

**IN THE THIRD SESSION OF THE SIXTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**



**REPORT OF THE COMMITTEE ON POVERTY REDUCTION
STRATEGY**

ON THE

IMPLEMENTATION OF THE

GHANA SHARED GROWTH AND DEVELOPMENT AGENDA (GSGDA),

2010 – 2013

2011

ANNUAL PROGRESS REPORT

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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

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THE UNIVERSITY OF CHICAGO
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1.0 INTRODUCTION

The 2011 Annual Progress Report on the Implementation of the Ghana Shared Growth and Development Agenda (GSGDA), 2010 – 2013 prepared by the National Development Planning Commission (NDPC), was laid in the House on 18th March, 2013 and referred to the Committee on Poverty Reduction Strategy for consideration and report in accordance with the Standing Orders of the House.

In order to consider the Annual Progress Report, the Committee invited Ministers and Chief Directors as well as Chief Executive officers of Ministries, Departments and Agencies that have been mentioned in the Report. Deputy Ministers represented Ministers who were unable to appear before the Committee. The Committee is most grateful to them.

2.0 REFERENCE DOCUMENT

The Committee referred to the following documents to consider the Report;

1. The 1992 Constitution
2. The Standing Orders
3. The Budget Statement for 2011
4. The 2011 Annual Progress Report on the Implementation of the Ghana Shared Growth and Development Agenda (GSGDA), 2009 – 2013
5. Recommendations made on the previous Annual Progress Reports especially 2010 and 2011.

3.0 SUMMARY OF THE REPORT

The 2011 Annual Progress Report (APR) provided an assessment of the implementation of policies and strategies outlined in the Ghana Shared Growth and Development Agenda (GSGDA), 2010–2013, during the year 2011. It is the second assessment of the progress of implementation of the GSGDA, and the tenth in the series of APRs prepared since 2003.

The overall goal of the GSGDA is to accelerate the growth of the economy with the view to creating more jobs, generating more incomes, and reducing poverty.

Policy measures identified to achieve this overall goal are prioritized in seven thematic areas, namely;

- Ensuring and sustaining macroeconomic stability,
- Enhanced competitiveness of Ghana's private sector,
- Accelerated agricultural modernization and sustainable natural resource management,
- Oil and gas development,
- Infrastructure and human settlements development,
- Human development, productivity and employment, and
- Transparent and accountable governance.

The 2011 APR presents the result of the assessment of the status of indicators and targets adopted for monitoring the progress of key policy and programme interventions undertaken in 2011. It also documents key policy measures and strategies implemented during the year to bring about the expected changes in these indicators.

The Report indicates what the various MDAs have done to ensure that the accelerated growth is achieved. These indicators were developed by the MDAs themselves based on their programme of work as presented to Parliament and approved

Out of a total of 315 indicators assessed, 36.8% achieved their targets in 2011 compared to 28.6% in 2010, while 20% made steady progress compared to 27.9% in 2010. The number of indicators which did not achieve their targets or recorded slow progress however increased from 23.8% in 2010 to 27.3% in 2011, while indicators without data declined from 19.7% in 2010 to 15.9% in 2011.

The Report indicates what the various Ministries, Department and Agencies (MDAs) have done to ensure that the intended growth as anticipated under the Budget for the 2011 fiscal year is achieved. As mentioned earlier the indicators were developed by the MDAs themselves and it is on this basis that the 2011 budget was prepared and presented to the House.

These targets were approved by Parliament and the MDAs were expected to achieve them.

5.0 OBJECTIVE

The objective of the referral is to assess and evaluate the progress of development made in 2011 in the various sectors of the economy and whether the targets set by MDAs have been achieved.

4.1 Methodology

The Committee resolved to discuss the issues in the Report under the broad thematic areas as classified in the GSGDA 2009 -2013 Annual Report.

Ministries, Department and Agencies whose work and activities fall under various thematic areas were invited to attend upon the Committee and account for the progress made towards achieving the relevant targets.

Each MDA made presentations and offered explanations preferred to questions asked in relation to the indicators/ issues raised. This was to assist the Committee comprehend the results achieved.

The Committee further resolved to report on matters that in its view should engage the attention of the House.

5.0 OBSERVATIONS

The Committee made the following observations during its consideration of the Report and has classified them into the thematic areas:-

A. ENSURING AND SUSTAINING MACROECONOMIC STABILITY

5.1 RELEVANT MINISTRY - MINISTRY OF FINANCE

5.1.1 Performance of the economy

A technical team led by the Deputy Minister for Finance, Hon. Monah Kabuki Quartey gave an account of the performance of the economy

The Deputy Minister informed the Committee that the economy was buoyant and preformed creditably. In 2011, the country chalked a lot of successes. Revenue performance was strong and robust. Revenue exceeded its target of 16.5 as it rather recorded 19.7 as a percentage of GDP.

The single digit inflation target achieved in 2010 was sustained in 2011 with a further reduction in point to point inflation from 9.1% in January to 8.6% in December and an average inflation rate from 10.4% in January to 8.7% in December of 2011. This led to relative stability in the exchange rate and marginal declines in interest rates

Total credit to the private sector increased but the share of credit to agriculture and manufacturing declined. Total trade in both volume and revenue increased in 2011, while international reserves improved to 3.2 months import cover.

The year under review recorded higher than expected revenue inflows; both tax and non-tax revenues recording increases. Government revenue attained a new level of 19.7% of GDP thus exceeding the year's target of 16.5%.

5.1.2 Gross Domestic Debt

One area where the target was not achieved was the Gross Domestic Debt. The target of 27.1% was not met, rather 20% was achieved. They attributed this to a shortfall in foreign financing; hence the Ministry therefore resorted to domestic debt.

The Nominal GDP target was US\$34 million but to US\$39 million was achieved. The increase was mainly attributed to the export of oil. As a consequence of the increment in the Nominal GDP, Per capita income was also exceeded. This results enabled the country qualify for the middle income status.

5.1.3 Real sector Growth rate

The Committee observed that as the result of the oil production, the target for Real Sector growth for industry of 37.2 % was exceeded to 41.1%. The target for Real Sector growth for agriculture saw a major

decline from 5.3% for 2010 to 0.87% for 2011. The decline was as a result of challenges faced in the sector mainly from drought.

The Deputy Minister informed the Committee that the actual GDP growth rate for 2011 was 15% and not 14% percent as captured in the Report.

5.1.4 Sustaining gains made over a period of time

The Ministry indicated that monitoring of the indicators would ensure that the gains are sustained.

The Deputy Minister however cautioned that the bulk of the nation's revenue come from international sources and these sources are volatile which sometimes impacted on the country's financial performance. However, the Ministry would manage and stabilize the expenditure side.

5.1.5 Release of funds to MDAs

The Committee informed the Finance Ministry about complaints of some MDAs concerning the late releases of funds which impacted negatively on their performance.

The Deputy Minister acceded to the delays. She however explained that the releases to the MDAs are made by the Controller and Accountant General's Department (CAGD) and are mainly based on the availability of funds. Therefore delays in inflows of revenue would normally affect the release of funds to the MDAs.

5.1.6 Donor Releases

The Committee noted that most MDAs are unable to access donor funding which form an important component of their respective budget.

The Deputy Minister for Finance acknowledged this and indicated that the Ministry had observed that the challenge was due to MDAs inability to meet the timelines and other stringent triggers of the donors.

The Deputy Minister also agreed that Donor resources should be properly aligned to the annual budget process, in addition to timely and consistent financial reporting of project achievements. This would enhance transparency and accountability in the management of donor resources and achieve the objective of "aid on budget" which is a key principle under the Paris Declaration on Aid effectiveness.

Recommendation

The Committee recommends that the Ministry of Finance should assist the MDAs meet these timelines and other stringent triggers of the donors.

5.1.7 Non availability of data

The Committee observed that key indicators such as discretionary expenditure as percentage of Total Expenditure, Wage Bill as a percentage of GDP, Debt Service/ Total Exports, among others were not provided to the NDPC for the compilation of the Report.

The Deputy Minister apologized for the omission and assured the Committee that the indicators were available and would ensure that they are sent to the NDPC.

5.1.8 Total Poverty Reduction Expenditure

The Report revealed that total expenditure on poverty reduction as a percentage of total expenditure for 2011 was 26%. The Committee was of the view that this percentage was low in view of the fact that 26% of the entire population (twenty-four million people) is believed to be living below the poverty line.

The Deputy Minister explained that the poverty expenditure included all government interventions such as Livelihood Empowerment against Poverty program, lifeline on electricity bills and subsidies, among others.

The technical team from the Ministry of Finance informed the Committee that the ability of Government to allocate more resources would depend on its commitments to other sectors of the economy. Currently there was a lot of pressure on the existing financial resources. Government needed to meet a lot of its commitments hence the inability of government to expand the allocation to cover poverty expenditure.

The Deputy Minister said the challenge was how to ensure that the poor actually benefited from the existing poverty interventions. The Ministry of Finance was therefore engaging stakeholders like PURC, NPA on modalities that would target the poor.

5.1.9 Monitoring of Poverty Expenditure

The Committee enquired if the Ministry of Finance had a monitoring desk for all poverty expenditure by the MDAs and also enquired on what measures the Ministry has put in place to ensure that funds released are spent on programmes has been approved

The technical team from the Ministry of Finance informed the Committee that the Ministry had a desk for policy issues relating to poverty and each ministry had a schedule officer tracking poverty related expenditure.

The Deputy Minister said the ministry had put in place a number of systems such as the GIFMIS and Oracle Hyperion software to control expenditure by the MDAs. She said that poverty expenditure was becoming less discretionary and more stringent. This would ensure that items budgeted for are actually expended on. She agreed with the Committee that there was the need to have officers/ambassadors whose

responsibility would be to track and report on all poverty expenditures to the Ministry. This would be the sure way to ensure that funds meant to mitigate poverty did not find its way to other areas.

Recommendation

The Committee urged the Ministry of Finance to set up a desk on poverty expenditure to monitor that expenditure. The Committee also directed the Ministry of Finance to submit quarterly reports on poverty expenditure to Parliament as approved.

5.1.11 Percentage of the Wage Bill

The Deputy Minister told the Committee that the wage bill as a percentage of total expenditure was 7.7%. The figure was higher than the target of 6.0%.

The increase was as a result of the Single Spine Salary Structure and its attendant teething problems, especially the accumulated arrears and wage increases.

She said in order to address issues relating to the wage bill, the Ministry had frozen employment to all sectors except the ministries of Health and Education. Payroll enhancing measures had also been put in place to ensure that personnel who are due for payment had been taken care of. These measures include electronic payment vouchers, payroll audit, and confirmation of staff by the head of the various institutions, among others.

5.1.12 Development of the Manufacturing Sector

The Committee observed that the annual growth rate for 2011 was 15%. This growth rate was mainly achieved as a result of the Oil production. However the indigenous manufacturing sector did not perform well.

The Ministry agreed with the Committee and indicated that the industry performance was low due to high interest rate and the energy problems.

Recommendation

The Committee recommends that the Ministry of Finance should come out with policies intended to drive the manufacturing sector in order create jobs for the people there was the need for.

The Committee urged the Ministry to implement policies that would lead to industry benefiting from the Oil find and not create a situation where the economy would be oil dependent. This in the committee's view would go a long way to reduce poverty.

5.2 RELEVANT AGENCY: BANK OF GHANA

5.2.1 Micro Finance

In a discussion on how Bank of Ghana regulates Borrowers and lenders in the country:

~~The Committee observed that there were several moneylending institutions in the country. Some of these institutions are not registered and they operate at remote areas targeting the rural poor with the intention of defrauding them. The Brong Ahafo Region was one of the areas identified where such schemes operate.~~

The Bank informed the Committee that it was aware of these illicit activities and was in the process of registering these types of financial institutions. The Bank was also working with Economic and Organized Crime Office (EOCO) to deal with the fraudsters operating in the country. It urged Ghanaians to check with the Bank on the registration/authenticity of these financial institutions before doing business with them.

Recommendation

The Committee recommends that the Bank of Ghana should sensitise the public on the need to deal with only registered financial institutions.

5.2.2 Lending rate

The Report revealed the interest rate spread for the year was 26.95% for 2011. It was found that the interest rate was high and may impact negatively on the cost of doing business in the country.

The Bank explained that in line with the liberalization of the economy, the Bank could not control the interest rate. It would however continue to engage the commercial banks on the issue.

B. ENHANCED COMPETITIVENESS OF GHANA'S PRIVATE SECTOR

5.3 RELEVANT MINISTRY: MINISTRY OF TRADE AND INDUSTRY

5.3.1 Overall performance

The Committee observed that the overall progress in this thematic area in 2011 was average. About 55% of the total number of indicators monitored either exceeded their target or made significant progress whilst 45% either did not achieve their respective targets or could not be assessed due to lack of data.

5.3.2 Ease of doing business

The Report revealed that in 2011, Ghana placed 63 out 183 countries with ease of doing business. The Minister for Trade and Industry assured the Committee that necessary steps were being taken to improve the ratings. He said these included a directive to Customs to expand their operations and soon would start

a twenty-four hour operation at the ports. Work was also on-going to find other ways to ease the process in doing business in the country. Most of these measures are aimed at reducing human interface. The Committee however noted that despite these interventions, businesses in the country continue to face challenges.

Recommendation

The Committee recommends to Government to do more to facilitate the business operations in the country.

5.3.3 Performance of Manufacturing Sector

The report revealed that the manufacturing value added share in GDP for 2011 was 6.7%.

The Minister for Trade and Industry agreed with the Committee that there was the need to increase the manufacturing share. He indicated that policies such as the Industrial Sector Support Policy (ISSP) and Private Sector Support Policy (PSSP) have been developed to address the issue.

The Minister however admitted that there was an apparent confusion on the two policies. There was therefore the need for clarity in the two policies. Other challenges facing the manufacturing sector included the uneven distribution of infrastructure across the country. This effects government support for the sector. He however assured the Committee that Government was taking the needed steps to support and encourage manufacturing throughout the country. This included setting up the small scale district industries across the country. Government had set up the Small and Medium Enterprises Fund to fund the SMEs. Government was further exploring other non-traditional products to further increase the total merchandise exports. This would help increase the country's export revenues.

The Committee observed that despite Government's efforts at improving the competitiveness of the private sector, the environment for doing business did not record significant improvement in 2011. Key challenges included low industry specific skills, inefficiencies in the labour market characterized and low ICT adoption rates to enhance productivity.

Recommendation

The Committee recommends that government should give more attention to MSMEs since they dominate the economy.

The Committee further recommends that Government should also direct its effort at removing structural bottlenecks associated with the development of MSMEs including poor access to long term financing, weak capacity, incompetence at the MSMEs level and uncoordinated public policy interventions.

5.4 RELEVANT MINISTRY: MINISTRY OF TOURISM

5.4.1 Target setting

The Report revealed that most of the targets set under the development of tourism were achieved. The Minister for tourism accepted the Committee's suggestion to set more challenging targets despite the fact that the Ministry is one of the least funded Ministries.

5.4.2 Promoting Domestic tourism

The Committee observed that promotion of domestic tourism in the country was very low. The Minister agreed to his observation and said that they were undertaking programs aimed at sensitizing and promoting local tourism. The Ministry was preparing to hold another paragliding event to whip up public interest. The Ministry would also continue to educate the public on the importance of domestic tourism and encouraging them to visit local tourism sites to attract investment to the industry.

5.4.3 Infrastructure to Tourist sites

The Minister informed the Committee that infrastructure at tourist sites are in deployable state especially roads leading to the sites and have negatively affected tourist attraction.

The Ministry had been liaising with other sector Ministries like the Ministry of Roads and Highways to maintain access roads. District Assemblies have also been encouraged to own these tourist sites and develop them. The Minister said they are the direct beneficiaries of the sites and assured the Committee that with the establishment of the Tourism Fund, selected tourist sites would be enhanced to attract more tourists.

The Minister informed the Committee that the Ministry was in discussions with the Ministry of Finance to review the unrealistic fees charged at tourist sites.

C. ACCELERATED AGRICULTURAL MODERNIZATION AND SUSTAINABLE NATURAL RESOURCE MANAGEMENT

5.5 RELEVANT MINISTRY: MINISTRY OF FOOD AND AGRICULTURE

5.5.1 Overall performance

Progress made in this thematic area was good; 65.6% of the indicators were achieved. Either the target was exceeded or the Ministry made significant progress in achieving them.

5.5.2 Reducing Production and Distribution Risks and Bottlenecks

The Report revealed that the targets set for the production of foundation seeds were not achieved.

The Ministry explained that it was largely as a result of drought and late releases of funds. In order to address the drought problem, Wienco was assisting the Ministry to construct irrigation facilities in some selected areas. Farmers whose farms are located near river bodies are also being encouraged to do model farming.

The Deputy Minister said efforts by Government to modernise agriculture need to include further investment in irrigation.

Recommendation

The Committee recommends that the Ministry should make irrigation a priority and sensitize farmers on the need to invest in irrigation in order to ensure increased agricultural productivity.

5.5.3 Tractor-Farmer Ratio

The Report revealed that the target for tractor-farmer ratio for 2011 stood at 1:1,500 farmers. The Deputy Minister said the required number of tractors in the country was 21,000. Currently, the total number of tractors was 6,000. He acknowledged that there was the need to address this weakness to ensure food sustainability. He assured the Committee that the Ministry was taking the needed efforts to address these concerns. He however called for re-prioritization of funds for agriculture to ensure that irrigation and tractors-farming were given the deserved attention as they are the drivers of agriculture production.

Recommendation

The Committee reiterates the recommendation that more resources should be allocated to support irrigation and procurement of tractors.

5.5.4 Importation of poultry products

The Committee was concerned about sustainable farming and promoting of home grown foodstuff especially livestock. It came to the fore that importation of livestock was increasing steadily and poultry products importation was the highest (86,372 MT imported per the Report).

The Deputy Minister explained that the Ministry had put in place measures to ensure that livestock importation was reduced whilst domestic supply was increased. He said it was now a policy that chicken importers were required to purchase a percentage of their imports locally. Further, a special poultry initiative had been established in Kumasi to help shore up domestic supply.

Recommendation

The committee recommended that the Ministry should pursue such measures aimed at promoting production of local foodstuff such as Rice in order to achieve self-sufficiency in the staple foods.

5.6 RELEVANT MINISTRY: MINISTRY OF LANDS AND NATURAL RESOURCES

5.6.1 Bauxite production

The Committee observed that despite the huge deposits of bauxite, the Ministry targeted only 500,000mt but could mine just 409,929mt for the year 2011.

The Minister explained that extraction was limited by haulage which is usually by road due to the poor rail network. This mode of transport also had an adverse impact on the roads. He recommended the construction of the rail system to help expand production of bauxite to feed other industries.

5.6.2 Minerals Development Fund

The Committee enquired whether the Ministry had set up the Minerals Development Fund.

The Minister said that the necessary document on the Fund had been submitted to Cabinet for approval. The Ministry was hopeful that (the Fund would be established) by the end of December, 2014 it would be in fruition.

5.6.3 Small Scale Miners

The Report revealed that the Ministry targeted a total of 950,000 workers for the small scale mining sector, out of which 400, 000 were legal miners. The turnout was 1,000,000workers out of which 450, 000 were legal miners.

The Committee further enquired whether these illegal miners were also contributing to the total minerals output and what the Ministry was doing about their welfare.

The Ministry confirmed that total output production was from both legal and illegal small scale miners and that the licenses as given to them to help to regulate their activities. It also helped the Ministry to know who was mining where and for them to be held accountable. The Minister assured the Committee that the Ministry would take steps to ensure that the illegal miners were licensed.

5.6.4 Non availability of Data

The Minister apologized for the non-availability of data for some of the indicators. He assured the Committee that the Ministry would submit the relevant data to NDPC.

5.6.5 Afforestation

The Minister informed the Committee that afforestation was being done by the Government. This would ensure that the state manages these projects for its success. He said sometimes the Ministry involves private developers to augment their efforts.

The Ministry has also adopted a system where the farmers were allowed to plant within the forest reserves catchment area until the canopies were formed and farming cannot continue.

5.6.6 Land title

The Committee expressed concern about delays in registration and acquisition of land title at the Lands title Registration Offices.

The Committee was informed that steps were being taken to ensure that people could easily and quickly register their lands. He explained that the Land title registry is being decentralized. The Ministry was also setting up Customary land Secretariat to protect and register customary lands. The time frame for the registration of land title had been reduced to two and a half months.

The Minister said he was confident that with these measures the bottlenecks in land registration would be eliminated.

D. OIL AND GAS DEVELOPMENT

5.7 RELEVANT MINISTRY: MINISTRY OF PETROLEUM

5.7.1 Performance of Oil Sector

The Report revealed that overall oil production in 2011 totalled 24, 195,895 barrels, after having increased steadily from the initial average rate of 45,000 barrels of oil per day in January 2011 to maximum average of 78,296 barrels per day. This resulted in crude oil contributing significantly to the remarkable growth of the mining and quarrying sub sector from 7.5% in 2010 to 225.4% in 2011.

As a result of the significant contribution of petroleum output to the mining and quarrying sector, the sub-sector's share of GDP increased from 1.8% in 2010 to 8.7% in 2011 with petroleum contributing 6.7% to GDP.

Ghana's share of the oil production in 2011 through lifting by GNPC amounted to 3,930,189 barrels from which an amount of US\$444.1 million was realised to the State. About 70% of Government's net receipts from the oil lifting amounted to US\$166.60million and went into the Annual Budget Funding Amount whilst 23.2% and 6.1% went into the Stabilization and Heritage Funds respectively.

The Deputy Minister informed the Committee that production at the Jubilee fields are going as scheduled and that in view of the recent discoveries; the FPSO II would be ready by the first quarter of 2016 to help increase production.

5.7.2 Development of Laws to regulate the Petroleum Industry

The Deputy Minister intimated that the laws intended for passage in 2011, particularly the Petroleum Commission Act, had been passed. The regulations and other policies the oil sector had seen some

development, one of such was the Local Content Legislative Instrument that was passed in 2011. He assured the Committee that the Ministry was doing what was required under the law to regulate the oil sector and ensure value addition.

5.7.3 Lack of Data for Local Content and Employment creation

The Report revealed that there was no data on local content. The Deputy Minister informed the Committee that 2011 marked the beginning of oil mining in commercial quantities.

~~The Committee noted that the indicators such as employment creation and local content were also not available. The Minister assured the Committee that the data for subsequent years were now available and would be made forth coming in the coming year's Report.~~

E. INFRASTRUCTURE AND HUMAN SETTLEMENTS DEVELOPMENT

5.8 RELEVANT MINISTRY: MINISTRY OF ROADS AND HIGHWAYS

5.8.1 Road crushes

The Report revealed that the Ministry's road crushes target for 2011 was 10,000 crushes. This was not met rather 10,887 was recorded.

The Ministry explained that some challenges in enforcement of laws and discipline were encountered. The Ministry however in the year under review undertook some road sensitization. Urban Roads Department also increased road markings and other road indicators.

The Ministry also supported the Police, Ambulance service and other road agencies to undertake advocacy on road safety.

The Ministry agreed with the Committee that Road campaign in the country was poor. He mentioned poor siting of speed reduction tools such as ramps, road signs, and traffic lights, among others that contribute to road crushes. The Ministry agreed with the Committee that crushes had been high and the Ministry assured the Committee they would do their best to reduce the accidents.

Recommendation

The Committee recommended that the Ministry should improve and increase the sensitization campaigns to ensure that road users are educated.

5.8.2 Road Network in the Country

The Report revealed that the Ministry targeted 1050km stretch of good roads, 1049km stretch of fair roads and 399km stretch of bad roads for the corridor highways in the country. However, only 940km stretch of good roads, 1050km stretch of fair roads and 509km stretch of bad roads for the corridor highways were recorded.

The Ministry explained that late releases of funds directly impacted on their ability to meet their targets.

The Ministry said even though, they were unable to meet their targets for the corridor highways, targets for road maintenance were exceeded. This was to ensure that the existing roads are properly maintained. Overall, the total length of roads maintained or rehabilitated in 2011 was estimated at 30,981.09kms representing 57% of the total maintenance, minor reconstruction and upgrading works required.

Recommendation

The Committee recommended that the Ministry of Finance should provide funding for the construction of these roads as scheduled.

5.8.3 Road Mix

The Report revealed that for 2011, the Ministry targeted a road mix of 47% good roads, 28% fair roads and 25% poor roads. However the Ministry was able to record 42% good roads, 28% fair roads and 30% poor roads. The Ministry attributed the failure to inadequate funds.

The Committee observed that the farm roads that are linking communities to towns especially from food producing areas become un-motorable during the raining season.

Recommendation

The Committee urged the Ministry to look critically at the roads and include them in their maintenance schedule.

5.8.4 Integrated Transport Plan

The Ministry informed the Committee that as part of its program to improve the road sector, the Ministry had developed the Integrated Transport Plan (ITP) which aims to build on the existing strategic framework and provide action plans to support the process of transport integration within the development agenda of the country. This hopefully, would address a number of concerns raised with respect to the transport sector including the traffic situations in the country.

The Ministry assured the Committee that the plan would soon be rolled out.

5.9 RELEVANT MINISTRY: MINISTRY OF TRANSPORT

5.9.1 Railway Services

The Report revealed that the Ministry targeted passenger and goods traffic of 48, 836.26 (in 1000 passengers –km), but 11,897 was recorded.

The Ministry explained that a number of reasons accounted for this. The rail service which covers Accra-Tema and Accra – Nsawam, had to be suspended for a month because of flooding. It was also suspended for another eleven days for maintenance works.

The technical team acknowledged that the target for 2011 on rail services was quite ambitious. The Service is not operational. It also does not charge commercial rates. Further, squatters and unauthorized structures have occupied its property and removing them has become a challenge.

The technical team informed the Committee that a proposal had been sent to Government including the issue of charging commercial rates. The Ministry informed the committee that the achievement of 11,897 that was recorded was not the actual and that the figure was 25,560.

Recommendation

The Committee therefore recommends that the State should prioritize the rail sector and support the Ghana Railway Development Authority to develop and operate the railway service in the country in order to address the existing traffic problems.

5.9.2 Railway Master Plan

The Ministry informed the Committee that a Railway Master Plan had been developed but the challenge was lack of funds to implement the Railway Master Plan.

5.9.3 Railway sector licensing regulations

The Ministry said Regulations for the rail sector had been drafted and finalized and in due course, it would be presented to Parliament for approval.

5.9.4 Port congestion

The Committee observed that the ports/harbours are faced with congestion.

The Ministry explained the congestion was caused by delays in clearing of goods from the ports. The ports also accommodated personnel from other agencies including CEPS and National Security. The activities of these agencies also contributed to the delays. The Ports Authority was making every effort to ensure that goods were cleared expeditiously.

Recommendation

The Committee recommends that there should be a stakeholder's forum with all the bodies at the ports to discuss the issues necessary for expediting clearing of goods at the harbours.

5.9.5 Aircraft Movement

The Report revealed that the target of 24,649 movements for 2011 was not achieved. Only 22,284 aircraft movement was recorded.

The Ministry explained that Egypt Air and Air Afrique suspended their flights to the country (the situation had now improved).

5.9.6 Cleanliness at the Airports

The Committee observed that the Airport was not kept as tidy as expected. Some of the air carriers were not conforming to the required aviation standard of cleanliness.

Recommendation

The Committee recommends that Civil Aviation Authority strengthens its supervision to ensure that airlines conform to the required hygiene/cleanliness standards.

5.9.7 High Cost of Air tickets

The Report revealed that the target for domestic passenger movement was exceeded. The Authority targeted 147,915 but recorded 199,073 indicating more people were patronizing domestic flights.

The Committee also expressed concern about high cost of the air tickets which has become a deterrent to people using the air carriers.

The Ministry acknowledged the issue and indicated that the Authority was working with the domestic airlines on it. However feedback from the airlines indicated that the cost of running the airlines was high and that reflected in the high cost of ticket.

5.10 RELEVANT MINISTRY: MINISTRY OF ENVIRONMENT

5.10.1 Research works

The Committee observed that a number of research work had been undertaken. However due to the poor interface with the public, patronage of these very relevant products from the Department had been low.

The Minister acknowledged the problem and informed the Committee that the Ministry would step up the commercialization of research works. The CSIR is currently mandated to commercialize their works. The Ministry tasked them to research into areas that would benefit the ordinary Ghanaian and to enrich users knowledge. The Ministry is up in arms fostering a direct relationship with industry and the research units. The intention is for Industry to drive research.

Recommendation

The Committee recommends that the Ministry should market their research materials so that the materials could be patronized.

5.10.2 Development of Guidelines

The Ministry informed the Committee that some guidelines had been developed to regulate various sectors of the country. The guideline on air pollution currently is before the Attorney-General whilst the guideline on motor pollution had been submitted to the Standards Authority for gazette

Recommendation

The Committee recommended that the development of these guidelines should be expedited to help regulate pollution in the country.

5.10.3 Poor Release of Funds

The Ministry informed the Committee that for 2011, no releases were made to the CSIR for research publications even though an amount of GH¢1.52 million was budgeted for. With respect to the Ghana Atomic Energy Commission, an amount of GH¢215,720 was budgeted for research however only GH¢18,151 was released.

As a result, most of the research undertaken was donor funded. The challenge is that some researches funded by donor agencies may not be appropriate for the country.

Recommendation

The Committee urges Government to provide appropriate funding for the research.

5.10.4 Patent of Research work

The Committee enquired whether the research works carried out in the country are being patented. The Ministry informed the Committee that research works are not patented. Due to this, researchers at the Agency patent their work in their names.

Recommendation

The Committee noted that without licensing these patents, the country would lose a lot of valuable research works to other countries and individuals.

The Committee therefore recommended that the Ministry should patent research works as a matter of urgency for preservation.

5.11 RELEVANT MINISTRY: MINISTRY OF ENERGY

5.11.1 Percentage of Households with electricity

The Report revealed that the Ministry had been making steadily progress in the extension of power to households as by the end of 2011, the Ministry has achieved the target of 82% which was set for 2015.

The Ministry informed the Committee that despite the achievement, it was installing mini-grid systems and renewable energy across the country to boost electricity supply. Further the Ministry had been distributing solar lamps. The Committee was assured the target would be achieved.

5.11.2 Power Outages

The Report revealed that the target for the average number of interruptions of power supply per year was not achieved. The Ministry targeted the number of interruptions for all areas not to exceed six periods and the duration not more than eight hours in a municipal area and twelve hours in a district area.

The Ministry explained that the outages for 2011 were mainly the result of the use of out-dated machines among others.

The Committee observed that the power outages had been frequent. Users of electricity have been complaining of destroyed home and other industrial appliances being destroyed as a result of this outage which adversely affects production and profit margins.

Recommendation

The Committee recommended that the Ministry should ensure that these outages were minimized. Further the citizenry should to be alerted of planned outages to enable them switch off their appliances in time to prevent damage and fire outbreaks.

5.12 RELEVANT MINISTRY: MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

5.12.1 Housing and Slum upgrades

The Report revealed that the Ministry did not provide data for a number of the indicators.

The Deputy Minister explained that the Ministry had done a lot of work on Housing. The Department of Rural Housing had developed prototypes which would soon be made available to the public. The Ministry was also putting up the cocoa housing Units using local materials. Most of these breakthroughs would help reduce the cost of housing in the country.

The Committee was told that data for the housing indicators was not compiled by the Ministry; it was rather compiled by the Ghana Statistical Service in their usual demographic surveys that are conducted over time. As a result, the Ministry was unable to provide these data unless those released by GSS.

Recommendation

The Committee was not happy with the response. It was of the view that without the data, it would be difficult to assess work done for which funding had been provided. It therefore directed the Ministry to submit to it and the NDPC any provisional figures so that the indicators can be measured.

5.13 RELEVANT MINISTRY: MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

5.13.1 Targets not achieved

The Report revealed that the targets for the following were not achieved:-

- Percentage of population with access to improved sanitation
- Number of improved sanitation facilities constructed by/ for households
- Accessibility to appropriate toilet systems

The Ministry explained that they had challenges with respect to sanitation but a lot was being done to address the issue. Currently the AMA was enforcing the bye-laws on the construction of toilet facilities in households. The general public had been encouraged to report households without toilet facilities.

~~The technical team from the Ministry of Local Government and Rural Development informed the~~
Committee that the Ministry had also encouraged the MMDAs to liaise with the Judiciary to have sanitation courts in their districts. Further, the Courts would fix days for hearing sanitation cases.

The technical team said that the management of public toilets had been an issue for the Ministry. It was therefore looking at the option of Public Private Partnership to assist manage these public toilets in the country.

Recommendation

The Committee recommends that the MMDAs should enforce all the bye laws on sanitation to ensure there was compliance

5.13.2 Schools with toilet facilities

The Report revealed that the targets for basic schools with improved toilet facilities were not achieved.

The Minister informed the Committee that the Ministry was constructing institutional latrines. Also ~~efforts were being made to ensure that all schools constructed toilet facilities within their premises and~~
that they should be girl-child friendly.

5.13.3 Disabled friendly schools

To a question whether schools had been directed to construct disabled friendly facilities on their campuses, the Minister assured the Committee that the directive was in place and would be enforced.

F. HUMAN DEVELOPMENT, PRODUCTIVITY AND EMPLOYMENT

5.14 RELEVANT MINISTRY: MINISTRY OF EDUCATION

5.14.1 Performance indicators

The Committee observed improvement in access to education at all levels during the 2011 academic year. The Gross Enrolment Ratio (GER) for children in the age group 4-5 years was observed to have increased from 97.3% during the 2009/10 academic year to about 98.4% during the 2010/11 academic year. Similarly GER at primary level increased by about 1.5% to level off at 96.4% in 2011, whilst GER for children in the age group 12-14 years in the Junior High School recorded a marginal increase of about 0.1% to reach 79.6%.

These improvements notwithstanding, the net enrolment ratio (NER) at the primary school and JHS levels continued to decline.

The Committee also observed improvement in growth in enrolment at the SHS level. In 2011, enrolment increased by 35.5% from 537,332 in 2009/10 academic year to 728,076 in 2010/11 academic year. Enrolment in both public universities and polytechnics also increased during the 2010/2011 academic year. That of the public universities increased by 7.7% from 107,058 in 2009/2010 to 115,346 in 2010/2011 academic year compared to 4% increase recorded in the 2009/2010 academic year. Also polytechnic enrolment increased by 2.1% from 46,079 to 47,049 during the same period compared to 19.2% increase recorded during the 2009/2010 academic year.

5.41.1 Improvement in the quality of education

To the dismay of the Committee, outcome indicators for education did not record the improvement commensurate with the improvement in access. The Basic Education Certificate Examination (BECE) pass rate declined from 62.47% in 2009/10 academic year to 59.45% in the 2010/11 academic year.

The Report further revealed that the percentage of trained teachers, however increased at all levels. That of the kindergarten level increased from 26.5% in 2009/10 to 38.8% in 2010/11, while at the primary level, the percentage of trained teachers increased from 47.6% in 2009/10 to 62.8% in 2010/11 with the Junior and Senior High School levels recording increases of 5% and 3.4% respectively.

Core textbook to pupil ratio declined from 1.6:1 during the 2009/10 academic year to 1.1 in 2010/11 academic year at the primary school level, whilst at the JHS level, it declined from 1.5:1 during the 2009/10 academic year to 0.9:1 in 2010/11 academic year.

The technical team from the Ministry informed the Committee that the Ministry had procured a lot of textbooks for both Senior and Junior High Schools. It had however come to its attention that some of the textbooks had found their way to the open market. The Ministry had therefore sought the assistance of National Security to address the matter.

Recommendation

The Committee recommends that the Select Committee on Education should be tasked to further look into the matter and report back to the House (In view of the importance of the matter)

5.14.2 Allowance for Trainees

The Committee noted that allowances for trainees had been withdrawn. The withdrawal manifested in hardship on campuses.

The Ministry informed the Committee that even though the allowances had been withdrawn, students were still fed by Government. Further, enrolment had gone up. The withdrawal of the allowances had enabled the Institutions to admit more teacher trainees in order to address the inadequate number of teachers in a number of schools.

5.14.3 Drop outs at the basic Levels

On the high rate of drop outs rates being experienced at the Junior High Level, the Ministry informed the Committee that the Ministry was looking at the matter and steps would be taken to address the issue.

Recommendation

The Committee recommends that the Ministry expedite its investigations quickly deal with the issue of drop-outs at the basic levels.

5.15 RELEVANT MINISTRY: MINISTRY OF HEALTH

5.15.1 Performance of Health indicators

The Report revealed that there was no data for indicators for TB success rate. Further indicators for the following were not achieved:-

- Immunization coverage
- Antenatal Care
- Maternal mortality ratio

The Ministry informed the Committee that currently funding for TB was through donor support. Treatment for TB was free. However there had been a decline in the success rate. This was due to a delay in fund releases.

On immunization, the technical team informed the Committee that the Ministry has five years to shift funding to GOG funding. This also applied to funding of AIDS/ HIV. This had affected funding for these important programmes. There was therefore the need for the State to provide the necessary funding to support these programmes in order to avert losing the significant gains made so far.

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The Ministry apologized for not submitting the data on TB to NDPC.

On Antenatal care and Maternal Mortality, the Ministry informed the Committee that more CHPS have been setup and also there had been an increase enrolment of health personnel. These efforts are targeted at extending health care to the rural areas where medical care is still limited.

The Committee expressed concern with the current situation where donors were withdrawing their support for very important interventions.

Recommendation

The Committee urges the House to direct the Ministry of Finance to the necessary funding to support these programs if a catastrophe was to be prevented. Most of these programmes had made major interventions and these gains should not be lost.

5.16 RELEVANT MINISTRY: MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION

5.17 Performance of Indicators under the Ministry

The Report revealed that indicators under the Ministry were progressing steadily. However under most of the indicators, there were no targets set. On Social protection expenditure as a percentage of GDP, there was no data.

The Ministry agreed with the Committee that there was the need to provide targets for 2011 and indicated that the data for targets for the subsequent reports would be provided.

5.17.1 Aged persons

In response to what the Ministry was doing on the aged, the Minister informed the Committee that the Ministry was seeking to develop standards for handling the aged hence the development of the National Policy on Aging. Further, it was also providing the necessary support for the aged. The Ministry had placed persons above sixty-five years under the LEAP.

The Minister called for the private sector to partner the Ministry to provide care to the aged. She indicated that that was an opportunity for the private sector.

5.18 RELEVANT MINISTRY: MINISTRY OF COMMUNICATIONS

5.18.1 Non availability of data

The Report revealed that the Ministry failed to provide data on a number of indicators. These included:-

- ~~ICT contribution to GDP~~
- Broadband capacity available for ICT Development
- Improved quality of services
- ~~Cost of international connectivity for ICT operators~~
- Number of prisons provided with internet connectivity

The Ministry informed the Committee that data for some of the indicators was to come from a study. For 2011, the Ministry did not hold the study hence its inability to provide the figures for 2011. In subsequent reports, these data would be provided.

5.18.2 Poor quality of Services

The Committee observed that the quality of services provided by the telecom operators was poor. Consumers complained of credit losses, calls going to wrong persons as well as being buzzed with unsolicited promotional messages that drain their phone power. Other telecom operators had included hidden charges discouraging persons and industry to take full advantage of the benefits of phone and internet access.

The technical team from the Ministry said it had taken note of the concerns and would engage the telecommunication companies. The Deputy Minister assured the Committee that the Ministry would continue to protect the interest of consumers and would sanction these providers at the apt period.

Recommendation

The Committee recommends that the Ministry crack the whip to ensure that the telecommunication companies deliver the quality of services expected.

G. TRANSPARENT AND ACCOUNTABLE GOVERNANCE

5.19.1 Deepening the practice of democracy and Institution reform

The Committee noted a continued and sustained deepening of good governance and the practice of democracy in the country's body politics. The constitutional review process which begun in 2010 to examine the aspects of the 1992 Constitutional of the Republic of Ghana where concerns have been raised, concluded in 2011 ahead of schedule, and the report submitted to the President. The independent governance institutions including Electoral Commission (EC), Commission on Human Rights and Administrative Justice (CHRAJ), and National Commission on Civic Education (NCCE) received

increased resources to strengthen them to be able to undertake their mandate. However, challenges continued to exist at National Media Commission (NMC) due to relatively weak capacity and inadequate resources to perform its function.

5.19.2 Strengthening Local Governance and Decentralisation

Slow progress was observed by the committee to have been made at enhancing the financial capacity of MMDAs to implement policies, programmes and projects at the local level continued in 2011. The share of both MMDAs total revenue in relation to total national receipts, and the share of Central Government's transfers to MMDAs in total discretionary budget reduced in 2011. Efforts to improve the administrative capacity of The MMDAs recorded significant progress following the transfer of staff from the Civil Service to the Local Government Service (LGS) under the decentralization reforms agenda.

5.19.3 Creation/Establishment of Special Development Areas to Reduce Poverty/Inequality

The Committee observed the difficulty in effectively assessing the current data. It, however, noted the achievement of significant progress made in 2011 on key interventions outlined in the GSGDA to reduce income disparities, including the Millennium Development Authority (MiDA) and Savanna Accelerated Development Authority (SADA) initiatives and the establishment of special development zones. Contributing to these achievements is the continued consequent implementation of planned activities under the Millennium Challenge Account (MCA) by MiDA during the year in the key focus areas including agriculture, transport infrastructure and rural development.

Also SADA became functional, following the establishment of the administrative and operational structures, including the inauguration of the Board of Directors. The spatial presentation on the framework for zoning the special development areas, as well as the concept paper were developed, while the next phase of preparing the frame work on the areas for consultation with stakeholders was initiated.

5.19.4 Public Policy Management

To provide the basis for effective management of public policy at the sector and district levels, MDAs and MMDAs prepared their respective sector and district medium term development plans, as well as the monitoring and evaluation (M&E) plans to support the effective implementation of the GSGDA, as their medium term national development policy framework for the period 2010-2013.

However, it was noted that limited progress had been made in addressing the weakness that persisted in the current public policy management process, where conflict and lack of clarity of roles and responsibilities of some key national institutions, continued to result in poor coordination of policy implementation and management. Also the link between the medium term national development policy framework and the annual national budget remained weak. The introduction of the proposed programme based budget and the full roll-out of the Ghana Integrated Financial Management Information System

(GIFMIS), is expected to address some of the challenges associated with budget preparation and execution.

5.19.5 Public Sector Reforms

Successive governments have undertaken several initiatives towards the reform of Ghana's Public Sector. At the core of these reforms are building the right skills set in Ghana's Public Service, and the development of appropriate performance based management systems for effective implementation of government Programme, which was finalized in 2010. This commenced with the programming and development of work plans for the seven (7) components of the reform programme. However, implementation had since slowed down due to the inability to set up the necessary governance structure including the establishment of the Civil Service Committee on Administrative Reforms, and put in place a Reform Coordinating Unit (RCU) as well as a Monitoring and Evaluation Unit.

H. LINKING THE 2011 BUDGET TO THE GSGDA

For the year under total expenditure, including payments made for the clearance of arrears and expenditure commitments amounted to GH¢15,367.4 million equivalent to 27.3% of GDP. The committee noted that the outturn was 0.7% higher than the GH¢14,397.4 million budget. Wages and salaries constituted about 8.1% of GDP in 2011, compared with 7.2% in 2010, while actual expenditures for goods and services, and investment constituted 1.3% and 6.5% of GDP respectively in 2011. The budget estimate for Service and Investment amounted to US\$4,620.65 million, constituting about 70% of the projected cost of US\$6,584.24 million for implementing the GSGDA policies and programmes in 2011. Total releases from all sources amounted to US\$4,226.09 million representing about 92% of approved budget and 64.3% of the total resource requirements for implementing the GSGDA in 2011.

The thematic areas that recorded shortfalls in the releases of budgetary resources were: Oil and gas development (71%); Enhancing private sector competitiveness (12%) Human development, employment and productivity (7%); and Infrastructure and Human Settlement (6%), while the remaining three thematic areas namely: Ensuring and sustaining macroeconomic stability, Agriculture modernisation and natural resource management, and Transparent and accountable governance, recorded 12%, 18% and 23% increases respectively over the approved budgets.

In addition to shortfalls in approved and actual budgetary releases, major misalignment of budgetary resources were observed in 2011. The sources of this misalignment could also be traced to both Government (GoG) and Development Partners (DPs) allocation patterns.

5.20.2 Implementing the GSGDA at the district level

Following the finalising of the GSGDA, about 150 MMDAs prepared their District Medium Term Development Plans ((DmTDPs) and their district M&E Plans to help track progress of implementation of

their development programmes and projects. In total, MMDAs (representing 58.8% of the existing MMDAs), submitted their 2011 APRs to NDPC for review, in line with the requirement of the national planning guidelines.

Review of the APRs showed that MMDAs implemented a number of poverty reduction interventions in 2011, including the National Health Insurance Scheme, the Capitation Grant, Free Uniforms and Exercise Books, the Free ride on Metro Mass Transit by school children the Livelihood Empowerment against Poverty (LEAP) programme, and the School Feeding Programme. These inventions have had positive impact on the health of the beneficiaries, gross enrolment rats and more importantly on gender parity at the primary school and JHS levels.

It was also noted that the main sources of financing the DmTDPs in 2011 did not change from that of 2010. These are: transfers from the District Assembly Common Fund (DACF); direct transfers from Government of Ghana (GOG) to the MMDAs; Internally Generated Funds (IGF) by the MMDAs themselves; HIPC/SIP funds; funds from Development Partners (DP) and other Grants such as the District Development Fund (DDF). The DACF constituted the bulk of the MMDAs funding for 2011 and this amounted to 50% of the total resources; followed by IGF (21%). GOG grants, Donor inflow and HIPC transfers amounted to 13%; 12% and 4% respectively.

6.0 CONCLUSION

After careful considerations, the Committee is of the view that if the Shared Growth Agenda is to be achieved it is imperative for Government to reduce the budget deficit to ward off any potential destabilization impact. There should be specific interventions in the trade and industry sectors to reverse the downward trend in manufacturing value added share of the GDP.

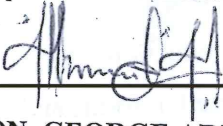
The Committee also recommends that the proposed Agricultural Development Fund should be established to address the constraints in access to credit for agricultural development. Further, more important interventions are required to increase the percentage share of rail transport in order to reduce the pressure on the road sector.

The Committee also recommends that Government should impress upon the various sectors to strengthen their statistical data collection. Almost all the MDAs that appeared before the Committee lacked the statistical data to undertake effective monitoring. Others just refuse to provide the NDPC with the relevant data to assist in the preparation of the APR. Their actions impedes evidence-based decision making.

The Committee further urges the House to demand from the MDAs the commitment to achieve the targets spelt out in the Annual Progress Reports for the development of the country. The Committee wishes to commend the NDPC for compiling this Report.

The Committee recommends the House to adopt this Report and adopt the 2011 Annual Progress Report on the implementation of the Ghana Shared Growth and Development Agenda (2010 – 2013).

Respectfully Submitted.



HON. GEORGE ARTHUR
CHAIRMAN



ASANTE AMOAKO-ATTA
CLERK

9 June 2015