



REPUBLIC OF GHANA

SIXTH ANNUAL PROGRESS REPORT

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NATIONAL AFRICAN PEER REVIEW MECHANISM

- GOVERNING COUNCIL

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NOTE VERBALE

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

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ACRONYMS

AAL	Affirmative Action Legislation
APR	Annual Progress Report
APRM	African Peer Review Mechanism
ADR	Alternative Dispute Resolution
AGI	Association of Ghana Industries
ARICS	Audit Report Implementation Committees
AU	African Union
BOG	Bank of Ghana
BPEMS	Budget and Public Expenditure Management System
BUSAC	Business Advisory Centre
BV	Biometric Voter
BVR	Biometric Voter Register
CCT	Coalition of Concerned Teachers
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CHPS	Community Health Planning Services
CHRAJ	Commission for Human Rights and Administrative Justice
CID	Criminal Investigations Department
CIDA	Canadian International Development Agency
CLOSSAG	Civil and Local Government Staff Association of Ghana
CPP	Convention Peoples Party
CRC	Convention Right of the Child
CSOs	Civil Society Organizations
DACF	District Assembly Common Fund
DV	Domestic Violence
DOVVSU	Domestic Violence and Victim Support Unit
DVA	Domestic Violence Act
EC	Electoral Commission
ECA	Economic Commission of Africa
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
EOCO	Economic and Organized Crime Office
FDB	Food and Drugs Board
FDI	Foreign Direct Investment
FIC	Financial Intelligence Centre
GCAA	Ghana Civil Aviation Authority
GER	Gross Enrolment Ratio

GDOs	Gender Desk Officers
GDP	Gross Domestic Product
GHOPSA	Ghana Hospitals Pharmacists Association
GIBA	Ghana Indigenous Business Association
GIPC	Ghana Investment Promotion Council
GIR	Gross International Reserves
GIS	Ghana Immigration Service
GIFMIS	Ghana Integrated Financial Management Information System
GMA	Ghana Medical Association
GNFS	Ghana National Fire Service
GPI	Gender Parity Index
GPS	Ghana Police Service
GRA	Ghana Revenue Authority
GRSCDP	Gender Responsive Skills and Community Development Project
GRB-MU	Gender Responsive Budgeting Monitoring Unit
GSFP	Ghana School Feeding Program
GSS	Ghana Statistical Service
GSGDA	Ghana Shared Growth and Development
HSWIM	High-Speed Weigh-In-Motion
ICAG	Institute of Chartered Accountants, Ghana
ICT	Information, Communication Technology
IFRS	International Financial Reporting Standards
IGF	Internally Generated Funds
ITN	Insecticide Treated Net
IPAC	Inter-Party Advisory Committee
ISO	International Standard Organization
KIA	Kotoka International Airport
LAP	Land Administration Project
LGS	Local Government Service
LI	Legislative Instrument
MASLOC	Microfinance and Small Loans Centre
MCC	Ministry of Chieftaincy and Centre
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies
MOH	Ministry of Health
MOWAC	Ministry of Women and Children Affairs
MOFA	Ministry of Food and Agriculture
MOJ	Ministry of Justice
MOFEP	Ministry of Finance and Economic Planning

MLGRD	Ministry of Local Government and Rural Development
MPC	Monetary Policy Committee
MRH	Ministry of Roads and Highways
MSMEs	Medium, Small and Micro Enterprises
MTEF	Medium Term Expenditure Framework
NAGRAT	National Association of Graduate Teachers
NER	Net Enrolment Ratio
NEPAD	New Partnership for African's Development
NCCE	National Commission for Civic Education
NDPC	National Development Planning Commission
NDC	National Democratic Congress
NHIS	National Health Insurance Scheme
NIA	National Identification Authority
NLC	National Labour Commission
NPC	National Peace Council
NPA	National Procurement Authority
NPP	New Patriotic Party
NRSS	National Roads Safety Strategy
PAC	Public Accounts Committee
PFM	Public Finance Management
POTAG	Polytechnic Teachers Association of Ghana
PHC	Population and Housing Census
PNC	Peoples National Congress
PURC	Public Utilities Regulatory Commission
RCCs	Regional Coordinating Councils
RGD	Registrar General's Department
SME	Small and Medium-Size Enterprise
SOP	Standard Operation Procedures
SSSP	Single Spine Salary Policy
SSSS	Single Spine Salary Structure
UN	United Nations
USD	United States of America Dollar
UTP	Urban Transport Project
VPA	Voluntary Partnership Agreement
VTMIS	Vessel Traffic Management Information System

FOREWORD

This is the Sixth Annual Progress Report submitted by the National African Peer Review Mechanism – Governing Council to the APR Panel as part of the reporting obligations of the APRM. The Report covers the period January – December 2011 and provides an overview of Ghana’s progress in the implementation of the National Programme of Action.

In the period under review the Council implemented the District APRM Governance Assessment Project in forty districts as part of efforts to improve ownership and participation of civil society actors in local governance assessments. The report of the Governance Assessment Project is available at the Council’s website.

The period under review witnessed an improved macro economic situation as a result of the government’s multi-year macro economic stabilization programme aided by positive terms of trade and favourable agricultural production.

The Council applauds government for the implementation of the Single Salary Spine Policy which has improved the remuneration of public sector workers. Council has been monitoring the effects that the implementation of the policy is having on socio-economic development. Council acknowledges that the implementation of the policy is not only impacting efficient budget execution and macroeconomic stability, it is also affecting delivery of quality public expenditure in such vital services as education and health.

As a people, Ghanaians have always enjoyed and protected our freedom to freely express ourselves on development and political issues. Council notes with concern that the use of intemperate language by members of political parties on the airwaves threatens the peace we have enjoyed as a people. Council is also worried that the selective use of section 208 of the 1960 Criminal Code would stifle the exercise of the freedom of expression.

The agreement reached between the Electoral Commission and the political parties to use Biometric Voter (BV) cards in the 2012 general elections is a healthy development. It is the hope of the Council that the political parties would actively educate their members to ensure a smooth registration exercise in 2012. The adoption of a Code of Conduct by the political parties to guide their behavior and regulate their conduct is applauded. The Council urges all political parties to respect the committee established to enforce the tenets outlined in the Code of Conduct.

The year under review also witnessed an agitated debate on the subject of homosexuality. Whilst Council frowns on persons who harass and maltreat homosexuals, Council joins

the call by stakeholders for a clear legal position to guide society's treatment of gays and lesbians.

Council encourages Parliament to pass the Freedom of Information Bill currently before it.

Council looks forward to institutional reforms that would enable government to tackle the menace of corruption that is poised to destroy the moral and economic fabric of this country. Council urges all Ghanaians to join in the fight against this canker.

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ACKNOWLEDGEMENTS

This report was prepared by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) under the overall leadership and guidance of Rev. Prof. Samuel Kwasi Adjepong, the Chairperson of the Council.

Information for the report was provided by Ministers and Chief Executives from the following ministries, departments and agencies: Finance and Economic Planning, Education, Health, Local Government & Rural Development, Communication, Energy, Women and Children Affairs, Roads and Highways, Trade and Industry, Chieftaincy and Culture, Bank of Ghana, Transport, Ghana Police Service, Ghana Prison Service, Ghana Statistical Service, National Procurement Authority, Internal Audit Service, Audit Service, National Labour Commission, Community Water and Sanitation Agency, Domestic Violence and Victim Support Unit, National Commission on Civic Education, National Identification Authority, Ghana Standards Board, National Health Insurance Scheme, Ghana School Feeding Programme, Local Government Service Secretariat, National Insurance Commission, Export Development & Investment Fund and Ghana AIDS Commission.

The report benefitted from a national validation held at Erata Hotel in Accra on 14 June 2012 at which participants made useful suggestions and recommendations which enriched the final report. Participants at the validation workshop comprised a broad range of stakeholders including representatives of the institutions listed above and civil society organizations (Third World Network, Ghana Anti Corruption Coalition, Commonwealth Human Rights Initiative, Ghana Trades Union Congress, Ghana Chamber of Mines).

PART A

EXECUTIVE SUMMARY

1.0 Introduction

This is the Sixth Annual Progress Report submitted by the National African Peer Review Mechanism – Governing Council (NAPRM-GC) to the APR Panel as part of the reporting requirements of the African Peer Review Mechanism (APRM). The report covers the period January – December 2011 and provides an overview of Ghana’s progress in implementing the National Programme of Action.

The Report is anchored on the following themes:

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

2.0 Democracy and Good Political Governance

2.1 Entrenching Constitutional Democracy and the Rule of Law

Whilst the country has signed and ratified most of the major conventions and treaties against discrimination, women representation remains lower than the 40 percent target. The country does not have a legal framework to enforce the Affirmative Action (AA) Policy.

The Electoral Commission and political parties agreed to use biometric voter (BV) cards for the 2012 general elections.

As part of efforts to deepen the decentralization process, the Ministry of Local Government and Rural Development (MLGRD) and the Metropolitan, Municipal and District Assemblies commenced the implementation of the composite budget.

2.2 Reduce Inter - and Intra - State Conflicts

The country continues to remain an oasis of peace in the sub-region though pockets of flash points have the potential to overturn the peace enjoyed by Ghanaians. The primary causes of these conflicts remain electoral, chieftaincy and land.

The district assembly elections conducted during the year were generally peaceful and uneventful, though there were some infractions at a few polling stations between supporters of the two main political parties. A Code of Conduct which stipulates rules of engagement, acceptable behavior and legitimate electoral process was adopted by all the major political parties to regulate their conduct in the political arena.

The Ministry of Chieftaincy and Culture documented 70 lines of succession for chiefs out of an estimated 265 across the country. Eleven out of the 70 lines of succession have been legislated, and another 17 verified and validated and their Legislative Instruments drawn and submitted for verification.

The second phase of the Land Administration Project was launched. The final draft of the new Land Act was completed and submitted to the Attorney-General's Department. The problem of land guards harassing land and home owners persists in some parts of regional capitals.

2.3 Upholding the Separation of Powers

Parliament initiated a number of programmes and projects aimed at providing improved processes, procedures and logistics for efficient service delivery and to strengthen its relationship with national institutions and other stakeholders.

Ghanaian courts acted with increased autonomy during the year even though corruption remained a problem. Scarce resources compromised the judicial process, and poorly paid judges are tempted with bribes.

2.4 Promotion and Protection of Civil and Political Rights

Ghanaians continued to enjoy their freedoms of speech and association. Threats to freedom of expression increased with the use of intemperate language, insults and sometimes assault on persons presenting divergent views. The selective use of section 208 of the 1960 Criminal Code by the police further reinforced the fear of individuals from freely expressing themselves.

Sustained efforts by stakeholders backed by the relevant legislations resulted in improved changes in attitudes of people towards such practices as ritual servitude: trokosi, witches and witches camps, and female genital mutilation (FGM).

There was a lot of public debate on the issue of homosexuality in Ghana. The 1992 Constitution does not explicitly say that homosexuality is illegal, but section 104(1)(b) of the Criminal Code regards “unnatural carnal knowledge” as a misdemeanour. During the year gays and lesbians were harassed, arrested, mistreated and imprisoned under the interpretation that homosexuality was “unnatural”. There was a call for a clear legal position to guide society’s treatment of gays and lesbians.

The Right to Information (RTI) Bill was laid before Parliament.

2.5 Accountable, Efficient and Effective Public Service Delivery

Ghana commenced the implementation of the new Civil Service Medium Term Improvement Programme. Very little progress was, however, made in the establishment of such key institutions – Civil Service Committee on Administrative Reforms, Reform Coordinating Unit, and the Monitoring and Evaluation Unit.

The Single Spine Salary Policy entered its second year of implementation. As at the end of December 2011 about 97 percent of public sector workers had been migrated onto the Single Spine Salary Structure.

2.6 Promotion and Protection of Women Rights

Whilst there have been significant sensitivity towards gender issues, the country has not fared well in upholding the rights of women. The Ministry of Women and Children

Affairs initiated processes to develop a new National Gender Policy which would provide a comprehensive framework for incorporating gender awareness approaches into all spheres of national development.

The government initiated the Gender Responsive Skills and Community Development Project to address gender inequalities to promote equitable socio-economic development.

2.7 Promotion and Protection of Rights of Children and Young Persons

The implementation and enforcement of key legislations and the Youth Policy have been fraught with challenges as every institutions which promotes and protects the rights and welfare of children faced serious resource and capacity challenges.

The absence of a Child Protection Policy is affecting the effective implementation of the Children's Act 560.

2.8 Vulnerable Groups, Including Internally Displaced Persons and Refugees

The country increased its capacity to combat trafficking. A draft Legislative Instrument (LI) on the Human Trafficking Act, 2005 (Act 694) was developed. The capacity of 27 officials from the Criminal Investigations Department (CID), the Births and Deaths Registry, the Registry of Marriage, and the Ghana Immigration Service (GIS) were built on document fraud detection.

The Ministry of Employment and Social Welfare in collaboration with Messrs rLG Communications Limited initiated a programme to train 5,000 persons with disability (PWDs) in ICT, mobile phone repairs, and computer assembling and repairs as part of efforts to reduce their dependency on others.

3.0 Economic Governance and Management

The Ghanaian economy has recorded mixed results during the year. The government's multi-year macro economic stabilization programme coupled with positive terms of trade

and favourable agricultural production resulted in improved macro economic situation. Exports increased from USD 7,964.70 million in 2010 to USD12.785.4 million in 2011. Imports, however, also increased from USD10,769.8 million in 2010 to USD15,968.3 million in 2011. Gross Domestic Product (GDP) more than doubled, from GHC23 billion in 2007 to GHC59 billion in 2011. The country has also recorded single digit inflation for almost 18 months running. First the first time the country also met all the four primary convergence criteria under the West African Monetary Zone (WAMZ) programme.

The gains made in public finance management is challenged by the huge wage bill following the implementation of the Single Spine Salary Policy which has seen remuneration to public sector workers increased from GHC 2 billion to GHC 5 billion. This is not only impacting efficient budget execution and macroeconomic stability, it is also affecting delivery of quality public expenditure in such vital services as education and health.

4.0 Corporate Governance

“Doing business” in Ghana has become easier as the country’s overall Doing Business (2011) rank has improved to 67 from 77 in 2010. Among the sub-Saharan countries, Ghana’s rank is 5th in “Ease of Doing Business”. The country has made positive strides in improving the business environment by reducing the time and cost for registering business, registering property and enforcing contracts. Access to credit continues to be the biggest challenge to medium, small, and micro enterprises. There were, however, increased agitations on the labour front as a result of the implementation of the Single Spine Salary policy.

5.0 Socio-Economic Development

The increased wage bill has had adverse impact in the delivery of basic services. The gains made in increased access to education (as a result of the school feeding programme and the capitation grant) and health (as a result of the National Health Insurance Scheme) has been accompanied by deteriorating learning outcomes (as witnessed in the poor BECE scores) and poor health delivery services.

PART B

CHAPTER

1

INTRODUCTION

The Fourth Annual Progress Report provides a comprehensive assessment of the implementation of the recommendations in the National Programme of Action for the period January – December 2011.

Methodology

In keeping with the APRM principle of ownership and civil society participation, the NAPRM-GC adopted an open and participatory approach in collecting and collating data and information for the preparation of the Sixth Annual Progress Report. This approach was to further deepen civil society involvement in the APRM process and thereby improve ownership of the process amongst the Ghanaian community.

As with previous reports, the Governing Council adopted a **four-pronged participatory approach** in collecting and collating data and information for the preparation of this Report.

The **first approach** requested data from public sector actors – Ministries, Departments and Agencies (MDAs). MDAs reported on progress made in implementing specific actions raised in the National Programme of Action (NPOA) that fell under their purview. MDAs were required to indicate for each issue:

1. Progress made in implementing the recommendations
2. Challenges and constraints they face in implementation
3. The way forward/remarks

The **second approach** involved the use of District APRM Oversight Committees to administer Citizen Report Cards at the local level. The Report Cards are standard questionnaires that addressed issues raised under the four thematic areas. The cards dealt with issues such as freedom of expression, access to justice, rights of women and children, security of life and property, access to public finance, access to education, health, water and sanitation, etc. They excluded issues that normally highly technical and require expert knowledge - inflation, exchange rate regimes, internal and external debt.

Sample Size

A minimum of three hundred questionnaires were administered in each of 40 districts. A total of 11,056 individuals participated in the District Governance Assessment Survey.

The initial analysis of the questionnaires was undertaken at the district level. This was to enable local actors appreciate and monitor the developmental changes that were occurring at the district level.

Respondents of the questionnaires were drawn from a wide variety of stakeholders including traditional authorities, youth groups, women groups, faith-based organizations, public sector, private sector, civil society organizations, among others.

The **third approach** involved the documentation review and expert group interviews.

The **fourth approach** was to present the draft report to a team of experts to critique the findings.

Report Validation Process

A one-day district validation exercise was conducted between November and December 2011 in twenty-four out of the 40 participating districts. At each of these validation workshops a minimum of 200 stakeholders were drawn from the public sector, private sector, civil society organizations, persons with disabilities, women groups, youth groups, faith-based organizations the Legislature, and the Judiciary.

National Validation Exercise

A national validation workshop was held on June 14, 2012 at Erata Hotel in Accra.

CHAPTER

2

DEMOCRACY AND GOOD POLITICAL GOVERNANCE

2.0 INTRODUCTION

This thematic area addresses one of the main goals of the APRM, which is the promotion of democracy and good political governance as a basis for the reduction of poverty and the attainment of sustainable development. This section assesses some of the key requirements for the promotion of a democratic and well governed society. These requirements are:

- A guaranteed framework of equal citizen rights
- The promotion of institutions of representative and accountable government
- A vibrant civil society

Progress on this theme has been mixed. The country has well established legal and social frameworks to guarantee citizen rights. The country has progressively worked to ensure that citizens enjoy such rights. As a country, Ghana has sought to strengthen its governance institutions through the provision of increased resources. Political space for civil society engagement has been broadened and deepened. However, increasingly, Ghanaians are becoming intolerant to divergent political views. Security agencies and the judicial system continue to infringe on citizens fundamental rights. Women participation and inclusion in public life remain below acceptable levels.

2.1 STANDARDS AND CODES

The country has signed up to the following Conventions, Treaties and Agreements:

- The African Charter on Democracy, Elections and Governance
- United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol
- The African Youth Charter
- Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children Supplementing the United Nations Convention Against Transnational Crime
- Amendment to Article 43, Paragraph 2 of the Convention on the Rights of the Child (CRC)
- ECOWAS Convention on small arms and light weapons, their ammunition and other related materials
- United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) (Resolution 34/180 of December 1979)
- United Nations Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) (Resolution 54/4)

The following domestic laws were also passed:

- National Peace Council Act, 2011 (Act 818)
- Law Reform Commission Act, 2011 (Act 822)

The country has ratified forty-three of the fifty-three Economic Community of West African States (ECOWAS) treaties, protocols and conventions she has signed (**Table 2.1**).

Table 2.1: Status of Ratification of the ECOWAS Revised Treaties, Protocols and Conventions

Country	Number of protocols & conventions signed from 1978 to 31 March 2010	Number of protocols & conventions ratified as at March 10, 2010
Ghana	53	43
Togo	53	43
Sierra Leone	53	42
Mali	53	42
Senegal	53	42
Gambia	53	41
Nigeria	53	40
Burkina Faso	53	40
Guinea	53	38
Niger	53	38
Benin	53	38
Cote d'Ivoire	53	29
Liberia	53	25
Guinea Bissau	51	24
Cape Verde	50	24

Source: ECOWAS Commission, Abuja, March 2010

OBJECTIVE 1: ENTRENCHING CONSTITUTIONAL DEMOCRACY AND THE RULE OF LAW

This objective assesses the constitutionally established provisions which enable citizens to enjoy their rights of freedom of membership of political associations of their choosing and the free participation of these political groups in an open political competition. The objective also assesses the degree to which all individuals are subject to and treated equally according to the law, and that no one is exposed to arbitrary treatment by the state.

2.2 POLITICAL SYSTEM

2.2.1 Freedom of Association

Ghanaians continue to enjoy the right to freedom of association with any political party or group of their choice. In the 2011 District APRM Governance Assessment Survey, as many as 94.8% of male respondents and 97.5% of female respondents indicated that they freely enjoyed this constitutional provision without insults, intimidation or threats from any member of society.

Declaration of political affiliation

In spite of the fact that the Constitution guarantees freedom of association for every citizen, Ghanaians, especially those working in the public sector are quite apprehensive of voicing their political leanings, even when they are not active card bearing members. There is a general perception that openingly declaring one's political leanings might lead to victimization.

2.2.2 Participation and Inclusion

Ghana has taken important practical steps towards achieving greater gender equality and promoting women's participation in politics and public life in line with CEDAW. The country, however, is not a party to the CEDAW protocol accepting the jurisdiction of the CEDAW committee to receive individual complaints from Ghana.

Even though the country's Affirmative Action Policy establishes a 40 per cent quota for women's representation on all government boards, commissions, committees and other official bodies, the public and political spaces continue to be dominated by males.

At the national level, women representation in parliament decreased from 25 in the second parliament of the fourth republic to 19 in the third parliament of the fourth republic representing 10.9 per cent and 9.5 percent respectively (**Table 2.2**). Women ministers of state, however, increased from 4 in the second parliament to 7 in the third parliament representing 1.4 per cent and 2 per cent respectively. Given that the provisional results of the 2010 Population and Housing Census revealed that women make up more than 51 percent of Ghana's total population, the current 19 female Parliamentarians is a lopsided representation.

Table 2.2: Women representation in public life (2000 – 2011)

	2000-2004			2005-2008			2009-2011		
	T	M	F	T	M	F	T	M	F
Members of Parliament	200	181	19	230	205	25	230	211	19
Ministers of State	33	31	2	29	25	4	35	28	7
Deputy Ministers	31	26	5	39	29	10	28	24	4
Regional Ministers	10	10	0	10	10	0	10	9	1
Deputy Regional Ministers	5	4	1	10	6	4	7	4	3
Cabinet Ministers	20	18	2				19	15	4
State Board and Council Members							205	157	48
APRM Governing Council	7	5	2	7	5	2	7	5	2
Constitutional Review Commission							9	7	2

Source: various (MOWAC, NAPRM-GC Secretariat)

Lack of Affirmative Action Legislation

Ghana does not have a legal framework to enforce the Affirmative Action (AA) Policy. Affirmative Action is a policy purposely designed to create equal opportunity to groups who have not only benefitted from existing processes and structures but are affected negatively because of the situation. An AA legislation in Ghana, will ensure a quota system of at least 30 percent representation of women in Parliament, District Assemblies, public and political offices.

2.3 Electoral System

The Electoral Commission (EC) continued to enjoy its independence and autonomy as enshrined in the 1992 Constitution. The government has fulfilled its commitment to fully funding the activities of the Commission. In 2011, the EC received its full budgetary allocation of GHC 109, 200,000.00.

The Electoral Commission (EC) successfully undertook the following activities:

- conducted local government elections in the Volta, Upper East, Ashanti, Northern and Greater Accra regions.
- supervised the elections of flag bearers and some MPs of the two major political parties (National Democratic Congress (NDC) and New Patriotic Party (NPP)) for the 2012 presidential and parliamentary elections.

2.3.1 Internal Party Democracies

Political parties in Ghana continue to grapple with weak organizational structures of internal democracies. This was very evident in:

- The conduct of party primaries where there was a lot of acrimony among contestants and their supporters and this sometimes resulted in violence;
- Resolution of internal party conflicts. Failure of party members to utilize internal party mechanisms to resolve disputes and disagreements.

The primaries of the political parties conducted in 2011, however, showed some improvement in their organizational structures. There was a conscious effort to ensure that the process was more democratic. Thus, unlike the 2007 primaries, the number of violent acts was far lower in the 2011 event.

2.3.2 Party Financing

The Political Parties Act, 2000 enjoins political parties to within six months from 31 December of each year, a political party shall furnish their statement of accounts to the Electoral Commission. The Act is however silent on declarations on funds raised by or contributions made to a flagbearer of a political party. The law also does not require parties to name which individuals or businesses made donations neither does it set a limit on how much contributions can be made. There is increased perception among the polity that faceless financiers are controlling internal party processes by virtue of their funding.

Foreign Funding of Political Parties

Foreign funding is allowed under the Political Parties Act, 2000. However, only governments and international NGOs are allowed to contribute to party funds indirectly through the Electoral Commission. Foreign individuals or corporations are barred from doing so.

2.3.3 Continuous voter registration

The Electoral Commission is developing the Area Network infrastructure to be able to undertake continuous voter registration.

Inter-Party Advisory Committee

The establishment of the IPAC has helped to improve inter-party dialogue in the country and afford political parties the opportunity to assist in democratic consolidation. Two key institutions drive these dialogues. Firstly, there is the General Secretaries forum which comprise the general secretaries of the political parties with representation in Parliament. The secretaries are supported by policy analysts appointed for the purpose of the dialogues. Secondly, there is the Chairmen's Caucus which brings together Chairmen of the four large parties.

The dialogue has resulted in the following:

1. Parliamentary Candidates Debate
2. Presidential Debates
3. Political Party Broadcasts
4. Political Parties Code of Conduct

The Electoral Commission is deepening this dialogue with the establishment of district IPACs.

2.3.4 *Biometric Voter Registration*

The Electoral Commission (EC) and political parties agreed to use the biometric voter (BV) cards for the 2012 general elections. The EC has subsequently made the necessary provisions for the use of the biometric voter register (BVR) in its 2012 budget. Government has indicated its strong commitment to the exercise.

The Commission awarded a contract for the procurement of equipment for the Biometric Voter Registration exercise to replace the existing manual voters register. The Commission would also acquire electronic verification equipment.

To speed up results collation and declaration, the Commission trained staff on transmission of election results through the VSAT Wide Area Network (WAN) that connects the Headquarters to all the 10 regions and 179 district offices nationwide.

2.4 National Identification System

The National Identification Authority (NIA) completed the national registration exercise in seven out of the 10 regions. The Authority started the issuance of the national ID cards to registrants in the Greater Accra region during the year. The project has, however, delayed and two years after the start and establishment of the Authority neither the registration exercise nor the issuance of cards have been completed.

2.5 Decentralization

2.5.1 *National Decentralization Policy*

The Government had activated five areas of the policy. These include the political, administrative, planning, fiscal and participation of non-state actors. A number of challenges have been identified:

- Firstly, there is need to review some of the documents on the decentralization as they do not synchronize well. The laws establishing some departments that are to be decentralized need to be reviewed before they can be decentralized.
- Though the government has shown political will to decentralization, the process faces challenges from some institutions that fear loss of administrative control over their institutions and staff.
- Some of the key actors in the decentralization agenda have functions that overlap. Notably, who to do what in the direction of composite budget and line of control and reporting.

2.5.2 Political Decentralization

The arrangements for the creation of new districts were made based on projected population figures. The exercise was delayed because the 2010 population and housing census figures that were to be the basis had not been released.

Creation of new districts

The legal framework for district creation is provided by the 1992 Constitution and the Local Government Act (Act 462), 1993. Article 241 (2) of the Constitution stipulates that "Parliament may by law make provision for the redrawing of the boundaries of districts or for reconstituting the districts".

The Ministry of Local Government and Rural Development (MLGRD) announced the creation of 42 new districts based on provisional figures of the Population and Housing Census released by the Ghana Statistical Services (GSS).

2.5.3 Fiscal decentralization

The Ministry of Local Government and Rural Development (MLGRD) and the District Assemblies started the implementation of the composite budget. In 2011, MMDAs were supported to prepare their composite budgets, implementation of which would started in January 2012. National and regional technical working groups were established to coordinate, monitor and provide backstopping to the District Budget Committees.

Joint teams of the Fiscal Decentralization Units of Ministry of Finance and Economic Planning (MoFEP), MLGRD and National Development Planning Commission (NDPC)

and the Local Government Service Secretariat (LGSS) conducted composite budget hearings with MMDAs at the regional level to arrive at acceptable ceilings on the composite budget for the all districts.

The District Assembly Common Fund (DACF) continues to be the single most important source of funding for most Metropolitan, Municipal and District Assemblies (MMDAs). It accounted for about 49 percent of MMDAs' revenue for 2011. This was followed by internally generated fund (IGF), 22 percent. Grants from central government amounted to 13 percent of funding, whilst development partner funding accounted for 12 percent. HIPC flows accounted for only 4 percent of total funding. DACF releases for the period 2007 – 2011 are shown in **Table 2.3**

Table 2.3: DACF releases, 2007 - 2011

Year	Amount (GHC)	% change
2007	148,389,400.00	-
2008	217,008,095.00	46
2009	303,915,370.00	40
2010	136,831,617.20	- 54
2011	194,165,436.15	30

Source: DACF Secretariat, 2012

Districts Assemblies in the three Northern Regions received funding under the **District Wide Assistance Project (DWAP)**. DWAP is a CIDA funded project which seeks to complement other sources of funds to implement sub-project activities at the district level. The project is expected to end in 2012.

Another funding source for all the Districts is the District Development Facility (DDF), a DANIDA funding programme. It is given based on an assessment using the Functional Organizational Assessment Tool (FOAT). FOAT outlines indicators that measure progress made for districts to fulfill, e.g. reports of the number of District Assembly meetings held within a year. In 2011, no transfers were made to the Districts but fund activities were on-going. Some of the activities were for investments (infrastructure

development); and others were for capacity building (providing equipment and training to help make districts deliver on their mandate).

In addition there is the Urban Grant Project, a World Bank facility. Forty-six (46) MMDAs are assessed and those who qualified were to be given USD26 million together.

2.5.4 Administrative decentralization

The Local Government (Departments of District Assemblies) Commencement Instrument, 2009, L.I. 1961 was passed December 2009 and became operative in February 2010. This instrument aims at creating Departments of the Assembly, transferring personnel and functions from centralized MDAs to the Local Government Service and transfer funds by way of the composite budget to departments of the Assembly.

Following this a ceremony was organized to symbolically transfer 32,358 staff members from the Civil Service to the Local Government Service on March 2011. A Human Resource and Physical Infrastructure Auditing had been conducted to ascertain the actual status of the MMDAs to inform policy formulation and planning. Analysis of the data from the HR Audit established gaps in the human resource and infrastructural bases. In addition, the need for critical staff to man proposed new districts (now created) was established. For these, the Service applied for financial clearance to employ 2,626 officers for the various classes of workers in the old and newly created districts.

The LGS Secretariat has been made more functional by the provision of more office space, equipment and personnel. Human Resource Departments have been established in all the ten (10) Regional Coordinating Councils (RCCs) and a further 20 Human Resource Units in some selected MMDAs have been created. The departments and units are aimed at equipping the RCCs and MMDAs to efficiently manage the human resource to be integrated into the Assemblies.

In anticipation of the staff to be transferred to the Service, Human Resource Protocols Documents (Conditions of Service/Scheme of Service, Guidelines for Appointments and

Promotions) were produced. These are to guide the management and recruitment of staff in the Service respectively.

Reconstitution of departments under Act 462

Under Section 16(1) of the Local Government Act, 1993 (Act 462), a total of 22 decentralized departments at the district level are to cease to exist in their present form. These departments will be reconstituted under Section 38 of the Act into 16 departments in the Metropolitan Assemblies, 13 in the Municipal Assemblies and ii in the District Assemblies.

In 2011 the Secretariat continued with its sensitization programme on the establishment of new departments and the new organogram or organizational chart and reporting lines. These were done as part of the change management process for integration of personnel and departments into the Assemblies.

In 2010, an Inter Ministerial Coordinating Committee (IMCC) that comprise key ministries for decentralization, and chaired by the Vice President, was set up to oversee the effective implementation of the decentralization process.

Decentralization Policy Implementation

The IMCC was inaugurated in May 2010 and is situated in the Presidency, and chaired by the Vice President. This makes all ministers submit to the IMCC. Thus, ministries that were resisting the changes under decentralization are now fully complying with the changes.

OBJECTIVE 2: REDUCE INTER AND INTRA STATE CONFLICTS

This objective focuses on preventing and reducing intra- and inter state conflicts with particular attention to the extent to which the country strives to sustain peace and security within its borders and contribute to peace and stability in its neighbourhood.

2.6 Intra-State Conflicts

Though Ghana has been described as an oasis of peace in the middle of a turbulent sub-region, there exists pockets of flash points within the country that have the potential to overturn the peace we enjoy. The primary causes of the conflicts remain: electoral, chieftaincy and land.

2.6.1 Elections

The country conducted its District Assembly elections between December 2010 and January 2011. Though the elections were generally peaceful, there were some infractions at a few polling stations.

Electoral violence

Though the district assembly elections were generally peaceful, the minor altercations that occurred in some places raised a number of issues:

- The usurpation of the power of the police to maintain law and order by party functionaries and local vigilantes during elections
- Inability of the police to investigate and prosecute those engaged in electoral violence to deter lawlessness and impunity in future elections.

a. Presidential Transition Bill

In order to forestall the year-in year-out controversies and administrative challenges during periods of transfer of political power from one democratically elected president to the other, the Institute of Economic Affairs (IEA) under its Ghana Political Parties Programme (GPPP) initiated the preparation of a Presidential Transition Bill. In 2011, extensive stakeholder consultations continued to advocate the passage of the Bill into law to guide political transition from January 2013.

b. Code of Conduct for Political Parties

A Code of Conduct for Political Parties which stipulates rules of engagement, acceptable behavior and legitimate electoral process was adopted by all the major political parties to regulate their conduct in the political arena. Enforcement bodies were also inaugurated at

the national and regional levels to oversee that political parties abide by their commitments.

Notwithstanding the adoption of the Code of Conduct, there were open infractions of the rules by the political parties. The use of intemperate language still flooded the airways and cases of violence between supporters of the two main political parties (NDC and NPP) were also reported.

2.6.2 Chieftaincy

The Ministry of Chieftaincy and Culture (MCC) launched a 5-year Strategic Plan aimed at strengthening the chieftaincy institution and resolving outstanding conflicts.

Chieftaincy disputes continue to be a source of concern for Ghanaians though fewer cases (309) were recorded in 2011 compared with 320 in 2010. The number of cases resolved in 2011 was also lower (29) compared with 33 cases resolved in 2010 (**Table 2.4**). The Ministry resolved some key chieftaincy disputes, notably the longstanding disputes in Ejura and Akim Oda.

During the year under review, officials at the Ministry toured all the traditional areas in all ten regions and enumerated all outstanding conflicts. The disputing parties were invited to Accra for resolution of the conflict.

Table 2.4: Chieftaincy dispute statistics (2008 – 2011)

	2008	2009	2010	2011
Total number of cases	n.a	n.a	320	309
Number of cases resolved	n.a	n.a	33	29

Source: National House of Chiefs, 2011

Succession Codification stalls

The codification of succession lines has been stalled due to lack of funding. The project is meant to establish lines of succession in all traditional areas to reduce the many chieftaincy disputes which arise when a stool becomes vacant.

When the project was ongoing the Ministry of Chieftaincy and Culture was able to document 70 lines of succession out of an estimated 265 across the country. Eleven out of the 70 lines of succession have been legislated and another 17 have been verified and validated and their

Legislative Instruments (LIs) drawn and submitted for verification.

Source: Ministry of Chieftaincy and Culture

Legal Councils for Houses of Chiefs

The National House of Chiefs has a Legal Council. Six (6) regional houses, namely Ashanti, Brong Ahafo, Eastern, Greater Accra, Western and Volta, have permanent Legal Councils. The remaining four regions (Northern, Upper East, Upper West and Central) have no permanent councils but use state attorneys in their respective regions.

Judicial Committees of the Houses of Chiefs

The various judicial committees of the Traditional Councils, Regional and National Houses of Chiefs supposed to adjudicate chieftaincy disputes have not been able to do so because of lack of funds to pay sitting allowances for members.

Youth demonstrate against chieftaincy disputes

There were peaceful demonstrations by residents in some districts to state their displeasure at protracted chieftaincy disputes which were stalling development and causing the loss of lives and property.

2.6.3 Land

The Land Administration Project (LAP) is ongoing as part of efforts to address the myriad of challenges facing land management and administration in the country. The second phase of the project, LAP-II, has been signed between the Government of Ghana and the World Bank.

The final draft of the new Land Act has been completed and submitted to the Attorney-General's Department. The draft Bill on Land Use and Planning has been submitted to the Ministry of Lands and Natural Resources for stakeholder consultations.

The problem of land guards still persists in many parts of the regional capitals of Accra and Kumasi. A few cases of land guards terrorizing residents in some areas in the Greater Accra and Ashanti regions have been reported.

2.7 Safety and security of life and property

The security services continued to rigorously enforce laws and regulations to provide safety and security for citizens, and ensure internal peace for the country to hold its position as the most stable and safest in the West African sub-region.

2.7.1 Police personnel

Recruitment into the Ghana Police Service (GPS) increased the total numerical strength of the police officers from 23,124 in 2010 to 24,818 in 2011. This substantially reduced the Police-Citizen ratio from an estimated 1:1,037 in 2010 to 1:976 in 2011. The improved ratio, however, still fell short of the United Nations (UN) recommended police-citizen ratio of 1:500.

2.7.2 Crime statistics

A number of policy measures have been put in place by the security services to address the issue of safety and security in the country. These included:

- An improvement in the rewards to informants who help to deepen intelligence-led policing in the country.
- An establishment of a Marine Police Unit as part of the National Policing Plan to ensure safety of the oil and gas industry
- Daily joint police-military internal security operations to fight crime, particularly armed robbery, drug trafficking and environmental degradation.
- Use of plain clothed police personnel to gather intelligence in zoned sections of districts and towns

- The establishment of Tent Cities for day and night patrols. They include foot and vehicular mobile patrols. The personnel visit individual houses and interact with occupants and educate them on how to prevent certain crimes.
- The construction of a Community Policing National Headquarters at Tesano with assistance from the British High Commission.

Statistics on crime from the GPS showed decreases (apart from the statistics on “causing damage” and “unlawful entry”) in rates of commission between 2008 and 2010 (**Table 2.5**).

Table 2.5: Crime Statistics, 2008 – 2011

Offence	2008	2009	2010	2011
Assault	88,332	89,407	84,562	83,005
Stealing	63,636	61,711	59,627	57,987
Threatening	25,094	24,959	24,950	24,927
Fraud	16,513	18,906	18,384	17,121
Causing damage	10,478	10,944	10,263	11,117
Causing harm	3,596	3,368	3,527	3,485
Unlawful entry	1,627	1,387	1,405	1,456

Source: Ghana Police Service, January 2012

Despite these achievements in the general crime situation, there is a growing perception among citizens that crime is on the increase in the country (District Governance Assessment, 2011). Available statistics from the GPS confirmed that there had been increases in major crimes (apart from the statistic on “robbery”) from 2010 to 2011 (**Table 2.6**)

Table 2.6: Major Offences Statistics, 2008 – June 2011

Offence	2008	2009	2010	2011
Murder	430	427	422	423
Rape	485	447	447	500
Defilement	1,675	1,604	1,729	1,800
Robbery	1,449	1,373	1,260	1,235
Possession, use & distribution of narcotic drugs	714	679	473	502

Source: Ghana Police Service, January 2012

Domestic Violence and Victim Support Unit (DOVVSU)

- The Unit had 88 offices and desks as at 2011. It does not have the resources to cater for 120 other police stations. Attrition within the DOVVSU is also making it difficult to transfer officers to man newly created desks and offices.
- Following the passage of the Domestic Violence Act (DVA), 2007 the country has failed to pass the legal instruments for victim support. This is making it difficult for victims to access support. The legislative instrument to give full meaning to the Act is being developed.
- The Unit has completed the Strategic Plan for the Domestic Violence and Victim Support Unit of the Ghana Police Service for 2010 to 2015
- The Unit has no shelters of its own and relies on a few civil society organizations (CSOs) that have set up shelters. The Christian Council donated an abandoned building to DV Secretariat of the Ministry of Women and Children Affairs for use as a shelter. Government is supporting the rehabilitation of the building.
- Currently, only two trained clinical psychologists work with DOVVSU. An NGO, WISE, supports the counseling efforts in Accra.
- The Victims of Domestic Violence Support Fund was launched in the last quarter 2011. The government provided a seed fund of GHC20,000.00.

Source: Domestic Violence and Victim Support Unit (DOVVSU), 2011

2.8 Fire Services

The Ghana National Fire Service (GNFS) continued its core business of fire fighting, search and rescue, road traffic collision and fire investigation. To facilitate this core business the Service enlisted a thousand (1,000) personnel in 2011 to augment its force, bringing its total manpower strength to a total of 6,699 comprising 937 senior officers and 5,762 junior officers.

The Service improved on its turn-out time to address disasters due to improvement in communication, acquisition of new equipment by the Government, and improvement in professionalism. The turn-out time for the Service continues, however, to be challenged by distance from the stations to the incidence scenes, human and vehicular traffic, lack of accessibility to fast growing communities, road blocks and diversions without prior

notice, over aged engines and equipment and delays by citizens in reporting fire outbreaks.

National Peace Architecture

Ghana has established a National Peace Architecture as the framework for peace-building and for the amicable resolution of all conflicts. The architecture for peace has the following components:

- Structures for peace-building and the resolution of conflicts
- Institutionalizing a culture of peace
- Strengthening the media as spaces for public conversations and debates on salient issues of the day, so that all voices could be heard
- Prevention of small arms and light weapons, and promoting alternative livelihoods
- Building the capacity of executive institutions to manage grievances and differences

The Council in collaboration with relevant Parliamentary Committees and the Attorney General's Department facilitated the passage of the National Peace Council Act, 2011.

2.9 Sub-regional security

Although the sub-region has one of the sophisticated peace and security architectures, it still faces formidable intra-regional security challenges. Of note are threats posed by the connections between the proliferation of small arms and light weapons (SALW), violent crime and the activities of transnational criminal networks operating in the region. Such activities threaten peace, security and development in West Africa.

The country continued to facilitate sub-regional security by collaborating with countries in the sub-region to fight the movement of small-arms, trafficking of women and children, and drugs.

Movement of small arms within the country

The Ghana Police Service reported the arrest of persons who were trafficking arms and munitions from Accra to conflict zones in the northern region.

OBJECTIVE 3: UPHOLDING THE SEPARATION OF POWERS

This objective assesses the degree to which the judiciary and legislature are autonomous and efficient.

2.10 Legislature

Parliament initiated a number of programmes and projects aimed at providing improved processes, procedures and logistics for efficient service delivery and to strengthen its relationship with national institutions and other stakeholders.

- The Parliamentary Support Office (PSO) coordinated two community engagement programmes in the Dangme East, Yilo Krobo, and Upper Manya in the Eastern Region, and the Mfantseman East and Mfantseman West districts in the Central Region.
- Work on the rehabilitation of the Job 600 building project to house offices of Members of Parliament continued. The project is expected to be completed in June 2012.
- Government acquired funding under the E-Government Project to upgrade the ICT infrastructure to improve Parliamentary Business, especially on the floor of the House.

2.10.1 Parliament achievements in 2011

The capacity of Parliament continued to be strengthened to enable it perform its legislative, oversight and regulatory functions. During the year Parliament achieved the following:

- A total of 111 sittings during which a total of 35 statements were made on the floor of the House
- A total of 283 committee sittings compared to 195 sittings in 2010
- At these sittings and meetings, the number of Bills laid and considered increased from 32 in 2010 to 35 in 2011

- A total of 23 Legislative Instruments (LIs) were considered in 2011 as against 20 LIs in 2010. Four Constitutional Instruments were also considered
- A total of 178 reports from the Committees of the House, and Ministries, Departments and Agencies (MDAs) were also laid and considered compared to 124 reports in 2010.

2.10.2 Budgetary resource allocation

Actual amount released to Parliament increased from GHC62,806,544.00 in 2010 to GHC64,380,000.00 in 2011.

Constitutional Review Commission (CRC)

The government in January 2010 constituted the CRC to undertake a consultative review of Ghana's 1992 Constitution. More specifically, the Constitution Review Commission of Inquiry Instrument, 2010 (C.I. 64) tasked the CRC to:

- Ascertain from the people of Ghana, their views on the operations of the 1992 Fourth Republican Constitution and, in particular, the strengths and weaknesses of the Constitution
- Articulate the concerns of the people of Ghana on amendments that may be required for a comprehensive review of the 1992 Constitution; and
- Make recommendations to the government for consideration and provide a draft Bill for possible amendments to the 1992 Constitution

After extensive multi-stakeholder consultations with Ghanaians both within and outside the country, and receiving over 75,000 submissions, the final report was completed and submitted to the Cabinet in December 2011.

2.11 Judiciary

2.11.1 Personnel to dispense justice

The Ministry of Justice (MoJ) in collaboration with the Judicial Service continued to pursue its mandate to improve the capacity of the legal system. In this regard, 205 new lawyers were called to the Bar in 2011, about 3% higher than the 199 new lawyers called in 2010. Eighteen (18) lawyers were appointed to the Bench. This included eight High

court judge, 8 Circuit court judges and 2 professional magistrates. Eighteen (18) career magistrates were further appointed to enhance the rule of law and justice.

The Northern region, with 3 judges and 3 magistrates, had the highest ratio of judges & magistrates to population of 1:189,889 whilst the Greater Accra region, with 94 judges and 23 magistrates, had the lowest ratio of 1:33,416 (Table 2.7).

Table 2.7: Ratio of judges/magistrates to population

Regions	Judges	Magistrates	Total	Population (2000 Census)*	Ratio of J&M to population*
Upper East	3	3	6	1,031,478	1:171,913
Upper West	2	4	6	677,763	1:112,960
Northern	6	7	13	2,468,557	1:189,889
Brong Ahafo	11	17	28	2,282,128	1:81,504
Ashanti	25	21	46	4,725,046	1:102,718
Eastern	14	22	36	2,596,013	1:72,111
Volta	11	14	25	2,099,876	1:83,995
Greater Accra	94	23	117	3,909,764	1:33,416
Central	11	14	25	2,107,209	1:84,288
Western	11	19	30	2,325,597	1:77,519
Ghana	188	144	332	24,223,431	1:72,962

Source: Judicial Service, 2012(* calculation based on provisional results from GSS)

2.11.2 Facilities for dispensing justice

Though the available physical facilities for dispensing justice remained inadequate, 57.2 percent of male respondents and 64.2 percent of female respondents indicated in the 2011 District Governance Assessment survey that they were satisfied with the justice system. Indeed, only 25.3 percent of male respondents and 29.2 percent of female respondents cited geographical access as an obstacle to receiving justice. Table 2.8 lists the available facilities and their locations.

Table 2.8: Justice facilities available and their location

Type of facility	No. available	Where located
Supreme Court	1	Accra (Greater Accra)
Appeals Court	3	Accra, Kumasi, Cape Coast

High Court	54	Located in all 10 regions
Commercial Court	20	Accra – 6 (Greater Accra) Kumasi – 4 (Ashanti) Sunyani – 2 (Brong Ahafo) Koforidua – 2 (Eastern) Cape Coast – 2 (Central) Sekondi/Takoradi – 2 (Western) Tamale – 2 (Northern)
Human Rights Courts	2	Accra and Kumasi
Land Court	13	Accra – 10 Kumasi – 3
Economic/Financial Crime Court	3	Accra – 2 Kumasi – 1
Labour Court	3	Accra (2) and Kumasi (1)
Regional Tribunal	3	Accra – 2 Kumasi – 1
Circuit Court	66	Located in all 10 regions
Magistrate Court	161	Located in districts in all 10 regions

Source: Judicial Service, 2010

2.11.3 Justice-for-All Programme

The programme was initiated by the Judiciary to reduce congestion in prison facilities across the country by freeing remand prisoners who had been behind bars for 5 years or more. The programmes considered 245 cases at the Nsawan Prison, and placed 113 before judges/magistrates; 13 cases were struck out as they had been dealt with already; 63 individuals were discharged and 1 accused person was convicted.

2.11.4 Court computerization

The technological capacity of the judiciary to dispense justice and enhance the rule of law continued to be improved with the number of courts computerized increasing from 29.8 percent in 2010 to 37.0 percent in 2011. However, the average number of months for resolving cases remained unchanged at 7 months (**Table 2.9**).

Table 2.9: Court computerization and ADR cases

	2010	2011
Percentage of courts computerized	29.8%	37.0%
Average number of months needed to resolve	7	7

a case		
Number of recorded cases	109,743	90,366
Number of cases dispensed	143,340	98,512
Number of cases referred to ADR	3754	4,127
Number of cases resolved under ADR	n.a	2,186

Source: *Judicial Service, 2012*

Again, despite the improvements in the capacity of the judiciary and the Justice-for-All programme, the number of cases recorded in the courts in 2010 decreased from 109,743 to 90,366 cases in 2011. The number of cases dispensed also decreased from 143,340 cases in 2010 to 98,512 cases in 2011.

2.11.5 Legal Aid Scheme

This facility is operational only in urban areas where lawyers are mainly found.

2.11.6 Criminal Justice System

A concept paper had been developed for the establishment of the Ghana Prosecution Service as part of the reform of the criminal justice system.

Violation of the rights of accused persons

Security forces continued to infringe on the rights of accused persons. They indicated that sometimes accused persons were arraigned before courts only to be told their dockets were not ready. Meanwhile the accused was kept in police custody.

2.11.8 Establishment of Specialised Courts

a. Gender Courts

The Chief Justice has selected some Circuit Courts in Accra and Kumasi to handle gender issues.

b. Electoral Court

The practice has been to designate selected High Courts throughout the country to handle electoral related disputes. The Chief Justice directs all such courts to sit on these cases on a day to day basis and even weekends and possibly public holidays to ensure expeditious trial.

2.11.9 Alternative Dispute Resolution (ADR)

The ADR is assisting in reducing the backlog of cases in the law courts. The programme settled 1,831 cases in 2011, up from 1,633 cases settled in 2010 (Table 2.10).

Table 2.10: Cases referred to and settled under the ADR (2009 – 2011)

	2009	2010	2011
Cases referred and pending	5358	3754	4392
Cases mediated	5358	3754	4392
Cases settled	3871	1633	1831
Cases referred back to court	683	1469	2025
Cases still pending	849	536	536

Source: Judicial Service of Ghana, 2012

2.12 Independent Governance Institutions

As part of efforts to strengthen Ghana's governance architecture, the 1992 Constitution designates the Electoral Commission (EC), Commission for Human Rights and Administrative Justice (CHRAJ), National Commission on Civic Education (NCCE), Judicial Service (JS), and the National Media Commission (NMC) as the key Independent Governance Institutions (IGIs). The IGIs have special functions to serve as a check on the Executive Arm of Government in order to ensure good and accountable governance.

2.12.1 Budgetary support to IGIs

Government continued the resourcing of IGIs to enable them effectively perform their functions. In 2011, the government released a total of GHC165,190,397.95 representing a percentage change of about 200 percent of the 2010 releases. It is, however, worth noting that the phenomenal increase was as a result of the implementation of the Single Spine Salary policy which resulted in increases in basic salaries of staff.

Table 2.11: Budgetary resources to IGIs, 2011

	Approved	Actual	% change	Budget
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Sixth Annual APRM Progress Report: January – December 2011

	Budget	Releases	over 2010	shortfall
EC	109,200,000	109,200,000	704.1	0
CHRAJ	n.a	2,699,000	-	-
JS	50,384,000	34,455,000	-26.4	-31.6
NCCE	7,858,000	17,902,690	22.5	127.8
NMC	2,125,000	9,332,600	181.6	-56.1

Source: EC, CHRAJ, JS, NCCE and NMC, 2011

OBJECTIVE 4: PROMOTION AND PROTECTION OF CIVIL AND POLITICAL RIGHTS

The promotion of cultural, civil and political liberties ensures that the integrity and rights of the people are respected by the state. The state should also take the necessary steps to protect citizens' rights from violation either by its agents and/or a third party. This objective is underpinned by the principle of ensuring that the will of the people constitutes the basis of authority of the government. Consequently, the objective attempts to measure the vibrancy and influence of civil society.

2.13 Promotion of Rights

Ghana has signed/ratified key United Nations human rights treaties and conventions, including the Convention on the Elimination of Discrimination against Women (CEDAW), the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), the Convention on the Rights of the Child (CRC), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

2.13.1 Freedom of Expression

The 2011 District Governance Report indicated that majority of Respondents (93 percent of males and 76 percent of females) were able to freely express themselves without fear of intimidation or assault. The Report also notes that increasingly, Ghanaians have indicated that this freedom is being whittled away by the Police who under section 208 of

the 1960 Criminal Code, which bans “publishing false news with intent to cause fear or harm to the public or disturb the public peace” made arrests of some individuals.

Security Forces and Human Rights

As part of effort to rid itself of such negative images, the Ghana Police Service undertook a number of awareness-raising campaigns and highlighted the existence of the Police (PIPS) established to receive complaints from the general public. The Service also undertook internal disciplinary actions against offending police officials.

There were, however, reported cases of security forces brutalizing and mishandling civilians. There were also cases of altercations between the military and police which sometimes resulted in injuries to personnel.

There were instances where security forces detained persons beyond the mandatory 48 hours. The military continued to participate in law enforcement activities during the year.

2.13.2 Human Rights Action Plan

The Commission for Human Rights and Administrative Justice (CHRAJ) indicated that the country was preparing a National Human Rights Action Plan (NAHRAP). A baseline survey on the human rights situation in Ghana was being conducted to provide the basis for the formulation of the NAHRAP.

2.13.3 Death Penalty

The death penalty remains on the penal laws of Ghana. In 2011, the Ghana Prison Service reported that as at November 2011 a total of 141 prisoners had been sentenced to death by hanging, though no executions have been carried out since 1993.

2.13.3 Harmful Cultural Practices

Sustained efforts by stakeholders backed by the relevant legislations had resulted in improved changes in attitudes of persons towards such practices as witchcraft, trokosi and female genital mutilation (FGM).

a) Witches Camps

The Ministry of Women and Children Affairs (MOWAC) and another stakeholders have undertaken several interventions to address the banishment of women into witches' camps. Sensitization and education interventions have been conducted in various communities to change the mindsets of members of the communities. As part of efforts to address the economic rights of the women in the camps, the government has extended the Livelihood Empowerment Against Poverty (LEAP) to them.

Currently there are about some 1000 women and 700 children living in 6 camps in northern Ghana. They are usually banished into these the camps where they have refuge from threats and violence from community members and sometimes family members.

b) Trokosi

The Ministry of Women and Children Affairs (MOWAC) in collaboration with a number of institutions is addressing the "trokosi" problem where women and children are held in bondage as wives of the gods. The year under review witnessed some liberated trokosi girls graduate after successful completion of studies in dressmaking, catering and hairdressing.

c) Female Genital Mutilation (FGM)

The Domestic Violence Act prohibits FGM. Since the practice was ruled as illegal the number of FGM cases have significantly declined, although some communities still perform the ceremony in secret.

2.13.4 Gay Rights

There was a lot of public debate on the issue of gay rights in Ghana. The 1992 Constitution does not explicitly say that homosexuality is illegal but section 104(1)(b) of

the Criminal Code regards “unnatural carnal knowledge” as a misdemeanour. During the year gays and lesbians were harassed, arrested, mistreated and imprisoned under the interpretation that homosexuality was “unnatural carnal knowledge”. There was a call for a clear legal position to guide society’s treatment of gays and lesbians.

2.14 Access to information

Access to official government data and information has improved over the years. This has been made possible with the E-government project which has provided the platform for Ministries, Departments and Agencies (MDAs) as well as Metropolitan, Municipal and District Assemblies (MMDAs) to make available information to the public.

National Policy Fair

As part of efforts to bring governance closer to the people Ministry of Information organized the second National Policy Fair in which about 120 MDAs and MMDAs participated. There have been proposals to extend the policy fair from Accra to the other regional capitals.

2.14.1 Right to Information Bill

The Right to Information (RTI) Bill, which would deepen the process of accessing public information, has been laid before Parliament. Parliament undertook nationwide consultations on the Right to Information Bill. The team is yet to make findings of the consultations public. Stakeholders noted that some provisions in the Bill, especially the exemption clauses, may limit access to information.

Open Government Partnership

The President of the Republic of Ghana, H.E. John Evans Atta Mills joined forty-five (45) other Heads of State and Government to launch the Open Government Partnership (OGP). The OGP is a global initiative aimed at promoting more transparent, effective and accountable governments that are alive to the aspirations of their populace. The launch took place on the sidelines of the 66th General Assembly at the United Nations in New York, USA.

Ghana submitted its Letter of Intent to the United States' Department of State, Office of Democracy and Global Affairs in September 2011. The country is currently preparing its Country Action Plan which outlines its commitments to opening government to citizens.

The country has signed a Memorandum of Understanding with the World Wide Foundation to implement a **Ghana Open Data Initiative** which aims at making government data more available to the populace.

2.15 Media

The media in Ghana operate in relative freedom without harassment from authorities, even though most newspapers and radio stations are openly partisan. During the year there were spates of reckless statements and unsubstantiated allegations against persons, usually political opponents, in the media. The Police acting under section 208 of the Criminal Code arrested and detained media personnel for making such statements. The reckless statements and the discriminatory application of the Criminal Code by the police have the potential to undermine the freedom of speech enjoyed by citizens.

The national Broadcasting Bill has not been passed.

As part of efforts to build the capacity of the media, the government allocated GHC1 million to the Ghana Journalist Association (GJA).

OBJECTIVE 5: ENSURING ACCOUNTABLE, EFFICIENT AND EFFECTIVE PUBLIC SERVICE DELIVERY AT THE NATIONAL AND DECENTRALIZED LEVELS

The objective is to assess the procedures that are designed to ensure the continuous accountability of officials, elected as well as appointed to public office.

2.16 Public Sector Reforms

The country commenced the implementation of the new Civil Service Medium Term Improvement Programme. Very little progress was however made in the establishment of such key institutions as:

- Civil Service Committee on Administration Reforms
- Reform Coordinating Unit, and the
- Monitoring and Evaluation Unit

Capacity profiling in the public sector (CIDA, headed by Ministry of Finance, Office of the Head of Civil Service; NDPC; Public Services Commission

Financial Sector Reforms

The Budget and Public Expenditure Management System (BPEMS) was re-launched as the Ghana Integrated Financial Management Information System (GIFMIS) in 2009. GIFMIS integrates budget preparation, execution, accounting and reporting, cash management, fixed asset management and payroll management as well as interface other systems like the Ghana Revenue Authority (GRA), Bank of Ghana (BoG).

The implementation of GIFMIS has led to an:

- Improvement in the publication of public standard annual financial reports
- Increased management reporting and queries
- Improved commitment management
- Enhanced annual budget preparation
- Strengthened internal controls and auditing capacities
- Enhanced and modernized revenue collection processes

2.17 Salary Rationalization

The Single Spine Salary Policy (SSSP) has entered its second year of implementation. As at the end of December 2011, about 97 percent of public sector workers had been migrated onto the Single Spine Salary Structure (SSSS).

Performance Contracts in the public sector

The Performance Management Systems have been ineffective in promoting efficiency in the public service.

OBJECTIVE 6: PROMOTION AND PROTECTION OF WOMEN RIGHTS

This objective ensures that women have a meaningful status in the country and explores the frameworks necessary to further deepen their participation in the political, economic, cultural and social affairs of the nation.

2.18 Women Rights

Ghana is signatory to and has ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). The country also ratified the Protocol to the African Charter on Human and Peoples' Rights of Women in Africa (Maputo Protocol) without reservations, and the Optional Protocol to CEDAW. The country has passed several laws that criminalize violence against women. The Criminal Code imposes sanctions with respect to defilement, forced marriages, customary servitude (trokosi), female genital mutilation (FGM), abuse of widowhood rites and the practice of banishment of witches.

Whilst there have been significant sensitivity towards gender issues, the country has not fared very well in upholding the rights of women. Women continue to face abuse and violation of their constitutional rights. The World Economic Forum Global Gender Gap Report 2011 ranked Ghana at 70 in a list of 135 countries.

2.19 National Gender Policy

The Ministry of Women and Children Affairs (MOWAC) has initiated processes to develop a new National Gender Policy, which would provide a comprehensive

framework for incorporating gender awareness approaches into all spheres of national development.

The Ministry has also established a Gender Responsive Budgeting Monitoring Unit (GRB-MU) and has recruited a Gender Consultant. The Technical Committee drawn from the Ministry of Health (MOH), Ministry of Food and Agriculture (MOFA), Ministry of Finance and Economic Planning (MOFEP), National Development Planning Commission (NDPC) and MOWAC has developed budget guidelines on GRB for incorporation into the 2012 – 2014 Annual Budget. A training of trainers programme has been organized for the members of the technical committee to roll out the implementation of the GRB into other MDAs and MMDAs.

The capacity building of 24 Gender Desk Officers (GDOs) in MDAs on Gender Mainstreaming, and Gender Responsive Budgeting. The dissemination of international Conventions and Treaties on gender and women empowerment were undertaken during the year.

2.20 Empowerment of women

The Government of Ghana has initiated the Gender Responsive Skills and Community Development Project (GRSCDP) to address gender inequalities to promote equitable socio-economic development.

2.21 Women participation in decision-making

MOWAC in collaboration with the Electoral Commission and with funding from International IDEA organized a meeting to collate inputs from stakeholders to form the basis for the development of an Affirmative Action Legislation (AAL) as a measure for increasing women participation in governance and decision-making.

Civil society organizations in Ghana have consistently challenged patriarchal attitudes, and the creation of the Ministry of Women and Children Affairs was an important step. Despite the important achievements over the years de facto discrimination still exists on issues concerning marriage and property rights.

Despite some high profile appointments (Speaker, Chief Justice, Head of CHRAJ, NCCE Commissioner), women representation in public life falls far short of the 30 percent target (**Table 2.12**). Currently, only 19 (representing only 8 percent) out of 230 parliamentarians are women.

Table 2.12: Women Representation in Public Life

Key positions	Total Number	Number of Men	Number of Women
Council of state	24	21	3
Cabinet	22	18	4
Ministers	39	32	7
Deputy ministers	33	26	7
Parliamentarians	230	211	19
Speaker	1	-	1
Chief Justice	1	-	1
Ghana Police Service (HEMAB)	13	13	-
Head -CHRAJ	1	-	1
Head-Statistical Service	1	-	1
Ghana Police Council	10	10	-
NCCE	7	3	4
Electoral Commission	7	4	3

Sources: Various

2.22 Domestic Violence

A Technical Working Committee has been established to develop a Legislative Instrument (LI) on the Domestic Violence Act.

MOWAC has printed an abridged and simplified version of the Domestic Violence (DV) Act (Act 732) to promote greater awareness on DV issues. The materials have been distributed to fifty-eight (58) educational institutions, sixteen (16) financial institutions, twenty seven (27) churches and mosques thirty one (31) MDAs.

2.23 Property Rights

The Property Rights Bill, the Spouses Property Bill and the Interstate Succession Bill have been laid before Parliament. The three Bills have encountered numerous delays even though the 1992 Constitution stipulated that legislation regulating the property rights of spouses should be enacted as soon as practicable after the coming into force of the Constitution.

Political Parties and Women Representation

Ghana has one of the lowest levels of women's political participation in West Africa. Despite repeated calls for political parties to increase women participation by purposefully reserving "safe seats" for women as apart of efforts to increase women participation, these calls have largely been ignored.

Internally, political parties have failed to push women to leadership positions within their structures. The exception was the Convention Peoples Party (CPP) which voted women into some of their most important leadership positions.

OBJECTIVE 7: PROMOTION AND PROTECTION OF THE RIGHTS OF CHILDREN AND YOUNG PERSONS

The objective aims to address, among other things, the legal, policy and institutional protections against rights violations against children as well as efforts to institute policies centred on the promotion of the best interest of the child.

2.24 Child Rights

Ghana has signed and ratified the Convention on the Rights of the Child. The country has a Children's Act, 1998 and a National Youth Policy which establishes the framework for addressing child rights issues. The implementation of the policy and enforcement of the law, however, are fraught with challenges as almost every institution which promotes and protects the rights and welfare of children faces serious resource and capacity challenges.

2.24.1 Child Prostitution

Whilst the country does not have a specific law on child prostitution, some aspects of the Children's Act, 560 prohibit children from engaging in prostitution/sex work. Stakeholders bemoan the lack of rehabilitation mechanism for child prostitutes rescued from the streets.

2.24.2 Defilement

The Children's Act, 1998 prohibits defilement, incest, and sexual abuse of minors but such abuses are reported on a regular basis. During the year, the police reported 1,800 cases of defilement.

There were also reported cases of family members and teachers raping or having carnal knowledge of girls.

2.24.3 Child Labour

According to the Department of Social Welfare, in 2011 there was an estimated 54,000 street children in Accra alone. The department's rehabilitation programme is seriously underfunded.

The efforts to address the problem of child labour in cocoa farms recorded some successes. The programme has removed some 12,000 children from cocoa farms and enrolled them in schools.

2.24.4 Juvenile Justice

Even though a Juvenile Justice Act, 2003 had been passed, institutional and administrative arrangements that would make for enforcement are still largely lacking. Juveniles are routinely remanded in prisons with adults especially in districts where there are no juvenile remand facilities.

2.25 National Youth Policy

The Government of Ghana launched the National Youth Policy in 2010. Various civil society organizations embarked on sensitization activities in 2011 to educate the youth on the Youth Policy.

Early Marriages

The Children's Act, 1998 restricts early marriages and sets the minimum age for marriage at 18 years. However, customary practices in Ghana still lead to child betrothals and child marriages.

2.26 Protection of Child Rights

The absence of a Child Protection Policy is affecting the effective implementation of the Children's Act 560.

OBJECTIVE 8: PROMOTION AND PROTECTION OF THE RIGHTS OF VULNERABLE GROUPS, INCLUDING INTERNALLY DISPLACED PERSONS AND REFUGEES

This objective aims to address the existence and efficacy of the legal and institutional protections of the rights of vulnerable groups.

2.25 Human Trafficking

The country's Human Trafficking Law, 2005 and its amendment in 2009 brought the definition of trafficking in line with the Protocol to Prevent, Suppress and Punish Trafficking in Person, Especially Women and Children, and prescribed penalties of 5 to 20 years imprisonment for all trafficking crimes.

The country also increased its capacity to combat trafficking. A draft Legislative Instrument (LI) on the Human Trafficking Act, 2005 (Act 694) was developed. Consultations were held on the draft LI among stakeholders to address all concerns to

operationalize the Act. The capacity of 27 officials from the Criminal Investigations Department (CID), the Births and Deaths Registry, the Registry of Marriage, and the Ghana Immigration Service (GIS) were built on document fraud detection. The government also improved its ability to collect and collate data on trafficking victims. The Ministry of Women and Children Affairs, Department of Social Welfare and a number of NGOs undertook sensitization exercises in vulnerable communities. A 17-member national steering committee that will oversee the implementation of the national intervention database project for combating human trafficking in Ghana was inaugurated.

There were reports of internal and cross-border trafficking of women and children for the purposes of sexual exploitation or forced labour. The number of cases of trafficking offenders prosecuted remained low.

2.26 Persons with Disability (PWDs)

2.26.1 Legislative Framework on Disability

Ghana has ratified the Convention on the Protection of Persons with Disabilities. On the domestic front, the country is yet to develop the necessary Legislative Instruments to give effect to the Persons with Disability Act, 2006 (Act 715).

2.26.2 Empowering PWDs

As part of efforts to empower persons with disability (PWDs) to be able to engage in gainful employment, earn better incomes and reduce their dependency on others, the Ministry of Employment and Social Welfare in collaboration with Messrs rLG Communications Ltd initiated a programme to train 5,000 persons with disability (PWDs) in ICT, mobile phone repairs, and computer assembling and repairs.

The Kwame Nkrumah University of Science and Technology (KNUST) is planning to offer a second degree course in Disability Studies at the University.

2.26.3 District Assembly support to PWDs

The National Council on Persons with Disability has developed the “Guidelines for the Disbursement and Management of the District Assembly Common Fund for Persons with Disability”

PWDs continue to face challenges in accessing the funds because:

- Several groups of PWDs are unable to access the 2 per cent share of the District Assemblies Common Fund (DACF) allocated to them due to the inability of District Assemblies (DAs) to open accounts at the banks for the funds to be paid in for their use;
- Contrary to guidelines most Metropolitan, Municipal and District Assemblies (MMDAs) did not have the mandated Disability Fund Management Committees (DFMC) in place;

2.27 Mental Health

The Mental Health Bill has been put before Parliament. Key rights and principles under the Bill include equality and non-discrimination, the right to privacy and individual autonomy and freedom from inhuman and degrading treatment.

2.28 The Aged

The government approved the National Ageing Policy. The Department of Social Welfare and the Ministry of Employment and Social Welfare under the Community Care Programme developed strategies to render care and support to the aged. Other interventions available to support the aged include:

- the National Social Protection Strategy, 2006
- the Ghana National Disability Policy
- the Livelihood and Empowerment Programme

- coverage for the elderly under the National Health Insurance Scheme (NHIS)
- introduction of a micro finance credit scheme for older women

CHAPTER

3

ECONOMIC GOVERNANCE AND MANAGEMENT

3.0 INTRODUCTION

In the African Union Declaration on Democracy, Political and Economic Governance, African countries recognized that the principles of “good economic governance including transparency in financial management are all essential prerequisites for promoting economic growth and reducing poverty”. This theme focuses on the actions, policies and programmes that the relevant economic authorities are adopting and implementing in managing the economy.

The key policy document being implemented in the country is the Ghana Shared Growth Development Agenda (GSGDA). The Ghanaian economy has recorded mixed results during the year. The government’s multi-year macro economic stabilization programme coupled with positive terms of trade and favourable agricultural production resulted in improved macro economic situation. Exports increased from USD 7,964.70 million in 2010 to USD12,785.4 million in 2011. Imports, however, also increased from USD10,769.8 million in 2010 to USD15,968.3 million in 2011. Gross Domestic Product (GDP) more than doubled, from GHC23 billion in 2007 to GHC59 billion in 2011. The country has also recorded single digit inflation for almost 18 months running. First the first time the country also met all the four primary convergence criteria under the West African Monetary Zone (WAMZ) programme.

The gains made in public finance management is challenged by the huge wage bill following the implementation of the Single Spine Salary Policy which has seen

remuneration to public sector workers increased from GHC 2 billion to GHC 5 billion. This is not only impacting efficient budget execution and macroeconomic stability, it is also affecting delivery of quality public expenditure in such vital services as education and health.

3.1 Standards and Codes

The country has signed the following conventions:

- The International Coffee Agreement, 2007
- Voluntary Partnership Agreement (VPA) on Timber Trade and Development Cooperation with the European Union
- Convention between the Republic of Ghana and the Swiss Confederation for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains

A number of local laws were also passed:

- Petroleum Revenue Management Act, 2011 (Act 815)
- Tourism Act, 2011 (Act 817)
- Petroleum Commission Act, 2011 (Act 821)

OBJECTIVE 1: DESIGN AND IMPLEMENT ECONOMIC POLICIES FOR SUSTAINABLE DEVELOPMENT

It is important that economic policies are formulated and implemented to ensure that economic growth and expanded opportunities create wealth, generate employment and raise living standards without excessive costs to the environment, to the economic

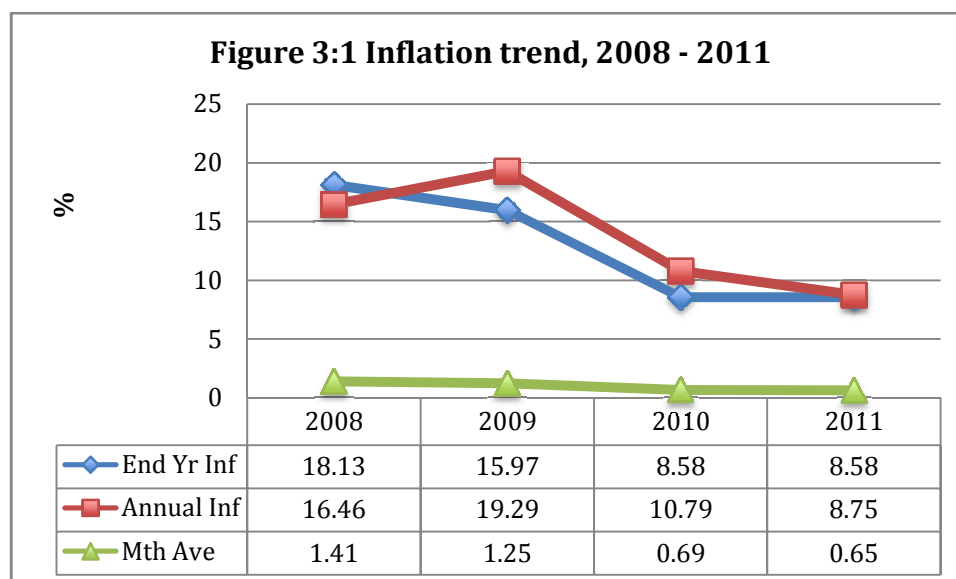
fundamentals or to the population. It is also prudent that this economic growth is sustainable in the long term.

3.2 Macroeconomic Indicators

The country enjoyed macro economic stability in 2011. Despite arguments that the achievement has come at great costs, the fact that the macroeconomic indicators remained relatively stable in spite of economic challenges both locally and abroad, was an impressive feat.

3.2.1 Inflation

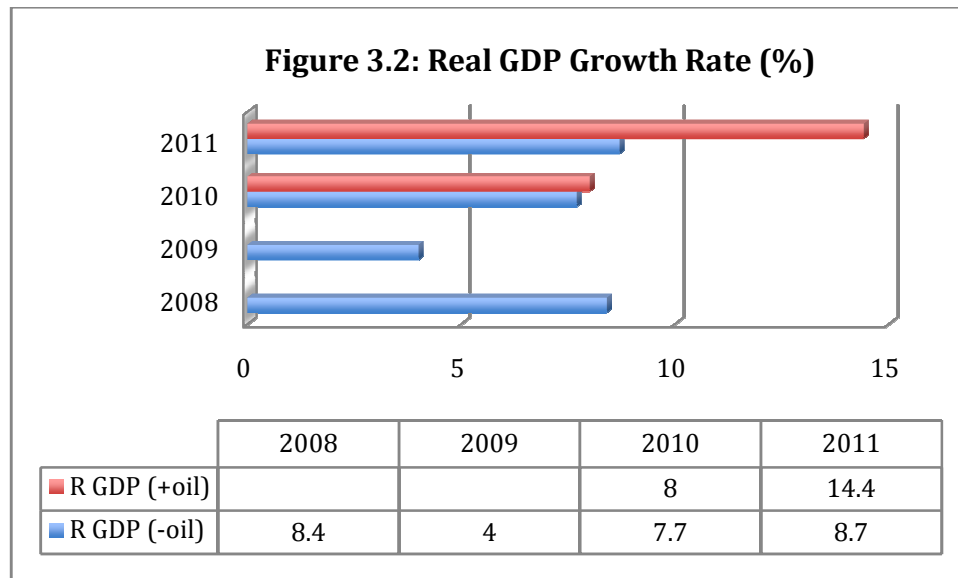
Inflation started with a year-on-year rate of 9.08 percent and ended at a rate of 8.58 percent. The average inflation for the year was, however, 8.75 percent. Monthly rate of inflation for the period was 0.65 percent showing a continuous decline since 2008.



Source: Ghana Statistical Service, 2012

3.2.2 Gross Domestic Product (GDP)

The country witnessed a real GDP growth rate of 14.4 percent in 2011, up from the 8.0 percent recorded in 2010 (**Figure 3.2**). The outturn for real GDP growth, however, failed to reach its 2011 target by less than 1 percentage point (0.8 percentage points).



Source: Ghana Statistical Service, 2012

The Services Sector continued to be the single largest contributor to GDP, even though the sector grew by 8.3 percent in 2011 it contributed about 48.5 percent to GDP. Industry, on the other hand, recorded the highest growth of 41.1 percent, but contributed 25.9 percent to GDP. Agriculture, however, recorded a marginal growth of 0.8% falling from a recorded growth of 5.3% in 2010, and contributed 25.6 percent to GDP.



Source: Ghana Statistical Service, 2012

3.2.3 Interest Rate

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) consistently reduced the policy rate during the year. From a high of 13.50% in May 2011, the policy rate declined to 12.5% in July 2011. This decline saw marginal declines in the rates of some key market instrument. The benchmark 91-day Treasury Bill rate declined from 11.80% in January 2011 to 9.18% in September 2011. The one-year note also declined from 12.60% to 11.10% over the same period (Table 3.1).

Table 3.1: Interest rate (%), 2008 - 2011

Interest Rate	2008	2009	2010	2011
Bank of Ghana Prime Rate	17.0	18.0	13.5	12.5
Demand Deposits (annual average)	3.88	3.63	3.38	3.38
Savings Deposits (annual average)	9.0	10.0	5.9	4.38
Lending Rates (annual average)	27.25	32.75	27.6	26.95
91-Day Bill (annual average)	24.67	25.4	14.4	9.41

Source: Bank of Ghana, 2012

Inflation Rate-Cost of Credit Paradox

Whilst the country continues to record low and stable single digit inflation, the cost of

credit to both individuals and small and medium-size enterprise (SMEs) remains high. The year-end inflation for 2011 was 8.5% whilst average cost of credit remained at around 25%.

OBJECTIVE 2: PROMOTE SOUND PUBLIC FINANCE MANAGEMENT

The management of public finances has to be accountable, transparent and efficient in order to achieve the desired effect on both the economy and the public's trust in the institutions of state.

3.3 Use of International Standards

3.3.1 Financial Reporting Framework

Ghana has adopted the International Financial Reporting Standards, in place of the Ghana National accounting Standards. All listed companies, government business enterprises, banks, insurance companies, security brokers, pension funds, and public utilities started the implementation of the IFRS in January 2007. Small and medium enterprises (SMEs), state owned organizations, and private organizations started using IFRS in 2010.

3.3.2 Basel Framework

The Bank of Ghana has set up a committee tasked with advising the bank on the implementation of Basel II. The Bank of Ghana is poised to implement Basel II in 2012. The purpose of Basel II was to create an international standard that banking regulators can use when creating regulations about how much capital banks need to put aside to guard against types of financial and operational risks banks face. It is commendable that the Bank of Ghana increased the capital resources requirements of all banks in Ghana ahead of the implementation of the Basel II Accords.

3.3.3 Auditor General's Reports

The Auditor-General plays an important role in the oversight process because Parliament relies on its audited accounts to conduct its *ex post* oversight. Under Article 187 (2) of the 1992 Constitution the Auditor-General is charged with auditing all ministries, departments, and other agencies of the central government for the financial year December 31. Section 5 of the Article requires the Auditor-General to inform Parliament through the audited accounts of any irregularities. The Auditor-General's report to Parliament is referred to the Public Accounts Committee (PAC) by the Speaker.

Despite the challenges faced by the Audit Service, the Auditor-General has been meeting its constitutional requirement to submit the Audit Report on the consolidated funds by the 30th day of June every year.

3.3.4 Internal Audits

The Internal Audit Agency assisted more institutions to establish their Audit Report Implementation Committees (ARICs) even though they missed their target for the year. A total of 301 ARICs were established in 2011 as against a target of 343 (**Table 3.2**). The ARICs are internal monitoring committees charged with the responsibility of ensuring that recommendations raised in audit reports are fully implemented.

Submission of internal audit reports has always fallen short of set targets. In 2011 of the expected 1,204 reports expected 560 were submitted (representing 46.5 percent). This was an improvement over 2010 where only 323 out of an expected 1,200 were submitted (representing 26.9 percent).

Table 3.2: ARIC formation and submission of Internal Audit Reports

ITEMS	2009		2010		2011	
	Target	Achievements	Target	Achievements	Target	Achievements
Establishment of Audit Report Implementation Committees (ARICS)	320	243	342	272	343	301
Submission of	1049	317	1200	323	1204	560

Internal Audit Reports						
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Source: Internal Audit Agency, 2011

3.3.5 Parliamentary scrutiny

Parliament continues to employ a number of tools to exercise oversight over the Executive. These include:

- Question time on the floor of the House
- Committee meetings, and
- Special/Ad-hoc committees

Processes of the Public Accounts Committee
1. Auditor-General submits a report to the Table Office
2. The Business Committee schedules and lays the Report before the House and then it is referred to the PAC for consideration and report
3. The PAC Secretariat writes to all MDAs queried in the report of the Auditor-General forwarding respective portions of the report that pertains to them and then requests that they forward their responses and comments if any on the report within a stipulated time frame, usually two weeks.
4. A sub-committee of PAC reviews the responses and submits a report to the Committee recommending which MDAs should be invited for public hearing.
5. The PAC then schedules a date for the hearing and instructs the Secretariat to write to all the selected MDAs inviting them to respond to the queries they failed to address sufficiently and/or systemic problems that should be raised for the benefit of all MDAs.
6. A date for the public sitting is published and announced in the electronic media for the benefit of the Press and all interested stakeholders.
7. A public hearing is conducted where auditees are given the opportunity to explain their own viewpoint on the Auditor-General's queries while Members of the PAC who have studied the issues in detail with the help of the Audit Service Staff cross-examine the auditees.
8. The Committee then compiles its report and makes recommendations on the Auditor-General's Report to the House for debate and adoption.
9. After the adoption of the Report by the Plenary, the PAC secretariat writes to all MDAs named in the report requesting them to implement the recommendations and report back to the Committee within a month. The Attorney-General at this point is invited to commence prosecution of criminal cases referred to that office.
10. The PAC takes a sample of feedbacks and follows up to ascertain the veracity of the reports and progress of implementation of its recommendations.

3.4 Fiscal system

The government managed to stabilize the macro economic situation through a number of measures including fiscal containment. This invariably had negative implications for growth in the short term. Total revenue and grants for the year 2011 was GHC12,851.56 million (22.8 percent of GDP) and total government expenditure amounted to GHC13,379.98 million (23.8 percent of GDP). Consequently, the budget recorded an overall deficit including divestiture of GHC2,395.44 million (5.2 percent of GDP) at the end of the year. The deficit was financed by a net foreign inflow of GHC979.3 million (1.7 percent of GDP) and net domestic financing of GHC1,988.14 million (3.5 percent of GDP).

3.4.1 Revenue Mobilization

The trends in government revenue as a percent of GDP indicate that there has been an appreciable increase in domestic revenue mobilization. The Ghana Country Review Report of 2005 recommended that the country devise innovative means to reduce its dependence on external sources of finance to support its annual budgets.

a) Domestic Revenue

Domestic revenue and grants increased from GHC8,810.86 million in 2010 to GHC12,851.56 million in 2011.

Table 4.2: Total Revenue and Grants (in millions of Ghana Cedis)

	2008	2009	2010	2011
Total Revenue and Grants	5,619.70	6,775.17	8,810.86	12,851.56
Tax revenue	4,368.50	4,803.65	6,504.51	9,776.09
Non-Tax Revenue	433.93	870.33	1,226.12	1,822.00
Grants	817.29	1,101.18	1,080.23	1,174.96
Others	69.02	88.01	137.34	135.04

Source: Bank of Ghana, 2012

Domestic revenue mobilization formed a key component of the government strategy to accelerate growth and employment in 2011. A higher than expected revenue inflows materialized in 2011 amounting to GHC12,908.0 billion representing 22.9 percent of GDP. Despite the increase, some sectors recorded significant shortfalls. Export duties declined from GHC62.2 million in 2010 to GHC5.0 million in 2011. Meanwhile, export exemptions increased by about 131.8 percent to GHC634.6 million.

b) Expenditure

Total expenditure for 2011 amounted to GHC12,743.7 million (23.9% of GDP), compared with GHC9,211.5 million (19.9% of GDP) recorded in the corresponding period of 2010. This represented an increase of 38.3 percent. The surge in the pace of government spending was attributed to:

- Increases in capital expenditures (especially foreign financed capital), which exceeded the planned budget by almost 33 percent.
- increased discretionary spending particularly by the Ministries, Departments and Agencies (MDAs).
- Implementation of the single spine pay policy and the subsequent wage arrears that had to be paid.

Table 4.3: Total Expenditure (in millions of Ghana Cedis)

	2009	2010	2011
Statutory payments		6,165.9	8,354.4
Discretionary payments		3,045.6	4,389.3
Total Expenditure		9,211.5	12,743.7
<i>% of GDP</i>		<i>19.9</i>	<i>23.9</i>

Source: Bank of Ghana, Monetary Policy Report, February 2012

3.5 Budget Deficit

The budget deficit is a key indicator of macro-economic stability, and it remains a major challenge to government as it aims to improve the welfare of its citizens within a limited budget constraint. In 2011, the country recorded a primary budget deficit of GHC521.71 million, against a planned budget deficit of GHC2,069.64 million. The actual deficit represented 0.9 percent of GDP. The overall budget deficit (cash) amounted to GHC2,459.46 million (4.4% of GDP) in 2011.

3.6 External Sector

The external sector recorded relative stability during the year under review in line with other macroeconomic trends, namely inflation, interest rate and inflation.

3.6.1 Exchange Rate

Developments in the nominal bilateral exchange rates of the Ghana Cedi against the three core currencies showed that the Cedi depreciated by 5.0, 10.5 and 7.6 percent against the US dollar, the pound Sterling and the Euro respectively in year-on-year terms in December 2011.

3.6.2 Balance of Payments

The economy recorded some diversifications in terms of products and new trade destinations. This resulted in increased volume and revenue accrued from international trade. The total merchandise exports in 2011 was estimated at USD12,785.4 million, representing 29.0% over and above the 2011 budget target of USD9,909.0 million. Despite the improvements in the export revenue, the 2011 budget target for balance of payment was missed. The overall Balance of Payment was USD546.53 million in 2011, a decline from 2010 figures of USD1,462.67 million.

3.6.3 External Sector Development

The country's Gross International Reserves (GIR) saw some positive improvements in 2011. From a level of USD4.72 billion in December 2010, the GIR grew steadily and peaked around USD5.38 billion as at December 2011. The developments in the Net International Reserves (NIR) followed a similar pattern as it increased from USD3.92 billion in 2010 to USD4.43 billion in December 2011. The improved developments translated into 3.3 months of imports in 2011 down from 3.7 months in 2010 (**Table 4.4**).

Table 4.4: External Sector Developments (USD millions)

	2008	2009	2010	2011
Net International Reserves	1,300.59	2,459.37	3,924.87	4,438.97
Gross International Reserves	2,032.16	3,164.81	4,724.89	5,382.82
Months of imports of goods and services	1.8	3.2	3.7	3.3

Source: Bank of Ghana, 2011

3.6.4 External Debt

The country's gross external debt continued to increase from USD6,254 million (20.9% of GDP) in 2010 to USD7,589.45 million (20.8% of GDP) in 2011 representing a 21.3 percent growth in year-on-year terms between 2010 and 2011 (**Table 4.5**).

Table 4.5: External Debt Stock by Creditor Category (in millions of USD)

	2008	2009	2010	2011*
Total External Debt	4,035.07	5,007.88	6,254.55	7,589.45
External debt/GDP (%)	16.2	19.1	20.9	20.8
Multilateral Creditors	2,028.31	2,461.77	3,057.69	3,891.78
of which IMF	163.07	269.98	388.02	481.71
Bilateral Creditors	1,168.22	1,687.24	2,169.19	2,712.32
Of which:				
Paris Club	774.95	1,138.83	1,363.03	1,830.49
Non-Paris Club	393.27	548.41	806.16	881.83
Commercial Creditors	838.54	858.87	1,027.67	985.35
Of which:				
International Capital Market	750.00	750.00	750.00	750.00

Source: MOFEP, 2011 (provisional estimate)*

3.6.5 Domestic Debt Stock

The domestic debt stock at the end of 2011 was GHC11,841.1 million (20.8% of GDP), up from GHC8,280 million (19.3% of GDP) in 2010. This represents an increase of GHC3,560.90 million and was mainly on account of growth in the short term debt instrument which amounted to GHC4,353.3 million.

Table 4.6: Domestic Debt Position, 2008 - 2011

	2008	2009	2010	2011
Total Domestic Debt Outstanding	4,778.1	6,083.2	8,280.1	11,841.1
<i>Classification by Maturity</i>				
<i>Short term (one yr or less)</i>				
Treasury Bill (91 days)	843.0	649.6	641.0	
Treasury Bill (182 days)	665.3	1,767.0	1,334.6	
Treasury Bill (1 year)	280.0	122.3	1,134.6	
<i>Medium/Long Term (over 1yr)</i>	2,989.8	3,544.3	5,169.9	

Source: Bank of Ghana, 2011

3.7 Money Markets

The capital market remains an important source for raising long term finance for businesses. The Ghana Stock Exchange (GSE) recorded strong performance by stocks from the banking and finance, agriculture, food and beverage and energy sectors. The GSE finished the year strongly with the All-Share Index posting a 34% increase over 2010.

Nevertheless, the GSE Composite Index closed the year at 969.0 points representing a cumulative loss of 3.1 percent for 2011. The year-to-date basis of market capitalization increased by 135.4 percent (GHC27,230.5 million) to GHC47,300 million in December 2011 mainly due to the listing of Tullow PLC on the GSE.

3.8 Tax Administration

The GRA performed creditably. The improvement in performance were attributed to:

- synergies arising from the strides made in the reform for integration and modernization such as joint tax audits; information sharing about taxpayers on liability to different taxes which is deterrent against taxpayers reporting different figures for different tax types;
- clearance on permit, a facility which allows consignments to be removed from the port quickly and the documentation perfected later, and which became widely abused, was streamlined, resulting in about 80 percent drop in the use of the facility;
- the introduction of the Ghana Integrated cargo Clearance System which helps to track the location of goods at the ports;
- deployment and widening of the coverage of the Valuation Assurance Programme;
- the establishment of the Rapid Deployment Force (RDF) by the Customs Division. The RDF acts on intelligence reports and clamps down on smugglers;
- streamlining of tax exemptions;
- tax education and engagement with stakeholders across the country resulting in improved voluntary compliance.

The Ghana Revenue Authority (GRA) has begun the decentralization of its operations. In addition to the Registrar General's Department (RGD), offices have been opened in a number of locations – Kaneshie, Adabraka, Agbogbloshie, Ashaiman, Makola, Tema, Legon (all in the Greater Accra Region).

OBJECTIVE 3: FIGHT CORRUPTION AND MONEY LAUNDERING

The purpose of the section is to focus on corruption in public procurement and the policies and measures put in place to address the menace of money laundering.

3.9 Corruption

Though the country slipped on the Transparency International Corruption Index from 3.4 in 2010 to 3.2 in 2011, a number of initiatives were undertaken to strengthen the institutions fighting corruption.

3.9.1 Empowerment of (EOCO)

The Legislative Instrument (LI) to operationalize Act 804, which established the Economic and Organized Crime Office (EOCO), has been prepared. The office has also prepared a draft Strategic Plan and Standard Operation Procedures (SOP) to guide its operations.

3.9.2 National Anti-Corruption Action Plan (NACAP)

The Commission for Human Rights and Administrative Justice (CHRAJ) in collaboration with key national stakeholders completed the final draft of the National Anti-Corruption Action Plan (NACAP).

3.9.3 Extractive Industries Transparency Initiative (EITI)

The country extended the Extractive Industries Transparency Initiative (EITI) to the oil and gas industry.

Judgment Debts

The payment of some judgment debts to certain institutions and individuals raised questions about the prudent use of state resources and oversight responsibilities of key line ministries.

3.9.4 Oil Revenue Management

The Petroleum Revenue Management Act, 2011 (Act 815) was passed by Parliament.

As part of efforts to increase public oversight (besides parliament) in the management and use of the country's oil revenues, a Public Interest and Accountability Committee was inaugurated to oversee the management of rents from the oil sector.

Public Interest and Accountability Committee

A 13-member Public Interest and Accountability Committee (PIAC) has been established under Section 51 of the Petroleum Revenue Management Act to ensure transparency and accountability in the management and use of the petroleum revenue and investments in the country.

Under the Petroleum Revenue Management Act, 2011 (Act 815), the PIAC is tasked to monitor and evaluate compliance with the Act by government and other relevant institutions in the management and use of petroleum revenues.

The PIAC is mandated by the law to publish semi-annual and annual reports by the 15th of September and the 15th of March every year. The Committee has a website (www.piacghana.org) where all its reports would be made available to the general public.

3.10 Public Procurement

Available information from the National Procurement Authority (NPA) indicated that procurement under single sourcing increased from 5.33 percent in 2009 to 8.85 percent in 2010 (Table 3.7).

Table 3.7: National Procurement

Item	2009	2010	2011
Formation of Entity Tender Committees	n.a	n.a	n.a
Official complaints received	7	n.a	n.a
Official complaints resolved	7	6	n.a
Methods of procurement			
Single source	5.33%	8.85%	n.a
International Competitive Tender	3.98%	3.71%	n.a
Price Quotation	57.28%	47.09%	n.a

Restrictive (Selective) Tender	4.69%	8.14%	n.a
National Competitive Tender	28.72%	32.21%	n.a

Source: National Procurement Authority, 2011

3.11 Anti-Money Laundering

As part of efforts to fight against money laundering and financing of terrorism the following legislative acts have been passed:

- The Anti-Money Laundering Act, 2008 (Act 749)
- The Anti-Terrorism Act, 2008 (Act 762)

To give effect to these laws the Anti-Money Laundering Regulations, 2011 (L.I.1987) has been passed.

As part of efforts to strengthen

- The Bank of Ghana (BoG) and the Financial Intelligence Centre (FIC) have developed a new guideline on anti-money laundering – “The Anti-Money Laundering/Combating the Financing of Terrorism Guideline”
- The Bank of Ghana has directed all financial institutions (including banks and non-banks) in the country to appoint anti-money laundering reporting officers in accordance with Regulation 5(1) of L.I.1987

OBJECTIVE 4: ACCELERATE AND DEEPEN REGIONAL INTEGRATION IN THE MONETARY, TRADE AND INVESTMENT DOMAIN

The harnessing and strengthening of inter-country economic complementarities is recognized as one of the pillars of economic growth. Therefore it is important that

African countries design and implement policies that facilitate the deepening and acceleration of regional economic integration.

3.12 Mobility of goods and persons

The ECOWAS Trade Liberalization Scheme (ETLS) was designed to progressively establish a customs union among member states. One result of the creation of a borderless West Africa is that goods from member countries no longer attract tariffs, those from third (that is non-EU) countries outside of ECOWAS attract duties of only 0.05 per cent of total value.

The plan to move from a Free Trade Area to a Customs Union and eventually to a Monetary Union – allowing easier access to bigger markets, promoting economies of scale and creating jobs – remains largely unimplemented. The implementation of the various protocols have been frustrated by multiple check points and the imposition of unofficial tariffs at border points.

Challenges to free trade in West Africa

Despite efforts to introduce common external tariff, traders still face high tariffs, product bans and import controls. Cumbersome regulations and administrative bureaucracy, bribery and corruption, the high cost of often-inefficient transportation and communications services have all hindered intra-ECOWAS trade.

Source: Ghana News Agency, 2011

3.13 Facilitation of financial transactions

The absence of any efficient and effective payment mechanism, particularly between Anglophone and francophone countries, has been identified as an impediment to cross-border and intra-ECOWAS trade.

3.13.1 Payments System

Ghana's payment system is supported by various laws in line with the core principles for systemically important payment systems. The laws cover payment instruments, institutions, clearing houses, clearing and settlement systems, and include:

- Bank of Ghana Act, 2002 (Act 612)
- The Payment Systems Act, 2003 (Act 668)
- The Bills and Exchange Act, 1961 (Act 55)

3.13.2 Interbank Clearing and Settlement Circuits

a) Ghana Interbank Settlement (GIS) System

The GIS is a real time gross settlement system for the handling of large value interbank payments in Ghana. The participation in the GIS system is limited to licensed clearing banks who are members of SWIFT.

b) Clearing Houses

The clearing of cheques and paper credit vouchers is handled by the eleven clearing houses distributed throughout the country. The clearing houses are jointly owned by the Bank of Ghana and the banks.

c) Retail Debit Clearing System

Cheques and other paper-based debit instruments are the most widely used non-cash payment media in Ghana.

d) Retail Credit Clearing System

The inter-bank credit clearing system complements the "debit pull" instruments. It has a shorter clearing cycle and less risk of fraud from tampering

3.13.3 Banks Domain Electronic Funds Transfer

These comprise the following:

- Credit cards – there are no locally issued credit cards in Ghana. However, international credit cards such as Visa, American Express and Baclaycard among others are accepted by the ATMs.
- Debit cards – pin-based debit cards are available in Ghana
- Store value money (e-money) such as Sika card and Mondex are available
- Automated Teller machines
- Electronic Funds transfer – Cross border payments via SWIFT Transfers
- Electronic Funds transfer – Inward Remittances

Payment Systems Project for WAMZ

As parts of efforts to address this challenge, the West African Monetary Institute (WAMI) is currently implementing two payment system reforms aimed at developing the SWIFT and Real Time Gross Settlement Systems (RTGS).

A number of positive developments have been recorded in Ghana.

- Ghana has established a real time gross settlement systems (RTGS) and has largely automated her retail payment systems.
- Almost all the banks in the country have migrated onto the SWIFT. As many as 22 banks connect to SWIFT through the SWIFT Alliance Gateway of the Bank of Ghana.
- With the implementation of FileAct service banks in Ghana are required to submit their daily forex deals with rates for each transaction to the Central Bank. This has greatly enhanced the process of gathering and publication of foreign exchange rates by the Bank of Ghana.

West African Monetary Zone (WAMZ)

The creation of a West African Monetary Zone (WAMZ) requires the harmonization of laws governing financial institutions in the member countries; the design of an exchange rate mechanism; the creation of a foreign exchange reserve management system; a viable

non-cash payment system; the design of a common currency. In addition there is the establishment of a common central bank, working through the West Africa Monetary Institute, leading to the introduction of a common currency, the ECO.

3.14 Harmonization of Ghana's economic policies with those of RECs

The country has made steady progress has been made on policy harmonization and institutional arrangements.

3.14.1 Convergence criteria

Ghana achieved all four primary criteria. There was, however, no improvement in Ghana's performance on the secondary convergence zone.

3.14.2 Statistical harmonization

Ghana is using Revision 4 of SNA 93 to compile its National Account and is working towards the adoption of the ECOWAS proposal of SNA 2008.

CHAPTER

4

CORPORATE GOVERNANCE

4.0 INTRODUCTION

The vision of the New Partnership for Africa's Development (NEPAD) is to eradicate poverty and place African countries individually and collectively on the path to sustainable growth and development. This requires sustainable production and creation of wealth through well-governed and competitive organizations whether they are in the private, public or not-for-profit sectors.

“Doing business” in Ghana has become easier as the country's overall Doing Business (2011) rank has improved to 67 from 77 in 2010. Among the sub-Saharan countries, Ghana's rank is 5th in “Ease of Doing Business”. The country has made positive strides in improving the business environment by reducing the time and cost for registering business, registering property and enforcing contracts. Access to credit continues to be the biggest challenge to medium, small, and micro enterprises. There were, however, increased agitations on the labour front as a result of the implementation of the Single Spine Salary policy.

4.1 Standards and Codes

The following conventions and treaties have been signed:

- Safety and Health in Agriculture, 2001 (No. 184)
- International Labour Organization Convention on (a) Minimum Age for Admission to Employment

- Tripartite Consultation (International Labour Standards), 1976 (No. 144)

OBJECTIVE 1: PROMOTING AN ENABLING ENVIRONMENT AND EFFECTIVE REGULATORY FRAMEWORK FOR BUSINESS ORGANIZATIONS AND OTHER ENTITIES

This objective focuses on the legal and administrative measures that are in place to facilitate economic activities, advocacy and service delivery, for example incorporation laws, laws and regulations governing different types of organizations, permits and licenses, registering property, protecting investors, enforcement of contracts, closing businesses.

4.2 Business Environment

4.2.1 Business Registration

The Registrar-General's Department (RGD) continued the implementation of the GeReg Registration Reform Programme which is aimed at improving and reducing the delays and costs of doing business. The Ghana Revenue Authority (GRA) and the Registrar General's Department (RGD) have been electronically networked under the Ghana e-project to undertake online business registration, filing of tax returns and payment of taxes.

The project, by integrating with other e-government application, is improving interaction and information sharing with relevant government agencies thereby reducing turnaround time to complete registration and updates at the RGD.

The World Bank "Doing Business" in Ghana indicates that the country has improved in most of the core indicators (**Table 4.1**).

Table 4.1 Ease of Doing Business in Ghana

	2011	Sub-saharan average (2011)
1.0 Starting a business		
1.1 number of procedures	7	8
1.2 time (days)	12	37
1.3 cost (% of income per capita)	17.3	81.2
2.0 Registering property		
2.1 number of procedures	5	6
2.2 time (days)	34	65
2.3 cost (% of property value)	0.7	9.4
3.0 Getting credit		
3.1 strength of legal rights index (0-10)	8	6
3.2 depth of credit information index (0-6)	3	2
3.3 public registry coverage (% of adults)	0.0	3.2
3.4 private bureau coverage (% of adults)	3.3	5.0
4.0 Enforcing contracts		
4.1 time (days)	487	655
4.2 cost (% of claim)	23	50
4.3 procedures (number)	36	39

The project is also assisting the RGD to clean up the data on businesses registered in the country and migrate credible, reliable and accurate data on businesses into its database to ensure efficiency and trustworthiness into the system.

Non-Ghanaians in retail business

Foreigners are engaged in retailing, petty trading, hawking and selling from kiosks in direct contravention of Section 18 of the Ghana Investment Promotion Centre Act, 1994 (Act 478). In recent times the Ghana Indigenous Business Association (GIBA) has had cause to complain about the infiltration of foreigners into the retail business sector. An Inter Agency Task Force has been established by the GIPC to monitor the activities of non-Ghanaians in the trading sector and ensure that:

- The provisions relating to the areas reserved for Ghanaians under Section 18 of

- the GIPC Act are complied with;
- The country’s immigration laws are properly enforced; and
- Non-Ghanaian traders meet their tax obligations to the State

4.2.2 Immigration Laws

The Ghana Immigration Service (GIS) continued to enforce immigration laws relating to entry, residence, employment and exit of foreign nationals. The number of foreigners arrested in the country without resident or work permits increased from 132 in 2010 to 153 in 2011, indicating a 16 percent increase.

4.2.3 Credit to businesses

The Association of Ghana Industries (AGI) Business Barometer for the last quarter of 2011 reported that access and cost of credit remain the most important constraints to medium, small and micro enterprises development.

As part of efforts to ease the constraint on SMEs the Micro Finance and Small Loans Centre increased the volume of credit extended to SMEs (**Table 4.2**)

Table 4.2: MASLOC loan disbursement and recovery for period 2010 - 2011

	2010		2011	
	Target	Achievement	Target	Achievement
Loans extended	3,314,250.00	4,030,190.00	47,000,000.00	18,325,915.00
Amount recovered	1,508,250.00	1,438,403.74	12,754,314.00	10,421,409.02
Total number of beneficiaries	6,628	8,096	71,310	36,334
Number of female beneficiaries	5,300	7,628	57,048	32,835
Number of male beneficiaries	1,328	468	14,262	3,499

Source: MASLOC, 2012

Ecobank opens China Desk

The Eobank Group and the Bank of China have jointly opened the first China Desk at Ecobank Ghana to provide banking services to Chinese companies doing business in Ghana and also to Ghanaians who want to do business in China.

4.2.4 Sources of capital

The capital market provides long term financing for businesses. The Ghana Stock Exchange year-to-date market capitalization increased by 135.4 percent from GHC27,230.5 million in 2010 to GHC47,300 million in 2011.

4.2.5 Local content policy

A local content policy framework has been developed by the Ministry of Energy which stipulates that, all regulatory authorities, operators, contractors and other entities involved in any project, operations or transaction involving the Ghanaian oil and gas industry should consider local content as an important element in their project development.

The policy is to give consideration to Ghanaian independent operators in the award of oil blocks, oil field licenses, oil licenses for which contract are to be awarded in the Ghanaian oil and gas industry.

Local Content Policy in Petroleum Sector

Ghana has developed a Local Content Policy in petroleum activities. The policy provides the framework for the maximization of the benefits of the oil and gas resources to Ghanaians through local content and participation. Consultations with stakeholders including oil companies on the policy were completed in 2011.

To ensure that the Local Content Policy is backed by regulations, a Legislative Instrument (LI) for local content has been drafted and reviewed by the Ministry and its Agencies and would soon be submitted to the Attorney General's office for drafting.

A Petroleum Commission has been set up to oversee the regulation and management of petroleum resources. The Commission will ensure that all directives set forth in the Local Content Policy and regulations are adhered to.

An Implementation Strategy and Framework has been developed to fast track the work of the Petroleum Commission as it provides them with procedures, tools and methodologies needed to support their mandate.

Source: Ministry of Energy, 2012

4.2.6 Improving governance in the informal sector

The Association of Ghana Industries (AGI) in collaboration with stakeholders have developed a Small and Micro Enterprise (SME) Agenda. The Agenda comprises three components – SME Policy, the SME Charter, and the Regional SME Action Plans. The SME Charter includes a code of conduct for SMEs, government ad agencies that oversee implementation of SME policies.

With support from the BUSAC Fund, the AGI commenced the implementation of the Regional Action Plans.

4.3 Infrastructure development

4.3.1 Roads

The overall road network in the country did not change from the 2010 figure of 67,450 kms, and the distribution in terms of trunk, urban and feeder roads remained the same at 19%, 18.5% and 62.5% respectively. The road condition mix worsened only slightly in 2011. The condition mix stood at 42% good, 28% fair, and 30% poor (**Table 4.3**).

Table 4.3: Length and condition of road network, 2009 - 2011

	2009	2010	2011
Road condition mix	40% good 29% fair 31 poor	43% good 28% fair 25% poor	42% good 28% fair 30% poor
National	67,450 km	67,450 km	68,053 km
Trunk roads	12,840 km	12,840 km	13,263 km
Urban roads	12,400 km	12,400 km	12,600 km
Feeder roads	42,210 km	42,210 km	42,190 km

Source: Ministry of Road and Highways, 2011 (provisional figures)

The Ministry of Roads and Highways (MRH) in collaboration with the Ministry of Local Government and Rural Development (MLGRD) is implementing an Urban Transport Project (UTP) with a key objective of reducing congestion on the roads.

A National Drivers' Academy established to train drivers to enhance safety on the roads has trained 612 commercial and corporate drivers. A National Road Safety Strategy III (NRSS III) has been developed and launched to serve as a blueprint for road safety management to guide road safety practices.

Eight High Speed Weigh-In-Motion (HSWIM) stations have been established at various locations on the national trunk roads to assist in the production of accurate statistics on overloading and trafficked roads.

4.3.2 Rail Transport

The rehabilitation and extension of the Accra-Tema sub-urban railway line from Tema harbor to Community One in Tema is about 86 percent completed. A draft Railway Sector Licensing Regulations has been completed. A Railway Master Plan to guide the sub-sector's development has been completed.

The performance of the rail transport for the year 2011 was mixed. The passenger traffic by rail declined from 27,856 in 2010 to 11,897 in 2011, representing a 57% decrease. Good traffic, however, increased from 41.3 tonnes in 2010 to 59.5 tonnes in 2011 (**Table 4.4**).

Table 4.4: Rail sector performance, 2009 - 2011

	2009	2010	2011
Passenger traffic (1000 passengers-km)	19,890	27,856	11,897
Good traffic (1000 tonnes-km)	14.83	41.3	59.51

Source:

4.3.3 Air Transport

The number of international airlines operating in the country increased following the signing of bilateral air agreements with Portugal, United Kingdom and Spain. The signing of the agreements facilitated the influx of Air Portugal, Virgin Atlantic, Iberia Airlines.

Four new Ghanaian airlines have been licensed to commence operations on both the domestic and regional routes to improve connectivity on the continent. The rehabilitation of the Kotoka International Airport (KIA) continued with the creation of 3 new boarding gates bringing the total number of boarding gates to 5, and easing passenger flow.

Table 4.5: Air transport sector performance, 2009 - 2011

	2009	2010	2011
Total freight and number of aircraft movement	17,301	21,068	22,284
Total number of domestic passenger movement	122,059	119,479	199,073
Total number of international passengers	1,204,786	1,387,045	1,585,602
Total freight movement (tonnes)	45,693	46,480	50,260

Source: GCAA, 2011

The domestic terminals are being upgraded to accommodate excess international passenger. An automatic weather observation system has been procured and installed by the Ghana Civil Aviation Authority (GCAA) to provide up to date weather information.

4.3.4 Maritime Transport

Both container and cargo traffic increased in the year under review. Container traffic increased from 307,686 tonnes in 2010 to 592,423 tonnes in 2011, while cargo traffic increased to 11,675 tonnes in 2011.

A Vessel Traffic Management Information System (VTMIS) has been procured to provide surveillance on the coastal lines and on the Volta Lake.

To ensure safe transportation on the Volta Lake, one new ferry has been built for the Volta Lake Transport Company.

4.3.5 Information, Communication Technology (ICT)

The ICT sector has expanded significantly over the years. The contribution of ICT to GDP increased from 3.0 percent in 2010 to 10.5 percent in 2011 and created 3,500 additional jobs compared to 3,050 in 2010. The penetration rate of telephones reached 84.6 percent in 2011.

Internet service subscription increased from 1,296,047 in 2009 (representing a penetration rate of 11%) to over 4 million subscribers in 2011 (representing a penetration rate of 21%). Mobile and land line subscribers reached over 20 million in 2011, representing a population coverage of 83% (**Table 4.6**)

Table 4.6: Teledensity (mobile and fixed lines)

	2008	2009	2010	2011
Teledensity (mobile and fixed)	11,713,699	15,376,305	17,714,846	20,713,941
Teledensity (%)	51%	64%	74%	83%

Source: Ministry of Communication, 2012

a) Mobile Number Portability

The country introduced Mobile Number Portability to offer choice to subscribers. As at end September 2011, a total of 105,678 mobile phone subscribers had taken advantage of the MNP to move from one mobile service provider to another. After the expiration of their 30-day mandatory waiting period, 2,477 subscribers elected to port back to their previous service provider, whilst 303 subscribers ported to a third network. This means that the vast majority of customers who have ported so far remain satisfied with their decision to change providers.

b) *Digital Broadcasting Migration*

The country continued its preparation on digital broadcasting migration as part of efforts to switch over from analogue to digital in December 2014.

An anti fraud collaboration between the National Communications Authority (NCA), all telecom service providers in the country and the Criminal Investigations Department (CID) of the Ghana Police Service has led to the arrest of a six-members SIM Box syndicate operating between Oregon in the United States of America and Accra, Ghana.

Service Delivery

The National Communications Authority monitors and analyzes the performance of mobile operators in the country every month to assess the user experience using the mobile voice service, this is conducted in order to direct improvement in their Quality of Service (QoS). The monitoring also enhances NCA's understanding of current problems faced by consumers to enable it work more closely with operators to improve customer experiences.

MTN and Expresso have been sanctioned. The sanction is based on findings on Quality of Service in the Ashanti, Eastern and Western regions for February this year. The assessment was done on Stand –alone Dedicated Control Channel (SDCCH) Congestion, Call Set up Time (CST), Call Congestion Rate (CCR) and Call Drop Rates.

4.4 Investment Climate

4.4.1 Ghana Investment Promotion Act

The draft Ghana Investment Promotion Bill, 2010 has been completed and has been circulated among stakeholders further inputs. The new law would address the challenges identified in the old Ghana Investment Promotion Act and reflect current changes in the investment climate.

Concessions to hotels and hospitality industry revoked

The Customs and Excise (Duties and other Taxes)(Amendment) Act, 2010, Act 809

revokes the Ghana Investment Promotion Center (Promotion of Tourism) Instrument 2005 (LI 1817). Concessions granted to hotels and the hospitality industry under the LI therefore no longer apply.

4.4.2 Foreign Direct Investment (FDI)

There has been marked improvement in the investment climate in the country. FDI increased from 385 projects valued at USD1,278.90 million in 2010 to 514 projects valued at USD7,680 million in 2011 (Table 4.7).

Table 4.7: Investment Profile, 2009 - 2011

	2009	2010	2011
Total estimated value of registered projects (US\$M)	619.99	1,278.90	7,680.00
Total number of registered projects	257	385	514
Foreign Direct Investment (FDI) component (US\$M)	551.30	1,108.93	6,820.00

Source: GIPC, 2011

Disaggregating the projects by region showed that project location was skewed in favour of the Greater Accra region (Table 4.8).

Table 4.8: Regional distribution of investments, 2009 - 2011

Region	2009	2010	2011
Ashanti	10	13	29
Brong Ahafo	6	3	5
Central	1	5	12
Eastern	6	7	7
Greater Accra	222	343	425
Northern	1	4	6
Volta	1	2	4
Western	1	14	26

Source: GIPC, 2011

4.5 Insurance Climate

4.5.1 Legal environment

The insurance industry in Ghana is governed by the Insurance Act, 2006 (Act 724). Act 724 complies with the International Association of Insurance Supervisors (IAIS) Core Principles and gives better regulatory powers to the National Insurance Commission (NIC). The Act among other things prohibits composite companies, therefore, insurance companies have to separate their life and non-life operations into different companies.

4.5.2 Accounting manual for the insurance industry

The NIC in collaboration with the Institute of Chartered Accountants, Ghana (ICA-Ghana), had developed an accounting manual for the insurance industry. The manual is in compliance with the requirements of the International Financial Reporting Standards (IFRS). The main objective of the accounting manual is to ensure that all insurance companies prepare their financial statements in accordance with the requirements of the IFRS.

4.5.3 Third-party Motor Insurance Injury

In response to outcries by motor underwriting companies regarding the escalating nature of injury and deceased motor insurance claims especially awarded by the courts, the NIC has inaugurated an industry committee to work out a formula for computing third-party motor insurance injury and deceased claims for the Ghanaian insurance market.

4.5.4 New Capital Requirement

All insurance companies are mandated to comply with a new minimum capital requirement of USD5 million by December 2012. This increase of the capital requirement from USD 1 million to USD5 million is to help insurance firms position themselves to underwrite much bigger risks.

4.6 Taxes

4.6.1 High Corporate Tax

The corporate tax for mining companies has been increased from the current 25 per cent to 35 per cent. Mining companies would also be required to pay a windfall profit tax of 10 per cent. In another development, the government has reduced the corporate tax for hotels and the hospitality industry from 22 percent to 20 percent. The government is yet to pass the necessary legislative instrument to operationalize the directives in the 2012 Budget Statement. The government is also yet to provide a Regulatory Impact Assessment study on the new directives.

4.6.2 Environmental Tax

The Government of Ghana after consultation with the plastic materials and products industry reduced the environmental tax from 20 per cent to 15 per cent. The tax was introduced as part of measures to protect the environment from the menace posed by plastic materials and products. The agricultural and pharmaceutical sectors continue to enjoy exemptions.

4.6.3 Tax Holidays

As part of efforts to improve capitalization on the Ghana Stock Exchange (GSE), the government has extended the Stock Exchange tax holiday for another 5 years. In addition, mutual funds and unit trust funds that invest in stocks on the Stock Exchange are exempted from VAT on financial services.

4.6.4 National Fiscal Stabilization Levy (NFSL)

The National Fiscal Stabilization Levy has been abolished.

**OBJECTIVE 2: ENSURE THAT CORPORATIONS ACT AS GOOD
CORPORATE CITIZENS WITH REGARD TO HUMAN RIGHTS, SOCIAL
RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY**

4.7 Labour

4.7.1 National Employment Policy

The National Employment Policy had been reviewed to conform to the Ghana Shared Growth and Development Agenda (GSGDA). The reviewed policy and its Implementation Action Plan is yet to be validated by stakeholders.

4.7.2 National Human Resource Development Policy

A National Human Resource Development Policy, which seeks to maximize the use of human resource potentials for accelerated national development, had been developed. The Ministry of Employment and Social Welfare is yet to develop an Implementation Action Plan.

4.7.3 Industrial (Labour) Relations Environment

In the year 2011, the National Labour Commission (NLC), established under the Labour Act 2003 (Act 651) to facilitate and settle industrial disputes among others, recorded a total of 658 industrial disputes from both individual and organized workers in the public and private sectors. The Commission settled 371 of the cases representing 56.38 per cent of the total number of complaints filed as at end of 2011. The remaining disputes would be resolved in 2012.

The Commission made effective use of the Alternative Dispute Resolution (ADR) system, that is settlement through mediation and voluntary arbitration. Collective disputes involving trade unions and individual employees made up of about 2,500 workers were settled through mediation and arbitration.

The Commission also received and paid compensation of GHC 301,647,40 to complainants following agreements reached after settlement. This excludes awards paid directly to complainants and not through the Commission.

The industrial relations environment in 2011 was turbulent due to challenges associated with the implementation of the Single Spine Salary Scheme (SSSS). A total of seven (7) major strikes were recorded in 2011, all in the public sector. The institutions involved were the Civil and Local Government Staff Association of Ghana (CLOSSAG), the Ghana Medical Association (GMA), the Polytechnic Teachers' Association of Ghana (POTAG) and the Ghana Hospitals Pharmacists Association (GHOPSA). All the strikes were "illegal" under the law because the procedures for embarking on strike were flouted. However, no lockouts were recorded. The highest number of working days lost was 19 days by the GMA.

Table 4.7 Selected Recorded Strikes, 2011

Organization	Period of strike	Reason for strike
All Teachers (GNAT & NAGRAT)	1 st March	Migration onto SSSS
Coalition of Concerned Teachers (CCT)	12 th May	Unpaid salary allowance
National Association of Graduate Teachers (NAGRAT)	26 th September	Unpaid Allowances
Junior Nurses	1 st October	Unpaid SSSS allowance
Ghana Medical Association (GMA)	7 th October	Disagreement on SSSS placement of Medical Officer Grade
Government Hospitals Pharmacists Association (GHOSPA)	7 th October	Disagreement on SSSS placement
Ghana Association of Bio Medical lab Scientists	November	Disagreement on SSSS placement

Source: Ghana Labour Commission Report, 2011

4.8 Human rights situation in corporate Ghana

4.8.1 Child labour

The country ratified the ILO Convention 138 on the Minimum Age for Admission to Employment. Though the laws of the country sets the minimum employment age at 15 years, or 13 years for light work, children under these age groups continue to be employed especially in the informal sector. Inspectors of the Ministry of Employment and Social Welfare (MESW) are unable to effectively monitor and enforce child labour violations.

The Government of Ghana under the National Programme for the Elimination of the worst forms of Child Labour in Cocoa (NPECLC) is dealing with the problem of child labour in the cocoa industry. The National Plan of Action for the NPECLC was launched.

4.8.2 Safety standards at the workplace

The Factories Department of the MESW are mandated to enforce the Occupational Safety and Health (OSH) regulations. There were some reported cases of industrial accidents during the year.

The Mining Industry

Ghana's mining industry performed well in 2011. According to statistics from the Gold Fields Mineral Survey (GFMS) the country remained the second gold producer after South Africa on the continent.

The industry continued to make a favourable impact on the economy of Ghana in 2011:

- The industry remains the leading attractor of Foreign Direct Investment (FDI). Total investment inflow into the mining sub-sector in 2011 was USD780 million, cumulatively the investment inflow into the sub-sector from 2000 – 2011 amounted to a little over USD6.2 billion.
- The industry grew by 14.3% in 2011 as compared to 8.3% in 2010
- It remained the Number One Tax Payer and highest contributor to the Ghana Revenues Authority (GRA). It contributed about GHC1 billion to GRA representing 27.61% of total GRA collections in 2011. It also paid GHC645

million in corporate tax to the GRA, representing 38.26% of the total company tax collected in 2011

- At the end of the year producing mining companies directly employed 14,257 persons
- The industry contributed about 40% of gross merchandise exports earnings
- The mining companies returned about USD3.1 billion representing 75% of their mineral revenue through the Bank of Ghana and the Commercial Banks in 2011 against statutory requirement of 25%
- As part of efforts to improve industry-community relationships, Mines Consultative Committees have been established to engage local communities. The producing mining companies voluntarily contributed about GHC43 million to beneficiary communities and the general public.

Source: Ghana Chamber of Mines, 2012

OBJECTIVE 3: ENSURING ETHICAL CONDUCT WITHIN ORGANIZATIONS

This objective focuses on assessing the mechanisms and practices introduced in the country to ensure more effective leadership and accountability of all types of organizations.

5.11 Financial Accounting Practices

The trend in global financial reporting is the adoption or alignment of local accounting and financial standards with international standards. In an effort to imbue best business practices in the operations of Medium, Small and Micro Enterprises (MSMEs), the Institute of Chartered Accountants, Ghana (ICAG) has adopted the International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs) and International Standards for Auditing (ISAs).

5.12 Consumer Protection

5.12.1 Ghana Standards Authority (GSA)

The GSA has adopted and produced ISO Standards as Ghana Standards for operators in the Oil and Gas Industry in Ghana.

The GSB has revised the general calibration and testing laboratories requirements of 1999 for a quality management system for a laboratory. The new requirement is referred to as Total Quality Management and ISO/IEC 17025. The ISO/IEC 17025 standard in addition to management requirements provides technical requirements. The requirements seek to address technical competence of calibration and testing laboratories and ensure the documentation of procedures and development of skills, techniques and methods that will assure customers of technically valid results.

Consumer Protection

The Ghana Standards Authority ensures the development of National Standards which are harmonized with relevant International Standards to promote quality and safety in both local and international trade. The Authority also adopts relevant International Standards including ISO Standards, for all manufacturing industries, service providers and operators in the Oil and Gas Industry in Ghana.

The GSA has had five (5) of its laboratories accredited to ISO/IEC 17025, the standard for General Requirements for the Competence of Testing and Calibration Laboratories. The accredited laboratories are Mass, Temperature and Pressure at the Metrology Division; and Microbiology and Pesticide Residue Laboratories at the Testing Division

The GSA has intensified its inspection activities of products offered for sale in the country and for export. This is to ensure that sub-standard products, particularly High Risk Goods are prevented from entering or leaving the country. High Risk Goods are products that have serious health and safety implications on the consuming public. Inspections and audits are conducted through:

- product inspection
- destination inspection of High Risk Goods
- fish inspection
- market surveillance

- inspection of goods for export certification

The GSA organizes educational campaigns to sensitise the public on issues such as the relevance and usage of Standards, Labeling Requirements, Codes of Practice as well as Good Manufacturing, Management and Trade Practices. Consumer complaints are also received from the public through our Consumer Service Unit, and addressed accordingly to ensure fair treatment of the consumer and also cordial relations between consumer on one hand and business organizations on the other.

Source: Ghana Standards Authority, 2012

5.12.2 Food and Drugs Board (FDB)

The FDB continued its mandate of ensuring that consumers consumed only wholesome food and drugs. To this end, the FDB in the year under review continued to seize and destroy unwholesome food and drugs from the Ghanaian Market. The FDB has also come under criticism for the presence of unregistered drugs in the market which is being patronized by the public.

5.12.3 Public Utility Regulatory Commission (PURC)

The PURC as the regulatory body has set benchmarks for the utility companies to improve services to the general public. The PURC has, however, failed to hold the utility companies accountable even in the face of persistent poor services.

CHAPTER

5

SOCIO-ECONOMIC DEVELOPMENT

5.0 INTRODUCTION

The APRM recognizes that economic growth alone does not automatically lead to sustainable socio-economic development and the elimination of poverty. Sustained socio-economic development implies a continuous improvement in the well-being and standard of living of the people, which could be summarized in terms of income, health, education, environment and freedoms. To this end, the APRM underscores the importance of peace, security, democracy, sound economic management, human rights and good governance as preconditions for sustainable development.

The increased wage bill has had adverse impact in the delivery of basic services. The gains made in increased access to education (as a result of the school feeding programme and the capitation grant) and health (as a result of the National Health Insurance Scheme) has been accompanied by deteriorating learning outcomes (as witnessed in the poor BECE scores) and poor health delivery services.

5.1 STANDARDS AND CODES

- The African Union (AU) Solemn Declaration on Gender Equality in Africa, 2004

Parliament passed the following Acts:

- Health Institutions and Facilities Act, 2011 (Act 829)
- University of Energy and Natural Resources Act, 2011 (Act 828)
- Biosafety Act, 2011 (Act 832)

- Specialist Health Training and Plant Medicine Research Act, 2011 (Act 833)

OBJECTIVE ONE: PROMOTE AND ACCELERATE BROAD-BASED SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT

This objective deals with the way the country formulates and appropriate policies and strategies for the promotion and acceleration of their socio-economic development process.

5.2 Evidence-based Decisionmaking

5.2.1 National Statistics

The Ghana Statistical Service (GSS) made available provisional national and regional results of the 2010 Population and Housing Census (PHC) in 2011. The GSS also generated relevant statistics for the formulation of national policies, and the assessment and evaluation of economic policies and performance. The GSS prepared seven key reports – Consumer Price Index, Annual GDP – Production, Annual GDP – Expenditure, GDP estimates, National Accounts Statistics, Monetary and Financial Data, Quarterly Digest of Price Statistics and Digest of Macroeconomic Data.

5.2.2 National Development Planning Commission (NDPC)

The Commission commenced the preparation of a Long-Term Economic Growth Strategy to address current economic growth issues. The growth strategy will inform the long-term policy choices in the areas of human, social, spatial and agricultural development.

The Commission has also commenced the preparation of a National Infrastructure Plan to identify the long-term infrastructure needs of the country and highlight the medium term priorities in line with the Ghana Shared Growth and Development Agenda (GSGDA).

The Commission further reviewed and assisted Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) to finalise their Draft Sector and District Medium-Term Development Plans under the GSGDA.

OBJECTIVE 2: ENCOURAGE BROAD-BASED PARTICIPATION IN DEVELOPMENT

The participation of all stakeholders to the broad-based sustainable socio-economic development is very important as it involves people in the whole development process. This objective assesses policies, strategies and incentive measures put in place to stimulate participation from public servants, private sector, civil society and local communities.

5.3 Stakeholder participation in socio-economic development

The national development planning process, the budget process as well as the annual consultative reviews have opened up space for policy dialogue and enable non-state actors to participate in decision making.

5.3.1 National Development Planning Process

Public consultation constitutes an integral part of the development planning process right from the policy formulation stage through implementation to monitoring and evaluation.

a) Cross-Sectoral Planning Groups (CSPGs)

The preparation of key policy documents involved broad participation of a cross section of the Ghanaian population to ensure that diverse shades of opinion and experience are reflected at all stages of the process and ultimately in the final report. Technical working groups referred to as Cross Sectoral Planning Groups (CSPG) are organized around the relevant thematic areas of the policy. The composition of the CSPG comprise both state and non-state actors drawn from the Ministries, Departments and Agencies (MDAs),

Professional Bodies, Tertiary Institutions, Research Institutions and Think Tanks, Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), Private Sector, Organized Labour, Identifiable Groups and Associations (Federation of the Blind and Disabled, etc), Specialized Institutions.

b) Public Consultation Process

Public consultations are undertaken to broaden the involvement of stakeholders to make up for the limitations of the participatory process at the level of the CSPGs.

5.3.2 Budget Formulation Process

Over the years there have been greater involvement of non-state actors in policy-making and budget processes. Governmental transparency in budget preparation and exchange of information has increased. The Ministry of Finance and Economic Planning has created entry points for the private sector and civil society actors to provide input into the budget and policy processes.

5.3.3 Policy Evaluation Consultations

Non state actors have taken up the opportunities afforded by government to engage in reviews and evaluations of policies.

OBJECTIVE 3: POVERTY, UNEMPLOYMENT AND INEQUALITY

This objective assess the policies, strategies, mechanisms and incentive measures put in place by the government to reduce poverty and inequality through unemployment creation, education for all as well as access to national resources and basic services.

5.4 Education

5.4.1 Total enrolment

Total enrolment increased at all levels (kindergarten, primary and JHS). Kindergarten enrolment increased from 1,159,648 pupils in 2010 to 1,180,760 pupils in 2011 (**Table 5.1**). Enrolment at the primary level also increased from 3,099,234 pupils in 2010 to 3,198,520 pupils in 2011.

5.4.2 Gross Enrolment Ratio (GER)

GER measures the proportion of the number of pupils at a given level of education, regardless of age, as a proportion of the number of children in the relevant age group. GER also increased at all levels in 2011 (**Table 5.2**)

Table 5.2: Total enrolment, Gross enrolment ration and Net enrolment ratio, 2008 - 2011

	2008	2009	2010	2011
a) Total enrolment				
Kindergarten	1,016,606	1,078,973	1,159,648	1,180,760
Primary	2,990,773	3,041,895	3,099,234	3,198,520
JHS	1,015,489	1,064,088	1,075,035	1,100,671
TOTAL	4,041,977	5,220,808	5,365,982	5,508,373
b) Gross enrolment ratio (GER)				
Kindergarten	89.7%	92.9%	97.3%	98.4%
Primary	95.0%	94.9%	94.9%	96.4%
JHS	78.8%	80.6%	79.5%	79.6%
TOTAL	87.8%	89.4%	90.6%	91.5%
c) Net enrolment ratio (NER)				
Kindergarten	62.6%	63.6%	58.7%	60.1%
Primary	82.9%	88.5%	83.6%	77.8%
JHS	52.9%	47.8%	47.5%	46.1%
TOTAL	66.1	66.6	63.2	61.3

Source: Ministry of Education, 2011

5.4.3 Net Enrolment Ratio (NER)

The NER measures the number of appropriately aged pupils enrolled in school as a proportion of children in the relevant age group. Available data as depicted in **Table 5.3** shows a decrease in the NER for primary (77.8% in 2011 down from 83.6% in 2010) and JHS (46.1% in 2011 down from 47.5% in 2010). Only kindergarten recorded an increase (60.1% in 2011 up from 58.7% in 2010).

5.4.4 Completion and Transition Rates

The completion rate measures the proportion of pupils who remain and complete school after enrolment. The primary transition rate increased from 87.1% in 2009/10 to 91.6% in 2010/11. It also increased marginally at the JHS level from 66.0% in 2009/2010 to 66.9% in 2010/11 (**Table 5.4**).

Table 5.4: Completion and Transition Rates in Basic Schools, 2008/09 – 2010/11

	2008/2009	2009/2010	2010/2011
Primary 6			
National	88.7%	87.1%	91.6%
Boys	89.3%	89.7%	94.1%
Girls	85.5%	84.3%	89.0%
JHS			
National	75.0%	66.0%	66.9%
Boys	79.7%	70.1%	70.9%
Girls	70.1%	61.8%	62.8%
Transition rate to JHS	47.24%	48.91%	57.3%

Source: MoE, 2011

5.4.5 Ghana School Feeding Programme (GSFP)

As part of efforts to improve school enrolment, the Ghana School Feeding Programme (GSFP) has expanded and re-targeted the school feeding programme. The number of schools participating in the programme has increased from 1,531 in 2010 to 1,775 in 2011 (**Table 5.5**), resulting in an increase in the number of pupils benefiting from the programme from 697,416 in 2010 to 1,040,745.

Table 5.5: Number of schools and children benefiting from the GSFP

	2008	2009	2010	2011
Total number of schools	987	1,435	1,531	1,775
Total number of children	441,189	580,025	697,416	1,040,745
Budget (GHC)	63,823,980	67,645,520	85,645,520	96,120,000

Source: GSFP, 2011

Improving basic education

There has been an outcry from the general public that school authorities be made to sign performance contracts with the Ministry of Education as part of efforts to tackle the poor performance of pupils in the Basic Education Certificate of Education (BECE).

5.5 Health

5.5.1 Outpatient attendance

The proportion of the population accessing outpatients services in health facilities increased from 0.98 in 2010 to 0.99 in 2011 (Table 5.6).

5.5.2 Immunization coverage

Immunization coverage for Penta 3 continued to decline from a high of 89.0 percent in 2009, to 87.0 percent in 2010 and 85.86 percent in 2011 (Table 5.6)

Table 5.6: Selected Health Indicators, 2008 - 2011

	2008	2009	2010	2011
OPD attendance	0.77	0.81	0.98	0.99
Immunization coverage (Penta 3)	87	89	87	85.86
Antenatal care coverage (at least one visit)	97.8	92.1	90.4	91.3
Supervised deliveries	n.a	45.6%	49.5%	52.23%
Infant mortality rate per 1000 live births (DHS 2008)	50 (DHS 2008)			
Under-5 mortality rate per 1000 live births	80 (DHS 2008)			
Under-5 malnourished	Stunted – 28 Wasted – 9 Underweight – 14			

	Overweight – 5 (DHS 2008)			
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Source: Ministry of Health, 2011

5.5.3 Antenatal care coverage

The proportion of pregnant women assessing antenatal care improved from 90.4 percent in 2010 to 91.3 percent in 2011 (**Table 5.6**).

5.5.4 Supervised deliveries

The proportion of deliveries supervised by health professionals increased from 49.5 percent in 2010 to 52.23 percent in 2011 (**Table 5.6**).

5.5.5 National Health Insurance Scheme

As part of efforts to improve access to affordable health care for all persons the National Health Insurance Scheme (NHIS) continued with the registration and re-registration of individuals to the scheme. Total registration as at October 2011 stood at 2,225,543 persons comprising 873,372 males and 1,352,171 females (**Table 5.7**).

Table 5.7 Total registered members of NHIS, 2008 – October 2011

	2008	2009	2010	Oct 2011
Total registration	4,344,266	1,993,217	3,519,589	2,225,543
Male registration	2,178,916	884,853	1,372,640	873,372
Female registration	2,155,350	1,108,364	2,149,949	1,352,171

Source: National Health Insurance Authority, 2011

5.5.6 Malaria

Under-five malaria case fatality increased from 1.1 percent in 2010 to 2.8 percent in 2011 (**Table 5.8**).

Table 5.8: Malaria fatality and ITN use, 2007 - 2011

	2007	2008	2009	2010	2011
Under-5 malaria case fatality	2.4	1.9	1.6	1.1	2.8
ITN coverage (children under 5 years)	55.3%	40.5%	n.a	n.a	n.a
ITN coverage (pregnant women)	52.5%	30.2%	n.a	n.a	n.a

Source: GHS/Malaria Control Programme, 2011

5.5.7 HIV/AIDS

a) Prevalence rate

The national HIV prevalence rate decreased slightly from 1.5 percent in 2010 to 1.46 percent in 2011. The 2011 HIV Sentinel Survey Report indicated that the median prevalence rate among pregnant women, however, increased marginally from 2.0 percent in 2010 to 2.1 percent in 2011. The number of new infections recorded decreased from 12,890 individuals in 2010 to 12,077 individuals in 2011 (**Table 5.8**).

Table 5.8: National HIV/AIDS Prevalence Rate, 2008 - 2011

	2008	2009	2010	2011
National HIV prevalence	1.7%	1.9%	1.5%	1.46%
Prevalence among pregnant women	2.2%	2.9%	2.0%	2.1%
New infections	22,541	25,531	12,890	12,077
Persons living with HIV/AIDS	236,151	267,069	221,941	217,428

Source: NACP: 2011-2015 National HIV Prevalence and AIDS Estimates Report

b) Prevention of Mother to Child Transmission (PMTCT) of HIV

The National Strategic Plan 2011 – 2015 aims at reducing Mother-to-Child Transmission of HIV (MTCT) from 30 percent in 2010 to less than 5 percent in 2015. During the year the health sector undertook the following activities to achieve that objective:

i. Rolling out of Early Infant Diagnosis (EID)

In line with the national priority and strengthening the health systems to improve quality of services, 5 DNA Polymerase Chain Reaction (PCR) machines were acquired and stationed in Accra, Koforidua, Sunyani, Takoradi and Tamale for the EID rollout. In 2011, a total of 1,952 infants were screened using the DNA PCR and 129 (representing 6.6 percent) were found to be HIV positive.

ii. Training/capacity building for PMTCT/ART services

With the introduction of the DNA PCR machines, health personnel in all sites have been trained in the use and management of the equipment and clients.

5.6 Water and Sanitation

5.6.1 Safe water

The percentage of the population with access to safe water in the urban areas improved slightly from 62.27% in 2010 to 63.37% in 2011 and in the rural areas the increase was from 60.84% in 2010 to 63.34% in 2011 (Table 5.9).

Table 5.9: Access to safe drinking water

	2009	2010	2011
Percentage of population with sustainable access to safe drinking water sources			
• Urban	58.0%	60.84%	63.37%
• Rural	58.97%	61.74%	63.34%
Total number of rural communities served nationwide with safe drinking water services	9,242,366	10,234,121	10,499,721
Total number of functional water systems			
• Boreholes with hand pump (new)	588	265	716
• Hand dug wells with hand pump (new)	17	3	24
• Piped water	18	75	28

systems/schemes	0	2	0
• Hand dug wells rehab.	40	44	36
• Boreholes rehab.			
Total number of districts in the country in the country benefiting from/enjoying safe water services	165	165	165

Source: CWSA Annual Progress Report, 2011; Ghana Water Company Annual Report, 2011

5.6.2 Sanitation Services

The national coverage for sanitation has only seen very marginal improvement, increasing from 13 percent of the population in 2010 to 14 percent in 2011 (**Table 5.10**). The proportion of solid waste that is properly disposed off in the major cities and towns remained unchanged at 40 percent.

Table 5.10: Selected sanitation indicators, 2008 – 2011.

	2008	2009	2010	Oct. 2011
% of population with access to improved sanitation services	13%	13%	13%	14%
Proportion of solid waste generated properly disposed off (major towns and cities)	40% (est)	40% (est)	40% (est)	40% (est)

Source: Sanitation Directorate of the Ministry of Local Government & Rural Development, 2011

5.7 Human Settlement

5.7.1 Slum Upgrading

Government indicated its commitment in the 2011 Budget Statement and Economic Policy to revising the existing land use plans to facilitate the provision of basic infrastructure such as roads, water, electricity, sewerage and waste management as part of measures to upgrade the existing slums in towns and cities and prevent the formation of new ones.

5.7.2 Affordable Housing

A National Housing Policy which seeks to provide adequate, decent and affordable housing that is accessible and sustainable with infrastructural facilities using private enterprise, with government as facilitator or partner where appropriate, has been prepared and ready for Cabinet.

The Ministry of Works and Housing with support from UN-Habitat completed a study and produced a report, Ghana Housing Sector Profile.

The Government of Ghana's Affordable Housing Programme owns 4,720 housing units that are at various stages of completion are located at Borteyman, Kpone, Asokore-Mampong, Koforidua, Tamale and Wa.

5.7.3 Street Naming Project

The Government of Ghana and the Economic Commission of Africa (ECA) had signed a Memorandum of Understanding (MoU) to provide technical assistance for the country's street naming and house numbering project.

The Ministry of Local Government and Rural Development (MLGRD) had developed a policy manual to guide Metropolitan, Municipal and District Assemblies in the implementation of the street naming and house numbering project.

STX Housing Project

The STX Housing Project which aims at providing 200,000 housing units to reduce the housing deficit in the country has been stalled because of boardroom wrangling between the Ghanaian and Korean partners.

**OBJECTIVE 4: PROGRESS TOWARDS GENDER EQUALITY, IN
PARTICULAR EQUAL ACCESS TO EDUCATION FOR GIRLS AT ALL
LEVELS.**

Under this objective, the assessment would attempt to measure the progress made towards gender equality with special emphasis on equal access to education for girls at all levels. It would ensure that gender equality is taken into account during the formulation and implementation of the national planning and development policies and strategies.

5.8 Gender Parity in Education

At the basic education level GPI is highest at the kindergarten level where it remained at 0.98 in 2011. At the primary level the GPI increased marginally from 0.96 in 2010 to 0.97 in 2011. At the primary level there was also a marginal increase from 0.92 in 2010 to 0.93 in 2011. The GPI at the senior high level increased from 0.85 in 2010 to 0.87 in 2011 (**Table 5.11**).

Table 5.11: Gender Parity in Education, 2009 - 2011

	2009	2010	2011
Gender Parity Index (GPI)			
Kindergarten	0.99	0.98	0.98
Primary	0.96	0.96	0.97
JHS	0.92	0.92	0.93
SHS	0.84	0.85	0.87
Female Enrolment			
% female enrolment in SHS	44.3	44.7	45.4
% female enrolment in public universities	37.4	32.4	n.a
% female enrolment in polytechnics	29.7	30.2	n.a
% female enrolment in TVET	44.3	44.7	n.a

Source: Ministry of Education, 2011