

**THE COORDINATED PROGRAMME  
FOR ECONOMIC AND SOCIAL  
DEVELOPMENT OF GHANA**

**2007 - 2015**

## Chapter 1: INTRODUCTION

The Government presented to Parliament a Coordinated Programme in Economic and Social Development in 2002 for the period 2003-2012. Since then we have had two poverty reduction strategies that have drawn from the CPESD. As we implement GPRS II for the period 2006-2009, we also recognize the need to place all our endeavours within a longer-term development framework, taking into account the achievement of the Millennium Development Goals as well as a better structured economy.

It is for this reason that the NDPC is currently working on a new development plan for the period 2007-2015.

This CPESD document is intended to provide the direction that government would like Ghana's development to take. It is the forerunner to the development plan which will integrate all current development aspirations and strategies.

Thus in preparing the development plan it is noted that since independence, a fundamental problem that has faced the country is the persistent reliance on the export of a few primary products with little or no value added (cocoa, gold, timber, etc). This has made the economy vulnerable to price fluctuations on the world market due largely to the dictates of the buyers in the developed economies. The low earnings from primary products have meant low revenue to the country. This in turn has made it difficult to create meaningful wealth and accelerate rapid socio-economic development of the country.

The structure of Ghana's economy remains little changed since independence. The economy exhibits an enduring fragility and a weaker adaptability to internal and external challenges with limited capacity to absorb shocks. Spatial distribution of settlements, and economic and social activities is highly skewed and polarized. Concentration occurs in four major centres dominated by entrepôt and service functions, namely Accra-Tema, Kumasi, Sekondi-Takoradi and Tamale.

The skewed distribution of resource investment in a few areas has resulted in large proportion of the human and physical resources remaining outside the commercial economy of the country. The economically and socially deprived regions remain rudimentary in terms of development. This hinders growth, wealth creation and redistribution of the benefits of development.

Disparities of poverty and well-being as well as poverty reduction are evident between spatial units (southern Ghana and Accra, and Central Region and northern Ghana) and between social groups (export crop farmers and non-export food crop farmers).

Past development planned efforts at achieving a more equitable distribution of resource investment have not been successful to address development imbalances due to non-implementation of plan and internal plan weaknesses. The fundamental reason for non-implementation is that the state has attempted to accomplish more than it is able given the limited resources it can command. This relates to failure to allocate investment on the basis of a rational analysis to achieve plan implementation and success. This situation has led to very high levels of deprivation in some parts of the country.

Therefore, there is the need through a development plan to more directly influence the process of the socio-economic transformation of the country in order to achieve more concrete outcomes over a shorter period than would otherwise be the case. The 10-year development plan seeks to promote rapid and sustain socio-economic growth of the skills and creativity of the country's population to enable them respond to opportunities in an environment of relative stable macro-economic and political conditions. This provides a means of confronting the development challenges facing Ghana. The resultant impact of the development plan should facilitate a more efficient and geographically balance population distribution and urbanization process in which town and country offer inter-related complementary services and lifestyles. Within this structure of enhanced rural-urban linkages, urban centers will serve as 'engines of change' in facilitating an agricultural development-led industrialization process.

The development plan outcomes are required to transform the structure of the Ghanaian economy and accelerate socio-economic growth to meet the country's vision of achieving middle-income status as well the goals and targets of the Millennium Development Goals (MDGs) by the year 2015. However, for Ghana to achieve middle-income status by 2015, it is estimated that the economy needs to grow at about 8 percent per annum. Given the growth rates in the agricultural sector, unless there is a dramatic increase in the growth rates of the other sectors such as industry, middle-income status by 2015 might prove elusive. The relative shares of agriculture and industry in national output demonstrate Ghana's in ability to restructure the economy, thereby making the progression from relative stability to higher growth a daunting task. On the MDGs, though some progress had been made, achieving the goals and targets of the MDGs by 2015 would require additional effort particularly in the areas of access to social services (health, education, etc) and reducing maternal mortality.

The last 20 years have seen real GDP growing at a steady state of about 5% per year. This translates to an annual per capita GDP of about 3%. At this rate Ghana will need about 25 years to double its real per capita GDP, which currently stands at about US\$450. The number of years required to double per capita GDP can be reduced by about half (to about 13 years) if the annual real per capita GDP growth can be increased to about 6% (i.e. real GDP and population growing at about 8% and 2% respectively).

This development plan aimed to put in place strategies over a ten-year period to rapidly transform the structure of the Ghanaian economy while accelerating poverty reduction by achieving a poverty incidence of less than 8 percent in 2015. More importantly, the development plan seeks to integrate and harmonise otherwise disparate development agenda and sectoral development plans into one development plan. In particular, the Growth and Poverty Reduction Strategy (GPRS II) is anchored in the 10-year development plan. The GPRS II forms a medium term plan of the 10-year development plan.

The 10-year development plan (2006-2015) focuses on four key areas;

- Industrial development for a small open economy
- Modernizing agriculture
- Human capital development for structural transformation of Ghana's economy
- Human settlement for a changing economy.

In view of the discussion above the goal for the medium-term development plan will be to accelerate the process of structural transformation of the Ghanaian economy while reducing poverty incidence of 39.5% in 1998/99 to less than 8% in 2015. The goal and strategies of the development plan will take cognizance of the goals and objectives of Ghana's Growth and Poverty Reduction Strategy (GPRS II). The plan will seek to support and reinforce the GPRS II while accelerating the pace of structural transformation of the Ghanaian economy and poverty reduction.

## **Chapter 2: A REVIEW OF SOCIO-ECONOMIC PERFORMANCE, 1995-2005**

The management of the macro-economy of Ghana has seen marked improvement over the last 10 years. Inflation has generally declined over this period from a level of about 71 percent in 1995 to 40.5 percent in 2000 to about 15 percent by the end of 2005 (see Table 1). The Gross Domestic Product (GDP) growth, which has averaged about 4.7 percent over the ten-year period, has been consistently increasing over the last 5 years. From 2001 to 2005, the Ghanaian economy has maintained a relatively high average growth rate of 5.1 percent. The estimated rate for 2005 GDP was 5.8 % in spite of the surge in world crude oil and other petroleum product prices. This has resulted in an increase in the rate at which output per head is growing.

**Table 1 Selected Macroeconomic Indicators**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Real GDP Growth	4.0	4.6	4.2	4.7	4.4	3.7	4.2	4.5	5.2	5.8	5.9
Real GDP per Capita	1.0	1.7	1.6	2.4	2.4	1.9	2.4	2.7	3.3	4.0	4.1
Inflation (end-period)	70.8	32.7	20.5	15.8	13.8	40.5	21.3	15.2	23.6	11.8	14.8
Gross Domestic savings (% GDP)	11.6	13.2	4.2	10.3	3.9	5.4	7.0	7.7	11.3	----	----
Gross National savings (% GDP)	21.1	20.3	23.8	22.4	20.5	23.1	27.1	18.8	21.9	----	----
Gross domestic Investments (% GDP)	17.6	18.1	10.4	18.0	9.9	15.2	23.1	20.2	27.5	----	----

Source: World Development Indicators (2005) and various editions of the Government Budget Statements

In spite of the improvements in the macro-economy, the response of gross domestic savings has been low. By 2003, gross domestic savings remained at about 11.3 percent (of GDP), compared to the 1995 level of about 11.6 percent. Investments have however increased. From a level of about 17.6% of GDP, it fell to about 10% in 1999. This downward trend was however reversed after 1999 and by 2003, it had reached a level of about 27.5%.

Since 2001, significant progress has been made towards the realization of macro-economic stability. Besides the fall in inflation, interest rates and prime rate have also declined. The prime rate was reduced from 24 percent in 2003 to 15.5 percent by the quarter of 2005. This decline in the prime rate has been accompanied by consequential reduction in the rates on other money markets including the 91-day treasury bill.

The relative macro-economic stability is also evident in the foreign exchange sector. The cedi has been relatively stable against major international currencies. Its cumulative depreciation was only 0.87 percent against the US dollar at the end of 2005 compared to 49.8 percent in 2000. The 2005 depreciation figure of 0.87 percent of the cedi against the US Dollar is the lowest since the foreign exchange market was liberalized. In 2005, the cedi appreciated by 10.7 percent and 13.3 percent against the British pound sterling and the euro respectively.

## **Economic Performance by Sector**

### ***Agriculture***

Agriculture remains the largest contributor to GDP, with a 42.7 percent share in 2005. This is followed by the services and industrial sectors. Within the agriculture sector, the cocoa sub-sector remains the largest contributor in the sector. It is expected that as an economy develops, the share of agriculture in GDP should decline but this has not been the case for Ghana, thus providing

evidence of the lack of structural transformation in the economy. Indeed, agriculture's share in total GDP grew by 0.2 percentage points in 2005.

The slow growth of the agriculture sector is due to the stagnation of technologies and in some areas the wide gender inequalities in access to and control over land and agricultural inputs, including extension services as well as adverse environmental factors such as climate variability and land/soil degradation. These continue to be challenges posed to the growth potential of the agricultural sector.

### ***Industry***

The industrial sector for the past decade (1995-2005) has exhibited low performance. A growth of 5.6 percent in 2005 brought the industrial sector's 10-year (1995-2005) average growth rate to about 4.9 percent. With the exception of the construction sub-sector, the 10-year average growth rate of all the other sub-sectors was below the overall average of 4.9 percent.

Despite the 5.6 percent growth in 2005, industry's share of national output stayed at 24.7 percent for a second year in a row, the lowest since 1999. All sub-sectors of industry showed similar trends. Manufacturing, the engine meant to pull the economy towards middle-income status, rose by just under 1 percentage point in 2005.

The continued poor performance of the manufacturing sub-sector is due largely to high costs of production and the influx of cheaper imports. While the liberalization of trade has increased access to imported inputs, weak enforcement of laws and regulations at the nation's entry points has resulted in increasingly unfair trade practices. As a result, locally manufactured products have become increasingly uncompetitive both in terms of price and quality.

### ***Services***

From its earlier growth in the 1990s, the service sector growth has declined in recent years. The sector, however, grew by 5.4 percent in 2005, an improvement on the 4.7 percent reported in 2004 and the highest rate since 2001. This gain was reflected in all the sub-sectors of the services sector. Transport, storage and communication, and the wholesale and retail trade/restaurant and hotels sub-sectors had growth rates of 6.0 and 6.1 percent respectively, the latter probably a result of the growth in tourism. The services sector is driven by wholesale and retail trade as well as restaurants and hotels sub-sectors, which together accounts for about 60 percent of the contribution of all services to total production in the economy.

The financial services sub-sector of the services sector has gone through some transformation since the last decade. The number of financial services institutions has increased with the introduction of legislations that have liberalised the sub-

sector. Although, the financial services sub-sector has made significant gains, especially between 2001-2004, this did not impact sufficiently on the agricultural and manufacturing sectors. In broad terms, Ghana has taken on the features of a present day industrialised country with a large services sector without having gone through the prior stage of developing the agriculture and industry base of the economy.

Generally, the financial institutions have considered local manufacturing and agricultural enterprises as risky undertakings; this is of particular concern because of the adverse effect on small-scale farmers, especially women who constitute the majority of the poor. On the other hand, the bulk of bank credit has been channelled to commercial activities, especially those involving import trade, at the expense of those sectors, which could potentially serve as growth points to lead the required accelerated growth.

## **Human Resource Development**

The development of a knowledgeable, well-trained, disciplined and healthy population with the capacity to drive and sustain the private sector-led growth strategy is key to poverty reduction and the attainment of middle-income status by 2015. In essence, human resource development is an integral part of the pursuit of rapid economic growth and poverty reduction. Considerable progress has been made over the last decade to improve the human resource base of the country, especially in the areas of education, health and, water and sanitation.

### ***Education***

The introduction of Free Compulsory Universal Basic Education (FCUBE) programme has contributed to increases in access to basic education mainly through the building of additional basic schools. In education, enrolment rates have increased in primary, JSS and the post-basic sub-sectors. Gender Parity Index (GPI) and survival and completion rates have all improved at the national level. Enrolment rates in deprived districts and the three northern regions have also shown marked improvement.

The Capitation Grant Scheme, a public scheme to remove levies, which inhibit access to school and retention rates and boost primary school enrolment was implemented in 2004/2005. As a result of the scheme, gross enrolment rates for primary schools in deprived districts rose from 76 percent in 2003/2004 to 80 percent in 2004/2005. However, the sudden rise of enrolment rates across the country has brought to the fore problems of classroom congestions, quality of teaching and learning, and general inadequate infrastructure in basic schools.

For second cycle education, access of Junior Secondary School graduates to secondary and technical schools remains a key problem. The transition rate from JSS to SSS is still around 40 percent. The low progression efficiency between

the two levels accounts for the high level of unemployment amongst the youth. This is because most JSS are without the skills to enable them secure jobs on the labour market.

In tertiary education, the sector is still dominated by public resources despite the growing number of private tertiary educational institutions. The past decade has witnessed a dramatic rise in the enrolment level at tertiary educational institutions in Ghana. However, against the background of the lack of expansion of infrastructure, the rise in overall tertiary enrolment is adversely affecting conditions in the public tertiary educational establishments.

A critical problem with tertiary education is the lack of, or inadequate link between universities and institutions of higher learning, and industry and professional bodies. This partly accounts for the low productivity in agriculture and industry, and the overall slow pace of social change. In recent years, questions have been raised about the quality of new graduates and the adequacy of their knowledge in the workplace. An active engagement of universities and, industry and professional bodies is required to enhance the efforts of both sectors to promote rapid socio-economic growth and poverty reduction.

### ***Health***

In the health sector, many indicators show that considerable progress has been made in the last decade in improving the health status of Ghanaians. The latest Ghana Demographic and Health Survey (GDHS), 2003, shows that life expectancy at birth has increased from 58 percent in 1998 to 60 percent in 2003. However, the infant mortality rate, the under-5 mortality rate and the neonatal mortality rate have worsened. Meanwhile, malaria remains the main cause of mortality and morbidity in Ghana, accounting for 22 percent of under-5 mortality and 40 percent of outpatient morbidity.

Access to health services, in geographical and financial terms, continues to be a major hurdle for a large percentage of the population. Access to health facilities, defined by the proportion of population living within one-hour travel time by any means from the health facility is about 60 percent for the total population (92 percent in urban areas and 45 percent in rural areas). Using a half-hour travel time, half of the population does not have access.

A Ghana Statistical Service study titled Poverty Trends in the 1990s indicated that increasing numbers of Ghanaians were not going to hospital or consulting well-qualified health personnel. The introduction of the National Health Scheme (NHIS) by government was to help reduce the financial health burden of households. However, there have been implementation problems with the NHIS, with only 21 percent of the population registered with the Scheme as at the end of 2005.



The health sector for the last decade has witnessed mass exodus of doctors and other health professionals. Over the period 1999-2004, about 448 doctors left the service, representing 54 percent of doctors trained in Ghana. The rapid lost of medical professionals in the health sector is threatening set health targets under the MDGs.

### ***Water and Sanitation***

Limited access to safe water remains a perennial problem in many Ghanaian communities. Currently, about 63 percent of urban dwellers and about 46 percent of rural dwellers have access to safe water. Many rural communities continue to rely on ponds and streams as their main source of water, resulting in undue exposure to guinea worm, bilharzias and other water-borne diseases. Although considerably better than rural water supply, urban water supply is generally less than satisfactory, especially in slums and other high population density areas where the capacity of water supply infrastructure has been overstretched. The problem is equally not better in the peri-urban areas of the fast expanding Ghanaian cities, where urban sprawl is outpacing infrastructure provision.

The provision of adequate sewage and sanitation facilities is less than adequate. The number of households with access to adequate toilet facility (flush, ventilated improved pit) is very low. Proper disposal of solid waste is also a major problem in peri-urban and urban communities as health hazards are created by urban drains, which are often choked with refuse and stagnant water.

A development plan strategy to boost productivity growth and changing the structure of the economy requires a planned effort to pursue vigorous human resource development. This is required to support a vibrant private sector led growth in agriculture and other growth-oriented sectors such as ICT, tourism and manufacturing. The provision of requisite skills and entrepreneurial know-how to healthy young people to enable them to access jobs in the labour is critical to socio-economic and poverty reduction. Skills and entrepreneurial gaps are evident in the labour market in Ghana given the constraints with school enrolment, quality and relevance.

### **Structure of Production in the Economy**

Notwithstanding the turn around of Ghana's economy, especially for the last five years, a closer look at the structural characteristics of the economy indicates that they have fundamentally remained the same. In other words, the historical structure of the Ghanaian economy shows hardly any change. The industrial sector since 1993 has relatively remained stagnant. In spite of the apparent policy emphasis on agricultural modernisation and industrial transformation, it is rather the services sector that grew the fastest, averaging 5.1 percent over period over the period 1995-2005, compared to 4.8 percent and 4.1 percent in the agricultural and industrial sectors respectively. It can be noted that the industrial

sector has contributed the least to growth over the 1995–2005 period. The not too strong performance of the manufacturing sector has been a key factor in the sluggish growth of the industrial sector.

As at 2005, agriculture remained the dominant sector contributing about 42% to GDP whilst services and industry contributed about 31% and 27% respectively. Indeed over the period 1995 – 2005, the contribution of agriculture to GDP declined marginally from about 42.7% to about 41.9% – a decrease of about 0.8 of a percentage point. The share of GDP due the services sector increased by about 0.6 of a percentage point. The share of industrial sector output due GDP also increased by about 0.2 of a percentage point. Clearly, for the structure of production to change, it is important that the industrial and services sector grow at an even faster pace than the agriculture sector and also much more than they performed over the period 1995 – 2005.

While a shift towards a more vibrant services sector could be considered as a positive sign for the economy, this is generally seen as less of a structural change than an indication of the direction of new short term capital flow to mark the end of stagnation. Manufacturing is required to spearhead the industrial sector, yet it is the only sub-sector of industry that did not have positive growth in the period 1995-2005. Furthermore, manufacturing has remained stagnant at an average 9.0 percent of GDP over the 10-year period. Its share of the industrial sector has also remained unchanged at 36.3 percent for the period, 1995-2005.

Compared to economies that have experienced higher growth, Ghana's economy demonstrates its lack of structural change by its agricultural sector having by far the highest contribution to GDP, and its industrial sector having the lowest, even falling below the average for sub-Saharan Africa. The current rate of growth of GDP and the overall economic growth fall short of what the country needs to attained middle-income status and to achieve the Millennium Development Goals (MDGs) by 2015. The answer lies in tilting the centre of economic gravity from a dominant agricultural base towards a mainly agro-based industrialization. The significance of structural change to economic growth may be derived from the findings that greater flexibility in economic structures leads to significant economic growth. Many development experts have long emphasized changing the economic structure as the main catalyst for socio-economic development in Ghana.

### **Chapter 3: MEDIUM-TERM DEVELOPMENT POLICY THRUST, OBJECTIVES AND DEVELOPMENT STRATEGY**

This 10-year development plan takes into account the government and national developmental goals and vision based on the proposition that Ghana has now positioned itself to attain the social and economic status of middle-income country by 2015. Ghana is also committed to the attainment of the anti-poverty

objectives of the United Nations' Millennium Development Goals (MDGs). A review of the socio-economic performance for the last decade (1995-2005) under chapter 2 indicates clearly that while significant progress has been made, especially in the last five years, the structure of the Ghanaian economy has hardly changed. In addition, the rate of growth in all sectors of the economy, particularly agriculture and industry is inadequate to propel the country to a middle-income status by 2015. Or even achieve fully the goals and targets of the MDGs by 2015.

Therefore, the main thrust of the medium-term development policies under the 10-year development plan will be to contribute to faster growth and development sustained by structural transformation of Ghana's economy. Agriculture remains the dominant sector in terms of its contribution to income, employment generation and economic output. Yet, the sector is bedeviled with a number of persistent bottlenecks, which inhibit productivity. Technological change to increase production has been very slow; most farmers still use only the cutlass and hoe, and production is still rain-fed making output very uncertain.

Nevertheless, the agriculture sector is key to making progress towards the strategic goal of accelerated growth as a means of wealth creation, poverty reduction and equitable social development. Indeed, in the Growth and Poverty Reduction Strategy (GPRS II) for 2006-2009, agriculture is to propel structural transformation by providing the necessary inputs for a vibrant, agro-processing industrial sector in the medium term.

The 10-year development plan seeks to promote agricultural development-led industrialization, with a focus on enhancing the productivity of human capital as a means to generate higher incomes and reduce dramatically the incidence of poverty. It aims at accelerating economic growth and poverty reduction by focusing policies and programmes to generate employment, among other things through agro-industrialisation. This will remove one of the bottlenecks to accelerated growth, that is, the over reliance of the country on primary export commodities, most of which are agro-based. The emphasis on changing the structure of the economy by diversifying the export base through agro-industrial exports will increase agricultural productivity, raise rural incomes and facilitate the attainment of the plan goal of achieving less than 8 percent incidence of poverty by 2015. This will concretize and actualize a development strategy much emphasized as desirable and feasible path to development in Ghana, but not given much attention.

Within the context of pursuing policies which contribute to faster growth and development sustained by structural transformation of the Ghanaian economy through agricultural development-led industrialization, the plan proposes the following five specific objectives:

- Facilitate swift accumulation of technological capabilities in industry and agriculture
- Mechanisation and irrigation as key factors in modernizing Ghana's agricultural sector
- Enhance the productivity of human capital as a means of generating higher income and reducing the incidence of poverty
- Facilitate the development of a human settlement pattern that facilitate access to national, regional and international markets for agricultural and industrial development as well as agro-industrial development.
- Support private sector development to actively invest in agriculture, industry and agro-industry.

The strategy for achieving the proposed objectives dwells on strengthening partnership between the public and private sectors in initiating investments in carefully selected sectors. In selecting the sectors for public and private investments, the main criteria for selection would be competitiveness and employment generating capacity of the selected sectors.

Strengthening the private sector in an active way is to ensure that it is capable of acting effectively as the engine of growth and poverty. This is to lead to the creation of wealth at a faster rate to dramatically reduce poverty and restructure the Ghanaian economy in a sustained manner.

A major facet of the strategy is to let the state facilitate the functioning of all factor markets, intervening where necessary to deal with market failure and remove structural constraints in order for the private sector to operate efficiently. In this context, the state's legitimate role in the creative management of the economy and the distribution of social and other appropriate public services is an essential component to this strategy.

The state's role in facilitating private sector investments in the agricultural sector of the economy is a key catalyst for the transformation of the national economy and a path to poverty reduction. The provision of economic and social infrastructure, land reform and incentives to the private sector by the public sector create an environment in which structural changes will be stimulated to the point of self-perpetuation. This development seeks to provide a coordinated and comprehensive approach to develop and to strengthen socio-economic activity systems through agricultural development-led industrialization by bring into close proximity, in terms of time and space, the four phases of economic activity, namely investment, production, processing and marketing. This approach will incorporate more human, physical and financial resources into the economy and significantly increase choices.

The change of the dominant subsistence agricultural economy into a dynamic, entrepreneurial and profitable business with strong links to industry, spearheaded by the private sector will bring about structural change and change to the space economy of Ghana. Appropriate macroeconomic policies supported by

respondent sectoral strategies will lead to structural changes in economic and social linkages and geographical patterns of urbanization. Growth-oriented economic and social policies, decomposition of power and appropriate investment strategies oriented towards competitiveness and employment-creating capacity will bring about radical transposition. This will ultimately leads to the faster growth of the national economy based upon the optimum use of human and natural resources, and the attainment of planned poverty reduction incidence of less than 8 percent by 2015.

To achieve set targets in the 10-year development plan to accelerate the process of structural transformation of the economy while reducing the incidence of poverty within the planned period requires effective implementation of planned strategies. This implies pragmatic, deliberate, synergistic and strategically sequenced of planned development strategies that provide maximum impact within the shortest possible time notwithstanding limited national resources.

Synergistic approach to development strategies ensures that policies, programmes and projects under the plan achieve multiple objectives with maximum impact. This means a conscious effort in carving development policies, programmes and projects. Policies, programmes and projects that satisfy the condition of ensuring that outcomes cut across sectors, groups and regions are preferred to those with relatively narrow outcomes and impacts.

Deliberate implementation of planned programmes and projects requires that these are managed carefully, monitored and evaluated effectively to enable the achievement of planned targets. This also entails that plan, programme and project managers are made accountable for their stewardship with appropriate sanctions meted out for non-performance.

Strategic sequencing of policies, programmes and projects is important because each development effort pursued should have a maximum impact within the available annual resource constraint and a logical sequencing framework. Therefore, policies should be foundational in nature should be undertaken first to set the stage for those that are necessary to thrust the economy along an accelerated growth and structural transformative path.

#### **Chapter 4: INDUSTRIAL DEVELOPMENT FOR A SMALL OPEN ECONOMY**

In spite of the stable macroeconomic environment, industrial development in Ghana over the years has been increasing at very moderate rates. Within the period of 2003-2005, the industrial sector increased from 5.1% to 5.6% (an increase of only 0.5 of a percentage point). This moderate growth falls short of the level required to achieve the Millennium Development Goals. Structural factors has been one of the main factors accounting for this moderate gains in the industrial sector. According to UNIDO's industrial development report for 2005, transformation of the industrial sector cannot be achieved solely by market-

based objectives, macroeconomic stability, the rule of law and functioning markets. Growing the manufacturing sub-sector and the industrial sector as a whole requires a strategic plan with integrated policy interventions shaping agro-based industrialisation and well-coordinated external sector in order to achieve high and sustained economic growth and a great reduction in poverty.

Ghana needs to have a clear industrial development program that will seek to make manufacturing the core of the economy (50% of the total output) within the next ten years. The key to doing this is to strategically identify key sectors and sub-sectors, largely linked to agriculture, but not solely, which will receive and focus investment attention. This chapter identifies such sectors on the grounds of competitiveness and employment-generating capacity, and the kinds of support required from the public and private sectors to get them operational. The development of relevant supportive and productive service sector activities is a part of the programme for employment generation and making the selected sectors competitive.

Mindful of international trading requirements, the approach to industrial development dwells on assistance that the public sector can provide to facilitate investment by private sector by reducing the cost of doing business. The approach is free from ideological biases, taking pragmatic steps to partner with the private sector, where necessary, in creating competitive industries.

Infrastructural development to support structural transformation requires major attention here. The targeted provision of reliable infrastructure is a key strategy under the plan. Appropriate ways of developing public-private partnerships in the area of energy, water, roads and telecommunication is major component of the plan.

The manner in which provision of basic infrastructure services is dispensed to meet the demands of the public and business affects the level of economic activities and the overall development of a nation. All sectors of the economy including industry and agriculture cannot function effectively without adequate provision of water, roads, telecommunication and energy. Developing infrastructure capacity will tremendous benefit industry and ensure rapid economic growth, poverty alleviation and environmental sustainability – allowing the objectives and goal of the development plan to be achieved by the end of the plan period.

Despite tremendous government efforts at upgrading the infrastructure base of the country to support the industrial sector, growth in infrastructure is still scanty. Average growth in electricity and water supply from 1995–2000 was 4.22% compared to 4.9% for the industrial sector as whole within the same period. To address this imbalance, the 10-year development plan (2006-2015) aims to focus attention on infrastructural development to support structural transition within the economy. The targeted provision of reliable infrastructure to support industrial

development leading to growth and poverty reduction will be a key strategy. Appropriate ways of developing public-private partnerships (PPPs) in the area of energy, water, roads and telecommunication is a key component of the 10-year plan for poverty reduction.

PPPs in infrastructure provision to support sectoral development combines the best of the public and the private whilst limiting the shortcomings of exclusive public and private productions. PPPs have many benefits including mobilization of productive capital for public good as well as leading to transfer of private sector knowledge, skill, and technology. On the public side, it brings about efficiency in the provision of public services. In combining public and private efforts for infrastructure provision leading to industrial growth and expansion, great effort is required especially of the public sector to provide the conducive or enabling environment (relatively stable economic and political environment and the enhancement of regulatory mechanisms) to attract private investment.

One of the greatest challenges facing PPP's in infrastructural service provision is the need to reconcile government socio-economic objectives and responsibilities on the one hand and at the same time preserving the interests of private investors on the other hand. In addition, private companies also need to be convinced that investing in infrastructure provision in the area of water, energy, transport, road and telecommunication offer more attractive returns than other viable investment opportunities. The 10-year development plan overcomes this hurdle by:

- Creating the right conditions and mechanisms for multiple accountability and efficiency of service providers
- Promoting private sector participation as a means of increasing investment in infrastructure provision as well as enhancing efficiency and performance

***Specific medium-term strategies to promote and support agro-industrial development are as follows:***

In line with the long-term vision of the plan of making Ghana an agricultural development-led industrialised country by the end of plan period, the interventions to modernise agriculture will be complemented with appropriate interventions in the industry sector:

- Increased agro-processing: promote and support the processing, preservation and utilisation of crops, animals and fish products; develop and promote the use of standardised packaging materials and institutionalise the use of weights and measures; facilitate establishment of small-scale agro-processing industries for export, promote the establishment of fish storage facilities, including community level facilities; and facilitate the establishment of small-scale fish processing industries.

- Accelerate growth of small and medium-scale manufacturing industries through among others, the diffusion of appropriate technologies and vibrant training programmes.
- Facilitate access to export markets: provide concessionary export finance facilities to exporters; promote competition in air cargo handling; encourage private sector investment in construction and operation of cold chain facilities; facilitate private sector provision of well organised container terminals with security, equipment, effective operators and computerised tracking; improve multi-lateral trading environment by fully participating in negotiations and rule setting to secure national interests; create a fair, transparent and equitable trade regime; and facilitate regional trade through Ghana's borders to reduce costs and improve ease of trade.
- Increase industrial output and improve the competitiveness of domestic industrial products: mobilise domestic and international resources for production of value-added products; enhance industry access to productive infrastructure (roads, water, telecommunication, electricity, etc); promote efficient management practices in production systems; promote the use of local products and services in government procurement; actively promote made in Ghana products within domestic and international markets; ensure the removal of technical barriers in the way of key current and potential export products; and assist exporters to comply with international standards required by selected export markets.

Other interventions to increase industrial output and improve the competitiveness of domestic industry include: facilitate the development of commercially viable export and domestic market-oriented enterprises in rural areas; promote industrial sub-contracting and partnership exchange through a mechanism whereby large industrial companies outsource their non-core activities to small and medium-scale enterprises (SMEs); facilitate the identification of areas of interface and linkages between large and small-scale enterprises; and promote the development of the craft industry, targeting those with potential for export.

- District industrialisation programme to facilitate decentralised industrial development in Ghana: Provision of seed capital to Ghana's 138 administrative districts to establish a flagship industrial project; promote and support cottage industries; and small-scale agro-processing.

To facilitate improved industrial productivity, particularly agro-industrial development, supporting services to complement the specific strategies in the industrial sector will be strengthened. The overall aim is to reduce cost of production and to make industry productive and competitive:



- Transportation: improve transport infrastructure (road, rail, air and water) to reduce cost and time of movement to industry
- Energy: provision of reliable, affordable and safe energy supply to industry. Interventions here include: promote and encourage private sector participation in the energy sector; diversify the national energy mix by implementing programmes to support renewable energy sources in Ghana (hydro, wind, solar, etc).
- Science and technology: promote and support the adoption of appropriate technologies with the capacity to improve productivity and efficiency in industry, especially for micro, small and medium-scale rural enterprises; promote research and development in industry; build relevant linkages between research and production to ensure that research outputs are utilised; provide institutional and regulatory framework to promote the development of science and technology.

## **Chapter 5: MODERNISING AGRICULTURE**

Agriculture has been and remains the dominant sector in terms of its contribution to income, employment generation and economic output. If the agricultural sector is to propel structural transformation as spelt out in the 10-year development plan, there is the need to modernize the sector. The purpose of modernizing agriculture is to make the sector more competitive through the use of more modern and feasible technology. The productivity of agriculture should be increased several times over in order to make any meaningful impact on poverty reduction. This requires streamlining the bottlenecks that militate against the agricultural sector.

Easy access and control of land inputs irrespective of gender, ethnic origin and geographical scale of operation need to be promoted. This will be facilitated by the current Land Administration Project (LAP), which seeks to streamline land access in Ghana. Credible security of access to land such as legal title and enforcement, or through informal mechanisms such as community recognition and enforcement of rights, is necessary for attracting investment.

Easy access and control of land alone cannot guarantee the needed growth and transformation in the agricultural sector. Majority of Ghanaian farmers still work at a low level of mechanization, tilling the land with hand tools and transporting their produce by head load. While agriculture will not immediately shed excess labour, the plan's approach is to make current labour more productive through the provision of other factors including technology and capital. These will enhance output of the current labour force and hence income. Mechanization is one of the major factors in the modernization of Ghana's agricultural sector. More efforts

should be made to make more tractors available to individuals and farmer groups at affordable prices. The tractors apart from ploughing will also facilitate the carting of farm produce to marketing centres.

The 10-year development plan (2006-2015) therefore recognized the need for greater supply and use of modern, improved and cost effective inputs such as seeds, fertilizer and equipment. Further, special interventions are required under the plan to improve access to affordable credit by farmers with special emphasis on increasing the proportion of women than can gain access to credit. Farmer-based organizations will be established and promoted to enhance access to group credit and other crucial inputs and services. With the removal of obstacles to land acquisition constraints, it will be possible for individuals to access to credit by using land resources as collateral. In addition, there will be an increase in the proportion of males and females that have access to extension services.

Ghana's agricultural sector is still basically rainfed. Rainfall is unreliable with regard to its onset, duration, intensity and amount, and can disrupt food crop production. The provision of irrigation infrastructure is an antidote to the erratic rainfall pattern. In the past, the emphasis was on development of large dams to the neglect of small scale interventions such as dug-outs, hand-pump systems, valley bottom schemes etc, which have the potential to reach smallholder farmers and are best suited for certain geographical areas. Irrigation infrastructure is to be expanded especially in the drought prone areas of the three northern regions. Land reforms that ensure equal access to irrigated land for men, women and persons with disability will be promoted under the plan.

Post harvest loss of agricultural produce is a major problem in Ghana. In this regard, it is imperative to promote the processing, preservation and utilization of crops, animal and fish products to ensure food security for all and increase the access of the poor to adequate food and nutrition. This will in line with the 10-year development plan's intention of making Ghana an agro-industrial nation in the next ten years. There will be value addition to agricultural produce by ensuring proper packaging and quality standards.

The approach to drawing, more investment into agriculture will focus on partnership between large private corporations, the state and small holders with a view to reducing the risks that each category of investors faces. Agricultural capital investment will have to rise from the less than 5 percent of the total national investment to over 20 percent initially before declining with time. Creating a strong link between agriculture and industry will be a major objective here.

The significance of infrastructure development for the agriculture modernisation programme is high. The emphasis on relevant and productive infrastructure is to ensure that public investment will be prioritized with a view to maximizing the returns to agricultural production. The provision of rural roads with a view to

strengthening the links between production points and processing points/markets are stressed here. The provision of storage facilities, energy, and primary processing facilities is pursued in partnership with the private sector, local communities and local government bodies. Bringing new knowledge into agriculture is a major strategy under the plan's strategy to modernise agriculture, and promote agricultural development-led industrialisation.

***Specific medium-term strategies to modernise agriculture are as follows:***

- Land acquisition and property right reform: Emphasis of the land reform will be to streamline existing variations in access and control over land in different communities. This is to promote easy access and ensure equity to all, especially usufructory holding as well as improve the system of land registration to protect the interests of smallholders. In addition, the establishment of agri-business zones and land banks will be promoted.
- Accelerate the provision of irrigation: Specific emphasis on irrigation will involve the development of both large and small-scale dams (dug-out wells, hand-pump systems, valley bottom schemes), which have the potential to reach small-scale farmers and best suited to certain geographical areas. It will also involve the rehabilitation, expansion and promotion of existing irrigation facilities and infrastructure.
- Enhance access to credit and inputs for agriculture: To overcome small holder farmers access to credit from the formal banking sector, special initiatives will be put in place to make credit accessible to farmers, especially women. Efforts will also be made to promote and support the establishment of farmer-based organisations to enhance access to group credit and other farm inputs and services.
- Selective crop development: Focus here will be promoting and supporting the development of key selected crops with proven potential to contribute to domestic food security, agro-industry and export. Some of the key initiatives will include: developing and multiplying new and improved seeds, promoting soil fertility management systems and ensuring the integration of pest and disease management system.
- Livestock development: Emphasis here will be on the provision of improved breeds of livestock, animal feed quality control system, improve animal husbandry practices and promotion of efficient veterinary public health system.
- Agriculture mechanisation: Whilst promoting mechanisation in large-scale farming, emphasis will also be given to the development and use of small-scale technologies that target smallholder farmers, especially women in the area of tillage, storage and processing of farm produce.

- Access to extension services: Emphasis is on expanding the coverage and effectiveness of extension services in general, with special attention to be given to commodities targeted to lead accelerated growth in the agriculture sector. In terms of geographical coverage, special attention will also be given farmers (men and women) in transition and savannah zones of the country.
- Aquaculture infrastructural development: To reduce over-dependence and over-exploitation of marine fisheries, the 10-year plan propose a strategy to scale up investments in inland fisheries, especially aquaculture. Key interventions include: development of fish hatcheries; promotion of private investment in aquaculture; utilisation of irrigation systems and other impounded reservoirs for aquaculture. These interventions will be supported by research and development aimed at promoting modern technological packages in support of aquaculture.
- Restoration of degraded environment: The intended interventions here are aimed at restoring the degraded natural resources especially water and land, ensuring sustainable use of natural resources for economic growth, and protecting and conserving unique habitats, natural treasures and biodiversity. Strategies formulated will seek to promote the use of environmentally friendly technologies and practices in land and forestry, fisheries and industry.
- Agricultural marketing: development of farmer-based organisations capable of securing fair prices for products; development of satellite markets in urban centres to provide outlets for rural farmers to dispose off their products; encourage the private sector to set up produce buying companies; and promote and support product development and cold chain establishment.

To facilitate improved agricultural production, supporting services will complement the specific strategies in the agriculture sector:

- Transportation development (to facilitate easier access of produce to national, regional and international markets) and help integrate rural economies with that of the urban.
- Application of science and technology in agriculture through research and development. This is to promote the adoption of appropriate technologies with the capacity to improve productivity and efficiency in agriculture for accelerated economic growth and social transformation.

## **CHAPTER 6: HUMAN CAPITAL FOR STRUCTURAL TRANSFORMATION**

Building human capital to derive significant returns in the medium-term to long-term is the main human development objective of the 10-year development plan. The main goal here is to ensure the development of a knowledgeable, well trained, disciplined and healthy population with the capacity to drive and sustain the private sector-led agro-industrialisation development strategy. To produce quality work force also entails enhancing the population access to health care, safe drinking water, sanitation and decent accommodation.

In this direction, this chapter of the 10-year development plan seeks to develop policies and strategies to achieve the following at the end of the plan period:

- Reduce by half the current level of unemployment;
- Reduce considerably the level of underemployment) in the public sector, private formal and informal sectors;
- Improve considerably skills acquisition for all sectors of the economy;
- Improve access to all levels of educational facilities as well as the quality of education for all socio-economic groups in all geographical areas;
- Improve access to health care facilities as well as the quality of health care for all socio-economic groups in all geographical areas;
- Enhance the participation of women in all aspects of Ghanaian life and;
- Develop acceptable forms of social services delivery in the areas of housing, sanitation, feeding and care of the disadvantaged poor.

The goals and targets envisaged in the plan period go beyond the social development goals of the MDGs. The plan takes on board the most important lesson of contemporary economic history, that is, the quality of a country's workforce is the single most crucial key to the attainment of economic success. This implies a workforce, which is equipped with more than the basic levels of educational attainment as defined in the MDGs. This is important to provide a labour force with the requisite know how and skills to support an economy which can realistically aim to achieve rapid economic growth and structural transformation.

The plan also seeks to remove inequalities and disparities in the access and utilisation of basic services, particularly health and education, among socio-economic groups as well as geographical locations. The aim here is to remove gender and spatial inequalities with respect to the access and quality of basic services, particularly health and education available to Ghanaians.

To sustain growth in the agricultural development-led industrialization development strategy and accelerate poverty reduction at the end of the plan period, entails great improvements in the production techniques. These are required to achieve more efficient production of larger quantities and high quality goods and services in the growth sectors of the economy. This requires a labour force with modern scientific and technological knowledge and ICT culture capable of meeting competitive demands of markets.

***Specific intervention strategies in the medium-term in key areas of human resource development will include:***

*Education*

- Increase access to and participation in education and training
- Bridge gender gap in access to education
- Improve the quality of teaching and learning
- Improve the quality and efficiency in the delivery of education services
- Promote science and technology at all levels of education

*Training and Skills Development*

- Provide and support skill and entrepreneurial training
- Establish and/or strengthen links between tertiary educational establishments, industry, professional institutions/associations and similar bodies. The aim here is to facilitate research and development (R&D), and to quicken the pace of socio-economic development and rapid poverty reduction:
  - human resource development to promote the country's socio-economic development needs through education and preparation of the youth to meet the manpower needs of government and industry,
  - retraining of the existing workforce to meet technological and market needs of industry in order to enhance competitive advantage and;
  - conducting research that has immediate bearing on the development problems and needs of Ghana.
- Strengthen and support human resource training institutions

*Sports Development*

- Build coalition and partnership in sports development
- Promote national integration and unity
- Promote international friendship, solidarity and cooperation

*Health*

- Improve access to health care
- Bridge equity gap in access to quality health and nutrition services
- Ensure sustainable financing arrangement that the poor and vulnerable groups
- Strengthen efficiency in service delivery
- Strengthen malaria control through

- improving malaria case management
- enhancing multiple prevention
- improving partnership and close collaboration among health departments, government, communities, traditional healers and NGOs.
- Strengthen HIV/AIDS prevention and control through
  - reducing new HIV/STDs transmission
  - reducing the impact of HIV/AIDs related vulnerability, morbidity and mortality
  - enhancing the management of the national HIV/AIDs response

### *Population Management*

- Promote access to and utilisation of family planning service
- Educate the youth on sexual relationship, fertility regulation, adolescent health, marriage and child bearing
- Promote the integration of HIV/AIDs education into sexual and reproductive health programmes, delayed marriage and child bearing
- Promote compulsory education for children, especially the girl-child
- Promote compulsory and universal birth registration
- Strengthen the multi-agency coordination for population management

### *Safe Water and Environmental Sanitation*

- Accelerate the provision of safe water in rural and urban areas through the mobilization of new investment, extension of distribution network to low income and deprived areas, strengthening public-private partnership, enactment of building code requiring all buildings to include rain harvesting facilities and dissemination of information on safe water.
- Accelerate the provision of adequate sanitation through public-private partnership
- Improve environmental sanitation through public-private partnership

### *Disadvantaged, Vulnerable and Excluded Groups in Human Resource Development*

Intervention strategies for vulnerable and excluded groups seek to establish systems and provide resources which allow the full human potential of these group to be exploited for economic growth and sustainable social development. The needs of vulnerable and excluded groups cut across many sectors and their human resource development requires a coherent and integrated social protect strategy.

Besides education and health, strategies to reduce vulnerability and social exclusion includes:

- Integrated child development including intensified special programmes to eliminate the worst forms of child labour, child trafficking, child abuse, commercial sex exploitation of children, and child streetism.
- Strengthening the family
- Capacity development in social work and volunteerism through upgrading of skills; strengthening of existing training facilities engaged in the training of personnel in social work; and promoting and supporting community-based initiatives social welfare.
- Develop database on vulnerable and excluded groups at district, regional and national levels
- Institutional strengthening, linkages and coordination

## **Chapter 7: HUMAN SETTLEMENTS FOR A CHANGING ECONOMY**

Ghana is yet to develop an Urban Development Strategy (UDS) to replace the one put together by the World Bank and the Ghana government in 1993-94. This UDS has become little adapted to the complexity of the current urban problems, to the state of implementation of the decentralisation process and the emergence of extreme poverty in Ghanaian urban centres. The lack or absence of a new UDS or a human settlements strategy has undermined the policy coherence of the dozen or so ministries, departments and agencies involved in addressing urban ills and working at stopping the progress of poverty in Ghanaian towns and cities.

Also, there is neither a single Ministry nor a Directorate within any Ministry tasked with direct responsibility for human settlements (or urban development) in Ghana. The functions of such a Ministry or Directorate seem to have been subsumed in the responsibilities for urban development thinly spread among the Ministries of Local Government and Rural Development, Works and Housing, Tourism and Modernization of the Capital City, Lands and Forestry, Health, Environment, Town and Country Planning Department and others. As a result of the multiplicity of agencies involved in urban development, coordination and harmonisation of urban development issues have not been well organised, and the focus has also been missing.

Agriculture remains the dominant sector in Ghana, however, productivity has not benefited from economies of scale and urban economies have yet to benefit from a rising domestic demand from their respective hinterlands and revitalized local markets. Thus, many Ghanaian urban centres, especially those of medium size, fall back on their traditional role of central trading places, and stagnating cities eventually contribute to low agricultural productivity. Rural-urban linkages reflected in interactions and linkages, which reinforce both rural and urban economies are thus weak.



The expected functional leadership and transformative role of cities is inadequate in the context of Ghana. Amid deteriorating infrastructure and limited income-earning opportunities, Ghanaian cities continue to attract rural-urban migrants. At the same time, rural areas of the country lose tremendously as youthful potential labour sources are depleted and no significant incomes are transferred home from the city. The result is that the city is gradually being over extended in its supply of social and technical infrastructure while agricultural incomes in the hinterland fall together with a declining market and labour shortcomings.

Enhancing agriculture and industrial development requires more careful use of space, with attention paid to efficiency and equity. The market-based development strategy and emphasis on export-oriented commercial agricultural under the plan's agricultural development-led industrialisation calls for efficient economic linkages between producers and external markets. In this direction, urban centres are expected to play a key role in providing and linking their rural hinterlands with both domestic and international markets. Developing Ghanaian urban centres as nodes for markets and industry is of critical importance. This is because malfunctioning cities also have negative macro-economic consequences.

It is therefore important that Ghanaian cities are able to support rapid structural transformation and social change. In this direction, this chapter on human settlements in Ghana will address how best to develop an integrated settlement hierarchy within the following context;

- Develop the requisite institutional base for the effective coordination of all aspects of human settlements development
- Ensure planned and orderly development of all human settlements
- Provide for accelerated growth of small and medium-sized human settlement that are selected to provide infrastructure and services to support transformation of the rural sector within the framework of a hierarchy of service centres in order to exploit mutually reinforcing linkages between settlements and their hinterland.
- Improve poor living conditions in key settlements
- Ensure adequate provisioning of urban shelter through public-private partnership

In developing human settlements under the 10-year development plan, attention is paid to enhance the functional and structural characteristics of settlements. This means that each settlement within the national settlement hierarchy is assigned a specific role to play in the socio-economic transformation of the country. The provision of infrastructure is planned to enhance the relationship between centres and their catchment areas.

Specifically, under the plan, district capitals need to be strengthened to provide more than administrative services; and offer significant economic and cultural

services as well. It is these that will facilitate district growth and development, and transform the rural environment. This will promote a sound and balanced national settlement pattern and a broad-based rural development benefiting the majority of the people of Ghana.

The development of small and medium-sized centres is very important in achieving the 10-year development plan's envisaged rapid growth and structural transformation of Ghana's economy through agricultural development-led industrialisation. These centres' role as market centres link local producers to national and international markets, and thus facilitate the improvement of rural production and incomes; distribution of services which can decrease costs and improve access due to the proximity of services for both towns' residents and the rural hinterland population; locational advantages in terms of processing of bulky agricultural products and; as alternative attractive zones to potential rural-urban migrants, thereby reducing migration pressure on the large towns and cities. These roles of small and medium-sized towns become meaningful when related to the fact that a significant proportion of the population live in and/or around these, and depend on them for access to goods and services.

The achievement of the MDGs and other poverty-related goals require great improvement in service provision and delivery, most of which will be located in small and medium-sized urban centres. It therefore requires the formulation of policies on urban centres that facilitate rural-urban linkages which enable the utilisation of rural and urban resources by rural and urban households, enterprises and economies for rapid national growth and poverty reduction.

**Intervention strategies will include:**

- Strengthen capacity of metropolitan, municipal and District Assemblies (MMDAs) to contribute to economic growth of Ghanaian towns and cities by improving urban livelihoods through better planned urban growth, enterprise development, and enhance accessible, quality and equitable urban and peri-urban services –
  - improve socio-economic growth of urban settlements through better participatory management, job creation, public/private partnership and governance at local level;
  - improve livelihoods in urban and peri-urban zones through increased access to basic quality services and socio-economic infrastructure;
  - facilitate access to income generating activities through capacity building and strengthened urban small and medium-scale enterprise sector.

- Strengthen district capitals: This is to improve of the functional roles of these centres and foster the growth of a settlement pattern, which can support rural transformation, modernisation of agriculture and agro-industrialisation. Specific interventions here will include
  - implement District Industrialisation Programme (DIP) under which each district will be given seed capital to establish a ‘flagship industrial project;
  - improve transportation network;
  - establish of model hospitals and educational institutions;
  - develop market infrastructure to facilitate marketing of agricultural products.
- Slum upgrading and urban regeneration: strengthen the physical planning of urban settlements; enforce planning regulations and implementation planning schemes; enforce land use plans; promote urban infrastructure development and provision of basic services.
- Increase access to safe and affordable shelter: promote use of local building materials; streamline land acquisition procedures; encourage mortgage financing by financial institutions; and facilitate private involvement in the provision of rental accommodation

## Chapter 8: NATIONAL FRAMEWORK FOR IMPLEMENTATION AND MONITORING

This chapter of the 10-year development plan provides the general institutional framework for the implementation of the plan. It focuses on the role of the state in relation to government agencies, District Assemblies, the private sector, Ghana’s development partners and civil society organisations.

This 10-year development plan is a broad direction setting framework that will guide development activities for the next ten years. Its implementation will be the outcome of collective action from government, private sector, civil society, donor agencies and others. To the extent that government sets the pace with its development expenditures, the various ministries, departments and agencies (MDAs) of government become the basic units of the implementation framework. They will implement the plan by undertaking specific programmes determined by their mandates and in conformity with the objectives and strategies embodied in the plan. The private sector and civil society are expected to partner with public agencies to implement the plan.

A brief description of the role of various actors in the implementation of the 10-year development plan is outlined as follows:

### ***National Development Planning Commission (NDPC)***

As a central government agency, the National Development Planning Commission (NDPC) is established under Act 479 and Act 480 of the Local Government Act, 1993, to be the apex organisation in the decentralised development planning framework of Ghana. The NDPC task is mainly to guide central government on national development goals based on information it gathers from the district and regional levels. It has the task of coordinating, harmonizing and preparing comprehensive plans based on development plans from districts, regions and sectoral ministries. The NDPC is also responsible for the synthesis of all policy proposals into an integrated framework for national economic, social and spatial development.

For the implementation of this development plan, the NDPC will play the role of coordinator of national development plans as stipulated in Act 479. It will undertake this task by assisting MDAs to develop plans based on this development plan. The plans of the MDAs will be expected to be designed in such way as to achieve the broad goals and strategies outlined in this plan.

In addition to coordinating the development of action plans by MDAs, the NDPC will develop with the MDAs various monitoring arrangement that permit regular assessment of progress made. This will be largely done through liaising with the Policy Planning, Monitoring and Evaluation Divisions (PPME) of the various ministries. The NDPC will, however, assume the overall responsibility for the implementation, monitoring and evaluation of the plan.

### ***Central Government Ministries, Departments and Agencies (MDAs)***

It is recognized that a sector ministry represents each area of the national economy to which the policy document is directed at. The activities of the ministry will be developed and carried out by departments and other public agencies that report to it. At the lower level of districts, where most of the development programmes and project activities will take place, Metropolitan, Municipal and District Assemblies (MMDAs) are of critical importance for successful implementation of the plan.

Working through the PPME, each MDA will develop a medium-term plan and a set of project activities in line with the plan's goals and objectives. The PPME will also set up adequate statistical system for the MDA, develop specific indicators for all the projects that will ensue and use the indicators to monitor progress of work throughout the plan period. Each MDA is required to use its PPME to coordinate its activities. The PPME will also coordinate the MDA's activities with other MDAs and report on these regularly to the NDPC for central coordination.

### ***Metropolitan, Municipal and District Assemblies (MMDAs)***

The Local Government Act emphasized the adoption of the administrative district as the focal point of planning activity. While the preparation of a national development plan is the responsibility of NDPC, the responsibility for sub-national development planning is vested in the MMDAs operating through their Executive Committees and the Planning Coordinating Unit (PCU) of the MMDAs. The MMDAs are responsible for the overall development of their areas of jurisdiction, and are to ensure the preparation and submission to the NDPC for approval their development plans and budgets.

### ***Private Sector***

This 10-year development plan requires an active role to be played by the private sector. The plan objective is for the public sector to encourage and strengthen the private sector in an active way to ensure that the private sector act as the engine of growth. Under the plan, the private sector is to take the lead in modernizing agriculture and the process of agriculture development-led industrialization. The private sector would be also encouraged to widen the scope of its activities in the provision of social and technical infrastructure and greater participation in technology development. The approach of public-private partnership (PPP) will be the main strategy for enhancing private sector participation.

### ***Civil Society***

There is abundant evidence that without civil society involvement in the management of development initiatives, there is greater difficulty in garnering communities to participate meaningfully in such initiatives. Civil society thrives best when it acts as partner to the public and private sectors. Its role of providing information to development planners on the needs of communities and groups as well as project implementation is critical to plan success.

Civil society will be active partners in the preparation of district plans, helping to identify the development needs of localities, determination of objectives and the formulation of strategies in accordance with overall plan goal and objectives. Consequently, all the development projects of civil society bodies should be managed so that they lead to the attainment of the goals and objectives of the 10-year development plan.