



Republic of Ghana

**THE COORDINATED PROGRAMME OF
ECONOMIC AND SOCIAL DEVELOPMENT
POLICIES, 2010 – 2016**

*An Agenda for Shared Growth and Accelerated
Development for a Better Ghana*

**PRESENTED
BY**

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PRESIDENT OF THE REPUBLIC OF GHANA**

**TO THE 5TH PARLIAMENT OF THE 4TH REPUBLIC
DECEMBER 2010**



**H.E. PROF. JOHN EVANS ATTA MILLS
PRESIDENT OF THE REPUBLIC OF GHANA**

PREFACE

Madam Speaker,

On the 7th of January 2009, I swore an oath before this august House, which among other things requires me to be faithful to the Constitution of the Republic of Ghana and to fulfil all the responsibilities imposed on me as the President of the Republic.

One of the many obligations required of me by the Constitution is contained in Article 36 section 5, which states that:

“... within two years after assuming office, the President shall present to Parliament a co-ordinated programme of economic and social development policies, including agricultural and industrial programmes at all levels and in all the regions of Ghana.”

In fulfilment of this obligation, I have, with the support of my Government prepared “The Coordinated Programme of Economic and Social Development Policies” through which we intend to deliver to the people of our dear country the “Better Ghana” we promised.

In the true tradition of my Government’s social democratic credentials, this Coordinated Programme is a result of wide consultation and dialogue with all sections of our society during our historic door-to-door interactions in the period 2006 to 2008, and since we assumed office in January 2009. We have consulted with public sector agencies, Members of Parliament, private sector organisations and civil society as well as individuals in their homes, at their workplaces and in the markets, lorry stations and other public places throughout the country.

GUIDING PRINCIPLES

Madam Speaker, in designing the Coordinated Programme we were guided by the following:

- ❖ The Directive Principles of State Policy as contained in the 1992 Constitution;
- ❖ The imperative that it is through the execution of policies and programmes which bring about growth with equity that socio-economic development becomes inclusive and responsive to the needs of all Ghanaians irrespective of gender, social and economic backgrounds;
- ❖ The promises that we made to the people of this country upon which I was given the mandate to become the President of the Republic; and
- ❖ The desire to maintain and purposefully adapt policies and programmes of previous administrations to ensure policy stability for sustainable national development.

TIMEFRAME OF THE COORDINATED PROGRAMME OF POLICIES

Madam Speaker, even though my first term of tenure as President may be considered as medium-term, my faith in Ghana’s future inspired me to develop a Coordinated Programme of policies from a longer term perspective.

This approach makes it possible for us to focus on our long-term goal of equitable development in a viable and upwardly mobile middle income country that ensures that all sections of our society receive the required attention. As I stated in my last State of the Nation Address in February 2010,

“... We are putting together the building blocks of an ... industrial architecture to ensure that by 2016, we would have ... changed the country's economic paradigm - so that our dependence on traditional raw material exports of cocoa, gold and timber, will be a thing of the past.”

THE MAIN THRUST

The Coordinated Programme of Economic and Social Development Policies has been designed to give the necessary attention to the historical economic and social challenges that have worked against national development and which must therefore be redressed to set the required platform for a sustainable take-off of the economy that will support the delivery of social services to the people of this country regardless of the geographical location one finds oneself and their social and economic circumstances.

Madam Speaker, when my Government took over the administration of the country two years ago, the economy faced significant fiscal constraints and macroeconomic challenges. However, I am happy to state that we have since succeeded in stabilising the economy through prudent macroeconomic management. Fiscal deficits have been reduced; exchange rates are now stable; and inflation has been reined in to single digit. The progress made within the period has provided the necessary foundation and fiscal space for launching the transformation agenda.

The main thrust of this Coordinated Programme is to transform the economy for accelerated growth and job creation through accelerated human resource development, agricultural modernization, value-added processing of our natural resource endowments on the back of the new oil and gas resources and leveraging the multi-sector infrastructure platform outlined in this document.

Sub-regional political diplomacy will be enhanced to support Ghana's commitment to “Good Neighbourliness” to ease the implementation of existing and future ECOWAS and other international protocols. Government will vigorously pursue regional integration which will promote regional trade including investments in energy and other infrastructure, harmonisation of trade and investment regulations and policies, removal of non-tariff barriers and trade facilitation with a view to expanding the markets for our goods and services.

CONCLUSION

Madam Speaker, the implementation of this Coordinated Programme of Economic and Social Development Policies will be undertaken through Medium-Term National Development Policy Frameworks. The Ghana Shared Growth and Development Agenda (GSGDA), 2010 to 2013

covers the first phase of this Coordinated Programme. It will form the basis for the preparation of development plans and annual budgets at the sector and district levels throughout the country. This Coordinated Programme should be read alongside the Ghana Shared Growth and Development Agenda (GSGDA), 2010 to 2013 and other sector specific policy documents mentioned elsewhere in this document.

While Government will provide committed leadership in ensuring the implementation of this Programme, the achievement of the objectives depends on the collective effort of all Ghanaians, both at home and in the Diaspora. I am convinced that with the successful implementation of this Coordinated Programme, we would have taken a significant step forward in the march towards the realization of our collective long-term national vision of a free, just and prosperous society by the end of the tenure of my administration.

It is my expectation that this Coordinated Programme of Policies will be discussed by Parliament and that room will be created, if possible, for engagement to be established between respective Committees of the House and the corresponding organs within the Executive arm of Government with the view to reaching common grounds on the various policies espoused in the document. If we are able to accomplish this we would have laid the foundations for the development of medium to long-term economic and social policies which Parliament would have adopted for use by my Government and any subsequent Government.

I thank you, Madam Speaker, and look forward to a fruitful discussion that will bring to the attention of Government the views of the august House on the document.

Professor John Evans Atta Mills
President of the Republic of Ghana

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LIST OF ACRONYMS

ADR:	Alternative Dispute Resolution
AGOA:	Africa Growth and Opportunity Act
BOG:	Bank of Ghana
BRIC:	Brazil, Russia, India and China
BRT:	Bus Rapid Transit
CCDA:	Capital City Development Authority
CEDAW:	Convention on the Elimination of All Forms of Discrimination Against Women
CEDECOM:	Central Region Development Commission
CHPS:	Community-based Health Planning System
CHRAJ:	Commission on Human Rights and Administrative Justice
CMAs:	Central Management Agencies
COTVET:	Council for Technical and Vocational Education Training
CPI:	Corruption Perception Index
CSOs:	Civil Society Organisations
CWSA:	Community Water and Sanitation Agency
DACF:	District Assemblies Common Fund
DCEs:	District Chief Executives
DDF:	District Development Fund
DHMIS:	Districts Health Management Information System
DPCUs:	District Planning Coordinating Units
DPD:	Directorate of Public Defenders
ECDA:	Eastern Corridor Development Authority
ECOWAS:	Economic Commission of West African States
EOCO:	Economic and Organised Crimes Office
FASDEP II:	Food and Agriculture Sector Development Policy
FBDA:	Forest Belt Development Authority
FDI:	Foreign Direct Investment
FER:	Foreign Exchange Risk
FOAT:	Functional Organisational Assessment Tool
FP:	Family Planning
FSAP:	Financial Stability Assessment Programme
GDHS:	Ghana Demographic and Health Survey
GDP:	Gross Domestic Product
GER:	Gross Enrolment Ratio
GHG:	Greenhouse Gases
GHS:	Ghana Health Service
GIPC:	Ghana Investment Promotion Council
GIS:	Geographical Information System
GLSS:	Ghana Living Standards Survey
GMTDS:	Ghana Medium-Term Debt Strategy
GPRS I:	Ghana Poverty Reduction Strategy
GPRS II:	Growth and Poverty Reduction Strategy
GRATIS:	Ghana Regional Appropriate Technology Industries Services

GSDP:	Ghana Statistical Development Plan
GSGDA	Ghana Shared Growth and Development Agenda
GUTP:	Ghana Urban Transport Project
GWCL:	Ghana Water Company Limited
HIPC:	Highly Indebted Poor Country
HIRD:	High Rapid Impact Delivery
HIV /AIDS:	Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome
ICT:	Information and Communications Technology
IGF:	Internally Generated Funds
IRR:	Interest Rate Risk
LAP:	Land Administration Project
LEAP:	Livelihood Employment Against Poverty
LPG:	Liquefied Petroleum Gas
LUPMP:	Land Use Planning and Management Project
M&E:	Monitoring and Evaluation
MDAs:	Ministries, Departments and Agencies
MDGs:	Millennium Development Goals
METASIP:	Medium-Term Agricultural Sector Investment Plan
MiDA:	Millennium Development Authority
MM:	Maternal Mortality
MMDAs:	Metropolitan, Municipal and District Assemblies
MMDCEs:	Metropolitan, Municipal and District Chief Executives
MOH:	Ministry of Health
MPs:	Members of Parliament
NAMAS:	National Appropriate Mitigation Actions
NBSSI:	National Board for Small Scale Industries
NDAP:	National Decentralization Action Plan
NDC:	National Democratic Congress
NDPC:	National Development Planning Commission
NEPAD:	New Partnership for Africa's Development
NER:	Net Enrolment Ratio
NGO:	Non-Governmental Organisation
NPA:	National Petroleum Authority
OAU:	Organisation of African Unity
ODA:	Official Development Assistance
OPD:	Out Patient Department
PPME:	Policy Planning, Monitoring and Evaluation
PPP:	Public-Private Partnership
PURC:	Public Utility Regulatory Commission
PWDs:	Persons With Disabilities
RFR:	Refinancing Risk
RPCUs:	Regional Planning Coordinating Units
SADA:	Savannah Accelerated Development Authority
SFO:	Serious Fraud Office
SHS:	Senior High School

SMEs:	Small and Medium Scale Enterprises
STI:	Science, Technology and Innovation
SWA:	Sanitation and Water for All
TCPD:	Town and Country Planning Department
U5M:	Under-Five Mortality
UN:	United Nations
VAT:	Value-Added Tax
VOC:	Vehicle Operating Costs
WAMZ:	West Africa Monetary Zone
WCDA	Western Corridor Development Authority
WIFA:	Women In their Fertility Ages
WRC:	Water Resources Commission

EXECUTIVE SUMMARY

“We will work together to fashion out the appropriate policies that will help our nation face and overcome her many challenges in these times of great uncertainty”.

President J. E. A. Mills, State of the Nation Address, 2010

A. The National Vision and Purpose

Ghana’s long-term vision of a just, free and prosperous society in which citizens are able to pursue and enjoy decent lives and incomes, will be given a quantum leap over the period 2010-2016 with the medium-term vision of a shared growth through accelerated job creation, integrated industrial development and agricultural modernisation. The programme of policies driving the national vision will ensure that an annual minimum average real GDP growth rate of 8.0% will be achieved to guarantee the attainment of a per capita income of at least US\$3,000 by the year 2020. This national vision will re-orient our policy strategy for the pursuit of the long-term development of the nation. In the medium-term, it will inform Government’s policy choices and implementation approach to deliver a “Better Ghana” for all our citizens. In the long-term, it will deliver an industrial economy with sustainable quality jobs.

The immediate objective is to bring Ghana closer to the long-term vision of a society in which:

- We can expect that extreme forms of deprivation, such as hunger, homelessness, and poverty, shall be a thing of the past;
- Economic growth will be environmentally sensitive and public policy will ensure that it is equitable across sectors, administrative regions, and socio-economic groups;
- The economy is driven by industrial production with full participation of Ghanaians in a stable macroeconomic environment;
- Healthcare is available and affordable, and education prepares people for purposeful life; quality jobs are created for a well trained and employable youth;
- Science, technology and innovation underline the solution of the nation’s problems to speed up advancement; and
- Ghanaians, regardless of socio-economic status, gender, belief or persuasion can participate in and equitably share the benefits of national progress.

The development journey has over the years and under various Governments since independence faltered on critical outcomes. The improved growth performance in recent years has not reflected in sustained improvement in quality of life and human development. Unemployment remains a critical social and economic issue. The pattern of growth has varied significantly by sector, and been inconsistent annually. This has reflected in the patterns of income poverty over the period and the generally poor quality of life of the people, exemplified by poor educational outcomes, inconsistent health outcomes and inadequate job creation in different sectors and poor living conditions in some towns and villages, especially those outside of the regions that have seen declining poverty.

This strategic blueprint will tackle the seemingly intractable development challenge head-on. It will drive sectoral and district programmes over 2010-2016 to build the foundation to propel Ghana to the per capita income of at least US\$3,000 by the year 2020. It will launch a major assault to break the back of the hitherto intractable development challenge with a transformation agenda driven by an amalgam of strategic initiatives embracing agricultural modernisation, infrastructure development, and integrated industrialization, funded through innovative financing combining public and private sector resources, and bilateral state-to-state arrangements, on the back of strategic exploitation of the newly discovered oil and gas and other natural resource endowments.

B. Fundamental Challenges and Constraints

In order to fully harness the energies of all Ghanaians and resources to push the transformation agenda for a “Better Ghana”, the fundamental challenges and constraints in the economy and national orientation must be overcome, namely: political consensus; continued macroeconomic stability; science, technology and innovation; institutional limitations; infrastructure bottlenecks; resource constraints; socio-cultural dynamics; climate variability and change; and the knock-on effects of global economic developments.

Political

Ghana appears to be polarised and every issue of national importance is viewed from the partisan political perspectives of individuals and groups rather than the collective national interest. The impact of this polarisation of issues is the diversion of attention from pertinent social and economic issues. The challenge is to make the national interest the accepted objective of all groups and sections of society by forging a common understanding and a united front to address pressing national development issues and challenges. To sustain and deepen democracy and democratic institutions, peace and security must be maintained to guarantee a stable political environment.

Macroeconomic

With the prospect of additional revenues from oil and gas exports, a critical challenge would be how to manage the impact of the proceeds to avoid the incidence of ‘Dutch disease’ through exchange rate appreciation that manifests in an increase in the imports of consumption goods and subsequently of inflation, and how to sustain the current stability in prices and exchange rates. The equitable distribution of the benefits from growth poses pertinent, even if subtle, challenges to the sustainable development of the nation. High levels of unemployment, underemployment, disguised unemployment and accompanying incidence of poverty especially along ecological zones constitute a threat to national cohesion, peace and stability, and require action to create sufficient jobs especially for young people in poverty endemic areas.

Science, Technology and Innovation

Accelerated growth requires the adoption of improved technologies through the diffusion of science, technology, innovation and entrepreneurship to drive the development of ideas that will

support productivity and creation of new products. To infuse science, technology and innovation in all spheres of national life to raise production and productivity in all segments of the economy, more resources need to be pumped into science, mathematics, technology, entrepreneurial and vocational education to support the long-term adoption of a purposeful scientific approach to the resolution of problems at both the individual and institutional levels.

Institutional

Political, legal and administrative challenges continue to impede public services and also limit the efficient provision of private services. These challenges also have an impact on the creation of an effective enabling environment for the private sector as well as the efficient management of other branches of state including the Judiciary, Legislature, independent constitutional bodies and the media. The imperative is to reform the public sector, confront corruption and rent-seeking, and ensure transparent and accountable governance at all levels that will also improve on efficiency in the operations of private sector institutions. The Judiciary, Legislature and other independent constitutional bodies will be encouraged to embark on their own reforms to complement the programmed reforms within the public sector.

Socio-Cultural Dynamics

The nation's efforts and aspirations are also challenged by prevalent socio-cultural dynamics – public morality, attitudes, conduct, responsiveness, time-consciousness, among others - that weaken our capacity to achieve and significantly undermine the impact of policy efforts. As a nation, there is the need to introduce and promote certain core values that we believe we need to shape our thinking, behaviour and conduct as we pursue the task of national development in all spheres of our lives.

Recognising the important role that national culture plays in national development, efforts shall be made to create appreciation of, and love for national culture. This will entail the strengthening of both the National and Regional Houses of Chiefs to contribute appropriately to national development and the development of a comprehensive legal framework for tourism as an avenue for promoting Ghanaian culture.

Gender Inequality

Gender disparities and inequalities persist in several areas of our national life in both public and private domains. As women constitute more than 50% of the population and a significant proportion of the labour force, it is necessary to raise their educational, social and technical attainments while also protecting their health and physical integrity, to enable them develop to their full potential and to be able to contribute their full quota to national development and share in the new prosperity that we are working towards.

Infrastructure

Obsolete, inadequate and depreciating infrastructure constitutes one of the major challenges to accelerated economic development. From the roads network to railways to water and sanitation

through telecommunications and energy to health and education facilities, large sections of Ghana's infrastructure are either inadequate, outmoded or in a serious state of disrepair. The challenge is to modernize the entire spectrum of infrastructural facilities to lift the competitiveness of the economy's productive sectors, provide a fairer access to social facilities, and position Ghana for an industrial take-off.

Resource Constraints

The small size of the economy limits resource mobilisation potential and Government's fiscal space to identify revenue opportunities from the citizenry, in addition to low compliance with tax and regulatory requirements. The financial system is weak and characterised by a small financial market that is underdeveloped with inadequate intermediation, and also marked by a banking system that depends largely on wide spreads between savings and lending rates. These challenges also impede the pace of policy implementation which oftentimes becomes hostage to inadequate domestic funding and/or disbursements of external funding agencies, both bilateral and multilateral. Low banking sector and insurance industry capitalisation inhibits the risk capacity and funding potential of the financial system. The small capital market also limits the growth prospects of the private sector and aspirations of entrepreneurs as it constraints access to long-term capital for investment in production infrastructure.

Climate Variability and Change

Climate variability and change constitute a major threat to national development. From a decline in precipitation to floods, climate change imposes a limitation on the ability of the national economy to unleash its full production potential. While sea erosion threatens the livelihoods of the people in the coastal communities, desertification also undermines the economic potential of the northern savannah zone. The challenge is to turn climate change and variability into an opportunity to expand national output and productivity and embark on systemic coastal protection programmes.

Global Economic Developments

Though developments in the world economy show that the worst of the fall-out from the financial melt-down and the food crisis of 2007/2008 may be over, recovery of the international economy continues to be in a state of flux. The austerity measures being implemented by our traditional trading partners of the West are likely to reduce the demand for most of our low-valued agricultural exports, while downsizing by both public and private sector institutions is likely to reduce the remittances from Ghanaians in the Diaspora, in the years ahead.

The challenge is for Ghana to move to the high end of value-addition through the processing of its agricultural products and natural resources. This challenge also elicits the building of new strategic alliances that will see more bilateral trading relationships and projects financing arrangements between Ghana and the emerging economies of South-East Asia, the BRIC countries - Brazil, Russia, India, and China - and South Korea.

C. Development Opportunities and Priorities

The challenges impeding accelerated development and job creation must be urgently confronted. This needs a radical shift in national strategic policy direction to take advantage of the development opportunities available to the nation such as: a stable democracy that ensures transparent and accountable governance and provides Ghana with greater access to the international financial markets, trade and investments; commitment to achieve and maintain a stable macroeconomic environment that creates the confidence for domestic and foreign direct investment; and the discovery of oil and gas in commercial quantities and significant natural resource endowments that provide the foundation for an industrial value-added processing economy.

The opportunities and the generally stable and peaceful atmosphere that prevail in the country provide the policy space to craft initiatives that will accelerate the rate of development, significantly increase the pace of quality job creation, and promote income growth that benefits all citizens. It will also provide the foundation to unleash the entrepreneurial and creative potential of the nation's private sector and empower them to become national and regional champions. Government will also accelerate the pro-poor focus of national policy by aiming special development initiatives at poverty endemic areas of the nation. The principles underlying the creation of the Millennium Development Authority (MiDA) and Savannah Accelerated Development Authority (SADA) will be expanded to cover the Western Corridor Development Authority (WCDA), the Forest Belt Development Authority (FBDA), the Eastern Corridor Development Authority (ECDA) and the Capital City Development Authority (CCDA) to address identified challenges and needs in known poverty endemic communities.

The transformation agenda will shift Ghana's development paradigm from dependence on traditional raw material exports to an industrial architecture based on value-added processing of Ghana's natural resource endowments.

D. National Strategic Direction

The strategic elements driving this transformation *Agenda of Change* for a "Better Ghana" include:

- Environment for accelerated employment creation;
- Accelerated agricultural modernisation;
- Integrated industrial development;
- Infrastructural expansion and modernisation;
- Human development, including a commitment to gender equity;
- Private sector development;
- Transparent and accountable governance; and
- Financial mobilisation including Public-Private Partnerships (PPPs).

In all these areas, special efforts will be made to ensure the equitable participation of women, the youth and persons with disabilities.

Environment for accelerated employment creation

Ghana needs accelerated job creation to employ its teeming youth. The strategic purpose of the state will be to provide both directly and indirectly, the environment for accelerated job creation for the people, particularly the youth. Policies in this document aim to effectively and efficiently exploit the nation's resources to guarantee the provision of the basic minimum livelihood conditions that each citizen needs to live a dignified life through employment.

Accelerated agricultural modernisation

Agriculture modernisation will provide a major impetus to change the lives and fortunes of our people, particularly those in the rural production communities. The policies crafted will transform agriculture to ensure domestic food security, support industrial processing, and energise the rural economy to reduce poverty and deprivation. In addition, natural gas will be used to produce fertilizer to improve agricultural productivity in order to reduce sector risks and create the conditions for access to financing for large scale production and value-added agro-processing.

Integrated industrial development

Government's bold vision on industrialisation will be achieved by anchoring industrial development on the conversion of Ghana's natural resources into value-added products with emphasis on agro-based manufacturing, down-stream oil and gas industries and value-added minerals processing and manufacturing done in Ghana. A proactive local content policy and appropriate laws will ensure that Ghanaians at all levels can participate fully and directly benefit from the industrialisation.

Special strategic industrial estates will be developed to optimise the impact of the free zone, export zone, and other related investment laws. This is projected to increase the capacity of targeted industries to create sustainable quality jobs. Flagship initiatives will be launched to drive industrial processing value chains and seed industrial champions.

Particular attention will also be paid to the use of gas as source of electric and heat energy and also as raw material to catalyse extensive industrial initiatives such as bauxite processing into alumina, iron and steel mills and glass manufacturing as well as ceramics and bricks and tiles factories.

Infrastructure development

A strategic National Infrastructure Plan, currently being prepared under the aegis of the NDPC, will be implemented to modernise infrastructure to enhance efficiency and reduce costs in all sectors of the economy to make Ghana an attractive investment destination. The improved physical and social infrastructure will support the change of the economy's structure to a value-added industrial processing platform and ensure both the import and export competitiveness of the strategic industries that will optimise the new industrial economy. Natural gas will be harnessed to increase electricity generation to meet the needs of Ghana and for export to other countries in the sub-region. Government will also implement science and technology-driven

measures to enhance growth and provide the momentum to ensure the global competitiveness of Ghana's industrial champions.

The infrastructure development strategy will also aim at opening access to natural resource locations, tourism sites, fertile yet inaccessible farm lands and major food production centres as well as the reduction in the transport component of the production costs of local industries and improve access to domestic, regional and international markets. The National Infrastructure Plan identifies the various projects and programmes earmarked for implementation.

Human development

The transformation of Ghana's economy requires accelerated human development to meet the needs of a modern 21st century economy. The human resource dimension will focus on the special capacity needs for economic transformation. It also requires massive improvements in capacity development and training for the industrial and emerging areas of opportunities in the oil and gas sectors. Investment in human resource development will facilitate the acquisition and application of knowledge and skills in solving problems of society as essential aspects of national development efforts so that in the medium to long-term, Ghana can become a knowledge society.

Private sector development

The private sector will be assisted through various policy initiatives to seize the opportunities that will be created as the nation shifts towards an industrial economy. The emerging oil and gas sector will lead the policy strategy to embed local content into the economy to ensure that Ghanaian's and Ghana's private sector participate fully in the accelerated growth of the economy. Reform of the public sector and removal of the regulatory constraints that inflict huge costs on business will receive high priority to improve private sector competitiveness and build national champions. The financial system will also be strengthened to improve access of the private sector to long-term capital for industrial development.

Transparent and accountable governance

Good governance is crucial to place transparency and accountability at the centre of the exercise of political, economic and administrative authority to ensure peace, stability and national cohesion. The broad programmes crafted will empower both state and non-state bodies to participate in the national development process and to collaborate effectively to achieve national transformation. The collaborative process is to ensure that political, economic and administrative authority is exercised in a manner that ensures that public resources are managed efficiently and with integrity in response to the problems and critical needs of the people. Local governance and decentralisation will be strengthened in order to promote increased citizens' participation, including that of women, the youth and the disable while the democratic space will also be expanded for the participation of both state and non-state actors.

Financial mobilisation including Public-Private Partnerships (PPPs)

Massive amounts of capital and technical resources must be invested in all core sectors of the economy to effectively prosecute the transformation agenda of change for a “Better Ghana”. Government will therefore promote partnerships with the private sector to source and manage the needed financing for selected areas of the economy through Public-Private Partnerships (PPPs), and also forge bilateral partnerships to focus on state-to-state initiatives in specific areas of the economy that require state intervention to mobilise and invest the large resources necessary to seed priority industrial investments and infrastructure.

At the same time, financial sector reforms and capacity strengthening will be accelerated to enhance financial intermediation in the economy, and increase the availability and pace of domestic resource mobilisation to support investments in locally-driven industrial initiatives. Banking sector capitalisation will be increased to expand banks’ risk capacity and their capability to fund the private sector in order to ensure they can take advantage of existing and emerging opportunities in the economy to grow and create jobs. In addition, capital market institutions need further encouragement to position the nation as an attractive regional destination for large investments. Government will deepen the incentive system to encourage the private sector to access long-term capital as an addition to bank resources.

E. Implementation Arrangements

This *Coordinated Programme of the Economic and Social Development Policies* is a strategic blueprint for directing national priorities in the medium-term and for providing a framework for channelling national aspirations towards accelerated industrial development. It will therefore guide the execution of development policy and related activities at all levels of the governance structure. It requires the collective action of all including MDAs, MMDAs, Civil Society, and Private Sector actors keen on responding to the opportunities that have been signalled by the direction of national vision and Government policy priorities over the period 2010 to 2016. This is a shared responsibility which responds to the key principle driving Government in the quest for national consensus on the imperatives to create and share in the accelerated growth that will take Ghana to the targeted per capita income of at least US\$3,000 by the year 2020.

Government’s national expenditures expressed through the annual budget and the medium-term expenditure framework will provide the main tools for implementing the public investments and projects that result from subsequent medium-term development plans. In addition, the partnership for implementation extends to the private sector and civil society whose roles are equally vital to building the national consensus towards the “Better Ghana Agenda” of accelerated growth and job creation to meet development aspirations.

The National Development Planning Commission (NDPC) will play the role of coordinator as outlined in Act 479. Based on this Coordinated Programme, NDPC will assist all MDAs to develop their specific plans. The plans are expected to be designed to achieve the broad goals under the national priorities outlined in this document to implement the strategies to achieve the per capita income of at least US\$3,000. It is also expected that medium-term plans will be prepared by the various MDAs which NDPC will integrate into a comprehensive medium-term development plan.

Resourcing NDPC and national institutions pivotal in implementation

NDPC has a pivotal and strategic role in conceptualizing, structuring and coordinating the successful implementation of the nation's transformation agenda for a "Better Ghana" including all related medium-term plans. To be able to execute this mandate holistically and in a manner sensitive to the national aspirations, NDPC needs to be resourced effectively and its institutional capacity adequately expanded such that it is better enabled to gain the institutional presence that its relevance to the nation's progress demands.

Government will, as a matter of urgency, ensure that the efforts of NDPC and other national institutions charged with charting the nation's direction and coordinating the realization of the agenda's objectives are not stymied by resource constraints and that they are well positioned to deliver on their mandates. The NDPC will specifically be provided with the necessary resources to oversee the construction of the building blocks towards the national vision of a minimum per capita income of US\$3,000 by the year 2020.

Monitoring progress towards implementation

In addition to coordinating the development of action plans by MDAs, NDPC will also work with MDAs and MMDAs to develop various M&E arrangements for regular assessment of progress. This will largely be done through the Policy Planning, Monitoring and Evaluation Division (PPMED) of each of the ministries, RPCUs and DPCUs.

NDPC will provide the framework for a systems-based Government-wide management tool for tracking progress and results of the Coordinated Programme. It will also provide the mechanisms to inform the ongoing policy dialogue with other non-state actors like Civil Society Organisations as well as the Development Partners.

The National M&E institutional arrangements will therefore be strengthened and greater responsibility given to the statutory institutions with direct responsibilities for policy planning and M&E at the sector, regional and district levels respectively. The Ghana Statistical Service (GSS) will continue to roll out The Ghana Statistical Development Plan (GSDP) in order to strengthen national statistics collation, processing and dissemination. Reinforcing institutional arrangements is essential to the attainment of the long-term objective to institutionalize M&E and statistics for effective public policy management at all levels.

CHAPTER ONE

INTRODUCTION

1.1 Background

Article 36, clause 1 of the 1992 Constitution of the Republic of Ghana enjoins the State to

“... take all necessary action to ensure that the national economy is managed in such a manner as to maximize the rate of economic development and to secure the maximum welfare, freedom and happiness of every person in Ghana and to provide adequate means of livelihood and suitable employment and public assistance to the needy.”

To ensure the implementation of the foregoing, Article 36, clause 5 requires that

“... within two years after assuming office, the President shall present to Parliament a co-ordinated programme of economic and social development policies, including agricultural and industrial programmes at all levels and in all the regions of Ghana.”

In preparing this document, Government is responding to this constitutional injunction within the context of its *“Better Ghana Agenda”*. The successful implementation of the interventions outlined in this document, which reflect as much as possible the development aspirations of all Ghanaians, is the responsibility of all the citizenry, irrespective of their political persuasion or social standing. It is the belief of Government that development plans and programmes emanating from this document will lay the groundwork to move Ghana closer to its long-term vision of a just, free and prosperous society. In such a society, we expect that extreme forms of deprivation, such as hunger, homelessness, and poverty, shall be a thing of the past; economic growth will be environmentally sensitive and public policy will ensure that it is equitable across sectors, administrative regions, and socio-economic groups.

Since Ghana attained independence in 1957, successive Governments have pursued, with varying degrees of success, programmes to accelerate the growth of the economy and raise the living standards of the people. For most of the 1950s and early 1960s, the country was generally on track to attain this vision. However, the interruption in constitutional rule in 1966 did not only disrupt Ghana’s development pace but it also set the stage for a long period of political instability, economic mismanagement and social disintegration.

With the return to constitutional rule in 1993, Governments have provided various policy documents and development plans to guide the overall economic and social development of Ghana in line with Article 36 (5) of the constitution. In 1995, the NDC Government presented to Parliament the *Coordinated Programme of Economic and Social Development Policies* with the theme, *Ghana: Vision 2020*, aimed at making Ghana a middle-income country in 25 years focusing on Human Development, Economic Growth, Rural Development, Urban Development, Infrastructure Development, and an Enabling Environment.

This policy framework was to be translated into five successive five-year (medium-term) plans to give expression to the long-term objectives of Vision 2020. *The First Medium-Term Development Plan (1997-2000)*, published in July 1997 incorporated the plans and activities of all the districts and sectors.

With the change in Government in 2001, a new Coordinated Programme for Economic and Social Development was prepared to cover 2003 – 2012, and to replace Vision 2020. The new coordinated programme was translated into the Ghana Poverty Reduction Strategy (GPRS I, 2003-2005) and the Growth and Poverty Reduction Strategy (GPRS II, 2006-2009). The areas of priority in the 2003 – 2012 document were: Enhanced Infrastructure, Rural Development based on Modernized Agriculture, Enhanced Social Services, Good Governance and Private Sector Development.

In many respects, this Coordinated Programme outlines the national priorities that will guide the management of the economy between 2010 and 2016 within the context of the long-term vision of attaining a just, free, productive and prosperous society. The main thrust of the programme is to consolidate the gains achieved so far and lay the foundation for the transformation of the structure of the economy and accelerated job creation.

1.2 The Vision

The 1992 Constitution provides a long-term national development vision for Ghana through the Directive Principles of State Policy which require that every Government must pursue policies that would ultimately lead to the “establishment of a just and free society”, where every Ghanaian would have the opportunity to live long, productive, and meaningful lives.

In accordance with this provision, the vision of Government is to pursue an agenda of change for a “Better” and prosperous Ghana. The “Better Ghana Agenda,” entails the transformation of Ghana’s economy from its over-dependence on primary raw materials to a diversified, prosperous 21st century industrial nation. Government would put together the building blocks required to create an oil and gas-driven industrial architecture that will establish a solid foundation for accelerated job creation and thereby transform the country’s economic paradigm. In pursuance of the medium-term objectives, emphasis would be placed, above all, on the modernization of agriculture and related processing activities, investments in human development, infrastructure development and modernization, science, technology and innovation, and development of oil and gas and other natural resource endowments as a catalyst for industrialization.

The national medium-term development policy framework that will be prepared and implemented on the basis of this document, is to ensure that by 2016, the economy would have achieved the sustainable and accelerated value-adding growth required to raise the per capita income to a minimum of US\$3,000 by the year 2020.

1.3 Linkage to the National Development Policy Framework, Sector and District Development Plans

This Coordinated Programme will form the basis for the preparation of a detailed medium-term national development policy framework, to be implemented over the period 2010 – 2013. It will be the reference document that informs the entire country as well as the international community of the enabling environment to be provided by Government in support of private investment, initiative and innovation, and also inform Civil Society Organisations about the priority social and economic activities in the various districts of the country.

The Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) will be required to prepare and implement their respective medium-term development plans on the basis of the detailed medium-term national development policy framework.

1.4 Structure of the Document

This document is presented in five chapters. In addition to the introductory chapter, chapter two provides a situational analysis of the various aspects of national development including economic, social, infrastructure and governance sectors. Chapter three presents the opportunities and constraints for the implementation of prioritized interventions, as well as the strategic direction for policy implementation. The priority interventions to be implemented over the programme period are outlined in chapter four, while the implementation and monitoring and evaluation arrangements are outlined in chapter five.

CHAPTER TWO

CURRENT SITUATION

2.1 Introduction

This chapter reviews the trends in key national development indicators over the period 1995–2008 and how these relate to national priorities underpinning the medium-term policy choices for a “Better Ghana”. The review covers the following broad areas:

- Economic Development;
- Social Development;
- Science, Technology and Innovation (STI);
- Infrastructure Development;
- Special Development Zones;
- Natural Resource Management and Environmental Governance; and
- Transparent and Accountable Governance.

2.2 Economic Development

2.2.1 Economic Growth and Production

Ghana’s economic growth record has been one of unevenness, particularly over the past 50 years. With a reasonably high Gross Domestic Product (GDP) growth in the 1950s and early 1960s, the economy began to experience a slowdown in GDP growth in 1964. The import-substitution industrialization strategy of the First Republic culminated in positive growth rates with significant public investment. However, growth was turbulent during much of the period after the mid-1960s and only began to stabilise in 1984, following the introduction of the Economic Recovery Programme in 1983.

The last 16 years have seen real GDP growing at an average rate of 5% per annum. This translates to an average real per capita GDP growth rate of about 2.8% per annum. However the anticipated commercial exploitation of crude oil and gas, and the re-basing of the economy¹ provide Ghana the opportunity to more than double its real per capita income by 2020.

Sustained economic growth is normally accompanied by significant structural transformation. The review of the historical data of the structure of the Ghanaian economy, however, shows hardly any structural changes. The structure of the economy in the 1990s indicated a shift in dominance from agriculture to services, with little change in the share of industry. The contribution of agriculture to GDP has declined by about 6%, while the share of the services and industrial sectors increased by about 5.1% and 1% respectively. The situation is currently the same as it was in the 1960s.

¹ GDP rebasing exercise has become necessary to take advantage of improved methodological and conceptual changes, as well as improved data coverage and data sources. The revised series is based on a new base year of 2006 against the existing GDP series which has 1993 as the base year.

Figure 2.1 Real GDP and Real Per Capita GDP Growth, 1970-2007

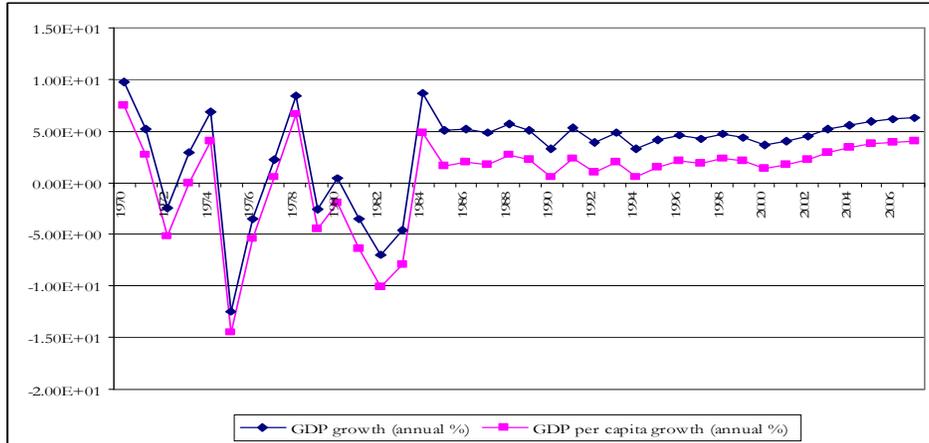
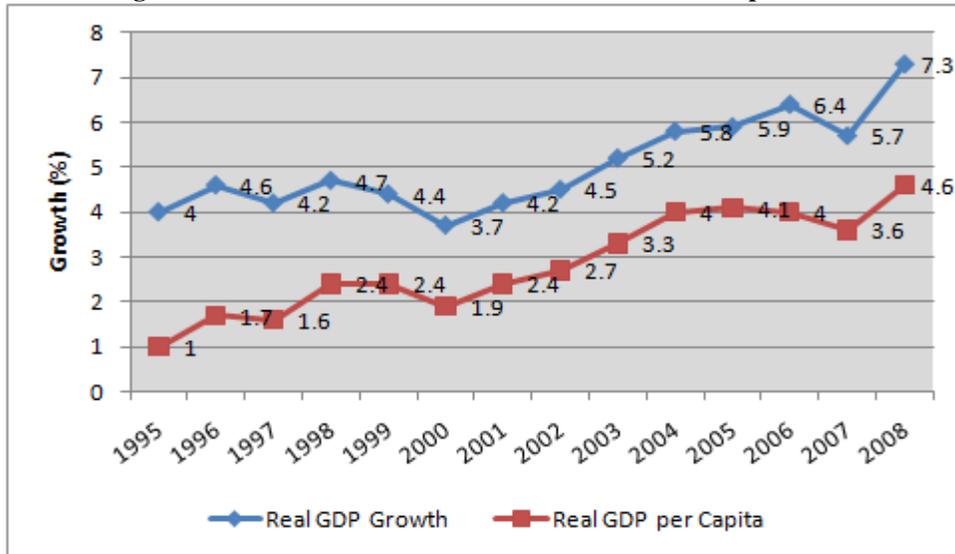


Table 2.1: Selected Macroeconomic Indicators

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	6.4	5.7	7.3
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	4.0	3.6	4.6
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	10.5	12.8	18.1
Gross Domestic savings (% GDP)	11.6	13.2	4.2	10.3	3.9	5.4	7.0	7.7	11.4	7.3	3.4	7.9	9.8	-
Gross National savings (% GDP)	21.1	20.3	23.8	22.4	20.5	23.1	27.1	20.2	24.9	25.7	21.9	27.4	27.8	24.4
Gross domestic Investments (% GDP)	17.6	18.1	10.4	18.0	9.9	15.2	23.1	20.2	23.2	28.4	29.0	30.4	33.8	36.2

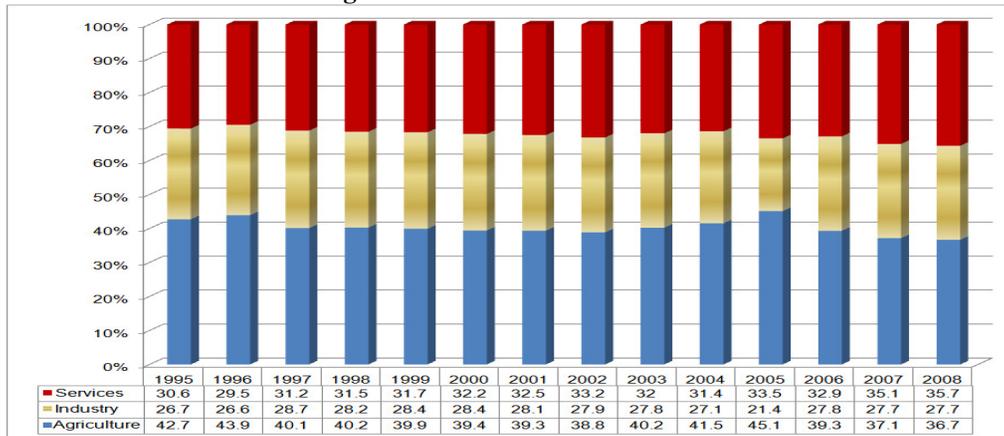
Source: Ministry of Finance and Economic Planning, 2008

Figure 2.2: Recent Trends in Real GDP and Real Per Capita Growth Rates



Clearly, for the structure of production to change significantly by 2016, it is important that the industrial and services sectors grow at a much faster pace than the agricultural sector and also in relation to what the sector has recorded over the period 1995–2008.

Figure 2.3: Sectoral Contributions to GDP



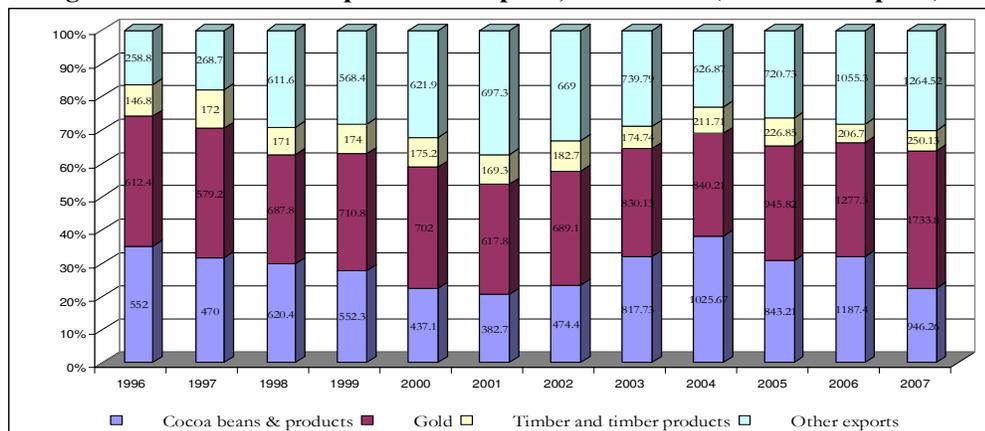
Source: Data obtained from Bank of Ghana and various issues of the Budget Statements/State of the Ghanaian Economy, 2008)

2.2.2 External Sector

The balance of payments of Ghana over the period 1996 and 2008 has usually been in a surplus, except for the years 1996, 1999, 2000, 2004, and 2008. However, Ghana’s trade balance has consistently been in a deficit and these deficits have increased over the years. The trade deficit increased from about US\$367 million in 1996 to about US\$4,985.7 million in 2008 and then declined to almost US\$2,207 million in 2009. This is against the backdrop of significant increases in Ghana’s exports over the period, from US\$1.6 billion in 1996 to about US\$5.8 billion in 2009. However, imports over the period have increased relatively faster, from US\$1.9 billion in 1996 to about US\$10,261.0 in 2008 and then declined to US\$8,046 in 2009.

The main components of Ghana’s exports remain cocoa and gold. Their joint contribution to total exports ranges from a high of 74% in 1996 to a low of 54% in 2001. In terms of individual products, it is observed that gold remains the major export earner of the economy over the period with the only exception being in 2004 when it was overtaken by cocoa.

Figure 2.4: Trends in Composition of Exports, 1996 – 2007 (% of Total exports)



Source: Bank of Ghana

Notes: Numbers in the diagram are in US\$ million.

The destination of exports from Ghana is fast changing. In 2000, about 72% of Ghana's exports went to the industrialized countries. The share of exports to the non-industrialised European countries and the rest-of-the-world were about 11% and 17% respectively. This began to change in the last few years. By 2007, the rest of the world was taking almost 68% of the total exports of Ghana while the industrialized countries absorbed only about 25%. This was largely due to increased exports to China. The remaining 6.3% went to the non-industrialised European countries. Although exports from Ghana to the rest of the world have almost doubled since 2000, the increase in the share going to the rest of Africa has been marginal. The changing share of exports to the rest of Africa is mainly accounted for by a change in the share that goes to ECOWAS. Among the ECOWAS countries, Benin remains the major destination of exports from Ghana.

2.2.3 Fiscal Performance

The overall fiscal balance for Ghana has changed marginally between 1995 and 2009. After worsening from a deficit of 4.0% of GDP in 1995 to a deficit of 8.6% of GDP in 2000; it declined to 2.0% of GDP in 2005 and started to rise again in 2006 reaching 11.3% of GDP in 2008 before declining to 9.7% of GDP in 2009. The average overall fiscal deficit over the period 1995 to 2009 stood at 6.8% of GDP. This continued to pose problems to the long term development of the country as it reduced the fiscal space available for investments in critical development infrastructure. The use of domestic sources to finance the deficits was particularly high at 8.0% of GDP in 2000, after rising from a repayment of 0.4% of GDP in 1995. However, it declined gradually to a repayment of 1.6% of GDP in 2005, but rose again to reach 6.5% of GDP in 2008 as a result of severe fiscal imbalances which led to the overall fiscal balance of 11.5% of GDP (Table 2.2).

Table 2.2: Fiscal Performance in Ghana, 1995-2009

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Overall Fiscal Balance Including Divestiture (% of GDP)	-4.0	-8.4	-10.1	-7.4	-7.7	-8.6	-4.4	-5.4	-3.4	-3.2	-2.0	-7.8	-8.1	11.3	9.7
Domestic Primary Balance (% of GDP)	3.6	0.3	3.2	4.3	3.0	2.3	4.9	2.2	2.5	0.7	3.4	-4.9	-6.2	-10.1	0.6
Net Domestic Financing (% of GDP)	-0.4	4.7	5.5	4.3	5.2	8.8	2.3	4.9	-0.4	0.3	-1.6	4.1	5.1	6.5	4.8
Domestic Revenue (% of GDP)	20.4	17.6	17.3	18.4	16.4	17.7	18.2	20.4	21.1	23.8	23.9	22.3	22.9	22.8	22.7
Tax Revenue (% of GDP)	14.7	15.1	14.7	15.8	14.8	16.3	17.3	17.9	19.6	21.8	20.8	20.2	22.1	21.1	20.0
Non-Tax Revenue (% of GDP)	5.8	2.5	2.7	2.6	1.5	1.46	0.9	0.5	0.6	1.4	1.9	0.8	0.8	0.7	2.1
Government Expenditure (% of GDP)	30.4	29.7	29.0	28.6	26.2	27.7	25.5	25.7	28.6	32.9	30.8	34.9	37.5	41.0	35.4
Recurrent Expenditure (% of GDP)	16.4	16.4	16.5	17.3	16.4	18.5	18.0	19.4	18.8	20.4	18.8	22.3	23.1	25.4	22.6
Capital Expenditure (% of GDP)	14.0	13.3	12.4	11.3	9.8	9.2	7.5	5.9	8.4	10.1	10.0	10.0	11.7	14.1	11.5
Capital: Recurrent Expenditure (%)	85.7	81.1	75.3	65.4	59.4	49.5	42.0	30.4	44.5	49.7	53.4	44.7	50.5	55.5	50.9

Source: Ministry of Finance and Economic Planning, 2009

2.3 Social Development

2.3.1 Population

The total population of Ghana increased from about 17.5 million in 1995 to about 20.4 million in 2003 and then to about 22.6 million in 2007 (Table 2.3). Based on the 2007 population growth rate of about 2.5%, Ghana's population in 2008 was estimated at 23.16 million. Just over half of the population is female. The population density increased from about 77 people/square km in 1995 to about 97.2 people/square km in 2005.

The age dependency ratio hardly changed between 1995 and 2003 and remains at a high level of about 0.9. In other words there are about 9 dependents (those aged below 15 years and above 64 years) for every 10 working people (those aged between 15 and 64 years). Life expectancy at birth declined over the period from about 59 years in 1995 to about 54.4 years in 2003. Life expectancy for females generally remained higher than that for males, although for both males and females, this declined over the period 1995-2005. Adult literacy rates, which are higher for males compared to females, increased over the period.

Table 2.3: Trends in Demographic and Social Indicators, 1995-2008

	1995	2000	2003	2004	2005	2006	2007	2008
Population growth*	3.0	2.6	2.6	2.6	2.6	2.6	2.5	2.5
Pop Total	17.5	18.91	20.41	20.94	21.49	22.05	22.60	23.16
o/w female (%)	50.2	50.3	50.2	50.2	50.2	50.2	50.3	
Population Density (people/sq km)	77.0	86.1	90.8	95.2	97.2	98.2	99.0	
Age Dependency ratio	0.9	1.0	0.9	0.9	1.0	1.0	1.0	
Life expectancy at birth, female (Years)	60.8	58.7	54.9	-----	58	-----	-----	
Life expectancy at birth, male (years)	57.3	56.3	53.9	-----	57	-----	-----	
Life expectancy at birth, total (years)	59.0	57.5	54.4	-----	-----	-----	-----	
Adult literacy rate, female (% age 15+)	55.3	63.3	65.9 ^A	-----	-----	49.8	-----	
Adult literacy rate, male (% age 15+)	75.4	80.3	81.9 ^A	-----	-----	66.4	-----	
Adult literacy rate, Total (% age 15+)	65.2	71.6	73.8 ^A	53.4	53.7	60.3	61.7	

Source: GPRS II, 2005 & 2008 APR; (Assumes inter-census growth rate of 2.6% per annum)

Notes: ^A – these are 2002 levels as there is no data for 2003

(Annual Progress Report, 2008)

(Source: Education Sector Performance Report, 2008)

2.3.2 Incidence of Poverty

Various rounds of the Ghana Living Standards Survey (GLSS 3, 4 and 5) give indications about the trends in income poverty over the last 15 years. The poverty headcount index fell by about 12 percentage points from nearly 52% in 1991/1992 to about 40% in 1998/1999. By 2005/2006 the incidence of poverty had fallen again to 29.5% (Table 2.4). Inequality as measured by the Gini coefficient increased consistently over this period – increasing from about 0.373 in 1991/1992 to 0.394 in 2005/2006. It is important to also indicate that the extent of poverty reduction is less when a lower poverty line is used, or when more emphasis is placed on the depth of poverty. There is therefore the strong suggestion that the poorest of the poor have participated much less in the growth and poverty reduction over this period, a fact which is consistent with the geographic and occupational pattern of poverty reduction presented in Figure 2.5.

Table 2.4: Income Poverty and Inequality, 1991-2006

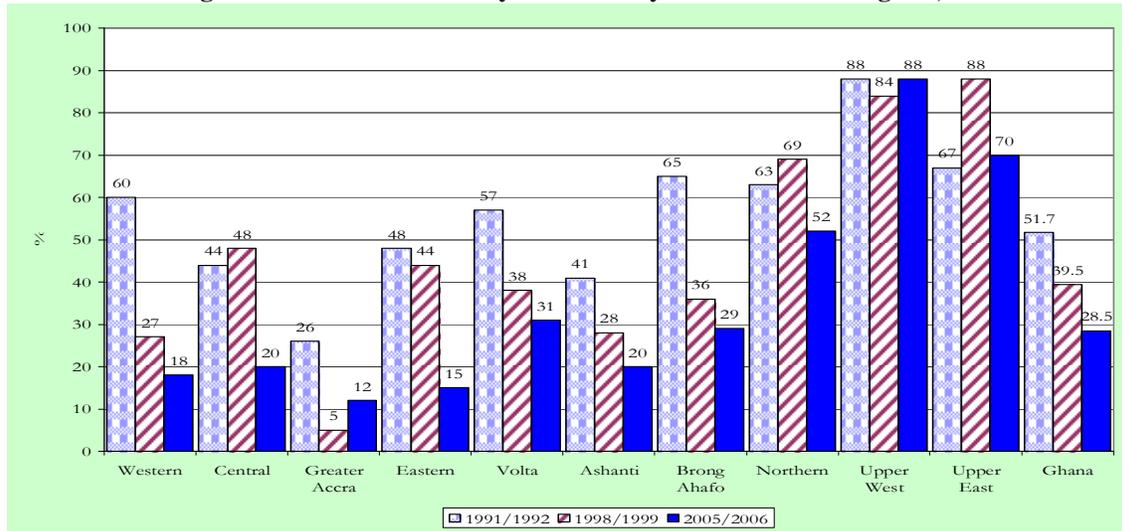
	1991/92	1998/99	2005/2006	Changes between 1991 and 1999	Changes between 1999 and 2006
Gini coefficient	0.373	0.388	0.394		
Poverty head count index (%)	51.7	39.5	28.5	-12.22	-11.0

Source: Aryeetey and Mackay, 2004, Coulombe and Wodon (2007), World Bank

The three northern regions have the highest incidence of poverty where the Upper East and Upper West Regions had incidence rates of 70% and 88% respectively in 2005/2006. This is then followed by the Northern Region with an incidence rate of about 52%. Two other regions, Volta and Brong Ahafo had poverty rates above the national average. All the other regions have poverty rates below the national average with the Greater Accra Region recording the lowest incidence of about 12% (Figure 2.5).

All the regions except two, experienced a decline in the incidence of poverty between 1991/1992 and 2005/2006. The three regions that experienced the highest decline in the incidence of poverty over this 16-year period were the Western (42%), Brong Ahafo (36%) and Eastern (33%). The Upper East and Upper West regions did not experience a decline in the incidence of poverty over this period. These trends in the incidence of poverty across regions indicate increasing spatial inequality across the regions of Ghana with the three Northern regions remaining the poorest.

Figure 2.5: Trends in Poverty Incidence by Administrative Regions, 1991 - 2006



Source: GLSS 5, GSS, 2007

The incidence of poverty in Ghana remains much higher in the rural areas than it is in the urban areas. However trends in rural versus urban poverty incidence over the years show a narrowing of the gap. The gap between the rural and urban poverty incidence reduced from about 36% in 1991/1992 to about 28% in 2005/2006. Analysis also reveals that the rural forest area experienced the most significant reduction in poverty of about 34% from about 61.6% incidence level in 1991/1992 to about 27.7% in 2005/2006. The important point that these classifications illustrate is that inequality exists across regions and also within regions.

The incidence of poverty by main economic activities of the households presents some important insights. The observed changes indicate that export-oriented farmers i.e., farmers engaged in the production of export commodities such as cocoa (and more recently horticulture products) experienced the highest reduction in poverty over the period, with the incidence of poverty declining from 64% in 1991/1992 to 24% in 2005/2006. The reduction in poverty among the export-oriented farmers is against the background that relatively more Ghanaians are engaged in export farming, as their share of the population increased from about 6.3% in 1991/1992 to about 7.4% in 2005/2006. The incidence of poverty dropped significantly for those in public sector employment from 34.7% to 7.8% within the period. The incidence of poverty remains highest for food crop farmers even though they experienced a decline in the incidence of poverty from 68.1% in 1991/1992 to 45.5% in 2005/2006. It is also pertinent to note that women constitute a large proportion of food crop farmers.

2.3.3 Education

While formal education remains the core pillar of human capital formation, the concept has evolved from a singular focus on formal education and skills training to include many more capacity building processes. With the aspiration towards the creation of a knowledge economy, continuing education or life-long education is seen as integral to maintaining adequate skills and promoting innovation in the development process.

Under the right conditions the positive effects of public investment in education can be shared across income groups, thus making it a major tool in reducing inequality and poverty. However, it is quite clear that returns on education are highly influenced by a concerted effort to change the focus of education to make it more purposeful, effective and efficient in the production of goods and services. Education benefits are boosted not just by improvements in enrolment figures as has been observed in Ghana, but by clear goals and priorities for education and training; and higher quality education at all levels coupled with increased post-basic or secondary and tertiary enrolment. To expand the economy on the back of a more knowledgeable and better skilled labour force, more opportunities have to be created for both private and public investments in education.

The immediate post-independence era recorded a massive expansion in education facilities across the country matched by a high enrolment drive in the First Republic under President Nkrumah. The aim was to produce the required skilled human resource to Africanise the public service and drive the development agenda of the period. At the same time that formal education was being scaled-up, mass education was given a major boost through the continuation of the mass literacy campaign that was launched just before independence. Yet, the essential nature and direction of education remained largely grammar school oriented, with emphasis on academic programmes.

Indicators of education show that the effective demand for education has improved since independence albeit slowly and often marked by fluctuations. More recently, the pace has picked up, especially at the basic school level. Gender parity has also been improving though unevenly, with the northern regions showing the widest gaps. At the primary school level gross and net enrolments have been quite impressive and stood at 95.2% and 83.4% respectively in 2008. At the Junior High School level improvements have been marginal, with a Gross Enrolment Ratio

(GER) of 78.8% and Net Enrolment Ratio (NER) of 53% in 2008. The survival or completion rate in basic schools increased from 83.2% in 2004 to 85.4% in 2007.

The indicators further suggest that the quality of education is declining. For example, the pupil-teacher ratio increased from 30 in 1998 to 34.0 in 2008. In other words, each teacher had an additional 4 pupils to teach. On the pupil to core textbook ratio, the number of pupils sharing one core textbook increased from 2 in 2002 to 3 in 2005. These trends suggest that while the number of people accessing education in Ghana may have increased over the years, the quality levels may not have improved.

Table 2.5: Trends in Education Indicators, 1998-2008

	1998	1999	2000	2001	2002	...	2006	2007	2008
Pupil-Teacher ratio	29.6	33.8	33.0	32.1	31.3		35.7	33.5	34.1
Primary enrolment, gross total (%)	76.8	82.0	78.6	81.4	78.7		84.5	88.7	95.2
Primary enrolment female (%)	72.5	77.8	75.1	77.7	76.6		88.3	92.8	
Primary enrolment male (%)	81.0	86.1	82.1	85.0	80.7		-----	-----	
Secondary enrolment, gross total (%)	36.7	37.1	35.5	37.6	39.3		-----	-----	78.8
Secondary enrolment female (%)	32.2	32.9	31.9	34.0	35.6		-----	-----	
Secondary enrolment male (%)	41.2	41.3	39.1	41.2	43.0		-----	-----	
Tertiary enrolment, total (%)	-----	2.9	3.3	3.4	3.3		-----	-----	
Tertiary enrolment female (%)	-----	1.4	1.9	1.9	2.1		-----	-----	
Tertiary enrolment male (%)	-----	4.3	4.6	4.8	4.5		-----	-----	
Persistence to grade 5, female (% of Cohort)	-----	65.2	-----	64.7	-----		-----	-----	
Persistence to grade 5, male (% of Cohort)	-----	67.3	-----	61.8	-----		-----	-----	
Persistence to grade 5, total (% of Cohort)	-----	66.3	-----	63.3	-----		-----	-----	

Source: Annual Progress Report of the GPRS (NDPC)

Table 2.6: Quality of Education Indicators, 2002/3-2007/8

	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Trained teachers in primary schools (%)	73.6	73.9	72.4	70.8	62.1	59.4
Pupil-Core textbook ratio	1 : 0.6	1 : 0.5	1 : 0.3	-----	-----	-----

Source: 2005 and 2007 Annual Progress Reports of the GPRS, National Development Planning Commission

2.3.4 Skills Training

In both the private and public sectors, training programmes are ad hoc and far between, as most organisations do not have a sustained training policy. While some middle level technicians are trained in polytechnics and vocational/technical schools, for a large segment of the labour force however, skills acquisition is dominated by informal apprenticeship, under which master craftsmen and women admit young men and women for periods of two to three years in training. This is especially common in the informal sector in areas such as tailoring, dressmaking, auto mechanics, and electronics. Though the informal sector is where most people turn to for artisanal services the sector is, however, plagued by archaic technology and poor standards. There is little proficiency certification as most of the operators have not had the appropriate formal vocational

training. Policy intervention will prioritize skills training and provide a skills development programme to upgrade Ghanaian workers' skills at all levels in collaboration with industry.

2.3.5 Science, Technology and Innovation (STI)

Currently, the status accorded science and technology in Ghana is low. This is due to the inadequate allocation of budgetary resources to science, technology and innovation. In addition, due to the lack of industries to utilise the talents and skills of bright young men and women who opt for science at school, their attraction is to medicine and other applied disciplines rather than the core sciences of physics, chemistry and mathematics.

Inadequate support for STI manifests in the country's resource allocation to science and technology which has fluctuated between 0.3% and 0.5% of the Gross Domestic Product (GDP). This allocation is well below the target of 1% of the country's GDP recommended at the Summit of Heads of State of the Organisation of African Unity (OAU) in 1980 under the Lagos Plan of Action and adopted later by the African Union (AU) as a critical means of realizing the goals and objectives of the New Partnership for Africa's Development (NEPAD).

Over an extensive period, the lack of science and technology culture in all aspects of national life compounded by the absence of a comprehensive policy to promote STI in support of agriculture, health, commerce, industry, among others and the development of appropriate institutions of science and technology slowed the pace of development outcomes.

The lack of a national policy to promote the development of STI to support agriculture and small to medium scale enterprises; the lack of a national policy on commercialization of scientific research; and weak institutional arrangement to support science and technology development are all manifestations of the lack of a well planned and implemented STI.

2.3.6 Health and Nutrition

In Ghana, malaria is the single most important cause of mortality and morbidity especially among children under five years and pregnant women. It accounts for about 44.5% of all outpatient illnesses, 36.9% of all admissions and 19% of all deaths in health institutions. The disease is responsible for a substantial number of miscarriages and low birth weight of babies. Among this group, malaria accounts for 13.8% of Out Patient Department (OPD) attendance, 10.6% of admissions and 9.4% of deaths. About 20,000 children under the age of five die from malaria every year. The economic impact of the disease in terms of health care cost and reduced productivity, among others, is well documented at about 10% of GDP.

Although evidence shows that there has been a significant reduction in both child and maternal mortality rates in Ghana, they continue to pose a challenge to the national development effort. Between 1998 and 2003, key child survival indicators worsened, with the infant mortality rate increasing from about 57 per 1000 live births in 1998 to 64 per 1000 live births in 2003. This further increased to 71 per 1000 live births in 2006 but declined to 50 per 1000 live births in 2008 (Table 2.7). Under-five mortality also worsened, increasing from 108 per 1000 live births in 1998 to 111 per 1000 live births in 2003, and remained same in 2006 but declined to 80 per 1000 in 2008. Though maternal health care has improved over the past 20 years, the pace has

been slow. The maternal mortality rate reduced from 740 per 100,000 live births in 1990 to 503 in 2005, and then to 451 in 2008.

Table 2.7: Trends in Child Survival Indicators, 1993 – 2008

	1993	1998	2003	2008
Infant mortality rate (per 1000 live births)	66	57	64	50
Under-five mortality (per 1000 live births)	119	108	111	80
Child Malnutrition (% underweight)	27	25	22	13.9

Source: Ghana Demographic and Health Survey (GDHS), 1993, 1998, 2003 and 2008

The above notwithstanding, the utilization of outpatient services by Ghanaians has increased over the past decade. The OPD visits have increased from 0.52 in 2004 to 0.77 in 2008. Also the probability of reaching a health facility within 30 minutes showed some improvements over the 1997 and 2003 period (Table 2.8).

Table 2.8: Percent Reaching Health Facility within 30 Minutes, 1997 and 2003*

	1997	2003
Ghana	52.9	61.0
Rural	38.6	45.5
Urban	80.3	79.3

Source: 1997 and 2003 Core Welfare Indicator Questionnaire (CWIQ) Data.

** Note: The latest CWIQ data is for 2003*

Even though efforts continue to be made to improve the health status of Ghanaians, there are persistent policy-related issues that need to be addressed. These include: large gaps in access to health care between urban and rural as well as the rich and poor; low level of overall health expenditure and inadequate social protection; inadequate health infrastructure; weakly integrated, ineffective and inequitable health system; high infant and maternal mortality; high morbidity and mortality from malaria, high pressure on health care services and other scarce resources, loss of quality human and material resources; and high stigmatization and neglect of the mental health sub-sector.

Reducing hunger requires sufficient physical supplies of food, access to adequate food supplies by households through their own production, the market or other sources, and the appropriate utilization of those food supplies to meet the dietary needs of individuals. Ghana is generally food secure in terms of the production and availability of food for human consumption. However, hidden hunger arising from the lack of essential vitamins and minerals in the diet continues to persist.

Improvements in agricultural productivity and expansion in areas under cultivation have impacted positively on annual output of the major staples over the past decade. Staple crop production available for human consumption and estimated national consumption showed food sufficiency for all relevant commodities all-year-round in spite of the global food crisis in 2008. The incidence of wasting declined from a peak level of 11.4% in 1993 to 5.3% in 2008, while the occurrence of underweight also declined from about 31% in 1988 to 13.9% in 2008.

This progress notwithstanding, nutrition-related challenges still exist in some socio-economic groups and geographical areas. The proportion of children with stunted growth in the Eastern, Upper East, Central and Northern Regions were estimated at 38%, 36%, 34% and 32% respectively in 2008, compared to the national average of 28%. The proportion of children with wasting was estimated to be highest in the three northern regions, while the cases of underweight children were highest in the Upper East, Northern and Central Regions in that order.

2.3.7 Youth and Sports Development

Since independence, Ghana's population has more than tripled, from over 5 million in 1960 to over 18 million in year 2000. Although several characteristics of the population have changed in the intervening period, its structure has not changed significantly: while children and young adults constitute about 50%, those aged above 65 years make up about 5%. This implies a very high dependency ratio.

Over the years, skills training has not formed a major component of the educational system. Consequently, a significant proportion of Ghanaian youth is either unskilled or only semi-skilled, with grave implications for productivity and future expansion of the economy. Graduate unemployment is gradually becoming a feature of the economy. The phenomenon of urbanization is contributing to the increasing migration of the rural youth to urban areas with negative implications for rural agriculture and poverty levels. Comprehensive training and mobilisation of the youth is crucial for sustainable national development. Various attempts have been made to address the concerns of the youth. However, poor policy coordination and weak institutional framework for youth development continue to exist.

Globally, sports have become a multi-billion dollar economic venture attracting huge investments and earnings. This is in addition to fostering international friendship, cooperation and understanding between and among nations. Sports contribute to public health, unity, and social cohesion, enhancement of an individual's personal abilities, general health, self-esteem and professionalism. Nonetheless, the main policy issues confronting sports development are: non-existence of sport facilities in most of the regional and district capitals; lack of support for schools sports; and disparity in sports development especially with regards to the lesser known sports.

Harnessing the productive energies of the youth through sports development will not only create healthy minds in healthy bodies, but also ensure that Ghana benefits from the resources available world-wide for individual and national progress.

2.3.8 Social Protection and Inclusion

Despite the enactment of several laws and the implementation of various policies and programmes, only about 10% of Ghanaians have access to formal social security in the face of weakening traditional support systems. Even though some informal social security schemes exist to serve the needs of informal sector operators, the scope of benefits and extent of coverage are not adequate. Poor households continue to be exposed to multiple shocks without adequate fall-back mechanisms to prevent them from slipping into poverty. The intergenerational transmission of poverty lies beneath the veneer of the current social order with both direct and indirect

impacts on groups, individuals and across ecological zones. Environmental risks such as natural and man-made disasters, socio-cultural, economic and health-related vulnerabilities, and institutional weaknesses persist that render sections of the population vulnerable.

Even though there is an increasing awareness about the rights of vulnerable people, persistent social attitudes towards childhood, gender, ageing and disability and weak enforcement of laws protecting their rights deny them the full benefits of policies and legislative reforms. Children also continue to face developmental challenges such as stunting and wasting, physical and psychological abuse, trafficking and sexual exploitation. Youth unemployment remains a major challenge. Even though there has been an improvement in pro-poor policy formulation and programming with a steady rise in pro-poor spending, Ghana still does not have a comprehensive national social policy framework.

Over the last two decades, considerable progress has been made in reducing the incidence of poverty. Sustaining the achievements is under threat, as studies conducted by the World Food Programme in 2009 show disturbing trends of a shift in the consumption pattern of the poor to less nutritious foods, and increasing household expenditures on food.

2.3.9 Labour Productivity and Employment

To achieve the objective of raising the country's per capita income to at least US\$3,000 by the year 2020, Ghana's labour force has to become more productive. Pro-employment growth calls for a clear strategy for increasing labour productivity in all sectors. This should be combined with the ability to forecast labour requirements in different sectors of the economy. Low level skills and lack of regular skills upgrading as well as limited innovative product development tend to reduce the potential for higher productivity in Ghana. Human resource planning is essential for effective pro-employment growth.

Pro-employment growth has both demand and supply dimensions. The demand side requires scaled-up expansion in economic activity to absorb new entrants onto the labour market, while on the supply side there is the need for investment in the training of high quality human resources to facilitate accelerated growth, generate decent employment and reduce poverty.

Over the past fifteen years, the supply of skills in terms of quality and quantity in some sectors has fallen short of what is required. Estimates from the GLSS V indicate that only 13.4% of the labour force in 2005/06 had had secondary education or higher.

2.4 Infrastructure Development

2.4.1 Energy, Oil and Gas

Energy and its related services play a major role in facilitating socio-economic development. However, the energy sector's impact is limited by several gaps and challenges. For instance, while petroleum consumption has grown over the years to 100,000 barrels of oil equivalent per day, Tema Oil Refinery produces only 45,000 barrels per day and the gap is filled with imports. The refinery is further burdened with large debts that render it unable to directly finance its

operations to maintain its supply capacity. The result has been shortages of LPG, gasoline, kerosene, premix, and other products over the years, creating significant losses for the economy, households, transportation and other commercial users thus causing public dissatisfaction and frequent outcry for concrete responses.

Ghana's electricity generation capacity of 1,800MW to 2,000MW just about meets current demand, but several factors impede the availability of power for domestic, commercial and industrial activities in the country. The transmission system lacks adequate backup to enable continuous evacuation of power, while the distribution network is aged and weak, resulting in estimated losses of up to 20% of power generated. The national coverage of 67% also means most communities which are more than 15km from the national grid are yet to be covered, and these are mainly rural areas that play an active role in agricultural production. Moreover, demand is estimated to be growing at 10% to 15% per annum, while there is the expectation that increased industrial investments will add significantly to the demand for power.

A major policy objective pursued over the years has been to avoid government subsidies on the costs of importing, refining and distributing petroleum products, as well as subsidies on electricity consumption. Despite the establishment of independent regulatory agencies – PURC and NPA – to implement the deregulated pricing policy, the economic realities have necessitated continued subsidies in one form or the other. At the same time, the structural foundations for policy and regulatory oversight appear weak, resulting in inadequate market intelligence which compounds the difficulties in the regular availability of products like LPG, gasoline, kerosene and premix in particular. Recent developments on the market have indicated that the gap between the demand for and the supply of LPG has been increasing at an astronomical rate. Meanwhile, investments in the energy sector require huge amounts practically beyond either the national budget or the capacity of the domestic financial system to generate.

The discovery of oil and gas has brought expectations for the challenges in energy supply to be resolved. It has also heightened expectations for a significant improvement in national development. However, the infrastructure weaknesses coupled with the regulatory gaps require a wide array of interventions to ensure that the country can attain the benefits expected from the nascent oil and gas industry. These benefits would include the availability of products, reasonable pricing, and resources to improve Ghana's development prospects and also fund more investments in the energy sector. Directed action is also needed to strengthen regulatory oversight and ensure local content in emerging oil and gas industries with a deliberate policy to ensure the participation of Ghanaians along the entire value chain of the industry.

There is also the expectation that with availability of natural gas, national energy use will move more toward "clean energy", but the requisite household, commercial and industrial infrastructure does not exist. This requires huge investments to provide the network together with the transportation and distribution backbone to meet the projected national requirements.

Current energy mix excludes clean and renewable sources such as solar and wind generation together with tidal, geothermal and nuclear sources. In addition, there will be the need to exploit the existing hydro generation potentials of the major rivers in the Western Region, alongside other potentials in some of the other regions.

2.4.2 Transportation (including road, rail, air, maritime and inland transport)

Transportation plays an important role in the economy. It facilitates the haulage of goods, movement of people and the general integration of rural economies with the urban economy. The various modes of transportation within the sector include road, rail, air, maritime, and inland/fresh water.

The total road network in Ghana stood at 66,160km in 2008 including 11,618 km of trunk roads, 12,450 km of urban roads and 42,092 km of feeder roads. The network is comprehensive enough to integrate all districts and regions, and provide access to a large number of settlements. However, about 54% of the network is not in good condition. The main arteries of Ghana's trunk road network are the Coastal Trans-ECOWAS Highway (Aflao-Elubo), the Eastern Corridor (Tema-Kulungugu), the Central Spine (Accra-Kumasi-Kintampo-Tamale-Paga) and the Western Corridor (Elubo-Hamile). An extensive use of road transport in relation to other forms of transport has further led to a premature deterioration of the road network. Another resultant effect is the unbearable traffic congestion on the roads in the urban areas, poor maintenance of roads and the increasing rise in road traffic accidents.

The existing rail network in Ghana is confined mostly to the southern part of the country which is also the more populous and economically advanced zone. The total rail track length is 1,300 kilometres. Historically, minerals, cocoa and timber constituted the main bulk of goods traffic on the railway network. Currently, only limited bulk and passenger train services are provided on the network. There is a need to upgrade and modernise the railway network to ease the pressure on, and reduce the rapid deterioration of the roads and highways. The modernization will also entail the introduction of a sub-urban rail network.

Ghana has 10 airfields/airstrips located in various regions of the country and the four domestic airports in Accra, Takoradi, Kumasi and Tamale. The Kotoka International Airport in Accra has been rehabilitated in the recent past. However the airport needs to be progressively improved to meet the highest international standards in order to make Accra a West African hub and gateway that will lead to growth in export trade and tourism. Domestic air services are currently underdeveloped, while there is a limited incentive to encourage the operation of domestic flights.

The two main harbours in Ghana are artificial deepwater ports built in Takoradi and Tema in 1928 and 1962 respectively. There are smaller ports (Akosombo, Buiepe and Yapei) where freight is moved by surfboats and lighters. Most of Ghana's imports and exports are handled by the two main ports which have had extensive rehabilitation works over the years. Although they handle huge volumes of cargo, the performance of the ports is constrained by increasing congestion and longer cargo dwell. The total maritime traffic, in terms of goods loaded and unloaded stood at 4 million metric tonnes and 9.4 million metric tonnes respectively in 2008.

The Volta Lake Transport system on the other hand, spans about 450 kilometres from the south to the north, with major ferry crossings at Yeji, KeteKrachi, Dambai and Kpando. It was planned for transporting petroleum and agricultural products as well as passengers especially those living near the lake. Periodic drops in the level of the lake however inhibit longitudinal movements. There is also the problem of ageing, obsolete equipment, and underwater obstructions to safe navigation.

The main problems confronting the transport sector in Ghana are: poor and inadequate development of inter-modal facilities; inadequate funding for maintenance, upgrading and rehabilitation of existing infrastructure and management for all modes of transport; poor coordination and cooperation among relevant institutions; and a divulsive approach to transport planning and development.

2.4.3 Information and Communications Technology (ICT)

Information and Communication Technology is a major facilitator of economic and social development. The widespread availability of affordable, high-speed telecommunications (broadband) infrastructure and services is critical to support growth and development. Also, ICT is an important tool for increased efficiency and transparency in the public sector and grants citizens common access to public services by making information readily available for decision-making (e-Governance).

Ghana continued to record progress in telephone density and internet accessibility over the past decade. Telephone density which stood at 4% in 2003 increased to 53.2% in 2008, while the total number of internet users went up from less than 1% in 2005 to 3.8% in 2008. The impact of these developments on social transformation has been significant. Mobile phones continue to be a major form of communication for many of the country's rural farmers, micro-business entrepreneurs and other professionals to access information, provide critical services and transact business.

This notwithstanding, consumers of telephone services continue to receive poor services from network operators. The infrastructure of the ICT sector is faced with constraints which include low penetration across the country; low and/or inadequate accessibility to telephone and internet facilities especially in rural areas; inefficient institutional and regulatory arrangements to support ICT development; and limited use of ICT as a tool to enhance the management and efficiency of businesses.

The optimal technology for high-speed telecommunications is fibre optic cable, but its widespread deployment is expensive. Currently, only a relatively small proportion of the country, primarily key business centres, is serviced with fibre optic cable. Most of the Accra metropolitan area has access to broadband services. However, there are service gaps in outlying suburbs and most remote parts of the country.

2.4.4 Human Settlements

Increasing population growth, rural-urban migration and the re-classification of settlements from rural to urban have contributed to the rapid urbanization of our towns and cities. At a projected average urban growth rate of around 3% between 2000 and 2030, Ghana's urban population is expected to increase from about 44% of the total population in 2000 to about 52% in 2010 and further to around 65% by 2030. The rise in urban population, however, puts a strain on limited social infrastructure resulting in congestion, overcrowding and the emergence of slums. Other related challenges include: haphazard, uncontrolled and uncoordinated urban development; lack of role assignment to towns and cities in the national development framework; and unplanned/uncontrolled rural and peri-urban development.

Another facet of the current urban development and land use management practices is the informalisation of the urban economy, a situation that has arisen partly as a result of the rapid increase in rural-urban migration and other related factors. Seen by many as a spontaneous and creative response to the formal economy's incapacity to satisfy basic needs, the informal economy contributes significantly to the national economy. Weak capacity of Government agencies, particularly the Metropolitan, Municipal and District Assemblies (MMDAs) to provide adequate housing facilities and map out well planned residential and commercial areas, have contributed to the haphazard development of social and economic activities in the cities.

The urban system in Ghana is characterised by an over concentration of towns within the southern zone as compared to fewer towns in the northern part of the country, which has only one metropolitan area (Tamale) and several small and a few intermediate-sized towns. This does not promote an even regional development of the country. This state of affairs is largely attributed to: the absence of effective competition to the grade 1 cities of Accra and Kumasi; lack of effective intermediate cities between key urban settlements and the rural settlements; uncontrolled urban sprawl in cities and key urban settlements as a result of their attractiveness to rural migrants; inadequate infrastructure to support industrial development; and the need for grade 1 centres to become effective points of interaction between Ghana and the outside world.

2.4.5 National Land Use

The linkage between spatial/land use planning and socio-economic development in the planning and management of cities, towns and communities in the country is weak at all levels. This could be illustrated with the rush for land in the Western Region with the recent discovery of oil and gas, as has been the case in other parts of the country with new natural resource discoveries, and the consequent haphazard sale of land. Related to this, is the issue of land ownership, which poses a major challenge to land use in the country. Problems associated with this include the general indiscipline on the land market; a complicated land tenure system and cumbersome land title registration procedures all of which impede the access to, and the efficient use of land for development purposes.

The situation regarding land use however, can be explained, among others, by the absence of a human settlements policy; inadequate spatial considerations in our development planning; inefficient spatial/land use plans; poor plan implementation and weak enforcement of planning and building regulations; lack of integration of climate change adaptation and disaster risk reduction into land use planning; and inadequate human resource capacity for land use planning.

2.4.6 Housing Development

Housing is one of the basic needs in every society. Improved housing promotes socio-economic development and brings about social cohesion. The right to adequate housing is intricately linked to the enjoyment of other human rights like security of person and property, education, information and health. The rapid increases in population and urbanization, and the inability of the housing delivery system to meet the growing demand have over the years created strains on the existing housing stock and infrastructure, especially in the urban areas. This has resulted in overcrowding and the development of slums in many places.

Available estimates show that urban population increased from 28.9% in 1970 to 43.8% in 2000. In 1990, the total number of people living in slums in Ghana was estimated at 4.1 million, and it increased to 4.99 million in 2001 and then to 5.5 million in 2008. In the Greater Accra Region alone, it is estimated that nearly one-third of the population live in slums. On the other hand, the population with access to secure housing has stagnated at about 12% over the past five years and if the trend continues, the proportion with access to secure housing will increase by only 6% by 2020. This means that a significant proportion of the urban population will remain without access to secure housing.

2.4.7 Water and Sanitation

Available data indicates that the proportion of the population that uses improved drinking water increased from 56% in 1990 to 83.8% in 2008. Similarly the proportion of the urban population with improved access to drinking water increased from 86% in 1990 to 93% in 2008, while that for rural population increased from 39% in 1990 to 76.6% in 2008.

However perennial water problems continue to plague both the rural and urban communities and substantial regional variations in access to safe water still exist. Inadequate infrastructure especially energy, water and sanitation pose a challenge to efficient water delivery. The World Bank estimates that Ghana spends approximately 3-4% of GDP per year less than what is required to address the most critical infrastructure gaps in electricity, water and sanitation, and to a lesser extent, ICT and rural roads. The medium-term shortfall in infrastructure financing is approximately 5-6% of GDP. The power crisis cost the country an estimated 1% of GDP in 2008; and the “silent crisis” in water and sanitation is deemed not only as a threat to economic activity but also to public health.

Available user-based data from the Ghana Demographic and Health Survey (GDHS) shows that national coverage for improved sanitation remains low and merely increased from 4% in 1993 to 12.4% in 2008. Among urban populations, improved sanitation coverage increased from 10% in 1993 to 17.8% in 2008, while the rural populations with access to improved sanitation increased from 1% to 8.2% between 1993 and 2008. The proportion of rural population with access to improved sanitation increased by 6% between 2003 and 2008 compared to an increase of 3% for the proportion of urban population with access to improved sanitation during the period. The main challenges for improved sanitation delivery are the low level of investment in sanitation, and unplanned expansion of cities.

2.5 Natural Resource Management and Environmental Governance

2.5.1 Environmental Degradation (land, forest, etc)

Ghana’s forest remains an important asset for ensuring sustainable development especially in poor communities where farming and other activities that require intensive use of land dominate. Available estimates indicate that Ghana’s forest cover declined from 32.7% to 24.2% between 1990 and 2005. In 1990, the forest cover was estimated at 7,448,000 hectares; the forest cover declined at an average rate of 1.8% per annum to 5,517,000 hectares in 2005. The rate of decline of Ghana’s forest is alarming and it is important to accelerate the rate of reforestation efforts.

Several factors, including livelihood activities explain why the country's forest is being depleted at such an alarming rate. Population pressures, poor sanitation and solid waste management, low level of investment in water and sanitation delivery, air and water pollution, forest depletion, land degradation, climate change and unplanned expansion of cities pose major health, water, sanitation, and environmental concerns.

Economic activities such as logging, fuel production and farming have become the main causes of forest loss. In the case of logging, significant amount of it is done illegally and often done with little consideration for the environmental damage it causes. Farming methods in Ghana have not seen any significant transformation for a long time. Most farmers still practice slash and burn methods while the use of obsolete farming implements remains. These activities eventually contribute to climate change and other environmental effects. Bad farming practices expose the top layer of the soil, the slash and burn release environmental gases besides the pollution of rivers and the destruction of other water bodies.

A great deal of the small scale mining activities in Ghana takes place in forest areas thereby affecting the environment significantly. It is not common to find degraded forests reclaimed, particularly among the small scale miners, after mining activities have been halted and the targeted mineral deposits extracted. In many cases, the land and water resources are never recovered as a result of severe pollution from chemicals used in mining.

The rate at which the nation is losing its natural resources owing to human activities raises concern about the sustainable exploitation of these resources. The total economic cost of poor environmental management and sanitation is estimated at 10% of GDP. The main challenges facing the sector are the weak institutional capacity for environmental management, and the limited resources, both human and financial, to implement reforestation and other environmental management programmes.

2.5.2 Biodiversity and Protected Areas

Currently, Ghana has 16 legally constituted wildlife reserves, which cover about 5.3% of the total surface area. These have been categorized into: one strict nature reserve, six National Parks, two wildlife sanctuaries, six resource reserves and one biosphere reserve. There are also six wetlands declared as Ramsar sites. The current challenge for most of these protected areas is low budgetary allocations to provide adequate protection for the wildlife populations which have been gradually declining due to habitat fragmentation, the trade in bush-meat, and lack of effective legal framework for these protected areas.

Another area of a major concern is the loss of biodiversity which is proceeding at an alarming rate. This has been due to the lack of integration of biodiversity issues into development planning.

2.5.3 Coastal Erosion

The coastal zone covers only 6.5% of the total land area. However, about a quarter of the nation's population and more than three quarters of its industries are located in this area. Coastal

erosion is not only increasing at an alarming rate but it is also destroying the sources of livelihood of the farming and fishing communities along the coastal strip. Overlapping policies at all levels of governance have led to sectoral conflicts with regard to resource development and management, including environmental protection of the coastal zone. The rise in sea levels as a result of climate change threatens many of the communities along Ghana's coastline.

2.5.4 Wetlands and Water Resources Management

Until recently, wetlands were virtually considered as waste lands. Since the coming into force of the Convention on Wetlands in 1971, wetlands have been internationally recognised as ecosystems of considerable importance, comparable to forests, rangelands and marine ecosystems. Wetlands ecosystems in Ghana constitute about ten percent of the country's total land surface. They provide a range of socio-economic, cultural and ecological values for wetlands communities in particular and the nation as a whole.

2.5.5 Climate Variability and Change

The impacts of increased global emissions of greenhouse gases (GHG) are already being felt with evidence that further change will occur. Climate is a development issue. Vulnerability and adaptation assessments have demonstrated that the economy will be adversely affected by climate change since it depends on sectors that are predominantly susceptible to the impacts of climate change. There is a commitment to tackling climate change. However, efforts to ensure a climate-change-resistant economy have been unsuccessful due to limited capacity both technically and financially.

2.6 Transparent and Accountable Governance

2.6.1 Practice of Democracy and Institutional Reforms

Parliament continues to perform its legislative, oversight, deliberative, financial and regulatory functions to deepen democracy, good governance and sound economic development. The Public Accounts Committee of Parliament also continues to hold public hearing on an annual basis to consider the report of the Auditor General on Public Accounts and this has raised public confidence in the ability of Parliament to exercise control over the budgetary process.

The Electoral Commission, the constitutional body established by an Act of Parliament in 1993, (Act 451) to superintend elections in Ghana, also continues to successfully conduct Presidential, Parliamentary and district level elections. Since the return to constitutional rule in 1992, the Electoral Commission has so far conducted five Presidential and Parliamentary, and four district level elections.

Civil Society Organisations (CSOs) and think-tanks have continued to make significant inputs into the consolidation of democracy in Ghana. However, critical challenges exist in the practice of democracy and reform of independent governance institutions. In the case of CSOs, no clear framework or guidelines exist for engagement with Government for their participation in the governance process.

Currently, there is still a conflict of roles and the risks associated with the fusion of functions of the arms of Government, and review of constitutional power relations. The constitutional provision that requires the President to appoint the majority of Ministers of State from Parliament tends to undermine the effectiveness of, and compromises the independence of the legislature. Resource disparity among the different arms of government undermines the roles of these different arms of governance. The independent governance institutions are under-resourced. There are also inadequate transition regulation arrangements in place to effectively manage the transition process during changes in administration.

2.6.2 Local Governance and Decentralization

Ghana's current decentralization and local government system was instituted two decades ago, and Ghanaians have come to accept it as an important governance arrangement for delivering local services to citizens. Since then a number of policy measures have been implemented to ensure effective transfer of power and resources to the local level as envisaged under the decentralization policy. These include:

- Demarcation of local government areas and new district assemblies;
- The introduction of District Assemblies Common Fund (DACF), HIPC and other grant transfers to ensure dedicated sources of revenue for financing district development programmes;
- Establishment and launch of the Local Government Service to ensure the integration of Government and Decentralised Departments into the fold of the MMDAs including the preparation of the appropriate Legislative Instruments. Under the Legislative Instrument (LI) 1961 of February 2010, 17 decentralised departments were to be integrated into the MMDAs. It also includes the establishment of District Works Departments in selected MMDAs under the Local Service Delivery and Governance programme and the establishment of Human Resource Departments in 40 MMDAs; and
- Introduction of the District Development Fund (DDF) and the Functional Organisational Assessment Tool (FOAT) to guarantee regular revenue sources for district development programmes.

To enhance the capacity of the District Assemblies to deliver on their mandate, a number of far-reaching policy initiatives have also been introduced, among which are: the preparation of National Decentralization Action Plan (NDAP); the passage of the Local Government Service Act; and the piloting of the cost-saving composite budgeting system in selected districts.

However, after two decades of its introduction, the full potential of the decentralization and local governance arrangement is yet to be derived. There is lack of shared conceptual and political understanding across governments and civil society regarding the overall direction of decentralization. In addition a range of key constraints still persist including:

- Dysfunctional Sub-Metropolitan District Councils;
- Arbitrary and Haphazard Re-demarcation;
- Wanton Proliferation of Decentralized District Structures;
- Dysfunctional Unit Committees;

- The Issue of Elected or Appointed DCE's;
- Accountability of District Assembly Officials and Representatives;
- Improvement of Financial Management;
- Limited Range of Local Revenue Mobilisation Sources;
- Lack of Legal Framework to Operationalise the Composite Budget System;
- Exclusion of Traditional Authority in the Decision-Making Mechanism at the District Assembly Level;
- Weak Capacity of Personnel and Lack of Logistics;
- Rigidity in Procedure for Contracting Loans and Overdrafts; and
- Animosity between MPs and MMDCEs over the Utilization of the MPs Common Fund, in particular and other Resources in general.

Addressing these emerging constraints to Ghana's decentralization process will enhance local governance and give power to the local people to ensure that there is relevant development that suits the real needs of the people.

2.6.3 Public Policy Management

Attempts at addressing the challenges of public policy management have been on-going for the past two decades as part of the structural adjustment reforms. The outcome of efforts to date however, points to the existence of critical bottlenecks.

Consensus building, improved participation and consultations among the range of stakeholders constitute an integral part of the policy formulation process right from the conceptualisation to the drafting of the policy, and its implementation. Further deepening of the process of promoting participation of stakeholders including all political parties, state and non-state actors and traditional authorities in the design and implementation of the national development agenda is an effective mechanism for promoting and consolidating broad national ownership.

Lack of clarity in roles and functions of MDAs often leads to duplication and overlap of functions among the MDAs, which result in the misuse and waste of resources. Also, weak capacity of the civil and public services; poor incentive structure; ineffective supervision, inadequate infrastructure to ensure effective working environment; and lack of a comprehensive human resource development policy have rendered the civil and public services inefficient in managing public policy.

2.6.4 Public Sector Reforms

Over the past two decades, effort has been made to bring about public sector reforms aimed at increasing the capacity of the public and civil services for efficient service delivery, especially in support of the private sector. This effort has primarily focused on:

- Pay, productivity and pension reform;
- Organisational restructuring of the civil service and training;
- Development of a human resource management framework;
- Preparation of a service delivery improvement programme;
- Support for the decentralisation programme;

- Subvented agency reform; and
- Central management agency reform.

However this attempt has been assessed as having achieved a limited impact. To a large extent, the past failures have been attributed in part to the fact that the reform activities were detached from the mainstream of ministerial responsibilities and accountability for the management of the various sectors of the economy. To get back on track, the mode of execution of the reforms needs to be reviewed with the aim of making public sector reform initiatives more effective.

2.6.5 Women's Participation in Governance

Following the Beijing Declaration in 1995, Ghana adopted an Affirmative Action Policy in 1998 as a result of which a number of interventions were introduced to ensure that women's issues are effectively mainstreamed into the development process. These include:

- Ratification of a number of international protocols, conventions, and treaties including the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW);
- Establishment of the Ministry of Women and Children's Affairs;
- Passage of the Domestic Violence Act 2007, Act 732;
- Establishment of the Domestic Violence and Women Support Unit in the Ghana Police Service;
- Establishment of gender focal points in a number of Ministries, Departments and Agencies;
- Promotion of gender budgeting by creating a dedicated gender desk in a number of Ministries, Departments and Agencies; and
- Support for women to contest the Parliamentary and District Assembly Elections.

Currently Ghana has a number of high profile women political appointees and professional heads of public sector agencies, including the Speaker of Parliament, Chief Justice of the Republic of Ghana and 15 Ministers of State. In addition 29% of Supreme Court Judges and 25% of High Court Judges are women. The area where Ghana has suffered a setback is in the proportion of women Members of Parliament, which has fallen from about 10.9% in the previous term of Parliament to about 8.7% in the current term of Parliament, as against the international average of 13%.

Despite the many efforts to incorporate affirmative action in the policy spheres and put it at a high level on the political agenda, there are a number of political and administrative arrangements, as well as the prevalence and practice of many outmoded customs which have proven to be detrimental to these efforts. The current arrangements and processes within the political system for selecting leaders and candidates for political positions are not supportive of women's involvement and participation. Other bottlenecks are: weak implementation of the existing laws promoting women's rights; weak capacity of appropriate enforcement and related agencies; limited coverage of the institutions dealing with women's rights; inadequate support for victims of violence; and poor implementation of the Domestic Violence law.

2.6.6 Rule of Law and Justice

Access to Justice has featured prominently on the agenda of post-independence Governments in Ghana. Over the past decade, efforts have continued to be made to improve access to justice for all including the training and enrolment of more lawyers to the Ghana Bar annually, provision of legal aid, review of outmoded laws, the introduction of an Alternative Dispute Resolution (ADR) mechanism and the introduction of binding guidelines for ethical judicial conduct.

However, more often than not, there is delay in resolution of cases within the judiciary. Besides, the cost of legal processes is high and often unaffordable to the poor. These are major setbacks to the judicial process in promoting law and justice. The capacity of the legal sector remains weak to deliver speedy and affordable justice delivery and disposal of cases.

Currently, there are conflicting Acts which pose challenges to the implementation, compliance with and enforcement of rules, regulations and procedures. There is also weak appreciation of and demand for basic social services.

2.6.7 Public Safety and Security

Ghana has earned the reputation of being a safe haven within a troubled sub-region. The World Bank Report on “Doing Business” in 2008 credits Ghana with a secure and safe country status. Since independence, several laws have been enacted aimed at ensuring public safety and security and the proportion of law enforcement officers to the population has also been increased consistently. In 2001, Ghana had a police population of 15,983. This figure has increased by an additional 10,132 over the last seven years. This has boosted the police-to-citizen ratio significantly. Ghana currently reports a police-to-citizen ratio of 1:994 down from a ratio of 1:1200 in 2001. This puts Ghana on track of reaching the UN standard of 1:500. The country’s borders remain secure as a result of the vigilance of the Security Agencies and the foreign policy of good neighbourliness of the Government of Ghana.

The incidents of instability in the sub-region and the likely influx of refugees and combatants into the country have made the safeguarding of territorial integrity and contribution to international peace keeping efforts in the sub-region and other conflict zones elsewhere, paramount.

2.6.8 Corruption and Economic Crimes

Dealing with corruption basically involves a three-pronged approach. The first phase is the enactment of the appropriate pieces of legislation that cover the management of public funds. The second phase involves setting up the appropriate institutional structures for the implementation of the laws. Finally, the third phase covers applying the provisions of the law for both the management of public funds and for sanctioning public office holders in cases of breach. Over nearly two decades Ghana has enacted a number of laws and established a number of institutions to deal with issues of corruption in the public sphere. These include the establishment of the Economic and Organised Crimes Office (EOCO) (what was previously known as the Serious Fraud Office), Commission on Human Rights and Administrative Justice, Internal Audit Service, Public Procurement Authority, Central Tender Board, and Public

Account Committee of Parliament. Also the following laws have been passed to support the fight against corruption and economic crimes: Public Procurement Act 2003 (Act 663), the Internal Audit Agency Act, 2003 (Act 658), Whistle Blowers Act 2006, (Act 720), and the Financial Administration Act, 2003 (Act 654).

Over the years, the Commission on Human Rights and Administrative Justice (CHRAJ) has pursued an anti-corruption and a conflict of interest crusade for public office holders; and the Ghana Audit Service has undertaken the auditing of the accounts of MDAs and MMDAs, Pre-university Educational Institutions, and Public Boards and Corporations. The public hearings by the Public Accounts Committee of Parliament on these reports have been held to follow-up on the misapplication of public funds for which the defaulting individuals and institutions have been recommended for appropriate sanctions. It is estimated that the loss of public funds due to misprocurement and corruption in the procurement process has reduced by more than 30% since the enactment of the Public Procurement Act 2003, Act 663. The general public has followed with keen interest the public hearings held annually since 2005.

The enumerated interventions notwithstanding, perception of corruption in Ghana remains high. Only a small improvement has so far been recorded in the country's Corruption Perception Index (CPI) ranking which stood at 3.7 out of a total of 10 in 2007 and improved to only 3.9 in 2009. Although institutions such as the CHRAJ, EOCO, and the Audit Service exist to check malfeasance in public administration, corruption and economic crimes, they are confronted with a number of challenges, including weak institutional mandate and coordination, lack of capacity, and resource constraints.

The pervasiveness of corrupt activities requires a diverse range of anti-corruption measures to improve the situation. These include strengthening the political will to fight corruption; ensuring the financial and operational independence of oversight bodies such as Parliament, the Commission on Human Rights and Administrative Justice (CHRAJ), the Ghana Audit Service and the Economic and Organised Crimes Office (EOCO); making sure that the media operate in a free environment; enforcing transparency-enhancing legislation; and adopting enforceable codes of conduct and ethics for public officials and professional bodies.

2.6.9 National Culture and Development

In this era of globalization and technological challenges, culture should be recognized not only in terms of capital for development but also as the most important driving force in human and material development, as well as democratic governance. Indigenous knowledge, history, cultural values and institutions, arts and crafts continue to influence national development.

Ghana's chieftaincy institution remains an important traditional heritage, and has served as an important source of social stability and community development. The tolerance of diverse culture has been the source of Ghana's peace and stability. Even though there are concerns over the adverse effect of the numerous outmoded customs and chieftaincy conflicts on development efforts, the impact of a lot of the customs and the participation of chiefs in conflict resolution and promotion of peace has been positive.

To make it an instrument for social and economic development, the role of culture in the national development process has been duly recognized in the 1992 Republican Constitution of Ghana, under the Directive Principles of State Policy (Article 26(1) – (2) and 36(1) – (4)). Subsequently, Ghana has promoted the establishment of the National and Regional Houses of Chiefs to give the institution platforms for coordinating its activities and to participate in the national development process. The Ministry of Chieftaincy and Culture was established in 2006 to coordinate issues and activities relating to the development of chieftaincy and culture. However, the existing policy and institutional framework on culture and development remains weak. The key institutions are under-resourced; documentation on Ghana’s cultural history and chieftaincy including lines of succession are poor; a number of abandoned centres of national culture is scattered across the length and breadth of the country; and the support mechanism for the chieftaincy institution remains weak.

2.7 Special Development Zones

2.7.1 Geographical Disparities in Development

The Ghana Living Standards Surveys have shown that overall poverty reduced significantly between 1991/1992 and 2005/2006. Despite these gains, there is worsening inequality across the country and among income groups. There is increasing rural poverty and a lower reduction in poverty in the poorer savannah areas as well as among women.

The Planning Law of Ghana (Act 480) provides for the development of Joint Planning Areas for the purpose of effective and efficient planning. Bridging the development gap between the north and south of the country has been a long-stated goal of most post-independence Governments of Ghana. The Millennium Challenge Programme covers twenty three (23) districts located in the Northern Region, the Central Region, Afram Plains, and the southern horticulture belt in the south of the Eastern Region, where the incidence of poverty is high and above the national average.

The Savannah Accelerated Development Authority (SADA) has been instituted to reduce poverty through a pro-poor growth model based on modernizing agriculture, adaptation to climate change, thereby reducing the frequent occurrence of floods and droughts, and building the human capital, economic infrastructure, investment and private sector base to manage social, economic and ecological transformation of northern Ghana and poorer savannah areas.

While the poverty and inequality profile of Ghana warrants the MiDA and SADA, there is the need to tackle the persistent poverty plaguing the Coastal Savannah belt of the country spanning parts of the Volta, Greater Accra, Central and Western Regions. There is also the need to address the specific poverty-related issues in other parts of the country including the Afram Plains and the forest zone.

2.7.2 The Nature of the Development Problem

The generally improved growth record, together with aid inflows, have enabled rather high levels of public spending, leading to some improvement in education and infrastructure provision

which has been quite broadly spread across the country. However, new challenges have emerged that require urgent policy intervention as the nation gathers momentum for accelerated development.

The pattern of growth has varied significantly by sector, and this is very much reflected in the patterns of income poverty reduction over the period. The reduction in income poverty has been concentrated in Accra and the rural forest zone, and has been highest among export crop farmers. Other regions of the country have seen little poverty reduction. It is this situation that has led to rising inequality levels.

Taking the varied poverty reduction and rising income inequality issues together, it is easy to see this reflected in difficulties with human capital formation, exemplified by poor educational outcomes, inconsistent health outcomes, inadequate job creation in different sectors and poor living conditions in some towns and villages, especially those outside the regions that have recorded declining poverty.

The problems that Ghana faces may be summarized as follows:

- Poverty incidence is still high despite improvements in the last decade;
- Inequality is worsening between and within regions;
- Unemployment is still high and rising despite improvements in economic growth, and provides the most visible development challenge;
- Social and economic development is compromised by poor educational and inconsistent health outcomes, with implications for productivity and future development;
- Weak incorporation of gender issues in policy processes;
- Significant outlays on infrastructure have not crowded in the required private investment;
- Absence of structural change compromises sustainable growth and development; and
- Public institutions do not deliver adequate services for rapid development.

It is these problems that this coordinated programme of economic and social development will focus on. This policy document is premised on the principle that the state must use its resources to influence structural transformation in order to achieve sustainable higher incomes. It is only by achieving higher incomes across board that poverty reduction will be more widespread and inequality reduced.

CHAPTER THREE

OPPORTUNITIES, CHALLENGES AND STRATEGIC DIRECTION

3.1 Introduction

The Agenda of Change for a “*Better Ghana*” manifests a change to advance the transformation of the economy, as a first step to provide Ghanaians with a “Better” and prosperous life. The change will build on the development opportunities that the nation has and address the challenges to development in order to optimise the impact of the initiatives and investments directed at priority areas of the economy.

3.2 Major Development Opportunities

3.2.1 Political Stability

The successful conduct of the 2008 general elections that marked the second time political power shifted from one political party to another since the return to constitutional rule in 1993 has established Ghana’s credentials as a model of democratic practice for developing countries. The recognition of Ghana as a bastion of democratic governance on a continent where the democratic gains of the 1990s appear to be receding provides an opportunity to attract considerable investments into all sectors of the economy. The generally stable and peaceful atmosphere which prevails in the country provides an opportunity to focus on the implementation of the appropriate policies that are required for accelerated growth of the economy and the creation of quality jobs.

3.2.2 Stable Macroeconomic Environment

Government’s commitment to achieve and maintain a stable macroeconomic environment creates the platform for effective implementation of forward looking development and economic policies. It also creates the confidence for both domestic investment and foreign direct investment. Confidence of the citizenry to mobilise domestic resources for investment in local opportunities creates the magnet to attract foreign investment partners and collaboration to expand the job creation potential of the economy. Macroeconomic stability creates the enabling environment for the medium to long-term thinking and planning necessary for the design, conception and implementation of long-gestation initiatives and industrial investments, while reducing the risks for social and economic policy actions on the national priorities outlined in this document.

3.2.3 Discovery of Oil and Gas

The discovery of oil and gas imposes a potential paradigm shift on the nation’s development prospects as well as risks. It also changes the policy dynamics that should inform decision-making at all levels to take advantage of this strategic resource. As the world economy hinges on oil and gas, the existence of the resource in Ghana now hugely impacts investors’ psychology on the nation and therefore provides a catalyst for accelerating the growth of industrial development, leverage for other sectors and commercial exploitation of natural resources into

high value-added products. This provides a clear foundation for directing Ghana's national vision to create an industrial economy with quality jobs and increased incomes. The oil and gas industry is known to contribute significantly to strong economic growth when well managed by the nation that produces it. In Ghana's case, however, its linkage to the presence of other natural resources increases the potential industrial possibilities to include iron ore, gold, manganese, aluminium, petrochemicals, direct salt-driven health and food industries, caustic soda-based industries, fertilizer for agro-industry, as well as natural gas-driven energy to support existing and new industrial and commercial needs.

3.2.4 Natural Resource Endowments

Ghana is uniquely endowed with significant amounts of valuable natural resources. Indeed, Ghana is among a few select nations where oil and gas have been discovered together with endowments of gold, diamond, salt, bauxite, limestone, iron ore, and manganese. These natural resources create the possibility for a gold refinery, and industrial complexes embracing aluminium, petrochemicals, fertilizer, iron and ferro-manganese production, and value-added industrial and consumer products linked to the outputs from these basic industrial goods. The transformational opportunity is presented for Government to take a strategic view of the development prospects available from the linked endowments in oil and gas, bauxite, salt, and limestone, as well as iron ore and manganese. These endowments make Ghana one of the few nations to be in such a position with the opportunity to leverage the natural resources to achieve a quantum leap in economic development.

3.3 Principal Challenges to Development

3.3.1 Political

Ghana appears to be polarised and every issue of national importance is viewed from the political perspectives of individuals and groups. The impact of this polarisation of issues is the diversion of attention from pertinent social and economic issues. The challenge is to make the national weal the accepted objective of all groups and sections of society by forging a common understanding and a united front to address pressing national development issues and challenges. To sustain and deepen democracy and democratic institutions, peace and security will be prioritised in order to guarantee a stable political environment.

3.3.2 Macroeconomic

With the prospect of additional revenues from oil and gas exports, a critical challenge would be how to manage the impact of the proceeds to avoid the incidence of 'Dutch disease' through exchange rate appreciation that manifests in increase in the imports of consumption goods and subsequently of inflation. The challenge would be how to sustain the current stability in prices and exchange rates. The equitable distribution of the benefits from growth poses pertinent, even if subtle, challenges to the sustainable development of the economy. Overall, high levels of unemployment, underemployment, disguised unemployment and the accompanying incidence of poverty especially along ecological zones constitute a threat to national cohesion, peace and

stability. The challenge is to create sufficient jobs especially for young people in poverty endemic areas.

3.3.3 Science, Technology and Innovation

Accelerated growth requires the adoption of improved technologies through the diffusion of science and technology and the development of ideas to support productivity and the creation of new products. The emphasis on science, technology and innovation as well as entrepreneurship is low. In addition to that is the low literacy rate, which on its own constitutes a major constraint to the adoption of a more purposeful scientific approach to the solution of problems by the population. The challenge is to adopt STI in all spheres of national life to raise production and productivity in all segments of the economy. More resources need to be provided for science, mathematics, technology and vocational education to support long-term adoption of the scientific approach to the resolution of problems at both the individual and institutional levels. Emphasis will be laid on critical thinking and the application of the scientific method at all levels of the educational system especially at basic schools.

In addition, entrepreneurship education must be infused into the curriculum at all levels of the education system to consciously inculcate the tenets of enterprise development by the youth as part of the national orientation to mobilise the private sector as the engine of growth. Indeed, best practice now requires that science, technology, vocational and entrepreneurship education go hand-in-hand. Ghana needs to adopt this lesson and ensure that its youth apply their talents and energies to STI and entrepreneurship.

3.3.4 Institutional

Political, legal and administrative challenges continue to limit the efficient administration and provision of private services. These challenges also have an impact on the creation of an effective enabling environment for the private sector as well as the efficient management of other branches of state including the Judiciary, Legislature, independent constitutional bodies and the media. The imperative is to reform the public sector, address issues of corruption, and transparent and accountable governance at all levels that will also improve on efficiency in the operations of private sector institutions. The Judiciary, Legislature and other independent constitutional bodies will be encouraged to embark on their own reforms to complement the programmed reforms within the public sector.

3.3.5 Socio-Cultural Dynamics

The nation's efforts and aspirations are also challenged by prevalent socio-cultural dynamics – public morality, attitudes, behaviours, conduct, responsiveness, time-consciousness, among others - that weaken our capacity to achieve and significantly undermine the impact of policy efforts. As a nation, there is the need to introduce and promote certain core values that we believe we need to shape our thinking, behaviour and conduct as we pursue the task of national development in all spheres of our lives.

3.3.6 Infrastructure

Obsolete, inadequate and depreciating infrastructure constitutes one of the major challenges to accelerated economic development. From the roads network to railways to water and sanitation through telecommunications and energy to health and education facilities, a large section of Ghana's infrastructure is either inadequate, outmoded or in a serious state of disrepair. This state of affairs constitutes a serious constraint to the rapid development of the economy and considerably reduces Ghana's production possibilities and potentials as well as the efficient provision of social services to both urban and rural communities. The challenge is to modernize the entire spectrum of infrastructural facilities in order to meet the requirements for an industrial take-off, the competitiveness of the economy's productive sectors and a fairer access to social facilities.

3.3.7 Resource Constraints

The small size of the economy limits resource mobilisation potential and Government's fiscal space to identify revenue opportunities from the citizenry, in addition to low compliance with tax and regulatory requirements. The financial system is weak and characterised by a small financial market that is underdeveloped with inadequate intermediation, and also marked by a banking system that depends largely on wide spreads between savings and lending rates. As well, Ghana's capital market is small, illiquid and underdeveloped with limited instruments for resource mobilisation. These challenges constrain domestic resource mobilisation at all levels and expose the country to reliance on external financial support as well as foreign direct investment as the principal sources of funding for both public and private sectors. These challenges impede the pace of policy implementation which oftentimes becomes hostage to inadequate domestic funding and/or disbursements of external funding agencies, both bilateral and multilateral.

3.3.8 Climate Variability and Change

Climate variability and change constitute a major threat to national development. From a decline in precipitation to floods, climate change imposes a limitation on the ability of the national economy to unleash its full production potential. Another impact of climate variability and change is the rise in sea levels and the consequent coastal erosion it engenders, which affects the livelihoods of the people in the coastal communities. Similarly, climate change is manifesting in increasing levels of desertification in the northern savannah zone. This undermines the agricultural potential and the economic viability of the northern ecological zone and its capacity to contribute to national development. The challenge is to turn climate change and variability into an opportunity to expand national output and productivity and embark on systemic protection programmes.

3.3.9 Global Economic Developments

Though developments in the world economy show that the worst of the fall-out from the financial melt-down and the food crisis of 2007/2008 are over, the recovery of the international economy continues to be in a state of flux. The austerity measures being implemented by some of our major traditional trading partners are likely to reduce the demand for most of our low-

valued agricultural exports. Their remediation measures and the subsequent downsizing by both public and private sector institutions are likely to reduce the remittances from Ghanaians in the Diaspora in the years ahead.

Unless Official Development Assistance (ODA) is ring-fenced and maintained at the pre-recession levels and possibly increased, as has happened in the United Kingdom, aid levels are likely to plummet as a consequence of the austerity measures. Lower ODA levels would impact negatively on the economy.

The challenge is for Ghana to move to the high end of value-addition through the processing of its agricultural products and natural resources. This challenge also elicits the building of new strategic alliances that will see more bilateral trading relationships and projects financing arrangements between Ghana and the emerging economies of South-East-Asia, the BRIC countries - Brazil, Russia, India, and China – and South Korea.

3.4 Strategic Direction

3.4.1 National Development Priorities

Government's transformation agenda is to shift the development paradigm of the economy through the exploitation of opportunities linked to oil and gas to move Ghana away from dependence on traditional raw material exports to an industrial architecture based on value-added processing of Ghana's natural resource endowments. The strategic elements driving national priorities of this transformation *Agenda* for a "Better Ghana" include:

- Enabling environment for accelerated employment creation;
- Accelerated agricultural modernisation;
- Integrated industrial development;
- Infrastructural expansion and modernisation;
- Human development;
- Private sector development;
- Transparent and accountable governance; and
- Financial mobilisation including Public-Private Partnerships (PPPs).

In all these areas, special efforts will be made to ensure the equitable participation of women, the youth and persons with disabilities.

3.4.2 Enabling Environment for Accelerated Employment Creation

To manifest a People-First approach to national and social development, the state will provide both directly and indirectly, the environment for accelerated job creation for the people, particularly the youth. Ghana has the resources, which when effectively and efficiently exploited can provide the basic minimum livelihood conditions that each citizen needs to live a dignified life through employment. As we move towards achieving accelerated industrial growth, Government will prioritize the exploitation of our vast natural resource endowments to create value-added industries that maintain decent and remunerative jobs in Ghana. To convert

opportunities in the oil and gas industry in particular to create jobs, Government will ensure the utilisation of oil revenue in the priority areas of agriculture, infrastructure, health, water and sanitation, education, rural development and poverty reduction; and also provide incentives to facilitate investments along the oil and gas value chain.

3.4.3 Accelerated Agricultural Modernisation

Agriculture holds one of the major keys to changing the fortunes of our people. Government intends to modernise and transform agriculture to ensure domestic food security, support industrial processing, and energise the rural economy to reduce poverty and deprivation. In addition, the availability of natural gas will enable fertilizer production for increased agricultural productivity in order to reduce sector risks and facilitate financial intermediation for investments in agriculture and value-added agro-processing.

3.4.4 Integrated Industrial Development

Government's vision on industrialisation will enable Ghanaians realise the dream of seeing the transformation of the economy within the life time of a generation and to enable all citizens enjoy the benefits of an industrial economy with quality jobs and higher incomes. This needs a radical shift in national thinking and policy direction in the use of natural resource endowments in order to massively increase the pace of quality job creation and income growth that benefit all citizens. To transform the economy and deliver an average growth rate of at least 8% per annum will require accelerated industrial development. This will be achieved by anchoring industrial development on the conversion of Ghana's natural resources into value-added products with emphasis on agro-based manufacturing, down-stream oil and gas and value-added minerals processing and manufacturing, with the full participation of Ghanaians.

The industrial development will only translate into job creation at the level needed to change the economic fortunes of Ghanaians when the natural resources are applied locally along the industrial value chain. That means most of the value-added processing must be done in Ghana. But, without a specific policy strategy to compel the direct participation and involvement of Ghanaians, there will be little job creation. Government will therefore initiate a proactive local content policy and formulate and implement appropriate laws to ensure that Ghanaians at all levels directly benefit from the industrialisation process.

This will also involve measures to improve our global competitiveness and infrastructure, develop the human resource and technology base, provide financing for industry, focus on strengthening participation of SMEs in the production value chain, decentralise industrial development, develop new industrial growth poles especially in the light of the oil discovery, and reform the tax system as it relates to industry. Government is also determined to seed and facilitate the creation of industrial anchors, and deploy the full benefits of existing free zone, export zone and related investment laws to accelerate industrial development and grow national champions to lead rapid job creation. Flagship initiatives in the industrial sector and related infrastructure will be created as platforms to extend the linkages between industrial investments and the basic structure of the economy.

3.4.5 Infrastructure Development

Industrialisation will require a modern and efficient infrastructure. Modern infrastructure will introduce efficiency and reduce costs in all aspects of life. It will also make Ghana an attractive destination for investment. Improvement and modernisation of both the physical and social infrastructure will therefore anchor the change of the economy's structure to a value-added industrial processing platform. The development of an intermodal transport system will play a pivotal role in the modernisation of transportation.

The existing railway network will be transformed through upgrading and modernisation, and extended to the northern sector of Ghana while the foundation will be laid for sub-urban rail transport. Special emphasis will be placed on linking the southernmost reaches of Ghana to the northernmost points along the Western and Eastern corridors with first class roads and also provide linkages to targeted production centres of the nation. A modern all-purpose deep sea port for oil and gas services and oil and gas-driven industries will be developed to support industrial development. The stock of modern housing units will be significantly increased to bring affordable accommodation within the reach of Ghanaians.

The availability of gas also provides opportunities to significantly increase electricity generation to meet the needs of Ghana as well as position the country as a net exporter to some of the other countries in the sub-region. Other social infrastructure including water and sanitation will receive priority attention to improve the well being of Ghanaians. Government will also implement science and technology-driven measures to enhance growth and provide the momentum to ensure the global competitiveness of Ghana's industrial champions.

3.4.6 Human Development

The transformation of Ghana's economy requires accelerated human development to meet the needs of a modern 21st century economy. The human resource dimension of human development will focus on the special capacity needs for economic transformation. It also requires enormous improvements in capacity development and training for the industrial and emerging areas of opportunities in the oil and gas sectors. Government intends to invest in human resource development to facilitate the acquisition and application of knowledge and skills in solving problems in society as essential aspects of national development efforts aimed at achieving growth and social equity. Without a well educated, skilled and informed population, the transformation of the key sectors of the economy, and the effort to raise living standards and productivity as the basis of wealth creation will continue to stall. In the medium to long-term, the strategy will focus on the creation of a knowledge society.

3.4.7 Gender Inequality

Gender disparities and inequalities persist in several areas of our national life in both public and private domains. As women constitute more than 50% of the population and a significant proportion of the labour force, it is necessary to raise their educational, social and technical attainments while also protecting their health and physical integrity, to enable them develop to their full potential and to be able to contribute their full quota to national development and share in the new prosperity that we are working towards.

3.4.8 Private Sector Development

An important element of the framework of coordinated policies is to position the private sector as a partner to Government to prosecute the accelerated industrial development of the economy. By specifically crafting policies that will remove the bottlenecks and streamline the regulatory regime to provide businesses with proactive support, the private sector will be empowered to take advantage of improved public sector efficiency to invest, grow and create jobs.

Government's priority in infrastructure modernisation and expansion will reduce the cost of living and doing business generally, improve the import and export competitiveness of the private sector, and position Ghana as an investment destination. The industrialisation agenda also positions private sector players as partners to Government in the mobilisation of capital through PPPs, and seeding of industrial champions to take advantage of the opportunities arising from the policy strategy embodied in this framework.

At the same time, the private sector is expected to build the necessary capacity and address operational and functional challenges that impede the growth and expansion of businesses. The sector needs to embrace modern practices including information technology, application of science and research as well as invest in higher value-addition and move up the processing value chain to create quality jobs. Private sector operators must also position their enterprises to access long-term funds from the capital markets in order to undertake long-gestation investments.

3.4.9 Transparent and Accountable Governance

The broad goal of transparent and accountable governance is to empower state and non-state bodies to participate in the national development process and to collaborate effectively to achieve national development goals and objectives. The collaborative process is to ensure that political, economic and administrative authority is exercised in a manner that ensures that public resources are managed efficiently and with integrity in response to the problems and critical needs of the people.

Good governance places emphasis on the principles and tenets of transparency and accountability in the exercise of political, economic and administrative authority for ensuring peace, stability and national cohesion. Political and administrative accountability ensure that decision-making is devoid of corruption and rent-seeking, and also create an environment that attracts and grows the massive investments needed to transform the economy.

Government will strengthen local governance and decentralisation in order to promote increased citizens' participation in local governance. Emphasis will be placed on accelerated devolution of political power to the district and sub-district structures and getting grass-roots participation to ensure a bottom-up approach to governance. Further, the principles of transparency and accountability in governance processes will be nurtured and upheld through enhanced coordination, communication and harmonisation among all the different levels of government: national, regional, and district. The democratic space will also be expanded for the participation of both state and non-state actors.

3.4.10 Financial Mobilisation including Public-Private Partnerships (PPPs)

Government's transformation agenda can be constrained by the huge amounts of capital required for investments in the core sectors of the economy. Mobilising the financial and technical resources to cope with the rising cost of financing the infrastructure deficit must also be resolved in order to effectively prosecute the agenda for change. Government will therefore promote partnership with the private sector to source and manage the needed financing for selected priority areas of the economy. Hence, Public-Private Partnerships (PPPs) will be encouraged to address the capacity and financing gaps in order to ease the burden on the national budget.

Bilateral partnerships will be forged to focus on state-to-state initiatives in specific areas of the economy that require state intervention to mobilise and invest the resources necessary to seed priority industrial investments and infrastructure. The objective is to reduce the risks and costs so as to attract the private sector into such ventures. At the same time, Ghana's financial sector reforms and capacity strengthening will be accelerated to enhance financial intermediation in the economy, and increase the availability and pace of resource mobilisation to support domestic investment and locally-driven industrial initiatives. It will also involve continued strengthening of financial markets through increased capitalisation of the banking sector and insurance industry to expand its risk capacity. Capital market institutions will also be supported with the required incentives while existing regulatory and policy incentives will be enhanced to enable Ghana to become a competitive regional destination for long term investment.

3.4.11 Regional and International Cooperation

Sub-regional political diplomacy will be enhanced to support Ghana's commitment to "Good Neighbourliness" to ease the implementation of existing and future ECOWAS and other international protocols. Government will vigorously pursue regional integration which will promote regional trade including investments in energy and other infrastructure, harmonisation of trade and investment regulations and policies, removal of non-tariff barriers and trade facilitation with a view to expanding the markets for our goods and services.

CHAPTER FOUR

THE MEDIUM-TERM POLICY INITIATIVES

4.1 Introduction

This chapter outlines the priority policy interventions expected to be implemented to achieve a “Better Ghana” for the benefit and prosperity of Ghanaians. The priority interventions cover the following broad areas:

- Economic Development;
- Social Development;
- Science, Technology and Innovation (STI);
- Infrastructural Development;
- Special Development Zones;
- Natural Resource Management and Environmental Governance; and
- Transparent and Accountable Governance.

4.2 Economic Development

4.2.1 Economic Growth and Production

The economy of Ghana has experienced moderate but consistent growth over the past 25 years. The country’s economic growth over the last decade has been among the most rapid in Africa and faster than in some high investment grade emerging market economies. The country is positioned to become one of Africa’s leading ‘commodities powerhouses’ with oil and gas coming on stream. Oil revenue is expected to eventually contribute the equivalent of about 20% of total national revenue. The contribution of gold and other minerals, cocoa and oil provides a diversified commodity backbone that will underpin the country’s rapid industrialization and sustained economic growth.

Preliminary data from the re-basing exercise conducted by Ghana Statistical Service (GSS) suggest that Ghana’s per capita income in 2010 stands at US\$1,318 compared to US\$753 based on the old GDP series. This puts Ghana in the league of middle income countries. However this new status is not accompanied by the necessary infrastructural and socio-economic transformation. Consequently the long-term objective of government, is to raise the per capita income of Ghana to at least US\$3,000, accompanied by the necessary infrastructural and socio-economic transformation by the year 2020. The nominal GDP is expected to grow at a minimum rate of 10%, while the average real GDP is expected to grow at an annual rate of at least 8% over the next decade.

Over the medium-term, Government will pursue macroeconomic stability and growth-oriented programmes with a projected non-oil average annual GDP growth rate of at least 8%, to achieve and sustain per capita income levels consistent with its long-term vision. Assuming a constant population growth rate of 2.2% over the medium-term, the real per capita GDP, without the impact of oil and gas, is expected to grow at an average annual rate of 5.4% over the same

period. When the impact of oil and gas development is taken into consideration, the average real GDP is projected to grow at 11.3% per annum over the medium-term. The projected real per capital income growth will therefore more than double within the period.

Though the global financial crisis has had an adverse impact on the economies of most countries, the effect on Ghana has been relatively moderate. This is partly due to favourable prices for Ghana's two main exports, cocoa and gold, and partly because of strong rain-fed agricultural production.

Despite the low projected growth rates in the medium-term for the African sub-region due partly to the residual effects of the global financial crisis, it is estimated that the average medium-term real GDP growth rate in Ghana would be at least 8% per annum, mainly on account of the consolidation of macroeconomic stability, and policies to stimulate growth of the Agriculture, Industry and Service sectors and also of employment generation. It is expected that the impact of the global financial crisis would ease from 2010 with a significant bounce back in global economic activities by 2012.

Sector Growth Projections

Agriculture

The agriculture sector is expected to be a major driver of growth in the economy in the medium term. Growth and development of the sector is expected to lead to structural transformation of the economy through modernization evident in food security, employment and reduced poverty. This will be achieved through the implementation of the Food and Agriculture Sector Development Policy (FASDEP II) and the corresponding Medium Term Agriculture Sector Investment Plan (METASIP).

Modernization on the basis of significant improvements in productivity will include the adoption of high yielding crop varieties, fingerlings and livestock breeds; sustainable land and water management; mechanization services along the value chain; rural infrastructure (pre and post production); improved extension services; upgrading skills of operators along the value chain; and access to inputs, market and finance.

The agriculture sector is therefore expected to grow at an average annual growth rate of 6.5% over the medium term.

Major planned agriculture initiatives for the medium term include:

- Establishment of an Export Development and Agricultural Investment Fund to provide appropriate and adequate funding to operators for production, processing and value addition;
- Establishment of the National Food Buffer Stock Company, Ghana Commodities Exchange and Warehouse Receipt System to enhance the marketing of agricultural produce, guarantee minimum prices to farmers, stabilise food prices and improve incomes of farmers;
- Provision of subsidies for improved seeds, grade breeders and stocks, pesticides, fertilizer, machinery and other inputs;

- Promotion of selected crop development for food security and export;
- Supporting the production of adequate quantities of agriculture raw materials focusing on shea nuts, dawadawa, cotton, pineapple, banana, rubber and oil seeds to feed the existing local industries as well as new ones;
- Supporting livestock and poultry (chicken and guinea fowl) farmers to substantially increase the scale of production through improved breeds and quality and affordable feed;
- Establishment of a fisheries college at Anomabo in the Central Region as a satellite campus of the University of Cape Coast;
- Development of aquaculture (pond and cage culture);
- Promotion of small, medium and large scale production through transformation of farm operation with commercial orientation;
- Promotion of irrigation-based agriculture with the rehabilitation of existing schemes, other water management technologies and phased development of the Accra Plains which is the “Flagship” project; and
- Review of educational curriculum to place emphasis on manpower development for the agriculture sector.

Cocoa: Cocoa output will be significantly increased in the medium-term mainly on account of producer price increases, adoption of hi-tech production methods, incentives and injection of capital. Government will ensure that farmers are paid at least 70% of world market price of cocoa and increase local processing to at least 60% of national output. In pursuance of the processing objective, Government will consider the establishment of a cocoa processing factory in the major cocoa production zone in the Western Region.

Industry

The Industry Sector is currently the least contributor to Gross Domestic Product (GDP), behind the Agriculture Sector and the Service Sector. For the attainment of economic transformation envisaged under Government’s medium-term agenda, the industrial sector will play a pivotal role. The sector is therefore expected to grow at an average annual growth rate of 20.3% over the medium-term.

The main drivers here include: enhanced growth from the construction sector; infrastructure development in the oil sector, energy and water sector growth in 2011 and beyond resulting mainly from the Bui Dam’s operations; production of gas to power thermal generation; and an increase in output from the mining sector, especially in salt production to meet industrial demand.

Under the National Industrial Policy, Government will over the medium-term focus on:

- Strengthening the linkages between industry, and research and development institutions;
- Establishment of an Industry Support Centre to assist firms become internationally competitive;
- Decentralization of industrial development to exploit the resource endowments of districts;

- Establishment of new and emerging industries such as petrochemicals, fertilizer and LPG cylinders production on the back of the new oil and gas industry;
- Establishment of manufacturing enterprises to process agricultural produce, especially beans, fruits and shea nuts;
- Exploitation of the limestone deposits at Buipe, Nauli and Nadowli for the production of cement and for industry, as well as utilisation of the significant clay deposits in the country for the production of bricks and other building materials to support the programme for the construction of affordable housing units;
- Rejuvenation of the textile industry in an integrated manner, from seed production to spinning to ginning, and printing;
- Establishment of integrated shea butter processing factories in the three northern regions, targeting the processing of 50,000 tons of shea butter per annum for both local and international markets;
- Rehabilitation of abandoned but viable manufacturing enterprises, including the jute factory, tomato cannery, gold refinery and ceramics production;
- Establishment of a second oil refinery in the Western Region to boost the production of petroleum products for exports and for national energy security; and
- Review and implementation of plans for an Integrated Iron and Steel Industry at Oppon Manso.

Although Government has recognised the fact that mining can contribute to Ghana's industrialization process, it is equally recognised that there are very critical challenges that would have to be overcome for this positive aspect to be realized. Government is aware of the increasing disaffection against mining activities as they currently exist and efforts will be made to review policies on the mining sector.

Service

This sector depends on the growth in agriculture and industry. The abating of the global financial crisis in the medium-term should positively impact growth of the service sector, such as international travel and tourism. The transport, wholesale, and finance sub-sectors are expected to be the main growth drivers in the sector. The sector is therefore expected to grow at an average annual growth rate of 9.4% over the medium-term.

Major planned Government service sector initiatives for the medium-term will include:

- Positioning Ghana as a major financial hub and centre of excellence in financial transactions in West Africa;
- Supporting and strengthening the banking sector to enable financial institutions, among other things, go into mortgage banking, term and start-up financing and other activities and services in support of a growing economy;
- Development of new, high-value options in the leisure market;
- According export status to hotels by granting them the benefits and concessions enjoyed by export manufacturers as tourism is an invisible export;
- Assist the private sector to be more effective, efficient and competitive in the transport industry;
- Support more domestic airlines with opportunities for flights in the sub-region;

- Support rapid development of the country's ICT infrastructure including the establishment of a reliable national backbone with capacity to carry high-speed voice, video, data and internet facilities to all districts of the country;
- Removal of barriers to trade and investment;
- Reducing the cost of doing business by removing internal value chain and institutional constraints; and
- Provision of an appropriate legal and regulatory framework for promoting a creative economy and for protecting intellectual property rights.

4.2.2 Fiscal and Monetary Situation

Fiscal Outlook

Ghana's high fiscal and external deficits in 2008 rendered the economy vulnerable and unstable. The twin fiscal and current account deficits in 2008 were principally financed through the use of privatization proceeds (e.g. Ghana Telecom), the remainder of Eurobonds issued in 2007, foreign currency reserves and domestic borrowing at short-term maturities and from the Bank of Ghana. In the past two years, the fiscal deficit has been narrowed through improved fiscal management. Though projected inflows from the oil and gas revenue will contribute to resource mobilisation for development, it will, however, not yield the desired impact unless the current fiscal stability is consolidated and enhanced over the medium-term.

The broad economic outlook, therefore, critically depends on the ability to continue to address existing fiscal imbalances through continued macroeconomic prudence and a series of structural measures in an orderly manner. This will include a focus on the following: (i) Enhanced central government control over expenditures (ii) Control of the wage bill, (iii) Curtailment of subsidies to minimize or eliminate abuse. The fiscal consolidation, to be credible and sustainable, needs to be structural in nature – with a strong focus on public financial management, public sector and energy reforms to meet the objectives of reinforcing expenditure control systems and improving service delivery at a sustainable cost.

Fiscal policy over the medium-term, therefore, will aim at: (i) increasing revenues, principally by improving VAT collection, and official grants; (ii) reducing operational expenditures, postponing non-essential new investments; and (iii) establishing the treasury single account system to improve cash management. The strategy to liquidate large arrears accumulated in 2008 is to spread payment over a number of years.

Reforms to increase tax collection (single revenue authority, taxation of natural resources, reduction of tax exemptions), and improve expenditure management (treasury single account, information and financial management system, payroll management, hiring controls, payroll audits) and efficiency (improved procurement and internal auditing review, restructuring of sub-vented agencies and statutory funds, civil service reform) should contribute another 1% of GDP to fiscal deficit reduction on a sustainable basis. The full implementation of structural reforms in 2010 would contribute to stabilizing the public debt to GDP ratio and ensure it is on a downward path, even in the absence of oil.

Obvious risks for achieving fiscal consolidation lie in the ability of the Government to contain public wages below nominal GDP growth and avoid the recurrence of subsidies to the energy sector as world oil price rise again. The mitigation of such risks lie at the heart of Government's structural reforms aimed at ensuring full cost recovery in the energy sector and at reforming the public sector for greater efficiency in service delivery and affordability.

Ghana's debt management objective shall be to source funds to meet Government's financing needs and payment obligations at the minimum possible cost and at a prudent level of risk, and to ensure that public debts are maintained at sustainable levels over the medium to long-term. The Ghana Medium-Term Debt Strategy (GMTDS) will focus on managing the risk exposure associated with the existing debt portfolio and taking the necessary and prudent steps to mitigate the potential risk that would be embedded in current and future borrowing. The GMTDS will also help mitigate the potential wide variations in the cost of debt servicing and its impact on the budget.

The debt strategy will cover all external public and publicly guaranteed debts and domestic debts. It will also cover all market risks, including Interest Rate Risk (IRR), Foreign Exchange Risk (FER) and Refinancing Risk (RFR). Significant consideration will be given to operational risk in debt management, which is a major improvement on the previous strategy which concentrated on achieving debt sustainability by sourcing for only concessional loans with grant element of at least 35%.

Monetary Outlook

Over the medium-term, Government will seek to bring inflation down and maintain it at single digit levels. The 2007/08 global financial crisis and its domestic pass-through effect seems to have dislodged inflation and exchange rate expectations temporarily but the Bank of Ghana (BOG) remains committed to the path of disinflation. In line with this, the country's macroeconomic performance will be assessed on consistent basis, and adjustment to the policy rate made to reflect underlying risks to economic stability and projected growth over the medium-term horizon.

The risk-based supervision of banks will be consolidated by Bank of Ghana, with a commitment to the implementation of BASEL II approach to risk-based supervision in the medium-term. The implementation year for BASEL II has been set at 2010, and in collaboration with the banking industry, the Standardized Approach for credit risk and operational risk, and Standardized Measurement Method for market risk will be agreed on and adopted.

Major financial sector reforms will also continue during the period. This will involve, among other things, the passing of the Financial Services Bill, to provide the legal and regulatory framework for providing non-bank financial services to non-residents; and the completion of the Financial Stability Assessment Programme (FSAP) update.

The reform of the domestic debt market constitutes an important component of deepening financial markets and improving efficiency of Government's debt management. Among the measures to be implemented in the medium-term are a rationalization of the primary dealer system to support secondary dealing; the annual publication of an issue calendar to guide

portfolio managers to plan an orderly rebalancing of their portfolios; and the implementation of a comprehensive investor relations programme targeted at both domestic and international participants on the Government debt market.

4.2.3 International Trade and Balance of Payments

The policy thrust of the external sector is to build reserves that can cushion the economy against external shocks. In the medium-term, the strategy is to build enough reserves to cover imports for, at least, three months, while in the long-term the strategy is to build six months of imports cover to meet the appropriate West Africa Monetary Zone (WAMZ) convergence criterion.

Although, the expected oil and gas exports beginning in the last quarter of 2010 would increase export earnings, steps will be taken to further diversify Ghana's exports.

Within the framework of trade liberalization, trade policy will be used to promote the international competitiveness of domestic enterprises, including: improving export competitiveness; diversifying markets and increasing exports; and accelerating economic integration with other regional and/or sub-regional states.

Major Government initiatives therefore shall focus on: maintaining competitive real exchange rates; improving the import/export regime; establishment of the Ghana Competition Commission to deal with unfair international trade practices; establishment of a National Agency for the Protection of Consumers; promoting new goods and services; continue to take full advantage of Preferential Access to markets, such as AGOA, etc; engage fully in multilateral trade negotiations; implement the WAMZ programme; ensure that National Trade Policy reflects ECOWAS protocols; and strengthen links between industrial and trade policies.

4.3 Social Development

Government's social development policies aim to implement the following strategic development priorities, in order to build an environment conducive to accelerated growth.

4.3.1 Population

Available data indicates that Ghana's population density has been increasing and characterized by a high dependency ratio. Life expectancy at birth is declining after peaking in the 1990s.

Government will pursue a credible population policy aimed at a population growth rate of 2% in the medium to long-term, through a combination of policies focused on education, family planning (FP) and the integration of population targets into the development planning process. Population management and population data for planning will be targeted by the following policy objectives: integration of population variables into all aspects of development planning at all levels; repositioning of family planning as a priority in our national development efforts; updating demographic database on population and development; creating awareness on the implications of population on development; and supporting the development of programmes on key emerging issues like urbanization, migration, the aged, the youth and persons with disabilities (PWDs).

Ensure integration of population variables into all aspects of development planning: The relevant policy measures are to intensify education on population and development issues, and strengthen the capacity of relevant stakeholders to integrate population issues into development planning processes.

Reposition family planning as a national development issue: The repositioning of family planning (FP) will include measures to reinstate FP as a social intervention and integrate it into the plans and activities of MDAs and MMDAs; strengthen partnerships among stakeholders including the private sector to promote the family planning agenda; integrate sexual, reproductive health and FP into HIV and AIDS policies, programmes and activities; develop and implement a coordinated and integrated advocacy plan; expand the pool of trained providers; increase availability and expand access to quality reproductive health (RH) including FP information and services; and strengthen capacities for research, monitoring and evaluation.

Update demographic database on population and development: Policy measures to be implemented include the following: ensuring timely collection, processing, analysis and dissemination of sex-disaggregated data to policy-makers, planners and the general public; strengthening the capacity of relevant institutions to collect, analyze and disseminate population and other relevant statistical data; and improving birth and death registration coverage.

Minimizing the negative impact and optimizing the potential impact of migration: Ghana needs a comprehensive policy and an institutional and regulatory framework for effective management of migration in the nation's development. The policy interventions include: harmonize legislation and establish a comprehensive institutional framework for the management of migration; create a comprehensive database on migration; and build the human, technical and logistical capacity of appropriate institutions for better migration management.

4.3.2 Incidence of Poverty

Although the incidence of poverty is declining in Ghana as shown by Ghana Living Standards Surveys, the gap between the rich and the poor (inequality) is widening. This is not a healthy growth path and the 'Better Ghana' Agenda is posited to provide remedies.

Government's main poverty reduction strategies and foci will be the three most vulnerable areas and groups identified in the poverty endemic areas in the three northern regions and along the coastal savannah, women and the urban and rural poor. A Special Fund will be established to fight extreme poverty in these areas and among selected social groups through skills and enterprise development as well as the provision of social infrastructure, as a strategy for attaining the first of the Millennium Development Goals, ahead of the 2015 MDGs deadline.

Part of the revenues from the oil and gas industry will be used to address the challenges of poverty in Ghana through expenditures in priority areas of education, health, accelerated rural development, infrastructure, water and sanitation. Other priorities will include investments in physical and social infrastructure within the communities close to the oil and gas production activities, as well as investments in technical training and research and development (R&D).

Government will adopt a three-pronged approach to poverty reduction in the country:

- Promoting opportunities for the poor by stimulating overall economic growth and employment creation;
- Facilitating poor people's empowerment by promoting inclusive development and accountable institutions in which the poor have a voice; by attacking corruption, and by supporting decentralisation and gender equity; and
- Enhancing poor people's security by helping them to manage risks and shocks through direct assistance, by addressing conflict and tackling the social development implications of epidemics such as HIV/AIDS and Tuberculosis (TB).

Special attention will be placed on addressing the increasing incidence of urban poverty and widespread poverty in rural areas by: creating employment opportunities for the unemployed urban youth; introduction of simple technology-driven income generating activities and embarking on major urban slum renewal programmes; improving rural infrastructure; providing subsidies on farm inputs and increasing access to social services especially water and sanitation, education and health.

Reducing Gender Dimension of Poverty: The high incidence of poverty among women is of major concern to Government. Attention will be paid to promoting the economic empowerment of women through access to land, credit and business services in order to address this pertinent issue. Special emphasis will be placed on social protection including property rights, promoting the social empowerment of women through access to education, creating access to health/reproductive health services and rights, legal aid as well as social safety nets. An affirmative action policy will be implemented to increase participation of women in areas of leadership and decision-making with the aim of attaining a minimum of 40% women's representation in Government and public sector appointments.

Reducing poverty among food crop farmers and other vulnerable groups: Food crop farmers and other vulnerable groups such as people with disabilities (PWDs) are among the poorest socio-economic groups in Ghana. Government will develop and implement a programme to expand access of extremely poor farmers to complementary farm inputs and services. Banks and non-bank financial institutions will be engaged to deliver flexible micro-finance packages to meet women's needs and constraints. Alternative income generating opportunities for food crop farmers and PWDs will also be promoted.

4.3.3 Education

Although school enrolments are increasing, the quality of education is declining. Government's programme in respect of education is about making quality education accessible, available and affordable. This is premised on the fact that it is the right of every child and young person to have access to quality education, not only to enable him/her earn a living, but also because only a nation of educated, skilled, well-informed and morally sound people can build a just and prosperous society.

Policies will be oriented towards increased equitable access to, and participation in education at all levels; improved quality of teaching and learning; bridging the gender gap in access to education; improved access to quality education for persons with disabilities; and improved management of education service delivery.

Specifically, Government will:

- Establish a pre-school training college in each of the ten regions in the medium to long-term;
- Seek to reduce the walking distances of children to school by establishing basic schools in all under-served communities;
- Accelerate the on-going plan to abolish the shift system in basic schools and eliminate schools under trees by 2015;
- Implement the specific recommendations made by the Anamuah-Mensah Committee (2002) in respect of the University for Development Studies (UDS), and in particular, accelerate the process of upgrading the Tamale Regional Hospital into a fully fledged Teaching Hospital and make a special allocation from the GETFund for the accelerated development of the UDS;
- Establish two public Universities, namely: the University of Health and Allied Sciences at Ho, with a campus at Hohoe, and the University of Energy and Natural Resources at Sunyani to increase access to tertiary education;
- Upgrade the Central Regional Hospital, Cape Coast into a Teaching Hospital;
- Revamp the science resource centres in selected Senior High Schools throughout the country by training science teachers to man the centres, providing funds for the running of the centres' buses and replacing and refurbishing their equipment, chemicals, computers and accessories;
- Provide access and support to teachers for training and professional development;
- In partnership with the private sector, ensure increased access to facilities for computer technology training and learning at all levels; and
- Incorporate entrepreneurial education into the education system.

Admission for students from catchment areas of second cycle schools: Considering the rate at which the computerized placement mechanism is blocking access to second cycle education by pupils from basic schools within their catchment areas, second cycle schools will from the 2011/2012 academic year revert to the selection of 30% of their first year students from within 10 miles radius of where they are situated. The re-activation of this policy will open up opportunities to many pupils from public schools who would otherwise not have access to secondary education.

Increasing Equitable Access to, and Participation in Quality Education at all Levels: Policy interventions to address improved equitable access to, and participation in quality education include: the provision of infrastructural facilities for schools across the country particularly in deprived areas, strengthening of enrolment drives in communities, promoting collaboration with the private sector to expand school facilities within the set guidelines for the establishment of schools, and enhancing teaching and learning in schools through increasing the deployment of trained teachers.

Improving the Quality of Teaching and Learning: The policy measures to improve quality of teaching and learning include: emphasising ethics, morality and discipline in the curriculum; upgrading training facilities in the colleges of education; upgrading the qualifications of staff; introducing a national programme of education quality assessment and increasing management capacity to support and implement it; implementing a diversified mix of incentives, including

housing, training and professional development; and a clear career structure through the establishment of a Teacher Coordinating and Licensing body for teacher motivation and retention; strengthening of supervision and management in schools to constantly monitor quality with the support of district assemblies, communities and parents; and providing academic counselling services in schools.

Bridging the Gender Gap in Access to Education: Policies to be implemented to bridge the gender gap in access to education include: expanding the incentive schemes to increase girls' enrolment, retention and completion particularly in deprived areas; enforcing a 'no-tolerance' policy for sexual harassment and publicized disciplining of recalcitrant teachers; intensifying community mobilisation and sensitization to create awareness of the importance of girls' education; and re-introducing science and technology workshops for girls in second cycle institutions.

Improving Access to Quality Education for Persons with Disabilities: Policy measures aimed at improving access to quality education for persons with disabilities include: ensuring that rehabilitated/new infrastructure are disability-friendly to students; enhancing the pedagogical skills of teachers of special education; and improving the supply of logistics for special education on a regular basis.

Promoting Science and Technical Education at all Levels: To promote science and technical education at all levels, efforts will include providing incentives for science, mathematics, technical and vocational teachers; supporting science and research development by increasing funding for research and technology development; upgrading tools and equipment for teaching science, technical and vocational subjects; and encouraging the private sector to support initiatives in science education. A mathematics, science and technology scholarship scheme shall be established to support needy but brilliant students who opt for science-based programmes at the second cycle and tertiary levels of education.

Strengthening the Linkages between Tertiary Education and Industry: Strengthening linkages between tertiary education and industry will be supported by strategies relating to establishing industry/university collaborative programmes to increase opportunities for practical training/internship and human resource planning; determining the skills and human resource requirements necessary for accelerated growth and restructuring of the economy; the creation of opportunities for students to study and work; strengthening collaboration between polytechnics and industry; and creating opportunities for industry to participate in curriculum development for the polytechnics. At the same time, entrepreneurship education will be incorporated into the curriculum to ensure that the foundation is laid for the youth to have more options to apply their talents after school.

4.3.4 Skills Training

A purposeful national shift in skills development is necessary to produce employable human resources for an industrial economy, and the policy seeks to improve provision and coordination of skills training for Ghanaian youth.

Government will develop and implement a modern National Apprenticeship Policy. In this regard, the Council for Technical and Vocational Education Training (COTVET) will be empowered to provide a more skills competency-based technical and vocational education in Ghana.

Other policy initiatives will include: restoration of the vacation workshops for second cycle girls aspiring to careers in science and technology; and modernisation and expansion of technical schools to provide a well-developed stream as an alternative to second cycle academic programmes in collaboration with the private sector.

4.3.5 Health and Nutrition

The health sector continues to be faced with some challenges in respect of child and maternal healthcare, malaria, HIV and AIDS and general delivery of affordable healthcare to the populace. The inadequate healthcare infrastructure and the existence of hidden hunger are the manifestation of ineffective policy coordination and harmonisation among institutions and actors in the education, health and nutrition sectors.

Government will continue to implement policy measures aimed at improving access to quality health care. These include bridging equity gaps in access to health care and nutrition services; improving governance and strengthening efficiency in health service delivery, sustainable financing arrangements that protect the poor; intensifying prevention and control of non-communicable and communicable diseases; improving access to quality maternal, child and adolescent health services; strengthening mental health service delivery; providing support for HIV and AIDS/STI/TB patients; and improving nutrition and food security.

Sustainable financing arrangements that protect the poor: Policy interventions to ensure sustainable financing arrangements that protect the poor include: introduce the payment of a one-time premium under the National Health Insurance Scheme; reviewing and implementing a comprehensive health financing strategy; strengthening institutional capacity for Internally Generated Funds (IGF) generation and management; advocating for ‘sin’ taxes as part of health revenue generation; and fully integrating private medical practice into the operations of the NHIS.

Bridging equity gaps in access to health care and nutrition services care: Health infrastructure will be improved in order to bridge equity gaps in access to health care and nutrition services between urban and rural as well as rich and poor. Strategies in this direction include accelerating Community-based Health Planning and Services (CHPS) expansion in under-served areas; establishing new district hospitals in districts without such facilities; upgrading, equipping and staffing existing district hospitals; constructing new health facilities in underserved areas; scaling-up the implementation of the medical waste management programme; establishing infectious diseases management centres; establishing intensive care units in regional and districts hospital; expanding pre-service health training facilities; and expanding infrastructure and equipment to support effective and efficient maternal and child services delivery.

Improving governance and strengthening efficiency in health service delivery: Strategies to be implemented to strengthen efficiency in public health service delivery are improving financial

management systems e.g. budget, procurement and audit; strengthening intra and inter-sector processes for policy dialogue, review, collaboration, coordination, planning and accountability; reviewing and aligning data collection tools and linking District Health Management Information System (DHMIS) to regional/headquarters to build essential data depositories for effective action e.g. MOH, GHS (ICD, PHD, PPME etc); and monitoring and evaluating the performance of the health sector.

Improving access to quality Maternal, Child and Adolescent Health Services: Access to quality maternal, child and adolescent health services will be improved by the following policy measures: re-introducing certificate midwifery training and ensuring midwifery service in Community-based Health Planning and Services (CHPS) compounds; providing comprehensive emergency obstetric care (including blood transfusion, ambulances) at the district level; providing basic emergency obstetric care at all health centres; scaling up community case management and strengthening High Impact Rapid Delivery (HIRD) for under-five mortality (U5M), maternal mortality (MM) and malnutrition; and instituting essential newborn care.

Intensifying prevention and control of non-communicable and communicable diseases: To prevent and control the growth of non-communicable and communicable diseases, efforts will be made to establish screening and management programmes (for diabetes, hypertension, cancers, sickle cell, and asthma); develop capacity for research into communicable and non-communicable diseases and adolescent health programming; and strengthen co-ordination and accountability of agencies involved in attaining Goal 6 of the MDGs.

Strengthening Mental Health service delivery: The following strategies will be applied to strengthen Mental Health service delivery: passage of the Mental Health Bill and implementation of the mental health law; promoting community-based services and ensure stakeholder collaboration; training and deploying more mental health personnel; scaling-up mental health promotion; establishing services for the treatment and rehabilitation of alcohol and drug addiction and other psychiatric conditions in all age groups, especially young people; establishing and upgrading mental health facilities and infrastructure; and establishing stress management centres at all levels.

HIV and AIDS/STI/TB: The HIV and AIDS national prevalence rate of 2.2% in 2008 among the general population is a setback and requires strenuous effort to check the pandemic. HIV, AIDS and Sexually Transmitted Infections (STI) and Tuberculosis (TB) continue to have a negative impact on productivity with respect to loss of productive assets, high treatment costs and a break in the transfer of valuable livelihood knowledge from one generation to the next. The policy measures that will be adopted to address the adverse effects of HIV and AIDS/STI/TB and other related conditions to promote healthy lifestyles are to: ensure the reduction of new HIV and AIDS/STI/TB transmission; ensure reduction of the impact of HIV and AIDS-related morbidity and mortality; mitigate the negative socio-cultural effects of HIV and AIDS and enhance their proper management.

Nutrition and Food Security: Nutrition and food security is an essential cross-cutting issue for addressing human resource development. Currently, there is a persistent high malnutrition rate among children, particularly in rural areas and northern Ghana. However coverage of nutrition

programmes is limited geographically and there is a lack of a national nutrition and food security policy.

The following policy measures would be adopted to address the issues relating to nutrition and food security: reducing malnutrition-related disorders and deaths among infants and young children and Women In their Fertility Ages (WIFA); promoting the consumption of locally available and nutritionally adequate food including the consumption of micro-nutrient rich foods among children and WIFA; ensuring increased food security and social protection for vulnerable households including smallholder farmer households; developing a comprehensive national nutrition and food security policy; and mitigating the impacts of rising food prices as well as climate change on food security of the poor and vulnerable households.

4.3.6 Youth and Sports Development

Currently, talents of youth are not being appropriately and adequately harnessed to generate individual and national benefits. Government has recently out-dooed a National Youth Policy. In the implementation of the policy, appropriate education and training schemes would be emphasized to enable young people obtain meaningful employment either as technicians, entrepreneurs, professionals, skilled craftsmen, teachers or farmers, among others.

Policy measures for addressing the concerns of youth development include mainstreaming youth development into the national development policy framework; ensuring the implementation of the recently formulated youth policy; equipping youth with employable skills; and introducing new initiatives for youth development including consideration for the establishment of a national youth volunteer corps.

Government will review the Sports Bill with various stakeholders and present it to Parliament in line with the Manifesto pledge of developing a comprehensive sports policy legislation to regulate and guide sports development in Ghana. The goal is to broaden the horizon for sports development and bring in as many sports disciplines as possible.

In addition, Government will provide the necessary support for the further development of academics/schools and juvenile sports. With regards to sports infrastructure, the long-term objective remains that every regional capital should have a 20,000 seat capacity stadium and every district capital should have a 7,000 seat capacity stadium. All regions and districts will be equipped with modern gymnasiums through partnership with the private sector to promote physical exercise.

4.3.7 Social Protection and Inclusion

Ghana requires a comprehensive national social policy framework to provide social safety nets for the populace, in particular, the poor, vulnerable and disadvantaged. This will ensure the coordination of efforts at social protection, inclusion and cohesion and thereby prevent erosion of the gains made in the social sector.

This coordinated programme would provide for the preparation of a comprehensive social policy which seeks to develop a common targeting mechanism to ensure efficiency and

complementarities between the Livelihood Employment Against Poverty (LEAP) and other social protection programmes. The coordination of the provision of complementary services by other sectors will also be pursued to ensure a multi-pronged approach in dealing with poverty in a sustainable manner.

Government will review the framework for the implementation of the School Feeding Programme and in particular streamline and strengthen the operational and delivery capacity of the Programme. The Capitation Grant policy will be reviewed to reflect current economic trends and costs of education. Government will continue to provide infrastructure, including furniture and other logistics to cope with expected surges in enrolments resulting from the full-scale implementation of old and new social interventions in the education sector. In addition, Government will continue to implement its nation-wide free exercise and text-books scheme for basic schools pupils as well as the distribution of free school uniforms to pupils from deprived communities.

4.3.8 Labour Productivity and Employment

Labour productivity is critical to achieving international competitiveness. Ghana's economy is currently characterized by low productivity activity especially in a fast expanding informal sector, which is driven largely by trading activities. The economy has a low capacity to generate formal employment as well as strategic skills development and upgrading. The education, training and lifelong-learning delivery systems will be improved to strengthen the human resource base, and produce the pool of competent workforce required for an industrial economy. Special emphasis will be placed on personal responsibility and discipline to enhance the productivity of labour.

Government will place employment creation at the centre of macroeconomic and other public policies as well as implement a performance-related wage programme. The medium-term strategy will focus on developing a thriving private sector that creates jobs and enhances livelihoods for all. Government will create the enabling environment to make the private sector a partner in driving growth and structural transformation through an employment-creation strategy. Inter-sectoral policies will be pursued to ensure the creation of sustainable employment driven by enterprise development, trade and investment activities, and education and skills development. Other employment-centred cross-sectoral policy objectives to be pursued include:

- Mainstreaming employment issues in national and decentralized development planning processes;
- Promoting employment opportunities in all sectors of the economy;
- Promoting decent work in all industries;
- Promoting skills and entrepreneurship development;
- Strengthening the legal and institutional framework for labour administration; and
- Employment management initiatives.

4.4 Infrastructure Development

A strategic National Infrastructure Plan, currently being prepared under the aegis of NDPC, will be implemented to modernise infrastructure to enhance efficiency and reduce costs in all sectors of the economy to make Ghana an attractive investment destination. The improved physical and social infrastructure will support the change of the economy's structure to a value-added industrial processing platform and ensure both the import and export competitiveness of the strategic industries that will optimise the new industrial economy. Natural gas will be harnessed to increase electricity generation to meet the needs of Ghana and for export to other countries in the sub-region. Government will also implement science and technology-driven measures to enhance growth and provide the momentum to ensure the global competitiveness of Ghana's industrial champions.

The infrastructure development strategy will also aim at opening access to natural resource locations, tourism sites, fertile yet inaccessible farm lands and major food production centres as well as the reduction in the transport component of the production costs of local industries and improve access to domestic, regional and international markets. The National Infrastructure Plan identifies the various projects and programmes earmarked for implementation.

4.4.1 Energy, Oil and Gas

Government as a priority will increase access of households and industry to reliable and adequate energy supply and diversify the national energy mix to include the use of indigenous sources of energy. Energy infrastructure will also be rehabilitated and expanded to ensure adequate and reliable supply of energy and increased access to the modern forms of energy to the poor and vulnerable through the extension of the national electricity grid. The cost of electricity production and distribution will also be progressively reduced with the availability of cheaper natural gas for power generation. Additionally, national policy will promote energy efficient technologies that safeguard the health of domestic users especially women and children.

Ghana will use its oil and gas resources to ensure that the industry becomes an anchor to propel national development, and not become another enclave for resource exploitation dominated by foreign interests. The areas in which oil and gas discoveries are located will be developed to create new growth poles in the economy. Above all, oil and gas development will provide the momentum for employment creation and diversification of the economy, as well as capacity development to support the needs of a modern industrial society. A policy priority will focus on increasing access to petroleum products at prices that support the development objectives of the nation. At the same time, Government will pay keen attention to protecting the environment and implement a transparent revenue management policy to ensure the oil and gas resources benefit Ghanaians.

The nation will also support regional initiatives for integrating energy infrastructure to expand and accelerate cross-border energy trade and investments and promote the supply of cheaper fuels such as natural gas from Ghana's domestic natural gas resources and the West Africa Gas Pipeline Project for power generation. A major policy plank will be to maximise the utilisation of natural gas reserves by prohibiting flaring or venting of natural gas produced within Ghana, unless necessary in the direct operations of the companies involved in oil and gas production.

Government will enact a local content law to optimise the use of local goods, services, and associated resources in all segments of the oil and gas industry value chain in order to retain a significant part of the benefits within Ghana. Priority will also be given to the redevelopment of existing settlements as part of the new urban settlements expected from the developments associated with the exploitation of oil and gas resources, while ensuring security for the oil and gas industry as a whole (including installations and operations).

Owing to the huge investment requirements, attracting requisite investment capital into oil and gas exploration and development will continue to be an important step towards increased benefits to the people of Ghana. The oil and gas industry will provide the impetus to strengthen the capacity of local financial institutions to compete with their foreign counterparts for opportunities. It will also build capacity to improve domestic resource availability to fund further exploration as well as the establishment of other strategic industries. A number of interventions to support the achievement of these policy objectives are as follows: provide a conducive legal, fiscal and regulatory environment to attract investors into the energy sector; encourage Ghanaian investors to use the capital markets, including the Ghana Stock Exchange, to raise financing for investments in the energy sector; establish transparent and non-discriminatory practices in the implementation of rules and regulations; and ensure efficient and transparent pricing regimes for energy services.

4.4.2 Transportation (including road, rail, air, maritime and inland transport)

Ghana's road sector needs a massive infusion of resources and policy interventions to enable it to support national development. The following policy objectives will be pursued: prioritize the maintenance of existing road infrastructure to reduce vehicle operating costs (VOC) and future rehabilitation costs; improve accessibility by determining key centres of population, production and tourism; re-instate labour-based methods of road construction and maintenance to improve rural roads and maximize employment opportunities; implement urban transport projects such as the Ghana Urban Transport Project (GUTP) including the Bus Rapid Transit (BRT) and school bussing schemes; and explore Public-Private Partnerships (PPPs) and concession options for investment in transport infrastructure and services (single and multi-modal options); build capacity of local road contractors and consultants, and ensure their proper classification and use; and develop the institutional and regulatory arrangements for ensuring the most effective and efficient movement of freight and passengers.

Special initiatives will be launched to re-construct, rehabilitate or modernise the Eastern Corridor network covering the Tema-Asikuma-Hohoe-Jasikan-Yendi-Nalerigu-Kulungugu roads and the Western Corridor network covering the Elubu-Asemkrom-Enchi-Goaso-Sunyani-Bamboe-Bole-Wa-Hamile roads as well as the Bawku-Tumu-Lawra and Tamale-Ffulso-Sawla-Wa roads. Additionally, a network of roads will be constructed to upgrade the rural roads that support Ghana's production infrastructure.

The existing railway network will be rehabilitated or totally re-built as appropriate, modernized and expanded to support accelerated industrial growth. As a matter of priority, the focus will be on the western railway line. This is a pre-requisite for the implementation of the various economic and social initiatives programmed for the Western Region, under the Western Corridor Development Authority.

The entire railway rehabilitation, modernisation and expansion programme is aimed at reducing the increasing pressure on urban transportation in the major metropolitan areas of Accra, Kumasi, Tema and Sekondi-Takoradi and provide freight haulage to the new oil and gas-driven industries anticipated to spearhead accelerated growth. The expected outcome will be the reduction of pressure and congestion on the roads and highways.

The facilities at the national airport in Accra will be sustained and progressively improved to make Accra a West African hub and gateway that will lead to growth in exports and tourism. Domestic air services will be encouraged through tax incentives for locally-based airlines. Attention will also be paid to ensure that Ghana complies with, and sustains international safety and security standards at all its airports.

A modern deep sea port will be developed at a suitable location in the Western Region to serve the oil and gas services industry as well as the requirements of new processing industries. In addition, the existing Takoradi and Tema ports will be rehabilitated and upgraded.

The Volta Lake Transport system will be transformed into an effective transport hub by addressing its problems including among others, by dredging, removal of tree stumps from the Lake and the procurement of additional boats, ferries etc. In addition, the ongoing Debre Marine Project to build a mini-harbour at Debre on the Lake will, when completed, enable all-year-round movement of bulk petroleum products from Akosombo to the North via pipelines and barges to reduce costs and the environmental impacts of road haulage.

4.4.3 Information and Communications Technology (ICT)

The accelerated development of ICT infrastructure is a catalyst for Ghana's modernisation and rapid growth. The key policy objectives to be pursued for the purpose are to: promote rapid development and deployment of the national ICT infrastructure; strengthen the institutional and regulatory framework for managing the ICT sector; promote the use of ICT in all sectors of the economy; and facilitate the provision of quality meteorological data and forecast in support of weather-sensitive sectors of the economy.

Initiatives will be launched in other areas including: promoting e-Government and e-Governance activities for transparency in government business; promoting and encouraging the expansion of postal services for the social and economic development of the country; investing in, and strengthening the institutional and human resource capacities for quality service delivery; and ensure that modern information and communication technologies are available and utilised at all levels of society.

The following strategic interventions will enable the achievement of these policy objectives: facilitate the development of the ICT sector through the use of local capabilities in STI; provide affordable equipment/accessories to encourage the mass use of ICT; be customer-focused and provide an expanded portfolio of services according to customer demand as well as provide prompt, reliable and secure universal postal services; encourage ICT training at all levels and ensure that the broadband high speed internet connectivity is available in every district to increase adequate coverage of ICT infrastructure. Other critical strategies are the implementation of a national e-Governance programme by deploying ICT infrastructure in all Government

institutions and the periodic review of the existing institutional and legal framework to ensure effective meteorological service delivery and forecasting.

Other ICT strategies include its utilisation in the process of education and in the provision of health services at all levels through the introduction of electronic health records; the forging of linkages with Ghanaians in the Diaspora to utilise them as part of the workforce and the establishment of public centres to provide access to computers and the internet for those who do not own ICT equipment.

4.4.5 Water and Sanitation

Water and sanitation will receive a substantial boost through the implementation of the following policy objectives: ensuring efficient management of water resources; accelerating the provision of safe and affordable water; accelerating the provision of improved environmental sanitation; ensuring the implementation of health education programmes as a component of all water and sanitation programmes; improving sector coordination through a sector-wide approach to water and environmental sanitation delivery; and improving sector institutional capacity. Resources will be provided to ensure sustainable, predictable and adequate financing of the sector.

To ensure efficient management of water resources, the following strategies would be pursued: trans-boundary water resources cooperation and management will be enhanced; legislative instruments will be developed and implemented for efficient water resources management; climate change adaptation will be factored into water resources management; mechanisms and measures to support, encourage and promote rainwater harvesting will be developed; management structures for all major river basins will be established and made functional; and improved data collection and management for water resources assessment and decision-making.

The provision of safe water in rural and urban areas will be supported with investments for the construction of new facilities as well as the rehabilitation and expansion of existing water facilities; strengthen public-private and NGO partnerships in water provision as well as improve community-owned and managed water supply systems. Other strategies would include facilitating the extension of distribution networks especially to low income consumers; intensify hygiene education in water services delivery; and encourage public-private partnerships in water services delivery.

Environmental sanitation would be improved through the following: promoting the construction and use of appropriate and affordable domestic latrines; integrating hygiene education into water and sanitation delivery; support public-private partnerships in solid and liquid waste management; promote cost-effective and innovative technologies for waste management; and develop disability-friendly sanitation facilities. In addition, health education will be implemented as a component of all water and sanitation programmes, through incorporation of hygiene education in all water and sanitation programmes. Other strategies will include: the promotion of hand washing with soap at critical times; promotion of hygienic use of water at the household level; and the promotion of hygienic excreta disposal methods.

The policy objective to improve sector coordination would be achieved through the adoption of a sector-wide approach to planning, implementation, monitoring and evaluation of sector

activities. The following strategies would also be pursued: development and implementation of a Sector Strategic Development Plan; develop a Strategic Environmental Sanitation Investment Plan; development and implementation of a comprehensive M&E for the water and sanitation sector; implementation of the National Environmental Sanitation Strategic and Action plan; incorporation of cross-cutting issues such as: gender, environment, public sector reform, decentralization and governance in the implementation of Sanitation and Water for All (SWA) programmes.

Improving sector institutional capacity is of essence to ensuring efficient water resources management, and water and sanitation services delivery in the country. The Water Directorate and the Environmental Sanitation and Hygiene Directorate will be strengthened with adequately trained personnel and other resources to enable them take ownership and lead roles of the sector. Sector agencies including Water Resources Commission (WRC), Ghana Water Company Limited (GWCL), Community Water and Sanitation Agency (CWSA), Metropolitan, Municipal and District Assemblies (MMDAs) and community management structures will also be given the needed capacity to enable them better manage water resources and water and environmental sanitation facilities at the various levels of the communities. Capacity building would be an integral part of the process.

To ensure sustainable, predictable and adequate financing of the sector, economic water charges will be set. The SWA Compact will be implemented and timely releases of approved recurrent budget to the sector will be pursued. The “Polluter Pays Principle” will also be operationalised in water resources management and environmental sanitation. Other non-traditional sources of funding will be identified, while sector strategic plans will be well marketed.

4.4.6 Human Settlements

The overall goal of human settlements development is to ensure that all organised human activities within our cities, towns and villages are undertaken in a planned and spatially determined manner in order to bring about equity and enhance socio-economic development. Policy interventions shall focus on:

- Housing and shelter;
- Slum upgrading and prevention
- Settlement disaster prevention;
- Hierarchy of human settlements; and
- Institutional arrangement for human settlements management.

Housing and Shelter:

The rapid increase in population has resulted in a large housing deficit, especially in the urban areas. This has manifested in overcrowding and the development of slums. Available statistics indicates that the country needs at least 100,000 housing units annually. The backlog is estimated at about one million units. In the medium-term, the emphasis would be on housing and shelter given the already existing backlog, and the widening annual gap in the supply of, and demand for housing units. A special effort will be made, together with local and international private sector

partners, to launch a new national housing initiative to begin the rationalisation of the housing market in order to provide affordable housing for Ghanaians.

Other specific strategies for achieving urban housing development objectives shall include: promoting the manufacture and use of local building materials and appropriate technologies in housing; establishing standards for local construction materials to guarantee the appropriate use of these materials for construction; ensuring the enforcement of standards for architectural designs and building codes; establishment of a legal framework to support the construction of condominiums; and promote savings and investments in housing. With regards to rural housing, the strategies are to: review and implement the existing rural housing policy; promote erosion control and prevention schemes, and drainage construction programmes; foster the growth of settlements which can support the rural economy and its transformation; and promote self-help building schemes organised by trade associations.

Slum Upgrading and Prevention:

Slum development is becoming a feature of the urban environment in Ghana. The contributory factors may be many and varied. Government, however, is committed to upgrading existing slums and preventing the emergence of new ones in any city or town by strengthening the enforcement of the relevant laws and by-laws. The medium-term interventions shall include: strengthening the legal framework on urban development; establishment of guidelines for the planning and development of urban areas; improving upon existing infrastructure and facilities within slum communities; introduction of major slum renewal programmes; and implementation of a new national housing policy.

Settlements Disaster Prevention:

Disasters, whether natural or man-made, are serious development issues that must be factored into the development planning of both urban and rural areas. In Ghana, disaster occurrences especially in the urban cities and towns have been brought on largely by the lack of adherence to building code regulations; weak enforcement of planning laws by the relevant institutions; outmoded building codes; building on water-ways and hazardous sites which are at risk from floods, earthquakes etc and poor infrastructure in terms of drainage and roads network which inhibit delivery of emergency relief services.

These challenges would be addressed through the implementation of the policy objective of minimizing the impact of, as well as the development of adequate response strategies to disasters. Specific strategies shall include: proper planning of drainage systems; undertake educational and sensitization programmes to make Ghanaians more conscious of how to prevent and manage disasters; review and modernize building codes; and strengthen institutions to enforce building and planning laws.

Hierarchy of Human Settlements:

The urban system in Ghana is characterised by an over-concentration of towns within the southern zone as compared to fewer towns in the northern part of the country. This state of affairs is largely attributed to lack of effective intermediate cities between key urban settlements

and the rural settlements; and the uncontrolled urban sprawl in cities and other urban settlements as a result of their attractiveness to rural migrants. The strategies to be implemented to address these problems shall include the establishment of a new hierarchy of urban centres. These will be spatially integrated with each hierarchy having a clearly defined set of functions through the reduction in inter-regional disparities. Over-concentrated growth points of major urban settlements like Accra and Kumasi will be decongested by establishing new growth centres, especially in the poorer regions of the country. In line with this, the capacity of grade 2 centres will be enhanced to perform increased industrial and commercial functions. Other strategies are: physically integrate all regions and districts, especially their respective capitals; and promote the accelerated growth of medium-sized towns to large urban centres.

Institutional Arrangements:

The planning and management of human settlements involve multiple stakeholders with different management and operational capabilities due to the cross-cutting nature of the development of shelter and networks of settlements. A framework for effective coordination and development of the capacities of key national institutions for effective planning of human settlements shall be established. In the medium-term Government shall set up a National Human Settlements Commission or a National Housing Board to coordinate the activities of all institutions involved in housing development. The Commission/Board will also ensure effective inter-agency collaboration especially among the infrastructure and social service delivery agencies.

4.4.7 National Land Use

The problem of national land use is manifested by the issue of land ownership which poses a major national security risk as well as a major challenge to land use in the country. Other land-related problems include: general indiscipline on the land market; complicated land tenure system; cumbersome land registration procedures; inadequate spatial policy considerations in development planning; and inefficient spatial/land use plans.

Government policy on national land use will, among others, entail: promotion of sustainable, spatially integrated and orderly development of human settlements in support of rapid socio-economic transformation; technological and legal reforms under the Land Administration Project/ Town & Country Planning Department/ Land Use Planning & Management Project (LAP/TCPD-LUPMP) in support of land use planning; the use of geographical information system (GIS) in spatial/land use planning; and human resource development for effective land use planning and management.

In the medium-term, Government will also formulate and implement specific policies to address existing and emerging problems and issues as they relate to Urban Development and Management; and Rural Development and Management.

Urban Development and Management:

The specific policy interventions shall include: a directive to MMDAs and the private sector to incorporate urban issues in their policies, strategies and work plans; introducing a modern street naming and property address system; providing adaptive space in the urban areas for

commercialisation; reinforcing spatial planning in urban management; ensuring linkages between urban and rural areas; developing the special endowments of towns and cities; and the institution of a nationwide urban renewal programme.

Rural Development and Management:

Considering the inadequate provision of basic social amenities and infrastructural development, as well as the decimation of rural communities through a high rate of rural-urban migration, Government shall implement policies that will target the rejuvenation of our rural communities. The specific measures to be taken shall include: improvement in the supply of a critical mass of social services and infrastructure to meet the basic needs of the people; promotion of alternative livelihood programmes to develop skills among rural dwellers; establishment of rural service centres to promote agriculture and agro-based industries; attraction of investment for the growth and development of the rural areas; and promotion of environmental sustainability.

4.5 Natural Resource Management and Environmental Governance

Ghana is endowed with abundant natural resources, which must play an important role in the agricultural and industrial development efforts of the country. However, in the past, as a result of continuous exploitation of these natural resources, irreparable damage has been done to the environment and productive lands by deforestation, air and water pollution, desertification, overgrazing, and destruction of biodiversity.

The fast growing population is presently exerting immense pressure on national resources, as well as creating waste management problems in the major towns and cities. Land degradation has been identified as one of the key environmental problems facing the country, resulting in declining productivity of land in the face of mounting population pressure. There is a rapid loss of biological diversity and wildlife populations. The key consideration for natural resource management and environmental governance is to improve environmental management, including the consideration of global issues such as climate change and loss of biodiversity.

4.5.1 Environmental Degradation (land, forest, etc)

About 69% of the total land surface area is estimated as being prone to severe or very severe soil erosion. Farming practices and the removal of vegetation cover are some of the direct causes of soil degradation, with deforestation and mining, especially illegal mining activities, contributing the most serious forms of environmental degradation.

In the medium-term, Government shall implement various strategic actions aimed at reversing the degradation of the environment. Appropriate agriculture intensification techniques that provide irrigation infrastructure and promote correct soil conservation techniques will be applied, while reforestation of degraded forests and off-reserve areas would be encouraged, including the adoption of a medium to long-term plan for public and private programmes. Special attention will be targeted at reversing the current trend of desertification through increasing levels of afforestation of the northern savannah belt.

Policy interventions aimed at controlling the environmental impacts of mineral extraction (including oil and gas) shall include monitoring the activities of both large and small scale mining companies in order to protect the environment; strengthen and enforce existing environmental laws and regulations including the passage of regulations under the current Minerals and Mining Act 2006 (Act 703); vigorously pursue the reclamation and plantation development measures in areas mined-out especially by illegal miners; ensuring environmental stewardship by mining companies; and introduce and enforce economic instruments for mining sector environmental management.

4.5.2 Biodiversity and Protected Areas

The loss of biodiversity is proceeding at an alarming rate. A major area of concern is the lack of integration of biodiversity issues into development planning. A committee will be established to mainstream biodiversity issues into sector programmes to facilitate the development of relevant biodiversity policies. Another drawback is limited research, public education and awareness on biodiversity and ecosystems. Harmonization of biodiversity-related policies shall be undertaken and monitoring mechanisms for biodiversity activities established.

Key policy strategies that have been identified to address these challenges are: maintaining and enhancing the Protected Area system; and strengthening the legal framework on protected areas. To achieve these there is the need to implement national buffer zone policies for rivers and protected areas incorporating the education of potential users on dangers their activities pose to wildlife and water bodies. The identification of river basins and corridors best suited for connectivity and acquisition of lands that could possibly serve as landscape corridors will be fast-tracked. The promulgation of strict national legislation on initiation of bush fires would enable District Assemblies to enforce bye-laws on bush fires and empower local authorities to prosecute bush fire offenders.

4.5.3 Coastal Erosion and Marine Ecosystem

About a quarter of the nation's population are located in coastal areas. However, there is fast deterioration of the coastal zone habitat as a result of rising sea levels. This requires direct investments in control structures to arrest and reverse coastal erosion. Over the medium-term, Government policies shall include: investing directly for financing control structures and construction; the establishment of gabions and boulder revetments to arrest erosion; and the promotion of mangrove forests replanting and planting of other vegetative cover to contain erosion. In reducing the impacts of pollution on the environment, investments would be encouraged in upgrading and maintaining waste treatment and small scale waste collection facilities. Appropriate policies will also be designed to promote recycling, recovery, re-use and reduction of all types of waste.

Effective management of coastal resources requires monitoring and enforcement of regulations contained in the newly enacted Legislative Instrument against inappropriate fishing methods, such as the use of light for fishing and the use of small mesh size, strengthening enforcement against illegal fishing by trawlers, and strengthening institutional capacity for research, monitoring and enforcement of all bye-laws. Further strategies to improve coastal zone management shall include ensuring proper location of industries in developing coastal towns;

encouraging the use of alternative building materials to minimize the use of beach sand for building; the provision of fishery infrastructure to reduce post-harvest losses as incentives for fishermen; and the establishment of a Coastal Zone Commission with strong stakeholder participation.

4.5.4 Wetlands and Water Resources Management

The problem of wetlands management is manifested by draining of this natural resource for physical development for human settlement. The mangroves that support the wetlands are also being destroyed for either agricultural development or human settlement. With continued population growth and urbanization, and rapidly growing and diversified demands, including water for irrigation, hydropower generation, industrial processes, fisheries and aquatic ecosystem protection, water resources are becoming increasingly scarce. The result of this prevalent situation has often been in the form of non-optimal and unsustainable use of water resources.

Government, together with all stakeholders, would promote decentralization and participatory wetlands management. National capacity building will be accelerated and the appropriate legal and institutional framework to regulate the sustainable use of wetlands will be instituted. Government would also support comprehensive wetlands inventory, backed by research and monitoring and put strategies in place to restore and rehabilitate degraded and badly altered wetlands.

To ensure efficient management of water resources, Government will establish appropriate institutional structures for enhanced water resources management. In addition, Government will ensure that planning for water resources is made with due recognition of “environmental flow” requirements as well as the adoption of sustainable practices that avoid damage to critical natural capital and irreversible ecological processes. In line with the current position on PPP, Government will promote partnership with the private sector for the protection and conservation of water resources.

4.5.5 Climate Variability and Change

The impacts of increased global emissions of greenhouse gases (GHG) are already being felt with evidence that further change will occur. Climate is a development issue. Vulnerability and adaptation assessments have demonstrated that the economy will be adversely affected by climate change since it depends on sectors that are predominantly susceptible to the impacts of climate change. There is a commitment to tackling climate change. However, efforts to improve national resilience to climate change have achieved mixed results due to limited capacity both technically and financially. Key policy objectives to effectively cope with the threats of climate change include: adapting to the impacts of, and reduced vulnerability to climate variability and change; mitigating the impacts of climate variability and change; and low-carbon emission growth strategy.

Strategies identified to achieve the objective of adapting to the impacts of, and reduced vulnerability to climate variability and change include: identifying and enhancing early warning systems; enhance national capacity to adapt to climate change through improved land use management; and adapt to climate change through enhanced research and awareness creation.

The Copenhagen Accord entreats member countries to submit a list of National Appropriate Mitigation Actions (NAMAS), which would be implemented to reduce carbon emission levels. Under Ghana's agenda for a low-carbon emission development pathway, effective mitigation policy options shall be developed to address GHG emissions.

4.6 Transparent and Accountable Governance

Transparency, accountability and participation are the cornerstones of Government's programme to ensure good democratic governance. The overarching goal of the programme is to entrench participatory democratic governance by empowering state and non-state actors to participate effectively in the governance and development processes at all levels of the society. This is to ensure inclusiveness, popular participation and common ownership of decisions and actions that impact on the lives and welfare of the people. This is also to ensure that political, economic and administrative authority is exercised exclusively in the national interest and for the benefit of the people and also ensure that national resources are managed with efficiency and integrity in the interest of peace, stability and national cohesion.

Since the return to constitutional rule in 1993 under the 1992 Constitution, Ghana has made considerable progress in establishing democratic governance. This has contributed in no small way to the peace and stability reigning in the country today. Nevertheless several challenges have emerged over the years. There is a need to address these new challenges in order to consolidate the gains and expand the frontiers of democracy in the country.

In the light of the challenges that have emerged, Government policies will focus on the following:

- Practice of Democracy and Institutional Reforms;
- Local Governance and Decentralization;
- Public Policy Management;
- Public Sector Reforms;
- Women's Participation in Governance;
- Rule of Law and Justice;
- Public Safety and Security;
- Corruption and Economic Crimes; and
- National Culture and Development.

4.6.1 Practice of Democracy and Institutional Reforms

In the medium-term, Government shall implement various strategic actions to deepen practice of democracy and institutional reforms. These shall include, strengthening the arms of the independent governance institutions such as Parliament, CHRAJ and the Economic and Organised Crimes Office (EOCO); carrying out the constitutional review process; build capacity of governance institutions and Parliament to draft laws and perform oversight responsibilities; establish relative resource parity; ensuring that civil society and private sector organisations participate effectively in the governance and development processes; and ensure the enactment of the Transition Bill.

4.6.2 Local Governance and Decentralization

Promoting citizen's participation in local governance will necessarily require accelerating the process of devolution of political power to the district and sub-district structures. Strengthening local governance within the concept of democratic principles implies getting the people involved in decision-making, especially grassroots participation to ensure a bottom-up approach to governance. This is necessary to nurture, uphold and entrench the principles of transparency and accountability in governance processes.

Measures to be implemented by Government to strengthen local governance and decentralization shall include: reviewing the Local Government Service Act, 2003, Act 656 and Local Government Act, 1993, Act 462 to eliminate areas of conflicts and implement the National Decentralization Policy and Action Plan; operationalisation and strengthening of the sub-district structures by reviewing and restructuring the numbers and composition of the unit committees and ensure that the unit committees perform the functions assigned to them under LI 1589 of 1994; fully operationalise the Local Government Act 1993, Act 462 and institute attractive incentives for Assembly members to enable them perform the duties assigned to them under the Act; establish the proposed Constituency Development Fund for Members of Parliament; and ensuring efficiency and transparency in the management of district and local resources.

4.6.3 Public Policy Management

The scope of efforts required to ensure effective public policy management entails: strengthening the coordination of the development planning system for equitable and balanced spatial and socio-economic development; upgrading the capacity of the public and civil service for transparent, accountable, efficient, timely, effective performance and service delivery; rationalizing and defining structures, roles and procedures for state and non-state actors; and provision of an efficient e-Governance structure to ensure best practice.

The specific policy measures to be undertaken shall include: strengthening the coordinating function of the NDPC to enhance evidence-based decision-making and resource allocation at all levels; reviewing the current status of the on-going public sector reform programmes to enhance accelerated implementation; develop a comprehensive human resource development policy for the public sector to include reasonable remuneration; undertake a comprehensive review and clarify the mandate and functions of state and non-state actors; integrate the institutional networks within public sector and shared resources; and make automation and networking compulsory as a tool to reduce fraud.

4.6.4 Public Sector Reforms

Over the plan period, sector-driven public sector reforms geared towards having sector Ministers assume responsibility for, and become more pro-active in tapping resources for bringing about verifiable changes in the operation of their sectors for the benefit of society shall be pursued. This shall entail the strengthening of ministerial structures and processes including Ministerial Advisory Boards with private sector and civil society representation as a key mechanism for promoting Private-Public-Partnerships (PPPs) in the deployment of resources.

The “New Approach to Public Sector Reforms” will be comprehensive and involve the establishment of a Public Sector Reform Secretariat and the Policy Evaluation and Oversight Wing of Policy Unit at the Office of the President; Project Advisory Committees and Project Management Units in each Ministry as well as the optimum deployment of capacity and expertise to implement specific reform initiatives. The Public Sector Reform Secretariat will be responsible for the overall administration, technical coordination, financial management, monitoring and evaluation of the reform activities carried out by MDAs and MMDAs.

4.6.5 Women’s Participation in Governance

Over the years efforts have been made to ensure that disparities between women and men are reduced. However, representation and participation of women in public life and at all levels of governance remain low, even though some high profile women political appointees exist.

To promote participation of women in governance in order to address the persistent disparities between men and women by empowering women to participate more conspicuously in national life, gender concerns shall be mainstreamed in the political, social and economic development of the nation. Women shall be equipped with the necessary skills and knowledge to enable them to be more competitive and versatile in the current global environment.

The specific policy measures to be implemented shall include: increasing the pace of the implementation of the policy of affirmative action for women including strengthening the institutions dealing with women and children’s issues; ensuring gender parity in education at all levels; reviewing and enforce existing laws protecting women’s rights and introduce new legislations to take care of existing gaps. Government will continue to formulate and implement gender policies and legislative reforms aimed at attaining a minimum of 40% women’s representation in Government and public sector appointments.

4.6.6 Rule of Law and Justice

Besides the high cost of legal services, judicial processes in Ghana tend to be slow in the resolution of cases. In order to promote the rule of law and ensure justice for all, Government shall implement policies aimed at ensuring speedy, impartial and affordable justice for all.

The specific policy measures to be implemented shall include: improving case management systems of the courts including scaling- up mechanisms; enhanced human resource levels; expanding infrastructure and revise and implement rules of procedure; effectively mainstream the alternative dispute resolution (ADR) mechanism; review the Legal Aid Act, 1997, Act 542, and create under the Legal Aid Scheme a Directorate of Public Defenders (DPD) analogous to the Directorate of Public Prosecutions at the Attorney General’s Department as well as Citizens’ Advisory Bureaux to give free legal advice to citizens.

4.6.7 Public Safety and Security

To promote public safety and security, policies will be pursued to ensure that: the capacity of security agencies is improved to provide internal security for human safety and protection; the

intelligence agencies are strengthened to fight social and economic crimes; and territorial integrity is safeguarded.

The specific measures to be implemented shall include: monitoring and regulating the operations of internet service providers as well as strengthening and supporting intelligence agencies; reviewing existing laws and regulations on spatial and infrastructural development; forestalling civil strife and external aggression in order to secure the country for growth and poverty reduction; and build operational, human resource and logistics capacity of the security agencies.

4.6.8 Corruption and Economic Crimes

Although institutions such as the CHRAJ, EOCO, and the Audit Service continue to undertake their mandate to eliminate corruption and economic crimes in the public sector, challenges still exist. Government, over the medium-term, will intensify its efforts towards the elimination of opportunities for corruption, economic crimes, malpractices, and abuse of power in the public and private sectors. Emphasis of policy shall aim at promoting transparency and accountability and reducing opportunities for rent-seeking among public officials and strengthening anti-corruption institutions.

The specific measures will entail enforcing existing enactments pertaining to public procurement, internal audit, public financial management and the whistle blower law, and forging a united front to rid society of corrupt practices. These measures will be complemented by ensuring the enactment of the Freedom of Information Bill.

4.6.9 National Culture and Development

Recognising the important role that national culture plays in national development, efforts shall be made to create appreciation of, and love for national culture. The implementation of policies over the medium-term shall focus on: strengthening the institutional and policy framework for the development of national culture in all sectors of the economy as contained in the National Culture Strategy for Development; and emphasising the role of parents, families and communities in socialising children.

This will entail the strengthening of both the National and Regional Houses of Chiefs to contribute appropriately to national development and the development of a comprehensive legal framework for tourism as an avenue for promoting Ghanaian culture. Attention shall also be paid to the documentation of chieftaincy and cultural history, as well as the rehabilitation and establishment of centres of national culture in all the regions and the districts in a phased manner.

4.7 Special Development Zones

4.7.1 Geographical Disparities in Development

Bridging the development gap between the northern and southern parts of the country has been a long-term goal of most post-independence Governments of Ghana. The establishment of the

Savannah Accelerated Development Authority (SADA) with the passage of the enabling law by Parliament and the assent to same by the President provide a new special purpose vehicle to address the historical imbalance in social and economic development between the Northern Savannah, which includes the northern parts of the Volta and Brong Ahafo Regions and other parts of the country. Other special purpose vehicles that are expected to address peculiar social and economic problems are the Millennium Development Authority (MiDA) and Bui Dam Authority. All the three Authorities operate directly under the Office of the President.

The policy initiative to reduce spatial and income inequalities has necessitated the establishment of the Western Corridor Development Authority, the Eastern Corridor Development Authority and the Forest Belt Development Authority. These Authorities are programmed to address the development gaps in their target areas with emphasis on addressing the problems of the poverty-endemic areas of the country.

For effective and efficient implementation of accelerated development programmes, CEDECOM will be subsumed by the Western Corridor Development Authority, whose mandate will cover the Western and Central Regions. The proposed Keta Basin Development Authority will be subsumed by the Eastern Corridor Development Authority whose mandate will cover the Volta Region and the Accra and Afram Plains. The Forest Belt Development Authority will cover the forest zones in the Eastern, Ashanti and Brong Ahafo Regions while the Capital City Development Authority will be a special Development Zone covering the metropolitan, municipal and district assemblies within Accra and Tema general areas.

To ensure uniformity in reporting arrangements and effective coordination of projects and programmes, these Development Authorities shall be placed under the Office of the President. Ahead of the passage of the laws that will back the establishment of these Authorities, CEDECOM and the Keta Basin Development Authority will be placed under the Office of the President in January 2011.

4.8 The Enablers of Accelerated Shared Growth and Development

To transform the economy and deliver an average growth rate of at least 8% per annum will require an accelerated industrial development. Government will build the foundation for an efficiency-driven economy from the current factor-driven economy to leverage natural resource endowments for accelerated growth and job creation.

4.8.1 Building National Capacity to manage the changing economic status of the country

The expected transformation of the economy requires effective and efficient institutions, both public and private, as well as highly skilled personnel to manage and create more wealth. The efficiency and effectiveness of the public service delivery system is dependent on the quality of the public sector workforce. To this end, competency-based human resource management institutions shall be established to nurture a workforce with the right attitude, skills and knowledge.

Government will also introduce reforms that will ensure that frontline agencies are staffed by qualified personnel with the appropriate work ethos to provide efficient services. The performance of the workforce shall be enhanced through a human resource management system that is capable of planning, attracting and retaining talented employees through the creation of a congenial work environment. The education, training and lifelong-learning delivery systems will be improved to strengthen the human resource base, and produce the pool of competent workforce required for an industrial economy.

As the nation begins the production of oil and gas, efforts shall be made to develop a pool of knowledgeable workers who are competent and competitive, and can effectively take advantage of the opportunities that the emerging industry provides. A lot of effort has gone into the development of a local content bill to make the oil and gas and other related industries more beneficial to Ghana. A training needs assessment shall be conducted and a training programme designed to provide the relevant skills required by the nascent industries. Opportunities for top-up programmes, training of trainers, and full-scale training would be explored with Ghana's development partners who are well disposed to provide technical support for the development of the oil and gas industry.

At the same time, Government shall implement initiatives that will retool and strengthen the existing potential institutions, including the NBSSI and GRATIS, to perform and support the efforts at building the entrepreneurial competence of the private sector. This shall include strengthening their organisational capacities by equipping them with the appropriate structures, systems and processes that will enable them function effectively.

4.8.2 Improving the enabling environment for policy coordination and management

The changing economic and social landscape will be managed with an improved and results-oriented public oversight. While an appropriate LI under Act 479 will be provided to regulate the decentralized planning system (Act 479), the conditions will also be established for plan stability and state ownership, strengthening of national capacities to enforce rules and regulations as well as social discipline. Other areas that will also be given priority attention are: roles, responsibilities and relationships among key planning and implementation actors; a communications strategy for policy formulation, planning and implementation; stakeholder consultations and participation; streamlining processes and timing of activities of planning institutions; and developing capacities of key actors.

There will be renewed efforts and attention to address gaps in the institutional and working arrangements and alignment between Ghana's key Central Management Agencies (CMAs) involved in the preparation, implementation, monitoring and evaluation of Government policies and programmes. Government will take action to clearly define and streamline the roles and remedy the overlaps and conflicts as a matter of urgency to improve effectiveness and efficiency in the planning, budgeting and implementation of development policies, projects and programmes at all levels. In addition, functional relationships will be established among the stakeholders to ensure that the system is recognized and accepted by all and opportunities for popular participation in the planning process will be expanded to build a common purpose towards the national objective to transform the economy and launch it unto the path of accelerated growth.

A comprehensive development communications strategy will be rolled out to drive communication around the prioritized objectives to be pursued towards Ghana's national aspirations, identify critical stakeholders to be engaged to promote dialogue around important national policy objectives, specific messages and content as well as effective communication channels to be employed for the achievement of the set objectives. Although the voices of citizens are becoming clearer with the development of a pluralistic media environment, management of feedback is important for the credibility of the planning process. Secondly, due to the lack of mechanism for the management of feedback, monitoring policy responses and reporting back to the public is weak. Establishment of a mechanism using existing vertical and horizontal communication channels, and dialogue with CSOs including the media will enable Government to manage the transmission of feedback and their responses.

State ownership of the development policy framework is critical and contributes significantly to ensure continuity and stability of national development plans beyond the tenure of any particular administration. To attain the goal of accelerated development as a shared vision, the institution of procedures and relationships will be necessary as a principal mechanism to enhance the prospects of ensuring stability and continuity that Ghanaians themselves (the state) bring to bear as the owners and drivers of the development processes. Government will initiate formal dialogue with political parties in respect of development policy formulation and implementation. Membership of experts appointed to NDPC would not be affected by changes in Government to ensure continuity, consistency and stability of development policies, programmes and projects, while representatives of all registered political parties will be appointed to the NDPC to deepen national ownership.

The demands of modernisation especially as regards to time, work, care of public property, health, education, human rights, safety, reproductive rights, disability, etc. need to be tackled head-on to ensure the alignment of the national psyche to the development vision of the country. Effective behavioural change communication models will be developed and implemented to facilitate behavioural change on a variety of issues to enhance plan implementation and reduce the impact of negative attitudes on national aspirations.

In translating the policies outlined in this Programme into plans, programmes and projects, there is the need for all stakeholders, in both the public and private sector, to be guided by such core values as morality in public life, punctuality, culture of excellence, dependability, fairness as well as tolerance and mutual respect for one another. These are important values for the kind of free and just society that Ghanaians have envisioned for themselves.

4.8.3 Infrastructure development through Public-Private Partnerships (PPPs)

Ghana's infrastructure modernisation and expansion require innovation to mobilise the huge amounts of capital necessary to close the infrastructure gap and position the country for economic take-off. As indicated in the national policy on Public-Private Partnerships (PPPs), Government will partner the private sector to identify and mobilise the financial and related technical resources needed to make the desired impact. Public-Private Partnerships will therefore be actively encouraged in areas of the economy where private investments will make the most impact in partnership with Government. At the same time, the new GIPC law under preparation will seek to strengthen the enforcement of contracts for all investors including Government. The

frustration that attends commercial litigation in the Courts and poses a great barrier to attracting private capital will also be addressed by resourcing and modernising Court infrastructure to improve efficiency, reduce delays and costs, and improve morale to enhance the capacity of the Courts to provide speedy resolution of commercial disputes.

Attracting private capital will also require more to be done and policy priority will focus on deepening financial intermediation to position the financial sector to play a stronger role in propelling economic transformation, and to increase private sector access to credit at a competitive cost with innovative products. Moreover, because infrastructural investments require long gestation and recovery periods, Government's financial strategy will build and sustain a prudent fiscal and monetary environment that will create stability, reduce uncertainty and lower risks for investments generally and specifically for long-term PPP structures. In order to ensure that the investment space also benefits Ghanaians, deployment of PPPs and the concomitant inflow of Foreign Direct Investment (FDI) will go hand in hand with the enforcement of local content rules.

4.8.4 Enhancing the competitiveness of the Ghana's Private Sector

The participative role of the private sector is crucial to the national agenda to accelerate the growth and transformation of the economy. In order to build a vibrant, competitive private sector strongly positioned for import and export competition that will enable it to lead Ghana's growth and transformation, the policy effort will tackle the core constraints inhibiting private sector growth as outlined in the Private Sector Development Strategy (PSDS) II.

The many barriers that confront investors and investments will be removed to make Ghana a more attractive investment destination. The various business registration requirements, levies for business registration, and several investment legislations, will be rationalised while MDAs that administer business regulations will be made more responsive to the needs and imperatives of the private sector. To enhance productivity and efficiency, and reduce the cost of doing business, Government will remove value chain constraints to improve service delivery through urgent and aggressive investment in both physical and social infrastructure as a national priority to improve efficiency and reliability in the production chain. In the medium-term, priority areas will include water, health and education, energy, roads and transport, ports and harbours, information technology and science, technology and innovation.

Priority has been accorded to investment in relevant and quality human resource development to provide modern skills and competencies required for a 21st century industrial economy as Ghana aspires to. Priority skills and competencies will include specialised skills often missing in our domestic economy and which make us less competitive and reduce opportunities for top leadership positions in business for locally trained professionals.

4.8.5 Accelerated investment in Science, Technology and Innovation

Economic transformation through accelerated growth and industrial development to create substantial job opportunities require modern skills, and alignment of the manpower output from the education sector to the development needs of Ghana's changing economy.

Government has prioritized Science, Technology and Innovation (STI) as a principal vehicle to drive Ghana's development agenda. The thrust of the current national STI Policy is to harness the nation's science and technology capacity to achieve accelerated economic growth and sustained poverty reduction. The policy objectives are to: promote the application of Science, Technology and Innovation in all sectors of the economy; and strengthen the appropriate institutional framework to promote the development of scientific and technological research.

These will be achieved through the following:

- Encourage the diffusion and transfer of technology;
- Promote the establishment of two national science and technology theme parks: one in Cape Coast and the other on the Akwapim-Ridge;
- Initiate a Young Researchers Programme to stimulate interest in research and technological innovation among pupils in second cycle schools;
- Promote and establish national systems of innovation to support the technology development cycle;
- Establish a Science and Technology Fund to support research activities in tertiary and research institutions;
- Provide support for businesses to adopt R&D as a critical component of production;
- Provide incentives to strengthen the linkage between research and industry, and facilitate their collaboration; and
- Establish a mathematics, science and technology scholarship scheme to support brilliant but needy students who study science, mathematics and technology-based subjects at the second cycle and tertiary levels of education.

4.8.6 Strategic development of selected industrial sectors

“Flagship” strategic industrial initiatives underline the overall vision to trigger accelerated industrial development and create more quality jobs through integrated industrialization. They will drive the national strategic direction to signal Ghana's priorities in the medium to long-term for deploying national resources toward the ‘Better Ghana’ Agenda to significantly impact the pace of national development. The targeted areas for strategic investments all highlight the transformation opportunities provided by the immediate huge industrial investments to be driven by PPPs and bilateral State-to-State cooperation through targeted initiatives with selected countries. These strategic initiatives will shift Ghana's development paradigm to a long-term industrial production economy with a quality job creation potential and high GDP growth rates within the six to 10 year timeframe. The initiatives will build on the opportunities to leverage Ghana's development trajectory through industrial, commercial and trading opportunities for Ghanaian businesses and Ghanaians from the oil and gas resource now available to the nation in order to increase local wealth creation.

To direct national policy towards benefits that will accrue to Ghana from its status as a nascent oil and gas producing nation, large investments will be attracted to significantly impact the creation of industrial infrastructure and reshape the nature of agriculture as a business venture. Government will implement a national policy strategy to apply Ghana's natural resource endowments to build industrial and processing value chains locally, representing a clear shift from the historical policy of the exports of natural resources as commodities in raw form.

It is the availability of industrial production infrastructure that will use the local raw materials that will create and maintain the quality jobs, while there will also be the direct benefit of producing for export into the sub-region, regional and international markets and consumption in the local economy. Quality jobs increase incomes of the citizenry, increase quality of life through consumption, and provide surpluses for investment that directly increase growth. The availability of oil and gas to provide the energy and attract the investment capital that will propel the establishment of the related industries will be a major source of job creation in the economy in the next six to 10 years.

The following flagship initiatives have been earmarked for accelerated and dedicated policy and direct Government support for implementation:

Industrial Initiatives:

Oil and gas production as the foundation for the following industries and job creation:

- Fuel for Commercial, Industrial and Residential Use;
- Electricity Production;
- Petrochemical Production;
- Fertilizer Production; and
- Iron and Ferro-manganese;

Industrial Salt Production provides the raw material to support oil and gas production as well as trigger industrial production in the following industries:

- Petrochemicals - Industrial Use of Salt to Produce Chlorine as the first industrial step towards the establishment of a petrochemical industry, concurrently with the production of Caustic Soda for Alumina production leading to the creation of an Aluminium industry.
- Other Industrial Application of Salt Products for paper manufacture, dyes and textiles, water pollution control, rubber processing, and in agriculture for the production of fertilizer as well as in aquaculture, and inputs for dairy products.
- Medical Applications as input for the production of health and hygienic products, soaps and cleaners for medical and dental applications.
- Consumer Application of Salt Products to directly create opportunities for industrial food preparation and preservation as well as additives, flavours and enhancers.
- Caustic Soda in Consumer Products as caustic soda is a key ingredient for the soap and detergent industry.

Particular attention will also be paid to the use of gas as source of electric and heat energy and also as raw material to catalyse extensive industrial initiatives such as bauxite processing into alumina, iron and steel mills and glass manufacturing as well as ceramics and bricks and tiles factories.

The Aluminium Industry is projected to directly support various sectors as contained in the Oil and Gas Driven Integrated Aluminium-Based Industrial Development, Final Report (2010), particularly:

- **Building Industry:** As a result of good alloy properties and corrosion resistance, aluminium is used at various stages in the building industry: roofing, window and door frames, doors, prefabricated large industrial buildings, paints and the electrical industry.
- **Construction Industry:** Aluminium is the future of the construction industry, as a material crucial for innovative changes in building techniques and architectural and engineering projects, to improve the appearance of buildings, increase durability, provide insulation, and thereby enhance the energy efficiency of construction infrastructure.
- **Power Industry:** Aluminium now provides the core of the cables for the power industry due to the high electrical conductivity and light weight of aluminium, and therefore it is used as conductors and for manufacturing transmission lines.
- **Food, Beverages and Allied Industry:** Food foil has very good barrier properties. It finds application in the manufacture of packaging medium for the food and beverage industry for coating paperboard. This helps to increase the shelf-life of many food products especially fruit juices. Aluminium cans are used in the beverage industry as well.

Special Industrial Estates (SIEs) will focus on the exploitation of industrial minerals and other resource endowments to drive SME-based industrial and commercial value chains under the umbrella of the Western and Eastern Corridor Development Authorities. Directed fiscal and regulatory space will be created to facilitate the incubation of SMEs into champions which can spearhead substantial job creation and accelerated industrial development. The job creation strategy would not solely rely on either small and medium scale enterprises or big enterprises but more importantly, on guiding and supporting small and medium enterprises to grow into big economic ventures that will become major businesses in the sub-region initially, and end up as champions on the international scene.

4.8.7 Financing the transformation agenda

The transformation of the economy will entail considerable amounts of capital. In order to mobilise the needed capital, Government will adopt a three-pronged approach to identify, source, and apply the requisite funding to the backbone industrial and infrastructure investments. These are: (i) vigorous promotion of PPPs; (ii) targeted bilateral partnerships in state-to-state arrangements that will enable Ghana to gain access to large state-sponsored FDI; and (iii) acceleration of the capacity expansion of the domestic financial markets and directed support and incentives for the capital market and institutions.

Public-Private-Partnerships (PPPs): Government will promote partnerships with the private sector to source and manage the needed financing for selected areas of the economy through PPPs. PPPs will provide access to technology and technical know-how and large financing, as well as risk-sharing to reduce the pressure on Government's development budget. PPP-driven initiatives will accelerate the modernisation of the nation's production base and significantly increase availability and access to economic and social infrastructure.

Bilateral State-to-State Partnerships: Some areas of commercial and/or economic public-access facilities may appear too risky and therefore unattractive for private sector investors. Bilateral partnerships will therefore be forged to focus on state-to-state initiatives in specific areas of the economy that require state intervention to mobilise and invest the resources necessary to seed priority industrial investments and infrastructure. The objective is to reduce the risks and costs so as to attract the private sector into such ventures or into the related downstream opportunities.

Expansion of Domestic Financial Markets: Government is committed to accelerate financial sector reforms and capacity strengthening to enhance financial intermediation in the economy. It will also aim to increase the availability and pace of domestic resource mobilisation to support investments by the private sector in industrial initiatives. Banking sector and insurance industry capitalisation will be increased to expand banks' risk capacity and their capability to fund the private sector in order to ensure they can take advantage of existing and emerging opportunities in the economy to grow and create jobs. In addition, capital market institutions will be further encouraged to position the nation as an attractive regional destination for large investments. Government will deepen the incentive system for the Ghana Stock Exchange and investors on the exchange in order to encourage the private sector to access long-term capital with the view to making Ghana a competitive regional destination for long-term investment.

CHAPTER FIVE

IMPLEMENTATION ARRANGEMENTS AND MONITORING

5.1 Introduction

This *Coordinated Programme for the Economic and Social Development of Ghana* is a strategic blueprint for defining national priorities in the medium-term and provides a framework for channelling national aspirations towards accelerated industrial development. It will therefore guide the execution of development policy and related activities at all levels of the governance structure. It requires the collective action of all stakeholders including MDAs, MMDAs, Civil Society Organisations, and Private Sector actors keen on responding to the opportunities that have been signalled by the direction of national vision and Government policy priorities over the period 2010 to 2016. This shared responsibility responds to the key principle driving Government in the quest for national consensus on the imperatives to create and share the benefits of the accelerated growth.

In summary, the direction of the national purpose over the period is captured by the following:

“With the anticipated commercial exploitation of crude oil and gas, we are positioning Ghana for a major industrial take-off. We are laying the foundation for: • an integrated aluminium industry based on bauxite; • a petrol-chemical industry based on salt and natural gas; • a fertilizer industry to give impetus to agro development; • a salt-based industrial chemical industry for caustic soda; and • allied consumer products and exports based on oil and gas. an integrated iron and steel industry Beginning from this year, we are putting together the building blocks of an oil and gas-based industrial architecture to ensure that by 2016, we would have exploited these resources and changed the country's economic paradigm - so that our dependence on traditional raw material exports of cocoa, gold and timber, will be a thing of the past.” (President Mills’ Sessional Address to Parliament, 2010).

The implementation arrangements take the lead from Government’s actions filtered through the MDAs, and MMDAs that will function as the basic units of the implementation machinery. At each level of the governance structure, and responding to the Directive Principles of State Policy, each implementing entity will execute their roles in conformity with their institutional mandates and the specific policies and objectives reflected for their sector in this framework of policy prescriptions. As regards the “flagship strategic initiatives”, they require cross-sectoral and cross-functional collaboration and the expectation is that relevant ministries will respond accordingly with the inter-ministerial arrangements necessary to achieve the identified policy objectives to establish the industrial foundations for accelerated growth. The Office of the President will work with NDPC to coordinate the implementation of all the flagship initiatives.

Government’s national expenditures expressed through the annual budgets and the medium-term expenditure framework will provide the main tools for implementing the public investments and projects that result from subsequent medium-term development plans. The partnership for implementation extends to the private sector and civil society organisations whose roles are

equally key to building the national consensus toward the “*Better Ghana*” Agenda of accelerated growth and development.

5.2 Implementation Arrangements

5.2.1 Role of National Development Planning Commission

The National Development Planning Commission (NDPC) is mandated to advise the President on national development policies and strategies based on information obtained from the national, regional and district planning institutions. It is the central co-ordinating agency of the nation’s decentralised planning system. It also has the task of preparing comprehensive development policies and plans as well as ensuring their effective implementation, monitoring and evaluation. The NDPC is responsible for the synthesis of all policy proposals into an integrated framework for national economic, social and spatial development. To implement this Coordinated Programme, NDPC will therefore play the pivotal role in accordance with the National Development Planning Act 1994 (Act 479).

Based on this Coordinated Programme, NDPC will assist all MDAs and MMDAs to prepare medium-term development plans. The plans are expected to be designed to achieve the broad goals under the national priorities outlined in this document to achieve the per capita income of at least US\$3,000 by the year 2020. It is also expected that medium-term plans will be prepared by the various planning institutions which NDPC will integrate into a comprehensive national medium-term development plan. In addition to coordinating the development of action plans by MDAs and MMDAs, NDPC will also work with all sectors and districts to develop various monitoring and evaluation (M&E) arrangements for regular assessment of progress. This will largely be done through the Policy Planning, Monitoring and Evaluation Divisions (PPMEDs) of the sector Ministries, Regional Planning Coordinating Units (RPCUs) and District Planning Coordinating Units (DPCUs).

The NDPC which is the national institution at the centre of development planning and coordination for the attainment of the nation’s aspirations including the transformation agenda outlined in this Programme is constrained by resources. Resource constraints also undermine the effective institutional presence required for the performance of its mandate. Oftentimes research, policy design, planning, execution, and monitoring are hampered by poor coordination because of limited resources.

For effective delivery of the objectives of the transformation agenda for a “*Better Ghana*”, Government will ensure that the NDPC which is charged with the responsibility for oversight and coordination of this Programme is strengthened and properly resourced to attain the projected outcomes.

5.2.2 Role of the MDAs

The sector ministry represents an area of the economy under its mandate 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 activities will take place, District Assemblies are crucial. These, together, constitute the MDAs and MMDAs that will oversee implementation of the policies in this document. Each MDA, working through the PPMED, will develop a medium-term plan and a set of activities in line with this Coordinated Programme. Each PPMED will also set up a statistical system for its institution, develop specific planning and monitoring indicators for all the projects in its policy mandate and use the indicators to monitor progress of work throughout the period. Each MDA is required to use its PPMED to co-ordinate the activities of the institutions under its purview for the purpose of achieving objectives stated in this document. The PPMEDs will co-ordinate their activities with those of other MDAs, and report on these regularly to NDPC for central coordination.

5.2.3 Role of District Planning Co-ordinating Units

Under the Local Government and Planning Laws, MMDAs constitute the administrative districts that are the focal points of development planning. While 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 District Planning Coordinating Units (DPCU). MMDAs are responsible for the overall development of the District and must ensure the preparation and submission of the development plan and budget for the District to the Government for approval.

5.2.4 Role of the Private Sector

Ghana has for decades accepted the private sector as the engine of growth. Constraints on the private sector notwithstanding, little policy space has been created over the years to actualize this partnership toward the national objective. However, the national vision to build an industrial economy and accelerate growth towards a per capital income of at least US\$3,000 require more from the private sector than has hitherto been the case. Indeed, the private sector is required to modernize its operations, systems and governance, and raise its aspirations in order to take advantage of the opportunities available in the embryonic oil and gas economy. It is necessary for appropriate skills to be developed by the private sector in order to take advantage of the agricultural modernization strategy, partner Government in PPPs in the provision of social and physical infrastructure, STI and ICT, and general technology-enabled development, all under the continuous enhanced scrutiny of citizens.

5.2.5 Role of Civil Society Organisations

Civil society organisations have become an active and vocal partner of Government and the private sector in managing the public interest and building national consensus to achieve the national priorities driving state policy. Clearly, civil society organisations play a crucial role in the development dialogue and the management of the development process. Civil society organisations have expanded their roles to include information dissemination on the development process both to development planners and to communities. In recent times, CSOs have also become direct agents of implementation of development programmes at the community and national levels, for example in the provision of water and sanitation facilities. It is anticipated under this Coordinated Programme that this collaboration between Government, Private Sector

and Civil Society Organisations will continue to be robust to support the demands on resources at all levels towards the attainment of the national vision.

5.3 Monitoring progress towards implementation

The key objectives of the M&E process are to guide the NDPC to provide the framework for a systems-based, Government-wide management tool for tracking progress and results of the Coordinated Programme. The national M&E plan will therefore establish a comprehensive, harmonised and well coordinated system to monitor the implementation of national development priorities under the various policy initiatives and evaluate their impacts at all levels of governance. A bottom-up approach will be used to ensure ownership and improve the demand for M&E by stakeholders at all levels. The output of the M&E process will be used to inform national development planning; support sector policy and programme design; inform the budget allocation process; enhance transparency and accountability in the management of national resources; encourage continuous improvement in public policy management; and direct the continuing policy dialogue within Government on national priorities. It will also inform the ongoing policy dialogue with other non-state actors like Civil Society Organisations as well as the Development Partners.

The key elements of the M&E system will be:

- Development of institutional arrangements that can support sustainable monitoring and evaluation processes;
- Establishment of special indicators to facilitate tracking of the outcomes of policy initiatives;
- Undertake studies to enhance the knowledge and database for the conduct of objective impact analysis; and
- Ensure a holistic and participatory approach to M&E.

The national M&E institutional arrangements will therefore be strengthened and greater responsibility given to the statutory institutions with direct responsibilities for policy planning and M&E at the sector, regional and district levels. The Ghana Statistical Service (GSS) will continue to roll out the Ghana Statistical Development Plan (GSDP) in order to strengthen national statistics collation, processing and dissemination.

Monitoring will consist of the periodic or continuous assessment of performance as appropriate, based on selected indicators, while evaluation will rely on a wider variety of methods to examine the implementation of programmes and/or policies more closely, gain a better understanding of their nuances, and produce sound assessments of their consequences. Thematic studies will also be conducted to assess the intended and unintended consequences of policy interventions and/or policy reforms on the well-being of stakeholders.

The following strategies will be adopted to enhance the M&E system:

- Reinforce the institutional arrangements with adequate capacity to support and sustain effective monitoring and evaluation;

- Strengthen, harmonize and effectively coordinate existing mechanisms for monitoring and evaluating the effectiveness of public sector service delivery;
- Evolve an efficient system for generating relevant, reliable and timely quantitative and qualitative information;
- Manage an effective feedback mechanism that makes statistical information available in useable form to Government, private sector and civil society organisations;
- Ensure a holistic approach to M&E that would include monitoring of inputs (including resource allocation and use), as well as processes and outputs, in addition to evaluating the outcomes;
- Foster participatory M&E;
- Ensure improved coordination between the M&E wing of the Policy Unit of the Office of the President, Central Management Agencies (CMAs), NDPC and MDAs to strengthen demand for M&E; and
- Build the technical capacity for M&E at all levels.

Reinforcing institutional arrangements is key to the attainment of the long-term objective to institutionalize M&E, including data collection, analysis and dissemination for effective public policy management at all levels.