



REPUBLIC OF GHANA

THE  
BUDGET STATEMENT  
AND  
ECONOMIC POLICY

of the

**GOVERNMENT OF GHANA**

for the

**2007 FINANCIAL YEAR**

presented to

**PARLIAMENT**

on

**Thursday, 16<sup>th</sup> November, 2006**

by

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on the authority of

**His Excellency John Agyekum Kufuor**  
**PRESIDENT OF THE REPUBLIC OF GHANA**

*The 2007 Budget Statement and Economic Policies of the Government is based on the latest information available as at the end of September 2006 and projections up to the end of December 2006. The information is based on inputs from all MDAs, General Public and other sources.*

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## ACRONYMS AND ABBREVIATIONS

ATA	Africa Travel Association
CBD	Central Business District
CBFMC	Community Based Fisheries Management Committee
CCTV	Closed Circuit Television
CFLs	Compact Fluorescent Lamps
CGM	Cassava Green Mite
COPAL	Cocoa Producers Alliance
CHPS	Community Health Planning Schemes
CICs	Community Information Centres
CRI	Crop Research Institute
DCEs	District Chief Executives
DFR	Department of Feeder Roads
DMHIS	District Mutual Health Insurance Schemes
DSUP	Distribution System Up-grade Project
DUR	Department of Urban Roads
DVLA	Driver and Vehicle Licensing Authority
EDIF	Export Development and Investment Fund
EIA	Environmental Impact Assessment
EPA	Economic Partnership Agreement
ESP	Education Strategic Plan
ETU	Electricity Transmission Utility
GDP	Gross Domestic Product
GHA	Ghana Highway Authority
GIFTEL	Ghana Investment Fund for Telecommunications
GIPC	Ghana Investment Promotion Centre
GLDB	Grains and Legumes Development Board
GPRS II	Growth and Poverty Reduction Strategy II
GSB	Ghana Standard Board
IPPD2	Integrated Personnel and Payroll Database 2
LEAP	Livelihood Empowerment Against Poverty
MASLOC	Micro Finance and Small Loans Centre
MDG	Millennium Development Goals
MLFM	Ministry of Lands, Forestry and Mines
MMT	Metro Mass Transit
MMYE	Ministry of Manpower, Youth and Employment
MoC	Ministry of Communications
MOE	Ministry of Energy
MOFA	Ministry of Food and Agriculture
MOTDR	Ministry of Tourism and Diasporan Relations
MOWAC	Ministry of Women and Children's Affairs
NBSSI	National Board for Small Scale Industries
NCA	National Communications Authority

NDPC	National Development Planning Commission
NGOs	Non-Governmental Organisations
NRSC	National Road Safety Commission
NYEP	National Youth Employment Programme
PSC	Public Services Commission
RSDP	Road Sector Development Programme
TSDP	Transport Sector Development Programme
VRA	Volta River Authority
VSAT	Very Small Aperture Terminals
WTO	World Trade Organization

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## **FOREWORD**

The sacrifices the nation has made over the past couple of years have yielded the desired positive results, such that the economy is resilient, even in the face of rising crude oil prices. Government remains committed to those policies that have brought the nation this far.

On the eve of our 50<sup>th</sup> anniversary as a nation, I am happy that our economy is vibrant and the aspiration of attaining the status of a middle-income country in the next decade is within our reach.

With vigorous infrastructural development, the introduction of the National Health Insurance Scheme, Capitation Grant, Free Busing and the School Feeding Programme for children and the establishment of financial schemes for micro, small and medium sized enterprises, we have made significant gains towards the Millennium Development Goals. Indeed, we are likely to attain some of these goals before the UN deadline.

Economic growth has exceeded targets for three consecutive years. This year, the recorded growth of 6.2 per cent exceeds the target of 6.0 per cent, and for next year, 6.5 per cent is the confident forecast.

Progress made is recognized by the international community: Ghana has been rated the most peaceful nation in Africa, given a B+ sovereign credit rating, ranked the fastest reforming nation on the continent and 9<sup>th</sup> in the world in doing business.

But, there are problems at the labour front, resulting partly from a distorted public sector salary structure which is also poorly administered.

Government has, therefore, decided to use this budget to begin the implementation of a new comprehensive public sector pay reform that emphasises equal pay for work of equal worth. The broad objective is to aim for wage increases in line with productivity gains, cost effectiveness and efficiency.

“Rome was not built in a day”, as the adage goes. Today, we are laying the first block for a more rational salary structure and administration.

Government realises, however, that this new system will have to be phased in, but we will continue to implement the social policies and programmes that will accelerate the growth we need to achieve our target.

To ensure order and equity all round, government is setting up a Fair Wages Commission to oversee the implementation of this new programme.

The public sector reforms that are being pursued will be sustained to boost private sector development through an enhanced public services delivery, in order to deepen the public-private sector partnership for accelerated growth.

I am, therefore, appealing to the nation and all its sectors to hold fast and rally together so that we pursue a collective vision in the belief and confidence that Ghana will succeed in becoming a middle income country by 2015.

This is a budget to promote growth and stability for all. Ghana is on the path to sustained Economic Renaissance.

God Bless us all. God Bless Ghana.

**HIS EXCELLENCY J. A. KUFUOR**  
PRESIDENT OF THE REPUBLIC OF GHANA  
**16<sup>TH</sup> NOVEMBER, 2006**

## **SECTION ONE: INTRODUCTION**

1. Mr. Speaker, it is an honour once again, to present the 2007 Budget Statement and Economic Policy on behalf of His Excellency President John Agyekum Kufuor.
2. Mr. Speaker, we are exactly 110 days from the 50th Anniversary of our country's birth as the first colony in black Africa to become an independent sovereign nation. The NPP Government is proud to usher this nation into this memorable Era of the 50th Anniversary, pursuing the implementation of policies that have given birth to the Economic Renaissance of Ghana, thus restoring the nation to its status at independence as a shining star of Africa.
3. Mr. Speaker, it is appropriate that the Statement, that H.E. the President has honoured me to lay before this August house today — appropriately referred to as the GOLDEN JUBILEE BUDGET — is focused on GROWTH within an environment of economic stability. Indeed, Ghana is on a path to sustained Economic Renaissance.
4. We are happy, for the second year running, to have kept our promise of presenting to this august house, the Nation's Budget before the beginning of the fiscal year. I wish to extend our sincere gratitude to all, who in diverse ways, have contributed to make this possible.
5. And because of the historical step we took last year, all the policy initiatives proposed in the 2006 Budget were either fully implemented or are at advanced stages of implementation, as

shown in this report. The President extends his appreciation to all Ghanaians for this noble achievement.

### **GPRS II & THE 2007 BUDGET**

6. Mr. Speaker, as we enter the second year of the implementation of the GPRS II, the 2007 Budget has taken due cognizance of the priorities and goals of this national development framework and has accordingly put in place adequate measures to help achieve the stated goals of GPRS II.
7. The three thematic areas of:
  - Private Sector Development
  - Human Resource Development
  - Good Governance and Civic Responsibility

will continue to anchor the 2007 Budget, which has also benefited immensely from valuable inputs and suggestions from the general public and identified professional bodies. To this end, Government will seek to accelerate the Growth Agenda. This position is emphasized in the GPRS II which stresses the importance of growth for wealth creation and sustainable poverty reduction.

### **GHANA ECONOMIC RENAISENACE**

8. Mr. Speaker, the significant improvement on the socio-economic landscape over the past six years should give cause for continued optimism in our goal of attaining Middle Income Status by 2015. The improvement in our international ratings is

also a clear testimony of our continued quest to improve our living standards.

9. Mr. Speaker, every nation goes through a maturation process. Mr. Speaker, our distinguished position as the torch bearer of Africa's liberation, buttressed by our birthday resolution to Champion African Excellence requires us to complete our own and Africa's independence by being able to chart and direct our social and economic development through our own means.
10. The Government is therefore proud to usher Ghana into her 50<sup>th</sup> year with implementation of policies that reflect the nation's newly charted course towards Economic Renaissance.
11. With unity of purpose, we should now take advantage of our diversity in politics, religious and ethnic differences to build a strong and prosperous nation with a happy people

#### **EXPLOIT OF BLACK STARS IN GERMANY**

12. True to the theme of our Golden Jubilee, the Black Stars championed African excellence during the just-ended world cup in Germany. When I stood here last year and predicted such a performance, many were those who doubted my optimism.
13. Mr. Speaker, the soccer artistry, confidence and collective play of our team should teach us that we can succeed economically as a nation if we continue to inspire ourselves, remain united and focus on achieving the same goal as a nation.
14. If we could outclass the developed nations of football like Italy, Czech Republic, the military and economic super power U.S.A.

and stand “toe-to-toe” with invincible Brazil then I believe we should remain confident and hopeful that, we can strive collectively to champion the economic renaissance of Africa.

15. Mr. Speaker, we urge all Ghanaians to exhibit the brilliant virtues exhibited during the World Cup in our quest for continued economic development. We must take advantage of this impetus generated by our gallant men on the football field and work tirelessly and relentlessly to achieve more laurels for our dear nation.
16. Mr. Speaker, today, the hoisting of the National flag in our homes and in our vehicles — following from the Black Stars performances at the recent World Cup — has once again rekindled the pride in our collective national identity. People can now proudly identify themselves as Ghanaians.
17. Mr. Speaker, our working public is hereby entreated to offer their best in this coming Jubilee year for us to “create more and share more”. As already demonstrated, this is a Government that believes in not only creating wealth but also sharing the wealth equitably.



## **SECTION TWO: WORLD ECONOMIC DEVELOPMENTS AND OUTLOOK**

### **The World Economy**

#### **Developments in 2006**

18. Mr. Speaker, the global economy continued to sustain buoyant economic growth in the first half of 2006, despite the increasing international crude oil price. The growth has been broad-based with activities in almost all regions surpassing the expansion in 2005.
19. Real output growth continued in the United States of America, alongside a continuous expansion in the Japanese economy and signs of a more sustained recovery in the Euro area, notwithstanding a slow start to the year in Germany.
20. Mr. Speaker, in the major emerging-market economies, growth remained solid. Invariably, however, most of the global expansion was accounted for by the emerging markets, especially China.
21. Mr Speaker, low income countries also contributed impressively to the economic expansion in the first half of 2006, aided by high commodity prices during the period. The fortunes of exporters of oil and other commodities (especially gold) continued to be bolstered by buoyant prices. However, in the international financial markets, there were signs of a change in sentiment as investors lost some of their appetite

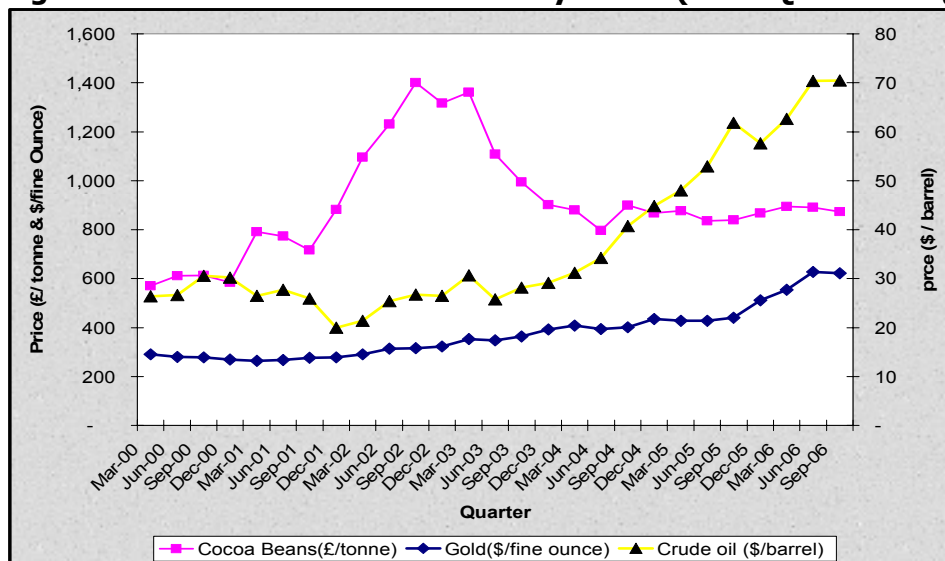
for exposure to emerging markets, resulting in the depreciation of a number of emerging market currencies, lower share prices and a widening of the risk premia on these countries' debt securities.

22. Current forecast indicates that global output in 2006 will grow at 5.1%, above the 2005's growth of 4.9%, out of which the combined growth in the advanced economies is expected to be 3.1 per cent compared to 2.6 per cent in 2005.
23. Mr. Speaker, Africa is expected to maintain a growth rate of 5.4%, the same as 2005. The contribution of sub-Saharan Africa to the African total is projected to drop from 5.8 per cent in 2005 to 5.2 per cent in 2006.
24. Mr Speaker, global trade volume increased considerably in 2006 as a result of an increase in effective demand which was occasioned by the strong output performance during the year. Imports of goods and services from advanced economies are expected to increase from 6.0 per cent in 2005 to 7.5%, while those from emerging markets and developing countries are projected to increase from the 2005 level of 11.9 per cent to 13.0 per cent. Similarly, export volumes in advanced economies are projected to outstrip the 2005 increase of 5.5 per cent to 8.0 per cent in 2006. Conversely, the increase in volume of export in emerging and developing countries will be lower at 10.7 per cent in 2006 compared to the 11.8 per cent achieved in 2005.

***International Commodity Prices***

25. Mr Speaker, prices of oil and other commodities rose rapidly in the first eight months of 2006, with petroleum and metals reaching new highs. Oil prices were supported by tight spare capacity in global markets, geopolitical tensions and continued risks in Nigeria. Metals on their part have been boosted by strong demand growth, especially in emerging markets, capacity shortages and labour disputes.
26. Mr. Speaker, the instability in the international crude oil prices continued to pose a downside risk to the economies of the world. Global outturn has been affected by the developments on the international oil market during the year under review. Crude oil price started the year with US\$63.86 per barrel in January and reached a peak at US\$74.24 per barrel at the end of July 2006. It fell sharply from US\$73.87 per barrel in August to US\$63.49 per barrel in September 2006 and it is expected to remain stable in the near-outlook.

**Figure 1: International Commodity Prices (2000 Q1 – 2006 Q3)**



27. Gold was sold at US\$550.77 per fine ounce and reached a peak of US\$673.55 in May 2006, before falling to US\$600.49 in September 2006.
28. Mr Speaker, the price of cocoa was £900 per tonne in January 2006 and reached a peak at £933 per tonne in July, 2006, before falling to £840 per tonne in September.
29. In the diamond market, the price per carat was \$31.23 in January, reached a peak of \$38.33 in April, and declined to \$32.12 in September 2006.
30. The bauxite sub-market experienced relatively stable prices, starting the year with \$24.36 per tonne and reaching \$25.18 per tonne in August 2006.

31. Mr Speaker, signs of inflation and inflationary expectations are now visible in the United States and other emerging economies such as Argentina, India, South Africa and Russia, requiring central banks in major economies to tighten monetary policy. Rising energy prices pushed up inflation in many countries during the period under review. However, upward pressure on core inflation has generally continued to be moderate. Several Central Banks across the globe responded to this heightened inflation concerns by tightening monetary policy during the year.

***The US Economy***

32. Mr. Speaker, in the U.S., although there remained fears for a weaker economy resulting from higher prices of raw materials and fuel price and higher interest rates (reflecting concern for future inflation), the economy continued to grow, supported by consumer spending and capital expenditure.
33. Real gross domestic product (GDP), increased by 2.5 per cent in the second quarter of 2006, a marked slowdown from the first quarter's performance of 5.6 per cent. The deceleration in real GDP growth in the second quarter largely reflects downturns in consumer spending on durable goods, equipment and software. Rising inflationary pressures characterized the period. Inflation, as measured by prices for domestic purchases increased by 4.0 per cent in the second quarter after increasing by 2.7 per cent in the first quarter. The current sharp drop in energy prices and long-term interest rates has eased inflationary concerns and appears to have stabilized the outlook for growth.

***The EU Economy***

34. Mr. Speaker, economic growth in the Euro-zone climbed to an annualized rate of 3.4 per cent in the first half of 2006, the fastest pace in the last six years. Despite high oil prices and a slight slowdown in the global environment, the euro economy has expanded rapidly, driven mainly by the rebound in domestic demand, underpinned by a strong pickup in investment, high levels of consumer confidence and robust job creation. Employment grew at an annual rate of 1.5 per cent in the first half of 2006, helping to keep the unemployment rate on a downward trend. In July 2006, unemployment stood at 7.8 per cent of the labour force. The broad basis of growth firmly underpinned by accelerating domestic demand has increased the resilience of the Euro-zone's economy to any future adverse developments in the global economy. On the other hand, the economies of Central-Eastern Europe continued to be steady.

***The Asian Economy***

35. Mr. Speaker, according to the China National Bureau of Statistics (NBS), China's economy surged to a year-on-year growth of 10.9 per cent during the first half of 2006 despite measures imposed by the government to ease the blistering growth of investment. Total gross domestic product between January and June reached the equivalent of US\$1.14 trillion, with growth standing at 11.3 per cent for the second quarter alone. Inflation remained moderate, with the key consumer price index (CPI) rising by 1.3 per cent from a year earlier. Total investment in roads, factory equipment and other fixed assets grew by 29.8 per cent. China's exports amounted to US\$ 428.6 billion, up 25.2 per cent year on year. The country's import

value stood at US \$367.1 billion, an increase of 21.3 per cent, or 7.3 percentage points higher than the January-June period of 2005.

36. The Thai economy has been able to maintain a steady rate of growth. In the first quarter, GDP expanded by 6 per cent due to high export growth. The rate of inflation in the first half of the year rose by 5.9 per cent, a slight increase from the 5.8 per cent in the second half of 2005, creating greater pressure on private sector spending. Trade balance and current account balance, on the other hand, have improved compared with the same period in 2005.
37. The Japanese economy experienced upward pressure on higher costs reflecting price hikes of oil and other various raw materials and fuels during the review period. However, the economy continued to recover, supported by an expansion in consumer spending, capital investment and exports. Other Asian countries, in general, maintained the momentum in their growth driven by exports, although some countries such as Indonesia could not record favourable growth results due to sluggish consumer spending affected by the higher oil prices and interest rate hikes.

### ***The African Economy***

38. Mr. Speaker, overall, the economic performance of African economies continues to be more favourable than it has been for many years. Continued global expansion means sustained demand and higher prices for African oil and other industrial raw materials. An increase in official development aid and improving macroeconomic stability has also contributed to

Africa's positive economic outlook. In addition, growth has been boosted by increased oil production in Southern and Central Africa. Inflation remains at historical lows despite increasing oil prices. Trade balances have improved for countries that export oil and metal ores, but higher import bills and lower prices for agricultural products such as cocoa and cotton have adversely affected oil-importing countries, Ghana being no exception. The windfall gains from commodity prices have improved public finances, notably in oil-exporting countries. The economic performance of economies within the African continent as a whole as indicated by the economic outturn in each respective economy shows significant improvement and robustness in these economies during the period under review. The outlook for the economies in the Africa region remains positive for the rest of 2006 despite the downside risks posed by the global imbalances due to high oil prices.

### **Outlook for 2007**

39. Mr. Speaker, notwithstanding the tightening of financial conditions in 2006, as a result of the incipient threat of inflation, world output is projected to record respectable growth of 4.9 per cent in 2007, slightly lower than the 2006 target of 5.1 per cent. Growth in the advanced economies such as US, Japan and Germany is expected to ease only marginally. Amid a cooling housing market in the U.S and planned tax increases in Germany, growth is expected to reduce from 3.1 per cent in 2006 to 2.9 per cent in 2007. This expectation is premised on the condition that the present policies to contain inflation are successfully implemented; that interest rates rise modestly; and growth in domestic demand is better balanced across the advanced economies while the emerging and developing countries avoid capacity bottlenecks.



40. A slowdown is expected from private capital flows to emerging and developing countries in 2007. However, its effect on the pace of accumulation of international reserves is expected to be neutralised to a large extent, as the overall net current account surplus of these countries improves further. The main source of potential rapid growth would be the emerging markets, particularly, China. This would be achieved through higher investments, as bank liquidity increases and the return to calmer global financial conditions trigger resilience of portfolio inflows, ease monetary conditions, adjust prices of assets and a further strengthen domestic demand.
41. Mr. Speaker, on the downside, the tightening of monetary policy would be required to stem the threat of inflation.
42. The related risk is in the form of supply-side shocks from the oil market as well as in the non-fuel commodities prices, both of which can engender inflationary pressures internationally, and affect household demand.

## **SECTION THREE: DEVELOPMENTS AND OUTLOOK IN THE WEST AFRICA SUB-REGION**

### **The West African Economy**

43. Mr. Speaker, macroeconomic performance in the West Africa sub-region was generally good during the first half of the year with modest growth recorded in all the countries. The surge in commodity prices, coupled with debt relief arrangements concluded by some member countries of the WAMZ sub-region, and the implementation of appropriate fiscal and monetary policy mix resulted in improvement in external position during the period.
44. Inflation improved over the period, averaged 11.6 per cent in June 2006 compared to 19.6 per cent in June 2005 and 13.5 per cent in December 2005. Three out of the five WAMZ countries achieved single digit inflation in June 2006. End of year projection puts average inflation rate at 9.98 per cent, lower than the rate in 2005.

### **The West African Monetary Zone**

45. Mr. Speaker, member countries of the West African Monetary Zone (WAMZ) continue to make significant strides towards the goal of economic and monetary integration. Following the second shift in the target date for the introduction of the common currency, the WAMZ Convergence Council adopted a new Action Plan designed to facilitate the attainment of the set

objective by the new date of December 1, 2009. The new programme now includes structural measures and benchmarks. The most important aspects of the structural measures are the liberalisation of financial markets as well as full liberalisation of capital accounts within the WAMZ.

46. The establishment of a customs union by the WAMZ has also been made an integral part of the WAMZ programme to be implemented before monetary unification. Full capital account liberalisation is to be attained by December 2007, while the deadline for a customs union is December 2008. The convertibility of WAMZ currencies is also a key deliverable for the monetary union which member countries must adopt before the end of the first quarter of 2007. The re-designed programme is a logical step towards strengthening the WAMZ economies to make them competitive. As part of the new initiatives, the West African Monetary Institute (WAMI), charged with the responsibility of managing the stages of implementation of the WAMZ programme for monetary unification, has been restructured.

### **MACROECONOMIC DEVELOPMENTS IN THE WAMZ**

47. Mr. Speaker, the status of convergence as at the end of June 2006 and the prospects for the rest of the year, indicates a generally improved economic performance. While some countries moved up on the convergence scale, others sustained their performance on the quantitative benchmarks. But even in the case of the second group of countries, there was evidence of significant improvement in their performance in key macroeconomic indicators.

48. The Gambian economy experienced sustained economic growth spurred by macroeconomic stability. Real GDP growth as of June 2006 was 6.7 per cent, same as the projected end of the year growth rate, and 2.2 percentage points above the original projection of 4.5 per cent, but slightly lower than the 6.9 per cent growth attained in 2005. Growth for the period was broad based – coming from agriculture, industry and services sectors with the latter recording the highest growth rate of 7.5 per cent.
49. Inflation continued to decline during the first half of the year, with year-on-year inflation rate for June settling at 1.5 per cent from 2.3 per cent in the corresponding period of 2005, the lowest rate ever attained since 2000. This was aided by stable exchange rate and favourable weather conditions. Inflation is, however, expected to increase to 3.0 per cent by the end of 2006.
50. Mr. Speaker, Ghana sustained her performance on the convergence scale, complying with two primary and two secondary criteria. With regard to the primary criteria, Ghana satisfied the benchmarks on zero central bank financing of fiscal deficit and gross external reserves (3.6 months of imports) cover. Ghana, however, continues to experience difficulties in respect of compliance with the single digit inflation and the 4 per cent upper band for the fiscal deficit-to-GDP targets (excluding grants).

51. During the period under review, although the country showed sustained improvement at lowering the rate of inflation, the outcome in June 2006 was above the single digit target.
52. Ghana's inflation rate hit single digit in March (9.9 per cent) and April (9.5 per cent) 2006, but could not be sustained owing to the impact of the upward adjustment in domestic prices of petroleum products in line with the rising price of crude oil on the international markets. In the event, inflation edged up to 10.5 per cent at the end of October 2006.
53. For the first time since 2001, the country satisfied the secondary criterion on public investment from domestic resources, posting a ratio of 20.3%, marginally higher than the benchmark of at least 20.0 per cent. Ghana also met the requirement of exchange rate stability.
54. In Guinea, real output is expected to increase from the 3.3 per cent growth achieved in 2005 to about 5.0 per cent in 2006, with the growth coming from expected higher output in agriculture, mining, construction and public sector projects. The expected expansion is partly attributed to progress made in addressing interruptions in water and electricity supply as well as shortages associated with the supply of both agriculture and construction inputs.
55. Average inflation rate for 2006 is projected at 31.2%, almost the same as 2005 rate of 31.4 per cent and slightly higher than the June 2006 rate of 29.0 per cent. The underlying rising pressure on general price level is due mainly to the rising petroleum prices.

56. Growth of the Nigerian economy during the first half year moderated as a result of the social unrest that plagued the Niger Delta region, which led to a drop of 26 per cent of crude oil output during the first quarter of the year. Real GDP growth in the first half of the year is estimated at 5.2 per cent. This was driven by the non-oil sector with a projected end of year growth of 10 per cent. However, with the developments in the Niger Delta which resulted in a drop in crude oil production in most part of the first half of 2006, the projected annual growth rate may not be realised. A more probable growth rate for the year, according to new projections from the Nigerian authorities and WAMI officials, is estimated at between 6 per cent and 8 per cent.
57. The year-on-year inflation rate decelerated to 8.5 per cent in June 2006 compared with 18.6 per cent recorded during the same period in 2005. The reduction which started in the early part of the year was driven by prudent fiscal management, tight monetary policy, stable exchange rate, and good harvest that resulted in substantial decline in food prices.
58. In Sierra Leone, economic activities remained robust with GDP growth for the review year projected at 7.8 per cent aided by strong performance in agriculture, mining (especially bauxite and rutile), and manufacturing. This compares with the growth of 7.5 per cent recorded in 2005. The strong growth was a result of the implementation of the various development oriented policies by government, including the dissemination of improved rice varieties, improvement in agriculture extension services and reduction in post harvest losses, which

were meant to increase agricultural output. Mid-year growth rate was estimated at about 4 per cent.

### **GHANA'S OBLIGATIONS UNDER THE EXTENDED WAMZ PROGRAMME**

59. Mr. Speaker, Government is committed to the quoting and trading of national currencies across the WAMZ and encourage the commercial banks in the country to engage in trading of the currencies. It is common knowledge that the private/informal sector already actively engages in such transactions and it is our expectation that the banks would come on board to facilitate trade in the sub-region.
60. Mr Speaker, it is envisaged that a WAMZ Customs Union will come into effect by the end of 2007 and Government will take the necessary steps to ensure its actualisation. Indeed, in the period ahead, emphasis will be placed on policy harmonization, the attainment of the single market objective and macroeconomic convergence as necessary conditions for full monetary unification in the WAMZ.

### **ECOWAS Common External Tariffs**

61. Mr. Speaker, Government has already expressed the commitment to the efforts of ECOWAS at having a Common External Tariff for the region by the end of 2007. To realise this intention, Ghana and indeed, the ECOWAS countries will be required to enter into negotiations to arrive at acceptable tariff levels for the 600 tariff lines (type B exceptions) for which individual countries are unwilling to voluntarily change their rates.

62. The completion of negotiation by the end of the year will call for changes in the current tariff levels of some imports to conform to the new levels that will be adopted by the sub-region.
63. To further protect the agricultural and industrial sectors which may face strong competition from imports with the introduction of the ECOWAS CET, the Executive Secretariat has made proposals designed to address the concerns of farmer groups and manufacturing associations through the introduction of three new accompanying measures designed to protect the interest of these groups in the form of higher tariffs.
64. These measures are expected to provide:
- limited-term protection for West Africa's local manufacturing industries to reduce the threat of injuries from imports;
  - members with WTO-legal method for combating import surges; and
  - a means to address the uncompetitive advantage provided to agricultural and food imports from high levels of subsidization in developed countries.



## **SECTION FOUR: MACROECONOMIC PERFORMANCE IN 2006**

### **Summary of Performance**

65. Mr. Speaker, in the Review of Economic Performance and Supplementary Estimates submitted to this House on 13<sup>th</sup> July, 2006, we used the opportunity to update the budget outturn for 2005, as the 2006 main budget was based essentially on data up to the end of September 2005.
66. Mr. Speaker, the outturn for 2005 remains basically the same as presented in the 2006 Review of the economy. I would like to take this opportunity to stress that satisfactory and focused policy implementation has underpinned the remarkably good economic performance since the NPP Government assumed the management of this country. The overall fiscal deficit was reduced from 6.7 per cent of GDP in 2002 to 2.3 per cent of GDP in 2005.
67. Total public debt declined substantially as a result of both fiscal prudence and debt relief under the enhanced Heavily-Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) - from about 24 per cent of GDP in 2002 to about 10.8 per cent of GDP in 2005. The fiscal consolidation resulted in a significant reduction in domestic debt service and allowed the "crowding-in" of private sector investment through a sharp drop in interest rates. It also created the needed fiscal space for increasing poverty-related spending from 4.7 per cent of GDP in 2001 to 8.5 per cent in 2005.

68. Mr Speaker, the Budget Statement and Economic Policy for the 2006 fiscal year, which I presented to this august House, was based on a fiscal stance programmed to 'crowd-in' private investment through a projected net domestic debt repayment equivalent to about 1.0 per cent of GDP, while also enhancing resources for development. The monetary and external policies were also programmed to complement the fiscal stance with a view to achieving the inflation and international reserves targets in our macroeconomic framework.
69. Based on these policies, the following macroeconomic targets were specified as revised in the 2006 Supplementary Budget:
- real GDP growth of at least 6 per cent;
  - a lowering of end of period inflation to single digit of between 7 and 9 per cent by end-year;
  - average yearly inflation rate of 8.8 per cent;
  - a further accumulation of international reserves to a target of 4 months of import cover;
  - domestic primary deficit of 1.4 per cent of GDP; and
  - an overall budget deficit of 4.5 per cent of GDP.
70. Mr. Speaker, I am happy to announce that economic performance has continued to be broadly satisfactory, and significant progress has been made in the implementation of our macroeconomic policies in 2006. Real GDP growth has continued to be strong, and inflation is well contained in spite of

the negative impact of high oil prices on the world market and the implementation of the full cost-pass-through policy adopted by the National Petroleum Authority (NPA). Additionally, the external sector position has strengthened, particularly with the coming on stream of the Multilateral Debt Relief Initiative (MDRI).

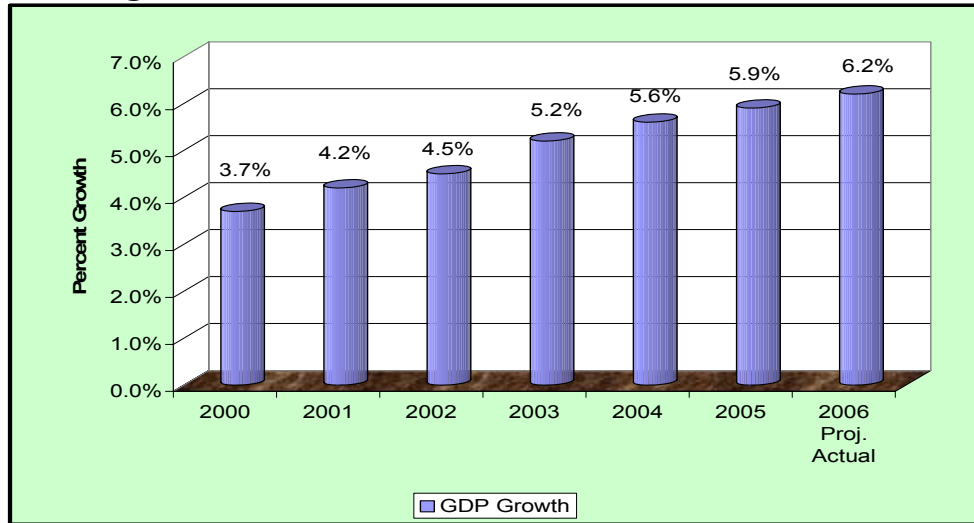
71. Mr. Speaker, with your permission, I would like to proceed to give the details of our macroeconomic performance for 2006 fiscal year which is based on provisional data up to September and a revised projection for the last quarter for 2006.

### **Real Sector**

#### **Growth in GDP**

72. Mr. Speaker, the economy of the Ghana has remained resilient in the wake of increased world crude oil prices and looming energy crises after the second half of 2006. Available information indicates that provisional projection for real GDP growth rate based on actual data through September, 2006 is 6.2 per cent, slightly above the target of 6.0 per cent. This is mainly driven by the significant growth experienced in industry and services sectors. The projected growth rate of 6.2 per cent in 2006 is the sixth consecutive year that the nation has experienced increasing and sustained economic growth. (see figure 2)

**Figure 2: Real GDP Growth Rate**



### Agriculture

73. Mr. Speaker, growth in the agricultural sector, the mainstay of the economy, is projected at 5.7 per cent indicating 0.9 percentage shortfall against the target of 6.6 per cent. The contributory sub-sectors to the underperformance are the Cocoa Production and Marketing; and the Forestry and logging sub-sectors.
74. However, the fishing sub-sector has started showing signs of recovery, recording an estimated 3.6 per cent growth in 2006 from the negative 1.2 per cent growth in 2005.

**Table 1: Percentage Growth in Agriculture (2003-2006)**

Activity	2003	2004	2005	2006 target	2006 proj. outturn
<b>Agriculture</b>	<b>6.1</b>	<b>7.0</b>	<b>4.1</b>	<b>6.2</b>	5.7
Crops and Livestock	5.3	4.3	3.3	6.2	6.0
Cocoa	16.4	29.9	13.2	12.2	8.7
Forestry & Logging	6.1	4.2	5.6	5.6	2.6
Fishing	3.0	6.2	-1.2	3.6	3.6

Source: Ghana Statistical Service /MoFEP

75. As a result of the lower than targeted agriculture growth, its share as a percentage of GDP declined from 36.0 per cent in 2005 to 35.8 per cent in 2006, while it contributed 2.1 percentage points to the GDP growth of 6.2 per cent.

**Table 2: Agriculture's Share of GDP and Contribution to Overall Growth(2004-2006)**

ACTIVITY	2004		2005		2006 Prov.	
	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)
<b>Agriculture</b>	<b>36.6</b>	<b>2.6</b>	<b>36.0</b>	<b>1.5</b>	<b>35.8</b>	<b>2.1</b>
Crops and Livestock	24.4	1.0	23.8	0.8	23.8	1.4
Cocoa	4.3	1.3	4.6	0.6	4.7	0.4
Forestry	3.6	0.2	3.6	0.2	3.4	0.1
Fishing	4.4	0.3	4.1	0.0	4.0	0.1

Source: Ghana Statistical Service/MoFEP

## **Industry**

76. Provisional information indicates that industrial growth is projected at 7.3 per cent, with Electricity and Water as the major contributory sub-sector. The supply of electricity is generally demand-driven and with a very high demand in 2006 from the mining and manufacturing sub-sectors, the generation of electricity has risen substantially. In addition, significant government investment in the Electricity and Water sub-sector is expected to increase the overall growth in that sector.
77. In the Mining and Quarrying sub-sector, gold is projected to register a significant growth of about 9.0 per cent, with the other components of minerals generally projected to perform below expectation. The overall effect is an estimated low growth for the sub-sector from 6.3 per cent in 2005 to 3.0 per cent in 2006.
78. The Manufacturing sub-sector is projected to grow at a lower rate of 4.2 per cent in 2006, compared to the 5.0 per cent recorded in 2005.
79. Construction, however, is projected to grow by 8.2 per cent, exceeding the target for the year. This is attributable to the increased road construction and other infrastructural development throughout the country. In addition, a total of 1,349,644 tonnes of cement was produced during the first eight months of 2006 against 1,276,571 tonnes produced during the corresponding period of 2005, an indication of robustness of construction activities.

**Table 3: Growth in Industry (2003-2006)**

ACTIVITY	2003	2004	2005 Prov.	2006 Target	2006 Prov.
<b>Industry</b>	<b>5.1</b>	<b>4.8</b>	<b>7.7</b>	<b>6.4</b>	<b>7.3</b>
Mining and Quarrying	4.7	3.0	6.3	6.3	3.0
Manufacturing	4.6	4.6	5.0	5.0	4.2
Electricity and Water	4.2	3.7	12.4	4.0	23.0
Construction	6.1	6.6	10.0	7.5	8.2

*Source: Ghana Statistical Service/MoFEP*

80. As a share of GDP, the industrial sub-sector has improved from 24.7 per cent in 2004 to 25.4 per cent in 2006. Its contribution to the 6.2 per cent GDP growth was 1.8 per cent, with significant performance from Water and Electricity, and Construction.

**Table 4: Industry's Share of GDP and Contribution to Overall GDP Growth (2004-2006)**

ACTIVITY	2004		2005		2006 Prov.	
	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)
<b>Industry</b>	<b>24.7</b>	<b>1.2</b>	<b>25.1</b>	1.9	<b>25.4</b>	<b>1.8</b>
Mining and Quarrying	5.1	0.2	5.1	0.3	5.0	0.1
Manufacturing	9.0	0.4	8.9	0.4	8.8	0.4
Electricity & Water	2.5	0.1	2.6	0.3	3.1	0.7
Construction	8.1	0.5	8.4	0.8	8.6	0.7

*Source: Ghana Statistical Service /MoFEP*

## Services

81. The services sector is projected to grow by 6.5 per cent, exceeding the target of 6.2 per cent for the year. This growth is largely driven by increased Government expenditure in the provision of services and the increased competition in the Finance and Insurance sub-sector.

**Table 5:** Growth in Services (2003-2006)

Activity	2003	2004	2005	2006 Target	2006 Prov.
<b>Services</b>	<b>4.7</b>	<b>4.9</b>	<b>6.9</b>	<b>5.5</b>	<b>6.5</b>
Transport, Storage and Communication	5.8	5.2	7.9	6.0	7.2
Wholesale, Trade & Retail	5.0	6.0	10.0	6.2	7.5
Finance and Insurance	5.2	4.8	7.6	5.7	7.6
Government Services	4.0	4.4	5.0	5.0	5.7
Community, Social and Personal Services	4.1	4.2	4.3	4.2	4.2
Producers of Private non-profit Services	3.2	3.5	3.6	3.8	4.5

Source: Ghana Statistical Service /MoFEP

82. As a share of GDP, the services sector has also increased from 29.9 to 30.1 per cent. The sector also contributed 2.0 percentage points to the 6.2 per cent overall growth.



**Table 6: Services' Share of GDP and Contribution to GDP Growth (2003-2006)**

ACTIVITY	2004		2005		2006 Prov.	
	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)	Share of GDP (%)	Contribution to Growth (Percentage Points)
<b>Services</b>	<b>29.9</b>	<b>1.5</b>	<b>30.0</b>	<b>2.1</b>	<b>30.1</b>	<b>2.0</b>
Transport, Storage and Communication	5.0	0.3	5.0	0.4	5.0	0.4
Wholesale, Trade & Retail	7.2	0.4	7.3	0.7	7.4	0.5
Finance and Insurance	4.4	0.2	4.4	0.3	4.6	0.3
Government Services	10.6	0.5	10.6	0.5	10.5	0.6
Community	1.9	0.1	1.8	0.1	1.8	0.1
Producers of Private non-profit Services	0.8	0.0	0.8	0.0	0.8	0.0

Source: Ghana Statistical Service/MoFEP

### Real Sector Economic Activities

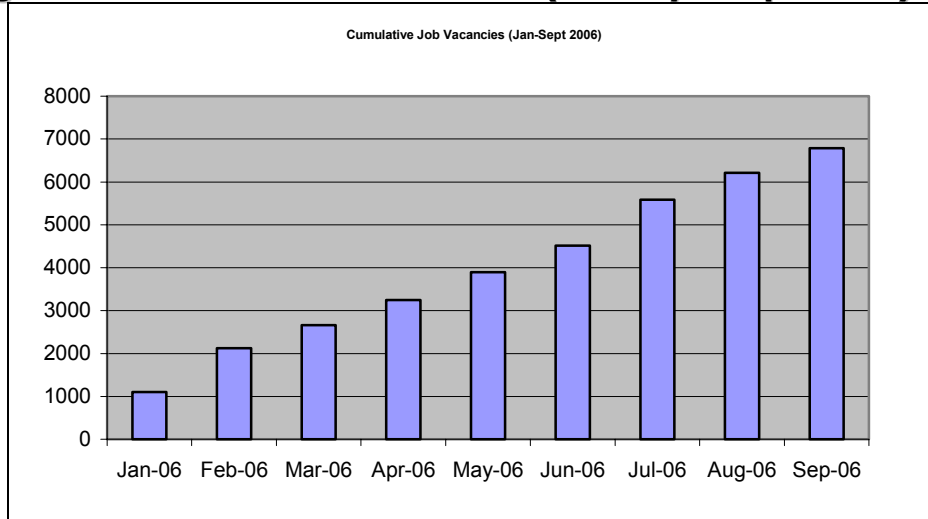
83. Mr. Speaker, the robustness of real sector growth and the resilience of the economy is supported by the sector specific indicators over the nine months of 2006. With the exception of tourist arrivals, indicators such as income and corporate tax collections, workers' contributions to SSNIT, cement production and new registration of vehicles continued to show significant growth.

84. Mr. Speaker, on **workers' contributions to SSNIT**, collections for the first eight months of 2006 was 30.5 per cent higher than in the same period of 2005 and represents about 17.5 per cent growth after adjusting for price changes.

**Transport Sector**

85. Mr. Speaker, in the **transport sector**, a total of 42,181 new motor vehicles were registered by the Driver and Vehicle Licensing Authority (DVLA) during the review period, compared with 36,501 vehicles registered during the corresponding period of 2005, indicating a 15.6 per cent growth. In proportional terms, private motor vehicles accounted for 34.2 per cent. The others are as follows: commercial vehicles (26.8 per cent); motor motorcycles (21.9 per cent) ; buses and coaches (8.3 per cent) ; rigid cargo and articulator trucks together (6.5 per cent) ; while agricultural equipment, combine harvesters, construction equipment and mining equipment together accounted for 2.2 per cent.
86. A total of 1,349,644 tonnes of **cement** were produced during the first eight months of 2006, against 1,276,571 tonnes produced during the corresponding period of 2005, thus indicating a 5.7 percentage point growth in cement output.
87. On employment, sample job market data on vacancies showed an increase of 12.5 per cent as a total of 6,788 job vacancies were advertised in the Daily Graphic compared with 6033 vacancies announced during the same period of 2005, suggesting an increase in job openings advertised through the Daily Graphic.

**Figure 3: Cumulative Job Vacancies (January – Sept. 2006)**



88. Analysis of the vacancies on sectoral basis indicated that around 85 per cent of the vacancies came from the services sector. Within the services sector, education accounted for 28.4 per cent of the total vacancies, wholesale and retail trade 11.03 per cent and Transport, Storage, and Communication 9.2 per cent). The industrial sector, led by manufacturing accounted for 14.2 per cent with agric accounting for less than 1 per cent.
89. The lack of reliable information on employment notwithstanding, these trends in job vacancy announcements reflect, in part, the signalled and revealed demand for labour services by various establishments in the last few years.

### **Fiscal Developments**

90. Mr. Speaker, for the first nine months of the 2006 fiscal year, the **overall Budget balance** showed a deficit of ₱5,059.5

billion (4.4 per cent of GDP) compared with a deficit of ₦3,643.0 billion (3.8 per cent of GDP) in the corresponding period of 2005. The **domestic primary balance** also recorded a deficit of ₦3,739.7 billion (3.3 per cent of GDP) compared with a surplus of ₦653.3 billion (0.7 per cent of GDP) in the same period of 2005.

91. Mr. Speaker, may I go on to present to this august House the details of the fiscal performance for the first nine months of the implementation of the 2006 Budget, and the projections to the end of 2006.

### **Receipts**

92. Mr. Speaker, provisional fiscal outturn for January to September 2006 shows that **total receipts** amounted to ₦31,929.7 billion, against the outturn of ₦23,723.7 billion registered for the same period during 2005. This shows a 34.6 per cent increase over the outturn for the corresponding period of 2005. The relatively high outturn of total receipts recorded is mainly due to receipts from the Multilateral Debt Relief Initiative (MDRI) totalling ₦1,826.4 billion.
93. Mr. Speaker, for the year 2006 as a whole, total receipts are projected at ₦41,357.1 billion, showing an outturn of 4.9 per cent below the budget estimate of ₦43,468.2 billion.
94. **Domestic revenue** as at the end of September was ₦16,696.3 billion, 7.1 per cent lower than the programmed amount of ₦17,963.6 billion. This outturn was however, 9.6 per cent higher than the amount of ₦15,235.1 billion recorded for the same period in 2005. For the year as a whole domestic revenue is

projected at ₺25,421.5 billion against a budget estimate of ₺26,438.8 billion.

95. Of Domestic revenue, the outturn for **tax revenue** up to end September 2006 was ₺15,424.6 billion, against a programmed target of ₺16,408.6 billion. The performance of tax revenue, however, indicates an increase of 11.3 per cent over the performance for the corresponding period in 2005. Total tax revenues are projected to be lower than the budget estimate of ₺21,214.1 billion by ₺893.4 billion, equivalent to 3.7 per cent below the budget estimate for 2006.
96. **Direct taxes** which comprise personal, self-employed, companies taxes and others such as airport tax amounted to ₺4,699.4 billion, 10.2 per cent higher than the outturn for the same period in 2005. However, these tax types are projected to be ₺7,249.6 billion, slightly lower than the budget target of ₺7,268.6 billion for the fiscal year.
97. **Indirect taxes** for the first nine months of the year totaled ₺7,562.9 billion against a programmed target of ₺8,533.9 billion. In spite of the under performance, the outturn indicates an increase of 11.6 per cent over the outturn for the corresponding period in 2005. It is however, projected that by the end of 2006 there will be an under performance equivalent to about 12.8 per cent of the budget projection of ₺12,087 billion.
98. **Domestic VAT** for the first three quarters of the year amounted to ₺1,591.4 billion, against a programme target of ₺1,607.5. The outturn was 27.8 per cent higher than the outturn for the corresponding period in 2005. On current trends,

however, the budget estimate for Domestic VAT is expected to be achieved by the end of the year.

99. Mr. Speaker, the outturn for **International Trade Taxes** for the period under review was ₺3,162.2 billion, representing a shortfall equivalent to about 3.2 per cent of the programmed amount. The outturn was 12.5 per cent higher than the outturn for the same period in 2005. International trade taxes are projected to be ₺318.0 billion higher than the projected amount of ₺4,858.5 billion indicated in the 2006 budget estimate. The higher than budgeted receipts are the result of higher cocoa receipts expected for 2006.
100. Of the total international trade taxes, **Export Duty** which is mainly cocoa duties for the period under review amounted to ₺328 billion, representing a 3.1 per cent increase over the outturn for the same period in 2005. Due to improved performance of cocoa, it is projected that by the end of the year export duty will amount to ₺1,246.3 billion. This projected outturn indicates a 201.1 per cent increase over the budget estimate for the year.
101. Mr. Speaker, for the first 9 months of the year, **Import VAT** totalled ₺2,404.5 billion, about 4.9 per cent higher than the outturn for the corresponding period in 2005. As result of lower import volumes, import VAT is projected to be ₺3,721.3 billion, ₺992.2 billion lower than the budget estimate for 2006.
102. **National Health Insurance Levy (NHIL)** amounted to ₺785.4 billion, 28.4 per cent lower than the programme target of ₺1,096.5 billion and 9.8 per cent lower than the outturn for the same period in 2005.

103. Receipts from **Non-Tax Revenue** for the period under review, amounted to ₵486.3 billion, exceeding the budget target by ₵27.9 billion. This outturn was, however, 5.0 per cent lower than the outturn for the same period in 2005. Non-Tax revenue receipts are, nonetheless, expected to meet the 2006 budget projection of ₵711 billion.
104. **Divestiture receipts** for the first three quarters of the year amounted to ₵6 billion and are expected to record a shortfall of ₵667.4 billion against the budget estimate of ₵673.4 billion. The shortfall is the result of the slow pace in the preparation of State-Owned enterprises (SOEs) for divestiture on the Ghana Stock Exchange (GSE).
105. **Total grant** disbursements for the period under review amounted to ₵5,268.7 billion, indicating an 11.1 per cent shortfall under the budget target, and a 26.7 per cent increase over the outturn for the same period in 2005. **Multilateral HIPC Assistance** was ₵527.9 billion, 21.9 per cent lower than the outturn for the same period in 2005, while **programme grants** amounted to ₵1,144.9 billion, representing a 13.5 per cent increase over the outturn for the same period in 2005. The outturn for **project grants** was ₵1,769.4 billion, about 28.5 per cent lower than the outturn for the corresponding period in 2005. The relatively better performance of total grants for the period under review as compared to the same period in 2005 resulted from receipts from the Multilateral Debt Relief Initiative (MDRI). For the year as a whole total grant disbursements are projected at ₵7,228.6 billion. Out of this multilateral HIPC debt relief is projected at ₵1,205.4 billion, while MDRI is expected to amount to ₵2,100.8 billion. Project grants and programme grants disbursements are expected to yield ₵2,669.4 billion and ₵1,253 billion respectively.

106. Mr. Speaker, **Total loans** amounted to ₪3,352 billion against a budget target of ₪4,395.6 billion. The outturn is 8.2 per cent lower than the outturn for the same period in 2005. **Project loans** was below the budget target, by 26.5 per cent, while **programme loans** under performed by 20 per cent against the budget target of ₪1,639 billion. Total loan disbursements are projected at ₪65,759.3 billion for the year, out of which the outturn for programme loans is projected at ₪1,596.3 billion and project loans at ₪4,163.0 billion.
107. **Exceptional Financing** of the budget, which is predominantly debt relief from our bilateral partners totaled ₪746.1 billion, about a 10.7 per cent increase over the amount recorded for the same period in 2005. It is expected that the budget target of ₪1,729.1 billion will be met by the end of the year.

### **Payments**

108. Mr. Speaker, the provisional outturn for **total payments** for the first three quarters of 2006, comprising **statutory and discretionary payments** was ₪31,929.7 billion. This outturn compares to ₪23,723.7 billion for the corresponding period in 2005. The details are specified below.

### **Statutory Payments**

109. Mr. Speaker, **Total statutory payments** which includes interest payments, amortization, transfers to households, and statutory funds amounted to ₪8,165.1 billion, 3.9 per cent lower than the budget target for end September 2006. The outturn indicates a 6.8 per cent increase over the outturn for the same period in 2005. For the year as a whole, total statutory



payments are projected at ₦13,006.5 billion, compared to budget estimate of ₦13,993.2 billion.

110. **External Debt Service** for the period under review amounted to ₦2,404.6 billion, which is 10.0 per cent higher than the outturn for the same period in 2005. The principal component of the external debt due was ₦1,814.0 billion, 18.1 per cent lower than the outturn for same period in 2005. Payments on external interest amounted to ₦588.6 billion, 6.1 per cent lower than the outturn during the corresponding period in 2005. Total external debt service is projected at ₦3,881.6 billion for the year as a whole, out of which interest payments are projected at ₦858.6 billion.
111. **Domestic interest payments**, including interests on TOR bonds, amounted to ₦1,944.8 billion, showing a 1.5 per cent increase over the outturn recorded for the same period in 2005. Domestic interest payments due for the whole year is projected at ₦2,426.8 billion.
112. **Transfers to households**, consisting of **Pensions, Gratuities**, transfers into the **National health fund** and **Social Security** contributions by Government on behalf of public servants, collectively amounted to ₦1,638.4 billion for the first three quarters of 2006. This compares to a payment amounting to ₦1,508.3 billion made during the corresponding period in 2005. Together these expenditure items are projected to register an outturn of ₦3,471.7 billion by the end of 2006.
113. Mr. Speaker, during the first three quarters of the year, **The Road Fund and other Petroleum-Related Funds** received a total of ₦805.1 billion, of which the Road Fund received ₦783.2

billion. This indicates a 13.9 per cent increase over the outturn for the same period in 2005. For the year as a whole, projected outturn by the end December is projected at ₵1,097.8 billion.

114. The **District Assemblies Common Fund (DACF)** received a total of ₵784.9 billion, representing an increase of 11.8 per cent for the same period in 2005. Due to the projected underperformance of tax revenues it is expected that by the end of the year transfers into the Fund will amount to ₵1,046.1 billion, ₵158.3 billion lower than the 2006 budget estimate.
115. Transfers into the **Ghana Education Trust Fund (GETFund)** during the period under review totaled ₵589.3 billion against a budget target of ₵760.9 billion. The projected outturn is ₵1,082.4 billion for the whole of 2006, based on the expected outturn for Value Added Tax receipts.

### **Discretionary Payments**

116. Mr. Speaker, **Total Discretionary Payments** for the first three quarters of 2006 amounted to ₵24,111.3 billion against a budget target of ₵22,554.8 billion.
117. Payments for **Wages and Salaries** during the period under review amounted to ₵8,422.5 billion, representing an increase of 11 per cent over the budget target of ₵7,588 billion. The outturn for wages and salaries is projected to be ₵10,972.5 billion by the end of the year against the 2006 budget estimate of ₵9,999 billion. This represents an overrun of ₵982.5 billion on the budget estimate for salaries resulting from some extraordinary pressures on the public sector labor market beginning in the second half of the year.

118. **Administration (Item 2)** recorded an amount of ₺2,134.5 billion against a budget target of ₺2,258 billion, while **Service (Item 3)** registered ₺873 billion. These compare with amounts of ₺1,628.4 billion and ₺716.7 billion, respectively, for the same period in 2005. These expenditure items are expected to be broadly in line with the budget estimates of ₺2,233.5 billion and ₺1,234.5 billion respectively.
119. **Investment outlays (Item 4)** for the period January to September 2006 amounted to ₺4,892.2 billion, made up of ₺1,098 billion from domestic sources, and ₺3,810.5 billion from foreign-financed sources. This is 11.8 per cent lower than the total investment expenditure of ₺5,544.6 billion during the corresponding period in 2005. Total Investment outlays for the year are projected to be ₺9,447.5 billion, 19.6 per cent lower than the estimated amount in the 2006 Budget Statement.
120. Mr. Speaker, it may be noted that in the Supplementary Budget presented to this august House in July, 2006 the receipts from the Multilateral Debt Relief Initiative, were apportioned and classified to be expended on Domestically Financed Capital expenditure (₺1,997.1 billion). Administration (₺46.6 billion) and Services (₺425.7 billion).
121. Mr. Speaker, to enable us monitor the use of all MDRI receipts, a line item (MDRI-financed expenditure) has been introduced in the fiscal framework to enable us report transparently on the use of the debt relief from the MDRI. During the period under review **MDRI-financed Expenditure** amounted to ₺580.4 billion. It is projected that by the end of 2006 total MDRI-financed expenditure will be ₺1,509.4 billion.

122. Mr. Speaker, **HIPC-financed Expenditure** for the first three quarters of the year amounted to ₦1,324.3 billion, compared to ₦1,435.9 billion expended on HIPC-related projects and programmes during the same period in 2005. The relatively lower outturn for HIPC-financed expenditure is due to the fact that some HIPC relief inflows have now been classified as MDRI receipts. Expenditure on HIPC-financed projects and programmes is projected at ₦1,822.1 billion by the end of 2006, while MDRI financed expenditure is projected at ₦1,509.4 billion.

#### **Clearance of Arrears and liquidation of Commitments**

123. Mr. Speaker, during the period under review a total amount of ₦250.4 billion was paid in respect of arrears clearance and liquidation of commitments carried over from 2005. The outturn for the period consisted of road arrears of ₦96.1 billion and non-road commitments of ₦154.3 billion. It is projected that the budget estimate of ₦347 billion will be met by the end of 2006. Of this amount ₦43.1 billion and 53.9 billion will be in respect of scheduled arrears clearance for the GETFund and DACF, respectively.
124. **Domestic Financing** of the Budget for the first three quarters of the year amounted to a net borrowing of ₦2,846.4 billion, against a budget target of ₦870 billion. It is projected that the domestic financing of the budget will register a net borrowing of ₦2,212.6 billion by the end of 2006. The major reasons for this outturn can be attributed to the unanticipated transfer to VRA as a result of the oil shock, under recovery at TOR, and the extraordinary pressures on the labour front which led to

effective nominal increases in the wage bill of about 20 per cent and its consequential increase in salary related expenditures, such as, pensions, social security contributions, and allowances.

### **Overall Budget Balance**

125. Mr. Speaker, given the fiscal performance for the first nine months of the year and the projections that have been made for the end of the year, the overall budget balance is projected to record a deficit of ₺5,591.8 billion, equivalent to 4.9 per cent of GDP compared to the budget estimate of 4.5 per cent of GDP. The domestic primary balance is also projected to be a deficit of 2.1 per cent of GDP against the budget estimate of a deficit of 1.4 per cent of GDP. As a result, the main fiscal anchor - domestic debt-to-GDP - is projected at 10.1 per cent against a target of 8.7 per cent for 2006.

## **DEVELOPMENTS IN PUBLIC DEBT AND AID MANAGEMENT**

### **Public Debt**

126. Mr. Speaker, Ghana's public debt has two components, namely, external and domestic. It is defined broadly to include government debts, government-guaranteed debts and debts owed by institutions that government has more than 50 per cent shares (non-government guaranteed). Domestic debt comprises government debt securities, debts owed to local banks and debts owed to nonbank financial institutions. At the end of September, 2006, the total stock of the public debt stood at the equivalent of US\$4,670.59 million. This indicates a 44.3 per cent decline over the end 2005 stock of about

US\$8,382.5 million. The phenomenal decline is the result of stock of debt cancellation that Ghana benefited under both the HIPC and the MDRI debt relief Initiative.

127. Mr. Speaker, at the end of 2005, external debt accounted for a larger share of the total public debt with 75.9 per cent. However, by the end of September, 2006 - post MDRI - the share of domestic debt rose to 55.6 per cent of total public debt.
128. In terms of ratios, the net total public debt to GDP declined from 32.0 per cent in 2005 and is expected to be 28.2 per cent by end 2006. The trend in public debt ratio is consistent with Government target to reduce the debt burden and the rate of growth of public debt.

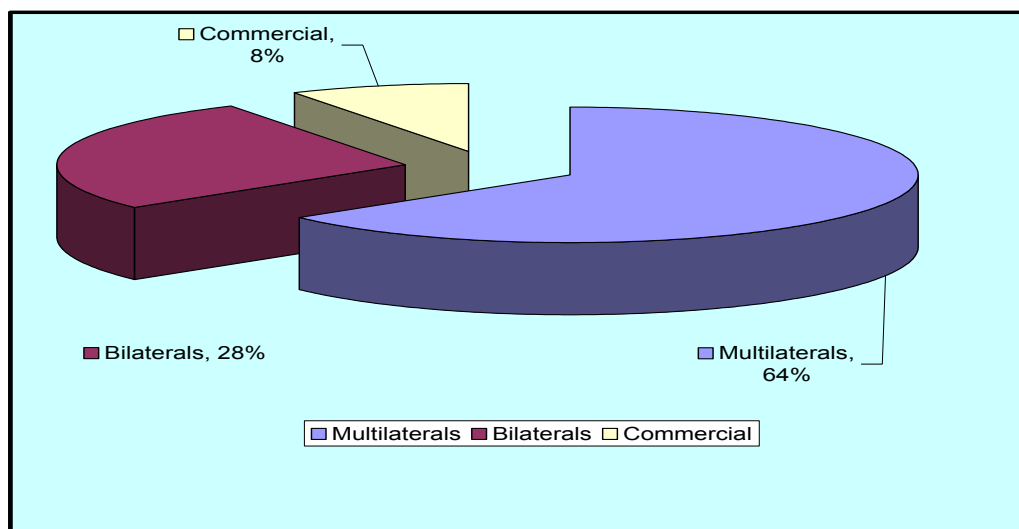
#### **External Debt**

#### **Debt Stock**

129. Mr. Speaker, Ghana's total medium and long-term external debt at end 2005 stood at US\$6,347.9 million. This amount had been reduced significantly to US\$2,143.79 million by the end of September 2006, as a result of a 66 per cent debt reduction under the MDRI.
130. In terms of broad creditor categorization, the composition of external debt remains largely the same as in 2005. The country continues to hold more of multilateral debt, amounting to about US\$1,359.2 million (constituting 63.4 per cent of total external debt), of which the World Bank contributes about 44.3 per cent. Bilateral debt constitutes about US\$610.49 million (representing 28.5 per cent) of total external debt with the remaining

US\$174.1 million (representing 8.1 per cent) ascribed to commercial debt. (see Figure 4).

**Figure 4:** External Debt Stock as at September 2006



131. The portfolio's currency composition is as follows: 70 per cent are in Special Drawing Rights (SDR), 14 per cent in US dollars, 11 per cent in Euro and 5 per cent in other currencies, as in the table below. The portfolio has a high exposure to the US dollar (all SDR loans are repaid in US dollars) but given the relative stability of the cedi versus major currencies, especially the US dollar, we do not expect any adverse exchange risk.

**Table 7:** Currency Composition of External Debt Portfolio

<b>Currency</b>	<b>Per cent (%)</b>
SDR	70%
US Dollars	14%
Euro	11%
Others	5%

132. Currently the interest rate composition of the external debt is about 97 per cent fixed and 3 per cent floating. The 3 per cent floating rate share (predominantly in Euribor) is well below the international accepted range of 25 per cent to 35 per cent, and therefore do not pose any eminent danger in times of high fluctuations in floating interest rates. The high share of the fixed interest rates is due to the high proportion external debt from the multilateral creditors who apply mainly fixed interest rates.

### **New Aid Commitment**

#### **Loans**

133. Mr. Speaker, as already indicated, we intend to work towards accelerated growth and lift the development agenda of the country with the main aim of meeting the MDGs and attaining a middle income status by 2015. Against this backdrop, Government will continue to source new financing at the least cost possible, to support the financing needs for productive public investments.
134. Mr. Speaker, by September 2006, Government had contracted nineteen (19) new concessional loans from multilateral and bilateral sources totaling US\$482.0 million to undertake projects in various sectors, including Water, Communication, Sanitation, Transport and Agriculture. Commitments by creditor category



shows that 65.0 per cent of the total amount contracted was from multilateral institutions, with the remaining 35.0 per cent coming from bilateral sources.

### **Average Term of New Loan Commitments**

135. Mr. Speaker, adhering to the strategy of borrowing at the least cost possible, new loans were contracted with a minimum grant element of 35 per cent. (see Table 8). From an average rate of 80 per cent in 2004, the grant element which defines the concessionality of a loan, declined marginally to 76.2 per cent by September 2006.

**Table 8:** Trends in Average Terms of New Commitments (2004– 2006)

<b>ALL CREDITORS</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Interest (%)	1.0	1.2	1.4
Maturity (years)	43.5	40	45
Grace Period (Years)	10.0	8.5	8.5
Grant Element (%)	<b>80.0</b>	<b>76.8</b>	<b>76.2</b>

### **Grants**

136. Mr. Speaker, with the government's strategy to seek more grants than loans to control the growth in public external liabilities, significant progress has been made in terms of the number and quantum of annual commitments. As at the end of September, 2006, a total of 34 grants amounting to **US\$ 774.9 million** had been contracted. This represents about **221.6 per cent** increase over the 2005 amount of **US\$240.96 million**.
137. In terms of aid type, programme grants (5 out of the 34) amounted to about US\$ 235.0 million, representing about 30.3

per cent of the total grant committed. The sectoral distribution of these commitments demonstrates government's commitment to improve the infrastructure base to drive its growth and development objectives.

### **Developments Under Debt Relief Initiatives**

#### **The HIPC Initiative**

138. Mr. Speaker, total projected debt service savings for 2006 was about US\$297.6 million. By end-September 2006, an amount of ₵1.87 trillion (US\$208.34 million) had been transferred into the HIPC Account. This was made up of relief from bilateral debt cancellation and multilateral debt service reductions for both government and government-guaranteed debts.

#### **Multilateral Debt Relief Initiative (MDRI)**

139. Mr. Speaker, in the 2006 Supplementary Budget presented to this House on July 13, 2006, we indicated that the modalities and disbursements of the MDRI had been approved by the Boards of the IMF, World Bank and the AfDB. With the commitment of the three multilateral creditors to the MDRI, special accounts were opened at the Bank of Ghana to account for the inflows of the additional relief from the multilateral institutions.
140. Mr. Speaker, so far, the special MDRI account has recorded about ₵1.9 trillion (about US\$203 million) from the International Monetary Fund and the World Bank.

## **Domestic Debt**

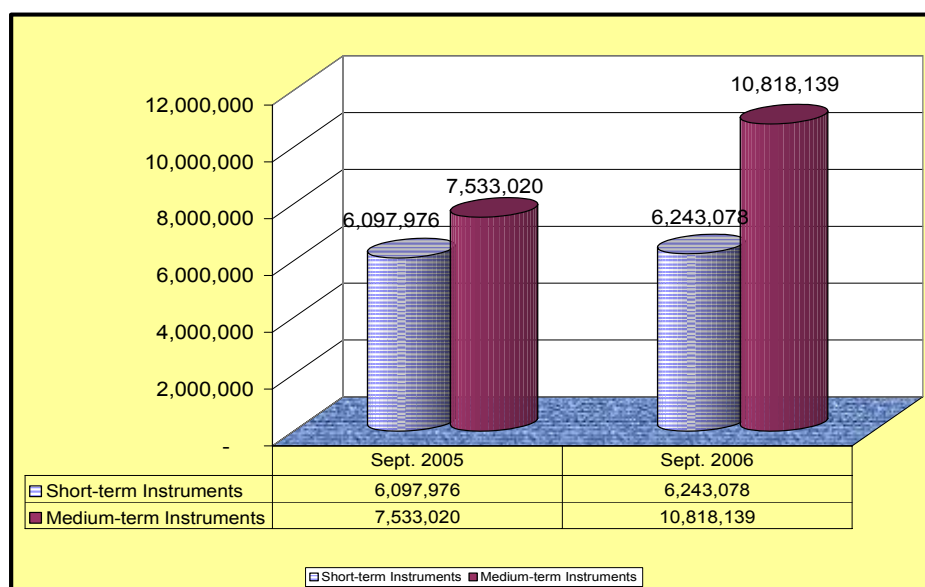
### **Money Market Operations (Auctions)**

141. Mr. Speaker, the overall thrust of Government's domestic debt management policy in 2006 was to build capacity for improved debt management as well as to broaden and deepen the domestic money market. This included the following key objectives:
- Lowering of borrowing costs;
  - Containing the growth of the domestic debt;
  - Lengthening the maturity profile of domestic debt to reduce the rollover/refinancing risk;
  - Improvement in Public Sector Borrowing Requirements (PSBR) determination and daily/weekly forecasting;
  - Continuing to improve the efficiency of Government debt financing through the use of public auctions and stable issuance; and
  - Interacting with the market-makers to allow for greater transparency and liquidity as well as further development of the domestic capital market.
142. Mr. Speaker, Government was successful in building on the achievements attained in 2005 and meeting the key objectives of:
- reducing the borrowing costs (lower interest rates) of the various debt instruments. The average Treasury Bill Rate fell from 13.79 per cent in September 2005 to 10.37 per cent in September 2006. The volume of refinancing fell from ₪19.9

trillion to ₵11.0 trillion or from ₵383.0 billion to ₵211.0 billion per week;

- shifting towards the longer end of the market by increasing the level of outstanding medium-term instruments. The medium-term funding increased by ₵3,285.1 billion or 43.6%, that is, the balance outstanding as at the end of September 2006 stood at ₵10,818.1 billion compared to ₵7,533.0 billion in September 2005;
- listing of the 2-year fixed rate treasury note and 3-year fixed rate Treasury bond on the Ghana Stock Exchange (GSE), which took place in October 2006 to boost trading in these securities; and
- improving the forecasting of Public Sector Borrowing Requirement (PSBR) as a result of the completion of the electronic linkage of Government Accounts at the Bank of Ghana (BoG) to the Ministry of Finance & Economic Planning (MoFEP) and the Controller & Accountant-General's Department (CAGD). Daily account balances and outstanding bills are being factored into the determination of the weekly PSBR.

**Figure 5: Maturity Structure of Domestic Debt Stock**

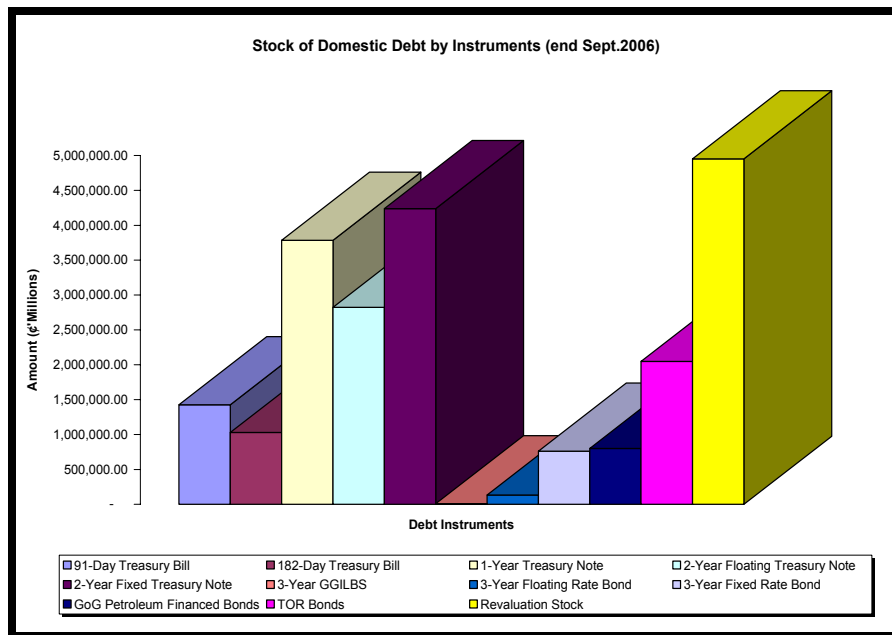


### Domestic Debt Stock

143. Mr. Speaker, the Public Domestic Debt (excluding ₵4,952.3 billion interest bearing revaluation stock and other long-term stocks held by Bank of Ghana) stood at ₵17,061.2 billion or 15.21 per cent of GDP as at the end of September 2006. This represents an increase of ₵3,420.2 billion or 25.2 per cent over the stock of ₵13,631.0 billion at the end of September 2005. Factors accounting for the increase in the domestic debt for the period end September 2006 include the following:

- lower-than-programmed inflows from tax revenues and divestiture receipts;
- delays and non-receipt of some pledged funds in Multi-Donor Budget Support inflows; and
- unanticipated demand and agitation for higher wages by the public sector workers.
- Unanticipated transfers to SOE's such as TOR and VRA on account of under-recovery and higher oil requirements respectively.

**Figure 6:** Domestic Debt Stock by Instruments (Sept. 2006)



**Domestic Debt Service**

144. Mr. Speaker, by end-September 2006, domestic debt service amounted to ₱11,396.1 billion, made up of a redemption of ₱9,554.0 billion and ₱1,842.1 billion interest payment, compared to ₱15,133.1 billion during the same period in 2005. This represented an overall reduction of ₱3,737.0 billion (24.7 per cent) over the 2005 level.

**ON-LENDING AND GOVERNMENT-GUARANTEED LOANS**

145. Mr. Speaker, Government made a projection of recovering an amount of ₱132 billion (including arrears of ₱107.54 billion since 2004) of on-lent and government-guaranteed loans, from State-Owned Enterprises (SOEs), parastatal and private enterprises in an effort to increase domestic revenue in 2006. This was expected to be recovered within a period of 18 months from March 2006, to August, 2007.
146. With the assistance of debt collection agencies, government was able to recover a total amount of ₱12.8 billion which is an improvement over the ₱10.2 billion recovered in 2005.
147. To achieve the above target, Government is committed to improving the capacity to meet the challenging requirements in the management of on-lending and government-guaranteed loans.

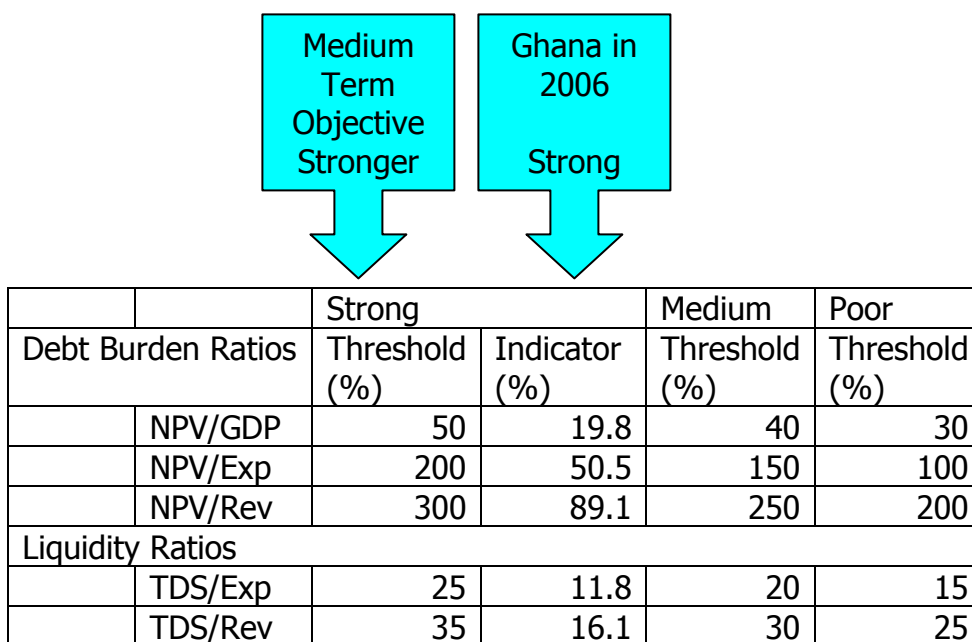
**Outlook for 2007**

**Debt Sustainability**

148. Mr. Speaker, in line with the growth and development objectives of Government, we will ensure that the stock of debt remains sustainable.
149. Indications from a recently conducted Debt Sustainability Analysis (DSA) show that Ghana's external debt is sustainable under the new Low Income Countries Debt Sustainability framework in the long term. The analysis revealed that the Present Value of Debt to exports (PV/XGS) and to-Domestic Budget Revenue (PV/DBR) was 50.5 per cent and 89.1 per cent, respectively, in 2006. This new framework is based on policy dependent threshold that are applied using the Country Policy and Institutional Assessment (CPIA).
150. Ghana is currently classified as a strong performer and, therefore, sustainability would be determined based on the strong term threshold (see Table 9). It is our objective to maintain this position to take advantage of the leverage of borrowing more to finance the PIP.



**Figure 7: LIC External Debt Sustainability Thresholds**



CPIA - Country Policy and Institutional Assessment

### Developments in Monetary Policy

151. Mr. Speaker, the Bank of Ghana continued to implement an inflation-targeting framework for inflation management during the year, resulting in a fall in inflation in spite of high crude oil prices in the world market. The disinflation process allowed a growth in liquidity to support increasing output growth.
152. Mr Speaker, data available through to the end of the third quarter of 2006 on the key monetary aggregates show increasing trends of financial deepening.

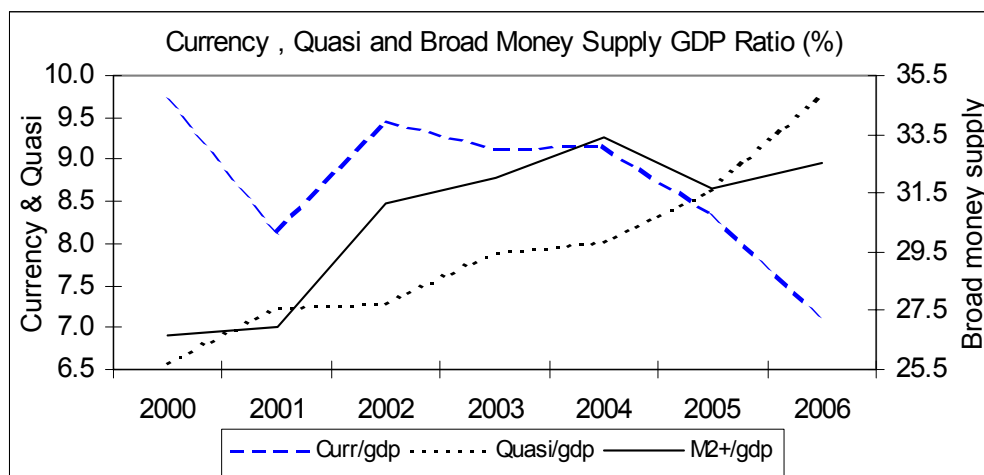
**Reserve Money**

153. The year-on-year growth rate of reserve money at the end of the third quarter was 16.7 per cent compared with 19.3 per cent in the same period of 2005. Seasonally adjusted, annual growth in reserve money at the end of the review period was 16.4 per cent, a little below the 16.7 per cent growth in the actual series.

**Broad Money Supply (M2+)**

154. Mr. Speaker, available data for the year to September 2006 shows that the annual growth rate of broad money supply, which includes foreign currency deposits (M2+) was 33.6 per cent compared to 18.6 per cent in the corresponding period of last year. The growth in Broad Money was evenly reflected in its components even though the domestic currency component dominated. Broad money excluding foreign currency deposits (M2) increased by 34.6 per cent, compared to 22.5 per cent in September 2005.

**Figure 8: Monetary Indicators 2000-2006 (Share of GDP)**

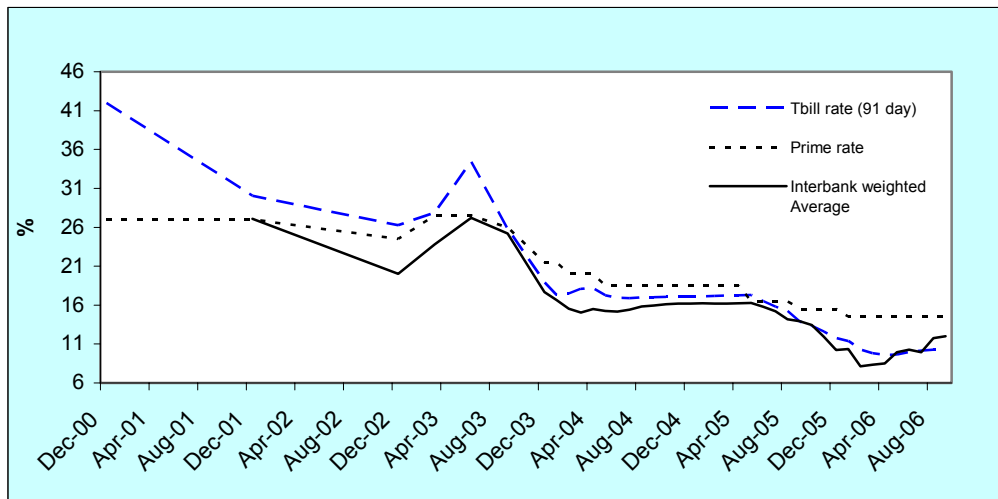


### Interest Rates

155. Mr. Speaker, interest rates generally declined over the nine month period to September 2006 but the main policy rate, the Bank of Ghana Prime Rate remained unchanged at 14.50 per cent since January 2006 when it was reduced by 1.0 percentage point to the current level.
156. Over the year to September 2006, money market rates followed the declining trend while DMBs' deposit and lending rates remained almost unchanged. The average interest rates on the 14-day, 1-month and 2-month Bank of Ghana bills shed 3.7, 2.62, and 3.17 percentage points, respectively to 10.32, 11.55, and 11.19 per cent. Similarly, the average interest rate on the 91-day Treasury bill and the interbank weighted average dropped by 3.64 and 1.94 percentage points respectively, to

10.35 and 12.01 per cent. Deposit Money Banks' (DMBs') average lending rate which had been at 26.0 per cent since November 2005 rebounded back to 27.75 per cent (the same level in September 2005) in September 2006.

Figure 9: Selected Interest Rates



### Developments in Credit

157. Credit growth continued to be strong at 31.7 per cent at the end of September 2006. In real terms outstanding credit increased by 17.4 per cent (₱7,224.7 billion) during the review period. Credit to GDP ratio grew from 18.6 per cent in September 2005 to 20.9 per cent in 2006. The private sector continued to attract a greater share of credit during the period. Its share went up from 77.4 per cent a year ago to 81.6 per cent in September 2006.

**Table 9: Analysis of Credit to the Private Sector (Sept'05 – Sept' 06)**

	Sep-05		Sep-06		Annual Change	
	₺'bn	Share (%)	₺'bn	Share (%)	₺'bn	Share (%)
1. Public Institutions	3,863.5	22.6	4,137.4	18.4	273.9	5.1
2. Private Sector	13,232.8	77.4	18,380.4	81.6	5,147.6	94.9
Agric., For. & Fish	903.7	5.3	1,207.2	5.4	303.5	5.6
Export Trade	272.9	1.6	404.1	1.8	131.2	2.4
Manufacturing	3,129.8	18.3	3,891.6	17.3	761.7	14.0
Trans., Stor., & Comm.	399.5	2.3	638.5	2.8	239.1	4.4
Mining & Quarrying	451.8	2.6	636.5	2.8	184.7	3.4
Import Trade	1,275.4	7.5	1,535.4	6.8	260.0	4.8
Construction	874.0	5.1	1,608.9	7.1	734.8	13.6
Commerce & Finance	2,093.9	12.2	3,001.2	13.3	907.3	16.7
Elect. Gas & Water	145.3	0.8	356.5	1.6	211.2	3.9
Services	2,188.6	12.8	3,585.7	15.9	1,397.1	25.8
Miscellaneous	1,497.8	8.8	1,514.8	6.7	17.0	0.3
3. Total (1+2)	17,096.3		22,517.8		5,421.5	100.0

158. The sectors that benefited mostly from the credit expansion were; Services (25.8 per cent or ₺1,397.1 billion), Commerce & Finance (16.7 per cent or ₺907.3 billion), Manufacturing (14.0 per cent or ₺761.7 billion) and Construction (13.6 per cent or ₺734.8 billion) in that order. The four sectors together accounted for 70.1 per cent (₺3,800.9 billion) of total flow of credit during the period.

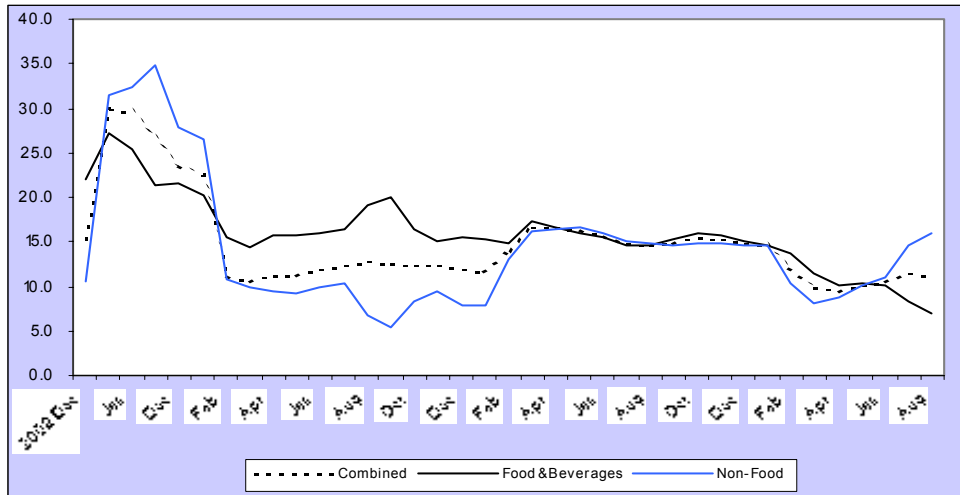
### **Price Developments**

#### **Inflation Rate**

159. Mr. Speaker, headline inflation as measured by year-on-year changes in consumer price index declined to 10.5 per cent at the end of October 2006 from 14.8 per cent at the end of

December 2005. The core measures of inflation remained in the single digit range (between 3 and 9 per cent), which is an indication of low underlying inflationary pressures. This favourable outcome was on account of a strong monetary policy stance, relatively stable exchange rate environment as well as improved food supply conditions during the review period.

**Figure 10: Combined, Food and Non-Food Inflation – Year-on- Year Changes**

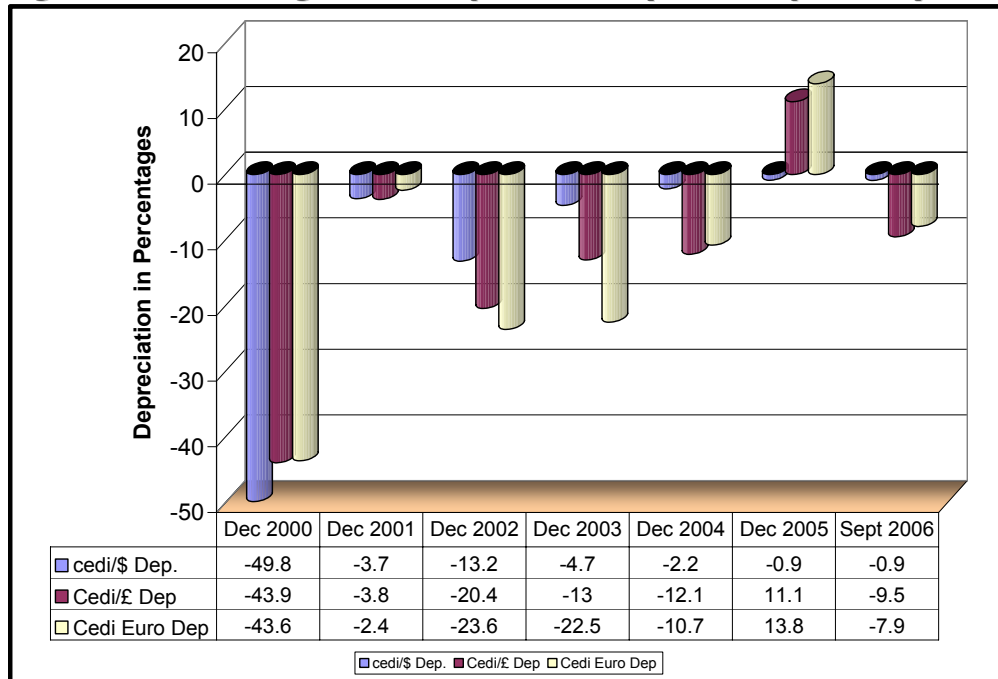


### Exchange rate Developments

160. Mr. Speaker, the cedi maintained its relative stability against the major international currencies in 2006 though the British Pound and Euro strengthened due to international market developments.
161. Up to the end of September 2006, the cedi depreciated by 9.5 per cent against the British Pound and 7.8 per cent against the

Euro, while a moderate depreciation of 0.9 per cent was recorded against the US dollar. Improved private remittances through formal channels, foreign exchange liquidity on the forex market, sound fiscal and monetary policies, allowed a buildup in external reserves, and provided the underlying reasons for the relatively stable exchange rate. International recognition of the cedi was finally established in October 2006 with the first euro-cedi bond issued offshore by the AfDB.

**Figure 11: Exchange Rate Depreciation (2000-Sept 2006)**



## **EXTERNAL SECTOR DEVELOPMENTS**

162. Mr. Speaker, Ghana's external sector position has continued to strengthen against the background of high commodity prices, particularly crude oil. Higher export receipts and debt relief under the Multilateral Debt Relief Initiative (MDRI) allowed for the continued buildup of international reserves.

### **Balance of Payments Position**

163. Provisional estimates of the balance of payments for the first nine months of 2006 indicate that the economy recorded a surplus of \$77.7 million in the overall balance compared to a deficit of \$195.8 million in the same period of 2005. Revised projections for the entire 2006 indicate that the balance of payments (BOP) will record a surplus of US\$178.8 million compared to the surplus of \$84.34 million in 2005. The improvement is attributed to strong export performance, strong growth in remittances, donor resources and debt relief. The projections suggest that by the end of the year, a Net International Reserve build up of US\$ 406.0 million will be recorded which will raise the level of gross international reserves to about US\$ 2.0 billion, enough to cover more than three months of imports of goods and services.



### **Balance on Current Account**

164. Mr. Speaker, the current account (excluding official transfers), registered a deficit of \$707.44 million over the first nine months of 2006 and is expected to record a deficit of US\$ 1,278.72 million (10.5 per cent of GDP) in the review year, compared with a deficit of US\$1,378.50 million (14.3 per cent of GDP) in 2005. However, including official transfers, this deficit declined to \$20.91 million over the nine-month period and is expected to reduce to a deficit of US\$555.23 million (4.56 per cent of GDP), compared to US\$811.56 million (8.8 per cent of GDP) in 2005.
165. The improvement in the current account position in the review year over the nine month period was due to improvements in the services, income and unrequited transfers.

### **Exports**

166. Mr Speaker, exports were estimated to have grown by 39.7 per cent during the first nine months of the year to \$2,927.6 million and it is projected to end the year at US\$3,857.7 million. The growth in exports was partly attributed to improved coverage at the ports by the TRADENET system, as well as improved commodity prices, particularly cocoa and gold within the period.
167. **Cocoa exports** (beans and products) amounted to \$1,004.1 million over the nine month period and is expected to reach US\$1,269.8 million by the end of the year. The cocoa crop in the review year benefited from both productivity growth and increases in average export prices. Quantity of beans exported increased from 433,726 tonnes in the first nine months of 2005

to 569,112 tonnes in the same of period of 2006, and is expected to reach 715,660 tonnes by the end of 2006.

168. Year-to-date earnings from the exports of 50,824 tonnes of processed cocoa products were estimated at \$101.4 million and are expected to reach \$131.52 million by end year.
169. Mr. Speaker, **Gold exports**, in value terms, went up significantly within the review year, more on account of price increases than on account of quantity exported. While the quantity exported increased by 13.2 per cent to 1.575 million fine ounces, realized average prices went up significantly by 26 per cent to \$543.84 per fine ounce. It is expected that by end year, Gold will record a total export of 2,086,351 fine ounces.
170. Exports of **timber products** recorded a decline in growth on a year-on-year basis. In the review period, timber exports were estimated at US\$148.8 million compared with US\$171.9 million in the previous year and are expected to reach \$196.7 million by the end of 2006.
171. All other products, including exports of aluminium ingots from **VALCO** (valued at US\$132.2 million), accounted for the residual value of US\$830.9 million which is projected at \$1,089.1 million by December, 2006.

### **Imports**

172. Mr. Speaker, the year 2006 saw a lot of volatility in **crude oil** prices as a result of increasing global demand, as well as geo-political factors. The level of crude oil prices has been high over the course of the year. Consequently, the high prices fed into our oil import bill, which reached US\$993.4 million over the first nine months of the year, compared with US\$725.9 million over

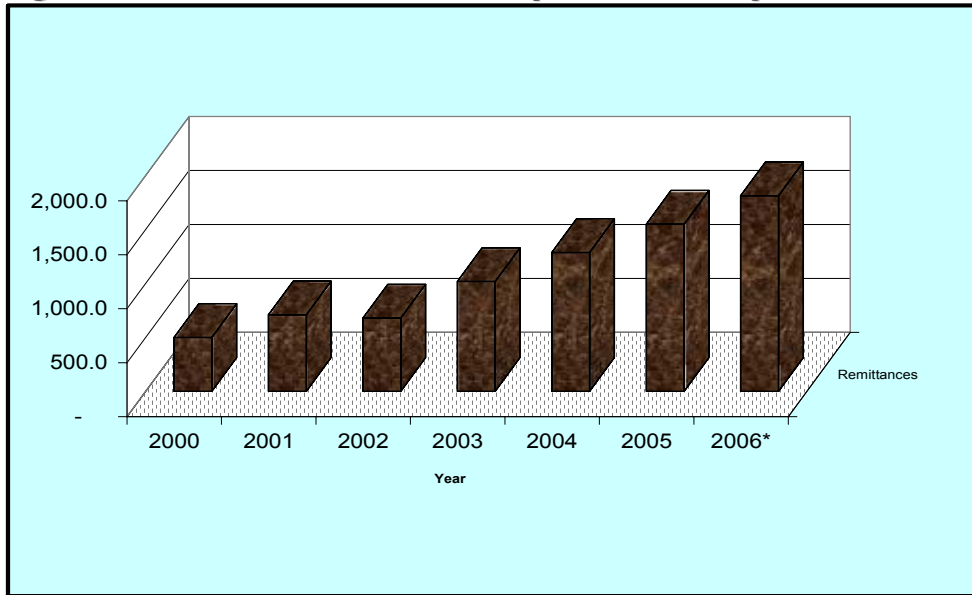
the same period in 2005, and indicating a rise of 36.8 per cent. Oil imports are projected at \$1,405.2 million by the end of 2006.

173. **Non-oil merchandise imports** were estimated to have gone up by 18.7 per cent during the first three quarters of the year, to US\$3,805.8 million from US\$3,205.1 million in 2005. The total import bill, therefore, stood at US\$4,799.2 million, showing a growth of 22.0 per cent, when compared with the out-turn for 2005 of US\$3,931.0 million. Total imports are projected at \$6,852.4 million by the end of 2006.

**Unrequited transfers**

174. Mr. Speaker, net unrequited transfers increased from a level of US\$1,458.1 million recorded in 2005 to an estimated US\$1,970.9 million in 2006, indicating a 35.2 per cent rise. Private un-requited transfers rose from US\$ 1,015.8 million in September 2005 to \$1,284.4 million in September 2006 and is forecasted to reach US\$1,812.5 million by the end of 2006.

**Figure 12: Net Private Transfers ( Remittances) 2000-2006**



### Reserve Assets

175. Mr Speaker, in the first nine months of 2006, the Bank of Ghana accumulated net international reserves of US\$263.5 million, compared with US\$7.5 million during the same in 2005. The level of gross international reserves as a result went up to US\$1,782.69 million which was enough to provide cover for 3.3 months of imports of goods and services.

**SECTION FIVE: MACROECONOMIC FRAMEWORK FOR THE FOR THE MEDIUM-TERM**

176. Mr. Speaker, the overall macroeconomic framework for the medium-term and, indeed for 2007, will continue to be guided by the overall objectives of GPRS II. It is recalled here that the:

**“GPRS II is guided by the overall objective of doubling the size of the Ghana economy (in terms of real production) within the next decade, and bringing the per capita income of the average Ghanaian to middle income level by 2015. This is expected to reflect in positive social change and improvement in the quality of life for all. It is in this regard that the growth targets are made taking cognizance of the corresponding objectives of NEPAD and MDGs, all of which specify some qualitative indices. These qualitative improvements are the really important objectives of the process of national development for the enhancement of human welfare and are the real substance of development policy”.**

177. The growth targets for the GPRS II period is 6 – 8 per cent per annum, based on the following assumptions, among others:

- the population growth rate will not exceed 2.6 per cent per annum, through the population management policies and strategies outlined in the GPRS II sections on human resources development;

- macroeconomic stability, especially by containing inflation within a single digit range;
  - a stable Cedi exchange rate with prudent management that will keep the depreciation of the cedi below a 4 per cent per annum;
  - reduced cost of investment loans as incentives for stimulating investment in support of private sector-led growth;
  - containment of fiscal deficits and preventing them from being a major source of monetary instability and price inflation.
  - an aggressive domestic revenue mobilization and its efficient use in driving the prioritized development targets. This is to be attained through administrative measures and enhancing the capacity of existing tax collection instruments and personnel;
  - an efficient expenditure re-prioritization in favour of development expenditure and to ensure efficiency in the use of public resources; and
  - growth in aggregate investment, especially from packaged programmes such as the Millennium Challenge Account Compact with its integrated agro-based projects;
178. Mr. Speaker, accelerated growth of the economy will result from continued macroeconomic stability, a vibrant private sector, vigorous human resource development underpinned by deepening good governance and civic responsibility.

179. The implementation of the GPRS II will continue with policies that will enhance and sustain the gains made in macroeconomic stability under GPRS I by ensuring:
- prudent fiscal policy management
  - a monetary policy that is flexible enough to respond to external shocks, promote growth and ensure price stability
  - real interest rates that enhance effective mobilisation of savings and make credits affordable to the private sector
  - relatively stable real exchange rates that promote international trade
180. The GPRS II will further address the structural constraints at the policy and institutional levels that impede increased productivity, adoption of technology and competitiveness of the private sector with respect to agriculture, industry and service sectors. This will empower the private sector to effectively play its role as the engine of wealth creation and poverty reduction.

### **Macroeconomic Policies, Strategies and Targets for 2007**

181. Mr. Speaker, the 2007 Budget Statement and Economic Policies of the Government will be informed by the objectives of the macroeconomic framework outlined in the GPRS II. Consequently, the following targets have been programmed for the 2007 fiscal year:

- real GDP growth of at least 6.5 per cent;
  - an end-period inflation rate of single digit between 7 and 9 per cent;
  - average inflation rate of 8.8 per cent;
  - accumulation of international reserves to at least three months of import cover;
  - domestic primary deficit of 0.6 per cent of GDP; and
  - an overall budget deficit of 3.2 per cent of GDP.
182. Mr. Speaker, the focus will continue to be on the appropriate use of the resources made available from MDRI, using them to further enhance the realization of our development objectives, primarily through the augmentation of public investment in key poverty areas. As indicated in the 2006 Supplementary Estimates, a significant portion of MDRI resources will be dedicated to the rehabilitation of basic and critical infrastructure, particularly in the urban and rural poor areas, to raise the prospect of sustainable growth, consistent with the objectives of the GPRS II. Thus, the MDRI resources will focus on direct poverty-reducing activities, and growth-enhancing investments.
183. Mr. Speaker, it is our conviction that the policies specified provide a strong basis for sustaining growth, reducing inflation, and alleviating poverty.



### **Policy Support Instrument and Benefits for Ghana**

184. Mr. Speaker, on October 27, 2006, the Executive Board of the International Monetary Fund (IMF) completed the sixth and final review of Ghana's economic performance under the Poverty Reduction and Growth Facility (PRGF) arrangement.
185. With the Completion of this final financial programme with the IMF, we intend to use the Policy Support Instrument (PSI) to maintain our long-standing relationship with the IMF and, indeed, with all our development partners.
186. The Policy Support Instrument (PSI), introduced in October 2005, enables the IMF to provide support to low-income countries that do not want – or need – Fund financial assistance. The PSI helps countries design effective economic programmes that signal to development partners (donors, multilateral development banks, and markets) the IMF's endorsement of a country's policies.
187. The PSI was designed to meet the needs of "mature stabilizers", such as Ghana, that have achieved relative macroeconomic stability, including low underlying inflation and adequate level of official international reserves, and have begun to establish external and net domestic debt sustainability. Given that there are no immediate or prospective balance of payments needs, the Fund's financial assistance is no longer required. However, being a "mature stabilizer", the country will maintain a close policy dialogue with the IMF – seeking policy advice and obtaining technical assistance in the design, implementation, and monitoring our economic agenda, to promote our objectives and at the same time obtain the benefits of our relationship with the international community.

188. Accordingly, the government believes that Ghana will benefit from a PSI. As indicated earlier, this arrangement will provide signaling information about the country's performance and prospects. Such information can be used to inform the decisions of outsiders – including private creditors, such as banks and bondholders – who are interested in information on the repayment prospects of loans. Also, the information would be useful to official donors and creditors, such as bilateral and multilateral agencies, who may be interested in reassurance about the macroeconomic situation of the country they are supporting. Finally, such an arrangement would help to provide independent assessment to the public at large as to how the government is implementing macroeconomic policies approved by this august House.
189. In sum, the PSI will aim to (i) promote a close policy dialogue between the IMF and Ghana; (ii) provide the basis for continued regular assessments of Ghana's economic and financial policies than is available through the regular consultation process – known as surveillance; and (iii) deliver clear signals of the strength of these policies.
190. Mr. Speaker, it is important to emphasize that the PSI is entirely voluntary and intended to support only strong country ownership. Among some of the key features:
- The programme's targets and structural reforms would be based on the Ghana Poverty Reduction Strategy, GPRS II.
  - Policy framework would focus on consolidating macroeconomic stability and debt sustainability, while deepening structural reforms in key areas to accelerate growth and reduce poverty.

Critical measures would thus be on reforms to enhance the growth potential and the capacity of the economy to absorb higher external inflows.

191. The government's economic strategy is now focused on accelerating growth, in the context of a relatively stable macroeconomic framework. Looking forward, the main challenge for Ghana is to find the necessary resources to undertake the investment plan, while preserving debt sustainability. Great caution will be exercised in contracting new loans, particularly given the risks to the medium-term outlook and continuing vulnerability to shocks.
192. Mr. Speaker, even though the process of disinflation has not been smooth, 12-month inflation rate declined from 40.5 per cent in 2000 to 14.8 per cent in 2005 and to 10.5 per cent in October 2006.
193. Inflation has been well contained more recently—apart from the impact of oil price increases (in the context of high world prices and the recent adoption of a full-cost pass-through regime). Noticeably, headline inflation declined to single digit levels in March-April 2006 for the first time in more than 20 years.
194. The NPP Government is committed to maintaining macroeconomic stability, which is key to achieving high and sustained growth.
195. Mr. Speaker, we intend to accelerate economic growth to 8.5 per cent a year over the medium-term in order to put the country on a steady path toward achieving middle-income

status. In the Government's view, a substantial increase in investment would be required to attain the higher growth path for achieving the targets of the Ghana Poverty Reduction Strategy (GPRS II) and the MDGs. This said, the ongoing expansion in the infrastructure and social sectors will be complemented with further reforms to foster private sector development, including steps to deepen the financial sector, and measures to improve income distribution.

196. Looking ahead, the main challenge for us is to find the necessary resources to undertake the investment programme outlined in our development strategy while preserving debt sustainability.
197. Mr. Speaker, recognizing the importance of maintaining debt sustainability, Government is determined to exhaust all avenues for grants and concessional loans to finance the investment programme before considering other sources of financing.
198. In the aftermath of the recent debt relief under the enhanced HIPC Initiative, MDRI, and bilateral efforts, we are determined to maintain the solid foundation for debt sustainability which has been established.
199. Mr. Speaker, Government intends to maintain a close and healthy policy dialogue with all development partners and the IMF. In this regard, Government intends to develop an economic and financial programme that could provide the basis for a Policy Support Instrument (PSI) arrangement with the expiration of the PRGF arrangement. Such a programme would aim at:

- Enhancing growth-promoting policies, while sustaining the hard-earned macroeconomic stability;
- Further strengthening of debt management;
- Deepening of the domestic capital markets; and
- Creating the environment to access international capital markets in the appropriate circumstances.

## **RESOURCE MOBILISATION AND ALLOCATION FOR 2007**

### **Resource Mobilisation**

#### **Exemptions**

200. Mr. Speaker, in order to present a comprehensive report on total revenue, we have for the first time in the Budget reported on tax exemptions under domestic revenues and the corresponding expenditure has also been reported under payments as tax expenditure.
201. Mr. Speaker, these developments are part of steps towards our objective of reporting on government fiscal and financial operations in a very comprehensive format to enable us capture, as much as possible, the full volume of transactions in revenues and expenditures more transparently.

202. Mr. Speaker, as a result of our decision towards similar to the comprehensive reporting on tax exemptions as part of domestic revenue, it has been decided to present a comprehensive report on the gross amount of revenue generated by MDAs internally. In a similar vein the use of these internally-generated resources are reported in the expenditure side of the fiscal operations of Government.
203. Mr. Speaker, the **total resource envelope** for the 2007 budget is projected at ₦54,315.9 billion. **Domestic revenue** which is made up of tax and non-tax receipts projected at ₦37,532.2 billion.
204. **Tax revenue** from the revenue agencies is projected at ₦32,533.1 billion which is equivalent to 23.6 per cent of GDP. The 2007 tax revenue projection represents a growth of 39.5 per cent over the projected outturn for 2006.
205. Of the total tax revenue, **direct taxes** are projected at ₦8,876.8 billion, representing about 27.5 per cent of total tax revenue. This indicates an increase of about 22.4 per cent over the estimated collection for 2006.
206. **Indirect taxes**, comprising VAT, Petroleum taxes and Excise taxes are projected to yield ₦14,124.6 billion. Of this, **VAT** is expected to contribute ₦8,876.1 billion, equivalent to about 27.5 per cent of total tax revenue. **Petroleum-related taxes** are projected at ₦4,225.8 billion representing 13.0 per cent of projected total tax revenue.
207. **International trade taxes** which are made up of import and export duties are projected at ₦6,136.4 billion or 18.9 per cent

of projected total tax revenue and an 18.5 per cent increase over the 2006 projected outturn. **Import duties** are projected to contribute ₺5,502.7 billion, equivalent to 16.9 per cent of tax revenue. **Export duty** which is mainly on cocoa exports is expected to contribute ₺633.8 billion to total international trade taxes.

208. It is projected that the **National Health Insurance levy** for 2007 will amount to ₺1,759.1 billion, showing a 28.8 per cent increase over the projected outturn for 2006.
209. Consequently, **Non-Tax revenue** is projected to yield ₺3,175.2 billion in gross terms. Out of this MDAs are expected to lodge ₺ 941 billion for general budget operations, while they retain an amount of ₺ 2,233.9 billion for approved activities. This amount is equivalent to about 9.8 per cent of projected total revenue.
210. **Grant** inflows are projected at ₺8.945.1 billion of which **HIPC assistance** from multilateral institutions is programmed at ₺1,363.7 billion. **Project** and **Programme grants** are projected at ₺4,447.7 billion and ₺1,535.1 billion, respectively, while **MDRI** inflows are projected at ₺1,598.7 billion
211. **Receipts from Divestiture** are expected to contribute an amount of ₺673.4 billion, while **project loans** and **programme loans** are projected at ₺4,518.6 billion and ₺1,469.9 billion, respectively.
212. **Exceptional financing** from the HIPC debt relief initiative is projected at ₺1,176.7 billion, of which, ₺847.2 billion is expected from our bilateral creditors.

213. Mr. Speaker, an amount of ₵442.2 billion, representing 20 per cent of total expected inflows from the HIPC debt relief initiative will be used for the reduction of domestic debt.

### **Payments**

214. Mr. Speaker, a total amount of ₵54,315.9 billion is projected for total payments in 2007. This is made up of Statutory payments of ₵14,818.1 billion representing about 27.3 per cent of total payments, and discretionary payments of ₵39,497.8 billion.

### **Statutory Payments**

215. Mr. Speaker, out of the statutory payments of ₵14,818.1 billion, ₵3,392.3 billion has been programmed for the servicing of our external debt. Of this amount ₵2,249.2 billion is programmed as amortisation due and ₵1,142.9 billion as interest payments due for payments. **Interest payments** on domestic debt are estimated at ₵2,505.2 billion.
216. Statutory payments also include transfers to the **District Assemblies Common Fund** and **Ghana Education Trust Fund** for which amounts of ₵1,626.2 billion and ₵1,775.2 billion, respectively have been earmarked, based on expected tax revenues and yield from the value added tax. It is estimated that a total amount of ₵1,823.9 billion will be transferred into the **National Health Insurance Fund**. An amount of ₵1,113.8 billion is programmed to be transferred into the **Road**



**Fund**, with petroleum –related funds receiving an amount of ₺30.2 billion.

217. **Transfers to households** of ₺4,374.7 billion are made up of **pensions** of ₺1,051.6 billion, **Gratuities** of ₺511.8 billion and **Social Security** contributions of ₺ 987.5 billion by Government on behalf of its employees.

### **Discretionary Payments**

218. Mr. Speaker, **Discretionary Payments** are estimated at ₺39,497.8 billion, representing 72.7 per cent of total payments. Of this amount, **personal emoluments** are estimated at ₺13,167 billion, indicating a 20 per cent increase over the projected outturn for 2006 and 39.1 per cent of total discretionary payments for 2007. The level of personal emoluments also constitutes 41.5 per cent of total domestic revenue, and 9.6 per cent of nominal GDP.
219. Mr. Speaker, the relatively high level of the wage bill is due to the Government's decision to start the implementation of enhanced salary levels of public sector workers, as part of the overall public sector reforms.
220. **Administration** and **Service (Items 2 and 3)** are estimated at ₺3,139.8 billion and ₺1,020.1 billion, respectively. The two represent 12.3 per cent of total discretionary payments.
221. Mr. Speaker, **Total investments** (excluding those financed from statutory funds) are programmed at ₺11,565.2 billion or about 29.3 per cent of total discretionary payments and 40.7 per cent higher than the projected outturn for 2006. Of this

amount, the **domestically-financed** component is ₦2,598.9 billion (7.7 per cent of discretionary expenditure).

222. **Foreign-Financed Investment** expenditure is estimated at ₦8,966.3 billion, representing 22.7 per cent of total discretionary expenditure and 31.2 per cent higher than the projected outturn for 2006.
223. Mr. Speaker, in the 2003 Budget presented to this House, the outstanding arrears on the GETFund and the DACF were ring-fenced for five years, to be paid down by annual instalments of ₦43.1 billion and ₦53.9 billion, respectively.
224. Mr. Speaker, the last instalment will be due in 2007 and, consequently, an amount of ₦97 billion has been provisioned for the **payment of arrears** of the GETFund and DACF. This is in fulfilment of the promise and commitments that the Government made in 2003 to this august House.
225. **Other transfers** are programmed at ₦5,919.7 billion, out of which ₦190.5 billion will be used to **mitigate the impact of petroleum price liberalisation** and an amount of ₦100 billion has been programmed for reimbursement in respect of subsidies to lifeline consumers of electricity. As indicated earlier the expected exemptions from import duties amounting to ₦3,395.2 billion have been captured in the fiscal framework under other transfers.
226. Mr. Speaker, as has been the practice, 20 per cent of debt relief from the **HIPC debt relief initiative** will be used for the reduction of domestic debt. The remaining 80 per cent will be distributed to MDAs, MMDAs and other institutions for the

implementation of activities aimed at reducing poverty and improving the economic and social conditions of Ghanaians. In 2007, the 80 per cent HIPC relief to be distributed amounts to ₵1,768.3 billion.

227. Mr. Speaker, the 2007 budget envisages a net domestic debt repayment of ₵510.9 billion, equivalent to 0.5 per cent of GDP.

### **Overall Budget Balances**

228. Mr. Speaker, given the revenues and expenditures outlined above, the 2007 budget is expected to result in an overall budget deficit equivalent to 3.2 per cent of GDP.
229. The target for domestic primary balance is a deficit equivalent to 0.6 per cent of GDP.
230. Mr. Speaker, the overall balances projected in the fiscal framework for 2007, are consistent with the overall objective of reducing the domestic-debt to GDP to 8 per cent.
231. Mr. Speaker, the domestic debt-to-GDP ratio remains the fiscal anchor, and we will keep monitoring the target to ensure that domestic debt remains sustainable over the medium to long-term. As a result, despite the high investment levels expected to be implemented in 2007, the domestic debt-to-GDP ratio is targeted at 7.9 per cent.

### **Monetary and Exchange Rate Policies (Outlook)**

232. Mr. Speaker, the Bank of Ghana would continue to implement a monetary policy aimed at lowering inflation into single digits in 2007. To this end, the Bank of Ghana would apply its policy instruments to keep broad money (M2+) growth in line with projected nominal GDP Growth at 21.4 per cent. Reserve Money is projected to grow at 22.6 per cent.

### **External Sector for 2007**

#### Balance of Payments Projections

233. External financing requirements will continue to be large in 2007. On account of the drive towards accelerated growth and increased poverty reduction, merchandise imports are expected to continue to grow. Oil prices are projected to remain in excess of US\$50.0 per barrel. Projections are for a total oil bill of around US\$1,618.2 million.
234. Merchandise exports growth is projected to be quite robust in 2007 at US\$4,105.5 million. It is expected that gold will perform strongly in the coming year to dominate merchandise exports receipts. This will be on account of increases in both volumes exported and realised average price.
235. The surplus on unrequited transfers account will continue to grow, and in 2007, it is projected to reach a level of over

US\$2,552.3 million. The foregoing developments will result in a deficit of US\$619.7 million on the current account of the balance of payments. It is projected that net inflow of financial resources resulting from debt, equity and other transactions in investments will yield a surplus of US\$817.7 million in 2007.

236. Consequently, the overall balance of payments is projected to record a surplus of about US\$198 million, enabling the Bank of Ghana to continue to buildup external reserves.

### **External Assistance Policy and Strategy**

237. Mr. Speaker, Government will continue to pursue the policy of contracting concessional loans with the minimum grant element of 35 per cent. The strategy of seeking more grants than loans and budgetary support type of aid will continue to be pursued.
238. Furthermore, in our quest to maintain long-term debt sustainability, Government will continue to pursue effective and efficient debt management practices coupled with optimal risk management strategies.
239. From a risk management perspective, the currency and interest rate composition of external debt will continue to be monitored to ensure that it is aligned with global market conditions as well as export receipts and/or international foreign reserves.
240. Government will encourage Public-Private-Partnerships (PPPs) to enhance efforts at developing the infrastructure base of the country without accumulating huge debt.

### **EXPECTED DEBT RELIEF FOR 2007 (HIPC AND MDRI)**

241. Mr. Speaker, it is expected that a total of US\$ 407.92 million (¢ 3,809.50 billion) will be received in debt relief for the year 2007. This is made up of US\$ 146.02 million and US\$236.74 million for MDRI and HIPC debt relief respectively.

#### **Domestic debt**

242. Mr. Speaker, in 2007, specific activities to further deepen the money market and improve domestic debt management will include:
- revision of issuance calendar to foster the development of benchmark yield curve;
  - initiation of the fungible issuance of medium-term securities;
  - introduction of cash management bills to meet temporary cash needs of Government;
  - development of investor base for medium-term securities, including key domestic institutions and foreign investors;
  - facilitation of the operation of a vibrant secondary market for trading securities, aimed at enhancing the prospects for the longer-dated government securities;
  - operationalisation of the use of the CS-DRMS 2000+ software for domestic debt management; and
  - Deepening capacity building for domestic debt management.

**SECTION SIX:     SECTORAL PERFORMANCE AND OUTLOOK  
FOR 2007**

243. Mr. Speaker, the programmes and policies of the various Ministries, Departments and Agencies (MDAs), which constitute the implementation arm of all government policies, have been guided by the government development agenda as outlined in the GPRS II.
244. The strategic direction of the GPRS II is to ensure accelerated growth of the economy through continued macroeconomic stability, a vibrant private sector, and vigorous human resource development underpinned by deepening good governance and civic responsibility.
245. The GPRS II therefore identifies 3 thematic areas as follows: i) private sector competitiveness; ii) human resource development; and iii) good governance and civic responsibility.
246. The main goal of the private sector competitiveness is to remove a number of bottlenecks that hamper the agricultural sector in the medium term and the industrial and other sectors over the long term. The aim of the human resource development is to ensure the development of a knowledgeable, well-trained and disciplined labour force with the capacity to drive and sustain private sector-led growth. Good governance and civic responsibility aims at empowering state and non-state actors to participate in the development process and to collaborate effectively in promoting peace and stability.

247. In this regard, the selected policies, programmes and activities of the MDAs are all geared towards addressing the structural constraints at the policy and institutional levels that impede increased productivity, adoption of new technology, and competitiveness of the private sector in relation to agriculture, industry and the services sectors.
248. The focus of the MDA's activities in 2007 will therefore be on infrastructure development, (especially in energy, roads, telecommunication, water supply and housing) implementation of right incentive framework for the public sector employees, as well as effective decentralization for enhanced service delivery.

### **PRIVATE SECTOR COMPETITIVENESS**

249. Mr. Speaker, government's strategy has been to make the private sector the key vehicle for accelerated growth and development as outlined in the GPRS II. In this regard, government's policy will continue to focus on the following:
- development of the rural economy through the modernization of agriculture led by a vibrant and competitive private sector
  - enhanced infrastructure development
  - sustained environmental protection through re-forestation
250. Mr. Speaker, the following MDAs will continue to lead the drive towards the achievement of a competitive private sector.



- Ministry of Food & Agriculture (MOFA)
- Ministry of Lands, Forestry and Mines (MLFM)
- Ministry of Energy (MOE)
- Ministry of Trade, Industry, PSD and PSI (MOTI, PSD & PSI)
- Ministry of Tourism and Diasporan Relations (MTDR)
- Ministry of Fisheries (MOF)
- Ministry of Water Resources, Works and Housing (MWRWH)
- Ministry of Transportation (MOT)
- Ministry of Communications (MOC)
- Ministry of Ports, Harbours and Railways (MPHR)
- Ministry of Aviation (MOA)

### **Ministry of Food and Agriculture (MOFA)**

251. Mr. Speaker, the sectoral goal of MOFA is to develop a progressive, dynamic and viable agricultural economy that will ensure the following: (i) food self sufficiency and food security; (ii) the production of raw materials for industry; and (iii) increased foreign exchange earnings through diversification of export crops.
252. Mr. Speaker, the attainment of the objectives of the Growth and Poverty Reduction Strategy (GPRS II) is anchored on the Agricultural Sector showing a strong growth. In line with Government's policy to create wealth and alleviate poverty, MoFA is pursuing programmes and projects to transform the rural economy through the modernization of agriculture.

## **Performance in 2006**

### **Crops Sub-Sector**

253. Mr. Speaker, the Grains and Legumes Development Board, (GLDB) under the National Seed Support Service has produced 55 metric tons of foundation seed maize, processed 500 mt of certified maize seed, 8 mt of sorghum and 25 mt of rice foundation seeds for planting. A total of 200 metric tons of maize grains was processed for storage.
254. The Inland Valley Rice Development Project extended credit to 905 farmers and also provided technical support in the areas of land and water management techniques in the 17 project districts. It has also assisted 850 farmers with average holding of 0.4 ha to plant 340 hectares of rice under the Nerica Rice Dissemination Project.
255. Mr. Speaker, the Irrigation Company of the Upper Region (ICOUR) facilitated the production of 200 tons of Paddy Rice seed, 1,800 tons of Rice Grains and also cropped 220 hectares of millet and 34 hectares of soybeans at its Vea and Tono dam sites.
256. To help stabilize food prices, improve the well being of farmers and to facilitate the establishment of National Strategic Food stock, the Ministry rehabilitated 3 warehouses at Tamale and Yendi for grain storage. In addition, the Ministry assisted farmers in the North with land preparation and seeds for the establishment of 10,000 hectares of cotton.

### **Legumes**

257. GLDB produced foundation seeds to enhance farmers' access to viable and high yielding leguminous seeds in the minor season. As a result, 20 mt of foundation seed groundnuts was produced to enable farmers' access rosette resistant groundnut seeds.
258. Mr. Speaker, about 1,571.9 hectares of cashew fields was established with the assistance of the Cashew Development Project. 9,000 unproductive cashew trees (90 hectares) within the 10 Project Districts were stumped and grafted with scion materials taken from trees with desirable characteristics to increase yields. In collaboration with the Crop Research Institute (CRI), technological packages were developed to enhance cashew production. The packages include vegetative propagation techniques, development of a strategy for canopy substitution and control of Cashew diseases.

### **Root and Tubers**

259. Mr. Speaker, 40 trained farmers were supplied with 10,000 mother yams for multiplication into minisetts for out planting under the Root and Tuber Improvement and Marketing Programme. GLDB has produced 100,000 units of yam setts at Kintampo and Ejura nurseries.

### **Plantain Production**

260. In order to sustain interest in plantain production, GLDB has produced 50,000 high yielding suckers in the minor season at Afraku near Juaben in the Ashanti Region.

### **Horticultural Industry**

261. Mr. Speaker, to facilitate the export of horticultural crops, the Ministry commenced the rehabilitation of shed 9 at Tema Port under the Horticultural Export Industry Initiative (HEII). MOFA has started the implementation of the Export Marketing Quality Awareness Project in 4 regions namely, Greater Accra, Eastern, Central and Volta regions. GLDB has also produced about 15,000 citrus seedlings for sale to farmers.

### **Pineapple**

262. Mr. Speaker, about 1.8 million MD2 pineapple plantlets have been distributed to small holders through the collaborative rapid sucker multiplication scheme. The scheme aims at enhancing access of small holders to the MD2 variety which is currently in high demand on the export markets.

### **Irrigation**

263. Mr. Speaker, 9 irrigation schemes located in various parts of the country are currently being rehabilitated. A total of 1,896 ha of irrigable land will be made available for the cultivation of maize, vegetables and rice after the rehabilitation.

### **Livestock Sub-Sector**

#### **Animal Production**

264. Mr. Speaker, fodder banks were established under the Livestock Development Project to ensure the availability of fodder for

livestock. Reconnaissance at the 44 selected dugout sites and 28 selected boreholes sites were completed.

### **Animal Health**

- 265. Mr. Speaker, MOFA organized 3 training sessions for a total of 3,500 farmers in 33 Districts to provide reliable animal health service. The farmers were trained to recognize, prevent and control diseases like New Castle, Rabies, African Swine Fever and Foot and Mouth Disease among others.
- 266. Mr. Speaker, although the Avian Influenza has not spread to Ghana, MOFA is collaborating with other MDAs including MOH to deal with any eventuality. Among some of the measures instituted are a ban on importation of poultry products from some affected countries, educational campaigns on the symptoms of the disease and distribution of leaflets and fliers.
- 267. To effectively control an endemic poultry disease such as New Castle in rural poultry about 2.5 million I<sub>2</sub> vaccines were produced by the Veterinary Central Laboratory at Pong Tamale and over 700,000 rural poultry were treated with the vaccine.

### **Other Activities**

- 268. A total of 80 Farmer-Based-Organizations were strengthened to enable them access business development services such as credits and grants.
- 269. Extension-Research-Farmer linkages were strengthened through fruitful collaborations during planning sessions and on-farm adaptive trials.

### **Outlook for 2007**

270. Mr. Speaker, MOFA will focus on the following policies and programmes:
- Promoting selective crop development
  - Modernizing livestock development
  - Improving access to mechanized agriculture
  - Accelerating the provision of irrigation infrastructure
  - Increasing access to extension services
  - Enhancing access to credit and inputs for agriculture
271. Specifically, the major activities and programmes to be undertaken in 2007 under the sub-sectors are as follows:

### **Crops Sub-Sector**

272. The major activities to be carried out include facilitating the provision of increased quantities of improved seeds and planting materials to ensure increased crop production.

### **Cereals**

273. Mr. Speaker, the Grains and Legumes Development Board (GLDB) will produce 80 metric tons (mt) of foundation seed maize to crop 4,000 hectares of certified seeds which ultimately will plant 200,000 hectares maize grain fields. At the Tono Irrigation site, the Board will further produce 20 mt of foundation seed rice and 10 mt of sorghum seed which will ultimately crop 24,000 hectares of rice grain and 400,000 hectares sorghum grain fields, respectively. The Irrigation

Company of Upper Region (ICOUR) will also assist participating farmers to produce 140 tons of sorghum grain.

274. Mr. Speaker, about 500 ha of valley bottom sites will be developed and cropped for the production of 4,500 tons of rice under the Inland Valley Rice Development Project. The Nerica Rice Dissemination Project will assist farmers to produce 200 mt of certified seed rice and further contract the production of 150 mt of certified seeds during the off season. A total of 2,400 farmers (160 farmer groups) will be mobilized for training in technology dissemination in Nerica rice cultivation.

### **Legumes**

275. Mr. Speaker, GLDB will produce 25 mt of high yielding foundation seed cowpea at Damongo and Salaga (N/R), Tono (UER), Afraku (A/R) and Kwamoso (E/R). The 25 mt foundation seed will plant 62,500 ha cowpea of grain fields. About 50 mt of foundation seed soybeans will also be produced. ICOUR will also assist farmers to produce 200 tons of certified seed soybean and 240 tons of soybean grains. The increase in production is to enable poultry farmers have access to soybean to help them bring down the cost of production in the poultry industry.
276. Mr. Speaker, one of the major causes of low production in groundnut in recent years has been the infestation of groundnut fields by rosette disease. To overcome this and encourage production, the Board will produce 15 mt of rosette resistant variety. This will be made available to certified seed growers to plant about 300 ha of certified groundnut seeds. Farmers will

then access the certified seed at the various agro-input shops to plant out about 12,000 hectares.

277. Mr. Speaker, the Cashew Development Project of the Ministry will collaborate with the Crop Research Institute, to identify, stump and graft about 30,000 unproductive Cashew trees to increase yields. Further 4,000 ha will be established and interplanted with food crops. A total of 5 mt of improved cashew seeds will therefore be procured and distributed to farmers in the 10 project districts.

### **Root and Tubers**

278. Mr. Speaker, the GLDB will plant about 50 hectares of high yielding varieties capable of producing planting materials to crop about 400 hectares with an expected production of about 800 mt of cassava. The Board will also produce 100,000 yam minisetts at the Kintampo, Ejura and Salaga Stations for distribution to farmers.
279. Under the Root and Tuber Improvement and Marketing Programme, 4 Farmers Participatory Varietal selection trials will be set up to develop improved varieties for cocoyam, yam, sweet potato, cassava and Frafra potato (coelus). To improve the shelf life of sweet potato, trials will be conducted on storage techniques in 2 districts in the Upper East and Upper West Regions. The Afram Plains Agricultural Development Project (APADP) will train farmers in rapid cassava multiplication and yam minisett production techniques to help increase the current production levels.



### **Plantain**

280. Mr. Speaker, GLDB will produce about 100,000 high yielding plantain suckers during the minor season to farmers. MOFA will also intensify its training programme on improved technologies for plantain production and make available to farmers production guidelines. It will further set up demonstration plots on plantain production to train farmers.

### **Horticultural Industry**

281. Mr. Speaker, to improve on the export quality of horticultural crops the rehabilitation of Shed 9 at the Tema Harbour will be completed. Cold chain facilities will also be provided to further enhance quality of produce.

### **Citrus**

282. To promote citrus cultivation 20,000 citrus seedlings will be produced at Afraku near Juaben in the Ashanti Region to complement those of other nursery operators in the Southern Sector.

### **Pineapple**

283. Mr. Speaker, the Ministry will source and distribute 3 million MD2 pineapple plantlets to smallholders through a collaborative rapid sucker multiplication scheme. The MD<sub>2</sub> variety which is in high demand on the world market is being made accessible to small holders since the smooth cayenne variety is no more in demand.

### **Post Harvest Technology**

284. Mr. Speaker, to assist reduce post harvest losses and improve the quality of local crops, the private sector in conjunction with MOFA will undertake the following:
- MOFA will procure 20 tonner pro-cocoon grain storage
  - The export Marketing and Quality Awareness Project of the Ministry will initiate action for the construction of Packhouses in the project areas.

### **Plant Protection and Regulatory Services**

285. Mr. Speaker, under the RTIMP control measures for management of cassava tuber rot disease, Polyporous sulphuros will be adopted. A total of about 50,000 actives of *Terestrius nigrescence* will be produced and released for the control of the Larger Grain Borer (LGB). In addition, 1.5 million actives of *Typhlodromalus manihoti* will be produced from 3 insectaries to combat Cassava Green Mite (CGM).
286. Mr. Speaker, a total of about 5,200 pheromone traps and lures will be procured and installed to monitor for early warning of army worms and batrocera on fruits. To control cereal pests, the Ministry will also produce and release 300,000 *Terestrius nigrescence*. The Ministry will continue to educate pesticide dealers on the applications and management of good agricultural practices. There will also be regular visits to pesticide shops to ascertain if products on the shelves were approved. Obsolete and illegal pesticides will be confiscated and destroyed.

287. Mr. Speaker, personnel from the Seed Inspection Unit of MOFA will regularly inspect and certify seed and planting materials production to ensure production of quality seeds and planting materials. MOFA will continue to organize workshops and services of meeting to create awareness on guidelines for International Standards for Phytosanitary Measures 15 (ISPM 15) on the treatment of wood packaging.
288. In order to reduce the frequent interception of Ghana's agricultural exports to foreign markets particularly Europe, major stakeholders (including exporters and producers will be trained in pesticide management and other regulatory standards in compliance with Maximum Residue Level (MRL) and Phytosanitary Standard.
289. Mr. Speaker, the Ministry will continue to mount surveillance along the natural borders to monitor locust build up. To contain any unexpected outbreak of pests, MOFA will hold strategic pesticide stocks.

### **Irrigation**

290. Mr. Speaker, land under irrigation will be increased through underground and surface water exploitations. About 100 mechanized boreholes for irrigation purposes are to be drilled nationwide. A total of approximately 2,000 hectares will be put under surface irrigation.
291. Groundwater use will also be exploited through the sinking of boreholes and tubewells. Farmers will be trained on bunding and supported to undertake water harvesting techniques.

292. Mr. Speaker, three dams at Longsa, Gbeago and Kasiesa in the Upper East Region will be rehabilitated while 4 new dams will also be constructed and catchment areas of 14 dams in the region protected through bund construction and grassing.

### **Agricultural Mechanization**

293. Mr. Speaker, MOFA will promote the use of animal traction and small-scale farm machinery. In this regard, 2 animal traction centres will be rehabilitated and MOFA staff as well as 50 farmers and farmer groups animated and trained on animal traction and use of appropriate farm machinery. A total of 500 Vari mini tractors, 125 Yukon Tractors and 1,000 Adler Flasher will be imported into the country to enhance farmers' access to mechanized services including land preparation. A total of 1,000 John Deere Tractors will be imported to augment the current number of tractors in the country.

### **Livestock Sub-Sector**

#### **Animal Production**

294. Mr. Speaker, animal protein intake by the average Ghanaian is to be increased through increase in livestock population. To achieve this, farmers will be trained in husbandry practices including breed selection, housing and nutrition. Emphasis will be on the production of cattle, sheep, goats and pigs and poultry. Major activities to be carried out include the following:
- 2 common grazing lands will be established to address the perennial problem of uncontrolled grazing and destruction of farmlands by cattle;

- 15 awareness creation fora in rangeland management will be organized and 160 hectares of fodder banks established to enhance livestock feeding;
- 100 livestock farmers will be assisted to establish 40 hectares of stylosanthes;
- 18 boreholes will be completed to enhance access of beneficiary communities to potable water. In addition, 20 dugouts will be constructed to enable livestock have access to water throughout the year;
- Increase the supply of breeding stock to livestock farmers as follow: Pigs-800; Goats 400; sheep 500; and cattle 200;
- Train livestock farmers on the use of agro industrial by-products as supplementary feed in the dry season; and
- 6 Breeding Stations and Office blocks will be rehabilitated.

### **Animal Health**

295. Mr. Speaker, MOFA through the Veterinary Services Directorate will train farmers in the identification of 5 poultry and livestock diseases. These are New Castle Disease (NCD), African swine Fever, Rinderpest, Peste de Petits Ruminants (PPRS) and Contagious Bovine Pleuro Pneumonia (CBPP).
296. The Ministry will also conduct active and passive surveillance for epizootic diseases-Rinderpest, Contagious Bovine Pleuropneumonia (CBPP), African Swine Fever (ASF) and Avian Influenza (Bird Flu).
297. Mr. Speaker, about 20,000,000 doses of I<sub>2</sub> vaccine for village chicken will be produced by the Central Laboratory of the Veterinary Services Directorate at Pong Tamale. The vaccine

was found to be potent in the control of New Castle Disease (NCD) which annually decimates village chicken.

298. Mr. Speaker, MOFA will continue to intensify awareness creation and educational campaigns on Avian Influenza (Bird Flu) of the citizenry. In order to enhance trace back of animal disease and prevent cattle rustling, MOFA will develop and implement cattle identification schemes. In addition, the Quarantine Stations at Paga, Zebila Mognori and Pusiga in the Upper East Region will be rehabilitated.

### **Agricultural Financing**

299. Mr. Speaker, credit will be disbursed to farmer groups for production, storage, processing and marketing. About 5,000 livestock farmers will be trained in credit management, loan mobilization and recovery techniques. To assist the revival of the ailing livestock sub-sector, 4,000 livestock farmers/farmer groups, meat and milk processors and community livestock workers will be linked to the Agricultural Development Bank for a credit facility.
300. Mr. Speaker, under the Food Crop Development Project (FCDP) 1500 eligible farmers will be given credit support. An amount of ₵5.3 billion (US\$584,000) will be disbursed to farmer groups for production, storage, processing and Marketing. In addition the Inland Valley rice Development project will provide ₵23.92 billion (US\$2.6 million) as credit to beneficiaries in the 8 participating Districts. A total of 1000 farmers, 50 traders and 10 groups will be vetted for the credit.

301. The cashew Development Project will also disburse about ₺50.6 billion (US\$5.5 million) to project beneficiaries for cashew production and processing.

### **Feeder Roads Rehabilitation**

302. Mr. Speaker, 70 km of farm access roads will be improved under the Inland Valleys Rice Development Project. Similarly, the Nerica Rice Dissemination Project will undertake spot improvements of 200 km feeder road network in its 3 project districts. A total of 40 km of feeder roads will be rehabilitated in the Afram Plains to facilitate movement of farm produce to the marketing centres.

### **Other Activities**

303. Mr. Speaker, MOFA in collaboration with the Ghana Aids Commission (GAC) will continue to organize awareness campaigns on HIV/AIDS nationwide. A total of 158 HIV/AIDS prevention focal persons will be trained. HIV/AIDS policy document will be finalized, printed and distributed.
304. To strengthen Extension Research and Farmers Linkage (RELC), the RELC manual will be reviewed and updated with 2,000 copies printed and distributed.
305. Mr. Speaker, in order to reduce child labour in agriculture, MOFA will organize a consultative workshop with stakeholders. Also a total of 80 Farmer-Based Organizations will be formed and strengthened to enable them access business development services e.g., (credits and grants).

306. Mr. Speaker, to ensure that vulnerable and marginalized farmers are catered for, MoFA will continue to pilot Pro-Poor interventions in 20 Districts in 2007. Beneficiaries will include crop and livestock farmers. Lessons learnt will be factored into MOFA's programmes for poverty reduction. In addition, the Gender and Agricultural Development Strategy will be reviewed, updated and a monitoring framework for gender mainstreaming developed.
307. To implement these projects and programmes, an amount of ₦1,206,050 million has been allocated to the Ministry to carry out its activities in 2007. Out of this, GoG is ₦338,253 million, IGF is ₦4,819 million, donor ₦688,977 million and HIPC ₦174,000 million.



## **Cocoa Industry**

### **Policy Measures**

308. Mr. Speaker, the government attaches a great deal of importance to the Cocoa Sector and this has amply been demonstrated in the various policy measures it has pursued for the past six years. These measures which include, increased producer prices, bonus payments, effective diseases and pests control programme, improved agronomic practices and the promotion of new and innovative method of cocoa farming have resulted in tremendous successes leading to yet another record output in the history of Ghana.

### **Performance in 2006**

309. Mr. Speaker, during the 2005/2006 Crop Season, a total quantity of 740,458 metric tonnes of cocoa was declared purchased at the end of the season in September, 2006. This represents an increase of 23.0 per cent over the 601,922 metric tonnes achieved in the 2004/05 Crop Season and surpasses the record production of 736,629 metric tonnes in 2003/04. Thus the 2005/06 production represents the highest in the history of Ghana. The consistently high production volumes achieved since 2002/03 are the result of Government's continuous support to the cocoa sector.

310. Cocoa output over the past 6 years has been as follows: -

Crop Year	Metric Tonnes
2000/2001	389,772
2001/2002	340,562
2002/2003	496,846
2003/2004	736,629
2004/2005	601,922
2005/2006	740,458*

*Source: Ghana Cocoa Board*

*\*Provisional*

### **Producer Prices**

311. Mr. Speaker, during the 2005/06 season, the producer price paid per tonne of cocoa was ₵9.0 million or ₵562,500 per bag of 64.0 kgs. The producer price represented 72.86 per cent of the net fob price, 2.86 per cent more than the previously agreed.
312. Mr. Speaker, farmers' producer prices have increased nearly three fold since 2001 when the farmer was paid ₵3.475 million per metric tonne.

### **Bonus Payments**

313. Mr. Speaker, in view of Government's resolve to ensure the welfare of cocoa farmers, Government has decided once again to pay bonus for cocoa purchases for the 2005/06 Main Crop Season.
314. Mr. Speaker, the bonus to be paid is ₵17,140 per bag and will cover a tonnage of 645,985 metric tonnes purchased during the Main Crop Season. Government will spend a total amount of approximately ₵178.2 billion cedis to pay the bonuses. The total

amount of bonus payments to farmers since 2001 is therefore, ₵608.9 billion.

315. Since 2001, bonus payments to farmers for Main Crop purchases were as follows: -

Period	Amount (₵ billion)
2000/2001	70.1
2001/2002	41.5
2002/2003	157.9
2003/2004	161.2
2004/2005	-
2005/2006	178.2
Total	608.2

*Source: Ghana Cocoa Board*

### **Rehabilitation of Roads in the Cocoa Growing Areas**

316. Mr. Speaker, a number of feeder roads are being rehabilitated in the cocoa growing regions, namely Ashanti, Brong Ahafo, Central and Western. A total of 358.5 km of roads are being rehabilitated at a total contract sum of ₵92.7 billion by 20 contractors. 60 per cent of the works has already been completed and the expected completion date is February, 2007.

### **Cocoa Diseases and Pests Control Programme**

317. Mr. Speaker, the Cocoa Diseases and Pests Control Programme continued in 2006 for the sixth year running with a total expenditure of ₵564.9 billion. In all, 742,213 cocoa farms and 514,361 cocoa farmers had their farms sprayed with either fungicides or insecticides against the black pod disease and capsids respectively. The programme employed 50,765 youth

from local communities within the six cocoa growing regions for the spraying exercise. The total area covered was 1,948,101 hectares made up of 800,000 hectares under the black pod control and 1,148,101 hectares under the capsid control.

### **Farmers' Scholarship Trust Fund**

318. Mr. Speaker, an amount of ₵15.0 billion was paid into the Cocoa Farmers Scholarship Trust Fund in the 2005/06 Season to finance fresh scholarship awards of 2500 wards of cocoa farmers in second cycle institutions. The Trust Fund was established by Government to finance scholarship awards to wards of cocoa farmers attending second-cycle institutions (Senior Secondary and Technical Schools).

### **Domestic Processing**

319. Mr. Speaker, the medium term policy on domestic cocoa processing is to process 50 per cent of cocoa produced in Ghana. In this regard, COCOBOD has signed cocoa beans supply agreement with a number of foreign and local cocoa processing companies which are setting up cocoa processing plants in Ghana.

### **Cocoa Producers Alliance (COPAL)**

320. Mr. Speaker, the Cocoa Producers Alliance (COPAL) made up of ten countries which account for over 75 per cent of global cocoa output has declared 1<sup>st</sup> October of every year as COPAL Cocoa Day for member countries to observe. The COPAL Cocoa Day was set aside to promote increased local processing and consumption of cocoa and cocoa products. On 1<sup>st</sup> October

2006, the Ministry of Finance and Economic Planning and Ghana Cocoa Board jointly organized the celebration of the COPAL Cocoa Day at Sunyani in the Brong Ahafo Region. It is envisaged that increased local consumption of cocoa by member countries will increase demand for cocoa whilst our citizens will also benefit from the enormous nutritional and health properties of cocoa.

### **Housing Scheme**

321. Mr. Speaker, the government through the Ghana Cocoa Board voted an amount of ₵5.0 billion as the seed fund for the housing scheme and accordingly released ₵1.0 billion out of the fund for the commencement of the pilot phase in the Western Region. The Department of Rural Housing has started the construction of 10 houses. The house type is a 3 bedroom unit with the necessary amenities and rain water harvesting system. The 10 houses are being built in 3 townships in 3 Districts of the Western Region namely, Enchi in the Aowin-Suaman District, Afranse in the Wassa Akropong District and Yawmatwa in the Bia District. In 2006, an additional ₵10.0 billion was also set aside from the cocoa export duty for the programme.

### **Special Vehicle Loan Scheme for Cocoa Farmers**

322. Mr. Speaker, the government in partnership with the Agricultural Development Bank (ADB), successfully launched in September, 2006 a special package for our Cocoa Farmers under the "ADB Farmers Golddrive" aimed at helping cocoa farmers as well as other farmers acquire their own means of transport. It is projected that ₵10.0 billion will be spent on the

entire programme. Out of this, 33 cocoa farmers are expected to benefit from the ₵5.0 billion loan by the end of 2006.

### **Cocoa Certification/Child Labour Issues**

323. Mr. Speaker, Ghana has prepared a document titled the National Cocoa Child Labour Elimination Programme, 2006-2011 aimed at preventing the worst forms of child labour in cocoa production processes by 2011. This programme forms part of measures being implemented to enforce the child labour provisions of the Children's Act, Act 560. The programme also seeks to respond to international concerns about child labour abuses on cocoa farms in West Africa. The total cost of the programme is estimated at US\$76.4 million.
324. Mr. Speaker, the implementation of the programme has started with the signing of a Memorandum of Understanding (MOU) between the Ghana Government and the World Cocoa Foundation to fund the collection of quantitative and qualitative information on Child Labour in the cocoa growing areas.

### **Outlook for 2007**

#### **Production**

325. Mr. Speaker, in the 2006/07 Crop Season, efforts will be made to sustain production enhancement initiatives started a few years ago. In the 2006/07 Crop Season, cocoa output is projected at 600,000 mt.

### **Producer Price**

326. Mr. Speaker, the government will ensure that cocoa farmers continue to receive remunerative producer prices, which will guarantee that the cocoa farmer's share of net FOB is not below 70 per cent in any particular year. To this end, government announced a new Producer Price of ₵9,150,000 per metric tonne for the 2006/07 Main Crop season which opened on 13th October, 2006. The farmer's share of the net F.O.B is 72.19 per cent. The new price for a bag of 64.0kg is now ₵571,875 as against ₵562,500 previously.

### **Financing Arrangements for Purchases**

327. In order to ensure adequate funding during the 2006/07 Crop Season, government has supported Ghana COCOBOD to secure pre-export trade finance facility of US\$810.0 million from external financial institutions. The facility signed with the financial institutions allows COCOBOD to withdraw additional US\$70.0 million to finance the 2007 Light Crop purchases.

### **Cocoa Diseases and Pest Control Programme**

328. Mr. Speaker, an amount of ₵464.91 billion was set aside out of the projected gross F.O.B. to finance the 2007 Cocoa Diseases and Pests Control Programme. The campaign will be expanded in 2007 to include cocoa farmers who could not benefit from the previous campaigns. The total area to be covered is projected at 2,300,000 hectares of which the area under blackpod control is 1,100,000 hectares. For capsid control, an area of 1,200,000 will be covered. The total number of farms to be sprayed is

775,000 while 650,000 farmers will be involved. Jobs to be created are estimated to be 51,355.

### **COPAL Cocoa Day**

329. Mr. Speaker, the government will observe the COPAL Cocoa Day on 1st October 2007 as agreed by COPAL Members. This is to rekindle awareness on increased processing and consumption of cocoa in member countries. The country will continue to participate fully in the activities of COPAL.

### **Interest Charges on Seed Fund**

330. Mr. Speaker, in order to provide the Licensed Buying Companies (LBCs) access to cheaper credit and minimize financial charges in their purchasing operations, the interest rate charged by COCOBOD on Seed Fund to cocoa LBCs has been reduced from 15 to 14 per cent in 2005/06.

### **Tarring of Roads in Cocoa Growing Areas**

331. Mr. Speaker, the government will embark on the tarring of selected routes in the remote cocoa growing areas while solar lighting systems will be provided in some of the villages. This is aimed at improving the standard of living of farmers. The government through the Ghana Cocoa Board has earmarked US\$50.0 million for this programme.

### **Commercial Production of Cocoa Byproducts**

332. The government is committed to encouraging the commercialization of research results in the utilization of cocoa



wastes and sub standard cocoa to produce byproducts to enhance value addition. Studies and production trials by the Cocoa Research Institute of Ghana (CRIG) have shown that sub standard cocoa beans, cocoa husk and other cocoa wastes can be used to produce the following industrial byproducts:

- Animal feed;
- Fertilizer;
- Soap;
- Pomade;
- Alcoholic beverages;
- Vinegar; and
- Cocoa jam/marmalade.

333. CRIG will provide technical assistance to prospective investors who will go into the production of these products.

### **Sheanut and Coffee Industries**

334. In line with the government's aim of encouraging cash crop production, Ghana Cocoa Board will soon meet with buyers and producers of sheanut and coffee to agree on minimum producer prices so as to provide incentives to the farmer. This will serve as the basis for putting in place the required funding arrangement for purchases of sheanut and coffee thereby increasing the production of these commodities.

**Ministry of Lands, Forestry and Mines (MLFM)**

335. Mr. Speaker, the policies, programmes and the activities of the Ministry of Lands, Forestry and Mines, seek to ensure sustainable growth, and accelerated poverty reduction within an environment consistent with sound land use and administration, and sustainable forest and wildlife management.

Performance for 2006

Lands Sub-Sector

336. Mr. Speaker, as part of the Land Administration Project (LAP), 4 additional Customary Land Secretariats have been established at Dormaa Ahenkro, Sandema, Odukpong Kpehe and Kete-Krachi. This is to provide support to the customary land owners to better administer their lands and also serve as local sources of information on such lands.
337. Mr. Speaker, Cabinet approved the legal and institutional reforms for land administration to create an efficient, effective and transparent system with the objective of establishing a unified one-stop-service land administration system. A drafting committee comprising all the key stakeholders was constituted to draft the new laws.
338. The four Deed Registries have registered in one year a total of 4,257 deeds. Two more registries will be established in Wa and Bolgatanga by end 2006.

339. Mr. Speaker, the inventory of State Acquired/Occupied Lands in the Central Region has been completed with the exception of the lands covered by the Hemang acquisition. A total of 1,144 sites were covered out of which 346 were District Assembly properties (i.e. basic schools, lorry parks etc.). Field work on the Hemang lands acquisition restarted in August 2006. The procurement of private sector participants in the inventory of State acquired/occupied lands in the Eastern, Ashanti and the Brong Ahafo Regions is ongoing and it is expected that field work will start by end 2006.
340. The verification of survey maps and parcel plans for systematic titling in two sections in Accra involving about 2,800 parcels has been completed. Satellite offices are being constructed in the pilot areas for the actual title registration exercise to begin.
341. Mr. Speaker, the Survey Department continued the aerial colour photographs and orthophoto mapping of the remaining 256 kilometres coastline. A total of 20 Geodetic Reference Points to improve the quality of land surveying in the country were identified and monumented. In addition, Airborne Geophysics for magnetic and radio metrics were completed for the Keta and the Volta River Basins.
342. The revaluation of immovable properties was carried out for the following District Assemblies:
- New Juaben Municipal Assembly (NJMA)
  - Akwapim North District Assembly (ANDA)
  - Obuasi Municipal Assembly (OMA)
  - Kumasi Metropolitan Assembly (KMA)
  - Sekyere West District Assembly (SWDA)

343. Mr. Speaker, the valuations of land, crops and buildings for compensation were carried out to advise Department of Urban Roads, (DUR), Ghana Highways Authority (GHA), BOST, Ghana Water Company Ltd (GWCL) and other organizations. The projects include

- Wenchi-Bamboi Road
- Sunyani-Achirensua Road
- Circle-Achimota Road and Interchange
- Buipe-Bolga Oil Pipe Line Project

Forest Sub-Sector

344. Mr. Speaker, it may be recalled that in order to reverse the negative trend in resource depletion, His Excellency, President J.A. Kufuor, launched the National Forest Plantation Development Programme in 2001. The programme is aimed at restoring the forests cover of the nation and create employment in the rural and depressed urban communities. Currently, the Ministry is implementing the programme with the active involvement of communities, resource owners, private sector and civil society organizations using the taungya system and contract planting.

345. Mr. Speaker, the total area planted under the forest plantation development programme is approximately 81,000 ha. In addition, the programme has made significant achievement in the area of employment generation. About 46,058 persons were employed full time and around 1,049,833 others are on part time employment.

346. Mr. Speaker, the programme has also improved food security and reduced poverty levels in the programme areas. It is estimated that 20,000 tonnes of yams, 80,000 tonnes of plantain, 20,000 tonnes of maize, and 8,000 tonnes of cocoyam were produced within such plantations.
347. The programme has also assisted in securing water catchments areas through establishment of plantations along banks and headwaters of rivers. It has also reduced land and soil degradation and improved environmental quality.
348. Mr. Speaker, a total of 476 individuals were given loans for re-forestation under the Micro-Credit Investment Scheme. In addition, 60 communities comprising 6 persons each from the ten regions were given grants under the Plantation Development Fund. A total of 7,508 individuals comprising 629 groups benefited from Community Investment Fund for Mushroom farming, Oil-Palm processing, grass cutter rearing, gardening among others.
349. Mr. Speaker, the Northern Savanna Biodiversity Conservation Project (NSBCP) assisted 138 communities under its Alternative Livelihood Programme. Of this, 45 Communities benefited from Mango Plantations, 20 communities received low tillage equipment, 30 communities were given Small Ruminants to rear whilst 43 communities were provided with Beehives for the production of honey.
350. Mr. Speaker, the Ministry is actively promoting the use of Bamboo and Rattan as an alternative and supplement to the wood deficit in the country. In furtherance of this objective, the Ministry trained 172 persons in 4 communities in the

management of bamboo natural stands propagation and harvesting. In addition, 159 persons were trained in bamboo and rattan furniture and craft making as well as construction skills.

351. Mr. Speaker, as part of the sensitization programme under the project, two exhibitions on the use of bamboo were mounted for the mining sector and District Chief Executives for other infrastructure development such as construction of schools, manufacture of furniture as well as land reclamation after mining operations have ceased.
352. Mr. Speaker, competitive bidding for plantation timber resources were conducted in April 2006 and a second bidding will be undertaken in November. The methodology for volume determination was achieved in consultation with key industry players.
353. The design of the Validation of Legal Timber Project (VLTP) and competitive tendering for the procurement of the relevant equipment are far advanced and will be completed by end 2006.
354. Mr. Speaker, engagement of public-private partnerships in the management of eco-tourism facilities in Kakum, Mole and Ankassa National Parks is far advanced and agreements are expected to be reached by end 2006.

Mines Sub-Sector

355. Mr. Speaker, a total of 166 Mineral Rights was granted to large scale mining firms. This covers

- Prospecting License – 29,
- Reconnaissance License – 24,
- Quarry License – 22,
- Sand Winning License – 87,
- Salt License – 1,
- Mining Lease – 2
- Gravel/Sand – 1

356. Mr. Speaker, digital mapping of 25 towns was completed and copies are available for the following activities:

- Property Rating
- Preparation of settlement planning schemes by district and Metropolitan planners.
- Road Construction and estate development.
- Land Management including land titling, and resolution of land disputes
- Investment planning and Tourism promotion

### **Outlook for 2007**

#### **Lands Sub-Sector**

357. Mr. Speaker, the activities under the Land Administration Project will be deepened. The following activities will be continued:

- The drafting of new legislation for land administration and institutional reform will be completed and laid before Parliament. It is expected that the new laws will be passed in 2007.

- Inventory of State lands will continue in the 3 Northern Regions. The inventory exercise in the Eastern and Ashanti Regions will be completed.
- 8 new Customary Land Secretariats will be established while databases will be developed for 4 of the established secretariats – Wassa Amenfi, Gbawe, Kyebi and Dormaa Ahenkro.
- Procurement processes for the construction of one-stop-Service centre for land administration will commence with designs and soil tests.
- Computerization of the existing land sector agencies will continue and the business processes will be completed by September 2007.
- Two Deed Registries will be established at Cape Coast and Ho to bring the total number of registries to ten. This will complete the establishment of the registries.
- Human resource capacity development will be undertaken to train the staff of the land sector agencies in computerized records management, mapping and cadastral systems, and database management.
- Collaborate with the Millennium Development Authority to establish land title registration services in the Awutu-Efutu and Senya Districts as part of the MCC Project.

358. Mr. Speaker, the Survey Department, under LAP will undertake Aerial Photography of 12,000 sq. km for selected areas to produce orthophotos which will serve as input for good land use planning. The Department will also take active role in the "Writing of Claim" to the Extended Continental Shelf beyond the 200 Nautical Miles EEZ, to ensure that Ghana's claim is submitted to UN for consideration and approval before the deadline of 13<sup>th</sup> May 2009.



359. Mr. Speaker, the demarcation, survey and registration of allodial boundaries in selected cities and towns throughout the country will be undertaken to reduce stool/skin boundary disputes.
360. Mr. Speaker, the Land Valuation Board (LVB) in partnership with the Private Sector Valuers, will carry out the revaluation of properties within the Accra Metropolitan Assembly area, in order to update values of the properties and to add new properties to the Valuation List. It will also carry out the revaluation of properties within 3 selected District Assembly areas to help improve the revenue base.
361. Mr. Speaker, the Office of Administrator of Stool Lands will continue with the following activities:
- Demarcation of farmlands of settler and tenant farmers in 3 regions to increase revenue and reduce conflicts.
  - Research into customary land issues and documentation of research findings to reduce land related conflicts and also assist in the formation of land banks.

### **Forest Sub-Sector**

362. Mr. Speaker, the Ministry will initiate key policy measures to improve forestry and wildlife contribution to national wealth. This is expected to embody forest fiscal dimensions, as well as complementary institutional reforms to reduce both institutional and industry transaction costs, introduce transparency into forest transactions and improve capacity of the regulatory institutions.

363. Mr. Speaker, the Validation of Legal Timber Project (VLTP) initiated in 2005, will be brought to the piloting stage making it ready for a roll out by the end of the year. VLTP will essentially enforce the regulated harvest limit, contribute to securing forest revenues as well as assist government to meet its commitment under the future Voluntary Partnership Agreement with the EU as a means of securing Ghana's traditional wood products markets. The Voluntary Partnership Agreement is an EU initiative which seeks to deny access of illegal timber into the EU market. It is expected that the project implementation will improve the future cash flow scenario of the forest sector.
364. Mr. Speaker, about 260 timber leases will be converted to Timber Utilization Contracts. As a fiscal instrument, the conversions are expected to increase the generation of an additional ₵92.00 billion.
365. Mr. Speaker, Wildlife institutional capacity will be built to enhance management of competitive and transparent international tendering in respect of the commercialization of wildlife related infrastructure on the one hand, and investor confidence for large scale investments in eco-tourism facilities in the Kakum, Mole and Ankasa national parks. The search for options of managing the sustained production in Game Reserves of wildlife products and a concurrent admission of other land-use forms will be undertaken.

### **Mines Sub-Sector**

366. Mr. Speaker, the Ministry will continue to regulate the use and handling of explosives through the issuance of permits and

directing the manner in which explosives should be stored and or disposed of.

367. There will also be routine visits to all mines to conduct enquiries into chemical spillages, mine slope failures, machinery accidents and personal injuries and to give directives to prevent future occurrences.
368. Mr. Speaker, the availability of geological data is very important for the continued viability of our mining industry. The Ministry will therefore continue with exploration and geological mapping of targeted areas to generate geological information for appropriate policy decision making and for dissemination to the general public, especially investors.
369. The Ministry will also continue to assist small scale mining cooperatives to improve upon their operations so as to create legal employment opportunities for those interested in small scale mining.
370. Mr. Speaker, in pursuance of an alternative livelihood agenda the Ministry is embarking on the development of an oil palm estate within specific mining communities in the Wassa West District of the Western Region. This will hopefully create employment opportunities for the inhabitants who have resorted to illegal mining. A project document has already been prepared for this.
371. Finally, Mr. Speaker, the Ministry will continue examinations of the various supervisory grades in the mining industry to ensure that competent and well trained staff is made responsible at each level.

372. An amount of ₺720,617 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₺129,464 million, IGF is ₺221,638 million, donor ₺279,516 million and HIPC ₺90,000 million.

### **Ministry of Energy (MOE)**

373. Mr. Speaker, the Ministry aims to develop efficient, reliable and affordable energy to support industrial growth and productivity as well as socio-economic activities of the people especially those in the rural areas to reduce poverty.
374. Mr. Speaker, the year 2006 was a particularly difficult year for the energy sector as it was characterized by shortage in power supply and high prices of crude oil and petroleum products. The power supply shortage was largely the result of low water inflows into the Akosombo Dam which limited the generation of power from the Akosombo Power Station. The global dynamics of petroleum products consumption particularly in Asia and USA as well as instability in key oil producing countries impacted strongly on the prices of crude oil and petroleum products.
375. Mr. Speaker, these developments created severe stress on the national economy. The experiences of 2006 have, however, provided the opportunity to review the national energy development strategy. The new strategic focus of the energy sector and the initiatives being implemented will improve the outlook for 2007 and the years ahead.

### **Performance in 2006**

376. Mr. Speaker, the difficulties experienced in the year resulted in the implementation of an extensive nationwide load management programme at the end of August 2006. The programme is intended to lead to a reduction of about 300 MW

which is about 21 per cent of the current power demand of 1,400 MW per day.

377. Mr. Speaker, the load management programme coupled with improved rainfall in the last few months has reversed the decline in the water level of the Akosombo Dam. The water level of the Dam has risen beyond the minimum operating level of 240 feet compared to the level of 236.5 feet at the start of the load shedding exercise.
378. Mr. Speaker, it is anticipated that the level of the dam will peak at 247 feet this year. The anticipated peak of 247 feet is however about 6 feet lower than that of last year's peak of 253 feet requiring continuation of the management of the supply of electricity from the Akosombo power plant, especially in the first half of 2007.
379. Mr. Speaker, in response to this situation, repair of the generating equipment at the Aboadze Thermal Plant which reduced the capacity of the power plant was "fast tracked". This has enabled the restoration of the plant to its full generating capacity. To further augment power supply, Government is acquiring a 126 MW plant, relocating the Osagyefo Barge to Tema and in collaboration with other entities, including the Mines, is procuring other power generating facilities.
380. Mr. Speaker, the Ministry has also initiated a comprehensive Energy Efficiency and Conservation drive to educate the public on energy conservation measures which enable consumers to save on their energy bills and reduce demand on the power

generating system. Energy Efficiency and Conservation will continue to be a key plank of the Ministry's Energy Strategy.

381. Mr. Speaker, as part of the load management effort, the VRA and ECG have commenced the installation of more efficient Compact Fluorescent Lamps (CFLs) in some Government buildings.

### **West African Gas Pipeline**

382. Mr. Speaker, there has been significant achievements in the implementation of the West Africa Gas Pipeline Project. These include:

- Completion of the laying of the entire high-pressure pipeline;
- Completion of the pipelines connecting Tema and Takoradi to the main pipeline;
- Completion of the pipeline connecting Lome and Cotonou; and
- Commencement of construction of the Regulatory and Metering stations at Tema and Takoradi.

383. Despite these achievements, the planned completion date of December 2006 has been revised to 2007. The delay in the completion of the pipeline is mainly due to difficulties encountered with the onshore construction works.

### **Rural Electrification Project**

384. Mr. Speaker, with regards to the Rural Electrification Project, 198 communities were connected to the national grid under the

ongoing SHEP 4 Project while the remaining 49 communities are scheduled to be connected by end 2006.

### **Bui Hydroelectric Project**

385. The Bui Hydro project seeks to expand the existing Hydro power capacity by an additional 400 MW. The Environmental Impact Assessment (EIA) study for the project, which is a key prerequisite for developing the project, is substantially completed and the required public consultation process is on-going. The Government is discussing with the Chinese Government to secure funding for the implementation of the project which is currently estimated at US\$600.0 million. Negotiations on the terms of financing for the project are expected to be concluded by the end of 2006.

### **Osagyefo Barge Project**

386. Mr. Speaker, the Government has decided to relocate the 125 MW Osagyefo Power Barge from Effasu/Mangyea to Tema. Relocating the barge to Tema will allow for direct and immediate access to natural gas from the West Africa Gas Pipeline system which is expected to be in full commercial operation in 2007. The necessary procurement processes for the relocation of the barge to Tema are on-going.



### **Review of Petroleum Exploration Law**

387. Mr. Speaker, in order to make Ghana an attractive destination for investments in hydro carbon exploration, the Ministry is reviewing the fiscal and regulatory framework for petroleum exploration and production business in Ghana.

### **Oil and Gas Exploration Initiatives**

388. Mr. Speaker, the pace of petroleum exploration activities in Ghana was intensified in 2006 with Parliament ratifying four Petroleum Agreements. These were:
- GASOP Oil for exploration and development of West Cape Three Point.
  - Amerada Hess for exploration and development of Deep Water Tano/West Cape Three Point Sites;
  - Tullow Oil Ghana Limited and Sabre Oil and Gas Limited for exploration, development and production of Shallow Waters West Tano; and
  - Tullow Oil Ghana Limited, Sabre Oil and Gas Limited and Kosmos Energy Ghana Limited for exploration, development and production of Deep Waters West Tano.
389. Mr. Speaker, an attractive petroleum exploration regime in the country has been created as a result of which a number of oil companies have acquired acreages to explore for oil. The Ministry will continue to enhance the investment regime in the hydrocarbon sub-sector.

### **Secondary Gas Market**

390. Mr. Speaker, a policy for the development of the Natural Gas Secondary Market (SGM) has been completed and a Master Plan for the Development of the SGM in Ghana is completed. The technical and operational rules of practice which are required to be enforced uniformly throughout the country for safe, reliable, economic and efficient operations of the natural gas industry has been prepared. This includes the following
- Natural Gas Distribution and Sale (Standards of Performance) Regulations
  - Natural Gas Distribution and Sale (Technical & Operational) Rules.
  - Natural Gas Transmission Utility (Standards of Performance) Regulations
  - Natural Gas Transmission Utility Operational Regulations
  - Occupational Health & safety Regulations

### **Review and National Energy Policy and Medium Term Strategy**

391. The Ministry has prepared a National Energy Policy which spells out the vision, the goals and the policy directions for the sector. The related medium term strategy has also been prepared and implementation will start in 2007.

### **Outlook for 2007**

392. Mr. Speaker, the Ministry has initiated a number of actions to address the energy sector challenges and to ensure continuous supply of reliable energy. These actions have been formulated into a Medium Term Strategic Plan to be implemented from 2007 onwards.

### **The Power Sector**

393. Mr. Speaker, the medium term strategic goal for the Power Sub-sector is to restore the power generating capacity of the country and also upgrade the infrastructure in order to improve the reliability of power supply.
394. The VRA in collaboration with the Mines have concluded arrangements to procure an 80 MW power plant which will be operational by April 2007. Similarly, both the 126 MW power plant which VRA is procuring this year and the 125 MW Osagyefo barge will be operational by August 2007.
395. Mr. Speaker, the collaboration between the Ministry and other entities will bring in other power generating facilities. These include the procurement and installation of 300 MW thermal power plant at Tema to be operational in 2008/9. Financing arrangements for the expansion of the Takoradi International Company (TICO) Power Plant by 110 MW is to be completed to enable construction to begin in 2007. The contracting arrangements for the Bui Dam project will be completed in 2007. The Bui Power Project will add 400 MW to the generation capacity of the country and thus increase the security of Ghana's power supply.

396. Mr. Speaker, the on-going Distribution System Upgrade Project (DSUP) by ECG which will be completed in 2007 will improve the reliability of power supply in some selected urban areas. In order to improve the revenue collection of ECG and NED, the Ministry will assist these utilities to procure and install pre-payment meters throughout the country. It is expected that the increased revenue collection will assist ECG to generate adequate revenue to finance their operations and implement its planned projects.
397. Energy efficiency and conservation is to be given a strong emphasis through the procurement of more CFLs to replace 1 million incandescent bulbs as a first step, by end 2007. The momentum which we have generated in the public education campaign on energy use and conservation will also be maintained throughout 2007 and beyond.
398. Mr. Speaker, under the SHEP-4 Programme, about 2,500 communities are to be connected to the national electricity grid by 2011. This programme will connect over 200 communities to the national grid in 2007.
399. Mr. Speaker, the Power Sector Reforms, which is intended to facilitate increased private sector participation and financing of power supply infrastructure, is in its final phase of implementation. The full unbundling of VRA will be completed in 2007 with the establishment of a separate Electricity Transmission Utility (ETU). Further, the institutional reforms and Management Support Services arrangement in ECG will start in 2007.

### **Petroleum Sector**

400. Mr. Speaker, the medium term strategic goal is to fully implement the liberalization of the downstream sector, speed up private sector investment and manage the impact of rising crude oil and petroleum products prices on the national economy. Within the context of the liberalization, the private sector will be allowed to import crude oil for refining. In response to the high crude oil prices, effort will be made to reduce fuel consumption in all sectors of the economy and the necessary legislations and institutional support will be put in place to facilitate the production and use of domestically produced alternative transportation fuels.
401. Government will continue to improve on the climate for investment in the search for Ghana's hydrocarbon resources. The search in deep waters will be boosted and the exploration in the Voltain Basin will commence in 2007.

### **Renewable Energy**

402. Mr. Speaker, the Ministry of Energy will continue to promote and install solar systems in selected institutional facilities under the Ghana/Spanish Loan protocol in 2007.
403. Mr. Speaker, wind speeds in the country are moderate but adequate for electricity generation purposes. The Ministry will initiate practical regulatory measures to speed up development of renewable energy technologies particularly wind, solar and waste-to-power in 2007.

404. Mr. Speaker, on-going studies on small and mini hydro sites will be completed in 2007. In addition, we will commission one mini hydro project at Tsatsadu in the Volta region.
405. To facilitate the development of renewable energy resources, a Renewable Energy Law will be enacted to provide the legal framework for accelerating the development of renewable energy in the country.

#### Energy Research and Development

406. Mr. Speaker, a strong research and development (R&D) support is required in order to accelerate the development of the energy sector. The Ministry will re-engage the national R&D institutes to provide the necessary support base for energy R&D. Priority will be given to research relating to energy technologies with the greatest prospects for indigenous manufacture.
407. The outlook for the energy sector for 2007 and beyond is promising as a result of the initiatives taken by the Ministry in 2006 in response to the crisis and those planned under the Medium Term Strategy. The easing of prices of crude oil and petroleum products in the world market, if it continues, will also provide significant relief for the sector.
408. An amount of ₵956,690 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₵51,824 million, donor ₵524,665 million and HIPC is ₵350,000 million. In addition, petroleum related fund is ₵30,201 million.

**Ministry of Trade, Industry, PSD and PSI (MOTI, PSD & PSI)**

409. Mr. Speaker, the Ministry aims at developing a vibrant, technology-driven, competitive industrial sector that significantly contributes to economic growth and employment creation, particularly involving mass mobilization of rural communities and other vulnerable groups including women.

**Performance in 2006**

410. Mr. Speaker, Ghana is an active member of the World Trade Organization (WTO) which aims at achieving improved, secure and predictable market access opportunities in a more equitable international trading system. At the ongoing Doha Development Round, Ghana together with other developing countries are negotiating a secured development oriented outcome, particularly the cotton initiative, the elimination of trade distortions and the reduction of tariffs and non-tariff measures in industrial products.
411. Mr. Speaker, Ghana together with other West African countries is engaged in the negotiation of the WTO-compatible Economic Partnership Agreement (EPA) with the European Union (EU) to replace the existing non-reciprocal preferential trade regime in the Cotonou Partnership Agreement (CPA).
412. Mr. Speaker, unlike the current regime, the EPA is expected be more supportive of the West African integration processes, assist in the achievement of broader development goals,

enhance the productive capacity of West African countries and accelerate their integration into the global trading system.

413. The Ministry, in collaboration with the District Assemblies, established a nucleus of 13 projects towards the Districts Industrialization Programme (DIP). The Districts are Atiwa, Asante Akyem South, Nkwanta, Sekyere East, Ejura Sekyedumase, Techiman, Birim South, Mfantseman (N&C Foods/Coastal Grooves), Yilo Krobo, Atwima Nwabiagya, Amansie West, Upper Denkyira and Asante Akyem North.
414. The Ministry has facilitated the acquisition of the estate of Juapong Textiles Ltd. and has negotiated with a Chinese textiles manufacturing company to manage the company which will be commissioned by the first quarter of 2007. The factory will be offering 250 jobs during the first month of re-opening.
415. Mr. Speaker, the Ministry has also facilitated the acquisition of the old Pwalugu Tomato Factory under a private joint venture arrangement and has now been registered as the Northern Star Tomato Company Limited. The 500 ton per day tomato processing line has been installed and test runs conducted in August 2006 using local fresh tomatoes. The paste is currently being canned by Trusty Foods Limited under a sales agreement between the two companies. The factory is due for commissioning by the end of 2006. The factory will provide direct employment to 50 people, 1200 farmers and about 50 indirect labour.
416. Mr. Speaker, the Ministry has established 3 Export Trade Houses (ETH) namely Ghana Export Trade Company Ltd (Gextraco), Ghana Trade Centre (GTC) and Ghanextrade. The



ETH serves as commercial intermediaries between SME Suppliers and buyers located at different countries by helping to identify and select markets, evaluate client products and related materials, negotiate export contracts as well as providing promotional support to Ghanaian SMEs.

417. A tariff study of 200 companies to provide data to create a template for tariff analysis which will feed into any assessment of industry requests for specific tariff relieves is being undertaken.
418. Mr. Speaker, feasibility study on the proposed sugar project at Savelugu Nanton District has been commissioned. The Ministry in conjunction with a private company has also identified other areas in the Northern Region with the requisite climatic conditions for establishment of the sugar plantation. This effort is underpinned by soil test conducted by the University of Ghana and private sector partners who also determined the right mix of climatic conditions like rainfall and sunshine to achieve the right concentration of sucrose in the sugarcane. Cane sets were planted on site and the yield was remarkable. This has led to the importation of more cane sets for planting to increase the nursery base for the farm plantations.
419. Mr. Speaker, the implementation of the Private Sector Development Strategy continued with the establishment of Client Service Units in almost all MDA's. This is to enhance the delivery of public sector services to the private sector under the Public Sector Reform Programme. Other activities on the strategy centred on the establishment of a one-stop-shop to fast-track the registration of investments.

420. Mr. Speaker, the development of National Industrial Policy continued with the identification of thematic areas and the advertisement for the procurement of Consultancy services to assist with the development of policy options.

**Export Development and Investment Fund (EDIF)**

421. EDIF was established to provide financial resources on concessionary terms. For the period January to October 2006, EDIF has provided to the Non-Traditional export sector financial support to the tune of ₦155.2 billion. This is to address the credit needs of exporters, particularly those in the Non-Traditional export sector.
422. Since 2001, EDIF has also provided a total of ₦656.5 billion to finance various projects in the Non-Traditional export sector. Out of this amount, ₦475.3 billion was released as credit for 158 projects whilst ₦181.2 billion is in the form of grant to support product development and promotional activities in respect of 209 projects.
423. Sectors covered by EDIF's credit facility include agro-processing, salt mining and processing, textiles and garments, aluminium and metal fabrication, wood, handicraft and pharmaceuticals whilst the grant facility covered fairs and exhibitions, research, market research, capacity building and project development.
424. Mr. Speaker, the Free Zones Board as at the end of September 2006 had registered 21 companies in sectors including metal fabrication, plastics, agro-processing, textiles, jewelry and machines manufacture. The 21 companies are expected to generate about 1400 jobs.

425. Mr. Speaker, promoting Made-in-Ghana goods is crucial to employment creation in this country and more importantly the Textiles industry. For this reason, the Ministry is embarking on a nation-wide promotion of buy made-in-Ghana goods spearheaded by the Friday wear garment which is a combination of Ghana fabric and Ghanaian design as a unique product for branding. The promotion of the Friday wear garment has been launched in all the 10 Regions.
426. The Ministry, under the PSI for Textiles and Garments, is establishing 8 wholly Ghanaian Garment Factories at the former GNTC Complex at Adjabeng. 4 of the factories are in operation and employing 1,200 workers. The GTMC warehouse in Tema has also been acquired and awaiting refurbishment into garment factories. 1,100 people were provided with skills in clothing technology to support the factories.
427. Mr. Speaker, on PSI for Oil Palm, 911,210 seedlings were planted between June 2005 and June 2006. In addition, 2 million seedlings are presently being nursed and will be ready for planting in 2007.
428. The **National Board for Small Scale Industries (NBSSI)** supported 1,000 MSEs to improve the packaging and quality of their products. The NBSSI provided technical training to 1000 MSEs to improve the packaging and quality of their products.
429. Mr. Speaker, 13 additional Business Advisory Centres (BACs) were established in Obuasi, Enchi, Half Assini, Asamankese, Odumasi, Adidome, Sogakope, Twifo Praso, Asikuma, Damango, Buipe, Bawku, and Jirapa. This brings the total of BACs

established to 102. 160 tailor-made business improvement programmes were organized for 4,200 entrepreneurs. (Male - 1,425 Female - 2,575). Data on all loan facilities for MSEs in Ghana have also been compiled and submitted for printing.

430. Mr. Speaker, **Ghana Export Promotion Council (GEPC)** developed a Group Export Marketing scheme for 100 Members of chilli and okro growers association at Abutia (Volta Region) and 150 members of chilli growers association at Sefwi Wiawso. 50 boxes (2,160 kg) exotic okro and chillies are exported weekly through a lead export firm.
431. About 7 market access facilitation activities including trade exhibition, buyer-seller meetings and Contact Promotion Programmes were undertaken. This contributed a total confirmed orders of ₵20.24 billion (US\$2,200,000) for fruits, vegetables, medicinal plants and seeds, garments, fish and wood products.
432. Mr. Speaker, as part of assistance to the pineapple industry to introduce the new variety, MD2, GEPC facilitated the delivery of 4.8 million planting materials to members of Horticulture Association of Ghana and Sea-freight Pineapple Exporters Group as at 30<sup>th</sup> June 2006. In addition, two Ghanaian companies were assisted to secure confirmed orders of about ₵4.6 billion (US\$500,000) for the export of medicinal plants and seeds.
433. Mr. Speaker, **GRATIS Foundation** trained 268 women in food processing, textile and agro processing. 260 unemployed youth have undergone a 3-year Technical Training in Welding and Fabrication and Metal Machining. Again 90 Women groups

were trained in food processing and supplied with relevant equipment.

434. Mr. Speaker, the design of 2-ton per hour Palm Oil Production Plant has been completed and ready for prototyping. Also a prototype machine, a Cashew Nut Sheller was fabricated.
435. Mr. Speaker, the **Ghana Standard Board (GSB)** has analyzed and standardized 997 products and has provided Health and Export Certificates to 618 export products. In order to facilitate trade and ensure public safety, 13,492 measuring devices were verified and 1,365 were calibrated.
436. Mr. Speaker, 3,346 tests were carried out on plastics, rubber, building and construction materials, food, drugs and cosmetics, toxicological and forensic samples/specimen, electrical cables, electrical fittings, electrical appliances, Textiles, garment and paper. The GSB also undertook the following activities:
- 62,925 imported high risk goods inspected
  - 1,198 Health and Export Certification issued
  - 26 products had initial certification
  - 135 fish factories inspected
  - 392 fish exports inspected

### **Domestic Content Bill**

437. Mr. Speaker, the Ministry has held consultations with stakeholders on the draft Domestic Content Bill. An 8 member task force comprising representatives from the MDAs and private sector have collated comments and are currently

working to ensure that the final draft Bill does not contradict WTO regulations.

**Outlook for 2007**

438. Mr. Speaker, the Ministry's policy direction for 2007 will be to develop a vibrant, technology-driven, competitive industrial sector that significantly contribute to Economic Growth and Employment Creation, particularly involving mass mobilization of the rural communities and other vulnerable groups including women.
439. Mr. Speaker, the Ministry will facilitate the establishment of a cold chain facility from the farm gate to export market centres as well as improve clearance time. This will bring about the timely delivery of quality fresh produce to export markets to increase Ghana's export competitiveness. In furtherance of this, a fruit terminal is being established at Tema.
440. The National Industrial Policy which will focus on strategic sectors to drive our industrialization process will be completed. The policy and its support programme which complement the Trade policy will provide a road map for Ghana's industrialization.
441. The ongoing tariff study of 2006 covers over 100 firms in various sectors of the economy. It is aimed at investigating the incentive framework provided by the tariff regime and recommend remedial measures for leveling the playing field and enhancing the competitiveness of Ghanaian firms.

442. The tariff study will also serve to provide a framework for assessing industry request for tariff reliefs as well as provide a baseline data to facilitate the work of the tariff review board that is expected to be established by the Ministry in collaboration with major public and private sector stakeholders.
443. One of the major initiatives of the Ministry in 2007 is the full implementation of the District Industrialization Programme. Under the programme each of the 138 districts will be allocated seed-capital to support their flagship industrial project for which Business Plans have already been completed. The seed-capital is intended to leverage financial resources of the districts from institutional and individual investors including Ghanaians living abroad. In addition, the government will continue to leverage resources from the African Development Foundation (AFDF) to support the establishment of industries in the districts.
444. Each district project will be established as a Private Limited Liability Company with a professional management team. The companies will be expected to provide many job opportunities to people living in the various district communities.
445. The Ministry will further support at least 5 large and 10 medium and small scale salt producers to expand production in the coastal basins of Western, Central, Greater Accra, and Volta Regions.
446. Mr. Speaker, 20,000 hectares of Oil Palm will be planted and one Specialized Technology Centre for value added oil palm products will be established. It is expected that the nurseries will raise about 3.4 million seedlings

447. The Ministry will establish a Technology Centre for the manufacturing of capital goods to encourage agro processing. This is to be established with an integrated foundry, metalworking and machine tool facilities to produce selected parts, components and plants for food processing and agricultural production
448. The NBSSI will organize 500 tailor-made Business Improvement Programmes for 15,000 entrepreneurs by the end of 2007 and establish 8 additional Business Advisory Centres (BACs) in various districts to promote entrepreneurship, create employment opportunities, reduce rural-urban migration and increase income levels of the rural population.
449. Mr. Speaker, the Ministry, through **GRATIS Foundation** will produce improved quality agro-processing machines. These are Prototype 11/2 ton Palm Fruit processing equipment and a 15 ton per day cassava starch processing plant.
450. GRATIS will also train 150 master craftsmen particularly blacksmiths to up grade knowledge and skills to provide supporting services to agricultural and industry.
451. Mr. Speaker, GEPC will support 60 Export Companies to participate in 10 Trade Shows in Africa, Europe and North America by December 2007.
452. Mr. Speaker, the Ghana Standards Board will develop, review and gazette 345 standards, in 2007. In order to continue to provide more qualitative service to Ghanaians, the Ghana Standards Board testing laboratories will be upgraded and accredited to ISO/IEC 17025-1999 Quality Standard.



453. GSB will organize awareness promotion, training and conformity assessment procedures for members of the Ghana Institute of Freight Forwarders in the handling of hazardous goods, and Police Personnel in the proper use and handling of radar. Cocoa farmers, purchasing/marketing clerks and depot managers will also be offered training in standardization and quality management.
454. An amount of ₵758,519 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₵125,470 million, IGF is ₵26,324 million, donor ₵468,724 million and HIPC ₵138,000 million.

**Ministry of Tourism and Diasporan Relations (MOTDR)**

455. Mr. Speaker, the tourism sector plays a vital role in the government's efforts at reducing poverty, creating employment and generating growth. The Ministry's programmes aim to accelerate community-based tourism and integrated development.

**Performance in 2006**

456. Mr. Speaker, the following activities were carried out in line with the Ministry's programme of increasing tourism arrivals, receipts and employment creation,

**Tourism Marketing**

457. Mr. Speaker, 4 major international promotional activities were undertaken to market Ghana as a tourism destination.
458. A delegation visited USA, Jamaica and Bermuda in January 2006 while another delegation went to Cameroon, Nigeria and Angola in February 2006 to promote the Joseph Project. The project concept was well received in all these countries.
459. Mr. Speaker, the Ministry hosted the 31st Africa Travel Association (ATA) congress in Accra in May 2006. Over 300 foreign delegates attended the congress. Ghana's tourist attraction sites were marketed during the period. It also afforded foreign investors, especially those in the tour operating services, the opportunity to talk to their Ghanaian counterparts

on the possibilities of investing in the industry. Ghana was elected at the Congress as the new chair of ATA.

460. Mr. Speaker, this year's Emancipation Day celebration was used to rehearse next year's launch of the Joseph Project. This involved the participation of visitors from the US, Virgin Islands whose positive attestation of their experiences were documented.
461. Mr. Speaker, the Ministry participated in International Exhibitions and Fairs in Holland, Egypt and Burkina Faso to market Ghana's tourism potential. 4 investors have since approached the Ministry with a view to invest in the industry.
462. Mr. Speaker, the Second Hang and Paragliding festival organized at Atibie, Kwahu during the Easter Holidays was highly successful. It did not only boost domestic but also international tourism. 15 Gliders, as against 5 in 2005, participated in the festival. The wealth generated in terms of hotel accommodation, meals, transportation, during the 4-day festival at Kwahu was enormous. In view of the success of the two festivals, the Ministry is considering holding the festival more than once in a year.
463. Mr. Speaker, between January and May 2006, 1,042 personnel from the private sector, were trained in Front Office and Food and Beverage Service management. 8 regional sensitization workshops have also been held for 400 traditional caterers (Chop Bar) and drinking bar operators. This is expected to improve service delivery in hotels, restaurants and encourage tourists to enjoy our dishes.

464. Work on almost all the remaining 16 receptive facilities is near completion and by December 2006, 90 per cent of the facilities will be commissioned and out sourced to the private sector to manage professionally.
465. The Ministry has identified new tourist attractions in the country including the Presbyterian Cemetery at Osofoman, Mayera, the Samsam Cave & Sacred Groove at Achioto, Samsam and the Guoko Sacred Groove at Pokuase.
466. Mr. Speaker, in collaboration with other MDAs, land banks and land use plans for tourist sites are being identified and documented. In February, 2006 workshops were held with District Assemblies for briefing on the acquisition of receptive facility lands and the proper development of these sites. Land owners are being sensitized to release lands for tourist operations.
467. Mr. Speaker, the review of the GAMA Plan will be completed by 31 December 2006. Both the strategic and Action Plans are at the final draft stages of completion. The construction of the fish and food market at the old fishing harbour will commence in December 2006. Furthermore, the acquisition of 800 acres of land at Adzen Kotoku for the relocation of Old Fadama (Sodom and Gomorrah) will be completed by 31st December 2006. Enumeration exercise and preparation of site plans, architectural and engineering schemes will also be completed by December 2006.
468. Mr. Speaker, the Ministry in collaboration with the Ghana Investment Promotion Centre, has developed a new

comprehensive Tourism Policy which is to be submitted to Cabinet for approval and implementation in 2007.

469. The Ministry has established an accurate data on Tourist arrivals in the country. These arrivals have increased by 8 per cent between January and June 2006, over the same period in 2005.
470. Mr. Speaker, by Cabinet decision all Tourism revenue is to be shared with communities. This is to generate income for community development. It is also to motivate communities to be tourism friendly.

### **Outlook for 2007**

471. Mr. Speaker, the Ministry will participate in 5 major international fairs and exhibitions to promote Ghana as a tourism destination. The Ministry will organize a week long Paragliding Festival to boost both domestic and international tourism at Atibie during the Easter celebration. The festival will attract over 25 foreign pilots and 1,000 domestic tourists to participate in the flying. The celebration will stimulate growth and wealth creation in the Kwahu South District.
472. Mr. Speaker, the 2007 Emancipation and Panafest celebrations are scheduled from 21 July – 5 August 2007. The programmes and activities will be dedicated to celebrate 'The Year of African Excellence' with the active participation of Africans in the continent and those from the Diaspora. The celebrations are expected to attract over 5,000 visitors, majority of who are Diasporans.

473. Mr. Speaker, the Ministry will launch the "Akwaaba - Anyemi" programmes, of the Joseph Project. These are aimed at attracting our brothers and sisters from the Diaspora to the Gateway of the homeland (Ghana). Over 2000 participants including our kith and kin who were separated from us during the Trans Atlantic Slave Trade will visit the country for not less than 10 days. Delegations of chiefs and people from the West Africa Sub-region who were mostly affected by the Slave Trade will also attend.
474. A number of programmes were drawn to provide a variety of recreation and entertainment to enrich visitors' experiences. These include the launching of the National Chocolate Day to coincide with Valentine's Day on 14th February. The activities of the day will include among others, promotion of chocolates as a major dessert in hotels and restaurants.
475. There will be organized tours to Tetteh Quarshie Cocoa Farm at Mampong and other cocoa growing areas. Regattas will be held in May at Accra, Keta, Cape Coast, Elmina, Sekondi – Takoradi and Half Assini.
476. Mr. Speaker, the Ministry will complete the preparation of 20 cadastral plans for identified sites along the coastline together with completed Orthophoto maps and hold a tourism investors' conference by December 2007.
477. In addition to the 21 tourist receptive facilities developed to enhance the various tourist sites in the districts, the Ministry will develop 5 more tourist receptive facilities at other tourist sites across the country. In addition, 5 iconic museums which will be started this year are to be completed next year.

478. Mr. Speaker, in view of the importance of service delivery in the tourism industry, training will be one of the key focus areas of the Ministry. In furtherance of this, about 1,000 people will be trained in all areas of tourism related activities.
479. All the on-going projects at the Old Accra will be continued and completed by December 2007.
480. An amount of ₵52,423 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₵40,265 million, IGF is ₵2,158 million and HIPC ₵10,000 million.

### **Ministry of Fisheries**

481. Mr. Speaker, the objective of the Ministry is to promote sustainable and thriving fisheries enterprises through research, technological development and extension services to fishers, processors and fish mongers.
482. The country's total annual fish requirement is estimated at 720,000 metric tons (mt) while annual production averages 400,000 mt. This leaves an annual deficit of 320,000 mt which is made up through the importation of US\$200.0 million worth of fish into the country yearly. The Ministry will therefore revamp the industry to reduce fish imports.

### **Performance in 2006**

483. The Ministry selected a consultant and inaugurated a Committee to review the Fisheries Policy to serve as basis for the development of fisheries sector. The Draft Fisheries Regulations is to be placed before Parliament by December 2006. The Regulations are intended to give effect to the Fisheries Act, Act 625 of 2002 to streamline activities and bring about uniformity in the fishing industry.
484. Mr. Speaker, 3 Community Based Fisheries Management Committee (CBFMC) bye Laws were gazetted while 5 draft Bye Laws from coastal districts were submitted to the Attorney General's Department for vetting and approval. 131 committees and 27 Zonal Lake Management Committees were formed in the fishing communities along the shoreline of the Volta Lake in the Asuogyaman, Jasikan and Kpando Districts. The committees



were trained in Alternative Livelihood Strategies in piggery, production of small ruminants, bee-keeping and other vocations.

485. Mr. Speaker, 9 observer missions to monitor operations of industrial vessels were conducted while 16 vessels were installed with transponders and 50 activated to monitor operations of Ghanaian registered vessels at sea.
486. A total of 338 outboard motors costing ₵7.842 billion were distributed to fishermen under a special credit scheme - work and pay tools - to enhance fishing in the country. The Ministry through the Rural Banks also advanced a ₵4.0 billion Micro-credit support to 3,000 fish processors, to enhance the processing, distribution and marketing of fish.
487. Mr. Speaker, the Ministry organized a series of training courses in fish farming for 280 people selected from all regions in the country. Participants will be supported to organize workshops in their localities to train more fish farmers in the country to increase farmed fish production, create employment and reduce poverty in the country.
488. Mr. Speaker, the Ministry inaugurated a committee to undertake feasibility studies on diminishing fish stocks of the Volta Lake, other reservoirs and water impoundments. The committee is expected to submit its report by the end of the year.
489. Mr. Speaker, a Spanish grant was obtained for the establishment of cold storage and fish processing facilities at James Town, Mumford, New Takoradi, Moree, Shama, Winneba,

Senya Bereku, Nyanyano and Teshie, in collaboration with the private sector.

490. Mr. Speaker, a diagnostic study on premix fuel allocation, distribution and sale to fishing communities was carried out. Based on the findings, an appropriate policy is being formulated to minimize incidence of irregularities associated with this process.

### **Outlook for 2007**

491. Mr. Speaker, in 2007, the policy thrust will be to develop fisheries infrastructure namely fish landing sites, cold stores and fish hatcheries and also improve fisheries services to enhance growth of the sector of the economy. This will boost fisheries contribution to GDP and bring about a multiplier effect for other enterprises within the sector resulting in employment generation, livelihood improvement and poverty reduction in fishing communities. The following activities will be undertaken:
492. Mr. Speaker, the Fisheries Policy and Management Plans will be finalized, gazetted and implemented in collaboration with District Assemblies and other stakeholders for sustainable increases in fish production.
493. In collaboration with security agencies, the Monitoring, Control and Surveillance (MCS) activities of the Ministry will be intensified to ensure responsible and legal fishing within the marine and inland waters of the country. In this regard, 50 transponders were procured for installation on marine fishing vessels in 2007. Also, Community Based Fisheries Management

Committees (CBFMCs) will be strengthened and their by-laws gazetted to empower fishing communities to co-manage their fishery resources to ensure responsible and sustainable fishing.

494. Mr. Speaker, the restocking of the Volta Lake, other reservoirs and water impoundments with fingerlings will be undertaken to enhance inland fish production. Fish farming (aquaculture) will be intensified to meet shortfall in fish production. In this regard, credit will be extended to about 300 trained fish farmers, to undertake fish farming and train others to obtain the necessary skills.
495. The Ministry will source for funds to commence construction of 4 modern fish landing sites at Axim, Mumford, Dzemeni and Tepa Abotoase, and 2 modern harbours at Elmina and James Town.
496. Mr. Speaker, other micro credit facilities will be extended to 5,000 fishers and fish processors to increase fish processing and improve incomes. About 10 fishing communities will be assisted to construct 10 modern Chorkor Fish Smokers. Credit for outboard motors and other inputs will be provided under the Work and Pay Scheme.
497. Mr. Speaker, the Ministry will rehabilitate existing hatcheries at Ashaiman and Kona Odumase. Work on the construction of two other hatcheries at Dormaa Ahenkro and Sefwi Wiawso will be completed to ensure ready supply of quality fingerlings to fish farmers. In addition, a Fish Health Unit will be established to promote Fish Health Management and improve Fish Husbandry practices.

498. A unit for the gathering of adequate scientific information will be established for the building of data bank for fisheries management purposes.
499. An amount of ₪42,670 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₪15,969 million, IGF is ₪16,000 million, donor ₪10,700 million.

**Ministry of Water Resources, Works and Housing  
(MWRWH)**

500. Mr. Speaker, the Ministry has the responsibility to ensure the provision of safe water, and the development of infrastructure in the areas of housing, drainage works, coastal protection works, hydrology and water related sanitation facilities throughout the country.
501. Mr. Speaker, in line with Government's policy the Ministry has been pursuing programmes for the delivery of potable water and affordable housing. The Government is committed to the achievement of the Millennium Development Goal (MDG) of 73 per cent of water coverage by 2015, and the Ghana Growth and Poverty Reduction Strategy objective of 85 per cent coverage by 2015. The target to deliver 100,000 housing units in all the Regional Capitals and some District Capitals within a period of 5 years is being pursued.

**Performance in 2006**

**Water Sub-sector**

**Rural Water**

502. In 2006 the Ministry acting through the Community Water and Sanitation Agency (CWSA) undertook the following rural water projects:
- 792 constructed by end June 2006;
  - 10 hand-dug wells were constructed;

- 5 rural communities piped schemes were executed with 3 more to be completed by December 2006;
- 7 small towns piped schemes were executed and 30 at various stages of completion;
- 5,000 household places of convenience were constructed; and
- 250 institutional latrines completed

### **Urban Water**

#### **Kwanyaku Water Supply Expansion Project**

503. Mr. Speaker, work on the Kwanyaku water supply system is progressing steadily and well ahead of schedule. It is about 90 per cent complete and expected to be completed by the first quarter of 2007. It will increase the output of water from the present 3 million gallons a day to 6 million gallons a day when completed and make potable water available to about 700,000 people.

#### **East - West Water Accra Transfer Interconnection**

504. It involves the installation of a new treatment at Weija and transporting water to Okponglo booster station. The estimated cost of the revised scope of works is about US\$30.0 million. The contractor was selected and is currently mobilizing to site.

#### **Kpong Water Supply Expansion**

505. Mr. Speaker, Messrs China Gezhouba and Power Group Company Ltd., the selected turnkey contractors have completed negotiations with GWCL. An Environmental Impact Assessment

is being undertaken. The project is programmed to commence in the second quarter of 2007 and completed within 48 months. The project is estimated to cost US\$198.0.

### **Cape Coast Water Supply Expansion Project**

506. Mr. Speaker, the project will draw water from Sekyere Hemang and will supply treated water to all towns enroute to Cape Coast. The Project is estimated to cost €36.9 million and the plant which has an output of 6.6 million gallons a day will meet the demand for potable water up to year 2020. Construction is at 50 per cent completion as at October 2006. It is expected to be completed in November 2007

### **Tamale Water Supply Expansion**

507. Mr. Speaker, sod cutting for the project took place in August 2006 for the commencement of work on the €45.0 million Tamale water supply expansion project. Total output will increase from the present 4.3 million gallons a day to 9.3 million gallons a day. It is designed to meet demand up to 2020 and serve a population of 500,000 persons. The contractor is presently establishing site offices and undertaking survey works. It is expected to be completed in two years.

### **Koforidua Water Supply Project**

508. Mr. Speaker, the Sod cutting for the commencement of work on the Koforidua water Project took place in August 2006. The estimated cost of the project is €35.5 million. The plant will have an output of 3 million gallons a day and will meet demand

for water up to 2025. Final design of the project was started with raw water sampling in progress.

### **Baifikrom Water Supply Expansion Project**

509. Mr. Speaker, sod cutting for the commencement of work on the Baifikrom/Mankesim Water Project took place in July 2006. The cost of the project is €25.8 million and is expected to meet the demand for potable water up to 2020. It will increase the capacity of the treatment plant from the present 500,000 gallons a day to 2.5 million gallons a day. Final design and the construction of site offices were completed and actual works are to start after approval of the design drawings.

### **Dredging of Brimsu Dam**

510. Mr. Speaker, the Dutch Government gave a grant of €2.0 million for the dredging of the Brimsu dam. The project involved the dredging of about 400,000 m<sup>3</sup> of material and was completed in the first quarter of 2006. The project has since its completion improved the water supply situation in Cape Coast.

### **Housing**

#### **Housing Policy**

511. The final draft of the Housing Policy is being fine tuned for submission to the Ministry by the consultant by the end of November 2006. The report will then be submitted to Cabinet for consideration and approval.



### **Affordable Housing**

512. Mr. Speaker, in line with Government policy to provide safe, decent and affordable housing for Ghanaians, the Ministry continued the construction of 1,138 flats at Borteyman, Nungua. Construction of 1,400 flats at Kpone in the Greater Accra Region and 1,192 flats at Asokore Mampong in the Ashanti Region were also started. The housing units are at various stages of completion. The construction of the Tamale and Koforidua projects will commence by December 2006.

### **Review of the Rent Act**

513. Mr. Speaker, the review of the Rent Act of 1963 (Act 220) is on-going and the final draft document is ready for final stakeholders consultations in November 2006. The final draft will then be submitted to Cabinet and Parliament for consideration and approval.

### **Works**

#### **Rehabilitation of Peduase Lodge**

514. Mr. Speaker, in 2006 Government took the bold initiative to reinstate the Peduase Lodge to its past glory by embarking on major rehabilitation programme on the edifice. Main structural, other civil, electrical, mechanical, air-condition works were completed. Work on special furnishings, fixtures, fittings and draperies as well as painting are on-going. External civil (i.e. road, walkways, drainage, sewerage), telephone system, horticultural, lighting and security works as well as auxiliary works are also on-going.

### **Keta Sea Defence Resettlement Programme**

515. Mr. Speaker, 185 bed-sitter type (Type D) houses were constructed with 100 already under occupation. The remaining 85 is now to be allocated to the next batch of affected inhabitants. Under the current Phase II, work on the extension of electricity and water supply to the resettlement areas, including the provision of a sewerage system will continue.

### **Korle Lagoon Ecological Restoration Project**

516. Mr. Speaker, approximately 1.3 million m<sup>3</sup> of material was dredged and disposed of. These areas were shaped and capped with clay. Topsoil was placed and grass planted. Swamp and mangrove areas which restrict the flow of flood water were identified and removed. The canals at Kaneshie, Odaw and Agbogbloshie were realigned, regarded and excavated. Slope protection was also placed on the canal banks and bottom. This has improved the flow capacity and reduced the possibility of flooding upstream. The interceptor-weir intercepts the dry weather flow and prevents the polluted water from entering the environmentally sensitive lagoons.

### **Tamale Storm Water Drainage Project**

517. Mr. Speaker, the construction of the 13 km storm water drain in the Central Business District (CBD) of the Tamale Metropolis was completed.

### **Elmina Benya Lagoon Restoration Project**

518. Mr. Speaker, preparatory works including sod cutting, site establishment and public awareness campaign have been completed towards the physical dredging of the lagoon to a depth of 2 metres. 50 metres repairs of the existing breakwater will be undertaken to offer safe passage, landing and mooring of 500-700 canoes.

### **Outlook for 2007**

519. Mr. Speaker, the Ministry will continue implementation of its programmes and projects in accordance with the GPRS II objectives to promote urban infrastructure development and the provision of basic services including increased access to safe decent and affordable shelter.

### **Water**

#### **Rural Water**

520. Mr. Speaker, for Government to achieve the target of 58.5 per cent access in 2007, the Ministry is to provide safe and potable water and especially halt the rise in Guinea Worm cases in the country. The following projects will be undertaken:
- sink 2,399 boreholes
  - dig 1,589 hand-dug wells
  - construct 54 Small Town pipe Systems
  - construct 52 Small Community Pipe System
  - construct 253 piped water schemes
  - build 48 Rain Catchment Systems

- build 2 Spring Protection Systems
- construct 7,977 Household Latrines
- construct 919 Institutional latrines

### **Urban Water**

521. Mr. Speaker, the Ministry will commence the following water projects: - Kumawu, Kwahu Ridge, Berekum, Assin Fosu, Sunyani and Techiman. The rehabilitation of minor and low capacity treatment plants in various parts of the country will also commence.
522. The Ministry will continue the execution of the following projects to ensure the production and delivery of safe water to the people of Ghana: -
- Tamale water supply expansion;
  - Koforidua water supply project;
  - Baifikrom water supply expansion project;
  - Kwanyaku water supply expansion project;
  - Accra East -West water transfer interconnection;
  - Kpong water supply expansion;
  - Cape coast water supply project;
  - Adenta water supply improvement project - Phase II works;
  - Sunyani water supply expansion project; and
  - Wa water supply project.

### **Dredging the Densu River**

523. Mr. Speaker, the Ministry has started the dredging of the Densu River at Nsawam. The dredged material i.e. sand, will be utilized in the construction of the Affordable Housing Units.

This measure will reduce land degradation caused by sand winning activities in the Densu Basin. This will also impact positively on the water quality to the Weija Reservoir and reduce the cost of water treatment at the Weija Water Works. The Ministry will promote the use of suitable dredged material from other rivers for housing construction.

## **Housing**

### **Affordable Housing**

524. Mr. Speaker, the objective of the housing policy is to support the private sector to increase housing delivery in the country. The Ministry will construct 20,000 housing units annually over the next 5 years. It is expected that the construction of the Affordable Houses will result in the creation of 60,000 direct jobs and twice as much indirect jobs annually.

### **Land Banks**

525. Mr. Speaker, the Ministry has identified about 50,000 acres of land in Accra and other regional and district capitals, purposely for the National Housing Programme and associated infrastructure development. The objective is to establish a Land Bank System to facilitate access to land by developers. Currently, surveyors and consultants are preparing site plans and cadastral maps to be used as the basis for negotiating compensation with the land owners.

### **Sale of Low Cost Housing**

526. Mr. Speaker, the Ministry will conclude the programme of the sale of Low Cost Houses throughout the country and use the revenue accrued to increase the stock of decent, safe and affordable houses for employees.

### **Works**

#### **Hydrological Services Department**

527. Mr. Speaker, the Ministry will undertake the construction of a number of storm water drainage systems in all the regional capitals to improve upon sanitation and ensure sustainable environment. The Ministry will also undertake the development of Drainage Master Plans for various communities so as to improve upon sanitation, ensure sustainable environment and orderly development of physical properties.

#### **Coastal Protection**

528. Mr. Speaker, various coastal protection programmes will be undertaken to protect life and property in the following coastal towns: - Ada, Ngyeresia, Dixcove, Sakumono, Axim, New Amanful Kuma/Funkoe, Osu Castle, Elmina, Anomabo, Nkontompo, Prampram Ningo and Senya Breku.
529. In order to forestall further erosion of the country's shoreline the Ministry will undertake preparatory programmes at the following areas to protect life, properties and infrastructural facilities for fishing , salt production and tourism: -

- Ada coastal protection and Estuary Project;
- Ngyiresia coastal protection;
- Sakumono coastal protection;
- Dixcove coastal protection;
- Castle coastal protection;
- Elmina coastal protection;
- Shama coastal protection; and
- Princess Akatakyi coastal protection.

### **National Flood Control Programme**

530. The Ministry will undertake various flood mitigation programmes in Accra, the other regional capitals and some selected district capitals as well as construct culverts and corresponding inlets and outlets of all storm water drainage systems to protect life, property and other infrastructural facilities.

### **Rehabilitation of Government Bungalows**

531. Mr. Speaker, the Ministry has an asset of 21,904 government bungalows of various types, some constructed over forty years ago. The regime of maintenance requires that, on annual bases routine maintenance should be undertaken while major rehabilitation works are undertaken every four years on the properties. Over the years, these two maintenance programmes have not been provided for creating the present bad shape of the buildings.

### **Abandoned Projects**

532. The Ministry has taken inventory of all Government abandoned or suspended projects throughout the country. For Government

to realize the benefits of all these uncompleted projects, the Ministry will commence the completion of these bungalows. These projects will create employment for many Ghanaians in the country.

### **Integrated Odaw Basin Development Project**

533. The Ministry intends to develop the entire Odaw basin so as to realise the benefits of the investment made in the Korle Lagoon Ecological Restoration Project. The project will involve the desilting of the Odaw, redredging of the Korle Lagoon as well as the three feeding canals and relocation of Old Fadama (Sodom and Gomorrah) to a new site at Adjin Kotoku near Amasaman.

### **Rehabilitation of Peduase Lodge**

534. Mr. Speaker, the government in an effort to reinstate the Peduase Lodge to its past glory will continue with the final stage of the rehabilitation programme. Work on special furnishings, fixtures, fittings and drapery as well as painting external civil (i.e. road, walkways, drainage, sewage), telephone system, horticultural, lighting and security works as well as auxiliary works will be completed by the first quarter of 2007.

### **Keta Sea Defence Resettlement Programme**

535. Mr. Speaker, the Ministry plans to commence construction of additional 392 houses of various types at Kedzi, Vodza and Adzido as well as two churches, mosque, school complex at Kedzi and Vodza, respectively under Phase III of the resettlement programme. Work on the on-going water supply, sewerage and electricity extension will also continue.



536. An amount of ₺1,869,568 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₺171,112 million, IGF is ₺5,627 million, donor ₺1,532,829 million and HIPC ₺160,000 million

## **Ministry of Transportation**

537. Mr. Speaker, the Ministry of Transportation has oversight responsibility for the road transport sector which comprises the road infrastructure and the road transport services and safety. The vision of the Ministry is to play a lead role in making Ghana a transportation hub in West Africa. The Ministry aims to ensure the provision of an integrated well managed and sustainable transport infrastructure and services that meet national and international standards.

### **Performance in 2006**

538. In addition to the routine functions of the Ministry in support of GPRS II, a major activity in 2006 was to complete the policy reforms and studies to provide the framework for sustained and accelerated development of the sector in order to ensure more responsiveness to the transport needs of the country. The recommendations of the studies will assist in the preparation of the Transport Sector Development Programme (TSDP) for the period 2007 to 2009. Some of the studies undertaken by the Ministry during the 2006 fiscal year are as follows:

- **Institutional Reform Study of the Transportation Sector** – Phase 2 of the assignment which includes the development of institutions and organizations needed for the road sub-sector is on-going and expected to be completed by December 2006.
- **National Transportation Policy Study** – The final Consultative Document was prepared to enable the four (4) Regional Consultative Workshops to be held in

Takoradi for Western and Central Regions, Koforidua for Greater Accra, Volta and East Regions, Kumasi for Ashanti and Brong Ahafo Regions and Tamale for Northern, Upper West and Upper East Regions between August and September, 2006 to solicit views across the country.

- **Urban Transport Study** – A final report has been submitted. This will be used in the development of a policy framework for the proposed Ghana Urban Transport Project.
- **Axle Load Control Study** – The Axle Load Policy was approved by Cabinet. An Action Plan to implement the policy was prepared for implementation in 2007.
- **Review of Technical Specification for Road and Bridge Works** – A draft technical specification for road and bridge works was prepared to improve the construction of roads and bridges. A Committee of Experts has been constituted to study the recommendation for adoption.
- **Road Traffic Regulations:-** New Road Traffic Regulations were prepared to operationalise the new Road Traffic Act 683, of 2004. This was submitted to Cabinet for approval.
- **Socio-Economic Impact Studies of the Road Sector** – Baseline studies to assess the impact of the Road Sector Development Programme (RSDP) has been completed. The monitoring of the indicators is on-going.

### **Ghana Highway Authority (GHA)**

539. Mr. Speaker, highlights of progress of the 2006 trunk road programme as at the end of August 2006 are outlined below:

- i) Routine maintenance activities were carried out on a total road length of 4,049.60 km as at the end of August 2006, representing 51.5 per cent of physical achievement of the annual programme;
- ii) Under periodic and minor rehabilitation, physical achievements were 21.10 per cent and 12.3 per cent, respectively as at end of August, 2006;
- iii) The following trunk road projects which started between 2002 and 2003 were completed in 2006:
  - Abuakwa – Bibiani Road (80km)
  - Construction of 6 Bridges (Lot 2) Nayoko & Ngane
  - Kasoa – Winneba – Ankamu Road (41km)
  - Manso Amenfi– Asankragua (34km)
  - Wenchi – Sampa Phase 1 (30km) and
  - Kpando – Dambai Phase 2 (38 of 50km)
  - Ofankor-Nsawam (17 km)
- iv) Installation of 5 weighbridges at Tema port and 2 weighbridges at Takoradi port are ongoing and due to be completed by the end of 2006. When completed, commercial vehicles plying the trunk roads will be weighed to ensure that overloaded vehicles do not leave our Ports to damage our roads.
- v) The Ghana Highway Authority has drawn up a programme to undertake Road Safety Audit on the following Road segments to identify additional safety measures required:

- Ofankor - Nsawam
- Pantang - Mamfe
- Tetteh Quarshie - Mallam
- Sogakofe - Akatsi
- Winneba - Yamoransa
- Mallam - Kasoa Road Projects

vi) The following Donor supported road projects are also at various stages in the procurement process to ensure that civil works start by end of 2006 or early 2007.

- Madina – Pantang (4.6km)
- Sogakope – Akatsi (22km)
- Akatsi – Akanu (56 km)
- Akatsi – Noepe (30km)
- Techiman- Kintampo (60km)
- Nsawam – Apedwa (41km)

540. The under listed projects are being undertaken under the 2006 supplementary budget:

- Tetteh Quarshie - Madina
- Achimota - Ofankor
- Nsawam Bypass (Dualization)
- Anwiankwanta - Assin Praso (full rehabilitation)
- Bamboi - Tinga
- Asankragwa - Enchi
- Pantang – Peduase (dualisation)
- Anyinam - Konongo Ph. II
- Sogakope - Ho
- Ho - Fume
- Wenchi - Sampa

- Kadjebi - Dzindzinso
- Akropong - Adankwame Ph. 1
- Kumasi - Barekese - Offinso
- Ashanti & Brong Ahafo Roads (KfW Projects)
- Mallam - Kasoa & Interchange

### **Department of Feeder Roads (DFR)**

541. Mr. Speaker, the achievements of the Department of Feeder Roads are summarized as follows:
- i) Routine Maintenance activities carried out between January–September 2006 covered a total of 9,750 km (37 per cent) out of 26,580 km for the year;
  - ii) Periodic maintenance activities were carried out on a total road length of 1,342 km during the same period;
  - iii) Spot improvement and rehabilitation works on total road lengths of 827 km and 350 km, respectively, were carried out between January and September, 2006; and
  - iv) 5 bridges under the AFD bridge programme were awarded on contract.

### **Department of Urban Roads (DUR)**

542. Mr. Speaker, DUR currently operates in 15 Metropolitan, Municipal and District Assembly areas. The major activities carried out by the Department are periodic and routine maintenance of urban roads as well as the rehabilitation and reconstruction of roads.

- i) Routine Maintenance activities were carried out on about 2,620 km of Urban Roads from January to September 2006.
- ii) By September 2006, about 276 km of periodic maintenance activities were carried out representing about 76 per cent of the target. Periodic activities were mainly regravelling and drain construction.
- iii) Some of the on-going major rehabilitation and reconstruction projects include
  - Tema & Sekondi-Takoradi roads (completed as at March 2006)
  - Kwame Nkrumah Circle – Achimota road (86 per cent completed as at September 2006)
  - Asafo Market – UTC Interchange (70 per cent completed as at September 2006)

### **Road Fund**

543. The Ghana Road Fund was set up by an Act of Parliament to provide adequate and substantial financial resource to ensure regular maintenance of Ghana's road network and road safety activities. The fuel levy is the major contributor to the fund, accounting for about 94 per cent of total funds. The projected revenue for January–June 2006 was ₵602 billion while actual revenue realized from January–June 2006, is ₵526 billion. The actual revenue fell short by 12.6 per cent of the projected revenue.

### **Driver and Vehicle Licensing Authority (DVLA)**

544. Mr. Speaker, some of the activities carried out by the Authority during the period under review include:
- i) Integration of Information Technology Systems into the operations of the DVLA.
  - ii) Completion of the installation of new vehicle testing equipment in Accra, Kumasi and Takoradi. Staff are being trained to ensure efficient handling of these equipment;
  - iii) As part of the decongestion programme of the Accra Office, a branch office was established at Weija. In addition, the former Ghana Airways Training School has been acquired as the national headquarters of DVLA.
  - iv) The Authority has revised its working procedures to make its operations more customer friendly.

### **National Road Safety Commission (NRSC)**

545. Mr. Speaker, the NRSC performed the following activities during the first half of the year:
- i) Continuation of the weekly panel discussions in 6 Ghanaian languages on over-speeding, wrongful overtaking, unsafe driving, unsafe vehicles, fatigue, drink driving, non-use of seat belts and crash helmets, on GTV, TV3, Metro TV and TV Africa as well as local radio stations.



- ii) Production of a short road safety documentary specifically for public education.
- iii) Road Safety education for school children to ensure a sustained reduction in child pedestrian accidents and casualties.
- iv) Publication and distribution of over 20,000 copies of Road Safety materials to schools, libraries, institutions and the general public.
- v) The Commission participated in the one week exhibition at the Ghana International Trade Fair Center, La-Accra. The commission took the advantage of the fair to reach out to the general public and showcase some of the road safety informational materials.
- vi) Continuous airing of Road Safety campaign materials, including songs on TV stations across the country.

### **Government Technical Training Centre (GTTC)**

546. The GTTC admitted 70 students to undertake training in Auto Mechanics, Auto Body, Auto Electrical and Welding. The total number of continuing students is 140. The whole student population comes to 210.

**Metro Mass Transit (MMT) and other Public Transport Services**

547. Mr. Speaker, as part of Government's programme to improve mass transportation:
- i) The last batch of 150 of the 400 Yaxing buses from China were delivered during 2006 bringing their total bus fleet to 650.
  - ii) Contracts were signed for the importation of the following types of buses to improve service delivery:
    - 63 Jonckere VDL Buses under Belgium Government concessionary financing
    - 90 Tata buses under India EXIM financing
    - 150 VDL DAF bus chassis under Dutch Government concessionary financing for bus construction at the Neoplan Manufacturing Plant in Kumasi.
548. The Metro Mass Transit opened branches in Ho, Wa and Bolgatanga during the year. With the extension of services to these three regional capitals, the Metro Mass Transport now operates in all the 10 regional capitals.
549. Mr. Speaker, the Government's policy on provision of free bus ride to schools for children by MMT is on course. From January-September 2006, 4,427,055 school children patronized MMT free bus ride. From January-September 2006, 39,875,253 passengers had patronized the MMT.

### **Outlook for 2007**

550. On the basis of the goals of the GPRS II and the expected attainment of middle income status by 2015, the broad policy objectives of the Transportation Sector from 2007 will focus on achieving the following expected outcomes:
- Ensure the provision, expansion and maintenance of road transport infrastructure of all kinds.
  - Ensure the provision of affordable, safe and accessible transportation system that recognizes the needs of people and business enterprises including farmers.
  - Develop and strengthen the appropriate legal, institutional and regulatory framework to regulate all modes of transportation to ensure an efficient transportation system.

### **Main Ministry (Headquarters)**

551. Mr. Speaker, a National Consultative Workshop will be held to finalize the draft National Transport Policy White Paper. The new Transport Policy will be used to prepare the first 20-year integrated Transport Plan for the country. The Plan will address specific transport model issues as well as inter modal.
552. The Ministry will also undertake the following:
- **An Urban Transport Policy:** The objective of the policy is to establish the requisite institutional structure to manage the operations of mass transportation. A pilot modern mass urban transport will be implemented from the Central Business District (CBD) to Kasoa under the project. An Urban Transport Regulatory Authority will also be established to improve the

management and operation of public and private mass transportation services in Ghana.

- **Poverty Monitoring Indicators:** This will be produced in consultation with the Ghana Statistical Service to establish the linkages between poverty reduction and road transport development.
- **New Technical Specifications for Roads and Bridge Works:** This will be adopted to improve on the quality of developing road infrastructure.
- **New Road Traffic Regulations:** This will be enacted in 2007 to ensure effective use of the Road Traffic Act 683 of 2004.
- **Road Sector Development Programme (RSDP):** This will close at the end of 2007. It will be succeeded by a new Transport Sector Development Programme (TSDP).
- **Axle Load Control Policy:** This was approved by Cabinet and the action plan prepared for implementation in 2007.

### **Interest Payments**

553. Mr. Speaker, the Ministry has observed with concern the existing arrangements for paying interest on delayed payments of certified work done by contractors. The existing clauses in the contracts within which period claims attract interest range from 42 days to 90 days.
554. These irregular payment periods have severe cost implications on contract management. The Ministry intends to review this existing arrangement by standardizing the time frame for paying interests on all certified road works.

**Ghana Highway Authority (Trunk Roads)**

555. Mr. Speaker, the GHA will continue to undertake the following projects in 2007.

- Tetteh Quarshie – Madina
- Achimota – Ofankor
- Nsawam Bypass (Dualization)
- Anwiankwanta - Assin Praso (total rehabilitation)
- Bamboi – Tinga
- Asankragua – Enchi
- Pantang – Peduase
- Anyinam - Konongo Ph. II
- Sogakope – Ho
- Ho – Fume
- Wenchi - Sampa (KM 32 - KM 88)
- Kadjebi – Dzindzinso
- Akropong - Adankwame Ph. 1
- Kumasi - Barekese – Offinso
- Ashanti & B/A Roads (KfW Projects)
- Mallam - Kasoa & Interchange

556. The following new projects will be started in 2007:

- Berekum - Sampa
- Badu - Teinso
- Banda - Nkwanta-Bui
- Yendi - Bimbilla
- Wa – Lawra - Nandom - Hamile
- Fufulso - Sawla
- Menji - Banda Ahenkro to Bui
- Bonfa Junction – Bonfa – Asiwa - Bekwai (R87)

- Manso Nkwanta – Abore - Adumasa (R105)
- Techiman - Wenchi (Overlay)
- Sefwi Wiaso – Akontonbra
- Kade - Akyem Wenchi

### **Axle Load**

557. The rehabilitation and upgrading of the existing weigh stations will continue while 9 new ones will be constructed in accordance with the Axle Load Action Plan.

### **Department of Feeder Roads (DFR)**

558. Mr. Speaker, the main activities of the DFR during the year 2007 will be civil works construction of steel bridges.
559. Routine/recurrent maintenance works will involve reshaping and routine maintenance on the 22,885 km of engineered feeder roads. Additionally, approximately 2,400 km of un-engineered feeder roads will be graded to provide minimum access to the communities they serve.
560. Mr. Speaker, periodic maintenance is projected at 3,695 km of unengineered feeder roads which will be brought into the engineered network through reconstruction, rehabilitation and spot improvement. This will be achieved with funding from both GOG and the Development Partners.
561. The construction of medium and short span steel bridges to remove bottlenecks on some feeder roads will continue. In 2007, 36 bridges were programmed for award and execution.

It is expected that 10 of these will be completed by the end of 2007.

562. Mr. Speaker, major feeder roads improvement and upgrading works will be carried out. Some of the major projects earmarked for execution are:

**Greater Accra**

- Bortiano - Kokrobitey (5.35 km)
- Ayi Mensa – Danfa - Amrahia (7.24 km)

**Central Region**

- Abrem – Agona - Essiam Effutu Ph. 1 (15.2 km)
- Afransi - Dawurampong Ph 2 (11.6 km)

**Volta Region**

- Wedge – Alavanyo - Nkonya (16.2 km)
- Abotiase - Atonkor (14.1 km)

**Eastern Region**

- Akropong-Atumfa - Ekosu (12km)
- Oyeemso - Hweehwee Jn. (12 km)

**Western Region**

- Anyinase Town Roads (5.7 km)
- Asankragua Town Roads (4.81 km)

**Ashanti Region**

- Asokore Mampong - Parkoso - Aperade (5.1 km)
- Amatema Jn. – Wioso Ph. 2 (5.6 km)

**Brong Ahafo**

- Badukrom - Tainso feeder road (11.0 km)
- Abuatem Ph. 3 (6km)
- Tanko - Fiema (7.4 km)

**Northern Region**

- Karaga Town Roads (3.9 km)
- Bunkrugu Town Roads (4.0km)

**Upper West Region**

- Jirapa - Babile Ph. 2
- Sombo - Daffiama (18 km)

**Upper East Region**

- Navrongo - Pungu (4.7 km)
- Winkongo – Tongo - Zuarungu (16 km)

**Department of Urban Roads (DUR)**

563. Mr. Speaker, the Department will continue the following major rehabilitation and reconstruction projects

- Construction of Nsawam Road (Kwame Nkrumah Circle-Achimota)
- Accra CBD Roads
- Kumasi Roads and Urban Devt Projects (AFD)
- Kumasi Arterial Road
- Kumasi Outer Ring Road
- Asafo Market Interchange
- Teshie Roads
- Awoshie-Pokuase
- Kejetia Terminal



- Partial Reconstruction of Accra city roads
- Kwame Nkrumah Circle Interchange Design review

### **Driver and Vehicle License Authority (DVLA)**

564. Mr. Speaker, DVLA will undertake the following activities in 2007:

- Development of software for improved data capturing, storage and retrieval to ensure better information management.
- Establishment of Local Area Network (LAN) and Wide Area Network (WAN) to improve the Authority's operations nationwide.
- Provision of Vehicle Testing Equipment at Sunyani, Tamale and Koforidua

565. Mr. Speaker, DVLA will develop strategies to systemize periodic registration of vehicles in the country. The current statistics on vehicle population which is based on cumulative analysis will have to be improved since it does exclude broken down vehicles. DVLA will also commence the re-registration of vehicles in the country. This exercise will give credible basis for short to medium term planning of the road transportation needs.

### **National Road Safety Commission (NRSC)**

566. The NRSC will continue to pursue its core activities which involve road safety educational campaigns, organizing workshops and conferences. Specifically, the Commission will engage in the following activities:

- campaign on over speeding and driving under the influence of alcohol
- development and distribution of road safety information and publicity materials
- construction and erection of billboards at accident-prone locations
- road user education in the electronic and print media

### **Government Technical Training Centre (GTTC)**

567. GTTC will acquire a new plot of land to construct classroom blocks and new offices as part of their expansion programme to be able to increase the student intake and thus produce more artisans for the transport sector.

### **Metro Mass Transit Limited**

568. During 2007 fiscal year, the Government will continue to assist MMT to acquire more buses to enable them operate effectively in order to make an impact in their areas of operation. This will enable the company to increase its passenger lift to about 100 million passengers.

### **Road Fund Financial Projections for 2007**

569. The Road Fund accruals are used for the maintenance of roads. Currently, the Road Fund can provide only 62 per cent of the road maintenance funding needs. It is projected that the revenue for 2007 will be about ₦1.1 billion at the current consumption rate. An increase in the road toll and road user

fees as well as the fuel levy is required to continue to maintain the road assets of the country. There will be the need to increase the fuel levy by 2 cents (US\$0.02) while the road user fees and road tolls will have to be commensurately increased for a meaningful maintenance of the road assets.

570. An amount of ₺3,852,574 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₺1,010,185 million, IGF is ₺3,998 million, donor is ₺1,699,605 million and HIPC ₺25,000 million. Road Fund is ₺1,113,787 million.

## **Ministry of Communications**

571. Mr. Speaker, the Ministry is pursuing a vision that will transform Ghana into a country with a reliable and cost effective world-class communications infrastructure and services.

## **Performance in 2006**

572. The Ministry in 2006 continued to focus on key policy issues aimed at creating an open, competitive and fair environment to facilitate wealth creation using ICT as a tool for development. In particular, it concentrated on the implementation of indicative programmes outlined in the Ghana ICT Policy for Accelerated Development (ICT4AD) and the pro-investment National Telecommunications Policy to create the necessary environment for effective deployment of ICT by the private and public sectors of the economy.

## **Westel**

573. Mr. Speaker, the Ministry pursued measures to privatize Westel in order to inject capital into the company and make its operation competitive. The following have since been accomplished.
574. Messrs DATABANK and NTHC have been selected as Transaction Advisors for the sale of part of the company's shares to prospective investors. The Transaction Advisors are expected to draft and submit a Technical Report to Government by 30th November 2006. It is estimated that by the end of

December 2006 bids will be opened and evaluated and Government advised accordingly.

### **Ghana Telecom (GT)**

575. The privatization process of Ghana Telecom has also commenced and the following activities are in progress. Expression of Interest (EoI) to attract a prospective Transaction Advisor was advertised. The selected consultants will be appointed by the end of November 2006. The privatization process is estimated to be completed by June 2007 to pave way for massive capital injection into GT.

### **Growth in the Telecommunication Sector**

576. The cumulative subscribers figure by June 2006 was 4.2 million out of which 3.8 million subscriptions represented the mobile sector. Telecommunication penetration rate now stands at 20.7 per cent.

### **Quality of Telecommunication Services**

577. Mr. Speaker, in response to public complaints regarding poor quality of telecommunication services, the National Communications Authority (NCA) has intensified its monitoring activities following the issuance of formal licenses for the Mobile Service Operators. The NCA is now in a position to institute the appropriate penalties to defaulting operators to serve as a deterrent.

### **Ghana Meteorological Agency**

578. Mr. Speaker, a new Radiosonde Equipment was installed and commissioned at Tamale Airport in March 2006. This has facilitated prompt weather forecast to serve the aviation industry. In addition, the Climate Database Management System was upgraded in March 2006. This has enhanced processing and archiving of historical meteo data and improved service delivery to clients.

### **Ghana ICT Directorate (GICTeD)**

579. Mr. Speaker, GICTeD facilitated the development of ICT Capacity Building data document through the administration of ICT status questionnaire at 66 MDAs and 30 SOEs. The analysis of the questionnaire will enable GICTeD facilitate capacity development programmes to equip all MDAs with core ICT personnel.

### **Postal and Courier Services Regulatory Commission (PCSRC)**

580. Mr. Speaker, various policies, guidelines, rules and regulations for carrying out postal and courier business were drafted and are being reviewed with stakeholder participation. 50 firms operating postal and or courier services have been identified to be brought under the regulatory framework to ensure high-level performance. Exclusive license for the provision of reserved postal services in Ghana was granted to Ghana Post.

**Ghana/India Kofi Annan Centre of Excellence in ICT (AITI-KACE)**

581. Mr. Speaker, the Advance Information Technology Institute – Kofi Annan Centre of Excellence in ICT (AITI-KACE) - has engaged in capacity building to bridge the ICT gap between academia, government and industry. In the course of 2006, about 4,000 persons were trained in various ICT skills.
582. A workshop was held in February 2006 on Fraud and Revenue Assurance for middle level management in public and private sector institutions aimed at ensuring accountability. A week's workshop on Interconnection Agreement for Telecommunication Operators and other relevant stakeholders was also held in March 2006 to enhance understanding of emerging interconnection issues.

**Ghana Telecom University College (GTUC)**

583. Mr. Speaker, the Ghana Telecommunication University College (GTUC) was formally inaugurated as a tertiary institute for ICT and Telecom focused learning in 2006. GTUC trained 120 technicians in short term courses in Information Technology and Telecommunication engineering by end June 2006. GTUC has admitted 238 students into various degree and certificate programmes for the 2006/7 academic year.

**Legal and Regulatory Environment**

584. Mr. Speaker, to create an effective ICT enabling environment in Ghana, the following legal and regulatory activities were carried out by the Ministry:

- Drafting of E-legislation Bills for consideration by Cabinet.
- Stakeholders workshops for Electronic Transactions Bill, Telecom Bill, NCA & NITA Bills
- Established Government interoperability draft policy framework document and hosted the first stakeholder forum to receive inputs to enrich the document.

### **Ghana Investment Fund for Telecommunications (GIFTEL)**

585. Mr. Speaker, GIFTEL was established to facilitate the extension of communications services to underserved and unserved areas of the country. GIFTEL is providing common facilities to be used by all telecom operators under Universal Access to Telecommunications Projects. 10 underserved areas were approved for extension of telecom access. The selected towns are: Tokope (G/Accra), Twifo Mampong (Central), Donkorkrom (Eastern) Dadieso (Western), Odumase (Ashanti), Damanko (Volta), Daboya (Northern), Gwollu (U/West), Fumbisi (U/East) and Kwame Danso (B/A).

### **Community Information Centres (CICs)**

586. Mr. Speaker, in furtherance of the commitment of Government to use the medium of ICT to promote an all-inclusive information and knowledge society to benefit the rural areas, the CIC concept has been developed and the following accomplished.
- 72 CIC Infrastructure completed and equipped.
  - 6 people were trained as Trainers of 'Trainers'



- 49 CIC Coordinators trained in Technical and Managerial Competencies.
- Extension of LAN/WAN Connectivity/equipment to 50 CICs undertaken.
- Sensitization workshop held for beneficiary District Chief Executives to enable them pursue the objective of ICT knowledge development through the CIC concept.
- Co-ordination arrangement set up between the MoC, the Ministry of Information and National Orientation, the Ministry of Local Government to facilitate the harmonization of Technical and Operational programmes of the CICs.

### **The eGhana Project**

587. The objective of the eGhana Project is to assist the GoG to generate growth and employment by leveraging ICT and public-private partnerships to: i) develop the IT Enabled Services industry, and ii) contribute to improved efficiency and transparency of selected government functions through e-government applications: iii) improve upon the policy and regulatory environment to promote investment in the ICT sector. The Ministry has completed the recruitment of key project management personnel and implementation is due to commence in December 2006.

### **Extension of National Fibre OPTIC Network/Voltacom Transformation**

588. Mr. Speaker, the Ministry is facilitating the transformation of Voltacom's Fibre Optic assets into a national Communications Backbone Infrastructure network to provide open access Communication Backbone. Government in July 2006

successfully secured from the Government of China through China Exim Bank a concessionary loan facility of \$30million to support this project. Consultations between VRA and MOC on a company to manage the national Fibre Optic is in progress. The design stage of the project was completed and a legal instrument is being considered.

### **Technology Park**

589. Mr. Speaker, the Technology Park Project to be located at the Free Zone enclave has commenced with the following activities accomplished:

- Funding for Tech Park approved by World Bank under MSME
- Project Management document for Technology Park completed

### **Data Storage**

590. Mr. Speaker, the Ministry initiated the construction of a centralized data center and the development of a secondary data center with disaster management and data recovery facilities to enhance security of information and data. The study phase for the centralized data backup centre was completed and the design phase of the project is in progress.

### **Outlook for 2007**

591. Mr. Speaker, the Ministry's policies and programmes will address the following constraints:

- Develop a formidable IT Industry, and effectively deploy e-Government applications to improve transparency and accountability in the delivery of government services;
- Address high cost of international connectivity and promote competitiveness to access to the SAT-3 cable.
- Promote quality of service by ensuring proper monitoring of Service Level Agreements and quality of service guidelines.
- Promote the development of comprehensive policy and legislation to reduce the risk of investment and improve sector responsiveness and competitiveness;
- Facilitate the development of a Robust Backbone Infrastructure to promote reduction in retail price for mobile services, and Internet Service given that transmission costs represent approximately 10%-30 per cent of total mobile business costs.

### **Government Assisted PC Purchase Programme (GAPP)**

592. Mr. Speaker, the Ministry will monitor the implementation of the Government Assisted PC Purchase (GAPP) programme to ensure the widespread application of ICT throughout the country. This programme will stimulate the local PC assembling industries through Intel's support.
593. The Ministry in collaboration with the Ministry of Education, Science and Sports (MOESS) and Ghana Telecom has evolved a programme by which private homes as well as schools will be provided with broadband connectivity. This collaboration is expected to result in about 200,000 homes being provided with affordable personal computers with access to the internet.

### **Legal and Regulatory Issues**

594. Mr. Speaker, the Ministry will pursue the following activities in 2007:
595. Develop the relevant policies, legislation, regulations and procedures for the Telecommunication and ICT sector. 4 bills; namely, the Electronic Transaction Bill, the Telecommunications Bill, the National Communications Authority (NCA) Bill and the National Information Technology Agency Bill will be submitted through Cabinet to Parliament for approval in 2007. It will in addition develop specific legislation to promote a robust ITES industry including laws for data protection and intellectual property, cyber crime and security.
596. Furthermore, the NCA will implement the following activities:
- Develop and publish a policy on international connectivity. This will include a plan for reducing the price of wholesale international connectivity. As part of this plan, the NCA will consider the issuance of domestic wholesale carrier licenses.
  - Implement a system of cost-based regulation of interconnection tariffs between major operators in the sector.
  - Develop guidelines for the implementation of formal dispute resolution procedures for the telecommunications industry.
  - Develop, publish and begin implementation of regulations defining anticompetitive behaviour by operators.
  - Publish all developed quality of service requirements (call completion rates, call dropping rates), begin the collection and publication of standardized QoS data, and enforce a programme of QoS requirements (Service Level Agreements).

- Ensure clarity/regulations on the rules of engagement for Voice over Internet Protocol (VoIP).
- Auction 1 mobile license at a minimum reserve price.

### **Privatization of GT and Westel**

597. The privatization of GT and Westel will be completed in 2007 to promote competitiveness in the telecommunication sector. The teledensity for 2007 is expected to move from 20 per cent to 30 per cent.
598. An amount of ₺207,682 million has been allocated to the Ministry to carry out its activities in 2007. Out of this GoG is ₺60,283 million, IGF is ₺0,856 million, donor is ₺126,543 million and HIPC ₺20,000 million.

### **Ministry of Harbours and Railways**

599. Mr. Speaker, the Ministry continued to work towards the achievement of the objectives of the Ghana Poverty Reduction Strategy by creating the environment for active participation of the private sector in the development of the rail and maritime sub sectors to enhance socio economic development.

### **Performance in 2006**

600. Mr. Speaker, the Ministry pursued development policies and programmes in the various sub sectors to enhance the movement of goods and people.

### **Maritime Sector**

601. Mr. Speaker, in pursuance of its private sector participation drive, the Ghana Ports and Harbours Authority (GPHA) is being transformed into a Landlord Port Authority. In furtherance of this policy, 75 per cent of stevedoring operations and 100 per cent of shore handling of conventional cargo was ceded to the private sector.
602. Mr. Speaker, to decongest the Ports and ensure quick flow of goods, a modern car terminal at the Port of Tema was built and has been operational since April 2006. GPHA is also developing a modern Container Terminal. The 1<sup>st</sup> Phase of the project at the Tema Port was completed with the installation of state of the art equipment for faster and more efficient container handling to reduce ship turn around times. In addition, a modern container devanning terminal is under construction to

receive all groupage containers and empty containers passing through the terminal.

603. Mr. Speaker, a truck park has also been commissioned to handle all loaded transit trucks awaiting documentation before leaving the port. This has reduced the congestion in Tema Port created by these trucks. Closed Circuit Television Systems (CCTV) has also been installed at both Ports to ensure that users of the ports and their cargoes are secured.
604. Mr. Speaker, the GPHA in the course of the year also purchased two modern tug boats, the biggest in the sub-region. The tug boats named M/V Sakumo Lagoon and M/V Ankobra River were deployed to the Ports of Tema and Takoradi, respectively, to augment the marine equipment capacity of both Ports.
605. In addition, Mr. Speaker, GPHA installed weighbridges at both Ports to ensure compliance with axle load limitations, check fraud and support national efforts in improving safety on the road.
606. Mr. Speaker, the Ghana Shippers' Council (GSC) continued to pursue the interest of Shippers to ensure that Ghanaian Shippers have quick, safe and reliable delivery of import and export and to do business at minimum cost. In line with this, the Council in collaboration with the GPHA is constructing a shippers centre at Boankra and it is about 75 per cent.
607. Mr. Speaker, the Ghana Maritime Authority (GMA) has been established and is operational. The Authority has prepared a draft Legislative Instrument (LI) on the construction, use and

operation of commercial and pleasure boats on the inland waterways to regulate and improve safety.

608. The Ministry rehabilitated the Volta Lake Transport Company's (VLTC) "Uniflote" II Pontoon (Ferry A) under a serialized repair works. This was undertaken to enable VLTC continue the provision of transport services for communities along the Volta Lake.

### **Rail Sector**

609. Mr. Speaker, the Ministry delisted the Ghana Railway Company Ltd. (GRCL) from divesture to enable it pursue certain interventions to save the Company from total collapse. This process allowed government to financially assist GRCL. The Accra-Tema Rail rehabilitation project is 75 per cent complete. The GRCL is expecting the delivery of Diesel Multiple Unit Systems (DMUS) to operate the commuter services on the rehabilitated Accra - Tema line.
610. Mr. Speaker, the Ministry also undertook technical and financial evaluation of tender documents for the commencement of feasibility study on the Tema - Akosombo Rail Line. Feasibility studies for the extension of rail network to the north through to Burkina Faso are also in progress.

### **Outlook for 2007**

611. Mr. Speaker, the Ministry will continue to pursue the following interventions to facilitate the achievement of its objectives in the maritime and rail sub sectors.



### **Maritime Sector**

612. Mr. Speaker, the Ministry will continue with the restructuring and privatization process of the Ghana Ports and Harbours Authority to completely transform the GPHA into a Landlord Port Authority (LPA). The GPHA will continue with the infrastructural developments at the ports and also focus on the maintenance of the requisite port facilities to enhance the effectiveness and efficiency of private operators in the port. Activities to be undertaken are as follows;

- completion of the container devanning terminal
- dredging of the Ports of Tema and Takoradi to receive bigger ships
- completion of the Phase 2 of the Container Terminal in Tema.
- development of a hub port at Takoradi through public-private partnership.
- development of the Boankra Inland Port
- exploration of opportunities to start the removal of tree stumps from the Volta Lake and chart the navigational fairways to ensure the safety of passengers and goods
- development of legislation for the construction, use and operation of commercial and pleasure boats on the inland waterways

### **Rail Sector**

613. Mr. Speaker, the Ministry will pursue the following programmes:

- complete the Accra - Tema rail rehabilitation works and introduce train services by the first quarter of 2007.

- rehabilitate signaling and telecommunication facilities
- complete feasibility studies on the Tema- Akosombo Rail line

614. An amount of ₺29,483 million has been allocated to the Ministry to carry out its activities in 2007.

## **Ministry of Aviation**

### **Performance in 2006**

615. Mr. Speaker, in 2006, the newly created Ministry of Aviation and its agencies namely: the Ghana Civil Aviation Authority and Ghana International Airlines, made modest progress in the Aviation Sector.
616. The Aviation sector focused on its liberalized aviation policy as well as the institutional restructuring and expansion of infrastructure and services during the period.

### **Bilateral Air Services Agreement**

617. The Ministry reviewed three (3) Bilateral Air Service Agreements with United Kingdom, Kenya and Qatar. The new agreements have led to increases in flight frequencies by British Carriers and Kenya Airways. Qatar Airways is yet to start its flights to Accra.

### **Infrastructure**

618. Mr. Speaker, under the Kotoka International Airport (KIA) phase II rehabilitation project, additional works on the terminal building continued in 2006. These included provision of Flight Information Display Systems, Baggage Information Display Units, Closed Circuit Television (CCTV), Public Address System and Common User Terminal Equipment (CUTE). These systems are to facilitate passenger handling in the departure and arrival halls.

619. Very Small Aperture Terminals (VSAT) were installed at vantage points to improve navigation, communication and surveillance in the Accra Flight Information Region (FIR).
620. Mr. Speaker, master plan studies for Kotoka and Kumasi airports were initiated and are expected to be completed by the end of 2006.

### **Institutional Restructuring**

621. Mr. Speaker, the Civil Aviation Act of 2004 (Act 678) passed by Parliament, decoupled the airport management from the existing GCAA. The decoupling will give effect to an Airport Company that will be responsible for the planning, development, operations and maintenance of all airports in the country. The new GCAA will handle safety regulations and air navigation services. A Decoupling Implementation Committee was put in place in January, 2006 to prepare the modalities for the decoupling. The Committee has submitted its report and the Board of GCAA is studying the report for its implementation.
622. Mr. Speaker, as part of Government's policy to introduce competition in the ground handling activities at the KIA, a second operator Aviation Handling Services was licensed to do both terminal and ramp handling services.

### **Ghana Airways Liquidation**

623. The official liquidation of Ghana Airways commenced in June 2005 at which time the airline owed creditors over US\$200.0 million and had assets of about US\$25.0 million. The Liquidator in 2006 undertook the following activities:

- secured the assets, books and records worldwide
- sold 11 properties for a total value of US\$8.5 million
- sold 2 subsidiary companies – Ghana Aviation Handling Company Limited and Airways Catering Limited as going concerns
- substantially closed 16 outstations

**Ghana International Airlines Ltd.**

624. Mr. Speaker, the Ghana International Airline started operations on an investment of US\$7.0 million in October, 2005 Government has so far injected a total of US\$20.0 million into their operations. The GIA currently flies regularly to London and has recently commenced flights to Johannesburg.

**Outlook for 2007**

625. Mr. Speaker, the Ministry will develop an aviation policy framework and a strategic plan to guide the direction of the aviation sector. The strategic plan will link up aviation with other mode of transport to improve access to remote regions in the country to promote tourism. The aviation policy will focus on the liberalization of the regulatory framework, safety, expansion of infrastructure, institutional and human resource strengthening.
626. Mr. Speaker, the Ministry will continue to review its bilateral agreements with African countries in line with the Yamoussoukro Decision (YD) which aims at liberalizing air traffic services in Africa. With other external partners, the liberalization will be based on reciprocity and where necessary,

government interest will be protected. The liberalized regime will attract more airlines and increase flight frequencies. The sector is projected to grow at a rate of 5.6 per cent in passenger throughput and 5 per cent in cargo in 2007. It is also expected to create additional job opportunities for Ghanaians.

627. Mr. Speaker, GCAA and Ghana Airports Company will continue with their various infrastructural developments under the Phase III programme. The following developments will be initiated at KIA:-

- installation of passenger boarding bridges
- Supply and installation of terminal building furniture
- Expansion/Refurbishment of Domestic terminal
- Rehabilitation of terminal building
- Rehabilitation of Taxiway/Apron
- Construction of a new fire station
- Supply and installation of Electronic Equipment

628. The Kumasi and Tamale airports will be rehabilitated in time for the CAN 2008 games.

### **Ghana Airways Liquidation**

629. Mr. Speaker, the official liquidator of Ghana Airways will seek funding for a number of commitments that the government has made to specific and the general body of creditors including former employees.

### **General Aviation and Support Services**

630. Mr. Speaker, the Ministry will continue to encourage the private sector to invest and manage aviation activities especially the promotion of ultra-light operations. Currently, a private company, operating in the Eastern Region is building Ultra light aircraft in the country. The construction of these aircraft will pass on the technical know how to Ghanaians as well as generate employment.
631. An amount of ₵15,509 million has been allocated to the Ministry to carry out its activities in 2007.

## **HUMAN RESOURCE DEVELOPMENT**

632. Mr. Speaker, the main goal of government in the priority area of Human Resource Development is to ensure the development of a knowledgeable, well trained and disciplined labour force .Such a labour force will possess the capacity to drive and sustain private sector-led growth; and have the right to basic social services such as health care, safe drinking water, sanitation and decent housing, that will further improve the well being of all Ghanaians and ensure the protection of the rights of the vulnerable especially children, women, people with disabilities, the elderly and rural communities.
633. Ministries, Departments and Agencies whose activities contribute to the achievement of this objective are
- Ministry of Education, Science and Sports
  - Ministry of Manpower Youth and Employment
  - Ministry of Health
  - Ministry of Women and Children's Affairs



**Ministry of Education, Science and Sports (MOESS)**

634. Mr. Speaker, the Education Sector is a key area in the strategy for Human Resource Development under GPRS II. The Education Strategic Plan (ESP) and the Reform Policy continue to guide actions in this sector.
635. Mr. Speaker, the main intervention areas include the following:
- Increase access to and participation in education and training at all levels
  - Bridge gender gaps in access to education through out the country
  - Improve efficiency in the delivery of education services
  - Improve quality of teaching and learning at all levels
  - Promote science and technology education at all levels with particular increase in participation of girls
  - Enhance infrastructural development at all levels

**Performance in 2006**

636. The Ministry of Education, Science and Sports, in 2006, focused its attention on achieving the targets set under the Education Strategic Plan and GPRS II. Ghana also participated in international sports including CAN 2006 in Egypt and World Cup Tournament in Germany.

**Basic Education**

637. Mr. Speaker, as part of the effort to mainstream pre-schools into the basic education system, the Ministry continued to

collaborate with the District Assemblies and Non-Governmental Organizations (NGOs) in providing the necessary infrastructure for pre-schools. This contributed to a significant increase in Gross Enrolment Rate (GER) for pre-schools from 60.14 per cent in 2004/2005 to 75.2 per cent in 2005/2006.

638. During the year under review the Ministry continued with the programme of increasing access to basic education and implemented measures geared towards the attainment of the Millennium Development Goals (MDG) target of Universal Primary Completion by 2015 and Gender Parity by 2008. Various enrolment drives including the implementation of the Capitation Grant Scheme and School Feeding, were introduced to remove barriers to enrolment and encourage participation and attendance. As a result of these initiatives, the enrolment at the basic level increased by 16 per cent and GER at primary level grew from 87.5 per cent in 2004/2005 to 92.1 per cent in 2005/2006. In addition, the Gender Parity Index also grew from 0.93 in 2004/2005 to 0.95 in 2005/2006.
639. Mr. Speaker, a total amount of ₦129.5 billion was paid as Capitation Grant for pupils in public basic schools. In addition, government spent an amount of ₦28.31 billion towards the conduct of the 2006 Basic Education Certificate Examination (BECE).
640. The Ministry continued to expand physical facilities in basic schools. In all, construction works on 65 (6-Unit) Classroom Blocks were started, whilst work on other 82 classroom blocks are at various stages of completion.

641. The proportion of public recurrent education expenditure on primary education increased in 2006, to accommodate the resulting demands from implementing the capitation grant scheme and other ESP interventions for basic education. The target is to spend at least 33 per cent of public recurrent expenditure on education for the primary level by end of the year.

### **Teacher Deployment**

642. Mr. Speaker, in order to ensure equity in the supply of teachers, to improve quality of teaching and learning at all levels throughout the country, conscious effort was made to deploy more teachers to the three regions in the North, thereby reducing the wide regional disparities in the pupil/teacher ratios. The resultant ratios attained for the three regions of the North compared to the national average are as follows:

<b>Region</b>	<b>2004/2005 PTR</b>	<b>2005/2006 PTR</b>
National	34.9:1	35.7:1
Northern	40.1:1	38:1
Upper East	57:1	48:1
Upper West	49:1	40:1

643. The Ministry also continued to attract teachers to remote areas by providing incentive packages including bicycles, radios, accelerated promotion and access to training.

644. In addition, the National Service Secretariat posted a total of 18,900 Service Personnel to teach in basic schools in rural areas. Also, about 2,000 service personnel recruited under the National Volunteer Programme were deployed in schools to increase the supply of teachers in remote areas.
645. Furthermore, the District Sponsorship Scheme for Teachers was vigorously pursued and as many as 98 per cent of the 9,000 trainee teachers enrolled were sponsored by District Assemblies.

#### Teacher Upgrading

646. The programme of upgrading untrained teachers with the aim of improving quality of education delivery continued. In 2006, 5,689 untrained teachers completed the first phase of the Untrained Teacher Training Programme.

#### Teacher Education

647. Mr. Speaker, in furtherance of the Ministry's plan of enhancing the teaching and learning of Mathematics, Science and Technology in basic schools, the Ministry initiated a programme of equipping 15 selected Teacher Training Colleges specializing in the teaching and learning of science and mathematics. The procurement process has started and work will commence before the end of the year. In addition, library and classroom blocks are being constructed in all the 38 Teacher Training Colleges.

### Textbooks

648. In order to ensure equity in the distribution of textbooks to improve quality of teaching and learning, the Ministry fully implemented and monitored the textbook policy ratio of 1:1 in the three core subjects (English, Mathematics and Integrated Science), for all basic schools in the country.

### Secondary Education

649. Mr. Speaker, with regards to Secondary Education, the upgrading of the 31 selected Senior Secondary Schools is at an advanced state and is expected to be completed and commissioned by the end of the year. Work on the second phase of the programme, involving 25 additional schools, was initiated.

### Computerized School Selection and Placement System (CSSPS)

650. The Ministry assessed the first year of implementation of the Computerised School Selection and Placement System and with the expert advice and inputs from various stakeholders, the system has greatly improved.

### **Implementation of the Education Reforms**

651. To ensure the smooth implementation of the educational reforms a Secretariat and 9 sub-committees were set up. The Sub-Committees have since submitted their reports and these are being collated, together with the estimated cost of implementing the proposals.

### **Special Education**

652. As a way of ensuring access to education for all including the physically challenged, the Ministry paid special attention to Special Education. Existing facilities were improved whilst new structures are being constructed to make them friendly to the physically challenged. A total of 35 vehicles, made up of 10 buses and 25 Double-cabin Pickups have been purchased and distributed to the institutions of the physically challenged to enhance their operations.

### **Vocational Education**

653. Mr. Speaker, during the year under review Government approved the Technical and Vocational Education and Training (TVET) Policy Framework which has been designed to facilitate expansion and improvement in Technical and Vocational Education in the country. Parliament also passed a Bill for the establishment of the Council for TVET to be responsible for the operationalisation of the objectives outlined in the policy framework.

### **Ghana Library Board**

654. The Ghana Library Board procured periodicals and books for distribution to the regional and district libraries. Rehabilitation works were carried out on the Bolgatanga, Cape Coast and Sekondi Regional Libraries. Work also continued on the construction of Ho and Sunyani Regional Libraries.

### **Non-Formal Education**

655. A total of 300,000 learners were enrolled for the programme in 2006 to promote literacy among the illiterate adult population of the country.

### **Tertiary Education**

656. Resources from the Teaching and Learning Innovation Fund (TALIF) were used to promote change and innovation at the tertiary level to improve the quality of teaching and learning. Various academic equipments were procured for the National Council for Tertiary Education (NCTE), University for Development Studies (UDS) and four Polytechnic Institutions (Ho, Takoradi, Sunyani and Kumasi) to enhance delivery of quality tertiary education.

### **Distance Education**

657. Mr. Speaker, Distance Education continues to be a popular alternative form of tertiary education. Majority of the 30,000 students undertaking distance education programmes at the University of Cape Coast and University of Education, Winneba are teachers. The Ministry is working out the modalities for absorbing the tuition fee of teachers who avail themselves of this opportunity, as this will help reduce the high number of teachers applying for study leave with pay. In total, there are 9,000 teachers on study leave.

### **Intra-Campus Transport**

658. Government provided buses to 5 public universities to ease the problem of movement of students within the campuses particularly, from halls of residence to lecture theatres and laboratories. The universities that benefited from the first phase of the programme were the University of Ghana, Kwame Nkrumah University of Science and Technology, University for Development Studies, University of Education, Winneba and University of Cape Coast.

### **Support to Private Universities**

659. To support private sector participation in tertiary education delivery, government provided buses to 11 private tertiary universities.

### **Open University**

660. Government endorsed the need for the establishment of an Open University to provide avenues for work-study programmes and life-long education. The Open University concept requires the establishment of an independent university to be responsible for providing part-time undergraduate and post graduate higher education distance learning.

### **Research**

661. The National Council for Tertiary Education is coordinating dialogue between research institutions, the private sector and industry to explore how research findings could be integrated into industry. The task force set up to review proposals on



linking research to industry has presented its findings. Three products, Pozzolana, Glucose Syrup and Activated carbon are expected to be produced commercially before the end of the year as a result of this dialogue between research and industry.

## **Science**

### **Council for Scientific and Industrial Research (CSIR)**

662. To contribute to the food security of the country, the agriculture-based institutes of the CSIR intensified the development of improved crops and cereal varieties which are early maturing, and pest and drought-resistant. The Crops Research Institute (CRI) and Savannah Agricultural Research Institute (SARI) continued to release new varieties of peanuts, cowpea, soya beans, sorghum and millet.

### **Ghana Atomic Energy Commission (GAEC)**

663. The GAEC promotes the peaceful uses of nuclear energy for the country's socio-economic development.
664. With the completion of the Tissue Culture Laboratory for large scale multiplication of a wide range of planting materials, many more farmers now have access to these materials for increased production and poverty reduction.
665. To this end, the Biotechnology and Agricultural Research Institute (BNARI) of GAEC continued to collaborate with a private company, Bio Plantlets Limited for the multiplication of MD2 pineapple plants for distribution to interested farmers. This is expected to boost Ghana's export of pineapples through

the collaboration of the International Atomic Energy Agency (IAEA) and the Government of Ghana.

666. Mr. Speaker, in collaboration with the Cocoa Research Institute, the GAEC has developed Gamma Mutation Breeding which is resistant to Swollen Shoot Disease. About 25 farmers are utilizing this technology on a pilot basis.
667. GAEC also established the School of Nuclear and Allied Sciences (SNAS), to train the required human resources for the Commission and other institutions in the country, and as a regional training centre for other Member States in Africa.
668. The National Nuclear Research Institute intensified the use of Non-Destructive Testing techniques to detect leakages in storage tanks for mining firms, Bulk Oil Storage and Transport (BOST) and other institutions namely the Tema Oil Refinery (TOR), Aboadze Thermal Plant, the Oil Storage Tanks at Buiepe and Bolgatanga and the West Africa Gas Pipe-Line Project.

### **Sports**

669. Mr. Speaker. Government provided the necessary support and incentives to the Senior National Football Team, the Black Stars in their preparation and participation in international sporting events in 2006. This undoubtedly enabled the Black Stars to put up an outstanding performance at the recent World Cup Tournament in Germany. Ghana became the only African Nation to qualify for the second stage of the competition.
670. Mr. Speaker, Ghana's preparation towards the hosting of the African Cup of Nations (CAN 2008) continued. The event Logo

and Mascot were launched by President J.A. Kufuor on September 8, 2006. Contracts for the construction and rehabilitation of stadia at Sekondi, Tamale, Accra and Kumasi have been awarded and work is in progress. In all, work on a total of 5 stadia was started, (two new ones and rehabilitation of three existing ones.)

671. The construction work on the 2 new stadia is well ahead of schedule, while the rehabilitation of the Accra and Kumasi Stadia is on schedule. Hostel and hotel complexes are also being constructed in Sekondi and Tamale for the event. After the event, the hostel facility in Tamale will be handed over for use by the University of Development Studies.

### **Outlook for 2007**

672. Mr. Speaker, the Ministry will continue to work towards the attainment of targets set under the Education Strategic Plan, the GPRS II and Education Reforms.

### **Basic Education**

673. The Ministry will continue to adopt various strategies to increase access to and participation in education. The strategies will include continuous collaboration with District Assemblies, Religious Bodies and Non-Governmental Organizations (NGOs) for the provision of the relevant infrastructure in order to mainstream pre-schools into the basic education system.
674. The drive towards the attainment of Universal Primary Completion by 2015 and Gender Parity by 2008 will be given additional impetus. Public education on the need to send

children to school will be intensified in churches, mosques, durbars, fora, market places and communities.

675. Mr. Speaker, Government will continue to sustain the Capitation Grant Scheme to increase access to basic education. Government will also continue to subsidise the examination fees of the BECE.
676. Conscious effort will be made to improve gender parity in basic schools. Food rations and educational inputs will be made available to needy pupils.
677. The School Feeding Programme which was piloted last year will be expanded to cover 92,000 pupils nationwide. It is expected that these interventions will positively impact on enrolment in our schools.
678. Consequently, the following targets for these key indicators have been set for 2007:

Level of Education	2005/2006	2006/2007
GER (Pre-School Level)	75.2	78.5
GER (Primary Level)	92.1	95.0
Gender Parity Index (Primary Level)	0.95	0.97

679. In order to accommodate the expected increase in enrolment at basic education level, government will construct and furnish classrooms especially in areas where large increases in enrolment have been registered.

680. Mr. Speaker, Public recurrent expenditure on primary education will be increased to at least 35 per cent of total education recurrent expenditure to enable the sector cover adequately, the recurrent demands from capitation grant scheme and other interventions.

### **Teacher Deployment**

681. Mr. Speaker, special attention will be given to the correction of the existing regional disparities in teacher supply and thereby improve the quality of education delivery. Towards this end, the supply of teachers will be augmented through the use of retired teachers and National Volunteer Personnel in areas that lack teachers, especially the remote rural areas. Focus will be given to schools in the three northern regions with high pupil/teacher ratios. The following targets have thus been set:

Region	2005/2006 PTR	2006/2007 PTR
National	35:1	35:1
Northern	38:1	35:1
Upper East	48:1	40:1
Upper west	40:1	35:1

682. Mr. Speaker, to ensure an equitable supply of teachers for basic schools throughout the country, the District Sponsorship Scheme for Teachers will continue to be used as a reliable means of securing the services of teachers in schools. It is envisaged that all the 9,000 teacher trainees to be enrolled in various teacher training colleges for 2006/2007 academic year will be sponsored by District Assemblies.

683. In addition, teacher accommodation will continue to be used as an incentive to attract teachers to remote rural areas.

### **National Service Scheme**

684. Mr. Speaker, the National Service Scheme continues to be a very important source of teacher supply in the sector. In 2007, it is estimated that a total of 31,000 service personnel will be deployed and majority of these will be posted to schools as teachers. In addition, 6,000 volunteers will be recruited under the National Volunteer Programme and about a third of this number is expected to be posted to schools as teachers.

### **Upgrading of Facilities in Teacher Training Colleges**

685. In consonance with the role teacher education is expected to play under the new education reforms especially in the teaching of science, mathematics and technology, facilities in teacher training colleges are being upgraded. Construction of libraries, science laboratories and classrooms in all the 38 Teacher Training Colleges will be completed and furnished in the course of the year.

### **Secondary Education**

686. Mr. Speaker, in pursuance of government's commitment to improve educational facilities, work on the second phase of upgrading of physical facilities in 25 Senior Secondary Schools will commence in 2007.

### **Computerized School Selection and Placement System (CSSPS)**

687. The Ministry will continue to improve the Computerized School Selection and Placement System (CSSPS) to become the preferred mode of school selection and placement of students into Senior Secondary Schools. In line with this vision, the Ministry will continue with public education on the system.

### **Ghana Library Board**

688. The Ghana Library Board will be resourced to ensure that the required books, periodicals, journals and equipment are procured for distribution to district libraries. Work on the Ho and Sunyani Regional Libraries will continue.

### **Non-Formal Education**

689. The National Functional Literacy Programme will be sustained to support the promotion of non-formal literacy education programmes.

### **Tertiary Education**

690. Mr. Speaker, as part of government's resolve to ensure that quality of education is not compromised at the tertiary level as a result of expansion in enrolment, some measures including the following have been introduced:
- Strengthening and developing the capacity of the regulatory bodies,

- Reviewing curricula, particularly of the polytechnics to make them competency-based and relevant to the needs of industry and national development, and
  - Acquisition of skills by both faculty and students through practical industrial attachment.
691. The Teaching and Learning Innovation Fund (TALIF) will continue to provide resources to the tertiary institutions to promote change and innovation and improve upon the quality of teaching and learning.

### **Distance Education**

692. The Ministry will continue to encourage teachers to enrol in the Distance Learning Programme as an alternative means of acquiring tertiary education.

### **Promotion of Science, Technology and Research**

693. To ensure the promotion of science, technology and research, provision has been made to expand and equip science laboratories in tertiary institutions to make teaching and learning of science and technology more interesting and attractive. Government's policy is to have an enrolment ratio of 60:40 in favour of science and technology. Government will continue to resource the research and tertiary institutions to undertake research and link findings to business and industry.

### **Infrastructure Development**

694. To cater for the expansion in enrolment at tertiary level, infrastructural facilities such as lecture halls, lecturers'



accommodation and halls of residence and equipment for the Universities and Polytechnics will be provided.

### **Polytechnics**

695. Mr. Speaker, in line with Government's policy of re-positioning technical vocational education and training (TVET) in Ghana, Government will continue to equip and strengthen polytechnics to enable them offer technical and practical oriented programmes to meet the demands of industry and the national economy. In this regard, competency-based training will be emphasized and attachments to industry regularized and strengthened. Polytechnics will further be provided with funding and encouraged to offer degree programmes in science and technology.

### **Education Sector Reforms**

696. Mr. Speaker, the Education Sector Reforms which are envisaged to significantly improve the quality of education is scheduled to commence in the 2007/08 academic year. The reforms outline a set of new initiatives and objectives spanning the entire education sector which are designed to make education more responsive to current challenges. Specifically, the reforms involve changes to structure, focus and content of education as well as management issues which affect education service delivery in the country.
697. As part of the process of implementing the education reforms, Government is determined to speed up the process of decentralizing the Ghana Education Service for more effective

management and administration of schools in the districts and regions.

### **Science**

698. Government will continue to support science development and management in the country, through the following:

- Organise 2 fora to finalize draft the Action Plan on Science and Technology acculturation
- Develop an Action Plan for Youth Invention Competition
- Promote National Forum on harnessing Research, Science and Technology
- Prepare a Monitoring and Evaluation Plan for the Science and Technology sub-sector
- Implement programmes for Chemical Weapon Convention
- Co-ordinate nuclear safety and waste management
- Organise seminars and workshops on GAEC products and services
- Establish two bio-technology centres
- Establish National Accelerator Laboratory
- Construct Library and Computer centre
- Establish Nuclear Science College

699. Mr. Speaker, under the new collaboration between the Governments of Ghana and the Federal Republic of Brazil, the CSIR will host the Regional Office for the Brazilian Agricultural Organization (EMBRAPA). EMBRAPA's collaboration in commercial agriculture will boost Ghana's agricultural output towards food security.

700. The Ministry will revive the National Science Week for Research Institutions as a platform for sensitizing the nation of the benefits of the application of science and technology in national development.
701. Mr. Speaker, the Science Awards Night which was last held in 1999 to recognize scientific and technological breakthroughs by our scientists, technologists and innovators will also be revived. Science and technology exhibitions for inventors and innovators will also be organized with a view to motivating the citizenry, especially the youth, to become scientists and technologists.
702. The Ministry will finalize the Strategic Plan for science and technology development and usage to drive the implementation of major Government programmes such as the GPRS II and other sustainable development policies.

### **Sports**

703. Mr. Speaker, Government will continue to support sports development and management in the country. Ghana is preparing fervently to host the African Cup of Nations (CAN) Tournament in 2008. In 2007, various preparatory activities including work on construction of Sekondi and Tamale stadia as well as the rehabilitation of the Ohene Djan Stadium, Accra El Wak Stadium, Accra and Baba Yara Stadium, Kumasi will be completed. In addition, 20 community parks will also be upgraded.
704. For the 2008 Commonwealth Games, national teams will be supported to prepare adequately for the games.

705. The development of lesser-known sports (badminton, swimming, table tennis) will be supported and the programme of building the national teams through the organization of Schools Sports Festivals and Security Services Sports Association (SESSA) Games will be encouraged and supported.
706. For the implementation of the above activities, an amount of ₱11,322,257 million has been allocated. Out of this GoG is ₱7,927,733 million, IGF ₱1,112,741 million, Donor ₱461,561 million, Getfund is ₱1,775,222 million and HIPC is ₱45,000 million.

### **Ministry of Manpower, Youth and Employment**

707. Mr. Speaker, the Ministry of Manpower, Youth and Employment (MMYE) is responsible for the development of human capital of the country through skills training and re-training, facilitation of a healthy environment for employment, social welfare issues, mobilization of resources through the cooperative system and youth empowerment for national development.

#### **Performance in 2006**

708. The main achievements are highlighted as follows:

#### **National Youth Employment Programme (NYEP)**

709. Mr. Speaker, the National Youth Employment Programme which has the objective of empowering the youth to contribute meaningfully to the socio-economic development of the nation was officially launched on October 3, 2006 by His Excellency, President J.A. Kufuor, as a tangible intervention to solve the issue of unemployment and poverty.
710. This programme is a Government strategy to address unemployment in the country and is operating within the broader national policy of addressing unemployment generally and comes in response to regional and global initiatives including the MDGs to meet the aspirations of Ghanaians.
711. Mr. Speaker, the target of the programme is to create half a million jobs in 3 years (2006 – 2009). Government therefore made a provision from the DACF, GETFund, NHIS, Road Fund,

HIPC and percentage of the service and investment from 2006 estimates of MDAs to support the implementation of the NYEP.

712. Out of the total target of 175,000 jobs to have been created in its first year, the NYEP at the time of the launch, and four months into its operation, had created a total of 39,076 jobs. Of these, 13,069 jobs were filled in crop agriculture, 20,021 in education, 4,550 in waste management and sanitation, 1,241 internships and 195 as programme staff.

### **National Employment Policy**

713. Work has started on developing a draft National Employment Policy and Labour Market Information System. Priority areas being addressed in the employment policy document include:
- Defining constraints to employment generation
  - Promoting employment generation potential of economic sectors such as agriculture, manufacturing, construction
  - Development of Action Plans for implementation
  - Human Resource Development and employment linkages

### **Employment Database**

714. In order to have reliable and accurate data on employment levels in the country, the Ministry in collaboration with the Ghana Statistical Service, trained field personnel to collect data. This data is being processed and actual figures on employment will be ready by the end of the year to inform the policy on employment.

### **Welfare Programmes**

715. The Ministry implemented welfare programmes in the areas of child welfare, the disadvantaged and excluded and HIV/AIDS. The achievements are as follows: 134 cases of adoption were handled, 739 child welfare services were provided, and 44,044 Persons with Disability were trained in various vocations nationwide. 85 juvenile and related child cases were also handled.

### **National Social Protection Strategy**

716. The National Social Protection Strategy (NSPS) which is in the final stages of development complements and supports improvements in the management and delivery of existing Government programmes in order to address gaps in coverage and programme efficacy. The Strategy is undergoing a final review to enable programme implementation in 2007.

### **Institutional Capacities**

717. In order to enhance delivery of the quality services and to meet its expanded mandate and challenges, the Ministry trained about 150 personnel in critical areas such as Management, ICT, Social Work and Financial Administration.

### **Tripartism and Salary Administration**

718. The Tripartite Committee was re-constituted to strengthen its capacity to deal with labour-related matters. The Committee actively participated in two fora on "Developing a Sustainable Incomes Policy for the Public Sector". It also concluded work on

the determination of a Living Income for public debate. The Central Management Board and the Appellate Body also handled issues related to wages and salaries with the former assisting to determine the minimum wage for 2006.

### **Productivity Awareness and Measurement**

719. The Ministry, through the Management Development and Productivity Institute (MDPI) conducted productivity measurement indices for 10 manufacturing companies and 5 financial institutions using the Value Added Concept.
720. Evidence from the exercises showed that the percentage of revenue attributable to value addition was only about 20 per cent, making it impossible for enterprises expansion to be financed from internal resources. The Financial Sector indices were significantly higher than those of the manufacturing sector.
721. Mr. Speaker, the Ministry collaborated with other MDAs in several other programmes and activities. These include the following:
- The implementation of the Labour Act, in collaboration with other stakeholders and finalization of a legislative Instrument for gazetting and subsequent publication before the end of the year.
  - Trained 828 co-operative groups with a total membership of 13,200 in basic co-operative management techniques
  - Inspected 1,922 factories and offices and 30 Industrial Hygiene Surveys conducted to determine Safety Standards



- The passage of Persons with Disability Act, 2006 which provides for the integration of Persons with Disability (PWD's) into the mainstream society in the areas of education, employment, and health care was passed.
- Collaborated with Ministry of Education, Science and Sports and succeeded in getting the Technical Vocational and Education Training (TVET) Act passed
- Collaborated with MOFEP to facilitate the implementation of the on-the-job training programme which is to ensure that the youth are employed and trained to improve their access to acquiring appropriate experience in administration, finance and economy, job and technical skills, marketing and ICT and tourism

### **Outlook for 2007**

722. Mr. Speaker the Ministry will continue with its main programmes and activities with a view to accelerating the pace of human resource development, creation of an enabling environment for employment generation, enhancing social protection, expansion and development of the co-operative system for revenue mobilization.

### **National Youth Employment Programme (NYEP)**

723. The Ministry will continue with the NYEP drawing on the lessons and experiences gained from the 2006 programme
724. Specifically 200,000 employment opportunities will be created. The focus areas of the programme include:

- Youth-in-Agriculture
- Waste and Sanitation
- Auxiliary Health Assistants
- Rural Education
- ICT paid internships
- Industrial attachments and long vacation jobs.

### **National Employment Policy**

725. The Ministry will complete and implement the NEP which seeks to address the objectives for youth employment, labour-based migration, industry-based skills training, and decent work agenda. A cross sectoral approach to employment policy implementation will underpin the overall national strategy.

### **Labour Market Statistics**

726. Under the Business Sector Programme Support (BSPS) programme, the Ministry will continue to develop the Labour Market Information System to provide relevant information to all key stakeholders in the areas of employment levels, unemployment rates, employment projections, wages and training resources. This will serve as a tool to right size the demand and supply for skilled labour and for benchmarking the Ghanaian private sector in terms of productivity and employment conditions.

### **Human Resource Development (HRD) Policy**

727. The Ministry will continue the development of a National HRD policy which will provide the framework for HRD planning and implementation. The focus will be competency-based demand-

driven skills training to promote skills acquisition for gainful employment. The HRD policy will also promote dialogue between industry and skills/professionals training institutions to produce skilled labour required by industry.

### **Employment and Tripartism**

728. The Ministry will continue to collaborate and participate in programmed activities of International Organizations such as the International Labour Organization (ILO), Africa Regional Labour Administration Centre (ARLAC), and Continental bodies like Africa Union (AU), Economic Commission for Africa (ECA) and other sub-regional organizations in the areas of labour and employment, tripartism and other labour-related matters.

### **Social Development**

729. The Ministry will undertake the following major programmes in 2007:
- Finalize the NGO and Trust Bill for presentation to Parliament
  - Establish the National Trust Commission
  - Begin the Implementation of the Programme of Action on the Elimination of worst forms of Child Labour in the Cocoa Industry
  - Establish the National Council on Persons with Disability (PWDs) to give meaning to the object of the Act.
  - Finalize the Policy on the Aged

### **Livelihood Empowerment Against Poverty (LEAP)**

730. Mr. Speaker, to strengthen social protection, a Livelihood Empowerment Against Poverty (LEAP) pilot social grants scheme will be developed this year. The scheme which will be supported from HIPC funds aims to provide conditional social grants to the extreme poor with no alternative means of meeting their subsistence needs and unconditional grants to individuals with limited or no productive capacity. Target groups include extreme poor farmers and fisher folk, extreme poor above 65 years, orphans and vulnerable children (OVCs), Children affected by AIDS, children with severe disabilities, incapacitated/extremely poor Persons Living With HIV/AIDS and lactating mothers with HIV/AIDS.

### **National Youth Policy**

731. The Ministry through the National Youth Council has completed work on a revised National Youth Policy (NYP). Under the policy, the Youth will be assisted to develop their capacities and potentials for leadership roles to enable them contribute their quota meaningfully towards socio-economic growth and development. The draft Policy Document will be submitted to Cabinet for appropriate action in 2007.

### **Management of Foreign Contracts**

732. Mr. Speaker, the Ministry will strengthen its management of foreign contracts/recruitments to protect the rights of Ghanaian so recruited, as well as, prevent the system from being abused and used as a channel for human trafficking. It is expected that

effective management of the scheme would lead to additional foreign revenue generation for national development.

### **Institutional Capacity Building**

733. The Ministry will continue with institutional capacity building in the areas of labour management, labour statistics, social work and cooperative development to maintain quality assurance of services.
734. For the implementation of the above activities, an amount of ₺216,771 million has been allocated. Out of this, GoG is ₺103,257 million, IGF is ₺13,514 million and HIPC is ₺100,000 million.

## **Ministry of Health**

735. Mr. Speaker, the objectives of the Ministry of Health under GPRS II continue to be the bridging of equity gaps in access to quality healthcare and nutrition services, ensuring sustainable financing arrangements that protect the poor and enhancing efficiency in service delivery.

### **Performance in 2006**

736. The main focus of the health sector programmes in 2006 was to:
- Promote health and collaborate with other sectors to reduce risk factors associated with diseases
  - Scale-up the delivery of high impact health interventions for achieving the Millennium Development Goals
  - Expand access to emergency and ambulance services
  - Produce, retain and distribute human resources equitably
  - Improve coverage of the National Health Insurance Scheme (NHIS)

### **Health Promotion and Inter-Sectoral Collaboration**

737. A new health policy with the theme of creating wealth through health was developed. This policy emphasizes health promotion and inter-sectoral action in addition to scaling up the delivery of health services within an overall framework of strengthening the health sector. The Ministry developed a regenerative health and nutrition project whose primary purpose is to promote preventive health, based on healthy life-styles and nutrition.

738. In pursuit of its objective of collaboration with other MDAs/MMDAs, the Ministry of Health collaborated with the following Ministries:

- Local Government, Rural Development and Environment as well as District Assemblies in promoting environmental sanitation, sponsoring the training of nurses and other health professionals and providing infrastructure facilities
- Water Resources, Works and Housing to promote access to safe water and Guinea Worm eradication
- Education, Science and Sports to promote school health and school feeding,
- Public Sector Reforms in decentralization of Payroll and Human Resource Management and
- Manpower, Youth and Employment in the review of Additional Duty Hours Allowances (ADHA).

### **Delivery of High Impact Health Interventions**

739. Mr. Speaker, over ₦63.0 billion was released to support the implementation of the High Impact Rapid Delivery programme. The following summarizes progress made in specific programmes.

### **HIV**

740. The target of reducing the prevalence rate of HIV to 3.1 per cent was achieved. The prevalence went down to 2.7 per cent. Twenty Anti-Retroviral Therapy (ART) sites are operational and providing service. There are 6,000 patients on ART, 2 years

requirement of Anti-Retrovirals have been procured and adequate number of HIV test kits are in stock.

### **Guinea worm**

741. Guinea worm eradication efforts continued in the course of the year. Cumulative total of 2,968 cases were recorded for January-September (a little over the figure of 2,947 over the same period last year and higher than the target of 2,000). One hundred per cent of 2,167 villages targeted are under active surveillance, and have full household filter coverage.
742. Case containment rate increased from 52 per cent during the first quarter to 61 per cent by the end of the third quarter (lower than the target of 80 per cent), while 100 per cent of eligible endemic villages were treated with abate.

### **Malaria**

743. The malaria control programme received a major boost during the year. Insecticide Treated Nets (ITNs) distribution has been scaled up to the whole country. Over 5 million ITNs have been procured for distribution and ITN utilization increased to 32.7 per cent for pregnant women and 31.0 per cent for children under-five.
744. All district health facilities are implementing Intermittent Preventive Treatment (IPT) policy. Five million four hundred thousand (5,400,000) tablets of Sulphadoxine pyremthamine (SP) have also been procured this year. Over 100,000 pregnant women have received SP as at the end of the second quarter.



745. Mr. Speaker, the new anti-malarial drug policy was implemented in all the 138 districts in the country. The implementation of this policy was met with initial difficulties and negative publicity on adverse effects of the new drug. This is being investigated by the Center for Pharmacovigilance at Korle Bu and the Noguchi Memorial Institute for Medical Research, Legon.

**Expanded Programme on Immunization.**

746. Mr. Speaker, major progress on eradication of measles and Polio was made during the year. Annualized Non-polio rate of 1.4/100,000 children under 15 years was achieved at the end of September. Additionally, the sector achieved 100 per cent coverage for measles immunization in children and 100 per cent of villages targeted (2,167) were under active surveillance. Seventy-eight per cent of children have also been immunized with Penta 3 vaccine.

**Emergency and Ambulance Services**

747. Under emergency and ambulance services there were some major achievements including the following:
- 50 ambulances were procured and distributed strategically and twenty (20) stations were established in eight regions during the year and are fully operational.
  - A National Accident and Emergency Centre is being constructed in Komfo Anokye Teaching Hospital (KATH),
  - A draft strategic framework on accidents and emergency services has also been developed,
  - A committee has been set up to respond to epidemic situations, and

- A national emergency response plan on the threat of avian/human flu has been developed.

### **Human Resource Development**

748. The sector continued to implement strategies for addressing shortages of key health professionals. These include:

- Abolishing the ADHA and replacing it with more rational remuneration for health workers.
- Continued expansion of health training institutions to increase intake of trainees
- Introduction of health care assistants training programme
- Support for Ghana College for Physicians and Surgeons to provide post-graduate training locally in various specialties.

749. The above measures are having a positive impact on human resource for health. In addition, there are indications that the brain drain of health workers is slowing down. For example, the verification requests by nurses intending to travel abroad to work have dropped from 400 annually to 100 this year.

### **National Health Insurance Scheme (NHIS)**

750. Mr. Speaker, the NHIS, established to provide access to health services for all citizens, especially the poor and vulnerable, is in its second year of actual implementation.

Activities implemented in 2006 include:

- The establishment of 11 additional District Mutual Health Insurance Schemes (DMHIS), bringing the total number of functional schemes to 134. Currently 127 schemes are providing benefits to its members and the remaining 7 schemes are expected to provide benefits by the end of the year. Government disbursed ₦150 million to each of the eleven DMHIS to complete the set-up process. Additionally, ₦67 billion was disbursed to provide requisite administrative and logistic support to keep the schemes functional.
- The registration of a total of 6,036,687 persons by end September, representing 34 per cent of the total population. Out of this figure, 4,424,424 (representing 25 per cent) have either paid up their premiums fully or belong to the exempt group; and 2,837,987 (representing 18 per cent) have been issued with ID cards which entitles them to free access to health services covered by the Scheme. Over 59 per cent of registrants are in the exempt categories.
- The establishment of a data processing centre to process the back log of ID cards for those registered but who have not yet received their cards to enable them access health facilities under the scheme. DMHIS are being resourced to enable them keep pace with registration and ID card issuance and 300 National Service Personnel have been engaged to help register and process Identification (ID) cards for insured members.
- The disbursement of ₦157 billion in subsidies to cover the payment of claims for health care services provided to indigents and other exempt categories between January and August 2006

- The intensification of public education on the benefits of health insurance including approaches such as mass media education, interaction with media and adverts on the Metro Mass Transport buses

### **Capital Investment**

751. Provision of infrastructural facilities continued to be a priority of the Ministry. Work continued on the following projects:

- Construction of the Accident and Emergency Centre at Komfo Anokye Teaching Hospital and the National Disaster Hall almost completed.
- A new storey block of offices, as well as conversion and rehabilitation of three of five blocks for Ghana Health Service Headquarters completed
- Construction of office complex for Nurses and Midwives' Council, Food and Drugs Board and Ghana College of Physicians and Surgeons at various stages of completion, and
- Works on the expansion program for Bawku, Offinso and Berekum Health Training Institutions completed.

### **Outlook for 2007**

752. Mr. Speaker, in 2007 the health sector will begin the implementation of the new health policy focusing on achieving three inter-related and mutually reinforcing objectives:

- Ensuring that children survive and grow to become healthy and productive adults that reproduce without risk of injuries or death

- Reducing the excess risk and burden of morbidity, disability, and mortality especially in the poor and marginalized groups
- Reducing inequalities in access to health, population and nutrition services, and health outcomes

753. In the light of the above, the following will be pursued:

**Promoting Healthy Lifestyles and Healthy Environment**

754. The overall aim of the health sector is to promote healthy lifestyles and reduce risk factors that arise from environmental, economic, social and behavioural causes. Within this framework, 2007 will see increased activity in the area of advocacy, capacity building and enhanced collaboration for a better understanding of the risk factors. In addition, the Ministry will develop strategies to enable individuals, families and communities make the right choices for better health. These will be achieved through:

- Implementing a Regenerative Health and Nutrition programme
- Collaborating with relevant MDAs/MMDAs and stakeholders to improve housing, personal hygiene, environmental sanitation and access to safe water

**Improving Access to Quality Health, Reproduction and Nutrition Services**

755. Improving access to quality health care is one of the key areas of the Ministry. Attention will be focused on the following:

- Scaling up implementation of high impact and rapid delivery health interventions to ensure healthier mothers and children, including increasing coverage of supervised delivery by at least 3 per cent and promoting the use of ITNs
- Promoting good nutrition across the life span, food security and food safety
- Combating the menace of communicable diseases such as HIV/AIDS, Malaria, Tuberculosis, epidemic prone diseases and diseases that almost exclusively affect the poor such as Buruli Ulcer, Guinea worm, Leishmaniasis, Lymphatic Filariasis, schistosomiasis
- Strengthening surveillance and response to epidemics and emergencies
- Integrating traditional and alternative medicine into health service delivery

### **Capacity Development for Health Delivery**

756. The Ministry will make interventions in the following areas:

- Scale up the training of middle level health personnel, i.e. Medical Assistants, Midwives and Health Assistants
- Retain, distribute equitably and increase productivity and responsiveness of human resources by:
  - (i) Strengthening systems for supervision, accountability and overall human resource management and
  - (ii) Refining systems for compensation and incentives, and implementing sanctions
- Continue with programmes to increase access to health facilities with emphasis on construction of Community

Health Planning Schemes (CHPS) compounds, health centres and district hospitals

- Ensure availability of vaccines, drugs and consumables for delivery of public health services

### **Governance and Financing**

757. Attention will also be given to the following:

- Forging stronger, integrated, effective, equitable and accountable health systems including strengthening financing, human resources management, information management and private sector collaboration
- Strengthening the regulatory framework within the health sector
- Decentralizing human resource management
- Strengthening monitoring and evaluation of the performance of the health sector

### **National Health Insurance Scheme**

758. Mr. Speaker, the Ministry with its collaborative agencies will sustain the National Health Insurance Scheme and expand its coverage nationwide to about 55 per cent of the population. This is to be achieved through:

- Continuous public education to increase awareness of benefits and reduce misconceptions surrounding the NHIS
- Improving systems for registration and claims management
- Establishment of zonal offices

- Deployment of an integrated information system to allow efficient management of the NHIS including uniform ID system, portability and claims management
- Providing adequate funding to support services for exempt categories such as indigents, pensioners and children under 18 years
- Enhancing support to financially distressed schemes and service providers to improve the quality of services

759. For the implementation of the above activities, an amount of ₦5,637,564 million has been allocated. Out of this, GoG is ₦2,481,904 million, IGF is ₦521,000 million, Donor is ₦780,563 million and HIPC is ₦95,000 million. NHIS is ₦1,759,097 million.



### **Ministry of Women and Children's Affairs**

760. Mr. Speaker, the Ministry of Women and Children's Affairs (MOWAC) has responsibility for formulating sector policies for promoting gender equality and equity, the protection of the rights of women and children, the socio-economic empowerment of women including the vulnerable and marginalized, the survival, protection and the holistic development of the Ghanaian child, and monitoring the implementation of gender and child-related programmes nationwide and evaluating their outcomes (M & E).
761. MOWAC collaborates with MDAs, MMDAs, National Policy Institutions and Development Partners to design/formulate and implement programmes and projects for the benefit of women and children.

### **Performance in 2006**

762. The Major Achievements of MOWAC in 2006 included the following:
- To promote gender equality and equity, MOWAC collaborated with NDPC and key MDAs to mainstream gender, vulnerability and children's issues into GPRS II and
  - Carried out sensitization programmes nationwide on the Domestic Violence Bill (DVB) to increase public understanding and enhance the passage of the Domestic Violence Act. The views collated have enriched the content of the DVB.
  - To enhance the protection of the rights of women and children, MOWAC carried out effective sensitization

programmes on the Human Trafficking Law (HTL), targeting relevant agencies including Parliament, Traditional Authorities, the Media and the general public in all 10 Regions of Ghana. A Human Trafficking Secretariat has also been established. and

- Presented and defended Ghana's Reports to the UN on the following:
  - Report on the UN Convention on the Rights of the Child to the UN-CRC Committee in Geneva.
  - Reports on the Implementation of Committee for the Elimination of all forms of Discrimination Against Women (CEDAW) (3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> Reports) to the UN Committee on CEDAW

763. In the area of socio-economic empowerment of women and children MOWAC carried out the following:

- Launched the "Women in Local Government Fund" and held a series of seminars to encourage women contest the 2006 District Assembly Elections in order to bridge the gender gap. As a result, more women participated in the 2006 District Assembly Elections
- Trained over 25 Women groups in Greater Accra Region in the efficient use of micro credit to increase their productivity and incomes. This enhanced the recovery rate of the micro-credit scheme
- Liaised with Micro- Financial schemes and institutions to extend credit to 17,000 women engaged in small-scale farming and petty trading especially in rural areas. The expansion of the scheme created rural jobs and increased incomes of poor women

- Organized Financial and Business Skills Improvement Training workshops for 76,983 women beneficiaries of the Women Development Fund (WDF) with the view of raising both incomes and the loan recovery rate of the WDF. The Micro Credit Fund has not only impacted positively on the economic empowerment of women but also on the youth and men as well
- Trained 130 women on Food Processing techniques in the non-traditional sector and supported economically active and potentially viable women's groups with Gari, Groundnut and Palm oil processing equipment

764. To improve on the survival, protection and the holistic development of Ghanaian child, MOWAC;

- Established Early Childhood Care and Development (ECCD) committees in 37 districts to coordinate the implementation of the ECCD policy
- Established a Sex-Disaggregated data base to inform policy reviews, sector specific policy targeting, and evidence-based gender and children's policy decision making at all levels as well as promote research. Data relating to Gender and children was collected in 5 districts
- Set up 100 community child volunteer groups to promote the involvement of communities in the protection and development of children
- Conducted research into the involvement of children in mining activities and circulated findings to relevant agencies and institutions for appropriate action

765. Mr. Speaker, in pursuit of the objective of monitoring the implementation of gender and child related programmes nation

wide and evaluating their outcomes, MOWAC also undertook the following:

- Conducted Monitoring and Evaluation on women empowerment and child protection and development programmes
- Organized Women's durbars in all 10 Regions to disseminate information on Government development policies and programmes to ensure a national participatory approach to development policy making within the context of Good Governance

### **Outlook for 2007**

766. Mr. Speaker, in 2007, the Ministry will continue its activities relating to the promotion of gender equality, the economic empowerment of women especially in rural job creation to increase incomes, and the holistic development of the Ghanaian child.
767. In the area of promotion of gender equality, MOWAC will undertake the following:
- Conduct a Gender Needs Assessment of relevant MDAs and develop Sector and District Gender Planning and Budgeting Guidelines/Manuals and Training Modules. MDAs and MMDAs will be trained to mainstream gender and child-related cross-cutting issues into their Medium Term Development Plans
  - Collaborate with the Ghana Statistical Service to collect sex-disaggregated data in all districts and train MDAs and MMDAs on gender data analysis and planning. The data collection instruments developed will serve as essential tools for

improving the disaggregate data during the proposed National Population Census by the GSS in 2010

- Implement the African Development Bank/MOWAC Gender Capacity Building Project at the District level. Under this project, the capacities of MMDAs will be built in the following areas; (1) District Gender Profile preparation, (2) sex-disaggregated data collection, and (3) Gender policy analysis. The objective is to assist Government to address core poverty and vulnerability issues of women in a more effective and results-driven manner
- Continue the dissemination of Government Policies and programmes particularly at District and Community levels with the objective of increasing participation in the implementation of GPRS II and contributing towards the achievements of the MDGs
- Build stronger Gender policy implementation partnership with MDAs and Development Partners to achieve planned results
- Organize specific activities for women's participation in "GHANA AT 50" celebration including an International seminar for Ghanaian Women in the Diaspora

768. On the economic empowerment of women especially in rural job creation to increase incomes, MOWAC will undertake the following:

- Collaborate with Micro Finance and Small Loans Centre (MASLOC) to extend Micro-credit to over 10,000 women engaged in economically viable ventures with increasing job creation multiplier effect. The targeted women will be trained in financial management skills and other good business practices that will increase their incomes and the recovery rate of their loans

- Train 700 women in the use of agricultural processing machines and supporting them with equipment. The objective is to increase value addition, increase incomes and reduce feminized poverty
- Train over 300 women in the use of ICT and Networked to share information on products and marketing opportunities at local and external levels
- Target and train over 1,000 “kayayeis” in various vocations to reduce their vulnerability. This will be done under the National Youth Employment Programme and in collaboration with relevant agencies and stakeholders
- The ministry will pursue the holistic development of a Ghanaian child by establishing the Human Trafficking Board and Fund as required by Law to carry out sensitization programmes and create awareness to accelerate effective implementation of the Human Trafficking Law
- Implement the ECCD Policy as a basic requirement for the future human capital formation of Ghana

769. Other activities to be undertaken in 2007 are

- Start the construction of a new office accommodation to house its two newly created departments
- Collaborate with NDPC and the Ministry of Finance and Economic Planning to undertake gender budgeting across all sectors and also for District Assemblies to enhance Government efforts at addressing critical issues relating to providing safety nets for the rural poor and marginalized, many of whom are women and children

770. All the above activities are aimed at increasing the socio-economic status of women in Ghana and helping Government

achieve the Development Policy Targets of GPRS II and the critical areas of the Millennium Development Goals.

771. For the implementation of the above activities, an amount of ₺34,064 million has been allocated. Out of this, GoG is ₺21,890 million, IGF is ₺34.0 million, Donor is ₺12,141 million.

## **GOOD GOVERNANCE AND CIVIC RESPONSIBILITY**

772. Mr. Speaker, the focus of the 2007 budget in relation to Good Governance and Civic Responsibility, which is one of the 3 priority areas under GPRS II is to empower state and non state entities to participate in the development process and to collaborate in promoting peace and stability in the country.
773. The strategies to achieve this objective include the promotion of effective, responsible and accountable state machinery with capacity to engage the private sector and civil society, and formulate policies and strategies for accelerated growth and poverty reduction.
774. Mr. Speaker, the key MDA's whose activities will promote the achievement of Good Governance are the following:
- Ministry of Local Government, Rural Development and Environment (MLGRDE)
  - Office of Government Machinery (OGM)
  - Ministry of Foreign Affairs, Regional Cooperation and NEPAD (MFARCN)
  - Ministry of Finance and Economic Planning (MOFEP)
  - Ministry of Parliamentary Affairs (MPA)
  - Ghana Audit Service (GAS)
  - Electoral Commission (EC)
  - Office of Parliament (OOP)
  - District Assemblies Common Fund (DACF)
  - Ministry of Information and National Orientation (MOINO)
  - Ministry for Public Sector Reforms (MPSR)
  - National Media Commission (NMC)



- Ministry of Justice (MOJ)
- Ministry of Defence (MOD)
- National Commission for Civic Education (NCCE)
- Commission on Human Rights and Administrative Justice (CHIRAJ)
- Judicial Service (JS)
- Ministry of Interior (MOI)
- Ministry of Chieftaincy and Culture (MCC)
- National Labour Commission
- Public Services Commission (PSC)
- National Development Planning Commission (NDPC)

**Ministry of Local Government, Rural Development and Environment (MLGRDE)**

775. Mr. Speaker, the Ministry has as its primary mandate the development of local communities. In that regard, the Ministry will continue to focus on fiscal decentralization and improved sanitation as well as provision of safe and green environment.

**Performance in 2006**

776. Mr. Speaker, in 2006 the Ministry continued with its ongoing physical projects and implemented the national decentralisation action plan.

**Urban Environmental Sanitation Project (UESP) II**

777. Mr. Speaker, under the UESP II the Ministry continued the implementation of Phase III of the Odaw Drainage comprising the reconstruction of 2.75 km of the Odaw drain from the Alajo Bridge to the Apenkwa Overhead which was substantially completed in June, 2006. Negotiations for additional funding to extend the Phase III works by 700m beyond the motorway, including reconstruction of a major box culvert at Apenkwa were completed. Following approval by Parliament, funds were secured for commencement of the additional works.
778. Consultancy studies for the following pipeline projects were also completed:
- Detailed engineering design for community infrastructure upgrading in Accra, Kumasi, Tamale, Sekondi/Takoradi and Tema

- Detailed engineering design for storm drainage works in Accra, Sekondi/Takoradi and Tema
  - Detailed engineering design for schools and public sanitation facilities in Accra, Kumasi, Tamale, Sekondi/Takoradi and Tema
  - Additionally, 14 service contracts were awarded in all five (5) cities to assist with the household sanitation scheme
779. Mr. Speaker, detailed engineering designs for Kwabenya Sanitary Landfill in Accra could not commence due to the continued agitation by some residents against the location of the facility. Meanwhile the Oblogo Dumpsite was rehabilitated to enhance the environment.
780. Mr. Speaker, the international consultancy contract for Institutional Strengthening was signed with Messrs HIFAB International. The assignment commenced in August, 2006 and is expected to be completed in 48 months.
781. Mr. Speaker, under the District Towns III Project, construction works on 56 educational, 7 health, 3 water schemes and 1 market/lorry park in 27 towns is about 99 per cent complete. Tendering process for the construction of facilities under District Towns IV Project was completed and construction which commenced during the first quarter of this year is in progress.

### **Implementation of the National Decentralisation Action Plan**

782. Mr. Speaker, the Ministry in collaboration with the Ministry of Finance and Economic Planning (MOFEP) prepared draft guidelines for the preparation of district composite budgets as

part of the fiscal decentralization programme. In addition the Final Draft of the District Development Funding (DDF) Design was also completed.

783. The design of the Functional and Organisational Assessment Tool (FOAT) and the implementation manual were completed and pilot-tested in selected districts in the Upper East, Northern, Ashanti, Eastern, Western and Central Regions.

### **Local Government Service**

784. Mr. Speaker, the Local Government Service Council and its Secretariat initiated action on 3 outstanding but related businesses of the implementation of the program of decentralization in Ghana. These are the :

- establishment of the Departments of the District Assemblies
- integration of the line departments and central government agencies into the Departments of the Assembly at the District Level
- preparation of Legislative Instrument to transfer functions, resources and staff to the MMDAs

### **Environment Sector**

785. Mr. Speaker, in pursuance of its mandate, the Environmental Sector made the following strides:
- Creation and promotion of environmental awareness in collaboration with the media in the celebration of World Environment Day, Africa Environment Day, World Day to

Combat Desertification and Drought, International Day for Biological Diversity and the holding of Environmental Journalist Awards Night

- Awareness creation and conservation of biodiversity at Boti area in the Eastern region in collaboration with the Yilo Krobo District Assembly
- Coordinated the evaluation of the first phase performance of the Guinea Current Large Marine Ecosystem (GCLME) project
- Organizational and Institutional assessment of the Environment Sector as part of the Ghana Environment Sector Study
- Coordinated the preparation of the draft Plastic Waste Management Fund proposal

### **Parks and Gardens**

786. Mr. Speaker, to promote conservation of medicinal plants and create public awareness of threatened species, the Department held a seminar for 50 practitioners on the need to set up medicinal plant farms to help reduce the pressure on the wild.

### **Department of Community Development**

787. Mr. Speaker, as part of its programme to reduce poverty among the self employed, the Department trained 346 Women's Group Leaders in Batik and Tie and Dye while 120 Rural Artisans were also trained in the construction of toilet facilities.

### **Town and Country Planning Department**

788. Mr. Speaker, a 5-km length access road in the Assin Foso and Birim South Districts were prepared, demarcated and opened up. Preliminary review of land and land use planning laws for enactment of new planning legislation was also completed;

### **Environmental Protection Agency EPA**

789. Mr. Speaker, during the year, the Agency executed its core functions of environmental monitoring compliance and enforcement of environmental laws and regulations.
790. Various manufacturing industries, business undertakings and mining companies were licensed to start their operations after submitting environmental assessment reports for evaluation.
791. Mr. Speaker, to date over 100 Environmental Impact Assessment Reports have been evaluated and permits issued. Natural resources management as well as chemicals control management activities were undertaken. The public was also educated on environmental issues. The agency also assisted 12 Metropolitan and Municipal Assemblies to prepare their Waste Management Plans.

### **Rural Enterprises Project**

792. Mr. Speaker, under the Rural Enterprises Project the Ministry established 13 new Business Advisory Centres and supported 376 Graduate Apprentices to obtain NVTI certificate.

793. The Business Development Services Component of the programme organised a total of 69 training programmes and reached out to 1,934 entrepreneurs. 70 Master-craft persons were given skills training and Business Opportunities Identification Surveys BOIS were undertaken in 13 new districts.

**Outlook for 2007**

794. Mr. Speaker, as part of government commitment to empower the capacity of Districts Assemblies to deliver on their mandate, the Ministry will implement a new initiative to enhance their revenue mobilisation activities. A comprehensive policy review will also be undertaken whilst all ongoing projects will be continued.

**The Municipal Finance and Management Initiative (MFMI)**

795. Mr Speaker as indicated earlier, the Ministry of Local Government, Rural Development and Environment, in collaboration with the Ministry of Finance and Economic Planning (MOFEP), will embark on a new system of financing Local Governments, dubbed: The Municipal Finance and Management Initiative (MFMI)
796. Mr. Speaker, this Initiative has been developed within the framework of a comprehensive Urban Development Programme to be an instrument for revenue mobilization for the much needed Metropolitan and Municipal infrastructure and services.
797. Mr Speaker, another major effort will be geared towards deepening the financial base of the local governments by

developing and building a formidable Local Government Credit Market. District Assemblies will be assisted to access long-term credits. This will be done through the enactment of a Local Government Finance Act and the establishment of a Local Government Financing Authority to assist Local Governments to access credit markets for infrastructural investments.

### **Revenue Enhancement Measures**

798. Mr Speaker, within the districts Assemblies themselves, the Government will make significant efforts to strengthen Local Government finance and diversify financing methods by reforming taxation and expenditure systems, reshaping inter-governmental transfers and privatizing key projects,.
799. It is envisaged that the benefit which shall accrue to the country from this initiative would be enormous, including among others, the following:
- Improving Local Governments' access to credit for accelerated provision of public services and economic development in the regions.
  - Reduced risk and lower costs of borrowing for the Local Governments
  - Supporting improved financial and technical management of the Local Governments
  - Provision of a focus for our development partners who wish to support infrastructure development.
  - Foster cooperation amongst a variety of local governments as well as between local governments and private institutions.



800. Mr. Speaker, other revenue enhancement measures which will be implemented will include updating of the existing data base, monitoring and performance measurement of the various Assemblies and in partnership with the private sector focus on the following:

- Street Naming
- House Numbering
- Property Re-evaluation
- Blocking of leakages through the introduction of appropriate technology into revenue collection instead of manual efforts
- Creating Town Centres

801. It is the expectation of the Ministry that this Initiative will be given the necessary support of all and sundry to ensure its successful implementation and completion.

### **Urban Environmental Sanitation Project (UESP) II**

802. Mr. Speaker, the extension works on the Phase III of the Odaw drainage works, comprising the reconstruction of the Apenkwa box culvert and 700m of the Odaw drain upstream of the Apenkwa box culvert which commenced in 2006 will be completed in September, 2007.

803. Mr. Speaker, the following construction works will commence by September 2007 after completion of tendering procedures during the first and second quarters.

- Community infrastructure upgrading in Accra, Kumasi, Tamale, Sekondi/Takoradi and Tema.
- Storm drainage works in Accra, Sekondi/Takoradi and Tema.

- Schools and public sanitation facilities in Accra, Kumasi, Tamale, Sekondi/Takoradi and Tema.
804. The provision of household toilets under a subsidy scheme will continue in Accra, Kumasi, Sekondi/Takoradi, Tamale and Tema. About 2,000 out of the total budgeted number of 8,200 facilities are expected to be delivered by December 2007.
805. Mr. Speaker, the construction of the Tema Landfill will commence by September 2007, after completion of tendering procedures during the first and second quarter. The Ministry will continue efforts aimed at resolving the land issues at Kwabenya to enable the acquisition process to commence and also to select consultants to undertake the design review.
806. The Private Sector solid waste collection component of the project which could not commence in 2006 due to delays in the award of the NDF financed institutional strengthening consultancy contract, is expected to be completed during 2007.
807. Mr. Speaker, under the Institutional Strengthening Component, the Ministry will complete the identification of issues militating against revenue generation/management at 5 Metropolitan Assemblies and design systems to address the issues identified.

### **National Decentralization Action Plan**

808. Mr. Speaker, the Ministry will continue implementing the National Decentralization Action Plan with the following key activities:

- The Ministry will undertake the training of all DPCU staff in District Composite budgeting to equip them with the ability to prepare their budgets using the MTEF format for the 2008 fiscal year in all the 138 districts
- The draft District Development Fund (DDF) which has been completed will be presented to an expanded Joint DDF Working Group for their inputs, before it is submitted to Cabinet for endorsement
- Additionally, the District Development Fund and Functional Organisation Assessment Tool implementation manual will be completed to ensure their use in all districts in the 2008 fiscal year

### **Local Government Service**

809. Mr. Speaker, the Council and its Secretariat will undertake the following key activities:

- Formally Launch the Local Government Service
- Fully operationalise the Local Government Service Secretariat
- Complete the establishment of the Departments of the Assemblies through the integration of the 13 line departments
- Pursue a vigorous and aggressive program of sensitization and awareness creation on the Local Government Service for stakeholders

### **Environment Sector**

810. Mr. Speaker, specific initiatives will be introduced to promote and sustain coastal ecosystems and also to protect our river bodies. Efforts to mainstream environmental issues in all sector

and districts policies, plans and programmes would therefore be intensified.

**Local Government Poverty Reduction Support Programme (LGPRSP)**

811. Mr. Speaker, under the Local Government Poverty Reduction Support Programme, 22 districts in the Brong Ahafo and Ashanti Regions will be assisted to:
- Put in place improved management systems for markets and lorry parks and related infrastructure for effective revenue mobilisation
  - Under the Rural Trade and Industry Promotion Project, 8 districts in the Northern, Brong Ahafo and Ashanti Regions will benefit from a pilot project which aims at strengthening the capacities of stakeholders in the area of local and regional economic development and job creation
812. Mr. Speaker, under District Towns III Project, construction works on 67 facilities (56 educational facilities, 7 health facilities, 1 market and lorry park, 3 water supply schemes) in 27 towns in Ashanti and Brong Ahafo regions will be completed. Names of beneficiaries are as follows: Kintampo North (Kintampo, Babatukuma); Kintampo South (Jema); Techiman, (Offuman, Aworowa, Tuobodom, Tanoso); Tain, (Badu, Seikwa); Pru (Yeji, Parembo-Sawaba, Prang); Atebubu-Amanten (Atebubu, Amanten); Sene (Kwame Dams); Nkoranza (Dromankese, Busunya); Ejura-Sekyedumase (Sekyedumase); Sekyere East (Effiduase); Sekyere West (Kwamang, Nsuta, Beposo), Offinso (Offinso Old Town, Abofour, Nkenkaasu, Afrancho, Akomadan).

813. Mr. Speaker, construction works on the improvement of markets, lorry parks, schools and clinics in 30 selected towns in Brong Ahafo and Ashanti under District Town IV will also be completed.
814. In addition, tenders will be opened for construction work to start on markets, lorry parks, and schools in Amansie East, Berekum, Atiwa, Akwapim North, Birim South and Manya Krobo Districts under District Towns V by end 2007.
815. Mr Speaker, another major activity which will be undertaken during the year will be the formulation of a Comprehensive Decentralisation Policy. It is envisaged that the new policy will bring new impetus to the decentralisation process and also ensure the harmonization of all donor support through a basket type funding arrangement.

### **Rural Enterprise Project (REP)**

816. Mr. Speaker, the Ministry will continue the implementation of the Rural Enterprise Project. Key activities to be implemented include the following:
- Organisation of 510 business orientation programmes for 11,360 prospective clients.
  - Delivery of 566 community-based skills and small business management training programmes for 29,000 project clients.
  - Organisation of a Clients' Exhibition and Trade Show for 281 SME clients.

### **Births and Deaths**

817. Mr. Speaker, the Births and Deaths Registry will seek to deliver on its mandate “to provide accurate and reliable information on all births and deaths occurring within Ghana through their registration and certification” by engaging in the following activities:
- **Normal Registration of Births and Deaths:** Events registered within 1 year of occurrence will be scaled up countrywide in a bid to improve upon the registration coverage from 67 per cent to 80per cent for births and 24 per cent to 30 per cent for deaths at the end of 2007.
  - **Computerisation of the Registration System:** The total automation of the registration system will continue with the installation of computers at all regional and district offices of the registry. The Registry will also introduce Computer Generated Birth Certificates.
  - **Public Education:** An effective and well-coordinated public education programme to create awareness about the relevance of births and deaths registration among the citizenry will be pursued. Key activities under this programme will include the use of TV and Radio adverts, Celebration of the Annual Births and Deaths Registration Day on 1<sup>st</sup> September each year and the regular press briefings.

### **Department of Parks and Gardens**

818. Mr. Speaker, the Department will focus on beautification of the built and natural environment and also develop horticulture into commercial activity. The department will also facilitate the

establishment and management of botanical gardens, parks, arboreta for promotion of scientific research, recreation, tourism and conservation of economic and medicinal plants.

**Department of Community Development (DCD)**

819. Mr. Speaker, in pursuance of its mandate to facilitate the mobilisation and utilization of local and external resources for improved living standards among rural residents and vulnerable communities in urban centres, the Department will continue to undertake a number of poverty reduction related activities.

**Environmental Protection Agency (EPA)**

820. Mr. Speaker, the Environmental Protection Agency will continue programmes which are being perused in 2006. Critical programme areas are as follows:

- Monitoring Programmes for Air and Vehicular Emissions including Noise.
- Environmental Compliance and Enforcement
- Chemical Control and Management
- Environmental Management in Mining and Manufacturing Industries
- Natural Resource Management
- Environmental Education
- Environmental Reporting
- Sanitation

821. An amount of ₦1,196,327 million has been allocated to the Ministry to carry out its activities in 2007. Out of this, GoG is

¢326,273 million, IGF is ¢23,459 million, Donor is ¢736,595 million and HIPC is ¢110,000 million.



### **Office of Government Machinery**

822. The office of Government Machinery consists of agencies whose functions are central to government business. They include
- Public Utility Regulatory Commission
  - Ghana Investment Promotion Centre
  - National population Council
  - Office of the Head of Civil Service

### **Public Utility Regulatory Commission (PURC)**

823. The PURC as part of its statutory responsibility of protecting the interest of consumers while making sure that the utilities are financially sound and viable, adopted a gradual approach for adjusting tariffs from very low levels towards reasonable cost efficient levels.

### **Tariff Review Exercise**

824. The PURC in 2005/2006 embarked on a Tariff Review Exercise which is part of the planned Tariff Review Schedule of the Commission. The objective of this exercise was to test and improve the robustness of the tariff process and ensure movement towards improved service delivery.
825. It was also to position the utility companies as commercially viable entities capable of meeting their financial obligations and responding effectively to the rapid demand for services.

826. The main components of the Review was designed and implemented on a 3 pronged approach:

- Public Consultations to solicit views from consumers, on their concerns and expectations as well as suggestions for improving quality of service and ensuring value for money in service delivery.
- Consultations with other stakeholders especially government as owners and management of the regulated utility companies to ascertain the constraints militating against the delivery of quality service at cost efficient levels
- Determine the nature, priority and quantum of investments required to maintain services at reasonable levels. This will be linked to a robust cost control measures at the Board and Management levels of the utilities.

827. It was also meant to assist the Commission to evolve an appropriate tariff structure that would support the desired level and quality of utility services whilst ensuring the financial sustainability of the utilities.

### **Outlook for 2007**

828. Mr Speaker the PURC in the coming year will facilitate the institution of efficient Management and Boards for the Utility Companies and equip them to provide effective leadership and guidance. Other activities will include the following

- Encourage water demand management practices by encouraging rain harvesting and storage practices by

embodying measures in building designs especially for public institutions and schools.

- Strengthen the operational capacity of PURC by making them financially independent to enable them recruit and retain quality staff to discharge their regulatory obligations effectively.
- Introduce full cost recovery pricing at all levels of consumption.
- Remove the lifeline tariff.
- Introduce new water tariff structure involves maintaining the residential and non-residential tariffs at the existing two-tier band of 0-20 cubic meters and 20 cubic meters plus.

### **Outlook for 2007**

#### **Divestiture Implementation Committee (DIC)**

829. The Divestiture Implementation Committee (DIC) is mandated to implement and execute all Government policies in respect of divestiture of SOEs. In 2007 the DIC will focus on improving revenue inflow to the Government through the off-loading government shares in existing companies through the Ghana Stock Exchange to ensure public participation in the ownership of divested SOEs.

#### **State Enterprises Commission (SEC)**

830. The State Enterprises Commission is a Central Management Agency of State committed to facilitating performance management in prescribed Bodies within the framework of Government policy, to ensure that they operate efficiently,

effectively and profitably and contribute towards the socio-economic development of Ghana.

831. Activities undertaken by the Commission are as follows:

- Under the Performance Monitoring and Evaluation (PME) system the Commission facilitated the negotiation and conducted the signing of Performance Contracts for 31 SOEs
- Reviewed quarterly reports of SOEs as part of the PME system
- Undertook on sites monitoring visits to enable the Commission inspect and verify ongoing projects, ascertain operational bottlenecks and constraints and offered necessary advice
- The Commission in collaboration with MOFEP instituted measures to ensure that SOEs and Joint Venture enterprises honour their financial obligation in the form of taxes, SSNIT contributions, dividends and withholding tax payments
- Assisted SOEs to prepare Annual Audited Financial Statement. Provided guidelines for SOEs to hold Annual General Meeting (AGM)
- Captured live data to assist in developing Integrated SOE Database for tracking key operational and financial performance indicators
- Collaborated with SOEs to ensure peaceful industrial climate

### **Ghana Investment Promotion Centre**

832. The Ghana Investment Promotion Centre (GIPC) with the mandate to promote and facilitate both domestic and foreign investments in the various sectors of the economy (with the exception of mining and petroleum) and assist investors undertook the following activities during the first half of the year.

### **Registration of Investment Projects**

833. For the first 6 months of the year, the Centre registered a total of 114 projects with an estimated investment outlay of US\$2.22 billion. The significant increase in the value of projects registered during the first half of the year was the result of the projected value of investments by the ALCOA group in the aluminium and bauxite sectors.

### **Investment Facilitation**

834. In line with its facilitation role, the Centre supported investors to secure the relevant permits and approvals for the implementation of their businesses. It also continued with its advisory and hand holding services by responding to enquiries and liaising with other agencies on behalf of investors.

### **In-Coming Missions**

835. Trade and investment missions by groups, delegations and single company representatives from various countries paid visits to Ghana to explore trade and investment opportunities. The Centre hosted a total of 21 missions during the period out

of which 3 each were from USA, India and Nigeria 2 from Thailand, and 1 each from UK, Cote d'Ivoire, Sweden, The Netherlands, Gabon, Brussels, China, Japan, United Arab Emirates and Canada

836. Notable among the delegations that visited Ghana to explore trade and investment opportunities were:

- A 21-member delegation from Sweden led by the State Secretary for Trade and Ministry of Industry, Employment and Communications from January 30 to February 2, 2006
- A 45-member Trade and Investment delegation from the United Arab Emirates (Dubai) from 24 to 27 April 2006
- A 45-member Trade and Investment delegation from India led by the State Minister of External Affairs of India from 24 – 27 May 2006

837. In all these missions, the Centre provided advice on investment procedures, incentives, opportunities, joint-venture partnerships. In some cases the Centre made presentations on the business environment in Ghana. The contacts are being followed up by the Centre to ensure that they eventually establish their businesses in Ghana.

### **Local Outreach Programmes**

838. As part of its efforts to increase private investment in the regions, the Centre in collaboration with the respective Regional Coordinating Councils organized investment Promotion Seminars/Fora in 8 regions to educate local and prospective investors on the following;

- The investment climate in Ghana
  - Investment opportunities
  - Investment incentives and guarantees
  - 2006 budget incentives
  - New Tourism L.I (LI 1817) on promotion of tourism
  - Preparation of project profiles using the UNIDO Format.
839. Preparations are underway to organize similar seminars/fora for the remaining regions before the end of the year

### **Policy Advocacy**

#### **Workshop on the Ghana Blue Book Project**

840. The GIPC in collaboration with UNCTAD and the Japan Bank for International Cooperation organized a Workshop on “Draft Blue Book of Ghana” which examined and deliberated on measures aimed at improving the investment climate in Ghana.

#### **Launching Of New Tourism Investment Law**

841. The new Tourism Investment Law, Act 1817 was launched by the GIPC and the Ministry of Tourism and Diasporan Relations on 29th March 2006 .The new Law seeks to promote investment in various activities in the tourism value chain through the granting of generous fiscal incentives and benefits.

#### **Review of the Ghana Investment Promotion Centre Act**

842. The third draft of the GIPC Act 478 review has been completed and awaiting benchmarking and validation to ensure that the

law will be able to accommodate the changing landscape of investment promotion when it is passed.

### **Technology Transfer Agreements**

843. 4 agreements were registered between January and October 2006. Through these agreements the following categories of technology will be transferred to beneficiary local enterprises in Ghana:

- Professional services
- Technical services
- Trade Marks
- Technical assistance
- Management services

### **Development of Promotional Materials**

844. To facilitate the dissemination of investment information, the Centre produced promotional materials in the form of brochures, handouts, sector profiles and mini DVD's. These information materials are distributed to Ghana's missions abroad as well as to the foreign missions in Ghana for visiting delegations.

### **Outlook for 2007**

845. The Centre will continue with the implementation of the Corporate Plan in conjunction with other government agencies, which have a bearing on the activities of the GIPC.



846. The broad areas of implementation will be improving the enabling environment, investor facilitation and servicing, investment promotion and generation, review the restructured one-stop-shop in terms of its impact and institutional development.
847. The main focus of the Centre would first of all be to enhance Ghana's ability to attract investment into identified strategic sectors through the review of the investment law with special reference to incentives, guarantees and protection agreements. This will be done in collaboration with Ministry of Trade and Industries under the Trade Sector Support Programme.
848. With respect to overseas investment promotion during the year 2007, the Centre plans to undertake targeted investment promotion mission to Switzerland, Canada, United Arab Emirates, USA and Australia.
849. The Centre's policies will also be to intensify its interaction with Ghanaian in the Diaspora with the view to encouraging them to shift their emphasis into more productive investments at home.
850. **Some of the specific activities to be undertaken will include**
- Local Investment Promotion
  - Investment missions (in-coming and out-going missions)
  - Investment workshops/seminars/conferences
  - Trade, Investment and Technology Fairs and Exhibitions
  - Review and production of promotional materials
  - Investment registration and facilitation services

- Development of a website for the Non resident Ghanaian Secretariat
- Policy advocacy and outreach programmes.
- Revision of Bilateral Investment Treaty model
- Development of Land Bank Portal
- Design an Investment Promotion Training Programme for Diplomats
- Organise match making event with 10 large and medium size Asian TNC

### **National Population Council (NPC)**

#### **Performance in 2006**

851. Mr. Speaker, the NPC planned to focus its activities in the following key areas: advocacy, integration of population variables into development planning, capacity building and identification of researchable topics and commissioning those researches.
852. Mr. Speaker, the National Population Council initiated the process of assessing the implementation of the National Population Policy (Revised Edition, 1994) in 2006. The idea was to find out how the various implementing agencies have used the policy document to guide programme delivery and the results of the interventions put in place with respect to those activities.
853. Mr. Speaker, the Council commissioned a study for the preparation of State of Ghana Population Report, 2005. The report which is expected to be produced bi-annually was on the theme "Investing in Young People: Society's most valuable

asset” and will provide information on all aspects of activities of the youth. Draft reports have already been submitted to the NPC and were being reviewed.

854. As part of its advocacy initiatives, the NPC in collaboration with its partners marked World Population Day on 11 July, 2006 at Wiemoase in the Ashanti Region.
855. Mr. Speaker, at the end of the programme, there was a clearer understanding of the role of the youth in national development. The opinion leaders, traditional rulers and Parliamentarians present resolved to ensure that proper leadership was given to the youth to enable them take their rightful place in society as future leaders.
856. In furtherance of its coordination functions, the NPC also organized a West Africa Regional Conference of the African Population Commission for Population Councils and other analogous institution in the West Africa region from 6-9 November 2006.
857. Mr. Speaker, the conference was under the theme “Making Motherhood Safer: A National Priority towards achieving the Millennium Development Goals”. Experiences and best practices in dealing with safe motherhood programmes were shared by participants. The communiqué prepared at the end of the session served as the road map for the way forward in handling safe motherhood programmes.
858. To ensure that population factors are constantly and systematically integrated into development planning processes, the NPC continued its collaboration with the Department of

Planning, Kwame Nkrumah University of Science and Technology and district assemblies in Volta and Central regions, and carried out training for District Planning and District Budget officers on how to integrate population factors into the district development planning schemes.

### **Outlook for 2007**

859. Mr. Speaker, the NPC will disseminate the Population Policy to ensure that its contents are brought to the attention of all stakeholders in the field of population. NPC will also ensure that population variables are consistently integrated into the development planning process of the country.
860. Mr. Speaker, Council has also embarked on the preparation of State of Ghana Population, 2005 Report. The report will be completed and launched in 2007 and is expected to highlight appropriate interventions and programmes to be formulated to address the concerns of young people.
861. Mr. Speaker, the Council will intensify its advocacy and networking approaches with the various implementing agencies in both the public and private sectors. Issues to be dealt with under the advocacy programmes will include fertility regulation, safe motherhood, the promotion of and access to the utilization of family planning services, education of the youth, adolescent reproductive health, etc.
862. Finally, Mr. Speaker, the NPC will endeavour to improve the population database by the creation and maintenance of an efficient and effective population information network. NPC will

also continue to produce Fact Sheets on key population topics to be used as planning tools, especially at the district level.

### **Ghana AIDS Commission (GAC)**

863. In 2005, the Ghana AIDS Commission in collaboration with partners and representatives of key stakeholders agreed on a National Strategic Framework 2006-2010 (NSF II)
864. In 2006 the following activities were undertaken:
865. Policy, Advocacy and Enabling Environment
- Mr. Speaker, Stigma and discrimination constitute major problems for People Living With Aids (PLWHA), making it difficult for them to disclose their status, seek preventive and health care, and lead productive lives. The planning of a national stigma-reduction campaign was intensified during the year to encourage and change attitudes at all levels of society.
  - Additionally During the year under review, GAC in collaboration with African Commission on Human rights organised an International Conference on HIV, AIDS and Human Rights.
  - The development of the National Blood Safety Policy was also completed in 2006.

### **Coordination and Management of the Decentralized Response**

866. District responses were integrated the implementation of the 2006 Annual Programme of work and there was continued strengthening of the Regional and District AIDS Committees,

District Response Management teams for the implementation and monitoring of the HIV response.

### **Mitigating the Economic, Socio-Cultural and Legal Impacts**

- 867. With support from the Project Acceleration Fund (PAF) UNAIDS, advocacy sessions were held with the Regional Houses of Chiefs.
- 868. The Commission also developed and implemented the National Policy Guidelines on Orphans & Vulnerable Children (OVC) which provides basis for national response to OVC through a multi-sectoral approach and development of OVC workplan under the leadership of MOWAC;

### **BCC and Prevention**

- 869. Support to the media was intensified in 2006 with the funding of 10 FM stations ( one per region) to scale-up targeted HIV/AIDS messages
- 870. The National Integrated Behaviour Change Communication and IEC Strategy was disseminated to decentralized levels to give basis and impetus to better coordinated BCC and IEC initiatives.
- 871. Under the 2006 APOW, key institutions were targeted for prevention and behaviour change activities such as:
  - Ghana Armed Forces- (UNDP)
  - Ministry of Education, Science and Sports (UNICEF/POOLED FUNDS)

### **Treatment, care and support**

- 872. The National Scale Up plan including guidelines for resistance monitoring was finalised in 2006 through support from WHO and the ART Technical Working Group. Guidelines on the Prevention of Mother To Child Transmission was completed.
- 873. VCT services have been provided at 243 public and NGO sites while 104 sites are providing PMTCT services across the country.
- 874. Highly Active Anti-retroviral Therapy (HAART) treatment sites have been expanded from 5 (December 2005) to 32 (June 2006) and those providing PMTCT/VCT from 82 (December 2005) to 224 (June 2006).
- 875. ART is provided alongside treatment of opportunistic infections, provision of food aid, home and community-based care, building community capacity to comprehensive and collaborative support PLWHA and affected persons. Currently the service has benefited 6,000 clients as at September 2006 (male-2,109; female-3,251). There are approximately 245 pediatric cases with 179 (3 per cent) deaths.

### **Research, Surveillance and M/E**

- 876. In 2006 concrete steps were undertaken towards the development of a National Research Strategy for HIV and AIDS through collaboration with a multi-sectoral, interdisciplinary group of experts. A draft strategy is expected by end of 2006 to provide guidelines on national priorities for HIV and AIDS related research.
- 877. Additionally in 2006, a HIV/AIDS related research database was developed containing information on two hundred and eighty-two research reports and publications.

### **Outlook for 2007**

878. The 2007 POW provides a basis for harmonization, accountability and collective responsibility for achieving the goals and objectives of the national response to HIV and AIDS. This agreed set of activities embodied in the 2007 POW seeks to consolidate the achievements of the 2006 POW, address the gaps and weaknesses and respond to the new lessons learnt in 2006 about the changing face of the epidemic in Ghana.
879. For the first time, a technical audit is proposed to assess the attainment of sub project objectives and the challenges therein. There will be an emphasis on sharing information and best practices with a view to learning as we are doing.

### **Policy, Advocacy and Enabling Environment**

880. It is proposed that in 2007, focal persons be identified and trained in a number of police stations and prisons who are assigned to deal with HIV/AIDS situations that may arise.
881. Advocacy among key decision makers such as Parliamentarians, Chief Directors in sector ministries and agencies will be accelerated to ensure that HIV remains a national mainstreaming priority.
882. The National Business Coalition for HIV/AIDS was launched in 2006 and the coalition will be supported in 2007 to strengthen its role as the focal point for the co-ordination of business sector responses.



### **Coordination and Management of the Decentralized Response**

- 883. Coordinating and managing the expanded, decentralized multi-sectoral national response involves diverse and complex processes including joint planning, knowledge management, mobilizing resources, enhancing skills in coordinating, monitoring, reporting and financial managing among others.
- 884. Now that all MMDAs have their HIV action plans including the newly created districts through support provided in 2006, emphasis will shift towards maximizing the effectiveness of the implementation of action plans.
- 885. The 2007 APOW allocates funding to strengthen the M&E function and technical capacity building, as well as supervision to implement their technical program.

### **Mitigating the Economic, Socio-cultural and Legal Impacts**

- 886. Traditional leaders (all 10 Regional Houses including queenmothers) are targeted in APOW 2007 to implement programmes which tackle the negative socio-cultural ramifications of HIV and AIDS including issues on gender.

### **Prevention and Behavioral Change Communication**

- 887. Accelerated efforts in the prevention of new infections will ultimately give us greater impact and success as we implement the NSF2. Prevention remains the cornerstone of the national strategy to overcome the epidemic.

888. The APOW 2007 will bring about a gradual shift in prevention activities towards those geographical areas and specific groups with the highest prevalence. Guided by the framework on national sex worker strategies, sex workers programs will be scaled up.

### **Treatment, Care and Support**

889. The NSFII recognizes treatment, care and support of PLWHA as priority investments that complement prevention activities, improves the quality of life of PLWHA, decreases the social and economic impact of AIDS and prevents the spread of secondary infections like tuberculosis.
890. Provision of highly active anti-retroviral therapy (HAART) to PLWHA is an integral part of this component. Community preparedness will be strengthened as part of 2007 APOW to compliment the activities under TAP and roll out programme for ART.

### **Research, Surveillance, Monitoring and Evaluation**

891. The GAC will monitor the overall implementation of 2007 APOW by MDAs, RCCs, MMDAs, private sector and NGOs. It will further monitor the extent to which the institutional arrangements facilitate HIV/AIDS prevention and care efforts.

### **National Identification Authority (NIA)**

#### **Performance in 2006**

892. The National Identification Authority (NIA) is required to undertake mass enrolment of Ghanaians (resident or living

abroad) and, all legally and permanently resident foreigners. The NIA is required to create a national database, generate unique identifiers for each individual and subsequently issue secure national identity cards.

893. Major activities undertaken include the following:

- The National Identification Authority Act 2006 (Act 707) was passed by Parliament on Friday March 17, 2006 and given Presidential Assent on April 21, 2006
- The contract with Technical Partners who will support the National Identification Authority to implement National Identification System was signed on September 21, 2006.
- The contract for the construction of the National Data Centre for the NIA was also signed on September 21, 2006. This is to be completed within 12 months.
- A number of strategic documents to facilitate easy implementation of the National Identification System have been produced.
- A number of financial management staff have been recruited to support pre-implementation and implementation activities.
- A complete human resource management document has been developed, awaiting the approval of the Authority's Board for implementation.
- Public Education is seriously being carried out and the following are some of the areas that have been covered:
  - A reasonable number of printed and electronic public education materials have been produced.
  - As part of its public education strategy, NIA has had training sessions for District Information Officers, Information Services Department, regional

representatives of the Departments of Women and Children, national representatives of the Department for Community Development and regional/district representatives of the National Commission on Civic Education. With support from NIA, these partner institutions will deploy staff to assist in educating the public on NIS and its benefits to the entire country. Logistics and funding to be deployed to all public education partners are being worked out.

- Electronic Media Campaign: 3 main television commercials were produced, 2 of which were recorded in English, Akan, Ewe, Ga, Dagbani, Hausa and Nzema languages. Placement of radio advertisements and radio commercials are currently running on some FM stations in Accra and other regions.
- Billboards have been produced and mounted at vantage places in Accra and will soon be extended across the whole nation.
- Articles on the sectoral linkages of a national identification system have been published in two of the widely-circulated newspapers -- Daily Graphic and Ghanaian Times.

894. Mr. Speaker, officials of the Secretariat continued fact-finding trips to border districts and 'Special Areas in Northern Ghana, Volta Region and Western Region. In due course, data capture (Registration) and personal information privacy bills all meant to protect and secure the data against any form of internal and external intrusion will be submitted through Cabinet to Parliament for passage.

## **Office of the Head of the Civil Service (OHCS)**

### **Performance in 2006**

895. Mr. Speaker, the Office of the Head of Civil Service organised a workshop on 2006 Performance Agreement for the Chief Directors and Regional Co-ordinating Directors. Another workshop to develop Workplace HIV/AIDS policy for the Civil Service was organized in April 2006. Other activities implemented include;
- 2 seminars for HR Managers in the Civil Service on the implications of IPPD2 and also Job Content Analysis organized between June and September 2006, respectively.
  - Completed and submitted of 2006 Performance Agreement Documents of 4 Regional Co-ordinating Councils (RCCs) and their respective Assemblies and 4 other Ministries and Departments
  - Organized training workshops on Project Management for 28 Deputy Directors and Assistant Directors
  - Organized Civil Service Awards Day in collaboration with the Ministry of Public Sector Reform (27th October 2006) to award prizes to dedicated Civil Servants
  - Carried out 6 regional sensitization workshops on service delivery, complaints/grievance handling for MDAs / stakeholders started from 3rd October to 30th November 2006
  - Completed Renovation works on Civil Service Clinic and Canteen / Restaurant

## **Outlook for 2007**

896. Mr Speaker, during the year the Service will organize 5 sensitization workshops on Code of Practice for Human Resource Managers and print 2000 copies of the Manual for distribution. Additionally the service will develop, validate and distribute 2000 copies of HIV/AIDS workplace policy for the Civil Service. Other activities will include:
- Organize Civil Service Awards Day in October 2007.
  - Conduct performance review / monitoring workshops.
  - Facilitate the establishment and update of service delivery standards.
  - Organize workshops for stakeholders to review existing complaints and grievances procedures.
  - Manage Performance Agreements for Chief Directors as well participate in the assessment of Performance Appraisals for all Civil Service Staff.
  - Coordinate Civil Service Reforms and organize meeting of Civil Service Committee on Administrative Reforms.
  - Organize consultative meetings with Development Partners/Civil Society on Review of Civil Service Reforms.
  - Monitor and evaluate performance of Client Service Units.
  - Facilitate meetings of Committees on Ministerial re-alignment for MDAs.
  - Facilitate Service-wide training courses for the Administrative, Secretarial, Executive/Personnel Classes in the Civil Service.

**National Planning Committee for the Ghana @ 50 Celebrations**

897. Mr. Speaker, on March 6, 2007 Ghana, the first African country south of the Sahara to gain independence from colonial rule, will be 50 years old.
898. Mr. Speaker, under the theme: "Championing African Excellence" Ghanaians and true friends of Ghana will celebrate the country's Golden Jubilee. Ghana's first President, Osagyefo Dr. Kwame Nkrumah, envisioned this country as the guiding light of African independence and solidarity – the BLACK STAR, the lone star of Africa. Our nation's attainment of independence and the subsequent ideological support it extended to other colonized countries on the continent, culminated in the emancipation of many of these countries from colonial rule.
899. Objectives for the jubilee celebrations are three-fold:
- To celebrate and commemorate Ghana's landmark achievement as the first country in Black Africa to attain independence from colonial rule;
  - To reflect on the evolution, development, achievements and drawbacks of our country over the past 50 years; and
  - To look forward to the future, to our vision of excellence in all fields of endeavour in the next 5 years toward, and to our centenary birthday as a nation state.
900. Mr. Speaker, events and activities have been planned, centred on 12 monthly themes for each month of the year-long celebration

January	Reflections
February	Towards Emancipation
March	Freedom March
April	Our Nation, Our People
May	Our Wealth and Our Prosperity
June	Heroes of Ghana Month
July	African Unity Month
August	Diaspora Month
September	Service to the Nation
October	Knowledge and Ghana's Development
November	A Healthy People, a Healthy Nation
December	Final Curtain

901. Mr. Speaker, the Golden Jubilee celebration will consist of the following projects and events:

- Lectures/discussions, re-enactments, exhibitions of photo and cultural artifacts, musical concerts, carnivals, parades, fashion shows, children's quiz shows; TV documentaries/films, interviews, newspaper/magazine publications; parades, fireworks, sporting events
- Rehabilitation, restoration and development of core infrastructure, especially principal venues, historic monuments, major tourist sites; sanitizing and sprucing up the country; Protocol and hospitality facilities
- Legacy projects e.g. the Golden Jubilee Kindergartens to be developed in all the districts; Obelisks in all Regional Capitals; Nkrumah Chair of African Studies; the Jubilee Greening Initiative (planning of trees); Housing projects



902. Mr. Speaker, friends of Ghana, Africans on the continent and in the Diaspora, tourists, investors, Ghanaians abroad, Heads of State and governments, and indeed, the world is invited to visit Ghana and have a taste of the proverbial hospitality and share in the joys as we reflect on our past and look forward to where we will like to be in the next 50 years toward our centenary birthday.
903. Mr. Speaker, assistance in cash and in kind will be accepted from individuals, businesses and the international community at large. This includes: Ghanaians at home and abroad, visitors, tourists and friends of Ghana and corporate bodies.

#### **Micro-financing and Small Loans Centre (MASLOC)**

904. Mr. Speaker, Government continues to pursue its policy of supporting the development and growth of a sustainable micro financing system under GPRS II as a means of reaching the productive poor of society with credit and other financial services. In this regard, adequate steps have been taken to strengthen the Microcredit and Small Loans Scheme.

#### **Performance in 2006**

905. Mr. Speaker, as indicated in last year budget and also in the Supplementary budget of 2006, Government has fulfilled its pledge by establishing the Micro Credit Fund of US\$50.00 million which was launched in September 2006 by HE The President. In pursuance of this objective, the head office of MASLOC was commissioned the same day of the launch and 9 Regional offices have been established to ensure that the services of MASLOC are decentralized.

906. About ₦154.00 billion has been extended as micro credit in 2006 and this has benefited over 103,000 borrowers in various sectors, especially agriculture, fisheries and micro enterprise.

**Outlook for 2007**

907. Mr. Speaker, about 110 000 micro and 22 000 small scale borrowers will be respectively assisted with credits. In line with its policy of creating jobs and wealth, especially for women and youth as well as other vulnerables, the scheme will focus on their activities.
908. In addition to conventional activities, special schemes that can disengage the youth from the cities and urban areas will be pursued. Such programmes will include Youth in Agriculture, Youth in Construction, Youth in Quarrying and Youth in Afforestation.
909. Mr. Speaker, other women and Youth Schemes to be pursued include Jatropha cultivation for production of biodiesel, guinea fowl production, city vegetable farming, aquaculture and Rural Micro and Small Enterprise Cooperative Scheme (RUMSEC). Provision will be made for people with Disabilities and for ex-convicts and youth from Borstal Institutes who have acquired trade when in custody.
910. Mr. Speaker, in order to deepen service outreach and extend services to the catchment areas of the grassroots community, strong collaboration will be forged between MASLOC, the banks, microfinance institutions, microfinance service providers and the academia. As an effort to strengthen coordination, Consultative

Committees of key stakeholders are to be established at national, regional and district levels. Since competence and professionalism are requisites for efficient credit administration, it is intended to provide support for institutional and capacity building under the Fund so that nursery MFIs and end-users will acquire the relevant expertise necessary for committed and sustainable operation.

### **Internal Audit Agency**

911. The Internal Audit Agency exists to co-ordinate, facilitate and provide quality assurance for internal audit activities within the Ministries, Departments and Agencies (MDAs) and the Metropolitan, Municipal and District Assemblies (MMDAs).

### **Performance in 2006**

912. Mr. Speaker, the Agency developed Draft Regulations for effective implementation of the Internal Audit Agency Act, 2003 (Act 658) and Internal Audit Standards for the conduct, performance and organization of Public Sector internal auditing.
913. The Agency, in partnership with the Public Procurement Board and Controller and Accountant-General's Department, undertook a comprehensive assessment of the skills and training needs of MDAs and MMDAs for the implementation of the Public Procurement Act, The Financial Administration Act and the Internal Audit Agency Act.
914. Mr. Speaker, the Agency trained 427 Internal Auditors from MDAs and MMDAs on Audit Planning, Execution and Reporting to develop competence and capacity of the Internal Audit Units.

915. The Agency facilitated the development and approval of Staff Establishment, Salary Structure and Recruitment of personnel for the establishment of Internal Audit Units in MDAs and MMDAs.
916. The Agency reviewed and provided feedback on quarterly internal audit reports from Internal Audit Units in the MDAs and MMDAs. IAA completed a comprehensive special audit of the usage and consumption of fuel, water, electricity and telephone in the Public Institutions.
917. The Agency developed templates for Internal Audit Charter, Audit Planning, Audit Reporting and Audit Working Papers for internal auditing in the public sector.

### **Outlook for 2007**

918. Activities outlined to be undertaken by the Agency in 2007 include the following:
- Complete the development of the Internal Audit Manuals and Audit Programmes to guide and provide quality assurance of internal audit functions
  - Train Internal Auditors in modern Internal Auditing Techniques including Systems Audit and Information Systems Audit
  - Give on-site support to the trained Internal Auditors in MDAS and MMDAs to enhance their performance
  - Develop Training Manuals to guide the Agency's Training Division to train internal auditors on all aspects of modern internal auditing

- Review Internal Controls in Key Government institutions and programme such as National Health Insurance Scheme
  - Assess the status of Internal Audit Units in MDAs and MMDAs
  - Co-ordinate nationwide verification and documentation of government properties
  - Facilitate the audit of Internally Generated Funds in MDAs and MMDAs
  - Facilitate the recruitment of internal auditors for the MDAs and MMDAs.
  - Monitor compliance with procurement procedures including guidelines on Margin of Domestic Preference in MDAs and MMDAs
  - Acquire land for the construction of the Agency's Secretariat
919. For the implementation of the above activities, an amount of ₦572,394 million has been allocated. Out of this, GoG is ₦501,721 million, IGF is ₦3,525 million, Donor is ₦67,147 million.

**Ministry of Foreign Affairs, Regional Co-Operation and  
Nepad (MFARCN)**

920. Mr. Speaker, the Ministry's mission involves managing Ghana's relations with other states as well as international non-financial and trade institutions, and facilitate international support and assistance for Ghana's development agenda.

**Performance in 2006**

**Deepened Policy of Good Neighbourliness**

921. Mr. Speaker, the Government's policy of deepening ties with its most immediate neighbours, Burkina Faso, Cote D'Ivoire, Togo and Benin was vigorously pursued resulting in the establishment of Joint Commissions of Cooperation to reap the political, social and economic benefits of enhanced relationship.

**Resolution of West Africa's Conflicts**

922. Mr. Speaker, the maintenance of world peace and security especially within the West African sub-region and Africa as a whole became the guiding principle that informed the direction of Ghana's foreign policy.
923. In a sub-region devastated by long years of civil strifes and conflicts, Ghana, working in concert with other sister West African countries and the international community at large, helped to restore democratic governance in Liberia and Guinea

Bissau and to reinforce the security situation in Cote D'Ivoire and Sierra Leone.

### **Relations with Development Partners**

924. Mr Speaker, during the period under review, the relations between Ghana and its development partners such as China, USA, India, South Korea, Japan and Switzerland, were further strengthened. The visit of China's Prime Minister, Wen Jiabao to Ghana, and the signing of US\$547 million by the US Government to the Ghana Government under the Millennium Challenge Account and the granting of visas by the Spanish and Italian Governments to Ghana Government under their guest worker programme underscored the enhanced relations between Ghana and some of her development partners.

### **Outlook for 2007**

#### **Deepen Policy of Good Neighbourliness**

925. Mr. Speaker, the Ministry will continue to work towards the deepening and acceleration of the integration of the Economic Community of West African States (ECOWAS) and to enhance the supranational powers of the ECOWAS Commission and good neighbourliness.

#### **Strategically Position Ghana Abroad**

926. The Ministry will strategically position Ghana's excellent credentials in good governance to enhance the image of the country abroad and to engage the interest of major economic and political players to support Ghana's development agenda to

become a middle income country by 2010. This will include arrangements for official economic co-operation and other initiatives for public private partnerships.

### **Improve Delivery of Consular and Other Services**

927. Mr. Speaker, to meet the objective of providing efficient consular and legal services within and outside Ghana, the Ministry will introduce new national passports with enhanced security features to meet the required international standards. This will reduce significantly, if not entirely eliminate, the problems of fraud and duplication associated with the current passports in circulation. Additionally, Ghana's Diplomatic Missions and Consulates will facilitate the participation of Ghanaians abroad in the national development agenda.

### **Enhance Business Facilitation Services**

928. Mr. Speaker, concerning economic diplomacy, the priorities will include efforts to:
- Enhance international market access services for Ghanaian businesses, particularly for value-added non-traditional exports
  - Vigorously promote the many unique tourist attractions of Ghana abroad, with the aim of attracting investment
  - Facilitate foreign investment into Ghana, particularly towards key sectors such as agriculture, agro-processing, ICT infrastructural development and hospitality facilities



### **Global Collective Security Mechanism**

929. Mr. Speaker, within international institutions, the Ministry's priority for 2007 is to actively and constructively guide Ghana's participation in the activities of the UN Security Council. The focus of Ghana's remaining one year as a non-permanent member of the UN Security Council will be to facilitate greater collaboration between the United Nations, the Africa Union and ECOWAS in the management and resolution of conflict situations in Africa and to promote greater transparency and accountability of the actions of the Security Council.
930. Ghana will also use its membership of the Human Rights Council to play a positive role, aimed at making the Council functional and effective in fulfilling its objectives to promote and protect human rights in West Africa, Africa and the world at large.

### **Develop Human and Institutional Capacity**

931. To ensure efficiency and effectiveness in service delivery, the Ministry will seek to enhance the capacity of its human resource. The necessary ICT infrastructure will be established to support the business processes and embark on a massive renovation of its missions abroad to ensure appropriate work environment and to maintain the value of Government's investment interests in landed properties.

### **Electronic Visa System and Harmonization of Passport and Other Fees**

932. Mr. Speaker, the Ministry will roll-out an electronic visa system and migrate from the current manual system, which suffers

from burdensome procedures and hardcopy documentation overloads.

933. The existing manual process results in processing delays and has led to a lot of inconveniences for potential visitors to Ghana. In light of the importance Government attaches to international tourism promotion and taking account of the huge number of foreign visitors expected to participate in Ghana's celebration of her 50<sup>th</sup> Independence Anniversary next year, the Ministry deems it important and timely to adopt the e-visa system which will speed up visa processing time and improve customer services.
934. The Ministry also plans to rationalize passport and other consular fees paid at Ghana's diplomatic missions abroad so as to ensure that the different currency zones (US dollar, Euro, Pound sterling, Yen, etc.) have harmonised processing fees and consular charges. This of course will take into account the principle of reciprocity.

### **African Peer Review Mechanism**

#### **Performance for 2006**

935. Mr. Speaker, in respect of the wider Africa region, one of the major achievements during the period was the unreserved commitment by Ghana to the African Peer Review Mechanism (APRM).
936. By acceding to the APRM, Ghana reached the ultimate milestone of her APRM aspirations, when the President became the first

Head of State in Africa to be peer reviewed by his colleagues at the 4<sup>th</sup> APRM forum in Khartoum, Sudan in January, 2006.

937. Mr. Speaker, following the example of Ghana, the Presidents of Kenya and Rwanda presented themselves for review by their colleagues at the last summit of African Heads of State held in Banjul, the Gambia in July, 2006. Currently 26 African countries have acceded to the APRM.
938. Mr. Speaker, the National APRM Governing Council was set up as an independent body with mandate to engage many stakeholders including the Diplomatic Community, Parliamentarians and the general public. These stakeholders were sensitized on the APRM Reports and the Programme of Action (POA). Ghana is committed to implementing the POA and the first half year progress report on Ghana's APRM implementation was sent to the APRM Secretariat in South Africa.
939. Mr. Speaker, in keeping with the directive that the Country Review Report should be made public within 6 months after the review by the APR Forum, NAPRM-GC officially launched Ghana's APRM Country Review Report and Programme of Action to the general public on Tuesday, April 18, 2006 at the Accra International Conference Centre.
940. A similar launch was conducted for the Diplomatic Community and International Organisations on Friday, May 5, 2006 at the Golden Tulip Hotel, Accra.

### **Hosting of a Website for NAPRM-GC**

941. Mr. Speaker, the NAPRM-GC has developed an interactive website to host all its publications including the Country Review Report and Programme of Action, and activities. The website address is: [www.naprm-gc.org](http://www.naprm-gc.org).

### **Outlook for 2007**

942. Mr. Speaker, the NAPRM-GC will put in place a monitoring and evaluation mechanism for tracking the implementation of the APRM Programme of Action.
943. The National Peer Review Mechanism (NAPRM) Governing Council will sensitize MDAs on their APRM obligations under the Programme of Action. It will work with the N.C.C.E. and CSOs to reach out to the grass roots throughout the length and breadth of the country.
944. For the implementation of the above activities, an amount of ₦678,956 million has been allocated. Out of this, GoG is ₦663,578 million, IGF is ₦15,378 million.

## **Ministry of Finance and Economic Planning (MOFEP)**

945. Mr. Speaker, the mission of the Ministry is to ensure sound macro-economic stability for the promotion of sustainable economic growth and development of Ghana and her people through the:

- formulation and implementation of sound fiscal policies
- efficient mobilization, allocation, and management of financial resources
- establishment and disseminating performance-oriented guidelines and accurate user-friendly financial management information systems
- creation of an enabling environment for investment
- monitoring the impact of fiscal policies on economic growth

### **Performance in 2006**

#### **Public Financial Management**

#### **Budget Formulation and Implementation**

946. Mr. Speaker, the MOFEP continued with its landmark achievement by fulfilling its constitutional mandate of presenting the Annual Budget Statement and Economic Policy for 2006 to Parliament before 30<sup>th</sup> November, 2005. Additionally, the Ministry for the first time in the country's history, implemented a full year's budget without recourse to provisional estimates.

### **Budget and Public Expenditure Management System**

947. Mr. Speaker, during the year 2006, considerable success was achieved in the BPEMS implementation. These include the deployment of 3 Modules (general ledger, accounts payable and purchase ordering) in the entire 8 pilot MDAs and the complete and uninterrupted connectivity of the pilot MDAs through Fibre Optic Wide Area Network.

### **IPPD 2**

948. Mr. Speaker, in June 2006, the Integrated Personnel and Payroll Database (IPPD2) designed by the ProVision Consultants were successfully used to pay the salary of the Health Sector Structure (HSS) workers following the introduction of a new pay structure. This was followed by the migration of Pension Payment and the Audit Service Payroll in July 2006. The rest of the Ghana Government Payroll including some pilot Subvented Agencies were migrated onto the IPPD2 in October 2006.
949. Mr. Speaker, all MDAs and Subvented Agencies, whose payroll is run on the IPPD2 will have full access to the system so that they can avail themselves to the full functionality of the Oracle Human Resources Management System (OHRMS). In this regard, the IPPD2 and the BPEMS will run on the same infrastructure, using a combination of fibre optic and VSAT Wide Area Network in all the Accra offices of MDAs and the Regional and District treasuries.

### **Treasury Re-alignment**

950. Mr. Speaker, to improve the Cash Management System, the Controller and Accountant General's Department has successfully operationalized Treasury Re-alignment. MDAs at the regional level are being serviced exclusively by the Regional Treasury and the Departments and Agencies at the District levels are also being serviced by District Treasuries.
951. Mr. Speaker, each Ministry now has one Consolidated Fund sub-account which serves the Ministry and its Departments and Agencies at the National level. One Consolidated Fund sub-account has been created for each of the 10 Regional Coordinating Councils which serves all the Departments, Agencies, and Institutions at the Regional level. In addition, 138 Consolidated Fund sub-accounts have been opened for each of the District Assemblies.
952. Mr. Speaker, departmental allocations for MDAs are now being lodged into the respective sub-consolidated fund bank accounts. These measures have been put in place to improve the Cash Management System in the Public Sector.
953. To ensure timely release of funds, Warrants (authority to spend) are now being issued directly to Cost Centres at National, Regional and District levels and dispatched by courier services.

### **Financial and Public Expenditure Monitoring**

954. Mr. Speaker, the Controller and Accountant General's Department has established Financial Monitoring Units at the

Headquarters and Regional Directorates. This is to ensure effective and efficient fiscal decentralization.

955. Mr. Speaker, MOFEP has also strengthened the capacity of the Public Expenditure Monitoring Unit to track releases for the timely implementation of all government and donor funded projects, as well as ensuring that expenditures are consistent with the budget estimates and growth targets.

#### **Harmonization of GOG chart of Accounts**

956. Mr. Speaker, the Central Government and the District Assembly Charts of Accounts have been reviewed and harmonized into a common chart of accounts to facilitate comprehensive and timely financial reporting.

#### **Public Procurement**

957. Mr. Speaker, to ensure judicious, economic, and efficient use of state resources, the Public Procurement Board developed Standard Tender Documents and Manuals for Entity Tender Committees and re-assessed 100 entities to ensure that the entities adhered fully to the provisions in the Public Procurement Act.
958. A Margin of Preference document to encourage local businesses and a website for the Board were developed and launched in 2006.



### **Non Tax Revenue (NTR)**

959. Mr. Speaker, the Ministry in an effort to improve generation of NTR released an amount of ₵4.8 billion to 16 MDA's to enable them implement revenue enhancement measures, including revenue monitoring, training of revenue collectors, provision of equipment, public education, and improvement in compliance with statutory provisions.
960. Mr. Speaker, the Ministry in collaboration with National Security also embarked on operations to curtail leakages in the revenue collection of ten MDA's. The positive effect of this exercise is that some defaulting companies which understated their shipping quantities have started paying amounts owed to government. Illegal operators arrested in respect of false vehicle licensing, issue of false passport, business registration certificate and birth certificates were prosecuted.

### **Fiscal Policy Monitoring**

961. Mr. Speaker, the Ministry examined the impact of fiscal policy on sector growth, tracked the growth rate of the sectors, and established a link with the Ghana Statistical Service to ensure accurate and reliable statistics for policy formulation. The Ministry also monitored the disbursement of the District Assembly Common Fund, HIPC Fund and their social and economic impacts on the Districts and published the Quarterly State of the Ghanaian Economy Report.
962. Mr. Speaker, in order to ensure that government's policy of "equal pay for equal work" was fully implemented, the Ministry carried out educational programmes for some public subvented

institutions through its Wage Policy Unit to enable them understand the principles prior to off-loading onto the Ghana Universal Salary Structure.

963. Mr. Speaker, additionally, the Ministry has carried out studies on incomes policy in Ghana since 1991. The findings are assisting government to develop policies aimed at achieving industrial peace necessary for economic growth and development. Conditions of service existing in most subvented institutions have been collected and analyzed to strengthen the Ministry's ability to advise government on issues relating to conditions of service in the public sector.
964. The electronic linkage of government accounts from the 'Bank Master' at Bank of Ghana to MOFEP and the Controller and Accountant-General's Department (CAGD) was completed in June 2006. Balances of Government Accounts, especially daily revenue flows can be viewed on read-only basis.
965. MOFEP established the Treasury Management Committee (TMC) to do weekly forecasting using the trend of daily cash balances of revenue flows to make borrowing recommendation for policy makers.

### **Financial Sector Developments**

966. Mr. Speaker, in 2006 the Financial Sector Strategic Plan (FINSSP) which has been implemented since May 2004 evolved to become the Economic Management Capacity Building Project – Financial Sector Reform Component (EMCB-FSR).

967. The Ministry also established a Financial Services Division to be responsible for policy formulation and the development of Ghana's Financial Sector. In addition, the following bills were prepared and submitted to Parliament for consideration and enactment:
- Credit Reporting Bill
  - National Insurance Bill
  - Foreign Exchange Bill
  - Central Securities Depository Bill
  - Apex Bank Regulations
968. As part of measures to develop the secondary market for Government Debt Securities, the Ministry listed 2 and 3 year medium term Bonds on the stock exchange. Furthermore, the preparatory work on the establishment of an International Financial Services Centre is in its advanced stages.
969. Mr. Speaker, the Securities and Exchange Commission (SEC) this year consolidated its existing MOU with the capital market regulator in Nigeria. Another MOU with the Financial Services Board (FSB) of South Africa is to be signed before the end of this year. This will encourage sharing of information and cross listings between South Africa and Ghana.
970. Mr. Speaker, in September 2006, the Securities and Exchange Commission approved the listing of Ecobank Transnational Incorporated (ETI) on the Ghana Stock Exchange. ETI was simultaneously listed on all the stock exchanges in the sub-region – Ghana, Nigeria and Cote d'Ivoire. This brings to 3, the number of cross listed stocks on the GSE.

### **External Resource Mobilization**

971. Mr. Speaker, the Ministry facilitated the disbursement of US\$1.13 billion out of the portfolio size of US\$2.75 billion of external resources mobilized to support the implementation of development projects in the country. It is also facilitating the disbursement of the remaining balance of US\$0.96 billion to support the development agenda.

### **Ghana Statistical Service (GSS)**

972. Mr. Speaker, the GSS in 2006 completed analysis and report of the 2003 National Industrial Census (NIC). The Ghana Living Standards Survey, Round 5 (GLSS-5) field work and data capturing, and the publication and dissemination of the analytical and other reports on the 2000 Population and Housing Census were completed. It also carried out preparatory activities for the 3<sup>rd</sup> Core Welfare Indicators Questionnaire (CWIQ-3) and began the Multiple Indicator Cluster Survey (MICS) which will be completed by the end of 2006.
973. The Service also initiated the process of establishing offices in the 138 Metropolitan, Municipal District Assemblies (MMDAs) as well as build district level capacity for data collection.

### **Revenue Agencies**

#### **Internal Revenue Service (IRS)**

974. Mr. Speaker, Government signed a double taxation agreement with Italy during the second quarter of the year. Negotiations

have been initiated with Sweden and Switzerland and it was expected to be completed by September, 2006. Government has also responded to the interest shown in signing a double taxation agreement by the Syria, Netherlands and Czech Republic government and is awaiting response.

975. The IRS in 2006 implemented the Venture Capital Tax Incentive, the reduced Corporate Tax Rate from 28 per cent in 2005 to 25 per cent in 2006. The Service also extended Loss Carry Forward to cover Agro-Processing, Tourism and ICT Industries. The One-Off Amnesty on penalties and sanctions for self-disclosure of unreported taxes for the first 6 months of the year was implemented by the Service. The tax stamp programme designed to widen the tax net, especially to cover the informal sector, was re-launched in September 2006.
976. In the area of Personal Income Tax Relief, the tax bands for income earners were expanded and modified. The taxation of overtime income was also fully implemented.
977. Mr. Speaker, automation of IRS operations was initiated on a pilot basis at the Osu office of the Service by installing the Tanzania version of ITAX software. It has been partially tested and a decision for adaptation has been taken and training of staff done.

### **Value Added Tax (VAT) Service**

978. Mr. Speaker, the total VAT contribution to national revenue has grown from 3.85 per cent of national GDP in 1999 to 5.50 per cent in 2005 and is expected to hit the 6.30 per cent mark at the close of year 2006. It is worthy of note that the combined

VAT and NHIL revenue as a ratio of GDP registered 6.50 per cent in 2005. This is expected to appreciate to 7.50 per cent at the close of this year.

979. Mr. Speaker, the number of registered businesses on the VAT/NHIL database has grown to 29,850, more than 400 per cent of the initial projection for the first year of the tax and more than double what was projected for the eighth year of operation. Trader compliance in terms of monthly returns submission, has improved from 69.6 per cent for same time last year to a current ratio of 76.5 per cent.
980. The VAT Service operationalized the VAT Refunds Scheme. By July 2006, 654 refunds had been processed. The full impact of the scheme will be felt by the end of the 2006.
981. Mr. Speaker, the VAT Service has initiated steps to implement a Flat Rate Scheme (FRS) at 3.0 per cent of sales value for the informal sector without recourse to input VAT claims as programmed in the 2006 budget. It is hoped that most of the difficulties of the sector will be addressed by the FRS which will be closely monitored to ensure its success.

### **Customs Excise and Preventive Service (CEPS)**

982. Mr. Speaker, the Government engaged the services of consultants for a comprehensive review of the excise duty. The recommendations of the consultants are part of the 2007 budget.
983. The automation of operation of transit regime was launched on trial basis in September and it is expected to be in full operation

by the beginning of 2007. This is intended to ensure that cargo entered in transit through Ghana duly leave Ghana for the entered destination. The impact of this measure is to stop the diversion of transit goods into the Ghanaian market without the corresponding revenue inflow.

### **Automation of Temporary Importation (C59) of Vehicles**

984. Mr. Speaker, a process to enhance the Temporary Importation and Re-export module in the GCMS for the documentation and processing of temporary importation of vehicles has been initiated and is expected to be fully operational before the middle of 2007. By this process information on vehicles treated under the regime could be incorporated into a vehicle database that will be made available to DVLA. This will improve the monitoring of vehicles admitted under the regime, thereby reducing the incidence of fraudulent registration of vehicles.

### **Outlook for 2007**

985. Mr. Speaker, MOFEP will engage in a Business Process Review with the aim of enhancing the effectiveness and efficiency in the fulfilment of its objectives and delivery of its Services.
986. The Revenue Agencies Governing Board will similarly review its strategic modus operandi in meeting its mandate. Alongside will be the change management activities at the Internal Revenue Service towards the computerization of the service. The Customs, Excise and Preventive Service (CEPS) aims to introduce:

- an electronic Transactions Price Database for easy reference to ensure correct and uniform values assigned to commodities;
  - verification of customs clearance status of vehicles
  - provision of vehicle database in GCMs to aid verification for registration purposes
987. MOFEP will work on the establishment of the Ghana Investment Corporation, a body which will encourage the private sector participation in the financing of infrastructure projects such as water, roads, railways, energy that will have economic return. The GIC will also be exploring the possibility of investing and acquiring shares in international and multi-national companies that purchase our raw materials like cocoa, gold, and process them into finished products.
988. To strengthen the formulation of standards that will drive Government performance, the Budget Implementation Support Team Division of MOFEP and the PPME department of MDAs, will undergo strategic training to deepen their specialization skills to monitor and evaluate Results-Based Decision Making Monitoring and Evaluation.
989. Mr. Speaker, the Ministry will continue to pursue its mandate of ensuring macroeconomic stability and prudent fiscal policy management through the implementation of its Medium-Term Strategic Plan. The focal areas will continue to be:
- Public Expenditure Management
  - External Resource Mobilization
  - Non-Tax Revenue Mobilization
  - Financial Sector Development



- Fiscal Policy Monitoring

### **Public Expenditure Management**

#### **Budget Formulation and Implementation**

990. To improve the Budget Formulation and Implementation process, the Ministry will undertake the following key activities:

- Review MTEF Handbook and Technical Guide to guide MDA's and MMDA's in the Budget Process.
- Prepare manuals for assessing funds from the budget by MDA's and MMDA's.
- Train Budget Committees of RCC's and MMDA's in MTEF and composite Budgeting.
- Collaborate with NDPC to assist MDAs to formulate and publish comprehensive sector policies, objectives, strategies programmes and projects (2006-2009) in line with the public sector budgeting tools.
- Deepen the knowledge and skill of MDA operatives as well as train MMDA operatives in the preparation and implementation of Commitment Control and Cash Planning Systems.

#### **Budget and Public Expenditure Management System**

991. Mr. Speaker, the thrust of the BPEMS agenda for 2007 is to ensure that the integrated financial management system is fully functional in the remainder of MDAs in Accra and the regional capitals plus some pilot district capitals.

992. Mr. Speaker, this will involve the award of contracts to complete the Accra MDAs loop with Fibre Optic Wide Area Network. Further deployment to the Regional capitals will be preceded by connecting the 10 regional capitals and 14 pilot District treasuries to the BPEMS Head office at the Financial Information Centre (FIC) with the latest and appropriate Wide Area Network technology.
993. Mr. Speaker, in January, 2007 BPEMS will be purged and loaded with year 2007 government accounts opening balances. The system will then run live in all MDAs for all government financial transactions including budget releases and CAGD disbursements to all Ministries, RCC and District treasuries.

#### **Computerization of Value Books Store**

994. Mr. Speaker, as a further means of ensuring that Government gets value for money, the whole inventory management system for value books procurement and stocking will be computerized.

#### **Capacity Building**

995. Mr. Speaker, an Institutional Skills and Training Needs Assessment was completed for the CAGD in 2006. The recommendations made in the report are designed to assist the department to implement all the Laws relating to Public Financial Management effectively. The recommendations in the report will be implemented in 2007 in order to enhance the efficient delivery of service by the Department. A manual will be developed to guide the operations of operatives of the Financial Monitoring Units created within the CAGD. Training

will be conducted and the Common Chart of Accounts put to use in all MDA's and MMDA's in 2007.

### **Treasury Re-alignment**

996. The Controller and Accountant General's Department will consolidate and expand the gains made from the treasury re-alignment and the Sub-Consolidated Funds Bank Account to cover the management of other public funds including Internally Generated Funds (IGF) and Donor Funds. This is to facilitate comprehensive reporting and fiscal decentralization.

### **Public Procurement**

997. Mr. Speaker, the Public Procurement Board will undertake the following key activities:
- Assessment of 200 entities to determine their level of compliance with the Public Procurement Act
  - Develop and organize training for 500 Procurement Entities
  - Implement the Web-based Procurement Planning Software
  - Complete the development of software for procurement planning, recording and management, and roll out to all MDA's and MMDA's
  - Intensify consultations with stakeholders on the Domestic Content Bill which offer incentives to firms operating in Ghana to use a specific percentage of their inputs from domestic sources

### **Non-Tax Revenue Mobilization**

998. Mr. Speaker, to improve Non-Tax Revenue Collection, the Ministry will implement the following measures:
- Work with Bank of Ghana and Commercial Banks to introduce on-site banking, where possible to facilitate the collection of Non-Tax Revenue and IGFs at MDA premises
  - Work with the Internal Audit Agency to carry out auditing of Internally Generated Funds (IGF's) of selected MDA's and Metropolitan, Municipal and District Assemblies in order to strengthen their collection mechanisms, improve internal controls and reduce revenue leakages
  - Collaborate with the Ministry of Local Government and Rural Development to implement agreed measures to improve the capacity of MMDA's to generate revenue
  - Facilitate the review of obsolete and unrealistic fees and charges by MDAs

### **External Resource Mobilization**

999. Mr. Speaker, the Ministry will mobilize a total of US\$1.26 billion of both loans and grants from the development partners. The disbursement of these funds for 2007 is expected to reach US\$0.67 billion.
1000. The Ministry will also intensify efforts at mobilizing external resources and also ensuring the efficient, effective, transparent and timely utilization of same by the various beneficiary MDA's.
1001. Steps will be taken towards the alignment of aid pledges and commitments to national priorities within the Harmonization and

Alignment Framework for Aid Effectiveness under the Paris Declaration principles.

1002. Mr. Speaker, the National External Resource Mobilization Policy which has been initiated and currently being developed will be pursued and completed to provide guidelines for external resource mobilization and utilization and to further clarify responsibilities of MDA's in this process.
1003. Also activities to further deepen the money market and improve domestic debt management such as the introduction of Cash Management Bills to meet temporary cash needs of government will be pursued. Furthermore, the Ministry will revise issuance calendar to foster the development of bench mark yield curve, utilize CS-DRMS 2000+ software for domestic debt management, build capacity for domestic debt management and initiate the fungible issue of 'medium – term securities and development of secondary market.

### **Financial Sector Development**

1004. In 2007 the Ministry will continue its efforts at strengthening and ensuring a more facilitative regulatory frame work to improve the financial market infrastructure to increase access and depth of financial services.
1005. A Demand Survey for Financial Services in Ghana and a remittances programme aimed at developing remittances as a major capital inflow and to improve the reach and depth of financial service delivery in Ghana will be conducted. The regulatory framework required for the implementation of the

International Financial Services Centre will be put in place to enable the commencement of activities in 2008/9.

1006. Feasibility studies into the viability of commodities market based on warehouse receipt system will be initiated by the Securities and Exchange Commission.

### **Fiscal Policy Monitoring**

1007. Mr. Speaker, the Ministry will continue to monitor and evaluate the impact of fiscal policy on sectoral performance of MDAs and MMDAs to ensure that the budgetary allocations are used to fund activities that lead to the realization of sectoral targets.

### **Ghana Statistical Service (GSS)**

1008. Mr. Speaker, the Ghana Statistical Service will continue to deepen the process of providing leadership in the production, management and use of statistical data and technical support to all stakeholders in the restructured National Statistical System (NSS) which has evolved after the implementation of the National Strategy for the Development of Statistics (NSDS).
1009. Mr. Speaker, the Service will intensify the Statistical Literacy Strategy involving all arms of government, MDA's, MMDA's the Private Sector, Civil Society, our development partners and non-governmental organizations to appreciate the use and management of statistical information for decision making, monitoring and evaluation of development outcomes.
1010. Mr. Speaker, under the framework of the Growth and Poverty Reduction Strategy (GPRS II), the GSS will continue with the

implementation of activities that promote evidence-based decision making as well as efforts at monitoring the attainment of the Millennium Development Goals (MDGs) for Ghana. Some of the key activities to be undertaken by the GSS are:

- Preparations towards the 2010 Census
- Extension of GhanaInfo to MMDAs
- Implement GWIQ-3 (with ICT indications)
- Vital Statistics Review Project
- Maternal Mortality Survey
- Fully complete the GLSS-5 Project
- Further work on ICP-Africa
- Further work on job tracking survey in Ghana
- Labour force survey

### **Internal Revenue Service (IRS)**

1011. The IRS will undertake the following activities;

- Establish a 5 per cent withholding Tax monitoring Units to draw in non compliance tax payers to maximize collection
- Tax education, enforcement and tax audit will be intensified
- The GCNet Unit in the Research Division will be made fully operational to capture tax payers who prepare fictitious accounts
- With the re-launch of the Tax Stamp and the establishment of Small Tax Payers Bureau to administer particularly Rent Tax and Tax Stamp, the ground is prepared for an increase in revenue from the informal sector. Interns from the Ministry of Manpower would be fully engaged in field work with the Small Tax Payer

Bureau to monitor the process of administering these taxes

- Commence full computerization of its operations

### **Customs Excise and Preventive Service (CEPS)**

1012. Mr. Speaker, CEPS will undertake the following activities:

- Enhance the performance of personnel through Capacity Building programmes
- Commence electronic transmission of permits, licenses and other authorization to CEPS (GCMS) via GCNeT. As part of CEPS' programme to deepen automation of the processes and procedures, all MDAs whose license, permit or any other form of authorization or approval including those for exemptions is required in the import/export trade, shall be required to get connected to the GCNet not later than 1<sup>st</sup> April 2007. The intended deadline for this project had been 1<sup>st</sup> January 2007. However, the three months grace period is being allowed to enable MDAs which may not have the resources to meet the logistical requirements to incorporate same in their individual expenditure budgets for 2007.

1013. This measure will not only facilitate clearance of goods but also eliminate fraudulent practices by both traders and officials in the procurement and utilization of such facilities.



## **Value Added Tax (VAT)**

### **Registration and Enforcement**

1014. Mr. Speaker, test purchases and physical surveillance of VAT businesses will be stepped up to complement the invoice invigilation and improve compliance.

### **Use of Cash Registers**

1015. Mr. Speaker, in 2003 VAT and import duty on cash registers were removed to enable small and medium size enterprises (SMEs) dealing in high volume low value goods acquire them. The objective was to improve their record keeping and financial management capabilities. In year 2007 the VAT Service will capitalise on this initiative by further enhancing existing retail schemes and own-invoice dispensations to ensure that full advantage is taken of the control mechanisms inherent in these technologies to boost compliance by SMEs with the requirements of the VAT law and thereby enhance VAT revenue.

### **Review of Rents for Government Bungalows/Flats**

1016. Mr. Speaker, the implementation of this directive to deduct 16 per cent of the salaries of beneficiaries of government bungalows/flats as rent, has run into difficulties. The proposed rationalisation of the salaries of other public sector workers also makes it imperative to take a fresh look at the rent issue. Consequently, it has been decided to suspend the current deduction of 16 per cent and charge a provisional 10 per cent

pending the recommendations of a rent review committee that will be set up by the government.

1017. For the implementation of the above activities, an amount of ₪891,890 million has been allocated. Out of this, GoG is ₪359,723 million, IGF is ₪4,937 million, Donor is ₪467,230 million and HIPC is ₪60,000 million.

### **Ministry of Parliamentary Affairs (MPA)**

1018. Mr. Speaker, the major policy thrust of the Ministry is to serve as an effective link between the Legislature and the Executive to enhance good governance and democracy.

### **Performance in 2006**

1019. Mr Speaker, during the year under review, the Ministry served as an effective liaison between the Executive and the Legislature. In this regard it organized a number of workshops for DCEs in Kumasi and Sekondi aimed at ensuring effective Co-operation between the Members of Parliament (MPs) and District Chief Executives (DCEs).
1020. As a way of developing our democratic culture, the Ministry engaged Professional Bodies and Civil Society Groups in discussions aimed at ensuring their effective involvement in policy formulation.
1021. A draft policy document to give strategic focus to the Ministry was prepared. A sensitization workshop was organized for the leadership of Parliament, at Agona Swedru, on the Millennium Development goals (MDGs), as a way of strengthening Parliament's role in the policy formulation process.

## **Outlook for 2007**

1022. In 2007 the main focus the Ministry will be as follows:

- Facilitate greater collaboration between the Executive and the Legislature through bi-annual interactive meetings.
- Facilitate frequent interactive meetings between the Legislature and Civil Society, especially professional bodies in policy formulation.
- Continue to work towards greater co-operation between the representatives of various political parties in Parliament, as a way of building consensus in the House.
- Seek the participation of all segments of society in the democratization process by organizing workshops on good governance at the unit committee level as well as the Security Agencies, students of Tertiary Institutions, Traditional Rulers, and Women's groups.
- Strengthen its policy and research capacity to ensure effective service delivery.
- Lead advocacy in good governance and democracy.

1023. For the implementation of the above activities, an amount of ₦10,240 billion has been allocated.

### **Audit Service (AS)**

1024. Mr. Speaker, the Ghana Audit Service is constitutionally mandated to promote good governance through its audits to ensure accountability, probity and transparency in the utilization of public resources.

### **Performance in 2006**

1025. Mr. Speaker, by the end of the first half-year of 2006, the Ghana Audit Service had completed 3,000 audits out of a total of 6,775 projected for the year. These involved the accounts of the Central Government, District Assemblies, Pre-University Education Institutions and Public Boards and Corporations. The audits of the remaining 3,775 will be continued during the year. In addition the following activities were undertaken:

- 5 out of the 12 reports programmed to be submitted to Parliament had been submitted. Work on the remaining seven is in progress.
- The review of the implementation of the recommendations of the Public Accounts Committee (PAC) of Parliament on previous reports is ongoing and will continue.
- 3 performance audit reports, including the management of the GETFund are being reviewed for submission to Parliament.
- 2 Performance Auditors of the Ghana Audit Service carried out parallel performance audit with 5 other AFROSAI-E countries on the Management of Human Resources for Effective Primary Health Care Delivery by the Health

Service in each member country. The draft report has been submitted to the management of the Ghana Audit Service and AFROSAI-E Secretariat for final review before submission to Parliament.

### **Outlook for 2007**

1026. Mr. Speaker, in 2007, the Audit Service will undertake the following activities:

- Carry out 6,776 audits involving the accounts of Central Government, District Assemblies, Pre-University Educational Institutions, public Boards and Corporations and the Ghana Programme of the Millennium Challenge Account.
- Continue with the audit of the payroll and internally generated funds.
- Continue with the clearance of the last batch of arrears of Auditor-General's Reports to Parliament.
- Pursue the implementation of the recommendations of the Public Accounts Committee.
- Carry out 6 new performance audits.
- Continue with the implementation of the second phase of the European Union sponsored reform programme of the Service.
- The Service in collaboration with AFROSAI-E will intensify Information Technology (IT) training in Computer assisted Auditing Techniques (CAATS), the Interactive Data Extraction and Analysis (IDEA) software and the Audit Command Language (ACL) software.

- Organise a workshop that will design small e-learning modules on audit and IT related topics with the support of an INTOSAI Development Initiative (IDI) specialist.

1027. For the implementation of the above activities, an amount of ₱143,463 million has been allocated.

### **Electoral Commission (EC)**

1028. The Electoral Commission is responsible for the establishment of structures for the purpose of electing all representatives of the people as well as supervising the conduct of all such elections. Its functions include;
- Compilation of the Voters Register and its revision.
  - Conduction and supervision of all public Elections and Referenda
  - Education of the people on the electoral process and its purpose

### **Performance in 2006**

1029. Mr Speaker, the Commission undertook a Voters Registration and Exhibition exercises and conducted the District Assembly and Unit Committee elections successfully. The Commission also conducted two Parliamentary by-elections for the Tamale Central and Offinso South Constituencies.
1030. Currently, the Commission is studying the Representation of the Peoples Amendment Act (ROPAA) with a view to finding out how best it can be implemented. To this end, the Commission is holding several workshops aimed at generating inputs into its implementation. The Commission is continuing with the training of staff in ICT with the view to implementing the continuous registration of voters in the future.
1031. Mr. Speaker, in fulfilment of the Commission's legal responsibility of securing effective storage, for election



materials, a sod was cut to start the construction of the Greater Accra Regional Offices and National Stores Complex.

1032. Mr. Speaker, the Commission reactivated the construction of its 15 abandoned District Offices. So far, 12 of these have been reactivated and some may be completed in 2006. The provision of adequate office facilities at the District Level is in line with the Commission's determination in fulfilling its constitutional obligation of ensuring its presence in all Districts of Ghana.

### **Outlook for 2007**

1033. The Commission will continue with the improvement of its infrastructure and human resource capacity by undertaking the following:
- Continue the construction of the Greater Accra Regional offices and National Stores as well as some district offices to ensure that the commission has presence at the district level and secure effective storage of all election materials.
  - Explore further the possibility of providing Wide Area Network (WAN) to all its Regional Offices and some selected District Offices especially, those with good office accommodation. The purpose is to improve on its service delivery, especially in the area of continuous registration as well as ensuring an effective implementation of the ROPAA.
  - As an obligation and in preparation towards the year 2008 general elections, the Commission will re-open the Voters Register during the last Quarter of 2007.
1034. For the implementation of the above activities, an amount of ₵41,780 million has been allocated.

### **Office of Parliament**

1035. Mr. Speaker, Government recognizes that a strong and effective Legislature is central to good governance and democracy, and the realization of their desirable consequences on poverty reduction, economic and social development and national prosperity.
1036. In pursuit of this overall goal, the Office of Parliament shall continue to implement strategies and execute activities which are aimed at strengthening the institution of Parliament to effectively discharge its constitutional functions.

### **Performance in 2006**

#### **Development of Enhanced Strategic Plan (2006-2009)**

1037. Mr. Speaker, Parliament developed an Enhanced Strategic Plan (2006-2009) which is an improvement in the previous Strategic Plan that sought to direct the priority programming of Parliament over a 10 year period, from 1999 to 2009. The Enhanced Strategic Plan provides a more focused direction to the previous Plan and aligns its strategic direction with the Ghana Poverty Reduction Strategy (GPRS II).
1038. It is envisaged that the implementation of the Enhanced Strategic Plan will enable Parliament to achieve five key strategic goals, namely
- improve the performance and management of Parliament's legislative functions;

- enhance Parliament's representational functions by making it more relevant to the needs of the public
- improve and strengthen Parliament's oversight of the Executive and other branches of government
- strengthen systems for the delivery of services by Parliament and the Parliamentary Service
- improve the physical, logistical and information technology assets of Parliament to sustain and transform service delivery.

### **Sitting of Parliament and Parliamentary Committees**

1039. Mr. Speaker, in fulfillment of its legislative role, Parliament held a total number of 115 sittings and the House passed 18 Bills, notably-the Disability Bill, Millennium Development Authority Bill and Debt Recovery (Tema Oil refinery Company) Fund Bill. In the course of the year, 31 Parliamentary Committees held a total number of 930 sittings which included Public Hearings within and outside Ghana.

### **Parliamentary Relations**

1040. In line with the objective of fostering closer ties, mutual support and cooperation for the promotion of democracy and good governance, Parliament hosted the 37<sup>th</sup> CPA Africa Region conference and CWP Africa Region Conference on HIV/AIDS and Poverty Education seminar. The Speaker, the Leadership and MPs participated in Inter-Parliamentary Conferences/Seminars of the Inter Parliamentary Union, Commonwealth Parliamentary Association, African Parliamentary Union and ECOWAS Parliament among others.

### **Training and Development**

1041. Functional training was provided to upgrade knowledge and skills of Parliamentary Service staff in several key areas such as Good Governance and Development, ICT Technology, Understanding the Labour Act and Modernizing the Human Resource Function, Financial Management and Internal Audit. Internship and attachment programmes were attended by Research and Library staff. The Office of Parliament also facilitated the continuing education and development of MPs.

### **Infrastructural Development Projects**

1042. Significant progress was made in the execution of works on key development projects aimed at addressing the longstanding problem of inadequate office space and accommodation for MPs and staff:-

- A refurbished residence for the Speaker is ongoing and will be completed by mid-December, 2006
- MPs residential accommodation have been renovated and allocated for occupancy
- New property acquired for conversion into halls, secretariat and other uses for Parliamentary Committees
- Renovation of the chamber block is ongoing
- Construction of a permanent office block for Parliament will be completed this year

### **Outreach Programmes**

1043. Outreach programmes were successfully carried out in the 3 Northern Regions and Eastern Regions and a number of Parliamentary Youth Clubs have been inaugurated.

### **Outlook for 2007**

1044. Mr. Speaker, the Office of Parliament will continue the delivery on its constitutional functions/obligations, strengthen its institutional capacity and continue the implementation of the Enhanced Strategic Plan by carrying out the following activities:

- Develop framework to build capacity for Private Members Bill
- Strengthen capacity of Committees to exercise oversight responsibility over the Executive and the National Budget
- Participate in International and Regional Parliamentary Conferences and Meetings to foster mutual cooperation in the promotion of Parliamentary democracy
- Inform the public about the work of Parliament, continue the programme of extending Parliament's reach to the Regions and Districts and establish Regional Parliamentary Information Centres
- Provide training programmes to enhance professional capacity of MPs and staff and thus improve performance of Parliament

1045. For the implementation of the above activities, an amount of ₦219,153 million has been allocated.

### **District Assemblies Common Fund (DACF) Administrator**

#### **Performance in 2006**

1046. Mr. Speaker, the formula for sharing the DACF was presented and approved by Parliament in accordance with the Constitution.

#### **Quarterly Disbursement of Funds**

1047. Mr. Speaker, an amount of ₦784.93 billion representing 65.18 per cent of the budgeted figure for 2006 for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2006 have been disbursed to the various MMDA's, MPs and RCCs.

#### **Youth Employment and Community Policing**

1048. A sum of ₦58.89 billion has been released from the 2006 Common Fund to the MMDA's to implement programmes to reduce youth unemployment in the country in line with the GPRS II. This eventually will reduce poverty.

#### **Reports**

1049. The Report for 2005 was submitted to Parliament in September 2006.

#### **Training**

1050. In order to further deepen decentralization, the staff and a section of the Assembly members have been trained in the

preparation of the Annual Common Fund Budgets of the various Assemblies.

1051. Monitoring and evaluation of the Performances of MMDAs and RCC's were intensified resulting in the timely submission of reports.

**Outlook for 2007**

1052. Mr. Speaker, the following activities will be undertaken:
- Visit to some selected MMDAs to collate and analyze new data and to develop District poverty profiles.
  - Print and submit 350 copies of draft formula to Cabinet and Parliament.
  - Inform DA's RCCs and MPs about quarterly annual shares of Common Funds.
  - Transfer Funds to DAs, RCC's and MPs quarterly and monitor and evaluate the utilization of the Common Fund to ensure effectiveness.
  - Analyze and print quarterly Reports to Parliament.
1053. For the implementation of the above activities, an amount of ₦1,458,501 million has been allocated. Out of this, GoG is ₦1,610 million, DACF is ₦1,456,891 million.

**Ministry of Information and National Orientation  
(MOINO)**

1054. Mr. Speaker, the Ministry's vision is "A free, united, knowledge – based and prosperous society with good governance through strategic communication (development communication) – DevCom".
1055. In order to achieve its mission and the set goal, the Ministry relies on active collaboration with all MDAs to communicate on government policies, programmes and activities. This is to facilitate a sustained visible participation of the people in making development choices and a robust marketing of the achievements of government.

**Performance in 2006**

- The People's Assembly was organized in Cape Coast and afforded the opportunity to Ghanaians to interact with His Excellency the President and his Ministers, thereby demonstrating the tenets of good governance through accountability, transparency and participatory governance
- Publicity and Education Campaigns were mounted on the 2006 Budget; de-regulation of the petroleum sector; National Health Insurance Scheme; Capitation Grant; HIV/AIDS, guinea worm education; Campaign on the worst form of child labour, among others
- The Ministry organized a weekly Tuesday "meet-the-press" series, supplemented with weekly "matters arising" from the "meet-the-press sessions" to explain issues which arose from the presentations of Ministerial plans and action programme



- Regional meet-the-people tours were started in the Western, Central and Volta Regions by the Minister of Information
- Routine information dissemination on government activities and coverage of public functions at the Regional and District levels by Regional Ministers and Metro/Municipal/District Chief Executives were intensified
- The Ministry participated in TV/Radio programmes to explain various government policies. A number of posters and 8,000 copies of a journal "Ghana Today" were published and distributed locally and to Ghana's Missions abroad
- Periodic media interactions were held with major media houses to discuss a variety of government activities for clarification and enhance positive information dissemination on them by the media
- A joint committee comprising the Ministry and other MDAs was established to facilitate the mainstreaming of strategic communication (Development communication) in all activities of government. This project is the Ministry's reform initiative under the Public Sector Reform program
- The official website, GOG Portal provided reliable one-stop information on Ghana
- The Ghana News Agency (GNA) continued with its District Computerization Programme by linking the headquarters with key district offices such as Hohoe, Akim Oda, Winneba, Techiman, Aflao, Bawku and Tarkwa
- The Information Services Department was provided with 146 Cinema vans and 4 Public Address Vans to facilitate free flow of Information between the government and the public

### **Outlook for 2007**

1056. The Ministry will carry out the following activities in 2007:

- Institute the Mainstreaming of Development Communication (DevCom) in all MDA's programs
  - In compliance with a Cabinet decision to engage the full complement of staff for the Information Services Department and recruit a total of 638 staff of various grades
  - Establish an e-management system for the fleet of cinema vans and public address vans spread over the country
  - Initiate mass circuitry programmes and national public education campaigns in collaboration with all MDA's and other institutions in respect of their programmes and projects
  - Harmonize the operation of the Community Information Centres (CIC) of the Ministry of Communication (MOC), the Information Centres of the Ministry and Public Relations Units of the MMDA's to sustain a visible public relations on government business so that it's achievements are showcased
1057. For the implementation of the above activities, an amount of ₦380,265 million has been allocated. Out of this, GoG is ₦104,337 million, IGF is ₦194,772 million and Donor is ₦81,156 million.

### **Ministry for Public Sector Reforms (MPSR)**

1058. Mr. Speaker, the Ministry has the responsibility of ensuring improvement of service delivery by public sector employees for purposes of promoting good governance, private sector development and human capital development.

### **Performance in 2006**

1059. Mr. Speaker, in pursuit of its core mandate, the Ministry developed a comprehensive work plan for the implementation of sequenced and prioritized public sector reform strategy. This was subsequently launched by His Excellency the President and implemented under the following strategies.

1060. Organizational Restructuring of the Civil Service and Developing Training Programmes

- Accelerated training for Leadership commenced in September 18, 2006
- 10 training modules were developed and completed in mid August 2006 by GIMPA and a Committee on Training (MPSR, OHCS and PSC) for the Accelerated Training of the Leadership of the Civil Service. This targeted 600 staff including Chief Directors, Management Analysts, Human Resource Experts and Directors. Subsequently, 35 newly appointed Chief Directors underwent training in policy

formulation and leadership skills at GIMPA in September 2006.

1061. Activities undertaken in Service Delivery Improvement in identified public sector agencies included the following:

- Training programme on “Total Customer Care” delivered to CSU staff in March 2006.
- President’s Excellence Awards initiated for the Public Service
- Customer Satisfaction Survey launched in April 2006
- Provided support for new customer – friendly facilities at DVLA in July 2006
- MoUs signed with active CSUs on September 27, 2006
- 450 refurbished Computers donated to various MDAs, Schools & District Offices in July 2006

#### **Business Process Review**

- Implementation of Institutional Review Recommendations and Business Process Improvement in 12 selected MDAs that interface with the private sector commenced in July 2006. The objective is to simplify procedures and allow for easy and transparent information flow to the private sector

#### **Records Management**

- Registry and Document Management (Tracking) System
- Archival System and Storage Facility for each MDA and MMDA

- Personnel Files and Databases; and
- Government of Ghana (GOG) portal of Website

### **Conditions of Work**

1062. The Ministry is `also seeking to improve the working environment by an order to improve records management in the public sector selected pilot agencies are being provided support for the following to be in place:

- Decongesting Government Business Area by improving human and vehicular traffic and restrict accessibility by commercial vehicles
- Removing hawkers, loiterers, others who are not conducting Government business
- Improving Security for public servants and subsequently,

### **Public Sector Pay & Pensions**

1063. Government is committed to implementing a comprehensive wage and salary structure of the Public Services taking into account detailed job classification and grading.

1064. A comprehensive review has been undertaken for the determination and administration of wages in the Public Services that will remove distortions and reduce agitations that have characterised wage administration in the country.

1065. The pay reform seeks to achieve consolidation and monetization of salary components and elimination of assortment of all non-monetary benefits and allowances in a sustainable manner. Some of the identified outcomes being:

- the provision of income that will enable Public Sector workers improve their purchasing power and make them credit worthy
- the provision of the necessary incentive to enable Public Sector employees perform work that is required
- enable the Public Sector to be attractive enough to employ people with the right qualifications
- enable the Public Sector to implement a robust performance management system that seeks to build an effective and purposeful appraisal culture that sets objectives which support organizational goals

1066. A significant progress has been made with the development of a draft framework for a Comprehensive Salary/Pay Structure for all public sector workers. The main impact will be the devolution of ownership or responsibility from Government to officers thus making the officers directly accountable and responsible for the use of resources.

### **Reform in Subvented Agencies & Central Management Agencies**

- The Subvented Agencies Bill passed by Parliament on March 14,2006, and Presidential assent was given in April 2006.
- Copies of Act 706 have been distributed to all MDAs in April 2006
- Assessment studies conducted for GIMPA and GUP to share lessons with other agencies

- MoU signed with PSC & OHCS indicating support for various aspects including HR systems, training, and ICT upgrade.
- Organize, publicize more outreach/consultative programmes
- Continued implementation of the Ministry's communications strategy:
- Advocacy – Consultative sessions held with stakeholders
- Social Mobilization – Media encounters with the press and our partners of the reform agenda
- Establishment of a Monitoring & Evaluation Framework
- Facilitated a Results Based M&E Plan clinic to discuss M&E best practices and case studies.

### **Millennium Challenge Compact Ghana Programme**

1067. The Government of Ghana in June this year signed a Compact Agreement with the Millennium Challenge Corporation of the USA for an estimated amount of US\$ 547 million for a 5-year support programme. The Compact is aimed at contributing towards government efforts at poverty reduction by raising farmer incomes through private sector-led agri-business development. The programme consists of 3 projects:

- Agriculture
- Transportation, and
- Rural Services Projects

1068. The programme is expected to operate in 23 MMDAs in the Central, Eastern, Northern and Volta Regions. These regions were selected based on the fact that their poverty incidence is

40 per cent or more. Initial pre-project activities, to the tune of about ₵3.0 billion were funded by the Government of Ghana. These included:

- Community outreach programmes, public education , media activities, national and zonal launches of the MCA Ghana Project
- Establishment of a MiDA Law (Act ... and the subsequent inauguration MiDA Board
- Selection and sensitization of beneficiaries
- Establishment of farmer based organizations (FBOs)
- Implementation of pilot projects in the Eastern and Northern Regions

### **Outlook for 2007**

1069. The Ministry of Public sector reform will scale up work on those areas that have received attention in 2006. Specifically, the Ministry we will continue to work closely with implementing agencies to achieve the goals set for the following:

- Organizational restructuring of the Civil Service and developing training programmes
- Service Delivery Improvement in identified public sector agencies
- Records Management improvement
- Public Sector Pay Policy and Pension Reform
- Monitor reform implementation in selected Sub-vented Agencies (SAs), and Central Management Agencies (CMAs)



- Facilitate the deployment of ICT infrastructure (backbone) and skill within the Civil Service, in order to facilitate the efficient execution of government programmes
- Organize, publicize more outreach/consultative programmes
- Establishment of a Monitoring & Evaluation Framework

1070. A major component of the 2007 Work programme is the implementation of a public sector pay/salary structure that will see the realization of the first phase (phase 1) of the public sector pay reform.

1071. The highlights of the implementation plan include:

- the implementation of the new salary structure for all public sector workers
- the establishment of a National Commission on salary administration
- the comprehensive restructuring of the public service including the establishment of competitive recruitment, selection and training
- establishment of performance based administration

### **Millennium Challenge Account Project**

1072. The first phase of the MCA project takes off in 2007 with the commencement of the agricultural component, the rural services support project and the construction of the Mallam-Tetteh Quarshie Highway. An amount of 74.8 million dollars would be spent on the project and related matters in the first year in 2007

1073. For the implementation of the above activities, an amount of ₱31,874 million has been allocated. Out of this, GoG is ₱13,009 million, Donor is ₱18,865 million.

### **National Media Commission**

1074. Mr. Speaker, the National Media Commission is a governance institution with responsibility for creating a balance between free expression and the need for democratic regulation of media in order to honour the public's right to know while maintaining national security, public order and the reputations of individuals.

### **Performance in 2006**

1075. In 2006, the Commission embarked upon a process of retooling aimed at developing an efficient strategy for democratic regulation of media for peace building. To this end, the commission undertook the following activities:

### **Media and Peace building**

1076. The Commission, in partnership with the UNDP, trained journalists on how to use the media to promote national cohesion and support development. In all, journalists in 8 regions in the country benefited from this training.

### **The Future of Public Broadcasting in Ghana**

1077. Public broadcasting offers the best platform for education and national cohesion. But there are concerns about the management and financial sustainability of the only public broadcaster in Ghana. To define a proper future for public broadcasting in Ghana, the Commission organised 2 separate forums with stakeholders to address emerging concerns.

### **Visits to Media Houses**

1078. In the year under review, the Commission began visits to media houses to sensitise them on the effects of their work as broadcasters on the society at large.

### **Outlook for 2007**

1079. Mr. Speaker, the Commission's focus for 2007 is two-fold. The first is to strengthen the Commission's regulatory role to ensure that the media perform in a manner conducive to peace building and national development. The second focus is to reposition the media as a partner in the nation's development process using the Ghana Poverty Reduction Strategy II (GPRS II) as the basis.
1080. Mr. Speaker, the first objective shall be achieved through monitoring media content to identify and address professional deficits. The idea is to track media content to identify triggers to conflict as early warning mechanism. Monitoring will also track how much of development content is in the media, the direction of coverage (positive or negative) and the general tenor of media content.
1081. This is necessary to identify the kind of content available to the citizenry bearing in mind that negative media influence on the public mind can undermine confidence in elected leaders and push the nation to the brink of conflict.
1082. The second objective shall be achieved through capacity building programmes aimed at moving the media to become agents of development by using the GPRS II to drive the

process. The focus here is to ensure that the media contributes to the achievements of the objectives of GPRS II, by:

- Ensuring the effective participation of the media in free and credible pre-election activities, including development-based coverage of the presidential and parliamentary primaries.
- Enhancing the media capacity to promote efficiency and accessibility of national markets
- Developing a national media framework to promote sustainable and systematic media participation in positioning Ghana in the global and regional markets
- Developing a policy on how to use community radio to support the modernization of agriculture and strengthen infrastructure
- Enhancing the capacity of the media to raise and discuss national concerns with special reference to the NHIS and the Youth Employment Programme.

1083. For the implementation of the above activities, an amount of ₵1,713 million has been allocated.

## **Ministry of Justice**

1084. Mr. Speaker, the Ministry continued to ensure that the rule of law and the provision of safeguards to access to justice for all citizens is entrenched through the updating of laws and revision of statutes.

### **Performance in 2006**

- The Serious Fraud Office implemented activities aimed at reducing fraud and combating corruption by investigating reported fraud cases that were brought before it
- The Registrar-General's Department has implemented the business Registration Reform Strategy through the automation of the registration of Businesses thus reducing the number of days of registering a business to 14 days
- The offices of the Legal Aid Scheme in collaboration with FIDA have undertaken clinics in selected 5 regions to sensitize the populace on the availability of legal aid services
- The revision of the company's code is on going and may be completed by the second quarter of 2007
- The Law Reform Commission conducted research into Restorative Justice and Criminal injuries and compensation as well as reviewed and consolidated Act 29 and 30, respectively

### **Outlook for 2007**

1085. Mr. Speaker, the Ministry will continue the entrenchment of the Rule of Law and the provision of safeguards to ensure access to justice for all citizens.

1086. In this regard the Ministry intends to transform the offices of the Attorney-General's Department to ensure efficiency through the use of modern technology namely; ICT, computerization and networking.
1087. The capacities of State Attorneys will be enhanced to bring them abreast with modern trends of combating crime. The Ministry will also continue with the construction of the Law House Project to accommodate the Ministry, Attorney-General's Department, Legal Aid Scheme and Law Reform Commission.
1088. Mr. Speaker, the Registrar-General's Department will continue with its reform and programs to improve service delivery to the private sector. In that regard the Department will continue with the implementation of business registration and licensing reform strategy to minimize the number of days for registering a business from 14 to 5 days. To make registration of businesses more accessible the Department will open Regional Offices at Kumasi and Tamale.
1089. During the year the Department will complete the construction of a new front Office Block in pursuance of its objective of improving service delivery. A records centre will also be constructed at the Headquarters of the Department to keep the hard copies of the registration documents of registered Companies.
1090. Mr. Speaker, the Legal Aid Scheme will undertake a nationwide capacity building exercises in Alternative Dispute Resolution for lawyers. The scheme will also continue to undertake legal aid clinics in the regions to educate citizens on the law and their rights and implement activities aimed at reducing fraud and

combating corruption. With regards to the Serious Fraud Office, efforts will be made to complete their Head Office building.

1091. The Law Reform Commission will conduct research into Restorative Justice and criminal injuries and compensation as well as review and consolidate Acts 29 and 30, respectively.
1092. About 250 Lawyers will be trained and called to the Bar by October, 2007 by the Ghana Law School whilst the rehabilitation works on the Law School building will be completed.
1093. The Council for Law Reporting will complete the printing of backlog of Ghana Law Reports for 1997-98 volume II, 1999-2000 volume II, 2001-2003 volumes I & II. The council will also prepare manuscripts for 2003-2005 and also prepare Review of Ghana Law Reports from 2001-2006.
1094. The Law Reform Commission will conduct research into the following areas of the Law;
- Law and Poverty Reduction-Advocacy Project on the Rights of Domestic Assistance in Ghana.
  - Review of Operations of Corporate and Business Entities within the Ghanaian Business Environment.
  - Ascertainment of Customary Law (National House of Chiefs)
1095. For the implementation of the above activities, an amount of ₵140,216 million has been allocated. Out of this, GoG is ₵122,866 million, IGF is ₵7,350 million and HIPC is ₵10,000 million.



### **Ministry of Defence (MOD)**

1096. Mr. Speaker, the Ghana Armed Forces (GAF) in 2006 continued with the implementation of prioritized policies and programmes to improve their combat readiness.

### **Performance in 2006**

1097. The key objectives and programmes of the Ministry of Defence during the period under review were in the main, aimed at addressing the needs and priorities of the Ghana Armed Forces. To protect the nation, a number of important barracks rehabilitation programmes were completed. In addition, some operational and administration equipment were acquired to improved the overall operational effectiveness of GAF.

### **Combating Crime and Promotion of Peace**

1098. The GAF actively supported the civil authorities in combating crime and promoting peace. Routine and emergency land, sea and air operations and exercises aimed at abating illegal fish poachers and drug traffickers were also conducted. Joint exercises were also held with some foreign partners in the sub-region.
1099. Mr. Speaker, the GAF and the Ghana Police Service conducted joint anti-armed robbery patrols. During the period, the GAF acquired a few vehicles which improved its mobility for the joint police/army patrols. All Garrisons country-wide now conduct mobile patrols on daily basis. The GAF also deployed troops to monitor the activities of lake transport operators at Yeji. This, it

is hoped will check the frequent boat disasters on the Volta lake and avert the loss of several lives and properties.

### **Rehabilitation of Naval Slipway**

1100. The rehabilitation of the naval slipway at Sekondi including the installation of engine test beach to support the shipway project was started. When completed, the Navy will be able to repair some of its ships locally thereby reducing the huge amount spent yearly in commercial dockyards. Also, the Navy will be in a position to repair fishing vessels and smaller boats.

### **GAF Housing Project**

1101. Mr. Speaker, as part of Government's efforts to address the critical accommodation needs of the Ghana Armed Forces, a number of housing units were constructed and old ones rehabilitated.

### **Human Resource Development**

1102. To achieve a broad manning balance within the three services, 1,200 personnel were recruited from all the 10 regions and trained in 2006. Logistical support was also acquired for the GAF recruit training schools. Additionally, MOD personnel were trained in local tertiary institutions and foreign military schools in the UK, USA, China, Nigeria and some other countries.

### **International Peacekeeping Operations**

1103. Mr. Speaker, the GAF continued to contribute troops to international peace keeping operation. During the year the GAF

provided about 5,000 troops to participate in ongoing United Nations and African Union Peacekeeping Operation Missions. The GAF for the first time in its history, deployed an Aviation Unit comprising 120 personnel, 3 helicopters and other logistics to support La Cote d'Ivoire as part of UN Peacekeeping Operations in that country.

### **Military Hospital**

1104. Mr. Speaker, to improve health delivery to our personnel in the GAF in particular and the public in general, the 37 Military Hospital started a Post Graduate Medical Specialist programme for both military and civilian doctors during the year under review.
1105. The Military Hospital and the Medical Reception Centers in the Garrisons provided 24-hour medical services during the nationwide strike by health personnel. The number of outpatient during the period was 16,881 and total admission was 3,273.

### **Burma Hall Complex**

1106. Mr. Speaker, as part of government's efforts to improve the office accommodation for officers, the multipurpose Burma Hall complex was completed and commissioned during the year. It is now housing some offices of the General Headquarters and the GAF's Central Library. The complex has a large auditorium for seminars and other activities. Efforts are far advanced to hire the facility out for strategic public functions to generate revenue for the Ministry.

### **Internal Operations**

1107. Mr Speaker, to help with the Internal Security, the GAF was involved with a number of Internal Security (IS) operations during the period under review. A total of about 1000 officers and other ranks were involved in the following operations:

#### **Operation Calm Life**

1108. These are joint Military and Police operations in aid of civil power to combat crime, especially armed robbery in our society.

#### **Operation Hunter**

1109. Military operations aimed at curbing the smuggling of cocoa and petroleum products across the borders.

#### **Operation Gong Gong**

1110. Joint Military and Policy peace keeping operations in the Northern part of Ghana specifically in the Bimbila and Dagbon areas and Kete Krachie areas of the Volta Region aimed at bringing peace among the warring functions.

#### **Operation Halt**

1111. Military operations in support of the Forestry Commission aimed at curbing environmental abuses such as the illegal felling of timber from the forests.

### **Operation Cowleg**

1112. Military operations in support of the Ministry of Agriculture aimed at flushing out alien herdsmen and preventing their cattle from destroying the environment.

### **Boat Detachment**

1113. A naval boat detachment was deployed at Jewhi Wharf and Newtown in the Western Region to conduct operations aimed at preventing the trafficking of arms and ammunition and the smuggling of goods across the Western border. Another detachment was also deployed at Yeji to monitor the activities of lake transporters on the Volta Lake.

### **Outlook for 2007**

1114. Mr. Speaker, the GAF will continue to build on the substantial achievements made in operational, professional, logistical and administrative capabilities in the coming year.

### **National Defence**

1115. The GAF will continue to implement activities aimed at improving its combat readiness to deter any external aggressor. Thorough maintenance schedules will be enforced to ensure improvements in the serviceability state of land combat equipment, naval vessels and existing aircraft.

### **Human Resource Development**

1116. The Ministry will continue to give priority attention to its human resource capacity building. About 100 officer cadets will be commissioned in 2007 while 1,200 recruits will be passing out after their basic training. An additional 465 other ranks are expected to be recruited to replace those who have spent 30 years and will be released during the year. Facilities at the Ghana Armed Forces Command and Staff College will be upgraded.

### **International Peacekeeping Operations**

1117. The GAF will continue to provide troops to both UN and AU peacekeeping operations. To be able to derive maximum benefits from the UN Wet Lease Reimbursement System, Government has agreed to assist the Ministry to use the PFI approach to source the sum of US\$73.13 million to support the Ghana Armed Forces in this regard. The amount will be utilized to meet shortfalls in the equipment and logistics required for effective and efficient operations at all the Missions.
1118. It is anticipated that with the injection of these resources, inflows from the UN Peacekeeping Operations will improve tremendously to a projected level of US\$26.24million per annum. This will enable Government to service and liquidate the loan without recourse to the Consolidated Fund.

### **GAF Housing Projects**

1119. Mr. Speaker, to address the housing needs of the GAF and improve the well being of troops and their families, government,

in addition to its own funding, will source for US\$20 million loan facility for the construction of high rise living accommodation. The rehabilitation of existing accommodation will also be continued.

1120. As a practical demonstration of Government's commitment the sum of US\$3million has been released as a bridging facility, pending the finalization of arrangements to secure the US\$20million facility early next year. The reimbursement from the Ghana Armed Forces Peacekeeping Operations will be utilized to secure the facility.

#### **Rehabilitation of Naval Slipway and Test Bench Project**

1121. The rehabilitation of the Naval Slipway and Test Bench Project which was started in 2005 will be completed in 2007 and it is expected that this will drastically reduce the amount spent on the docking of ships.

#### **Procurement of K-8 Aircraft and Refurbishment of F-27**

1122. Mr. Speaker, with Parliamentary approval obtained this year, arrangements are far advanced for the delivery of 2 out of the 4 K-B trainer aircraft and a simulator early next year. Also, the refurbishment of the Fokker 27 aircraft will be completed early 2007 to enhance the air assets of the Ghana Air Force.

#### **Water and Sanitation**

1123. Rehabilitation works which stalled during the year for lack of funding is expected to continue in 2007. Rehabilitation of the

sewerage plants in some garrisons will commence to help raise the morale of troops.

1124. For the implementation of the above activities, an amount of ₦1,059,337 million has been allocated. Out of this, GoG is ₦1,034,337 million and IGF is ₦25,000 million.



### **National Commission for Civic Education (NCCE)**

1125. The role of civic education is to educate the populace on their rights and responsibilities in order to empower them to participate particularly in the development process.

### **Performance in 2006**

1126. In 2006, the Commission undertook the following:

- Inter-Schools Competition Games were organized throughout the country as part of Constitution Week Celebration Activities
- Trained women to increase their participation in the District Assembly Elections
- Introduced "The Citizen Project" on pilot basis in selected schools in the Northern and Greater Accra Regions
- Collaborated with ILO and the MOWAC to conduct research on Child Labour in Ghana
- Acquired land and started the construction of headquarters building for the Commission
- Undertook a number of Civic Education programmes on the Human rights of Women with UNDP Sponsorship
- Purchased 62 Vehicles for the Commission for civic education programmes
- Launched Social Auditing in the country project to enhance transparency and accountability in the effective political process in all the 138 districts
- Trained Management Staff and District Directors on the Social Auditing Project in collaboration with Hanns Seidel Foundation

### **Outlook for 2007**

1127. In 2007, the National Commission for Civic Education (NCCE) will pursue the following activities:

- Build capacity for public education and dissemination of information on rights through Civic Education Clubs strategy
- Educate the public through Constitution Week Activities on Rights and Responsibilities as enshrined in the Constitution
- Involve citizens, particularly women, in conflict prevention, management and resolution through civic organizations
- Introduce civic education and conflict prevention in basic schools through the Civic Education Clubs
- Undertake public education annually in all 138 districts about the dangers of human trafficking and on avenues of safe migration with special focus on sending and receiving districts
- Support Institution and Schemes aimed at informed civic participation in all 138 Districts through the Social Auditing Strategy
- Promote annually civic responsibility, environmental concerns, revenue mobilization and possible attitudes through the Project Citizens approach in all 138 Districts
- Identify and promote programmes in all 138 Districts that will assist in the prevention and management of HIV/AIDS/STD
- Monitor incidence of Domestic Violence and other violence against women in all 138 Districts.
- Empower traditional authorities through civic education programmes and sensitize the public for active participation in ensuring responsible civic behaviours

- Strengthen the partnership with the public media to promote civically responsible behaviour in all 138 Districts
- 2008 Elections Sensitization Programmes
- Completion of Head Office Building by December 2007
- Completion of 40 District Offices in 2007

1128. For the implementation of the above activities, an amount of ₦38,871 million has been allocated.

### **Commission on Human Rights and Administrative Justice (CHRAJ)**

1129. In line with the governments policy of good governance and promotion of rule of law the Commission in 2006 set itself the following targets;
- To investigate complaints of violation of fundamental human rights in the public and private sector, especially of the vulnerable and the excluded.
  - Intensify public education on human rights and freedom so as to improve the knowledge and respect of human rights by the Ghanaian population.

### **Performance in 2006**

1130. In line with this, the Commission resourced all Regional and Districts offices to undertake community based educational programme, especially in the rural areas and the urban slump.
1131. The Commission in 2006 prepared guidelines on Conflict of Interest. The objectives of these guidelines are as follows;
- Providing a general framework for determining Conflict of Interest situation
  - Guide public officials in the conduct of public business to address unethical behaviour in all public offices
  - Ensure public confidence and the integrity of public office
  - Promote a public service culture where conflicts of interest are properly identified and resolved

1132. The guidelines which emanate from the mandate of CHRAJ under the Constitution were discussed with a broad sector of the population namely, the TUC, Chief Directors of MDAs, Media Practitioners and the Anti Corruption Coalition.
1133. The Commission intensified its drive against corruption and misappropriation of public monies by public officials.
1134. To be able to face the task, staff training was intensified and a number of officers were trained both locally and internationally. The training programme has improved the knowledge, attitude and skills of the staff.
1135. The Commission further started training of teachers in the teaching of human rights in the Basic schools. 35 Social Science teachers were also trained in the methodology of human rights teaching.

### **Outlook For 2007**

1136. The Commission will undertake the following activities for the year

### **Legal and Investigation**

1137. The Department plans to develop new Case Handling Policy and Guidelines for Dispute Resolution, and train about 155 Legal Officers and Investigators in the new policy and guidelines.

### **Anti Corruption**

1138. The Department will embark on a massive National Campaign against corruption at all regional capitals and selected district capitals. It will also employ extensively the use of the mass media and posters for the campaign.
1139. The Department will also organize training programmes for selected public services on the Conflict of Interest Guidelines and ethics developed by the Commission pursuant to Chapter 24 of the 1992 Constitution.

### **Public Education**

1140. Many people in the rural areas of Ghana do not know about the Commission. Those who do not know are often the ones who need the help of the Commission most. The Commission can only be useful to them if they know their rights and how the Commission can assist them to protect these rights.
1141. Through the rural community-based public education project the Commission is bringing enlightenment to many, and empowering them with human rights knowledge to take better control of their lives. In 2007 the Commission plans to provide education for 1,000 rural communities.
1142. For the 2007 fiscal year, the Commission also plans to step up its educational programmes for second and third cycle educational institutions and strengthen Human Rights Clubs in the schools.

1143. Finally, the Commission will continue with its research and monitoring of the human rights situation in Ghana, including monitoring of prisons and detention centres.
1144. For the implementation of the above activities, an amount of ₵36,405 million has been allocated.

### **Judicial Service**

1145. Mr. Speaker, the mission of the Judicial Service is to promote the Rule of Law, Transparency and Speedy Administration of Justice in Ghana.

### **Performance in 2006**

1146. Mr. Speaker, as part of the government's commitment to improve delivery of justice, the Phase III of the Judicial Service Administration Block Building in Accra was completed. Phase IV of the Administration building as well as Phase I of the Wa Courts Complex, will be completed in December 2006.

1147. Other projects which were be implemented include"

- Construction of the Bawku circuit and Magistrate Courts Building continued.
- Training of 60 Judges and Magistrates in Alternative Dispute Resolution (ADR).
- 50 Career Magistrates completed a 2-year course at Ghana School of Law and will start sitting in the various Magistrate courts in the country by middle of November after 2 induction courses.

### **Outlook for 2007**

1148. Mr. Speaker, in pursuance of its commitment to improve the delivery of justice, the Service will implement a number of capacity building programmes in addition to the construction



and rehabilitation of some court buildings. These include the following:

- Seminar on Land Dispute in Ghana and Conflict Resolutions for 60 Judges and Magistrates to help address the numerous land disputes in the country.
- Computer Training for 60 participants to improve their skill as part of the court automation programmes.
- Seminar on Juvenile and Family Justice system for 60 Judges and Magistrates.
- 3 days seminar on Ethics at the Workplace and Professional Responsibility for 40 participants.
- The Construction of phase I of the Kumasi Court of Appeal Building and the Financial Tribunal Building.
- Furnishing of 20 existing courts in 20 districts.
- A Housing Scheme for Judges and Staff of the Judicial Service will be started.
- Construction of Phase II of the Wa Courts Complex.
- Continuation of Kpando and Bawku Circuits Courts.
- Construction of Asokore Circuit Court, Agona Nkwanta and Tarkwa Districts Courts.

1149. For the implementation of the above activities, an amount of ₵215,192 million has been allocated. Out of this, GoG is ₵208,457 million and IGF is ₵6,734 million.

## **Ministry of Interior**

1150. The mission of the Ministry is to ensure the maintenance of peace, security and stability for accelerated socio-economic development.

## **Performance in 2006**

### **Interior HQ**

1151. The Early Warning System was complemented with capacity building in conflict resolution and negotiation culminating in the establishment of Peace Architecture in the form of National Peace Council.
1152. The Arms and Ammunition Act was revised by consolidating the 4 amendments of the Act into one.
1153. The draft Bill on the establishment of Ghana National Commission on Small Arms has been proposed and submitted to Cabinet for final consideration, approval and submission to Parliament.
1154. The Police Council was re-constituted and a Tripartite Meeting of Ministers of Interior and Security of Ghana, Togo and Burkina Faso, on Cross Border Crimes was held from 23rd to 24th March, 2006, in Accra.

### **Ghana Police Service**

1155. Mr. Speaker as part of its efforts to combat crime, the Ghana Police Service implemented some major activities which led to a reduction in crime rate in the country by 30 per cent. Some of the key activities include the recruitment of 3,547 personnel as at 30th September and the promotion of Community Policing by assisting to set up Neighbourhood Watch Committees in the country.
1156. A number of training programmes were also conducted to improve the technical skill and abilities of our police personnel. An International Criminal Investigation Training Assistance Programme (ICITAP) was organized for 100 participants and refresher courses were conducted in Human rights, corruption, good governance, crowd control and human trafficking for Police personnel.
1157. For effective policing, the Service created 14 new Divisions, Districts, and stations in various regions and a Rapid Deployment Unit (RDU) was set up to complement existing efforts in rapid response to security threats.
1158. Various offices for the Domestic Violence and Victim Support Unit (DOVVSU) were opened in Kibi, Agona Swedru, Berekum, Wenchi and Nkawkaw to deal with the ever increasing domestic violence.
1159. Mr Speaker to address the housing needs of the Service, a new 4-storey block of flats at Mile 7, Achimota to accommodate Senior Officers and Inspectors was completed.

### **Ghana Prisons Service**

1160. Mr. Speaker, the Prison Service continued to rehabilitate and facilitate the reformation of prison inmates by imparting skills using existing prison industries and prison Settlement Farms as well as counseling services.
1161. As part of the capacity building efforts, a total of 203 superior and subordinate Officers were trained in Tertiary educational institutions and at the Prisons Officers' Training School POTS.
1162. New camouflage uniforms were procured and introduced into the Ghana Prisons Service and work on the Ankaful Maximum Security Prison continued during the year

### **Ghana National Fire Service**

1163. Mr. Speaker, the Ghana National Fire Service continued its public sensitization campaign and attended to a total of 805 fires during the first half of 2006. In addition a total of 268 Recruits passed out during the first half of 2006. The Service also procured and distributed about 500 Uniforms to personnel of the Service.
1164. A total of 171 Fire Safety Certificates were issued to factories, hotels and commercial establishments in line with the Fire Precautions Premises Regulations, LI 1711.

### **Ghana Immigration Service**

1165. Mr. Speaker, during the year under review, the Service expanded its Intelligence Operations with improved fraud

detection facilities. It also automated the Elubo Border post bringing the total automated boarder post to 3 (Kotoka International Airport and Aflao Border post have already been automated). The Service also stepped up its enforcement operations to ensure that all foreigners enter and stay in the country legally.

1166. A total of 657,473 persons arrived in Ghana between January and August, 2006 out of which 737 were issued with re-entry visas on request. The service also issued a total of 8,697 residence permits to non-Ghanaians. Between January to September 2006 a total of 434 illegal immigrants were deported from Ghana mainly for overstay of their permits and 181 would-be immigrants were refused entry into Ghana. The Migration Information Bureau was also fully established in April, 2006.
1167. With regards to passports, 7,340 were issued out of 10,523 applications received between January and August 2006.
1168. In response to Government's directive to the Service to establish a Border Patrol Management Unit, a Border Patrol implementation Team and Secretariat were set up. Recruitment and training of personnel are on-going. A 4-Storey residential facility at Aflao border post was completed while other residential and office accommodation are being constructed.

### **National Disaster Management Organization (NADMO)**

1169. Mr. Speaker, during the year, the National Disaster Management Organization developed a comprehensive Action Plan for Disaster Management and a Website was created and launched. Public sensitization on disasters was intensified;

- 1170. A 2-day National Platform for Disaster Risk Reduction was held;
- 1171. A total of 163 Ghanaian illegal immigrants were repatriated from Libya and 42 received from Morocco and were screened and helped to relocate to their respective towns.
- 1172. Ten 10 Regional Co-ordinators and 10 Senior Officers were trained at MDPI.

### **Narcotics Control Board (NCB)**

- 1173. Mr. Speaker, the Demand Reduction Department of NCB continued with its sensitization programmes throughout the country. About 26 schools were sensitized from January to September, 2006 within the Greater and Eastern Regions. In all about 1,000 pupils from basic schools were sensitized.
- 1174. The International Day against Illicit Drug Trafficking and abuse was nationally launched at Techiman in Brong Ahafo Region to sensitize people on the harmful effects of drugs. About 3 NGOs and Faith-based organizations were also sensitized on the dangers of drugs.
- 1175. About 45 high profile drug couriers were arrested at Kotoka International Airport. In response to recent drug related activities an NCB office was opened at Tema Harbour.

### **Ghana Refugee Board**

- 1176. Mr. Speaker, the Board continued with its programme to ensure the safety, protection and welfare of refugees. Contingency

plans were drawn up to address any influx of refugees into the country.

### **Ghana National Commission on Small Arms (GNACSA)**

- 1177. Mr. Speaker, the Commission undertook Regional Public Sensitization programmes at Bolgatanga, Wa, Cape Coast, Takoradi and Ho.
- 1178. A National Strategic Conference on Small Arms was also held in March, 2006 and the Commission produced a Draft National Plan of Action (NPA) to control small arms proliferation through such strategies as Alternative Development Programme for manufacturers of small arms.
- 1179. Weapons Destruction Exercise as well as Public Sensitization programme were carried out at Tamale.

### **Outlook for 2007**

- 1180. Mr. Speaker, the duty of ensuring peace, safety, security and stability for accelerated socio-economic development is so vital that it should not be taken for granted. Any disruption of the peace and stability in the country will definitely throw the country's developmental agenda out of gear. The Ministry and its agencies will therefore be strengthened to ensure internal security.

### **Interior HQ**

- 1181. The following activities will be undertaken:

- Formulation of policies on Migration and Work Permit;
- Establishment of Gaming Board;
- Increased Monitoring of Private Security Organisations (PSOs), and
- Consolidation of Supervisory Board for PSOs.
- Mainstreaming of issues of gender, AIDS, fire safety, road safety, crime and drug menace and
- Sensitization of Officers of Security Agencies on HIV/ AIDS.

### **Ghana Police Service**

1182. Mr. Speaker, the Ghana Police Service will recruit 2,000 Police personnel and revamp the Neighbourhood Watch Committees. The Police will intensify the supervision of Community Protection Units with the view of reducing the fight against robbery by 40 per cent.

### **Ghana Prisons Service**

1183. Mr. Speaker, the Ghana Prison Service will Continue work on the Ankaful Maximum Prison to ease congestion in the walled prisons. Emphasis will be placed on reformation and rehabilitation of prison inmates and the provision of National Health insurance for prison inmates, prison officers and their dependents.
1184. Mr Speaker, the Service will continue with its efforts at addressing the accommodation needs of the personnel. In that regard the following activities will be undertake:
- Construction of 8 bungalows for members of the Prison Service Directorate.



- Extension of the headquarters will continue
- Continuation of construction work at Yeji camp prison
- Establishment of Prison industries;
- Electrification of Fafraha Camp Prison.

### **Ghana National Fire Service**

1185. Mr. Speaker, the service will undertake the following activities

- Procure of fire fighting equipment and protective clothing
- Intensification of efforts to prevent fires in strategic national installations such as Harbours; VRA, Tema Oil Refinery
- Training of more Fire Volunteers
- Implementation of the Fire Precautions Premises Regulation, L.I. 1711
- Public sensitization on the prevention of Fires and Disasters

### **Ghana Immigration Service**

1186. Mr. Speaker, The following activities will be undertaken by the Service;

- Expansion of the Enforcement Unit to counteract the activities of illegal immigrants;
- Recruitment of 1,500 new personnel by 2008;
- Strengthening of Border Security through the establishment of the Border Patrol Unit
- Construction of accommodation facilities for the Border Patrol unit;
- Computerization of immigration procedures;

**NADMO**

1187. Mr. Speaker, NADMO will undertake the following activities

- training of Disaster Volunteer Groups to be gainfully employed in farming and afforestation;
- Finalization of Policy on Early Warning System on Conflicts and Disaster.

**Narcotics Control Board (NACOB)**

1188. Mr. Speaker, the activities of the Board will include:

- the Extension of Alternative Development Programme to the Brong Ahafo and Volta Regions
- Work on the NACOB office complex
- Recruitment of more Staff
- Establishment of offices in Kumasi, Aflao, Elubo and Sampa
- Procurement of special equipment and vehicles
- Establishment of NACOB Website

1189. Intensification of the fight against the trafficking and use of narcotics:

- The introduction of an effective 24-hour Border Control system;
- Extension of the Alternative Development Programme for 'Wee' growers;
- Establishment of Drug Rehabilitation Centre;

1190. For the implementation of the above activities, an amount of ₱1,479,510 million has been allocated. Out of this GoG is ₱1,367,106 million, IGF is ₱17,390 million, Donor is ₱45,014 million and HIPC is ₱50,000 million.

## **Ministry of Chieftaincy and Culture**

1191. The mission of the Ministry, which was established in May 2006 by virtue of Cabinet decision, is to preserve, sustain and integrate the legal, traditional, and cultural values and practices to accelerate wealth creation and harmony to promote the overall National Development objective

### **Performance in 2006**

1192. Within the year under review, the Ministry of Chieftaincy and Culture undertook the following:

- Interacted and shared the Ministry's vision with the Regional and National Houses of Chiefs and the National Commission on Culture
- Improved cultural infrastructure and logistics in the Centres and National Cultural organizations. Centres and National Cultural organizations which benefited from these improvements were Ho, Bolgatanga, Koforidua and Accra
- Organization of National Conference on Culture and NEPAD, helped to customize the NEPAD document and brought out the link between culture and NEPAD for better understanding
- Helped map out strategies to combat HIV/AIDS menace using culture as a tool in selected Districts. This contributed to behavioural change communication on inimical practices emanating from culture that could lead to HIV/AIDS

- Developed NCC website to increase access to cultural data, information and current cultural events/calendar of activities to Website Users
- Participated in some international conferences including African Caribbean Pacific Ministers of Culture conference in Santo Domingo, Dominican Republic and 1<sup>st</sup> Annual Ghanafest Celebration in Chicago as an honorary guest

### **Outlook for 2007**

1193. Major Activities and Programmes to be undertaken are as follows:

- Further interaction with Regional Houses of Chiefs as well as Traditional Councils to share the vision of the Ministry
- Collaboration with other MDA's to enhance the capacity of Traditional rulers and staff of the chieftaincy institution for the advancement of good governance and also to create a data base for institutional memory through research in the area of chieftaincy and culture
- Collaboration with international bodies to develop and sustain Traditional and Cultural Institutions by setting up a branch of Madame Tussauds Museum in Ghana to showcase legends in the sub region
- Organization of the National Festival of Arts and Culture (NAFAC) in Kumasi
- Archaeological Survey of Historical Sites
- Recording of Traditional Laws
- Dissemination of Cultural Policy
- Exchange of Cultural Delegates
- Review of syllabus and production of books for the teaching of culture, and

- Ghana at 50 Celebrations

1194. In addition, the Ministry will also undertake the following:

- Organization of competition among theatre artists to achieve performance excellence and also to educate the populace on government programmes through drama
- Inventorisation of National Arts Collection
- Institution of effective strategies for commercializing of traditional and cultural products
- Collaboration with Ministry of Manpower Development, Youth and Employment on the Community Youth Cultural Centre schemes to train the youth and school drop-outs in traditional skills acquisition
- Establishment of Craft Shops/Stalls within Centres for National Culture and Community Youth Cultural Centres
- Operationalisation of a Culture Trust Fund to make available funding to needy applicants

1195. For the implementation of the above activities, an amount of ₵74,467 million has been allocated. Out of this GoG is ₵60,606 million, IGF is ₵6,669 million and Donor is ₵7,191 million.

## **National Labour Commission**

### **Performance in 2006**

1196. Mr. Speaker, the 2006, industrial relations posed some challenges mostly from medical and teaching personnel from the public sector. Through the intervention of the Commission, some industrial disputes which would normally result in strikes or lockouts were settled. As a result of this intervention, the man-hours and revenue which would have been lost as a result of the strikes or the lockouts that could have led to job losses were halted.
1197. Some of the institutions involved in industrial disputes were
- Meteorological Services Department
  - Customs, Excise and Preventive Service
  - The thirty-two (32) Unions under the Public Services Workers' Union
  - Barclays Bank of Ghana Limited
  - Environmental Protection Agency
  - National Association of Graduate Teachers (NAGRAT)
1198. The Commission also successfully resolved industrial disputes comprising both individual and collective disputes. About 80 per cent of the cases were fully settled, the remaining 20 per cent cases are in the process of settlement.
1199. Compensation of about ₵1 billion was received and paid to beneficiaries to enable them engage in various income-

generating and self-employment activities. Employment generation was therefore enhanced.

### **Outlook for 2007**

1200. For the year 2007, the Commission intends to:

- Strengthen its educational programmes on the National Labour Act to inform stakeholders on the new industrial relations regime
- Develop new strategies to enable it respond promptly to the needs of its clients in the settlement of industrial disputes, payment of due compensation to affected persons and relief for employers
- Create a conducive industrial relations climate for employment creation for financial improvement in the lives of the Ghanaian workers
- Create a sound industrial relations climate to attract more investors, both local and international
- Protect the rights of both the employer and employee under the Labour Act
- Promote a friendly work environment to enable employees put in their maximum output at the workplace to allow for more income and tax generation for the improvement in the lives of the working people of Ghana

1201. For the implementation of the above activities, an amount of ₵7,820 million has been allocated.



### **Public Services Commission**

1202. The Public Services Commission (PSC) was established to safeguard and promote integrity, accountability and competence in public service organisations in Ghana through advisory, consultative, regulatory and supervisory services.

### **Performance in 2006**

1203. In 2006, the Public Services Commission (PSC) pursued activities aimed at fulfilling its mission as a central management agency in human resource management and development of the public services.
1204. The PSC commenced a number of projects aimed at improving service delivery to its client organizations in the public services, as well as the general public. These included the establishment of a website to afford the general public easy access to information and relevant data on human resource issues, employment opportunities in Ghana and international organizations and agencies, critical reports and circular letters.
1205. A project to establish and maintain an accurate, reliable personal databank was also initiated. It was meant to afford easy and fast access to reliable and accurate information on public servants for use in all aspects of human resource management, development and decision-making, including succession planning, staff movement, skills mix and capacity building.

1206. A 5-year strategic plan project was also commissioned in 2006. The main focus is to strengthen the capacity of the PSC to fulfill its mandate of reporting to the President, on an annual basis, the state of the public services of Ghana. Emphasis has also been placed on strengthening the management services capability of the Commission to enable it to effectively perform its human resources audit, as well as its research and data management functions.
1207. Other strategic focus of the PSC in 2006, was the review and codification of processes, systems and procedures relating to appointments, promotions, discipline in the public services, with a view to infusing a sense of competence, integrity and confidence among public servants and also forge a sense of mutual respect and co-operation amongst the public and private sectors, and the general public.

### **Outlook for 2007**

1208. The projects commenced in 2006, will be continued. In addition, the PSC will renew and deepen its collaboration with educational and other relevant training institutions to address issues of human resource training, placement and career development in the public and by extension, the private sectors.
1209. Other well established and successful initiatives such as the following will be continued to deepen the collaboration and team spirit necessary for the running of an effective, efficient and productive public services:
- Interaction between the PSC and Ministers of State on human resource management issues within their sectors

- Annual Lecture series and follow-up workshops on matters of national policy interest and implication
  - Provision of a forum or platform for interaction between the President and Chief Executives, chairmen of governing councils of public service organizations and agencies
1210. The Commission will also co-operate with other relevant agencies for the establishment and operation of a scheme for re-organizing and promoting excellence in performance in the public services.
1211. Through the development, maintenance, extensive and effective use of Management Information System/Information Communication Technology (MIS/ICT) the PSC will promote efficiency, accountability, competence, social justices and good corporate governance in the public services.
1212. For the implementation of the above activities, an amount of ₱5,058 million has been allocated.

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

1213. The National Development Planning Commission (NDPC) has the responsibility for coordinating the formulation, implementation, monitoring and evaluation of national development policy frameworks and plans including the Growth and Poverty Reduction Strategy (GPRS II).

### **Performance in 2006**

1214. The major achievements of the NDPC include the following:

- Facilitating the process of developing, harmonizing, monitoring & evaluation of the implementation of Sector and District Medium Term Development Plans based on the GPRS II by issuing technical guidelines for:
  - a. the preparation of District Medium-Term Development Plans and training about 1,770 members of the District Planning Coordinating Units (DPCUs) and the Regional Planning Coordinating Units (RPCUs) on its use
  - b. the preparation of Sector Medium-Term Development Plans (2006-2009) and training about 200 officials of the MDAs on their use
  - c. the preparation of sector monitoring & evaluation plans
  - d. the preparation of district monitoring & evaluation plans

- Coordinating the selection of outcome-based indicators for monitoring and evaluating the performance of GPRS II
- Preparation of the 2005 Annual Progress Report on the implementation of the GPRS I
- Undertaking Participatory Monitoring and Evaluation of the GPRS I using citizens' report card to assess citizens' perception of the quality of service delivery to the poor
- Training members of the RPCUs in all the ten (10) Regions as well as tertiary and research institutions and other users of planning data on the use of the GhanaInfo as the national socio-economic database.
- Dissemination of Poverty and Social Impact Assessment (PSIA) Reports on Decentralization, Transformation of the Agriculture Sector and the Vulnerable and Excluded
- Dissemination of GPRS II to stakeholders, at the national regional & district levels including organized groups and at the grassroots in collaboration with the Ministry of Information and National Orientation
- Initiating the processes towards conducting a full evaluation of the GPRS I
- Initiation of the process towards the formulation of a Long-Term National Development Plan including a Spatial Framework to ensure balanced and equitable development of the country

1215. The NDPC has oversight responsibility for the implementation of the Social Investment Fund (SIF). Some of the major achievements of the SIF were:

- Completion of 887 physical infrastructure sub-projects under the various funding windows including schools, markets and clinics.

- Disbursement of an amount of ₺19.8 billion in micro-finance credits to 12,962 beneficiaries of which 9,889 are females.
- Extension of technical support and training to micro-finance stakeholders in all the Regions
- Updating of the Participatory Impact, Monitoring and Evaluation System (PIMES) for all on-going sub-projects

### **Outlook for 2007**

1216. The NDPC will continue to coordinate the planning, monitoring and evaluation of the implementation of GPRS II and other special national programmes at the sectoral and district levels. Major activities to be implemented in 2007 include:

- Continuing the formulation of a long-term national development plan including a national spatial development policy framework to ensure balanced and equitable development of the country;
- Mainstreaming gender vulnerability and sustainable development principles into the planning process;
- Conducting a full evaluation of GPRS I;
- Implementing the GPRS II communication strategy;
- Collaborating with the Ministry of Finance and Economic Planning to ensure that the financing of development programmes implemented by MDAs are compatible with priorities outlined in the National Development framework for accelerating growth and poverty reduction;
- Monitoring and evaluation of the implementation of GPRS II including the preparation and dissemination of 2006 Annual Progress Report on the Implementation of GPRS II;
- Conducting studies on Poverty and Social Impact Assessment of GPRS II;

- Conducting studies on best practices of special pro-poor/pro-growth projects;
- Continuing the coordination and facilitation of specific national programmes for development.

1217. For the implementation of the above activities, an amount of ₱22,715 million has been allocated.

## **SECTION SEVEN: POVERTY REDUCTION EXPENDITURES AND PROGRESS TOWARDS ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS**

### **Government Spending on Poverty Reduction Related Expenditures in 2006**

1218. Government continued to spend significantly on poverty reduction activities by contributing about 57 per cent of the total poverty reduction expenditure from its discretionary budget. Government spending on poverty reduction received a significant boost as a result of inflows both from HIPC debt relief and the Multilateral Debt Relief Initiative (MDRI), the latter becoming effective this year. Under the MDRI, Ghana received an irrevocable debt cancellation of outstanding obligations to the IMF, the World Bank and the African Development Fund. In all, Ghana expects to receive a total relief package of US\$4 billion over 50 years to augment the current level of public investment to accelerate the achievement of the Millennium Development Goals (MDGs) and GPRS targets.

As a result of this new funding, planned poverty expenditures for 2006 of ₵9,881.44 billion was increased to ₵11,985.21 billion including spending on direct poverty interventions and growth enhancing measures.

1219. Poverty spending comprised both direct poverty reduction interventions as well as growth enhancing expenditures, underlining Government's position that there can be very little poverty reduction without growth. This position is further emphasized in GPRS II, which focuses on growth inducing



policies and programmes which have the potential to support wealth creation and sustainable poverty reduction. Expenditures have therefore been distributed between both poverty reducing and growth enhancing initiatives.

1220. As at end of the third quarter, poverty reduction expenditure amounted to ₺8,488.55 billion out of a total Government Expenditure of ₺23,764.5 billion, constituting 35.72 per cent. Out of the total Poverty Reduction Expenditure, Basic Education had 42.77 per cent, Primary Health Care 15.33 per cent, Rural Electrification 9.42 per cent, and the remaining 32.48 per cent went for poverty focused agriculture, rural water, feeder roads and other poverty related expenditures.

1221. In relation to the sectoral expenditures, Basic Education received 58.05 per cent of the total Education Sector expenditure, Primary Health Care component of the total health sector expenditure being 60.55 per cent, 99.74 per cent of the Energy sector expenditure went for Rural Electrification with Rural Water taking 49.23 per cent of the total expenditure for Water Resources, Works and Housing.

### **Utilisation of HIPC Funds for 2006**

1222. Planned HIPC expenditures for 2006 came to a total of ₺2,277.74 billion of which ₺455.5 billion was for Domestic Debt Payments, ₺811.83 billion was for Human Development Services, while Private Sector Competitiveness and Good Governance were allocated ₺885.56 billion and ₺124.85 billion respectively.

1223. Releases for the activities under the three pillars and domestic debt payments, as at end September 2006, were as follows:

**Table 10: 2006 Utilisation of HIPC – Planned Expenditures and Releases**

<b>Pillar</b>	<b>Planned (bn)</b>	<b>Share (%)</b>	<b>Releases* (¢bn)</b>	<b>Share (%)</b>
Human Devt	811.83	35.64	582.54	44.04
Private Sector Competitiveness	885.56	38.88	577.68	43.68
Good Governance	124.85	5.48	65.45	4.95
Domestic Debt	455.50	20.00	96.98	7.33
<b>Total</b>	<b>2277.74</b>	<b>100.00</b>	<b>1,322.64</b>	<b>100.00</b>

\*As at end September 2006.

1224. Domestic debt payments made as at end of September came to a total of ¢96.98 billion. For the three pillars, expenditures focused on the following programmes and activities:

1225. Releases for Human Resource Development Services came to a total of ¢582.54 billion by the end of September, comprising 44 per cent of total HIPC releases. Education expenditures constituted about 61 per cent of expenditures for this pillar with ¢355.65 billion. These funds were spent on the subsidies for Basic Education Certificate Examination (BECE), upgrading of Senior Secondary Schools and support for the SSS feeding programme. Other spending on education was through the District Assemblies and MPs share of HIPC funds for the provision of basic school infrastructure.

1226. For the Health sector, total releases were ¢120.09 billion comprising over 20 per cent of HIPC funds for human

development. Health spending under HIPC supported the following: ₵66.0 billion for the construction and equipping of the Accident and Emergency Centre at Komfo Anokye Teaching Hospital, ₵30.0 billion on exemptions for maternal delivery and ₵1.12 billion on guineaworm eradication. About ₵23.0 billion was also released through District Assemblies and MPs and these went to support priority health services in the districts. Improving sanitation was also a key concern and expenditures to this area came to a total of ₵82.5 billion for drainage and solid waste disposal by MMDAs. Provision of safe water received a total of ₵24.34 billion.

1227. Releases for Private Sector Competitiveness amounted to ₵577.68 billion, almost 44 per cent of total HIPC releases. The energy sector received almost ₵193 billion to fund the Self Help Electrification Programme and to support the Volta River Authority (VRA). Small and Medium Enterprises were also supported to the tune of ₵100.0 billion, private sector development with ₵20.0 billion and the National Forest Plantation Programme received over ₵50.0 billion for aforestation programmes to reverse resource depletion.
1228. Programmes for agriculture received ₵59.0 billion and feeder roads construction benefited from over ₵17.0 billion. Government also supported the development of affordable housing with ₵40.0 billion; ICT projects with ₵15.0 billion, and rail transport development with about ₵13.0 billion for the procurement of coaches. Micro credit schemes also received a major boost from HIPC resources of almost ₵40.0 billion. Other areas of support were employment generation which received about ₵9 billion; ₵7.6 billion for laboratory equipment for

biotechnology development; and tourism development which had almost ₵2.0 billion.

1229. In the area of Good Governance and Civic Responsibility, support totalling over ₵65.0 billion was provided for both administrative and economic governance programmes. Releases of ₵23.5 billion went to support the construction of a 1,000-inmate capacity prison at Ankafu, expenditures for other prisons and a special recruitment exercise for the Police, among others.
1230. The information sector received over ₵19.0 billion for the purchase of information/cinema vans; and public address vans and pickups to help with the dissemination of information on government policies and programmes. Furthermore, ₵3.0 billion was also provided for programmes for public awareness creation undertaken by the National Commission for Civic Education. For economic governance programmes, the Controller and Accountant-General's Department was provided with over ₵3.0 billion to support part of the cost of treasuries re-alignment of the ten regional capitals. The aim of this exercise is to improve transparency and accountability by informing cost centres directly when disbursements are made. The Ghana Statistical Service (GSS) was this year given further support of almost ₵7 billion to enable it complete the fifth round of the Ghana Living Standards Survey (GLSS 5).

### **Utilisation of Multilateral Debt Relief Initiative Funds**

1231. In 2006, a total amount of ₵2,103.58 billion was allocated under the MDRI funds to support poverty reducing and growth enhancing measures. These funds were allocated for sectoral

programmes for the three pillars of GPRS II. They also directly and indirectly support attainment of the MDGs. A significant portion of the relief was directed at the rehabilitation of basic and critical infrastructure in both urban and rural areas to raise the prospect of sustainable growth.

### **Achievement of the Millennium Development Goals (MDG)**

1232. For the three broad pillars of the GPRS II, funds from MDRI were released to support activities which are directly impacting on attainment of the MDGs. In particular, activities undertaken have been in the following areas:

- **MDG 1 – Halving Extreme Poverty** – Funds have been released for procurement of agricultural equipment, development of road and energy infrastructure and the development of tourism. Expenditures under the other MDGS all support this MDG of halving extreme poverty.
- **MDG 2 – Achieving Universal Primary Education** – indirectly funded through payment of subsidies for BECE.
- **MDG 3 – Promoting Gender Equity** – Funding has supported rehabilitation of secondary schools including the provision of girls’ dormitories and improving female participation at that level.
- **MDG 4 – Reducing Child Mortality** – Funding for the Health Sector Programme of Work and Exemptions for children under-five
- **MDG 5 – Improving Maternal Mortality** – Exemptions for maternal delivery supported as part of health sector expenditures ensure that pregnant women receive the necessary health care during delivery

- **MDG 6 – Combat HIV/AIDS, Malaria and other Diseases –** Support for the Health Sector Programme of Work for 2006 was supported with funding from MDRI including support for the National Ambulance Service, District level health interventions, among others
1233. Expenditures on Good Governance from MDRI and the HIPC debt relief went in support of National Identification System, communication and information dissemination on national policies; and improving the functioning of the legislature. This funding may not appear to fund the MDGs directly; they improve the context in which other expenditures are administered since it seeks to improve information dissemination, accountability, oversight, justice and monitoring of all other expenditures.

#### **Outcome of the Poverty Reduction Expenditure**

1234. Education outcomes are showing steady improvement. Access has improved at all levels, spatially and also by gender in part due to Government actions directed at reducing the barriers to entry to primary education and creation of awareness among parents and pupils about the benefits of education. At the primary level, Gross Enrolments Ratios (GER) have improved from 87.5 per cent in 2004/05 to 92.1 per cent in 2005/06, an increase of 4.6 percentage points. Various initiatives are being undertaken to reduce gender disparities and these have led to improvements in the gender parity index, which is currently at 0.95 at the primary level.
1235. Insecticide Treated Nets (ITN) utilization increased to 32.7 per cent for pregnant women and 31.0 per cent for children under-

five. Major progress on eradication of measles and polio was made. Immunisation coverage for measles is 100 per cent, immunization with Penta 3 was 78 per cent and the Annualized Non-Polio rate of children under 15 years was 1.4/100,000 at the end of September, 2006

1236. HIV/AIDS prevalence is down to 2.7 per cent as a result of the interventions being made. Currently, the health sector programme's thrust is on treatment, care and support for those infected with HIV, including providing prophylaxis for opportunistic infections and treatment with highly active anti-retroviral therapy.
1237. For water, coverage for rural water supply has been increasing steadily in the last five years and now stands at 52 per cent by end 2005. Coverage for urban water currently stands at 55 per cent, which is actually a reversal of the gains made. Urban water suffers from a situation of a rapidly increasing population being served by the same infrastructure over the years.

### **Outlook for 2007**

1238. Poverty expenditures in 2007 will reflect a reclassification to include growth enhancing expenditures. Analysis of resource use over the past few years has shown that resources are being used not only for direct poverty reducing interventions but also indirect/growth enhancing measures. This reclassification of poverty expenditures will also be in line with the Growth and Poverty Reduction Strategy whose aim is to accelerate the growth of the economy so that Ghana can achieve middle income status within a measurable planning period. GPRS II

aims ultimately at achieving poverty reduction through economic growth.

1239. A number of initiatives such as the HIPC, MDRI and recently the Millennium Challenge Account have provided much needed resource flows for development. These initiatives have come with their own particular requirements and guidelines. The reclassification takes on board these demands and also recognises that debt reduction alone is not sufficient instrument to ensure debt sustainability. Improvements in repayment capacity are also necessary. Therefore placing emphasis on growth enhancing measures is necessary to prevent Ghana from backsliding to a new era of debt overhang in the future.
1240. For 2007, with expected inflows from MDRI of ₵1,598.65 billion and HIPC debt relief of ₵2,210.83.0 billion, planned total Poverty Reduction Expenditure will go up to ₵12,926.83 billion representing 32.7 per cent of the total government expenditure. Basic Education is expected to make up 54.77 per cent of the total Education Sector expenditure, Primary Health Care 64.79 per cent of the total expenditure on Health and Rural Electrification constituting 99.47 per cent of the total Energy expenditure.
1241. Rural Water is also expected to get 55.38 per cent of the total Water Resources, Works and Housing expenditure.

### **Utilisation of HIPC Funds in 2007**

1242. Funds from the HIPC initiative for 2007 are estimated at ₵2,210.83 billion. Of the total amount, 65 per cent is allocated to MDAs. Private Sector Competitiveness will receive an



allocation of about 67.3 per cent of the total MDA allocation. Human Resource Development Services will have almost 16.7 per cent and programmes for Good Governance will receive 16.0 per cent. Domestic debt payments, as usual, have been allocated 20 per cent of the total allocation with District Assemblies receiving 10.0 per cent to support priority programmes for human development at the local level. Of this amount, MPs have been allocated ₵51.75 billion to spend on human development programmes within their constituencies. Finally, 5 per cent has been allocated for contingency.

1243. Private Sector Competitiveness has been allocated a total of ₵967 billion. The Private Sector receives the largest share to support the measures being taken to address the energy deficiency facing the country. The largest single allocation, about ₵350.0 billion, is going to support the Electricity Company of Ghana to respond to the current energy crisis. Part of this allocation will be for rural electrification under the Self-Help Electrification Project (SHEP 4). Other allocations include about ₵174.0 billion for the procurement of tractors for agriculture; ₵138.0 billion for the District Industrialisation Programme (DIP); ₵100.0 billion for the National Youth Employment Programme; of which ₵20.0 billion was used as seed money for the Livelihood Empowerment Against Poverty (LEAP) programme, a social grants scheme for the extreme poor, which is being developed for piloting next year. Other allocations include ₵90.0 billion for the National Forest Development Programme to take care of aforestation, ₵25.0 billion for feeder roads development, ₵20.0 billion for Community Information Centres and ₵10.0 billion for Tourism activities.

1244. For Human Resource Development Services, a total of about ₺260.0 billion will be spent, about ₺221.10 billion of this will be through MMDAs and MPs for education, health, water and sanitation. Sanitation and the street and house numbering programme have been allocated ₺110.0 billion. For the health sector, ₺95.0 billion has been allocated to cover continuation of rehabilitation of the Accident and Emergency Centre at the Komfo Anokye Teaching Hospital, rehabilitation of the Orthopaedic Centre and payments for exemptions for maternal delivery. Upgrading of secondary schools receives ₺45.0 billion to complement other funding for this activity and guineaworm eradication will receive a total of ₺10.0 billion.
1245. In the area of Good Governance and Civic Responsibility, planned expenditures are for further deployment of the Budget and Public Expenditure Management System (BPEMS) to improve economic governance and management of resources. Other expenditures in this pillar include funding of ₺50.0 billion as continued support to the construction of the 1000-inmate capacity prisons at Ankaful and other measures to improve the conditions of prisoners. The Justice Ministry will receive ₺10 billion for its programmes.

#### **Utilisation of MDRI in 2007**

1246. Funds from the Multilateral Debt Relief Initiative will support the funding of the proposed short-term solution to the energy crisis. The MDRI total of ₺1,598.65 billion has been allocated entirely to the Volta River Authority to be used to fund the procurement of gas turbines and a barge.

**SECTION EIGHT: POLICY INITIATIVES FOR 2007 BUDGET**

1247. Mr. Speaker, over the last 6 years, we have built a strong political, social and economic foundation from which we are now ready as a nation to launch a new and intensified thrust for accelerated growth. As we shift into a new development paradigm, numerous challenges will confront us. This year's policy initiatives are geared towards confronting these challenges.
1248. Mr. Speaker, the focus of this year's policy initiatives is to create fairness in salary administration, diversify our sources of funding, stabilize and expand our energy generation capacity and continue to improve the business environment.
1249. Towards this end, government will initiate a wage and employment reform programme and implement specific measures to modernize and expand our power generation and transmission capacity in order to prevent the periodic need for load shedding.
1250. Mr. Speaker, mindful of the fact that the private sector must continue to lead in growth and employment creation, government will continue to improve the business environment through the provision of appropriate incentives to reduce the cost of doing business.
1251. In addition, measures will be implemented to rationalize and improve revenue mobilization.

**PRIVATE SECTOR DEVELOPMENT**  
**Improving the Business Environment**

1252. Mr. Speaker, Ghana has made great progress in improving our business environment. Our aggregate rank in the 2007 World Bank Doing Business Report was 94<sup>th</sup> compared to last year's rank of 102<sup>nd</sup> out of 175 countries. In addition, Ghana was rated among the top 10 reformers on the ease of doing business. These improvements reflect the tireless efforts of Government and the private sector. However, our scores also indicate that there is considerable room for improvement.
1253. Mr. Speaker, the process of improving the business environment must be a never-ending one. We must continually measure how well we are doing and whether the objectives of reform programmes are being met. To further improve the business environment, the following measures are being proposed:
- Development of a national index that tracks the costs and burdens of doing business
  - Improving the process of reform itself by opening up the process of design and implementation to more stakeholders in order to obtain useful inputs and to build consensus and ownership
1254. Mr. Speaker, the government has for some time now been developing a Regulatory Impact Assessment tool to ensure that the costs and benefits of new policies and regulations are fully analyzed and balanced, in order to avoid unintended consequences on the business environment. In 2007, the Regulatory Impact Assessment tool will be formalized and implemented.

### **Capital Market Development**

1255. Mr. Speaker, our capital market development policies are showing results. This is indicated by the shifting maturity composition of government debt with an increasingly large percentage of investors moving from short-term to medium-term instruments. However, the current yield curve which is limited to 3 years does not provide a strong signal for financial institutions to lengthen the terms of their loans to the private sector. Building on the success of the medium-term instruments, the government proposes to issue a 5-year bond early in 2007. The bond will be a major benchmark issue to be listed on the Ghana Stock Exchange.

### **Unclaimed Financial Assets**

1256. Mr. Speaker, the attention of government has been drawn to the extensive incidence of unclaimed dividends owed to shareholders by listed companies.
1257. Unclaimed dividends are a special case of unclaimed assets that cuts across a wide range of assets such as bank accounts, dividends, bond interest and redemption proceeds, liquidation dividends, insurance proceeds and pension entitlements.
1258. To protect the beneficiary owners of the assets, promote accountability, transparency, and safety of the unclaimed assets, Government will initiate a review leading to the establishment of appropriate legislative and administrative processes to address this problem. The objective of such framework will, among others, address the need to:

- establish a national framework for the management of unclaimed assets
  - educate the public on the procedures for tracing unclaimed assets
1259. The Ministry of Finance and Economic Planning will manage this initiative working closely with institutions such as SSNIT, SEC, Bank of Ghana, NIC, and the Registrar General.

**Private Finance Initiatives (PFI)**

1260. Mr. Speaker, private finance initiatives are increasingly emerging as a cost effective approach for public authorities to procure the services of the private sector to design, finance, build, and operate public facilities thus enabling the government to limit its initial outlays.
1261. In line with our belief in the private sector, the Government will from the 2007 fiscal year promote the use of Private Finance Initiatives (PFI) to stimulate private investment in public sector projects. In this regard Government will identify projects to be implemented with PFIs. Amongst the projects to be pursued are schools, residential and office buildings. To facilitate the achievement of this novel idea, MOFEP in cooperation with the private sector will develop a framework for Private Finance Initiatives to assist MDAs in applying the Private Finance Initiative Model.
1262. Mr, Speaker, in 2007, government will be inviting the private sector as PFI partners in the following key initiatives:

- The construction of a state-of-the-art-Training Centre for all the security agencies and funding of Government involvement in the U.N. Peacekeeping Programmes of the Ministry of Defence and the Ghana Police Service.
- As a way of generating income, Government will also partner with the private sector to construct state-of-the-art health facilities across the country, including the construction of a dedicated orthopedic hospital. The facilities will be utilized by the international community including those in the sub-region as referral points.
- A centralised Revenue Training College for all revenue agencies will be established to provide training programmes to aid in improving the skills of the staff of the Revenue Agencies

### **Promotion of an Independent Investment Authority**

1263. Mr. Speaker, the catalytic role of government has been instrumental in many countries in bringing the private sector to invest in major infrastructure projects. Government therefore proposes to create an independent investment authority called Ghana Investment Corporation (GIC). GIC will encourage the private sector to participate in the financing of the establishment of infrastructure projects that will have economic returns. Some potential projects will include energy, roads, railways and water.
1264. Mr. Speaker, GIC will also be a vehicle for us to optimise our gains in the world market by getting our fair share of the value created in the processing of our raw materials into finished products. Consequently, GIC will be given the mandate to make other investments that create new sources of wealth for Ghana.

In particular, GIC will be tasked to explore the possibility of investing and acquiring shares in international and multinational companies that purchase our raw materials such as cocoa and gold and process them into finished products. These investments will enable us to hedge against falling commodities prices by benefiting from the dividends and capital appreciation of multinational companies who use our raw materials.

### **Making State-Owned Enterprises More Efficient**

1265. Government seeks to improve the efficiency of state-owned enterprises by making them increasingly self-financing. Experience in other countries has shown that SOEs can be supported to become financially self-sufficient and more relevant to national objectives. In pursuing this objective, Government will:
- Review and confirm the specific roles of SOEs in those sectors of the economy where government participation will promote key national policy objectives; and
  - Re-focus SOE activities such that the private sector is given maximum space across the entire value chain. In the power sector, for example, this will be reflected in the creation of maximum space for the private sector to participate in the generation, transmission and the ultimate delivery and distribution of electricity.
1266. In this process, relevant SOEs will be given full commercial mandate with full autonomy to enable them to directly access local and international capital markets. In implementing this new policy, the mandate of the State Enterprises Commission will be reviewed to re-align its functions to this new framework.



1267. Mr. Speaker, Government has in recent times invested significantly in the development of our local bond market. The most recent manifestations of this commitment are reflected in the listing of medium-term government securities, the establishment of a central securities depository, the automation of the Ghana Stock Exchange and the commitment to use the Ghana Stock Exchange as the preferred medium for the divestiture of state-owned enterprises. While private sector companies have been increasingly using the capital market to fund their long-term capital needs, there has been a noticeable absence of public sector institutions from the capital market.
1268. Accordingly, in 2007, government will put significant resources into preparing key public sector institutions to meet their long-term funding needs from the domestic capital market. Public institutions such as the utilities, universities and municipal and district assemblies will be provided with the needed assistance to enter the capital market. MOFEP will coordinate this initiative.

**Involving Ghanaians in Development Finance: The Golden Jubilee Bond**

1269. Mr. Speaker, the celebration of Ghana's Golden Jubilee next year will be an occasion for Ghanaians to come together as one people with one destiny with a shared interest in our country. On this memorable occasion, the government wishes to create an opportunity for all Ghanaians to share in the pride of the development drive which is being ushered in by the proposals in this Budget. In fulfillment of this, Government will, in 2007, launch the Ghana Jubilee Bond, to provide a vehicle for all Ghanaians, including those in the Diaspora to be part of Ghana's

development. The proposed bond is targeted to raise the cedi equivalent of \$25 million for a landmark infrastructure project.

1270. The Golden Jubilee Bond will be a retail bond sold to individuals throughout 2007 with all financial institutions invited to participate in the distribution. The terms of the offer will be announced in due course.

### **International Financial Services Centre**

1271. Mr. Speaker, in 2006, government initiated preparatory work for the establishment of an International Financial Services Centre (IFSC) in Ghana. The centre will enable Ghana to provide specialised financial services for offshore customers in the areas of banking, insurance, securities, leasing and other non-bank financial services. The IFSC will be a realisation of Ghana's vision of a financial sector that is efficient in the mobilisation of funds, fully integrated with the global financial system and is supported by a regulatory system that promotes a high degree of confidence as articulated in the Financial Sector Strategic Plan.
1272. In 2007 government will continue with the implementation of the banking component and initiate the preparatory work for the non-banking component with the view to having a full-fledged IFSC in place by March 2008.

### **Expanding Banking Services and Reducing Interest Rates**

1273. Mr. Speaker, the banking system in Ghana serves only a small proportion of the population. Only 10 per cent of the bankable

population has bank accounts, leaving some 90 per cent outside the formal banking sector.

1274. To deepen the financial system, Bank of Ghana, in collaboration with the banks, is spearheading the introduction of a National Payments System (NPS) to ensure delivery of financial services to the unbanked, underbanked and banked segments of the population under a common payment system framework.
1275. Mr. Speaker, government has been concerned with the high cost of finance and its impact on financial intermediation. The need to keep the cost of financial services down has been recognised in the exemption of this key sector from VAT. However, it has become obvious that more needs to be done to moderate the high cost of finance.
1276. Mr. Speaker, to promote fair and competitive interest rates, the Bank of Ghana has directed all bank and non-bank financial institutions from January 1, 2007 to publish in all advertisements for loans as well as disclose transparently to all prospective borrowers, the Annual Percentage Rate (APR) of interest applicable to their loans, including loan processing and administration fees. This will allow prospective borrowers to obtain a more accurate comparison of true cost of borrowing and therefore make a more informed choice.
1277. In addition, the Bank of Ghana will publish on a regular basis, the various main bank charges of all the banks to provide customers and potential customers with regular information about the cost of particular financial services. For example, some banks charge ad valorem fees for some services while others have specific fees. Likewise some banks do not charge

for ATM services while others do. Customers will be able to make informed choices and this should enhance competition in the banking system.

### **Freeing Up “Dead Capital”**

1278. Mr. Speaker, for several years, government has implemented measures to improve access to credit. These measures include various microfinance schemes such as MASLOC and other lending programmes delivered through the banking system, the abolition of secondary reserves for banks, house numbering and street names and the current initiative to implement a National Identification System.
1279. Mr. Speaker, unfortunately our investment in building this credit infrastructure has not produced a material impact on the availability of credit to Ghanaians. As a result, our economy has been unable to make the transition from a cash-based economy to a credit-based economy, which is a necessary condition for accelerated economic growth.
1280. Mr. Speaker, government believes that a key constraint in the credit delivery chain is the inability of Ghanaians to offer their houses as collateral because of lack of proper legal title. As a result of this unfortunate situation, the vast majority of properties in Ghana have, in the words of the famous economist, Hernando de Soto, become “dead capital”. Consequently, government has decided to task the Attorney – General and the Ministry of Lands, Forestry and Mines to explore alternative approaches to land titling that would free up this dead capital to support a credit-based economy.

### **Rationalization of Government Participation in Banking Sector**

1281. Mr. Speaker, the current era of accelerated economic growth demands that we consolidate and scale up our banking institutions to help mobilize and intermediate effectively our limited domestic resources as a first step in funding our nation's accelerated growth agenda.
1282. Mr. Speaker, the banks in Ghana lack the scale and depth to become the primary drivers of our national growth agenda. The total market capitalization of all commercial banks in Ghana in 2005 was estimated at US\$600 million. With total assets of US\$1.4 billion, the banks provided loans of only US\$1.9 billion on a deposit base of US\$2.7 billion in 2005. By comparison, the market capitalization of Nigerian banks as at the end of August 2006 for the top 7 banks ranged from some US\$800.0 million to US\$3.2 billion. In other words the smallest of the top 7 Nigerian banks has a market capitalization bigger than all the banks in Ghana. Ghanaian banks therefore lack the scale and volume for funding output growth in excess of our targeted 8 per cent per annum.
1283. Mr. Speaker, government, as the sole shareholder of the Agricultural Development Bank, majority shareholder of National Investment Bank and the largest shareholder in Ghana Commercial Bank has a responsibility to lead the repositioning of the banking sector to become regionally competitive if Ghana is to become the financial centre of the sub-region. In 2007, government will pursue a rationalization of its participation in the banking sector and will set a clear agenda to consolidate the public sector interest in the banking industry while leaving

maximum space for the private sector where there is no justifiable need for state presence.

### **Global Services Delivery**

1284. Mr. Speaker, in today's global village, trade relationships between countries have expanded to include services that in the past were not considered tradable. Developments in other countries indicate that a wide range of services are exportable. These include the export of expertise in key service areas such as peacekeeping services, health, sports, banking, accounting, legal and information technology services. Ghana should take advantage of these opportunities to increase the contribution of the services sector to our balance of payments and GDP.
1285. Mr. Speaker, it is clear that Ghana has a significant comparative advantage in services. Thanks to our educational sector, we have a well educated labour force that can be the foundation for making Ghana a major service provider to the rest of the world. We have increasingly demonstrated our potential to contribute to global service delivery by making our expertise in peacekeeping, health and construction available to other countries
1286. Mr. Speaker, in 2006 Government initiated the International Financial Services Centre Project to enable Ghana to provide a wide range of banking and non-banking financial services to offshore customers. This project is expected to become fully operational by March 2008. In 2007, government will start an initiative to make the provision of global services a major contributor to our export earnings and GDP growth. We will be holding extensive consultations with professional associations

and the services industry to design a practical strategy to link Ghana to the global services supply chain. This initiative will be coordinated by MOFEP, MOD, MOI, MOC, MOESS, MOH

### **PUBLIC PROCUREMENT**

1287. Mr. Speaker, the objective of the Public Procurement Act is to among other things reduce the cost of government procurement and ensure value for money.
1288. As a further measure to reduce the cost of government operations, the government has decided to explore the possibility of developing framework agreements with suppliers of common items by pooling the procurement of public institutions in order to obtain better prices through economies of scale in purchase volumes and competitive bidding. Towards this end Government will consult with the Public Procurement Board to ensure that the laws governing procurement are fully adhered to.

### **REVENUE ENHANCEMENT, TAX RELIEFS AND INCENTIVE MEASURES,**

1289. Mr. Speaker, the government is determined to promote the practice of efficient taxation and enhance confidence in the tax system. In addition government is committed to introducing measures that seek to remove the bottlenecks that impede revenue generation and collection. Accordingly, the government proposes the following measures and initiatives:

### **Land Administration Amnesty and Registration fees**

1290. Mr. Speaker, the Ministry of Lands, Forestry and Mines, as part of its policy to encourage land registration and investment proposes the following tax amnesty programme:

- a) That Government, through the Lands Commission as administrator of state lands, will waive any interest on arrears of rent owed government by lessees of government land for 2007.
- b) Secondly, to encourage title registration, fees on land registration will no longer be based on land value as currently pertains since stamp duty under the Stamp Act is also based on land value. Rather, fees will be based on flat rates irrespective of land value as follows:

Up to 1 acre	¢350,000
1 acre to 100 acres	¢500,000
Above 100 acres acre	¢10,000 for each additional
Mortgages	¢350,000
Discharge	¢100,000



### **Levy on Timber Exports**

1291. Mr. Speaker, for sometime now, there has been controversy regarding the collection of a 3 per cent export levy on timber by the Forestry Commission and its alleged adverse impact on the fortunes of the timber industry. In 2007 the Ministry of Lands, Forestry and Mines together with industrial representatives will review the fiscal and financial framework of the Commission in particular and the forestry sector in general in order to effect the necessary legislative amendments to address the concerns of stakeholders decisively. In the meantime the collection of the 3 per cent levy will continue.

### **Excise Duties**

1292. Mr. Speaker, in the 2006 Budget, government promised to rationalise the Excise Tax regime for this august House's review. During 2006 the Government engaged the services of consultants to carry out a comprehensive review of the excise duty.
1293. The rationalisation of the excise tax regime has focused on achieving simplicity in administration and enforcement, ensuring a steady stream of revenue, discouraging tax evasion and smuggling, curtailing the consumption of harmful products and removing the distortions. Achieving these objectives generally involves a move from the current ad valorem regime to a specific tax regime that provides scope for differentiation. This shift in policy regime is in line with current international trends and best practices.

1294. Mr. Speaker, during 2007, a comprehensive Bill will be prepared to rationalize excise taxes. The general objective of the rationalization will be to convert the excise tax on alcoholic drinks (beer, stout, branded spirits and wines), malt drinks, carbonated soft drinks, and cigarettes and other tobacco products from the current structure to a specific –rate structure. The general effect of this change will be a reduction in the excise taxes on beer and stout and carbonated soft drinks. To reduce the incidence of smuggling, the excise tax on cigarettes and other tobacco products will also be reduced. However, excise taxes on spirits will be increased. Details of these changes will be worked out for implementation by end March, 2007.

#### **National Reconstruction Levy**

1295. Mr. Speaker, the National Reconstruction Levy was introduced in 2001 as a temporary measure to address the government's critical fiscal position at the time. In the 2005 budget statement, the Government promised to abolish the National Reconstruction Levy with effect from 2007. Mr. Speaker, I am pleased to announce that the National Reconstruction Levy will cease to exist starting on January 1, 2007.

#### **Review of Exemption on Imports**

1296. Mr. Speaker, revenue loss from exemptions granted in duties and taxes continue to rise. It is estimated that in the year 2006, a total amount of ₦2.3 trillion of revenue due on imports cleared through customs will have been given away on exemptions for various reasons. This trend no doubt undermines government

effort at increasing the share of total revenue that is generated from domestic sources.

1297. Mr. Speaker, to reverse the trend and rationalize the use of exemptions to effectively service productive areas of the economy, government intends to review the exemption regime as a whole to reduce the scope and to eliminate abuses in the administration and application of the facility.

### **Broadening the Income Tax Base**

1298. Mr. Speaker one of the major challenges facing Ghana is how to broaden the tax net. Out of a pool of 5 million potential taxpayers, only 1 million are paying income taxes. Apart from employees on the Government payroll, only about 350,000 employees in the private formal sector pay taxes.
1299. Mr. Speaker, the fact that the vast majority of Ghanaians are in the informal sector makes revenue generation a daunting task. Experience in other countries indicates that nations making the transition from informal to formal economies have to use innovative methods to mobilize tax resources.
1300. Mr. Speaker, evidence indicates that a significant percentage of vehicle registrations are from informal sector operators most of whom are not taxpayers. During 2007, government will develop and implement a system that will enable us to assess and collect income tax using the value of vehicles registered. This measure will not only enhance revenue collection but will also bring a fairer distribution of the tax burden which currently is primarily borne by those employed in the formal sector.

### **Tax Reliefs**

1301. In line with the government's objective of increasing disposable incomes of taxpayers and to encourage tax compliance, the following tax reliefs are being proposed:

<b>Type of Relief</b>	<b>Current Amount Per Annum</b>	<b>Proposed Amount Per Annum</b>
Marriage/Personal	¢300,000	¢350,000
Old Age	¢300,000	¢350,000
Children's Education/Child	¢240,000	¢300,000
Aged Dependent	¢200,000	¢250,000
Cost of Training	¢200,000	¢1,000,000

### **Establishment of Tax Arbitration Board (TAB)**

1302. Mr. Speaker, to enhance transparency in tax administration and expedite the resolution of appeals, government is proposing the establishment of a Tax Arbitration Board. The TAB will decide on appeals against the decisions of the Revenue Commissioners. The Revenue Agencies Governing Board (RAGB) will facilitate the setting-up of the Tax Arbitration Board.

### **Taxation of benefits in Kind**

1303. Mr. Speaker, the current rate of taxation of benefits-in-kind relating to transport and accommodation, which was fixed in 1995, has become unrealistic in light of present economic realities. In view of this, the following adjustments are proposed:

**A. Accommodation**

Accommodation with Furnishing	Reduced from 15% to 10% of the person's total cash emoluments
Accommodation only	Reduced from 10% to 7.5% of the person's total cash emoluments
Furnishing only	Reduced from 5% to 2.5% of the person's total cash emoluments
Shared Accommodation	Reduced from 5% to 2.5% of the person's total cash emoluments

**B. Vehicle**

Vehicle with fuel	Reduced from 15% to 10% and capped at ₦3,000,000 per month
Vehicle only	Reduced from 7.5% to 5% and capped at ₦1,500,000 per month
Fuel Only	Reduced from 7.5% to 5% and capped at ₦1,500,000 per month
Driver, vehicle with fuel	12.5% capped at ₦3,500,000 per month

**Importation of Used Motor Vehicles**

1304. To reduce the level of non-compliance and other forms of abuse in the importation of used vehicles, changes in the mode of depreciation of used vehicles for valuation purposes and a review of the policy towards discouraging the importation of over aged vehicles will be proposed. The changes to be initiated are intended to improve compliance through realistic valuation and simplified administration of the used vehicle importation

regime for both customs officers and importers. A bill will be laid in Parliament in the course of the year to rectify the defects in the current law.

### **TAX INCENTIVES**

1305. Mr. Speaker, despite the above measures to rationalize and enhance revenue collection, government continues to look for opportunities to provide tax incentives to the private sector in key sectors of the economy.

### **Venture Capital**

1306. In 2004, the Venture Capital Trust Fund Act was passed to provide a vehicle for SMEs to raise equity and quasi-equity capital. Since then, the Venture Capital Trust Fund has signed 2 investment agreements with venture capital finance companies. However, government will like to see many more venture capital finance companies participate in the scheme. In recognition of this, Government is pleased to announce an enhancement of the tax incentives announced in the 2006 budget as follows:

- The 5-Year full exemption from corporate income tax, dividend tax and capital gains tax for eligible venture capital finance companies is now extended to 10 years.
- The 100 per cent chargeable income deduction granted to financial institutions investing in venture capital finance companies is now expanded to include all corporate and individual investors who invest in venture capital financing companies.

- Distributions of interest, dividends and capital gains to investors in venture capital finance companies shall be tax exempt.
- Losses from disposal of the shares of a venture investment may be carried forward for a period of up to 5 years after disposal.

### **Final Withholding Tax (WHT)**

1307. Mr. Speaker, final withholding taxes (WHT) have remained at their 2004 level in spite of the reduction in general corporate tax rate. It is proposed that final withholding taxes be reduced proportionally to reflect the reduction in general corporate tax rate as follows:

- WHT on Dividends paid 8%
- WHT on Management and Technical Services 15%
- WHT rate on Rent 8%

### **Capital Gains**

1308. Mr. Speaker, to encourage the public to register changes in ownership of properties, the capital gains tax is reduced from 10 per cent to 5 per cent.

### **VAT Clearance Certificate**

1309. To facilitate the efforts of the VAT Service at ensuring full compliance and also consistent with international best practices, it has been decided that VAT Clearance Certificate (VCCs) will be issued to VAT registered businesses in good standing on application from the first quarter of 2007. These certificates will

have a validity period of 6 months, and will be used for example, as passes by businesses in activities such as competitive tendering and the clearing of goods at the port.

### **Computers for Schools**

1310. Mr. Speaker, to further enhance the usage of computers in schools, Ministry of Education, Science and Sports will be funded to take advantage of the new technology for the production of low cost computers designed specifically for basic education. The Ministry of Communication in collaboration with the Ministry of Education, Science and Sports will oversee this initiative.

### **Intensifying R & D**

1311. Mr. Speaker, Government needs to support basic and applied research in order to generate new pillars of growth for the economy. For the purposes of encouraging basic research, government will promote the establishment of an Endowment Fund for Science and Technology Research by providing an initial allocation of ₦5.0 billion. The private sector and other institutions will be encouraged to contribute to this Endowment Fund to create a regular flow of resources for basic research. The CSIR will coordinate this initiative.
1312. Mr. Speaker, the government encourages the private sector to take advantage of the generous tax incentives already in the Internal Revenue Act to step up their commercialization of research.



## **INCENTIVES FOR LOCAL MANUFACTURERS**

### **Raw materials for pharmaceutical products**

1313. Mr. Speaker, government has already granted exemptions to 66 active pharmaceutical ingredients. To further encourage local pharmaceutical industries to increase the supply of locally produced drugs and support the current National Health Insurance Scheme, it is proposed that VAT and import duties on raw materials and packaging materials used in manufacturing drugs for treatment of HIV/AIDS, Tuberculosis and Malaria be removed.
1314. The Food and Drugs Board will be mandated to ensure that the concession is not abused by drug companies.
1315. Mr. Speaker, to ensure the sustained development and competitiveness of the pharmaceutical manufacturing sector and to guarantee that locally produced products are completely free from VAT, it is also proposed that all relevant pharmaceutical products be zero-rated. This will ensure that locally produced pharmaceuticals compete on the same basis with their imported substitutes. The pharmaceutical industry is therefore invited to take advantage of Government's support and improve its local production capacity with the intention of entering the lucrative international markets, starting with the West Africa sub-region.

### **5% Concessionary Import Duty Rate on Raw Materials Imported by Registered Manufacturers**

1316. Currently there are manufacturers whose raw materials are admitted at concessionary import duty rate of 10 per cent, same as import duty charged on corresponding finished products. To make such manufacturers competitive, it is proposed to admit the raw materials that fall under this category at 5 per cent.

### **Promotion of Locally Produced Rice And Poultry**

1317. Mr. Speaker, Government recognises the need for guaranteed market for local rice and poultry products. In this direction, Government will actively promote the use of locally produced rice and poultry products by all public institutions like schools, hospitals and the security agencies.
1318. This programme will be coordinated by MoFA. The Rice Growers' Association and Poultry Farmers' Association will work closely with the ministry to ensure its effective implementation.

### **District Industries Programme**

1319. A major highlight of the 2007 Budget is the implementation of the District Industries Programme (DIP). Under this programme, each of the 138 districts will be assisted with funding to create an enabling environment and play a catalytic role in the creation of district industries by partnering with the private sector investors.
1320. The Ministry of Trade, Industry, Private Sector Development and PSI will provide technical advice to the MMDAs, while the

Ministry of Local Government, Rural Development and Environment will coordinate the programme. The programme will, however, be directly implemented by the MMDAS.

### **Promotion of Home Ownership**

1321. Mr. Speaker, the housing sector has engaged the attention of government in many ways. Last year, government moved to reduce the burden of homeownership by amending the Internal Revenue Act to provide for the deductibility of mortgage interest for tax purposes. Efforts will be intensified this year to ease the constraints on the availability of long-term mortgage funds and short-term construction finance.
1322. The Ministry of Water Resource, Works and Housing (MWRWH) is cooperating with SSNIT, HFC Bank and the IFC to provide seed money to a number of banking institutions to provide mortgage loans with maturities of up to 15 years and short-term funds to real estate developers as construction finance.
1323. Mr Speaker, to increase access to housing for public sector employees, the Government has made available funds to HFC Bank to provide mortgage loans at favourable rates to public sector employees. Initially, this facility will be made available to employees in the Judiciary, Medical Services, Ghana Education Service, the Civil Service, the military, police and other security agencies. The scheme will be expanded eventually to cover the wider public sector. The Ministry of Water Resources, Works and Housing and MOFEP will facilitate this process with HFC Bank.

1324. In addition to the above, a revolving fund will be set up to assist public sector employees to meet down payment requirements for mortgages.

**Rationalisation of Utilities**

1325. Mr. Speaker, there is a high misuse or wastage through consumption of utility services by employees from within government organisations.

1326. Mr. Speaker, our desire to rationalise the consumption of utility services, especially in public institutions remains a high priority. As a first step towards the control of energy consumption by Government agencies, government proposes that all public buildings (MDAs, MMDAs and government houses etc) are fitted with pre-paid electricity meters.

1327. Mr. Speaker, to cut down cost in the use of telephone facilities in governmental organizations, MOFEP on a pilot basis, will install a call accounting and least cost routing system. This system is able to track and monitor the use of telephones. It is expected that the system will be replicated in all public institutions to effectively monitor, control and manage the use of telecommunication resources in all governmental organizations.

1328. Mr. Speaker, a similar monitoring and tracking system will be designed for the use of water in public institutions.

### **Lottery of Confiscated Vehicles**

1329. Mr. Speaker, over the years several vehicles have been confiscated to the state. This has resulted in serious congestion at the ports and other areas where these vehicles are parked.
1330. Mr. Speaker, to decongest the ports of these vehicles and raise revenue, Government will open the process of their disposal to the public. In this regard Government will take inventory of all confiscated vehicles, classify them into capacities with a flat amount attached to each class category.
1331. Mr. Speaker, a lottery will be conducted and the winners allocated the vehicles on an 'as-is where is basis'. Participation will be limited to only those who produce evidence of paying some form of taxes (e.g. land poll, property tax, income tax, stamp duty, television licenses) to the Government.

### **Expanding Coverage of the National Health Insurance Scheme**

1332. Mr. Speaker, in 2005, the government set for the National Health Insurance Council Secretariat a target of 50 per cent coverage by the end of 2006. However as at the end of September 2006, only 34 per cent of the population had registered with the District Health Insurance Schemes whilst 25 per cent of the population had either fully paid their annual premiums or belong to the exempt group and are therefore eligible to possess the health insurance card.
1333. Mr. Speaker, as at the end of September 2006, 18 per cent of the population had been issued ID cards and were enjoying the

benefit package under the scheme. The National Health Insurance Secretariat therefore has the onerous task of scaling up their registration and issuance of ID cards to about 25 per cent more of the population by the end of December 2006 in order to meet its set target.

1334. Mr. Speaker, currently registration is done by private individuals from house to house, on a commission basis. The system of house to house registration is not only inefficient and expensive but fraught with risk of loss of premiums collected.
1335. Mr. Speaker, to resolve this problem, the National Health Insurance Council proposes the creation of fixed registration points to enable individuals register at their convenience and return to the same points for their cards after processing and issuance. Towards this end, the Council will work with the Ghana Post, Ghana Commercial Bank, Association of Rural Banks, hospitals, health centres and clinics on the possibility of establishing registration points at the premises of their branches and agencies. To facilitate the exercise, National Service personnel have been recruited for training and deployment to the various schemes to assist with the registration.

### **Introduction of Annual Renewal of Vehicle Registrations**

1336. Mr. Speaker, in Ghana, vehicles are given permanent registration status at the time of initial registration at the Driver and Vehicle Licensing Authority (DVLA). This regime is contrary to international best practice and is fraught with numerous risks.

1337. There is no mechanism for identifying licence plates that have been made redundant as a result of the vehicles being scrapped or abandoned. Many of these redundant licence plates are used on stolen, un-customed or unregistered vehicles. This situation creates a major difficulty in law enforcement and apprehension of criminals. In addition, the statistics of vehicles existing and in circulation in the country are inaccurate and frustrate government's planning efforts in the transport sector.
1338. Mr. Speaker, in the light of the above issues, Government is proposing that motor vehicles and trailers undergo annual renewal of registration. Government also proposes to introduce a new numbering system to differentiate motor bicycles from motor vehicles.
1339. In course of 2007, we will introduce amendments to the Road Traffic Regulations in order to achieve these objectives.

#### **DIVERSIFYING OUR SOURCES OF FINANCING**

1340. Mr. Speaker, Ghana has had a long and fruitful relationship with the IMF. The Fund has supported the economic programmes of Ghana with annual disbursements in 20 of the last 23 years. The latest PRGF Program expired on October 31, 2006. Our disciplined management of the economy and the use of IMF resources has resulted in unprecedented economic stability and economic performance that has positioned the country for accelerated growth.
1341. Mr. Speaker, we are happy to announce today that with the completion of the latest arrangement on October 31, 2006, Government has decided to exit the Poverty Reduction and

Growth Facility and the use of the Fund's financial resources while continuing to pursue our development agenda in line with our aspirations.

1342. We are fully appreciative of the tremendous support we have received from the IMF in the past and we will continue to meet our Fund obligations as an active member. More importantly, Mr. Speaker, we intend to take advantage of the Fund's Policy Support Instrument. While Ghana will no longer need Fund financial support, the Policy Support Instrument will enable us to seek ongoing IMF advice and endorsement of our economic policies in order to provide positive signals to our development partners and the global economy.
1343. Mr. Speaker, while reliance on donor-provided grants and concessional loans has served us well, there is, however, the need to expand the scope and structure of financing if government is to meet its goal of scaling up investments for accelerated growth from the current 6 per cent to 8 per cent annually. After achieving stable macroeconomic conditions and winning the confidence of markets as reflected in our B+ sovereign rating, the Government intends to enter the international capital markets in 2007 as a sovereign borrower to diversify and broaden our funding options, including public-private partnerships. In addition Government will seek more funding by requesting access to the IBRD window of the World Bank.
1344. Mr. Speaker, the government sees this as a major turning point in the economic history of Ghana, and will be approaching it with all the necessary precautions to make it a success. Proceeds of our sovereign debt issue will be used for well-



chosen infrastructure projects with demonstrated economic returns that will support the repayment of the debt. Secondly, the size of borrowing will be well within our debt sustainability levels.

1345. In this regard, the government will establish a high-powered project evaluation unit to assess and monitor projects benefiting from these resources to ensure that they can be justified in terms of economic returns.

### **ENERGY**

1346. Mr. Speaker, the country has been going through power rationing due to the low level of the Volta river which has adversely affected our industries and other sectors. Government recognises the negative effect that these power outages can ultimately have on economic growth. Government has resolved to find a long lasting solution to the present power problem because the economy can only attain the desired growth with the provision of reliable and continuous energy. Consequently, an amount of US\$470m will be invested over the next 3 years to improve the energy generating capacity of the country.
1347. Mr. Speaker, the medium-term strategic goal for the energy sector is to restore the power generating capacity of the country and also upgrade the infrastructure in order to improve the reliability of power supply. The needed institutional and regulatory reforms required to improve the operations of the power sector will, therefore, be made.
1348. Mr. Speaker, the government will fast track the generation capacity additions in order to ensure the availability of power.

The 125 MW Osagyefo barge and the 126 MW power plant which VRA is procuring this year will be operational by August 2007. A 300 MW thermal power plant will be installed in Tema by 2009.

1349. Mr. Speaker, financing arrangements for the expansion of the Takoradi International Company power plant by 110 MW is to be completed to enable construction to begin in 2007. VRA and the Ministry of Energy (MOE) will procure an 80 MW power plant and will be operational by April 2007. Government is sourcing funds from the Chinese Government to finance the Bui Dam Project. It will add 400 MW to the generation capacity of the country and thus increase the security of Ghana's power supply.
1350. Mr. Speaker, we will also speed up the development of renewable energy technologies particularly wind, solar and waste-power in 2007.
1351. Mr. Speaker, energy efficiency and conservation is to be given a strong emphasis through the procurement of more CFLs to replace 1 million incandescent bulbs with CFLs, as a first step, by end 2007. The momentum which we have generated in the public education campaign on energy use and conservation will also be maintained throughout 2007 and beyond.
1352. Mr Speaker, Government absorption of the recent increases announced by the Public Utility Regulatory Agency is only a temporary measure. Government is, however, still committed to full cost recovery in the energy sector.

1353. Mr Speaker, Government is committed to ensuring efficiency and improved performance in the energy sector through reformed management. Accordingly the practice of committing management to service contracts will be initiated in 2007. Government will also ensure that resources channeled to ECG will be applied to productive and efficiency enhancing investment.

### **PUBLIC SECTOR WAGE REFORM**

1354. Mr. Speaker, the events on the labour front this year have posed serious challenges to the economic and political stability of the country. Government recognizes the legitimate agitations raised across the board in the public services about the inequities in the administration of wages and salaries.

1355. Mr. Speaker, the public service of Ghana is currently made up of 650,000 employees of which 350,000 are employed by 110 subvented organizations. In 2006, the wage bill is expected to be ₵11 trillion or 40 per cent of government's discretionary expenditures. In 2007, government is projecting a wage bill of ₵13.2 trillion which represents 66 per cent of total discretionary expenditure. At 9.5 per cent of GDP, Ghana's public sector wage bill is twice as high as what obtains in other ECOWAS countries such as Nigeria and The Gambia.

1356. The failure over the years to achieve a framework for rational discussion and decision-making over wages and salaries has led to a significant reduction in productivity in the public services. As a result, there are currently several different salary structures within the public services.

1357. Mr. Speaker, it is now time to take decisive and long lasting action to rationalize the public sector wage issue once and for all. Consequently, government has decided to implement a new framework within which public sector salaries, wages, negotiations, grading and pay administration will be implemented.
1358. Mr. Speaker, the 2006 Budget Statement affirmed the government's plan to phase in a comprehensive pay reform programme over a 3-year period. The broad policy of government continues to be the enhancement of wages in line with increases in productivity and streamlining the administration of payroll.
1359. During 2006, two important consultations were held with participation from organized labour, private sector employers and the government to find ways of addressing the problem of low wages and salaries. A technical team has also been working to develop recommendations on wage and salary administration with the support of a Steering Committee made up of stakeholders.
1360. The final results from this work will be a comprehensive pay structure and system that reflects the following:
- Linking the public sector pay structure with productivity, position and qualification
  - Maintaining the competitiveness of public sector incomes relative to the private sector
  - Determination of the optimal number of workers to effectively and efficiently support the delivery of public services.

Particular emphasis will be placed on the subvented organizations

- Propose a package of incentives for employees who will opt for early retirement and out placement as we embark on a programme of right sizing and right matching.
- Carry out job content and evaluation analysis
- Elimination of the assortment of non-cash monetary benefits and allowances through the introduction of monetization of non-cash benefits

1361. To demonstrate the continued commitment to the pay reform agenda, government will establish a Fair Wages Commission with full time legally mandated responsibility to administer the new Comprehensive Pay Structure, maintain its integrity and ensure equity on an ongoing basis. With the establishment of the Fair Wages Commission (FWC), the mandates of existing institutions with similar roles such as the Central Management Board, Public Service Commission and the Appellate Body will be rationalised.

1362. Mr. Speaker, the Commission will be required to deliver to government, a detailed and holistic employment reform programme to be implemented over a 3-5 year period.

1363. Mr. Speaker, in 2006 government implemented measures to consolidate the various payroll systems into the Integrated Personnel and Payroll database. This initiative is expected to be completed in 2007. This consolidation will enable us to improve the monitoring of payroll expenditures and eliminate the incidence of ghost workers.

1364. Mr. Speaker, the results of these reforms are expected to be a lean and more efficient public service. Further steps to enhance productivity include the mandatory installation of biometric clock-in technology in all public institutions. To show government's commitment to the reform programme, there will be no new permanent additions to the public sector payroll unless market conditions dictate otherwise.
1365. Mr. Speaker, as a first step towards the implementation of the wages and employment reform programme, and in order to stem the tide of agitation and strikes, government is pleased to announce that the distortions in the Ghana Universal Salary Structure have been removed. This represents phase 1 of the rational and comprehensive public sector pay structure that will be implemented. Phase II, to be completed sometime in 2007 will involve assessment of job content together with the consequential placement of all public sector employees. The resulting pay increase will then be completed in 2008. Accordingly, the GUSS salary structure will be abolished in 2007.
1366. Mr. Speaker, I wish to assure Ghanaians that in the implementation of this new salary structure, every public sector employee will receive an enhanced salary.
1367. Mr. Speaker, the necessary financial outlay resulting from these adjustments have been programmed in the 2007 budget.
1368. Mr. Speaker, these measures must be seen in the context of the wider goal of reengineering government to make it more efficient and to maintain a high level of service consistent with our resources. To keep our fiscal targets on track, government will be looking for opportunities to eliminate public institutions

that are no longer needed and to consolidate and streamline institutions whose activities overlap. Decentralization and devolution will be stepped up to improve the efficiency of government.

## **SECTION NINE: IMPLEMENTATION CHALLENGES**

### **Maintaining Macro-Economic Stability**

1369. The primary challenge that we face as we implement this budget is the management of the process of transition from Stability to Growth, with stability. This transition becomes more challenging in the face of high expectations from the labour front for enhanced wages; unpredictability of fuel prices and supply constraints in electricity; and their concurrent energy demand for improved and reliable utility services against the back-drop of the escalating utility prices and effect on the socio-political dynamics in the country.
1370. Therefore, Mr. Speaker, to maintain this macro-economic stability and growth requires a dedicated attention by the Economic Management Team of Government.
1371. Recognising the very little room for manoeuvrability in meeting the economic framework, the challenge would be how to manage the trade-off between expectations of the Ghanaian populace and maintenance of prudent fiscal stance required for the realisation of the twin goal of stability and growth.

### **Entering the Capital Market**

1372. Mr. Speaker, as we celebrate 50 years of independence, we cannot ignore the high population growth rate in the nation, coupled with rural urban migration and the concomitant high population density in urban and peri-urban areas throughout the country.



1373. This has put a tremendous pressure on the utility services infrastructure and requires increased investment in the provision of services such as electricity, water and sewerage.
1374. To effectively address this utility deficit, it is evident that Ghana needs more resources than it is able to generate internally and from our Development Partners.
1375. In the light of the above, the Government has taken the necessary steps to source for funds from the capital markets. Pursuing this course at the time that Ghana has just completed the HIPC and MDRI programme raises a concern, dubbed "moral hazard" by our Development Partners of relapse into a state where we cannot sustain our debts.
1376. Consequently, Ghana will need to speed up the establishment of the Ghana Investment Corporation which is to see to the encouragement of the private sector to participate jointly with Government to invest self-financing projects.
1377. Mr. Speaker, Government will be transparent in the identification and design of these projects through full disclosure of information throughout the processes.
1378. Government will welcome constructive contributions from all Ghanaians and our Development Partners in the selection and analysis of these projects.
1379. The relationship through the Policy Support Instrument (PSI) with IMF should provide the confidence to the investor community and our Development Partners that Government will

prudently manage its debt sustainability profile to ensure macro stability while pursuing its much needed infrastructure drive, in a sequenced manner.

### **Meeting Revenue Targets**

1380. Another challenge is the ability of the Revenue Agencies to increase the domestic revenue collection to meet our revenue targets. Ghanaians must realise that preferring to collude with an officer in any of these Agencies to evade taxes denies the "Ghana Incorporated" the much needed resources for development.
1381. We should be ready to stand up to challenge and report cases of officers who covertly or overtly demand bribes in performance of their duties.
1382. Collectively, both the operators in the formal and informal sectors should develop the discipline to be good corporate citizens by paying the right taxes.

### **Doing Business**

1383. Mr. Speaker, the World Bank study on 'Doing Business', positioned Ghana among the first ten countries that are fast reforming. It drew attention to a number of the 10 indicators which deepen reforms. These indicators point at actions needed to improve the quality of service delivery to the business persons and also to the investor community.
1384. The Government would through the Ministry of Trade, Industry, Private Sector Development and PSI seek to build on the

tremendous achievement of being one of the most remarkable reformists in the world and also learn from countries such as Singapore and Malaysia and identify the steps to be taken to improve Ghana's standing in 'Doing Business'.

**Low Absorption Capacity**

1385. Mr. Speaker, the 2006 Budget Statement identified low absorptive capacity of the public service which has resulted in the slower than expected utilisation of available project funds.
1386. To improve our absorptive capacity requires that disciplinary action be meted out to officers who do not perform.

**SECTION TEN: CONCLUSION**

1387. Mr. Speaker, I would like to conclude by thanking our media, both print and electronic, for assisting in monitoring the 2006 Budget.
1388. For further reading, I will urge everyone to read other accompanying documents to this Budget Speech:
- Action on 2006 Budget Statement: Policy Initiatives and Implementation Challenges;
  - The 2007 Budget Statement and Economic Policy of Ghana;
  - Ahead of our Times;
  - Special Focus;
    - Wages Reform
    - Energy Reform
    - Employment (National Youth Employment Programme, National Volunteer Programme)
  - "Our Inputs";
  - Contributions by Religious Bodies, NGOs, Professional Bodies, Associations, Individuals, and other bodies;
  - Beyond the Budgets: 1982 – 2000 and 2001 – 2005
    - Policies on Wages, Energy and Employment; and
  - District Economy.
1389. The Government remains committed in maintaining the modest gains made in stabilising the macro-economy.
1390. Mr. Speaker, the Government, through the Wages Commission and the Technical Team on Wages, will address the Living Wage Policy and New Public Sector Pay Structure.

1391. The Government will address the country's power problem centrally with full commitment and resolve to put funds into getting our electricity supply system.
1392. Mr. Speaker, all the funds for MDRI for 2007 has been voted for the Energy Sector.
1393. The Government will ensure that State Owned Enterprises become self-sufficient and viable so they can enter the capital market without any backing or support from the government.
1394. Mr. Speaker, the sacrifices that we have all made in the last six years constitute the foundations on which we can confidently:
- build our Private Sector;
  - develop our Human Resources; and
  - sustain the culture of Good Governance as we champion the journey to African's Excellence as captured in the motto of our Jubilee Celebration.
1395. As we continue to maintain this as our collective vision, we can all strive to deepen decentralisation and democracy, remain committed to distribute the wealth of this country equitably, then strive unceasingly to replace POVERTY with PROSPERITY by 2015.
1396. Our vision as a country remains noble, but the challenges ahead of us require that each one of us puts in our maximum effort, so that together we can build a strong, united, a prosperous and a happy people who will continue to draw their strength and guidance from the Almighty God or Allah.
1397. Mr. Speaker, I beg to move.

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## Appendix 2 Selected Economic Indicators, 2001-2007

	2001	2002	2003	2004	2005	2006 *	2006**	2007*
<b>National Accounts and Prices</b>	<b>(growth rates in per cent, unless otherwise indicated)</b>							
Real GDP Growth	4.2	4.5	5.2	5.8	5.8	6.0	6.2	6.5
Agriculture	4.0	4.4	6.1	7.5	6.5	6.2	5.7	6.1
Industry	2.9	4.7	5.1	5.1	5.6	6.2	7.3	7.7
Service	5.1	4.7	4.7	4.7	5.4	5.5	6.5	6.7
Net Indirect Tax	5.4	4.3	4.4	4.3	4.4	4.5	4.5	4.4
Change in GDP Deflator	34.6	22.8	28.6	14.4	15.0	11.2	11.2	12.3
<b>Inflation <sup>1</sup></b>	<b>(growth rates in per cent, unless otherwise indicated)</b>							
annual average	32.9	14.8	26.7	12.6	14.4	8.8	11.8	8.8
end of period	21.3	15.2	23.6	11.8	14.9	8.3	11.2	8.3
<b>Government Revenue</b>	<b>In Percent of GDP</b>							
Total Revenue	18.1	17.9	20.8	23.8	24.9	23.5	22.1	27.3
Tax Revenue	17.2	17.3	20.2	21.7	22.1	21.4	20.3	23.6

\* *Budget Figures*

\*\* Projection

<sup>1</sup> New series beginning 1997

Source: Ghana Statistical Service / Ministry of Finance and Economic Planning/Bank of Ghana

## Appendix 3: Ghana: Medium Term Expenditure Framework - 2005-2009

## Total Receipts (in billion cedis)

	2005	2005	2006	2006	2006	2006	2007	2008	2009
	Prov. Outturn	Prov. Outturn Q1-Q3	Prog Q1-Q3	Prov. Outturn Q1-Q3	Budget Estimate	Proj Outturn Q1-Q4	Budget Estimate	Proj. Indicative	Proj Indicative
<b>Total Receipts</b>	<b>34,227.2</b>	<b>23,723.7</b>	<b>23,890.0</b>	<b>31,929.7</b>	<b>43,468.2</b>	<b>41,357.1</b>	<b>54,315.9</b>	<b>64,258.8</b>	<b>73,500.3</b>
<b>Total revenue &amp; grants</b>	<b>28,256.4</b>	<b>19,394.2</b>	<b>23,890.0</b>	<b>21,964.9</b>	<b>34,135.6</b>	<b>32,650.1</b>	<b>46,477.3</b>	<b>52,599.5</b>	<b>61,264.4</b>
<b>Total revenue</b>	<b>23,156.2</b>	<b>15,235.1</b>	<b>17,963.6</b>	<b>16,696.3</b>	<b>26,438.8</b>	<b>25,421.5</b>	<b>37,532.2</b>	<b>43,523.9</b>	<b>50,735.4</b>
<b>Tax revenue</b>	<b>20,144.9</b>	<b>13,852.8</b>	<b>16,408.6</b>	<b>15,424.6</b>	<b>24,214.1</b>	<b>23,320.8</b>	<b>32,533.1</b>	<b>37,726.7</b>	<b>43,977.7</b>
<b>Direct taxes</b>	<b>6,615.2</b>	<b>4,266.3</b>	<b>4,609.0</b>	<b>4,699.4</b>	<b>7,268.6</b>	<b>7,249.6</b>	<b>8,876.8</b>	<b>10,293.9</b>	<b>11,999.5</b>
Personal	2,435.1	1,600.6	1,508.3	2,045.4	2,254.8	3,103.0	3,823.0	4,433.4	5,167.9
Self employed	346.9	238.1	289.6	250.4	427.8	368.5	453.9	526.4	613.6
Companies	3,108.3	1,942.2	2,299.8	1,927.8	3,788.8	3,102.2	3,822.0	4,432.2	5,166.5
Other direct taxes	724.8	485.5	511.3	475.8	797.2	675.8	777.8	902.0	1,051.4
<b>Indirect taxes</b>	<b>9,416.0</b>	<b>6,775.8</b>	<b>8,533.9</b>	<b>7,562.9</b>	<b>12,087.0</b>	<b>10,894.7</b>	<b>14,124.6</b>	<b>16,379.5</b>	<b>19,093.4</b>
Value Added Tax	4,986.7	3,537.6	5,017.1	3,995.9	7,031.6	6,039.4	8,876.1	10,293.1	11,998.6
Domestic	1,831.5	1,245.6	1,607.5	1,591.4	2,318.1	2,318.1	2,963.2	3,436.3	4,005.7
Imports	3,155.2	2,292.0	3,409.6	2,404.5	4,713.5	3,721.3	5,912.9	6,856.8	7,992.9
Petroleum	3,751.0	2,742.1	2,868.9	3,091.5	4,175.4	4,194.7	4,225.8	4,900.4	5,712.4
Excise	678.3	496.1	648.0	475.5	880.0	660.6	1,022.7	1,186.0	1,382.5
<b>International trade taxes</b>	<b>4,113.8</b>	<b>2,810.7</b>	<b>3,265.7</b>	<b>3,162.2</b>	<b>4,858.5</b>	<b>5,176.5</b>	<b>6,136.4</b>	<b>7,116.1</b>	<b>8,295.1</b>
Import duties	3,479.3	2,492.6	3,073.9	2,834.2	4,445.7	3,930.2	5,502.7	6,381.1	7,438.4
Export duty	634.5	318.1	191.8	328.0	412.8	1,246.3	633.8	734.9	856.7
<b>Other Revenue Measures</b>	<b>1,157.2</b>	<b>870.4</b>	<b>1,096.5</b>	<b>785.4</b>	<b>1,513.7</b>	<b>1,389.7</b>	<b>1,823.9</b>	<b>2,115.1</b>	<b>2,465.5</b>
o/w National Health Insurance Levy	1,157.2	870.4	1,096.5	785.4	1,513.7	1,389.7	1,823.9	2,115.1	2,465.5
<b>Import Exemptions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3,395.2</b>	<b>3,937.3</b>	<b>4,589.6</b>
<b>Non-tax revenue</b>	<b>1,854.1</b>	<b>511.9</b>	<b>458.4</b>	<b>486.3</b>	<b>711.0</b>	<b>711.0</b>	<b>3,175.2</b>	<b>3,682.1</b>	<b>4,292.2</b>
<b>Other revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Grants</b>	<b>5,100.2</b>	<b>4,159.0</b>	<b>5,926.4</b>	<b>5,268.7</b>	<b>7,696.8</b>	<b>7,228.6</b>	<b>8,945.1</b>	<b>9,075.6</b>	<b>10,529.0</b>
Project	2,866.0	2,473.8	1,943.0	1,769.4	2,999.7	2,669.4	4,447.7	5,157.7	6,012.3
Programme	1,272.6	1,009.0	1,389.4	1,144.9	1,388.0	1,253.0	1,535.1	1,780.2	2,075.1
HIPC Assistance	961.5	676.2	767.6	527.9	1,205.4	1,205.4	1,363.7	1,581.4	1,843.4
Multilateral Debt Relief Initiative (MDRI)	0.0	0.0	1,826.4	1,826.4	2,103.6	2,100.8	1,598.7	556.3	598.2
International Monetary Fund	0.0	0.0	1,826.4	1,826.4	1,829.2	1,826.4	1,083.3	0.0	0.0
World Bank	0.0	0.0	0.0	0.0	219.5	219.5	460.4	499.2	537.8
African Development Bank	0.0	0.0	0.0	0.0	54.9	54.9	54.9	57.1	60.4
<b>Other receipts</b>	<b>5,970.8</b>	<b>4,329.5</b>	<b>6,480.8</b>	<b>9,964.7</b>	<b>9,332.7</b>	<b>8,707.0</b>	<b>7,838.6</b>	<b>11,659.3</b>	<b>12,235.9</b>
<b>Loans</b>	<b>4,544.6</b>	<b>3,652.5</b>	<b>4,395.6</b>	<b>3,352.0</b>	<b>6,700.4</b>	<b>5,759.3</b>	<b>5,988.4</b>	<b>6,799.2</b>	<b>7,048.8</b>
Project loans	3,080.0	2,473.8	2,756.6	2,041.1	5,063.0	4,163.0	4,518.6	5,239.9	5,467.2
Programme loans	1,464.6	1,178.6	1,639.0	1,310.9	1,637.5	1,596.3	1,469.9	1,559.2	1,581.6
<b>Divestiture receipts</b>	<b>232.7</b>	<b>3.0</b>	<b>6.0</b>	<b>6.0</b>	<b>673.4</b>	<b>6.0</b>	<b>673.4</b>	<b>0.0</b>	<b>0.0</b>
<b>Exceptional financing</b>	<b>1,193.5</b>	<b>674.1</b>	<b>1,198.1</b>	<b>746.1</b>	<b>1,729.1</b>	<b>1,729.1</b>	<b>1,176.7</b>	<b>4,860.1</b>	<b>5,187.1</b>
External arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current (accumulation)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,548.1	3,712.3
Traditional debt rescheduling	0.0	0.0	455.1	0.0	656.9	656.9	329.5	329.5	329.5
HIPC Relief (Cologne terms)	1,193.5	674.1	743.0	746.1	1,072.2	1,072.2	847.2	982.5	1,145.3
<b>Domestic Financing (Borrowing)</b>	<b>0.0</b>	<b>0.0</b>	<b>870.0</b>	<b>5,860.7</b>	<b>215.0</b>	<b>1,197.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Banking	0.0	0.0	-648.0	3,520.4	-590.0	3,520.4	0.0	0.0	0.0
Non- bank	0.0	0.0	1,518.1	2,340.3	0.0	-3,127.5	0.0	0.0	0.0
o/w HIPC-financed debt reduction	0.0	168.2	132.4	123.7	455.5	200.7	442.2	0.0	0.0
Other domestic	0.0	0.0	0.0	0.0	805.0	805.0	0.0	0.0	0.0
<b>Other financing</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred interest payments on inflation-indexed bonds</b>	<b>0.0</b>	<b>0.0</b>	<b>11.1</b>	<b>0.0</b>	<b>14.8</b>	<b>14.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Nominal GDP</b>	<b>97,018.0</b>	<b>97,018.0</b>	<b>112,320.3</b>	<b>114,903.2</b>	<b>112,320.3</b>	<b>114,903.2</b>	<b>137,603.2</b>	<b>159,570.5</b>	<b>186,009.8</b>

## Memo Items

\* In 2007, Non-tax revenue is recorded on gross basis, of which lodgement is €941.3 billion and retention is €2,233.9 billion .

\*\* In 2007, Tax revenue includes exemptions totaling €3,395.2 billion

**Appendix 4a: Ghana : Medium Term Expenditure Framework - 2005-2009**  
**Total Payments (in billion cedis)**

	2005 Prov. Outturn	2005 Prov. Outturn Q1-Q3	2006 Prog Q1-Q3	2006 Prov. Outturn Q1-Q3	2006 Budget Estimate	2006 Proj Outturn Q1-Q4	2007 Budget Estimate	2008 Proj. Indicative	2009 proj. Indicative
<b>Total Payments</b>	<b>34,227.2</b>	<b>23,723.7</b>	<b>31,549.3</b>	<b>31,929.7</b>	<b>43,468.2</b>	<b>41,357.2</b>	<b>54,315.9</b>	<b>64,258.8</b>	<b>73,500.3</b>
<b>Statutory Payments</b>	<b>11,127.2</b>	<b>7,644.0</b>	<b>9,478.7</b>	<b>8,165.1</b>	<b>13,993.2</b>	<b>13,006.5</b>	<b>14,818.1</b>	<b>16,887.0</b>	<b>19,308.8</b>
<b>External Debt Service</b>	<b>2,949.5</b>	<b>2,183.9</b>	<b>3,259.5</b>	<b>2,402.6</b>	<b>4,537.4</b>	<b>3,881.6</b>	<b>3,392.3</b>	<b>3,637.1</b>	<b>3,863.6</b>
Principal 1/	<b>2,098.3</b>	1,536.6	2,503.6	1,814.0	3,473.1	3,023.1	2,249.4	2,608.5	3,040.7
Interest	<b>851.3</b>	647.3	756.0	588.6	1,064.3	858.6	1,142.9	1,028.6	822.9
<b>Domestic Interest</b>	<b>2,689.2</b>	<b>1,915.4</b>	<b>1,559.5</b>	<b>1,944.8</b>	<b>2,426.8</b>	<b>2,426.8</b>	<b>2,505.2</b>	<b>2,905.2</b>	<b>3,386.5</b>
<b>District Assemblies Common Fund</b>	<b>938.9</b>	<b>701.9</b>	<b>709.6</b>	<b>784.9</b>	<b>1,204.3</b>	<b>1,046.1</b>	<b>1,626.7</b>	<b>1,886.3</b>	<b>2,198.9</b>
<b>Transfers to Households</b>	<b>2,602.2</b>	<b>1,508.3</b>	<b>2,375.5</b>	<b>1,638.4</b>	<b>3,340.6</b>	<b>3,471.7</b>	<b>4,374.7</b>	<b>5,073.1</b>	<b>5,913.7</b>
Pensions	<b>659.3</b>	426.1	495.3	652.2	705.9	841.2	1,051.6	1,219.4	1,421.5
Gratuities	<b>327.5</b>	235.1	269.3	329.7	409.4	409.4	511.8	593.4	691.8
Social Security	<b>630.9</b>	444.7	514.3	656.4	711.6	852.7	987.5	1,145.2	1,334.9
National Health Fund (NHF)	<b>984.5</b>	402.4	1,096.5	0.0	1,513.7	1,368.4	1,823.9	2,115.1	2,465.5
<b>Education Trust Fund</b>	<b>980.2</b>	<b>627.8</b>	<b>760.9</b>	<b>589.3</b>	<b>1,386.3</b>	<b>1,082.4</b>	<b>1,775.2</b>	<b>2,058.6</b>	<b>2,399.7</b>
<b>Road Fund</b>	<b>926.9</b>	<b>673.3</b>	<b>792.3</b>	<b>783.2</b>	<b>1,068.9</b>	<b>1,068.9</b>	<b>1,113.8</b>	<b>1,291.6</b>	<b>1,505.6</b>
<b>Petroleum-related Fund</b>	<b>40.4</b>	<b>33.4</b>	<b>21.4</b>	<b>21.9</b>	<b>28.9</b>	<b>28.9</b>	<b>30.2</b>	<b>35.0</b>	<b>40.8</b>
<b>Discretionary Payments</b>	<b>23,100.0</b>	<b>16,079.6</b>	<b>22,070.5</b>	<b>23,764.5</b>	<b>29,475.0</b>	<b>28,350.7</b>	<b>39,497.8</b>	<b>47,371.8</b>	<b>54,191.5</b>
<b>Personal Emoluments (MDAs- Item 1)</b>	<b>8,243.5</b>	<b>5,778.8</b>	<b>7,588.0</b>	<b>8,422.5</b>	<b>9,990.0</b>	<b>10,972.5</b>	<b>13,167.0</b>	<b>15,142.1</b>	<b>17,413.4</b>
<b>Administration (MDAs- Item 2)</b>	<b>2,155.7</b>	<b>1,628.4</b>	<b>2,258.0</b>	<b>2,163.5</b>	<b>2,233.5</b>	<b>2,186.8</b>	<b>3,139.8</b>	<b>4,824.1</b>	<b>5,623.4</b>
<b>Service (MDAs- Item 3)</b>	<b>949.2</b>	<b>716.7</b>	<b>0.0</b>	<b>873.0</b>	<b>1,234.5</b>	<b>808.8</b>	<b>1,020.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Domestic Investment (Item 4) (Excl. Statutory Funds)</b>	<b>821.7</b>	<b>596.9</b>	<b>1,344.9</b>	<b>1,081.6</b>	<b>3,681.9</b>	<b>1,384.8</b>	<b>2,598.9</b>	<b>6,382.8</b>	<b>7,440.4</b>
<b>Net Lending</b>	<b>72.8</b>	<b>91.9</b>	<b>29.6</b>	<b>6.3</b>	<b>39.5</b>	<b>-87.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
New Loans	<b>96.8</b>	94.0	29.6	13.8	39.5	39.5	0.0	0.0	0.0
Loan Recoveries	<b>-23.9</b>	-2.2	0.0	-7.5	0.0	-127.1	0.0	0.0	0.0
<b>Foreign-financed Investment (Item 4)</b>	<b>5,946.1</b>	<b>4,947.6</b>	<b>4,699.6</b>	<b>3,810.5</b>	<b>8,062.7</b>	<b>6,832.4</b>	<b>8,966.3</b>	<b>10,397.7</b>	<b>11,479.6</b>
<b>Strategic Oil Stocks</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>145.0</b>	<b>145.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>VAT refunds</b>	<b>116.6</b>	<b>80.7</b>	<b>54.9</b>	<b>87.9</b>	<b>100.0</b>	<b>100.0</b>	<b>126.2</b>	<b>145.4</b>	<b>168.6</b>
<b>Outstanding Commitments</b>	<b>1,114.4</b>	<b>948.0</b>	<b>260.2</b>	<b>250.4</b>	<b>347.0</b>	<b>351.3</b>	<b>562.0</b>	<b>0.0</b>	<b>0.0</b>
Roads	<b>99.2</b>	87.8	75.0	96.1	100.0	100.0	165.0	0.0	0.0
Non-roads	<b>1,015.2</b>	860.2	185.3	154.3	247.0	251.3	397.0	0.0	0.0
<b>Utility Price Subsidies</b>	<b>412.0</b>	<b>412.0</b>	<b>75.0</b>	<b>997.5</b>	<b>805.0</b>	<b>1,311.2</b>	<b>116.2</b>	<b>134.8</b>	<b>157.1</b>
o/w TOR's Under-recovery	<b>412.0</b>	412.0	0.0	594.5	805.0	594.5	14,037.8	13,880.7	
<b>Other Transfers</b>	<b>318.2</b>	<b>255.5</b>	<b>200.7</b>	<b>192.8</b>	<b>350.0</b>	<b>350.0</b>	<b>5,919.7</b>	<b>6,848.8</b>	<b>7,967.0</b>
Retention of Internally-generated funds (IGFs)		0.0	0.0	0.0	0.0	0.0	2,233.9	2,590.5	3,019.8
Safety net for petroleum deregulation	<b>272.8</b>	210.1	200.7	192.8	250.0	250.0	190.5	221.0	257.6
Lifeline consumers of electricity	<b>0.0</b>	0.0	0.0	0.0	100.0	100.0	100.0	100.0	100.0
Tax Expenditure (Exemptions)		0.0	0.0	0.0	0.0	0.0	3,395.2	3,937.3	4,589.6
<b>HIPC-financed Expenditure</b>	<b>1,946.6</b>	<b>1,435.9</b>	<b>1,521.8</b>	<b>1,324.3</b>	<b>1,822.1</b>	<b>1,822.1</b>	<b>1,768.7</b>	<b>2,563.9</b>	<b>2,988.7</b>
<b>MDRI-financed Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>983.5</b>	<b>580.4</b>	<b>0.0</b>	<b>1,509.4</b>	<b>1,598.7</b>	<b>556.3</b>	<b>598.2</b>
<b>Divestiture Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Repayment of Domestic Debt</b>	<b>1,574.4</b>	<b>969.9</b>	<b>1,178.4</b>	<b>3,014.1</b>	<b>0.0</b>	<b>0.0</b>	<b>510.9</b>	<b>376.0</b>	<b>355.2</b>
Banking	<b>0.0</b>	969.9	1,178.4	2,909.0	0.0	-74.6	510.9	188.0	177.6
Non- bank	<b>0.0</b>	0.0	0.0	105.1	0.0	74.6	0.0	188.0	177.6
o/w Reduction due to HIPC-fin'd debt buyback	<b>0.0</b>	0.0	132.4	0.0	455.5	200.7	442.2	0.0	0.0
<b>Redemption of Deferred Interest Payments on Inflation-indexed Bonds</b>	<b>98.5</b>	<b>116.8</b>	<b>86.2</b>	<b>71.0</b>	<b>86.2</b>	<b>86.2</b>	<b>3.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Discrepancy</b>	<b>-669.8</b>	<b>40.3</b>	<b>1,789.5</b>	<b>888.5</b>	<b>577.6</b>	<b>577.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Memo Items**

\* In 2007, other transfers include retained Internally Generated Funds (IGFs) of ₵2,233.9 billion and tax exemptions of ₵3,395.2 billion.

**Total Receipts** and **Total Payments** are now reported on gross basis and, thus, adjusted by the same margins, accounting for the reclassification of **Net Domestic Financing** and **Net Savings due to Inflation-indexed Bonds**. All other classifications under **Receipt**

**Appendix Table 4b : Ghana: Medium Term Expenditure Framework - 2005-2009**  
**Total Receipts (in billion cedis)**

	2005 Prov'rov. Outturn Outturn	2005 Outturn Q1-Q3	2006 Prog Q1-Q3	2006 Prov. Outturn Q1-Q3	2006 Budget Estimate	2006 Proj Outturn Q1-Q4	2007 Budget Estimate	2008 Proj. Indicative	2009 proj. Indicative
11/16/2006 22:53									
<b>Total receipts</b>	<b>34,227.2</b>	<b>23,723.7</b>	<b>31,549.0</b>	<b>31,929.7</b>	<b>43,468.2</b>	<b>41,357.1</b>	<b>54,315.9</b>	<b>64,258.8</b>	<b>73,500.3</b>
<b>Total Revenue (domestic tax and non-tax)</b>	<b>28,256.4</b>	<b>15,235.1</b>	<b>17,963.6</b>	<b>16,696.3</b>	<b>26,438.8</b>	<b>25,421.5</b>	<b>37,532.2</b>	<b>43,523.9</b>	<b>50,735.4</b>
<b>Grants</b>	<b>5,100.2</b>	<b>4,159.0</b>	<b>5,926.4</b>	<b>5,268.7</b>	<b>7,696.8</b>	<b>7,228.6</b>	<b>8,945.1</b>	<b>9,075.6</b>	<b>10,529.0</b>
Project	2,866.0	2,473.8	1,943.0	1,769.4	2,999.7	2,669.4	4,447.7	5,157.7	6,012.3
Programme	1,272.6	1,009.0	1,389.4	1,144.9	1,388.0	1,253.0	1,535.1	1,780.2	2,075.1
HIPC Assistance	961.5	676.2	767.6	527.9	1,205.4	1,205.4	1,363.7	1,581.4	1,843.4
Multilateral Debt Relief Initiative (MDRI)	0.0	0.0	1,826.4	1,826.4	2,103.6	2,100.8	1,598.7	556.3	598.2
International Monetary Fund	0.0	0.0	1,826.4	1,826.4	1,829.2	1,826.4	1,083.3	0.0	0.0
World Bank	0.0	0.0	0.0	0.0	219.5	219.5	460.4	499.2	537.8
African Development Bank	0.0	0.0	0.0	0.0	54.9	54.9	54.9	57.1	60.4
<b>Loans</b>	<b>4,544.6</b>	<b>3,652.5</b>	<b>4,395.6</b>	<b>3,352.0</b>	<b>6,700.4</b>	<b>5,759.3</b>	<b>5,988.4</b>	<b>6,799.2</b>	<b>7,048.8</b>
Project Loans	3,080.0	2,473.8	2,756.6	2,041.1	5,063.0	4,163.0	4,518.6	5,239.9	5,467.2
Programme Loans	1,464.6	1,178.6	1,639.0	1,310.9	1,637.5	1,596.3	1,469.9	1,559.2	1,581.6
<b>Divestiture Receipts</b>	<b>232.7</b>	<b>3.0</b>	<b>6.0</b>	<b>6.0</b>	<b>673.4</b>	<b>6.0</b>	<b>673.4</b>	<b>0.0</b>	<b>0.0</b>
<b>Domestic Financing (Borrowing)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,860.7</b>	<b>0.0</b>	<b>1,197.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred Interest Payments on Inflation-indexed Bonds</b>	<b>0.0</b>	<b>0.0</b>	<b>10.8</b>	<b>0.0</b>	<b>14.8</b>	<b>14.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Exceptional Financing (HIPC Debt Relief)</b>	<b>1,193.5</b>	<b>674.1</b>	<b>1,198.1</b>	<b>746.1</b>	<b>1,729.1</b>	<b>1,729.1</b>	<b>1,176.7</b>	<b>4,860.1</b>	<b>5,187.1</b>
<b>Memo items</b>									
<b>Overall Cash Balance (including Divestiture)</b>	<b>-1,966.9</b>	<b>-3,643.0</b>	<b>-3,885.0</b>	<b>-5,059.5</b>	<b>-5,100.0</b>	<b>-5,591.8</b>	<b>-4,401.8</b>	<b>-8,674.8</b>	<b>-8,840.0</b>
percent of GDP	-2.0	-3.8	-3.5	-4.4	-4.5	-4.9	-3.2	-5.4	-4.8
<b>Domestic Revenue</b>	<b>23,156.2</b>	<b>15,235.1</b>	<b>17,963.6</b>	<b>16,696.3</b>	<b>26,438.8</b>	<b>25,421.5</b>	<b>37,532.2</b>	<b>43,523.9</b>	<b>50,735.4</b>
percent of GDP	23.9	15.7	16.0	14.5	23.5	22.1	27.3	27.3	27.3
<b>Domestic Primary Expenditure</b>	<b>19,855.0</b>	<b>14,581.8</b>	<b>20,505.7</b>	<b>20,436.2</b>	<b>28,008.1</b>	<b>27,778.7</b>	<b>38,376.1</b>	<b>46,942.9</b>	<b>54,415.4</b>
percent of GDP	20.5	15.0	18.3	17.8	24.9	24.2	27.9	29.4	29.3
<b>Domestic Primary Balance</b>	<b>3,301.2</b>	<b>653.3</b>	<b>-2,542.1</b>	<b>-3,739.9</b>	<b>-1,569.3</b>	<b>-2,357.2</b>	<b>-843.9</b>	<b>-3,419.0</b>	<b>-3,680.1</b>
percent of GDP	3.4	0.7	-2.3	-3.3	-1.4	-2.1	-0.6	-2.1	-2.0
<b>Nominal GDP (billion cedis)</b>	<b>97,018.0</b>	<b>97,018.0</b>	<b>112,320.3</b>	<b>114,903.2</b>	<b>112,320.3</b>	<b>114,903.2</b>	<b>137,603.2</b>	<b>159,570.5</b>	<b>186,009.8</b>

**APPENDIX 5:2007 MDA EXPENDITURE ALLOCATIONS (MILLIONS OF CEDIS)**

MDAS	DISCRETIONARY														STATUTORY FUNDS							Grand Total
	GOG					IGF					DONOR				DACF	Petroleum Related Funds	GetFund	HIPC	Road Fund	NHIS	Total Statutory	
	Item 1	Item 2	Item 3	Item 4	Tot. GOG Disc.	Item 1	Item 2	Item 3	Item 4	Tot. IGF	Item 1	Item 2	Item 3	Item 4								
<b>PRIVATE SECTOR COMPETITIVENESS</b>	<b>510,071</b>	<b>112,550</b>	<b>69,949</b>	<b>1,315,446</b>	<b>2,008,016</b>	<b>127,738</b>	<b>101,303</b>	<b>52,380</b>	<b>281,420</b>	-	-	<b>1,559,860</b>	<b>4,728,948</b>	<b>6,288,808</b>	-	<b>30,201</b>	-	<b>967,000</b>	<b>1,113,787</b>	-	<b>2,110,988</b>	<b>10,688,232</b>
1 Min. of Food & Agriculture	178,333	10,307	-	144,172	338,253	1,565	2,565	689	4,819	-	-	206,693.24	482,284.22	688,977	-	-	-	174,000	-	-	174,000	1,206,650
2 Millennium Development Authority	20,200	-	-	-	20,200	-	-	-	-	-	-	382,899	574,349	957,248	-	-	-	-	-	-	-	977,448
3 Min. of land, Forestry and Mines	84,060	13,086	7,565	24,752	129,464	99,512	85,793	36,333	221,638	-	-	111,807	167,710	279,516	-	-	-	90,000	-	-	90,000	720,617
4 Min. of Energy	8,918	5,017	2,014	35,875	51,824	-	-	-	-	-	-	-	-	524,665	-	30,201	-	350,000	-	-	350,000	380,201
5 Min. of Trade, Industry, PSD& PSI	40,830	19,601	21,600	44,439	125,470	21,042	4,232	1,051	26,324	-	-	328,107	140,617	468,724	-	-	-	138,000	-	-	138,000	785,619
6 Min. of Tourism and Diasporan Relations	6,211	7,601	3,191	23,262	40,266	259	1,208	691	2,158	-	-	-	-	-	-	-	-	10,000	-	-	10,000	52,423
7 Min. of Fisheries	373	3,599	3,277	8,721	15,969	800	2,560	12,640	16,000	-	-	3,210.13	7,490.30	10,700	-	-	-	-	-	-	-	42,670
8 Min. of Water Resources, Works and Hsing	55,043	14,979	5,688	95,402	171,112	1,086	3,820	721	5,627	-	-	306,566	1,226,263	1,532,829	-	-	-	160,000	-	-	160,000	1,869,568
9 Min. of Transportation	85,780	23,743	10,408	890,174	1,010,105	3,225	773	-	3,998	-	-	169,960	1,529,644	1,699,605	-	-	-	25,000	1,113,787	-	1,138,787	3,882,574
10 Min. of Communication	28,397	6,448	3,284	22,174	60,283	250	350	256	856	-	-	50,617	75,926	126,543	-	-	-	20,000	-	-	20,000	207,682
11 Min. of Harbours and Railways	673	4,803	2,483	21,524	29,483	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,483
12 Min. of Aviation	1,254	4,367	4,938	4,950	15,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,509
<b>HUMAN RESOURCE DEVELOPMENT</b>	<b>9,508,029</b>	<b>602,238</b>	<b>228,560</b>	<b>195,957</b>	<b>10,534,783</b>	<b>486,782</b>	<b>1,030,485</b>	<b>130,022</b>	<b>1,647,289</b>	<b>-</b>	<b>-</b>	<b>757,415</b>	<b>496,850</b>	<b>1,254,265</b>	<b>-</b>	<b>-</b>	<b>1,775,222</b>	<b>240,000</b>	<b>-</b>	<b>1,759,097</b>	<b>3,774,319</b>	<b>17,210,656</b>
13 Min. of Education, Science and Sports	7,256,684	487,329	114,320	79,400	7,927,733	314,281	798,348	90,111	1,112,741	-	-	276,937	184,625	461,561	-	-	1,775,222	45,000	-	-	1,820,222	11,322,257
14 Min. of Manpower Youth& Employment	75,893	6,539	6,320	14,505	103,257	3,347	3,227	6,940	13,514	-	-	-	-	-	-	-	-	100,000	-	-	100,000	216,771
15 Min. of Health	2,175,550	102,676	100,389	103,289	2,481,904	169,153	318,909	32,938	521,000	-	-	468,338	312,225	780,563	-	-	-	95,000	-	1,759,097	1,854,097	5,637,564
16 Min. of Women and Children Affairs	901	5,695	7,531	7,762	21,890	34	34	34	68	-	-	12,141	12,141	24,282	-	-	-	-	-	-	-	34,064
<b>GOOD GOVERNANCE</b>	<b>2,516,034</b>	<b>1,847,369</b>	<b>532,639</b>	<b>761,776</b>	<b>5,657,751</b>	<b>137,396</b>	<b>133,919</b>	<b>34,810</b>	<b>305,216</b>	<b>-</b>	<b>-</b>	<b>733,328</b>	<b>689,870</b>	<b>1,423,198</b>	<b>1,456,891</b>	<b>-</b>	<b>-</b>	<b>230,000</b>	<b>-</b>	<b>-</b>	<b>1,686,891</b>	<b>9,073,056</b>
17 Min. of Local Gov't, Rural Dev't and Env't	275,336	8,997	14,760	27,180	326,273	5,140	14,372	3,947	23,459	-	-	294,638	441,957	736,595	-	-	-	110,000	-	-	110,000	1,196,327
18 Office of Gov't Machinery	78,915	120,458	170,256	132,093	601,721	1,281	1,862	583	3,525	-	-	40,288	26,859	67,147	-	-	-	-	-	-	-	572,394
19 Min. of Foreign Affairs and NEPAD	309,692	227,467	22,987	103,431	663,578	4,613	10,765	15,378	20,756	-	-	-	-	-	-	-	-	-	-	-	-	678,956
20 Min. of Finance and Economic Planning	161,351	59,979	61,083	77,099	359,513	734	2,736	1,468	4,937	-	-	373,784	93,446	467,230	-	-	-	60,000	-	-	60,000	891,890
21 Min. of Parliamentary Affairs	459	1,344	3,100	5,338	10,240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,240
22 Audit Service	49,146	64,477	11,496	18,344	143,463	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143,463
23 Electoral Commission	22,080	9,482	4,181	6,037	41,780	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,780
24 Office of Parliament	71,093	51,483	51,040	45,537	219,153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219,153
25 District Assemblies Common Fund Administrator	452	525	31	603	1,610	-	-	-	-	-	-	-	-	-	-	1,456,891	-	-	-	-	1,456,891	1,458,501
26 Min. of Information and National Orientation	60,737	26,991	5,742	10,866	104,337	102,617	91,743	413	194,772	-	-	-	81,156	81,156	-	-	-	-	-	-	-	380,265
27 Min. of Public Sector Reform	1,083	3,921	2,270	5,735	13,009	-	-	-	-	-	-	18,865	-	-	-	-	-	-	-	-	-	31,874
28 National Media Commission	412	964	111	226	1,713	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,713
29 Min. of Justice	22,717	26,641	5,440	69,067	122,866	2,760	2,031	2,559	7,350	-	-	-	-	-	-	-	-	10,000	-	-	10,000	140,216
30 Min. of Defence	458,576	449,842	47,259	78,660	1,034,337	11,250	2,500	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,053,337
31 National Commission for Civic Education	20,507	12,402	2,368	3,594	38,871	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,871
32 Commission on Human Right and Admin.	22,438	10,681	1,296	1,991	36,405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,405
33 Judicial Service	90,612	77,077	8,969	31,799	208,457	2,155	2,357	2,222	6,734	-	-	-	-	-	-	-	-	-	-	-	-	215,192
34 Min. of Interior	632,885	632,157	58,176	43,888	1,367,106	3,733	4,998	8,659	17,390	-	-	-	45,014	45,014	-	-	-	50,000	-	-	50,000	1,479,510
35 Min. of National Security	213,932	49,239	49,251	54,488	366,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	366,910
36 National Labour Commission	1,995	826	1,336	3,663	7,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,820
37 Public Services Commission	2,015	1,483	376	1,185	5,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,058
38 National Dev't Planning Commission	1,965	2,699	8,003	10,358	22,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,715
39 Min. of Chieftaincy and Culture	17,835	8,169	3,008	31,595	60,606	3,113	1,862	1,694	6,669	-	-	-	1,438	7,101	-	-	-	-	-	-	-	74,467
<b>MDAs Total</b>	<b>12,534,134</b>	<b>2,562,091</b>	<b>831,147</b>	<b>2,273,178</b>	<b>18,200,950</b>	<b>751,915</b>	<b>1,264,797</b>	<b>217,212</b>	<b>2,233,924</b>	<b>-</b>	<b>-</b>	<b>3,050,603</b>	<b>5,915,668</b>	<b>8,966,271</b>	<b>1,456,891</b>	<b>30,201</b>	<b>1,775,222</b>	<b>1,437,000</b>	<b>1,113,787</b>	<b>1,759,097</b>	<b>7,572,198</b>	<b>38,972,944</b>
40 Utility	-	318,600	-	-	318,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318,600
41 Revenue Agencies	463,100	141,542	64,145	144,820	813,607	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	813,607
42 Subscription payments	-	53,100	-	-	53,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,100
43 Contingency	169,766	86,259	103,105	180,942	540,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	540,072
<b>GRAND TOTAL</b>	<b>13,167,000</b>	<b>3,161,592</b>	<b>998,397</b>	<b>2,998,940</b>	<b>19,925,929</b>	<b>751,915</b>	<b>1,264,797</b>	<b>217,212</b>	<b>2,233,924</b>	<b>-</b>	<b>-</b>	<b>3,050,603</b>	<b>5,915,668</b>	<b>8,966,271</b>	<b>1,456,891</b>	<b>30,201</b>	<b>1,775,222</b>	<b>1,437,000</b>	<b>1,113,787</b>	<b>1,759,097</b>	<b>7,572,198</b>	<b>38,698,322</b>

**APPENDIX 6 2007- 2009 PROPOSED EXPENDITURE ALLOCATIONS BY PROGRAMMES TO MDAs(€' million)**

	2007					2008					2009				
	GoG	IGF	Donor	Statutory	Grand Total	GoG	IGF	Donor	Statutory	Grand Total	GoG	IGF	Donor	Statutory	Grand Total
<b>PRIVATE SECTOR COMPETITIVENESS</b>	<b>2,008,016</b>	<b>281,420</b>	<b>6,288,808</b>	<b>2,110,988</b>	<b>10,689,232</b>	<b>5,210,480</b>	<b>1,889,635</b>	<b>6,810,144</b>	<b>3,090,419</b>	<b>17,000,679</b>	<b>6,234,708</b>	<b>2,519,514</b>	<b>7,604,645</b>	<b>3,666,366</b>	<b>20,025,233</b>
1 Min. of Food & Agriculture	338,253	4,819	688,977	174,000	1,206,050	639,511	32,360	791,569	383,830	1,747,270	793,791	43,146	837,424	524,313	2,198,674
2 Millennium Development Authority	20,200	-	957,248	-	977,448	120,275	-	960,848	-	1,081,124	432,376	-	1,016,509	-	1,448,885
3 Min. of Land, Forestry and Mines	129,464	221,638	279,516	90,000	720,617	129,945	1,488,216	380,568	345,085	2,343,814	143,019	1,984,289	402,613	381,481	2,911,402
4 Min. of Energy	51,824	-	524,665	380,201	956,690	952,016	-	526,639	441,849	1,920,504	1,047,799	-	557,146	538,451	2,143,396
5 Min. of Trade, Industry, PSD& PSI	125,470	26,324	468,724	138,000	758,519	625,936	176,759	570,488	165,797	1,538,979	688,912	235,678	603,535	183,283	1,711,408
6 Min. of Tourism and Diasporan Relations	40,265	2,158	-	10,000	52,423	135,414	14,490	-	60,655	210,469	149,038	19,320	-	166,953	335,311
7 Min. of Fisheries	15,969	16,000	10,700	-	42,670	216,029	107,434	10,741	-	334,204	237,763	143,246	11,363	-	392,372
8 Min. of Water Resources, Works and Hsing	171,112	5,627	1,532,829	160,000	1,869,568	371,748	37,781	1,538,595	169,039	2,117,164	409,150	50,375	1,627,723	186,868	2,274,116
9 Min. of Transportation	1,010,185	3,998	1,699,605	1,138,787	3,852,574	1,313,940	26,847	1,903,677	1,503,124	4,747,588	1,446,135	35,796	2,413,954	1,661,659	5,557,545
10 Min. of Communication	60,283	856	126,543	20,000	207,682	260,507	5,748	127,019	21,130	414,404	286,717	7,664	134,378	23,359	452,116
11 Min. of Harbours and Railways	29,483	-	-	-	29,483	229,592	-	-	-	229,592	252,692	-	-	-	252,692
12 Min. of Aviation	15,509	-	-	-	15,509	315,567	-	-	-	315,567	347,316	-	-	-	347,316
<b>HUMAN RESOURCE DEVELOPMENT</b>	<b>10,534,783</b>	<b>1,647,289</b>	<b>1,254,265</b>	<b>3,774,319</b>	<b>17,210,656</b>	<b>11,373,944</b>	<b>11,060,952</b>	<b>1,708,983</b>	<b>3,987,554</b>	<b>28,131,434</b>	<b>12,918,279</b>	<b>14,747,940</b>	<b>1,887,543</b>	<b>4,508,122</b>	<b>34,061,885</b>
13 Min. of Education, Science and Sports	7,927,733	1,112,741	461,561	1,820,222	11,322,257	8,557,203	7,471,654	663,298	1,923,058	18,615,212	9,718,145	9,962,208	711,721	2,225,883	22,617,957
14 Min. of Manpower Youth& Employment	103,257	13,514	-	100,000	216,771	103,641	90,743	-	105,650	300,034	114,068	120,991	-	116,793	351,852
15 Min. of Health	2,481,904	521,000	780,563	1,854,097	5,637,564	2,691,130	3,498,328	1,033,499	1,958,847	9,181,804	3,061,885	4,664,439	1,162,929	2,165,447	11,054,699
16 Min. of Women and Children Affairs	21,890	34	12,141	-	34,064	21,971	227	12,186	-	34,384	24,181	303	12,892	-	37,376
<b>GOOD GOVERNANCE</b>	<b>5,657,751</b>	<b>305,216</b>	<b>1,423,198</b>	<b>1,686,891</b>	<b>9,073,056</b>	<b>7,178,783</b>	<b>2,049,413</b>	<b>1,878,552</b>	<b>2,872,544</b>	<b>13,979,292</b>	<b>8,451,042</b>	<b>2,732,552</b>	<b>1,987,373</b>	<b>3,424,734</b>	<b>16,595,701</b>
17 Min. of Local Gov't, Rural Dev't and Env't	326,273	23,459	736,595	110,000	1,196,327	627,486	157,520	989,366	366,215	2,140,586	690,617	210,026	1,046,678	404,839	2,352,161
18 Office of Gov't Machinery	501,721	3,525	67,147	-	572,394	603,586	23,669	67,400	-	694,655	664,313	31,559	71,304	-	767,176
19 Min. of Foreign Affairs and NEPAD	663,578	15,378	-	-	678,956	766,045	103,260	-	-	869,305	843,117	137,680	-	-	980,797
20 Min. of Finance and Economic Planning	359,723	4,937	467,230	60,000	891,890	361,060	33,150	668,988	73,740	1,136,938	397,387	44,200	707,741	281,517	1,430,845
21 Min. of Parliamentary Affairs	10,240	-	-	-	10,240	10,278	-	-	-	10,278	11,312	-	-	-	11,312
22 Audit Service	143,463	-	-	-	143,463	143,996	-	-	-	143,996	158,484	-	-	-	158,484
23 Electoral Commission	41,780	-	-	-	41,780	641,935	-	-	-	641,935	706,520	-	-	-	706,520
24 Office of Parliament	219,153	-	-	-	219,153	219,968	-	-	-	219,968	242,099	-	-	-	242,099
25 District Assemblies Common Fund Administrator	1,610	-	-	1,456,891	1,458,501	1,616	-	-	2,039,200	2,040,816	1,779	-	-	2,303,497	2,305,276
26 Min. of Information and National Orientation	104,337	194,772	81,156	-	380,265	204,724	1,307,827	81,461	-	1,594,012	225,322	1,743,770	86,180	-	2,055,271
27 Min. of Public Sector Reform	13,009	-	18,865	-	31,874	13,058	-	18,936	-	31,993	14,371	-	20,033	-	34,404
28 National Media Commission	1,713	-	-	-	1,713	1,719	-	-	-	1,719	1,892	-	-	-	1,892
29 Min. of Justice	122,866	7,350	-	10,000	140,216	123,322	49,353	-	140,565	313,240	135,730	65,804	-	155,390	356,924
30 Min. of Defence	1,034,337	25,000	-	-	1,059,337	1,138,182	167,866	-	-	1,306,048	1,252,695	223,821	-	-	1,476,516
31 National Commission for Civic Education	38,871	-	-	-	38,871	39,015	-	-	-	39,015	42,941	-	-	-	42,941
32 Commission on Human Right and Admin.	36,405	-	-	-	36,405	36,541	-	-	-	36,541	40,217	-	-	-	40,217
33 Judicial Service	208,457	6,734	-	-	215,192	209,232	45,218	-	-	254,450	230,283	60,290	-	-	290,573
34 Min. of Interior	1,367,106	17,390	45,014	50,000	1,479,510	1,472,188	116,769	45,183	252,825	1,886,965	1,670,305	155,692	47,801	279,490	2,153,288
35 Min. of National Security	366,910	-	-	-	366,910	368,274	-	-	-	368,274	905,326	-	-	-	905,326
36 National Labour Commission	7,820	-	-	-	7,820	107,849	-	-	-	107,849	118,699	-	-	-	118,699
37 Public Services Commission	5,058	-	-	-	5,058	5,077	-	-	-	5,077	5,588	-	-	-	5,588
38 National Dev't Planning Commission	22,715	-	-	-	22,715	22,800	-	-	-	22,800	25,093	-	-	-	25,093
39 Min. of Chieftaincy and Culture	60,606	6,669	7,191	-	74,467	60,832	44,782	7,218	-	112,832	66,952	59,709	7,636	-	134,297
<b>MDAs Total</b>	<b>18,200,550</b>	<b>2,233,924</b>	<b>8,966,271</b>	<b>7,572,198</b>	<b>36,972,944</b>	<b>23,763,208</b>	<b>15,000,000</b>	<b>10,397,679</b>	<b>9,950,518</b>	<b>59,111,405</b>	<b>27,604,029</b>	<b>20,000,006</b>	<b>11,479,561</b>	<b>11,599,222</b>	<b>70,682,819</b>
<b>40 Utility</b>	<b>318,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,600</b>	<b>419,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>419,784</b>	<b>462,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,019</b>
<b>41 Revenue Agencies</b>	<b>813,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>813,607</b>	<b>1,216,631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,216,631</b>	<b>1,339,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,339,037</b>
<b>42 Subscription payments</b>	<b>53,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,100</b>	<b>53,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,297</b>	<b>58,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,660</b>
<b>43 Contingency</b>	<b>540,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,072</b>	<b>896,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>896,098</b>	<b>1,013,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,013,461</b>
<b>GRAND TOTAL</b>	<b>19,925,929</b>	<b>2,233,924</b>	<b>8,966,271</b>	<b>7,572,198</b>	<b>38,698,322</b>	<b>26,349,019</b>	<b>15,000,000</b>	<b>10,397,679</b>	<b>9,950,518</b>	<b>61,697,216</b>	<b>30,477,206</b>	<b>20,000,006</b>	<b>11,479,561</b>	<b>11,599,222</b>	<b>73,555,995</b>



## APPENDIX 7 FORMULA FOR HIPC ALLOCATION

PROPOSALS FOR ALLOCATION OF HIPC FUNDS FOR 2007		
	PROPORTION OF HIPC FUNDS	PROPOSED ALLOCATION
	Per Cent	Billion Cedis
<b>TOTAL HIPC</b>	<b>100</b>	<b>2,210,830</b>
Proportion of HIPC for Domrestic Deb	20	442,166
Sectoral Programmes/Activities	65	1,437,040
Contingency	5	110,542
District Assemblies o/w MP's share	10	221,083



	2006 TOTAL COLLECTION		2006 RETENTION		2006 LODGEMENT		2007 PROJECTIONS		
							COLLECTION	RETENTION	LODGEMENT
DNL net income	26,000	34,667	-	-	26,000	34,667	100,000		100,000
NCA	-	-	-	-			100,000		100,000
Cocoa Board	-	-	-	-			-		
TOR Drawback	-	-	-	-			-		
ECOWAS Refund	-	-	-	-			-		
BOST	-	-	-	-			-		
Others	-	-	-	-			-		
<b>SUB-TOTAL MOFEP</b>	<b>175,529</b>	<b>255,082</b>	<b>3,708</b>	<b>4,546</b>	<b>171,821</b>	<b>250,536</b>	<b>436,372</b>	<b>4,937</b>	<b>431,435</b>
<b>Parliamentary Affairs</b>									
Office of Parliament	10	13	-	-	10	13	15	-	15
<b>Sub Total Parliamentary Affairs</b>	<b>10</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>13</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>Information &amp; National Orientation</b>									
Ghana Broadcasting Corporation	36,415	48,840	36,415	48,840			192,505	192,505	
Ghana News Agency	315	420	-	-	315	420	408		408
Information Service Department	212	282	-	-	212	282	410		410
NAFTI	846	1,128	846	1,128			2,267	2,267	
<b>Sub Total Information</b>	<b>37,787</b>	<b>50,670</b>	<b>37,261</b>	<b>49,969</b>	<b>526</b>	<b>702</b>	<b>195,590</b>	<b>194,772</b>	<b>818</b>
<b>SUB TOTAL ADMINISTRATION</b>	<b>345,246</b>	<b>457,453</b>	<b>82</b>	<b>62,893</b>	<b>298,124</b>	<b>394,561</b>	<b>759,047</b>	<b>229,212</b>	<b>529,835</b>
<b>ECONOMIC</b>									
<b>Food &amp; Agriculture</b>									
Animal Production Department	135	179	-	-	135	179	180		180
Grains & Legumes Development Board	429	572	429	572			250	250	
ICOUR	402	536	402	536			1,500	1,500	
Plant Protection & Regulatory Service	3,389	4,518	-	-	3,389	4,518	2,065	413	1,652
Veterinary Services Department	5,721	14,774	-	-	5,721	14,774	10,625	2,656	7,969
<b>Sub Total Food &amp; Agriculture</b>	<b>10,075</b>	<b>20,579</b>	<b>831</b>	<b>1,108</b>	<b>9,244</b>	<b>19,471</b>	<b>14,620</b>	<b>4,819</b>	<b>9,801</b>
<b>FISHERIES</b>									
Min. of Fisheries	6,007	7,005	6,006	7,005	1	-	12,000	12,000	
Fisheries Directorate	3,714	4,952	3,714	4,952			4,000	4,000	
<b>Sub Total FISHERIES</b>	<b>9,720</b>	<b>11,957</b>	<b>9,720</b>	<b>11,957</b>	<b>1</b>	<b>-</b>	<b>16,000</b>	<b>16,000</b>	<b>-</b>
<b>Lands Forestry and Mines</b>									
Forestry Commission	97,895	30,960	84,339		13,556	30,960	318,043	183,272	134,771
Geological Survey Department	329	439	-	-	329	439	300		300
Land Title Registry	4,056	5,407	-	-	4,056	5,407	7,000		7,000
Land Valuation Board	1,907	2,542	-	-	1,907	2,542	5,271		5,271

	2006 TOTAL COLLECTION		2006 RETENTION		2006 LODGEMENT		2007 PROJECTIONS		
							COLLECTION	RETENTION	LODGEMENT
Lands Commission Secretariat	57,689	72,773	33,253	44,338	24,435	28,435	58,262	8,616	49,646
Minerals Commission	9,507	12,676	9,507	12,676	-	-	16,029	16,029	-
Mines Department	2,365	3,153	-	-	2,365	3,153	3,346	3,346	-
Office of the Administrator of Stool Lands	4,151	5,534	4,151	5,534	-	-	10,375	10,375	-
Survey Department	3,630	4,840	-	-	3,630	4,840	6,027	-	6,027
<b>Sub Total Lands Forestry and Mines</b>	<b>181,528</b>	<b>138,326</b>	<b>131,250</b>	<b>62,548</b>	<b>50,278</b>	<b>75,777</b>	<b>424,654</b>	<b>221,638</b>	<b>203,016</b>
<b>Energy</b>									
Min. of Energy	-	-	-	-	-	-	-	-	-
<b>Sub Total Energy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade and Industry, PSD &amp; PSI</b>									
Headquarters(MOTI & PSI)	4,839	10,988	-	-	4,839	10,988	12,842	-	12,842
Ghana Standards Board	29,662	44,528	24,325	32,434	5,337	12,094	44,502	26,264	18,238
National Board For Small Scale Ind(NBSSI)	51	68	-	-	51	68	150	-	150
Export Promotion Council	35	47	35	47	-	-	60	60	-
GRATIS	-	-	-	-	-	-	-	-	-
<b>Sub Total Trade and Industry</b>	<b>34,588</b>	<b>55,631</b>	<b>24,360</b>	<b>32,480</b>	<b>10,227</b>	<b>23,150</b>	<b>57,554</b>	<b>26,324</b>	<b>31,230</b>
<b>Tourism &amp; Diasporan Relation</b>									
Ghana Tourist Board	2,352	3,136	2,352	3,136	-	-	2,158	2,158	-
HOTCATT	140	187	-	-	140	187	252	-	252
<b>Sub Total Tourism &amp; Modernization of the Capital City</b>	<b>2,492</b>	<b>3,323</b>	<b>2,352</b>	<b>3,136</b>	<b>140</b>	<b>187</b>	<b>2,410</b>	<b>2,158</b>	<b>252</b>
<b>SUB TOTAL ECONOMIC</b>	<b>238,403</b>	<b>229,815</b>	<b>168,513</b>	<b>111,230</b>	<b>69,890</b>	<b>118,586</b>	<b>515,239</b>	<b>270,939</b>	<b>244,300</b>
<b>SOCIAL</b>									
<b>Education, Science and Sports</b>									
Ghana Education Service	368,102	545,709	368,102	545,709	-	-	570,000	570,000	-
NACVET	-	-	-	-	-	-	-	-	-
Ghana Library Board	20	26	20	26	-	-	56	56	-
C. S. I. R.	5,529	7,372	5,529	7,372	-	-	5,560	5,560	-
G.A.E.C	805	1,073	805	1,073	-	-	7,300	7,300	-
Main Ministry (Sports Levy)	-	-	-	-	-	-	-	-	-
National Service Secretariat	3,834	5,112	3,834	5,112	-	-	7,012	7,012	-
National Sports Council	-	-	-	-	-	-	164,000	164,000	-
Tertiary	366,967	396,967	366,967	396,967	-	-	346,163	346,163	-
WAEC(NATIONAL)	11,010	14,680	11,010	14,680	-	-	25,510	25,510	-
<b>Sub Total Education and Sports</b>	<b>756,266</b>	<b>970,938</b>	<b>756,266</b>	<b>970,938</b>	<b>-</b>	<b>-</b>	<b>1,125,601</b>	<b>1,125,601</b>	<b>-</b>
<b>Manpower Development Employment &amp; Youth</b>									
Department of Co-operatives	684	912	-	-	684	912	131	-	131
Department of Factories Inspectorate	539	719	-	-	539	719	900	-	900
Department of Social Welfare	93	124	-	-	93	124	52	-	52
Ghana Co-operative College	-	-	-	-	-	-	-	-	-
Management Dev.& Productivity Institute (MDPI)	2,252	3,003	2,252	3,003	-	-	4,548	4,548	-

	2006 TOTAL COLLECTION		2006 RETENTION		2006 LODGEMENT		2007 PROJECTIONS		
							COLLECTION	RETENTION	LODGEMENT
National Vocational Training Institute (NVTI)	1,347	1,796	1,347	1,796		-	8,484	8,484	
Opportunities Industrialization Centre(OIC)	223	297	223	297		-	482	482	
<b>Sub Total Manpower Development Employment &amp; Youth</b>	<b>5,139</b>	<b>6,852</b>	<b>3,822</b>	<b>5,096</b>	<b>1,317</b>	<b>1,755</b>	<b>14,597</b>	<b>13,514</b>	<b>1,083</b>
<b>Ministry of Chieftancy and Culture</b>									
Abibigroma Theatre Company	27	35	27	35		-	98	98	
Bureau of Ghana Language	17	22	-	-	17	22	70	70	
Folklore Board	-	-	-	-		-	92	92	
Ghana Dance Ensemble	95	127	95	127		-	120	120	
Ghana Museums & Monuments Board	1,359	1,812	1,359	1,812		-	1,600	1,600	
Kwame Nkrumah Memorial Park	352	470	352	470		-	350	350	
National Symphony Orchestra	91	121	91	121		-	145	145	
National Theatre	-	-	-	-		-	2,000	2,000	
Regional Centres for Nat. Culture	576	767	522	696	54	71	1,995	1,995	
W.E.B. Du Bois Memorial Centre	-	-	-	-		-	199	199	
<b>Sub Total National Commission on Culture</b>	<b>2,515</b>	<b>3,354</b>	<b>2,445</b>	<b>3,260</b>	<b>70</b>	<b>93</b>	<b>6,669</b>	<b>6,669</b>	<b>-</b>
<b>Health</b>									
Food and Drugs Boards	12,155	16,206	12,155	16,206		-	34,714	34,714	
Health Centres	458,123	610,830	458,123	610,830		-	485,184	485,184	
Nurses and Midwives Council for Ghana(NMwCG)	4,157	5,543	4,157	5,543		-	1,102	1,102	
<b>Sub Total Health</b>	<b>474,434</b>	<b>632,579</b>	<b>474,434</b>	<b>632,579</b>	<b>-</b>	<b>-</b>	<b>521,000</b>	<b>521,000</b>	<b>-</b>
<b>Women and Children Affairs(MWCA)</b>									
Efua Sutherland Children's Park	-	-	-	-		-	68	34	34
<b>Sub Total Women and Children Affairs(MWCA)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>34</b>	<b>34</b>
<b>SUB TOTAL SOCIAL</b>	<b>1,238,354</b>	<b>1,613,723</b>	<b>1,236,968</b>	<b>1,611,874</b>	<b>1,387</b>	<b>1,849</b>	<b>1,667,934</b>	<b>1,666,818</b>	<b>1,116</b>
<b>PUBLIC SAFETY</b>									
<b>Justice</b>									
Council for Law Reporting	87	116	87	116		-	450	450	
Registrar General's Department	32,057	48,000	-	-	32,057	48,000	46,000	6,900	39,100
<b>Sub Total Justice</b>	<b>32,144</b>	<b>48,116</b>	<b>87</b>	<b>116</b>	<b>32,057</b>	<b>48,000</b>	<b>46,450</b>	<b>7,350</b>	<b>39,100</b>
<b>Defence</b>									
37 Military Hospital	16,563	23,000	16,563	23,000		-	25,000	25,000	
Armed Forces General Headquarters	-	-	-	-		-	-	-	-
Ghana Navy	-	-	-	-		-	-	-	-
<b>Sub Total Defence</b>	<b>16,563</b>	<b>23,000</b>	<b>16,563</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>
<b>Judicial Service</b>									
Judicial Service	28,411	48,386	4,134	5,511	24,278	42,875	44,895	6,734	38,160
Stool Lands & Boundaries Settlement Commission	-	-	-	-		-	-	-	-
<b>Sub Total Judicial Service</b>	<b>28,411</b>	<b>48,386</b>	<b>4,134</b>	<b>5,511</b>	<b>24,278</b>	<b>42,875</b>	<b>44,895</b>	<b>6,734</b>	<b>38,160</b>
<b>Interior</b>									

	2006 TOTAL COLLECTION		2006 RETENTION		2006 LODGEMENT		2007 PROJECTIONS		
							COLLECTION	RETENTION	LODGEMENT
Criminal Investigations Department	3,643	4,857	-	-	3,643	4,857	5,015		5,015
Ghana Immigration Service	22,654	46,000	-	-	22,654	46,000	50,000	10,000	40,000
Ghana National Fire Service	757	1,010	-	-	757	1,010	693		693
Ghana Police Service (Administration)	90	120	-	-	90	120	70		70
Ghana Prisons Service	636	848	600	800	36	48	2,646	1,588	1,058
Interior Headquarters	2,467	3,290	-	-	2,467	3,290	4,000		4,000
MTTU	-	-	-	-	-	-	3,020	755	2,265
Narcotics Control Board	-	-	-	-	-	-	-		
Police Hospital	3,567	5,556	3,567	5,556	-	-	5,048	5,048	
<b>Sub Total Interior</b>	<b>33,814</b>	<b>61,680</b>	<b>4,167</b>	<b>6,356</b>	<b>29,647</b>	<b>55,324</b>	<b>70,492</b>	<b>17,390</b>	<b>53,101</b>
<b>SUB TOTAL PUBLIC SAFETY</b>	<b>110,932</b>	<b>181,182</b>	<b>24,951</b>	<b>34,983</b>	<b>85,981</b>	<b>146,199</b>	<b>186,836</b>	<b>56,474</b>	<b>130,362</b>
<b>INFRASTRUCTURE</b>									
<b>Water Resource, Works and Housing</b>									
Dept. of Rural Housing	4	5	4	5			-		
Min. Works & Housing (Hq'ters)	4,247	8,000	-	-	4,247	8,000	8,500		8,500
Public Servants Housing Loans Scheme Board	-	-	-	-			-		
Architects Registration Council	-	-	-	-			-		
Public Works Department	547	729	-	-	547	729	5,686	2,843	2,843
Water Resources Commission	2,027	2,703	2,027	2,703			2,784	2,784	
Town and Country Planning	703	938	-	-	703	938	280		280
<b>Sub Total Works and Housing</b>	<b>7,524</b>	<b>12,370</b>	<b>2,027</b>	<b>2,703</b>	<b>5,497</b>	<b>9,667</b>	<b>17,250</b>	<b>5,627</b>	<b>11,623</b>
<b>Transportation</b>									
Main Ministry(Transportation)	1,442	1,923	-	-	1,442	1,923	1,262		1,262
Driver and Vehicle Licensing Authority	21,569	35,538	-	-	21,569	35,538	21,500	3,225	18,275
Ghana Highway Authority	705	941	280	373	426	568	800		800
Govt. Technical Training Centre	-	-	-	-			-		
Department of Feeder Roads	1,409	1,878	1,409	1,878			600	300	300
Department of Urban Roads	34	45	34	45			947	473	473
<b>Sub Total Road Transport</b>	<b>25,159</b>	<b>40,325</b>	<b>1,722</b>	<b>2,296</b>	<b>23,437</b>	<b>38,029</b>	<b>25,108</b>	<b>3,998</b>	<b>21,110</b>
<b>Harbours and Railways</b>									
Ghana Maritime Authority	298	397	-	-	298	397	441		441
<b>Sub Total Harbours and Railways</b>	<b>298</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>298</b>	<b>397</b>	<b>441</b>	<b>-</b>	<b>441</b>
<b>Communications</b>									
Ghana-India Kofi Annan Centre of Excellence	1,646	2,790	-	-	1,646	2,790	2,500		2,500
GRATIS	-	-	-	-			-		
Ghana Meteorological Agency	741	-	722	-	18	-	856	856	
DAPIT	-	-	-	-			-		
<b>Sub Total Communications</b>	<b>2,387</b>	<b>2,790</b>	<b>722</b>	<b>-</b>	<b>1,664</b>	<b>2,790</b>	<b>3,356</b>	<b>856</b>	<b>2,500</b>
<b>SUB TOTAL INFRASTRUCTURE</b>	<b>35,367</b>	<b>55,882</b>	<b>4,472</b>	<b>4,999</b>	<b>30,896</b>	<b>50,883</b>	<b>46,155</b>	<b>10,481</b>	<b>35,674</b>

	2006 TOTAL COLLECTION		2006 RETENTION		2006 LODGEMENT		2007 PROJECTIONS		
							COLLECTION	RETENTION	LODGEMENT
<b>GRAND TOTAL</b>	<b>1,968,303</b>	<b>2,538,056</b>	<b>1,434,985</b>	<b>1,825,979</b>	<b>486,278</b>	<b>712,077</b>	<b>3,175,211</b>	<b>2,233,924</b>	<b>941,287</b>

<b>APPENDIX 13: POVERTY REDUCTION EXPENDITURE BY SUB-SECTOR IN BIL CEDIS (GOG ONLY)</b>					
<b>VARIABLES</b>	<b>2006</b>	<b>2006</b>	<b>2007</b>	<b>NOTES</b>	
	<b>Actual</b>	<b>Planned</b>	<b>Planned</b>		
	<b>Jan-Sept</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>		
Total Govt Expenditure	23,764.50	28,901.00	39,497.80	Tot Govt Exp, less Amort, Foreign Fin & Arrears Clear.	
Total Poverty Reduction Exp	8,488.55	11,985.21	12,926.83		
Tot Pov Red Exp/Tot Govt Exp	<b>35.72%</b>	<b>41.47%</b>	<b>32.73%</b>		
Education Sector Exp	6,253.91	7,357.84	8,597.28	Budget Exp + GETF+ HIPC + DACF + SIML +MDRI	
Basic Education Exp	3,630.41	4,187.66	4,708.76		
<b>Basic Ed Exp/Tot Ed Sec Exp</b>	<b>58.05%</b>	<b>56.91%</b>	<b>54.77%</b>		
Health Sector Exp	2,149.67	4,019.79	4,528.25	Budget Exp+HIPC+DACF + NHF +MDRI.	
Prim Health Care Exp	1,301.64	2,664.51	2,933.94		
<b>PHC Exp/Tot Health Sec Exp</b>	<b>60.55%</b>	<b>66.28%</b>	<b>64.79%</b>		
Agriculture Sector Exp	459.3	382.5	483.83	Budget Expenditure + HIPC + DACF+MDRI	
Poverty Foc Agric Exp	435.87	351.72	457.55		
<b>Pov Agric Exp/Tot Agric Sec Exp</b>	<b>94.90%</b>	<b>91.95%</b>	<b>94.57%</b>		
Works & Housing Exp	187.09	243.93	236.33	Budget Exp + HIPC + DACF	
Rural Water Exp	92.10	142.67	130.87		
<b>Rural Water Exp/Tot W/Hsng Exp</b>	<b>49.23%</b>	<b>58.49%</b>	<b>55.38%</b>		
Roads & Transport	1301.34	2,214.58	1,922.71	Budget Exp+ Rd Fund +HIPC+DACF + MDRI	
Feeder Roads Exp	285.73	875.07	448.06		
<b>F.Rds Exp/Tot Rds &amp; Transp Exp</b>	<b>21.96%</b>	<b>39.51%</b>	<b>23.30%</b>		
Energy Sector Exp	802.07	853.59	2,244.15	Budget Exp+ HIPC + DACF + SIML + MDRI	
Rural Electr Exp	799.99	825	2,232.25		
<b>Rural Electr Exp/Tot Energy Sect Exp</b>	<b>99.74%</b>	<b>96.65%</b>	<b>99.47%</b>		
Other* Poverty Exp	1,942.81	2,938.58	2,015.40	Budget + HIPC + DACF + SIML + MDRI	
<b>Other Pov Exp/Tot Govt Exp</b>	<b>8.18%</b>	<b>10.17%</b>	<b>5.10%</b>		
<b>Source: MOFEP, CAG, GETF, RDF, DACF</b>					
<b>* Other Poverty Includes:</b>					
Social Welfare, Governance, Drainage, Human rights, Public Safety, HIV/AIDS, Vocational/Employable Skills,					
Road Safety, Women/Chn Affairs, Pop Mangmnt, RuralWomen/Chn Affairs, Pop Mangmnt, Rural Housing,					
Environ protection and Disaster Management.					
<b>NOTE:</b>	1. All expenditures are GOG only.				



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**APPENDIX 10:Ghana: Balance of Payments (in millions of US dollars)**

	2003	2004	2005		2006			2007
	Annual	Annual	Q1Q2Q3	Annual	Q1Q2Q3	Half-year 2*	Annual Proj	Annual Proj
<b>CURRENT ACCOUNT</b>	<b>302.3</b>	<b>-315.8</b>	<b>-581.7</b>	<b>-811.6</b>	<b>-20.9</b>	<b>-20.0</b>	<b>-555.2</b>	<b>-567.3</b>
<b>Merchandise Exports</b>	<b>2562.4</b>	<b>2704.5</b>	<b>2123.8</b>	<b>2802.2</b>	<b>2927.6</b>	<b>1997.7</b>	<b>3857.7</b>	<b>4181.244</b>
Cocoa	817.7	1025.7	736.1	908.4	1004.1	644.0	1264.8	1148.64
Gold	830.1	840.2	679.7	945.8	943.8	689.7	1264.3	1376.9917
Timber	174.7	211.7	171.9	226.5	148.8	93.3	196.6	253.6721
Others	739.8	626.9	536.0	721.5	830.9	570.7	1132.0	1401.94
<b>Merchandise Imports</b>	<b>-3232.8</b>	<b>-4297.3</b>	<b>-3931.0</b>	<b>-5345.4</b>	<b>-4799.2</b>	<b>-3088.4</b>	<b>-6786.5</b>	<b>-7117.56</b>
Non-oil	-2669.9	-3522.3	-3205.1	-4217.9	-3805.8	-2448.5	-5446.0	-5644.32
Oil	-562.9	-775.0	-725.9	-1127.5	-993.4	-639.9	-1340.5	-1473.24
<b>Trade Balance</b>	<b>-670.4</b>	<b>-1592.8</b>	<b>-1807.2</b>	<b>-2543.1</b>	<b>-1871.6</b>	<b>-1090.7</b>	<b>-2928.8</b>	<b>-2936.31</b>
<b>Services (Net)</b>	<b>-269.8</b>	<b>-356.2</b>	<b>-82.0</b>	<b>-198.0</b>	<b>-19.9</b>	<b>62.4</b>	<b>-28.6</b>	<b>-289.926</b>
<b>Income( Net)</b>	<b>-156.7</b>	<b>-197.8</b>	<b>-150.6</b>	<b>-187.1</b>	<b>-100.3</b>	<b>-71.2</b>	<b>-133.8</b>	<b>-136.422</b>
<b>Tranfers(Net)</b>	<b>1399.2</b>	<b>1831.0</b>	<b>1458.1</b>	<b>2116.7</b>	<b>1970.9</b>	<b>1079.5</b>	<b>2536.0</b>	<b>2795.352</b>
o/w								
Official sector	382.0	543.9	442.3	566.9	686.5	169.6	723.5	711
Private sector	1017.2	1287.1	1015.8	1549.8	1284.4	909.9	1812.5	2084.352
<b>FINANCIAL ACCOUNT</b>	<b>340.4</b>	<b>201.6</b>	<b>262.2</b>	<b>834.5</b>	<b>-45.6</b>	<b>945.4</b>	<b>589.8</b>	<b>765.31</b>
Direct Investment	110.0	139.3	87.3	145.0	243.3	106.4	324.4	407
Portfolio Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Other Investment	230.3	62.3	174.9	689.5	-288.9	839.0	265.4	358.31
o/w								
Official sector	85.8	52.5	121.7	141.1	97.7	28.5	111.0	272.7
Other sectors	144.6	9.9	53.2	548.4	-386.6	810.5	154.5	85.61
<b>Net Errors and Omissions</b>	<b>-84.4</b>	<b>103.8</b>	<b>123.7</b>	<b>61.4</b>	<b>144.2</b>	<b>-973.7</b>	<b>144.2</b>	<b>(0.0)</b>
<b>OVERALL BALANCE</b>	<b>558.3</b>	<b>-10.5</b>	<b>-195.8</b>	<b>84.3</b>	<b>77.7</b>	<b>-48.3</b>	<b>178.8</b>	<b>198</b>
<b>RESERVE ASSETS</b>	<b>-558.3</b>	<b>10.5</b>	<b>195.8</b>	<b>-84.3</b>	<b>-77.7</b>	<b>48.3</b>	<b>-178.8</b>	<b>-198</b>
o/w								
Change in NIR	-657.7	-185.6	7.5	-309.3	-263.6	-48.7	-406.5	-368

\* Provisional

\*\* Projected

Source: Bank of Ghana

**APPENDIX 11: MONEY SUPPLY AND ITS SOURCES OF CHANGE  
( IN BILLION CEDIS)**

	Change Between Sept 2004 & Sept. 2005.		Change Dec 2005 &
	ABS	%	ABS
<b>1.TOTAL LIQUIDITY (M2+)</b>	<b>3720.6</b>	<b>16.0</b>	<b>5614.6</b>
<b>A. BROAD MONEY SUPPLY (M2)</b>	<b>3387.0</b>	<b>19.1</b>	<b>4590.1</b>
i. Currency with Non Bank Public	<b>920.9</b>	<b>16.5</b>	<b>-327.4</b>
ii. Demand Deposits	<b>776.7</b>	<b>12.3</b>	<b>2288.7</b>
ii. Savings and Time Deposits	<b>1689.4</b>	<b>28.9</b>	<b>2628.8</b>
<b>B. FOREIGN CURRENCY DEPOSITS</b>	<b>333.6</b>	<b>6.0</b>	<b>1024.5</b>
<b>2. SOURCES</b>	<b>3720.6</b>	<b>16.0</b>	<b>5614.6</b>
<b>A. NET FOREIGN ASSETS (NFA)</b>	<b>1933.0</b>	<b>18.5</b>	<b>1603.1</b>
BOG	<b>2206.7</b>	<b>26.9</b>	<b>1114.3</b>
DMBs	<b>-273.7</b>	<b>-12.2</b>	<b>488.8</b>
<b>B. NET DOMESTIC ASSETS (NDA)</b>	<b>1787.6</b>	<b>13.9</b>	<b>4011.5</b>
i. Claims on Government (net)	<b>3512.8</b>	<b>31.3</b>	<b>1875.9</b>
BOG	<b>1459.4</b>	<b>28.7</b>	<b>-42.1</b>
DMBs	<b>2053.4</b>	<b>33.4</b>	<b>1918.0</b>
ii. Claims on Public Sector	<b>572.9</b>	<b>17.0</b>	<b>1294.3</b>
BOG (net)	<b>-399.8</b>	<b>-74.6</b>	<b>517.3</b>
DMBs	<b>972.7</b>	<b>34.3</b>	<b>777.0</b>
ii. Claims on Private Sector	<b>3648.0</b>	<b>37.8</b>	<b>3916.3</b>
BOG (net)			
DMBs	<b>3589.7</b>	<b>37.2</b>	<b>3925.7</b>
iii. Other Items (Net) (OIN) \1	<b>-5946.2</b>	<b>52.1</b>	<b>-3075.0</b>
o/w BOG OMO (Sterilisation)	<b>-1983.5</b>	<b>46.5</b>	<b>1317.4</b>

<b>Between Sept. 2006.</b>
<b>%</b>
18.4
19.2
-4.1
30.6
31.4
15.5
18.4
10.3
8.6
18.5
27.0
14.2
-0.8
23.4
38.8
1449.0
23.5
26.9
27.2
18.9
-19.5

**Appendix18: Project and Programme Grants as at September 2006**

<u>DONOR/TITLE</u>	<u>DATE</u>	<u>CURR</u>	<u>AMOUNT</u>	<u>USD EQUIVALENT</u>
<b><u>Government of the Netherlands</u></b>				
1 Baifikrom Water Supply	06/01/06	EUR	13,524,000	17,175,480
2 Tamale and Dulun Corridor Water Supply	10/02/06	EUR	23,750,000	30,162,500
3 Odaw Drainage Lot 3 Extension Works	25/01/06	EUR	3,198,000	4,061,460
<b><u>The Government of the United Kingdom</u></b>				
4 UK/GH PRBS Capacity Building 2006-2008	22/03/06	GBP	6,000,000	10,632,540
5 Poverty Reduction Budget Support	22/03/06	GBP	120,000,000	212,650,800
6 Teacher Education /Division Teacher Training College	14/02/06	GBP	250,000	443,023
7 Multi Sector HIV/AIDS Grant 2006 (MSHAP)	04/05/06	GBP	7,500,000	13,290,675
8 Impli of Phase I of the National Public Sector Reform.	31/7/06	GBP	1,250,000	2,325,000
9 UK/GH Support to the Edu. Strategic Plan (Tech. Co-op)	10/08/06	GBP	5,000,000	9,500,000
10 UK/GH Support to the Edu. Strategic Plan (Main Proj.)	10/08/06	GBP	100,000,000	190,000,000
<b><u>EUROPEAN COMMUNITY</u></b>				
11 STWS Project in Central & Western Regions	10/05/06	EUR	23,000,000	29,210,000
12 Rehabilitation of Kumasi -Techiman Rd. Lot 2	10/05/06	EUR	35,900,000	45,593,000
13 Cultural Initiatives Support Pg.(CISP)	10/05/06	EUR	2,000,000	2,540,000
14 Feeder Roads Improvement Pj (FRIP)	10/06/06	EUR	27,000,000	34,290,000
15 Support for Local Governance	08/02/06	EUR	3,000,000	3,810,000
<b><u>Government of Japan</u></b>				
16 Increase in Food Production	06/01/06	JPY	360,000,000	3,063,960
17 Rural Electrification Project	24/08/06	JPY	678,000,000	5,770,458
<b><u>United Nation GROUP</u></b>				
<b><u>WORLD FOOD PROGRAMME</u></b>				
18 Supplementary Feeding and Healthand Nutrition Education	13/03/06	USD	6,181,835	6,181,835
19 Support for Basic Education	13/03/06	USD	11,074,648	11,074,648
<b><u>UNITED NATIONS FUND FOR PEOPLE ACTIVITIES</u></b>				
20 Reproductive Health	13/03/06	USD	11,800,000	11,800,000
21 Population and Development	13/03/06	USD	7,000,000	7,000,000
22 Gender and Women's Empowerment	13/03/06	USD	5,000,000	5,000,000
23 Programme Coordination and Assistance	13/03/06	USD	2,300,000	2,300,000
<b><u>UNITED NATIONS DEVELOPMENT PROGRAMME</u></b>				
24 Country programme Action Plan 2006-2010 (UNDP)	13/03/06	USD	40,840,000	40,840,000
<b><u>Government of France</u></b>				
25 Community Management of Biodiversity in Western Region	17/01/06	EUR	1,200,000	1,524,000
26 Food Security and Organization of Rice Granting	08/06/06	EUR	500,000	635,000
<b><u>AFRICAN DEVELOPMENT FUND</u></b>				
27 Avian Influenza	05/04/06	UA	341,000	497,860
<b><u>INTERNATIONAL DEVELOPMENT ASSOCIATION</u></b>				
28 Grant for Corporate Plan of Ghana Statistical Service	07/06/06	USD	398,600	398,600
29 Second Ghana Growth and Poverty Reduction Strategy	20/07/06	USD	472,000	472,000
<b><u>GOVERNMENT OF THE FED. REP. OF GERMANY</u></b>				
30 Water Supply Volta and Eastern Regions - 8 Regions	15/05/06	EUR	3,227,080	4,098,392
<b><u>GOVERNMENT OF CANADA</u></b>				
31 Food Security and Environmental Facility	30/06/06	CAD	15,000,000	13,200,000
32 Ghana Environment Mgt Project	30/06/06	CAD	8,000,000	7,040,000
33 Northern Region Small Towns Project	30/06/06	CAD	30,000,000	26,400,000
<b><u>GOVERNMENT OF THE SWISS CONFEDERATION</u></b>				
34 Multi Donor Budget Support	09/08/06	CHF	27,000,000	21,924,000
<b>TOTALS</b>				<b>774,905,230</b>

**APPENDIX 17: PROJECT AND PROGRAMME LOANS AS AT SEPTEMBER 2006**

<b>CREDITOR</b>	<b>TITLE</b>	<b>DATE</b>	<b>CURR</b>	<b>AMOUNT</b>	<b>USD EQUIV.</b>	<b>MATURITY</b>	<b>INT. RATE</b>
<b><u>FORTIS BANK</u></b>							
1 BMH	Baifikrom Water Supply Project *	1/6/2006	EUR	12,299,000.00	14,758,800.00	12	Euribor + 0.5
2 BMH	District Dental Facilities Project *	1/6/2006	EUR	3,828,409.00	4,594,090.80	12	Euribor + 0.5
<b><u>COMMERZBANK</u></b>							
3 CMBK	Supply of 63 Buses & Spare Parts Project *	3/8/2006	EUR	9,965,000.00	11,958,000.00	12	0
4 CMBK	Supply & Installation of Electronic & Telecom Equip.*	8/7/2006	EUR	5,878,579.63	7,054,295.56	16.5	0
<b><u>INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT</u></b>							
5 IFAD	Root and Tuber Improvement & Marketing Programme	1/20/2006	SDR	13,050,000.00	18,726,750.00	40	0.75
<b><u>ING BANK N.V.</u></b>							
6 ING	Tamale Water Supply Project *	3/2/2006	EUR	21,249,870.00	25,499,844.00	12	Euribor + 0.5
7 ING	Delivery of 150 DAF City Buses Project *	3/8/2006	EUR	7,031,575.00	8,437,890.00	9	Euribor + 0.5
<b><u>INTERNATIONAL DEVELOPMENT ASSOCIATION</u></b>							
8 IDA	Micro Small Scale and Medium Enterprise Project	2/2/2006	SDR	31,100,000.00	44,629,433.00	40	0.75
9 IDA	4th Poverty Reduction Support Credit	6/18/2006	SDR	97,400,000.00	143,260,010.80	40	0.75
10 IDA	e-Ghana Project	8/25/2006	SDR	26,900,000.00	40,040,650.00	40	0.75
<b><u>GOVERNMENT OF BELGIUM</u></b>							
11 BELG	Elmina Fishing Harbour & Benya Lagoon Restor. Pj. *	5/11/2006	EUR	6,312,000.00	7,574,400.00	30	0
12 BELG	Koforidua Water Supply Expansion Project *	8/8/2006	EUR	15,208,966.00	18,250,759.20	30	0
<b><u>KBC BANK - BELGIUM</u></b>							
13 KBC Bank	Elmina Fishing Harbour & Benya Lagoon Restor. Pj. *	4/13/2006	EUR	6,239,337.84	7,487,205.41	6.5	4.08
14 KBC Bank	Koforidua Water Supply Expansion Project *	8/8/2006	EUR	6,130,716.00	7,356,859.20	17.5	0
15 KBC Bank	Koforidua Water Supply Expansion Project *	8/8/2006	EUR	14,616,242.00	17,539,490.40	12.5	4.23
16 KBC Bank	Koforidua Water Supply Expansion Project *	8/8/2006	EUR	2,783,558.00	3,340,269.60	7.5	Euribor + 0.5
<b><u>GOVERNMENT OF FRANCE</u></b>							
17 FRNG	Rehab. & Const. of Communal Infrastructure	6/9/2006	EUR	4,000,000.00	4,800,000.00	40	0.75
<b><u>GOVERNMENT OF CHINA</u></b>							
18 GPRC	National Communication Backbone Project	6/18/2006	USD	30,000,000.00	30,000,000.00	20	2
<b><u>AFRICAN DEVELOPMENT FUND</u></b>							
19 ADF	Accra Sewerage Improvement Project	5/19/2006	BUA	46,000,000.00	66,700,000.00	50	0.75
<b>SUB-TOTAL</b>					<b>482,008,747.96</b>		

**NB: \* - Mixed Credit Facilities**

**G. ELEMENT %**

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58.03  
58.03

38.23

42.80

67.48

58.03  
48.79

67.48  
67.48  
67.48

38.4  
38.6

38.4  
38.6  
38.6  
38.6

70.42

40.39

71.41

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<b>Appendix16: Disbursements of Project Loans and Grants by Creditor/Donor and MDA, 2006</b>			
<b>Creditor / Donor</b>	<b>Project Title</b>	<b>Total</b>	
		<b>Million dollars</b>	<b>Million cedis</b>
<b>MINISTRY OF FOOD &amp; AGRICULTURE</b>			
ADF	Cashew Development Project	0.15	1,469.58
ADF	Cashew Development Project 'XEU'	1.20	11,885.03
ADF	Small-Scale Irrigation Pj	0.17	1,722.37
ADF	Inland Valleys Rice Development Project	1.21	11,984.57
ADF	Food crops Development Pj 'JPK'	0.04	364.33
ADF	Food crops Dev't project	0.83	8,282.58
ADF	Livestock Development Project Main (XEU)	1.42	14,117.35
ADF	Livestock Development Project	0.31	3,059.65
ADF	Small-Scale Irrigation Dev't Pj	0.66	6,514.70
ADF	Inland Valleys Rice Development Project	0.32	3,222.88
ADF	Tsetse and Trypanosomiasis Free Areas Pj.	0.00	47.06
BADEA	Small Farms Irrigation Project II	0.10	948.60
FRNG	Small Outgrowers Phase II	0.02	154.75
IDA	Agric.Services Sub-sector Investment Pj.	13.73	136,393.66
IFAD	U-E Reg. Land Conserv. & Smallholder Pj	1.11	10,998.30
<b>LOANS TOTAL</b>		<b>21.25</b>	<b>211,165.43</b>
<b>MINISTRY OF EDUCATION</b>			
CANADA	Farmer Responsive mechanisms	1.46	14,535.60
CANADA	Support to Food Security	0.05	514.16
CANADA	Food and Agriculture Budetary Support	17.30	171,945.10
EEC	Strengthening, Monitoring Capacity-MOFA	0.62	6,132.06
FRNG	EX FSP Aliment Org Rizicultureur	0.07	706.24
GERMANY	Market-Oriented Agriclture	0.95	9,450.57
UKG	Support to Rural Livelihoods	0.02	232.16
USAID	Increase Agricultural Sector Productivity	6.70	66,579.67
ADF	Afram Plains Development Fund	0.18	1,811.47
<b>GRANTS TOTAL</b>		<b>27.36</b>	<b>271,907.03</b>
<b>TOTAL</b>		<b>48.61</b>	<b>483,072.45</b>
<b>MINISTRY OF EDUCATION</b>			
IDA	Education Sector Pj	3.45	34,304.46
ABED	Basic Edn Support in Ash & BA Regions	0.67	6,703.53
ADF	Development Senior Secondary Schools	0.14	1,387.09
IDA	National Functional Literacy Project	4.39	43,631.78
SPAG	SS of Equip't for UDS & Polytechnics	1.19	11,826.71
<b>LOANS TOTAL</b>		<b>9.85</b>	<b>97,853.57</b>
IDA	Education for All - Fast Track Initiatives (EFA)	4.00	39,749.08
UKG	UK/GH.TED TTC/ICT Programme 2006	0.44	4,334.49
FRG	Special Education	0.10	979.00
FRG	Takoradi Tech. Inst.	0.04	387.42
USAID	Improved quality and access to basic Educat	7.85	78,007.57
ADF	Dev't of Senior Sec. Edu Pj. - EDN III	0.11	1,141.06
<b>GRANTS TOTAL</b>		<b>12.54</b>	<b>124,598.63</b>
<b>TOTAL</b>		<b>22.39</b>	<b>222,452.20</b>
<b>MINISTRY OF ENERGY</b>			
IDA	Thermal Power Project	3.32	33,036.21
KFED	Takoradi Thermal Power Project	0.42	4,146.52
EXIM	Rural Electrification Proj. - India	1.40	13,912.18
BMH	Sub-Transmission Improv. Pj Acc-Ksi	11.44	113,655.91
<b>LOANS TOTAL</b>		<b>16.58</b>	<b>164,750.82</b>
EU	Rural Electrification Project - Western Region	0.00	26.81
USAID	Expand and Improve Acces to Econ. & Soc.	0.70	6,956.07
<b>GRANTS TOTAL</b>		<b>0.70</b>	<b>6,982.88</b>
<b>TOTAL</b>		<b>17.28</b>	<b>171,733.71</b>
<b>MINISTRY OF ENVIRONMENT</b>			
IDA	Second Urban Environmental Sanitation Pj	0.69	6,882.99
ADF	Int. Mgmt. Invasive Aquatic Weeds in W/A <	0.14	1,435.52
<b>LOANS TOTAL</b>		<b>0.84</b>	<b>8,318.52</b>
CANADA	GRATIS III	0.53	5,272.15
FRG	FORUM	0.37	3,654.39
EU	Gratis Ph 3	0.05	540.81

<b>Appendix16: Disbursements of Project Loans and Grants by Creditor/Donor and MDA, 2006</b>			
<b>Creditor / Donor</b>	<b>Project Title</b>	<b>Total</b>	
		<b>Million dollars</b>	<b>Million cedis</b>
USAID	Imp. Sustainable Mgt. of Natural Res.& Bio.	0.55	5,425.75
<b>GRANTS TOTAL</b>		<b>1.50</b>	<b>14,893.09</b>
<b>TOTAL</b>		<b>2.34</b>	<b>23,211.61</b>
<b>MINISTRY OF FINANCE &amp; ECONOMIC PLANNING</b>			
ADF	Rural Financial Services Project XEU	0.20	1,963.55
ADF	Rural Financial Services Project JPK	0.38	3,815.18
IFAD	Rural Financial Services Project	2.46	24,409.48
IDA	Economic Management Capacity Building Pj	1.55	15,406.73
IDA	Rural Financial Services Project	1.44	14,290.47
<b>LOANS TOTAL</b>		<b>6.03</b>	<b>59,885.41</b>
ADF	Institutional Support for Two Ministries Pj	0.18	1,750.70
ADF	Inst. Support to Min. of Fin & Econ. Plann.	0.01	103.57
CANADA	Ghana Canada Pg Support	0.31	3,038.63
CANADA	Paliamentary Committee Support Pj II	0.73	7,261.73
CANADA	Policy Suupport Unit Ghana III	0.04	390.93
CANADA	Ghana Program Support Unit Ph IV	0.56	5,546.10
CANADA	Food Security Services Pj	0.21	2,134.44
CANADA	Ghana Advisory services project	0.51	5,094.76
UKG	CSPiP PH II	0.01	49.96
UKG	Rural Livelihoods Coordinator	0.02	198.75
UKG	IPPD II Deployment Pj (Tech asst.)	0.01	116.41
FRNG	Projects Preparation Fund V	0.06	580.41
FRNG	Study Related to AFD Project	0.20	2,020.95
EU	Techical Cooperation Facility	0.51	5,090.43
EU	Mapping and Monitoring System for Develop	0.22	2,212.52
EU	6th Micro Project	8.78	87,251.94
Germany	Studies and Experts Fund IV	0.07	671.90
FRG	SPEED	0.14	1,377.81
FRG	RUTIPP	0.52	5,184.36
FRG	Studies and Experts Fund III	0.23	2,314.83
GTZ	RMS	0.01	131.40
GTZ	Support to KAIPTC	0.01	66.87
UNDP	Institutional Strengthening Phase V	0.03	257.71
<b>GRANT TOTAL</b>		<b>13.37</b>	<b>132,847.11</b>
<b>TOTAL</b>		<b>19.39</b>	<b>192,732.52</b>
<b>MINISTRY OF HEALTH</b>			
ADF	Health Services Rehab Project III (XEU)	0.11	1,101.79
ADF	Health Services Rehab Project III jpk	0.03	308.54
KBC	Clinical Lab Improvement Project	0.40	3,957.62
BELG	Clinical Lab Improvement Pj.	1.03	10,270.50
BADEA	Bolgatanga Hospital Rehabilitation Pj	0.30	2,939.57
IDA	2ND Health Sector Program Support Proj	1.61	16,043.47
IDA	Multi Sector HIV/AIDS Proj	1.24	12,349.41
NDF	Health Sector Support Proogram	0.14	1,428.02
BMH	Gushiegu District Hospital Project	6.08	60,438.51
BMH	District Dental Facilities Project	0.43	4,299.56
OPEC	Second Rural Health Services Pj. (OPEC)	0.12	1,189.69
SPAG	Medical Equipment Supply-Korle Bu & KATH	0.04	388.79
<b>LOANS TOTAL</b>		<b>11.54</b>	<b>114,715.46</b>
DENMARK	Health Sector Support Programme II	7.38	73,297.92
DKG	HIV/AIDS NSF II Basket	0.45	4,424.11
Netherlands	Gushiegu District Hospital	1.33	13,211.99
UKG	HIV/AIDS	0.65	6,444.94
UKG	Multi Sector HIV/AIDS Grants 2006(MSHAP)	1.37	13,581.58
UNDP	Health III Programme	0.04	431.79
USAID	Improved family health	9.90	98,378.91
USAID	Reduce Transmission & impact of HIV/AIDS	5.10	50,680.08
WB	Health Sector Support Pj	0.67	6,692.05
<b>GRANT TOTAL</b>		<b>26.88</b>	<b>267,143.37</b>
<b>TOTAL</b>		<b>38.43</b>	<b>381,858.83</b>
<b>MINISTRY OF DEFENCE</b>			
UNDP	Armed Violence and Small Arms Reduction	0.12	1,145.01
<b>GRANT TOTAL</b>		<b>0.12</b>	<b>1,145.01</b>

<b>Appendix16: Disbursements of Project Loans and Grants by Creditor/Donor and MDA, 2006</b>			
<b>Creditor / Donor</b>	<b>Project Title</b>	<b>Total</b>	
		<b>Million dollars</b>	<b>Million cedis</b>
<b>MINISTRY OF INTERIOR</b>			
UNDP	Strengthening National Mechanisms for Con	0.22	2,213.43
<b>GRANTS TOTAL</b>		<b>0.22</b>	<b>2,213.43</b>
<b>TOTAL</b>		<b>0.22</b>	<b>2,213.43</b>
<b>MINISTRY OF LANDS &amp; FORESTRY</b>			
ADF	Community Forestry Management Project 'XE	0.59	5,839.41
GERMANY	Land Administration Project	0.34	3,402.74
IDA	Land Administration Project	2.64	26,260.15
<b>LOANS TOTAL</b>		<b>2.62</b>	<b>26,019.37</b>
GERMANY	Forestry Protection Pg(V/R)	1.33	13,211.38
EU	Protected Area Dev,t Ph II	0.21	2,106.35
IDA	Forest Biodiversity/Natural Resource Mgt.	1.01	10,045.12
IDA	Northern Savanna Biodiversity con	1.47	14,627.18
<b>GRANTS TOTAL</b>		<b>4.02</b>	<b>39,990.03</b>
<b>TOTAL</b>		<b>7.59</b>	<b>75,402.90</b>
<b>MINISTRY OF LOCAL GOVERNMENT &amp; RURAL DEVELOPMENT</b>			
FRG	District Towns IV	4.22	41,965.06
FRNG	Community Based Rural Dev't Pj	1.95	19,421.30
ADF	Rural Entrepreneurs Pj JPK	0.09	934.67
ADF	Rural Entrepreneurs Pj XEU	0.18	1,767.24
ADF	Rural Entrepreneurs Pj USD	0.34	3,370.23
ADF	Urban Poverty Reduction Project <USD>	0.77	7,659.15
IDA	Small Town Water SS & Sanitation Project	4.69	46,558.95
IDA	Community Based Rural Devt.	10.49	104,273.33
NDF	Urban V Project	0.56	5,580.34
NDF	Urban Environment Sanitation Proj. II	1.02	10,156.44
OPEC	Second Poverty Reduction Proj	0.70	6,940.45
IFAD	Rural Enterprise Project Project II	0.67	6,670.88
<b>LOANS TOTAL</b>		<b>25.69</b>	<b>255,298.03</b>
CANADA	District Capacity Building	0.74	7,365.23
CANADA	District Wide Assist. Pj	3.06	30,395.31
CANADA	Community Driven Initiatives in Food Securit	0.64	6,333.03
CANADA	Rural Entrepreneurs	0.21	2,122.70
IDA	Community Based Inte. Nat. Resource Mgt.	0.07	695.31
FRG	LGPRSP	1.06	10,544.25
UNDP	Sustainable Rural Livelihoods	0.08	835.26
USAID	Support Demo. Local Govt. and Decent. (GA	0.45	4,441.96
USAID	Strengthen Civil Society ( GAIT II)	1.00	9,937.27
FRG	District Towns III	0.03	298.12
<b>GRANT TOTAL</b>		<b>7.34</b>	<b>72,968.44</b>
<b>TOTAL</b>		<b>33.03</b>	<b>328,266.46</b>
<b>MINISTRY OF MINES</b>			
NDF	Mining Sector Developmen & Envt Project	0.02	218.99
<b>LOANS TOTAL</b>		<b>0.02</b>	<b>218.99</b>
EU	Mining Sector Support Programme	7.16	71,144.48
<b>GRANT TOTAL</b>		<b>7.16</b>	<b>71,144.48</b>
<b>TOTAL</b>		<b>7.18</b>	<b>71,363.47</b>
<b>MINISTRY OF NATIONAL DEVELOPMENT PLANNING COM.</b>			
IDA	Community-Based Poverty Reduction Proj	0.14	1,376.24
<b>LOANS TOTAL</b>		<b>0.14</b>	<b>1,376.24</b>
UKG	GPRS Monitoring and Evaluation	0.05	491.88
<b>GRANT TOTAL</b>		<b>0.05</b>	<b>491.88</b>
<b>TOTAL</b>		<b>0.19</b>	<b>1,868.12</b>
<b>OFFICE OF GOVERNMENT MACHINERY</b>			
CANADA	Central Governance project	0.49	4,883.51
GERMANY	Good Governance progamme	0.73	7,289.41
DENMARK	Good Governance progamme	2.08	20,648.09
UKG	Gov't research and advoc program	0.08	813.33
UKG	Drivers of Change	0.02	208.37

<b>Appendix16: Disbursements of Project Loans and Grants by Creditor/Donor and MDA, 2006</b>			
<b>Creditor / Donor</b>	<b>Project Title</b>	<b>Total</b>	
		<b>Million dollars</b>	<b>Million cedis</b>
UKG	Support to SMO	0.03	296.00
IDA	Traditional Authorities Pj	0.87	8,608.70
<b>GRANT TOTAL</b>		<b>4.30</b>	<b>42,747.42</b>
<b>TOTAL</b>		<b>4.30</b>	<b>42,747.42</b>
<b>AUDIT SERVICES</b>			
EU	Support of Ghana Audit Service	0.04	355.13
<b>GRANT TOTAL</b>		<b>0.04</b>	<b>355.13</b>
<b>MINISTRY OF PRIVATE SECTOR</b>			
ITALY	Private Sector Dev't Fund	1.95	19,391.78
<b>LOANS TOTAL</b>		<b>1.95</b>	<b>19,391.78</b>
DENMARK	Private Sector programme	0.64	6,403.44
DENMARK	Business sector programme	1.85	18,335.65
FRG	Promoting Private Sector	0.30	2,947.36
USAID	Competiveness of Ghanaian PS in World Ma	3.09	30,696.23
UNDP	Agenda for Growth	0.08	760.10
<b>GRANTS TOTAL</b>		<b>5.95</b>	<b>59,142.78</b>
<b>TOTAL</b>		<b>7.90</b>	<b>78,534.56</b>
<b>MINISTRY OF RAILS, PORTS &amp; HARBOURS</b>			
NETHERLANDS	2 Tugboats - GPHA	0.27	2,716.47
<b>LOANS TOTAL</b>		<b>0.27</b>	<b>2,716.47</b>
<b>TOTAL</b>		<b>0.27</b>	<b>2,716.47</b>
<b>MINISTRY OF ROADS &amp; TRANSPORT</b>			
ADF	Tetteh Quarshie Mamfe Road	6.72	66,793.81
ADF	Anyinam-Kumasi Rd Construction-XEU	0.20	1,990.87
ADF	Nsawam Apedwa Rd Pj	0.00	2.21
ADF	Tetteh Quarshie Circle - Mamfe Road Pj-USI	0.97	9,620.95
ADF	Tetteh Quarshie Circle - Mamfe Road Pj-JPK	1.13	11,230.61
ING Bank	Delivery of 150 DAF City Buses Pj	1.94	19,259.59
BADEA	Rehab. of Transport Sector 2nd Prog. Pj.	0.12	1,232.37
FRG	Rehab of Tema-Sogakope Rd.	6.19	61,533.13
FRG	Rehab. of Sogakope Akatsi Road Pj	0.18	1,783.95
FRNG	Impt. Of Urban Roads & Wood Mkt. in Kumasi	0.04	360.93
FRNG	Construction of Rural Bridges	0.11	1,076.72
CMBK	Supply of 63 Buses & Spare parts Pj	1.90	18,917.58
SARG	Tetteh Quarshie Mamfe Road	0.05	473.87
IDA	Road Sector Development Project	46.25	459,613.99
OPEC	Aniyinam -Kumasi Road Rehab. "USD"	0.22	2,225.59
OPEC	Accra Tema Rail Rehab.	1.60	15,850.60
NLDG	Sefwi-Wiaso Road Rehabilitation	2.27	22,591.94
RABO BANK	Const. of Mudula Steel Truss Bridges	2.05	20,353.05
<b>LOANS TOTAL</b>		<b>71.94</b>	<b>714,911.76</b>
EU	Transport Infrastructure Project	9.75	96,856.69
EU	Feasibility & Design for Tec.	0.15	1,475.68
GERMANY	Road Sector Adjustment Pg	5.14	51,036.82
UKG	Rural Feeder Roads	3.48	34,573.42
FRG	Rehabilitation of Road Tema-Sogakope	5.29	52,539.65
DENMARK	Road Sector Programme II	2.40	23,818.05
<b>GRANTS TOTAL</b>		<b>26.19</b>	<b>260,300.32</b>
<b>TOTAL</b>		<b>98.14</b>	<b>975,212.07</b>
<b>MINISTRY OF TRADE &amp; INDUSTRIES</b>			
IDA	Trade and Investment Gateway Pj	0.86	8,547.79
<b>LOAN TOTAL</b>		<b>0.86</b>	<b>8,547.79</b>
UKG	Business Linkages	0.01	54.68
CAG	Ghana Partnership Support PJ	0.01	91.93
<b>GRANT TOTAL</b>		<b>0.01</b>	<b>146.61</b>
<b>TOTAL</b>		<b>0.87</b>	<b>8,694.40</b>
<b>MINISTRY OF COMMUNICATION</b>			
UNDP	Support to CIC Technology	0.08	802.60
UNDP	Promoting Technological Innovation	0.07	664.09

<b>Appendix16: Disbursements of Project Loans and Grants by Creditor/Donor and MDA, 2006</b>			
<b>Creditor / Donor</b>	<b>Project Title</b>	<b>Total</b>	
		<b>Million dollars</b>	<b>Million cedis</b>
<b>GRANT TOTAL</b>		<b>0.15</b>	<b>1,466.69</b>
<b>GHANA STATISTICAL SERVICE</b>			
IDA	Grant for Corp. Plan for Ghana Statistical se	0.04	397.49
<b>GRANTS TOTAL</b>		<b>0.04</b>	<b>397.49</b>
<b>NATIONAL COMMISSION ON CULTURE</b>			
EEC	Cultural Heritage and Local Dev't in Elmina	0.13	1,270.53
<b>GRANT TOTAL</b>		<b>0.13</b>	<b>1,270.53</b>
<b>MINISTRY OF WORKS &amp; HOUSING</b>			
BADEA	Tamale Storm Water Drainage Project	0.07	646.58
FRNG	Village Water Supply Prog. In N. Ghana	2.37	23,565.52
BMH	Odaw Drainage Improvement Wks	1.90	18,859.32
BMH	Kwanyaku Water Treatment Plant Rehab & E	6.45	64,114.95
BMH	Baifikrom Water Supply Pj	3.37	33,464.95
KFED	Korle Lagoon Ecological Restoration Pj.	0.29	2,868.55
ING Bank	Tamale Water Supply Pj	5.76	57,250.36
ING Bank	Cape Coast Water Supply Project	3.29	32,658.09
ING Bank	Cape Coast Water Supply Project	0.24	2,414.48
EXIM	Const. of Presidential Palace & Offices	11.14	110,728.90
<b>LOANS TOTAL</b>		<b>34.88</b>	<b>346,571.70</b>
CANADA	Northern Region water and sanitation pj	2.13	21,212.36
CANADA	Hydrogeological Assessment Pj	0.37	3,714.95
DENMARK	Water Sector Support Programme	5.71	56,774.93
EU	Rural Water SS. and Sanitation N/R	2.37	23,515.97
GERMANY	Rural Water Supply III	0.77	7,633.29
GERMANY	Rural Water Supply IV(AM)	0.06	640.49
GERMANY	Rural Water Supply IV	0.25	2,487.41
GERMANY	Rural Water Supply III (BM)	0.31	3,033.98
GERMANY	EVORAP	0.01	113.61
USAID	Improve Access to Water	0.60	5,982.23
IDA	Urban Water Project	10.59	105,281.34
ADF	Rural Water Supply and Sanitation Initiative	0.51	5,049.71
ADF	Accra Sewerage Improvement Study II	1.31	12,969.55
UKG	WSIP	0.10	947.86
<b>GRANT TOTAL</b>		<b>25.28</b>	<b>251,186.13</b>
<b>TOTAL</b>		<b>58.15</b>	<b>577,843.56</b>
<b>MULTISECTOR</b>			
DFID	Various Projects	14.70	146,112.12
<b>GRANT TOTAL</b>		<b>14.70</b>	<b>146,112.12</b>
<b>GRAND TOTAL</b>		<b>383.45</b>	<b>3,810,465.76</b>
<b>GRAND TOTAL - LOANS</b>		<b>205.40</b>	<b>2,041,134.84</b>
<b>GRAND TOTAL - GRANTS</b>		<b>178.05</b>	<b>1,769,330.92</b>

**APPENDIX 19A :GHANA ROAD FUND  
INCOME AND EXPENDITURE STATEMENT  
For End Year 31st December, 2005**

	<b>2005</b>	<b>2004</b>
<b>Income</b>	<b>¢ ' 000</b>	<b>¢ ' 000</b>
Fuel Levy	989,569,250	710,368,522
Ghana Highway Tolls	16,389,374	15,575,189
International transit Fees	10,021,220	9,138,540
DVLA Fees	32,761,040	30,292,932
Operational Income	1,048,740,884	765,375,183
Provisional for Doubtful Debts	<b>(7,448,400)</b>	<b>(5,016,600)</b>
Interest Received	3,886	13,518
Sub-Total	<b>1,041,296,370</b>	<b>760,372,101</b>
<b>Less: Expenditure</b>		
Ghana Highway Authority	355,886,420	364,086,250
Department of Urban Roads	334,409,030	255,411,460
Department of Feeder Roads	182,747,622	178,224,900
	35,862,780	23,270,992
Sub- Total	<b>908,905,852</b>	<b>820,993,602</b>
Other Expenditure -Toll Booth	66,337	27,262
SSNIT Loan Interest	40,249,914	9,162,329
Bank Charges	215,003	442,729
Sub-Total	<b>949,437,106</b>	<b>830,625,922</b>
Deficit/Surplus to Accumulated Fund	<b>91,859,264</b>	<b>(70,253,821)</b>
<b>Accumulated Fund</b>		
Balance brought forward 1 January , 2005	<b>(161,728,327)</b>	<b>(91,474,506)</b>
Deficit-Income & Expenditure	91,859,264	<b>(70,253,821)</b>
<b>Total</b>	<b>(69,869,063)</b>	<b>(161,728,327)</b>

Source:

Audited Accounts of Ghana Road Fund, Report and financial Statements 31st December, 2005

**APPENDIX 19B: SOCIAL SECURITY AND NATIONAL INSURANCE TRUST  
INCOME AND EXPENDITURE STATEMENT  
For End Year 31st December, 2005**

	<b>2005</b>	<b>2004</b>
<b>Income</b>	¢ ' Million	¢ ' Million
Contributions Received	1,905,767	1,632,531
Investment Income	765,619	817,443
Other Income	12,119	41,850
<b>Sub- Total</b>	<b>2,683,505</b>	<b>2,491,824</b>
<b>Expenditure</b>		
<b>Benefits Paid</b>		
Pensions	630,240	447,351
General & Administrative Expenses	401,033	369,163
<b>Sub-Total</b>	<b>1,031,273</b>	<b>816,514</b>
Surplus of Income Over Expenditure	1,652,232	1,675,310
Transfer to NHIS	(272,252)	(233,219)
Increase in Fund Position	-	1,479,700
<b>Sub-Total</b>	<b>1,379,980</b>	<b>1,442,091</b>
<b>MOVEMENT OF NET ASSETS</b>		
Surplus of Income Over Expenditure	1,379,980	1,442,091
Net Decrease (Increase) In the Value of Investments	(868,032)	1,123,119
<b>Net Current Year Movement</b>	<b>511,948</b>	<b>2,565,210</b>

Source:

Audited Accounts of Social Security and National Insurance Trust, Report and financial Statements 31st December, 2005



**APPENDIX 19 C : DISTRICT ASSEMBLIES COMMON FUND  
INCOME AND EXPENDITURE STATEMENT  
For End Year 31st December, 2005**

	<b>2005</b>	<b>2004</b>
<b>Income</b>	¢ 'Million	¢ 'Million
Releases from MoFEP	701,917.00	857,172.00
Other Income	13,813.88	9,146.88
<b>Sub-Total</b>	<b>715,730.88</b>	<b>866,318.88</b>
<b>Expenditure</b>		
Releases to District Assemblies	550,855.44	755,459.36
Releases for Constituency Projects	34,820.88	42,858.60
Releases to Regional Coordination Council	17,547.93	21,429.30
Reserve Fund Expenditure	15,879.81	28,815.56
Staff Training Expenditure	11,230.67	15,429.10
Electricity Expenses	-	-
Monitoring Expenses	1,529.54	585.05
Sanitation Fund Expenses	70,191.70	-
Financial Costs	193.55	161.27
Other costs	11,903.56	5,086.10
<b>Sub-Total</b>	<b>714,153.08</b>	<b>869,824.34</b>
<b>Net Balance for the Year</b>	<b>1,577.79</b>	<b>(3,505.46)</b>

Source:

Audited Accounts of District Assemblies Common Fund , Report and financial Statements 31st December, 2005

**APPENDIX 19D : GHANA EDUCATION TRUST FUND  
INCOME AND EXPENDITURE STATEMENT  
For End Year 31st December, 2005**

	<b>2005</b>	<b>2004</b>
	¢ 'Million	¢ 'Million
<b>Income</b>		
Investment Income	10,176	5,590
Other Income	22	86
Sub-Total	10,198	5,676
<b>Expenditure</b>		
Procurement & Project Management Services	300	1,335
General & Administration Expenses	5,605	4,446
Sub -Total	5,905	5,781
Surplus (deficit) for the year transferred to Accumulated Fund	4,293	(105)
Balance at 1st January	157,933	79,421
Prior year adjustment	(148,459)	(69,842)
Balance restated	9,474	9,579
Surplus (deficit) for the year transferred from income statement	4,293	(105)
Balance at 31st December	13,767	9,474

Source:

Audited Accounts of Ghana Education Trust Fund , Report and financial Statements 31st December, 2005

**APPENDIX 8: HIPC Allocations for 2007 (¢ million)**

<b>Activity Areas</b>	<b>Sectors</b>	<b>Amount</b>
Sanitation, St. and House Numbering	Local Government	110,000
Water, Guineaworm	Water Res, Wks & Hsing	10,000
Upgrading SSS	Education	45,000
KATH, Exemptions, ortho Centre	Health	95,000
Afforestation Programme	Lands & Forestry	90,000
Tractors	Food & Agriculture	174,000
ECG, SHEP 4	Energy	350,000
Affordable Housing, Drainage	Water Res, Wks & Hsing	150,000
District Indus. Programme	Trade, Industry & PSD	138,000
NYEP, LEAP	Manpower Youth & Employment	100,000
Feeder Roads	Roads	25,000
Community Infor. Centre	Communications	20,000
Tourism	Tourism	10,000
BPEMS	MOFEP	60,000
Ankaful Prisons + others	Interior	50,000
Justice	Justice	10,000
	<b>Grand Total</b>	<b>1,437,000</b>

**APPENDIX 8: HIPC Allocations for 2007 (¢ million)**

<b>Activity Areas</b>	<b>Sectors</b>	<b>Amount</b>
Sanitation, St. and House Numbering	Local Government	110,000
Water, Guineaworm	Water Res, Wks & Hsing	10,000
Upgrading SSS	Education	45,000
KATH, Exemptions, ortho Centre	Health	95,000
Afforestation Programme	Lands & Forestry	90,000
Tractors	Food & Agriculture	174,000
ECG, SHEP 4	Energy	350,000
Affordable Housing, Drainage	Water Res, Wks & Hsing	150,000
District Indus. Programme	Trade, Industry & PSD	138,000
NYEP, LEAP	Manpower Youth & Employment	100,000
Feeder Roads	Roads	25,000
Community Infor. Centre	Communications	20,000
Tourism	Tourism	10,000
BPEMS	MOFEP	60,000
Ankaful Prisons + others	Interior	50,000
Justice	Justice	10,000
	<b>Grand Total</b>	<b>1,437,000</b>

**APPENDIX12: Revised 2006 MDRI Allocations**

Ministry/Institution	Item	Amount ₵'000	Class
<b>Private Sector Competitiveness</b>			<b>Poverty Reduction</b>
Food & Agriculture	400 tractors & accessories	109,752,000.00	109,752,000.00
Ministry of Energy	a. VRA Generator Equipment	182,920,000.00	
	b. ECG Prepaid Meters	91,460,000.00	91,460,000.00
	c. SHEP 4	36,584,000.00	36,584,000.00
		<b>310,964,000.00</b>	
Ministry of Harbours and Railways	Extension of rail line to Tema Port etc	73,168,000.00	
Ministry of Tourism and Diasporean Relations	Joseph Project & Others	54,876,000.00	
Ministry of Water Resources, Works & Housing	c. Kpone, Kumasi, Tamale, K'dua Affordable Housing + Keta Sea Defence Resettlement	60,000,000.00	60,000,000.00
	d. Tamale Storm Drainage	7,680,400.00	7,680,400.00
	e. Guinea worm Eradication	2,743,800.00	2,743,800.00
		<b>70,424,200.00</b>	
Ministry of Transportation	Trunks Roads - Tetteh Quarshie- Adenta, Achimota Ofankor, Asankragua, Bamboi-Tinga & Feeder Roads	411,570,000.00	
<b>HUMAN RESOURCE DEVELOPMENT</b>			
Education, Science & Sports	Upgrading of SSS	27,438,000.00	27,438,000.00
Health	Exemptions, Bridging for loss of SWAP Fund	91,460,000.00	91,460,000.00
<b>GOOD GOVERNANCE</b>			
Office of Government Machinery	50th Independence Anniversary*	182,920,000.00	45,730,000.00
Finance & Economic Planning	Subsidy to VRA, Revol.Fund, WAGP, NYEP, Contingency	361,267,000.00	334,785,000.00
	Equity GLAHCO	22,865,000.00	
		<b>384,132,000.00</b>	
Information & National Orientation	Communication Strategy	27,438,000.00	27,438,000.00
Justice	Upgrading of training, NRC	27,438,000.00	27,438,000.00
Judicial Service	Construction & Upgrading of commercial courts	36,584,000.00	
Office of Parliament	Legislations (Chamber, Offices)	64,022,000.00	64,022,000.00
Interior	a. Police Service	18,292,000.00	18,292,000.00
	b. Border Patrol	109,752,000.00	
		<b>128,044,000.00</b>	
<b>Total MDRI</b>		<b>2,000,230,200.00</b>	<b>944,823,200.00</b>

<b>sification</b>
<b>Growth Enhancing</b>
182,920,000.00
73,168,000.00
54,876,000.00
411,570,000.00
137190000
26,482,000.00
22,865,000.00
36,584,000.00
109,752,000.00
<b>1,055,407,000.00</b>

**APPENDIX14: MDRI DEBT RELIEF FOR IDA & AFDF (MIL OF US\$)**

<b>YEAR</b>	<b>AFDF</b>	<b>IDA</b>	<b>TOTAL</b>
2007	5.88	49.30	55.18
2008	6.01	52.50	58.51
2009	6.28	55.90	62.18
2010	6.39	60.60	66.99
2011	6.79	67.20	73.99
2012	7.25	73.10	80.35
2013	13.67	76.40	90.07
2014	14.44	78.60	93.04
2015	13.30	80.50	93.80
2016	13.22	82.30	95.52
2017	13.31	83.90	97.21
2018	13.79	84.20	97.99
2019	14.43	83.50	97.93
2020	12.89	83.40	96.29
2021	13.41	99.80	113.21
2022	13.93	136.30	150.23
2023	13.88	161.70	175.58
2024	14.76	165.90	180.66
2025	14.66	164.40	179.06
2026	14.56	162.00	176.56
2027	14.47	156.60	171.07
2028	14.38	147.20	161.58
2029	14.28	135.70	149.98
2030	14.18	122.80	136.98
2031	14.09	105.80	119.89
2032	13.99	87.30	101.29
2033	13.89	72.20	86.09
2034	12.73	60.40	73.13
2035	12.08	49.00	61.08
2036	11.01	36.30	47.31
2037	10.54	25.60	36.14
2038	10.08	19.00	29.08
2039	9.73	14.70	24.43
2040	9.38	10.90	20.28
2041	8.77	7.00	15.77
2042	7.87	4.00	11.87
2043	5.81	1.90	7.71
2044	5.77	0.50	6.27
2045	5.73	-	5.73
2046	5.68	-	5.68
2047	5.39	-	5.39
2048	4.51	-	4.51
2049	3.39	-	3.39
2050	3.36	-	3.36
2051	2.45	-	2.45
2052	1.52	-	1.52
2053	1.45	-	1.45

**469.38**

**2,958.40**

**3,427.78**



**APPENDIX15: EXPECTED DEBT RELIEF FOR 2007 (HIPC & MDRI)**

<b>CREDITOR</b>	<b>HIPC</b>		<b>MDRI</b>		<b>TOTAL</b>
	<b>US\$ (million)</b>	<b>CEDI (billion)</b>	<b>US\$ (million)</b>	<b>CEDI (billion)</b>	<b>US\$ (million)</b>
TOTAL	236.74	2,210.87	171.18	1,598.63	407.92
MULTILATERAL	146.02	1,363.64	171.18	1,598.63	317.82
o/w IDA	60.3	563.14	49.3	460.4	109.6
o/w ADF	15.59	145.59	5.88	54.91	21.47
o/w IMF	65	607.04	116	1,083.32	181
OTHERS	5.13	47.91	0	0	5.13
Bilateral (cologne)	90.72	847.23	0	0	90.72

<b>CEDI</b>
<b>(billion)</b>
3,809.50
2,962.27
1,023.53
200.5
1,690.36
47.91
847.23

## Appendix20: Commonwealth Governments Information

### The Start/End of Financial Year/Budget/Base Tax

No	Sep-06 Country	Financial Year Start/End	Month Budget is presented to Parliament	Corporate Tax Base (as at September)
1	Antigua and Barbuda			
2	Australia	1 July/30 June	May	30%
3	The Bahamas	30-Jun	May	-
4	Bangladesh	1 July/30 June	June	-
5	Barbados	1 April/March 31	January	25%
6	Belize			
7	Botswana	1 April/March 31	February	25%
8	Brunei Darussalam	1 April/March 31	February/March	30%
9	Cameroon	1 January/31 Dec	November	38%
10	Canada	1 April/March 31	February	-
11	Cyprus	1 Sept / 31 Dec	September	10%
12	Dominica	Calendar Year	November	31%
13	Fiji Islands	Jan/December	November	32%
14	The Gambia	Jan/December	November	30%
15	Ghana	Jan/December	November	25%
16	Grenada			
17	Guyana			
18	India	1 April/March 31	28-Feb	
19	Jamaica	April/March	April	33.1/3%
20	Kenya			
21	Kiribati			
22	Lesotho	April/March	April	30%
23	Malawi	June / July	May	30%
24	Malaysia	Jan /Dec 31	Sept. / Oct	28% (06) 27% (07) 26% (08)
25	Maldives	31-Dec	November	No Corporate Profit Tax
26	Malta	1 January/31 Dec	Oct-06	Company Tax 35%
27	Mauritius	1 July /30 June	June	22.5% (06), 20% (07) 17.5% (08) 15% (09)
28	Mozambique	1 January/31 Dec	September	32%
29	Namibia			
30	Nauru*			
31	New Zealand	1 July /30 June	May	33%
32	Nigeria	1 January/31 Dec	Sept / Oct	30%
33	Pakistan	1 July /30 June	May/June	30%
34	Papua New Guinea	1 January/31 Dec	November	30% Corporate Tax
35	St. Kitts and Nevis	1 January/31 Dec	December	35%
36	St. Vincent and the Grenadines			
37	Samoa	1 July/30 June	May /June	27%
38	Seychelles			
39	Sierra Leone	1 January/31 Dec	October	30%
40	Singapore	1 April/March 31	February	20%
41	Solomon Islands			
42	South Africa	1 April/March 31	February	30%
43	Sri Lanka	1 January/31 Dec	November	30%
44	Swaziland	1 April/March 31	February	30%
45	Tonga			
46	Trinidad and Tobago			
47	Tuvalu			
48	Uganda	1 July/30 June	June	30%
49	United Kingdom	5-Apr	March/April	30%
50	United Republic of Tanzania	30 June /1 July	June	30%
51	Vanuatu	Jan/December	Nov/Dec	Not applicable
52	Zambia	1 January/31 Dec	January	30%

Source : Commonwealth Secretariat

## APPENDIX 21: Economic Indicators of Emerging Markets

	% change on year				Last 12 months, \$bn							
	GDP		Industrial Production		Consumer Prices		Trade Balance		Current Account		Foreign Reserves* \$bn, latest	
China	+10.4	Q3	+16.1	Sep	+1.5	Sep	+14.6	Sep	+160.8	2005	987.9	Sep
Hong Kong	+5.2	Q2	+5.3	Q2	+2.1	Sep	-15.9	Sep	+18.6	Q2	130.3	Sep
India	+8.9	Q2	+9.7	Aug	+6.8	Sep	-42.0	Sep	-13.2	Q2	158.3	Sep
Indonesia	+5.2	Q2	+6.2	Aug	+6.3	Oct	+37.0	Sep	+4.1	Q2	40.8	Sep
Malaysia	+5.9	Q2	+5.0	Aug	+3.3	Sep	+28.0	Aug	+20.0	Q2	79.3	Sep
Pakistan	+6.9	2006	+13.0	Jul	+8.7	Sep	-12.6	Aug	-5.0	Q2	11.3	Aug
Philippines	+5.5	Q2	-7.0	Aug	+5.7	Sep	-4.1	Aug	+4.3	Jun	18.8	Sep
Singapore	+7.1	Q3	+7.6	Sep	+0.4	Sep	+33.7	Sep	+38.3	Q2	129.4	Sep
South Korea	+4.6	Q3	+16.3	Sep	+2.1	Oct	+14.9	Oct	+6.9	Sep	229.5	Oct
Taiwan	+4.6	Q2	+2.1	Sep	-1.2	Sep	+21.7	Sep	+20.6	Q2	261.6	Sep
Thailand	+4.9	Q2	+5.0	Sep	+2.8	Oct	-1.2	Sep	+3.7	Sep	60.0	Sep
Argentina	+7.9	Q2	+6.6	Sep	+10.4	Sep	+11.5	Sep	+7.4	Q2	26.3	Aug
Brazil	+1.2	Q2	+3.2	Aug	+3.7	Sep	+46.5	Oct	+13.3	Sep	70.8	Sep
Chile	+4.5	Q2	-2.6	Sep	+2.8	Sep	+20.0	Sep	+2.2	Q2	17.6	Sep
Colombia	+6.0	Q2	+12.5	Aug	+4.2	Oct	+0.7	Jul	-2.2	Q2	14.9	Sep
Mexico	+4.7	Q2	+5.8	Aug	+4.1	Sep	-5.3	Sep	-0.6	Q2	83.6	Aug
Peru	+9.2	Aug	+9.9	Aug	+2.0	Sep	+7.4	Aug	+1.3	Q2	14.5	Sep
Venezuela	+9.2	Q2	+7.8	Jul	+8.7	Oct	+37.2	Q2	+29.5	Q2	27.6	Aug
Egypt	+5.9	Q1	+4.0	2005	+9.6	Sep	-11.2	Q1	+2.1	Q1	22.9	Sep
Israel	+6.2	Q2	+8.1	Aug	+1.3	Sep	-7.5	Sep	+5.8	Q2	27.8	Sep
Saudi Arabia	+6.6	2005	na		+2.2	Jul	+126.5	2005	+90.7	2005	25.4	Aug
South Africa	+3.6	Q2	+4.2	Aug	+5.3	Sep	-7.6	Sep	-13.3	Q2	22.3	Sep
Czech Republic	+6.2	Q2	+7.4	Aug	+2.7	Sep	+1.7	Aug	-3.8	Q2	30.4	Sep
Hungary	+3.8	Q2	+9.0	Aug	+5.9	Sep	-3.1	Aug	-7.6	Q2	20.9	Sep
Poland	+5.5	Q2	+11.7	Sep	+1.6	Sep	-3.6	Aug	-6.6	Aug	46.7	Sep
Russia	+7.4	Q2	+4.1	Sep	+9.6	Sep	+142.3	Aug	+101.4	Q3	258.7	Sep
Turkey	+7.5	Q2	+4.8	Aug	+10.6	Sep	-51.4	Aug	+30.1	Aug	58.0	Aug
Ghana	+6.2	Q2		Sep	+10.8	Oct	-1821.7	Q3		Q3	2.0	Q3

Source: The Economist