



**NATIONAL AFRICAN PEER REVIEW MECHANISM
– GOVERNING COUNCIL
(NAPRM-GC)**

**THIRD BI-ANNUAL PROGRESS REPORT
FOR THE PERIOD JANUARY – JUNE 2008**

Prepared and submitted by:

NAPRM-GC

Accra, Ghana

June 2008

NOTE VERBALE

With reference to the reporting obligations of the APRM, the Republic of Ghana hereby submits its Third Bi-annual National Report on Progress in the Implementation of the National Programme of Action for the period January – June, 2008. The National APRM Governing Council agrees to the publication of the entire report on the APRM website.

FOREWORD

This is the Third Bi-annual Progress Report submitted by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) following the Second Annual Report of January 2008. The report covers the period January – June 2008.

The Governing Council has focused on deepening the decentralization its activities, bringing the APRM process closer to the grassroots of the citizenry. To this end, a total of forty-five (45) District Oversight Committees (DOCs) have so far been inaugurated. The DOCs, composed of public, private and civil society actors, primarily serve as monitoring and evaluation teams at the district level.

Government continued to show strong commitment towards the implementation of the APRM NPOA. It is, however, expected that with the current global rising fuel and food costs, a number of programmes would suffer as government will re-allocate resources to ameliorate any hardship on Ghanaians.

The economy continues to show resilience in the face of high fuel costs and increasing food prices. Stakeholders welcome the government's GHC1 Billion intervention strategy to cushion the rising prices world-wide. Council recognizes that the impact of this measure is yet to be felt by the majority of Ghanaians as a result of the revisions in legislations currently before Parliament.

Under Democracy and Good Political Governance, Ghanaians continue to enjoy a blossom in their freedoms and liberties with a government that is committed to democracy. Stakeholders, nevertheless, continue to voice concern over the size of government (number of ministerial appointments) and the frequent reshuffles in ministerial portfolios. Stakeholders contend that the large number of ministers put undue pressure on state funds and the frequent reshuffles do not allow for effective and efficient implementation of policies.

The Draft Comprehensive Decentralization Strategy has not been approved by Cabinet, and the issue of election of DCEs remains a thorny one. The call made by the Ghana Trade Union Congress on this matter during the May Day celebrations is in line with views of stakeholders.

The period also saw deterioration in police – citizen relationship which resulted in deaths of both civilians and police officers. Stakeholders are calling for a review in the use of automatic rifles and live bullets by the police in mob or riot control. The police must be equipped with riot control gear (helmets, shields, rubber bullets, water cannons) and training.

On the Economic Governance and Management front, the country is making substantial efforts to improve fiscal transparency, including introduction of new and more comprehensive public financial management legislation, a strengthened system for controlling expenditure commitments, improved annual budget statements and voluntary participation in revenue reporting.

A number of challenges however remain. These include weaknesses in external and internal auditing, oversight, and incomplete fiscal reporting.

Whilst many believed that corruption was prevalent among politicians, the public hearing of the Public Accounts Committee on the Auditor General's Report has focused attention of pervasive corruption among civil and public servants. Stakeholders also admit that the issues raised by the Auditor General's Report are symptoms of systems failure as well as poor supervision by authorities. The upshot of these is that the Auditor General is seeing institutional and capacity growth.

On Corporate Governance, the private sector consultations with government had traditionally centered around improvements in procedures for doing business, provision of tax incentives and access to and cost of capital. But in recent times the private sector is lobbying for an inclusion in the annual budget process and this is receiving a hearing.

In the Socio-Economic Development front, stakeholders welcomed the provision of free health care delivery to pregnant mothers and the reduction in the incidence of guinea worm.

The Governing Council is particularly pleased with the dynamism and enthusiasm that citizens at the district level have welcomed the APRM principles of transparency, accountability, all-inclusiveness, and the active role being played to ensure the promotion of good governance.

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

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EXECUTIVE SUMMARY

This Report, which covers the period January – June 2008, is the third bi-annual to be submitted by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) since completion of review of Ghana in January 2006. It highlights the progress made in the implementation of the National Programme of Action under the four thematic areas of the APRM.

Progress in Implementation of the Programme of Action

Democracy and Good Political Governance

The National Lands Commission has been reconstituted and inaugurated to deal with the numerous challenges facing the land sector in the country.

The Chieftaincy Bill which seeks to consolidate, with amendments, the 1971 Chieftaincy Act (Act 370) to bring it to conform with the provision of the chieftaincy institution in the 1992 Constitution, was passed by Parliament on Friday, June 6, 2008.

To deepen the decentralization process, the Ministry for Local Government, Rural Development and Environment (MLGRDE), in collaboration with the Ministry of Finance and Economic Planning (MOFEP) has prepared an Intergovernmental Fiscal Framework which seeks to address the issue of revenue and expenditure assignment between the national and sub-national levels.

As part of the implementation of the Domestic Violence Act, the Ministry of Women and Children Affairs (MOWAC) has prepared the Plan for the implementation of the Domestic Violence Act.

As part of the Ministry of Justice's "Justice for All Project" a standing committee on remand prisoners was established in 2007. This resulted in the institution of a court of competent jurisdiction to review the cases of prisoners in one of the prisons (James Fort Prison).

Twenty-one (21) Community Mediation Centres (CMCs) have been set up countrywide to serve as new points of access to justice.

Economic Governance and Management

The economy continues to show resilience in the face of high fuel costs and increasing food prices.

Ghana has initiated fiscal policy measures to mitigate the escalating prices. The measures include waiving of levies on petroleum prices, as well as, a reduction in excise duties mainly on cereals and vegetable oils.

The number of job vacancies as advertised in the newspapers remained high for the first three months of 2008, despite the challenges facing enterprises as a result of rising fuel and utility prices.

The Communications Service Tax Act (CST Act) came into force on June 1, 2008.

Total domestic revenue amounted to GHC896.0 million (5.50 percent of GDP) compared to GHC746.42 million (5.34 percent) recorded for the same period in 2007. Tax revenue for the period (January – March 2008) amounted to GHC820.60 million (5.04 percent of GDP) compared to GHC697.64 million (4.99 percent of GDP).

For the first quarter of 2008, the wage bill (including pensions and gratuities and other wage related expenditure) amounted to GHC549.08 million (3.37 percent of GDP) as against GHC338.33 million (2.42 percent of GDP) recorded for the same period in 2007. This is 62.29 percent above the level for the same period in 2007.

The total public debt stock was equivalent to 46.7 percent of GDP at end of the first quarter of 2008 compared to 51.1 percent of GDP at the end of 2007.

Corporate Governance

Total market capitalization of the Ghana insurance industry has increased from GHC115 million to GHC150 million following the passage of the Insurance Act 2006 (Act 724).

In response to concerns over child labour issues, the government has established the National Programme for the Elimination of the worst forms of Child Labour in Cocoa (NPECLC).

The Ghana Investment Promotion Centre (GIPC) recorded a total of USD460.7 million in new investments in the first quarter of 2008 fiscal year. This is made up of USD442.6 million cash investments of which USD434.62 million constitutes reinvestments and USD7.98 million being

equity transfers. This has increased the country's investment portfolio by 50 percent compared to USD299.58 million reinvestments and USD7.04 million equity transfer recorded in 2007.

Current population access to electricity is estimated at over 54 percent.

Socio-Economic Development

A total of 1,551 households in 20 districts received social grants under the Livelihood Empowerment Programme.

Total public expenditure on primary education is almost 35 percent of total public expenditure on education.

Deliberate government policies have ensured that the Ministry of Education and Sports has achieved gender parity targets at the Junior High and Senior High Schools, though it missed the target for Primary. Gender Parity Index at Primary, JHS and SHS are 0.96, 0.92 and 0.83 respectively. The Ministry is, however, confident that there has been substantial enrolment in the current academic year and that the MDG target of gender parity by 2015 is on course.

On the quality of education, a target of 10 percent rise in the number of children in Primary 3 and Primary 6 passing English and Mathematics tests was set by MOES. The target of 10 percent was achieved for both subjects in Primary 6 but was missed for Primary 3.

Government in collaboration with the British Government has expanded health care delivery to pregnant women. Under the new arrangement, pregnant women will undergo prenatal, delivery and postnatal management free of charge.

A Science and Technology Research Fund (STREFUND) has been launched to provide supplementary funding to support basic and applied research in science and technology.

The Government of Ghana and Intel Corporation have launched "skool.com", an educational tool that will offer students and teachers the best on-line education. The 'skool.com.gh' portal will provide mathematics and science modules which have been tailored to suit the new Ghana Education Service curriculum under the education reform.

Challenges in the implementation of Programme of Action

There is increasing general concern among stakeholders on the spate of armed violence and armed robbery which occasionally lead to loss of life and property.

Police-civilian relationship has been deteriorating over the years. Stakeholders have indicated the need for a review in the use of semi-automatic and automatic rifles in riot control.

Chieftaincy conflicts continue to take lives, hobble economic activities to a halt and scare away investors.

The issue of Election of Metropolitan/Municipal/District Chief Executives has not been unresolved by Cabinet. Stakeholders also expressed concern about the resistance of some Chief Executives to the fiscal decentralization component of the Decentralization Policy.

Civil society organizations decried the deplorable state of the country's prisons and voiced frustration in getting access to the prisons.

The number of ministerial appointments is considered highly by stakeholders.

The Board of Serious Fraud Office (SFO) has not been constituted and this is hindering the review of its administrative procedures and guidelines.

The Asset Declaration Law does not facilitate the objective of curbing corruption in the country because of flaws and institutional handicaps in its implementation.

ABBREVIATIONS

ADR	Alternative Dispute Resolution
AGD	Attorney General's Department
A-GD	Auditor General's Department
APRM	African Peer Review Mechanism
AU	African Union
BoG	Bank of Ghana
CBOs	Community-Based Organisations
CHRAJ	Commission for Human Rights and Administrative Justice
CID	Criminal Investigations Department
CMCs	Community Mediation Centres
DOCs	District Oversight Committees
GoG	Government of Ghana
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NAPRM-GC	National African Peer Review Mechanism – Governing Council
NPECLC	National Programme for the Elimination of the worst forms of Child Labour in Cocoa
NPOA	National Programme of Action
PAC	Public Accounts Committee
SFO	Serious Fraud Office
UN	United Nations

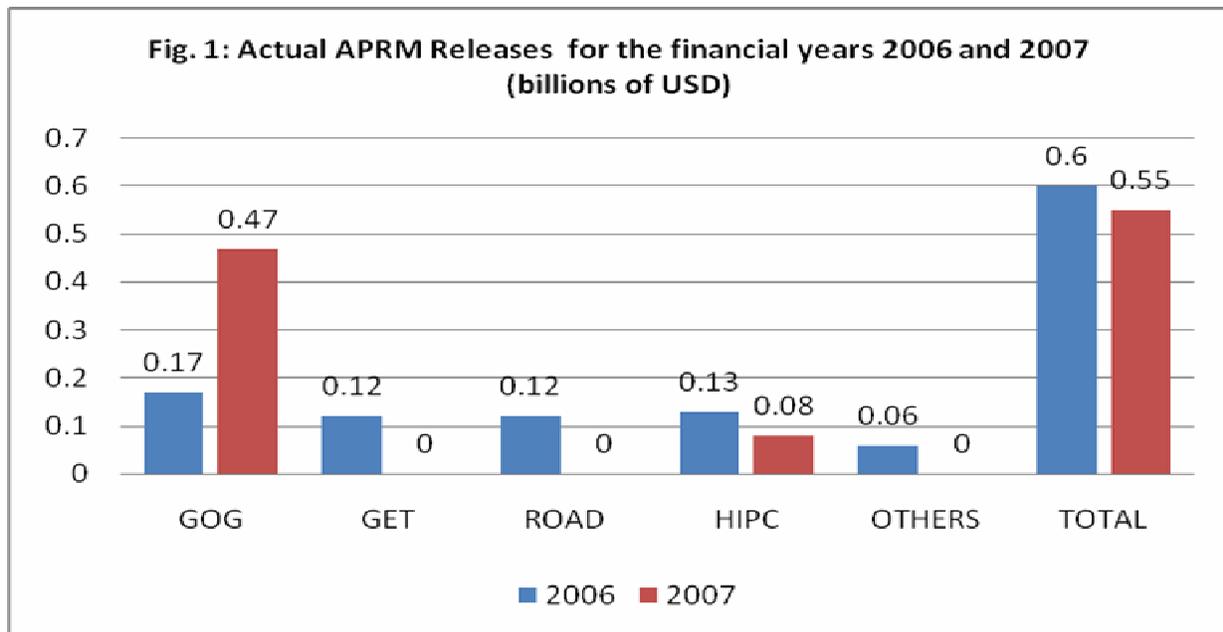
CHAPTER ONE

INTRODUCTION

This is the Third Bi-Annual Progress Report on the implementation of Ghana's National Programme of Action (NPOA) submitted by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) to the APR Panel in accordance with the APRM Reporting Standards. This report covers the period January – December 2008.

APRM and Financing of NPOA

Government continues to show commitment to the implementation of the National Programme of Action. Figure 1 shows releases from the Ministry of Finance and Economic Planning (MOFEP) towards the implementation of the National Programme of Action for 2006 and 2007.



Source: MOFEP, June 2008

Even though Government of Ghana financing increased from USD 171,922,000 in 2006 to USD 472,143,700 in 2007, total financing (because of unavailability of data from GET Fund and Road Fund) decreased from USD 596,557,400 in 2006 to USD 552,475,000 in 2007.

Decentralization of Governing Council Activities

The Governing Council continued to decentralize its activities to the districts. The decentralized activities are being implemented by the District Oversight Committees (DOCs). The number of DOCs increased from eight (8) in 2007 to forty-six (44) in the first half of 2008.

Below are the districts where DOCs have been inaugurated:

Upper West Region: - Wa Municipality, Jirapa, Wa West, Nadowli, Lawra, Wa East, Sisala East, Sisala West, Lambussie

Brong Ahafo Region: - Sunyani Municipality, Asunafo North, Asunafo South, Asutifi, Sunyani West, Tano North, Tano South, Berekum, Jaman North, Jaman South, Dormaa East, Dormaa West, Techiman, Wenchi, Tain, Nkoranza South, Nkoranza North, Kintampo North, Kintampo South, Pru, Sene, Atebubu

Central Region: - Cape Coast Municipality, Komenda-Edina-Eguafo-Abirem, Abura-Asebu-Kwamankese, Assin South, Mfantseman, Upper Denkyira

Greater Accra Region: - Dangme West, Dangme East, Ga West,

Western Region: Bibiani

Ashanti Region: - Asante Akyem

Volta Region: - Kadjebi

Methodology

The Governing Council maintained an open and bottom-up participatory approach in gathering information for the preparation of this report. Updates of progress in implementation of the Programme of Action was obtained from the Ministries, Departments and Agencies, as well as from private sector organizations. Citizen input was obtained from APRM workshops conducted in forty-four (44) districts which cover all the political, economic and social zones of the country.

CHAPTER TWO

DEMOCRACY AND GOOD POLITICAL GOVERNANCE

Introduction

Security of life and property concerns continues to feature high on the list of priorities for most Ghanaians. Daytime and night-time armed robberies and car snatching pose a threat to national security. Violent communal and chieftaincy conflicts continue to plague almost all the regions. Institutional capacity to fight corruption is being strengthened across many public institutions, but attitudinal behaviors are likely to hinder progress.

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

Land ownership and land registration

The National Lands Commission was reconstituted and inaugurated in May 2008 to deal with the numerous challenges facing the land sector in the country. The Commission is made up of representatives from all the regions of the country, as well as representatives from the National House of Chiefs, the Environmental Protection Agency, the Ghana National Association of Farmers and Fishermen, the Town and Country Planning Department, the Ghana Institute of Surveyors and the Ministry of Lands, Forestry and Mines.

As part of efforts to promote the peace development of local communities and minimize land related disputes and conflicts, the Land Administration Project (LAP) is expanding the establishment of pilot Customary Land Secretariats.

Security of Life and Property

Whilst stakeholders lauded the efforts being made by the Ghana Police Service to ensure safety of life and property, there is increasing concern over the increased incidence of armed robbery which leads to loss of life and property.

Police – Civilian Relationship

Police – civilian relationship has been deteriorating over the years. A number of botched mob controls resulted in a number of civilian deaths. Stakeholders indicate there is a need for a review in the use of semi-automatic rifles for riot control.

The period also saw the Kojo Armah Committee investigating the loss of missing cocaine at the Exhibition Room at the CID Headquarters. Stakeholders are increasingly getting worried over the perceived complicity of the security forces in drug-related cases.

Chieftaincy

The Chieftaincy Bill which seeks to consolidate, with amendments, the 1971 Chieftaincy Act (Act 370) to bring it in conformity with the provision of the chieftaincy institution in the 1992 Constitution, was passed by Parliament on Friday, June 6, 2008.

The new Chieftaincy Act provides chiefs in the country with the legal power to arbitrate on disputes. It is envisioned that this provision would assist in resolving the numerous disputes plaguing the chieftaincy institution.

Kusasis and Mamprusis: An ethno-political conflict?

The long standing dispute between the Kusasis and Mamprusis in the Bawku Municipality erupted again and nearly brought the municipality to its knees, scaring away public workers and virtually bringing economic activities to a halt.

Stakeholders laud the efforts of the National Peace Council to find a lasting solution to the almost fifty (50) year old conflict.

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

Voter Registration

Voter Registration Database

The Electoral Commission (EC) assuaged the fears of Ghanaians on the issue of a “bloated voters register” when they admitted that there were operational errors in the generation of the voter’s statistics supplied to the National Democratic Congress, but that the EC’s voter registration database was clean and not bloated.

Stakeholders welcomed the efforts of the Inter-Party Advisory Committee (IPAC) in working to find solutions to election-related challenges.



Members of Asunafo North, Asunafo South and Asutifi District Oversight Committees

Electoral Competition

As the December 2008 elections approach, a number of institutions are focusing attention on issues of relevance to Ghanaians. Presidential Debates and Forums organized by organizations such as the Institute of Economic Affairs (IEA) and the Association of Ghana Industries (AGI) are allowing presidential candidates to present their visions to the electorate.

Stakeholders have called on the National Commission on Civic Education (NCCE) and all political parties to continue with the education of the electorate on political tolerance and freedom of expression. The call comes on the heels of scuffles between the youth of some political parties.

Decentralization

The Comprehensive Decentralization Policy Document is being finalized for submission to Cabinet. A number of issues, notably, the election of District Chief Executives remain

unresolved. Stakeholders have also expressed concern about the delay in the implementation of the fiscal decentralization component.

The Ministry for Local Government, Rural Development and Environment (MLGRDE) in collaboration with the Ministry of Finance and Economic Planning (MOFEP) has prepared an Intergovernmental Fiscal Framework which seeks to address the issue of revenue and expenditure assignment between the national and sub-national levels. The Framework and its Implementation Plan have been submitted to Cabinet for endorsement.

The Legislative Instrument to transfer functions, resources and staff to District Assemblies and Regional Coordinating Councils as a separate Local Government Service has been submitted to the Attorney General's Department for onward submission to Parliament.

The institutional capacities of five (5) Metropolitan/Municipal Assemblies of Accra, Tema, Shama-Ahanta-Metropolitan Assembly (SAEMA), Kumasi and Tamale are being built in the area of financial management.

Objective 3: Promote and Protect Civil, Political, Economic, Social and Cultural Rights

Access to Justice

The Ministry of Women and Children Affairs (MOWAC) has completed the Plan for the implementation of the Domestic Violence Act.

As part of the Ministry of Justice's "Justice for All Project", a standing committee on remand prisoners was established in 2007. This resulted in the institution of a court of competent jurisdiction to review the cases of prisoners in one of the prisons (James Fort Prison). The court duly released some remand prisoners. The second phase of the Project is expected to take off after a review of the first exercise.

Community Mediation Centres (CMCs) have been set up countrywide to serve as new points of access to justice. A total of 21 CMCs have been established as at January 2008.

Civil society organizations have voiced frustration in getting access to the country's prisons.

Prisoners get door-to-door justice delivery

In an effort to decongest the country's overpopulated prisons, the Ministry of Justice has initiated the Justice for All Project to review the cases of remand prisoners. Conditions in Ghana's prisons continue to be harsh and sometimes life threatening for the over 14,000 prisoners in the 27 institutions of the Ghana Prison System.

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

Parliament Oversight Functions

The Public Account Committee (PAC) of Parliament continued to demand accountability from public actors during the period. Stakeholders praised the efforts of both the Auditor-General's Department (A-GD) and PAC in ensuring prudent management and utilization of public funds.

Audit of Pre-University Educational Institutions

The Public Accounts Committee of Parliament has directed the disciplinary committee of the Ghana Education Service (GES) to conduct investigations into acts of impropriety levelled against some members of the Service in the Report of the Auditor-General on pre-university educational institutions.

Ministerial Appointments

There has been concern from stakeholders on the increase in the number of ministerial appointments which currently stands at 89.

Objective 5: Ensure Accountable and Efficient Public office Holders and Civil Servants

Improving Service Delivery in Public Services

The Ministry of Public Sector Reform has developed a Draft Charter Handbook which provide reading material that public entities can refer to and consult with ease when developing their Citizens'/Service Charters.

Objective 6: Fight corruption in the public sphere

Corruption

The legislative framework on corruption for Ghana has been reviewed using the UN and AU Conventions against Corruption as the standard.

Correction

Ghana has ratified the UN Convention Against Corruption



The Ministry of Justice has prepared a matrix to the UN Anti-Corruption Convention as well as an index of the laws relating to corruption. An Anti-Corruption Manual has been prepared and is currently undergoing editing. A Handbook on Corruption which includes both an index to anti-corruption laws and explanatory notes as well as decided cases is being prepared by the Attorney-General's Department.

A substantive Chief Executive Officer has been appointed for the Serious Fraud Office (SFO) but the Board to oversee the activities of the SFO has not been constituted. The lack of a Board is hindering the review of the administrative procedures and guidelines for the SFO.

The Bill on Economic and Organised Crime has been put on hold by Cabinet to enable more consultations and deliberations to be carried out.

Asset Declaration

Stakeholders still contend that the Asset Declaration Law does not facilitate the objective of curbing corruption in the country because of flaws and institutional handicaps in its implementation. Notably, stakeholders indicated that there was the need for declarations to be made public and for the Auditor-General's Department to design and implement a verification system. Additionally, there is the need for specific sanctions to be clearly outlined. Stakeholders called on the Auditor-General's Department to embark on public education and also to clarify the issue of gifts in the law to be clarified.

Objective 7: Promote and Protect the Rights of Women

Women's Rights

There still exist cultural practices that are harmful to the advancement of women. A notable case was the widows of a dead chief who have been virtually "locked up" for almost nine years.

Violence against women is still common in Ghana in spite of the passage of the Domestic Violence Act and its attendant sensitization and education.

Objective 9: Promote and Protect the Rights of Vulnerable Groups including Internally Displaced Persons and Refugees

Rights of the vulnerable and minority

The issue of voting rights for prisoners on remand and those awaiting trial came to the fore during the period under review. A number of arguments have been advanced including the fact that a person who has not been convicted of a criminal offence shall not be treated as convicted person.

Rights of Refugees

The need for refugees to respect the laws of the countries in which they reside was tested in March 2008 when a small group of Liberian refugees staged a sit-in to protest the relief package the U.N. refugee agency was offering them to return home.

The refugees were offered a free trip and USD100 by the UN refugee agency to resettle in Liberia, but they refused and said the amount was not enough. The protest led to the arrest of about some 200 refugees for violating the public order law. About some 30 refugees have since being deported for negotiations between the governments of Ghana and Liberia.

CHAPTER THREE

ECONOMIC GOVERNANCE AND MANAGEMENT

Introduction

The government in response to the current inflation hikes (currently at 16.88 percent), has initiated fiscal policy measures to complement the recent monetary tightening stance by the Bank of Ghana in which the prime rate was increased from 14.25 percent to 16 percent. To improve revenue collection, a Communication Tax Act was passed to levy charges on communication services.

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

Escalating Prices

Ghana has initiated fiscal policy measures to mitigate escalating prices. The measures include waiving of levies on petroleum prices, as well as a reduction in excise duties mainly on cereals and vegetable oils.

Fiscal Package to Ease Escalating Prices

Some of the key highlights of the fiscal intervention package include:

- Removal of import duties on selected cereals such as rice, yellow corn, and vegetable oils;
- Removal of excise duty and debt recovery levy on premix oil, gas oil, kerosene, and marine gas oil;
- Subsidy to the cost of production of electricity for domestic consumers;
- Subsidy to the cost of fertilizers for farmers;
- Subsidy to the cost of tractors for farmers

Employment

Job vacancies, as advertised in the newspapers, remained high for the first three months of 2008 despite the challenges of rising fuel and utility prices. The number of jobs advertised was 4,017 compared to 1,524 recorded for the first three months of 2007, with most of the vacancies in the services sector.

Total social security contribution for the first quarter of 2008 increased by 20.8 percent compared to contributions made in the first quarter of 2007. This may be as a result of more firms being established or firms/enterprises that formally were not paying social security for workers signing onto the scheme or existing firms hiring more workers.



Chairman of NAPRM-GC inaugurating the Akuapem North DOC

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

Provision of information

Whilst websites have been established for all line Ministries, updates of information for public use have been very limited with the exception of the Ministry of Finance and Economic Planning.

The Bank of Ghana is serializing the publications of contact details and bank rates of all banks in the national dailies for the information of the general public.

Stakeholders have called the government to pass the Freedom of Information Bill to further deepen transparency of government policies.

Objective 3: Promote Sound Public Finance Management

Tax Administration

The Communications Service Tax Act (CST Act) came into force on June 1, 2008. The CST is a tax levied on charges for the use of communications services provided by communications service operators.

As part of measures to ameliorate the hardship of the rising food prices, Parliament amended and passed the Customs and Excise (Duties and Other Taxes) Amendment Bill to remove the import duty on the crude form of vegetable oil. This is to reduce the cost of locally manufactured vegetable oil products.

Revenue Mobilization

Data from the Bank of Ghana reveals that, total revenue and grants for the first quarter of 2008 amounted to GHC1,121.45 million (6.88 percent of GDP) compared with GHC1,017.62 million (7.28 percent of GDP) for the corresponding period in 2007. The year-on-year growth was 10.2 percent as against the expected annual growth of 12.93 percent.

Total domestic revenue amounted to GHC896.0 million (5.50 percent of GDP) compared to GHC746.42 million (5.34 percent) recorded for the same period in 2007.

Tax revenue for the period (January – March 2008) amounted to GHC820.60 million (5.04 percent of GDP) compared to GHC697.64 million (4.99 percent of GDP).

Wage Bill

Government's wage bill increased by 21 percent in 2007. Civil Servants Association is in negotiation with government over salary increase following the announcement of the new minimum wage.

Minimum Wage

Civil Servants Association have indicated that they are not “fighting” for a percentage increase in salaries, rather they are asking government to ensure that the increment in the minimum wage from GHC1.60 to GHC2.25 is reflected in their basic salary.

For the first quarter of 2008, the wage bill (including pensions, gratuities and other wage related expenditure) amounted to GHC549.08 million (3.37 percent of GDP) as against GHC338.33 million (2.42 percent of GDP) recorded for the same period in 2007. This is 62.29 percent above the level for the same period in 2007.

Stakeholders welcomed the proposal to pay salaries through the E-zwich system which has the potential to reduce the scourge of ghost names on public expenditure payroll.



Discourage the use of cash

The Ghana Interbank Payment and Settlement System (GhIPSS) is being rolled out. Intense education has been conducted in both the electronic and print media on the E-zwich.

Debt Management

The stock of domestic debt (excluding noninterest bearing revaluation bonds and TOR Bonds) was 12.4 percent of GDP at the end of 2007. This ratio declined to 12.2 percent of GDP in January 2008, but has since increased to 13.2 percent at the end of the first quarter of 2008.

The stock of domestic debt (gross) at the end of 2007 was 26.5 percent of GDP. This ratio declined to 23.4 percent of GDP by end of January 2008 but increased through February to 24.2 percent of GDP by end of the first quarter of 2008.

The stock of external debt at the end of 2007 was 24.6 percent of GDP. The ratio at the end of the first quarter of 2008 declined to 22.5 percent of GDP.

The total public debt stock was equivalent to 46.7 percent of GDP at end of the first quarter of 2008 compared to 51.1 percent of GDP at the end of 2007.

Objective 4: Fighting Corruption and Money Laundering

Money Laundering

Selected personnel of the Ghana Police Service (GPS), the Bureau of National Investigation (BNI) and the Serious Fraud Office (SFO) underwent a week-long training workshop on money laundering as part of a French Government support programme to GPS.

Internal Audit Agency

At the end of the first quarter, the number of established Internal Audit Units in the Ministries, Departments and Agencies (MDAs)/Metropolitan, Municipal and District Assemblies (MMDAs) had increased from 58 in 2005 to 239. Internal Audit Charters have also increased from 7 in 2005 to 78 in (March 2008), also Audit Report Implementation Committees have increased from 16 in 2005 to 151 (March 2008)

CHAPTER FOUR

CORPORATE GOVERNANCE

Introduction

Ghana has been experiencing increased global attention as a result of hosting this year's Africa Cup of Nations and the UNCTAD XII/WAIPA meetings. Foreign Direct Investments (FDIs) in the first three months totaled USD460.7 million.

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

Insurance

Total market capitalization of the Ghana insurance industry has increased from GHC115 million to GHC150 million following the passage of the Insurance Act 2006 (Act 724) which seeks to restructure insurance firms and strengthen their solvency and financial soundness.



Inauguration Workshop for Sunyani

ILO Conventions

In response to concerns over child labour issues, the government has established the National Programme for the Elimination of the worst forms of Child Labour in Cocoa (NPECLC). It is envisaged that the programme will spill over to other sectors of the economy after the initial lessons learnt from the cocoa sector. A Child Labour Unit has been established at the Ministry of Manpower, Youth and Employment (MMYE).

Investment Law

The Ghana Investment Promotion Council has not completed the review of the nation's investment laws to link all sectors and also to conform to modern principles and international best practices.

The review is expected to deal with all inefficiencies and irregularities experienced in Ghana's investment activities. It will also address the difficulties brought by the influx of illegal foreign operators into the country's retail sector.

Foreign Direct Investment

The Ghana Investment Promotion Centre (GIPC) recorded a total of USD460.7 million in new investments in the first quarter of 2008 fiscal year. This is made up of USD442.6 million cash investments of which USD434.62 million constitutes reinvestments and USD7.98 million being equity transfers. This has increased the country's investment portfolio by 50 percent compared to USD299.58 million reinvestments and USD7.04 million equity transfer recorded in 2007.

Out of the 92 registered projects, 56 representing 60.9 percent of the total number are new wholly owned foreign enterprises, with the remaining 36, representing 39.1 percent being joint ventures between Ghanaians and other foreign partners.

Energy

Current population access to electricity is estimated at over 54 percent.

National Electrification Scheme	
Project	Number of Towns
NEP	430
Other Projects	405
SHEP 1	50

SHEP 2	250
SHEP 3 Phase 1	280
SHEP 3 Phase 2	494
SHEP 3 Phase 3	700
SHEP 4 Phase 1	193
Volta Lake Resettlement Township	144
Western Region Electrification Project	108
Nyinahin Project	24
Amansie Project	10
Other Electrification Projects	364

*Source: Ministry of Energy, May 2008
(SHEP – Self-Help Electrification Project)*

The Bui Hydro Electric Power (HEP) project has commenced and it is expected to add 400MW to the energy pool by 2012. In addition

Communication

The National Communication Authority (NCA) is facing challenges in its regulatory role especially as it relates to Internet Services Providers (ISPs). ISPs have a complaint against the regulatory regime established by the NCA, which they say does not support fair and transparent management of the country's frequency spectrum.

National Communication Authority and Internet Service Providers

A number of observations were made in a research study released by the Ghana Internet Service Providers Association (GISPA). These included:

- The lack of a transparent frequency spectrum management regime;
- Lack of an effective dispute resolution mechanism;
- Over liberalization of the provision of internet services that the NCA is unable to limit the number of service providers; and its inability to enforce compliance to key performance indicators;
- Lack of regulatory guidelines for the imposition of restrictions on the commercial deployment of Voice over Internet Protocol (VoIP) by ISPs;
- Improper pricing of access to bandwidth, copper, fibre, submarine and other infrastructure

The NCA has awarded Globacom, a Nigerian mobile operator, a mobile cellular license to operate mobile telecommunication services in Ghana following an international contest. This brings to six the number of companies with licenses to operate mobile services.



Members of the Wa Municipal Oversight Committees

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

Good Business Ethics

The Ghana Business Code to regulate the activities of enterprises in Ghana was launched in October 2006. As at the first half of the year 80 companies have signed onto the Code, up from the 20 that signed on in 2007. The Code has its prescriptions focused on human rights, Labour relations, environment and anti-corruption.

Ghana Standards Board published its Client Service Charter in April 2008. Twenty-four Ministries, Departments and Agencies have also signed and launched their Citizens' Charters.

To ensure that the Citizens' Charters are operational and functional, Government has proposed the publication of a Performance Ranking Table and the rewarding of high performers and sanctioning of non-performers.

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

Credit Reference Bureau

Following the passage of the Credit Reporting Act 2007 (Act 726) which provides for the licensing of private credit reference bureaus and gives Bank of Ghana the authority to set up public ones, XDS DATA has been granted a license by BOG to operate as a private credit reference bureau in the country.

CHAPTER FIVE

SOCIO-ECONOMIC DEVELOPMENT

Introduction

A number of avenues have been created for civil society input into the national discourse. The Livelihood and Empowerment Against Poverty Programmeme (LEAP) has been rolled out to ameliorate the hardships of the very poor in a number of districts.

Objective 1: Promote Self-reliance in Development and Build capacity for Self-Sustaining Development

Opening up of space for civil society in national policies

There has been marked improvement in civil society involvement in shaping government policies. Increased civil society participation in the budget process is evidenced by the number of memoranda submitted during budget preparation stages.

National Economic Dialogue

The National Economic Dialogue (NED) seems to have lost steam. Nevertheless, a number of platforms have been created for civil society input into the socio-economic policies of government. The line ministries invite memoranda from civil society to influence policy direction (as exemplified by the Ministry of Finance and Economic Affairs). The private sector (Private Enterprise Foundation, Association of Ghana Industries, etc.) hold monthly meetings with the Ministry of Trade, PSD and PSI to discuss private sector concerns.

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

Social Protection

The Implementation Design for the Livelihood Empowerment Against Poverty Programmeme (LEAP) has been completed. Additionally, LEAP Implementation Manual and Information, Education and Communication (IEC) materials have been developed. Institutional capacity assessment has been carried out for the Department of Social Welfare. A Memorandum of

Understanding (MOU) has been signed between Ghana Post and Ministry of Manpower, Youth and Employment (MMYE) for the LEAP Grant Payment.

As at March 2008, a total of 1,551 households in 20 districts received social grants. Payments to Bawku has not been effected due to the conflict.



Members of the KEEA District Oversight Committee

Objective 3: Strengthen Policies, Delivery Mechanisms and Outcomes in Key Social Areas including Education and Combating HIV/AIDS and other Communicable Diseases

Education

Total public expenditure on primary education is almost 35 percent of total public expenditure on education.

Deliberate government policies have ensured that the Ministry of Education and Sports has achieved gender parity targets at the Junior High and Senior High Schools, though it missed the target for Primary. Gender Parity Index at Primary, JHS and SHS are 0.96, 0.92 and 0.83

respectively. The Ministry is, however, confident that there has been substantial enrolment in the current academic year and that the MDG target of gender parity by 2015 is on course.

On the quality of education, a target of 10 percent increase in the number of children in Primary 3 and Primary 6 passing English and Mathematics tests was set by MOES. The target of 10 percent was achieved for both subjects in Primary 6 but was missed for Primary 3.

School Feeding Programme Challenges

The NEPAD/Ghana School Feeding Programme is an initiative to boost the New Education Reform Programme since it targets deprived pupils who have no access to food during school periods. Two years on, the programme has reached about 500,000 pupils in 975 schools across the country.

The programme has, however, being beset by a number of challenges:

- Capacity at the School Feeding Programme Secretariat and at the operational structures (quality and quantity of personnel)
- Misdirecting of feeding materials to unassigned destinations
- Poor procurement procedures
- Inflation of enrolment figures by school authorities

The Auditor-General has since instituted a probe into the operations of the Ghana School Feeding Programme.

Health

As part of efforts to reduce maternal and child mortalities, government is encouraging pregnant women to seek medical care under the National Health Insurance Scheme. This has been further deepened with a 42 Million Euro grant from the British Government which enable pregnant women to access free expanded health care delivery. Under the new arrangement, pregnant women will undergo prenatal, delivery and postnatal management free of charge regardless of whether they have signed onto the NHIS or not.

Developments on the NHIS Front

Progress

1. Growth of District Mutual Health Insurance Schemes

- Number of districts with Mutual Health Insurance Schemes has increased from 127 (January 2006) to 145 (December 2007)
- Ten Zonal offices have been established, one in each of the 10 regions

2. Penetration Rate

- Total registered members have increased from 4,400,279 (2005) to 11,279,678 (December 2007)
- Total Active Membership has increased from 3,233,354 in 2005 to 9,773,100 (December 2007)
- Total number of ID card bearers has increased from 1,388,662 in 2005 to 8,203,855 (December 2007), representing 42 percent of population

3. Utilization of Health care Services

- OPD attendance increased from 2,951,484 in 2005 to 6,100,000 (September 2007)
- IPD increased from 167,607 in 2005 to 364,228 (September 2007)

Challenges

Stakeholders have highlighted a number of challenges:

- Delays in securing ID cards
- Non-portability of the ID cards thereby limiting access to health services to one's district of registration
- Inability of single mothers to access health care for their children due to the refusal of NHIS officials to register them
- NHIS card bearers face delays at health facilities and there is a perception non-card holders are given preferential treatment

The country made significant progress in the fight against guinea worm infestation. From a reported 4,136 cases in 2006, the number of infestations dropped to 3,358 cases in 2007 representing a decrease of 19 percent. However, in the by June 2008 only 153 cases have been reported, representing a decrease of 91 percent. To ensure the country achieves its goal of zero cases of guinea worm diseases, the Carter Center has made available USD1.45 million to support the efforts of government.

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

Science and Technology

A Science and Technology Research Fund (STREFUND) has been launched.

The Government of Ghana and Intel Corporation have launched "skool.com", an educational tool that will offer students and teachers the best on-line education. The 'skool.com.gh portal'

will provide mathematics and science modules which have been tailored to suit the new Ghana Education Service curriculum under the education reform.



M&E Capacity Building Workshop for Members of District Oversight Committee