatory stage. Out of the targeted 1,300,000 registered and titled urban lands to individuals expected to be achieved in 2008, only 0.3% has been achieved at the end of 2005, while the three piloted areas of titled and registered allodial titles to stools, skins and tendambas clans, has not moved beyond the sensitisation stage.

In the case of the number of customary land administration units established, only 13 out of the 50 units expected to be completed in 2008 are currently in place. An inventory is being taken by the responsible institutions to determine the current number of land cases that have been concluded. It is expected that by the end of 2008, the number of land related cases concluded will be reduced from 60, 000 to 35,000 annually.

**Table 5.7: Improved Land Administration**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
No of registered and titled urban lands to individuals	1,300,000 parcels by 2008	Na	1,131 certificates issued	2,555 certificates issued	2,638 certificates issued	Far behind the target in 2008
No. of titled and registered allodial titles to stools, skins and tendambas clans	Piloting 3 Areas (in 5years)	Na	No progress	Boundary demarcation in progress in Ejisu and Wassa Amenfi	Sensitisation of communities in pilot areas (Ejisu and Wassa Amenfi) continues.	Slow progress towards target in 2008
Number of current land cases concluded	Reduced by 35,000 (2008)	60000 currently in court	Alternative Dispute Resolution commences in 2nd Quarter	Inventory of current land cases (Proposal stage)	Baseline survey of existing land cases is ongoing (Oct. 2005 – March 2006)	Slow progress towards target in 2008
Number of customary land administration units established	50 to be established by 2008	7 established	2 established (Gbawe., Wassa Amenfi)	3 established (Kyebe, Manhyia, Tabiase)	1 established (Tamale)	Far behind target in 2008: About 74% more to achieve in 3years
Number of regional land courts established	10 by (2008)	Na	At proposal stage	At proposal stage	Still at the proposal stage	Slow progress towards target in 2008

*Source: MLFM, 2005*

### Policy Measures and Achievements

The following key activities were undertaken in 2005 towards the implementation of policies relating to Land Administration;

- ❑ Under the Boundary Demarcation Project, stakeholder sensitisation and consultations were held with paramountcies that share common boundaries with Wassa Amenfi and Ejisu for take off of the project.
- ❑ Four Deed Registries were established in Koforidua, Sekondi, Sunyani and Tamale thereby increasing coverage to six regions to facilitate deed registration as a prelude to systematic titling.
- ❑ A composite plan has been prepared to delineate the allodial interests and areas of conflict on the various clans' proprietary plans in Ada to facilitate the promotion of the salt industry
- ❑ An inventory of state lands in the Central Region to help inform government policy on compulsory acquisitions has been undertaken.
- ❑ The Survey Department with funding support from the Ministry of Tourism and Modernisation of the Capital City under took 256km of aerial colour photographing and orthophoto mapping of the coastline to promote tourism and salt industry development. This is also expected to help establish a baseline for preparing the country's claim for extension of the continental shelf of the 200 Mile Exclusive Economic Zone.

### **5.2.3 Enhanced Infrastructure Development**

Under the GPRS enhanced infrastructure development was prioritised as a critical

component of the accelerated growth of the real sectors and the socio-economic development of the economy. It was envisaged under the framework that, infrastructure in ICT, energy and transport sectors should be upgraded to support the growth of the real sectors (particularly agriculture and industry), while opening up the rural areas to economic activities.

The availability and improvement of ICT infrastructure was expected to support greater efficiency in the productive sectors and governance by facilitating wider access to information; while improved energy supply was expected to ensure households and industry (particularly small and medium scale) of constant power supply for productive uses. Improved rural and feeder roads, on the other hand, was expected to open up the food production areas to markets and help improve and stabilize rural incomes.

Key indicators selected for monitoring in this regard include:

- number of schools provided with ICT (computer terminals and PCs)
- number of fixed telephone lines installed
- ratio of energy demand to supply
- population with access to non-wood fuel energy
- number of households with electricity
- total electricity power generated(megawatts)
- lifeline pricing for electricity sector developed and implemented
- phase out budget subsidies to petroleum sector
- length of motorable feeder roads
- feeder road contract time lag (proportion of awarded contracts not completed on schedule)

A review of the status of key indicators at the end of 2005 has shown some significant achievements, particularly in the ICT and Road Transport sectors. Seven out of the ten indicators reviewed all showed positive trends over the period of implementation; with at least three meeting the set targets. An overview of performance, by policy objectives is presented as follows.

### ***Policy Objective 1: Increased Access to Information and Communication Technology (ICT)***

#### Status of Indicators

Good progress was made in promoting the strategy of increased access to information and Communication Technology (ICT) (Table 5:8). The number of schools provided with ICT (i.e. computer terminals and PCs) increased from virtually nothing in 2002 to a total of 913 at the end of 2005. Although, the number of schools provided with ICT reduced in 2005, it exceeded its overall target by 399.

The number of fixed telephone lines installed increased significantly from the 2002 level of 200,000 to 331,000 in 2005, while the number of cellular phones and pay-phones stood at 2,655,000, and 11,037 respectively (about 72% and 11% increment respectively, over their 2004 levels).

According to the Participatory Monitoring and Evaluation (PME) Survey commissioned by NDPC in 2005 between 64%-77% of households in all regions except the three northern regions, recorded improved access to telephone facilities. It was observed that, 70%-87% of the respondents took less than 14 minutes to have access to telephone facilities.

**Table 5.8: Increased Access to ICT**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
No. of schools provided with ICT (computer terminals and PCs)	514 by 2005	0	257	360	296	Exceeded Target
No. of fixed telephone lines installed	400,000 by 2005	200,000	283,000	Fixed Line:315,682 (Cellular: 1,540,476 Pay-Phones:9,933)	331,000 2,655,000 11,037	Target not met: Fell short of target by 69,000

*Source: MOC, 2005*

### Policy Measures and Achievements

As part of the vision to ensure that there is a reliable, cost effective ICT infrastructure and services using the latest technologies, the following developments took place in 2005;

- Ghana Telecom (GT) provided 320,000 fixed lines, 300,000 mobile telephones, 10,652 payphones and 900 broadband internet connectivity in 2005. Also 26 Community Information Centres (CIC) in the 10 regions were completed and are to receive connectivity solutions, while 11 new CICs have been awarded for construction. In addition, construction and rehabilitation works to upgrade 50 Postal Agencies to Post Office status have been completed.
- An initial contribution of €14 billion has been received from some operators into the proposed Ghana Investment Fund for Telecommunications (GIFTEL), intended to be used to facilitate the extension of telecommunication facilities to underserved and unserved areas.
- The transformation process of the VOLTACOM utility into a separate first class National Communication Backbone Company to oversee the extension and management of the fibre optic from the southern sector to the northern sector continued in 2005. It is expected that this will serve the entire country and also some parts of the sub-region upon completion. In addition, a proof of concept on messaging and collaboration to promote e-governance has been completed with IBM Lotus. Currently 9 MDAs are using the facility for e-mail and internet services.
- The postal and Courier Services Regulatory Commission has been set up. A draft regulation for the industry has been developed.

### ***Policy Objective 2: Ensure Reliable Supply of High Quality Energy***

#### Status of Indicators

Indicators for this policy objective showed mixed results in 2005. The ratio of energy demand to energy supply reduced from 0.73 in 2004 to 0.72 in 2005 primarily due to system weakness. Total installed capacity also reduced from 1,760 megawatts to 1,730 megawatts within the same period due to the non-operation of the Tema thermal, resulting from fire outbreak at the harbour. However, total energy generated within the same period showed an increase from 6,039 GWh hours to 6,789.9 GWh hours to meet increased demand. The proportion of households with access to electricity increased marginally from 52% in 2004 to 54% in 2005, while the proportion of people with access to non-wood fuel energy remained unchanged (40%) in 2005. The share of electricity in total energy consumption increased from 9% in 2004 to 11% in 2005 due to closure of VALCO in 2004.



As no targets were set for these indicators, it has been impossible to evaluate the sector's performance objectively. However, trends in these indicators show a general improvement, particularly in total electric power generated and the proportion of households with access to electricity, both of which stood at 50.6% and 5,899 megawatts respectively in 2003.

**Table 5.9: Ensure Reliable Supply of high quality Energy**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
Ratio of energy demand to energy supply	N/A	-	0.73	***0.73	0.72	No firm conclusion due to lack of initial target
Population with access to non-wood fuel energy(over 68% of total energy consumed in Ghana is from wood fuels)	N/A		43.4%	40% (SNEP) Petroleum: 31% Electricity : 9%	40% Petroleum 29% Electricity 11%	No firm conclusion due to lack of initial target
Households with electricity	N/A		50.6%	52%	54%	No firm conclusion due to lack of initial target. But the trend suggest general improvement
Total Installed capacity (MW)	N/A		1,652	1,760	1,730	No firm conclusion due to lack of initial target. But the trend suggest general improvement
Total Generation (Gwh)	N/A		5899	6,039	6,787.9	
Lifeline pricing for electricity sector developed and implemented	N/A		Done	done		Target is met
Phase out budget subsidies to petroleum sector	N/A		Process to remove subsidies in place ( Price of Petroleum products increased by 90.4% in 2003)	Participation of the private sector /Oil marketing companies in the importation of finished products on March 31 2004 Review of petroleum pricing formula is being done Draft Deregulation Bill being finalised for Parliamentary approval	The NPA Act (AC 691) has been passed and the private sector is now involved in importation of oil through competitive bidding. Pricing of product is determined by a revised pricing formula	This objective has been achieved

*Source: MOE, 2005*

### Policy Measures and Achievements

To increase access and reliability of energy supply, as envisaged under GPRS I, a number of activities were undertaken in 2005. Specific among them are;

- ❑ Continue upgrading of sub-transmission system in both Accra and Kumasi by the Electric Company of Ghana. In all 54 different projects were involved.
- ❑ Installation works for the remaining towns under the final phase of Self-Help Electrification Project (SHEP) 3 in the three Northern Regions continued. So far 35 out of the 193 communities under SHEP 4, Phase 1 are completed.
- ❑ 102 remote Junior and Senior Secondary schools in all 10 regions have benefited from the installation of solar PV system. Preliminary works for the retrieval and relocation of solar systems from areas connected to the National Grid has commenced.
- ❑ A memorandum of Understanding (MOU) has been signed for the construction of the Bui Hydro Electricity Project. The relevant Environmental Impact Assessment (EIA) study has been done.
- ❑ The contract for the construction of the West African Gas Pipeline Project (WAGP) was awarded in 2005 and as at December, 2005 100km out of 261km has been laid. A policy framework for a secondary gas distribution network and the road-map has been agreed upon, with a stakeholder Committee to formulate policy and draw up regulatory structure in place.
- ❑ The inauguration of the Governing Board of National Petroleum Authority (NPA) to oversee the implementation of the petroleum deregulation policy, following the passage of the national Petroleum Act (ACT 691).
- ❑ The fabrication and distribution of about 994 storage tanks to selected locations under the Rural Kerosene Distribution Improvement Programme.
- ❑ The Buipe-Bolgatanga Petroleum Products Pipeline Project was completed, with take-over certificate signed in October 9, 2005. Commissioning has been postponed until expansion of storage facilities.

### ***Policy Objective 3: Improved Feeder Roads***

#### Status of Indicators

The network size of feeder roads has increased by 54% over the 2001 network size (24,000km) as at the beginning of 2005. The condition report of 2005 indicates that the network size stands at 41,039km, with an additional 8,405km of un-engineered roads yet to be accounted for during the compilation. This compares well with the 2004 figure of 23,000km. The condition of the 41,039km engineered network in 2005 is given as 35% in good condition, 27% fair, and 38% poor, indicating a poorer condition compared with the 2004 condition mix which stood at 46% in good condition, 25% fair, and 29% poor.

In the case of feeder road contract lag time, the figure stood at 64% in 2005, a decrease from 87% in 2004. Due to lack of initial target and unavailability of historical data, analysis of trends in this indicator could not be done.

**Table 5.10: Improve Feeder Roads**

Indicator	Target	Indicator level 2002	Indicator level 2003	Indicator level 2004	Indicator level 2005	Progress Towards Targets
Length of motorable feeder roads			32,601.8 kms Good 36% Fair 26% Poor 38%	23,000kms Good 46% Fair 25% Poor 29%	41,039kms Good 35% Fair 27% Poor 38%	No firm conclusion due to lack of initial target, but the trend suggests general improvement
Feeder road contract time lag (proportion of awarded contracts not completed on schedule)			N/A	87%	64%	No firm conclusion due to lack of initial target. But the trend suggest general improvement

*Source: MRT, 2005*

### Policy Measures and Achievements

The focus of the road sector policy in 2005 was essentially towards the provision of access roads through better distribution of the road network with special emphasis on deprived rural and urban areas.

The key activities undertaken within the sector during the year under review are outlined below;

- By the end of September 2005, a total of 1,032 km of feeder roads had been regravelled and spot improved, while 900km of road had been rehabilitated. A total of 56km of roads had also been upgraded to bituminous surface. Twenty eight steel bridges and 10 box culverts contracts have been awarded and works are currently ongoing. Major feeder roads projects that were carried out include the following;

**Table 5.11: Status of Major Feeder Road Projects**

Region	The Road Project
<b>Western</b>	Enchi – Ebikwakrom road of 4.5km Wassa Akropong – Saaman road of 6.3km Adesu – Afransie Jukwa road of 6km
<b>Volta</b>	Sorkodie – Abutiakloe road (completed) Tanyigbe – Atidze and Ayenya – Aviepe roads of 3.7km (The project is 27% completed)
<b>Eastern</b>	Sense – Akim Manso Road (Project is completed) Kibi – Apapam Road (Project Completed)
<b>Ashanti</b>	Kwadaso – Twedie – Winiso – Moseaso roads of 6.5km (Project is 88% completed) Jamasi – Boanim Road of 7.5km (Contract has been awarded – Project is about 62% completed) Wioso – Moseaso Road of 10.27km (Projected completed) Bonwire – Asonomaso road of 8.5km (Project is about 67% completed) Nyankesenase - Essase of 10.2km (Project is 50% completed)
<b>Greater Accra</b>	Old Ningo – Le Kongunor – Anyaman Ph.1 of 6km (Project is 57% completed) Bortianor in – Kokrobitey Ph.3 of 4.5km (Project is 56% completed) Ada Foah – Totope Road of 8.4km (Project is 84% completed)

Region	The Road Project
<b>Brong Ahafo</b>	Odumase – Nkwabeng – Abuotem Road of 1.65km (100% of the project completed) Bomaa – Tapa of 4km (Project is 39% completed) Duayaw Nkwanta – Dwomo – Techimantia Road of 16.48km (Project is 68% completed)
<b>Upper West</b>	Jirapa – Babile Road of 7km (Project is 43% completed) Kambari – Kpguri Road (Project is 36% completed)
<b>Northern</b>	Yendi – Zabzugu Road of 10km (Project is 33% completed) Bole – Bale Road (On-going)
<b>Upper East</b>	Bolgatanga – Shrigu Road of 4km (Project is 60% completed) Bawku – Murungu Road of 10km (Project is 35% completed)
<b>Central</b>	Essuehyia – Akra Road (100% completed) Twifo Praso – Ntiama Road (100% completed) Odoben – Brakwa Road (Surfacing Completed) Anyinabrim – Baaku Road (Surfacing is 30% completed)

Source: MRT, 2005

On the Urban road sub-sector, the following achievements were recorded in 2005;

- 50km of urban roads were resealed
- 65km of road were upgraded
- regravelling covered 120km
- grading and pothole patching were carried on 1100km of road networks

During the year under review, major maintenance projects were initiated in some Metropolitan/Municipal and District capitals including Accra, Ga District, Kumasi, Sekondi-Takoradi, Cape Coast, Tema, Tamale, Koforidua, Bolgatanga and Bawku. These projects which involve construction of drains, gravelling, widening and resurfacing have reached various stages of completion.

Following the prioritisation of infrastructure development, there has been acceleration in the development and maintenance activities on the trunk road network to facilitate internal distribution of goods and services and also enhance trade with the neighbouring landlocked countries. Recognising this need, three major roads originating from Accra to Kumasi, Cape Coast and Aflao were earmarked for dualisation and the project continued in 2005. It is expected that, when completed, these will reduce the high spate of accidents and travel time on these roads, which serve as transit corridors to the northern, eastern and western neighbours of Ghana.

Progress made as at September 2005 on these trunk roads are outlined in Table 5.12 below;

**Table 5.12: Status of Major Trunk Road Projects**

Trunk Road	Section of Trunk Road	Status
ACCRA – YAMORANSA:	The 134km Accra-Yamoransa Highways is divided into three sections; Mallam – Kasoa (19km) Kasoa – Winneba (41km) Winneba – Yamoransa (74km)	67% completed 100% completed To be completed in 2007
ACCRA – KUMASI:	The 233km Accra – Kumasi highway is divided into 7 sections; Achimota – Ofankor 6.3km Ofankor – Nsawam (17.6km) Nsawam – Apedwa (41.6km) Apedwa – Bunso (22km)	57% completed Pre-qualification of contractors in progress 100% completed

<b>Trunk Road</b>	<b>Section of Trunk Road</b>	<b>Status</b>
	Bunso - Anyinam (11km)	100% completed
	Anyinam – Konongo (89.1km)	48% completed
	Konongo – Ejisu – Kumasi (44.6km)	23% completed
ACCRA – AFLAO:	Accra - Aflao (81.3km)	90% completed
	Tetteh Quarshie Interchange	Completed
OTHER TRUNK ROAD PROJECTS:	Jasikan - Breweniase (24 - 57km)	Completed
	Manso - Asankragwa (34km)	98.7% completed
	Axim Junction - Tarkwa (62.4km)	36% completed
	Abuakwa - Bibiani (74km)	89% completed
	Tinga – Bole Lot (2 - 53km)	70% completed
	Tamale – Yendi Road	Substantially completed
	Pantang - Mamfe (29.4km)	64% completed
	Kpando – Worawora – Dambai Phase 2 (50km)	100% completed
	Wenchi – Sampa Road Phase 1 (30km)	98% completed
	Twifo Praso – Dunkwa Road Phase 2 (10km)	88% completed
	Sefwi Wiawso – Benchema Junction Road (50km)	Mobilisation is ongoing
	Ningo Bridge Construction	Substantially completed

*Source: MRT, 2005*

The Ghana Highways Authority (GHA) maintenance programme involving seven major routes in seven regions are also in various stages of completion ranging from 50% to 97%.

#### **5.2.4 Strengthening Private Sector**

The focus of medium-term policy towards the private sector under GPRS I include; (i) facilitating Private Sector Access to Long-term Finance, (ii) promoting Entrepreneurial Skills, (iii) facilitating Reduction of Bottlenecks in Private Sector Development, and (iv) generation of employment.

Key indicators selected for monitoring in this regard include:

- access to long-term credit facilities
- number of companies supported with long-term facilities
- value of long-term credit facilities available in the year
- number of people who benefit from entrepreneurial development initiative
- value of resource invested in entrepreneurial development
- number of programmes organised towards entrepreneurial development
- inventory of rules, regulations, laws and institutions reviewed or reformed
- new firms created
- number of functioning employment centres

#### ***Policy Objective 1: Facilitate Private Sector Access to Long-term Finance***

##### Status of Indicators

Significant progress towards relieving Small and Medium-Scale Enterprises (SMEs) of one of their major problems, which is access to affordable long-term funds was made during the year under review. The African Development Foundation (ADF) provided \$2.5 million in loans to 9 SMEs. An increase of the facility, co-financed by the Government of Ghana and

the US government, from \$2 million to \$10 million for 2006 has been negotiated. This is expected to reach \$20 million in 2007.

#### Policy Measures and Achievements

Following the successful negotiation of a long-term credit facility with the ADF, in 2004, nearly \$2.5 million in loans has been disbursed to 9 SMEs that created 1,695 direct jobs and markets for up to 1,600 farmers and out growers in 2005. So far approval has been given to support five companies with a total sum of €2 million under the €10m Italian Credit facility. SME pineapple farmers have been provided with \$2 million worth of commercially viable MD2 variety of pineapple from GOG facility.

In addition an Italian Credit facility of €10,000,000 has been sourced and approved by Parliament to assist SMEs, especially in agribusiness to import machinery and equipments. This Soft loan has been used to establish the Ghana Private Sector Development Fund (GPSDF), which has been made available to financial institutions, which in turn, are disbursing it to SMEs. Workshops have been organised in all the regions to educate the general public on accessing the fund. So far approval has been given to support five SMEs with a total of €2million. In 2006 the facility is expected to provide €3.7million to 12 companies.

A \$2 million facility from the Government of Ghana has been secured for the Ghana Export Promotion Council, the Sea Freight Pineapple Exporters of Ghana and 3 private sector companies to provide SME pineapple farmers with the commercially viable MD2 variety of the fruit. In 2004, Ghana earned \$33 million by exporting pineapples, most of which were of the old Smooth Cayenne variety. The MD2 variety meets international standards and will help farmers and the private sector compete and expand in the lucrative market against major exporters. By 2007, projected export earnings of \$1.2 billion are expected from non-traditional exports including fruits and textiles.

#### ***Policy Objective 2: Promote Entrepreneurial Skills***

##### Status of Indicators

Following the initiation of three key interventions aimed at promoting entrepreneurial skills development in 2004, ten (10) award winners under the, “Growing the Young entrepreneur” programme, have received initial entrepreneurship training and counselling and prize money of \$10,000.00 each in 2005 to enable them implement their respective business plans. In addition, the government in collaboration with Technoserve is to provide them with practical training, advisory and implementation services.

Under the “Captains of Industry” programme a forum has been provided for Ghanaian men and women who have excelled in their various fields of endeavour to “tell their own story” as to how they made it in business. This is meant to encourage young entrepreneurs. In addition government continue to give support to Students in Free Enterprise (SIFE) as part of its strategy in building a core of young entrepreneurs. For instance SIFE is being supported to host the “World Cup” of SIFE in Ghana in 2007.

#### Policy Measures and Achievements

The Innovation and Entrepreneurship (I&E) Directorate was set-up in the MPSD & PSIs to facilitate and give purpose and direction to the process of nurturing and promoting innovation and entrepreneurship in Ghana. The I&E Division implemented the following programmes with the view to promoting private enterprise culture in the Ghanaian business landscape; growing the Young Entrepreneur, Captains of Industry programme, Captains on

the Road programme, and Students in Free Enterprise.

### ***Policy Objective 3: Facilitate Reduction of Bottlenecks in Private Sector Development***

#### Status of Indicators

Following the establishment of the Institutional & Legal Reform division in the Ministry of Private Sector Development in 2004, rules, regulations, laws and capacity of GSE, SEC as well as BOG and RCB Apex Bank were reviewed in 2005. In addition, a programme was drawn up under FINSSP to improve access to credit and increase a domestic savings culture.

Analysis of trends of indicators under this policy area was not possible due to inadequate data over a long period.

#### Policy Measures and Achievements

In terms of institutional reforms, the following measures were undertaken in 2005;

##### *Financial Sector Reforms:*

- ❑ Rules, regulations, laws and capacity of GSE, SEC as well as BOG and ARB Apex Bank were reviewed and a programme drawn up under FINSSP to improve access to credit and increase domestic savings culture.
- ❑ The Venture Capital Trust Fund Act was passed by Parliament and will be operationalised in 2006.
- ❑ About 10 specific micro-finance programmes are currently operational, with over 200,000 beneficiaries.
- ❑ A draft Foreign Exchange Bill is under review at the Ministry of Finance and Economic Planning (MOFEP)
- ❑ The restructuring/strengthening of the Securities and Exchange Commission (SEC) is still being implemented.
- ❑ The Banking Law requiring a minimum of \$10 million for start-ups in the banking industry has already been passed by Parliament, however, BOG is reviewing the Act to make proposals for amendment on other areas of the Act.
- ❑ Three Credit Rating Agencies have already been established in the country, but are not fully operational. The proposals for a Credit Bureau Law, to establish legal authority and framework, has been given to a consultant since February 2005 for review using an IFC/A loan criteria.
- ❑ Long Term Savings (LTS) Act was passed by Parliament in December 2004 and is expected to be operational in 2006.
- ❑ The FINSSP Secretariat is working with the Financial Sector Consultative Working Group of GIAC and the Erriah & Uteem Chambers of Mauritius to review the legal framework for the commencement of offshore banking services in Ghana.

##### *Labour Reforms*

- ❑ Regional sensitisation programmes has been organised by social partners
- ❑ National Labour Commission has been established and is operational.
- ❑ A base-line study on productivity awareness was undertaken by MDPI.
- ❑ Fifteen Public Employment Centres have been earmarked for reactivation/rehabilitation.
- ❑ The Department of Factories Inspectorate is being re-organised

##### *Civil Service/Customs Reform*

- ❑ Review of the Civil Service Law, PNDCL 327 is underway bring it in line with the draft revised Civil Service Rules & Regulation (Administrative instructions) and the

- Code of Conduct for Civil Servants. All three documents are at final draft stages.
- The programmed monetisation agenda is yet to be implemented. The Ministry of Public Sector Reform is facilitating the process.
  - The Civil Service training policy is being revised.
  - First round of Strategic Human Resource training was undertaken for all senior staff of the OHCS to strengthen its institutional capacity for service-wide human resource management.
  - Applied competency-based training was undertaken for two batches of Deputy Directors in the Administration Class in preparation for promotion to the grade of Director. Plans are underway for similar training programmes for analogous grades in other occupational classes within the Service.
  - Training was undertaken for the first batch of senior & middle level managers of the Civil Service in module 1 of 3 modules under the Ghana Central Governance Project to strengthen the policy decision-making process.
  - Chief Directors, Acting Chief Directors and Regional Coordinating Directors were involved in the design and packaging of the next phase of Public Sector Reform Strategy. They critically reviewed and analysed a working document on retooling Public Sector Reforms in Ghana entitled “Toward a new Public Service for Ghana”. The Office of the Senior Minister in collaboration is preparing a project document with the pre-qualified consultancy firm, Ernst & Young.

*Customs Inspection Procedures, Trade Facilitation and Ports Management*

- GCNET and other measures which have been put in place by the Revenue Agency Governing Board will serve as a counter-check on CEPS officials thereby reducing their discretionary powers.
- CEPS officials have undergone several programmes to enable them play effective roles in the clearance process.
- KIA, Tema, Takoradi, Aflao and Alubo have all been linked to the GCNET.
- The One-Stop-Shop established in November 2004 at the GIPC, was officially launched on 15<sup>th</sup> March 2005.
- Private sector participation in port operation increased. Currently nine private stevedoring companies are participating in port operations, doing 75% of the traffic. Shore handling of conventional cargo has been given out on concession to a private operation. There are now three privately-owned off-dock terminals. Dock labour is completely being managed by a private company.
- Draft of relevant documents (i.e. the port law; operational manual, audit manual etc) are being perfected.
- Port tariff by Ghana Ports and Harbours Authority (GPHA) are readily available. What is remaining is to get a comprehensive list including all other operators and regulatory bodies in the Port.

*Land Reforms*

- Data on Land Suitability Maps and data sets covering all 10 Regions in Ghana were deposited at the GIPC for dissemination to investors.
- “One-Stop-Shop” site at Accra has been identified and is awaiting development. Currently decentralisation of land service delivery on pilot basis is ongoing in 6 districts – 3 in Greater Accra Region and 3 in Ashanti Region by 2008, with the inclusion of Tema and Obuasi –very soon.
- Four Deeds Registries have been established in Sekondi, Koforidua, Sunyani and Tamale; and 10 Deeds Registries in all the 10 regions of Ghana is expected to be in place by March 2006. So far 6 Deeds Registrars have been appointed and gazetted; personnel have been engaged to sort out land records on regional basis. This is to



- facilitate the work of new registries.
- Five Customary Land Secretariats have been established and customer-friendly and complaints units created. Front desks have also been established to receive documents, give receipts and give dates for collection.
- Brochure on land acquisition has been published and Public Awareness Program – Radio and TV Talk Shows, print and Media discussions are on –going.
- Inventory of state-acquired/occupied lands in Greater Accra Region and the Central Region completed; PLSAs in conjunction with private sector to complete exercise in remaining regions. Policy on compensation payment is to be ready soon.

*Agricultural / Agri-business*

- A programme has been initiated to provide irrigation facilities in the Accra Plains to support the Agriculture and Agribusiness project: Bidding for the contract for feasibility studies is completed. Bids have been received and are being evaluated. Kuwait Fund for Arab Economic Development (KF AED) is providing the financing.
- Agricultural and other heavy-duty equipment have been procured for the Kpong Irrigation Project to sustain crop production under a well-maintained irrigation project.
- Construction of two concrete drying floors has been completed on the project to improve on the quality of the rice and the performance of the farmer groups in credit recovery.
- The Small-Scale Irrigation Project which is to increase the area under irrigation by 3,410 hectares by the year 2007 is being implemented.
- Preparatory works have been undertaken to rehabilitate nine (9) of the old irrigation projects under World Bank funding. Dawhenya, Nobewam and Mankessim irrigation projects are being modernised with CIDA funds to allow for the efficient use of small pumps.
- 

*Business Registration:*

- The Business Reform Strategy document was developed and approved by Cabinet.
- Two stakeholders' workshops involving officials from the MDAs, licensing agencies, business Organisations and associations, private sector, development partners and other stakeholders were conducted.
- Two Regional offices (Takoradi and Kumasi) have been completed and commissioned.
- Training of Registrar-General's Department (RGD) staff in the use of the registration software is ongoing
- RGD trained officers of about 100 post offices throughout the country to carry out business registration, renewal and filing of returns to reduce the cost of doing business.
- Conversion of data in manual registration files to an electronic database was completed for all categories of business.
- New registration is now entered into the database before signature.
- The average number of days for registration has reduced to 7 days for sole proprietorships and 14 days for limited companies respectively.

In addition institutional reviews have been carried out on 42 MDAs whose activities have a direct bearing on the environment in which the private sector operates. The aim is to improve the MDAs readiness to deliver on the priority areas. The institutional review recommendations have been validated with affected MDAs and the Oversight Sub-Committee of the Private Sector Development Strategy (PSDS) has approved MDAs in the following components as highest priority for reform: business regulation, licensing and

taxation; finance and investment. Technical and financial proposals have been received from consultants to implement recommendations under the agreed components.

To ensure effective engagement of the private sector in Government's policy processes, dialogue platforms with key private sector groups has been established. Bi-monthly meetings of government with the Private Enterprise Foundation (PEF) are held. These meetings with the PEF have been institutionalised to promote dialogue with the private sector and ensure that the concerns and ideas of the private sector reach the highest policy levels of decision-making

Business Sector Advocacy Challenge (BUSAC) fund was set up under DANIDA's Business Sector Program Support in collaboration with DFID and USAID to strengthen the capacity of the private sector to better articulate their needs. BUSAC Fund has so far presented a total of €1.166billion to support five associations. The beneficiaries include Ghana Independent Broadcasters Association, which received €347 million, the Brong Ahafo Blacksmiths Association, €267 million, the Trades Union Congress in the Eastern Region, €240 million, the Ghana National Inshore Fisheries Association, €223 million, and the Car Rental Association of Ghana, €80 million.

Government is also working to increase private sector participation in the provision of public infrastructure and services through the approved policy guidelines for the implementation of Public-Private Partnerships in Ghana. Workshops have been organised for all District Assemblies in Greater Accra, Ashanti, Western and Central Regions to discuss the Policy Guidelines. Workshops have also been organised for the Private Sector, NGOs, and Development Partners for the Southern and Northern Sectors.

A Business Development Services Unit has been set-up at the Ministry of Private Sector Development, which has developed an Action Plan for the informal sector and is facilitating the development of business support-services targeted, especially, at the informal sector.

As part of measures within the Private Sector Strategy to improve Government's policy management processes and to create an enabling environment for Private Sector Development, the MPSD & PSIs has developed a Policy and Regulatory Impact Assessment (PRIA) tool for Ghana, in consultation with key stakeholders. PRIA is a tool for designing precise, targeted regulations that achieve legitimate policy aims with the minimum burden on those affected. It provides a framework for a high quality, participative policy development process, guiding users to undertake a thorough analysis of the full range of options available to Government to address a policy problem, and calculating the costs and benefits to ensure that new regulatory measures are fully justified.

A Programme Intervention Evaluation Template (PIET) has also been developed and will be implemented within the framework of the PRIA. The PIET is to enhance Government's capacity to evaluate proposed programmes for the private sector to ensure that they cause minimal distortions to the market. PIET will be used as a tool to assist Government to assess possible programmes to ensure that only those that are most likely to succeed and that are affordable go forward.

### **5.3 STATUS OF ACTIONS ON POLICY RECOMMENDATIONS MADE IN 2004 APR**

Progress on the implementation of policy recommendations made in the 2004 APR is presented below in Table 5.11. Of the ten key recommendations, only two of them did not receive enough attention in 2005, and these relate to land reforms and access to land by women. This is due to the fact that not much progress has been made under the land

administration initiative.

**Table 5.13 Status of implementation of 2004 APR Recommendations**

2004 APR Policy Recommendations	Status in 2005
<p>Ensuring that the ongoing land reform initiative is speeded up and the existing laws on land title registration is enforced. Efforts must be made to streamline and consolidate the functions of the various agencies dealing with land management issues. There is also the need to minimize and eliminate where possible the sources of protracted land disputes, conflicts and litigation.</p> <p>Major interventions in agriculture included the provision of improved technological packages and support services to farmers and other operators in the sector. The broad policy intervention should also attract the youth into agriculture and further increase productivity and add value to farm produce.</p>	<ul style="list-style-type: none"> <li>• Currently decentralisation of land service delivery on pilot basis is ongoing in 6 districts, and four out of 10 Deeds Registries expected to be in place by 2006 has been completed in Sekondi, Koforidua, Sunyani and Tamale.</li> <li>• Five Customary Land Secretariats have been established and Customer-Friendly and complaints Units created.</li> <li>• Small-Scale Irrigation Projects to increase the area under irrigation by 3,410 hectares by the year 2007 is being implemented.</li> <li>• Constructions of two concrete drying floors have been completed. Twenty cassava graters, 47 equipment engines, 4 rice threshers, 1 solar dryer, 52 assorted processing and storage equipment and 9 metallic silos have been distributed to beneficiaries in five regions.</li> </ul>
<p>Apart from re-forestation not much progress has been achieved under the sustainable environmental protection. There is the need, therefore, to strengthen the institutions (including the Town and Country Planning Department, the Environmental Protection Agency, Ghana Atomic Energy Commission, to mention a few) that are directly involved with the implementation of policies dealing with issues such as environmental regulation, commercial land use, urban land management, zoning, etc. This could be in the form of increasing financial support to enable them undertake their activities effectively as well as forestry support to recruit and retain staff.</p>	<ul style="list-style-type: none"> <li>• The restructuring of the Town and Country Planning Department through institutional and legal reforms begun in 2005.</li> <li>• The Environmental Protection Agency (EPA) offices have been established in all the regions including Tema and Tarkwa.</li> <li>• The construction of a tissue culture laboratory for large-scale multiplication of planting material has been completed.</li> <li>• To build the human capacity in nuclear and allied sciences, the school of nuclear and allied sciences for post-graduate education and training is being established, with the assistance of IAEA.</li> </ul>
<p>One of the key recommendations from APR 2004 was that a culture of road maintenance becomes an integral part of enhancing development in Ghana. The apparent neglect of existing roads to deteriorate completely before road rehabilitation is undertaken is inefficient and cost ineffective</p> <p>A comprehensive transportation policy must be implemented that addresses the role of the sector in delivering transport services, serving economic growth, social cohesion and regional integration. Such a policy will include a revival of the dilapidated rail industry, investments in water transportation and other intermodal means of transport, and air transport.</p>	<ul style="list-style-type: none"> <li>• During the year under review, major maintenance projects were initiated in some Metropolitan/Municipal and District capitals including Accra, Ga District, Kumasi, Sekondi-Takoradi, Cape Coast, Tema, Tamale, Koforidua, Bolgatanga and Bawku. These projects which involve construction of drains, gravelling, widening and resurfacing have reached various stages of completion.</li> <li>• A comprehensive national transport policy to give strategic investment direction to government is on the drawing board.</li> <li>• In the rail transport sector, the rehabilitation of the Accra-Tema rail line continued with about 75% of the project completed. The concession process to open up the Western, Eastern and Central lines continued, with the selection of concessionaires complete.</li> </ul>

2004 APR Policy Recommendations	Status in 2005
<p>One of the key recommendations made regarding the private sector was that the various MDAs involved in the implementation of the Private Sector Development Strategy establish benchmarks upon which the move towards making the private sector the engine of growth could be properly assessed.</p> <p>Also, it was recommended that more attention has to be given to the gender dimension of Land reform issues. This is to help speed up the correction of discriminatory customary land inheritance systems, which acts against achieving gender parity in production and gainful employment.</p>	<ul style="list-style-type: none"> <li>• Institutional reviews were carried out on 42 MDAs whose activities have a direct bearing on the environment in which the private sector operates, with the sole aim of improving their readiness to deliver on priority areas.</li> <li>• Monitoring and Evaluation framework has been designed with performance indicators and baselines for the onward implementation by the respective MDAs.</li> <li>• The PLSAs act to facilitate the acquisition of land for investors.</li> </ul>

## 5.4 SUMMARY OF POLICY RECOMMENDATIONS

In general, the Production and Gainful Employment thematic area of the GPRS did not benefit from the numerous policy initiatives contained in the various regional and global initiatives such as ECOWAS protocol, NEPAD, MDGs, etc, and also the otherwise disparate sectoral strategies were not harmonised and incorporated into the GPRS. This has resulted in duplication competition for the limited available resources, and implementation of parallel programmes which sometimes tend to be counter productive.. Steps should be taken to address such anomalies in the development of future development policy frameworks.

### 5.4.1 Modernised Agriculture

GPRS places emphasis on improving farm and non-farm incomes through improvement in cocoa production. This limits the benefit of interventions to cocoa farmers alone, who already enjoy stable incomes among all farmers, as a result of ready markets for produce. It is therefore suggested that attention should also be paid to other cash crops, as well as the food crops and livestock sub-sectors where the bulk of rural poor, especially women, predominate.

Priority policy interventions under modernised agriculture were limited to crop production and aquaculture development. Livestock development was not given enough attention and in the case of fisheries, emphasis was placed on aquaculture to the neglect of the sustenance of livelihoods in the marine and inland fisheries sub-sectors. It is therefore recommended that future development policy framework should design interventions that target the livestock sub-sector, as well as provide alternative livelihood for people who are in the fisheries industry.

To reach more smallholder farmers, it is further suggested that small-scale irrigation facilities such as boreholes, hand-fix-pumps, water harvesting, etc, should be pursued.

### 5.4.2 Sustained Environmental Protection

The scope of environmental protection and natural resource management was limited under the GPRS and there is the need to widen it in future development policy framework document. Also most of the indicators under this policy area recorded low progress towards achieving the targets. The implication is that more work needs to be done if the objective of attaining sustained environmental protection is to be achieved, especially in the area of land administration.

Land reforms under the Land Administration Project have been slow. The administrative and legal constraints should be addressed as quickly as possible to push the land reform agenda ahead. The need to explore regional and global linkages towards the management of natural resources should be explored as well.

### **5.4.3 Enhanced Infrastructural Development**

GPRS emphasised the development of roads transport, to the virtual neglect of water and air transport, as well as intermediate means of transport (i.e. donkey- cart, bicycles, etc, for communities that have specific need for them). It is important that future development policy frameworks include these modes of transport, in addition to transport safety and traffic management.

A well integrated transport system that includes rail, road and air modes reduces traffic congestion, travel time, cost of doing business, and promotes economic growth. There is the need to explore the possibility of harnessing the potentials of the private sector to support the development of such a system.

The policy measures implemented to reduce dependency on non-wood fuel achieved limited result during the period of implementation of the GPRS I. There is still a high level of deforestation and environmental degradation due to indiscriminate felling of trees for fuelwood. According to the Participatory Monitoring and Evaluation Survey commissioned by NDPC in 2005, between 54%-85% of most households in all the ten regions depend either on firewood or charcoal as the main source of fuelwood. Given that the number of households with access to non-wood fuel, particularly electricity, has not significantly increased over the period (i.e. currently standing at 54% from 50.6% in 2003), more efforts should be made to address this problem in order to reduce the dependency on fuelwood..

### **5.4.4 Strengthening the Private Sector**

Despite the considerable efforts made to address the constraints to private sector development, substantial structural problems exist. These include lack of access to affordable credit, especially for women; falling but still fairly high interest rates; weak commercial dispute resolution system; insecurity and vulnerability in the informal sector where the youth and women predominate; weak linkages between the informal sector and the formal sector activities; and weak institutional and regulatory framework for small business administration. The challenge is to systematically address these structural constraints at the policy and institutional levels so as to create opportunities for the private sector to contribute significantly to the accelerated growth of the real sectors of the economy.

**PRODUCTION AND GAINFUL EMPLOYMENT  
STATUS OF INDICATORS- 2005**

**Table 5.14 Summary of Status of Production & Gainful Employment Indicators, 2002 - 2005**

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
<b>Modernised Agriculture for Rural Development</b>								
Agriculture	Ensures Food Security	% of post harvest losses	15-20%	Cereals: 25-30% Perishables:35-40%	20-25% (cereals) 35-38% (perishables)	15-20% 33-35%	15-20%(cereals) 33-35%(perishables)	Targets achieved for cereals. With the acquisition of more processing equipment, post-harvest losses in the perishables is expected to reduce further
		Tons of major crops produced (in Million metric tonnes)			Maize=1.29 Rice= 0.239 Millet= 0.176 Sorghum=0.338 Cassava=10.2 Yam=3.8 Plantain = 2.3	Maize=1.16 Rice= 0.242 Millet= 0.144 Sorghum=0.287 Cassava=9.7 Yam=3.89 Plantain = 2.38	Maize=1.17 Rice= 0.237 Millet= 0.155 Sorghum=0.299 Cassava=9.567 Yam =3.923 Plantain = 2.792	Inconclusive: No initial target was set, but clearly the result has been mix
		Tones of silo space established	35mt	35mt	35mt	450MT Household Metallic silo	450MT	Target Exceeded
		Extension officer farmer ratio	1:1200	1:2200	1: 1500	1:1400	1:1400	In spite of new recruitment in year 2004, ratio remained stable as a result of high attrition rate of staff

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
	Rehabilitate Fisheries Sector	Quantity of fish produced per unit area of pond per cycle	3 tonnes /ha/yr	2.5tonnes/ha/yr	2.5tonnes/ha/yr	2.0 tonnes/ha/yr	1.5 tonnes/ha/yr	Target not met
		Area under fish farm	450ha	350-400ha	450ha	112.3 ha Functional fish ponds 2480.8 ha reservoirs	231ha	Target not met: Fell short of target by 119ha
		No of hatcheries constructed	4	3	2	6 (2 Government owned & 4 privately owned )	9 (3 Government owned & 6 privately owned )	Exceeded Target
		Quantity of fingerlings produced per annum	5million	150,000	3,455,614	3,500,000	6,900,000	Exceeded Target
	Provision of Irrigation Facilities	% of arable land under irrigation	0.17% (33,000ha)	0.04% 12,000ha	currently estimated at 0.08%	0.08%	0.10% (19,000ha total land irrigated)	Target not met: Fell short of target by 0.07%
		Number of dugouts constructed	1,309	262	713 out of 1309(bore holes, dugouts, water storage, stream diversion, stream and tube well pumping) were completed	999 out of the 1,309 water facilities were constructed.	1069 out of the 1,309 water facilities were constructed.	Target not met: Fell short of target by 240
	Improve rural Sector farm and non farm growth	Farm gate price of Cocoa	69% of FOB		The farm gate price of cocoa was raised to 69% of FOB	The farm gate price of cocoa was raised to 73.01% of FOB	The farm gate price of cocoa was maintained at 70% of FOB***	Target exceeded by 1%
	Increased exports of cash crop: Cocoa	Increased exports of cash crop: Cocoa			Exports of cocoa increased by 11%	Exports of cocoa increased by 75%	Exports of cocoa declined by 20%	Significant Achievement

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
	Increased Mechanisation of Agriculture	Farmer access to mechanised tillage	15%	Less than 5%	8%	12%	14%	Target not met: Fell short of target by 1%
		Access to harvesters	5%	Less than 2%	2%	2%	2%	Target not met: Fell short of target by 3%
		Access to processing equipment	30%	20%	24%	42%	43%	Target Exceeded by 13%
		Tractor to farmer ratio	1:90,000	1:180,000	1:150,000	1:120,000	1:110,000	Target not met
<b>Environmental Protection through Re-forestation</b>								
LANDS & FORESTRY	Increase Environmental Protection through Re-afforestation	No of hectares planted	40,000ha by 2008	17,000ha	30,326ha	28,400(this excludes outside reserve planting)		
		Rate of deforestation		65,000 per year	50,000 per year	Less than 50,000(yet to be determined).Indicat or is measured every 10 years.	Less than 50,000(yet to be determined).Indicat or is measured every 10 years.	No firm conclusion due to lack of initial target
		Number of CREMAS established	2	2	1	nil	Pilot areas on-going	Target not met
		Ha of urban areas planted	20,000ha by 2008		1300ha	1,350ha in 2004 alone	1350 ha	Far behind Target
		Ha of degraded forest reserve planted	60,000 by 2008		25,691ha	27,050(HIPC plantation-10950) (forestry commission-16100)	21,705 (HIPC plantation – 8,250; forestry Commission – 9,105.20 & Private Sector – 4350 hectares)	Exceeding Target



Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
		Amount of permanent employment generated.	100,000 jobs		95,000 jobs	88,000(HIPC-18,000;Forestry commission-70,000)	121,188: 6 10,783 HIPC (Full time – 6,650 & part time – 4128) 7 49,500 FC (hired labour – 18,000 & farmers – 31,500) 8 60,905 from Private sector	Target met in 2005: Target exceeded by 1,425 (on the average) annually.
	Improve Land Administration	No of registered and titled urban lands to individuals	1,300,000 parcels by 2008		1,131 certificates issued	2,555 certificates issued	2,638 certificates issued	Far behind the target in 2008
		No. of titled and registered allodial titles to stools, skins and tendambas clans	Piloting 3 Areas (in 5years)		No progress	Boundary demarcation in progress in Ejisu and Wassa Amenfi	Sensitisation of communities in pilot areas (Ejisu and Wassa Amenfi) continues.	Slow progress towards target in 2008
		Number of current land cases concluded	Reduced by 35,000 (2008)	60000 currently in court	Alternative Dispute Resolution commences in 2nd Quarter	Inventory of current land cases (Proposal stage)	Baseline survey of existing land cases is ongoing (Oct. 2005 – March 2006)	Slow progress towards target in 2008
		Number of customary land administration units established	50 by 2008	7 established	2 established (Gbawe., Wassa Amenfi)	3 established (Kyebei ,Manhyia, Tabiase)	1 established (Tamale)	Far behind target in 2008: About 74% more to achieve in 3years
		Number of regional land courts established	10 by (2008)			In proposal stage	In proposal stage	Still at the proposal stage

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
<b>Enhanced Infrastructural Development</b>								
ICT	Increase Telephone Access Outside the Urban Centres and provide ICT to Schools	No. of schools provided with ICT (computer terminals and PCs)	514 by 2005	0	257	360	296	Exceeded Target
		No. of fixed telephone lines installed	400,000 by 2005	200,000	283,000	Fixed Line:315,682 (Cellular: 1,540,476 Pay-Phones:9,933)	331,000 2,655,000 11,037	Target not met: Fell short of target by 69,000
Energy	Ensure reliable supply of high quality energy services	Ratio of energy demand to energy supply	N/A	-	0.73	***0.73	0.72	No firm conclusion due to lack of initial target
		People with access to non-wood fuel energy(over 68% of total energy consumed in Ghana is from wood fuels)	N/A		43.4%	40% (SNEP)  Petroleum: 31% Electricity : 9%	40%  Petroleum 29% Electricity 11%	No firm conclusion due to lack of initial target
		Households with electricity	N/A		50.6%	52%	54%	No firm conclusion due to lack of initial target. But the trend suggest general improvement

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
		Total Installed capacity (MW)	N/A		1,652	1,760	1,730	No firm conclusion due to lack of initial target. But the trend suggest general improvement
		Total Generation (Gwh)	N/A		5899	6,039	6,787.9	
		Lifeline pricing for electricity sector developed and implemented	N/A		Done	done		Target is met
		Phase out budget subsidies to petroleum sector	N/A		Process to remove subsidies in place ( Price of Petroleum products increased by 90.4% in 2003)	Participation of the private sector /Oil marketing companies in the importation of finished products on March 31 2004 Review of petroleum pricing formula being done Draft Deregulation Bill being finalised for Parliamentary approval	The NPA Act (AC 691) has been passed and the private sector is now involved in importation of oil through competitive bidding. Pricing of product are determined by a revised pricing formula	This objective has been achieved
Road Sector	Enhanced access to markets through improved feeder roads	Length of motorable feeder roads			32,601.8 kms Good 36% Fair 26% Poor 38%	23,000kms Good 46%% Fair 25% Poor 29%	41,039kms Good 35% Fair 27% Poor 38%	No firm conclusion due to lack of initial target. But the trend suggest general improvement

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
		Feeder road contract time lag			N/A	87%	64%	No firm conclusion due to lack of initial target. But the trend suggest general improvement
<b>Strengthen Private Sector Development</b>								
Private Sector Development & PSI	Facilitate Private Sector Access to Long-term Finance	Long-term credit facilities  Number of companies supported with long-term facilities  The value of long-term credit facilities available in the year	N/A			The following long-term credit facilities initiated: ADF fund Italian Credit of €10m Swiss Government \$5m HSBC credit of \$40m SOFITEL credit of \$17m	In 2005, the African Development Foundation (ADF) provided \$2.5 million in loans to 9 SMEs that created 1,695 direct jobs and markets for up to 1,600 farmers and out growers.  So far approval has been given to support five companies with a total sum of 2.0 million Euros under the €10m Italian Credit facility. In 2006 the facility will provide 3.7million Euros to 12 companies	No firm conclusion due to lack of initial target. But important milestones were recorded

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
							<p>SME pineapple farmers have been provided with \$2 million worth of a commercially viable MD2 variety of the fruit from GOG facility.</p> <p>The following long-term credit facilities approved: The Ministry also negotiated an increase of the facility from the ADF, co-financed by the Government of Ghana and the US government, from \$2 million to \$10 million for 2006, &amp; facility will increase to \$20</p> <p>The Italian Credit of €10,000,000 has been finalised and approved by Parliament to assist SMEs, especially in agribusiness to import machinery and equipments</p>	

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
	Promote Entrepreneurial Skills	<p>The number of people who benefit from entrepreneurial development initiative</p> <p>Value of resource into entrepreneurial development</p> <p>Number of programmes organised towards entrepreneurial development</p>	N/A			<p>Key interventions include the following: Growing the Young Entrepreneur Captains of Industry program Captains on the Road program Students in Free Enterprise</p>	<p>Ten (10) award winners of the Ministry's entrepreneurship programme dubbed, "Growing the Young entrepreneur", have received initial entrepreneurship training and counselling.</p> <p>Prize money of \$10,000.00 each has been given to them</p> <p>The Ministry in collaboration with Technoserve is to providing them with hands-on training, advisory and implementation services</p> <p>The Ministry 's "Captains of Industry" programme has provided a forum for Ghanaian men and women who have excelled in</p>	<p>No firm conclusion due to lack of initial target. But important milestones were recorded</p>

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
							<p>their various fields of endeavour to “tell their own story” as to how they made it in business.</p> <p>Government has agreed to support Students in Free Enterprise (SIFE) to host the “World Cup” of SIFE in Ghana in 2007</p>	
	Facilitate Reduction of Bottlenecks in Private Sector Development	Inventory of rules, regulations, laws and institutions reviewed or reformed	N/A			<p>Institutional &amp; Legal Reform division established in the Ministry of Private Sector Devt. Government continued to implement the recommendations of the Ghana Investors’ Advisory Council in the areas of the Financial sector Reforms</p>	<p>Rules, Regulations, Laws and capacity of GSE, SEC as well as BOG and RCB Apex Bank reviewed. Programme drawn up under FINSSP to sharpen access and increase depth of domestic savings culture</p>	No firm conclusion due to lack of initial target. But important milestones were recorded

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
						<p>Labour Reforms Civil Service /Customs reform Land Reforms Agric./Agri- business reforms. The National Medium term Private Sector Strategy approved and launched.</p>	<p>Ghana Investors' Advisory Council (GIAC) meeting held in June 2005</p> <p>About 10 specific micro finance programmes running. Over 200,000 beneficiaries through 80 Rural Credit Banks and 40 other Micro Finance Institution involved</p> <p>The Government decided to sign a Memorandum of Understanding on June 9 2005, with twelve of its key Development Partners which sought to adopts a common approach and collaborative framework for</p>	



Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
							coordinating, managing, monitoring and evaluating support programmes for the development of the private sector.	
Trade & Industry	Promote SME Industry Growth and Agro Processing	New firms created	N/A		N/A		<p>Database on SMEs established.</p> <p>30 out of 47 projects were selected for implementation under the District Industries Project</p> <p>10 additional Business Advisory Centres (BAC) has been established by NBSSI</p> <p>40 SMEs audited for business plan preparation and for retooling 2006</p>	No firm conclusion due to lack of initial target. But important milestones were recorded

Program Area	Policy Objectives	Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress Towards Targets
	Increase External Market Access	N/A	N/A		N/A		3 furniture associations assisted secure orders estimated at CFA 60mil  Capacity of 1,000 exporters and export facilitators has been enhanced  €440.18bil support to NTE sector under the EDIF programme	No firm conclusion due to lack of initial target. But important milestones were recorded
Manpower & Development	Enhanced Employment Generation	Number of functioning employment centres	N/A		NA	62	62	No firm conclusion due to lack of initial target.

Table 5.15 Summary of Status of MDBS/PRSC Measures/Triggers/Activities

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
<b>A. Increasing scope for financing development (private sector credit and budget allocation)</b>				
<b>A1. Create a more diversified financial sector and improve access to financial service</b>	1. Implement FINSSIP including: i. Submission of the APEX Bank Regulations to Parliament	LI on ARB APEX Bank Regulation	Long-term investment increased Savings to GDP increased Increase access to Micro Credit and Financial Services	Upon the Advice of the AG's Dept. the regulations will be sent to the registrar of companies to have a legal effect. To this effect an Extraordinary General Meeting will be held by shareholders to adopt the regulations before 2006
	ii. Establish uniform guidelines for operations of all government Micro Credit Scheme	Approve operating Guidelines		Awaiting the substantive Board to approve of it
	iii. Submission of the Credit Union Bill to Parliament	Credit Union Bill Submitted to Parliament		The Bill is at the Legal Dept. of Bank of Ghana
<b>B. Improving the environment for business while protecting the poor</b>				
	2. Continue Energy Sector Reforms i. Reduce ECG commercial and system losses in line with the end 2006 targets in the management support services agreement contract	Monthly reports from management services consultants	Access rate to electricity increased System Losses Reduced	Management support services providers are yet to be identified. The request for proposals for the ECG MSSA is expected to be re-issued in march 2006. The agreement is expected to come into effect by July 1, 2006
	ii. Settle all ECG accounts receivable from MDAs and GWCL within 90 days	Quarterly report from ECG		

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
	iii. 2005 Tariff review completed by PURC	Copy of Review Report		<p>PURC is currently reviewing its benchmark for ECG's system losses as part of its major tariff review and will compare with targets set in the management support services agreement contract</p> <p>PURC major tariff review commenced in Nov./Dec. 2005 and to be completed by February 2006</p>
<b>B2. Enhance the competitiveness of the private sector</b>	3. Continue implementation of PSD strategy		Increase in Non-traditional Exports	<p>Institutional Review recommendations validated with affected MDAs</p> <p>Oversight Committee approved MDAs in the following components as highest priority for reforms: Business regulation, licensing and taxation; finance and investments. Technical and financial proposals received from consultants to implement recommendations under the agreed components. The review of the proposals completed awaiting DPs approval of CWP. Implementation of the quick-win priority activities from review is on-going</p>
	i. Begin implementation of priority activities arising out of the Trade Sector Support Programme (TSSP) recommendation	Progress report of TSSP (Priority activities to be specified)		<p>TSSP activity has been approved by Cabinet.</p> <p>The priority activities to be undertaken are as ff:</p> <ul style="list-style-type: none"> <li>➤ Develop and publicise an industrial policy for Ghana</li> </ul>

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
				<ul style="list-style-type: none"> <li>➤ Established a new small Business Development Authority and Specialised Technology and Specialized Technology Centres to provide Support to SMEs.</li> <li>➤ Facilitate the implementation of 15 district Enterprises under the District Industries Programme (DIP) as a way of increasing production</li> <li>➤ Re-capitalization of EDIF to include the provisions of loans to non-export companies.</li> <li>➤ Establish a Tariff Advisory Board</li> <li>➤ Review the mechanism of imported Products to ensure elimination under invoicing and under valuation</li> <li>➤ Streamlining of importing procedures and reduction of fees charged for clearing</li> <li>➤ Restructuring and Reinvigoration of GEPC to internally competitive levels</li> </ul>

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
				<ul style="list-style-type: none"> <li>➤ Creation of Export Inspection facilities at KIA and other Ports</li> <li>➤ Form TSSP Stakeholders Consultative Groups to facilitate the implementation of Project Activities</li> <li>➤ Promoting the use of Govt. Procurement to support the local industry</li> <li>➤ Establishment of anti-piracy task force to eliminate counterfeit goods from the marketplace</li> </ul>
	ii. Begin implementation of priority activities arising out of the institutional review recommendations of the PSD strategy	Progress Report from the MPSD (Priority activities to be specified)	Number of workshops to be held with stakeholders by MPSD & PSI in collaboration with OHCS and PSR	Implementation has begun with the following MDA's, AMA, Forestry Commission, VRA, EPA
	iii. Establish Land Deed Registries in 3 additional regions	Advert in the Newspapers	Time to register Land further reduced. Baseline as of 2003 is over 365 days	
	iv. Further reduce time for registering Business	Report on "Doing Business"	Reduce time for business registration. Benchmark: 85 days in 2004	The average days for registration have reduced to 7days for a business and 14 days for limited companies
	v. Completing the automation of the Registrar-General's Department	Installation of computer hardware and software	RGD provided with the necessary infrastructure  An appropriate Registration software for use by RGD	Hardware and Networking Infrastructure installation completed  Registration Software has been Developed and installed on RGD's production machine

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
		Conversion of data held in manual files into electronic form	An electronic database constructed for use by RGD	Conversion of data in manual registration files to an electronic database completed for all category of business registrations
		RGD's usage of installed hardware and software	Registration of businesses to be accomplished electronically	Network infrastructure in use  Computer hardware in use however, significant proportion has broken down and has not been repaired due to lack of funds.  Software implementation testing completed
	vi. Reform of the business Registration at RGD			Training of staff completed live use of Registration software constrained by inadequate computer equipment
		Improvement in time taken to register a business	Drastic improvement in turnaround time for business registrations. Average registration time reduced to about; <ul style="list-style-type: none"> <li>➤ 3days for Business names</li> <li>➤ 5days for limited liability companies</li> </ul>	Average registration time reduced: <ul style="list-style-type: none"> <li>➤ 7 days for business names</li> <li>➤ 14 days for limited companies</li> </ul>
			Average time for search and retrieval of information reduced to about 5minutes	Average time for searches and retrieval of information reduced from 2days to 30minutes
		A fundamental review of the Business Registration and Licensing regime undertaken and documented	Identification of problem plaguing the business registration process	Fundamental review report completed

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
		Feasibility study for the provision of Business Registration services by a self financing executive agency undertaken and documented.	The feasibility or otherwise of the provision services by a self financing executive agency	Feasibility report completed
		Business reform strategy and costed implementation plan developed	Business Registration Reform Strategy Documentation and implementation plan	Business reform strategy document completed
		Government ownership and approval of the Business Reform strategy document by cabinet	Government ownership of the business registration reforms	Cabinet approval for implementation given
		Foundation laid for the implementation of Business registration Reform	Structures put in place to implement the Business Registration Reform  An appropriate Business Registration and Filing regime put in place	Is to start in 2006
		13 projects identified for the Business Registration Reform Implemented	Measures put in place to secure sustainable, regular and sufficient funding for the Registration and filing regime  An institutional arrangement to administer the Business registration services to be accessible to all business irrespective of their location in the country	Starting in 2006 - 2009



Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
<b>C. Improving performance of the rural sector in interest of the Poor</b>				
C. 1. Promotion of rural development through modernised agriculture	4. Complete revision of Food and Agriculture Sector Development Policy (FASDEP) and draft strategic plan to incorporate poverty reduction approaches as recommended in PSIA's for agriculture	i. Revised FASDEP document finalised and distributed	Real Per capita food production increased at minimum 2% annually	Revision of FASDEP document is in progress with a local consultant. 1 <sup>st</sup> stakeholder forum to identify thematic areas for working groups to produce the document is to be held on Jan 24 <sup>th</sup> 2006
		ii. Draft Revised Strategic Plan to include cost projections, Fund inflows and Funding Gaps		Following this, working groups would produce drafts for broader stakeholders consultation  The process is to be jointly funded by the AgSSP, TIPCEE and DFID
		Strategic Plan		The revised FASDEP will inform the revision of the strategic plan  Preparation of the draft strategic plan document will be based on the completion of the revised FASDEP document
		iii. Report on the piloting of pro-poor interventions in 20 selected districts having high poverty levels completed		Twenty (20) Districts have been selected for the piloting of the pro-poor intervention programme. Approval for funding has been given by MOFEP €4.8billion has been released by the CAGD

Policy Objectives	Measures / Triggers / Activities	Indicators	Targets	Indicator Status as at December, 2005
C.2 Improve management of natural resource	5. Implement GoG strategy for management of forest resources, including:	Report of 2005 Competitive Bidding schedule	Slow down in the rate of deforestation	Six (6) TUC areas allocated through competitive bidding has been ratified by parliament
	i. Allocate Commercial timber rights in natural forest and plantations through competitive bidding	FC Website Reports		Parliament has approved by resolution the agreement in respect of replacement of timber concession lost by thirty-six (36) timber companies.
	ii. Convert existing Timber leases into TUCs in accordance with the existing legislation	FC Annual Report on 2005 Submit TUCs to Parliament for ratification		Preliminary inventory report of the 12 pilot Concessions to be converted to TUCs was presented to Forestry Commission by RMSC. Final inventory reported is expected by end of Jan, 2006 as input for the determination of the Timber Right fee payable by leaseholds
iii. Harmonise institutional arrangements for Plantation Development	Plantation programme monitoring reports; Forestry Commission Annual Report	Government plantation Development Programme at the MLFM has been transferred to the plantation Department of the Forest Services Division of Forestry Commission	Handing Over Notes to be submitted by 31 <sup>st</sup> January, 2006	



## CHAPTER SIX

# HUMAN RESOURCE DEVELOPMENT AND PROVISION OF BASIC SERVICES

### 6.1 INTRODUCTION

The programmes and activities implemented under this thematic area were geared towards enhancing access to education; reducing gender disparities in education; improving skills through training; enhancing access to and delivery of quality health services; and increasing access to safe water and sanitation. The following three areas were prioritised for the effective implementation of policies and projects which could impact positively on poverty reduction:

- Education
- Health, including HIV/AIDS control
- Water and Sanitation

This report provides an assessment of the human resource interventions implemented under GPRS. These interventions were part of a set of programmes and activities prioritised under the GPRS to implement over the medium term (i.e MTPs). Additionally the review covered the, programmes and activities funded under the PRSC and MDDBS initiatives. The sector-by-sector review of performance under these programmes is presented as follows.

### 6.2 STATUS OF SELECTED INDICATORS FOR THE EDUCATION SECTOR AND KEY POLICY ACTIONS

The medium term policy objectives of GPRS for the Education sector focused on;

- enhancing access to basic education, with greater emphasis on gender and geographical equity; and
- improving the quality of basic education.

The extent to which these objectives have been achieved is presented in this section of the report.

#### ***Policy Objective 1: Enhancing Access to Basic Education with greater emphasis on gender and geographical equity***

A review of the relevant indicators selected to assess progress attained under this objective show positive trends in school enrolment. At the national level, gross primary school enrolment grew by an average of 4.7% between 2001/2002 and 2004/2005 academic years. The growth in primary school enrolment for the three deprived northern regions has been particularly encouraging with all the regions exceeding targets set in GPRS (Table. 6.1).

The rate of growth does not appear to be sufficiently high enough to meet the MDG of universal primary education by 2015. It is noted however that the introduction of the capitation grant as subsidy on school fees in all basic schools, will attract additional enrolment of pupils from the poorer communities.

**Table 6.1: Trends in Gross Primary School Enrolment Ratio (GPER), 2001/02-2003/04**

<b>GPER</b>	<b>Baseline (2001/2002)</b>	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>GPRS Target</b>	<b>Target Achievement</b>
<b>National</b>	83.8%	85.7%	86.3%	87.5%	88.5%	Missed
Northern	66.4%	70.6%	70.5%	72.7%	70.0%	Exceeded
Upper East	71.2%	<b>76.5%</b>	77.1%	80.5%	79.0%	Exceeded
Upper West	63.1%	70.3%	74.1%	77.3%	73.0%	Exceeded

*Source: Ministry of Education and Sports, Preliminary Education Sector Performance Report 2004-05*

Under the policy objective of bridging the gender gap in access to education, an assessment of the indicators shows positive but slow improvements in female enrolment both at the national level and in the deprived regions. It is noted in particular that, except for Northern region, female enrolment targets for 2004-05 have been exceeded in the Upper East and Upper West (Table 6.2). Despite these achievements the rate of enrolment was not sufficiently high enough for the attainment of the Millennium Development Goal of Gender Parity in education by 2005.

**Table 6.2: Trends in Gross Primary Enrolment Ratio for Girls (GPER) and Gender Parity Index (GPI), 2001/02-2003/04**

<b>Category</b>	<b>Baseline (2001/2002)</b>	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>GPRS Target</b>	<b>Target Achievement</b>
<b>GPER</b>						
National	80.1%	82.2%	83.1%	84.4%	88.5%	Not achieved
Northern	56.8%	61.8%	63.0%	66.4%	70.0%	Not achieved
Upper East	70.5%	76.3%	76.4%	81.2%	79.0%	Exceeded
Upper West	63.1%	71.0%	74.9%	79.2%	73.0%	Exceeded
<b>GPI</b>						
<b>National</b>	0.92	0.92	0.93	0.93	1.00	Not achieved
Northern	0.75	0.78	0.81	0.84	1.00	Not achieved
Upper East	0.98	0.99	0.98	1.02	1.00	Stagnated
Upper West	1.00	1.02	1.02	1.05	1.00	Worsened

*Source: Ministry of Education and Sports, Preliminary Education Sector Performance Report 2004-05*

### **Policy Measures and Achievements**

A review of the key policy measures and activities undertaken during this period, and the status of the relevant indicators are as summarised below.

**Table 6.3: Education Sector Policy Objectives and Measure to Increase Access to Education with relevant Indicators, 2002-2005**

Policy Objective	Action/Measure	Indicator
<b>Increase access to participation in education and training</b>	<ul style="list-style-type: none"> <li>Construct/rehabilitate classrooms</li> <li>Implement teacher retention schemes in deprived areas</li> </ul>	Number of classrooms constructed/rehabilitated
	<ul style="list-style-type: none"> <li>Introduce capitation grant in all public basic schools (KG, primary, JSS).</li> </ul>	Capitation grant introduced in all public basic schools
	<ul style="list-style-type: none"> <li>Introduce school feeding programme on pilot basis in selected districts</li> </ul>	School feeding programme introduced in selected districts
	<ul style="list-style-type: none"> <li>Develop one model SSS in each district.</li> </ul>	Number of model SSS upgraded/developed.
	<ul style="list-style-type: none"> <li>Improve vocational and technical training</li> </ul>	TVET Bill approved by Cabinet.
<b>Bridge gender gaps in access to education</b>	<ul style="list-style-type: none"> <li>Increase girls enrolment in primary schools</li> </ul>	Gross Primary Enrolment Ratio (GPER) for girls Gender Parity Index (GPI)
	<ul style="list-style-type: none"> <li>Provide incentive/scholarship schemes to increase retention of girls</li> </ul>	Amount allocated for incentive/scholarship schemes

*i. Construction/ Rehabilitation of Classrooms*

The availability of adequate number of classrooms in good condition is a key factor in ensuring the enrolment and retention of pupils in schools. According to the *2005 Education Sector Performance Report*, the stock of public primary classrooms is currently 59,210, out of which a significant proportion (30.3%) needs to be rehabilitated (Table 6.4).

**Table 6.4: Public Primary School numbers and conditions, 2004-05**

Public primary classrooms	Number of classrooms	% Needing Rehabilitation
<b>National</b>	<b>59,210</b>	<b>30.3%</b>
<b>Deprived</b>	18,523	33.1%
<b>Northern region</b>	5,701	28.7%
<b>Upper East</b>	2,604	22.2%
<b>Upper West</b>	1,863	18.9%

*Source: Ministry of Education and Sports-Preliminary Education Sector Performance Report, 2005*

Data over the last three years indicate that progress towards the construction targeted number of new classrooms has been slow. For example, only 249 out of the 440 six-unit classroom blocks under construction in 2004 have been completed (Table 6.5). The inadequate number of classrooms in good condition poses a serious challenge to accommodating the expected increases in pupil enrolment which is envisaged from the introduction of the capitation grant.

**Table 6.5: Trend in number of classrooms rehabilitated/constructed, 2003-2004**

Indicator level 2002	Indicator Level 2003	Indicator Status 2004	Indicator Status 2005
585 three unit classroom blocks provided	685 three unit classroom blocks constructed in 2003	Of the 440 six-unit classroom blocks which were under construction in 2004, 216 were completed	Additional 33 six-unit classroom blocks completed in 2005, yielding a total of 249 completed classroom blocks as at 2005. Construction of the remaining 191 six-unit blocks is ongoing and at various stages. 43 of the completed classroom blocks have been located in the three northern regions.

*Source: Ministry of Education and Sports, 2005 Education Sector Performance Report.*

*ii. Introduce Capitation Grants in all Public Basic Schools (PRSC 4/MDBS)*

An important policy measure implemented in 2005 to enhance basic school enrolment was the provision of capitation grants to all the 53 deprived districts. A total amount of 28.16 billion cedis to cover the fees of 945,724 pupils was released for this purpose. Guidelines and reporting format on the utilisation of the grants were issued to all districts. Available data indicates that the payment of the capitation grant is already making a positive impact on the level of enrolment in basic schools. The Gross Enrolment Ratio (GER) of the beneficiary districts increased from 76.06% in 2003/2004 to 80.12% in 2004/2005. The measure has been expanded to cover all public basic schools (Kindergarten, Primary, JSS) for the 2005/2006 academic year. It is anticipated that the coverage for 2006 will be for 3.7 million pupils at the cost of 111 billion cedis.

*iii. Introduce School Feeding Programme on Pilot Basis in Selected Districts*

In addition to contributing significantly to the health and nutritional status of pupils, the School Feeding Programme has the additional potential to enhance enrolment at the basic level. To date a total number of 44,710 pupils have benefited from the School feeding programme being administered by the World Food Programme (WFP) since its inception in 2001. The annual breakdown of the number of beneficiaries is provided in Table 6.6 below.

Under the NEPAD School Feeding Programme, ten (10) pilot schools, drawn from deprived district in the country are expected to benefit from the initiatives.

**Table 6.6: School Feeding Programme-WFP figures**

Year	Number of students beneficiaries
2001/02	20,546
2002/03	25,720
2003/04	34,812
2004/05	44,710

*Source: Ministry of Education and Sports, 2005 Education Sector Performance Report*

*iv. Develop One Model SSS in Each District*

To enhance access to good quality secondary school education, the programmes designed to upgrade Senior Secondary Schools were implemented in 2005. Summary of progress made with respect to this programme activity is provided in Table 6.7.

**Table 6.7: Progress in the development of Model Secondary Schools, 2002-2005**

Indicator level 2002	Indicator Level 2003	Indicator Status 2004	Indicator status 2005
31 schools identified for upgrading after assessment of physical infrastructure and academic requirements	Work on 31 schools selected for upgrading progressing steadily	Work on the first batch of 31 schools is 65.5% complete. Preliminary studies to determine the second phase of upgrading 25 more schools has been completed	Progressing steadily. Work on the first phase of upgrading 31 schools is at 71% completion stage. Supervising Consultants are being procured for the second phase of upgrading 25 more schools under an African Development Bank facility.

*Source: Ministry of Education and Sports, 2005 Education Sector Performance Report.*

*v. Improve vocational and Technical Training*

To improve access to vocational and technical training, the following activities were undertaken in 2005.

- The Technical and Vocational Education and Training (TVET) Policy Framework meant to facilitate the expansion and delivery of vocational education and training is being finalised for submission to Parliament.
- The upgrading of facilities on the VOTEC Resource Centres Project continued at the cost of 40 billion cedis.
- Technical and Vocational education have been given special focus in the new education structure. An estimated amount of 100 billion cedis has been earmarked in the 2006 budget to improve facilities and provide equipment in three technical and Vocational institutes.

***Policy Objective 2: Improving the Quality of Education***

Assessing the quality of education continues to be constrained by lack of data on outcome indicators (See 2004 APR). A new *Minimum National Standards System* for comprehensive assessment of the quality of education has now been developed and is being implemented on a pilot basis. When it becomes fully operational, the new system of assessment will provide data on the following three main components of the quality of education :

- **National Minimum Assessment (NEA)**, which will be a national report on the accomplishment of a sample of pupils in the minimum competencies of the curriculum (numeracy and literacy) at each grade.
- **School Education Assessment (SEA)**, which provides school-level report on selected parts of the curriculum to help schools improve their performance.
- **Continuous Assessment (CA)**, which is a student-level assessment that informs teachers about the accomplishment and needs of their pupils.

Another indicator of quality of basic education is the result of the Basic Education Certificate Examination (BECE). An aggregate grade between 6 and 30 is required to enable a pupil to enter second cycle education. Table 6.8a provides information on proportion of pupils who gained the required grades in 2004 and 2005. A review of the data indicates that, over all the national average improved marginally from 61.3% in 2004 to 62% in 2005. However, the



Northern and Upper West regions, and 40 deprived districts registered a decline in performance under this indicator. Among the reasons for this observation are;

- poor levels of teacher attendance.
- lack of suitable residential accommodation facilities in rural communities, which constitute a strong disincentive for attracting good teachers to such localities.

**Table 6.8a Examination Entrants Gaining Aggregate 6-30, 2004 and 2005**

Category	Percent gaining required aggregate	
	2004	2005
National	61.3%	62.0%
Northern	51.1%	47.0%
Upper East	50.6%	55.0%
Upper West	60.8%	55.0%
40 deprived districts	51.1%	49.0%
Other districts	63.5%	62.2%

### **Policy Measures and Achievements**

A summary of policies being implemented to enhance the quality of basic education is provided in Table 6.8b below;

**Table 6.8b: Education Sector Policy Objectives and Measure to Improve Quality of Education with the Indicators, 2002-2005**

Policy Objective	Action/Measure	Indicator
Improve the quality of teaching and learning	Improve the proportion of trained teachers in basic schools	Percentage of trained teachers
	Implement District Sponsorship Scheme for teacher trainees based on needs assessment	Proportion of teacher trainees sponsored by districts increased compared to previous year.
	Improve pupil: teacher ratio in basic schools	Pupil: teacher ratio
	Ensure timely delivery of core textbooks	Pupil: core textbook ratio

#### *i. Percentage of Trained Teachers*

Increases in enrolment over the years have led to an increase in demand for trained teachers. Data in Table 6.9 shows that the percentage of qualified trained teachers out of the total teacher population reduced at the national level, in the three northern regions, as well as in the deprived districts in 2004-05 compared to 2003-04. The 40 deprived regions all consistently registered a decline with respect to this performance indicator over the period.

**Table 6.9: Trends in Percentage of Trained Teachers in Primary Schools**

CATEGORY	2002-03	2003-04	2004-05	GPRS Target	Target Achievement
NATIONAL	73.6	73.9	72.4	81.3	Not achieved
Northern	58.5	52.2	51.6	81.3	Not achieved
Upper East	67.1	74.8	70.3	81.3	Not achieved
Upper West	75.6	77.1	78.5	81.3	Not achieved
40 deprived districts	56.0	55.3	53.2	81.3	Not achieved

*Source: Ministry of Education and Sports, Preliminary Education Sector Performance Report 2005*

### *ii. Pupil: Teacher Ratio (PTR)*

An important proxy for measuring the quality of education is the pupil: teacher ratio. The recommended PTR at the primary level that will ensure efficient delivery of quality teaching to pupils is 35: 1. Table 6.10 indicates that the national and regional PTR targets set for 2004-05 were not achieved. The situation is likely to worsen in the coming years when the envisaged impact of the capitation grant on increased enrolment emerges, especially in the 40 deprived districts where the PTR increased dramatically between 2002-03 and 2004-05.

The above analysis calls for renewed emphasis on teacher recruitment, training, deployment and retention.

**Table 6.10: Trends in Primary PTR (Public Schools)**

CATEGORY	2002-03	2003-04	2004-05	GPRS Target	Target Achievement
NATIONAL	32.3	34	34.9	33.1	Not achieved
Northern	36.3	38.6	40.2	35	Not achieved
Upper East	53.7	58.9	57.4	45	Not achieved
Upper West	47.9	46.2	49	35	Not achieved
40 deprived districts	36.6	39.5	41.9	33.1	Not achieved

*Source: Ministry of Education and Sports, Preliminary Education Sector Performance Report 2005*

### *iii. District Sponsorship Scheme for Teacher Trainees*

The district sponsorship scheme for teacher trainees was instituted to meet the teacher requirements of, especially distressed districts. Under this scheme districts experiencing difficulties in meeting their demand for qualified teachers are encouraged to sponsor the cost of training of eligible candidates. These candidates are then contracted to teach in the districts that sponsored them for a period of three (3) years.

In 2004-05, the districts sponsored 96% of teacher trainees nationwide. This compares with 94.5% of district-sponsored trainees in 2003-04. The deprived districts also sponsored 48% new teacher trainees under the scheme in 2004-05.

### *iv. Pupil: Core Textbook Ratio*

Another indicator used to track progress in improving quality of education is the availability of core textbooks. Under the GES textbook policy, each pupil in basic school is eligible, on individual basis, to access a textbook in each of the core subjects (English, Mathematics, and Science). This obviously translates into a pupil core textbook ratio of 1: 1. Table 6.11 indicates that the targets set for pupil core textbook ratios under GPRS were not attained at both the national and regional levels. Over the three-year implementation period of GPRS, the national pupil: core textbook ratio fell only marginally from 1: 0.6 in 2002-03 to 1: 0.3 in 2004-05. The trend was the same across the country with little regional variations.

The main reason for the trend in pupil core textbook ratio was the fact that no textbooks for the basic level had been procured and distributed since 2002. This in turn was due to delay in textbook development and selection process. However, by the end 2005, the Ministry of Education and Sports had taken delivery and distributed the first batch of textbooks, comprising 70% of total consignment.

**Table 6.11: Trends in Primary Pupil Core Textbook Ratio (Public Primary Schools)**

CATEGORY	2002-03	2003-04	2004-05	GPRS Target	Target Achievement
NATIONAL	1: 0.6	1: 0.5	1: 0.3	1: 1	Missed
Northern	1: 0.5	1: 0.4	1: 0.2	1: 1	Missed
Upper East	1: 0.4	1: 0.3	1: 0.2	1: 1	Missed
Upper West	1: 0.5	1: 0.4	1: 0.3	1: 1	Missed

*Source: Ministry of Education and Sports, Preliminary Education Sector Performance Report 2005*

### ***Policy Objective 3: Efficiency and Equity in Financing Education***

One of the key policy objectives in GPRS was to bridge the geographical gap in access to good quality education. To achieve this objective, measures were put in place to enhance efficiency and equity in financing education with attention to greater poverty impact (Table 6.12). This section reports on progress on these measures.

#### **Policy Measures and Achievements**

**Table 6.12: Education Sector Policy Objectives and Measure to Improve Efficiency and Equity in Educational Financing with Relevant Indicators, 2002-2005**

Policy Objective	Action/Measure	Indicator
Improve efficiency and equity in educational finance	Deliver increased resources to deprived districts	Proportion of non-salary budget to 40 deprived districts increased.
	Increased execution rate of budgeted non-salary expenditures to not less than 85%	Execution rate of non-salary budget not less than 85%

#### *i. Deliver Increased Resources to 40 Deprived Districts on the Basis of Education Plans*

Table 6.13 below indicates significant achievement with this measure. The proportion of government's only component of non-salary budget allocated to the 40 deprived districts has been increasing significantly over the years. The result is reflected in growth in enrolment in the deprived districts. Consequently the GER at the primary school level increased from 70.16% in 2001/02 to 80.12% in 2004/05 (Ministry of Education and Sports, 2005).

**Table 6.13: Percentage of GoG Only Component of GES Non-Salary Budget for Deprived Districts**

Budget Year	Budget provision
2003	10.1%
2004	13.5%
2005	21.44%

*Source: Ministry of Finance and Economic Planning, 2005 PRSC/MDBS report*

#### *ii. Execution Rate of Budgeted Non-Salary Expenditures Increased to not less than 85% in 2005*

The targeted execution rate of not less than 85% of budgeted non-salary expenditures in 2005 was not achieved. The rate actually decreased from 80% in 2004 to 78% in 2005.

### **6.3 STATUS OF SELECTED INDICATORS FOR THE HEALTH SECTOR AND KEY POLICY ACTIONS**

The overall goal of the health sector in the GPRS is to improve the health status and ensure equity in health outcomes for all Ghanaians. To this end, objectives for this sector under the GPRS I focused on:

- bridging the equity gaps in access to quality healthcare and nutrition services;
- ensuring sustainable financial arrangements that protect the poor; and
- enhancing efficiency in service delivery.

The section reviews the outcome of some key health indicators as a result of the policy measures that were implemented in 2005.

#### ***Policy Objective 1: Bridge Equity Gaps in Access to Quality Health Care and Nutrition***

##### **Child Health**

The overall performance of the health sector in the areas of child health has stagnated over the period. The results of the Ghana Demographic and Health Survey (GDHS) which was last conducted in 2003 indicates that the marked improvements in child survival indicators achieved since 1988 had begun to register disturbing trends by 2003. This was particularly the case for infant mortality rate (IMR); child mortality rate (CMR); and child malnutrition (Table 6.14a). At the regional level, increases in child survival indicators in such regions as Ashanti and Eastern which are not traditionally classified as deprived are also registering declining trends on these indicators (Table 6.14b).

A more detailed analysis of data from GDHS suggest that lack of improvements in infant and under-five mortality rates was linked to failure to improve neonatal death rates (Neonatal Death rate was 43/1000 live births), which accounted for two-thirds of infant deaths.

The persistence of the observed trend in child survival indicators is likely to compromise the achievement of the Millennium Development Goals (MDGs) of reducing CMR by two-thirds of 1990 levels by 2015.

Notwithstanding the stagnating IMR and CMR levels registered at the national level, the 2003 GDHS also indicated significant reduction in IMR and CMR in the Upper East region (Table 6.14b), where an Accelerated Child Survival and Development Programme is being implemented in all districts. The lesson here is that with improved packaging, delivery and targeting of child health interventions, the worsening trends in child survival in the country could be reversed.

The positive results of interventions implemented in the Upper East region suggests that the replication of the complete Integrated Management of Childhood Illnesses (IMCI) model in all districts would be significant in improving child health. Currently 56% of districts are implementing the full IMCI package.

**Table 6.14a: Basic Child Survival Indicators, 1988-2003**

Indicator	1988	1993	1998	2003
Infant mortality rate (per 1000 live births)	77	66	57	64
Under five mortality rate (per 1000 live births)	155	119	108	111
Child malnutrition (underweight)	24%	27%	25%	22.0%

Source: GDHS, 1988-2003

**Table 6.14b: Regional Differentials in under-five mortality, 1998 and 2003**

Region	1998	2003	Indicator movement
Western	109.7	109	Stagnated
Central	142.1	90	Improved
Gt. Accra	62.0	75	Worsened
Volta	98.0	113	Worsened
Eastern	89.1	95	Worsened
Ashanti	78.2	116	Worsened
Brong Ahafo	128.7	91	Improved
Northern	171.3	154	Improved
Upper East	155.6	79	Improved
Upper West	155.3	208	Worsened

Source: GDHS, 1998 and 2003

### **Immunisation Coverage**

In contrast with the performance of child health indicators, significant achievement has been registered on the coverage of immunisation programme. This indicator increased from 75% in 2004 to 85% in 2005 (Table 15). Suspected measles cases also declined from a high level of 13,476 in 2001 to 487 in 2005.

**Table 6.15: Trends in Immunisation**

Indicator	2002	2003	2004	2005	2005GPRS target
Immunisation coverage	77.9%	76.0%	75.0%	Penat-85.01%	90.0%
				Measles-83.0%	88.0%

Source: GDHS, 1998 and 2003

### **Child Nutrition**

Child malnutrition rate remains unacceptably high in the country. According to the 2003 GDHS, 22% of children 0-59 months old are underweight, with wide regional and socio-economic variations. Prevalence of underweight is significantly higher in rural areas (25%) than in urban areas (15%) and higher among socio-economically disadvantaged households (31% for households in the lowest quintile versus 11% for households in the highest quintiles). Two priority areas identified in the Health Sector 2005 Programme of Work to reduce the problem of malnutrition are:

- promotion of improved early childhood nutrition through improved child feeding practices (breastfeeding and complementary feeding)
- control of micronutrient deficiencies through promotion of universal consumption of iodized salt, large-scale implementation of vitamin A supplementation and improvement of iron-folate supplementation during pregnancy.

*(a) Promotion of improved early childhood nutrition through improved child feeding practices (breastfeeding and complementary feeding):*

There is lack of nation-wide data to measure progress made towards increasing the rate of breastfeeding among infants in 2005. However, an indication of progress in this area may be gleaned from data collected from the Community Based Nutrition and Food Security Project implemented by National Development Planning Commission (NDPC) with World Bank support in 40 deprived communities. Data from this source showed marked improvements in the rates of exclusive breastfeeding in the project communities. Underweight rates among children under-five years also decreased considerably. The lesson here is that the re-orientation of the implementation of the current Health Sector programme on improved nutrition towards community-based service delivery involving communities under the support and supervision of district health centre will significantly enhance the performance of the programme.

*(b) Control of micronutrient deficiencies through promotion of universal consumption of iodized salt, large-scale implementation of vitamin A supplementation and improvement of iron-folate supplementation during pregnancy::*

A national survey on access to iodized salt was undertaken in 2005. Preliminary survey results show that the proportion of households that consume iodized salt increased significantly from 42% in 2003 to 74% in 2005, of which 49% were adequately iodized.

In 2005, large-scale vitamin A supplementation (VAS) of children between 6-59 months was undertaken nationwide, achieving 100% coverage. Data on the coverage of VAS for pregnant women was not available at time of writing this report.

## **Maternal Health**

The level of Maternal Mortality Rate (MMR) is a key indicator of access to and utilisation of improved quality of maternal health services. Although there is lack of agreement on the level of maternal mortality rate in Ghana among stakeholders, there is general agreement that the rate is unacceptably high. Available data from the MOH reveals that the national institutional MMR increased from an average of 1.86 per 1000 live births in 2004 to 2.05 in 2005, with wide regional variations. The 2005 institutional mortality ratio ranged from 1.04/1000 live births in the Central region to 2.88/1000 live births in the Eastern region.

To reduce the level of maternal mortality, the government continues to invest in maternal health programmes including increasing access to antenatal care during pregnancy and promoting institutional delivery. As a result there have been significant gains in the utilisation of these maternal health services.

**Antenatal Care:** The coverage of national antenatal care is generally high at 88.7% in 2005 but did not attain the target set under the GPRS I of 90.0%. The average number of antenatal care visits per client, a measure of confidence in the system, increased from 2.8 to 3.4 between 2001 and 2005. The exemption policy, which covers antenatal visits contributed to the high proportion of women using antenatal care services.

**Supervised Deliveries:** This indicator reflects efforts to reduce maternal mortality and it is a key indicator for the MDBS. Coverage of supervised delivery (skilled attendants and trained TBAs) for the year 2005 was 54.2% indicating a marginal increase over the 2004 coverage of 53.4% (Table 6.16). There remain marked regional differences in coverage from a low level of 35.8% in the Western region to a high of 77.1% in the Central region.

The implementation of the exemptions policy for supervised delivery may have contributed to improvement in this indicator at the national level. Further improvements in supervised delivery would, however, require increasing access to quality health care; improving the implementation of the exemption policy; and overcoming persistent socio-cultural factors that inhibits the level of institutional delivery.

**Table 6.16: Coverage of Supervised Delivery by Region, 2002-2005**

Region	2002	2003	2004	2005
National	49%	52.1%	53.4%	54.1%
Ashanti	55.7%	56.2%	56.2%	54.3%
Brong Ahafo	57.8%	56.0%	57.8%	62.0%
Central	63.8%	67.1%	76.3%	77.1%
Eastern	55.0%	50.6%	47.2%	58.4%
Gt. Accra	54.5%	49.4%	46.2%	48.6%
Northern	41.2%	39.2%	48.2%	57.5%
Upper East	42.5%	44.9%	71.2%	53.5%
Upper West	66.0%	67.4%	71.2%	66.5%
Volta	40.2%	49.0%	39.7%	42.1%
Western	46.8%	47.5%	46.2%	35.8%

Source: MOH, MDBS/PRSC Health Sector presentation.

The following section is an assessment on the progress made on measures implemented in the health sector under the various policy objectives outlined above to improve its performance.

### **Policy Measures and Achievements**

The key health sector programmes/projects designed to bridge the equity gap in access to good quality healthcare and nutrition services are presented in Table 6.17.

**Table 6.17: Health Sector Policy Objectives and Measures for Bridging the Equity Gaps in Access to Quality Healthcare and Nutrition Services with Relevant Indicators, 2002-2005**

Policy Objective	Action/Measure	Indicator
<b>Bridging Equity Gaps in Access to Quality Health Care and Nutrition Services</b>	Increasing geographical access to quality health services.	Number of functional CHPS completed
	Providing model Hospitals in each targeted Deprived District and model health centre in each targeted deprived sub-district.	Number of hospitals/health centres constructed /rehabilitated
	Implementing high impact and rapid delivery programmes to reduce under-five mortality and maternal mortality.	Under-five mortality rate Maternal mortality rate
	Pilot agreed recommendation of the options paper on decentralisation of Personnel Emoluments	Population-Nurse ratio decreased Population-Doctor ratio decreased
	Establish Monitoring and Evaluation System for human resource reforms	Monitoring and Evaluation System for human resource reform established
	Develop Draft revised Human Resource policy	Draft policy document available
	Increase utilisation of health services	Supervised delivery coverage

#### *i. Increasing Geographical Access to good Quality Health Services*

The focus on increasing geographical access to quality health care in 2005 was on the completion of more functional Community Health Planning Services (CHPS) compounds. A functional CHPS zone consists of a Community Health Organisation (CHO) in place with registered households and a community-based service being delivered. Progress in

implementing CHPS has been unsatisfactory. In 2005, 190 functional CHPS compounds were established as against a target of 250. Major constraints in implementing this measure include getting staff to accept postings to rural areas, inadequate resources such as transport for home visits, and absence of community involvement and ownership of the CHPS programme.

ii. Providing A Model Hospital in each targeted Deprived District and A Model Health Centre in each targeted Deprived Sub-District.

As at the end of 2005 sixteen (16) health centers had been completed in various communities, including: Mankessim, Abakrampa, Adutor, Anyanui, Ajena, Jaupong, Akontombra, Sewuom, Aframso, Kwame Danso, Anhiaso, Kotokuom, Banda, Ahenkro, Adeiso, and Pokrom.

iii. Implement the Recommendation of the Options Paper on Decentralisation of Personnel Emoluments on a Pilot Basis (PRSC 4/MDBS)

Available information indicates that this measure has not yet been achieved but has registered some progress:

- cabinet has approved the proposal for decentralisation of P.E
- a multi-sectoral task team has been established to lead the process
- costed plan has been developed and incorporated in the sector's financing gap requirement for which the relevant resources should be mobilisation

iv. Establish Monitoring and Evaluation System for Human Resource Reforms (PRSC 4/MDBS)

This measure was largely achieved. Specific activities undertaken in this connection involves; the conduct of a productivity analysis of the health sector workforce as basis for benchmarking efficiency in the sector; the mapping of service availability; and a head count of existing human resources within the sector.

Outstanding issues which need to be further analysed and resolved include the following:

- challenges posed to human resource capacity in the sector as a result of the persistent brain drain syndrome in the health sector.
- benchmarking productivity and making a strategic shift towards resolving issues relating to low productivity.
- undertaking further reforms and investments in the existing health information system to facilitate effective monitoring and evaluation

v. Develop Draft Revised Human Resource Policy (PRSC 4/MDBS)

This measure was partially achieved. A draft Human Resource Policy framework has been formulated and circulated to stakeholders for amendments and validation.

The available data on the utilisation of maternal health services shows that only 54.1% of supervised delivery has been attained by 2005, against GPRS I target of 60.0%. The main reason for failure to attain the set target is the non-release of expected 30 billion cedis earmarked for the implementation of the programme from HIPC funds.



***Policy Objective 2: Ensure Sustainable Financing Arrangements that Protects the Poor***

**Policy Measures and Achievements**

Table 6.18a provides a summary of ongoing policy measures designed to reduce the high cost of accessing improved and high quality healthcare and nutrition by the poor.

**Table 6.18a: Health Sector Policy Objectives and Measures for Ensuring Financial Arrangements that Protect the Poor, with Relevant Indicators, 2002-2005**

<b>Policy Objective</b>	<b>Policy Measure/Activity</b>	<b>Indicator</b>
<b>Ensure Sustainable Financing Arrangements that Protects the Poor</b>	District-wide Mutual Health Insurance Scheme (DMHIS) registering the indigents and National Health Insurance Council transferring subsidy to district schemes	A well functioning DMHIS with at least 2.0% of NHIS registrants being indigents.
	Increase funding and coverage of exemptions.	Amount budgeted for exemptions
	Increase health expenditure as total of government expenditure	Health expenditure as %age of total government expenditure

*i. Implementation of the National Health Insurance Scheme: District-Wide Mutual Health Insurance Scheme (DMHIS), Registering the Indigents, and National Health Insurance Council Transferring Subsidy to District Schemes (PRSC 4/MDBS)*

One major initiative implemented in 2005 was the launch of the National Health Insurance Scheme as required under Act 650 of 2003. Activities undertaken in implementing the National Health Insurance Scheme in 2005 focused on management set up, awareness creation, infrastructure development, and operationalisation of the scheme.

Achievements recorded include the following:

- The establishment 125 District Mutual Health Insurance Schemes (DMHISs), out of which 120 are managing claims.
- The release of start-up funds to all 125 DMHIS with the necessary arrangements being made to support new districts that have initiated their schemes. Eight (8) new districts have already initiated their schemes which are at advanced stages of implementation. These are the Sisala West, Bia, Amenfi East, Assin South, Kwahu West, South Dayi, Kintampo South and Atiwa Districts.
- As at the end of December 2005, 4,400,279 people had enrolled as members of District/Municipal/Sub-Metro Mutual Health Insurance Schemes. This represents 22.0% of registration coverage nationwide compared to 10% target set for the year. Close to half (48.6%) of registered members comprising persons under 18 years of age, over 70 years of age, pensioners, indigents are eligible for exemption from payment applicable under the scheme. Indigents make about 2.0% of total registrants. Details of registration coverage are provided in the Tables 18b and 18c.
- The National Health Insurance Council (NHIC) has the mandate to register, license and regulate health insurance schemes; supervise the operation of health insurance scheme; and grant accreditation to healthcare providers and monitor their performance. To ensure smooth functioning of the NHIC, a substantive Executive Secretary has been appointed. In addition, an MIS Director, Fund Investment Director, Schemes Coordinator, Acting Director of Finance and Administration, and Deputy Director for PPME, are currently at post.

**Table 6.18b: NHIS Registration coverage by category of registrants**

Category	Operational Definition	Number Registered	% to total registered
<b>Total Registered</b>	Refers to fully paid and partially paid members as well as exempt group	<b>4,400,279</b>	-----
Total membership	Refers to only paid up members of the informal sector and the exempt group.	3,223,354	73.2%
Informal sector	Refers to premium paying members (direct payments)	615,450	14.0%
SSNIT contributors	Public/Private sector workers contributing to SSNIT pension fund.	468,092	11.0%
<b>Actual Exempt</b>	Refers to exempt group[ less SSNIT contributors		
SSNIT pensioners	Pensioners who were contributors to SSNIT fund during their active years.	43,208	1.0%
Children under 18 years	Minors whose two parents or proven single parents are contributors	1,751,175	39.8%
Aged-70+	Persons above the age of 70	266,421	6.0%
Indigent	Refer to section 104 Act 690	79,008	2.0%
Total ID Card bearers	Insured members who have been issued with ID Cards	1,388,662	43.0%

**Table 6.18c: Registration Coverage by Region**

Region	Estimated Population	Number registered	% population registered
Upper East	963,448	75,675	7.85
Upper West	561,866	60,304	10.73
Northern	1,790,417	281,992	15.75
Brong Ahafo	1,968,205	592,923	30.14
Ashanti	3,924,925	1,105,196	28.43
Western	2,042,753	427,904	21.34
Central	1,687,311	372,562	22.42
Gt. Accra	3,576,312	608,074	17.02
Eastern	2,274,453	416,393	18.31
Volta	1,636,462	459,256	28.06
Total	20,425,652	4,400,279	22.00

*ii. Increase Funding and Coverage of exemptions (PRSC 4/MDBS)*

The level of funding for exemptions increased from 53 billion cedis in 2004 to 183.2 billion cedis in 2005. This objective of increase funding and coverage was therefore achieved. However, there is need to reform exemptions in the light of the changing health financing systems to ensure that the poor are adequately protected. To this end, a review of the exemptions policy has been commissioned to provide the basis for policy review.

*iii. Increase Health Expenditure as Total of Government Expenditure*

The proportion of non-wage recurrent expenditure on health has been increasing steadily over the years. The proportion increased from 10.5% in 2002 to 11.8% in 2003 and then 12% in 2004. The proportion in 2005 was 11.2% (without National Health Insurance Levy) and 16.8 % (with National Health Insurance Levy).

### ***Policy Objective 3: Reduce the Spread of HIV/AIDS Pandemic***

#### **Policy Measures and Achievements**

The HIV/AIDS pandemic continues to pose a challenge to the goal of attaining the right quality and levels of human resource required to support the nation's socio-economic development. Policy measures being implemented to check the spread of the HIV/AIDS pandemic is summarised in Table 6.19 followed by an assessment of the status of the relevant indicators.

**Table 6.19: Health Sector Policy Objectives and Measures for Reducing the Spread of HIV/AIDS with Relevant Indicators, 2002-2005**

<b>Reduce the spread of the HIV/AIDS epidemic</b>	Prevent new infections through safer sex, prevention of mother-to-child transmission, ensuring safe blood products and STI management	National HIV prevalence below 3.1% by the end of 2008.
	Develop a national monitoring and evaluation framework based on the national strategic framework for 2006-2010	National monitoring and evaluation framework developed
	Scale up the provision of antiretroviral combination therapy (ART) for people with advanced HIV.	ART available by the end of 2005 at least 6 regional hospitals

#### ***i. Reduce HIV Prevalence***

There may be an earlier sign of stabilisation of the HIV/AIDS epidemic in Ghana as indicated by trend in national median prevalence. The national prevalence rate of 3.6% recorded in 2003 has reduced to 3.1% by 2004 and further down to 2.7% in 2005. However, caution is required in the interpretation of this pattern of decline as there is the need to register consistent decline in prevalence over a longer period of time before decline may be convincingly demonstrated (Ghana Human Development Report, 2004).

At the regional level, the median HIV prevalence in 2005 ranged from 1.2% in the Northern region to 4.7% in the Eastern region. It is noted that the Eastern Region has consistently recorded the highest prevalence rate in Ghana to date (see Table 6.20).

The observed decline in national HIV prevalence could be attributed to a number of factors including:

- the contribution made by the national response (expansion of counselling, testing and PMCT services)
- expansion of STI treatment services
- HIV/AIDS prevention programmes;
- stigma reduction;
- grassroots advocacy and behaviour change activities undertaken by MDAs, Municipal and District Assemblies and civil society organisation.

**Table 6.20: HIV/AIDS Median Prevalence by Region, 2003 - 2005.**

REGION	2003	2004	2005
Ashanti	5.0%	3.0%	3.0%
Brong Ahafo	3.6%	4.1%	3.3%
Volta	2.0%	3.9%	1.9%
Central	5.4%	4.0%	2.9%
Eastern	6.6%	6.8%	4.7%
Western	4.0%	4.6%	2.9%
Gt. Accra	4.2%	3.9%	2.1%
Northern	2.1%	2.5%	1.2%
Upper East	3.2%	3.2%	2.6%
Upper West	1.8%	1.4%	2.6%

*Source: NACP/GHS 2005 HIV Sentinel Survey Report*

*ii. Develop a National Monitoring and Evaluation Framework Based on the National Strategic Framework for 2006-2010 (PRSC4/MDBS)*

A set of national level indicators for Monitoring and Evaluation (M&E) has been developed and agreed upon through consultative meetings with the key partners. The M&E framework will be finalised by mid October 2006.

*iii. Scale up the Provision of Antiretroviral Combination Therapy (ART) for People with Advanced HIV (PRSC4/MDBS).*

Five (5) ART sites were established; three in Eastern region (Atoa Hospital, Agormenya, Koforidua); one in Ashanti region (Okomfo Anokye Hospital); and one in Greater Accra region (Korle-Bu Teaching Hospital). Training on the provision of ART has been conducted in all the regions.

#### **6.4 STATUS OF SELECTED INDICATORS FOR THE WATER AND SANITATION SECTOR AND KEY POLICY ACTIONS**

The key medium term policy objectives of GPRS I in this sector were to accelerate the delivery of:

- potable and safe water; and
- improved sanitation to rural communities and small towns, with special emphasis on guinea worm endemic areas.

An assessment of the GPRS objectives and the targets in the Millennium Development Goals (MDGs) in accelerating the provision of potable and safe water, and improved sanitation facilities in rural communities is presented below.

##### ***Policy Objective 1: Increase Access to Safe Water in Rural Areas***

The percentage of rural population with access to safe water has been increasing steadily over the years. Table 6.21a shows that the proportion of rural population benefiting from access to safe water has risen from 30% in the 1990s to 52% in 2005, representing a 22% increment. The GPRS I target of 46% set for 2005 has thus been exceeded.

However the presentation in Table 6.21b reveals the existence of differences in geographical distribution of access to safe water. Rural population with access to safe water ranges from a

high of 93.1% in the Upper West region to a low of 36.5% in the Central region. Other regions with access far below the national average include the Northern region, Brong Ahafo region and the Western region. The situation calls for better targeting of resources in the next round of the GPRS.

**Table 6.21a: Status of Indicators on Access to Safe Water and Adequate Sanitation in Rural Areas**

Indicator	1998	Indicator Status 2003	Indicator status 2004	Indicator Status 2005	GPRS target 2005	Target Achievement
Percentage of rural population with access to safe water sources (CWSA)	30%	46.4%	51.7%	52.0%	46%	Exceeded
%age of rural population with access to adequate sanitation (2003 CWIQ)	45.8%	55.0%	Not available	Na	Na	Lack of data
Incidence of guinea worm cases reported reduced	5,545 2002	8,290	7,275	3958	0	Not achieved

Source: 2004 GPRS Annual Progress Report/ Ministry of Health 2005 Performance Report/ 2005 CWSA Annual Report

**Table 6.21b: Coverage of Rural Water Supply by Region, 2005**

<i>Region</i>	<i>2005 Population</i>	<i>Population Served</i>	<i>Percentage Coverage</i>
ASHANTI REGION	2,687,683	1,349,681	50.2%
BRONG AHAFO REGION	1,983,345	924,030	46.6%
CENTRAL REGION	1,380,702	503,805	36.5%
EASTERN REGION	2,396,721	1,275,444	53.2%
GREATER ACCRA REGION	800,751	424,091	53.0%
NORTHERN REGION	2,164,235	1,037,164	47.9%
UPPER EAST REGION	919,335	634,259	69.0%
UPPER WEST REGION	626,186	583,104	93.1%
VOLTA REGION	1,430,578	876,554	61.3%
WESTERN REGION	1,814,489	793,026	43.7%
<b>Total Rural Population</b>	<b>16,204,025</b>	<b>8,401,158</b>	<b>52%</b>

Source: 2005 CWSA Annual Report

## **Policy Measures and Achievements**

Table 6.22 presents policy measures implemented under the water and sanitation sector and their corresponding indicators. These measures include ongoing programmes/projects and new initiatives started in 2005.

**Table 6.22: Water and Sanitation Sector: Policy Objectives, Measure and Indicators, 2002-2005**

<b>Policy Objective</b>	<b>Action/Measure</b>	<b>Indicator</b>
<b>Increase access to safe water in rural areas</b>	Construct of new water points	Percentage of rural population with access to safe water sources Number of new water points (boreholes, pipe systems, hand-dug wells) constructed
	Rehabilitate malfunctioning water systems.	Number of water points (boreholes, pipe systems, hand-dug wells) rehabilitated
	Prepare CWSA Strategic Investment Plan (SIP), 2005 to 2015	CWSA SIP, 2005 to 2015 finalised and adopted by Ministry of Water Resources, Works and Housing (MWRWH)
	Prepare medium term implementation plan for rural water	Medium term implementation plan for rural water approved at sector level
<b>Increase access to adequate sanitation in rural areas</b>	Provide sanitary facilities	Percentage of rural population with access to adequate sanitation
		Number of sanitary facilities (household latrines, KVIP) constructed.
<b>Reduce the incidence of guinea worm</b>	Increase safe water coverage in guinea worm endemic areas	Number of reported cases of guinea worm

### *i. Construction of New Water Points/Rehabilitating Malfunctioning Water Systems*

The construction and rehabilitation of infrastructure for water delivery is a major activity among the number of interventions being implemented to enhance the delivery of safe and potable water to rural communities. A key observation in Table 6.23 is that the steady increase in the number of new investments in water infrastructure slowed down in 2005. The number of new boreholes constructed decreased from 2,098 in 2004 to 1,126 in 2005, while the number of small town water systems completed also fell from 57 in 2004 to only 2 in 2005. The main reason for this decline in the provision of the water facility is inadequate and late funding for the implementation of planned water sector projects.

**Table 6.23: Number of Water Facility delivered annually, 2002 - 2005**

<b>Facility</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
New boreholes constructed	622	1290	2098	1126
Boreholes rehabilitated	407	115	85	31
New hand-dug wells	65	61	64	1
Hand-dug wells rehabilitated	2	6	----	6
Small community pipe systems completed	4	19	40	2
Small town pipe systems completed	25	46	57	2

*Source: 2004/05 Annual Report, Community Water and Sanitation*

### *ii. Prepare CWSA Strategic Investment Plan (SIP), 2005 to 2015 (PRSC4/MDBS)*

The Strategic Investment Plan (SIP) for 2005 to 2015 has been prepared and adopted by the Ministry of Water Resources, Works and Housing.

*iii. Prepare Medium Term Implementation Plan for Rural Water (PRSC4/MDBS)*

The preparation of the medium term plan which was scheduled for the first quarter 2006 has been completed. The Terms of Reference (TOR) on the requisite consulting assignment has been finalised and approved by the funding partner. The process of recruiting consultants is in progress.

***Policy Objective 2: Access to Improved Sanitation***

The dearth of reliable and up-to-date data in access to adequate sanitation continues to pose a challenge to the monitoring process. The main reason is the difficulty in coordinating and collating data from the different agencies (i.e. Municipal and District Assemblies, Community Water and Sanitation Agency and the private sector) which have delegated responsibilities for the various components of the water and sanitation programme.

There appears to be an urgent need for a study to be conducted on the appropriate framework for data management to support the planning and targeting of resources within the sector. Currently the most reliable data is obtained from the 2003 CWIQ, which indicates that only 55% of the population has access to adequate sanitation with wide regional variations (e.g. access to improved sanitation is below 30% in the three northern regions).

***Policy Objective 3: Reducing the Incidence of Guinea Worm Disease***

Analysis of trends within the health sector indicates that the number of reported cases of the guinea worm infections has been generally declining. However the rate of decline is not sufficient enough for the eradication of the disease. Table 6.21a shows that the number of cases decreased from 7,275 in 2004 to 3958 in 2005 (representing 45.6% decline). According to the 2005 Annual Report of the MOH, 59% of guinea worm cases detected in 2005 were contained. This represents 3% higher than the 56% recorded in 2004.

The guinea worm eradication programme was re-designed during the year 2005 and re-focused on the goal of eradicating the disease in the next four years. Table 6.21a shows the breakdown of reported guinea worm cases for the top 20 districts in 2004 and 2005. While the number of reported cases of the disease significantly decreased in some districts such as Nkwanta and Nanumba, other districts including Wa and Saboba-Chereponi reported increases (Table 6.24).

**Table 6.24: Number of Guinea Worm Cases Reported by 20 Most Afflicted Districts (2004 and 2005)**

District	Jan-Dec 2004	Jan-Dec 2005	Percentage Decline/Increase
Offinso	28	1	-96.4
Nkwanta	1266	171	-86.5
Afram Plains	17	5	-70.6
Krachi	325	96	-70.5
Nanumba	457	142	-68.9
Sene	23	8	-65.2
Zabzugu-Tatale	329	133	-59.6
Yendi	591	247	-58.2
West Gonja	264	143	-45.8
Gushegu-Karaga	443	246	-44.5
Tamale	405	249	-38.5
Savelugu-Nanton	638	421	-34.0
Tolon-Kumbungu	1260	905	-28.2
East Gonja	542	377	-30.4
Kintampo	117	87	-25.6
Sekyere East	18	18	0.0
Jirapa	20	21	+5.0
Atebubu	167	179	+7.2
Wa	181	290	+60.2
Saboba-Chereponi	41	86	+109.8
<b>Sub-Total</b>	<b>7114</b>	<b>3826</b>	<b>-46.2</b>
<b>GHANA TOTAL</b>	<b>7275</b>	<b>3958</b>	<b>-45.6</b>

*Source: Ministry of Health/ Ghana Health Sector 2005 Annual Report of the Programme of Work*

## 6.5 STATUS OF ACTION ON POLICY RECOMMENDATIONS MADE IN 2004 APR

Some key policy recommendations were made in the 2004 Annual Progress Report to be implemented from 2005. Table 6.25 summarises the status of these policy recommendations.

**Table 6.25: Status of Policy Recommendations in the 2004 APR**

SECTOR/POLICY RECOMMENDATION	STATUS
<b>EDUCATION</b>	
Accelerate the construction/rehabilitation of primary school classrooms	Pace of implementation slow. Only 249 out of 440 6 unit classroom blocks started in 2004 had been completed by 2005.
Promote and extend pre school education to stimulate enrolment	Various activities to mainstream pre schools into basic education were undertaken in 2005. These include the provision of pre-school education in collaboration with districts: preparation and upgrading of pre-school teachers and caregivers. As a result pre-school enrolments increased from 687,643 in 2003/04 to 778,109 in 2004/05.
Roll out capitation grant to all districts	Fully implemented. The Government extended the capitation grant to cover all public basic schools from September, 2005.
Improve per capita resource allocation to most deprived districts	Total GES non salary budget allocated to deprived districts increased from 13.5% in 2004 to 21.4% in 2005.
Ensure efficient implementation of the new textbook development and distribution policy	The Ministry of Education and Sports received and dispatched about 70% of total textbook consignment by the end of 2005.
. Strengthen teacher deployment measures and ensure that the current teacher incentives are achieving results	Implemented. Measures were put in place to address the persistent geographical disparities in pupil teacher ratios, including District Sponsorship schemes for teacher trainees, providing incentive packages for teachers in deprived areas and



	posting National Service personnel as teachers in rural areas.
Expand and adequately equip Teacher Training Colleges to increase the supply of trained teachers.	Over the period 2001/02 to 2004/05, enrolment at Teacher Training Colleges has increased by 33.8%. The number of teachers produced over the same period has also increased by 10.3%.
Promote community engagement in the education process to improve school performance	About 80% of Basic Schools have School Management Committees (SMCs). There are plans to establish the remaining 20%.
Increase resources to technical and vocational institutions for quality skills training	Upgrading of facilities on the VOTEC Resource Centres Project and expansion works in 13 Technical Schools continued at the cost of 40 billion cedis. During the year under review, Cabinet approved the TVET Bill. Due to be submitted to the Attorney General for gazetting and Parliament for promulgation.
<b>HEALTH</b>	
Accelerate the provision/upgrading of district model hospitals and sub district health centres	Fifteen (15) model health facilities were completed in 2005.
Expand the training of health care professionals	Training institutions have been expanded resulting in a 52% increase for the 2005 enrolment over the 2004 intake.
Ensure efficient implementation of health professional attraction and retention schemes	In December 2004, the Ministry of Health (MOH) developed a comprehensive rewards system based on established criteria of pay policy management. Government in collaboration with MOH will come out with a rational and sustainable rewards system to replace the current Additional Duty Hours Allowance (ADHS) in 2006.
Accelerate the implementation of the NHIS and ensure that measures for better targeting of the poor for exemptions within the NHIS are fully implemented	125 DMHIS are being implemented, out of which 120 are managing claims. As of Dec. 2005, 4,400, 279 people have been enrolled, representing 22.0% registration coverage nationwide. Close to 48.6% of registered members are of exempt category (persons aged over 70 years, children under 18 years, pensioners, indigents)
Strengthen Safe Motherhood Programmes, including the promotion of early breastfeeding and family planning	A number of initiatives including the promotion of exclusive breastfeeding, deworming of children and reducing micronutrient deficiencies were implemented in 2005. Vitamin A supplementation (VAS) achieved a national coverage of 98.6%.
Expand the Integrated Management of Childhood Illness (IMCI) program to all districts	IMCI was extended from 36% of all districts in 2004 to 56% of districts in 2005.
Ensure the prevention and management of malaria	New drug policy launched in 2005. Malaria Control Programme intensified. 700,000 Insecticide Treated Nets (ITNs) were ordered. In 2005, 27.0% of pregnant women and 26.0% of children under five years were sleeping in ITNs, as against 21.0% and 22.0% for 2004.
Emphasize the synergy between health service provision and the delivery of safe water and sanitation through health education and collaboration between MOH/GES and other relevant implementing agencies	The major thrust of health care delivery in 2005 was on improving collaboration and partnerships with relevant agencies.
<b>WATER AND SANITATION</b>	
Promote sector wide approach to rural water provision as a means of ensuring geographical equity in investment	Partially implemented. A Strategic Investment Plan has been finalised and submitted to Sector Ministry. National Water Policy finalised in 2005. To be submitted to cabinet for approval.
Increase levels of capital investment in the water sector, with emphasis in guinea worm endemic areas	HIPC funds used to construct 156 boreholes fitted with hand pumps in guinea worm endemic communities in 2005.
Support District Assemblies to prepare water	Manual and Tool Kit for District Water and Sanitation Planning,

and sanitation plans	Monitoring and Evaluation compiled, published and disseminated to all regions, districts, development partners and key sector actors.
Ensure timely disbursement of Government component of funds to CWSA	
Carry out a national survey on sanitation conditions in the country for better targeting of investments.	Not implemented
Strengthen collaboration between CWSA, MOH, and MLGRD in water and sanitation delivery.	Implemented

## 6.6 SUMMARY OF POLICY RECOMMENDATIONS

### 6.6.1 Education

Analysis of the educational sector indicators points to a positive trend in primary school enrolment. Thus the outlook for achieving the MDG target of universal primary education by 2015 appears positive. However a number of challenges remain to be resolved in implementing measures relating to the provision of schools and classrooms, improving the quality of education and enhancing access to good quality vocational and technical training.

Consequently Government should accelerate the pace of implementation of the following measures:

- strengthen the implementation of policy measures for the rehabilitation and construction of classrooms to match increasing school enrolments;
- reduce the persistent gender disparity in school enrolment, by assessing the current incentive/scholarship schemes for effectiveness and possible expansion.
- improve infrastructure and equipment in vocational and technical schools.
- accelerate the implementation of the new educational reform
- strengthen policy measures relating to teacher training and retention, and equitable deployment of trained teachers to all districts.
- ensure the implementation of the recently developed national testing and assessment system for better monitoring of quality of education.

### 6.6.2 Health

The review of the health sector indicators shows an increasing trend in health sector expenditures. However a number of policy measures being implemented within the sector need to be further deepened to enhance access to quality health and nutrition. This include especially;

- the need to prioritise and scale up the delivery of health sector interventions to the poor and those in remote areas through improved targeting of resources;
- the need to prioritise the objectives and measures of the health sector nutrition programme and develop appropriate sector-wide indicators to monitor progress;
- the need to increase the production, distribution, management and retention of human resource in the health sector;
- strengthen and accelerate the implementation of measures to increase the coverage of the National Health Insurance Scheme with special emphasis on indigents;
- design and implement targeted strategic programmes to manage the stabilising HIV situation in the country;
- promote and strengthen private partnership in HIV prevention and management of

infected persons.

### **6.6.3 Water and Sanitation**

A review of the water sector indicators shows that positive results have been attained in the provision of safe water in rural communities. However national coverage still remains low at 52%. The monitoring of performance indicators in the sanitation sub-sector in the country still poses a serious challenge due lack of reliable data.

The government should continue to implement programmes and projects to increase access of the rural population to safe water and sanitation through:

- expanding the provision of water and sanitation delivery systems;
- ensuring the effective implementation of the recently developed National Water policy;
- developing a comprehensive Action Plan, including strengthening the institutional arrangement for the effective programme delivery, monitoring and evaluation for the sanitation sub-sector;
- ensuring better harmonisation and coordination of donor contribution to the water and sanitation sub-sector to avoid duplication and enhance coverage;
- improving/updating the baseline database on actual coverage in terms of levels of consumption, quality of water and distances from source supply to users;
- improving collaboration and partnership in the delivery, monitoring and evaluation of water and sanitation programmes, particularly at the district level.

**HUMAN RESOURCE DEVELOPMENT AND BASIC SERVICES  
STATUS OF INDICATORS- 2005**

Table 6.26a: Summary of Status of Indicators in the Education, MDDBS/PRSC, 2002-2005

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
<b>GPRS Medium Term Priorities</b>								
	<b>Increased Enrolment</b>	Gross Primary enrolment ratio: National	83.8	85.7	86.3	87.5%	88.5	Not Achieved
		Gross Primary enrolment ratio for Girls: National	80.1	82.2	83.1	84.4%	88.5	Not Achieved
	<b>Enhance Access to Education</b>	Number of classrooms rehabilitated /constructed with furniture provided	-	685 3-unit classrooms blocks constructed in 2003	Of the 440 6-unit classroom blocks which were under construction in 2004, 216 were completed	249 of the 440 6-unit classroom blocks have been completed and the rest ongoing and at various stages.	-----	Slow progress
		Share of the three Northern regions in the rehabilitation /construction of primary classrooms increased from 20% to 30% in 2004	20%	420 of 685 (61.3%) of 3-unit classrooms constructed were located in the 3 Northern regions	96 out of the 440 6-unit (22%) classroom blocks under construction were located in the three northern regions	96 out of the 440 6-unit (22%) classroom blocks under construction are located in the three northern regions and 43 have been completed.	-----	Steady progress
		Number of SSS developed upgraded to	31schoolsidentified for upgrading after assessment of physical structure	Work on the first batch of 31 school began and it is progressing	Work on the first batch of 31 schools is almost complete. Preliminary studies	Work on the first phase of upgrading of 31 schools is at 71% completion		Steadily progressing

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
		model sec schools	and academic requirements	steadily	to determine the second phase of upgrading 25 more schools have been completed	stage. Supervising Consultants are being procured for the second phase of upgrading 25 more schools		
	<b>Improve Quality Education</b>	Pupil: Teacher ratio	31.3:1	34.0:1	33.01	35:1	33.01	Not Achieved
		%age of trained teachers in primary schools	69.6	73.5	73.9	72.4	81.3	Not Achieved
	<b>Improve Vocational and Technical Training</b>	TVET Policy Framework developed and operational	-----	-----	Work on national policy on TVET completed	TVET Bill approved by Cabinet.	-----	Progressing
<b>PRSC-4 / MDBS</b>								
	<b>Increase access, completion and quality in basic education, particularly in 3 most deprived regions (Northern, Upper East and Upper West)</b>	All government controlled fees eliminated and capitation grants introduced for girls in public primary schools in deprived districts and in all public primary	-----	-----	----	-Capitation grants provided for to all public primary schools in the 53 deprived districts in 2005. The measure has since been expanded to cover all public basic schools for the 2005/06 academic year.  <u>Deprived Districts GER</u> 2003/04-76.06%	-----	Good Progress

Programme Area	Policy Objectives	Indicator	Indicator Level	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
		schools for the disabled				2004/05-80.12  Deprived districts experienced 5.3% increase in enrolment whilst other district had a shortfall of 0.23%.  <u>Other Districts</u> 2003/04 – 91.07 2004 /05 – 90.86		
		GPER in three most deprived regions increased	----	-----	-----	<u>Northern Region GPER</u> 2003/04- 70.5% 2004/05- 72.7%  <u>Upper East Region GPER</u> 2003/04- 77.1% 2004/05- 80.5%  <u>Upper West Region GPER</u> 2003/04- 74.1% 2004/05- 77.3%	-----	Good progress
		District sponsorship schemes for teacher trainees implemented on the basis of teacher needs assessment	-----	-----	-----	District sponsorship of teacher trainees has been instituted to meet the teacher required needs of the district. Such teachers are bonded to teach in the district for 3 years. This is	-----	Achieved

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
						<p>exclusive of government package of allowances for teacher trainees.</p> <p>-In 2003/04, 94.5% of teacher trainees were sponsored, 96% in 2004/05 and 98% enrolling in 2005/06.</p> <p>-Deprived districts sponsored 4,163 (48%) of the total number of 8,640 new teacher trainees in 2004/05 academic years.</p>		
		Timely delivery of core textbooks (Mathematics, English & Science) for primary schools.	-----	-----	-----	The Ministry of Education was able to distribute about 70% of consignment of core textbooks delivered in 2005.		Largely achieved.
	<b>Improve efficiency and equity of financing education with attention to greater poverty</b>	Execution rate of budgeted non-salary expenditures increased to not less than 85% in 2005	-----	-----	-----	Execution rate of 78% achieved in 2005.	-----	Not achieved.

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
	impact							
		Increased resources delivered to 53 deprived districts	-----	-----	-----	% of GoG only component of GES non-salary budget to deprived districts increased from 13.5% in 2004 to 21.44% in 2005.	-----	Achieved

**Table 6.26b: Summary of Status of Indicators in the Health Sector, MDBS/PRSC: 2002-2005**

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
<b>GPRS Medium Term Priorities</b>								
		Immunisation Coverage	62.0	69.4	76%	Penat- 85.0%	90.0%	Not Achieved
		Proportion of supervised deliveries	44.3	47.1	53.4	Measles- 83.0%	88.0%	
	Increase Access to health services	Number of model health centres provided /upgraded	-	15 model health centres and 2 district hospitals were completed for use in 2003. Additional 15 started to be completed in 2004.	Additional 15 model health centres built & 2 district hospital upgraded  Preliminary work on 12 new sites for upgrading, rehabilitation & construction of health facilities completed.	Sixteen (16) model health facilities have been built by the end of 2005	-----	Slow progress
	Ensure sustainable health care financing	National Health Insurance established and	-	Parliament passed the National Health Insurance Act 45 districts have	Legal framework for implementation of NHIS completed in two documents; National Health	125 schemes are currently being implemented, out of which 120	-----	Good progress



Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
		operational		been piloting the scheme	Insurance Act 650 and Legislative Instrument 1809. -A permanent NHIS Secretariat is in place - An approximate amount of 484,708,539,844.95 cedis has been raised by the National Health Insurance Fund as at Nov. 2004. -123 DMHIS have been set up -Accreditation tools have been developed for Health Centres, District Hospitals, Regional and Tertiary Hospitals -Preparation of NHIS Drug list on-going.	DMHIS are managing claims. -As at the end of December 2005, 4,400,279 people have enrolled representing 22.0% registration coverage nationwide as against 10% target set for the year. -48.63% of registered members are of the exempt category -----		
		Health expenditure increased from 5.7 in 2000 to 7% of total government expenditure in 2003	10.5	11.8	12.0%	11.2% (without NHIL)  16.8% (with NHIL)	7	Exceeded.
		Incidence of guinea worm reported reduced	5,545	8,290 (44.3% increase since 2002)	7275	3,944	0	Not Achieved
		HIV Prevalence			3.6	3.1		

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
<b>PRSC-4 /MDBS</b>								
	<i>Bridge equity gaps in access to quality health care</i>	Pilot the agreed recommendations of the options paper on decentralisation of Personal Emolument	-----	-----	-----	The Ministry of Health has presented the modalities for implementation of this measure to the Ministry of Public Sector Reform for take-off of the pilot (Teaching hospitals/Ghana Health Service and Agency level).	-----	Steady Progress
		Monitoring and evaluation systems for Human resource reforms established	-----	-----	-----	This measure has not been implemented. Waiting for the ADHA Reforms.	-----	Not Achieved
		Draft revised Human resource policy and strategy developed	-----	-----	-----	A human resource policy and strategy document is in the process of being revised. The draft document is being synchronized with the next five years program of work (5YPOW) and will be available by the end of June 2006.	-----	Steady progress
	Increase	Proportion	44.3%	51.9%	53.4%	54.1%	60.0%	Not Achieved

Programme Area	Policy Objectives	Indicator	Indicator Level	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
	utilisation of Health Services	of Supervised Deliveries						
	Ensure sustainable financing arrangements that protect the poor	District wide Mutual Health Insurance Scheme (DMHIS) registering the indigents and national Health Insurance Council (NHIC) transferring subsidy to districts				As at the end of December 2005, 4,450,279 people have enrolled as members of District/Municipal /Sub-Metro Mutual Health Insurance Schemes. This represents 17.86% registration coverage nationwide as against 10% target set for the year. -70.17% of registered members are of the exempt category and indigents make up 2.1% of total registrants. 53.1bn was released to DMHIS for claims management.		Good Progress
		Funding for exemptions in 2006 budget increased to at least 2004 level	-----	-----	-----	€139.2bn was provided in the NHIF for indigents. A provision of 13bn was made on the MOH budget for	-----	Achieved

Programme Area	Policy Objectives	Indicator	Indicator Level	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
						general exemptions and €30bn from HIPC funds for maternal exemptions respectively in 2006 budget.		
	<i>Reduce the spread of HIV/AIDS epidemic</i>	A National monitoring and evaluation framework based on the strategic framework and five year plan of work developed, disseminated and operationalised.	-----	National Monitoring and Evaluation Framework, 2001-2005 developed and disseminated	Implementation of National M&E Framework in progress	The national M&E indicators have been developed in consultation with key partners. The framework has been finalised and it is in print.	-----	Good progress
		Number of persons with advanced HIV receiving ART  Number of centres providing ART	-----	Training of appropriate staff completed and ART available in 4 sites ( Korle-Bu, Komfo Anokye, Atua, and St. Martins)	ART available in 4 fully equipped centres to provide ART services	5 ART sites have so far been established and training on the provision of ART has been conducted in all the regions.	-----	Steady Progress

Table 6.26c: Summary of Status of Indicators in the Water & Sanitation Sector, MDBS/PRSC, 2002 - 2005

Programme Area	Policy Objectives	Indicator	Indicator Level 2002	Status In 2003	Status In 2004	Status 2005	Target 2005	Target Achievement
<b>GPRS Medium Term Priorities</b>								
	Improve Access to safe water /sanitation	%age of rural population with access to safe water sources (CWSA)	41.28	46.4	51.7	52	46	Exceeded
		%age of rural population with access to adequate sanitation	45.8	55.0	Not available	---		Data Not Available
		Number of new functional water systems (boreholes, wells, pipes) constructed	1,487	1,531	2,344	1,289	1,759	Not Achieved
		The number of functional Water and Sanitation Boards; District water and sanitation committees; community water and sanitation committees	-	-	-	-	-	Not Monitored
<b>PRSC-4 / MDBS</b>								
	Increase access to safe and sustainable water and sanitation	Implement the approved national water policy	-	-	-	National Water Policy yet to be presented to cabinet.		Not Achieved
		Water and Sanitation Agency (CWSA) Strategic Investment Plan (SIP) 2005-2015	-	-	-	SIP for 2005-2015 has been finalised and adopted by Sector Ministry.		Achieved
		Prepare medium term implementation plan for rural water	-	-	-	Agreed with development partners to complete the medium term implementation plan by the end of 2006 approved by funding partner. Recruitment of consultants in progress.		Not Achieved

# CHAPTER SEVEN

## GOVERNANCE

### 7.1 INTRODUCTION

The programmes and activities implemented under this thematic area were aimed at ensuring improvement in good governance as an essential component towards the implementation of measures related to poverty reduction and sustainable economic growth. This section of the report is a review of performance of the implementation of the number of programmes and measures identified under the medium term priorities of the GPRS as well as the MDDBS/PRSC initiatives to ensure the attainment of the objectives defined under the following broad policy areas:

- Security and Rule of Law
- Transparency and Accountability, including reduction of corruption
- Deepening the process of Decentralisation
- Public Sector Reforms

The review of the progress made towards the achievement of these objectives in 2005 is reported below.

### 7.2 STATUS OF SELECTED INDICATORS AND KEY POLICY ACTIONS IN 2005

#### 7.2.1 Security and Rule of Law

##### *Policy objective 1: Provision of Security and Strengthening the Rule of Law*

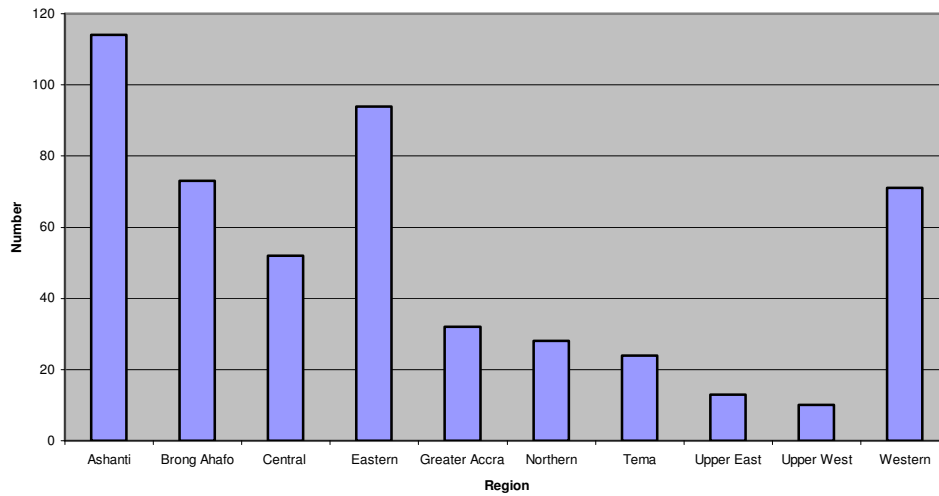
The increasing level of service delivery in policing has, in a large measure, contributed to improved public safety in 2005. In addition to increases in number of personnel, there is observable improvement in the level of efficiency of the police services. This has resulted largely from the numerous training programmes provided for the senior and junior officers of the service. Currently, the Police Service is made up of 11 regions, 28 divisions, 138 districts and 582 stations and posts. Figure 7.1, provides the distribution of the existing police stations and posts by region. It is also noted that the recruitment of new police officers has improved the police: citizen ratio. From a ratio of 1:1142 in 2002, it is down to 1:1003 in 2005<sup>3</sup> (see Table 7.1). Generally, the expansion in police presence has brought police services closer to members of the community.

The results of the Participatory Monitoring and Evaluation study commissioned by NDPC in 2005 indicate that 50% of households in Ghana perceive that the level of crime in their communities has decreased, while 30% hold the opinion that there are increasing levels of crime. Eighteen percent maintain that no change has occurred in the level of crimes. They however suggested that more resources should be made available to the security agencies.

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<sup>3</sup> The drop in the ratio in 2005 resulted from the adjustment of the denominator to 20million citizens (as against 18million for the previous years). The same population base would have shown an improved ratio of 1:1173.

**Chart 7:1 Regional Distribution of Police Stations and Posts, 2005**



Source: Ghana Police Service 2006, Research Unit

The mediation services and support provided by the Domestic Violence and Victim Support Unit DOVVSU (formerly WAJU) has been extended to more victims of domestic violence across the country. As many as 20 new DOVVSU offices were established in 2005.

With respect to the administration of justice, it is noted that the court computerisation process is facilitating a more expeditious disposal of court cases. Improved conditions of service facilitated the recruitment of 33 new lawyers by the Ministry of Justice in 2005 as compared to only 8 in 2004.

It is also essential to mention that a number of additional initiatives including the deployment of the Joint Police-Military patrols, Community policing and Neighbourhood Watch Committees have contributed to enhancing the prevailing environment of peace, stability and public safety .

**Table 7.1: Summary of Progress on Indicators on the Security and the Rule of Law.**

Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress toward target
Local safety and security institutions in place	1:925 by 2004 police/citizen ratio	1:1142	1:1,121 police /citizen ratio	1:1055	1:1003 <sup>5</sup>	Not on track

Analysis of data on crimes recorded in 2005 indicates that overall incidence levels has declined by 15.7 % compared to that of 2004. Out of the 190,019 cases recorded, 183,494 were registered as cases warranting police attention. The remaining 6592 cases, which were considered as civil in nature or without merit, were rejected. The level of commonly committed crimes such as rape, declined by 24.5 % in 2005 as compared to 34 % in the previous year. Defilement cases decreased by 14.6 % in 2005; murder decreased by 19.7 % and fraud also decreased by 20.6 % in

<sup>5</sup> This ratio estimates the population at 20million unlike that the previous years that estimated the population at 18million

2005. Robbery cases however, have gone up by as much as 73 %. The Police attribute the increase to the upsurge in street robberies involving snatching of mobile phones and car-jacking. As alluded to earlier, the overall picture shows a significant decline in the commission of crime in the country. An overall average of 14.5 % decline in offences committed is sufficient evidence of improving public safety (Table 7.2).

**Table 7.2 Comparison of Summary of offences committed between 2003 and 2005**

Offence	2003	2004	2005	% Change
Murder	436	452	363	-19.7
Attempted Murder	58	69	88	27.5
Manslaughter	20	104	133	27.9
Threatening	21,496	22,915	18,432	-19.6
Causing Harm	3,020	3,002	3,613	20.4
Assault	90,551	90,560	73,600	-18.7
Robbery	690	728	1,261	<b>73.02</b>
Stealing	57,377	57,160	50,551	-11.6
Fraud	14,657	14,049	11,161	-20.6
Unlawful entry	375	786	1,124	43.0
Causing Damage	10,237	10,601	7,979	-24.7
Dishonestly receiving	49	18	34	88.9
Abortion	189	253	255	-11.1
Rape	952	631	477	-24.4
Defilement	2,001	1884	1,609	-14.6
Possessing dangerous drugs	146	19	17	-10.5
Possessing Indian Hemp	395	387	318	-17.8
Abduction	751	823	722	-12.3
Extortion	16	17	12	-29.4
Forgery	152	273	209	-23.4
Falsification of Accounts	7	1	5	400
Smuggling	57	10	10	-700
Possessing cocaine	11	45	52	15.6
Possessing heroin	7	26	38	46.2
Counterfeiting	99	85	37	-56.5
Issuing false cheque	328	234	175	-25.2
Child stealing	48	69	80	15.9
Illegal gold mining	11	4	12	200
Other offences	22,533	20,136	20,353	1.1
<b>Total</b>	<b>226,669</b>	<b>225,341</b>	<b>190,019</b>	<b>-15.7</b>

*Source: Ghana Police Service 2006, Research Unit*

## **Policy Measures and Achievements**

### *i. Improving Equipment and Human Resource Capacity*

In 2005, 85 new vehicles were procured for the Service bringing the total fleet of new vehicles since 2001, to 570. Seventy-two cross country vehicles were also rehabilitated during the year under review. Out of a total number of 865, about 33% are out of service due to mechanical problems. Seventy-five sets of radio communication equipment were provided for installation in police vehicles. In addition the police were assisted with an emergency phone number provided by a private cellular phone service provider to strengthen the operations of the police communication system in Accra, Kumasi and Tema areas. Efforts to procure additional vehicles for the regional, divisional, district stations and posts all over the country are continuing.



The Police Administration procured 49 State Housing Company (SHC) housing units at the various regional and district headquarters. In addition, 4 Public Investment Programme projects were completed and handed over to the Police Administration in Cape Coast, Sekondi, Mile 7, Accra and Ningo.

A number of in service training programmes were conducted, both locally and overseas to upgrade staff competencies within the service in 2005, especially in the areas of Crime Scene Management, Crowd Control, Interrogation and Investigation, Human Rights and Weapon retention among others (Table 7.9).

### *ii. Improving Police Citizen Ratio*

The Ghana Police Service administration continued the implementation of the component of its Strategic Medium Term plan that projected annual recruitment of 2,000 additional personnel into the service to enhance its ability to combat crime expeditiously. A total of 1,852 recruits, including 252 women, graduated from the various Police training schools. The staff strength of the police increased to 17,944 in 2005 bringing the police/citizen ratio to 1:1003. Although this ratio falls short of the 2004 target of 1:925, the trend is indicative of an improving performance.

### *iii. Improving Gender Equity*

No significant change was recorded in gender equity distribution in the Service. The ratio of police women to men, on average, still remains at 1:5. As shown in Table 7.3, the gender parity achieved at the Commissioner rank in 2005 is due more to a drastic reduction in the number of male officers than to an increase in that of female officers. The ratio has also declined at the Assistant Commissioner, (from 1:22 to 1:15), Deputy Superintendent (1:27 to 1:24) and the Corporal and constable levels. All other ranks show either parity or improvements. These figures present a challenge for the Police Administration in its bid to achieve gender equity in recruitment and promotion process.

**Table 7.3 Gender Ratio of the Ghana Police Service as at December 2005**

<b>RANK</b>	<b>FEMALE</b>	<b>MALE</b>	<b>TOTAL</b>	<b>RATIO F:M (2005)</b>	<b>RATIO F:M (2004)</b>
IGP	0	1	1	-	-
D/IGP	1	1	2	1:1	1:1
COMMISSIONER	1	1	2	1:1	1:7
DEP/COMMISSIONER	1	9	10	1:9	1:9
ASST COMM	2	43	45	1:22	1:15
CHIEF SUPT.	19	101	120	1:5	1:6
SUPERINTENDENT	16	75	91	1:5	1:5
DEP. SUPT.	7	187	194	1:27	1:24
ASST. SUPT.	35	227	262	1:6	1:7
C/INSPECTOR	182	1142	1324	1:6	1:6
INSPECTOR	285	2066	2351	1:7	1:8
SERGEANT	536	3153	3689	1:6	1:6
CORPORAL	279	1296	1575	1:5	1:4
LANCE CORPORAL	319	1712	2033	1:5	1:6
CONSTABLE	1125	5122	6247	1:5	1:4
<b>TOTAL</b>	<b>2808</b>	<b>15136</b>	<b>17,944</b>	<b>1:5</b>	<b>1:5</b>

*Source: Ghana Police Service 2006, Research Unit*

*iv. Supporting Victims of Domestic Violence*

The Women and Juvenile Unit (WAJU) was renamed Domestic Violence and Victims Support Unit (DOVVSU) in 2005. The office continued its efforts at bringing its mediation services closer to the victims of domestic violence. In 2005, DOVVSU added 20 new offices and desks to existing ones. With assistance from MOWAC, 40 out of 60 new personnel posted to the unit since 2003 were given a two-day in-depth training on child abuse and domestic violence issues from 27<sup>th</sup> to 30<sup>th</sup> November 2005. A three-day capacity building workshop was also organised for the 12 regional coordinators as the first part of capacity building for coordinators in 2005. In a bid to improve collation of data, a new and elaborate crime statistics template was developed to be piloted in the Greater Accra Region in 2006 prior to general use across the country.

**Table 7.4 Distribution of Domestic Violence and Victims Support Unit Offices and Desk in 2005**

<b>Greater Accra</b>	<b>Eastern Region</b>
National WAJU Office	Koforidua Regional Office
Regional WAJU Office	Nkawkaw Divisional Office
Accra West Divisional Office / Dansoman	Oda Divisional Office
Kpeshie Divisional Office	Kibi Divisional Office
Odorkor District Office	Nsawam
<b>Ashanti</b>	<b>Western</b>
Kumasi Regional Office	Sekondi Regional Office
Konogo	Tarkwa
Bekwai	Prestea
Mampong	Enchil
Ashanti Agona	Asankragua
Obouasi	Asawinso
	Bibiani
	Axim
	Sefwi Wiawso
<b>Brong Ahafo</b>	<b>Central</b>
Sunyani Regional Office	Cape Coast Regional Office
Wenchi Divisional Office	Agona Swedru Divisional Office
Berekum Divisional Office	Kasoa
<b>Volta</b>	<b>Tema</b>
Ho Regional Office	Tema Regional Office
Keta Desk Office	
<b>Upper West</b>	<b>Upper East</b>
Wa Regional Office	Bolgatanga Regional Office
Jirapa	
Nadowli	
Lawra	<b>Northern</b>
Tumu	Tamale Regional Office

Source: Ghana Police Service 2006, Research Unit

All regional units embarked on outreach programmes to educate the general public on effects of domestic violence, child abuse, and sensitisation activities on FM radio stations and at durbars in schools, market places and churches.

*v. Strengthen the Capacity of the Attorney Generals Department*

The Ministry of Justice recruited 33 new attorneys in 2005. This shows a remarkable improvement over 2004 when only 8 attorneys were recruited. Work was started on the

construction of a 12-storey building to be known as Law House to accommodate the Ministry of Justice, the AG's Department, the Law Reform Commission and Legal Aid Board.

A number of capacity building programmes were implemented for staff of the Ministry of Justice both within and outside the country (Table 7.9).

### ***Policy Objective 2: Support to Parliament***

#### ***i. Provision of Support Services to Parliament***

In 2005, Parliament reviewed its 10-year Strategic Plan (1999-2009)<sup>6</sup> to make it more responsive to the objective of strengthening the rule of law under the GPRS. Consequently a series of capacity building programmes have been organised for various categories of staff from the Parliamentary Service. The training included effective security, office administration, human resources planning and management, overview of project cycle, parliamentary internship programme for foreign parliamentary officials, manpower analysis, time and self management bill drafting, inter-parliamentary study programme and report and minutes writing.

A summary of performance of Parliament in ensuring the enactment of the relevant bills required to strengthen the rule of law in 2005 is summarised in Table 7.10

## **7.2.2 Transparency and Accountability**

### ***Policy Objective 1: Strengthen Campaign Against Corruption***

#### ***i. State and Non-state efforts***

Government strengthened the implementation of programmes targeted at reducing corruption by increasing budgetary allocation to the state institutions established to ensure public transparency and accountability, and fraud detection. These include the Serious Fraud Office, The Commission on Human Right and Administrative Justice (CHRAJ) and the Office of Accountability in the Presidency. Progress made in strengthening anti-corruption measures initiated in 2005 by the Attorney General's office, include the following:

- provision of an index of existing anti-corruption laws by the Attorney General's office
- ratification of the AU and UN conventions against corruption
- reorganisation of the capacity building exercise of the Serious Fraud Office

Also, progress has been made in ensuring compliance with the provisions of the Financial Administration Act 2003, Act 654; the Internal Audit Agency Act 2003, Act 658 and the Public Procurement Act 2003, Act 663. The Director-General of the Internal Audit Agency (IAA) and Nine Audit Managers (including 3 for MDA audit and 2 for MMDA Audits and 2 for Treasury Accounts and Budget and Procurement) have all been appointed. Internal Audit Units (IAUs) have been set up in the MOFEP, MOE, MOH, MLGRD and MRT. Consultations to develop IA regulations, standards, procedures, manuals and programmes as required by the Internal

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<sup>6</sup> The review was undertaken with technical assistance from Price Waterhouse procured through the Clerk of Parliament.

<sup>8</sup> The Dialogue was a public event held under the auspices of the World Bank and in collaboration with Joy FM and other collaborators to provide a platform for dialogue on anti-corruption.

Audit Act have started.

Progress was made towards implementing the provisions of the Public Procurement Act, by the establishment of Entity Tender Committees (ETCs). By the end of 2005, ETCs have been established in 72.5% of all MDAs; 60.1% in MMDAs and 90.8% in Regional Coordinating Councils. The ETCs are finalising their respective procurement plans for submission to the Public Procurement Board (PPB). Meanwhile the PPB is currently developing a software to process the implementation of the procurement plans.

To improve transparency and accountability in budget and public expenditure management and to ensure timely, accurate and complete accounting and reporting for revenue and expenditure government proceeded with the computerisation of financial and accounting systems under the BPEMS Programme. The setup for 8 pilot sites was completed in 2005. The systems are now operationalised in the MOH/GHS, MOFEP/CAGD and will be expanded to other relevant institutions in 2006.

Under the policy of computerisation of payroll management a significant progress was made to make the payroll database more reliable and sustainable. The system was test run in November and December 2005 and successfully applied to the pension payments process. The Controller and Accountant General's Department also produced the appropriate pay reports for review.

The Ministry of Public Sector Reforms initiated the establishment of 23 Client Service Units, updated 16 Charters, held advocacy meetings with policy makers, media etc and conducted two monitoring and evaluation exercises in 2005 all targeted at making the public service more client service minded and more responsive to the needs of the general public. The National Commission on Civic Education also sponsored a series of public education advertisements in the mass media on anti-corruption in 2005.

In addition to these public sector initiatives which are commonly designed to reduce and eventually eliminate the inefficiencies which have characterised public expenditure management and public sector service delivery, a number of civil society interventions were implemented. The Ghana Anti-Corruption Coalition undertook a number of activities in 2005 also aimed ultimately at checking corruption across board. The activities include:

- a Development Dialogue<sup>s</sup> on the implementation of the Procurement, Financial Administration and Internal Audit Acts,
- launch of a newsletter on Anti-Corruption,
- celebration of an Anti-corruption Week to increase civil society awareness and advocacy on issues of transparency, accountability and integrity among others and
- the development of guideline for public officers on conflict of interest in collaboration with CHRAJ.

Other civil society organisation, such as the Integrated Social Development Centre (ISODEC), the Institute of Policy Alternatives (IPA), Centre for Democratic Development (CDD), Institute of Economic Affairs (IEA) and Institute of Democratic Governance (IDEG), among others, are still relentlessly pursuing the anti-corruption agenda, through public debates, publications and advocacy.

**Table 7.5: Summary of Progress on Indicators on the transparency and accountability**

Indicator	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress toward target
Level of perceived corruption in key GPRS functional areas			No survey conducted yet			
Government Expenditure Reports published			Report published monthly in gazette			On track
Dissemination of Parliamentary debates on poverty and development			Dissemination occurred through interaction with unit committee members, mass and print media.			On track
Parliamentary Committee on Poverty Reduction established	Committee to be set up in 2002	Ad hoc Committee Established and discussed the GPRS Document	Ad hoc Committee in place and met in November. Efforts are being made to make it a Standing Committee	The committee organised a workshop from 15 <sup>th</sup> to 17 <sup>th</sup> September 2004 to discuss the 2002 and 2003 APR prior to their being laid before Parliament.	The Ghana Anti-Corruption Coalition organised a workshop for the Committee	On track
Whistle Blowers Bill					Bill at Committee Stage	
Freedom of Information Bill					Draft Bill submitted to Cabinet	

### 7.2.3 Decentralisation

***Policy objective 1: Accelerate the Implementation of Decentralisation/(MDBS/PRSC)***

To accelerate the pace of implementation of decentralisation, programmes and measures were instituted in the following priority areas of the GPRS I;

- operationalise the Local Government Service Act
- implement the National Decentralisation Action Plan, with integrated planning and composite budgeting in at least 25 districts

The status of action on these priorities is summarised in Table 7.6 below.

*i. Operationalise the Local Government Service Act*

The Local Government Service Act, Act 656 was enacted in 2003 and the Local Government Service Council inaugurated in November 2004. The Act seeks to secure the effective administration and management of Local Government services in the country. An Interim Head was appointed for the Local Government Service. The service has to date prepared the following:

- Strategic Plan (2005 – 2008)

- Draft Organisation Structure
- Draft Scheme of Service
- Communication Strategy for the marketing of the Service

The sub-district structures were created as part of the New Local Government System with the objective of supporting the District Assemblies (DAs) by performing specified delegated functions. However since their creation, these bodies have not functioned effectively due to a number of constraints. Prominent among the constraints is the large size and numbers of these structures.

The Ministry of Local Government and Rural Development began the restructuring of these bodies with the view to making them more manageable and functionally effective. The sub-Metropolitan Councils have been increased from 13 to 31 and a Legislative Instrument has been passed to add some executive functions to their administrative functions.

In collaboration with the Electoral Commission (EC), the total number of Unit Committees is to be reduced from 16,000 to 5,000 and the membership of a Unit Committee reduced from 15 to 7. A Memorandum to Cabinet on this new arrangement is being prepared with the support of EC. This process is scheduled for completion before the 2006 District Assembly Elections.

**Table 7.6a: Summary of Progress – Decentralisation**

Police measures/ Actions	Target	Indicator Level 2002	Status 2003	Status 2004	Status 2005	Progress toward target
Democratic effectiveness of the District Assemblies			All DAs meet regularly as enshrined in the LIs.	All DAs meet regularly as enshrined in the LIs.		
Local Government Service Bill passed	Pass Bill	Bill before parliament	Bill passed on 18 <sup>th</sup> July 2003 and gazetted on 31/12/03	Bill Passed in 2003	Bill Passed in 2003	Done
Institutional processes between DAs and CSOs strengthened			Institutional processes being strengthened		District Assemblies and Civil Society Groups are collaborating on PM&E activities	

*ii. Implement the National Decentralisation Action Plan, with Integrated Planning and Composite Budgeting in at Least 25 Districts.*

The National Decentralisation Action Plan (NDAP), which was endorsed by Cabinet in February 2004, provides the strategic framework for the implementation of decentralisation policy and local government reform initiatives. The main purpose of the NDAP is to consolidate the gains made and build partnerships towards a sector-wide approach in decentralisation implementation.

The key components of NDAP are:

- Policy and Institutional Arrangements
- District Development Funding and Composite Budgeting
- HRD and Capacity Building
- Partnerships and Accountability

These programmes are at various stages of implementation, and progress on each is reported below.

### **Policy and Institutional Arrangements**

The key objective of the implementation of the NDAP is to strengthen policy coordination, implementation and monitoring. In line with this a number of measures are being implemented to strengthen the strategic linkages which must exist between the Local Government sector, MOFEP and other MDAs. In addition, review of a number of relevant cross-cutting issues, especially those related to the legal framework for decentralisation and the clarification of roles and responsibilities between the different tiers of government has been undertaken.

To facilitate mainstreaming of decentralisation in the overall Public Sector Reforms Strategy and across the sectors, strong linkages have been established with the Ministry of Public Sector Reform (MOPSR); regular consultative meetings were held throughout the first three quarters of 2005. Policy dialogue meetings were also held with MOFEP and other MDAs.

The Local Government Service Council (LGSC) was provided with financial support to facilitate implementation of the Councils legal mandate. The design of harmonised modalities for local government capacity-building and investment funding modalities were included in the Multi Donor Budget Support (MDBS) – Poverty Reduction Support Credit (PSRC) policy matrix for 2005.

### **District Development Funding Modalities**

The two strategic objectives under this programme area are to increase and harmonise local government investment funding and to strengthen district level financial management and accountability. In this respect, efforts were made to support MMDAs in local revenue mobilisation, through the following initiatives.

A comprehensive review of local government investment funding modalities was made available to the Decentralisation Secretariat in August 2005.

Concept notes/Terms of Reference were prepared for:

- i. the organisation of a seminar on fiscal decentralisation [in collaboration with the World Bank; and
- ii. a review of best practices in local level revenue mobilisation.

Government is vigorously pursuing its fiscal decentralisation agenda in the area of district focused decentralised budgeting within the medium term. The objective of this policy is to implement the relevant provisions under ACT 462, which requires DAs to prepare integrated district budgets, which harmonise and synthesise expenditure, and revenue estimates of all programmes of all departments of the district. The integrated planning and composite budgeting pilot was formally initiated in 25 districts, with a minimum of two districts in each region.

### **HRD and Capacity Building**

The strategic objectives under this programme are to strengthen the DAs functional and governance performance and to strengthen decentralisation coordination and M&E at the regional level.

Draft local government performance indicators have been identified in the areas of management and organisation, human resource development, planning and budgeting and financial administration and accounting. Initial discussions with representatives from 8 regions took place in April.

The dissemination of the Local Government Service Act 2004, Act 656, NDAP and Guidelines for the operationalisation of RPCU has been completed for all regions. In May, 2005 logistic and financial resources were provided to support the programmes of the 28 newly created districts.

The process for contracting local and international resource persons for the design of a harmonised institutional assessment tool for local government was also initiated.

### Partnerships and Accountability

The key objectives of this programme area are to:

- strengthen the sub-district level of government; and
- support the institutionalisation of Traditional Authorities and Civil Society organisations in the local governance process.

An assessment of the operational capacities of sub-district structures and civil society organisations, were conducted in five regions: Ashanti, Brong Ahafo, Northern, Upper East and Western region.

The evidence from the 2005 PM&E study suggests that the level of citizens' participation in local governance is fairly low (see Box 7.1)

#### **Box 7.1: Evidence of Citizens' Interest in Local Governance**

In both urban and rural households only 50.9% knew their District Chief Executive. In contrast as much as 74% knew their Member of Parliament.

Also, as much as 62% said they were dissatisfied with the services provided by the District Assemblies. They suggested, among others, that there should be more interaction between district assemblies and the communities, as well as the provision of more infrastructures in the communities. Other suggestions include equity in resource allocation within the district, creation of jobs, dismissal of arrogant district assembly staff and involvement of community members in service delivery.



Police measures/ Actions	Target	Indicator Level 2002	Status 2003	Status 2004	Status 2005	Progress toward target
Composite budget developed and submitted		Yet to be implemented	3 pilot districts. Action was initiated 3 pilot districts - Dangme East and West and Akuapem North	The integrated planning and composite budgeting pilot is implemented according to schedule. In addition to the 3 districts where the pilot is currently being implemented, 22 more districts have been tentatively selected (2 from each region, but excluding the newly created districts and the districts that these were carved from.)	No new districts have been added to the existing 25 districts. Ministry of Local Government and Rural Development Plans to make all districts adopt Composite-budgeting by 2007	On track
DACF increased to 7.5% of Tax revenue		5%	5%	5%	5%	Not done
Continue Implementation of the National Decentralisation Action Plan, 1. Design a framework for detailing the mechanisms for district development funding Assemblies.	Review of Local Government Investment Funding Practices 1999-2003  Minutes of meeting on working group LG Investment Funding		Implementation Action Plan under consideration (NDAP) Presidential Advisory Committee established to advise on National Decentralisation  Decentralisation Secretariat in place	In line with the requirements of Clause 5 of the LGS-A656, the governing body for the Service, including its Head, has been appointed on 29 <sup>th</sup> September and is currently awaiting inauguration. An appropriate Organisational / functional structure for the Council's Secretariat is under preparation.  Preparation of the conditions and scheme of service for the LGS has been initiated  In line with the requirements of clauses 16-24 of the LGS-A656, preparations for the establishment of consolidated departments have been initiated and are ongoing.  Presidential Committee on Decentralisation was approved in 2004.	The Local Government Service Council produced a) Strategic Plan (2005-2006), b) Draft organisation structure, c) Draft Scheme of Service and d) Communication Strategy for the marketing of the Service  Local Government Investment funding Review completed (Aug. 2005)  Contract DDF design awarded  Design in progress	On Track
Design a framework for a harmonised capacity building programme for the local government sector	Comparative Assessment of Local Government Capacity Building Initiatives  Proposed performance indicators Minutes of working Group				Local Government Capacity building Review Completed (Sept. 2004)  Proposed performance Indicators for MMDAs available (April 2005)  Designed Harmonies Functional and	

	FOAT				Organisational Assessment Tool (FOAT) in progress, at field stage	
Prepare composite budget guidelines for 2007 Budget	Zero draft guidelines				Draft guidelines prepared and under review by MOFEP and MLGRD	On track
Initiating development of framework governing intergovernmental, fiscal relations	Concept Notes Three working papers				Preparation of concept notes for seminars  Preparation of three technical working papers for Seminars (Oct 2005)  Organising seminars in Inter Governmental Fiscal Framework with WB (Dec. 2005)  Seminar proceedings under preparation	On track

Table 7.6b: Summary of Progress – National Decentralisation Action Plan

## 7.2.4 Public Sector Reforms

### ***Policy Objective 1: Improving Performance of the Public Sector through Public Sector Reform***

To improve the performance of the public sector through the Public Sector Reforms, programmes and measures were expected to be implemented in the following prioritised areas under the GPRS:

- undertake institutional and functional restructuring of the Public Services, including Central Management and Sub-vented Agencies;
- establishment of Effective HR Development and Management Policies;
- enhance the Service Delivery Environment.

#### *i. Undertake institutional and functional restructuring of the Public Services, including Central Management and Sub-vented Agencies*

##### New Institutional Framework:

A major stimulus for public sector reform was provided by the creation of the Ministry of Public Sector Reform in May 2005. The Ministry is set up to function as the central institution responsible for mainstreaming and coordinating the implementation, monitoring and evaluation of public sector reforms initiated by government.

The ministry's main mandate is to ensure improvement in the quality of service delivery by

public sector employees for the purposes of promoting accelerated growth in the economy, good governance, private sector development and human resource development.

#### Refocus of the Mandate and Structure of the Civil Service:

The programmes and actions under this intervention are designed to support the goal of building the capacity in the CS to provide timely and productive service to the executive branch of government. The aim is to achieve a smaller, affordable, well-compensated, efficient and effective service. This will involve reactivating and implementing functions outlined in the Civil Service Law, fully staffing the key positions including the four line directorates and others. In this regard, the Ministry will liaise with a number of MDAs implementing reform initiatives to ensure that bottlenecks for successful implementation of such initiatives are removed.

#### Restructuring Central Management and Strategic Management Agencies:

Existing structures and functions at central government level will be rationalised to make CMAs and SMAs more efficient. Structural inconsistencies and institutional deficiencies will be removed and improvements introduced in systems and processes.

Analysis of the current situation, evaluation of strategic restructuring options and drawing of re-engineering plans were completed for ten such agencies under previous reform initiatives. The existing plans and proposals will be updated. MPSR will initiate and support the implementation of preferred restructuring options and agreed actions for selected agencies under a performance contract.

#### Restructuring of Sub-vented Agencies:

The component of Public Sector Reforms Programme (PSRP) which deals with the restructuring of sub-vented agencies has the following objectives to reduce the recurrent burden on the national budget:

- (i) reducing the role of government in the delivery of services that can be provided more efficiently by the private sector;
- (ii) improve the cost effectiveness, customer orientation and accountability of the Public Service;
- (iii) improve mechanisms for monitoring and evaluating the performance of Sub-vented Agencies; and
- (iv) introduce a suitable framework of incentives and penalties.

This component also seeks to deploy redundant personnel efficiently. The reduction of dependence of sub-vented agencies on government budget will free up resources for funding other priorities areas of the development agenda.

#### Decentralisation:

Strong linkages have been established between the Ministry of Local Government and Rural Development and the Ministry of Public Sector Reforms (MPSR) to facilitate mainstreaming of decentralisation in the overall Public Sector Reform Strategy. The Public Sector Reform team will provide the requisite support in ensuring that harmonisation of agreed activities for implementation is achieved.

## ii. Establishment of Effective HR Development and Management Policies

### Establishment of effective HR Management Policies:

To attract, retain and develop a cadre of public servants, regular training, career management, and succession planning, as well as a high performance environment is necessary. The establishment of an effective HR Development and Management intervention will support the development and institutionalisation of a meritocratic system across the Public Sector, introduce a comprehensive approach to human resources management and, possibly, in the medium to long-term, institutionalise a senior executive scheme.

### Service Delivery Improvement:

Customer Charters and Customer Service Units are to be established in MDAs to facilitate improved and transparent service delivery and other objectives. Priority will be given to MDAs that provide direct services to the public in general and the private sector in particular.

### Records Management:

The objective is to have a Public Service where information is shared among relevant users in order to reduce the incidence of loss of client files and folders during document processing and approval. Thus enhancing improved service delivery to the Private Sector and the Citizenry.

### Effective use of Information Technology:

This is to improve the efficiency and effectiveness of information dissemination by adopting one messaging and workflow system throughout MDAs while adopting a single standard for ICT within government under the auspices of the Ministry of Communication (MoC). It is also necessary to implement an integrated HR Information Management System to enhance HR practices and improve records management.

### Expand and Deepen Financial Management Systems:

This will focus on the implementation of IPPD II in order to address the needs of Public Services Commission (PSC), Office of the Head of Civil Service (OHCS), Ghana Health Service (GHS), MLRGD etc., while introducing effective financial management systems for all MDAs and MMDAs.

## iii. Enhancing the Service Delivery Environment

### Conditions of Work:

This initiative seeks to improve the physical working conditions of PS personnel and update the available office equipment to improve the productivity and self esteem of workers. The MPSR will collaborate with MDAs in the review and improvement of office space and equipment to ensure that facilities are at an optimum level. The strategy for this component will include spearheading the development of policies on crosscutting issues affecting the work environment, supporting MDAs to identify and implement measures to improve their work conditions and their performance.

### Rationalisation and Improvement of Pay Levels and Pension:

This will involve the implementation of GUSS and the progressive monetisation of non-cash

benefits across the PS. It is imperative that appropriate relativities are taken into consideration to ensure that pay is equitable at all levels of staff within the Service. This must be supported by appropriate housing and long-term savings schemes, improved pensions and processing of pensions.

Communication Enhancement Programme:

This will involve the establishment of an E-Government Infrastructure as well as improve the hygiene factors associated to the work environment. It will call for an eventual total upgrade of MDA office facilities and the equipment to enable the effective performance of functions. As part of this reform, effective records management systems and procedures must be put in place.

Communication Plan:

Underscoring all the above cross cutting interventions is the implementation of a two-pronged communication plan that seeks to disseminate information on the reform whilst drawing feedback from key stakeholders to continue to shape the progress of the reform.

The status of actions on start-up activities implemented since the introduction of the Public Sector Reforms is summarised in Table 7.7 below.

**Table 7.7 Start-up Activities of Ministry of Public Sector Reform**

Indicator	Target	Status 2003	Status 2004	Status 2005
A new HR structure at OHCS in place with the capability to deliver improved HR management functions across the Civil Service	Finalise and implement professional HR framework;		Procurement procedures completed to enable the development of the plan for implementation of finalised PSR strategy for the Civil Service including an HR framework as defined in the strategy document. Project document is expected to be ready at the end of May 2005.	A Comprehensive work programme on Public Sector Reform was collated in collaboration with key stakeholders  The Work Programme was presented to stakeholders in October 2005.
Relaunch Service Delivery improvement Charters in 20 selected MDAs and in 10 districts	Establish /revitalize Client Service Units  Update Charters Embark on Public Education and Information Campaign Follow up on implementation		An operational Communication Unit has been established at the PSR Secretariat  An effective Communication Strategy has been developed to drive the implementation of the PSR agenda.	Client Services Units were revitalized in 23 MDAs, 16 Charters were updated  Advocacy meetings with policy makers, media and others were held. Feedback obtained and document revised accordingly.
Initiate implementation of proposals for restructuring selected Central Management Agencies to be determined after Cabinet of the civil service;	Begin review and revision of existing plans and proposals in order to bring them up to day  Initiate implementation of updated plans  Conduct a major assessment of implementation of updated and agreed plans		Draft proposal to Cabinet on the establishment of an institutional home for the PSR is being finalised.  Draft Job descriptions for Chief Director positions have been prepared	Plans up to date for SEC & PSC. That for OHCS in progress. Plans for Ministry of Finance and Economic Planning is ready for validation

Indicator	Target	Status 2003	Status 2004	Status 2005
Establish a regulatory framework for SAs and continuing the restructuring of selected SAs	Draft of Sub-vented Agencies Reform Bill (SARB) submitted to cabinet.		A draft Sub vented Agencies Reform Bill (SARB) has been prepared. It is being reviewed for submission to Cabinet	Redrafted Sub-vented Agencies Bill submitted to Parliament.
Prepare re-categorisation of Sub-vented Agencies:  Commence implementation of the provisions of the bill; and  begin implementation of recommendations for selected Sub-vented Agencies	Du Bois centre: Initiate activities towards self financing  GRATIS: Assist with transfer of assets and registration of title to enable commercialization process to commence  GNA, MDPI, GBC: begin implementation of re-engineering plans			Sub-vented Agencies Bill has been submitted to Parliament in May 2005.  Reviews and discussions on the bill were held in October 2005.  Du Bois centre: funds have been provided for reconstruction and refurbishment of a Public Gallery. A director for Programmes and Development has been engaged  GRATIS: A consultant has been employed to assess the assets of GRATIS and make a proper transfer of title to GRATIS. This would enable them to access funding  GUP – provided working capital, paid differences for retrenched workers.  GBC- re-engaged to determine the mode for restructuring plan from GBC. PSR is waiting for restructuring plan from GBC GIMPA, MDPI &GNA reviews to commerce in 2006

## 7.2.5 Public Policy Management

### *Policy Objective 1: Strengthen Monitoring and Evaluation System of the GPRS (MDBS/PRSC)*

Progress made in strengthening the monitoring and evaluation system for the GPRS in 2005 by the government, include the following:

- ensure that the budget is informed by the result and recommendations made in the APRs and the PSiAs
- continue to strengthen M&E capacity and M&E coordination at national, regional and district levels
- improve access to information on M&E, including GPRS II, APRs, CWIQ survey and

PSIAs by making these available on NDPC/GSS websites

The status of actions on strengthening the monitoring and Evaluation System for the GPRS is summarised in Table 7.8 below.

The preparation of the 2005 Budget was largely informed by the result and recommendations made in the 2004 APR and the PSIAs. Thus budgetary provisions were aligned to the broad thematic areas and the Medium Term Priority programmes of the GPRS.

As part of the implementation of the GPRS Communication Strategy, a series of public consultation were held in all the 10 regional capitals for the purposes of reviewing and updating the GPRS. In addition, the exercise was to enable NDPC to obtain and integrate the views/comments of the Regional Coordinating Councils, District Assemblies and other stakeholders on the review of the GPRS and propose policy interventions for GPRS II. In line with the Communication Strategy, a nation wide APR dissemination exercise was also undertaken by NDPC at the end of the 3<sup>rd</sup> quarter of 2005, for the purpose of sharing the results of the progress on the implementation of GPRS policy interventions and obtaining the necessary feed back on recommended policy initiatives.

Improved access to information on M&E has been achieved through the operationalisation of the NDPC website ([www.ndpc.gov.gh](http://www.ndpc.gov.gh)). The GPRS and APR 2004 documents are available on the website. The result of CWIQ 2003 is yet to be posted the GSS website, however seminars were held in Nov/Dec 2005 on the results and the accompanying poverty maps.

A number of National Inter-Agency Poverty Monitoring Groups (NIPMGs) meetings were also held to review the progress of achievements of GPRS I targets as implemented by relevant MDAs and to support the preparation of the 2005 APR. The meetings also provided the opportunity for the MDAs and civil society groups to review and provide data towards the update of selected monitoring and evaluation indicators for the successor medium term development policy framework. The Regional Poverty Monitoring Groups (RPMGs), which were established in 2004 have been largely inactive in fulfilling its assigned functions including the establishment of District Poverty Monitoring Groups due mainly to inadequate resources. Participatory Monitoring and Evaluation exercise was also undertaken to complement the results of the 2005 APR.

In promoting the objective of strengthening M&E capacity and coordination at national, regional and district levels, the NDPC actively collaborated with the Ghana Statistical Service (GSS) and jointly launched the GhanaInfo Database in 2005. Senior M&E staff of MDAs at the national level, have been trained in the use of the GhanaInfo Data base. A programme to roll-out GhanaInfo to the regions and the districts has also been prepared. Training of RPMGs and Regional Directors of institutions is expected to commence in February 2006. The GPRS M&E Technical Committee which is charged with the responsibility of ensuring greater coordination and harmonisation of M&E activities between core organisations at the central level (NDPC, OOP, MOFEP, MLGRD, GSS, MOWAC, and OHCS) has been established and has held its first meeting.

**Table 7.8: Status of Activities Relating to Monitoring and Evaluation of Government Policies and Programmes**

Policy Measures/ Actions	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress toward target
Policy Feedback from M&E system	2002 Annual Progress Report, Communication Strategy, Quarterly Bulletin, 2002 APR was used to influence 2004 budget	2003 APR prepared.	2004 APR prepared. Social Protection strategy and Citizens Report Card on basic services and macroeconomic stability were prepared in 2004	APR prepared. Nationwide Participatory Monitoring and Evaluation undertaken	On track
Continue to strengthen M&E capacity and M&E coordination at national, regional and district levels  i. M&E Technical Committee established				The M& E policy oversight committee has held its first meeting. The official inauguration of POC and Technical Committee will take place on 25 <sup>th</sup> January 2006	
Action Plans approved for NDPC, GSS and MOFEP				Action plans of NDPC, GSS and MOFEP are to be finalised by end of February 2006.	
Establish a District based M&E system and adopt a common				Senior M&E staff of MDAs at the national level has been trained in GhanaInfo. An orientation workshop in GhanaInfo has been held for Heads of UN agencies, relevant World Bank and IMF staff.  A program to roll out GhanaInfo to the regions and the districts has been prepared. Training of RPMGs and Regional Directors of GSS will begin in February 2006. This will be followed by training of DPMGs and district GSS staff has been prepared  Regional Poverty Monitoring Groups (RPMGs) have been established. Preparations are underway for the establishment of DPMGs (the constraints are financial)	
Improved access to information on M&E, including GPRS 2, APR 2004, CWIQ 2003 and PSIA's available on NDPC/GSS websites				NDPC website has been established. Final Draft of GPRS II and APR 2004 have been pasted  Seminars were held in Nov/Dec 2005 on the CWIQ results and the poverty maps	

### 7.3 SUMMARY OF POLICY RECOMMENDATIONS

#### 7.3.1 Security and Rule of Law

The implementation of the policy of recruiting 2000 new entrants into the Police Service is being hampered by lack of adequate budgetary allocation. The possibility of securing additional resources required to support the expansion of the existing infrastructure in the training school



as well as providing office and residential accommodation for staff should be explored.

The newly created DOVVSU offices and desks, as well other safety and security institutions such as the Prisons Service and NADMO should also be adequately resourced.

There is the need to strengthen the early warning systems on internal conflicts and disasters to reduce the negative impacts of these events on public safety and security.

### **7.3.2 Decentralisation**

An advocacy programme should be developed to accelerate the pace of implementation of the policy of raising the percentage of the District Assemblies Common Fund (DACF) allocation from 5% to 7.5% of the National Revenue.

Collaboration between the Local Government Service Council (LGSC) and the Institute of Local Government Studies (ILGS) in upgrading human resource capacities at the district and sub-district levels, as well as improving the level of citizens' participation in decision-making at these levels should be strengthened by providing them with adequate resources to carry out their mandates.

Inter-sectoral collaboration especially among the Health, Education and Local Government sectors to ensure the effective implementation of the composite budgeting programme should be improved.

### **7.3.3 Public Sector Reforms**

The key policy recommendations under this broad area include:

- ensure gender equity and parity in procurement human resource, development and career progression.
- ensure gender mainstreaming within the public service.
- formulate gender equity policies for the public sector.

**Table 7.9 Staff Training Programme for Ministry of Justice - 2005**

	<b>TYPE OF TRAINING PROGRAMME</b>	<b>OTHER TYPES: CONFERENCES /SEMINARS/ WORKSHOPS</b>	<b>DURATION</b>	<b>VENUE</b>	<b>NO OF PARTICIPANTS</b>	<b>CATEGORY OF STAFF</b>
1.	International Business Negotiation	Workshop	6 days	Accra	80	Assistant State-Chief State Attorneys
2.	Prosecution of the child sex offender	Workshop	6 days	Johannesburg, South Africa	1	Principal State Attorney
3.	Crime Prevention and Criminal Justice	Congress	12 days	Bangkok, Thailand	1	Director of Public Prosecution
4.	Access to Justice Security and Development	Conference	4 days	Abuja Nigeria	1	Attorney-General
5.	Lawyers & Government: (Managing change)	Training Workshop	12 days	London UK	2	Principal State Attorney
6.	Session on the Commission on Human Rights	Session	One month	Geneva Switzerland	2	Attorney-General & a Chief State Attorney
7.	Secondment at the office of the Scottish Parliamentary counsel	Secondment	5 months	Edinburgh, UK	1	Senior State Attorney
8.	Prosecutions conference	Conference	4 days	Johannesburg, South Africa	2	Attorney-General & Director of Public Pros.
9.	Africa Prosecutors Association Regional Conference	Conference	2 days	Equatorial Guinea	1	Chief State Attorney
10.	Global Forum an fighting corruption	Forum	3	Brasilia, Brazil	1	Attorney-General
11.	Workshop for National Authorities of State Parties in Eastern and Southern Africa.	Training Workshop	2 days	Windhoek, Namibia	1	State Attorney
12.	Workshop for National Authorities of State Parties in Eastern and Southern Africa.	Training Workshop	2 days	Windhoek, Namibia	1	State Attorney
13	44 <sup>th</sup> Session of Asian-African Legal Consultative organisation	Session	5 days	Nairobi, Kenya	2	Attorney-General & a Principal State Attorney
14.	Access to Justice: strategies for change.	Training Workshop	11 days	London UK	1	Chief State Attorney
15.	Conference on Crime and Drugs and Impediments to Security and Development in Africa.	Conference	2 days	Abuja Nigeria	1	State Attorney
16.	Regional Workshop on Negotiation of Financial Transactions	Workshop	3 days	Banjul The Gambia	2	Attorney-General & a Principal State Attorney
17.	10 <sup>th</sup> Annual Conference and General Meeting of the International Association of Prosecutors.	Conference	3 days	Copenhagen, Denmark	3	Director of Public Prosecutions, a Chief State and a Principal State Attorney

	<b>TYPE OF TRAINING PROGRAMME</b>	<b>OTHER TYPES: CONFERENCES /SEMINARS/ WORKSHOPS</b>	<b>DURATION</b>	<b>VENUE</b>	<b>NO OF PARTICIPANTS</b>	<b>CATEGORY OF STAFF</b>
18.	Regional Workshop on National Implementation of the Convention on International Trade in Endangered species for Anglophone Africa.	Workshop	5 days	Nairobi, Kenya	1	State Attorney
19.	High Level Anti-Corruption Seminar for West and Central Africa on Ratification and Implementation of the Convention against corruption.	Seminar	3 days	Dakar, Senegal	1	Deputy Attorney-General
20.	Conference for Anti-Corruption National Authorities and Agencies	Conference	3 days	Lusaka, Zambia	3	Attorney-General Executive Director of the Serious Fraud office and a Member of the Office of Accountability
21.	2 <sup>nd</sup> World Summit of Attorneys-General, Prosecutor Generals and Chief Prosecutors	Summit	2 days	Doha, Qatar	2	Director of Public Prosecutions and a Chief State Attorney.

**Table 7.10: Status of Bills Presented During the First Session of Parliament 2005**

SHORT TITLE	PRESENTED BY MINISTER FOR:	DATE OF FIRST READING	DATE OF COMMITTEE REPORT	DATE OF SECOND READING	DATE OF CONSIDERATION STAGE	DATE OF THIRD READING	DATE OF ASSENT	ACT No.	REMARKS
1. Customs and Excise (Petroleum Taxes and Petroleum Related Levies) Bill	Finance and Economic Planning	22/2/05	23/2/05	23/2/05	23/2/05	23/2/05	23/2/05	685	Passed
2. Customs and Excise (Duties and Other Taxes) (Amendment) Bill	“	15/3/05	17/3/05	18/3/05	18/3/05	18/3/05	18/3/05	686	Passed
3. Appropriation Bill	“	16/3/05	17/3/05	18/3/05	18/3/05	18/3/05	18/3/05	687	Passed
4. National Reconstruction Levy (Amendment) Bill	“	18/3/05	18/3/05	18/3/05	18/3/05	18/3/05	5/4/05	688	Passed
5. National Petroleum Authority Bill	Parliamentary Affairs	26/5/05	7/6/05	9/6/05	10/6/05 14/6/05	14/6/05	14/6/05	691	Passed
6. Representation of the People (Amendment) Bill	Justice and Attorney-General	14/6/05							
7. Whistleblower Bill	“	“							
8. Minerals and Mining Bill	Lands, Forestry and Mines	26/7/05							Withdrawn (26/7/05) and re-introduced
9. Human Trafficking Bill	Women and Children's Affairs	17/6/05	22/7/05	26/7/05	27/7/05	28/7/05	5/12/05	694	Passed
10. Volta River Development (Amendment) Bill	Energy	21/6/05	15/7/05	20/7/05	21/7/05	22/7/05	6/9/05	692	Passed
11. Insolvency Bill	Justice and Attorney-General	22/6/05							
12. The Interpretation Bill	“	28/6/05							
13 The National Council on Women and Development (Repeal) Bill	Women and Children's Affairs	22/7/05	27/7/05	27/7/05	28/7/05	28/7/05	4/11/05	693	Passed
14. Value Added Tax (Amendment) Bill	Finance and Economic Planning	22/7/05	27/10/05	1/11/05					
15. Minerals and Mining Bill	Lands, Forestry and Mines	26/7/05	27/7/05	27/7/05	13/12/05 14/12/05 15/12/05	15/12/05			

16. Ghana National Commission on Children (Repeal) Bill	Majority Leader and Minister for Parliamentary Affairs	25/10/05							
17. Laws of Ghana (Revised Edition) (Amendment) Bill	“	“							
18. Anti-Terrorism Bill	“	“							
19. Food and Drugs (Amendment) Bill	“	“							
20. Sub-vented Agencies Bill	Minister for Public Sector Reform	23/11/05	9/12/05						
21. Appropriation Bill, 2006	Finance and Economic Planning	13/12/05	13/12/05	13/12/05	14/12/05	14/12/05			
22. National Identification Authority Bill	Chief of Staff and Minister for Presidential Affairs	13/12/05							
23. Polytechnics Bill	Education, Youth and Sports	15/12/05							

**GOVERNANCE  
STATUS OF IMPACT INDICATORS- 2005**

Table 7.11 Summary of Status of Priority Indicators, MDBS/PRSC, 2002 - 2005

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
<b>MTP</b>							
Security and the Rule of Law	Local safety and security in place. Police citizen ratio	1:925 by 2004	1:1142	1:1121	1:1055	1:1003	
	Equip and train the police		100 vehicles in 2000	470 vehicles procured, 854 recruited & trained	A total of 2,000 new police personnel were recruited with 1,514 trained and passed out while the rest are still undergoing training  29 additional vehicles were procured for the police in 2004	A total of 1852 recruits graduated from the various police training schools.  85 new vehicles were procured and 72 land rovers were rehabilitated. 75 radios were bought and installed in police vehicles.  49 state housing units were acquired for various regional and district capitals.	
	Strengthen the capacity of the Attorney - Generals' office			Training and office equipment provided for AGs office	8 lawyers as against a target of 15 were recruited in 2004.  External Training programmes were organised for some	The Ministry of Justice hired 33 new attorneys.  Training for staff proceeded according to schedule	
	Strengthen campaign against corruption			Coalition Against Corruption recruited Executive Secretary and other staff and procured office equipment		Implementation of Internal Audit Act, Public Procurement Act and Financial Administration Act begun through the	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
						appointment of officials and the establishment of institutional structures. Several activities were also carried out by the Ghana Anti-Corruption Coalition.	
	Provide support services to Parliament			Training, ICT equipment and equipment for radio station provided		MDAs	
Decentralisation	DACF increased to 7.5% of Tax revenue	7.5%	5%	5%	5%		
	Local Government Service Bill passed	Pass Bill	Bill before parliament	Bill passed on 18 <sup>th</sup> July 2003 and gazetted on 31/12/03			
	Institutional processes between DAs and CSOs strengthened			Institutional processes being strengthened			
<b>MDBS 2006/ PRSC 4</b>							
Improving Governance and Public Sector Management	An improved holistic definition of corruption, included in a draft document entitled "guidelines on prevention of conflicts of interest "under the auspices of CHRAJ  National Governance programme to undertake in 2006, indexation of anti-corruption law and its condensation. And translate it into five major dialect in collaboration with	"Guidelines on prevention of conflicts of interest "under the auspices of CHRAJ (Early 2006)  Indexation and Co-indexation of anti-corruption laws  The Acts for CHRAJ and SFO revised				This is currently under stakeholders discussion  The NGP has made proposals to the AG to undertake the revision of CHRAJ Act (Act 456) to place emphasis on the following:  Its anti-corruption mandate Provide for a	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	CHRAJ & GACC at a later stage					division to deal with anti-corruption Reduce CHRAJ's over concentration of attention of labour related issues  AG to revise SFO Act to clearly delineate its mandate and power	
	Freedom of information Bill submitted to Parliament by AG	Draft Bill tabled in Parliament				Draft bill submitted to Parliament	
Implement framework for decentralised delivery of local public services	Implement the National Decentralisation Action Plan, with integrated planning and composite budgeting in at least 25 districts	Composite budgeting documents of 25 districts; Process description for each of the 25 budgets 25 District development plans	Yet to be implemented	Composite budget initiated in Dangme East, Dangme West and Akuapem North District. Strategic Plan developed	The integrated planning and composite budgeting pilot is implemented according to schedule. In addition to the 3 districts where the pilot is currently being implemented, 22 more districts have been tentatively selected (2 from each region, but excluding the newly created districts and the districts that these were carved from.)		
	Operationalise the Local Government Service act by establishing its governing body (Local Government Council and Secretariat), by	Letter of appointment of Council Members At least one formal meeting of the Council (Minutes) Appointment of the Head of the LGS, Organisational structure prepared.		Implementation Action Plan under consideration (NDAP) Presidential Advisory Committee established to advise on National Decentralisation	In line with the requirements of Clause 5 of the LGS-A656, the governing body for the Service, including its Head, has been appointed.		



Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	preparing conditions and scheme of service and by developing guidelines and modalities for the establishment of the consolidated departments of the Regional Coordination Councils and District Assemblies.	Budget line for the Council's secretariat in MLGRD's budget Work Plan for 2005 Draft document outlining conditions and scheme of service. Availability of TOR for the guidelines and implementation modalities. Availability of timetable for preparation guidelines and implementation modalities Designated Coordinator in place		Decentralisation Secretariat in place	An appropriate Organisational / functional structure for the Council's Secretariat is under preparation.  Preparation of the conditions and scheme of service for the LGS has been initiated  In line with the requirements of clauses 16-24 of the LGS-A656, preparations for the establishment of consolidated departments have been initiated and are ongoing		
Implement framework for decentralised delivery of local public services.	Continue Implementation of the National Decentralisation Action Plan, 1. Design a framework for detailing the mechanisms for district development funding	Review of Local Government Investment Funding Practices 1999-2003				Local Government Investment funding Review completed (Aug. 2005)	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	ii. Design a framework for a harmonised capacity building programme for the local government sector	Minutes of meeting on working group LG Investment Funding  Comparative Assessment of Local Government Capacity Building Initiatives Proposed performance indicators Minutes of working Group FOAT				Contract DDF design awarded  Design in progress  Local Government Capacity building Review Completed (Sept. 2004)	
	iii. Prepare composite budget guidelines for 2007 Budget	Zero draft guidelines				Proposed performance Indicators for MMDAs available (April 2005)  Designed Harmonies and Organisational Assessment Tool (FOAT) in progress, at field stage  Draft guidelines prepared and under review by MOFEP and MLGRD	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	Initiating development of framework governing intergovernmental, fiscal relations	Concept Notes Three working papers				Preparation of concept notes for seminars  Preparation of three technical working papers for Seminars (Oct 2005)  Organising seminars in Inter Governmental Fiscal Framework with WB (Dec. 2005)  Seminar proceedings under preparation	
	Design and validate organisational structure detailing institutional relationships and core functions of the Local Government Service at the Service Secretariat, RCC and MMDA levels	Strategic Plan LOGSC and Secretariat  Draft Documents outlining Guidelines and the Schemes and Conditions LGS  Guidelines and time table for consolidation sector department			Three year strategic plan prepared including Organisational Set-Ups LGS Secretariat  Preparing Schemes and conditions LGS in process  Consolidation of three MLGRD Dept. (Community Development Births & Death Registry, Parks & Garden) being piloted		
Improving performance of the public sector	Implement refocused public sector reform Begin implementation of priority areas of public sector reform aimed at improving	Plan for implementation of finalised Public Sector Reform strategy produced for the Civil Service including an HR framework as defined in the strategy document			Work commissioned for project document to be completed by end Q1, 2005.		

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	service delivery capacity of the civil and public service, including (i) finalising and implementing a professional HR framework; (ii) developing and commencing implementation of a communications strategy; (iii) commencing Organisational restructuring of the civil service; and (iv) establishing a regulatory framework for SAs and continuing the restructuring of selected SAs				Current emphasis is on the civil service rather than the entire public service.		
		Proposal made to Cabinet on the establishment of an institutional home for public sector reform, specifying responsibilities and budget estimates.					
		A new HR structure at OHCS in place with the capability to deliver improved HR management functions across the Civil Service			Options under consideration decision to be taken before end Q1, 2005. Recruitment and selection process completed. Appointments expected in Q4, 2004.		
		Effective communication strategy in place. Operational Communication Unit in PSR secretariat			Strategy to be completed and effected on beginning Q2, 2005.		

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
		<p>Submission to Cabinet of proposal for specifying inter alia total cost of the Reform and other issues on tenure and designation</p> <p>Draft performance based contracts reflecting job descriptions prepared for all Chief Director positions; and work commenced on the contracts for the Director positions in the Civil Service.</p> <p>Draft of Sub-vented Agencies Reform Bill (SARB) submitted to cabinet.</p> <p>Narrative report on reforms that have taken place only in 2004 within selected SAs specifying in particular, financial and service delivery effects.</p>			<p>Development of scheme of Service and recruitment into senior positions within Q2/Q3, 2005.</p> <p>Draft to be submitted to cabinet within Q1 2005.</p>		
	<p>20.continue implementation of sequenced and prioritised public sector reform strategy</p> <p>i. Begin implementation of work plan for appointment and remuneration of Civil Service Leadership (Chief Directors and Directors)</p> <p>Re-launch Service Delivery improvement Charters in 20 MDAs and in 10 districts</p>					<p>i. First draft of comprehensive work plan disseminated to all stakeholders on October 14 2005:</p> <p>i. 23 Client Services Units Revitalised by Sept. 16, 2005:</p> <p>16 charters updated and 3 more under review for re-printing</p> <p>On-going advocacy meetings with policy makers, media etc.</p> <p>Monthly Steering</p>	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
						Committee meetings held to review status of implementation; 1 <sup>st</sup> monitoring visits to call all CSUs began on 16 <sup>th</sup> Sept. 2005  2 <sup>nd</sup> M&E exercise conducted end Dec. 23, 2005	
	iii. Initiate implementation of proposals for restructuring selected Central Management Agencies to be determined after Cabinet	Begin review and revision of existing plans and proposals in order to bring them up to day  Initiate implementation of updated plans  Conduct a major assessment of implementation of updated and agreed plans				Plans up to date for SEC & PSC  Not initiated due to lack of funds  Implementation to commence after receipt of funding for updated plans	
	Prepare re-categorisation of Sub-vented Agencies:  Commence implementation of the provisions of the bill; and  Begin implementation of recommendations for selected Sub-vented Agencies	Du Bois centre: Initiate activities towards self financing  GRATIS: Assist with transfer of assets and registration of title to enable commercialization process to commence				Sub-vented Agencies Bill has been submitted to Parliament in May 2005. Plans underway to commence in October 2005  Du Bois centre: funds has been provided for reconstruction and refurbishment of a Public Gallery. A director for Programmes and Development has	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
		<p>GNA, MDPI, GBC: begin implementation of re-engineering plans</p> <p>GIMPA, GUP: conduct assessment of reform initiatives to determine whether objectives have been met</p> <p>Forestry commission: sort out future financing arrangements: complete retrenchment exercise (450 personnel), depending on availability of funds</p>				<p>been engaged</p> <p>GRATIS: A consultant has been employed to assess the assets of GRATIS and make a proper transfer of title to GRATIS. This would enable them to access funding</p> <p>GUP – provided working capital, paid differences for retrenched workers.</p> <p>GBC- re-engaged to determine the mode for restructuring plan from GBC. PSR is waiting for restructuring plan from GBC</p> <p>GIMPA, MDPI &amp;GNA reviews to commerce in 2006</p> <p>Wildlife - Forestry Commission : Future Financing and retrenchment of 150 workers sorted out</p>	
<b>Strengthening public expenditure</b>	h Internal Audit Agency and Internal Audit Units of key	The Annual Report of Internal Audit Agency			The process for the appointment of Director-General of	The DG of IAA has been appointed. Process is on-going	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
management	MDAs (MOFEP, MOE, MOH, MLGRD and MRT) operational as provided in IAA Act.				the Internal Audit Agency is in progress. Advertisements have gone out in daily newspapers requesting applications for various positions in the Secretariat of the Agency.	for the appointment of DDG and support staff. An office accommodation has been identified	
	Appointment of Director Appointment of other staff made up of (3 for MDA audit 2 for MMDA audit; and 2 for treasury and Accounts and Budget Procurement)	Internal Audit Units created and staffed in MDAs and MMDAs without Internal Audit Units (IAAB by Feb. 2005 to provide baseline data as at April 2004, and estimation of completion by April, June and December 2005.)		Full compliment of staffing in place by March 31 2004	Under the Internal Audit Agency Act, the current Internal Auditors at the various MDAs and MMDAs shall be deemed to be internal audit staff of various MDAs and MMDAs, but are subject to reassignment. A list of MDAs and MMDAs without Internal Audit Units would be completed with the view to formally instructing them to establish and staff their Internal Audit Units by end February 2005. Meanwhile, a general circular requesting such MDAs and MMDAs without Internal Audit Units to establish their	Director- General and Nine Audit Managers (including 3 for MDA audit 2 for MMDA audit; and 2 for treasury and Accounts and Budget Procurement appointed	



Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
					Units and submit returns would have been issued		
	Internal Audit Agency Operational evidenced by					<p><b>IAUs have been set up in</b> MOFEP, MLGRD and MRT. IAUs of MOE and MOH have manuals and programmes that guide their operations.</p> <p>Consultant are being engaged to develop IA regulations, Standards, Procedures, manuals and programs as required under IAA Act</p>	
	Internal Audit Agency Budget for 2006 approved and 1 <sup>st</sup> quarter funds released on time					IAA 2006 Budget has been approved	
	<p>23 (b) Internal Audit Units in key MDAs (MOFEP, GES, GHS MRT and two MMDAs) operational as evidenced by</p> <p>Qualified Heads of Internal Audit Units (in line with guidelines provided by IAA)</p> <p>Presence of an Internal Audit manual</p>					<p>IAA 2006 Budget has been approved</p> <p>IIAUs of MOE and MOH have manuals and programmes that guide their operations.</p> <p>Consultants are being engaged to develop IA regulations, Standards, Procedures, manuals and programmes as</p>	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	Submission by key MDAs (MOFEP, GES, GHS MRT and two MMDAs of Quarterly Reports to IAA					required under IAA Act.	
	Public Procurement Entities established in MDAs, Sub-vented Agencies, Statutory Bodies and all Municipalities, Metropolitan Assemblies and 50% of the District Assemblies with operational Entity Tender Committees	All Entity Tender Review Boards in place and of the Entity Tender Committees, at least 95% at the Ministerial level, and 50% at the Department and Agencies level formed and functional.  First Annual Procurement Report issued		The Board is to be in place by March 2004. Awareness creation on the Act is currently on-going	The Chief Executive of the Public Procurement Board is in the process of being appointed. Advertisements have gone out for the appointment of Heads of Divisions within the Secretariat and the required professional and secretarial staff.  Tender Review Boards in MDAs and MMDAs are in the process of being constituted.	Status of ETC are as follows:  MDAs – 72.5% MMDAs –60.14% RCC – 90.8% PPME tool for M&E will be tested on at least 76 entities from late October	
	11Public Procurement Act provisions fully implemented and applied in headquarters and regional offices of key MDAs (MOFEP)	Institutional Set-Up completed  <ul style="list-style-type: none"> <li>Procurement Plan for 2006 prepared as required in the Act 663 (2003) (Section 21) by each of the Key MDAs</li> </ul> The availability of procurement manual/regulations/standard tender documents (section 21 & 65)				There has been progress since Oct 2005 – see attached tables Entities are still finalising their procurement plans for submission. PPB is developing software to assist easy preparation of procurement plans; the software will be finalised by March 2006  A contract has been	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
		<p>The publication of procurement notices and award of contracts section 21 &amp; 65)</p> <p>The records of meeting notes for the entity Tender committees and Review Boards (section 27 &amp; 28</p>				<p>awarded and the Consultant has produced a draft document.</p> <p>The final document will be ready by March 2006.</p> <p>Publication of tender notices is already in the national dailies however modalities for institutionalising the process are included in the contract for the procurement regulations manual</p> <p>This is already taken place and was proven during an assessment of 75 procurement entities</p>	
	Government's computerized financial and accounting system (BPEMS) fully operational in the headquarters offices in Accra/Tema of MOFEP and 5 key line ministries with core functionalities of BPEMS being utilized on line for processing and reporting transactions	The Budget and Public Expenditure Management System (BPEMS) using Oracle Financials will be operational (all modules) in four more MDA Headquarters that is: Ministry of Interior – headquarters Ministry of Works and Housing – headquarters Ministry of Information – headquarters Ministry of Local Government and Rural			Currently, set up of Oracle Financials as a centralised solution is 100% complete in both test and production instance for the following MDAs' headquarters: Ministry of Finance Controller & Accountant General Ministry of Health Headquarters	8 pilot sites set-up completed centrally MOH/GHS, MOFEP/CAGD are currently operational (using systems to process their transactions- (warrants, PO AP) Items 1&2 of 2006 approved budgeted have been loaded onto BPEMS. Cash ceiling release for MOH/GHS,	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
		Development headquarters. –			Ghana Health Service Headquarters Ministry of Education, Youth and Sports Headquarters Ghana Education Service Headquarters Ministry of Roads and Transport Headquarters	MOFEP/CAGD, MOFA, have been processed on the system. All warrants for the remaining MDAs for the first quarter will be processed by end March. All standard reports currently being produced (GFS & monthly revenue and expenditure reports) have been configured and customized on the system. Contracts have been awarded to change the existing WAN to Fibre Optic and are due to be completed by Mid February 2006.	
	<p>i. Computerised payroll is online and fully operational</p> <p>II. MDAs to have access to salary payment reports on a monthly basis and MDA responses used to progressively improve accuracy of pay records</p>					Payroll test runs have been completed for November and December 2005. Satisfactory reports have been produced for Pensions payment. Pay reports for December have been printed and is being reviewed by the PPD of the CAGD.	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
						<p>Live parallel runs for IPPD2 with IPPD1 will commence by the last week of January 2006 to run through June 2006</p> <p>Two production servers have been secured for the Live runs. Contracts have been awarded for the extension of Fibre Optic network to MDAs in Accra not connected to the existing network infrastructure</p> <p>Initial scoping and planning has been done on migrating Sub-vented Agencies payroll on the IPPD2 Review of payroll requirement will be completed by end 2005 to complete the integration process</p> <p>A proposed payroll audit document has been submitted to CAGD and the Auditor General for review and comment</p>	
	. Auditor-General to submit 2004 audited government's accounts for the Consolidated	2004 Audit report on Consolidated Fund and on MDAs submitted to Parliament			In respect of 2003 report on MDAs, the Auditor-General in November 2004	The Auditors report on MDAs 2004 has been completed and submitted to	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	Fund and MDAs Improvement in Budget Deviation Index for 2005 poverty related expenditures (weighted by share of each main area) compared to 2004	External Review of Public Finance Management			submitted advance copies to MOFEP and the Parliament while printing of the report is in progress.	Parliament in December 2005  The Audit of the Consolidated fund has been completed and submitted to Parliament in November 2005	
Strengthening the capacity to monitor and evaluate the policy agenda	Strengthen M&E system of GPRS  Continue to strengthen M&E capacity and M&E coordination at national, regional and district levels  i. M& E Technical Committee established	2005 Budget Statement reflects the relevant findings of the 2003 APR.	2002 APR submitted	2003 APR under preparation 4 PSiAs completed SEA Completed	The preparation of the 2005 budget involved the use of the APR 2003.  The technical Steering Committee on the GPRS Communication Strategy organised a Regional Trainer of Trainers Workshop on the GPRS.  Simplified versions of the GPRS have been translated in seven local languages and disseminated.  The 2003 APR was discussed extensively at the 2004 National Economic Dialogue.  The Strategic Environmental Assessment was discussed extensively at a Ministerial Conference in 2004	The M& E policy oversight committee has held its first meeting. The official inauguration of POC and Technical Committee will take place on 25 <sup>th</sup> January 2006	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
					<p>Regional Poverty Monitoring Groups have been formed in the regions except the Eastern Region</p> <p>The Development Dialogue Series continued in 2004</p> <p>PME on selected basic services and impact of macro economic reforms on households livelihoods was done in 2004</p>		
	Action Plans approved for NDPC, GSS and MOFEP	Approved Action plans for NDPC, GSS and MOFEP				Action plans of NDPC, GSS and MOFEP are to be finalised by end of February 2006.	
	Establish a District based M&E system and adopt a common M&E tool	Website established				<p>Senior M&amp;E staff of MDAs at the national level has been trained in GhanaInfo. An orientation workshop in GhanaInfo has been held for Heads of UN agencies, relevant World Bank and IMF staff.</p> <p>A programme to roll out GhanaInfo to the regions and the districts has been prepared. Training of RPMGs and Regional Directors</p>	

Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
						<p>of GSS will begin in February 2006. This will be followed by training of DPMGs and district GSS staff has been prepared</p> <p>Regional Poverty Monitoring Groups (RPMGs) have been established. Preparations are underway for the establishment of DPMGs (the constraints are financial</p>	
	Improved access to information on M&E, including GPRS 2, APR 2004, CWIQ 2003 and PSIA's available on NDPC/GSS websites					<p>NDPC website has been established. Final Draft of GPRS II and APR 2004 have been pasted</p> <p>Seminars were held in Nov/Dec 2005 on the CWIQ results and the poverty maps</p>	
	Final draft of Freedom of Information Bill presented to Cabinet			Revision of draft in progress	Revision of draft in progress	Draft Submitted to Parliament	
	Final draft of Whistle Blower Bill presented to Cabinet			Revision of draft in progress	Revision of draft in progress	Bill at Committee stage in Parliament	
	Diagnostic study on institutional mandates of anti-corruption agencies commissioned			Draft Terms of Reference prepared for focus group discussion and review			
	Electronic expenditure reporting system			Installed in MOFEP and CAGD	Installed also in the following MDAs		



Program Area	Objectives and Indicators	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level in 2005	Progress towards Target
	installed in MOFEP, CAGD, and at least two key sector ministries				Ministry of Health; Ghana Health Service; Ministry of Interior (Headquarters); Ministry of Education Youth & Sports; Ghana Education Service (Headquarters); and Ministry of Roads & Transport Headquarters		

# CHAPTER EIGHT

## SPECIAL PROGRAMMES FOR THE VULNERABLE AND THE EXCLUDED

### 8.1 INTRODUCTION

This chapter reviews progress of implementation of policies, programmes and measures designed to mitigate the effect of policy shocks on the vulnerable and excluded. The major policies identified under the GPRS to address the needs of the vulnerable and excluded in this respect are;

- promoting access of persons with disability to public goods
- promoting social justice;
- reducing the spread of HIV/AIDS

Additionally the Capitation Grant, Health Insurance Scheme and the expansion of the Mass Metro Transit system have been introduced to contribute to improving access to services by especially the vulnerable and excluded.

### 8.2 STATUS OF SELECTED INDICATORS AND KEY POLICY ACTIONS RELATING TO THE VULNERABLE AND EXCLUDED

#### 8.2.1 Disability and Empowerment of Women and Other Vulnerable Groups

*Policy Objective 1: Improve the quality of life of the physically handicapped<sup>10</sup>*

##### Policy Measures and Achievements

##### *i. Equip the Disabled Youth with Employable Skills*

A National Disability Policy which was formulated in 2004 was widely disseminated through a nation wide consultative process with stakeholders. Subsequently the policy was translated to a bill to be approved by parliament. The objective of the bill is to mainstream the needs and priorities of persons with disabilities into national development and programmes. The bill was introduced to Parliament in 2005 and upon its passage the appropriate subsidiary legislation will be enacted to guide the operationalisation of its provisions.

Meanwhile the Department of Social Welfare continued to perform its statutory service obligation to the needy. In 2005 a €5 billion micro credit scheme was introduced to provide financial support to promote the entrepreneurial activities of Persons with Disabilities (PWDs). A total of 750 PWDs in 20 districts accessed €1 billion out of this credit facility. This facility is programmed to be extended to other regions.

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<sup>10</sup> The Physically challenged are now referred to as Persons with Disabilities

Table 8.1 shows a remarkable increase in the number of persons with disability that have benefited from the employment placement scheme of the Department. The number of beneficiary PWDs in the scheme increased from 593 in 2002 to 4,000 in 2005. In addition the number of PWDs who were trained to be self-employed increased from 80 in 2002 to 571 in 2005.

**Table 8.1: Status of Indicators on Integrating PWDs to Mainstream Society, 2002-2005**

Service	Indicators status (2002)	Indicators status (2003)	Indicators status (2004)	Indicators status (2005)*
<b>INTEGRATING PERSON'S WITH DISABILITY (PWDs) INTO MAINSTREAM SOCIETY</b>				
PWDs provided with Employable Skills	593	653	537	4000
Trained PWDs assisted to be Self-Employed	80	102	85	571
PWDs assisted in Communities	104	69	3760	492
PWDs provided with inclusive Education	63	19	70	60
Unit Communities Members Sensitised	55	27	40	320
Running of Rehabilitation Centres			12	12
Number of Identified and Registered PWDs		994	1233	1104
Number of trained visually impaired assisted with €3.8 Million as start up capital by Catholic Relief Services and Action Aid			14	
Number of PWDs provided with Wheel Chairs		11	210	84
Number of PWDs provided with miscellaneous assistance		3060	3760	503
Number of Districts Sensitised on Disability		110	110	138
Number of PWDs trained in Institutions (Rehabilitation Centres)		425	327	671

*Source: Department of Social Welfare January 2006.*

*ii. Provide Support Services for Street Beggars and Girl Head Porters (kaya yei)*

A draft National Policy on Street Children has been prepared. It seeks to bring together the existing disparate and ineffective activities targeted at addressing 'streetism' under the supervision of a coordinating institution. A strategy to reduce or totally eliminate the phenomenon will be developed in 2006.

In line with its work programme the Department of Social Welfare increased the pace of its programme of activities towards assisting the youth including the street children and head porters to acquire vocational and employable skills. In 2005, out of a total of 2,965 trainees about 84% (2,434) were girls (see Table 8.2). The gender dimension is significant because street girls are more vulnerable than the male counterparts. The year also recorded 400% increase in the number of street children rehabilitated/taken off the street and either assisted to return to their families or placed in educational institutions.

**Table 8.2.: Status of indicators on Vocational Training for the Youth, 2002-2005**

Service	Indicators status (2002)	Indicators status (2003)	Indicators status (2004)	Indicators status (2005)*
<b>VOCATIONAL TRAINING FOR THE YOUTH</b>				
Boys provided with Vocational Training	431	548	385	531
Girls provided with Vocational Training	434	549	447	2434
Street Children Rehabilitated	413	466	357	1065

*Source: Department of Social Welfare January 2006.*

*iii. Strengthen the Capacity of the Department of Social Welfare and Community Development and Child Care Workers*

The Department of Social Welfare is a key government institution responsible for the provision of social safety nets for the vulnerable and excluded. As part of its human resource capacity building programme a series of training activities was organised for upgrading its staff competences in 2005. The training programme for newly recruited staff focused on enhancing their role in the administration of justice; adoption procedures; community based strategies for social welfare intervention; conflict resolution, and research methods. The Department also sponsored selected staffs to participate in further training in local and overseas tertiary institution.

Inadequate budgetary allocation to support the Department's work programme and inadequate personnel still remain challenges to the efficient delivery of services. In 2005 actual budgetary allocations to the department constituted only 13% of total requirement of €92.9billion, while the staff situation in terms of numbers did not improve as only replacements were allowed to fill vacancies of staff that left the department.

The need to increase resource allocation to the department is growing in the face of expansion in demand for its services. Table 8.3 below shows the range of cases handled by the department between 2002 to end of September 2005. On child welfare services though the data for 2005 is up to the end of the third quarter, juveniles handled in industrial school increased from 61 in 2002 to 80 in 2004 and this increased further to 112. Also department was able to supervise 1036 day care centres by end of September 2005 as compared to 701 in 2004 though it was able to supervise over 2000 day care centres in 2002 and 2003.

**Table 8.3.: Child Welfare Services Provided by the Department of Social Welfare, 2002-2005**

Service	Indicators status (2002)	Indicators status (2003)	Indicators status (2004)	Indicators status (2005)*
<b>i. CHILD WELFARE SERVICES</b>				
Juvenile Case Investigated	513	537	620	194
Probation Case Handled	630	291	1082	384
Juvenile Handled in Industrial School	61	127	80	112
Remand Case Handled	291	247	390	194
Children Adopted by Relatives	242	313	277	143
Orphans Adopted	53	41	252	78
Day Care Centres Supervised	2395	2876	701	1036
Day Care Centres Registered	79	1272	367	118
Number of Private Orphanages supervised				39
Paternity Cases Disposed off	733	480	398	214
Maintenance and Custody Cases Disposed off	8493	9890	7109	2164
Families Reconciled and Strengthened	2649	743	3149	563
Male Un-Adoptable Children Cared for	169	166	258 (total for both sexes)	272
Female Un-Adopted Children Cared for	108	92		
Family Tribunal Cases Handled	5956	4839	2861	289
International Social Service Case Handled		49	64	50
<b>ii. INTEGRATING DISADVANTAGED ADULTS INTO MAINSTREAM SOCIETY</b>				
Prisoners provided with Welfare Services	2072	2585	1343	1302
Paupers assisted with payment of hospital bills and related expenses	Males 937 Female 842	Males 357 Females 175	Males 732 Females 819	2749
Destitute Catered for	Males 23 Females 3	Males 24 Females 3	Males 23 Females 5	27
Women's groups assisted through Technology Capitalization	48	34		36

*Source: Department of Social Welfare January 2006.*

## ***Policy Objective 2: Empowerment of Women***

Significant achievements were made in the implementation of initiatives designed to empower women in the priority areas of financial/economic governance, skills/human resource development and improved practices in political governance. Key initiative implemented jointly by Ministry of Women and Children's Affairs (MOWAC) in collaboration with selected stakeholders including MDAs and financial institutions are presented in Table 8.4 below:

**Table 8.4: Review of Activities of the Lead and Collaborating Organisation Responsible for Ensuring the Attainment of the Objectives of Women Empowerment**

<b>Activity</b>	<b>Lead Organisation</b>	<b>Collaborating Organisation</b>	<b>Attainment</b>
i. Credit Schemes Administered	MOWAC	Women Development Fund	Mobilised and disbursed a total of €2.0 billion in 2005 to women groups to support income generating activities country wide
		National Investment Bank, Agric Development Bank and the rural banks	Disbursed a total of €10.44billion as micro credit to total of 10, 443 women beneficiaries in 2005
ii. Support to Agro-based Industries	MOWAC	Ministry of Agriculture MOFA	Deposits for ten tractors for women farming groups in the country has been paid
	MOWAC		300 gari processing machines were distributed in the year 2005 to eight cassava growing regions in the country
iii. Human Resource of Development	MOWAC	MOH, Ghana Health Service (GHS),	Promotion of improved maternal child health
	MOWAC	Ghana Education Service (GES)	Promotion of girl-child education among others
iv. Participation in Local Political Governance		MLGRD, Institute of Local Government Studies (ILGS) and National Association of Local Authorities	consolidate an agenda to enhance women's participation in local governance

*Source: Ministry of Women and Children's Affairs (MOWAC), 2005*

## **8.2.2 Social Justice**

### ***Policy Objective 1: Adequate Security for the Protection of the Vulnerable and Excluded***

The Ghana Police Service, WAJU (now renamed as the Domestic Violence and Victims Support Unit, DOVVISU), MOWAC, Legal Aid Board and other agencies including the Department of Social Welfare and a number of NGOs are jointly responsible for the provision of services targeted at ensuring that the vulnerable, is protected.

Available data from DOVVISU indicates that over the period 1999 to 2005, the offence of non-child maintenance continues to be most reported cases to the unit, followed by cases of reported assault, defilement and rape in that order. In 2005, however, the number of cases reported on the offence of "failing to supply necessities of health and life" was the second

highest. The increasing numbers of reported cases managed by DOVVISU over the years can be attributed to the establishment of additional branch offices of the unit across the country as well as the positive impact of the series of public education and sensitisation programmes implementing by the unit and its collaborating agencies to raise the level of public awareness on the issue. Table 8.5 provides details on categorises of offences typically inflicted on women and children.

**Table 8.5: Statistics of cases reported to Women and Juvenile Unit (WAJU) Ghana Police Service from January 1999 to December 2005**

Type of Case	Year						
	1999	2000	2001	2002	2003	2004	2005
Rape	23	34	64	184	150	181	206
Defilement	154	181	228	820	755	734	713
Assault	95	86	279	1861	2157	2059	2430
Threatening	21	16	63	772	588	435	560
Causing harm	4	6	7	65	46	42	41
Causing damage	6	3	7	73	49	70	118
Indecent assault	11	17	29	104	90	74	106
Incest	5	6	5	20	17	15	11
Offensive conduct	4	1	2	226	360	325	671
Unnatural carnal knowledge	3	2	0	2	3	14	12
Failing to supply necessities of health and life	0	7	17	164	102	67	3171
Abduction	3	5	10	147	169	190	187
Child stealing	1	3	1	17	16	19	58
Stealing	20	7	12	196	174	200	301
Exposing child to harm	1	0	4	72	61	63	135
Criminal Abortion	1	1	3	17	23	33	37
Fraud	6	5	3	1	0	0	0
Attempted defilement	0	0	1	3	2	0	5
Attempted rape	1	2	3	23	32	16	24
Attempted abortion	0	1	0	19	15	20	18
Non child maintenance <sup>11</sup>	523	1383	1047	3066	5947	7421	4266
Bigamy	0	0	0	0	3	4	9
Unlawful ejection	0	0	0	0	0	0	11
Unlawful entry	0	0	0	0	0	0	2
Threat of harm	0	0	0	0	0	0	94
Unlawful Removal	0	0	0	0	0	0	2
Intermeddling with property of deceased	0	0	0	0	0	0	8
Sodomy	0	0	0	0	0	0	1
Compulsory marriage	0	0	0	0	0	0	9
Act tending to disturb public peace	0	0	0	0	0	0	2
Assault by imprisonment	0	0	0	0	0	0	2
<b>Total</b>	<b>882</b>	<b>1766</b>	<b>1785</b>	<b>7852</b>	<b>10759</b>	<b>11982</b>	<b>13324</b>

*Source: Research Unit Ghana Police Service, Accra January 2006.*

### ***Policy Objective 2: Utilisation of Legal Aid Services***

In 2004 the Legal Aid Board, projected that a total of 5,000 cases would be managed, but as at the end of the year the actual number of cases handled stood at 4,299. This drop in performance is attributed to inadequate staff capacity, especially in the Greater Accra and Volta regions, where vacancies at the directors level, occasioned by death and resignation remained opened for about 4-7 months of the year. The reports from the regions are yet to

<sup>11</sup> The staff of Department of Social Welfare attached to WAJU offices handle issues on non-child maintenance

be presented for analysis and inclusion in the annual report 2005.

The results of the Participatory Monitoring and Evaluation survey commissioned by NDPC in 2005 show that only 5% of households in Ghana used legal aid services in 2005. Doubts about fairness in the passing of judgement, high costs of legal services, absence of courts within accessible distance were cited as reasons for low patronage. Consequently the respondents suggested among others that Alternative Dispute Resolution approaches should be promoted in addition to solving the problems cited for non use.

Meanwhile members of the Ghana Bar Association in an effort to provide legal aid to the vulnerable have agreed to absorb 20% of the Bar's range of fees for legal aid services rendered. However, this will depend on the Boards ability to pay for the fees.

### 8.2.3 HIV/AIDS Pandemic

#### ***Policy Objective 1: Prevent the Spread of HIV/AIDS and Improve the Quality of life of People Living with HIV/AIDS and Orphans of AIDS***

The HIV/AIDS pandemic continues to pose a challenge to the goal of attaining the right quality and levels of human resource required to support the nation's socio-economic development. There appears to be stabilisation of the HIV/AIDS pandemic in Ghana as indicated by trend in national median prevalence. The national prevalence rate of 3.6% recorded in 2003 has reduced to 3.1% by 2004 and further down to 2.7% in 2005.

At the regional level, the median HIV prevalence in 2005 ranged from 1.2% in the Northern region to 4.7% in the Eastern region. It is noted that the Eastern Region has consistently recorded the highest prevalence rate in Ghana to date.

The status of actions on measures being implemented to ensure the attainment of the objective of preventing the spread of HIV/AIDS and improving the quality of life of people living with HIV/AIDS and Orphans of AIDS is presented as follows:

#### *i. Increase Awareness*

There has been near universal awareness of HIV/AIDS for more than a decade now, and indications of the emergence of positive behavioural change among males aged between 15 and 45 years, cohabiters and married couples. There still remains however considerable behavioural change challenges. Majority of Ghanaians however feel personally vulnerable to HIV infection – a condition that is necessary for appropriate preventive health behaviour. In spite of near universal awareness, knowledge of how to prevent HIV/AIDS is however inadequate, even among high-risk groups. Cultural factors such as early marriage, genital cutting, inadequate reproductive rights including inability of some women to negotiate sex puts women particularly at risk.

#### *ii. Provide support for PLWHAs and Care of orphans and vulnerable children*

In 2005 a total of 1,548 orphans and vulnerable children received assistance in their communities from the Department of Social Welfare, in addition to providing care and support to 310 PLWHAs (see Table 8.6). Currently a total of 385 NGOs are collaborating with the Department of Social Welfare in the implementation of HIV/AIDS management programmes (Box 8.1). Available data from the National AIDS Commission indicates that

over \$500,000 was disbursed to about 22 Organisations to provide care and support to over 3,000 orphans. Care took the form of provision of school fees, uniforms, meals and health care.

**Box 8.1: Agencies Engaged in Various Activities to Address the HIV/AIDS Pandemic**

HIV/AIDS continues to make People Living with HIV/AIDS (PLWHAs) vulnerable and excluded. A number of NGOs are engaged in various activities to address the HIV/AIDS pandemic. A total of 149 NGOs are currently engaged in implementing programmes in designated high risk areas. One hundred and fifteen NGOs are engaged in programmes designed to provide care and support to PLWHAs; 24 NGOs are working in programmes involving Commercial Sex Workers, while 10 NGOs have focused their programmed interventions on counselling truck drivers and migrant workers including miners respectively.

In 2005 a total of 176 proposals which were submitted by a number of interested implementing agencies were vetted and funded by the Ghana AIDS Commission. Among the selected proposals the Ministry of Women and Children's Affairs organised public awareness programmes for children in all the 10 regions, while a total of 1,548 orphans and vulnerable children received various forms of assistance provided by the Department of Social Welfare in their communities.

In addition, Ghana AIDS Response Fund (GARFUND), which guided the implementation of the National Strategic Framework (NSF I) recorded the following in prevention and care services in 2005:

- Nearly 100% of Ghanaians know about the basic facts of HIV/AIDS
- Preventive behaviours have been promoted with a focus on:
  - identified high risk groups
  - mother to child transmission,
  - transmission through blood and blood products

**Table 8. 6: Welfare Services Provided to the Vulnerable & Excluded by Year (2002-2005)**

Service	Indicators status (2002)	Indicators status (2003)	Indicators status (2004)	Indicators status (2005)*
<b>HIV/AIDS</b>				
PLWHAs provided Care and Support		52		310
No. of Orphans & Vulnerable Children receiving assistance in communities				1548
NGOs working in partnership with DSW in HIV/AIDS Programme		500		385
No of Communities Sensitised on issues of HIV/AIDS		1500		120

*Source: Department of Social Welfare January 2006.*

*Prevention and advocacy work included increase in the following areas:*

- VCT activities,
- Support and care services
- Workplace interventions
- CSW programmes
- Income generation activities
- Nutritional supplement distribution



*Substantial progress was made as follows:*

- STI management is mainstreamed into health care services
- Training of technicians for safe blood supply
- Clinical services for PLWHAs and commercial sex workers mainstreamed into the provision of health services
- Effective mass media campaign in place through the use of television, radio, print media, and outdoor advertising
- About 4000 patients have enrolled in the ARV programme since December 2004

During 2005, the National Strategic Framework (NSF I) was reviewed and the relevant gaps were identified. The following objectives have subsequently been redefined under the NSF II as priorities for implementation of interventions relating to the treatment, care and support for PLWHAs:

- ensure an enabling environment for the comprehensive treatment, care and support to PLWHA through reduced stigmatisation and discrimination;
- strengthen infrastructure and human resource capacities required to rapidly scale-up the provision of treatment, care and support for PLWHA, orphans and vulnerable children (OVC) and other vulnerable groups in public and private institutions at all levels;
- promote early diagnosis of HIV/AIDS through the use of voluntary counselling and testing (VCT) and other services
- ensure the availability of adequate laboratory support for clinical care services at all levels;
- develop strategies for ensuring universal access to Anti-retroviral Therapy (ART)
- ensure the availability of and standards for community and home-based care for PLWHAs, caregivers, OVC and other vulnerable groups;
- ensure the integration of psycho-social support in a comprehensive care and support package for PLWHAs, caregivers, OVC and other vulnerable groups;
- strengthen referral mechanisms and other linkages between the community, preventive and clinical services in public and private institutions;
- promote public private partnerships for accelerated treatment, care and support
- monitor, supervise and evaluate the delivery of treatment, care and support programmes.

### **8.3 STATUS OF ACTIONS ON POLICY RECOMMENDATIONS MADE IN 2004 APR**

In the 2004 APR a number of policy initiatives were recommended in respect of the vulnerable and excluded that were expected to be addressed by Government. These included issues relating to: addressing the logistics and manpower needs of the Department of Social Welfare (DSW); expanding access to Anti Retroviral Therapy (ART) for PLWHAs; and developing an effective monitoring mechanism to monitor the activities of NGOs who receive funding from Ghana AIDS Commission for HIV/AIDS activities. Table 8.7 below summarises these initiatives and the progress made towards their implementation in 2005.

**Table 8.7: Status of APR 2003 Vulnerable and Excluded Policy recommendations**

APR 2004 Policy Recommendation	Status in 2005
Expanding access to Anti Retroviral ART for PLWHAs remains a major challenge for the country and therefore there is the need to expand the number of sites and beneficiaries. Also more VCT Centres should be opened.	From 4 standalone sites in 2003, the number of VCT sites increased to 90 in 2005 located in various parts of the country,
The Ghana AIDS Commission should put in place an effective monitoring system to monitor the activities of NGOs who receive funding for HIV/AIDS activities	Focal persons have been identified in several sector ministries to coordinate sectoral responses and mainstream HIV/AIDS in their routine work.
The Department of Social Welfare (DSW) is constrained by both manpower and logistics and thus unable to provide the effective and quality services to these juvenile offenders. Measures to improve Justice Administration in Ghana will have to consider strengthening the DSW to effectively manage juvenile crime and rehabilitation	There are still manpower and logistical constraints

## 8.4 SUMMARY OF POLICY RECOMMENDATIONS

### 8.4.1 Disability

The provision of free medical and psychosocial support to victims of abuse still remains a major challenge facing institutions handling victims of abuse. It is therefore recommended that budgetary and administrative constraints which impede the efficient implementation of this policy be addressed.

### 8.4.2 Social Services

Appropriate incentive packages should be instituted to attract and retain lawyers and staff recruited by the Legal Aid Board.

### 8.4.3 HIV/AIDS Pandemic

The main policy recommendation on the management of HIV/AIDS is to ensure that programmes and interventions are effectively mainstreamed into the comprehensive National Social Protection Strategy currently being formulated.

A final draft costed Social Protection Strategy has been developed and is being studied by a technical group for MDA validation. The vision of the Social Protection Strategy is to create a society in which citizenry including the vulnerable and excluded are adequately empowered to participate in the management of social, economic, political and cultural shocks.

**SPECIAL PROGRAMMES FOR THE VULNERABLE AND EXCLUDED  
STATUS OF INDICATORS- 2005**

Table 8.8: Summary of Status of Priority Indicators for Vulnerable and Excluded, MDBS/PRSC, 2002 - 2005

Objectives	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress towards Target
Increased resources for the protection of the rights of women and children		MOWAC received €€6.709billion in 2002	MOWAC received €9.669billion in 2003	MOWAC received €20,563 million in 2004		On track
Incidence of poverty	32%	39% - (2000)	N/A	N/A	N/A	
Incidence of extreme poverty	21%	27%	N/A	N/A	N/A	
Accessibility of services (disaggregated to services, region, districts)			Some data is available from the 2003 CWIQ, but not enough to establish levels	same	same	
Access of extreme poor to services (disaggregated to services, region, districts)			Some data is available from the 2003 CWIQ, but not enough to establish levels	same	same	
Appropriate indicators developed to monitor change in well being of vulnerable and excluded, across the entire GPRS			PSIA currently on going and indicators are being developed	A social protection strategy policy is currently being developed for the vulnerable and excluded	Draft social protection strategy developed	On track
Utilisation of Legal Aid Services		4225	4500	5590 applied for legal Aid services and 5090 received legal aid services. Legal Aid Services can now be received nation wide	5500 persons received legal aid assistance in 2005	Utilisation by poor increasing but not adequate
NGO funding for Legal Aid			All Legal Aid offices in the country are being computerized and net-worked with assistance from USAID		No funding	
Population with information, counselling programmes undertaken			98%			On track
Provide support for PLWHIV/AIDS			4 sentinel sites providing ART			
Improve the quality of life of the physically handicapped			Disability Bill developed and being discussed	The CRPR-SC is supporting the Tamale Resource Centre for PWDs to mainstream 45 guides of PWD into formal education.		

Objectives	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress towards Target
Provide care and support for street beggars and kaya yei		Training in skills provided	Training in Vocational skills has been provided to street beggars and head potters	50 Kaya yei were trained in various vocations and have settled in their communities to practice their trade by the DSW. Also 2500 street children received formal education, employable skill training, counselling on hygiene and reproductive health from the CPRP- SC.		
HIV AIDS Prevalence		3.8%	3.4%	3.1	3.1	
Drug Based treatment available for people with AIDS			4 Sentinel Sites are providing ART for PLWHA and 19 sentinel site are implementing a programme for the prevention of mother to child transmission	4 facilities were established by mid-year as against the target of 6 by the end of 2004 to provide antiretroviral therapy (ART) to AIDS patients. 1176 patients had been put on ART by mid-year as against the targeted 2,000 for the full year. 9 Voluntary Council and Testing Centres (VCT) as against the targeted 66 VCT centres were established by mid-year; 302 mother-baby pairs were treated with Niverapine by mid-year as against the target of 6,000 mother-baby pairs for 2004.		
<p><i>Reduce the spread of the HIV/AIDS epidemic</i></p> <p>Develop a national monitoring and evaluation framework based on the strategic framework and the five-year plan of work</p> <p>Scale up the provision of antiretroviral combination therapy (ART) for people with advanced HIV</p>	<p>National M&amp;E Framework finalised</p> <p>ART available</p>		Joint Review scheduled is between 1 <sup>st</sup> March 2004 & 9 <sup>th</sup> April 2004. A budget of \$218,00 had been set aside for it with funding form donor agencies like DFID JICA, The Royal Danish Embassy, UNAIDS, USAID, UNFPA	149 NGOs have been approved for funding under the 4 <sup>th</sup> call. The criteria for selection included those with interventions being carried out in high risk areas with prevalence higher than 5%; and support.	The National M&E indicators have been developed in consultation with key partners. The framework has been finalised and is in print	5 ART sites

Objectives	Target	Indicator Level 2002	Indicator Level 2003	Indicator Level 2004	Indicator Level 2005	Progress towards Target
	by end of 2005 in at least 6 regional hospitals				<p>established 3 in Atua, Agomanya and Koforidua hospitals all in the Eastern Region. 1 each in Komfo Anokye and Korle Bu Teaching Hospitals.</p> <p>Training on the provision of ART has been conducted in all the Regions. However provision of ART is currently at 5 sites (Komfo Anokye and Korle Bu Atua, Agomanya and Koforidua Regional Hospitals)</p>	
<p><i>Implement special programs to support the vulnerable and the excluded</i></p> <p>Elements of social protection strategy reflected in the GPRS programming document with monitorable actions</p>	<p>(To be specified when GPRS 2 is launched).</p> <p>Social protection strategy approved by Cabinet</p> <p>Special flagship programmes developed and implemented</p>			Draft social protection strategy is being prepared	<p>On-going social protection intervention in the strategy is costed in MDA plan</p> <p>Final costed draft of the Social protection strategy is being studied by technical group for MDA validation workshop in February</p>	

## APPENDIX I: STATUS OF IMPLEMENTATION OF GPRS POLICIES

This section presents status of implementation of key policy measures over the GPRS period, 2003 – 2005 by thematic area.

### A. MACROECONOMIC STABILITY

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: √ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
1. Fiscal Policy Management	1.1 Promote effective debt management	Monitor the size of domestic debt	On-going	<ul style="list-style-type: none"> <li>▪ Costs of borrowing reduced by the reduction of interest rates to 15%</li> <li>▪ Monitoring by the Aid Debt Management Unit</li> </ul>
		Restructure domestic debt	On-going	<ul style="list-style-type: none"> <li>▪ Government of Ghana Index Linked Bond and Cocoa Bill introduced</li> </ul>
		Reduce the stock of domestic debt	On-going	<ul style="list-style-type: none"> <li>▪ Continual application of HIPC funds to finance interest on domestic debt</li> <li>▪ Non-tax revenue unit established and operational</li> <li>▪ Increased debt recovery efforts</li> <li>▪ Reduction in outstanding stock of Government securities from (17% to 16.1%)</li> </ul>
		Establish institutional structures and mechanisms for managing the deficit	On-going	
	1.2 Improve expenditure management	Track expenditures for poverty related projects		<ul style="list-style-type: none"> <li>▪ Budget Development Unit Established</li> <li>▪ Measures initiated to fund the unit</li> <li>▪ Allocation register introduced to track releases of budgetary funds to MDAs</li> <li>▪ Public Expenditure Monitoring Unit established.</li> <li>▪ Funding and operationalisation of PUFMARP</li> <li>▪ Financial administration Bill passed into law</li> <li>▪ Electronic expenditure reporting system installed at MOFEP &amp; CAGD</li> <li>▪ Regulatory and oversight body to implement procurement code has been established.</li> </ul>
	Commitment control and procurement		<ul style="list-style-type: none"> <li>▪ National Procurement Bill passed into law</li> <li>▪ Public Procurement Board established</li> </ul>	
2. Monetary Policy Management	2.1 Achieve price and exchange rate stability	Reduce inflation and minimize exchange rate manipulation	On-going	<ul style="list-style-type: none"> <li>▪ Inflation at the end of Dec 2005 at 13.5%</li> </ul>
		Ensure competitive interest rates and	On-going	<ul style="list-style-type: none"> <li>▪ Rates announced periodically</li> </ul>

		reduce interest rate spread		
		Increase transparency of Bank of Ghana operations	On-going	
		Develop data base for credit information system		<ul style="list-style-type: none"> <li>No information on status</li> </ul>
		Minimize impact of foreign exchange flows on domestic monetary aggregates	On-going	
	2.2 Improve institutional, legal & regulatory framework for monetary management	Revise laws and procedures governing the banking sector	On-going	<ul style="list-style-type: none"> <li>Implementation of blueprint for financial sector deregulation:</li> <li>Central Security Depository (CSD) now operational for Government Securities. CSD bill to be sent for parliamentary approval</li> <li>Insurance bill to be laid in Parliament</li> </ul>
		Supervise banks	ongoing	
		Implement schemes to increase long term savings		<ul style="list-style-type: none"> <li>Long term savings law passed</li> </ul>
		Introduce bond market		<ul style="list-style-type: none"> <li>Introduction of the 2-3 year fixed and floating rate bonds, to promote and develop the bond market</li> </ul>
3. International Trade	3.2 Improve export competitiveness	Maintain competitive real interest rates	Ongoing	
		Improve import export regime	ongoing	
		Minimize incidence of dumping	X	
		Promote new areas of competitive advantage	On-going	
	3.2 Diversify export base	Take full advantage of preferential access to markets (AGOA, EU-ACP)	On-going	

## B. PRODUCTION AND GAINFUL EMPLOYMENT

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: √ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
1. Economic Transformation	1.1 Modernize agriculture, increasing agricultural yields	Provide irrigation facilities	√	<ul style="list-style-type: none"> <li>▪ Year 2005 marked the preparation phase for expansion work to commence</li> </ul>
		Promote the use of performance-based extension service	√	<ul style="list-style-type: none"> <li>▪ MOFA is currently promoting demand-driven extension services, instead of the performance-based extension services</li> </ul>
		Provide support for aquaculture	√	<ul style="list-style-type: none"> <li>▪ Improved expansion coverage, 20% increase in adoption of recommended practices.</li> <li>▪ Thirty members of a fish farming group at Obane were also assisted to construct five ponds, expand 10 fish ponds and procure processing facilities</li> </ul>
		Improve appropriate technology generation, transfer and dissemination	√	<ul style="list-style-type: none"> <li>▪ Research Extension-Farmer Linkages has been established in all the 10 regions and are operational</li> </ul>
		Establish and manage national strategic buffer stock	×	<ul style="list-style-type: none"> <li>▪ Facilities are being put in place for the project to take-off (e.g. dryers, grain pro-cocoons, etc).</li> <li>▪ 1,184 assorted agro-processing equipment has been distributed to the regions and are being sold to interested stakeholders</li> </ul>
	1.2. Enterprise development	Facilitate establishment of 40 small scale agro-processing industries for exports	On-going	<ul style="list-style-type: none"> <li>▪ 57 business plans finalised</li> <li>▪ 27 District Enterprises and 25 Farmer Based Organisations duly registered. Kassena Nankana Vegetable Soya Bean Producers &amp; Processors Association supported with €679million to produce soya beans for distribution to farmer in the Upper East, Upper West &amp; Northern Regions.</li> <li>▪ €110 million released to Atiwa District to support the cultivation of a new variety of bamboo.</li> </ul>
	1.3. Infrastructure - Roads and Rail	Maintain and expand feeder roads	√	
		Provide one major road linking rural and urban areas in every region	√	
		Construct 3 major highways to connect trans-ECOWAS highway	√	
		Rehabilitate urban rail system for workers/goods in Accra-Tema Area	On-going	<ul style="list-style-type: none"> <li>▪ Bridges and culverts construction completed awaiting handing over.</li> <li>▪ Replacement of rail-tracks and rehabilitation works on course</li> </ul>



Policy Area	Key Issues/Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Initiate mass transportation system	On-going	<ul style="list-style-type: none"> <li>Refurbishment of 20 coaches on-going</li> <li>Rehabilitation of rail station building on-going</li> </ul>
	1.4 Create the right institutional environment for entrepreneurial development	Establish agri-business zones	X	<ul style="list-style-type: none"> <li>Lack of budgetary allocation to carry out the intervention</li> </ul>
		Undertake land administration reforms	Ongoing	<ul style="list-style-type: none"> <li>Progress on this has been very slow due to some administrative bottlenecks and implementation constraints</li> </ul>
2. Agro-Processing	2.1 Increase production and employment by promoting agro-processing	Provide processing equipment to micro and small-scale producers	On-going	<ul style="list-style-type: none"> <li>GRATIS producing various machinery/equipment for agro-processing (process, grates, extractors)</li> </ul>
		Establish small enterprise zones in profitable locations	On-going	<ul style="list-style-type: none"> <li>Establishment of Furniture City successfully negotiated with the World Bank Group.</li> <li>Site for the development of Automobile City has been acquired in Kumasi.</li> </ul>
		Provide rural communities with three-phase electric power supplies	On-going	
	2.2 Improve productivity in the industrial and service sectors	Strengthen agencies and departments responsible for cluster and enterprise development	On-going	<ul style="list-style-type: none"> <li>NBSSI extending BACs to the Districts</li> </ul>
		Establish fund to finance industry-based research and development	On-going	<ul style="list-style-type: none"> <li>Public/Private Sector consultation to establish mechanisms for R&amp;D/S&amp;T development</li> </ul>
3. Energy	3.1 Ensure reliable supply of high quality energy services	Implement a policy of cost recovery in energy supply	✓	<ul style="list-style-type: none"> <li>The Automatic Price Adjustment formula is being implemented by PURC and NPA</li> </ul>
		Unbundling of the electricity supply system	X	<ul style="list-style-type: none"> <li>VRA amendment bill has just been passed by parliament</li> </ul>
		Deregulate the petroleum sector	✓	<ul style="list-style-type: none"> <li>The NPA ACT 691 has been passed and private sectors are involved in importation of oil through competitive bidding.</li> </ul>
		Assist communities to develop woodlots	X	
		Support the development of renewable energy technologies such as solar PVs and biogas	✓	
		Promote energy efficiency technologies for domestic users	X	<ul style="list-style-type: none"> <li>Energy conservation &amp; efficiency legislative Instrument has just been passed by parliament</li> </ul>
		Promote the use of liquefied petroleum gas (LPG)	✓	

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
4. Environmental And Natural Resource Management	4.1 Improve environmental and natural resource management	Implement existing projects on natural resource management, capacity building for the fisheries sub-sector and surveillance	✓	<ul style="list-style-type: none"> <li>Construction of receptive facilities and preparation of land use plans for the “Big Tree” at Oda and Odweanoma Observatory post” at Atibie in the Eastern Region completed.</li> <li>Land use plan for the Wli Waterfalls also prepared.</li> <li>Constructions of other facilities are on-going</li> <li>Formation of 131 Community-Based Fisheries Management Committees (CBMFC) in 17 coastal districts.</li> <li>The procurement of a Vessel Monitoring System (VMS) for monitoring the operations of fishing vessels in Ghanaian waters</li> </ul>
		Enforce laws and regulations on natural resource UTILISATION and environmental protection	✓	<ul style="list-style-type: none"> <li>Competitive bidding is ongoing for plantation and natural timber</li> <li>Legal validation of legal timber is also ongoing</li> <li>Plantation development programme is ongoing</li> <li>The Economic sector work for the natural resource has been launched by the government and World Bank</li> </ul>
		Review institutional, legal, fiscal and financial regimes under which natural resources are exploited to ensure international competitiveness	✓	<ul style="list-style-type: none"> <li>Fiscal review of the forestry sector completed</li> </ul>
		Undertake legislative review of land laws and policies to increase access and security to land by entrepreneurs	✓	
		Enhance community involvement in the management of forest and wildlife and savannah woodland resources	✓	<ul style="list-style-type: none"> <li>Community involvement in plantation in degraded forests is on-going (farmers assigned permanently to assist in plantation development programmes)</li> <li>Rural communities engaged in wildlife management in off-reserve areas through the development of Community Resource Management Areas (CREMA), is also on-going.</li> </ul>
5. Non-Traditional Export (Nte) Development	5.1 Increase the production and export of non-traditional commodities	Fully automate CEPS processes	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>
		Improve port and transport facilities	✓	<ul style="list-style-type: none"> <li>Vigorously being pursued and it is a critical component of the Trade Sector Support Programme (TSSP)</li> </ul>
		Support existing craft villages in Bongo and other districts	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Provide support for the development of cold chains to facilitate export of horticultural products	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>
		Strengthen out-grower scheme	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>
		Acquire land and distribute to individuals for NTE production	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>
		Initiate capacity building programme for business and farm managers	X	<ul style="list-style-type: none"> <li>To be implemented under the Trade Sector Support Programme (TSSP)</li> </ul>
6. Employment	6.1 Promote the development of manpower, increase and sustain employment opportunities	Register the unemployed	✓	<ul style="list-style-type: none"> <li>Nine Hundred and fifty three thousand (953,000) unemployed youth were registered in 2001.</li> </ul>
		Develop manpower development plan	X	<ul style="list-style-type: none"> <li>The National Human Resource Development Policy is being formulated to inform Sectoral manpower development.</li> </ul>
		Provide skills training to unemployed	✓	<ul style="list-style-type: none"> <li>Out of the 953,000 unemployed youth registered in 2001, 27,000 have been trained under the Skills Training and Employment Placement (STEP) Programme as at July 2005</li> </ul>
		Strengthen key institutions such as the Labour Department, Management Development and Productivity Institute (MDPI)	X	<ul style="list-style-type: none"> <li>Apart from few staff skills enhancement programme undertaken, lack of funds have prevented a major institutional capacity building to be undertaken</li> </ul>
		Utilise DACF to support employment generation activities	✓	
		Provide support to income generating activities through the SIF	✓	
		Strengthen micro-finance institutions	✓	
		Promote increased employment in the tourism sector	✓	<ul style="list-style-type: none"> <li>Projected employment increased from 180,000 in the year 2004 to 220,000 in 2005</li> </ul>
		Strengthen quality service delivery in the tourism sector through training	✓	<ul style="list-style-type: none"> <li>About 700 personnel in the private sector trained under the crash Training Programme in various fields such as Front Office, House Keeping and Food Production</li> </ul>
		Disburse funds from the Women's Special Micro Financing Fund to MFIs	✓	

**C. HUMAN RESOURCE DEVELOPMENT AND PROVISION OF BASIC SERVICES**

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)	
1. Education	1.1 Increase access to education and training	Undertake improvements in school infrastructures	✓	Adult education and Tertiary education not in matrix.	
		Develop one model SSS in each district	✓		
		Reform education management	✓		
		Ensure teacher development/deployment and supervision	✓		
2. Skills and Entrepreneurial Development for the youth	2.1 Provide skills and entrepreneurial development for the youth	Establish special partnership programmes with non-state actors	✓		
		Develop policy to stimulate and regulate vocational & technical training	✓		
		Revise curriculum to increase relevance and coverage of vocational and technical training	✓		
		Institute community-based vocational apprenticeship through grants to District Assemblies	✓		
		Provide entrepreneurship training to the youth	✓		
		Promote public-private partnerships in direct service delivery	✓		
		Establish the Youth Development Fund	✓		
3. HIV/AIDS	3.1 Prevent new transmissions	Improve direct service delivery	✓		HIV/AIDS Under The Vulnerable And The Excluded
		Intensify behaviour change	✓		
		Expand facilities to prevent mother-to-child transmissions	✓		
		Ensure safe blood and blood products	✓		
		Improve STI management	✓		
		Promote safe sex	✓		
		Provide resources for peer counselling	✓		
	3.2 Provide a continuum of care for PLWHA	Provide supportive counselling	✓		
		Reduce stigmatisation and discrimination	✓		
	3.3 Lay an effective institutional foundation		Establish Ghana AIDS Commission	✓	
			Implement Ghana HIV/AIDS Strategic Framework including the District Response Initiative	✓	
			Build capacity of weak frontline institutions	✓	
			Strengthen surveillance and operational	✓	

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)	
		research			
4. Population Management	4.1 Increase effective population management services	Decentralise counselling services and sale of contraceptives	✓	Not part of Medium-Term Priorities	
		Institute a major national campaign on fertility regulation	✓		
		Coordinate implementation of population management	✓		
5. Health care	5.1 Bridge equity gaps in access to quality health and nutrition services	Develop resource allocation and facility distribution plan	✓		
		Redistribute health workers in favour of deprived areas	✓		
		Provide outreach services & clinics in deprived areas	✓		
		Develop at least one model health centre in each district	✓		
		Develop and implement high impact rapid delivery programme for U5M & MM and malnutrition	✓		
		Ensure ITN availability & use	✓		
		Eradicate guinea worm	✓		
		Phase out cash and carry	✓		
	5.2 Ensure sustainable financing arrangements that protect the poor	Increase government budget share for basic services at district and sub-district levels	✓		Mechanism for joint and coordinated financing not in matrix
		Ensure effective implementation of exemptions policy	✓		
		Fix a low acceptable rate of payment for district and sub district levels in deprived areas	✓		
		Implement health insurance scheme	On-going		
	5.3 Enhance efficiency in service delivery	Decentralise HR management to regional level	✓		
		Expand community-based health service delivery	On-going		
Collaborate with informal providers		✓			
Strengthen M&E of services		✓			
Clarify roles of MOH, GHS and DAs in health service delivery (HSD)		✓			
Strengthen systems for accountability in HSD		✓			
Develop framework to promote occupational health		On-going			
6. Safe water & environmental health	6.1 Accelerate rural water provision with emphasis on guinea worm endemic areas	Fully subsidise water provision in guinea worm endemic areas	✓		
		Provide new investments in water for Western & Central regions	✓		
		Strengthen management of on-going investments in deprived areas	✓		
		Disburse recurrent budget to CWSA and DACF on time	✓		
	6.2 Effectively manage urban water systems	Establish regional offices of PURC	On-going		
		Mobilise resource to refurbish and extend coverage of urban systems	✓		
		Strengthen GWC	✓		

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Develop monitorable implementation plans	On-going	
		Rationalise and update bye-laws for effective management of solid and liquid waste	On-going	
	6.3 Manage liquid and solid waste safely	DAs to market aggressively domestic toilets	On-going	Communal container services expanded in poor areas with high population density not in matrix.
		Information dissemination of safe sanitation	On-going	
		Introduce simplified sewerage systems for poor areas with high population	On-going	
	6.4 Build capacity for environmental Sanitation	Promote physical planning	✓	
		Update maps and layouts for orderly physical development	✓	
		Build capacity of DAs in management of public-private partnerships	On-going	
		Develop staff, skills, guidelines & Motivation for Environmental Health Departments of District Assemblies	On-going	
		Establish/strengthen sanitation tribunals in every district	On-going	

## D. GOVERNANCE

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
1. Public Policy Management	1.1 Deepen political involvement in the implementation and monitoring of poverty reduction and growth	Establish Parliamentary Committee on Poverty Reduction	On-going	<ul style="list-style-type: none"> <li>▪ Ad- hoc committee in place</li> </ul>
		Strengthen Parliamentary Committee on Public Finance and budget	On-going	<ul style="list-style-type: none"> <li>▪ Workshops and seminars are organised for the committee members</li> </ul>
		Monitor GPRS implementation	On-going	<ul style="list-style-type: none"> <li>▪ Reports on Annual Progress Report on implementation of the GPRS available</li> </ul>
		Strengthen research capacity of Parliament	On-going	<ul style="list-style-type: none"> <li>▪ Series of workshops and other capacity building initiatives are organised for staff</li> </ul>
		Develop mechanisms for permanent dialogue between Government and CSOs	On-going	<ul style="list-style-type: none"> <li>▪ Fora such as People's Assembly, National Economic Dialogue are instituted</li> </ul>
		Review/develop code of conduct of Public Service, corporate, non-profit-making organisations and traditional authorities	On-going	
		Strengthen law and order enforcement institutions	On-going	<ul style="list-style-type: none"> <li>▪ Progressive increase in budgetary allocations to law enforcement agencies</li> </ul>
	1.2 Increase the Capacity of the Public Service	Reform public sector pay policy	On-going	<ul style="list-style-type: none"> <li>▪ Reform in progress</li> </ul>
		Prepare and implement a 5-10 year programme of right sizing and improving conditions of services	On-going	<ul style="list-style-type: none"> <li>▪ First draft of comprehensive work plan disseminated to all stakeholders</li> </ul>
		Review public sector management reform programme under the NIRP	On-going	<ul style="list-style-type: none"> <li>▪ This will be implemented by the Ministry of Public Sector Reform</li> </ul>
		Monitor the implementation of the reform programme and operations of CMAs and MDAs	On-going	

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: √ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
	1.3 Enhance the capacity of the legal sector, and access to justice	Review current legislation to ensure consistency and compatibility of laws with GPRS policies	On-going	<ul style="list-style-type: none"> <li>▪ The revision of a laws to bring them into conformity with constitutional requirements and to correspond to current development within the country and international standards has been completed</li> <li>▪ Reforming and modernizing the magistrate courts have now become a primary focus of the reform, automation and modernization programme. This is in response to Ghana Poverty Reduction Strategy (GPRS I) The Judicial Service ambition is to render efficient, faster and effective access to justice to the rural poor and the vulnerable fort Magistrate Court is the lowest court of the land where the bulk of litigation begins.</li> </ul>
		Strengthen the courts, especially lower courts	On-going	<ul style="list-style-type: none"> <li>▪ Lower courts being strengthened</li> </ul>
		Provide magistrate court in all district capitals	On-going	<ul style="list-style-type: none"> <li>▪ There are currently 131 magistrate courts in the country. However not all of them are staffed by qualified magistrates. The Judicial Service is currently training career magistrates to fill these vacancies. The first batch of these career magistrates were inducted on 30<sup>th</sup> October 2003 and 18 of them passed out on 27<sup>th</sup> October 2005.</li> </ul>
		Abolish community tribunal system	√	<ul style="list-style-type: none"> <li>▪ New Court Act abolished the community tribunal system</li> </ul>



Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Establish six Fast Track Courts	On-going	<ul style="list-style-type: none"> <li>3 fully automated high courts in Accra, Kumasi and Sekondi, 7 Semi-automated Courts in 7 other regional capitals established</li> </ul>
		Strengthen Legal Aid Board	On-going	<ul style="list-style-type: none"> <li>Progressive increase in budgetary allocations</li> </ul>
		Strengthen the capacity of the Police Service	On-going	<ul style="list-style-type: none"> <li>Logistical and technical support have been provided to the Ghana Police e.g. provision of vehicles</li> </ul>
	1.4 Rationalise and define structures, roles and procedures	Review, define and enforce structures, roles and procedures for the discharge of government business	On-going	
		Prepare performance related terms of references and procedural manuals for CMAs and MDAs	On-going	<ul style="list-style-type: none"> <li>Plans up to date for SEC &amp; PSC: OHCS in progress'</li> </ul>
		Review processes for the preparation of MTDP and MTEF	On-going	<ul style="list-style-type: none"> <li>Review process in progress</li> </ul>
		Strengthen the planning and coordinating capacity DPCUs	On-going	
		Prepare procedural and operational manuals on the development planning process from national to local level	On-going	
		Provide training in coordination to RPCUs	On-going	
	1.5 Rationalise the role of the State	Prepare a fully costed implementation plan for the reform of Sub-vented Agencies (SA)	On-going	
		Pass into law the re-drafted SA Reform Bill	On-going	<ul style="list-style-type: none"> <li>Bill in parliament</li> </ul>
		Implement revised divestiture programme	On-going	
		Institutionalise civil society participation in policy formulation, implementation and monitoring	On-going	
		Coordinate, manage and monitor multilateral and bilateral assistance	On-going	<ul style="list-style-type: none"> <li>A multi-donor budget support is now in place</li> </ul>

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: √ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
2. Decentralization	2.1 Strengthen leadership and management capacity of District Assemblies	Initiate process for changing the Constitution to have district functionaries elected	√	
		Review the Local Government Service Bill	√	
		Strengthen District Assemblies financial and management role	On-going	<ul style="list-style-type: none"> <li>Composite budgets being piloted in 25 districts from all the regions</li> </ul>
		Upgrade and update knowledge and skills of District Assembly staff in policy, planning, management of infrastructure and services	On-going	<ul style="list-style-type: none"> <li>Budgetary and logistic support provided to six region as well as the 28 newly created districts</li> </ul>
	2.2 Deepen District Assemblies' in collaboration with civil society	Initiate regular planning and programming meetings between DA departments and NGOs	On-going	
		Increase public access to information on budgets, pattern of expenditure and implementation progress	On-going	<ul style="list-style-type: none"> <li>Draft Bill on Access to information before Parliament</li> </ul>
3. Public Expenditure Management	3.1 Ensure cost effectiveness of development expenditures	Develop operations manuals for the management of programmes and projects for MDAs and District Assemblies	On-going	
		Develop the capacity of the NDPC, PPMEDs of MDAs, RPCUS and DPCUs in programme management and monitoring and evaluation	On-going	
		Review the MTEF system and procedures in relation to the MTDP	X	
		Strengthen annual planning and budgeting processes	On-going	
		Introduce and enforce comprehensive reporting formats	X	
		Review draft Bill on Public Access to Information	On-going	<ul style="list-style-type: none"> <li>At Cabinet level</li> </ul>
4. Transparency and Accountability	4.1 Institutionalise public access to information on Government business	Publish information on government business to the public	On-going	<ul style="list-style-type: none"> <li>Meet the press series in place</li> </ul>

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: √ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Develop mechanisms for disseminating government information at national and local levels	On-going	<ul style="list-style-type: none"> <li>▪ People’s Assembly in place and Meet the press series by the ministers</li> </ul>
		Re-establish NDPCs Cross-sectoral Planning Groups	On-going	<ul style="list-style-type: none"> <li>▪ CSPGs were established to prepare the GPRS II Documents</li> </ul>
		Consultative workshops involving district departments, communities and civil society an integral part of district policy formulation, planning and budgeting processes	On-going	<ul style="list-style-type: none"> <li>▪ GPRS II consultative workshops conducted</li> <li>▪ Piloting of composite budgeting in 25 Districts in progress</li> </ul>

## E. VULNERABILITY AND EXCLUSION

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
1. Expanding essential basic services to the vulnerable and excluded	1.1 Expand coverage and effectiveness of essential services for poorest groups and geographical areas	Social security schemes expanded by 100,000 workers	On-going	
		Increase effectiveness of SSNIT	On-going	
		Introduce mutual health insurance scheme throughout the country	On-going	<ul style="list-style-type: none"> <li>▪ Implementation in progress</li> </ul>
		Introduce National Health Insurance Scheme	On-going	<ul style="list-style-type: none"> <li>▪ NHIS Bill passed and nationwide registration in progress</li> </ul>
	1.2 Prevent disasters & mitigate their impact on the poor	Establish rapid response units in all regions to include military & NADMO	On-going	<ul style="list-style-type: none"> <li>▪ In 2004, 70 Zonal Coordinators from all the ten regions were trained to form the core of NADMO's Response Units.</li> </ul>
		Develop reliable early warning systems	On-going	<ul style="list-style-type: none"> <li>▪ NADMO liaises with Metrological Services and Geological Survey for early warning on floods, drought and earthquake.</li> <li>▪ A Committee on Early warning for ethnic conflicts, civil strife and social unrest was established in 2005.</li> </ul>
		Strengthen capacity of institutions for disaster management	On-going	<ul style="list-style-type: none"> <li>▪ 100 Tata pick-up trucks, 30 motor bikes and 1000 bicycles have been procured to enhance operations nationwide.</li> <li>▪ In 2005, 6 members of staff were sponsored for short courses overseas, 25 personnel benefited from courses administrative management and 13 others received training in various relevant areas.</li> </ul>
		Develop effective communication between Accra and disaster-prone areas	On-going	<ul style="list-style-type: none"> <li>▪ Tender documents have been completed for procurement of communication equipment to link Accra and the other regions</li> </ul>
	1.3 Support capacity for co-ordinated service delivery	Develop & adopt national policy on the vulnerable and excluded	On-going	<ul style="list-style-type: none"> <li>▪ A Draft National Social Protection strategy policy has been developed</li> </ul>

Policy Area	Key Issues/ Objectives	Actions/Measures	STATUS (Tick: ✓ if implemented × if not implemented)	REMARKS (i.e. Why, if not implemented)
		Promote effective coordination of NGOs in national development.	On-going	<ul style="list-style-type: none"> <li>The NGO coordination policy has been incorporated into the Trust Bill in August 2005.</li> <li>The Attorney General's office has been tasked to redraft the Trust Bill taking into consideration issues in the NGO Policy. This has been done and a new Trust Bill that has provision on the NGO Policy is in place.</li> <li>A stakeholder workshop to discuss the new Trust Bill prior to its submission to cabinet and parliament for approval.</li> </ul>
		Protect budget of Department of Social Welfare and Community Development (SWCD)	On-going	<ul style="list-style-type: none"> <li>Gradual increases in budgetary allocation in progress.</li> </ul>
		Strengthen CHRAJ, WAJU, GNCC, NCWD, SWCD	On-going	
		Repeal laws which discriminates against women	On-going	<ul style="list-style-type: none"> <li>The Domestic Violence Bill has been developed</li> </ul>
		Streamline legal system to address gender-based violence, violation of freedoms, protection of property rights, protection of children, elderly and disabled	On-going	<ul style="list-style-type: none"> <li>The Domestic Violence Bill, and a Draft National Ageing Policy have been developed. National Disability Bill is before Parliament</li> </ul>
2. Increased partnership with non-Governmental Organizations	2.1 Establish a partnership for implementing social protection programmes with NGOs and CSOs	Establish special programmes for community-based rehabilitation & education for the physically and mentally-challenged	On-going	<ul style="list-style-type: none"> <li>The national Disability Policy has outlined a number of programmes for PWDs.</li> </ul>
		Provide facilities & basic materials to support schools for the blind, deaf, orphanages & community-based programmes for the elderly	On-going	<ul style="list-style-type: none"> <li>The national Disability Policy has outlined a number of programmes for PWDs.</li> </ul>
		Intensify awareness of Convention on Rights of the Child, the Children's Act especially on child labour	On-going	<ul style="list-style-type: none"> <li>MOWAC in collaboration with ILO IPEC and other NGOs embarked on a series of public education programmes on child labour</li> </ul>
		Enforce legislation on trokosi, Female Genital Mutilation (FGM) & other laws on protection of the Vulnerable and Excluded	On-going	<ul style="list-style-type: none"> <li>Article 39 of Ghana's constitution provides in part that traditional practices that are injurious to a person's health and well-being are abolished</li> </ul>
		Design and implement International Programme for the Elimination of Child Labour (IPEC).	On-going	<ul style="list-style-type: none"> <li>MOWAC and other agencies successfully undertook a programme of returning trafficked children from coastal communities around the Volta lake to their homes. It also assisted mothers to withdraw their children and enrol them in schools and supported these women with over C825million as part of its micro-finance programme.</li> </ul>

3. Social Justice	3.1 Attainment of Social Justice & equity and respect for human rights	Increase resources for the protection of the rights of women and children	On-going	<ul style="list-style-type: none"> <li>Progressive increase in budgetary allocation</li> </ul>
		Legal Aid	X	<ul style="list-style-type: none"> <li>Negotiations in progress</li> </ul>
4. HIV/AIDS	4.1 Prevent the spread of HIV/AIDS and improve the quality of life of people living with HIV/AIDS and orphans of AIDS	Increase awareness	On-going	<ul style="list-style-type: none"> <li>GDHS 2003 results estimates the awareness level to be 98%</li> </ul>
		Provide support for PLWHIV/AIDS	On-going	<ul style="list-style-type: none"> <li>GAC and several NGOs are providing care and support for PLWHAs</li> </ul>
		Provide community support for orphans and vulnerable children	On-going	<ul style="list-style-type: none"> <li>GAC and several are providing care and support for OVCs</li> </ul>
5. Disability	5.1 Improve the quality of life of the physically handicapped	Strengthen the work of the Department of Social Welfare and Community Development & capacity of child care workers	On-going	<ul style="list-style-type: none"> <li>Progressive increased in budgetary allocation</li> </ul>
		Equip disabled youth with employable skills	On-going	<ul style="list-style-type: none"> <li>The DSW has a skills training programme for PWDs</li> </ul>
		Provide care and support for street beggars and "kaya yei"	On-going	<ul style="list-style-type: none"> <li>Pilot programmes are being implemented in 4 major cities – Sekondi-Takoradi, Accra, Kumasi and Tamale</li> </ul>

## APPENDIX II: STATUS OF IMPLEMENTATION OF 2005 BUDGET INITIATIVES

This table presents the achievements of the 2005 Budget initiatives, and assesses whether these initiatives were achieved. The initiatives were on the Government's refocused three-pronged development strategy of vigorous human resource development, private sector development and good governance.

2005 BUDGET INITIATIVES	STATUS IN 2005
<b>A. HUMAN RESOURCE DEVELOPMENT</b>	
<p><b>Education Reforms for First and Second Cycle Schools</b></p> <ul style="list-style-type: none"> <li>• Formal education will now start at age four with two years of kindergarten.</li> <li>• The next nine years of Primary School and Junior High School education</li> <li>• The Senior High School system is being radically transformed with the duration to be increased from three to four years.</li> <li>• Infrastructure development to add kindergartens to the school system and to accommodate the extension of the Senior High Schools will commence this year.</li> <li>• The Ministry will introduce a comprehensive re-alignment of the funding mechanism for teacher training. From September 2005, the Ministry will transfer as far as possible the budgets for student allowances and teacher training to individual district education offices, with allocations to the districts based on their teaching staff requirements.</li> <li>• Decentralisation of management and services. This is being implemented through the on-going expansion of mandates and delegation of increasing levels of responsibility towards the school, institution, district and regional levels enabling them to more effectively prioritise, plan, and respond to their local conditions.</li> <li>• School Management Committees have been established in all basic cycle schools in addition to the initiation of district wide annual planning processes. To further support these institutional and governance initiatives, the Ministry is allocating €3.9 billion to strengthening capacity in district planning, management and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented in collaboration with District Assemblies and non-state actors. Curriculum for kindergarten developed and distributed.</li> <li>• Key indicators identified and cost implications to be finalised.</li> <li>• Tracer studies on Post Basic (eg. Apprenticeship training and infrastructure development to be conducted in 2006)</li> <li>• Consultation with stakeholders on-going</li> <li>• District Sponsorship Scheme for teacher training being implemented. However, funding mechanism for Budgets to be transferred to districts is to be finalised.</li> <li>• Capitation Grant and Pilot Programmatic Scheme are part of the process of decentralisation of education management and service</li> <li>• District Officers given training in development of District Plans, Operational Plans and Performance Reports.</li> <li>• School Management Committees established in all public basic schools to enhance the implementation of the School Performance Improvement Plan (SPIP)</li> <li>• District Officers given training in development of district plans and district operational plans.</li> <li>• Preparation of annual District Performance Report towards the holding of the Education Sector Annual Review.</li> </ul>
<p><b>Career Guidance and Counselling</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Manpower, Youth and Employment (MMYE) will facilitate the setting up of Career Counselling and Job Placement Centres at all tertiary institutions and strengthen existing ones.</li> <li>• For a start it is anticipated that each district will</li> </ul>	<ul style="list-style-type: none"> <li>• A consultant has been identified to develop guiding principles for setting up the career counselling and job placement centres.</li> </ul>

2005 BUDGET INITIATIVES	STATUS IN 2005
<p>have at least two counselling and career development officers to undertake this function.</p> <p><b>Fostering a Culture of High Performance</b></p> <ul style="list-style-type: none"> <li>Government will facilitate corporate attachment of Ghanaian workers in supervisory grades as well as graduates of tertiary institutions to tap the best practices in other countries.</li> </ul>	<ul style="list-style-type: none"> <li>The Management Development and Productivity Institute (MDPI) administered questionnaires on a productivity study. The data is currently being analysed and a report will be out soon</li> </ul>
<p><b>ICT and Human Resource Development</b></p> <ul style="list-style-type: none"> <li>Training at all levels will be integrated with ICT.</li> <li>A Ghana Investment Fund for Telecommunication Service (GIFTEL) will be established to provide incentives to telecom operators to provide service to underserved rural and urban deprived areas.</li> <li>The seed capital will be raised from contributions of 1% of the revenue of all telecom operators in the country. The fund is to be managed by a Board comprising representatives of the telecom operators.</li> </ul>	<ul style="list-style-type: none"> <li>To develop the skills in internet application in our polytechnics as part of collaboration with Cisco, 22 instructors from 8 polytechnics, 1 university, 1 NGO and 1 private sector firm have been trained under the Cisco Networking Academy Programme.</li> <li>An initial contribution of ₵14 billion has been received from some operators into the proposed Ghana Investment Fund for Telecommunications (GIFTEL), intended to be used to facilitate the extension of telecommunication facilities to underserved and unserved areas.</li> </ul>
<p><b>National Health Insurance Scheme</b></p> <ul style="list-style-type: none"> <li>It is anticipated that about ₵1.3 trillion will also accrue to the fund through the levy system in 2005</li> <li>A formula for the allocation and application of the fund will be submitted to Parliament for approval soon.</li> <li>The following eighteen schemes (Dormaa, Dangbe West, Nkoranza, Tano North, Tano South, Berekum, Jaman North, Jaman South, Pru, Saboba Chereponi, Asuogyaman, Akwapem North, Ejisu Juaben, Kpeshie sub metro, Kwahu South, West Gonja, Atwima and Lawra) which are receiving benefits at the moment will be supported immediately the formula is approved to be fully operational by the end of the first quarter. A further 34 schemes, will be operational by the end of the second quarter and it is expected that all district schemes will be fully operational by close of the year.</li> </ul>	<ul style="list-style-type: none"> <li>Formula for the distribution of the National Health Insurance Fund to be presented to Parliament in January 2006 in accordance with the National Health Insurance Act</li> <li>₵984.5 billion has been transferred to NHIS fund from levy accounts.</li> <li>Executed- ₵14billion distributed to the scheme in August. By December 2005 a total of ₵158.4 billion has been distributed to 123 scheme.</li> </ul>
<b>B. PRIVATE SECTOR DEVELOPMENT</b>	
<p><b>Incentives for the Private Sector:</b></p> <p><b>Corporate Tax</b></p> <ul style="list-style-type: none"> <li>Corporate income tax rate – scheduled to be reduced from 32.5% to 30% in 2005 – is being lowered even further to 28% effective 2005 and to 25% in 2007.</li> </ul> <p><b>Personal Income Tax</b></p> <ul style="list-style-type: none"> <li>The minimum tax-free threshold is to be increased from ₵1,500,000 to ₵1,800,000 which means that the first ₵1.8 million of everybody's annual income shall be tax-free. <ul style="list-style-type: none"> <li>The next portion of income which attracts</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Corporate income tax rate was reduced from 32.5% to 28% in 2005. This led to an increased in overall receipts from direct taxes, from the projected figure of ₵6,422billion to ₵5,903.5billion, due to high compliance.</li> <li>The minimum tax-free threshold was increased from ₵1,500,000 to ₵1,800,000 in 2005, which means that the first ₵1.8 million of everybody's annual income was tax-free.</li> </ul>



2005 BUDGET INITIATIVES	STATUS IN 2005
<p>5% tax rate will be increased from the current €1.5 Million to €1.8 Million.</p> <ul style="list-style-type: none"> <li>- The next €4.8 million instead of €3 million as in 2004 will be taxed at 10%.</li> <li>- The next €27.6 million instead of €18.6 Million in 2004 will be taxed at 15%</li> <li>- The next band of €36 million instead of €33 million will be taxed at 20%.</li> <li>- The maximum tax rate will be reduced from 30% to 28% and will be applicable to incomes exceeding €72 million instead of €60 million.</li> </ul> <p><b>Withholding Tax</b></p> <ul style="list-style-type: none"> <li>• The withholding tax rate on the supply of goods and services will be reduced from 7.5% to 5%.</li> </ul>	<ul style="list-style-type: none"> <li>• The next €1.8 Million of personal income attracted 5% tax rate</li> <li>• The next €4.8 million instead of €3 million as in 2004 was taxed 10%.</li> <li>• The next two bands of €27.6 million and €36 million attracted 15% and 20% tax rates respectively.</li> <li>• Incomes in excess of €72 million instead of €60 million in 2004 attracted maximum tax rate of 28% as opposed to 30% in 2004.</li> </ul> <p>Reduced to 5%</p>
<p><b>VAT Refunds</b></p> <ul style="list-style-type: none"> <li>• Section 25 (1) of the VAT Law Act 456 on refunds to be amended.</li> </ul>	<ul style="list-style-type: none"> <li>• Law to be amended in 2006</li> </ul>
<p><b>National Reconstruction Levy</b> National Reconstruction Levy to be reduced as follows:</p> <ul style="list-style-type: none"> <li>• Part A companies from 10% to 7.5%;</li> <li>• Part B companies 7.5% to 5%; and</li> <li>• Part C companies 5% to 3.5%.</li> <li>• All other companies from 2.5% to 1.5%.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented</li> </ul>
<p><b>Ghana Stock Exchange</b></p> <ul style="list-style-type: none"> <li>• Companies listing for the first time on the Ghana Stock Exchange will continue to enjoy a reduced corporate tax rate of 25%. Companies already listed on the Stock Exchange will pay a corporate tax rate of 28%.</li> <li>• Support for Commercialization of Research, Innovation and Development</li> <li>• Special support to industries that will commercialise research findings.</li> </ul>	<p>Implemented</p>
<p><b>Management Advisory Services for Businesses</b></p> <ul style="list-style-type: none"> <li>• The National Board for Small Scale Industries (NBSSI), National Vocational Training Institute (NVTI), Integrated Community Centres for Employable Skills (ICCES) and Youth Institutes will be strengthened to provide technical and management advisory services for Small and Medium Scale Enterprises (SMEs) in all parts of the country.</li> </ul>	<ul style="list-style-type: none"> <li>• The National Board for Small Scale Industries (NBSSI), established ten additional Business Advisory Centres (BACs) in the following towns; Juaso, Manso Nkwanta, Asankragwa, Juabeso Bia, Zabzugu, Sandema, Tumu, Begoro, Nkwanta and Kyekyewere.</li> <li>• NBSSI also organised 266 tailor-made training programmes for 6,530 entrepreneurs and 4 programmes for final year students of tertiary institutions</li> </ul>
<p><b>Financial Sector Reform</b></p> <ul style="list-style-type: none"> <li>• Government will submit to Parliament a number of legislations in 2005 including the Foreign Exchange Bill, the Anti-Money Laundering Bill,</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Foreign Exchange Bill is under review by Ministry of Finance and Economic Planning (MOFEP).</li> <li>• A total of 21 old laws of the financial sector</li> </ul>

2005 BUDGET INITIATIVES	STATUS IN 2005
<p>Credit Union Bill and the Non-Bank Financial Institutions Bill for passage into law.</p> <ul style="list-style-type: none"> <li>Bank of Ghana is undertaking reforms in the legal, institutional, and infrastructure framework of the payments system to make the Ghanaian financial system modern and competitive. The Bills and Cheques Act has been revised and will be presented to Parliament this year.</li> <li>The Bank of Ghana will take a very active role in the coming year to ensure that banks reach a consensus on a common and fully integrated platform for the development of a robust cost-effective payments system.</li> </ul>	<p>are at various levels passed by Parliament. A priority work plan to speed-up the review process is in place and implementation on-going.</p> <ul style="list-style-type: none"> <li>The Banking Law requiring a minimum of \$10m for start-ups in the banking industry has already been passed by Parliament and assented to by His Excellency the President, however, BOG is reviewing the Act to make proposals for an amendment process on other areas of the Act.</li> <li>The proposals for a Credit Bureau law, to establish legal authority and framework, has been given to a Consultant since February 2005 for review through an IFC/A.</li> <li>Long Term Savings (LTS) Act passed by Parliament in December 2004 expected to be operational in 2006</li> </ul>
<p><b>The Problem of High Lending Rates</b></p> <ul style="list-style-type: none"> <li>The Bank of Ghana to exercise its lawful mandate under Article 183 clause (2) of the constitution which requires the Central Bank to reduce the spread between deposit and lending rates of commercial banks.</li> </ul>	<ul style="list-style-type: none"> <li>Bank of Ghana prime rate lowered to stand at 15.5% at the end of September 2005</li> </ul>
<p><b>National Identification Scheme</b></p> <ul style="list-style-type: none"> <li>Government will ensure the commencement of the operationalisation of the National Identification Scheme, as well as the Credit Reference Bureau and the completion of the street naming and house numbering by the District Assemblies</li> </ul>	<ul style="list-style-type: none"> <li>Preparatory work for the operationalisation of the National Identification Scheme begun and a bill is before the parliament expected to be passed in early 2006.</li> </ul>
<p><b>Central Securities Depository System (CSDS)</b></p> <ul style="list-style-type: none"> <li>The CSDS operations will be expanded to cover all other securities including equities at the stock exchange</li> </ul>	<ul style="list-style-type: none"> <li>The Central Securities Depository (CSD) is now operational for government securities. The CSD bill is to be sent for parliamentary approval to make it possible for equities to be admitted into the Depository</li> </ul>
<p><b>Ports Development</b></p> <ul style="list-style-type: none"> <li>The development of the container devanning area is expected to be completed by the middle of this year</li> <li>The container terminal is expected to be completed in October.</li> <li>Berths 10 – 12 at the Tema Port will be dredged this year to accommodate bigger vessels when the container terminal becomes operational.</li> <li>The Ghana Ports and Harbours Authority (GPHA), the Customs, Excise and Preventive Service (CEPS) and other partners are examining the possibility of extending working hours at the nation's ports</li> </ul>	<ul style="list-style-type: none"> <li>The development of the container devanning area was completed in 2005.</li> <li>The GPHA continued with the dredging works, quay extension works, acquisition of container handling equipment in order to enhance ports operation</li> <li>The quay 2 extension project at the Tema port was completed and commissioned in October, 2005</li> </ul>
<b>C GOVERNANCE</b>	
<p><b>Public Sector Reforms</b></p> <ul style="list-style-type: none"> <li>Government will begin the implementation of the priority areas of the public sector reform. These will include: <ul style="list-style-type: none"> <li>Commencement of Organisational restructuring of the Civil Service;</li> <li>Finalisation of a professional Human resource framework;</li> <li>Establishment of regulatory framework for</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Procurement procedures completed to enable the development of the plan for implementation of finalised PSR strategy for the Civil Service including an HR framework as defined in the strategy document</li> <li>A new HR structure at OHCS is in place now.</li> <li>SA Bill before Parliament</li> </ul>

2005 BUDGET INITIATIVES	STATUS IN 2005
<ul style="list-style-type: none"> <li>- subvented agencies;</li> <li>- Development and commencement of implementation of a communications strategy.</li> <li>• To further improve the management of the payroll <ul style="list-style-type: none"> <li>- Tighten the rules and strengthen systems of control, oversight and enforcement;</li> <li>- Develop and implement systems for capture and management of sub-vented agencies payroll; and</li> <li>- Clarify institutional responsibilities for payroll and personnel database management</li> <li>- Engagement of independent corporate entity to scrutinise Government payroll schedules (Report 11) prior to submission to the banks for payment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• An operational Communication Unit has been established at the PSR Secretariat</li> <li>• An effective Communication Strategy has been developed to drive the implementation of the PSR agenda.</li> <li>• Integrated Personal Payroll Data 2 is being brought online to replace IPPD1</li> </ul>
<p><b>Control Over Utility Bills</b></p> <ul style="list-style-type: none"> <li>• Steps to reduce utility cost.</li> </ul>	<ul style="list-style-type: none"> <li>• The mix of thermal and hydro generation of electricity coupled with PURC's prudent pricing strategy ensured stability in tariffs in 2005 and</li> <li>• PURC conducted tariff structure review</li> </ul>
<p><b>Budget Time Table</b></p> <ul style="list-style-type: none"> <li>• In fulfilment of Article 179 of the Constitution, the Ministry of Finance and Economic Planning shall take the necessary steps to present the Annual Budget Statement and Economic Policy to Parliament and get the Parliamentary approval for the Appropriation Bill by 21<sup>st</sup> December of 2005 in respect to the 2006 Budget.</li> </ul>	<ul style="list-style-type: none"> <li>• The annual budget for 2006 was presented to Parliament on 10th November 2005.</li> </ul>
<b>D. PETROLEUM DEREGULATION AND MITIGATING MEASURES</b>	
<p><b>Tax Reliefs</b></p> <ul style="list-style-type: none"> <li>• About €229 billion is expected to be released from tax revenues to be put back in people's pockets as disposable income</li> </ul> <p><b>Increased Wage Levels</b></p> <ul style="list-style-type: none"> <li>• Increases in salaries in consultation with all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Salary negotiations on-going.</li> </ul>
<p><b>Capitation Grant</b></p> <ul style="list-style-type: none"> <li>• Government is extending the implementation of the Scheme to cover pupils from public primary schools and Junior High Schools in all districts with immediate effect.</li> </ul>	<ul style="list-style-type: none"> <li>• An amount of € 38.5 billion under capitation grant scheme released to public schools in 53 deprived districts. The Capitation Grant scheme has been extended to cover all public basic schools.</li> </ul>
<p><b>School Feeding Programme</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Education and Sports in collaboration with the Ministry in charge of the New Partnership for African Development (NEPAD) and the Ministry of Education and Sports will embark on a School Feeding Programme on an extended pilot basis to cover 500,000 pupils in basic schools</li> </ul>	<ul style="list-style-type: none"> <li>• Preparatory work has been started towards pilot school feeding program. Five schools in each region have been selected to start pilot program.</li> </ul>
<p><b>Housing the People</b></p> <p>The following housing projects will commenced in the course of the year.</p>	<ul style="list-style-type: none"> <li>• Review of natural housing policy has been initiated. A stakeholder's conference was held</li> </ul>

2005 BUDGET INITIATIVES	STATUS IN 2005
<ul style="list-style-type: none"> <li>• A SSNIT Metro Ikam pilot housing project at Community 19 to provide 2,000 houses at selected locations over two years to provide low and medium income housing in Accra. The Ministry of Works and Housing is expected to commence the construction of low cost housing throughout the country. Consequently amount of c150 billion will be allocated to the Ministry as seed money for this purpose.</li> <li>• Valuation of low cost houses constructed by Government in 1973 and sale of these units will commence this year. Amounts mobilised from this activity will be utilised as seed capital for construction of more staff housing particularly for newly created Districts</li> </ul>	<p>to deliberate on it; a further consultation for drafting of policy and strategy framework is ongoing.</p> <ul style="list-style-type: none"> <li>• Land for construction of 1,138 flats has been acquired at Borteyman and Nungua. Civil works have begun.</li> </ul>
<p><b>Scholarship for Wards of Cocoa Farmers</b></p> <ul style="list-style-type: none"> <li>• An amount of nearly c14 billion utilized last year for this programme will be increased to c15 billion to enable more children benefit from the scheme</li> </ul>	<ul style="list-style-type: none"> <li>• The COCOBOD scholarship fund has increased to c 15 billion to make more scholarship awards to wards of cocoa farmers</li> </ul>
<p><b>Rural Electrification Programme</b></p> <ul style="list-style-type: none"> <li>• Specific projects will include development of solar PV systems, connection to the national grid etc. An initial allocation of c50 billion from HIPC resources will be disbursed the Rural Electrification Fund to ensure the execution of the programme.</li> </ul>	<ul style="list-style-type: none"> <li>• The Ministry of Energy has completed the installation of Solar PV in 102 remote Junior and Senior Secondary Schools in all 10 regions.</li> <li>• Retrieval and relocation of Solar Systems from areas connected to the National Grid has started.</li> <li>• Installation works for the remaining towns under the final phase of Self-Help Electrification Project (SHEP) 3 in the three Northern Regions continued. So far 35 out of the 193 communities under SHEP 4, Phase 1 are completed.</li> </ul>
<b>E REVENUE RATIONALISATION AND ENHANCEMENT MEASURES</b>	
<p><b>REVENUE ENHANCEMENT</b></p> <p><b>Revision Of Fines On VAT Defaulters</b></p> <ul style="list-style-type: none"> <li>• The amendment will be in accordance with the Fines (Penalty Units) Law of 2000, (Act 572).</li> </ul> <p><b>Administration of Property Rates</b></p> <ul style="list-style-type: none"> <li>• Ministry of Finance and Economic Planning and Ministry of Local Government and Rural Development will take steps to facilitate the collection of property tax.</li> </ul> <p><b>Gold Auditing Programme</b></p> <ul style="list-style-type: none"> <li>• Government intends to introduce a Gold Auditing Programme to audit the Gold Industry.</li> </ul> <p><b>Extension of GCNET</b></p> <ul style="list-style-type: none"> <li>• To reduce revenue leakages, enhance revenue collection, and improve data on trade statistics, GCNET will be extended to Elubo and Paga this year.</li> </ul>	<ul style="list-style-type: none"> <li>• KIA, Tema, Takoradi, Aflao and Alubo have all been linked to the GCNET.</li> </ul>
<p><b>NON-TAX REVENUE</b></p> <ul style="list-style-type: none"> <li>• To improve value for money of services provided by MDAs, the necessary amendments to the enabling Acts/Legislative Instruments (LI's) of selected MDAs will be brought to Parliament to revise absolute rates/fees and charges for the</li> </ul>	

2005 BUDGET INITIATIVES	STATUS IN 2005
<p>concerned MDAs.</p> <p><b>Printing of Value Books</b></p> <ul style="list-style-type: none"> <li>All value Books including forms, receipts etc, used by MDAs, must be acquired through the Controller and Accountant-General's Department to ensure proper monitoring of proceeds from the sale of these books. The use of Value Books registers would also be enforced in all MDAs.</li> </ul> <p><b>Payment of Surpluses by Statutory Corporations into the Consolidated Fund</b></p> <ul style="list-style-type: none"> <li>All statutory corporations and other public institutions shall transfer all excess funds required for their operations to the Consolidated Fund in accordance with Financial Administration Act, 2003 (Act 654).</li> </ul> <p><b>Special Housing And Transportation Scheme For Cocoa Farmers</b></p> <p>Government will initiate a study into the possibility of establishing a special scheme to assist them to obtain low cost houses in their farms and pick-up vehicles for farm work on soft financial terms. COCOBOD has voted ₵5.0 billion to start the project.</p> <ul style="list-style-type: none"> <li>The government intends to encourage the use of the services of graduates from our Technical and Vocational Education Training Institutes who specialize in building and construction to build the farmhouses thereby creating jobs for our youth.</li> </ul>	<ul style="list-style-type: none"> <li>Trial projects began in the Western Region; Government through COCOBOD has released ₵ 1 billion seed money. The board of trustees to manage funds of special scheme has officially been inaugurated.</li> </ul>
<b>F. OTHER INITIATIVES</b>	
<p><b>Modernising Agriculture and Improving Food Security and Nutrition</b></p> <ul style="list-style-type: none"> <li>Interventions through the Food and Agriculture Budget Support (FABS) project.</li> <li>Within the entire value chain of some selected commodities such as maize, rice, citrus, mango, cashew and soybean.</li> <li>Support aquaculture and promote the breeding of small ruminants (sheep, goats and pigs)</li> <li>For increased local production of food all districts will be provided with ₵350 million for investment in the selected areas.</li> <li>The Council for Scientific and Industrial Research (CSIR) will be provided with ₵15 billion to undertake agricultural research.</li> <li>Private sector operators in agri-business will be supported with over ₵70 billion to increase production and processing of these commodities.</li> </ul>	<ul style="list-style-type: none"> <li>To boost production of cereals, a total of 20 farmers and 18 seed inspectors were trained in hybrid seed maize production; and about 2.5 hectares of Nerica rice has been harvested as seed base to be distributed to farmers for planting</li> <li>Under the livestock development project the following activities were undertaken in 2005; <ul style="list-style-type: none"> <li>rehabilitation of farm structures at the 6 breeding stations and re-stocking with improved breeds</li> <li>Ashanti Black Pig, Sanga Cattle, Djallonke and Sahellian sheep and goats were supplied to breeding stations</li> <li>880 animal breeders, 647 agricultural extension agents and 507 milk processors were trained in hygienic milk collection and processing in the project districts of the National Livestock Project</li> </ul> </li> <li>During the year, 30 members of a fish farming group at Obane were also assisted to construct five ponds, expand 10 fish ponds and procure processing facilities under the Special Programme for Food Security (SPFS) of the Ministry of Food and Agriculture</li> </ul>

2005 BUDGET INITIATIVES	STATUS IN 2005
	<ul style="list-style-type: none"> <li>Two workshops were organised to formulate a strategic framework for aquaculture development in the country. Training of fish farmers has commenced in Kumasi with at least 12 farmers benefiting from it.</li> </ul>
<p><b>Managing and Sustaining Forest Resources</b></p> <ul style="list-style-type: none"> <li>Remove the Export Duty on lumber, veneer and plywood products with immediate effect.</li> <li>The Validation of Legal Timber as a means of ensuring transparency, accountability and compliance with International Market requirements to be implemented in 2005.</li> <li>All valid timber leases will be converted into Timber UTILISATION Contracts in accordance with the Timber Resources Management Act, 1997 and its Amendment, Act 617, of 2002 as well as Timber Resource Management Regulations, 1998 (L.I. 1649) and its Amendment (L.I. 1721) of 2003.</li> <li>Twenty percent (20%) of the revenue accruing from competitive bidding of plantation timber will be set aside by the Forestry Commission for re-forestation to increase growth in the sector.</li> <li>Introduce a clause in the contract agreement to charge interest at the prevailing Bank of Ghana rate on companies who do not make payments promptly.</li> </ul>	<ul style="list-style-type: none"> <li>In order to improve the competitive bidding process of allocation of timber resources, discussions and sensitisation workshops have been organised for major stakeholders including chiefs and industrial players.</li> <li>A vigorous monitoring system is currently in place to reduce illegal logging of timber and trade malpractices. The export duty on lumber, veneer and plywood was abolished.</li> <li>The validation of Legal Timber Project to ensure transparency, accountability and compliance with external market requirements was started.</li> <li>Technical Partners have been selected to implement a log tracking system which among other benefits will facilitate the implementation of the Validation of Legal Timber Project.</li> <li>A pilot forest yield assessment programme has already been carried out in 12 forest reserves to determine the scientific basis for the conversion of all existing timber leases.</li> </ul>

### APPENDIX III: REVIEW OF DISTRICT MUTUAL HEALTH INSURANCE SCHEMES (DMHIS)

A priority policy objective of Government, in the health sector under the GPRS, to establish a National Health Insurance Scheme. The implementation of the Scheme begun with the passage of the National Health Insurance Act 2003, Act 650, The NHIS is financed with a levy of 2½% on VAT receipts. Since the inception of the National Health Insurance Levy, an amount of ₵984.5 billion has been released from the Levy Account into the National Health Insurance Fund which is operated by the National Health Insurance Council. The Council had, at December of 2005, disbursed an amount of ₵158.4 billion to district schemes as subsidies in support of their activities, such as claims management, a mass registration exercise, salaries and administrative expenses. This amount also includes an amount of ₵40 billion to Komfo Anokye Teaching Hospital, Kumasi, for theatre rehabilitation.

Under the scheme, districts have been assigned responsibility for the establishment and management of DMHIS. A summary of disbursements from the Fund to support the administrative and operational expenditures of DMHIS is provided in the table below.

#### Disbursements from the NHIF to regions in support of DHIMS

Region	Subsidy or Claims Management	Subsidy for Admin Expenses	Total
Greater Accra	4,614,193,333	3,055,501,731	7,669,695,064
Eastern	18,024,696,127	4,638,514,986	22,663,211,113
Volta	4,816,219,999	3,734,082,094	8,550,302,093
Central	5,582,666,666	3,644,145,016	9,226,811,682
Western	5,109,346,666	3,927,782,750	9,037,129,416
Ashanti	16,896,100,000	6,566,985,033	23,463,085,033
Brong Ahafo	14,621,393,332	4,908,026,625	19,529,419,957
Northern	3,820,300,000	4,175,804,656	7,996,104,656
Upper East	1,732,326,666	1,805,036,750	3,537,363,416
Upper West	911,580,000	1,492,274,781	2,403,854,781
<b>Total</b>	<b>76,128,822,789</b>	<b>37,948,154,422</b>	<b>114,076,977,211</b>

Source: *Source: National Health Insurance Council, Accra, March 2006*

#### Progress Made in Establishing Schemes

A survey of various DMHIS indicates that some progress has been made towards the implementation of policies outlined in the scheme. Available information shows that regions are progressing at different rates. Of the estimated population of 20.5 millions Ghanaians, total registration for all ten regions of the country stood at 4,400,270 members as at December 2005 (representing 22% of the national population) Out of the total membership of the NHIS 2,139,812 (50%) are eligible to be exempted from the payment of direct premium on their membership. This category includes persons under 18 years, over 70 years, pensioners, and indigents.

A total of ₵38.4 billion was realised as at December 2005 from membership contributions, and ₵27.3 billion has been paid out as claims to service providers. Overall, good progress has been made but a lot remains to be done to ensure full implementation.

The regional breakdown of membership and subscription under the scheme is provided in the table below.

**Status of Implementation of Health Insurance Schemes in the Regions**

<b>REGION</b>	<b>POP.</b>	<b>No. Registered (incl exempt)</b>	<b>% of pop registered</b>	<b>Total Paid-up Membership</b>	<b>Total Contribution</b>	<b>Claims Paid</b>
ASHANTI	3,924,425	1,105,196	28	592449	€7,957,000,000	2,616,000,000
EASTERN	2,274,453	416,393	18	385577	6,330,000,000	9,099,000,000
CENTRAL	1,687,311	372,562	22	234449	1,581,000,000	1,581,100,000
WESTERN	2,042,340	427,904	21	284863	2,568,000,000	833,000,000
BRONG AHAFO	1,968,205	592,923	30	525252	11,078,000,000	111,360,000
VOLTA	1,636,462	459,256	28	211680	930,000,000	903,000,000
NORTHERN	1,790,417	281,992	15	270451	1,483,000,000	280,000,000
UPPER EAST	963,448	75,675	8	67995	474,000,000	N/A
UPPER WEST	561,866	60,304	11	52870	489,000,000	N/A
G. ACCRA	3,576,312	608,074	17	597768	5,509,000,000	897,000,000
<b>TOTALS</b>	<b>20,425,239</b>	<b>4,400,279</b>	<b>Average 22%</b>	<b>3,223,354</b>	<b>38,399,000,000</b>	<b>27,345,000,000</b>

*Source: National Health Insurance Council, Accra, March 2006*



## APPENDIX IV: AFRICAN PEER REVIEW (APRM) MECHANISM UPDATE

In an effort to enhance the quality of governance in Africa, the Sixth Summit of the Heads of State and Government Implementation Committee (HSGIC) of the New Partnership for Africa's Development (NEPAD) held in Abuja, Nigeria in March 2003, adopted a Memorandum of Understanding (MOU) on the African Peer Review Mechanism (APRM). The HSGIC also adopted the Declaration on Democracy, Political, Economic and Corporate Governance, which had been endorsed earlier at the inaugural Summit of the African Union (AU) held in Durban, South Africa in July 2002. In addition, the Heads of State and Government adopted the main documents that outline the core principles, processes and objectives of the APRM, including the APRM Base document, the APRM Organisation and Processes document (O & P Document), and the document on objectives, standards, Criteria and Indicators for the APRM (OSCI Document).

The APRM is an instrument voluntarily acceded to by member states of the AU as a self-monitoring mechanism for African States. The mandate of the APRM is to ensure that policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance.

The primary purpose of the APRM is to foster the adoption of policies, standards and practices that will lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration. This is expected to be done through sharing of experiences and reinforcing successful and best practices, including identifying deficiencies and assessing the needs for capacity building.

The APRM process consists of five interrelated stages, which are briefly described below:

- **Stage One:** The preparatory phase, both at the level of the APRM Secretariat and at the national level.
- **Stage Two:** The country review visit by the Country Review Mission (CRM) under the leadership of the APR Panel
- **Stage Three:** Drafting of CRM's report
- **Stage Four:** The submission of the CRM's final report and the country's final POA to the APR Secretariat and the APR Panel. The Panel then submits them to the APR Forum of participating Heads of State and government for consideration and formulation of actions deemed necessary in accordance with the Forum's mandate.
- **Stage Five:** The report is formally and publicly tabled in key regional and sub-regional structures including the Regional Economic Commission to which the country belongs, the Pan-African Parliament, etc.

So far, twenty-three member countries have voluntarily acceded, with Ghana being the first country to be reviewed.

In 2004 Ghana constituted a National Governing Council in compliance with the requirement for participating countries to have an independent self-assessment of its governance record in the four APRM focus areas (Democracy and Political Governance; Economic Governance and Management; Corporate Governance; and Socio-Economic Development). The Governing Council comprise highly qualified and esteemed professionals and public personalities independent of the government. The Governing

Council appointed technical review teams made up of four reputable national independent think-tanks and research institutions to undertake the country self-assessment in each of the four thematic areas of the APRM and make appropriate recommendations to guide the Council in drafting a National Programme of Action (POA). Ghana submitted its final consolidated self-assessment report and a draft National POA to the APRM Secretariat in Midrand, South Africa, in March 2005.

A sixteen member Country Review Mission (CRM) comprising experts from the APRM secretariat, partner institutions, and independent consultants, and reflecting 12 African nationalities was fielded in Ghana from 4th-16th April 2005. Extensive consultations were held with diverse stakeholders, including government officials, political parties, parliamentarians and representative of civil society organisations such as the media, academia, trade unions, business and professional bodies. The mission also ascertained whether the national assessment process was technically competent, credible and free from political manipulation. The Country Review Mission noted with great appreciation the high quality of the reports prepared by the four technical advisory teams.

A summary of key outputs achieved under the APRM in 2005 is provided as follows:

- the first Country Review Report was prepared;
- a Country Programme of Action (POA) was formulated and submitted to the APRM Secretariat, the independent APRM Panel of Experts, and the APRM Forum of participating African Heads of State, which constitute the apex peer review body.

The country report marks the third phase of the APRM process in Ghana. It presents the findings of the Country Review Mission (CRM) to Ghana, as well as its recommendations. It evaluates developments and outstanding challenges in these four APRM focus areas, as well as the comments received from Ghana on the report.

The report also incorporates a set of recommendations which the review team made on the thematic areas assessed by the technical review team. This provided the framework for the conduct of the first Africa Peer Review scheduled to be held in 2006.

#### Challenges:

The National African Peer Review Mechanism Governing Council (NAPRM-GC) encountered a number of challenges including the following:

- involvement and management of multiple partners (technical teams, government institutions, civil society) at different operating levels in the APRM assessment process;
- differences in implementing partners' capacity for monitoring and evaluating the programme of action activities – with the result that the quality of M&E format by different Civil Society actors will vary.

To overcome these challenges, the NAPRM-GC in collaboration with the National Commission for Civic Education and the Technical M&E teams are building the capacity of district level civil society organisations in participatory M&E.

To ensure smooth implementation of the Programme of Action and to avoid duplicating development efforts, the POA has been incorporated into Government's new medium term development policy framework (the Growth and Poverty Reduction Strategy – GPRS II).

## APPENDIX V: PROGRESS TOWARDS THE ACHIEVEMENT OF THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

Conscious effort is being made by Ghana to achieve the Millennium Development Goals (MDGs). Consequently, the targets of the MDGs have been incorporated in the country's development framework with respect to poverty and hunger, education, health (especially child and maternal mortality), gender equality and women's empowerment, environmental sustainability and global partnership for development. A number of policy measures are implemented and monitored annually with respect to the progress towards the achievement of these MDGs as presented below:

### STATUS AT A GLANCE

### GHANA'S PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

GOALS	WILL GOAL BE REACHED?				STATE OF SUPPORTIVE ENVIRONMENT			
<b>Extreme poverty and hunger</b>								
Halve the proportion of people below the national poverty line by 2015	Probably	<b>Potentially</b>	Unlikely	Lack of data	<b>Strong</b>	Fair	Weak but improving	Weak
Halve the proportion of people who suffer from hunger	Probably	Potentially	<b>Unlikely</b>	Lack of data	Strong	<b>Fair</b>	Weak but improving	Weak
<b>Universal primary education</b>								
Achieve universal access to primary education by 2015	Probably	<b>Potentially</b>	Unlikely	Lack of data	<b>Strong</b>	Fair	Weak but improving	Weak
<b>Gender equality</b>								
Eliminate gender disparity in primary and junior secondary education by 2005	Probably	Potentially	<b>Unlikely</b>	Lack of data	Strong	<b>Fair</b>	Weak but improving	Weak
Achieve equal access for boys and girls to senior secondary by 2005	Probably	Potentially	<b>Unlikely</b>	Lack of data	Strong	<b>Fair</b>	Weak but improving	Weak
<b>Under-five mortality</b>								
Reduce under-five mortality by two-thirds by 2015	Probably	Potentially	<b>Unlikely</b>	Lack of data	<b>Strong</b>	Fair	Weak but improving	Weak
<b>Maternal mortality</b>								
Reduce maternal mortality ratio by three-quarters by 2015	Probably	Potentially	<b>Unlikely</b>	Lack of data	Strong	<b>Fair</b>	Weak but improving	Weak
<b>HIV/AIDS &amp; Malaria</b>								
Halt and reverse the spread of HIV/AIDS by 2015	Probably	<b>Potentially</b>	Unlikely	Lack of data	<b>Strong</b>	Fair	Weak but improving	Weak
Halt and reverse the incidence of malaria	Probably	Potentially	<b>Unlikely</b>	Lack of data	Strong	<b>Fair</b>	Weak but improving	Weak

GOALS	WILL GOAL BE REACHED?				STATE OF SUPPORTIVE ENVIRONMENT			
	Probably	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
Ensure environmental sustainability Integrate the principles of sustainable development into country policies and programmes and reverse loss of environmental resources.	Probably	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
Halve the proportion of people without access to safe drinking water by 2015	Probably	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
By 2020 a significant improvement would have been achieved in the lives of at least 100 million slum dwellers.	Probably	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
Global partnership for development Deal comprehensively with debt and make debt sustainable in the long term	Probably	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak

## GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

*Target 1: Halve the proportion of those in extreme poverty between 1990-2015*

*Indicator: Proportion below national basic needs poverty line*

### 1 - Reducing Extreme Poverty:

#### Supportive environment

A number of policy measures (supportive environment) were implemented in 2005 to reduce poverty in the country. With an average GDP growth rate of about 5.2% over the period it is possible that Ghana can halve the proportion of poverty by 2015. Among the policy measures implemented in 2005 with a view to reducing poverty are:

- continuous improvement of irrigation technologies and a doubling of the area of land under irrigation. The proportion of arable land area under irrigation increased from 0.08% in 2004 to 0.10% in 2005. The number of dugouts constructed also increased from 999 in 2004 to 1069 in 2005 representing an increased of about 7%;
- strengthening the linkage of the GPRS to the budget through the Medium Term Expenditure Framework;
- utilisation of HIPC funds to support expenditures in health, water, sanitation, education and employment generating projects at the district level;
- direct funding of District Assemblies by government to implement projects that impact directly on the poor;
- increased shares of budgetary allocations to finance the provision of rural infrastructure;
- implementation of about 123 District Mutual Health Insurance Scheme.

## **2 - Eradicate Extreme Hunger**

*Target 2: Halve the proportion of people who suffer from hunger by 2015*

*Indicator: Prevalence of underweight children (children under-five)*

### **Supportive environment**

Effort was made in 2005 to strengthen Safe Motherhood Programmes which included the promotion of early breastfeeding, family planning, de-worming of children and reducing micronutrient deficiencies. Vitamin A supplementation (VAS) achieved a national coverage of 98.6%.

## **GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION**

*Target 3: Achieve universal access to primary education by 2015*

*Indicator; Net Primary Enrolment Ratio*

### **Supportive environment**

A number of initiatives were implemented in 2005 towards attaining the goal of Universal Primary Education. These included:

- accelerating the construction/rehabilitation of primary school classrooms;
- promoting and extending pre school education;
- fully implementing the administration of capitation grant to cover all public basic schools in all districts;
- improving per capita resource allocation to most deprived districts from 13.5% in 2004 to 21.4% in 2005;
- addressing the persistent geographical disparities in pupil/teacher ratios, including District Sponsorship schemes for teacher trainees;
- providing incentive packages for teachers in deprived areas and posting National Service personnel to teach in rural areas;
- expanding and adequately equipping Teacher Training Colleges to increase the supply of trained teachers;
- introducing school feeding programmes on pilot basis in selected districts;
- development of one model senior secondary school in each district;
- distributing about 70% of the total consignment of textbooks delivered in 2005 distributed of the total consignment.

### **GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN**

*Target 4a: Eliminate gender disparity in primary and secondary education by 2005*

*Indicator: Ratio of females to males in primary, junior and senior secondary schools*

*Target 4b: Achieve equal access for boys and girls to senior secondary by 2005*

*Indicator: Ratio of females to males in senior secondary school*

#### **Supportive environment**

The following initiatives were implemented in 2005;

- provision of material support including school uniforms, stationery, school bags and food rations to girls;
- award of scholarships to needy girls by some District Assemblies;
- extension of the capitation grant to cover all public basic schools and improvement in per capita resource allocation to most deprived districts will impact on gender disparity in primary and secondary education.

### **GOAL 4: REDUCE CHILD MORTALITY**

*Target 5: Reduce under-five mortality by two-thirds by 2015*

*Indicator: Under-five mortality rate*

#### **Supportive environment**

Policy measures implemented in 2005 towards the achievement of reduction of under-five mortality rate by two-thirds by 2015 included:

- expansion of Integrated Management of Childhood Illness (IMCI) from 36% in 2004 to 56% 2005 of all districts;
- strengthening health systems to provide essential drugs and logistics for managing childhood diseases;
- providing cost-effective interventions including the promotion of breastfeeding, use of ITNs (; As of June, 2005, 18.1% of children under five years were sleeping in ITNs, as against 3.5% for 2004 were sleeping in ITNs), and improving the management of diseases such as malaria, diarrhoea, and measles.

### **GOAL 5: IMPROVE MATERNAL HEALTH**

*Target 6: Reduce maternal mortality ratio by three-quarters by 2015*

*Indicator: Maternal mortality per 100,000*

#### **Supportive environment**

- implementation of the National Health Insurance Scheme, launching of new drug policy to prevent and manage malaria with impact positively on maternal health;
- by June 2005, available record indicated that 15.1% of pregnant women as against 2.7 per cent in 2004 were sleeping in ITNs.

## **GOAL 6: COMBAT HIV/AIDS AND MALARIA**

*Target 7: Halt and reverse the spread of HIV/AIDS by 2015*

Initiatives implemented in 2005 towards halting and reversing the spread of HIV/AIDS by 2015 included the following:

- developing a national HIV/AIDS monitoring and evaluation framework based on the HIV/AIDS Strategic Framework and the Five Year Plan of work;
- developing national HIV/AIDS M&E indicators developed in consultation with key partners printed;
- scaling up the provision of antiretroviral combination therapy (ART) for people with advanced HIV;
- establishing 5 ART sites ( 3 in Atoa, Agormenya, and Koforidua hospital all in the eastern region. 1 each in Komfo Anokye and Korle-Bu teaching hospitals);
- training on the provision of ART in all the regions.

*Target 8: Halt and reverse the incidence of malaria*

Initiatives to halt and reverse the incidence of malaria included:

- launching of New drug policy in 2005;
- intensification of the Malaria Control Programme;
- distributing of 700,000 Insecticide Treated Nets (ITNs); As of June, 2005, 15.1% of pregnant women and 18.1% of children under-five years were sleeping in ITNs, as against 2.7% and 3.5% for 2004.

## **GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY**

*Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse loss of environmental resources by 2015*

*Indicator: Proportion of land area under forest cover*

### **Supportive environment**

The principles of sustainable development were integrated into the formulation of the Growth and Poverty Reduction Strategy, (GPRS II) in 2005. The other initiatives that were implemented to support the policy of reversing the loss of environmental resources included:

- restoration of 60,000 ha of degraded forest reserve took place in 2005, earlier than the target date of 2008;
- continuation of the plantation development programme;
- extension of competitive bidding in the allocation of logging rights for existing natural and planted timber;
- undertaking a pilot forest yield assessment programme in 12 forest reserves to determine the scientific basis for the conversion of all existing timber leases;
- training of 300 people in the use of bamboo for furniture making, crafts and construction work as part of the sensitisation programme on the economic potentials of lesser known species as alternative to timber.

*Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water*  
*Indicator: Proportion of population with sustainable access to an improved water source*

#### **Supportive environment**

- adoption of the sector-wide approach to rural water provision as a means of ensuring geographical equity in the distribution of investments;
- completion and adoption of the sector Strategic Investment Plan;
- increasing the levels of capital investment in the water sector, with due emphasis on guinea worm endemic areas. In this connection HIPC funds were used to construct 156 boreholes fitted with hand pumps in guinea worm endemic communities in 2005.
- supporting District Assemblies to prepare Strategic Water and Sanitation Plans

*Target 11: By 2020 a significant improvement would have been achieved in the lives of at least 100 million slum dwellers.*

*Indicator: Proportion of households with access to secure tenure*

As at the end of December 2005, the Government of Ghana did not have a comprehensive urban development framework. However documentation on selective urban development strategies exists in various government publications. A general policy direction on slums and slums upgrading over the next four years has been outlined for action in GPRS II..

### **GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT**

*Target 15: Deal comprehensively with LDC Debt and make Debt Sustainable in the Long Term*  
*Indicator: Debt Service as a Percentage of Exports*

#### **Supportive environment**

Key policy objectives pursued to ensure the relevant supportive environment include the following:

- ensure that debt is maintained at sustainable levels
- maintaining the acquisition of loans at concessionary rate with a minimum grant element of 35%;
- seeking more grant financing;
- seeking more programme aid to support the implementation of the budget;
- implementation of measures to minimise the cost of external borrowing, including the margin of risk on variable rate lending and the insurance premium on export credit facilities
- reducing the rate of growth of the domestic debt stock by operating within a context of programmed borrowings.
- continuation of the efforts to restructure the domestic debt stock towards longer term instruments by replacing maturing Government of Ghana Indexed-linked Bonds (GGILBS) and other short-term securities with longer term instruments;
- improving the price mechanism for the issuance of debt in order to lower borrowing costs; and
- diversify the choice of debt instruments available to the market.



**QUANTIFIABLE PROGRESS MADE OVER THE LAST TWO YEARS TOWARDS ACHIEVING MDGs (2005)**

Goal	Target	Indicator	Year	Trend	Year	Trend	Year	Trend	Year	Trend	On Track?	Remarks
<b>Eradicate Extreme Poverty</b>	Halve extreme poverty by 2015	Proportion below national poverty line	1992	36.5	1998	27					yes	Target will be exceeded
	Halve the proportion who suffer from hunger by 2015	Prevalence (%) of underweight children 0-59 months old	1993	27	1998	25	2003	22.0			no	
<b>Achieve Universal primary education</b>	Achieve universal access to primary education by 2015	Gross primary enrolment ratio	1990	79.3	2002/03	85.7	2003/04	86.3	2004/05	92.1	yes	By 2010
		Net primary enrolment ratio			2002	58.8	2004	65	2004/05	69.2	yes	
<b>Promote gender equality and empower women</b>	Eliminate gender disparity in primary and secondary education by 2005	Ratio of females to males in primary schools			2002/03	0.92	2003/04	0.93	2004/05	0.95	no	
		Ratio of females to males in junior secondary schools	1990	0.62			2003	0.88	2004/05	0.88	yes	
	Achieve equal access for boys and girls to senior secondary education by 2015	Ratio of females to males in senior secondary school										No reliable data
<b>Reduce Under five Mortality</b>	Reduce under-five mortality by two-thirds by 2015	Under five mortality rate per 1000	1998	108			2003	111			no	
<b>Improve maternal health</b>	Reduce maternal mortality ratio by three quarters by 2015	Maternal mortality per 100,000	1999	210			2001	586	2005	205	no	
<b>Combat HIV/AIDS and Malaria</b>	Halt and reverse the spread of HIV/AIDS by 2015	National HIV prevalence rate	1999	1.5	2003	3.6	2004	3.1	2005	2.7	yes	
	Halt and reverse the incidence of malaria by 2015	Reported cases of Malaria	2001	3,383,025	2002	2,830,784	2003	3,552,869			no	
<b>Environmental Sustainability</b>	Integrate the principles of sustainable development into	Proportion of land area covered by forest	2000	----- (annua					2005	24.2% (annual rate of	Yes	

	country policies and programmes and reverse loss of environmental resources by 2015			rate of deforestation of -2%)						deforestation of -1.7%)		
	Halve by 2015 proportion of persons without access to safe drinking water	Proportion of overall population with sustainable access to an improved water source	1990	49	1998	74	2003	75.2	2005	--	yes	Large rural urban disparities
		Proportion of rural population with sustainable access to an improved water source			2000	40	2003	46.4	2005	52.0		Guinea worm infestation on the rise despite increased access
	By 2020 a significant improvement would have been achieved in the lives of at least 100 million slum dwellers	Proportion of households with access to secure tenure										no reliable data
<b>Develop a global partnership for development</b>	Deal comprehensively with LDC debt and make debt sustainable in the long run	Debt service as a percentage of exports	2002	10.2%	2003	5.2%	2004	5.6%	2005	4.4%	yes	