STATE OF THE

NATION ADDRESS

1999

OURTH SERIES OL. 21



THURSDAY 44
14TH JANUARY, 195
market,

PARLIAMENTARY DEBATES

OFFICIAL REPORT

CONTENTS

THURSDAY, 14TH JANUARY, 1999

IE SESSIONAL ADDRESS — [Col. 43]

)JOURNMENT — [Col. 94]

THE PARLIAMENT OF THE REPUBLIC OF GHANA

FIRST MEETING, 1999

Thursday, 14th January, 1999

[The House met at 10.00 a.m.]

[MR SPEAKER IN THE CHAIR]

PRAYERS

STATE OPENING OF PARLIAMENT

The President and the Vice-President, conducted by Mr. Speaker, entered the Chamber and took their places on the Dais.

Mr. Speaker: Order, order, His Excellency the President now addresses the House. [hear, hear.]

THE SESSIONAL ADDRESS

His Excellency The President (Flt.-Lt. Jerry John Rawlings): Mr. Speaker, as with last year's, I propose once again, with your permission to render in a summarised form the 1999 Sessional Address which I have before me and request you to consider as read the full address which I will present to you in accordance with the procedures of the House.

Mr. Speaker, in my Sessional Address a year ago, we as a government predicted a difficult year. I mentioned the low price of gold on the world commodity market, which had already caused the closure of mines in some countries. I cited the unpredictable weather patterns which threatened agriculture, water sources and the level of the Volta Lake, and I referred to the instability in world financial markets.

It was indeed a difficult year, more so than some Ghanaians anticipated.

The price of gold continued to plunge. In addition to food deficits in parts of the north, the south-eastern parts of our country suffered unprecedented drought, necessitating food aid in the southern parts of the Volta Region and some rural parts of Greater Accra.

We experienced a serious energy crisis which had a negative impact on industry and brought great inconvenience to our people. The major economic powers finally admitted the existence of a world-wide economic crisis fuelled by unbridled speculation on the currency market.

Emergency measures had to be put in place to deal with the energy crisis. Several programmes which we had hoped to complete in 1998 had to be delayed.

At the same time, revenue suffered because of the effects on industry of the energy curtailment and the general international economic outlook.

It might be expected, therefore, that I would have a gloomy report to make of the past year's performance.

However, Mr. Speaker, though we have faced real problems and hardships, we have done far better than some might have supposed. We have risen above the hardships, as our people usually do when confronted with real challenges. Favourable developments such as the decline in the price of crude oil also helped our situation.

But there is room for improvement. This year, I expect sector Ministers and other public officials to make an extra effort to vigorously explain their sectoral programmes, canvass support and more understanding for them, and engage the active participation of relevant sections of the populace in support of these sectoral plans and programmes. Ministries and government agencies must be receptive to fresh ideas and suggestions so that national policies and programmes remain dynamic.

I also hope that all of us will strive to do away with sectional obstruction, personalization and politicizing of issues, not on their merits as they relate to the national interest, but to score short-lived political points.

Mr. Speaker, with the steady growth of the economy, we naturally see rising expectations. Developments which would have been unthinkable a few years ago are now taken for granted, and merely whet

the appetite for new demands. Very often, these demands are already factored into ongoing programmes, but the public wants them now!

Members of Parliament, District Chief Executives, Chiefs and other local leaders of all persuasions have a responsibility to explain to their people that orderly, programmed development will provide their needs more surely and more sustainably than frantic and threatening demands designed to force ad hoc responses.

We cannot all have what we want at once. It has to be planned for and worked for. It is in nobody's interest, and certainly not in the interest of the people of this country, to press for fragmented and unsustainable short-term development.

I assure all those who have expressed anxieties about getting this feeder road or that market completed before the end of the year 2000 that the plans and programmes are there, and that the track-record of this government is a testimony to orderly and equitable development.

Mr. Speaker, this leads me to the overall performance of the economy. Notwithstanding the difficulties encountered in 1998, the economy recorded some remarkable achievements. Inflation continued its declining trend throughout 1998. The decline, though not as much as we had hoped, is still very heartening, particularly considering the factors which exerted an upward pressure on inflation.

For the second year running, interest rates followed the declining trend of inflation. It has been Government's policy to continue to provide the framework for sustainable macro-economic stability, and these developments are indicative of the efforts being made to achieve this objective.

In my 1998 Sessional Address, I pledged the commitment of Government to stabilizing the exchange rate of the cedi. The results are there for all to see. The days of turbulence in our local foreign exchange markets are hopefully over and we expect that resources that were used to speculate on the foreign exchange market will now be diverted into productive economic ventures.

Mr. Speaker, the achievement of a balanced budget by the year 2001 as agreed at the National Economic Forum is still a priority and we shall continue with strategies and programmes that will ensure the attainment of that objective.

Government will continue with its efforts at strengthening the framework for revenue mobilization.

While it is clear that the VAT has arrived quite smoothly in most business establishments, we are aware that not all

business people or ordinary citizens fully understand it, notwithstanding the considerable public education. A few traders are charging VAT who should not charge it; a number of companies especially firms of professionals and consultants, who should register have not yet done so—and some particular sectors, such as the fishing, telecommunications and automobile industries have expressed some concerns about how the VAT affects their industries. These concerns are being addressed.

Mr. Speaker, as in any educational exercise, it is only when the test or examination is administered that it is possible to identify those who have not fully understood the subject. Additional public eduction through the mass media, and direct instruction and guidance to business people will therefore continue.

At this juncture, let me express appreciation to the brewing industry, cigarette manufacturers and to Unilever for advertising publicly that the prices of their products have not increased with the advent of VAT. In the case of Unilever, most of their prices have actually come down. We are also happy at the news that prices at several hotels and restaurants have come down as was expected.

Let me appeal to other important economic sectors, especially flour millers, the cement and building materials and auto part industries, to help make VAT successful by also advertising the fact that their

prices have not increased but indeed may, in some cases, have come down slightly.

Mr. Speaker, we will continue with the tight monetary and fiscal measures needed for attaining a single digit rate of inflation while at the same time, ensuring private sector growth in the overall economy. However, attaining the single digit rate of inflation would require much more effort than was probably required in reducing the rate of inflation by over 50 per cent between 1996 and 1997.

The bottom line is productivity. We must produce more and better goods and services at less cost. Demands for better remuneration can only be meaningfully satisfied if cost-efficiency in the delivery of goods and services is achieved.

The Medium Term Expenditure Framework budgeting system, under which a 3-year budget framework is announced each year, the first year of which will be binding and the remaining two being indicative had been utilized in preparing the 1999 Budget, with a remarkable level of understanding and compliance.

The Ministry of Finance will provide a quarterly performance review which will give all stakeholders an opportunity to assess progress and identify strengths and weaknesses at regular intervals, so that timely adjustments may be made and the public can be kept well informed The pilot programme of reform of subvented agencies already in progress will be completed and firm decisions will be made regarding those to be commercialized, closed down, or continued on the government budget.

Mr. Speaker, the erratic weather pattern during 1998 did not bode well for the attainment of agricultural targets. However, the hard work of our farmers and fishermen and improved weather conditions in some parts of the country during the third quarter of the year produced better results than expected.

Production of staple food items was better than expected. Reported production estimates from the regions indicate that, compared to 1997, maize production is likely to show a decline in Western, Central, Volta and Brong-Ahafo Regions. However, a significant increase in Eastern Region's output will partly compensate for the shortfall from the other regions. Production of other crops except rice is expected to increase from about 4 per cent to 20 per cent. Rice recorded a marginal decline of about 1.2 per cent.

In the Northern sector, food production of the major food commodities is expected to outstrip the previous year's levels. Compared to 1997, cereal production from the three northern regions will increase modestly.

Countrywide cereal production (maize, rice, millet and sorghum) will show a defi-

rice, millet and sorghum) will show a deficit of just under half a million tonnes. The deficit in cereals will be offset by an estimated surplus of 3.8 million tonnes of starchy staples: cassava, cocoyam, yam and plantain.

Mr. Speaker, the total number of livestock increased and slightly exceeded the target of 6.5 million set for 1998. In the poultry sub-sector, high fluctuations in the prices of the feed ingredients, high interests rates and import competition constrained rapid development in 1998.

Overall fish production showed a positive trend. Throughout the year, fishermen were educated to change from the use of methods such as explosives and chemicals for fishing and the use of undersized meshed nets. This trend is expected to continue in 1999. In the industrial fleet, we managed to rationalize the importation of trawlers, thus reducing over-fishing. With the control of the fishing fleet various stocks began to recover. This is expected to continue in 1999.

Mr. Speaker, Technoserve was supported to import 10 metric tonnes of high yielding Brazilian Cashew nuts from Nigeria to plant about 10,000 additional acres of cashew in 1998. The trees are expected to start bearing in 2 to 3 years time.

We were also able to interest experts from Israel and the United States to introduce a number of simple irrigation systems that can be adapted for application by small-scale farmers throughout the country at affordable prices to help reduce agriculture's dependence on rainfall.

In consonance with the Government's commercialization and agricultural modernisation programme, the Ministry of Agriculture sponsored the preparation of feasibility reports on the establishment of a National Dairy Programme and the construction of a dedicated Export Terminal with cooling facilities to enable Ghana meet international standards in the export of perishable agricultural products.

Following upon the initiation of the Accelerated Agricultural Growth and Development Strategy (AAGDS) in November 1997, the Agricultural Services Sector Investment Programme (AGSSIP) was launched. The Pre-Appraisal of the Extension, Livestock and Research components began in November 1998 and will be completed by May 1999 to cover the remaining components.

Under the AAGDS, the Nuclear/ Outgrower Scheme will be continued.

Mr. Speaker, the Youth in Agriculture Programme and the Public Servant's Farming Scheme could both not take off in 1998 as envisaged. The bottlenecks having been removed, however, YAP will take off during the 1999 farming season with emphasis on the cultivation of exportable mangoes, cashew and pawpaw.

The broad objective of the YAP programme is to create employment for the youth while raising agriculture production. This programme will run alongside a scheme to resuscitate agricultural cooperatives throughout the country. These co-operatives when well organised, would facilitate access to agricultural credit as a means for youth who are often handicapped by the refusal of the banks to grant them credit facilities on an individual basis.

In 1999, the Ministry of Food and Agriculture will be holding investment for a on opportunities available in the agricultural sector in production, processing and marketing of the large number of exportable agricultural products that are in high demand in the domestic, ECOWAS and international markets in order to attain the Ministry's target of 6 per cent overall agricultural growth in 1999.

Mr. Speaker, in my Sessional Address last year, I noted a 20 per cent drop in cocoa production during the 1996/97 season. The 1997/98 period showed a 27 per cent increase in production, to reach 409,000 tonnes, more than making up for the shortfall of the previous year. This was in large part due to the incentive to farmers of the increased producer price, which was raised from \$1.2 million to \$1.8 million per tonne.

Our pledge to give our cocoa farmers their due share of the value of their produce continues to be fulfilled.

In June last year, a further increase of 25 per cent to \$2.25 million per tonne was announced. Whilst this will provide a further incentive to our cocoa farmers, it is likely that 1998/99 production may drop slightly below 400,000 tonnes because of poor weather during the formation of the crop.

World cocoa prices last year showed an increase of about 12 per cent. For the year ahead, a more modest increase is expected.

Since 1995, COCOBOD has consistently exceeded export duty targets. This has been achieved through careful control of COCOBOD's running costs without sacrificing effective work.

Mr. Speaker, in spite of the continued growth in revenue from non-traditional exports, the increasing trend in trade and industry falls short of the five-year development plan of the Ghana Export Promotion Council within the context of the *Vision 2020* objective.

The main reason was the energy crisis and its effect on the cost and availability of credit for the export sector. However, with falling interest rates and stabilization of energy supplies, the situation is expected to improve.

Mr. Speaker, the National Institutional Renewal Programme, which was initiated in 1994, has continued to reform and mod-

ernize public sector organisations and improve capacities in financial management, efficient performance and focused output.

Public administration and management at the national and district levels will continue to implement their Annual Action Plans derived from the First Medium-Term Development Plan. The NDPC, will continue to monitor the performance of the districts as well as Ministries, Departments and Agencies in implementing the Plan.

Mr. Speaker, it is clear that the capacity of our public administrators and managers for orderly, focused and rational development planning and implementation is steadily improving.

I am compelled to say, however, that among too many of the public officials concerned, there is still a painful lack of urgency and commitment, as well as a disturbing level of misappropriation and corruption, including the persistent insertion of ghost names into payrolls, waste and fraud in purchasing materials and equipment, and extortion of unauthorized "fees" from members of the public for services which they are paid to render.

I hope that the efforts of the Serious Fraud Office and the security agencies to uncover such malpractices within the public services, will have a significant impact in the year ahead. Mr. Speaker, with the Unit Committees, Councils and District Assemblies now in place, the complete local government structure is now installed and we can anticipate fuller and more meaningful popular participation in governance.

Some practical problems were encountered during the elections, relating to the boundaries, areas of jurisdiction, sizes and functions of the sub-district structures. Appropriate legislation to address these issues will be presented to Parliament in the course of the year.

The Electoral Commission has completed the programme of public fora on the views of stakeholders and the general public on the Political Parties Law (PNDC Law 281). The views have been collated and sent to the Attorney-General's office to form the basis of a revised Political Parties Act.

The Electoral Commission has also indicated that in 1999 it will prepare for the updating of the voters register to ensure a reliable and credible register for use in the elections at the end of next year.

Mr. Speaker, the promised Local Government Service Bill could not be presented because of conceptual and practical sector differences which are yet to be reconciled. We hope to present the Bill to Parliament during this Session.

The District Composite Budget has unavoidably been deferred to the year

2000 as a tie-in to the restructuring of Public Financial Management and revision of the national budget structure introduced this year. A detailed study of fiscal decentralization has commenced and will produce not only the form of the Composite Budget but also the design of management of financial linkages and relationships between Central Government and the District Assemblies and Regional Co-ordinating Councils.

Parliament shall be invited to consider proposals which are being made for amendment of the Local Government Act, 1993 (Act 462), including some constitutional amendments.

The long-promised Institute of Local Government Studies with centres in Accra and Tamale will become operational in the first quarter of this year.

Efforts already initiated to strengthen the management of the District Assemblies Common Fund will be continued to ensure the technical quality of projects implemented by the District Assemblies. Effectiveness of Fund accounting by the Assemblies shall also be pursued.

During 1998, the District Assemblies devoted 20 per cent of thier shares of the District Assemblies Common Fund to productivity and incomes improvement. This programme will be continued during 1999 and be evaluated in the year 2000 for its impact.

During 1999 also, we shall commence the planning of a number of urban infrastructure rehabilitation and expansion proejets in collaboration with the World Bank and bilateral support organisations. Initially this programme will focus on infrastructure in 12 of the Urban Council towns and will subsequently be extended to all district capitals.

We shall also continue the implementation of the ongoing Local Government Development Project or Urban III in 12 Urban Centres, the Urban Environmental Sanitation Project or Urban IV in five cities and the District Capitals Development Project in four district centres.

Mr. Speaker, the Ministry of Trade and Industry has undertaken a comprehensive tariff study on the impact of trade liberalization on local industry and the support needed to be given local industry to ensure its competitiveness.

The study recommends the harmonization and rationalization of tax/tariff policy so that domestic taxes will be supportive of industry. The Ministry is currently discussing this with the Ministry of Finance for possible inclusion in the Budget and Financial Statement for 1999.

Mr. Speaker, Government, as from 1999, will begin to implement a new promotional strategy for Made-in-Ghana goods. Under this programme, all Ministries and District Assemblies (MDAs)

would be required to source their purchases from local industries first. This is to help boost the market share of local industries and enhance their competitiveness.

This year should also see the beginning of the implementation of the Export Development and Investment Fund (EDIF) to leverage the financial institutions to encourage them to lend to the productive sectors of the economy especially those in the non-traditional export sector. Efforts would be intensified to reover all outstanding loans under the Business Assistance Fund. The loans so recovered will be used to partially capitalize the Export Development and Investment Fund.

Mr. Speaker, in consonance with the Gateway objective of achieving trade facilitation through the modernization of Customs and Ports operations, as well as a more cost-effective Import Management Mechanism, Government has decided to abolish the existing Preshipment Inspection Scheme (PSI) within the first quarter of the year 2000.

The PSI Scheme will be replaced by a Destination Inspection Scheme which shall have as its key elements, a Selective Inspection Programme based on a computerized risk Management System, an X-ray Scanning System and a Comprehensive data base of transaction values. This

policy change apart from ensuring greater efficiency, cost-effectiveness and transparency in our Customs and Import Trade Management Systems, will enable Ghana comply with World Trade Organisation definition of values within the context of the special dispensation granted Ghana at the onset of the WTO agreement.

Mr. Speaker, the Ghana Gateway Project itself will go into full implementation this yerar. It is expected to attract a critical mass of export oriented industries in the Ghana Free Zones and thus launch us towards the realization of our national export objective as targeted under the Vision 2020 Programme.

The Fumesua Inland Free Port project and the Sekondi-Free Port Zone enclave should attract the expected investment in 1999.

It is projected that export revenue from Free Zone Enterprises will show an increase of 35 per cent over the US\$200 million estimated for 1998.

Mr. Speaker, further improvements will be made to the Laboratory and Testing facilities of the Ghana Standards Board to enable it perform as the National Standards Authority in support of Ghana's export trade. In 1999, the Board will also be expected to take more concrete steps towards realizing the National Weights and Measures Programme with the view to ensuring fair trading.

Mr. Speaker, the draft Competition and Fair Trading Bill was completed last year and will come before Parliament in 1999.

In July 1998, the Government and USAID began implementing a new four-and-half year \$50 million Trade and Investment Reform Programme which supports Ghana's Vision 2020 and the objective of increasing Private Sector Growth.

Mr. Speaker, the energy crisis compelled Government to allocate funds to accelerate the completion of the second phase of the Aboadze thermal plant and to provide emergency thermal generating capacity at Tema.

Efforts to ensure energy security during 1998 include the refitting of the Tema Oil Refinery to increase its output from 28,000 barrels per day to 45,000 barrels per day, and the establishment of the Bulk Oil Storage and Transport Company to ensure efficient country-wide strategic reserves and distribution.

Feasibility studies for the West African Gas Pipeline are expected to be completed by the second quarter of this year. Meanwhile discussions have been initiated with la Cote d'Ivoire on supplies of natural gas from that country to the Aboadze thermal plant to provide cheaper and cleaner fuel.

To increase future energy supplies, the third phase of the Aboadze plant is ex-

pected to come on line by mid-1999. The Volta River Authority is also currently negotiating with a US firm, CMS Generation of Michigan, to double the total capacity of the Aboadze plant and to have the first 100 megawatts of this expansion on stream by the end of 1999.

The VRA has again signed an agreement in principle with yet another US company, Marathon Power Company, to build another thermal plant at Tema to provide 200 megawatts in the year 2000.

Several investors have expressed interest in building the 400 megawatts Bui hydro-electric project. The proposals received are currently being evaluated. Government is keen to interest local and foreign investors in developing other small to medium hydro-sites on a commercial basis.

The Government will continue to promote solar energy in rural communities through ongoing pilot projects to provide 1,600 homes, as well as schools and health facilities with solar power in ten selected villages in four regions of the country.

Mr. Speaker, by the end of 1998, every district capital in the country had been connected to the National Grid as promised in my Sessional Address last year. The electrification of all towns and villages en-route to the district capitals is expected to be completed by the middle of this year. Four hundred additional

65

ber Export Development Board into a Timber Industry Development Board will be presented to Parliament during the Session.

Mr. Speaker, the Ministry of Environment, Science and Technology has assisted all the 110 District Assemblies to prepare their local Environmental Action Plans and is a major partner in the Natural Resources Management Programme.

The Environmental Protection Agency will continue its programme of monitoring and enforcing standards to prevent pollution and other adverse environmental activities.

A draft Science and Technology Policy has been submitted to Cabinet for consideration in the course of the year.

Tourism has had another encouraging year, and there is every indication of continuing growth as more visitors are attracted by our cultural, historic and natural heritage and the rapidly improving infrastructure.

The celebration of Emancipation Day last year added another highlight to our attractions, whilst Kakum National Park won two international travel awards.

This year, Ghana will host a number of events, including the African/African-American Summit, the 33rd World Tourism Organization Commission for Africa meeting, and the 24th African Travel Association Annual Congress.

Mr. Speaker, we have constructed or reconstructed our roads and highways at enormous cost. Indeed between the advent of constitutional rule in 1993 and end of September, 1998 we have spent a total of over US\$1.32 billion on the road subsector alone. In the process, we have maintained 18,244.80 kilometres of road and reconstructed 1,209.10 kilometres.

For 1999, the following major maintenance activities will be carried out:

| Regravelling | | 1,632 km |
|----------------|---|------------------------|
| Resealing | | 665 km |
| Resurfacing | | $270.0\mathrm{km}$ |
| Rehabilitation | , | 1,820.0 km |

Reconstruction work on the following roads are expected to commence with funds secured from the donor agencies including the OECF, BADEA, ADB, KFW and DANIDA:

| | . 30 km |
|---|---------|
| | 115km |
| · | 105 km |
| _ | 166 km |
| | 63 km |
| | |

Also in 1999, we will work on securing funds to reconstruct the Kumasi-Kintampo road (180 km) and the Bamboi-Bole road (116 km).

The Sankara Interchange Project will be completed together with the remaining works under the Urban Transport Project and the Accra City Roads Project.

Work is in progress on the Inchaban-Sekondi link and should be completed by mid-1999.

External financing has been secured for work to begin on the Tema-Sogakope and the Jato Zongo-Atebubu-Yeji roads.

Phase I of the Jasikan-Yendi road reconstruction is nearing completion whilst Phase II is awaiting mobilisation funding to enable the contractor to start work.

All the other roads mentioned in my 1998 Address are either ongoing or are to be commenced in 1999.

Mr. Speaker, considering the enormous costs of road construction, and the clamour from those areas not yet adequately provided with all-weather roads, it is difficult to understand the vandalism, including the theft of road signs, the stealing of railings and safety barriers and the careless destruction of road surfaces, which goes on after billions of cedis have been invested.

These acts take place under the eyes of the communities which agitated for the construction of these roads. It is time that communities became watchdogs to defend their roads against the actions of the road vandals.

Mr. Speaker, if we want more and better roads, we must be prepared to acknowledge the cost and bear a fair part of it. We must never again allow for the situation where almost all our roads deteriorated to the point of failure. For this reason, modern tolling systems will be introduced in 1999 to recover from road users a contribution towards the cost of some of our newly rehabilitated roads, notably the Kumasi-Dormaa Ahenkro, Kumasi-Mampong-Ejura, Kintampo-Tamale and Tamale-Paga roads.

After rehabilitation and upgrading is completed, tolling will also be introduced on the Tema-Akosombo, Yamoransa-Elubo, Yamoransa-Kumasi, Accra-Yamoransa, Accra-Kumasi, Kumasi-Dunkwa, Tema-Aflao and Kumasi-Kintampo roads.

Mr. Speaker, the Ghana Railway Corporation will be converted into a limited liability company, to pave the way for the concessioneering of its operations and the establishment of new business units with the private sector.

In the maritime sector, there will be dredging and the extension of Quay 2 to improve facilities at the Ports and Harbours Authority for the container handling operations at the port.

Mr. Speaker, During 1998, most of the projected work targets for both urban and rural water were met, with some of the larger projects still ongoing. The crucial importance of safe water to health and productivity attracted continued foreign assistance, and some 33 urban systems were worked on, 940 new boreholes were drilled, 300 boreholes rehabilitated, and nearly 4,000 household latrines and 370 hand-dug wells constructed.

For 1999, the work programme for urban water supplies includes the continuation of all ongoing projects, the completion of projects at Obuasi, Peki and Tamale and the commencement of the planned major expansion of the Tamale system.

Expansion of treatment plants will begin at Kpong, Weija, Barekese and Abesim, whilst rehabilitation of the Akwapim Ridge water supply and of systems at Koforidua, Nsawam, Anum-Boso, Nkawkaw and Asamankese should also begin.

The rural water programme for 1999 includes 680 new boreholes, the rehabilitation of 5,000 boreholes, the construction of 370 new hand-dug wells and the rehabilitation of 1,500 wells.

The Community Water and Sanitation Division also plans to construct 1,750 household latrines as well as 100 institutional latrines, and to train a total of 6,000 caretakers, mechanics and artisans to manage rural water and sanitation facilities.

Two of the most significant developments in the water sector in 1998 were the establishment of the Water Resources Commission to ensure integrated and sustainable development of this precious resource, and the decision to convert the Ghana Water and Sewerage Corporation

into a company and to lease out its major urban systems to private management.

Mr. Speaker, in 1998, a total of 8 km of erosion prone coastline at Nkontompo, Shama, Axim, Tema and Busua was protected. A further 10 km will be dealt with this year.

Following a lengthy technical appraisal of a loan application to Exim Bank of USA made in June last year, the Bank has finally agreed to provide full financing for the foreign component of the Keta Sea Defence Project. This will enable the contractors to start construction work in earnest.

Drainage improvement works in Accra during 1998 have already shown an improved capacity to mitigate flooding. A further 60 km of major drains will be deepened, widened and regraded this year as a necessary preliminary to the take-off of the Korle Lagoon Restoration Project.

Mr. Speaker, Ghana Telecom has shown a vast improvement in performance since it was privatized. The target for 1998 of 80,000 lines and the installation of 1,800 pay-phones has been exceeded, and further rapid expansion is expected this year, together with the introduction of innovative new services and products. Generally speaking, Ghana has kept pace with technological advancement in the telecommunications sector.

The existence of numerous service providers and facilities such as the Internet bears testimony to the level of moderni-

sation of telecommunications in Ghana. It is hoped these facilities will be used to enhance the image of Ghana as an investment destination while at the same time, guarding against the criminal misuse of these technological innovations.

These concerns will be addressed in the draft National Communications Policy developed during 1998 which now awaits Cabinet approval. The consequential Bills and Legislative Instruments necessary to activate the policy will be presented to Parliament in the course of the year.

Mr. Speaker, the so-called Millennium Bug, which could threaten the breakdown of computerized systems in the year 2000, is of particular importance in the areas of finance and revenue. Appropriate arrangements have been made to ensure that we have addressed the problem in this country.

Mr. Speaker, despite what the critics and the cynics say, the statistics show the steady improvement in health care delivery as a result of pragmatic policies and programmes.

Life expectancy has progressively increased from 47 years in 1982 to 58 years in 1998. Infant mortality rate has dropped from 100 per 100,000 live births in 1982 to 66 in 1998.

Immunisation coverage has risen from under 50 per cent in 1982 to 63 per cent in 1998.

Antenatal coverage is over 80 per cent, compared to 30 per cent in 1982, and many more deliveries are supervised, leading to, a reduction in maternal mortality rates.

Leprosy is now no longer a major public health problem and leprosy hospitals in the country are indeed being converted to general hospitals.

Measles, which used to be second commonest cause of death in children is no longer a common illness.

Poliomyelities is targeted to be eradicated. River blindness has been virtually eradicated in the 3 Northern regions. Guineaworm disease has seen a 95 per cent reduction in cases since 1985 and eradication is achievable.

Mr. Speaker, access to health services has improved to about 75 per cent compared to 40 per cent in 1982. This has been the result of the expansion and rehabilitation of the health infrastructure. Whilst there still remain only 2 Teaching Hospitals, the Tamale Hospital is being upgraded to a Teaching Hospital. Specialist Hospitals and Regional Hospitals have increased from 7 to 9 respectively. District Hospitals have increased from 36 to 51 and Health Centres from 391 to 632. With these improvements, hospitals beds have been effectively increased from 12,495 in 1982 to 15,160 in 1998.

The 1999 programme will continue to build on progress made in 1998 and introduce other activities to enhance, the

expansion of coverage, the improvement in quality, efficiency and better intersectoral linkages.

The Community Based Surveillance system will be extended from the Northern regions to all regions. Disease control will focus on two areass: Diseases to be eliminated, and old, resurgent diseases.

Polio, guineaworm and leprosy are targeted for elimination. For polio, the target eradication year of 2000 is on schedule.

Malaria, tuberculosis, buruli ulcer and yaws continue to attract special attention. A yellow fever campaign involving mass vaccination of the populations in the northern sector will be undertaken.

Mr. Speaker, improving the coverage and quality of clinical care involves the continuation of the rehabilitation/construction and equipping of health care facilities.

Expansion of basic health services using community-based approaches will involve the posting of community health nurses from health care facilities to communities without such facilities.

The specialist outreach programme will be extended to more areas.

A SURBING

Efficient ambulance systems in Accra, Kumasi and Takoradi will be introduced.

The School of Allied Health Professionals will take off with some of the planned courses—Physiotherapist, Laboratory Technologists and Radiology Technologists. Substantial progress is expected to be made towards the establishment of the local Postgraduate Medical College.

Mr. Speaker, cost sharing has become a significant and inevitable source of financing for the health sector. Yet it has been subject to so much abuse and negative publicity. The exemption policy has not provided adequate protection to those in greatest need.

In 1999, implementation of the cost recovery programme and exemptions policy will be further streamlined to ensure that the adverse effects on patients, especially those seeking emergency care, are minimized and that those in the greatest need benefit from the exemptions.

To increase the finance base for the health sector, risk-sharing schemes will be promoted. The concept will be expanded beyond regular health insurance to include various forms of community based health financing schemes. Efforts will focus on exploring decentralized systems and building on traditional financial and payment institutions and mechanisms.

With the Governing Council of the Ghana Health Service now in place, we expect to see the Health Service fully

operational this year. This hopefully will help address in a holistic manner the problems of health service personnel even as the Service ensures that the doctrine of "patients first" is maintained.

Mr. Speaker, the Education Reform Programme initiated in 1987/88 is now 10 years old and some review is called for. Clearly, there have been significant and advancements even if achievements levels in English and Maths have been rather low in some primary schools. We hope, through a dispassionate review, embracing all interested parties, to address the problems and difficulties encountered along the way and together fashion out strategies to raise the quality of education.

Primary School enrolment has risen from 1,625, 137 in 1987/88 to 2,333,504 in 1997/98, an increase of 43.6 per cent.

The proportion of school-going age population in primary school also increased from 69.2 per cent to 76.5 per cent over the same period.

The annual Primary One intake has grown from 188,529 o 478,688, an increase of 153.9 per cent. The number of primary schools has increased from 9,424 to 11,775 or 25 per cent.

Enrolment at JSS level increased from 610,094 in 1987/88 to 695,468 in 1997/98, representing an increase of 14 per cent.

Apart from upgrading all the 5,260 former middle schools to Junior Secondary Schools, an additional 339 Junior Secondary Schools have been established over the period bringing the total number to 5,599.

The number of Primary School pupils entering Junior Secondary Schools increased from 180,855 in 1987/88 to 260,172 or 43.9 per cent in 1997/98, with a total of 202,000 currently graduating as against 127,349 in 1987/88, an increase of 58.6 per cent.

Mr. Speaker, between 35 and 40 per cent of JSS graduates currently gain admission to Senior Secondary Schools, compared with between 18 and 20 per cent at the time of the reforms.

The number of Senior Secondary Schools has increased from 240 to 565, a 135.4 per cent increase, with a corresponding increase in student numbers from 146,185 to 194,785 or 33.2 per cent.

Graduates from Seniór Secondary Schóols has increased from 20,153 in 1987/88 to 57,708 in 1997/98, a 186.3 per cent increase.

Tertiary education has been reformed to comprise the Universities, Polytechnics and other research and training institutions. The number of universities has incdreaased from 3 to 5 and Polytechnics from 6 to 8. Two more Polytechnics are

14 January, 1999

[THE PRESIDENT]

planned for the Upper East and Upper West regions this year.

University enrolment has increased from 8,342 in 1987/88 to 25,280 in 1997/ 98, a 203 per cent increase, while that of Polytechnics has increased from 9,593 to 12,853 or 35 per cent over the same period.

Though there has been a lot of improvement in the facilities of the tertiary institutions which have enabled these increases to be recorded, we must admit that there is still a lot to be done as these institutions are able to admit only 40 per cent of qualified applicants.

Mr. Speaker, despite these achievements, we are not resting on our oars for we are far from satisfied with our progress.

The programme to provide increased access to basic schools under the FCUBE is on course. All preliminary work were completed last year and bids are currently being evaluated for contracts to be awarded. The programme will provide teacher accommodation, new classrooms, KVIP toilets and rehabilitation of existing classrooms.

A programme to strengthen and decentralize resource planning and allocation began in 30 districts in 1998. Forty more districts will be added this year.

Meanwhile work on improved syllabuses and revised basic textbooks is at an advanced stage, and the orientation and in-service training of teachers to manage new programmes will continue

Mr. Speaker, response from private sector in the establishment of hostel facilities for tertiary institutions has been encouraging, and will help to ease problems arising from the de-linking of admission to tertiary institutions from the provision of accommodation.

As one reader stated in the Daily Graphic recently, "It has become clear that the nation cannot meet its obligation to the funding of education by our reliance on government's budgetary resources alone".

Government has given considerable thought to the various suggestions for the establishment of an Educational Trust Fund especially in support of tertiary education and has decided that it is time to implement such a Scheme.

Conequently, Mr. Speaker, the Ministry of Education has been tasked to work out proposals for the establishment of an Eductional Trust Fund into which companies and other stakeholders would make regular annual voluntary contributions. Within that context other funding sources would also be explored.

Mr. Speaker, I wish to take this opportunity to commend the religious groups which have committed resources to complement government efforts to in-

crease opportunities for tertiary education for youth. Government will continue to offer support and encouragement to them as well as others willing to take up the challenge whilst making sure that standards are maintained.

Mr. Speaker, the first intake of 200 students by the Distance Education Programme of the University College of Education, Winneba has taken place.

The scope of disciplines offered by Winneba will be widened, whilst Distance Learning programmes are at an advanced stage of preparation at the universities at Legon, Kumasi and Cape Coast. It is hoped that the first intake of off-campus students will begin later this year.

The second phase of the Adult Literacy and Functional Skills Project will begin this year with an expected 200,000 leaners each year for the next five years,-

Mr. Speaker, I have already spoken on new initiatives to mobilize our unemployed youth for agricultural production. By and large, the remedy for reducing unemployment lies in economic growth and the expansion of the private sector. Indeed, Government's policies are geared towards this.

Meanwhile, efforts will continue to make our youth more employable. The programme to enable the 24 National Vocational Training Institute centres to double their intake of JSS leavers by the year 2000 will continue.

To encourage graduates to become self-employed, the Ministry of Employment and Social Welfare, in conjunction with EMPRETEC, has developed twenty business profiles of short-gestation projects in the agricultural, industrial and service sectors. Some of these projects will be pilot-tested this year and the successful ones replicated.

Mr. Speaker, the second half of 1998 was marked by series of industrial unrests which led to strikes and lock-outs. The public doctors' strike which occurred in December 1998, capped a year of a rather turbulent labour scene. Through consultations and negotiations, a workable solution has been found and the doctors have resumed work. Other industrial actions were also resolved at the enterprise level or through the intervention of the Ministry of Employment and Social Welfare.

The inability of the workforce to adjust to changes in work ethics demanded under the new economic dispensation has been noted as one of the underlying causes of some of the labour unrest we have experienced. In this era of glabalization and competition it behaves us to re-examine some of our attitudes to work if we are to become competitive in the international market-place.

81

Inasmuch as the Government would endeavour to provide a congenial industrial atmosphere for investors, it is expected that the investors would also try to understand the sensitivities of workers in order to minimise the incidence of strikes and lock-outs.

This country cannot afford to gamble with the fundamental economic rights of its workforce. We need a sustained industrial calm in order to progress for without it the enabling environment will not prevail to make progress happen.

Mr. Speaker, in a bid to bridge the communication gap between the social partners, a Consultative Forum of the National Tripartite Committee was held in October, 1998. This tripartite approach substantially helped to reduce the tension and deepen this spirit of tripartism in the resolution of labour issues in ensuing years.

In pursuance of the medium to long term public sector wages and salaries policy, a Central Management Board has been constituted. Among its functions are:

> (i) to ensure uniform implementation of the public sector wages and salaries policy as contained in the government's statement on the report of the Price Waterhouse Consultants; and

(ii) to serve as a monitoring agency to ensure that standards are established and maintained continuously, so that distortions in remunerations within the public sector do not creep back into the system.

In the development and implementation of the medium to long term public sector wages and salaries policy, negotiations would form part of the process of building consensus over the implementation of the new policy.

Mr. Speaker, the dual pension schemes being operated within the public service is creating apprehensions among sections of workers. The exodus of teachers and other public officers last year on the grounds that they would forfeit their entitlements under Cap 30 or Teachers Pensions Ordinances had they not retired was rather unfortunate.

Evidently, there are areas of divergence in the two pension schemes which need to be addressed to pave the way for a more improved pension scheme for all categories of workers within the public service. This will be vigorously tackled.

Mr. Speaker, in addition to the continuing work of the Department of Social Welfare, the National Commission on Children, the Commission on Human Rights and many NGOs, a major landmark in 1998 was the passage of the Children's Act. It is the responsibility of each one of

[THE PRESIDENT]

us to ensure that this works effectively to protect the rights of the child.

Mr. Speaker, I would like to congratulate our national women's football team, the Black Queens, for qualifying for the World Championship in the USA to be held this year. We wish them well.

We also give our support to the national Under-20 soccer team, the Black Satellites, as they prepare to take on the rest of Africa in the continental championship in Ghana next month, and also to Ike "Bazooka" Quartey in his bid to annex the welterweight boxing crown of the world in the same month.

We could not deliver on our promise to introduce a new National Youth Policy last year. The draft policy is however before Cabinet and will definitely be introduced this year.

Mr. Speaker, a Cultural Policy for Ghana has been finalized by the Social Sector Committee of Cabinet and upon its adoption by the latter, will be outdoored in the course of the year. Within that policy framework, the National Commission on Culture will launch a Strategic Initiative Programme to involve a series of cultural actions designed to set the tone and focus for the definition of Ghana's cultural vision in the new millennium.

Aspects of our culture and traditions which stultify or retard our growth and development must be reviewed. But we

must go about it with maturity and avoid the language of confrontation and sweeping condemnation of cultural heritage.

Mr. Speaker, Ghana's foreign policy remains focused on the protection of Ghana's interests in a stable world order in which Ghana can expect to attract foreign investments and other forms of assistance in support of the country's socio-economic development. As part of this policy, I undertook a number of foreign visits, including visits to South Africa, the United States, Switzerland and Japan where I reiterated Ghana's positions on global issues, particularly those on development in which Ghana has particular interest.

Government will continue to lay emphasis on economic diplomacy and through that mobilize support of the international community and interest in trade and investment opportunities in Ghana.

We will also continue to nurture the very cordial relations that we have established with our neighbouring sister countries and revitalize and broaden the Permanent Joint Commissions for Co-operation that we have with several countries, laying emphasis on the issues of trade and development.

ECOWAS, the OAU, the commonwealth and the UN remain important to us. In the sub-region in particular, we will continue to participate in the activities of ECOWAS and its monitoring and peace-keeping group, ECOMOG.

85

Mr. Speaker, the Ghana Armed Forces continue to make critical contributions to the maintenance of peace and stability for sustained national development and good governance. They have continued their world-wide peace-keeping activities. In particular, they provided security assistance to Liberia and the training of Liberian security personnel. They are also assisting in resorting peace and stability in Sierra Leone.

However, we have long recognized the domestic contraints under which our Forces operate. Accommodation has been a major problem. That was why, the Ministry of Defence commenced the provision of accommodation for personnel of the Forces last year. Twenty-two housing units in four of the seven garrisons, namely Accra, Sekondi-Takoradi. Ho and Tamale, are under construction at a total cost of \$12\$ billion and should be completed by the middle of 1999.

Whilst ensuring that we have an Armed Forces that is well housed, well trained and well equipped, we should also make sure that they are insulated from covert and overt political infiltration in order to sustain the peaceful and stable environment that has been achieved over the past years.

Mr. Speaker, we hope to publish Government's reaction to the Report of the Justice Archer Presidential Commission into the Police Service very soon. That will form the basis for the reorganisation and modernization of the Police Service

with particular emphasis on accommodation and logistic support.

We also had to contend with the tide of lawlessness which appears to be the consequence of growing materialism and individualism, and an eroded sense of social responsibility.

This manifests itself in many ways, ranging from reckless driving, to theft and embezzlement by public offers, and from destructive mob action in communities and even in institutions of learning, to rampant encroachment on legally acquired lands.

This noble House has even seen Members who were once vociferous champions of the Rule of Law threatening to organize civil disobedience when their demands did not prevail in this House.

Laws and institutions exist to curb many of these social ills, and we shall see to it that they are effectively enforced in the year ahead, and that the agencies concerned are better resourced and empowered.

Mr. Speaker, there are no laws, however, which govern attitudes, and which check arrogance, selfishness and disregard for fellow men and women or for the well-being of our nation. 1998 saw a number of public fora and other gatherings at which these issues were discussed.

Parents, teachers and all responsible adults were called upon to redouble their efforts in the moral upbringing of children and the youth, and to set examples

of probity, compassion and social conscience.

Let us in 1999 translate these words into deeds, with heads of households; community leaders, religious and social groups and decent men and women in all walks of life coming together in a powerful crusade for order and social responsibility.

Honourable Members of this House are in a unique position to play a leadership role in this crusade, which cuts across all party, regional and ethnic considerations.

Together, we can ensure that our dear country enters the next millennium as a more orderly, moral and responsible society.

Government will do everything to improve the internal security system to create a safe environment for all our citizens and law-abiding foreign nationals.

We expect to present to Parliament in the course of the year new draft legislation on the Prisons Service, Immigration and Citizenship.

Mr. Speaker, as promised in the NDC's 1996 Manifesto, we paid considerable attention to social and criminal legislation last year. Laws relating to children and inhuman social practices were reviewed and amended. The Legal Aid Scheme (Amendment) Act and the Road Traffic (Amendment) Act were passed.

Draft legislation currently under consideration and which may be presented to Parliament in the course of the Session include those on Civil Liability, Mental Health, Prevention of Diseases, Family Relations, Trusts and Computer Crime.

Even though we have not succeeded in establishing all the Regional Tribunals eight regions now have the Tribunals, the exceptions being Upper East and West.

One hundred and twenty-two Community Tribunals have been established but forty-three are without resident chairpersons.

A scheme has been worked out between the Judicial Service and the Ministry of Local Government and Rural Development for District Assemblies to get involved in provision of infrastructure for the Judiciary.

Mr. Speaker, I know you as a highly-regarded and well-spoken Judge. Both you and our Chief Justice, Mr. Abban are visionaries in the revolutionary sense. And I mean it. But, Sirs, let me tell you my problem.

An investor decided to invest in a plantation with an onsite processing plant in Ghana. He arranged financial facilities with both foreign and Ghanaian banks. He acquired a vast tract of suitable land; paid for it in full and registered it. He utilises external loans to import equipment and materials for the farm. He acquires domestic loans to hire office accommodation and storage facilities, enters into

contracts for the execution of the project, and commences to clear the land.

At that stage, and two weeks before the scheduled arrival of the shipped items, lawyers for a Mr. Y notify Mr. X, the investor that the land belongs to their client, Mr. Y. They go ahead and produce a title deed, in Mr. Y's name. When Mr. X protested, Mr. Y files a suit against Mr. X claiming title to the land. He gets an injunction against Mr. X forbidding all activities on the land until the final determination of Mr. Y's action. Work on the land comes to a complete stop.

The case drags on, Meanwhile, the shipped equipment have now arrived in Ghana, have had to be warehoused and start attracting various duties and charges. Eventually, Mr. X is notified that the statutory period having expired and the goods having remained uncleared, they are being auctioned. Interest on the loans begin to accrue. The banks notify Mr. X of the withdrawal of their financial support for the project. They also threaten to sue him for the recovery of the amounts already utilised, plus interest. The contractor who commenced the land clearing sues Mr. X for breach of contract. Mr. X ends up bankrupt, broken, and bitter.

Mr. Speaker, where is the justice to Mr. X in the case? Where is the justice to the Ghanaian economy? Where is the justice in the Ghananian judicial system? What is Mr. X going to tell his compatriots and others about the "so-called" investment opportunities in Ghana, the Gateway Project, our Vision 2020 etc, etc?

Mr. Speaker, these are issues some members of your legal profession bring to my attention regularly. They are my concerns also. And they are the concern of many producers and entrepreneurs in the economy as well as domestic and foreign investors who see the land tenure and aspects of the legal and judicial systems as serious obstacles and impediments to production and investment.

True, there is a role for Government to play in dealing with this problem and we shall play it. As I stated in my Address last year, we will continue our programme of legal sector reforms to enhance efficiency in the Judiciary and the Legal Service and fit it for its new roles. We shall set up the programme for the modernisation of our court structures as well as our court equipment. We shall strive to improve conditions of our courageous and dedicated judges.

But Mr. Speaker, what can we do about the judge who is quick to slap an injection on land required for investment but who shows little or no interest in disposing expeditiously of the case so that the land can be put to productive use?

What can we do about the lawyer who uses adjournments and other legalities to protect a fraudulent businessman who has duped an investor? What can we do about the judge who does not seem to realise that granting such liberal adjournments helps to frustrate the investor? What can

we do about the police officer who allows himself to be misused by that fraudulent businessman to rather harass the investor to leave the country, under threat of arrest?

All I am saying is that the justice delivery system has a vital role to play in the realisation of our national development objectives as outlined in *Vision 2020*. The justice delivery system must therefore be re-invigorated and properly focused to cope with the dictates of the modern and dynamic economic environment where issues must be resolved in the simpliest, speediest and JUST manner possible.

Mr. Speaker, let me now say a few words about the global economic outlook and how Ghana fits into it. Globalization has become a familiar word for some years now, in contexts ranging from international politics, trade and finance to social issues.

I believe that over the past two years, many Ghanaians have come face to face with the reality of globalization, not as a fashionable catchword but as something which impinges directly on our lives.

Economic downturn in Asia and Russia and its consequences among Western nations is not a mere interesting item in the newspapers, but a phenomenon which adversely affects the flow of investment and concessional loans to our economy.

Even environmental issues have been globalized. We can no longer pretend that

massive fires in Indonesia and unprecedented floods in Honduras have nothing to do with the erratic weather in Ghana.

Whilst we would no doubt be happy about the globalization of positive trends, the present reality is that we are at the receiving end of negative global trends.

Those of a pessimistic frame of mind could well argue that what we in Ghana may do can hardly have any impact on global affairs, and so we should pursue and enjoy our short-term interests and consign future generations to their fate.

I am not a pessimist, and I trust that the Members of this noble House are not.

Globalization must not be used as an excuse for not doing what is right. And we must recognize that whilst globalization presents challenges, it also offers opportunities to those who are convinced that commitment; determination and responsibility can turn the new millennium to the advantage of our people.

At the same time, we must learn to view events in Ghana within the context of the global situation. To do less would be a demonstration of the utmost irresponsibility.

Finally, Mr. Speaker, as I pointed out at the NDC Congress just a month ago, 1999 is not an election year. It is a year in which a great deal of serious work needs to be done, not only Parliamentarians but all Ghanaians, to ensure that we enter the 21st Century ready to face the inevitable

challenges on our path towards peaceful and sustainable prosperity for all our people.

Mr. Speaker, the balance-sheet I have presented and other aspects which will be covered in the 1999 Budget Statements shows that Ghana continues to make progress under the steady hands of the NDC Government. But the message I want to send today is not one of self-congratulations. Mine is a message of reflection.

We have begun the last year of the 20th Century. On the one hand, it has been a most auspicious century in human history with its unparalleled technological advancement. But it has also been one of the most violent and dehumanizing in history. The peoples of Africa fought hard to gain their freedom from colonial bondage only to find ourselves plunged into ethnic and communal violence, into poverty and degradation. This country has had its share of the difficulties, although thankfully, we now stand on the threshold of better times. Nothing can be more useful than to reflect on the lessons of the past and prepare ourselves morally and spiritually for the millennium.

In this regard, Mr. Speaker, it is imperative, that we focus all our efforts on the productive, efficient and constructive use of our energies and resources for the benefit of all our people. We must sustain the modest gains made during 1998, and build on them through concerted, sustained and principled effort to ensure

that we are ready to face the challenges of the future.

I trust that the Honourable Members of this House will be able to enter the 21st Century with pride, knowing that you have contributed with selfless commitment to the progress of our nation:

Mr. Speaker, may God's love and wisdom guide this Parliament in the months ahead.

Thank you.

Mr. Speaker: His Excellency, the President now takes leave of the House.

[His Excellency, the President was escorted out of the Chamber by Mr. Speaker.]

Minister for Parliamentary Affairs (Dr. Kwabena Adjei): Mr. Speaker, the main business of the House having been transacted in the nature of the delivery of the Sessional Address by the President of the Republic of Ghana, I beg to move, That this House adjourns till tomorrow Friday, 15th of January, 1999 at 10.00 a.m.

Minority Leader (Mr. J. H. Mensah): Mr. Speaker, I beg to second the motion.

Question put and motion agreed to.

ADJOURNMENT

The House was accordingly adjourned at 11.45 a.m. till 15th January, 1999 at 10.00 a.m.