

**Proceedings of the National Economic Dialogue  
Annual Report to the Nation  
Ghana: Work in Progress**

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# **NATIONAL ECONOMIC DIALOGUE**

*ANNUAL REPORT TO THE NATION*

Theme:

**GHANA: WORK IN PROGRESS**



Venue:

**National Theatre, Accra**

Date:

**Wednesday, 29<sup>th</sup> May 2002**

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## EXECUTIVE SUMMARY

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The first annual report of the National Economic Dialogue (NED) to the nation took place at the National Theatre in Accra on Wednesday May 29 2002. This was purposely to review the progress made on recommendations from the various syndicates at last year's forum. Participants represented at the event included political parties, non-governmental organizations, organized labour, government, private sector, students and other identifiable groups. The theme for this year's dialogue was "Ghana: Work In Progress".

### **CHAIRMAN'S OPENING REMARKS** **- PROFESSOR KWADWO ASENSO-OKYERE**

The chairman began by commending the authorities for organizing this review conference to monitor and evaluate action plans and recommendation made during the last session held a year ago. He lauded the willingness of the people in authority to give account of their stewardship.

Mr Asenso-Okyere also praised the timeliness of the review and said that it could not have come at more opportune time like this when major socio economic initiatives like NEPAD, the poverty reduction strategic development issue under the HIPC initiative and the second West African monetary zone are seriously in the fore front of government attention. He believed in the possibility of these initiatives bringing about improvement

He further emphasized that the initiatives were lofty ideas and when played properly would improve the living standards of people. On the economy of Ghana, he thought Ghana experienced some amount of stability between 1990 and 2000, the progress made was short-lived because the economy was vulnerable to several domestic and international. He said it was essential that all stakeholders played their roles to produce the type of resilience required for prosperity and that the economy had to move onto a sustained accelerated growth path to enable Ghana achieve the desired development. He added that drastic changes had to be made to the operational strategies so that the economy can grow at 8-10% per annum.

On trade, he said Ghana's dependence on primary commodities is evidence of little change in the structure of the economy over the past 40 years. Attempts to revamp the non-traditional export sector seemed to have stagnated at \$400 million over the last 4 years.

On the social platform, he said the country was characterized by high incidence of morbidity and mortality, and most disturbing was the increasing rate of maternal mortality. He also indicated that there was low use of information/communication technology which provides the gateway to the global world and questioned how Ghana could catch up with countries like Malaysia and Korea who were once at par with Ghana.

The Chairman said that in order not to miss out on anything, there was the need to take a different approach to the way things are done, hence, the importance of taking stock of where we are going and how we are going to get there.

To conclude, he said that at least progress can be measured against the objectives set in the poverty reduction strategy set to generate growth in 5 strategic areas.

### **WELCOME ADDRESS – HON. MINISTER FOR ECONOMIC PLANNING & REGIONAL COOPERATION: DR. PAA KWESI NDUOM**

In his welcome address, the Minister for Economic Planning & Regional Cooperation, Dr. P.K. Nduom said that Ghanaians had the opportunity to make a clean break from the past by working together. He noted that the process, which was started last year, would continue in order to determine what we as a nation need to build upon.

For the review, recommendations from last year's National Economic Dialogue were broken down into the following groupings: Economic & Financial, Private Sector & Resource for Growth and Employment & Human Resource Development syndicates.

## **H. E. THE PRESIDENT'S ADDRESS**

In his speech, the President reiterated the government's commitment to make use of the recommendations of the dialogue last year to influence policy. He also said that the macroeconomic environment has been stabilised and noted that some headway has been made and that most of the recommendations that emerged from the dialogue coincided with the governments own plans, substantially.

He pointed out some macroeconomic successes. These include the drop of inflation from 42% to about 15% and that if the trend continues, the country shall have a single digit inflation by the end of the year. The fall, he said, has reflected in the falling prices of food and other commodities. The President also mentioned that our currency has had a measure of stability, thus bringing back predictability in economic calculations. Government has cut back on domestic borrowing, helping to ease the pressure on rates and adding value to money.

The President also highlighted that as a result of the HIPC initiative a saving of \$250 million has been made in the past year, and a similar one is expected this year. The G8 countries, Ghana's biggest creditors, would be expected to write off at least 67% of all debts owed to them. The total savings, he said, are expected to be about \$3 billion dollars over 20 years.

President Kufour was also gratified to state that government had started the process of disbursing the initial debt relief benefit of US\$96 million to provide skills training for the unemployed, improve schools and upgrade healthcare facilities. He also said that a scheme to provide small businesses with micro credit had taken off enthusiastically around the country.

The President spoke of the five priority areas government adopted so as not to spread itself too thin. The specific areas were infrastructure development, Rural development with emphasis on modernised agriculture, enhanced social services with emphasis on education and health services, good governance and private sector development. He also made brief mention of specific infrastructure developments including the dredging of berths at the Tema Harbour, improved containerization of cargo services at the ports and the development of the Accra-Kumasi Highway. Work on the Accra-Kasoa Road is scheduled to start in September this year. At the same time vigorous construction work on feeder roads has started in may parts of the country.

He outlined some of the areas of improvement in agriculture and this included the rise in the production of rice by 35% in the past year. The president mentioned that Ghana had received the US AGOA Visa status; therefore, there was a bigger and ready market for products from Ghana to the US market. He said that although the budget reflected emphasis on the five priority areas, this was not to say other sectors were being ignored. For example the the adoption of the policy to establish a National ID system, which was a key recommendation of the first National Economic Dialogue. He said that work has started towards its implementation.

The President highlighted the spirit of dialogue and co-operation among the development partners of Ghana i.e. labour, employers and Government that had marked the past year. He commended organised labour for keeping commitments that have gone a long way to ensure industrial peace.

In spite of this, the President said that Ghana, still sticks out in the sub-region like the proverbial sore-thumb as the country of low wages and low prices. He pointed out the importance of a joint debate by all stakeholders with the aim of finding ways to improve work conditions.

In conclusion, the president said that Ghana was on the right path and called for a collective effort to stay on course. He added that with discipline and focus Ghana would reach the goal of the Golden Age of Business.

## **PROGRESS ON NED RECOMMENDATIONS**

### **Economic & Financial Sector**

Presenting the findings for the economic and financial sector syndicate, Dr. Ashong noted that at the end of last year's session, there were five key policy issues, which were highlighted for policy action.

Specifically, there were 49 recommended actions to be taken in respect of the macro stabilization issues, economic policy and financial sector. Key amongst these were

- Macro-economic stabilization
- Improvement of Fiscal Resource Mobilization
- Improvement in Expenditure Management
- Effective Domestic Debt Management
- Improving availability of long term capital for growth
- Making Ghana a leading financial centre in West Africa.

With regards to stabilization of the macro economic environment, it was identified that an improvement in the institutional framework for monetary and fiscal management.

He said that prudential laws had been put in place for fiscal and monetary management. He noted that government borrowing ceilings had been fixed at a rate of 10% of current revenue. Again, it was observed over the last year that government expenditure had been limited to budgetary approvals.

### **Private Sector, Agriculture, Infrastructure and Energy**

In his presentation, Dr. Asuming-Brempong outlined the key policy Issues as follows:

- Create an enabling environment.
- Streamline process for clearing goods.
- Promote Agricultural Finance and Access to Credit
- Ease securing reliable title to land for investment.
- Promotion of non-traditional exports.

He then went on to outline the initiatives taken to facilitate and encourage growth in the private sector. referencing the key policy issues outlined above. On Resources for Growth, he touched on the progress being made in Energy, Infrastructure, and Agriculture.

In the Energy sector the ministry is promoting the establishment of a private export oriented refinery to be located in Tema or Takoradi. In the promotion of efficient and productive use of energy, he remarked that the disbursement scheme for the LPG Compensation Fund will be operational by the end of May 2002. He also informed participants that all government levies on LPG have been removed.

Infrastructure: Work is in progress at the Kotoka International Airport. A committee has been set up to develop the preparation of the Kumasi Airport. Dredging of berths at the Tema Harbour has been completed. Plans to develop an inland port to facilitate transit trade is ongoing. Vigorous work is ongoing to improve our infrastructure. This also includes the re-introduction of a rail shuttle service between Accra and Nsawam. Works on our feeder roads are also on-going.

Agriculture: Recommendations made include simplifying the process of land acquisition for farming. Efforts are being made to regularize the acquisition of lands designated as land-banks which will be made available for investment.

### **Employment, Human Resource Development and Basic Services**

Professor John S. Djangmah outlined the Key policies from the National Economic Dialogue Action Plan as follows:

- Labour Law
- Action Plan for immediate rural and peri-urban employment generation
- Resource for Education and Human Resource Development
- Cost Effectiveness in Educational Management
- Accelerate Quality of Education in Public Schools
- Technical and Vocational education for self-employment
- Protection from Financial Hardship arising from the Cost of Healthcare for the entire Population
- Quality Health Care

The Ministry for Education has intensified its efforts to promote girl child education, improve infrastructure in all schools, accelerate functionality literacy programs. A policy document on Technical / Vocational Education for Self Employment is currently before cabinet. The curricula for Technical / Vocational Institutions has been restructured.

A draft of the National Health Insurance Bill has been presented to Cabinet. A new community Health Nursing Teaching School has been established in Essiama, in the Western Region. The Ministry has developed action plans for the eradication of diseases over the next 5 years. These include the eradication of Malaria, Polio, Guinea Worm, Trachoma, Buruli Ulcer, AIDs, etc.

### **Ghana Poverty Reduction Strategy**

The broad GPRS objectives include ensure macro-economic stability; Increase Production and Gainful Employment; Facilitate Direct Support for Human Resource Development & Basic Services; Expand Special Programmes to Support Vulnerable Groups; and Enhance Good Governance.

Targets set for achievement by 2004 cover all the following areas:

- Modernized Agric/ Rural Development
- Infrastructure
- Enhanced Social Services
- Good Governance
- Private Sector Development.

Implementation, monitoring and evaluation plans and processes have already been defined. The common approach to Poverty Reduction is that all projects and programs will concentrate activities in same districts. Efforts will be made to ensure projects complement each other and ensure coordinated interventions. By using shared facilities and personnel on projects will reduce operation costs.

## **QUESTION & ANSWER SESSION**

Participants were invited to ask questions, make suggestions/comments or ask for clarifications if any, in response to the presentations made.

### **Robin Wood – Science & Technology Community.**

#### **Comment:**

- The poverty gap is a Technology gap

#### **Suggestions**

- Only the government can determine the most important linkages in the economy after which it should direct private investment properly.
- Government must play an intelligent interventionist role to empower the private sector

#### **Response**

- Point well taken.

### **Harrison Abotiate (Chartered institute of Marketing)**

#### **Suggestions:**

- Imposition of VAT on pharmaceuticals should be reviewed because people cannot afford to purchase drugs at current rates.
- Review the delays (2 years) in giving out CMB scholarships

#### **Question:**

Hotels:

- What is happening to The Ambassador Hotel?
- What action is the Ministry of Tourism taking to attract other International Hotels into the country?

#### **Response**

- VAT on pharmaceuticals will be reviewed in the next budget
- COCOBOD to review constraints in the awarding of scholarships and to relax them so that they can be given out before / during the 1<sup>st</sup> year.
- Hotels such as Ambassador Hotel are among the few hotels that are being repackaged for re-divestiture very soon.

### **Squadron Leader Clend Sowa**

#### **Question:**

- Ghana's GDP growth from 1954 – 2002 estimated figures has always increased by 4% - 5% in a four-year series; how and when do we get to the 7% - 8% as indicated in the NED Action Plan document?
  - What are the criteria and criteria values for inputs and outputs of tasks set?
  - In 2005 FCUBE will be fully implemented, but are we fully on course?
  - How far are the results of the review being propagated to all constituencies

#### **Response**

- FCUBE to date is 72% close to achieving its target and is expected to reach 80% by 2005. Efforts are being made especially in the Northern sector to raise enrolment levels. Accelerated plans have been put in place which include getting more teachers and involving communities.
- The GPRS has scheduled a nationwide education campaign and will incorporate the recommendation of disseminating information on the development of the National Economic Dialogue

### **Vida – Crusading Guide**

#### **Question:**

- In the wake of the Global Age of Business, and in it's efforts to revamp the economy, what is the government doing to revitalize companies that benefited from subventions during the previous government's administration, and have been closed down as a result of trade liberalization policies?

#### **Response**

- Companies were not receiving subsidies previously

### **Mark Apreku - Polytechnic Teachers Association of Ghana**

#### **Question**

- Why isn't it possible to determine how ghost names come into being?

#### **Comments**

- People need to be held responsible for the appearance of ghost names
- A wide computer database should be established so that one can tell how many workers exist in any place at any given time.

### **R. E. K. Nketia – Ghana Oil Seed Processors Association/ Food & Drinks Sub-sector, AGI, Ashanti Region**

#### **Question**

- Why has the government allowed its own agencies like The Trade Fair Authority and GNPA to disadvantage made in Ghana Goods

#### **Suggestions**

- Either there is a complete stop of importation of goods that can be produced in Ghana; or
- the government subsidizes packaging for the Ghanaian industry; or
- the government introduces higher and punitive tariffs for imported goods.

#### **Response**

- The Ghana Development Fund, EDIF among others are in place to help entrepreneurs who have to deal with high costs of production and lack of financing.
- Encourage customers to buy made in Ghana Goods. Consider what customers want; improve quality, competitive price; and availability.



## **Kojo - Institute of Democratic Studies**

### **Questions & Suggestions**

- Agriculture sector should focus not only on the production of rice in Ghana, but also on sugar and wheat.
- Developments in the fishing industry should have been included in the review
- What is the Ministry doing about the importation of plantain and kontomire from neighbouring countries?
- Schools with computers already should be given access to the Internet immediately
- WAEC should be computerised and be interactive enough for student to even access their results online.
- Ghana should be able to respond to disasters as quickly as the US did and pump money into the economy to revamp it.
- Ghanaians should all be given a chance to experience the discipline in the military to impact on work ethics in general

### **Responses**

- Pumping money into the economy would cause liquidity in the system. What the US did can not be applicable to our environment because they are two different scenarios.

## **Opong Boadi - Federation of Associations of Small Scale Economic Sector**

### **Suggestions**

- With regards to Water privatisation it is proposed that future participation should have community involvement to ensure effective monitoring and evaluation and a check on leakages

## **Amadu Mumuni – The Northern Union**

### **Questions & Suggestions**

- In developed countries like the US, The Federal Reserves Board in order to generate economic activity cut interest rates. Why can't the same be done in Ghana?
- Manpower Development: Government should re-introduce the Prices & Incomes Board in addition to the Tripartite Committee to undertake the study of incomes, prices, and inflation on a regular basis in order to have criteria for determining these things.
- The GPRS did not make reference to the redistribution of income,
- We should place greater emphasis on regional economic issues than we are doing at the moment.

### **Response**

- GPRS is not focusing on redistribution of income, but rather redistribution of wealth through mechanisms such as better health facilities and better education.
- Situations in Ghana are totally different for those pertaining to the US and its Federal Reserve, where there is excess capacity and very low inflationary pressure.
- In Ghana the interest rates are also set to the rate of exchange because it sets the value of assets
- Labour was very instrumental in the abolition of the Prices & Incomes Board because it was ineffective. Currently there is a draft bill before parliament requesting for provision for legal status to the Tripartite Committee and also to expand its functions. A strengthened tripartite's responsibility will include the review of prices and incomes.

## **Major JRK Tandoh (RTD.) NCA**

### **Suggestion**

- Telecom is among other sectors being deregulated, but there are two vital bodies missing: A Competition Commission and an Office of Fair-Trading. The absence of such bodies will create problems for the deregulation of the telecom sector. Lessons should be learnt from other countries that have experienced deregulation problems
- It is also recommended that government should review the Competition Authority Act of the U.K. and Office of Fair Trading Act of the UK in order to develop Ghana's own institutions.

### **Response**

- The point made is very relevant but the speaker was asked to note that he was in a position to influence his suggestions.

## **Nana Amo President of the Cocoa Buyers Association**

### **Suggestion**

- The Ministry of Finance and COCOBOD have not been able to deal with all concerns and issues in the cocoa industry. Government should include all stakeholders of the industry. Private licence of buying companies should no longer be maligned as being the cause of all the problems because the problems stretch from Government to the farmer.

## **Nana Osei Bonsu (General Secretary Association of Best Farmer Award Winners)**

### **Suggestion**

- The honour of best farmer award has little value in accessing financial assistance.
  - Special dispensations such as lower interest rate and accessibility to other facilities
  - **Comment:** It was wrong for Ghana to receive aid in the form of rice from Japan right after the launch of made in Ghana rice.

## **Dr. Henry Obeng**

### **Comments**

- He submitted a land capability classification of the natural resources of the country which deserves a review to properly classify Ghana's land resources, a lot of highly suitable agricultural land will be lost to other purposes;
- Sunflower, rubber and sweet berry are non-traditional crops which should be investigated and the Bonsu Resource centre should be upgraded

## **Shipper's Council**

### **Questions & Suggestions**

The fishing industry was not included in the review

- As an industry it needs a comprehensive action plan
- With the high level of corruption and indiscipline, what is the guarantee that the recommendations made will yield desired results.
- In disseminating progress the standard of living should be used as a yard stick

## **Samuel Anin - Ashanti GJA**

### **Question & Suggestion**

- Buruli Ulcer patients are given €8million whilst their treatment cost are as high as €20million. What is the MOH doing about this
- Technical Education in Ghana has no focus because students who go through the technical schools are denied tertiary education, whilst student who do mathematics, physics and chemistry are admitted into universities for courses such as building technology.

## **NUGS President**

### **Questions**

- Can the Ministry of Health explain the delay in the Health Insurance initiative which should have been implemented by December 2001.
- As signatory to the ECOWAS agreement to dedicate 15% of its recurrent budget to fighting HIV, to what extent is Ghana actually doing this.

## **Nana Araba Act – University of Ghana**

### **Suggestions**

- Private sector development on it's own will not help the poor. Alongside should be the development of a social protection system so that a sector of the community does not become rich at the expense of the poor.
- Despite all the commendations of Ghana's progress, Ghanaians should not get complacent and should still worry about our current situation.

## **Mrs. Quao**

### **Suggestion**

- Budgetary allocation to Agriculture should be released on timely basis to facilitate the movement of agric extension officers to monitor farmers to ensure that they come out with good harvests

## **Samuel Kanaga Gen Sec Agric Workers Union**

### **Suggestions**

- Budgetary allocations should be made for assistance for farmers going into organic farming
- French should be compulsory in schools because of the level of trade within the sub-region
- Agriculture should be a compulsory subject up to the SSS level for people to be encouraged to pursue it at the tertiary level

## **Comments by TUC Representative: Mr. Adu Amankwa**

- Historically the Prices and Incomes Board focused only on prices. They interfered with collective bargaining.
- The TUC is committed to becoming stronger
- In the draft bill, there is a provision to give more power to the leadership of Organised Labour.

## **Comments by the Deputy Agric Minister**

- There are a number of profitable organic farming projects underway

Response to the fishing industry:

- Community based fishing teams are being developed
- There is surveillance monitoring on the coastline
- Collaboration with the navy has cut down on the level of piracy
- Earth moving equipment is now available to dig out ponds for fish farming

## **Way Forward**

The Chairman, Prof. Asenso-Okyere assured the participants that a follow up of the dialogue in the form of discussion groups will be organized at a later date. The Dialogue will continue in two ways: The NED Secretariat will send out invitations to some participants to review this year's dialogue in detail. The 2001 NED document will be revised. Suggestions and comments at the annual review will be taken into consideration when the review is being done. The revised NED document will be completed within two months for distribution.

The Minister for Economic Planning and Regional Cooperation informed participants that the next review will be in a different format. The Labour Union, the Private Sector, Government, and NGOs will all present papers to the nation on poverty reduction.



# **APPENDICES**

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## **CHAIRMAN'S OPENING REMARKS**

### **PROFESSOR KWADWO ASENSO-OKYERE**

**Saluation!!!**

About a year ago this time, exactly on May 14 – 15, 2001 representatives of the government, private sector and civil society met at the International Conference Centre to deliberate on the economy of Ghana and the way forward. That was the second time such a function had been organized in Ghana.

One year after we are meeting her to receive a report about what has been done about the Action Plan that was drawn from the May 14 – 15, 2001 meeting.

This is laudable. It is not always that people in authority are willing to give account of their stewardship.

Planning is important for success. It has been said that it is only “fools” (I beg your pardon) who do not plan. To guarantee success the policies and programmes that emerge from planning should be monitored and evaluated from time to time to find out whether everything is on course. When the objectives of plan is not been achieved it may be necessary to make adjustments to the strategy or to the objectives themselves. In some cases, the plan may have to be abandoned altogether and a new one formulated. That is the reality of life.

Today's review has come at a very opportune time. It is a time when the country has just reached the decision point for the HIPC initiative and national development has to be geared towards poverty reduction. It is a time when the country has embraced the New Partnership for Africa's Development (NEPAD) which among other things call for at least a 7% growth rate for African economies for he next 15 years. It is a time when the government has made it a goal to double the size of the national economy by 2010. It is a time when the country is struggling to meet the convergence criteria of the second monetary zone being set up by the non-EUMOA countries of West Africa.

These initiatives are lofty ideas and when played properly they will bring improvements in the living standards of the people.

It has been proved that economic growth contributes positively to poverty reduction and so it is imperative for a society like Ghana where poverty is so pervasive to have a high level of growth.

Macroeconomic stability is necessary for growth. AT the beginning of 2001 the economy was precarious with high level of inflation, high nominal interest rates and a fast depreciating domestic currency. The modest amount of stability achieved in 2001 has moved the economy from the danger zone. But the economy is still fragile and more pragmatic policies and programmes are needed to make it resilient.

Observers of the performance of the Ghanaian economy can testify that from 1990 to 2000 some amount of stability was obtained for some years of the decade. Any progress made was short-lived because the economy was still vulnerable to several domestic and international factors. It is therefore necessary that all stakeholders play their role to produce the type of resilience that is needed to bring prosperity to the people of Ghana.

The economy has to move onto a sustained accelerated growth path to enable Ghana achieve the desired development which will translate into marked improvements in the living standards of the people.

The average annual growth rate of under 5% that Ghana has been achieved over the last 10 years or so is not enough to make us realize our dreams. Some dramatic changes have to be made to the operational strategies so that the economy can grow at 8 – 10% per annum. These changes include transformation of the economy to enable it benefit from globalization.

Ghana's trade balance has consistently being in the deficit and this has affected our ability to increase our reserves. Our attempts to increase exports have not yielded the desired results because we have not been able to change the structure of the economy considerably over the last 40 years or so. The country still relies on exports of primary commodities of cocoa, gold and timber whose prices change without any notice. Attempts to revamp the non-traditional export sector seem to be plateauing with non-traditional export earnings stagnating at about US\$400 million over the last 4 years. Manufacturing has not picked up the way it should to enable value addition to the primary products to be done to earn higher incomes and bring the needed resilience to the economy.

On the social front, problems still abound. There is a high incidence of morbidity and mortality in the society. What is even disturbing is that maternal mortality seems to be increasing.

Literacy and numeracy is very low among different cohorts of the society. There is low use of information, communication technology which provides the gateway to the global world. Are we not losing out in the technological race? How can we stay competitive when technological innovations and even adoption of technology developed elsewhere is so low? Countries we had the same initial conditions at independence have gone past us and they are far away. How do we catch up. We are now using technology and goods and services produced in the Koreas and Malaysias.

In order not to miss out there is the need to approach the way we do our things differently. This is one of the reasons for taking stock of where we are going and how we are getting there. It therefore gives me a lot of pleasure to be part of this function today.

At least we can measure any progress we make against objectives set in the Poverty Reduction Strategy which is set to generate growth and reduce poverty in 5 strategic areas:

- Vigorous infrastructure development;
- Modernized agriculture centered on rural development;
- Enhanced social services with special emphasis on education and health;
- Good governance; and
- Private sector development.

It is important that all Ghanaians – government, private sector, and civil society play their role to ensure that improvement in the lives of all the citizens is achieved within a relatively short time.

I hope today's function will not be the last one and that we will meet at short intervals to see where we are going together as a people. It is only Ghanaians who can be truthful to ourselves because we do not have any other place apart from Ghana. Let us join hands and develop our country.

I wish all of us fruitful half-day deliberations on the work in progress on national building.

Thank you.

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**WELLCOME ADDRESS BY: THE MINISTER OF ECONOMIC PLANNING & REGIONAL COOPERATION DR P. K.. NDUOM AT THE NATIONAL ECONOMIC DIALOGUE ON MAY 29, 2002**

Your Excellency the President, Your Excellency the Vice President, Your Excellencies, Heads of Diplomatic Missions and Heads of International Organisation, The Honourable Speaker of Parliament, Your Lordship the Chief Justice, Hounourable Ministers of State, Hounourable Members of Parliament, Nananom, Niimei And Naamei, Distinguished Ladies and Gentlemen:

I am honoured to be given the opportunity to welcome you to the Second National Economic Dialogue of the Government of His Excellency, President John Agyekum Kufour. As you all know, the theme for this year's Dialogue is "Ghana: Work In Progress". Over the past two weeks, I have read the recommendations that were made during last year's National Economic Dialogue at least four times. I must say that each time, I have been impressed by how comprehensive and relevant the recommendations are. Indeed, if we are able to implement all the recommendations made during last year's Dialogue within the next three to five years, Ghana will become a unique, prosperous and forward-looking African country.

Ladies and Gentlemen:

What I am saying is that all of us, have work to do. You will all recall that at the conclusion of last year's Dialogue, representatives of Government, Organised Labour and the Private Sector made commitments in front of all present to work diligently to implement the recommendations made. Consensus was reached to put in place a structure and process to monitor the implementation of the recommendations. Last year, we resolved to make the National Economic Dialogue something different from what this country has experienced in the past. We have the opportunity through the Dialogue process to make a clean break from the past and prove to ourselves that working together, we can start something new.

Like last year's Dialogue, we have planned to make this even a all-inclusive review of athe national economy. The participants we have assembled here represent the political parties, non-governmental organizations, the private sector, students, organized labour, government at the national, regional and local levels and other identifiable groups. One point that we must make and continue to make over and over again is that the implementation of the National Economic Dialogue recommendations is a responsibility for all of us and not just for government. We must make the effort together and share in the results together. This nation belongs to all of us.

Ladies and Gentlemen:

I wish to draw your attention to the following: The Seven Year Development Plan, 1963 – 1970: the Two Year Development Plan, 1968 – 1970: the Five Year Development Plan, 1975 – 1980: and the Ghana: Vision 2020. We have had these and other plans. But we have been short on implementation. As a result, we are where we are, a people made poor while we live in a naturally rich country. As the Chairman of the National Development Planning Commission, I can assure the nation that my colleague commissioners and I are determined to make positive change our rule and the law. No plan that we work on will go untouched, not review and not implemented.

Last year, we took stock of our performance of previous years. It is now appropriate for us as a nation to take stock and to learn from the lessons of the past year. We must learn from what worked and what did not work. Together, at his National Economic Dialogue annual review meeting, we will continue the process started last year to determine what we need to do to build a more sound foundation that we can rely on for accelerated growth and development.

Your Excellencies:

It is my personal hope that through this year's meeting, we can begin to shed our HIPC mentality so that we can become builders of wealth for all Ghanaians.

Your Excellencies, Distinguished Ladies and Gentlemen, you are all most welcome to the first Annual Report to the Nation of the National Economic Dialogue.

**SPEECH GIVEN BY HIS EXCELLENCY JOHN AGYEKUM KUFOUR, PRESIDENT OF THE REPUBLIC OF GHANA AT THE NATIONAL ECONOMIC DIALOGUE ON MAY 29, 2002**

Your Excellency the Vice President  
The Honourable Speaker of Parliament  
Your Lordship the Chief Justice  
Members of the Council of State  
Your Excellencies, members of the Diplomatic Corps  
Honourable Ministers of State  
Honourable Members of Parliament  
Niimeɛ, Naamie, Nananom,  
Distinguished Ladies and Gentlemen

I am glad to be here with you this morning for us to make an assessment of what progress has been made a year after the National Economic Dialogue. At the end of the Dialogue last year, government undertook to make use of the recommendations to influence policy.

I wish to thank you all for coming back for this review. An Oversight Committee with wide range membership, to enable government track the use to which recommendations were being put, has been working throughout the year. Happily, it reports that some headway has been made.

Significantly, it must be noted that most of the recommendations that emerged from the Dialogue, coincide with government's own plans. To mention just a few: The macro-economic environment has been stabilized substantially.

- i. Firstly, Inflation has come down from a high of 42% to about 15% currently. We expect that if the trend continues, by the end of the year, we shall have a single digit inflation in the country. This fall in inflation has been reflected in falling prices of food and other commodities.
- ii. Secondly, the currency has had a measure of stability. This has meant that predictability is coming back into economic calculations.
- iii. Thirdly, Government has also cut back on domestic borrowing, helping to ease the pressure on rates and thus adding value to money. Interest Rates, which stood at around 50% last year, are following inflation downwards. The Banks are now lending in the range of 26% to 32%. It is true that Treasury Bills are no longer quite the cheap generators of money they used to be, but Business is now finding credit more and more accessible.

Ladies and Gentlemen, as everybody now knows, government reached the Decision Point of the HIPC Initiative in February this year. This past year, there was a saving of two hundred and fifty million US dollars. A similar saving is expected this year.

When the Completion Point is reached in the first quarter of next year, as expected, the economy stands to gain the maximum benefit in the form of donor support. The G8 countries, Ghana's biggest creditors, would be expected to write off a hundred per cent of our debts to them and the other creditors would also write off at least 67% of all the debts owed to them, as at the cut off date of June 1999. The total savings are expected to be about three billion dollars over twenty years.

At this stage, it is gratifying to state that government has started the process of disbursing the initial debt relief benefit of ninety-six million US dollars (\$96m) to provide skills training for the unemployed, improve schools and upgrade health care facilities.

A scheme to provide small business with micro credit has taken off to enthusiastic support around the country. Under the Emergency Social Relief Programme, small-scale fishmongers, farmers and traders are being given credit to help them expand their businesses.

As you all know, the constitutional term offered to the government is four years. Because of the limited time and very limited resources, government decided to adopt five priorities so as not to spread itself too thin on the ground. This is not to say other sectors are being ignored.



The budget therefore reflects the emphasis on these priority areas:- infrastructure development, Rural Development with emphasis on modernized agriculture, enhanced social services with emphasis on education and health services, good governance and private sector development.

Some of the work that has started on infrastructure development deserves to be mentioned here briefly.

The dredging of Berths at Tema harbour from 8.5 meters to 11.5 meters has been completed to improve port operations. Improved containerization of cargo services is also taking place at the harbours; this will improve the capability of the ports to service not only Ghana but also our landlocked neighbours.

Of the listed major roads in the priority infrastructural development areas, work has started on the Accra to Kumasi Highway. The Department of Urban Roads has completed all documentation for invitation of tenders to commence work on the 6-lane Kwame Nkrumah Circle to Achimota, continuing to Nsawam by dual carriageway. Work on the Mallam-Kasoa road and on other equally important roads is due to start by September.

At the same time, vigorous construction work on feeder roads has started in many parts of the country. Urban roads are being done in many towns like Ho, Sunyani, and Duayaw Nkwanta and Juabeng.

In agriculture, it is encouraging to note that rice production has been increased by 35% from 234,000 metric tones to 316,000 metric tones this past year. A national buffer stock of 10,000 metric tones of maize has been established in collaboration with the private sector. This has helped to bring down the price of maize this year as compared to last season.

In addition to the priorities, two Presidential Special Initiatives on Cassava Starch and Textile and Garments have been launched to accelerate economic growth and boost the Export drive.

The pilot scheme for the Cassava starch production in Bawjiase involves about five thousand farmers. Government is supporting the scheme with a seven million US dollars outlay, half of which is being used to import the processing plant, which will belong to the farmers, and the other half is being used in loans for the farmers to plant the cassava.

Now that Ghana has received the US AGOA Visa status, there is a bigger and ready market for products from Ghana to the US market. This means our business community can programme and target their products at this market.

I have also launched a big afforestation scheme, which has the dual purpose of generating employment in the rural areas and replenishing our lost forests and degraded environment. The initial scheme was launched at Ayigbe in the Brong Ahafo Region and has provided about nine thousand jobs for people in that area. Nationwide, the scheme should generate about eighty thousand jobs a year. Government is investing about 60 billion cedis initially and is encouraging the replanting of forests all over the country.

A key recommendation at last year's Dialogue was that a system of the National Identification be introduced. I am happy to state that Government has adopted the policy and work has started towards its implementation.

### **Distinguished Ladies and Gentlemen**

This past year has been marked by the spirit of dialogue and co-operation among the development partners of this nation; that is, Labour, Employers and Government.

There has been peace in the work place and it is obvious that organized labour have kept to their commitments to be part of the reconstruction of the economy. This has gone a long way to ensure industrial peace.

The Tripartite negotiations were conducted in a good atmosphere which resulted in the 30% increase in the minimum wage, that was announced last month.

Nevertheless, it is commonly agreed that Ghana still sticks out in the sub-region like the proverbial sore thumb, as the country of low wages and low prices. It is crucial therefore that all stakeholders join the debate I ask for, to find ways to improve on the conditions of work. For its part, Government has engaged the services of some local consultants to advise on the subject.

The new Private Sector ministry is working hard to give entrepreneurs the needed support and encouragement. It is already engaged in studying the tax and business regulatory system to find the right balance that will enable government

derive adequate taxes for the running of the state, without imposing too much burden on business. This will ensure business gets on with creating and spreading wealth.

The legal framework is also being examined to make sure that the atmosphere and speed of conducting business is not cumbersome. In the few months that the Fast Track Court was allowed to function, more than 60 commercial cases were dealt with. Hopefully, the Fast Track courts will be allowed to continue, to dispense justice expeditiously to strengthen the faith of the business community in the judicial system.

These past 17 months, government has shown that it has the will and ability to move the economy to greater heights. There are positive signs already showing that we are on the right path.

I want to express my appreciation to the representatives of Civil Society, Organised Labour, The Private Sector, the Media, and development partners who have all been working hard to see to the implementation of last year's Dialogue recommendations. You have all helped to tackle the debt problems, fight inflation and bring fiscal discipline into the economy.

These are only the beginnings of the drive towards the Golden Age of Business. And Ladies and Gentlemen, let me say here that the notion that some people seem to have that a Golden Age of Business is something that will drop from the heavens, is mythical.

Nowhere in the world has business blossomed by chance. Wherever nations have boomed, it has invariably been through practical, hard-headed, sound socio-economic policies on the part of government and calculated risk taking on the part of the Private Sector and a committed and disciplined workforce. This combined force, taking advantage of the market opportunities that exist in its territory, the sub-region and the world at large, leads to successful business explosion that leads to a Golden Age of Business.

The country is basking in the glare of international attention. All the heads of the G8 countries, the richest nations of the world have lined up with invitations to us. Our neighbours in the sub-regions and other parts of the continent are also acknowledging the wisdom in the direction of Ghana's socio-economic policies. The leaders of dynamic, emerging economies like Malaysia, Singapore, South Korea and India have extended invitations and are offering to co-operate with Ghana.

That it took no less a personality than the Managing Director of the IMF, Mr. Kohler to come to Accra to help me launch the Investment Advisory Council, the first in sub-Saharan Africa, outside South Africa, must count for something.

Last week, US Treasury Secretary Paul O'Neill visited our country. He is reputed to be a hard-nosed businessman who is skeptical about the use of Aid in Third World countries. He is not easily flattered. Since he came and listed and saw for himself, he has become an advocate for support for Ghana. The airwaves, around the world, the United States and Europe have been full of his commendations of Ghana's economic efforts.

These are all powerful indicators that we must be getting our politics and economic development right; a fact that cannot, and must not be brushed aside through self-doubt and cynicism. I believe that it is time Ghana began to get its self-confidence back.

Ladies and Gentlemen, we are on the right path, we must stick together to have the courage to stay the course. With discipline and focus, Ghana will reach the goal of the Golden Age of Business. There is nothing mythical about this.

I am delighted to be associated with this important national annual general meeting. I am convinced that together, we will make Ghana a Confident, Free, and Prosperous country.

Thank you for your kind attention. And may God Bless Us All.

# Economic & Financial Sector

Presenter: Dr. Ashong

## Key Policy Issues:

- Macro-economic stabilization
- Improve fiscal resource mobilization
- Improve expenditure management
- Improve availability of long-term capital for growth
- Ghana: Leading financial center in West Africa

## Actions taken and Results

### Macro-economic stabilization

- Improve institutional framework for monetary and fiscal management
  - Economic Policy Coordinating Committee (EPCC) has been set up
  - Prudential laws have been put in place for fiscal and monetary management, eg. Borrowing ceilings for government have been fixed at 10% of current revenue
  - Government expenditures are contained within budgetary approvals
  - Macroeconomic stability is being restored.
- Reduce Inflation

Year	Inflation Target %	Actual Inflation %
1992	5.0	10.0
1993	8.5	27.4
1994	15.0	24.9
1995	18.0	27.9
1996	20.0	46.6
1997	15.0	27.9
1998	9.5	15.7
1999	9.5	13.8
2000	12.5	40.5
2001	25.5	21.3

- Analysis of Monthly Inflation Rates for 2001/2002

Period	Monthly Change	Year on Year	Yearly Inflation
Dec 2001	0.3	21.3	32.9
Jan 2002	1.1	19.9	31.1
Feb 2002	1.4	18.3	29.3
Mar 2002	2.1	16.0	27.1
Apr 2002	1.5	14.9	25.1

- Stabilize Exchange Rate

Year	Cedi /US\$ Exchange Rate	Rate of Depreciation %
1992	520.83	33.33
1993	819.60	57.36
1994	1050.00	28.11
1995	1446.00	37.71
1996	1740.00	20.33
1997	2250.00	22.70
1998	2346.00	4.10

1999	3500.70	49.22
2000	6886.80	96.73
2001	7100.00	3.10

- Reduce Interest Rate
  - Bank of Ghana Base Rate
  - Deposit money banks have reduced their base lending rates to around 28%

### Improve Fiscal Resource Mobilization

- Reduce leakages and import exemptions to Barest Minimum
  - Actions taken to ensure that revenue lost through leakages and exemptions are minimized in the 2002 budget:
    - Applications of 5% import duty rate to a set of major product lines that were zero-rated in 2001
    - Application of 1% processing fee on all remaining zero-rated imports and on items attracting a 10% concessionary rate
    - CEPS will only accept bonds issued by banks and not insurance companies on behalf on Bonded Warehouses
    - Fee charged for registration of bonded warehouses increased from \$3 to Cedi equivalent of \$2000 and \$3000 respectively for Category A and Category B Bonded Warehouses
  - Impact of Reduced Exemptions & Leakages
    - Exemptions granted in the year 2000 amounted to ₵2,458.7 billion
    - Amount of exemptions now dropped to ₵1,014.4 billion (-58.7%)
    - IRS has instituted legal action to retrieve tax arrears of ₵971 million owed by tax defaulters.
- Strengthen District Assemblies for improved tax collection
  - A committee of Local Administration Directorate is coordinating revenue monitoring exercises on market rates, property rates, etc.

Examples of results of exercise

Town	Previous	Now
• Ahanta West	₵0.4m/ Week	₵2.5m/ Week
• Bolgatanga	₵1.9m/ week	₵9.2m/ week
• Kintampo	₵8.0m/ month	₵22m/ month

### Effective Domestic Debt Management

- Determine on an on-going basis the size of the domestic debt.
  - Chief Directors now report expenditures on a monthly basis to Ministry of Finance (Cash and Commitments)
  - Budget Preparation Expenditure Management System (BPEMS) in progress
  - Audit of Government Arrears is being conducted to get the complete picture about the magnitude of domestic debt
- Develop medium-term instruments
  - 3-year Ghana Government Index-Linked Bond introduced (GGLIB)
  - Government has converted ₵1.254 trillion of the total domestic debt of ₵8.27 trillion into 3-year Ghana Government Index Linked Bonds (GGILBs)
  - Saving by way of Deferred Debt Service Payments as a result of the GGILBs: To date amounts to ₵998.26 billion, representing a ₵30.9 billion deferral in principal repayments
  - National Bond Market Committee set up to tackle the Medium Term Instrument issue in a more holistic manner.
- Reduce stock of Domestic Debt
  - Government Policy now committed to applying divestiture proceeds to reduce domestic debts
  - 20% of HIPC relief funds to be used to reduce the domestic debt



# Progress On NED Recommendations From The Private Sector And Resources For Growth Syndicates

*Presenter: Dr. Samuel Asuming-Brempong, University of Ghana - Legon*

## KEY POLICY ISSUES

1. Create an enabling environment.
2. Streamline process for clearing goods.
3. Promote Agricultural Finance and Access to Credit
4. Ease securing reliable title to land for investment.
5. Promotion of non-traditional exports.

## Resources For Growth

1. Energy
  - Ensure petroleum requirements are met by year 2002.
2. Infrastructure
  - Ensure Infrastructure development
  - Improve the process of acquiring communication licenses
  - Ensure well-developed Tourism sector
3. Agriculture
  - Promote Agriculture (farming)
  - Promote agro-processing
  - Promote Agric Finance and Access to Credit

## A. PRIVATE SECTOR

### 1. Creating An Enabling Environment -

- Establish or streamline Processes for registration and issue of permits
- Minimize the delays in processing of delivery of goods & duty drawbacks

#### Start-ups & New Investments

Registration time reduced as follows:

EPA & GFZB	Several Months	to	One month
Registrar General	Four weeks	to	Five days
GIPC	Four weeks	to	Five days

#### Existing Venture

Use of x-ray scanner to reduce processing to a maximum of 5days.

Duty drawbacks processed within 5 working days instead of 30 days.

#### Result

Lower transactions costs and less frustration

### 2. Streamlining processes for clearing of goods

- Consolidate processes of clearing goods.
- 24 Hours service at long room (Tema), KIA, Aflao, MoF, BNI.
- Increase the Number of Banks in Long Room

#### Remarks

- Long Room Established and operational with all relevant agencies, (CEPS, IRS, GSL, GPHA) located under the same roof.
- Bank of Ghana payments system at ports and facilities payment on site.

- A Post Clearing Verification Unit formed for re-examination. Service delivery assessment is undertaken on monthly basis.
- GCNet expected to take off in July 2002
- Aflao and Elubo are operating 12-hour service due to security concerns.

### 3. Promoting Agric Finance and Access to Credit

- Access to long-term capital
- Establish special funds to support agric. and industry

#### Remarks

- Examples of nearly \$25 Million in micro-credit schemes include:
- ADB - Food Crop Development Project, Livestock Development Project, Cashew, Small Scale Irrigation Project (ADB/ WFP/BADEA)
- IFAD - Upper West Agric. Development Project , Upper East LACOSREP II
- Typical beneficiaries - The Upper East project covers 2,907 farmers' groups (31,435 farmers, 21,085 females + 10,350 males) In groups for Rain fed Crops (381), Irrigated Crops (375), Ag. Processing (823), Ag. Marketing (1,300) , Seed Growers (20) & Inventory (6)
- Government has provided ₵700 billion under the Emergency Social Relief Programme (ESRP) to assist small-scale farming and fishing communities.

### 4. Securing reliable title to land for promoting investment and Simplifying land acquisition.

- Establishment of proper documentation on existing lands-location/ owners.
- Proactively establish Land Banks.

#### Remarks

- MLF reports that the Lands Commission Secretariat keeps a comprehensive list of government lands
- GFZB established Land Banks and controls 4496 acres.

Tema EPZ	1,200 acres
Takoradi EPZ	2,200 acres
Ampabaman EPZ	1,096 acres

### 5. Promotion of Non-traditional Exports (1)

- Provide tax breaks for producers of NTE.
- Improve the availability of trade information to stake-holders

#### Remarks

- Tema Free Zone tax benefits have attracted Cocoa Processing Plant (Barry Callebaut )
- An exporters reference point, to access online information now in place. Additionally there is an Export Reference library at GEPC.
- Public Leader Market News service magazine now available.
- A "trade secrets" book has been published for Exporters' reference.
- "Export School" has provided various courses for over 300 exporters
- 350 producers have been offered technical support in production and processing.
- The Export Development and Investment Fund (EDIF) created to provide resources for the development and promotion of export trade.

### 5. Promotion of Non-traditional Exports (2)

- Ghana to team up with other countries to influence trade treaties
- Improve the efficiency of CEPS
- Introduce measures to make processing of duty draw back easier.

#### Remarks

- Inter-institutional Committee on the Multilateral Trading System (MTS) created the national sub-committee on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary

- Measures to provide basic information on market requirements
- 10 priority and high potential products have been identified - priority products are: Cashew, Cocoa butter, and Basketwork. The potential products include; Coffee, Yams, Ginger, Plastic articles, Fish products, Textiles and Garments and Horticultural products.
- A Trade Desk has been established at MOFA to provide information to the public and trading partners on issues concerning WTO, AGOA, ECOWAS and ACP-EU trade regulations.

## B. RESOURCES FOR GROWTH

### ENERGY:

#### 1. Ensure petroleum requirements are met by 2002 & Implement TOR expansion project for petroleum and LPG

- Construct residual fluid catalytic cracking unit (RFCC).
- Revamp of the existing catalytic reforming unit.
- Deregulate oil-marketing operations by 2002.

##### Remarks

- The phase II of project involved the construction of RFCC unit. This \$185 Million project was completed in April.
- These improvements should enhance the Refinery's finances and increase the supply of gasoline and LPG to the consuming public.

#### 2. Energy Commission to work on marketing regulations.

##### Remarks

- The import parity pricing for petroleum products in place (June 2001).
- The Energy Commission has sought public bids for the development of petroleum market rules and regulations
- Oil Marketing Companies will be allowed to participate in the importation and marketing of finished products throughout the country.
- Encourage Private Sector Participation in Oil Refining.

#### 5. Establish a private export oriented refinery in Ghana.

##### Remarks

- The Ministry is promoting the establishment of a private export oriented refinery to be located in the Tema or Takoradi EPZ.
- Preliminary discussions have been held with Mutual Concepts Ltd. of Lagos, Nigeria.

#### 6. Promote Efficient and Productive Use of Energy (1).

- Government should encourage wide distribution of LPG by the private sector.
- Reduce Government excise duty to benefit rural users (and to discourage the use of wood)

##### Remarks

- To address transportation constraints for LPG Distribution to the regions, The LPG Compensation Fund was created in 1998. The disbursement scheme for the LPG Compensation Fund becomes operational by the end of May 2002.
- Government Excise duty on Kerosene & LPG has been reduced by 50%. To ₦100.00 per litre (or kilogram respectively) by Parliament in November 2001.
- All Government levies on LPG have been removed.

#### 7. Promote Efficient and Productive Use of Energy (2)

- Develop energy efficiency standards for room Air conditioners



**Remarks**

- Ghana standards DGS 362, established a minimum energy efficiency standard of EER = 2.8 gazetted in January 2002
- A legislative instrument is being prepared for parliamentary assent, to make it mandatory for AC importers to label appliances beginning January 2003. This expected to be laid before Parliament by June 2002.
- The design of standards for Refrigerators & Lighting systems have begun in May 2002.

**INFRASTRUCTURE:****8. Development of Modes of infrastructure,(e.g. rail, road, air, water) in urban and rural areas.****Remarks**

- Airport Infrastructure
  - The rehabilitation of Kotoka international airport is in progress:
  - A committee of stakeholders has been set up to develop the preparation of the Kumasi airport for domestic and sub regional operations
- Water Transport Infrastructure
  - Dredging of berths from 8.5m to 11.5m at Tema harbour to improve operations have been completed
  - A site has been acquired to develop an inland port at Boankra to facilitate transit trade and to decongest the Tema and Takoradi ports.

**9. Development of Modes of infrastructure (e.g. rail, road, air,water) in urban and rural areas.****Remarks**Rail

- A rail shuttle service between Accra and Nsawam has been reintroduced. GRC has dedicated two locomotives and 10 coaches for running of the service. Two return services are made daily.

Roads

- A total of 51.6 kilometres of feeder-roads have been completed in the Central Region while a total of 111.9 kilometres of feeder roads have been completed in the Western Region
- 5.1% of the rehabilitation of 480 km of feeder roads has been completed in the Northern Region

Bridges

- Work on 5 bridges completed in the Western Region

**10. Ensure Infrastructure development**

- Co-ordinate infrastructure development.
- Link infrastructure development to land use.
- Establish comprehensive planning framework.
- Apply incentive to develop infrastructure.
- Improve power, communication and water.
- Resource centre to provide on-time delivery information.
- Internet highway in towns and villages.

**Remarks**

- Guidelines for license acquisition have been established by NCA. The required time for approval or refusal of license is not more than 60 days.
- Ghana has become part of the World's First Undersea Fibre Optic Cable System around Africa to Europe and Asia
- One SSS School in each region is to be connected to the Internet.
- Private partners are being engaged in the water supply system.

## 11. Ensure well developed Tourism sector

- Develop tourism sites & supporting facilities
- Ensure security and safe/friendly environment.
- Aggressively market the salient tourist attractions. Include District Assemblies in promotion effort.
- Streamline the process of visa acquisition.
- Improve training to render effective hospitality services and management.
- Support acquisition and zoning of beaches for the hospitality industry.

### Remarks

- 21 Community based and eco tourism sites projects reported
- Tourism facilities have been developed in the following ways.
  - Hotels 161, Restaurants 12, Travel agents and tour operators 34, Car hire companies 6, 20 tourist coaches distributed to tour operators:
- Tourism plant operators especially hoteliers have been directed to provide adequate security at their premises and to provide lifeguards at poolside beaches
- Adequate security measures have been put in place at the airport
- Ghana participated in 1 domestic and 3 international fairs: Spanish Trade Fair in Ghana, Vacantiebeaur in Holland, ITB in Germany & WTM in Britain.
- Video documentary film and a tourism film on Ghana's attractions produced by GTB
- 5000 tourist maps were produced for the Ashanti Region and the Kumasi metropolis.
- Western Regional tourist maps are ready for printing
- The tourism website was set up and being updated ([www.ghanatourism.gov.gh](http://www.ghanatourism.gov.gh))
- 2000 brochures were produced by MOT for WTM
- GTB in collaboration with the private sector and Commonwealth Secretariat initiated the preparation of Tourism Marketing Plan for Ghana
- A video on tourism sites in Ghana is being featured on GTV Breakfast Show Programmes
- The Ministry of Foreign Affairs is now operating new honorary consulates in the big countries such as USA, Germany and Italy to facilitate visa acquisition by applicants;
- The processing and acquisition of visas in Ghana's foreign missions can be done within 48 hours
- Emergency visas are being granted to tourist on arrival at the Kotoka International Airport
- 610 service providers trained viz:
  - 360 trained at HOTCATT, 200 trained in the regions, 50 trained through customer care programmes,
  - 16 officials from MOT/GTB and HOTCATT trained in Managerial Courses.
- Recommended list of properties and tourism sites country wide has been prepared for zoning and submitted for consideration by government

## AGRICULTURE:

### 12. Promote Agriculture (farming)

- Simplify processes and land acquisition, establish proper documentation.
- Promotion of producer and marketing groups and/or Associations.

### Remarks

- MOFA in collaboration with Ministry of Lands and Forestry identified and took an inventory of MOFA's landed property.
- Efforts are being made to regularise the acquisition of the lands designated as land-banks which will be made available for investment.
- 432 agricultural cooperatives comprising of both agricultural producers and marketers were established in year 2001.
- MOFA's strategic plan calls for the Ministry to promote the production and marketing of cereals roots and tubers, legumes, vegetables (both local and exotic), fruits, livestock and poultry.
- To reduce rice imports by 30% by 2004, the following measures were taken in 2001:
- The Afife Irrigation Project was rehabilitated and farmers supported with credit resulting in 100% increase in the area under rice cultivation (440ha to 880ha).
- Improved rice seeds were produced and supplied to farmers in the lowland rice project in Northern Region. The Project established 650ha of rice for 1,450 farm families which produced about 5500 tonnes of paddy.
- Rice mills with de-stoners were introduced to the rice growing areas.

- Businessmen were organised and introduced to financial institutions to access funds to buy paddy rice to mill and bag in their own labelled bags, products were exhibited at AGRIFEX 2001, and launched in Accra and Kumasi.
- 42 metric tonnes of Maize foundation seed produced under the Food Crop Development Project.
- This has helped to bring down the price of maize in this year's lean season as compared to the same time last year. For example in May 2002 the price of 100kg of maize was at ₵156,000 compared to that of 2001 at ₵250,000.
- A national buffer stock comprising of 10,000 metric tonnes of maize has been established in collaboration with private collateral managers.
- Cassava: The President's Special Initiative (PSI) on Agribusiness: cassava planting materials have been supplied to cover 993ha in the 5 pilot districts of Agona Awutu-Efutu-Senya, Gomoa, West Akim and Ga. 3,577ha of four varieties of cassava were multiplied in 43 districts across the country under the Root and Tuber Improvement Programme (RTIP)
- New and improved varieties of sorghum and millet were introduced to farmers in the North to increase yields and improve the quality in storage.
- In the Western and Central Regions, coconut plantations destroyed by the Cape St. Paul Disease were rehabilitated with coconut hybrids which covered 590 hectares.
- In the livestock sub-sector, 39,000 cattle, 51,900 small ruminants and 2,500,000 poultry were vaccinated

### 13. Increase Agricultural Output and Processing of Produce.

#### Remarks

- The Ministry provides fee-free extension services to farmers. Cocoa extension staff now under the aegis of MOFA are now extending their operations to other crop farmers. Regular retraining programmes are organised for the Extension Officers to keep them abreast with recent developments in agriculture.
- The Village Infrastructure Project of MOFA, in collaboration with District Assemblies, is assisting farming communities and farmer groups in the Provision of improved marketing facilities, processing equipments and feeder roads.
- 8 markets were constructed in the districts of Gushiegu/Karaga, Saboba/ Chereponi, East Gonja, Bolgatanga, Nadowli and Wa. A slaughterhouse was also completed at Wa. 108 Intermediate Means of Transport and 32 processing machines were supplied to farming communities in all the zones.
- The Agricultural Engineering Services Directorate also trained many artisans in fabrication and use of improved processing equipment. AESD assembled and tried 46 tractors, 72 power tillers, motorised tricycles, 8 rice mills, 10 manual tricycles and other agricultural machineries, equipments and processors which were sold to farmers.
- An Agro-processing feasibility studies to promote value addition to agricultural products has been completed under the auspices of MOFA and the African Development Bank.

# Progress On NED Recommendations From The Employment And Human Resource Development Syndicate

*(Responses From Ministries Of Manpower Development & Employment, Education And Health)*

*Presenter: Professor John S. Djangmah*

## THE KEY POLICY ISSUES

- Labour Law
- Action Plan for immediate rural and peri-urban employment generation
- Resource for Education and Human Resource Development
- Cost Effectiveness in Educational Management
- Accelerate Quality of Education in Public Schools
- Technical and Vocational education for self-employment
- Protection from Financial Hardship arising from the Cost of Healthcare for the entire Population
- Quality Health Care

### 1. Labour Law

- Enact New Labour Law

#### Remarks

- Cabinet has approved draft bill
- New Labour Bill before Parliament for enactment to New Labour Law

### 2. Action Plan for immediate rural and peri-urban employment generation

- Strategic Document for Mobilising Youth Labour

#### Remarks

- Ministerial Committee on Action for Employment Generation (AFEG) set up, headed by Minister, Manpower Development & Employment
- National Registration of Unemployed and Underemployed
- \$3.4million under HIPC initiative provided for skills training
- President's Special Initiative on Cassava to generate 25,000 employment over the next 3 years.
- National Development Fund under the Minister for Women and Children created with a capital of 21 Billion Cedis. 4.37 billion Cedis have been disbursed.
- Ministry of Manpower Development and Employment (MMDE) is creating a database of about a million persons from the National Registration Exercise

### ▪ Promote Community based vocational and technical skills training

#### Remarks

- 10 National Vocational Training Institutes (NVTI) Community Centres identified for skills training for year 2002. Names of Centres were provided by MMDE
- 1000 JSS leavers admitted to pursue courses ranging from Hairdressing to Computer Technology.
- 35 Integrated Community Centres for Employable Skills (ICCES) have started skills training.

### 3. Resource for Education and Human Resource Development

- Collate and evaluate costs per student at all levels of education in Public Sector and Current levels public budget and GETFund can support



▪ **Streamline Institutional arrangement for Education delivery**

**Remarks**

- Organisation structures put in place to ensure community involvement in planning and efficient delivery of education are as follows
- Establishment of District Education Planning Teams. (DEPTs) in all Districts.
- Establishment of School Management Committees (SMCs) in all Basic Schools.
- Establishment of Information Education and Communication in all Districts.
- Establishment of District Education Oversight Committees in all Districts.
- Institution of School Performance Appraisal Meetings (School Teachers) and Communities.
- District Assembly Teacher Trainee Sponsorship Scheme initiated. Out of the total number of 4,970 students admitted for 2000/2001 academic year 4,508 were sponsored by the District Assemblies.

**5. Accelerate Quality of Education in Schools and Bridging gaps in access**

- Supply basic textbooks to every pupil

**Remark**

- The Ministry has provided textbooks in English, Maths, Science and Social Science for all Primary and Junior Secondary Schools. Total number of books procured 7,239,000 for distribution to Basic Schools. The level of provision would be one pupil to one textbook by July 2002

▪ **Draw up a Time Table for the provision of Workshops to all JSS**

**Remark**

The Time Table for the Provision of Works for JSS

No of JSS Supplied	%	Year of Provisions
1940	30	1987 – 2001
970	45	2002
970	60	2003
1294	80	2004
1294	100	2005

Total Number of JSS – 6,468

▪ **Improve the quality of infrastructure in all Schools**

**Remarks**

- 604 building projects in 381 SSS. 177 have reached 60% completion, 579 have reached various stages of completion.
- 4 – seater KVIP constructed for Basic Schools. (2001)
- 4 unit Houses for teachers. 172 completed, 74 are 50% completed. (2001)
- 17,250 pieces of furniture distributed to Basic Schools. (2001)
  - Provision of 495 No. 6-Unit classroom blocks: 450 No. have been completed in 2001/ 2002. 44 No. under construction and have reached various stages of completion

▪ **Rehabilitate schools in Northern Ghana and also rural and peri-urban areas**

**Remark**

- ADB sponsored school rehabilitation initiated in 2001, 65% earmarked for the North. Project was initiated in November 2001

▪ **Accelerate functional literacy programme.**

**Remarks**

- Percentage of Learners has increased by 70%
- Female participation has increased from 52% to 60%.
- Created more sustainable literate environment with the provision of more supplementary readers and book boxes. Two book-boxes per class has been reduced to one book-box per class.
- More effective literacy delivery by all Agencies in the country.
- New strategies developed to ensure more sustainable cost effective Literacy Programme:
- Community participation and Involvement in literate environment.
- Monitoring of Classes by Community Leaders.
- Provision of input to support programme for classes at local level.
- Adoption of multi in sectoral approval to staff training programmes.
- Increased the pace of occupational grouping on enhanced skill management (60% of groups are women)

▪ **Develop bilingual capacity to enhance transactions with neighbouring countries in West Africa sub-region**

**Remarks**

- French is taught at the JSS Level.
- At the SSS Level, French is made available under all the five main programmes.
- Since October 2001, two new departments of French have been opened at Wesley College and Bagabaga Training College in addition to Mount Mary Training College to train French Teachers.
- Regional Centres for In-service-training of French teachers at the JSS and SSS levels have been established. A total of 2,000 Teachers have been trained at the Regional Centres.
- A trans-bureau unit has been established at the Ghana Institute of Languages with responsibilities for interpretation and servicing of conferences.

**6. Technical and Vocational education for self-employment**

- Develop National Technical Vocational Education and Training Policy (TVET)
- Establish more Technical Vocational Schools
- Improve facilities in existing Technical and Vocational Schools
- Restructure Curriculum for Technical/ Vocational for Employment

**Remarks**

- Technical Vocational Education and Training Policy document before Cabinet
- 8 SSS being converted to Technical Vocational Institutes making number 31
- 20 Technical Institutes and SS Technical Institutes are being rehabilitated under the Votec Resource Centres Scheme
- Curricula for Technical/Vocational Institutes restructured

**7. Protection from Financial Hardship arising from the Cost of Healthcare for the entire Population**

- Replace the Cash and Carry System with a Multi-fund Health Insurance
- Establish National Health Organisation to promote health insurance schemes
- Establish a Central Health Fund to balance social goals and financial sustainability
- Mount public educational campaign on health insurance
- Promote Pilot schemes at targeted areas

**Remarks**

- Draft National Health Insurance Bill before Cabinet
- Ministerial Task Force to set up National Health Insurance Council
- National Health Insurance Fund recommended in draft Bill
- Committee on Publicity and Education set up
- Funds for Pilot Schemes by HIPC and DACF

**8. Quality Health Care**

- Increase health resources to disadvantaged areas notably Northern Ghana, rural and per-urban areas
- Institute incentives to retain health personnel in the country
- Expand Control of Communicable and Infectious Diseases

**Remarks**

- New Community Health Nursing Training School established at Essiama, Western Region
- Costing of Package of Measures developed to retain health personnel is being done. Development Partners pledged support.

**Selected Actions**

- 5-year Roll Back Malaria Strategic Plan Developed
- A National Tuberculosis laboratory Training Manual Document completed and produced.

**For Polio Management:**

- 120 staff trained on Vaccines and logistics management
- 2,200 staff trained at all levels in Introduction of New Vaccines and National Immunisation Days (NIDs)

**Guinea Worm:**

- Reduction of reported cases from 5374 in 2000 to 4738 in 2001

**Trachoma:**

- 5-year strategic plan developed
- 600 Community-based health workers, teachers and village volunteers trained in Primary Eye Care.

**Buruli Ulcer:**

- Successful surgical application of cultured tissue epidermis to treatment of Buruli Ulcers in Korle Bu and Komfo Anokye Teaching Hospitals
- Expand quality essential obstetric care to all hospitals and health centres.

**Others**

- Pre – training preparation meeting of Master Trainers in Safe Motherhood Programme
- HIV/AIDS Strategic Plan finalised; awaiting reproduction and dissemination



# Agenda For Growth & Prosperity: Ghana's Poverty Reduction Strategy

*Presenter: Mrs. Angela Farhad*

## GOAL

*To Achieve Sustainable Equitable Growth, Accelerated Poverty Reduction And The Protection Of The Vulnerable And Excluded Within A Decentralized Democratic Environment*

## SCOPE OF THE GPRS

### The GPRS includes:

- Programmes and Projects for meeting the Government's Medium Term goals articulated by the President in the State of the Nation Address to Parliament
- Other objectives of Ministries, Department and Agencies (MDAs) for growth and poverty reduction (2002-2004)

## BROAD GPRS OBJECTIVES

- Ensure Macro-Economic Stability
- Increase Production And Gainful Employment
- Facilitate Direct Support For Human Resource Development & Basic Services
- Expand Special Programmes To Support Vulnerable Groups
- Enhance Good Governance

### GROWTH RATE TARGETS

	2001	2002	2003	2004
Population growth rate (%)	2.6	2.6	2.6	2.6
GDP per capita Growth Rate(%)	1.4	1.9	2.4	2.4
GDP Growth Rate (%)	4.0	4.5	5.0	5.0

## TARGETS FOR ACHIEVEMENT BY 2004

1. Achieve GDP growth of at least 5%
2. Nationally, to reduce the incidence of poverty from 39% to 32%
3. At regional level to reduce poverty by at least 7 percentage points;
4. To reduce poverty in Northern (69% - 60%), Upper East (88% - 75%) and Upper West (84% - 70%) and Central (48% - 40%)
5. Reduce poverty among food crop farmers from 59% to 46%
6. Population with access to safe water increases from 40%-54% for rural & from 70% -78% for urban areas
7. Guinea worm eradicated
8. Increase gross primary enrolments from 77.6% - 82%
9. One model health centre in each district
10. One model senior secondary school in each district
11. Legislation on land reform passed into law
12. Mechanism for permanent dialogue between Government and Civil Society established
13. Development roles of institutions & agencies clarified & strengthened
14. District Assemblies Common Fund increased to 7.5%
15. Local Government Service Bill reviewed, strengthened and passed
16. Total value of Non-traditional Exports increases by at least 50%
17. Sixty out-grower schemes established
18. Delivery of service by Intermediate Technology Transfer Units (ITTU) increased by 50%
19. Total area under irrigation increased by 300%

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## **MODERNIZED AGRICULTURE / RURAL DEVELOPMENT**

- Reform acquisition of land
- Provide performance-based extension services, irrigation, roads & affordable credit
- Actively promote production of NTE crops
- Support private sector to add value to agricultural produce

## **INFRASTRUCTURE**

- 3 major highways to open up country leading to increased job creation
- Linking productive rural areas to urban markets
- Accelerate access to telecommunications
- Increase energy availability to boost production

## **ENHANCED SOCIAL SERVICES**

- Reform educational system to ensure uninterrupted education from pre-school to age 17 to create opportunity for human development & reduce poverty
- Develop model senior secondary schools in every district
- Develop a model health centre in each district
- Phase out cash & carry system & replace it with a more humane & effective system

## **GOOD GOVERNANCE**

- Support Parliament for better governance
- Restructure civil service for improved efficiency & effectiveness related to better compensation
- Strengthen capacity of judiciary to ensure rule of law
- Enhance social order by improving police service
- Ensure transparency & accountability in resource generation, allocation & management

## **PRIVATE SECTOR DEVELOPMENT**

- Ensure stable macro economic climate
- Work with private sector, both domestic & foreign as an effective development partner
- Provide active assistance through divestiture, financial support and streamlining government bureaucracy to support private sector

## **IMPLEMENTATION**

- Dissemination & Feed Back
- Implementation Plans By Mdas
- Coordinating Implementation To Ensure Cost-Effective Execution Of Programmes And Projects
- Capacity Building
- Monitoring & Evaluation
- Common Approach To Poverty Reduction

## **MONITORING & EVALUATION**

- M&E system to link MDAs and other institutional monitoring systems (e.g. HIPC tracking etc.)
- Institutional arrangements for M&E
- Capacity building of MDAs & DAs
- Participation of CSOs in M&E activities
- Creating mechanisms for GPRS reporting
- Working with GSS and research institutions to conduct impact evaluation of GPRS

## **COMMON APPROACH TO POVERTY REDUCTION**

- All programmes/projects will concentrate their activities in same districts
  - Projects will complement each other & ensure coordinated interventions
  - Reduced operational costs due to shared facilities & personnel
  - 45 Districts for initial implementation
  - 3 major programmes employing common approach – Social Investment Fund, Village Infrastructure Project, Community-based Poverty Reduction Project
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