

**Proceedings of the  
National Economic Dialogue Conference**

**May 27, 2003**

**Accra, Ghana**

**May 2003**



**Sigma One Corporation**

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National Economic Dialogue  
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## Table of Contents

Foreword .....	i
Acronyms .....	ii
Introduction .....	1
Chairman's Opening Remarks .....	2
Welcome Address .....	6
Keynote Address .....	8
Presentation of Annual NED Report: Organised Labour	12
Presentation of Annual NED Report: Private Sector .....	25
Presentation of Annual NED Report: Civil Society .....	33
Presentation of Annual NED Report: Government .....	44
Reports of Syndicate Groups .....	60
Finance and Economic Sector .....	60
Resources for Growth .....	62
Poverty Reduction .....	70
Private Sector .....	74
Education, Labour, & Human Resource Development.	80
Commitment Statement by Organised Labour .....	85
Commitment Statement by Civil Society .....	86
Commitment Statement by the Private Sector .....	89
Commitment Statement by the Minority Group in Parliament .....	90
Commitment Statement by the Student Body .....	92
Commitment Statement by Government .....	93
Presentation of NED Report to Government/Chairman's Closing Remarks .....	94
Closing Address .....	95
The Way Forward .....	100

## **Foreword**

This document contains the record of proceedings of the National Economic Dialogue (NED) Review Session held on May 27, 2003, at the Accra International Conference Centre.

This annual event provided the opportunity for the Government, the Private Sector, Organised Labour, Civil Society and peoples of different political persuasions to meet and review the economic progress of the nation. Stakeholders presented their views on the 2002 NED action plan. The government used a detailed review of this document to assess its entire economic performance particularly on the Ghana Poverty Reduction Strategy (GPRS). The syndicate sessions provided the opportunity for stakeholders to deliberate on five thematic areas (Finance and Economic, Resources for Growth, Poverty Reduction, Private Sector and Education, Labour and Human Resource Development.) and made recommendations for future growth of the economy. The session ended with commitment statements from the stakeholders and the government with a pledge to continue the dialogue process.

## Acronyms

ADB	Agricultural Development Bank
AGOA	Africa Growth and Opportunity Act
BA	Brong Ahafo
CAGD	Controller & Accountant General's Department
CBA	Collective Bargaining Agreement
CEPS	Customs, Excise & Preventive Service
CHRAJ	Commission on Human Rights and Administrative Justice
CSIR	Council for Scientific & Industrial Research
CWSA	Community Water & Sanitation Agency
DACF	District Assemblies Common Fund
Das	District Assemblies
ECOWAS	Economic Community of West African States
EDIF	Export Development and Investment Fund
ETLS	ECOWAS Trade Liberalization Scheme
FID	Factory and Inspectorate Department
GAPVOD	Ghana Association of Private Voluntary Organizations in Development
GAWU	General Agricultural Workers Union
GCNET	Ghana Community Network
GDP	Gross Domestic Product
GES	Ghana Education Service
GET Fund	Ghana Education Trust Fund
GFDC	Ghana Food Distribution Corporation
GIF	Ghana Investment Fund
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy

GRATIS	Ghana Regional Appropriate Technology Industrial Services
GTZ	Gesellschaft für Technische Zusammenarbeit
HIPC	Heavily Indebted Poor Country
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IGF	Internally Generated Funds
ILO	International Labour Organization
IMF	International Monetary Fund
ISODEC	Integrated Social Development Centre
ITTU	Intermediate Technology Transfer Unit
KIA	Kotoka International Airport
KNUST	Kwame Nkrumah University of Science and Technology
LACOSREP	Land Conservation and Smallholder Rehabilitation Project
LD	Labour Department
LTS	Long Term Savings
MDAs	Ministries, Departments & Agencies
MMDE	Ministry of Manpower Development & Employment
MoFA	Ministry of Food & Agriculture
MTEF	Medium Term Expenditure Framework
MTPs	Medium Term Priorities
NACL	National Advisory Council on Labour
NBSSI	National Board of Small Scale Industries
NCA	National Communications Authority
NDC	National Democratic Congress
NDPC	National Development Planning Commission
NED	National Economic Dialogue
NGOs	Non-Governmental Organizations

NLC	National Labour Commission
NPP	New Patriotic Party
NRG	Non Resident Ghanaian
NTC	National Tripartite Committee
NUGS	National Union of Ghana Students
NVTI	National Vocational & Technical Institute
ONS	Outgrowers Nucleus Scheme
PEF	Private Enterprise Foundation
PLWHA	People Living With HIV/AIDS
PRSP	Poverty Reduction Strategy Paper
PURC	Public Utilities Regulatory Commission
RG	Registrar General
SHEP	Self Help Electrification Programme
SMEs	Small and Medium-Sized Enterprises
SOEs	State-Owned Enterprises
SSNIT	Social Security & National Insurance Trust
TUC	Trades Union Congress
US	United States
USAID	United States Agency for International Development
UWADP	Upper West Agricultural Development Project
VIP	Village Infrastructure Programme
WAJU	Women and Juvenile Unit

### Reference to Syndicate Groups

EHH	Education, Health and Human Resource Development
FE	Finance and Economic Sector
PR	Poverty Reduction
PS	Private Sector
RfG	Resources for Growth

## Introduction

The 2003 **NED** was the third consecutive event since the process was initiated in 2001. It is one of the important national events that bring together Ghanaians of all walks of life to deliberate on pertinent issues relating to the nations economic development. **NED** reports were presented from the perspectives of the major stakeholders i.e. Private Sector, Organised Labour, Civil Society and Government; this represented a departure from the previous year when only Government presented the report.

The event, chaired by Nana Wereko Ampem II, the Gyasahene of the Akwapim Traditional Area and a former Government Statistician and Commissioner for Economic Planning, was attended by business executives, parliamentarians, economic and policy analysts, labour leaders, students, and politicians among others. The keynote address was delivered by His Excellency, John Agyekum Kufuor, President of the Republic of Ghana.

In the first plenary session, opening addresses were made and these were followed by presentations of annual reports by the various stakeholders. The next session involved syndicate group discussions. Five syndicate groups were formed and tasked to review the 2002 **NED** Action Plan and make recommendations for consideration by government. Each group presented a report during the second plenary session.

The major stakeholders, as well as the Minority Group in Parliament and the Student Body, made statements of commitments to the process. The closing address was delivered by Hon. J.H. Mensah, Senior Minister, on behalf of the Vice President of the Republic of Ghana.



## **Chairman's Opening Remarks**

It is my privilege to be invited to chair this year's annual review of the National Economic Dialogue. The principal objective of the Dialogue is to build consensus with key stakeholders in an effort to accelerate national development. These annual reviews also serve to report back to the nation on what has been achieved. In parallel to this, it serves as a unique opportunity to assess the realization of prior-year commitments, and to chart new dimensions based upon the progress made and the priorities of the day.

Ladies and Gentlemen, in His address to the National Economic Dialogue in 2001, His Excellency President Kufuor, urged stakeholders not to allow this initiative to become a "talk shop". He urged that solutions should be found that would resolve the country's economic problems. This was indeed a timely warning, and the degree of success of the annual reviews, should be measured against concrete implementation of the recommendations from the Dialogue.

After 46 years of independence, I would like to believe that we know the problems of this economy. Several among us have a fair knowledge of what the solutions are. Our real problem has been the inability to implement these solutions to the economic problems that we face as a nation. This, in my view is where we need to become creative and practical in our approach to economic management and development. We need to think "outside-the-box", and become more courageous in implementing solutions. This responsibility, I must add, is not the Government's sole preserve. It is a responsibility that each of the stakeholders present must assume. Its achievement should become one of our most urgent imperatives. In a sense, this is what makes this Dialogue unique, because all the stakeholders are present. It is my expectation that the syndicate meetings will not only commit themselves to what should be done, but more importantly, how, by whom, and how long in time.

On my part as Chairman, I will strongly advocate precise implementation schedules emanating from the syndicate meetings this year, including concrete, time-bound commitments.

Ladies and Gentlemen, many of us have at some stage or the other, been involved in the process of National Economic Planning in our careers, even though it fell out of fashion for a considerable period over the past 20 years. I am personally pleased that Economic planning has now regained a new relevance in today's development agenda. From a purely administrative perspective, the recent reunion of the Ministry of Finance with Economic Planning is a clear move in the right direction. Nevertheless, today's planning process should assess the current range of strategic options more critically. Not only must we address and respond to the challenges being posed by globalization. We need to ensure that we can attain and maintain sustainable global competitiveness in certain key industries, as a minimum requirement. In order to be successful, we will need to become more ambitious in setting our development targets, and courageous enough to pursue bold initiatives right across the economy.

The fundamental importance of macro-economic stability as a necessary condition for growth and poverty reduction is now fully accepted, and well expressed in the GPRS and all the other economic policy statements. The initial inroads that were made to stabilize the economy in 2001 to 2002 were impressive, with inflation falling to 15% around this time last year. Interest rates fell appreciably over that period, and expectations for the growth of the private sector in particular increased considerably. It is however a source of concern for many that these early gains appear to have been dampened by latest trends within the economy.

Whatever the causes, current available data indicate that the government budget deficit still gives cause for concern. The downward trend in interest rates has been reversed; and the projected growth rate of 4.7 % is much lower than what is required to meet our medium term expectations. It is important for us to strive to achieve clear, sustainable, medium term macro-

economic trends which are more favorable to private sector development, expectations, as well as investment growth.

Ladies and Gentlemen, as a former Government Statistician, I would like to stress the importance of reliable, timely, credible and objective economic and social statistics in formulating policies, and monitoring economic performance. This is very important in view of the current information age and an increasingly knowledge-based global economy. It is in this regard that I would like to associate myself with the call on the Government to urgently identify and appoint a substantive Government Statistician. We need also to ensure that adequate funding is made available especially from domestic sources, for the Statistical Service to regain its leading role and also contribute effectively to the management of the Ghanaian economy.

Before concluding, I would like to sound a note of caution about general statements lauding our economic performance, which from time to time are made by visiting representatives of our development partners and other institutions. We should not forget that the same types of statements were made in the past when the economy was under-performing in several areas. Such comments should therefore be considered in their proper perspective. We should not allow their pronouncements to lead us into a false sense of complacency.

There is no doubt that there are good prospects for our economic development, and that given the country's potential we can make a success of our efforts. However, we should at all times have an informed understanding of the problems facing us. The structural imbalances need to be addressed by engaging the involvement of all stakeholders, especially the private sector. This National Economic Dialogue is therefore an important event in the nation's calendar.

A number of essential measures have emerged in the previous year's deliberations and progress has already been made in achieving some of the objectives that were set. It is my hope that this year's event becomes even

more successful than the recent past. I trust that we can count on the active imaginations of all of us towards achieving these goals.

With these remarks, I would like to formally accept the invitation to chair this year's National Economic Dialogue.

I thank you for this invitation and wish you all a productive day.

## **Welcome Address**

I am honoured to once again welcome you all to the National Economic Dialogue for this year, organized by the Government of His Excellency President John Agyekum Kufuor.

As my team and I who have managed this Dialogue since 2001 take a back seat, I want to assure those taking over from us that they will receive our full support and co-operation so to be able to achieve more than we did. It is important to emphasise that the National Economic Dialogue is not just about the narrow economy. It is the only broad based national dialogue that Ghana has which brings people from all walks of life and throughout the country to engage in consultation and shape a way forward. We discuss very relevant issues on Education, Health care, Energy, Roads, Railways, Housing and other socio-economic topics.

This national event as many of you have come to know, does not belong to any one institution, government agency or sector of the economy. It belongs to all of us, government and private sector. The personalities responsible for staging this annual event and its ongoing activities may change but the National Economic Dialogue has come to stay. To many, it has become the National Dialogue. The theme for this year's Dialogue is "Building a Growing Economy Together".

I am honoured to announce that a great deal of progress has been made in implementing some of the recommendations made during last year's dialogue. I remain confident that Ghana will become a unique, prosperous and forward-looking African country capable of achieving and exceeding a per capita income of 1000 dollars sooner than later. I am a believer in the saying, "if one can dream it and work hard, one can achieve it".

Ladies and gentlemen, last year, as the chairman of the National Development Planning Committee, I assured the nation that my colleague

commissioners and I were determined to revise our national vision in a manner that will ensure that the document and related plans are put into action. I can report that we have a revised vision that is getting the attention of Parliament and many people throughout the country. There is a volunteer group at the NPDC that is working to translate this vision into concrete messages and action steps. In other words, in my opinion we have begun the journey of shedding our HIPC mentality, so that we can become builders of wealth that can be shared by all Ghanaians.

The Dialogue in 2001 set the agenda. This is the second annual Report to the nation of the National Economic Dialogue and I am pleased to welcome you all to this Year's Dialogue.

May God bless our country Ghana.

## **Keynote Address by His Excellency President John Agyekum Kufuor**

Your Excellency the Vice President;  
The Honourable Speaker of Parliament;  
Your Lordship the Acting Chief Justice;  
Members of the Council of State;  
Honourable Ministers of State;  
Honourable Members of Parliament;  
Members of the Diplomatic Corps;  
Niimeɪ, Naameɪ, Nananom;  
Distinguished Ladies and Gentlemen

I am grateful to all of you for your commitment to the National Economic Dialogue. My Administration has supported and participated actively in the Dialogue for a number of reasons.

Firstly, we have stressed again and again our conviction that working together with the private sector, organized labour, civil society and people of different political persuasions we can build a growing economy. This idea tallies with the Theme for this year's deliberation, "Building a Growing Economy Together".

Secondly, the Dialogue helps to unearth some great ideas residing in the good people of Ghana, which must be tapped and harnessed for the productive development of the economy.

Lastly, since the state of the economy we inherited was such that whatever actions we took to improve it were bound to bring some hardships to the citizenry, continual and frank dialogue has been necessary to help us all to appreciate and share the Government's approach to tackling the problems involved.

Doubts expressed by some that the dialogue is yet another ‘talk shop’ or that this administration would lack the political will to implement some of the recommendations made have both been proven unfounded. This is the third Dialogue. With regards to the Governments’ lack of will to implement recommendations made, any objective observer will realize that this is a Government that will use good advice and input to execute policy. The decisions Government has and will always take will be in transparent partnership with all Ghanaians.

A positive example of the joint commitment with some partners in governance can be found in the recent decision taken on the minimum daily wage by Government, employers and labour. It is the hope of Government that the Dialogue will continue to search for lasting solutions to enable all the stakeholders to work in the same direction to enhance the quality of life for our people.

Mr. Chairman, the private sector has shown its preparedness to lead the economic growth by sharing ideas with Government in various fora. This is maturing but there is still a long way to go. For instance, while the sector remains relatively strong and the agricultural sector continues to show marked improvement, all the sub-sectors in the industrial sector recorded declining figures in their contribution to GDP. It is encouraging to note that due to improvement in the micro-economic condition, most of our companies are beginning to turn around their fortunes and return to profitability. I urge the Private Sector to continue to seize the initiative. Government intends to support the sector, but Government must not be seen as its sole customer. Indeed, the sector should be cautioned not to expect to be spoon-fed by Government even when it is not performing as expected. The sector must be market sensitive, both locally and internationally. This is the way for the Private Sector to succeed.

Government is continuing to examine the tax and business regulatory systems. The aim is to streamline the system to create an environment where business becomes more efficient and more profitable. An example is the



removal of duties on imports of computer accessories. This has resulted in vigorous production activities in the assembling of computers locally. This is opening job and employment opportunities for our young people. It is also envisaged that the reduction of those stifling bureaucratic practices will lead to the expansion of the formal economic sector. As part of this exercise, Government is working to widen the tax net within the informal sector of the economy.

A long term saving plan targeted at making retirement a bit more comfortable will be launched in the course of the year. To facilitate this, Government is considering a scheme to mobilise and attract the excess liquidity within the large informal sector and to help fight inflation.

Ladies and gentlemen, funds for Ghana's Poverty Reduction Strategy, which have been approved by the multilateral community, will be released to support small and medium businesses. Micro financing is therefore going to be a common feature of the economy.

The African Development Foundation, a United States government agency, is also contributing financial and technical support to a minimum of forty small to medium-sized businesses for a period of five years. Any of our hard-working small and medium enterprises benefiting from such loans must operate by rules governing efficient businesses to enable them pay back promptly.

Mr. Chairman, it is considered that for our business community to succeed, four basic rules must be observed:

First, the budding businessperson should plan and set measurable goals in his or her venture. Technical advice is available in the banks and other financial institutions set up to support micro finance operations. Working with such advice at every stage of the business is the best guarantee for success.

Secondly, the saying that 'time is money', is an old adage. It is common knowledge however that this is hardly practiced in our society. The nation

needs to take a second look at some of our cultural practices, which militate against our effective use of time.

Ladies and gentlemen, we must develop and inculcate in us the third principle, which is the savings habit. The low savings rate in the economy tends to be explained away with the paucity of income. There could only be an iota of truth in this explanation. Not many people can doubt the profligacy and the uneconomic tendencies in our use of whatever incomes we make. We should be providential in our expenditure so as to leave a margin of whatever we earn for the future of our children, our retirement or for a “rainy day”. This disciplined attitude is even more necessary to help our businessmen and women to succeed in their businesses.

Mr. Chairman, the last issue that has to be addressed is the necessity of adjusting to modern business practices. All business practices should be law based. This is the way to avoid fraud and unfair practices in business relations. It is also the way to convince governmental and financial institutions to offer support. Further, respecting legality and due process protects the rights and interests of stakeholders and extends the life of businesses through succession. With respect to the need to modernize businesses, we should recognize that the age of the computer is here and no matter how small the business, it will be well served by being computerized.

Mr. Chairman, Government is seeking to lead society and the economy into cultural transformation and modernization. This should engage the attention of all in the society. Government, employers, labour, students, the media and the entire citizenry should be part of this drive. The resulting enhanced social attitudinal change is the best facilitator for success.

I wish you all a successful Dialogue.

## Presentation of Annual NED Report: Organised Labour

### LABOUR BILL

#### 1) CURRENT STATUS

- The Labour Bill is currently before Parliament
- The three social partners were directly involved in the development of the Labour bill.
- The TUC submitted its comments on the Labour Bill to the Select Committee of Parliament on Labour.
- The TUC also met the Select Committee of Parliament on Labour for discussions.

Slide 1 of 26

#### 2) HIGHLIGHTS OF TUC'S COMMENTS ON LABOUR BILL

- The National Labour Commission (NLC) should not be subordinated to the Executive especially the Minister of MDE.
- NLC should submit its Annual Report directly to Parliament instead of submitting through the Minister of MDE to Parliament.

Slide 2 of 26

## i. SCOPE OF APPLICATION

- For the Armed forces and other security Agencies, their laws should make provisions for procedures to express their grievances and resolution.

Slide 3 of 26

## FEE-CHARGING EMPLOYMENT CENTRES

- Regulations should be passed on such employment centers to avoid undue abuse and exploitation of the unemployed and the vulnerable.

Slide 4 of 26

### iii. CASUAL WORKERS

- Where a worker works for 6 months continuous, the worker shall be deemed as a permanent worker.
- Where the employer terminates the employment of a worker JUST before the worker attains 6 months continuous working and re-employed by the same employer, the worker shall be deemed a permanent worker.

Slide 5 of 26

### iv. COLLECTIVE BARGAINING AGREEMENTS (CBA)

- Where more than one trade union operates in an enterprise, the NLC should be the body to determine which union should hold CBA instead of the Chief Labour Officer.
- Any party dissatisfied with the Chief Labour Officer's decision on any issue may appeal to the NLC for redress.

Slide 6 of 26

## v. NATIONAL TRIPARTITE COMMITTEE (NTC)

- The bill envisages more than one trade union centre and employers organization. To avoid problems with the selection of representatives for such organisations on tripartite committees, we propose the following in line with the ILO Constitution:

Slide 7 of 26

- That the NTC shall be composed of:
  - The Minister (of MDE) who shall be the Chairperson
  - 5 representatives of the Government
  - 5 representatives from organisations most representative of employers
  - 5 representatives from the most representative organisation of workers
  - NTC should deliberate on macro-economic policy options and advise the government
  - NTC shall perform such other functions as the NLC may request.

Slide 8 of 26

### 3) THE WAY FORWARD

- Government should set funds for intensive education on the labour law when passed. The target should be Government officials, workers and employers (including the informal sector)

Slide 9 of 26

## RATIFICATION OF ILO CONVENTIONS

### C. 184 & REC. 192 (SAFETY AND HEALTH IN AGRICULTURE)

- The National Advisory Committee on Labour (NACL) responded to the request of GAWU to ratify C.184 & R. 192.
- NACL invited MOFA, FID, LD and GAWU for some briefs.

Slide 10 of 26

- SOME PROVISIONS OF C 184
  - C.184 and R. 192 cover agricultural & forestry activities carried out in
  - Agricultural undertakings.
  - C. 184 and R. 192 did not cover subsistence farming; industrial processes that use agric products as raw materials and related services; and the exploitation of forest.

Slide 11 of 26

- NACL observed that:
  - Ratification of C. 184 requires the formulation of a coherent national policy on safety and health in agriculture.
  - industrial organisations of employers and workers are to participate in the formulation and implementation of preventive and protective measures in the sector.
  - ratification of C. 184 and R. 192 will ensure that, policy responsibilities of social partners are put in place to address ONS in the agric sector.

Slide 12 of 26



- **NACL RECOMMENDATIONS ON C.184**

- Since August 2002, NACL recommended to MMDE that the instruments should be ratified subject to the following:

- ❖ *Build the capacity of FID*

- ❖ *FID to educate, train and carry out research*

- ❖ *To periodically review the policies*

Slide 13 of 26

- ❖ **THE WAY FORWARD**

- Government should ratify C. 184 and R. 192 as early as possible.
- Intensive education should be carried out for all the social partners, including informal sector operators.

Slide 14 of 26

## 2) C. 156 & R. 165 (EQUAL TREATMENT FOR MEN & WOMEN WORKERS WITH FAMILY RESPONSIBILITIES)

- SOME KEY ISSUES

- The instruments seek to promote equal opportunities and treatment for men and women workers especially workers with family responsibilities.
- Ratification of this convention requires the adoption of policies that will protect persons with family responsibilities against any form of employment discrimination.

Slide 15 of 26

– Policies to be adopted should include the following:

- ❖ Progressive reduction of daily hours of work and reduction in overtime.
- ❖ Flexible arrangements on working schedule, place of employment of spouse and children and their education, rest periods etc.
- ❖ Terms and conditions of employment of part-time and temporary workers to be equivalent to those of full time permanent workers.
- ❖ Provision of appropriate child-care and family services and facilities

Slide 16 of 26

- **NACL RECOMMENDATIONS ON C.156**

- That the state of Ghana's economy will not make it possible to effectively implement some of the provisions of C. 156
- Ratification of the instrument implies total application of all provisions.
- NACL therefore did not recommend ratification of C.156
- NACL recommended the adoption of R. 165 in respect of the more feasible provisions.
- That the less feasible provisions are to be considered for implementation as and when the economy improves.

Slide 17 of 26

- **THE WAY FORWARD**

- Government should adopt the Recommendation 165
- Intensive education should be carried for the social partners.

Slide 18 of 26

## OTHER ILO CONVENTIONS RECOMMENDED FOR RATIFICATION BY NACL

### 1) CONVENTION 144 TRIPARTITE CONSULTATION

- CURRENT STATUS
  - NACL has completed discussion on the instrument.
  - NACL has recommended for the ratification of the instrument
  - The instrument is currently before the Attorney-General's Department

Slide 19 of 26

### 2) CONVENTION 141, RURAL WORKERS' ORGANISATIONS

- NACL has completed its work and has recommended to the government to ratify it
- The recommendation is still with the MMDE

Slide 20 of 26

- **THE WAY FORWARD**

- The Government should ensure that these instruments are ratified as early as possible.
- Intensive education for stakeholders

Slide 21 of 26

## **LONG TERM SAVINGS (LTS)**

- A committee of stakeholders was set up to come out with a proposal on LTS

Slide 22 of 26

- **HIGHLIGHTS OF THE PROPOSAL ON LTS**

- LTS is a parallel retirement scheme to SSNIT
- Not compulsory but mandatory for the employer to make it available to workers
- Tax exempt
- Contributions to LTS can be up to 17½% of the employee's salary

Slide 23 of 26

- Employees have the choice of choosing a Fund Manager
- Contributors who withdraw before the retiring age will pay tax and 10% penalty.
- The Scheme is a three-tier: education; housing; and retirement.

Slide 24 of 26

- **CURRENT STATUS**

- Cabinet has approved the report of the LTS Committee.
- A draft legislation on LTS is being discussed by the LTS Committee.

Slide 25 of 26

- **THE WAY FORWARD**

- Various stakeholders to discuss the draft regulations and LTS Report before the final draft is sent to cabinet and Parliament.
- Intensive Education should precede the implementation of LTS Schemes.

Slide 26 of 26

## Presentation of Annual NED Report: Private Sector

2003 NED - PRIVATE SECTOR REPORT

# THE MAIN CHALLENGE FACING PRIVATE SECTOR

- ✦ HOW TO REDUCE COST OF BUSINESS OPERATION AND BE COMPETITIVE IN THE GLOBAL MARKET.

Slide 1 of 15

2003 NED - PRIVATE SECTOR REPORT

# KEY PRIVATE SECTOR EXPECTATIONS FOR THE PERIOD UNDER REVIEW

- ✦ FURTHER DECLINE IN THE RATE OF INFLATION FROM 21.3% AT THE END OF 2001.
- ✦ REDUCTION IN LENDING RATES FROM AN AVERAGE BASE (LENDING) RATE OF 29%
- ✦ IMPROVED ACCESS TO CREDIT.

Slide 2 of 15



## KEY PRIVATE SECTOR EXPECTATIONS FOR THE PERIOD UNDER REVIEW

- ✦ EXCHANGE RATE OF THE CEDI WOULD CONTINUE TO BE RELATIVELY STABLE AS IT OCCURED IN 2001
- ✦ BETTER PUBLIC SECTOR SERVICES e.g. Customs Clearance, Registration of Business and Utility Services

Slide 3 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

- ✦ IMPROVING MACROECONOMIC ENVIRONMENT
  - ✦ INFLATION CONTINUED TO DECLINE AS EXPECTED REACHING 12.9% IN SEPTEMBER, 2002. BUT EXHIBITED AN UPWARD TREND CLOSING AT 15.2% AT THE END OF 2002

Slide 4 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ✦ IMPROVING MACROECONOMIC ENVIRONMENT (*cont'd*)

✦ FOLLOWING INCREASES IN  
PETROLEUM PRICES IN JANUARY  
2003 INFLATION HAS INCREASED  
SHARPLY TO 30% IN APRIL, 2003

✦ AVERAGE BASE RATE HAS  
INCREASED FROM 29% IN 2002 TO  
30% AT THE END OF APRIL 2003

Slide 5 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ✦ IMPROVING MACROECONOMIC ENVIRONMENT (*cont'd*)

✦ EXCHANGE RATE WAS RELATIVELY  
STABLE; DEPRECIATING BY 13.1% IN  
2002 AND 3.2% IN FIRST 4 MONTHS OF  
2003

Slide 6 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ✱ IMPROVING ACCESS TO CREDIT

- ✕ EDIF BECAME OPERATIONAL - FUNDS AVAILABLE FOR EXISTING BUSINESSES BUT NOT FOR START-UPS
- ✕ GIF IS YET TO BE RESOURCED TO BECOME OPERATIONAL

Slide 7 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ✱ UTILITY SERVICES

- ✕ TARIFFS FOR WATER AND ELECTRICITY WERE INCREASED SIGNIFICANTLY IN AUGUST, 2002 AND FURTHER IN MARCH, 2003
- ✕ BUT THERE IS NO SIGNIFICANT IMPROVEMENT IN SERVICES
  - ◆ FLUCTUATING VOLTAGE
  - ◆ UNANNOUNCED SHUT OFFS

Slide 8 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ☀ STREAMLINING PROCESS FOR CLEARING GOODS AT PORTS

✘ GCNET INTRODUCED AT K.I.A TO  
FACILITATE CLEARING OF GOODS

✘ BUT THERE ARE STILL DELAYS CAUSED BY

- ◆ INSPECTION COMPANIES
- ◆ TOO MANY CHECKS BY DIFFERENT AGENCIES
- ◆ DELAYS IN PURCHASING OF PAYMENT DRAFT AT THE BANKS

✘ GCNET WILL BE FULLY INTRODUCED AT  
TEMA PORT IN JUNE, 2003

Slide 9 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

### ☀ IMPROVING THE PROCESS OF REGISTERING COMPANIES

✘ NO SIGNIFICANT CHANGE IN THE PROCESS  
AS COMPUTERISATION IS NOT COMPLETED

✘ NO OFFICES OF REGISTRAR-GENERAL'S  
DEPT. IN THE REGIONS, MAKING IT  
EXPENSIVE FOR BUSINESSES OUTSIDE  
ACCRA TO REGISTER

Slide 10 of 15

## ASSESSMENT OF SOME KEY NED RECOMMENDED ACTIONS

- ✦ MINIMISE DELAYS IN PROCESSING DOCUMENTS FOR RELEASE OF DUTY DRAWBACK
  - ✦ DELAYS STILL PERSIST IN COLLECTING DRAWBACKS THUS INCREASING COST TO EXPORTERS
  - ✦ PROPOSED *ESCROW* ACCOUNT FOR THE PAYMENT OF THE REFUND YET TO BE ESTABLISHED

Slide 11 of 15

## TRADE PROMOTION

- ✦ ACCESS TO U.S. MARKET IMPROVED BY AGOA
- ✦ ACCESS TO ECOWAS MARKET STILL DIFFICULT
- ✦ IMPROVEMENT IN ACCESS TO TRADE INFORMATION

Slide 12 of 15

## REVIEW MINING CODE

- ✦ DELAY IN PASSING THE LAW IS CREATING UNCERTAINTY ABOUT MINING BUSINESS IN GHANA
- ✦ SPEED UP THE PROCESS TO PASS THE LAW TO STIMULATE THE MINING INDUSTRY

Slide 13 of 15

## PRIORITY AREAS FOR ACTION – WAY FORWARD

- ✦ IMPROVE AND SUSTAIN MACRO ECONOMIC ENVIRONMENT
- ✦ INCREASE ACCESS TO CREDIT, ESPECIALLY LONG-TERM CREDIT

Slide 14 of 15

# PRIORITY AREAS FOR ACTION

- ✦ IMPROVE SERVICES OF PUBLIC SECTOR AGENCIES i.e.
  - ✦ CUSTOM SERVICE, REGISTRAR-GENERAL DEPT, ELECTRICITY & WATER COMPANIES
- ✦ COMPETITIVENESS OF LOCAL INDUSTRIES

## Presentation of Annual NED Report: Civil Society

### Report on Recommendations

- Simplify the process of land acquisition and introduce legally binding processes (4).
- Accelerate the provision of basic infrastructure such as roads, energy and water (6).
- Create opportunities and incentives for Ghanaians outside to invest in the country (12).

Slide 1 of 21

### Simplify Land Acquisition & Documentation.

- Proper documentation on existing lands.
- Establish Land Banks.
- Introduce dealing processes for the acquisition of land.
- Publish information on land banks & Earmark some for small businesses as incentives.
- Registration of land banks and industrial estates by District Assemblies.

Slide 2 of 21



## Indicators of Achievements

- Completion and availability of documentation.
- Information on land banks.
- Identify and dealing with real owners and caretakers.
- A published list of lands owned.
- Registration of lands at the district level.

Slide 3 of 21

## Achievements in land reforms

- The Land Administration Project.
- Report on land registration.
- Workshops.
- An inventory of state and vested lands
- Piloting and strengthening of customary land secretariats.

Slide 4 of 21

## Problems with current reforms

- Complex land documentation.
- Lack of conceptual clarity in dealings with land.
- Some interests in land have no names in our traditional dealings in land.
- Inadequate consultation.

Slide 5 of 21

## Problems with land acquisition

- Land titling is expensive, time wasting and full of corruption.
- Use of security agencies to resolve land problems.
- Importance of judiciary in land administration.
- Use of land guards is still rampant.
- Pressures on land in the cities require judicious use of land.
- Inhumane treatment of squatters.

Slide 6 of 21

## Conclusions and Recommendations

- Uncertainty of title and costly and protracted litigation.
- Decrepit conditions of and numerous encroachments on State lands.
- Centralization of registration.
- Coherent set of land laws.
- Sensitisation of stakeholders.

Slide 7 of 21

## Actions on the Provision of Basic Infrastructure

- Co-ordinate infrastructure development.
- Establish comprehensive planning framework.
- Link infrastructure development to land use.
- Apply incentive to developing infrastructure.
- Improve power, communication and water infrastructure.

Slide 8 of 21

# Indicators of Achievements

- Growth in infrastructure modes
- Programme developed and funded to coordinate infrastructure development.
- Comprehensive planning framework developed.

Slide 9 of 21

# Indicators of Achievements

- Clear state linkage of infrastructure development to land use in the budget.
- Clear incentive package prepared.
- Available quality power, communication and water service

Slide 10 of 21

# Infrastructure development

- The HIPC Relief Fund.
- Some incentives for private investment in infrastructure.
- Role of NDPC in coordinating.
- Coordinating desks in regions.
- Inter-ministerial collaboration between sector ministries.
- Planning framework does not involve the districts.

Slide 11 of 21

# Road Infrastructure

- New roads being constructed and old ones rehabilitated.
- The Tema-Sogakope Road
- The Tetteh Quarshie Circle Interchange Road
- The Kwame Nkrumah Circle-Achimota Road
- Regular maintenance of urban and feeder roads carried out.

Slide 12 of 21

## Telecommunications Infrastructure

- Infusion of private capital.
- New and additional antennae.
- 400,000 fixed board extensions.
- Development of 5 ICT centres.
- Free Phone Dialing.
- Problem of basic infrastructure left to Ghana Telecom alone.

Slide 13 of 21

## Findings on Infrastructure - Water

- Rehabilitation and expansion of the water systems.
- Construction of 350 hand dug wells & 645 boreholes.
- Rehabilitation of 1,000. boreholes and 500 hand-dug.
- Construction of 3,111 household and 88 institutional places of convenience.

Slide 14 of 21

# Infrastructure for Water delivery

- The CWSA assists in the provision of boreholes, etc.
- GTZ funded programme for delivery of rural water.
- Allocation of 5% District Common Fund.
- NGOS are assisting in this area.
- Bore-holes in small towns.
- Problem with urban water supply.

Slide 15 of 21

# Conclusions - Infrastructure

- Provision of infrastructure involves huge investment and depends on ability to secure loans.
- Takes long to execute
- So when funding is secured and contract awarded it can be taken as an achievement.

Slide 16 of 21

## Creation of Opportunities for non-resident Ghanaians

- Set up a committee charged with detailing the modalities of incentives.
- Develop innovative financial products to attract investment from Ghanaians abroad.
- Provide resource for NRG desk.

Slide 17 of 21

## Indicators of Achievements

- Parliamentary approval of the setting up of the Committee.
- Development and publication of a number of financial products.
- Regular publication of contributions from Ghanaians abroad.

Slide 18 of 21



## Achievements

- Homecoming summit in 2001.
- No special incentives for Ghanaians living abroad.
- Compete with expatriates and other Ghanaians for existing general incentives.
- Money transfer facilities.
- Surge of foreign exchange from Ghanaians resident abroad.

Slide 19 of 21

## Conclusions

- There are existing incentives which can be enhanced for NRG.
- Introduction of more attractive policies to entice NRG.
- Hasten the establishment of the a non-Resident Ghanaian Secretariat.

Slide 20 of 21

# Conclusion

- From the above, it is clear that some achievements have been made in the three areas that we examined. However, there is still a lot to be done.

Slide 21 of 21

## Presentation of Annual NED Report: Government

# Ghana Poverty Reduction Strategy (GPRS)

## Implementation Status

Slide 1 of 32

## THE GPRS AREAS OF FOCUS

- MACRO-ECONOMIC STABILITY
- PRODUCTION AND GAINFUL EMPLOYMENT
- HUMAN DEVELOPMENT AND PROVISION OF BASIC SERVICES
- PROGRAMMES FOR THE VULNERABLE AND EXCLUDED
- GOOD GOVERNANCE

Slide 2 of 32

## The Medium Term Priorities (MTP)

### **Macro-Economic Stability**

- Reducing and Restructuring domestic debt
- Improving public Expenditure Management

### **Production & Gainful Employment**

- Modernization of Agriculture based on Rural development
- Promotion of development of Agro-processing
- Increasing environmental protection through re-afforestation
- Strengthening the Private Sector
- Enhanced Infrastructural Development

Slide 3 of 32

## MTPs

### **Human Development & Provision of Basic Services**

- Enhanced Social Services (Education, health, Water & sanitation)

### **Program for the vulnerable & the excluded**

- Promoting women's access to micro-credit
- Attainment of social justice, equity & respect for Human rights
- Prevention of the spread of HIV and providing care for PLWHA
- Improving the quality of life of the physically handicapped

### **Governance**

- Provision of security and strengthening the rule of law
- Accelerate the implementation of Decentralization

Slide 4 of 32

# Macro-Economic Stability

## Programs/Projects Status

Slide 5 of 32

## Reducing and Restructuring domestic debt

- Applied €81.4 billion of HIPC fund to finance interest on domestic debts
- Established a Non-Tax Revenue Unit to facilitate the collection accounting and reporting of non-tax revenue from MDAs
- Appointed 21 debt collection agencies to assist in the recovery of loans and increase domestic revenue mobilization
  - Recovered loans from SOEs, Parastatals and Private Companies totaling €48.4 billion in 2001.

Slide 6 of 32

## Improving Expenditure Management

- Established a Budget Development Unit to internalize the MTEF process within the Budget Division
- Introduced an allocation register to track releases made to MDAs
- Established a Public Expenditure Monitoring Unit to collate data on expenditure returns from MDAs

Slide 7 of 32

## Production & Gainful Employment

Programs/Projects Status

Slide 8 of 32

## Modernizing Agriculture based on Rural Development

### **Irrigation Programs:**

- Current coverage is 0.04% of arable land
- Target for 2004 is 0.12% of arable land, ie 2590 ha.
- Work on 15 small scale irrigation facilities in progress nationwide. Expected to cover 2077 ha of land.
- Other interventions under LACOSREP II, UWADP and VIP are also in progress.

Slide 9 of 32

### **Mechanization**

- Rehabilitation of 1,000 tractors in progress

### **Fishing Hatcheries**

- About 24 fishponds constructed at Fuu in the Northern Region under the Special Program for Food Security
- A pilot aquaculture center to produce fingerlings for fish farmers in the middle belt (Ashanti, B.A, Eastern & Volta) completed

Slide 10 of 32

## **Export Led Poverty Reduction Projects**

- 5,355 farmers in the Northern Ashanti and Brong Ahafo regions assisted to plant 10,000-acre Soya beans for 20,000-ton export order
- Five handicraft villages established and completed in the Ashanti, Eastern, Volta, Northern and Upper East regions
- Achieved 32% increase in non-traditional exports in 2002
- Obtained AGOA visa systems, exported \$8m worth of textile and garments and created about 1,000 jobs
- EDIF fund established and ¢87.9 billion disbursed.
- 31 companies approved to operate under the free zone program and 6,841 jobs created in 2002

Slide 11 of 32

## **Environmental & Natural Resource Management**

### **Reforestation Programs**

- Sum of \$55,312 made available by GOG to reforest Akwamu, Krobo Akwapem range and Densu river basin

### **Forest Plantation Development**

- Target: 20,000 ha of degraded forest to be planted by 2002
- 17,000 has been planted with less than 50% of funding secured to date
- 30,000 km of existing forest boundary maintained
- 25 million plantation seedlings in nurseries raised nationwide.

Slide 12 of 32



## Enhanced Infrastructure - Road Projects

### 1. Major Highway Construction

#### Accra-Yamoransa stretch

- tender procedures on going

#### Accra – Kumasi stretch:

- total length of 219.4 km divided into 8 sections.
- 2 sections on-going with about 50% completion.
- Funds secured for 3 sections. Work begins in September 2003.  
Aide Memoire signed for another section between GOG & ADB.

#### Accra – Aflao stretch

- Total length of 166 km divided into 3 sections.
- Work on-going on one section, two sections yet to start

Slide 13 of 32

### 2. Access to Markets Through Improved Farm/Feeder Roads

- Feeder road maintenance program target for 2002 totaled 19,450 km (13,700 km routine maintenance and 5,750 km periodic maintenance.)
- About 10,459 km (58%) so far completed.

### 3. Access to Urban Markets

- About 1,092.5km of road to be constructed between 2002-2004
- About 23% of funding secured to date
- About 18,092 km out of planned 23,369 km road covered under routine maintenance and 797 km under periodic maintenance program by the Ghana Highways Authority
- About 2,844 km of urban roads covered under routine maintenance.
- 19 bridges completed by the department of feeder roads.

Slide 14 of 32

## **Enhanced Infrastructure: Reliable Access to Energy**

1. West African Gas Pipeline: - Status
  - Concession agreement negotiation completed
  - Gas Purchase and Sale agreement, environmental impact assessment, public education campaign and market demand study all on-going
2. Takoradi Thermal Plant expansion and Bui Dam projects.
  - Negotiations on-going. No concrete activity to be reported.
3. Buipe – Bolga Petroleum Products Pipeline Project
  - Feasibility study, topographical, and soil surveys completed
  - Funding secured and loan agreement to be signed by June 2003
  - A Korean consortium selected to undertake project.

Slide 15 of 32

4. Kerosene Distribution Improvement Program
  - Project in 3 phases with 1<sup>st</sup> phase ongoing
  - 700 surface tanks fabricated for distribution to districts. Distribution is on-going and 55% completed
5. Residual Fluid Catalytic Cracker Project – Status
  - Project completed commissioned and in use
  - Boiler not functioning at 100% capacity
6. Self Help Electrification Program (SHEP)
  - Phases 1 & 2 of SHEP 3 completed. Phase 3 to serve 650 communities. No funds available for project in 2002
  - Phase 1 of SHEP 4 to serve 190 communities. Currently in survey stage

Slide 16 of 32

# Human Development & Basic Services

## Programs/Projects Status

Slide 17 of 32

### **ENHANCED SOCIAL SERVICES - Education and Health**

- **Establish one model secondary school in each district.**
  - Criteria for selection of schools established.
  - Identification of physical infrastructure and academic requirements completed
  - ₦48 billion released for upgrading 30 selected senior secondary schools throughout the country.
  
- ◆ **Phase out cash and carry system and promote health insurance scheme**
  - ◆ **Fee exemption policy for maternal deliveries for 4 most deprived regions adopted**
    - Promotion of the health insurance scheme on-going
    - Implementation of the scheme scheduled for January 2004
    - A policy and legal framework for health insurance developed. A draft Bill on the policy framework awaiting enactment by Parliament.

Slide 18 of 32

## **SOCIAL SERVICES (Continued)**

- **Establish one model health center for each district.**
  - Construction of 16 Health Centers 90% completed.
  - Work for provision of residential accommodation commences this year

Slide 19 of 32

## **GOVERNANCE**

### **Programs / Projects Status**

Slide 20 of 32

4. Deepening political involvement for Poverty Reduction and Economic Growth
  - Parliamentary Oversight Committee on Poverty Reduction established in December 2002
  
5. Increasing Capacity of Public Service
  - National Procurement Bill currently before Finance Committee of Parliament
  - Electronic expenditure tracking system being piloted at MOF and C&AGD
  
6. Accelerate the implementation of Decentralization
  - Local Government Service Bill is currently before Parliament

Slide 21 of 32

## Vulnerable & Excluded

### Programs / Projects Status

Slide 22 of 32

## Promoting women access to micro-credit

- Credit for women's small and micro enterprises:
  - Total of €41.9 billion disbursed to women farmers, agro-processors and traders
- Technology for small and micro scale enterprises:
  - Agro-processing machines (gari, shea butter, groundnut oil) distributed to SMEs, sewing machines donated to vocational schools.

Slide 23 of 32

## Improving the quality of life of the vulnerable and the Excluded

- Increase Support to institutions caring for Vulnerable & excluded:
  - Training of street girls on-going at women Training Institute, Madina
  - Street Child Policy Project, a learning project for street children in Kumasi, Accra, Sekondi-Takoradi and Tamale on-going.
- Adequate security and protection for Women and Children
  - Program to build capacity for the Police on-going (includes communication equipment, transports and gender training)
  - Program to establish WAJU in every district being implemented
  - Program to increase utilization of Legal Aid Services on-going.
- Lifeline Pricing for Utilities
  - Lifeline Pricing for electricity adopted and operational

Slide 24 of 32

# District Assemblies

## Programs / Projects Status

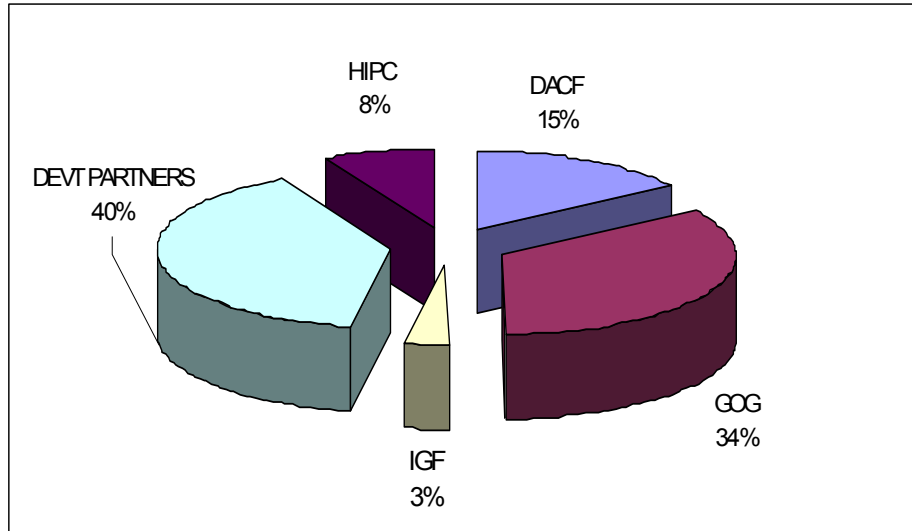
Slide 25 of 32

# Funding Sources

- HIPC relief
- District Assemblies Common Fund (DACF)
- Government Direct Funding (GOG)
- Development Partners
- Internally Generated Funds (IGF)

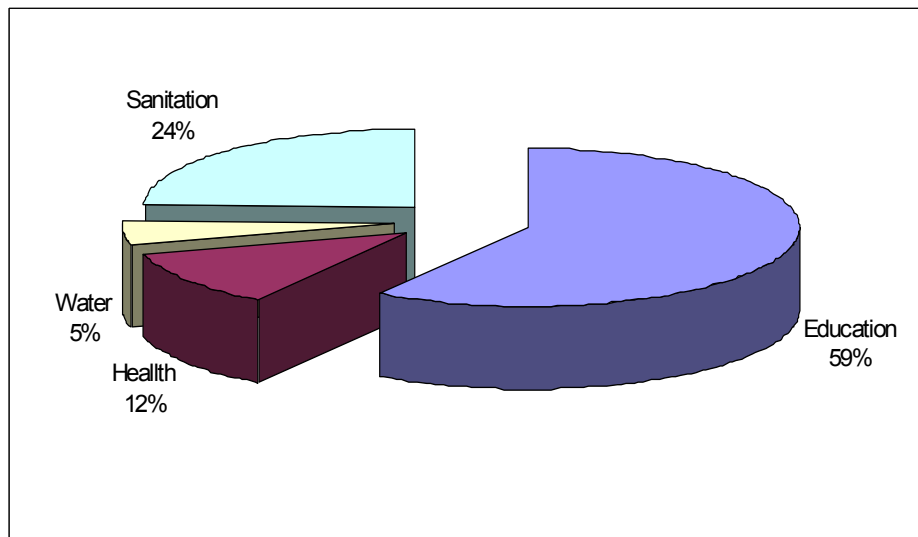
Slide 26 of 32

## Proportion of Funding Sources (2002)



Slide 27 of 32

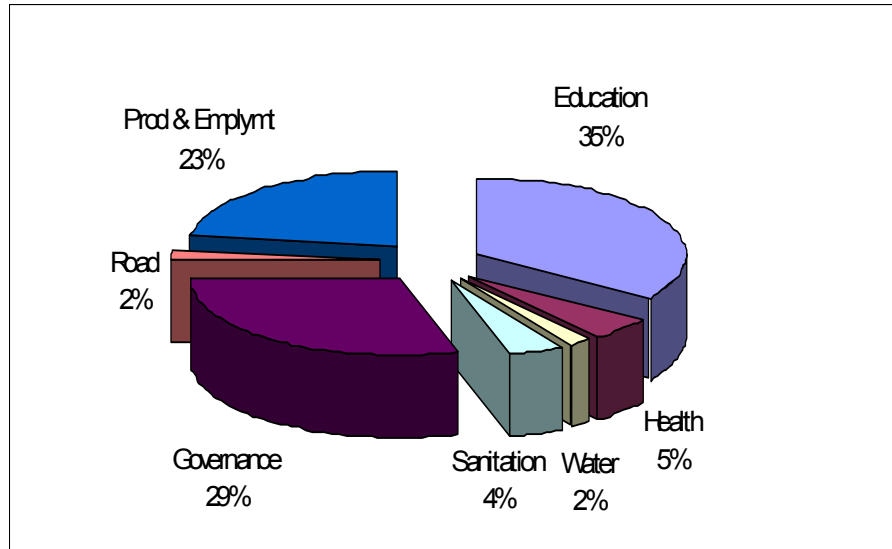
## Intervention Areas: HIPC Relief



Slide 28 of 32

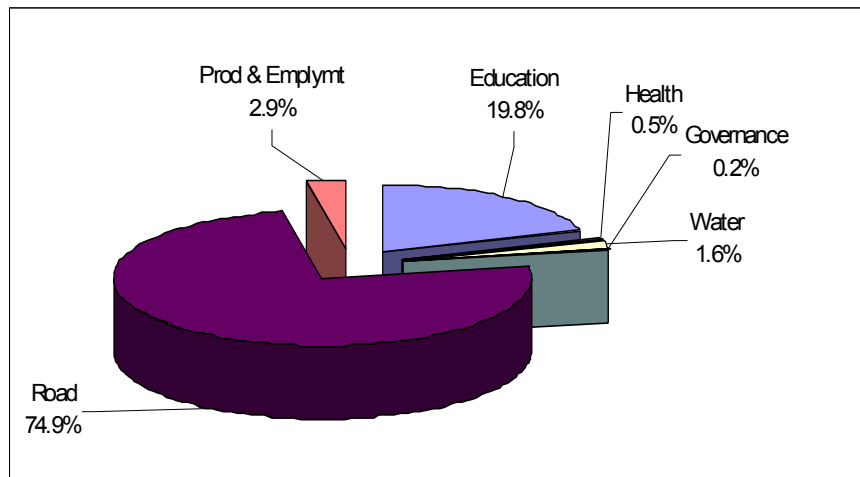


## Intervention Areas: DACF



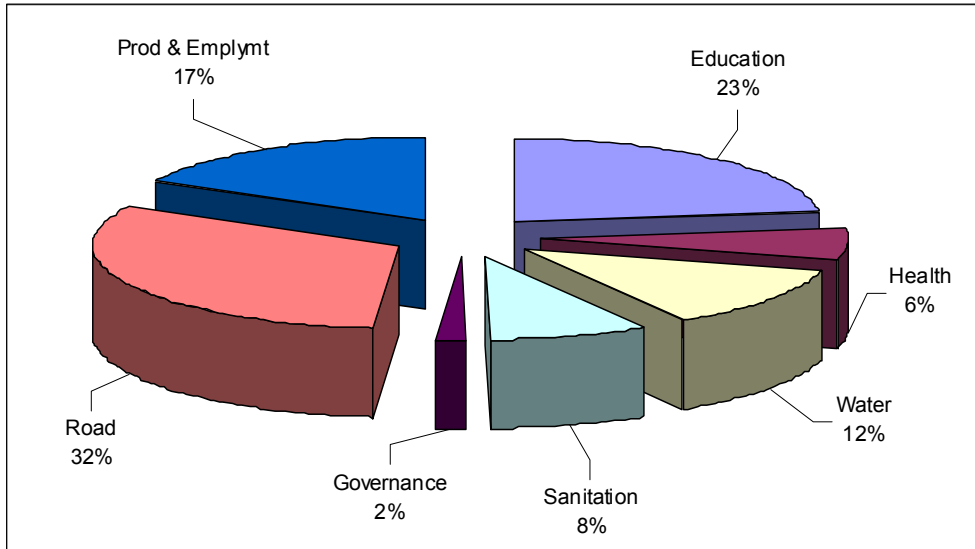
Slide 29 of 32

## Intervention Areas: GOG



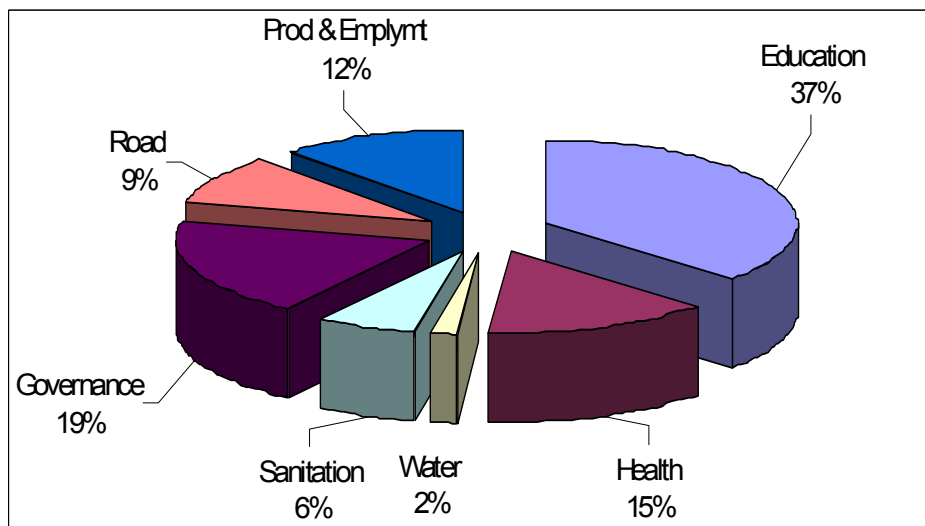
Slide 30 of 32

## Intervention Areas: Development Partners



Slide 31 of 32

## Intervention Areas: IGF



Slide 32 of 32

# Reports of Syndicate Groups

## Finance and Economic Sector

The convergence criteria for the West African Monetary Zone is very important and indicators such as sustainable levels of debt, ceiling for domestic debt, government borrowing and inflation should be of priority to improve the macro economic levels in the country. The government is therefore urged to meet the criteria for the West African Monetary Zone by June 2005 instead of the stated date of end 2005.

### *Revenue Collection*

It was noted that even though Government made progress in revenue collection, the District Assemblies fell short in theirs. The government was therefore tasked to create the structures and capacities so that the District Assemblies will be able to raise their revenue collection and improve on the social benefits to Ghanaians.

### *Capital Markets*

Efforts have already been made to improve capital formation through the long-term savings scheme and bond markets. These are ongoing processes and nearing completion. By September 1, 2003, both programmes should be in operation. On that effort, a secondary market is necessary.

There is the need for a new exchange control law. It was disclosed that it has been prepared and is expected to come into operation by the end of this year.

There is also the need to improve the management of government finances.

- Fiscal resource mobilization should be improved.
- Expenditure management should also be improved.
- There should be an effective domestic debt management.

- There should be reserves in currency in which deposits are mobilized.

## Resources for Growth

Some new strategic stakeholders should be identified and be included in the implementing agencies team to exhaust the discussions on the subject outlines.

There is the need to transfer the coordinating points from what exist now to new agencies so as to sharpen the focus of action on the work and also to make responsibilities more direct even if the ministerial responsibilities already identified will remain the same.

Before the meeting of the next quarter when there will be a quarterly review, all the action points must send in advance, a matrix of what they are to do to the NED Secretariat so that they can inform any subsequent committee which will be constituted to do the work that has been done this time round. That matrix will indicate what has been done and the effect that it had on the particular sector or the activity it purports to perform.

It should also indicate why certain actions have not been initiated or completed and to explain what the inhibitions were and how they intend to overcome them.

The action points should be maintained to indicate what new problems were identified when they sought to resolve them in the first instance. In tackling the “rotten carcass”, there may be other organs that though not anticipated may have to be treated in a particular manner. The effect of those things has to be highlighted so that they can be dealt with expeditiously.

Some new initiatives have to be also tried. These relate to the key parameters that play in resource mobilization for development and growth, human and financial resources and entrepreneurship. In respect of entrepreneurship and financial resources, the policy of the government to bring the private sector into the provision of some utility infrastructure may be

weighed down because of the confusion of the diverging views now playing in the areas of water privatisation. If that is not allowed to pass, private sector participation and provision of infrastructure utility will suffer.

It is therefore recommended that it should not be beyond the capacity of both the government and the coalition of forces against private participation to sit together to find out not only the content of the disagreement but the real substance of the disagreement and find some kind of workable compromise that will help resolve that misunderstanding.

Through this proposed privatisation, private sector management skills can be applied and resource mobilization may be used so that recourse to government financing can be abated and monitoring and evaluation of water production and distribution will be enhanced.

The development burden on the government as opposed to the private sector should be removed.

### ***Financial resources***

In the past, every sector recognized the shortage of investment resources and had to resort to stop gap measures in mobilizing resources to address the capital inadequacies in those sectors. It is therefore better to recognize the growth requirements of the economy, identify the global financial requirements to invest to generate this growth, and identify the ways by which this fund can be mobilized from both external and internal sources using various incentives, such that the financial burden will be moved away from discreet attempts into a globalised one.

It is necessary to move away from the tendency to want to create funds, which input will increase the transaction cost, fuel inflation and make the whole process unpopular and therefore not sustainable.

Participants are therefore thinking of developing a Ghana Investment Fund with the strategy to mobilize both local and external resources. It was realized that the banks as a result of certain restraints had not encouraged savings. However, Ghanaians should acquire the habit of small savings in order to help the economy. Insurance institutions should also be given some incentives.

### ***Human Capital To Promote Growth***

Though there are a lot of people with high references, it is difficult to identify people with management ability and skills. Participants agreed that there should be a movement away from mere academic qualifications and rather deal with people with practical ideas. For instance, there is no institution in the country that teaches salt technology, which is one of the Presidential Special Initiatives.

### ***Technology Development***

Technology should be taken from the abstract to the reality and Ghanaians should be able to identify the technological requirements of the goals of the economy.

It was realized that Ghanaians should try to promote their own indigenous technology in Ghana and import the appropriate technology that may be needed to optimize development exercises.

The group put on record as essential for successful NED action plans, the acquisition of a database, the use of matrix to get to the road map, how to get the players and their roles, empower the players, empower scientific institutions to become trainers of trainees and declare new objectives as new road maps.

The group observed that information provided was not adequate, as there was no comprehensive report on implementation of previous

recommendations. The group was thus handicapped to make any meaningful evaluation.

### ***Recommendations***

- To improve the efficacy of the exercise, the group recommended that a document must be made available at the next discussions, highlighting recommendations, action plans, targets, achievements and the way forward from the NED Secretariat.
- The group noted that training programmes for entrepreneurs in agri-business development, organized by the NBSSI, have been woefully limited. To be able to continue, and support the programme, the group called for assistance from the GTZ. It was also recommended that an institution like GRATIS and other small – scale agencies should be roped in to assist with the provision of education and inputs.
- The Ministry of Trade, Industry and Presidential Special Initiatives should play the co-ordinating role whilst roping in other private sector agencies to do the implementation.
- To promote small-scale farmers' access to credit, the group recommended that the Ministry of Food and Agriculture should be the key implementing Agency with the assistance of some NGOs.
- Concessionary facilities should be put in place to promote access.
- On the land tenure system, the group deplored the manner in which fertile farm lands are being used for human habitation. It therefore felt government must co-ordinate all workshops on effective and appropriate land use.



- The Ministry of Lands and Forestry, as a matter of urgency, should come out within two months with plans for the establishment of land banks, and acquisition of farm lands for redistribution. The group also called on the Ministry of Lands and Forestry as the key implementing Agency to come out with appropriate policies to mitigate conflicts that arise in Land use. Other agencies like the Lands Commission, Town and Country Planning, District Assemblies are to support implementation.
  
- The Ministry of Lands and Forestry should co-ordinate all issues of land use and submit within three months, working programmes that would resolve conflicts.
  
- In respect of financial problems associated with land banking, government should consider the cost to the end-user of the land after it has been banked.
  
- On the promotion of agro-processing, MoFA should extend the programme to cover other areas as well, so that whatever lessons are learnt may be applied. This is anticipated to give the President Special Initiatives more focus.
  
- The agricultural sector seems to have been starved of funds; the sector should become the first recipient of funds. MoFA should take a good look at how to create funds, and ensure that its coffers are not empty, and make it sustainable.
  
- There should be an Agricultural Development Fund, and a Bank for Agriculture with branches in every district to replace the Agricultural Development Bank.
  
- There should be the creation of an investment fund for development and packaging of projects in farming areas as way of attracting investment projects for growth. To create a sustainable fund, the group

called for a system where some percentage of levies imposed on imports of some specific agricultural products, be channelled into the fund to support the local industry. Based on these recommendations, the group called on the Ministry of Finance and Economic Planning, MoFA, and the Agricultural Development Bank to come out, within three months, with specific actions outlined for the implementation of these recommendations.

- Key implementing agencies must be established and identified for implementation of tasks. Others may be identified as supporting agencies. It noted that identifying several implementing agencies might result in some agencies showing lackadaisical attitude towards implementation; e.g. GRATIS should be the key implementing agency to locate and strengthen ITTUs and relevant CSIR units in concentrated agri-business zones.
- The establishment of a body under the President's Special Initiatives to put in place, a high level Technological Institution under the collaboration of KNUST, Ministry of Environment and Science, CSIR and some individuals. The time frame for the implementation of this is three months.
- The group recommended the inclusion of the Water Research Institute and the Soil Research Institute as additional agencies to ensure the constant availability of water for irrigation.
- MoFA should ensure that irrigation projects are integrated with small power generation and water supply schemes. MoFA was therefore requested to make its report on these recommendations ready by the next quarterly review meeting.
- On irrigation facilities, a programme must be worked out for the ownership of the facility to be reviewed for private sector participation.

- To promote the construction of community based storage facilities, the Village Infrastructure Project and some District Assemblies Common Fund resources must be used to take care of the construction of Community based storage facilities.
- On the promotion of marketing facilities, other agencies should be encouraged to play the role of the divested GFDC. The group also called for the improvement of the technology for food storage.
- There was a general consensus that meeting all petroleum requirements by year 2003 was unattainable. The group further noted that the term 'energy' was more appropriate for the discussion since the issues covered did not involve only petroleum. The group called for the intensification of activity in exploration and refinery. The group called on the Energy Foundation to take steps to ensure that petroleum requirements are met by matching supply with demand.
- The Energy Foundation was also tasked to intensify action to promote industrial use of natural gas.
- The Ministry of Energy was requested to put focus on both renewable and non-renewable resources, and discourage the use of firewood. In this regard, the group recommended the PURC as one of the implementing agencies.
- The group called for the promotion of fuel substitution (Natural Gas) in power generation and industrial use in anticipation of the completion of the West Africa Gas Project.
- On the Mining Sector, the group noted that Laws are being revised with a view to expand surface mining with strict adherence to environmental rehabilitation procedures. The Ministry of Mines was, in this direction,

requested to submit a comprehensive report by the next review meeting on the initiative.

- The group called on government to identify individuals and groups who can contribute to the development effort. To ensure that the manpower requirements of the key sub sectors of the economy are met, there is the need to put in place an effective manpower development programme.
- For the next syndicate work, participants recommended that representatives of task implementing agencies must be made to brief the group for ten minutes on implementation of tasks before dialogue opens.
- The group called for the establishment of a monitoring mechanism for the implementation of these recommendations.

## **Poverty Reduction**

Participants deliberated exhaustively on the key policy issues, recommended actions, implementing agencies and stakeholders etc.

The following are the key issues recommended to be included in the Action Plan for 2003.

### ***Production and Employment***

- On production, participants agreed that there should be a clear distinction between rural and urban production. For example, cassava production is rural based but processing is linked up to energy, which is urban based.
- Participants suggested that “increased productivity” as mentioned in the 2002 action plan should be recast as “speed up agricultural modernisation”. This key issue should be pursued in collaboration with the private sector, NGOs, Ministry of Women and Children’s Affairs and research institutions.
- Since most of the recommended actions will be implemented at the district level, the District Assemblies should be included as implementing agencies. The group suggested that the teaching of agriculture in rural-based schools should be compulsory.
- In order to ensure effective implementation of recommended actions, there should be inter-sectoral integration, coordination and co-operation to facilitate resource pooling for forward and backward linkages.

- Government should revisit the issue of subsidies in the agricultural sector while making sure that subsidised resources are channelled through the necessary organizations to avoid smuggling and diversion.
- It is suggested that payment of bonuses should not be limited to cocoa farmers but extended to farmers of other produce to serve as an incentive for increased production.
- Marketing of agricultural produce should be considered as an important issue in formulating agricultural policies. Its promotion should involve financial institutions and industries. Intensive education on the patronage of quality made-in-Ghana goods and products is recommended.
- There should be guaranteed prices for farm produce.
- Environmental improvement programmes should be put in place to restore degraded lands.
- Participants suggested that the promotion of small-scale irrigation schemes should also take into consideration ground water systems like boreholes.
- It was recommended that those involved in agricultural business should seek the services of consultants to enable their businesses grow.
- It was also recommended that there should be a seed multiplication centre in the country to develop seeds for planting.
- It was suggested that the fishing industry should be considered in the next action plan.
- Participants agreed that the private sector should invest in production of small and simple agricultural machinery to support agro-production.

- The syndicate recommended that banks that financially support agricultural production, processing and marketing, should be given incentives.
- Participants were of the view that District Assemblies should identify and develop district markets to expand the market base of agricultural and other products to support the people.

### ***Human Resource Development***

- Under “provision of quality and cost effective education” the recommended action did not include life skill training, which needs to be institutionalised to provide short courses. Informal apprenticeship should be formalised in relation to the master plan drawn up by examining available models to avoid undue exploitation of the apprentice.
- Participants recommend that private schools should be included in the implementing agencies/stakeholders.

### ***Health Care***

- The media is recommended to be included in the implementing agencies/ stakeholders under “provision of quality health care”.
- In order to minimize the brain drain of medical personnel, the syndicate recommended that they should be provided with incentives like free accommodation, free transport and free medical care to the nuclear family. Telephone bills should be absorbed by the government to cushion those in deprived areas.
- It is essential to provide modern facilities including equipment, as well as training in the medical sector to facilitate health care delivery.

Issues relating to mental health care should be considered under the recommended actions.

### ***Basic Services***

Under “improved water and sanitation facilities”, the syndicate recommended the formation of a water management team at the community level to address water issues including payment and judicious use of water.

### ***Population Management***

It is recommended that “promotion and use” should replace “sales and distribution” of contraceptives in remote areas.



## **Private sector**

The following were deliberated upon:

- Creating an enabling environment to accelerate Private Sector growth
- Streamlining procedures for clearing goods at the ports
- Improving the macro-economy.
- Promotion of non-traditional exports.
- ECOWAS Regional Integration.
- Becoming a successful Agro-Industrial country by 2010.
- Tourism
- Improving Telecommunication Services

### ***Creating an enabling environment to accelerate private sector growth.***

In spite of the institution of the one-stop shop to ensure the speedy registration of businesses, there are still some delays, poor attitude to work of staff of the Registrar General's (R-G) department and absence of regional offices. Problems facing the department include the following:

- Inadequate computerization.
- Poor records keeping and retrieval.
- Ineffective linkages with other institutions for the registration of new businesses.

### ***Recommendations***

- Government should, as a necessity, allow the RG's department to computerise using its (RG's Department) internally generated funds.
- The RG's Department must prioritise its decentralization process.
- The staff of the RG's Department must be given periodic refresher courses to enhance attitude towards work.

### ***Streamlining the procedures for clearing goods.***

#### ***Issues raised:***

- Lack of information on exemptions and other directives.
- The 0.4% ad valorem service charge on imports and 0.25% ad valorem on exports by GCNET, as well as inspection fee add to the cost of production.

### ***Recommendations***

- CEPS must improve upon its information dissemination to avoid confusion and unnecessary delays.
- The 0.4% and 0.25% ad valorem on imports and exports respectively charged by GC Net should be scrapped, since CEPS already charges them 1% inspection fee.

### ***Macro Economy - Availability And Accessibility Of Finance***

#### ***Issues raised:***

- The use of bank drafts for the payment of goods and services is cumbersome, time wasting and adds to the cost of doing business.
- The EDIF fails to take into consideration the small out growers and producers. Credit facilities for agricultural business attract interest rates between 20% and 25%.
- High interest rates on bank loans as well as the difficulty in securing long-term capital affect businesses and therefore hamper their growth.

### ***Recommendations***

- In order for the payment system to be improved, the cheque system must be revisited.
- The payment bill before parliament should be expedited.
- Ghanaians abroad should be encouraged to save with domestic (Ghanaian) banks, which, in turn, should offer attractive deposit rates.
- Long-term capital should be available to the Private Sector.

### ***Non-traditional export and ECOWAS regional integration***

#### ***Issues raised:***

- The procedure to benefit from the ECOWAS Trade Liberalisation Scheme (ETLS) is cumbersome and time wasting. The two meetings of the Council of Ministers within the year to approve the ETLS are inadequate.
- Lack of transport to cart goods also hampers the development and growth of the private sector.

- There are too many roadblocks check points and barriers.

### ***Recommendations***

- The ECOWAS Secretariat should speed up the approval of ETLS applications. It is suggested that the secretariat should be authorised to approve ETLS on behalf of the council of ministers.
- The transportation system should be improved to facilitate ECOWAS Trade.
- The numerous checkpoints should be reduced.

### ***Non-traditional exports.***

#### ***Issues raised:***

- Lack of incentives and resources for producers and exporters.
- Weak production base.
- Fragmentation of exporters and producers does not allow for concerted effort and acquisition of resources for increased productivity.

### ***Recommendations***

- Emphasis must be placed on the processing of agricultural produce.
- There must be strong alliances and partnerships among producers and exporters in order to source funds for increased production and export.

## ***Tourism***

### ***Issue raised:***

- Lack of finance for its rapid development.

### ***Recommendations***

- Tourism should be recognized as a service sector of non-traditional exports.
- Efforts should be made to set up a Tourism Development Fund.
- There is the need to encourage the use of our local textile and local foods by the Tourism operators / hotels
- There should be high quality and standardized local products and services within the tourism industry.

## ***Telecommunication***

### ***Issues raised:***

- Difficulty in the acquisition of Licenses.
- Poor connectivity among mobile phone service providers.
- Lack of independence of the National Communication Authority and fairness in its dealings.

### ***Recommendations***

- The acquisition of licenses must be a clear-cut policy to avoid confusion and delays.

- The NCA must be resourced adequately and allowed to play the role it was set up to play.

# **Education, Labour, & Human Resource Development**

## ***Key Policy Issues / Sub-issues***

Key policy issues discussed included: creation of jobs, productivity and quality of the labour force, quality and cost effective education and human resource development, increased resources for education and human resource development and cost effectiveness in education management.

## ***Key observations***

- There is no policy document on employment; however, there is a draft that has not been fully discussed.
- There is no need to write a new National Action and Productivity Document; the new sector ministry should revisit the existing one.
- Some improvement has been noted in the training of unskilled labour by some institutions including NVTI but the number of people and quality of training cannot be easily assessed due to lack of data.
- There is poor sense of time management, which adversely affects productivity.
- The French Government has made fresh funds available for the teaching of French, which is commendable.
- Misapplication of the GETFUND
- There is discrimination in the allocation of the GETFUND. Certain institutions, particularly vocational schools, are neglected. There is also undue delay in the release of funds.

- The cost of education is still too high for most Ghanaians.
- There are quite a number of unaccredited training institutions in the country
- The issue of the physically challenged has not been fully addressed
- The policy on exemption of payment of medical fees has not been well explained leading to ignorance and confusion in implementation.
- The list of implementing agencies of NED recommendations is not exhaustive. E.g. GRATIS, which is very active in technical training, is left out.
- The Ministry of Finance and Economic Planning fails to release adequate funds, and the inadequate releases are not timeous to implement the hospital fee exemption policy.
- There are a number of government institutions involved in offering technical training under the Department of Social Welfare and Community Development, which are unknown to the public for effective patronage and therefore are under-utilised.
- It has not been possible to assess the level of success of the Presidential Special Initiatives in relation to job creation due to lack of data.
- It is commendable that the Ghana Employers' Association is helping vocational and technical institutions develop course contents that meet the needs of the job market.

### ***Recommendations***



- There is need for a national policy document on employment
- All implementing agencies must be present at subsequent Dialogues to provide inputs needed to measure success of implementation of NED recommendations
- Vocational training institutions like NVTI must be strengthened, well-resourced and new ones opened; the locations of existing ones must be publicised for maximum patronage.
- To build the capacity of the Civil Service and make it more responsive to private sector needs, all civil servants must be made to go through the Civil Service Training Institute.
- The private sector must set aside funds to help develop the manpower of the country.
- The government should create an enabling environment for labour to operate productively.
- Linkages must be created between the requirements of the job market and training institutions.
- Coordination must be improved among implementing agencies.
- Practical training courses should be standardised
- Lecturers of polytechnics must also undergo practical refresher courses
- Measures should be put in place to strengthen the teaching and learning of language skills in polytechnics.

- Apart from French, the learning of other international languages, like Arabic, should be encouraged
- Entrepreneurial skill training should be emphasised in educational curricula
- Language students on year-abroad programme must be well resourced to alleviate their financial hardships and help them resist the temptation of indulging in activities that could tarnish the image of the country.
- Wages and salaries must be improved to motivate workers for high productivity and employers must exhibit sensitivity in that direction.
- Government must make prompt payment into the GETFUND as spelt out in the regulations establishing it and the arrears paid as quickly as possible to enable the fund meet urgent needs particularly in deprived schools.
- Government must thoroughly discuss the Health Insurance Scheme with all stakeholders before implementation.
- Government must come out with a new policy on technical and vocational education.
- Institutions must be encouraged to seek accreditation in order not to jeopardise the future of their students.
- There must be community involvement, especially of chiefs and religious leaders, in the financial administration of district-level educational resources
- NED recommendations must include the needs of the physically challenged.

- There should be intensive education on the government policy on exemption from medical fees.
- A national forum on education must be held very soon.
- All implementing agencies must be identified and included e.g. GRATIS, a major technical training institution.

## **Statement Made by Mr. Kwasi Adu Amankwah, Secretary-General, TUC, on Behalf of Organised Labour**

We underline the value of the meeting of this nature where representatives of various groups from all walks of life with different political ideologies meet and take decisions on the economy. This kind of gathering allows us to grow in the kind of social cooperation that we are trying to develop in this country.

It is important however to stress that the kind of participation that a dialogue of this nature promotes should not be taken as a substitute for the leadership that we expect government to provide especially in the area of implementation. This is said, taking note of our experiences with some of the lead agencies and their absence/inability to deliver reports on achievements or otherwise over a period. It is important to express the concern of Organized Labour on issues of relevance to labour, which though discussed during the Dialogue are later relegated to positions of non-importance.

Beyond the question of dialogue, there is the challenge of coordination and implementation. We urge the Government to fulfill its role as the lead agency and implement the conclusions of the dialogue of this nature. We believe that another challenge arises in respect of the national budget. After dialoguing, we should find how our participation is also sought in formulating the budget.

Even as we dialogue broadly and meet annually like this to review the progress of implementation, when it comes to critical issues of the economy, participation ought to be encouraged. Dialogue should not be seen as one shot in the dark. Dialogue should be an on-going process of decision-making. The question of income and the promotion of equity must feature prominently in the agenda of consequent dialogues and should involve employers and employees. Incomes have to be made attractive to make people work hard. The TUC is ready to join the efforts in the development of this country.

## **Statement Made by Mrs. Magdalen Abrokwa, Vice Chairperson, GAPVOD, on Behalf of Civil Society**

As representatives of organized Civil Society, we welcome the opportunity to join other stakeholders to assess how far we, as a nation, have gone in implementing the recommendations that were made at the National Economic Dialogue held in 2002. Looking back, we recognize the daunting task involved in implementing the recommendations, especially in the case of infrastructure development, which require huge financial resources and relatively long periods for execution. Moreover, we think that most of the indicators of achievements are either too ambitious, difficult to measure or require more time to show. We appreciate the achievements made in the last year as was reported this morning and commend His Excellency, President Kufuor and his Government for the successes.

Nana Chairman, we expect that recommendations made by forums like this should not only form part of the country's long term development plan, but also the medium term development policy documents such as the Ghana Poverty Reduction Strategy, the Medium Term Expenditure Framework (MTEF) and annual budgets. We think that as a nation, we need an enduring policy framework that is well informed, debated by the majority of citizens, approved by Parliament, and adhered to by the Executive. Such policy framework should be sufficient to direct all economic policy and activity for which a government can be held accountable.

On the duration of future National Economic Dialogue, we think that a single day is not sufficient for thorough discussion and consensus building. We therefore recommend at least two full days like the one that was held in the year 2001.

It is our observation that the recommendations of the National Economic Dialogue and other similar forums tend to suffer under the parallel conditionality negotiated with the IMF and the World Bank. These development partners' insistence on policies that would ensure macro-

economic stability over very short periods, without consideration to the impact of such policies on the majority of Ghanaians, has not been too helpful. We expect Government to negotiate for policy alternatives that would minimize the hardship on the weaker segment of the population. Again, we are particularly concerned about the deepening trade/import liberalization that not only depletes our limited foreign resources but also frustrates the efforts of domestic investors. Although, the 2003 Budget attempts to institute some action towards addressing this issue, we think that Government needs to reconsider urgently the rationale for this deepening import liberalization.

It is gratifying that Ghana now has an approved Poverty Reduction Strategy Paper (PRSP) and is moving towards the HIPC Completion Point. We still think that the GPRS makes a bold case for poverty reduction and the need to address geographic inequalities in resource allocation. Our advice is that in implementing such programmes, all stakeholders must reckon with the fact that change takes time and its positive effects on the poor and weak in the society takes much longer.

We see a lot of value in giving some visibility to the GPRS in the monitoring process while isolating the contentious policy issues for continued debate. We recommend that civil society is given the power and cooperation in its participation of the monitoring of resource flows, particularly procurement and contract awards and the quality of project execution. After all we are the agents and beneficiaries of these programmes and projects and should therefore be in a better position to assess them.

Another area of concern to us as civil society is the conflict that the implementation of some of the recommendations has generated among some public institutions. Very prominent among these is the issue of the National Identification System, which has generated conflict between the NED itself and the Electoral Commission. This is unfortunate and it should be possible to resolve the issues amicably to avoid the duplication of effort and wastage of resources. We believe strongly that a genuine national identity card should adequately serve also as a voter's identity card.

Finally, we wish to assure the Government of our commitment to contribute not only to this process of building national consensus on the economic direction of this country but also make constructive inputs into any national policy debates in the future.

## **Statement Made by Dr. Osei Boeh-Ocansey, Director-General, PEF, on Behalf of the Private Sector**

The Private Enterprise Foundation (PEF) since its establishment in 1994 has shown a deep commitment in assisting Government and other stakeholders in tackling the many challenges that confront our Nation. The NED process has now become one of the major events on our national calendar.

We in the Private Sector acknowledge and accept the process of dialogue and consensus building on all issues of national importance. By this process we hope to deepen democracy in Ghana and build a harmonious and orderly development of every sector of the economy. It is for this reason that we are overtly committed to the National Economic Dialogue (NED) and provide our fullest support to the process. We believe that our other partners in development are equally committed to the concept of the NED.

The NED provides us all the opportunity to monitor, evaluate and review policies and actions with a view to building a consensus on policies that would make the Golden Age of Business a reality. To create wealth and reduce poverty as we have envisaged in our Poverty Reduction Strategy.

We in the private sector are very much committed in playing our part. We shall do everything within our power and influence to support the NED process. We only pray that Government and other key constituencies are ready to pledge the same commitment and dedication to the continuing National Economic Dialogue for the early attainment of our collective national goals.



## **Statement Made By Hon. John Mahama, MP for Bole/Bamboi, on Behalf of the Minority in Parliament**

It is worthy of note that the Minority has participated fully in the processes of the National Economic Dialogue. We strongly believe that discussions and the forging of consensus on matters of economic policy and national vision are vital for the forward movement of the nation.

The antecedents of the National Economic Dialogue lie in the National Economic Forum, which was initiated by the NDC government. The composition and participation in the dialogue have been very satisfactory. We must however work to broaden the participation so that all recognizable groups represented in the country will be part of the dialogue process.

It is necessary however to note a few things. Country ownership of any economic policy or national vision is necessary for sustained progress. We notice that our economy is still foreign dominated and donor funding accounts for huge chunks of our budget. Donor funding may be indispensable at this stage of our national development, yet we should strive to become more and more self-dependent. This means that we must create an enlarged pool of internally generated funds. In doing this, we believe that we must not look only on revenue generation. More importantly, we must try to cut waste in public expenditure. Effective monitoring of expenditure at all levels, from the Office of The President to the lowest unit committee is essential to prevent revenue leakages and misuse. We have for example, expressed dissatisfaction with the way the HIPC revenues were disbursed at the District Assembly level. In many cases, the DCEs bypassed the District Assembly procedures.

We also believe that there must be careful balance in negotiation with donor partners, bearing in mind what the underprivileged sections of our society can reasonably bear without a further deterioration in their quality of life. Naturally, as watchdogs of the society, the Minority shall continue to draw government's

attention to the danger signs using all means at our disposal including 'marching for survival' if the need arises.

We still believe that the levels of pricing of petroleum products are unacceptably high, as we have all noticed its negative impact on the inflation rate pushing us back up to about 30%. We have noted the revision of the inflation figures to 22% given by the Hon. Minister for Finance and Economic Planning. This is still a worrying factor because experience has taught us that in an election year, it is difficult for Government to keep the lid on public expenditure because of the need to achieve electoral promises.

We believe that we must move from post mortem implementation of Zero Tolerance for Corruption. The fight against corruption must not only be implemented when a Government has completed its term of Office but must be a continuous process. The fight against corruption must be more preventive than focused on punishing offenders. In this regard, organizations such as the Serious Fraud Office and CHRAJ must be strengthened in order to play a much more effective role. Internal audit procedures must be strengthened at all levels of public expenditure so that we will have a better internal audit system to make it unnecessary to resort to forensic audits at the end of the day.

We think the Dialogue is a very useful instrument for forging national consensus on the way forward. The Minority will surely continue to play its part in strengthening both our economic fortunes and the democratic culture of the nation.

## **Statement Made by Edward Omane Baawah, President of NUGS, on Behalf of the Student Body**

We pledge our overall commitment as students and also the youth of our country to the National Economic Dialogue. Much as we think it is important to dialogue, we also see the need to actually seek to the timely implementation of the recommendations arrived at.

Last year, the Government projected a single digit inflation rate by the fall of the year. As a result of certain happenings inflation is now at 29.4%. This gives reason for a continuous sober reflection on decisions we take and how their implementation would affect the economy as a whole. Education to promote equity must be provided in the poverty identified regions in the country.

We think the National Economic Dialogue is an important national asset. However, the problem of funding, which is gradually attempting to stifle it, must be taken seriously by the Government.

## **Statement Made by Dr. Nii-Noi Ashong, Minister of State for Economic Planning on Behalf of Government**

The level of participation in terms of both the number of participants and the quality and expertise of participants vividly testify to the fact that those who anticipated the dialogue to be another talk shop have definitely been proven wrong.

Your frank exchange of views during the syndicated sessions has been very refreshing and rewarding. The quality of recommendations will no doubt help shape policy in the right direction. It is the pledge of this Ministry and indeed the Government that the structures and modalities required for effective and time bound implementation of these recommendations will be put in place.

The NED will not be another illegitimate child nor will it be an orphan as a result of the recent realignment of the key Ministries. On the contrary, with the creation of the new Ministry, that is the Ministry of Finance and Economic Planning, the NED has found a permanent room and the dream is that the monitoring and evaluation process of the NED will complement that of the GPRS to achieve policy coherence.

In the next few months, special tax force teams will be empowered to collate all these recommendations and prioritise them so that they can find space in the budgetary and policy formulation process earmarked for this year.

To those of you who in diverse ways have carried the NED torch thus far, we say kudos. The process will surely continue, and God willing, we shall converge again in 2004 for the next dialogue. The expectation is that through our collective and committed drive, the recommendations arising out of this 2003 edition of the NED will be fully implemented so that this country's pursuit for sustained and robust economic growth required for both wealth creation and poverty reduction will be fulfilled. It surely has been a fruitful day and we should all give ourselves a pat on the back.

## **Presentation of NED Report to Government/Closing Remarks by Chairman, Nana Wereko Ampem, Gyasehene of Amonokrom**

It has been a privilege to be in the Chair for this unique gathering. Having listened to the highly educative views of the various stakeholders alongside their positive statements committing themselves and their Organizations to open dialogue with the Government for sound and time testing socio-economic development is very historic indeed.

This Report now to be presented to the Government, represented here in the distinguished personality of the Hon. Senior Minister, Mr. J. H. Mensah, is a summary of the recommendations, which emanated from the various Syndicate sessions. It also contains the statements and commitments of the various Sectors.

This symbolic handover of the Report of this years' National Economic Dialogue is a vivid manifestation of the effort that we all have put in the days' work. It is my hope that the Government would consider the implementation of these recommendations so as to build that free and stable country of which we shall all be proud.

## **Closing Address by Hon. J. H. Mensah, Senior Minister and Chairman, Government Economic Management Team**

Your Excellencies,

Head of Diplomatic Missions

Heads of International Organizations

The Honorable Ministers of State

Honorable Members of Parliament

Nananom, Niimeɛ and Naameɛ

Distinguished Ladies and Gentlemen

The significance of this eventful gathering goes beyond the technical discussions and conclusions that might emanate from it. A gathering like this marks in a most important sense, the new era of democratic governance that is beginning to take root in Ghana. Time was, when the business of developing this nation was regarded by too many of its citizens as a business solely for Government. Many citizens considered themselves as “lay men”, spectators of the process and hopefully beneficiaries of its results, but not as architects or builders of a possessive economic future.

This gathering testifies to a new idea. The idea in which the business of moving the country towards a set goal will become an enterprise that would demand the full and active participation of every citizen. It must also include social entities and business concerns, albeit under the leadership of an enlightened Government.

The process of making policy in a modern economy is a complicated process. Above all, it is a continuous process in which decision-makers will have to seek to readjust plans and ideas to evolving circumstances in a pragmatic manner. In an event like this, one can signpost major landmarks on the road map towards economic and social development. In shaping the institutions of

the new democratic polity, one needs to go further and build more permanent mechanisms for continual engagement among all the partners to the development process. It is envisaged that there would be further proposals to make in this area part of our institutional reform programme.

As this third instalment in the series of National Economic Dialogues that has been held since the NPP government under President John Agyekum Kufuor took office in January 2001 comes to a close, most observers will judge that Ghana is making progress, and making history in the process. All can be proud of the part played in shaping the future of this country.

It is important to make mention of some significant developments of the recent past. This is to buttress the point that Ghana is indeed in the right direction.

The problem of both capital insufficiency and unavailability has been an issue to grapple with. It is the task of the financial services sector of the economy to carry along the producers, industrialists and other service providers. The financial services sector however has been unable to perform its role because of the aforementioned problem. For example, the shareholders capital in the Ghana Commercial Bank stands at fifty million dollars. A fifty million dollar Bank cannot support and sustain a modern economy. The Bank stands in need of resources of over half a billion dollars. Societe Generale, one of the biggest banks in Europe, has bought SSB with the promise to develop it into a viable institution for national development.

The absence of the American Banking sector in Ghana has also been of great concern. In that direction, there has been a pledge from the City Bank Group to open up in Ghana. There is a constant stream of investors coming to Ghana to take advantage of the positive trading opportunities now available.

Recently there have been discussions with the officials of the World Bank and the IMF. The Ministry of Finance and Economic Planning has announced an Immediate first year instalment from the World Bank of 125 million dollars to support the budget. There is a promise for two higher instalments. The HIPC

arrangement has proven very successful resulting in the substantial increase in the resources of the nation. This is the 'shot in the arm' the economy has stood in need of. It is a vivid demonstration of the positive confidence expressed in the policies of the Government.

The implied task for this dialogue has been to assess progress made in every sector of the economy, to identify relevant pressing problems and collectively prescribe workable solutions for the benefit of all.

On behalf of the Government and people of Ghana, I want to thank the planning committee, facilitators, resource persons and participants for the work done. Of particular mention are representatives of Civil Society, Labour, the Private Sector of the economy, the Political Parties, our development partners and all who have contributed to make today a success. I especially want to express our gratitude to the United States Agency for International Development (USAID) for the continued support, which they have provided to sustain this important consultation process.

At the Year 2001 dialogue, His Excellency the President explained that by the Golden Age of Business he meant "...that we all, labour, private sector, civil society and government should work together as corporate Ghana with a shared, common vision that will allow all to win. The entrepreneur who risks his or her capital should gain benefit. Labour should obtain fair, living wages as compensation for quality time working in a conducive environment. Civil society should see benefit by way of services that cater for the disadvantaged, the weak and the elderly in our nation. Government should gain benefit from taxes and the ability to ensure meaningful growth, rule of law and the creation of a prosperous but kind nation."

To realize that vision is a complex and formidable task. We can approach it with focused confidence because of the attitude of national communication and unity with which we are facing our common problems and opportunities. The Government's Economic Management Team is keenly aware that it can only command a fraction of the information, the ideas and the skills that are



required for this job. The participation of all, in and out of government, is an essential condition for success.

The limited time spent here has enabled us to reach some level of consensus on some of the immense opportunities opening up to Ghana.

A number of important recommendations have been made in the process of evolving a national development policy. Among the more specific measures are to:

1. Expedite access to the ECOWAS market for goods produced in Ghana;
2. Find ways to improve and sustain the macroeconomic environment;
3. Implement the Long Term Savings Scheme tied to retirement;
4. Improve services of the utility companies particularly electricity and water;
5. Provide opportunities for non resident Ghanaians to invest in Ghana; and
6. Implement the National Identification System.

These, and other recommendations, will be reviewed closely by the Government. Indeed, some of them emanate from already existing Government policies, which are already being worked upon. Together with our partners from the private sector, labour and civil society, we should all co-operate to implement these recommendations in a systematic and well-coordinated manner.

The Ministry of Finance and Economic Planning and the National Development Planning Commission will work together with representatives from labour, civil society, the political parties and the private sector to

summarize your recommendations expeditiously and put them in a form that can be distributed to all partners in this endeavour, so as to effect prompt action for the implementation.

Mr. Chairman, Distinguished Ladies and Gentlemen,

It is a source of great comfort and hope to our people in every walk of life, and to the Government of His Excellency President John Agyekum Kufuor, that all of us decided to be associated with this important national enterprise. Ghana is indeed on the right path. Together, we will build a confident, caring and disciplined Ghana, a country where wealth is created in freedom and shared in solidarity.

Thank you and God bless us all.

# The Way Forward

