



FIRST BI-ANNUAL PROGRESS REPORT

**MONITORING AND EVALUATION REPORT ON THE IMPLEMENTATION
OF THE GHANA NATIONAL PROGRAMME OF ACTION FOR THE
PERIOD JANUARY – JUNE 2006**

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Foreword

Ghana has been at the forefront in the implementation of the African Peer Review Mechanism. The country was the first to be peer reviewed on 22 January 2006 in Khartoum, Sudan. In line with the tenets of the peer review it has become incumbent on Ghana to implement the Programme of Action (PoA) and to present a progress report on the implementation of the PoA to the APR Panel of Eminent Persons periodically.

H.E. the President John Adjekum Kufuor has mandated the National African Peer Review Mechanism Governing Council to facilitate and coordinate the monitoring and evaluation of the implementation of the PoA. The Governing Council, in keeping with the spirit of participation and ownership, is working in concert with both government and civil society to monitor the progress in implementing the PoA.

To ensure smooth implementation of the Programme of Action and to avoid duplicating development efforts, the PoA has been mapped onto Government's development programme (the Growth and Poverty Reduction Strategy – GPRS II).

The Report fulfills the APRM directive that progress reports on the implementation of the PoAs should be submitted every six months following the review of the Country Self Assessment Reports of countries that have acceded to the APR process.

We are pleased to submit this first progress report which concentrates on the short term (1 – 2 years) activities of Ghana's PoA. Subsequent reports will deal with progress made in medium to long term activities.

Rev. Prof. S.K. Adjepong
Chairman, NAPRM-GC

List of Abbreviations

A-G	Attorney General
AU	African Union
CDD-Ghana	Centre for Democratic Development – Ghana
CEPA	Centre for Policy Analysis
CHRAJ	Commission for Human Rights and Administrative Justice
CSO	Civil Society Organisations
CSR	Corporate Social Responsibility
CWIQ	Core Welfare Indicator Questionnaire
EPA	Environmental Protection Agency
GIPC	Ghana Investment Promotion Centre
GPRS	Growth and Poverty Reduction Strategy
GSS	Ghana Statistical Service
ICA-Ghana	Institute of Chartered Accountants - Ghana
IRS	Internal Revenue Service
ISSER	Institute of Statistical, Social and Economic Research
MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
NAPRM-GC	National African Peer Review Mechanism Governing Council
NCCE	National Commission for Civic Education
NDPC	National Development Planning Commission
PEF	Private Enterprise Foundation
VAT	Value Added Tax
VELD	Vehicle Examination and Licensing Department

Executive Summary

This is the first Monitoring and Evaluation Report on the implementation of Ghana's APRM Programme of Action for the period January – June 2006. During this period NAPRM-GC undertook a number of activities, including:

- Dissemination of the findings of the Country Review Report to some key stakeholders;
- Printing of copies of the APRM Country Review Report;
- Launch of the Country Review Report to the general public and the Diplomatic Community;
- Serialization of the Country Review Report in a national daily newspaper;
- Hosting a website for NAPRM-GC;
- Conducting a Trainer-of-Trainers' workshop for National Commission for Civic Education (NCCE) Regional Directors
- Sharing of Ghana's experience with some African countries.

Methodology

The NAPRM-GC used desk research (secondary sources, budget statements), key informant interviews, focus group discussions, direct observations, personal interviews and workshops to collect and collate information on all activities related to the short-term objectives of the APRM. The information was aggregated under the four thematic areas, namely Democracy and Good Political Governance, Economic Governance and Management, Corporate Governance and Socio-Economic Governance.

Highlights of Progress Report

The six months under review is relatively a short time to assess progress. Nevertheless, a number of significant developments have occurred that demonstrate Ghana's commitment to implementing the recommendations of the Programme of action. These include:

Democracy and Good Political Governance

- **Periodic Voter Registration:** The National Identification Bill has been passed which will help Ghanaians to establish their personal identities and provide a central database of individuals living in the country. The Bill, will among others, lead to the creation of a credible voters register.
- **Voter education:** Voter education is being conducted by the Electoral Commission and NCCE. There is a call for harmonization of education themes so as not to confuse the electorate;
- **Safety and Security of Life and Property:** The Security Services have received operational and administrative equipment aimed at improving their operational

efficiency. There has been a steady decline in armed robbery in major cities as a result of persistent crackdowns;

- **Capacity of CHRAJ to execute its mandate:** A Labour Commission has been set up to handle labour issues. This has reduced the number of labour related issues handled by CHRAJ;
- **Violation of the Rights of the Disabled:** The Disability Bill received a second reading in Parliament;
- **Legislation to Protect Women's Rights:** The Domestic Violence Bill received a second reading in Parliament.

Economic Governance and Management

- **Weak Administrative Tax System:** Reforms in procedures, reporting requirements, and increased vigilance have resulted in increased domestic revenue;
- **Reduction in Corruption:** A number of laws have been proposed to deal with corruption and boost public confidence in the banking industry – Anti-Money Laundering Bill, Electronic Transfer Bill, Computer Misuse Bill, and Credit Reporting Bill;
- **Economy very susceptible to shocks:** Headline inflation rate has fallen below 10 percent since May 2006;

Corporate Governance

- **Review of National Accounting Standards:** The Institute of Chartered Accountants (ICA-Ghana) is conducting a series of workshops to educate members on International Financial Reporting Standards;
- **Outdated GIPC Law:** The Ghana Investment promotion Council (GIPC) is conducting a series of workshops to gather inputs from the business community;
- **Review of the Companies Code:** Companies Code under review under the chairmanship of Minister for Justice;
- **High Corporate tax:** Corporate Tax has been reduced from 28 percent to 25 percent;
- **VAT on imported inputs for local manufacturing firms:** VAT exemptions granted for most active ingredients for the production of pharmaceutical and textile products. All locally printed textbooks and exercise books are now rated zero for VAT.

Socio-Economic Development

- **Reversing the spread of HIV/AIDS:** there has been a reduction in the prevalence rate from 3.4 percent in 2003 to 2.7 percent in 2005;
- **Combating malaria and other communicable diseases:** 700,000 insecticide-treated nets have been procured and distributed at affordable prices. A new malaria drug Artesunate-Amodiaquine was introduced but this received loud public outcry because of the side effects it produced;

- **Improved access to LP gas:** A pilot Rural LPG Promotion Distribution Project has been initiated to enable rural dwellers have access and use of LPG at affordable prices;
- **Low application of ICT and science and technology:** Ministry of Communications is pursuing the transformation of the VOLTACOM utility into a separate first class National Communications Backbone Company to oversee the extension and management of the fibre optic backbone from the southern to the northern sector.

Introduction

The African Peer Review Mechanism is a self monitoring tool that seeks to foster the adoption of policies, standards and practices that lead to political stability, economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences amongst countries. The APRM process thus, promotes peer learning and capacity building through exercising constructive peer dialogue amongst participating countries, and using stakeholder engagement and the power of persuasion as tools for continuously improving the state of governance and socio-economic development in Africa.

Ghana was among the first countries to accede to the APRM and signed the Memorandum of Understanding (MOU) on 9 March 2003. Ghana and Rwanda were the first countries to complete the Country Self Assessments, and Country Review Reports were submitted to the APR Panel, who in turn made a presentation of the Country Review Report and Programme of Action to the Committee of Heads of State and Government of Countries Participating in the APRM (APR Forum) on 19 June 2005, in Abuja, Nigeria. Ghana, however, was the first country to be 'peer reviewed' at the Fourth Summit of the APR Forum held in Khartoum, Sudan on 22 January 2006.

Following the peer review, H.E. President John Agyekum Kufuor mandated the National African Peer Review Mechanism Governing Council (NAPRM-GC) to serve as the Monitoring and Evaluation body to oversee the implementation of the Programme of Action in Ghana.

Pursuant to directives by the APR Panel of Eminent Persons that progress reports on the implementation of the PoA should be submitted half yearly; the NAPRM-GC has the pleasure to submit this first Monitoring and Evaluation Report.

1.1 Structure of this Report

This Report is divided into two parts. **Part One** highlights the general methodology employed by the Governing Council in conducting the monitoring and evaluation of the Programme of Action. It also includes a summary of the activities undertaken by NAPRM-GC, the main achievements during the period, and challenges encountered. **Part Two** provides a synthesis of the progress of work on the implementation of the National Programme of Action in Ghana during the first half of the year (January to June 2006).

PART ONE: MONITORING AND EVALUATION STRATEGY

2.0 Methodology

This Section details the methodology adopted, the M&E structure and strategy.

2.1 Methodological Strategy

The NAPRM-GC employed a bottom-up approach to monitoring the implementation of the Programme of Action. To this end, civil society plays a key role in the monitoring and evaluation process. This is based on the consensus involving government, private sector, civil society organizations, workers' unions, community-based organizations, faith-based organizations, etc.

The Strategy is also based on an M&E which is open, transparent, broad-based and all-inclusive. It is hinged on objectivity, professionalism, and integrity; and free from political manipulation.

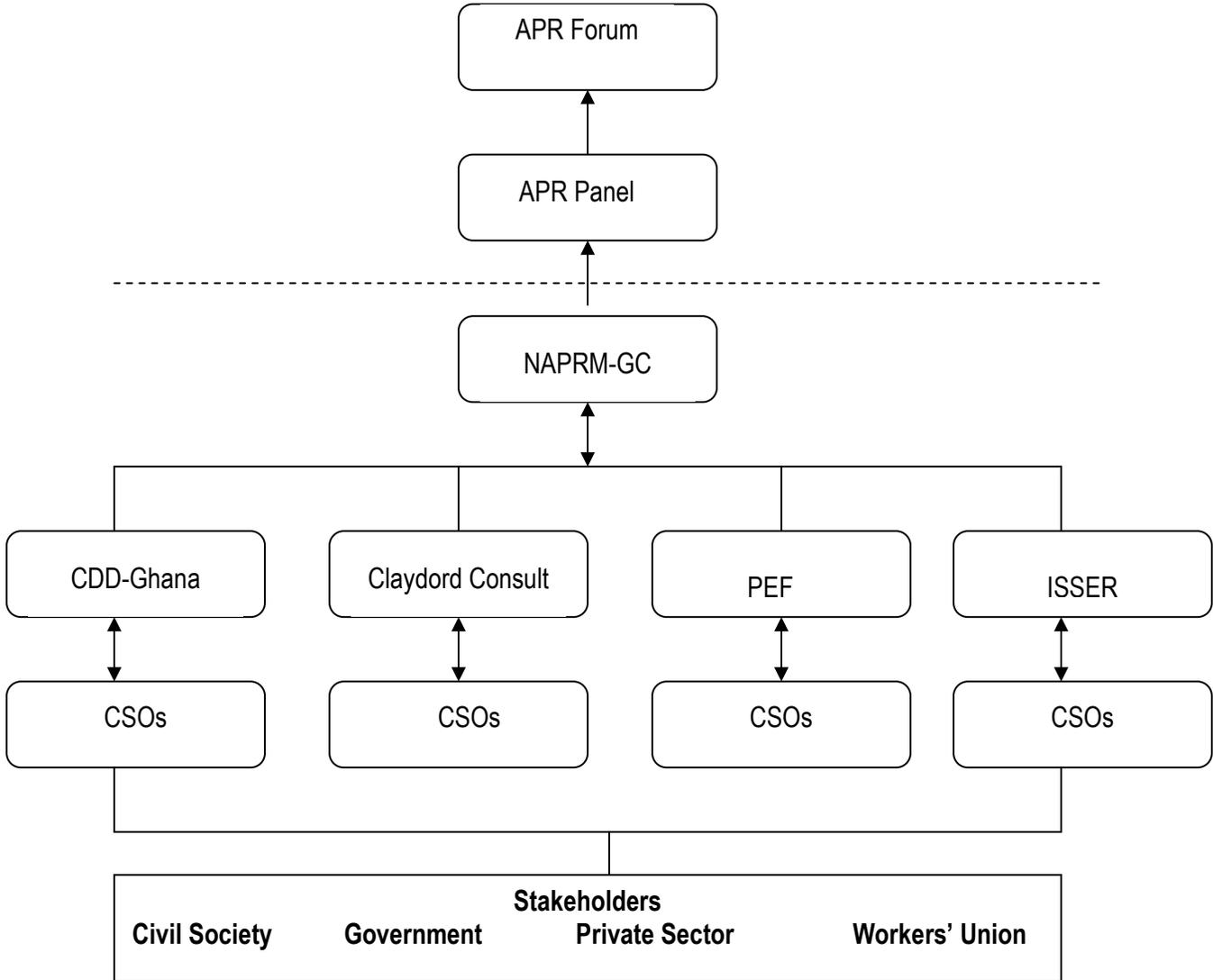
2.1.1 M&E Structure

The NAPRM-GC acts as the organizer, facilitator and coordinator of the whole M&E process within the country, and also serves as the liaison between Ghana and the APR Panel in South Africa. Four CSO Technical M&E Teams (Centre for Democratic Development for Democracy and Good Political Governance, ClayDord Consult, Private Enterprise Foundation for Corporate Governance and the Institute for Statistical, Social and Economic Research for Socio-Economic Development) are the lead institutions that managed the Monitoring and Evaluation process.

These lead institutions galvanize under their umbrella a coalition of other civil society organizations operating within the thematic areas which fall under their purview. For example, CDD which is the lead institution for Democracy and Good Political Governance collaborates with umbrella institutions like the Ghana Anti-Corruption Coalition, The Ghana Integrity Initiative, the SEND Foundation, ISODEC, Institute for Democratic Governance, etc. PEF, the lead institution for Corporate Governance, collaborates with the Institute for Directors, Association of Ghana Industries, Ghana Chamber of Mines, Institute of Chartered Accountants, Ghana Association of Bankers, Association of Garages, etc. All these institutions then interact with their constituents and with the larger population at large in monitoring the progress made towards implementation of the PoA.

In effect, the structure is based on building a coalition of civil society organizations as constituencies under the umbrella of the lead Technical M&E Teams. It ought to be borne in mind, however, that the government is also a key stakeholder in the M&E process.

Figure 1: NAPRM-GC M&E Structure



2.1.2 The M&E Strategy

The NAPRM-GC adopted an M&E strategy built principally on flexibility of data collection, and sustainability of processes, taking into consideration the resources available.

- **Use of existing M&E systems**

Technical M&E Teams relied on existing M&E systems in both the public and private sector. Institutions such as the National Development Planning Commission (NDPC)

undertake the monitoring of the GPRS, which is the development agenda of the Government of Ghana, and produces an Annual Progress Report.

The Ghana Statistical Service (GSS) collects and collates information and produces a number of reports – the Population Report, Demographic and Health Survey, Ghana Living Standards Survey, National Industrial Census, Core Welfare Indicator Questionnaire, etc.

The Government's M&E Unit at the Office of the President monitors progress towards achieving government objectives and programmes by the Ministries, Departments and Agencies.

The Ghana Investment Promotion Council (GIPC) produces the Ghana Club 100 Report¹. The Bank of Ghana publishes a number of reports on monetary and fiscal indicators. The World Bank also produces the Corporate Governance Reports on the Observance of Standards and Codes, as well as the Business Confidence Surveys.

- **Triangulation of Information**

As much as practicable information was collected from a number of sources to ensure credibility. Information collected from all sources was subjected to a strict validation process at both the community level and at the national level. All stakeholders were given an opportunity to make inputs into whatever issue that is raised.

- **Scaling up**

Building critical mass in civil society creates a sustainable momentum for change and is fundamental to influencing the policy and practices of policy makers and other influential leaders and organisations that shape attitudes and behaviour. Building on this at the district level through civil society networks adds to the weight of influence on policy. A number of such networks exist – Netright, GAPVOD, etc. NAPRM-GC with its partners, at national, regional and local levels have set up processes to effectively engage religious and traditional organisations as these have a particularly influential role on behaviour in rural communities.

To date the strength and value of locally driven initiatives (Farmer-Based Organisations, Community-Based Organisations, Civic Clubs etc.) have been under utilised and not sufficiently recognised, and as a result more resources and efforts have been rooted through institutions that may have the absorptive capacity but that do not reach the nub of the problem and thus do not achieve lasting impact. Indeed, a core purpose of increased support from NAPRM-GC will not be to sustain national organizations, but to focus primarily on strengthening local capacity to be evaluate and monitor the progress towards achieving the objectives of the PoA.

¹ An annual Corporate Rating System that shows performance of companies.

2.2 Activities undertaken during the period (January – June 2006)

2.2.1 Dissemination of Country Review Report Findings

The NAPRM-GC undertook a number of dissemination activities for some stakeholder groups. Stakeholders met included: General Public, Parliamentarians, Trade Unions, Traditional Authorities, the general public, Diplomatic Community and International Organisations.

Date	Stakeholders
March 17 – 19	Members of Select Committee on Foreign Affairs, and Chairpersons and Ranking Members of other Select Committees
April 4 – 8	Upper East Regional House of Chiefs and Magajias at Wa.
April 18	General Public during the launch of the Country Review report
May 5	Diplomatic Community and International Organisations
June 9 – 11	Trainer-of-Trainer Workshop for NCCE Regional Directors at Kumasi
June 22	Members of Trade Unions

2.2.2 Launch of Ghana's APRM Country Review Report

In keeping with the directive that the Country Review Report should be made public within six months after the review by the APR Forum, NAPRM-GC officially launched Ghana's APRM Country Review Report and Programme of Action to the general public on Tuesday, April 18, 2006 at the Accra International Conference Centre. A similar launch was conducted for the Diplomatic Community and International Organisations on Friday, May 5, 2006 at the Golden Tulip Hotel, Accra.

2.2.3 Printing of Ghana's APRM Country Review Report

The NAPRM-GC has published Seven Thousand Copies (7,000) of the Report for distribution to individuals, as well as both public and private institutions within the country. In collaboration with the APR Panel, NAPRM-GC is publishing a second version of the Report (which includes a foreword from H.E. President Olusengu Obasanjo and proceedings of the Peer Review in Khartoum). Plans are also far advanced to publish a French edition of the Report.

NAPRM-GC will also print an Easy-to-Read (popular) version of the Report, and translate the report into six major Ghanaian languages – Twi, Ga, Ewe, Hausa, Dagari and Dagbani.

2.2.4 Hosting of a website for NAPRM-GC

The NAPRM-GC has developed an interactive website to host all its publications including the Country Review Report and Programme of Action, and activities. The website address is: www.naprm-gc.org.

2.2.5 Serialization of the Country Review Report in a national newspaper.

The entire Country Review Report was serialized for six weeks in the Daily Graphic newspaper (the most widely read national newspaper) from April 19 to May 24, 2006.

2.2.6 Sharing of Ghana’s APRM Experiences

NAPRM-GC participated in a number of workshops across the continent to share Ghana’s experience with other countries.

Date	Workshop
February 4 – 6	Meeting with the APRM Secretariat in Burkina Faso
February 16 - 19	Meeting with the APRM Commission in Benin at Cotonou
March 23 – 25	Meeting with the APRM Council in Tanzania
April 24 - 28	Six Nation Expert Forum on APRM: Challenges and Opportunities, Nairobi, Kenya
May 6 - 12	Sixth Africa Governance Forum at Kigali, Rwanda

2.3 Mobilizing Resources in Support of Implementation of PoA

2.3.1 European Union Incentive Tranche Facility (EUITF)

Ghana, being the first country to complete the African Peer Review Mechanism (APRM) and with its appreciable record of good governance, is to benefit from an EU Incentive Tranche Facility allocation. The NAPRM-GC is a member of a Task Force set up by the Ministry Of Finance and Economic Planning (MOFEP) to identify Priority Areas in the Programme of Action for support under the Facility.

2.3.2 Harmonization of all Development Programmes

THE NAPRM-GC is also a member of the Consultative Group on Pillar III – Governance and Civic Responsibility, that is seeking to harmonise all governance programmes – the Growth and Poverty Reduction Strategy (GPRS II), the National Programme of Action (NPoA), the Results Matrix of Development Partners and the Multi-Donor Budget Support Matrix – into one reference document.

2.4 Challenges

The NAPRM-GC encountered a number of challenges including the following period:

- Involvement and management of multiple partners (technical teams, government institutions, civil society) at different operating levels;
- Differences in implementing partners' capacity for monitoring and evaluating the Programme of Action activities – with the result that the quality of M&E by different CS 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, and in the use of such tools as the Citizen Report Cards.

PART TWO: PROGRESS REPORT ON POA IMPLEMENTATION

3.0 Progress and Performance with respect to the POA

This section of the Report outlines the progress made towards achieving the short-term PoA activities. The section provides a narrative on progress made, whilst Annex 1 shows a Matrix of the Summary of Progress Made.

3.1 Methods adopted for the period under review

The Programme of Action which forms the basis for the M&E was first and foremost disaggregated and prioritized into short, medium and long term activities.

The NAPRM-GC adopted desk research (secondary sources, budget statements), key informant interviews, focus group discussions, direct observations, personal interviews and workshops to collect and collate information on all activities related to the short-term activities of the PoA. The information was aggregated under the four thematic areas.

The information collected was validated by stakeholders – government (Ministries, Departments and Agencies); Civil Society Organisations; key informants in both the public and private sectors; limited community interviews for issues that relate to environmental sustainability.

3.2 Progress towards achieving PoA objectives

In assessing the progress made towards implementing the recommendations of the Programme of Action, the NAPRM-GC concentrated on the short-term activities. This is notwithstanding that some of the medium and long term activities are being implemented.

Democracy and Good Political Governance

3.2.1 Chieftaincy (page 177)

A Ministry for Culture and Chieftaincy Affairs has been established.

3.2.2 Periodic Voter Registration (page 178²)

The Electoral Commission (EC) continues to undertake periodic voter registration exercises. This year's exercise was undertaken in May 2006. A number of political parties (especially the New Patriotic Party and the National Democratic Congress) expressed misgivings about the shortfalls and difficulties experienced during the exercise. The EC's reaction was that it actually registered more people than anticipated.

National identification Cards

On March 17 2006, Parliament passed the National Identification Bill which will help Ghanaians to establish their personal identities and provide a central database of individuals. The Bill, will among others, lead to the creation of a credible voters register³. The Bill has also led to the formation of a National Identification Authority.

3.2.3 Voter Education (page 178)

Both the Electoral Commission (EC) and National Commission for Civic Education (NCCE) undertook educational campaigns. Stakeholders were of the view that the EC and NCCE should have collaborated better to develop single themes so as not to confuse the electorate. The EC, however, contends that to safeguard its independence there are certain activities it is unlikely to outsource to avoid politicization of issues.

3.2.4 Safety and Security of Life and Property (page 179)

The Security Services has acquired equipment for both operational and administrative purposes. This has increased the Services' responses rate to crime issues. Steady, but modest increases have been achieved in recruitment into the Forces. There has been a steady decline in armed robbery in the major cities as a result of persistent crackdowns.

3.2.5 Capacity of CHRAJ to prosecute its mandate (page 179)

Under the New Labour Act, 2003 a Labour Commission has been set up which deals with all labour related issues. The number of labour cases that are dealt with by CHRAJ has therefore been considerably reduced.

² The page numbers indicated is for easy reference to the issue in the Country Review Report and Programme of Action document

³ The Ghanaian Times, Saturday, March 18, 2006. pg 1.

3.2.6 Violation of the Rights of the Disabled (page 180)

The Disability Bill received a second reading in Parliament on May 23, 2006.

3.2.7 Lack of adequate resources for governance institutions (page 181)

A number of governance institutions have had capacity building programmes for staff – 35 senior officers of the Electoral Commission were sponsored to do various postgraduate courses; 34 Career Magistrates were trained at the Ghana Law School for the Judicial Service. A number of governance institutions reported increased budgetary support for 2006. The budgetary allocations for the NCCE (¢25 billion) is the highest allocation the Commission has ever received from government.

3.2.8 Parliament oversight functions (page 181)

Number of parliamentarians appointed as Ministers reduced.

3.2.9 Bureaucracy and inefficient procedures in the Public Service (page 182)

A Ministry for Public Sector Reforms has been established to improve the efficiency of the public sector. An estimated US\$120 million will be spent on the public sector reform project. The Ministry has re-launched Service Delivery improvement Programmes and equipped Client Service Units (CSUs) in 20 selected MDAs. There are, however, misgivings about the reform process by the Trade Unions Congress (TUC)⁴ which claims that the reforms are not commensurate with the amount of money spent.

3.2.10 Legislation to Protect Women's Rights (page 185)

The Domestic Violence Bill which mainly deals with women and children's rights received a second reading in Parliament on May 23, 2006.

3.2.11 Compulsory Basic Education (page 186)

Introduction of the Capitation Grant⁵ has increased primary school enrolment by about 26%. The Ghana/NEPAD School Feeding Programme has been extended

⁴ Daily Graphic, Thursday April 6, 2006 page 1

⁵ The Grant is a replacement for fees previously paid by parents.

to cover 1,000 schools throughout the country. As a result of these and other initiatives, National Primary Gross Enrolment Ratio (GER) increased from 86.1 percent in 2003/2004 to 87.5 percent in 2004/2005. To improve the Teacher:Pupil ratio, the Ghana Education Service (GES) has recalled 4,000 retired teachers. This figure, stakeholders contend is woefully inadequate given the fact that about 25,725 basic school teachers are required to fill vacancies at the basic level.

3.2.12 Inadequate and insecure pension schemes (page 189)

A 210-page Report of the Presidential Commission on Pensions presented to the President by the Chairman of the Commission which was set up to review the issue of pensions.

Economic Governance and Management

3.2.13 Weak Administrative Tax System (page 213)

Reforms in procedures, reporting requirements, and increased vigilance to deal with revenue leakages resulting from smuggling and under-invoicing of imports has yielded an increased domestic revenue of about ₵24,116.0 billion (equivalent to 24.9% of GDP) exceeding the budget estimate by ₵376.9 billion.

3.2.14 Reduction in Corruption (page 220)

New laws to combat corruption and to boost the confidence of customers in the use of ICT in the banking industry are to be passed, namely Anti-Money Laundering Bill, Electronic Transfer Bill, Computer Misuse Bill, and Credit Reporting Bill have been placed before Parliament.

A study conducted in 100 state owned organizations by the Public Procurement Board has revealed that 55 percent of MDAs engage in wrongful procurement practices. This was primarily attributed to lack of requisite personnel to undertake procurement activities. The Board has introduced the Public Procurement Model of Excellence (PPME) to monitor procurement activities.

3.2.15 Economy very susceptible to shocks

Headline inflation declined from a peak of 14.9 percent in September 2005 to just under 10 percent in May 2006. The exchange rate of the Cedi has remained stable over the year and has recently been appreciating in nominal terms against the major currencies.

Corporate Governance

3.2.16 Review National Accounting Standards (page 234)

The Institute of Chartered Accountants – Ghana has begun a series of educational workshops to educate members on International Financial Reporting Standards. The Auditor-General is conducting in-service training on International Accounting and Auditing Standards for its personnel.

3.2.17 Length of Time Required to Complete Business Registration (page 236)

The Registrar-General Department (RGD), the Ghana Investment Promotion Council (GIPC) and the Internal Revenue Service (IRS) have established a one-stop shop for business registration at the premises of the GIPC. The RGD has initiated a policy action with District Post Offices to undertake business registration on behalf of the Department.

The RGD is to promote on-line registration and database through the use of its Business Registration Software (RGDPro).

3.2.18 Outdated GIPC Law (page 237)

The GIPC is conducting a series of workshops to gather inputs from the business community.

3.2.19 Review the Companies Code of 1963

A Review Committee has been set up by the President headed by the Attorney General and Minister for Justice to review the Companies Code. Civil Society Organisations such as the Private Enterprise Foundation has also been organizing workshops to gather inputs for the review.

3.2.20 Delays and difficult access to fixed/land telephone lines (page 244)

There has been a dramatic decrease in the time for acquiring fixed telephone lines (maximum of 2 weeks) and there has also been a decrease in the cost (now ₵200,000.00 down from ₵800,000.00).

3.2.21 High Corporate Tax (page 245)

Corporate Tax has been reduced from 28 percent to 25 percent (2006 Budget Statement). Government, however, failed to undertake a Regulatory Impact Assessment to ascertain loss to government revenue and the benefits that are likely to accrue as a result of the decrease in Corporate Tax.

3.2.22 VAT on imported inputs for local manufacturing firms (page 245)

The 2006 Budget has granted VAT exemptions to most of the active ingredients for the production of pharmaceutical and textile products. Government is of the view that blanket exemptions for all ingredients may lead to abuse since some of them have multi-purpose use. All locally printed textbooks and exercise books are now rated zero for VAT.

3.2.23 Tax Stamp reviewed (page 245)

The Tax Stamp has been reviewed to take into consideration differences in economic activities within the informal sector in regions and districts.

3.2.24 Support for Micro, Small and Medium Enterprises (MSMEs) (page 246)

To stimulate private-owned venture capital industry a number of incentives have been instituted. These include:

- Full tax exemption from corporate tax, dividend tax and capital gains for 5 years;
- Losses from disposal of the shares during the tax exempt period may be carried forward to the post-exempt period up to 5 years

The Trade Sector Support Programme (TSSP), the Venture Capital Fund, Business Incubator Project and the Business Advisory Services are all geared towards supporting the growth and development of MSMEs.

3.2.25 Central Registry System (page 247)

The Registry System was originally operated privately by the banks. A Central Securities Depository System has been set up and is operational.

3.2.26 Damage to Environment by Corporate Bodies/Corporate Social Responsibility (page 248)

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

A number of companies have pushed corporate social responsibility to the fore by identifying major social projects for support. Examples include: Scancom's US\$20 million support for a water project and AngloGold's US\$3 million malaria project.

3.2.27 Establishment of Labour Commission

The new Labour Act established the National Labour Commission to deal with labour issues. As identified in the Country Self-Assessment Report, the new Labour Law makes it extremely difficult for workers to embark on strike actions. However, a number of institutions have embarked on strikes without recourse to the Labour Commission.

Socio-Economic Development

3.2.28 Reversing the spread of HIV/AIDS

There has been a reduction in the prevalence rate from 3.4% in 2003 to 2.7% in 2005 and it is expected to fall further to 1.95 by 2010. The number of sites providing Anti-retroviral therapy has increased from 4 in 2004 to 5 in 2005. Number of sites for Voluntary Counselling and Testing and Prevention of Mother to Child Transmission has increased from 29 in 2004 to 110 in 2005.

3.2.29 Combating malaria and other communicable diseases

To intensify the Malaria Control Programme, 700,000 Insecticide Treated Nets (ITNs) were distributed at affordable prices throughout the country. Available statistics show that, as at June 2005, 15.1% pregnant women and 18.1% of children under 5 years were sleeping in ITNs.

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

Corporate Ghana is joining the fight against malaria. Notable is the US\$3 million malaria project by AngloGold Ashanti.

The Tuberculosis (TB) Programme has been reviewed and the TB cure rate has improved from 59 percent in 2004 to 62.1 percent in 2005.

3.2.30 Lack of access to energy supply

Government is increasing the country's strategic stock of petroleum products with the construction of a 90,000 litre capacity facility each at Buipe, Northern Region and Kalbeo, Upper East Region. The Government has signed an agreement with the Chinese Government to build the Bui Hydroelectric Dam.

3.2.31 Improved access to LP gas

To make LP gas affordable to the public, the Public Utilities Regulatory Commission (PURC) reduced the price of LP gas. Stakeholders are, however, of the opinion that the decrease is not enough to stem the use of firewood and charcoal especially in the rural communities. The Government, under the Ministry of Energy is to undertake a pilot Rural LPG Promotion Distribution Project which will enable rural dwellers have access and use of LPG at affordable prices.

3.2.32 Lack of affordable housing

The Red Sea Housing Services, a Malaysian company in partnership with government is to construct pre-fabricated modular housing units for lower and middle income class workers. A number of stakeholders, however, complain that both schemes are geared towards horizontal single storey which waste land. Stakeholders are calling for vertical housing schemes (multi-storey housing units).

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

3.2.33 Low application of ICT and science and technology

To strengthen the use of ICTs in banking and the financial sector, an Electronic Transfer Bill to fight cyber crime has been laid before Parliament.

The Ministry of Communications is pursuing the transformation of the VOLTACOM utility into a separate first class national Communications backbone Company to oversee the extension and management of the fibre optic from the southern sector to the northern sector. A submarine telecom cable system has been laid at the cost of US\$650 million.

Annex 1: Matrix of Progress in Achieving PoA Short-Term Activities

Issue	Proposed Activities	Progress	Remarks
A. Democracy and Good political Governance			
1. A number of AU Conventions not acceded to nor ratified	a) Adoption of deliberate plan to clear outstanding arrears; b) Strengthen Ministries of Foreign Affairs and Justice to fulfill mandate c) Develop plan to incorporate Treaties/Codes/Conventions into domestic law	AU Convention on Preventing and Combating Corruption signed	
2. Lack of effective and efficient Early Warning System Mechanism	a) Prepare clear procedural guidelines for use by national, regional and district security councils b) Provide logistical support to security agencies in conflict prone agencies	A number of Early Warning Systems have been established in the North	
3. Sub-Regional Security	a) Initiate high level negotiation meetings b) Peace keeping forces deployed where necessary c) Undertake continuous information gathering	ECOWAS member countries are considering a common code for security forces.	

Issue	Proposed Activities	Progress	Remarks
A. Democracy and Good political Governance			
4. Low public confidence in justice system;	<ul style="list-style-type: none"> a) Continue court modernization b) Provide more resources for legal aid mediation/arbitration c) Review existing costs, rules and procedures d) Harmonise relations between police, A-G Dept., Courts and Prisons 	Judiciary led by Chief Justice has initiated confidence building measures	
5. Periodic Voter Registration	Introduction of National Identification System	National Identification Bill passed on March 17, 2006; National Identification Authority set up	
6. Voter Education	Provision of logistical support to governance institutions for voter education	Electoral Commission and NCCE have a voter education programme; Increased budgetary support to NCCE. CSOs like CDD-Ghana undertakes voter education.	
7. Safety and Security of life and property	<ul style="list-style-type: none"> a) Increase number of law enforcement officers b) Procure equipment for law enforcement agencies 	The Security Services has acquired equipment through Government funding and donations from the international community	Operational and administrative vehicles and communication gadgets procured to improve operational efficiency.
8. Capacity of CHRAJ to prosecute its mandate	<ul style="list-style-type: none"> a) Excision of labour matters from CHRAJ b) Review the mandate of CHRAJ 	National Labour Commission set up to deal with labour issues	A number of organizations have embarked on strikes without recourse to the Labour Commission

Issue	Proposed Activities	Progress	Remarks
A. Democracy and Good political Governance			
9. Cultural practices harmful to women	a) Secure release of and rehabilitate girls in ritual servitude b) Mount awareness campaign on discontinuation of violence and harmful traditional practices against women	Members of Parliament, especially women, have addressed this on the floor of the House. Some NGOs working to reverse this.	The Ministry of Women and Children Affairs and Needs International are addressing the girls in servitude issue (Trokosi)
10. Violation of Rights of the Disabled	a) Passage and implementation of the Disability Bill	Second reading of Disability Bill in Parliament on May 23, 2006	
11. Parliament oversight functions	a) Strengthen the committees of parliament b) Capacity building for members of the Public Accounts and Finance Committees	Number of parliamentarians appointed as Ministers reduced	
12. Lack of adequate resources for governance institutions	a) Implement effective system for funding	Increased funding for governance institutions; capacity building programmes initiated	
13. Bureaucracy and inefficient procedures in the Public Service	a) Improve capacity of MDAs to develop and implement strategic plans b) Build capacity of CS to monitor public policy	Public Sector Reform Programme has improved services at the Passport Office and VELD)	
14. Legislation to protect women's rights	a) Pass the Domestic Violence Bill; b) Pass the Property Rights Bill	The Domestic Violence Bill received second reading in Parliament on May 23, 2006	

Issue	Proposed Activities	Progress	Remarks
Democracy and Good Political Governance			
15. Applying public procurement procedures	a) Establish all procurement entities as required by law b) Award of contracts strictly on the basis of the provisions of the law	a) Out of the expected 1,248 Entity Tender Committees (ETCs), 548 established; b) Most entities unable to procure correctly for lack of procurement personnel	A number of Departments and Agencies as well as MMDAs have failed to establish ETCs. Need for MOFEP to sanction non-compliant entities.
16. Inadequate and insecure pension schemes	a) Implement recommendations of Commission	Final Report of The Presidential Commission on Pensions submitted to H.E. President J.A. Kufuor on March 3, 2006	
17. Findings of Reconciliation Commission	a) Release findings of Reconciliation Commission	Reconciliation Commission Report released. Published by CDD in English and 5 major Ghanaian languages	
18. National, Regional and Traditional houses of Chiefs	a) Enhance capacities of National, Regional and Traditional houses of Chiefs	Legal advisors provided	
19. Appointments to the Supreme Court	a) Place a ceiling on number of Judges appointed to the Supreme Court	Judicial Council has come out that it has a convention – number of Supreme Court Judges does not exceed 13 (date)	

Issue	Proposed Activities	Progress	Remarks
A. Democracy and Good political Governance			
20. Responsiveness of Chieftaincy to the rapidly changing social needs	a) Develop time-bound program for clearing backlog cases b) Build capacity of Judicial Committees of National and Regional Houses	a) A Ministry for Culture and Chieftaincy Affairs has been established	

Issue	Proposed Activities	Progress	Remarks
Economic Governance and Management			
1. Environmental sustainability in policies and programs signed	Develop capacities to improve upon environmental sustainability	Mining firms sign Code of Ethics	
2. Weak administrative tax system	Provide facilities to tax administrators that will increase collections and deposits into Consolidated Fund	Reforms in procedures, reporting requirements, amnesties, and vigilance has resulted in increased domestic revenue	
3. Corruption	<ul style="list-style-type: none"> a) Pass the Whistleblower Bill b) Pass a Freedom of Information Bill c) Increase public education and awareness on rights and responsibilities of citizens d) Appropriate use of public funds 	<ul style="list-style-type: none"> a) Whistleblower Bill before Parliament b) New laws to combat corruption – Anti-Money Laundering Bill, Electronic Transfer Bill, Computer Misuse Bill, and Credit Reporting Bill c) Introduction of Public Procurement Model of Excellence (PMME) to monitor procurement activities 	Study by Public Procurement Board has shown that most MDAs engage in wrongful procurement practices
4. Economy very susceptible to shocks	Stabilize exchange rate and price regimes	<ul style="list-style-type: none"> a) Exchange rate of Cedi remained stable over the year b) Inflation rate in single digit since May 2006 	

Issue	Proposed Activities	Progress	Remarks
Corporate Governance			
1. Review of National Accounting Standards	<ul style="list-style-type: none"> a) Educate accounting personnel in both public and private institutions on International Accounting and Audit Standards; b) Enforce use of International Standards in Financial Reporting 	<ul style="list-style-type: none"> a) Auditor-General education of personnel; b) ICA-Ghana series of educational workshops 	
2. Insurance Bill	<ul style="list-style-type: none"> a) Review Bill as regards capital considerations; b) Educate public, business community and insurance institutions on Insurance law 	Bill before parliament	
3. Length of time required to complete business registration	<ul style="list-style-type: none"> a) Re-organise and resource RGD to deliver customer friendly business registration services; b) Upgrade Business Registration Software c) Decentralise business registration process 	<ul style="list-style-type: none"> a) RGD piloting use of post offices for registration b) Business Registration Software in test phase c) One-Stop Shop instituted at GPIC premises 	
4. Outdated GIPC Law	Amend GIPC Law to reflect the changing mandate of GIPC	Law under review	Series of workshops by GIPC for input from business community

Issue	Proposed Activities	Progress	Remarks
Corporate Governance			
5. Delays and difficult access to fixed/land lines	a) Complete national fibre optic backbone b) Introduce greater competition in provision of land lines c) Extend telephone facilities to all district capitals	a) Decrease in time for acquiring fixed lines (maximum of 2 weeks) b) Decrease in cost of fixing land line (from 800,000 to ₵200,000.00)	The Ghana Investment Fund for Telecommunications (GIFTel) has been set up to facilitate the extension of telecom facilities to underserved and un-served areas
6. High corporate tax	Undertake Regulatory Impact Assessment to evaluate impact of high corporate tax on industries and review tax accordingly	Corporate tax reduced from 27.5% to 25% (2006 Budget)	Regulatory Impact Assessment not undertaken The National Reconstruction Levy has also been reduced from 7.5% to 5.5% (part A Companies) and 5.0% to 2.5% (part B companies)
7. VAT on imported inputs for manufacturing (textbooks and pharmaceuticals)	Undertake Regulatory Impact Assessment to evaluate impact on industries and review tax accordingly	VAT on most active ingredients for textiles and pharmaceuticals removed (2006 Budget)	RIA not undertaken
8. TAX stamp reviewed	Undertake Regulatory Impact Assessment to evaluate impact on micro enterprises and review tax accordingly	TAX stamp reviewed to take into consideration local differences	RIA not undertaken. Special Flat Rate VAT Scheme introduced for informal sector operators.
9. Damage to environment by corporate bodies	Strengthen EPA to ensure proactive and effective supervision	CSR framework by mining companies (not for timber, galamsey operators)	

Issue	Proposed Activities	Progress	Remarks
Socio-Economic Development			
1. Reversing the spread of HIV/AIDS	<ul style="list-style-type: none"> a) Educate society on behavioral change and to practice safe sex b) Free condoms, etc. 	<ul style="list-style-type: none"> a) Reduction from 3.4% prevalence rate to 2.7% (2005) expected to fall to 1.95% by 2010; b) Increased access to anti-retroviral drugs c) Manufacturing of anti-retroviral drugs locally 	Workplace HIV/AIDs being vigorously pursued by the Ghana AIDS Commission; Increased involvement of CSOs in HIV/AIDS education
2. Combating malaria and other communicable diseases	<ul style="list-style-type: none"> a) Provide treated mosquito nets at affordable prices; b) Clean environment and educate people on personal hygiene 	<ul style="list-style-type: none"> a) Increased supply of treated nets for malaria control b) Malaria Control Programme by corporate bodies (AGC) c) Roll-back malaria programme 	A number of patients have complained of adverse effects after taking the new drug – artesunate+amodiaquine
3. Lack of access to energy supply	<ul style="list-style-type: none"> a) Increase in strategic stock of petroleum b) Deregulation of the petroleum industry 	<ul style="list-style-type: none"> a) The National Petroleum Act (Act 691) has been passed; b) National Petroleum Authority c) Strategic stock depots established at Accra plains, Kumasi, Buipe, Bolgatanga 	The National Petroleum Authority recalculates the ex refinery prices for petroleum products and resultant adjustment passed through the pump accordingly.
4. Improved access to LP gas	<ul style="list-style-type: none"> a) Implement Energy Sector reforms; b) Promote energy efficiency and conservation 	West African Gas Pipeline Project on course Deregulation of petroleum products has resulted in decrease in price of gas for domestic use	Use of firewood and charcoal still prevalent in the rural communities

Issue	Proposed Activities	Progress	Remarks
Socio-Economic Development			
5. Lack of affordable housing	<ul style="list-style-type: none"> a) Review Housing Policy to benefit the poor; b) Public-private partnerships to provide affordable housing 	<ul style="list-style-type: none"> a) Government-private sector partnership to provide – pre-fabricated modular buildings 	All housing schemes are horizontal expansion oriented (wasting land) to the detriment of vertical development
6. Low application of ICT and science & technology	<ul style="list-style-type: none"> a) Increase telephone lines; b) Encourage private participation; c) Review existing regulations 	<ul style="list-style-type: none"> a) Electronic Transfer Bill to fight cyber crime for Parliament; b) Submarine backbone connectivity (status); c) Secondary school interconnectivity (status) 	
7. Low remuneration and incentives for teachers, particularly those in rural areas	<ul style="list-style-type: none"> a) Wage increases (at least \$2 daily wage) b) Provision of housing, study leave with pay, medical care 	<ul style="list-style-type: none"> a) Current daily wage is above US\$2 	