

**THE**  
**2013 BUDGET STATEMENT**  
**AND**  
**ECONOMIC POLICY**

For copies of the Statement, please contact the Public Relations Office of the Ministry:

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The 2013 Budget Statement and Economic Policy of the Government is also available on the internet at: [www.mofep.gov.gh](http://www.mofep.gov.gh)

## **ACRONYMS AND ABBREVIATIONS**

ABFA	Annual Budget Funding Amount
ACB	Automatic Capacitor Banks
ACP	African Caribbean and Pacific
ADP	Alternative Development Programme
ADR	Alternative Dispute Resolution
AfDB	African Development Bank
AFIS	Automated Fingerprint Identification System
AFRITAC	Africa Regional Technical Assistance Centres
AG's	Attorney General's
AICC	Accra International Conference Centre
AIDS	Acquire Immune Deficiency Syndrome
AITI-KACE	Advance Information Technology Institute - Kofi Annan Centre of Excellence
AML	Anti-Money Laundering and the
AMSEC	Agriculture Mechanization Service Centres
AMSECs	Agricultural Mechanization Service Centres
APM	Annual Partnership Meeting
ARC	Architects Registration Council
ATMA	Accra Tema Metropolitan Assembly
AVIC	Accra Visitor Information Centre
BDR	Birth and Death Registry
BECE	Basic Education Certificate Examination
BMI	Body Mass Index
BOG	Bank of Ghana
BOPD	Barrel Of Oil Per Day
BOST	Bulk Oil Storage and Transportation Company
BPO	Business Process Outsourcing
BR	Benchmark Revenue
C. Is.	Constituencies Instruments
CABRI	Collaborative African Budget Reform Initiative
CAGD	Controller and Accountant General's Department
CBOs	Congregational Budget Offices
CBT	Competency-Based Training
CCTV	Closed Circuit Television
CDB	China Development Bank
CDV	Community Development Vocational
CEDAW	Committee on the Eliminating of Discrimination Against Women

CEDECOM	The Central Regional Development Commission
CENDLOS	Centre for National Distance Learning and Open Schooling
CEOs	Chief Executive Officers
CEPS	Customs Excise and Preventive Services
CET	Common External Tariff
CETA	Community Education Teaching Assistants
CFT	Combating of the Financing of Terrorism
CG	Consultative Group
CHNs	Community Health Nurses
CHO	Community Health Nursing Officer
CHPS	Community -based Health Planning and Services
CHPS	Community-Based Health Planning Services
CHRAJ	Commission for Human Rights and Administrative Justice
CID	Criminal Investigation Department
CLTS	Community Led Total Sanitation
CLTSS	Community Led Total Sanitation Strategy
CNN	Cable News Network
COCOBOD	Ghana Cocoa Marketing Board
CODAPEC	Cocoa Diseases and Pest Control
CoEDO	Cost of Environmental Degradation
COP	Child on line Protection
COPAL	Cocoa Producers Alliance
CoS	Conditions of Service
COTVET	Council for Technical and Vocational Education and Training
CRI	Crops Research Institute
CRIG	Cocoa Research Institute of Ghana
CRIP	Cocoa Roads Improvement Programme
CSD	Central Securities Depository
CSIR	Council for Scientific and Industrial Research
CSOs	Civil Society Organisations
CSSVD	Cocoa Swollen Shoot Virus Disease
CSW	Commission on the Status of Women
CT	Communications Tax
CWSA	Community Water and Sanitation Agency
DAC	Development Assistance Committee
DACF	District Assemblies Common Fund
DADC	Data Analysis and Dissemination Centre
DCDs	District Coordinating Directors
DCRIP	District Capital Roads Improvement Project

DCS	Directorate of Crop Services
DDF	District Development Facility
DDF	District Development Facility
DFI	Department of Factories Inspectorate
DFR	Department of Feeder Roads
DHS	Demographic and Health Survey
DMS	Debt Management Strategy
DoL	Division of Labour
DRH	Department of Rural Housing
DSA	Debt Sustainability Analysis
DSW	Department of Social Welfare
DTT	Digital Terrestrial Television
DUR	Department of Urban Roads
DV	Domestic Violence
DVGs	Disaster Volunteer Groups
DVLA	Driver and Vehicle Licensing Authority
ECOWAP	Economic Community of West African Agricultural Policy
ECOWAS	Economic Community of West African States
EDC	Enterprise Development Centre
EGDC	ECOWAS Gender Development Centre
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Planning
EOCO	Economic and Organized Crime Office
EPA	Environmental Protection Agency
EPA	Economic Partnership Agreement
EPCC	Economic Policy Coordinating Committee
EPI	Environmental Performance Index
ETC	Entity Tender Committee
FAA	Federal Aviation Administration
FAA	Financial Administration Act
FAO	Fiscal Analysis Office
FAR	Financial Administration Regulation
FATF	Financial Action Task Force
FBO	Farmer Based Organisation
FDA	Food and Drugs Authority
FDI	Foreign Direct Investment
FIC	Financial Intelligence Centre
FIFA	Federation of International Football Association
FOAT	Functional Organizational Assessment Test

FOB	Free On Board
FOB	Forward Operating Base
FRIMP	Fiscal Risk Management Strategy Plan
FRISMO	Food Research Institute Improved Smoke Oven
FTA	the Free To Air
FWSC	Fair Wages and Salaries Commission
FWSC	Fair Wages and Salaries Commission
GAC	Ghana Aids Commission
GAEC	Ghana Atomic Energy Commission
GAF	Ghana Armed Forces
GAS	Ghana Audit Service
GASSCOM	Ghana Association of Software Companies
GAX	Ghana Stock Exchange
GAX	Ghana Alternative Market
GCNET	Ghana Community Network Services Limited
GCS	Ghana Civil Service.
GDP	Gross Domestic Product
G-DPG	Government-Development Partner Group
GEDAP	the Ghana Energy Development and Access Project
GEPA	Ghana Export Promotion Authority
GEPP	Government e-Payment/e-Commerce Platform
GES	Ghana Export School
GHA	Ghana Highway Authority
GHEITI	Ghana Extractive Industries Transparency Initiative
GHF	Ghana Heritage Fund
GIFMIS	Ghana Integrated Financial Management System
GIFMIS	Ghana Financial Management System
GIS	Geographic Information Systems
GIS	Ghana Immigration Service
GLSS	Ghana Living Standards Survey
GMET	Ghana Meteorological Agency
GNPCPC	Ghana National Cleaner Production Centre
GNFS	Ghana National Fire Service
GNPC	Ghana National Petroleum Corporation
GoG	Government of Ghana
GPF	Ghana Petroleum Funds
GPHA	Ghana Ports and Harbour Authority
GPI	Gender Parity Index
GPRS	General Packet Radio Service

GRA	Ghana Revenue Authority
GRATIS	Ghana Regional Appropriate Technology Industrial Service
GRB	Gender Responsive budget
GRD	Registrar General's Department
GRN	Geodetic Reference Network
GRSCDP	Gender Responsive Skills and Community Development Project
GSA	Ghana Standards Authority
GSD	Ghana Stock Exchange Depository
GSE	Ghana Stock Exchange
GSE	Ghana Stock Exchange
GSF	Ghana Stabilization Fund
GSFP	Ghana School Feeding Programme
GSGDA	Ghana Shared Growth and Development Agenda
GSM	Global System for Mobile
GSS	Ghana Statistical Service
GSTDP	Ghana Skills and Technology Development Project
GWCL	Ghana Water Company Limited
GYEEDA	Ghana Youth Employment and Entrepreneurial Development Agency
GYEEDA	Ghana Youth Employment and Entrepreneurial Development Agency
HEW	Health Extension Workers
HIV	Human Immunodeficiency Virus
HND	Higher National Diploma
HR	Human Resource
HRDBMS	HR database Management System
HRMIS	Human Resource Management Information System
HRSP	Human Resource Support Programme
HSD	Hydrological Services Division
HT	Human Trafficking
IAA	Internal Audit Agency
IAUs	Internal Audit Units
ICCES	Integrated Community Centres for Employable Skills
ICT	Information and Communication Technology
IDF	Industrial Development Fund
IE&C	Information , Education and Communication
IFAVs	Infantry Fire-Assault Vehicles
IFF	Infrastructure Finance Facility
IGF	Internally Generated Funds
IGFF	Intergovernmental Fiscal Framework
IIA	Institute of Internal Auditors

ILS	Instrument Landing System
IMF	International Monetary Fund
INSET	In-Service Education and Training
IOSCO	International Organisation of Securities Commissions
IPO	Initial Public Offer
IPPD	Integrated Personnel Payroll Database
ISPs	Internet Service Providers
ISSP	Industrial Sector Support Programme
IT	Information Technology
ITES	IT Enabled Services
ITU	International Telecommunication Union
JBP	Joint Border Posts
JCAP	Joint Country Action Plan
JHS	Junior High School
JVC	Joint Venture Company
KIA	Kotoka International Airport
L.I.s	Legislative Instruments
LEAP	Livelihood Empowerment Against Poverty
LESDEP	Local Enterprises and Skills Development Programme
LGS	Local Government Services
LMIC	Lower Middle-Income Country
LMIS	Labour Market Information System
LPG	Liquefied Petroleum Gas
LSDGP	Local Services Delivery and Governance Programme
LUPMIS	Land Use Planning and Management Information Systems
M&E	Monitoring and Evaluation
MAF	Millennium Development Goal Acceleration Framework
MARPs	Most-at-Risk Populations
MASLOC	Micro and Small Loans Centre
MASTESS	Mathematics, Science and Technology Education
MCC	Millennium Challenge Corporation
MDAs	Ministries, Departments and Agencies
MDBS	Multi-Donor Budgeting Support
MDGs	Millennium Development Goals
MDPI	Management and Productivity Institute
MDTP	Medium Term Development Plan
MELR	Ministry of Employment and Labour Relations
MEST	Ministry of Environment, Science and Technology
METASIP	Medium Term Agricultural Sector Investment Plan



MICS4	Multiple Indicator Cluster Survey IV
MiDA	Millennium Development Authority
MIS	Management Information System
MMDAS	Metropolitan, Municipal and District Assembly
MMR	Maternal Mortality Ratio
MNP	Mobile Number Portability
MoC	Ministry of Communications
MoFA	Ministry of Food and Agriculture
MOF	Ministry of Finance
MOGCSP	Ministry for Gender, Children and Social Protection
MOH	Ministry of Health
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
MRI	Magnetic Resonance Imaging
MSMEs	Micro, Small and Medium Enterprises
MSSP	Mining Sector Support Programme ).
MTDS	Medium Term Debt Strategy
MTDS	Medium Term Debt Strategy
MTTU	Motor Traffic and Transport Unit
MWRWH	Ministry of Water Resources, Works and Housing
NACAP	National Anti-Corruption Action Plan
NACOB	Narcotics Control Board
NACSA	National Commission on Small Arms
NADMO	National Disaster Management Organization
NAFAC	National Festival of Arts and Culture
NAFCO	National Food and Buffer Stock Company
NAHRAP	National Human Rights Action Plan
NAM	Non-Aligned Movement
NBCBTD	National Board of Control for Building Technicians and Draughtsmen
NBSSI	National Board for Small Scale Industries
NCA	National Communications Authority
NCD	Non-Communicable Diseases
NCPP	National Child Protection Policy
NCTE	National Council of Teachers of English
NDA	Net Domestic Assets
NDC	National Democratic Congress
NDPC	National Development Planning Commission
NEA	National Educational Assessment
NEC	Education and Communication

NEDCO	Northern Electricity Distribution Company
NEDCO	Northern Electricity Distribution Company (
NESSAP	National Environmental Sanitation Strategy and Action Plan
NFA	Net Foreign Assets
NGOs	Non-Governmental Organisations
NGP	National Gender Policy
NHIA	National Health Insurance Authority
NHIS	National Health Insurance Scheme
NIC	National Insurance Commission
NITA	National Information Technology Agency
NMC	National Media Commission
NOC	National Oil Company
NOC	Network Operating Centre
NOPs	Net Open Positions
NORST	Northern Region Small Towns
NPA	National Petroleum Authority
NPC	National Population Council
NPECL	National Programme for the Elimination of Child Labour
NPRA	National Pensions Regulatory Authority,
NSA	National Sports Authority
NSC	National Steering Committee
NSC-W	National Sports College, Winneba
NSP	National HIV & AIDS Strategic Plan
NTR	Non-Tax Revenue
NVTI	National Vocational Training Institute
NYA	National Youth Authority
NYEP	National Youth Employment Programme
OCTP	Offshore Cape Three Point
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
OHCS	Office of the Head of Civil Service
OIC	Opportunities Industrialization Centre
OTC	Over-the-Counter
PANAFEST	Pan-African Historical Theatre Project
PDF	Project Development Facility
PDs	Primary Dealers'
PEFA	Public Expenditure and Financial Accountability
PGRRI	Plant Genetic Resources Research Institute
PIAC	Public Interest and Accountability Committee

PIP	Public Investment Programme
PLHIV	People Living with HIV
PMTCT	Prevention of Mother-to-Child Transmission
PoD	Plan of Development
PPA	Public Procurement Act
PPAG	Planned Parenthood Association of Ghana
PPD	Population and Development
PPME	Public Procurement Model of Excellence
PPP	Private-Public Partnership
PPP	Public Private Partnership
PRAAD	Public Records and Archives Administration Department
PRF	Project Readiness Filter
PRMA	Petroleum Revenue Management Act
PSC	Public Service Commission
PSCC	Petroleum Security Coordinating Committee
PSDF	Private Sector Development Fund
PSDS	Private Sector Development Strategy
PSO	Parliamentary Support Office
PWD	Public Works Department
PWDs	People with Disabilities
QAIP	Quality Assurance Improvement Programme
RCCs	Regional Coordinating Councils
RCD	Rent Control Division
REP	Rural Enterprise Programme
RFP	Request for Proposal
RICL	Regional Integration Community Levy
RSMS	Rural Sanitation Model and Strategy
RWH	rainwater harvesting
SADA	Savannah Accelerated Development Authority
SADA	Savannah Accelerated Development Authority
SEC	Securities and Exchange Commission
SHEP	Self Help Electrification Project
SHS	Senior High School
SIM	National Subscriber Identity Module
SMCD	Supreme Military Council Decree
SME	Small and Medium Enterprise
SNEP	Strategic National Energy Plan
SOEs	State Owned Enterprises
SOPCL	Saltpond Offshore Producing Company Limited

SoS	Scheme of Service
SPP	Social Protection Programmes.
SPP	Sustainable Public Procurement
SRH	Sexual and Reproductive Health
SRWSP	Sustainable Rural Water and Sanitation Project
SSA	Sub-Saharan Africa
SSDP	Strategic Sector Development Plan
SSPP	Single Spine Pay Policy
STDs	Standard Tender Documents
STI	Science, Technology and Innovation
SWAT	Special Weapons and Tactic
T3	Takoradi Thermal Project
TAs)	Technical Assistants
TCF	Trillion Cubic Feet
TCPD	Town and Country Planning Department
TCTCFM	Technical Committee on Trade, Customs and Free Movement
TCVs	Troop Carrying Vehicles
TEN	Tweneboa-Enyenra-Ntomme
TIEA	Tax Information Exchange Agreements
TIN	Taxpayer Identification Numbers
TIs	Technical Institutes
ToR	Terms of Reference
TRBs	Tender Review Boards
TRIPS	Total Revenue Integrated Processing System
TUC	Trade Union Congress
TVET	Technical and Vocational Education Training
UDG	Urban Development Grant
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organisation
UNWTO	United Nations World Tourism Organisation
UTDBE	Untrained Teachers Diploma in Basic Education
UWP	Urban Water PROJECT
VAT	Valued Added Tax
VGS	Viability Gap Scheme
VRA	Volta River Authority
WAAPP	West Africa Agricultural Productivity Programme
WACB	West African Central Bank
WAMI	West African Monetary Institute
WAMZ	West African Monetary Zone

WAPP	West African Power Pool
WASSCE	West African Senior School Certificate Examination
WEO	World Economic Outlook
WFD	Westminster Foundation for Democracy
WiFi	Wireless Fidelity
WRC	Water Resources Commission
WTO	World Trade Organization
YIAP	Youth in Agriculture Programme
YLSTIs	Youth Leadership and Skills Training Institutions

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## **SECTION ONE: INTRODUCTION**

1. Mr. Speaker, I beg to move that this august House approves the Financial Policy of the Government for the year ending 31st December, 2013.
2. Mr. Speaker, my presence in the House today is to present to you, for the first time in my capacity as Minister for Finance, and on the authority of His Excellency, John Dramani Mahama, the recently elected President of the Republic of Ghana, the full-year Budget Statement and Economic Policy for 2013. This is in accordance with Article 179 of the 1992 Constitution.
3. Mr. Speaker, this presentation is an abridged version of the 2013 Budget Statement. I would like to request the Hansard Department to capture the entire Budget Statement and Economic Policy.
4. In October 2012, my predecessor, Honourable Dr. Kwabena Duffuor, appeared before this august House to lay the Expenditure in Advance of Appropriation for the first quarter of 2013. This was in accordance with Article 180 of the 1992 Constitution. Those Estimates were also the first allocation of resources to Ministries, Departments and Agencies (MDAs) to be presented on behalf of His Excellency President John Dramani Mahama. This was shortly after he was sworn-in to complete the term of our beloved late President, His Excellency Professor John Evans Atta Mills. The approval of those Estimates by this House has made it possible for government business to continue uninterrupted.
5. Mr. Speaker, from January 2009 to December 2012, the NDC government implemented cogent policies and programmes and pursued activities that were based on the strategic goals of the Ghana Shared Growth and Development Agenda (GSGDA) policy document which was approved by this august House.
6. As stated by His Excellency John Mahama in the State of the Nation address, the vision and commitment of government over the medium term is to build a prosperous and equitable society in pursuance of the common and cherished goal of "Advancing the Better Ghana Agenda" for

all. This vision is anchored on the commitment to Putting People First; A Strong and Resilient Economy; Expanding Infrastructure; and Transparent and Accountable Governance.

7. Mr. Speaker, we have achieved macroeconomic stability and growth on the basis of strong real and external sector performance, including low rates of inflation and the build-up of substantial foreign exchange reserves. We have achieved these goals against the backdrop of the global financial crisis; we have also acted decisively to implement policies that address the challenges that occasionally confront our forward march.
8. Mr. Speaker, as we are all aware, the global economy remained fragile in 2012 following four years of weak and uneven recovery notably the persistent Euro-zone debt crises and the uncertainty surrounding the fiscal issues in the United States. Therefore, Ghana's 2012 provisional growth rate of 7.1 percent is still high given that it is on top of the growth rate of 14.4 percent recorded in 2011 when the GDP first reflected the impact of crude oil production in commercial quantities. Moreover, the 2012 provisional growth rate compares favourably with the global growth of 3.2 percent and sub-Saharan Africa growth of 4.8 percent. [According to the IMF's World Economic Outlook (Jan 23, 2013)].
9. Mr. Speaker, in contrast with the gloomy global picture, Ghana recorded relative economic stability and appreciable growth rates. Gross Domestic Product (GDP) which was about GH¢30 billion in 2008 expanded to GH¢71.8 billion at the end of 2012. This testifies that output from all sectors of the Ghanaian economy (not just oil and gas) has grown in leaps and bounds. It is anticipated that the economy will achieve a growth rate of between 8.5 and 9.0 percent at the end of 2012, when the final GDP estimates are updated by end April 2013;
10. Mr. Speaker, the journey to attain macro-economic stability over the past four years has not always been smooth because we are still vulnerable to several external and domestic shocks. These require decisive and immediate correction at all times. During the first half of 2012, the cedi came under speculative attack and despite an election year, the Bank of

Ghana and MOF implemented measures to stabilize the foreign exchange and reserve situations;

11. The correction of economic threats is an obligation that we cannot compromise. We need to work harder than ever to consolidate the economic fundamentals that have been built over the years. With the consolidation of these fundamentals the transition from a lower middle income country to a middle income country will be easier. The Bank of Ghana and the Ministry of Finance will continue to install early-warning mechanisms and programmes to carefully identify and manage all sources of fiscal and monetary risks to the budget and financial framework.
12. Mr. Speaker, in fulfilment of government promise of improving the conditions of service and productivity in the public service, the NDC government undertook to implement the Single Spine Salary Structure (SSSS); an obligation that was bequeathed by the previous Administration on the very eve of its departure from power. Nonetheless, in the interest of social and industrial harmony the government proceeded with the roll-out. Government was mindful of the need to stop the continuing exodus of quality staff, improve salary levels and attract critical skill to enhance productivity. The demands and pressures that came in the wake of the implementation of the scheme compelled government to shorten the 5 year implementation stretch. This has created the situation where compensation to public sector workers grew overnight to 72.3 percent of tax revenue (including oil) as at end December 2012: a figure that is in fact higher than the 60.9 per cent in November 2012 as cited in the State of the Nation address. This outcome has crowded out the fiscal space for spending on critical social intervention and other infrastructure programmes.
13. Mr. Speaker, at this stage there is therefore need to strike a balance between (a) public sector productivity and remuneration and (b) the equally important allocation of national revenues to expenditures on goods and services, and investments. We aim at achieving this through increased national output and higher levels of revenue mobilization.

14. Mr. Speaker, one of the critical challenges that Ghana faces in the quest to give real developmental meaning to its status of a Middle income country, is the imperative need to widen the socio-economic infrastructure space, through the replacement of old and worn out ones and the building of new ones. Our efforts to attract foreign investment, create international competitiveness for indigenous private business, encourage the entrepreneurship of the youth and provide gainful employment for our growing population, are contingent upon such expansion and modernization of our socio-economic infrastructure.
15. Mr. Speaker, the downside of our transition to a Lower Middle Income Country (LMIC) status is that we shall gradually lose a substantial amount of grants and concessional loans that accrue to developing countries. It means that we must rely more on our own internal resources and the capital markets for our developmental needs.
16. Therefore, Mr. Speaker, His Excellency President Mahama's first term will be used to implement programmes that consolidate our fledgling middle-income status and extend its benefits to current and future generations. Already we are on track to consolidate our LMIC status.
17. As a nation that is determined to learn from its own history (and that of others), with respect to natural resource management, we passed the Petroleum Revenue Management Act (PRMA) to direct the use of identifiable oil and gas revenues. Consequently we have been complying with the Act in the following transparent and accountable manner:
  - Regular publication of various PRMA reports by MOF and BOG
  - The publication of the first report of the Public Interest and Accountability Committee (PIAC) that was laid before this House in 2012; and
  - The compilation of the first Annual PRMA Report by a Minister of Finance which I will lay before this House as part of the presentation of this Budget.

18. Obviously, there are lessons to be learnt from these reports and, therefore, while the Executive awaits the recommendations of this House, His Excellency President John Mahama has directed that we take the following appropriate steps:
- Track the ABFA allocations transferred to the Consolidated Fund to ensure that they are used for pre-approved programmes and activities as required by Section 21 of the PRMA;
  - Ensure that the approved proportions of the Ghana Petroleum Funds (GPFs) are paid into the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF) and in a manner that captures the spirit of the PRMA;
  - Prepare a plan for using part of the ABFA to set up an Infrastructure Fund to ensure the country's cost-effective access to the capital markets as part of the plan for enhanced financing of the country's capital expenditure; and
  - Ensure that the independent expert appointed under the Act works with relevant public institutions to validate the estimation of the Benchmark Revenue and improve the estimation of corporate tax revenues in particular, on account of the generous incentives that the petroleum sector enjoys under various agreements.
19. His Excellency, the President has also directed that MOF and the Attorney General's Department complete the PRMA Regulations, as part of a comprehensive review to improve the smooth implementation of the PRMA.
20. Thus, over the past three years the Government has strenuously sought and secured considerable foreign grants and loans, to rebuild worn out roads and construct new ones, construct classrooms, teachers' accommodations and other much needed educational facilities; in addition to building hospitals and clinics.

21. Unfortunately, a considerable proportion of the secured foreign loans remain in the disbursement pipeline; a situation that frustrates the process of closing the infrastructure gap. One of the key features of my tenure as Minister of Finance will be the removal of bottlenecks that impede the disbursement process.
22. Mr. Speaker, the structural challenges that face the nation require very decisive initiatives with their attendant huge financial implications. Over the years, the initiatives have been driven mainly by Government in spite of the huge potential of the private sector. It is, therefore, Government policy that the next phase of the transformation process must involve the private sector. In this respect, among others we will embark on the following specific actions:
  - The Private Sector Advisory Council chaired by H. E. President John Mahama, will continue to engage with the private sector at the highest levels;
  - The Ministry of Finance will initiate a major review of our tax and investment promotion laws—to be tabled as Bills before this House by the Ministry of Finance - to bring them abreast with the needs of our investing public. Many of these were enacted over a decade ago and they have amendments that makes their implementation difficult;
  - Government will accelerate targeted investment in several sectors of the economy to cater for the public goods that facilitate private sector activities such as marketing and exportation. These include infrastructure in transportation (e.g., roads, ports and railways), energy (e.g., power, oil and gas), agriculture (e.g., irrigation and buffer stock), public safety, education, and health (e.g., hospitals, clinics, and ambulances);
  - The Ministry of Finance will lead a comprehensive review of services and charges at strategic public sector, trade and investment locations such as the airport, harbours and other entry points to ease business and reduce burdens on importers;

- It is the decision of government to consolidate various public sector identification programmes including: national identification, driver's license, national health insurance, taxpayer identification, and others as part of cost saving measures;
- It is also the intention of government, to ensure implementation of local content policy even as we conduct a review of the public procurement law and other regulations to boost the domestic industry; and
- Government will also enhance the country's competitiveness in import-export (EXIM) trade, investment and loan arrangements and negotiations with advanced and BRICS-country EXIM institutions. This is to improve access to foreign markets by our local firms and strengthen our balance of payments (BOP) and current account (CA) situation.

23. Mr. Speaker, we are resolved to tackling the main fiscal challenge which is the budget deficit. The sources of the excess deficit are known and include;

- Shortfalls in corporate income taxes, notably from the petroleum sector – GH¢708.2 million (1.0 percent of GDP);
- Shortfall in grants from our development partners – GH¢389.4 million (0.5 percent of GDP);
- Implementation of the single spine salary structure – GH¢1.91 billion (2.7 percent of GDP);
- Higher interest cost – GH¢245.0 million (0.3 percent of GDP);
- Utility and fuel subsidies – GH¢339.0 million (0.5 percent of GDP); and
- Higher spending on goods and services (which is already constrained by other expenditures) – GH¢354.7 million (0.5 percent of GDP).

24. Mr. Speaker, as part of the corrective measures to be undertaken, in January 2013, the NPA announced an adjustment in petroleum prices to a reasonable level that is still below the full cost. Government will take seriously, the suggestion to implement a periodic upward or downward adjustments to avoid severe disruptions to public and private sector output and financial planning.
25. We will continue to identify credible sources for financing infrastructure projects to curtail costly and ad hoc short-term borrowing. The purpose is to curtail over reliance on short-term instruments such as treasury bills to finance the capital budget and deficit. Government will endeavour to maintain a stable macro-economic and debt service record in order to tap into the 10 year or more bond and loan markets. This will ease pressure on credit to the private sector and help reduce interest rates.
26. Mr. Speaker, since the problems are also structural, we are implementing more efficient systems and procedures for processing government transactions. In this regard:
  - Ghana Revenue Authority (GRA) will hasten its reforms to improve the tax processes and elevate them to an electronic platform; improve compliance to increase the level of taxes we generate; and root out corruption, tax evasion and tax avoidance;
  - Improve the efficiency of government expenditures by hastening the implementation of new budget and accounting modules under the Ghana Integrated Financial Management System (GIFMIS) reforms to replace existing manual processes.
27. Mr. Speaker, as already directed by Cabinet, MOF will evolve a financing plan to sustain the expansion of infrastructure into the near-term without threatening our public debt status. Debt sustainability is a crucial element of our sovereign ratings and our ability to borrow in a cost-effective manner to finance the infrastructure projects. Obviously, this is also a key element of our transition to middle-income status, as the flow of grants and concessional loans to the Budget dwindles. Some elements of an improved sovereign financing plan include:



- Ensuring that commercial projects pay for the facilities that finance their implementation, through mechanisms such as escrow and on-lending arrangements;
  - Financing the capital component of our Budgets with longer tenor bonds and loans, preferably from the international capital markets, to ease the pressure on the short-end of our domestic treasury markets (a practice that crowds out credit to the private sector and increases the cost of borrowing to businesses and the government);
  - Vigorously pursuing the public-private partnership (PPP) programme that the government approved in 2011;
  - Exploring the use of insurance and risk management options to reduce the premium that the country pays on its commercial loans for country and project risks;
  - Improving operational and financial efficiency in our state-owned enterprises—notably those in infrastructure development—to enable them borrow from the local and foreign capital markets on their own Balance Sheet, without recourse to sovereign guarantees;
  - Minimizing the risk that is put on public debt through the use of sovereign guarantees and making the issue of such guarantees commensurate with the risk that the state assumes in the implementation of all projects.
28. Mr. Speaker, I now proceed to present other key elements of the 2013 Budget which is aimed at sustaining confidence in the future of the Ghanaian economy.

## **SECTION TWO: GLOBAL ECONOMIC DEVELOPMENTS**

29. Mr. Speaker, following four years of weak and uneven recovery from the global financial crisis, the global economy remains susceptible to another economic downturn stemming from the lingering euro zone crisis, the challenges in dealing with the US fiscal crisis, and low output growth in Japan.
30. These challenges, notwithstanding, the International Monetary Fund's (IMF) World Economic Outlook (WEO) for January 23, 2013 indicates a modestly improved global economic environment during the third quarter of 2012, which positively impacted on overall growth in 2012. The Fund also projects further moderate increase in economic growth during 2013. The expected improvement in the current economic environment is predicated on the fact that, some of the factors underlying the soft global activity will subside.
31. Mr. Speaker, the main sources of global growth in 2012 has been from the emerging and developing economies, where economic activities picked up during the third quarter of 2012, and the United States where a surprising upside is being experienced. Sub Saharan Africa, also made significant contribution to global growth in 2012 largely on account of relatively high commodity prices, though in a far lower magnitude compared to 2011.
32. According to the WEO (January, 2103 update) the global economy grew by 3.2 per cent in 2012, a 0.1 per cent dip from the October forecast of 3.3 per cent and, lower than the outturn of 3.9 per cent in 2011. This was as a result of slowdown in manufacturing activities and marked decline in economic activities in the global Euro area as a result of the sovereign debt crisis.
33. The growth outturn is expected to strengthen gradually through 2013 to about 3.5 per cent. The euro zone was most affected, as growth reduced from 1.2 per cent in 2011 to -0.4 per cent in 2012.
34. Growth in the advanced economies slowed down from 1.6 per cent in 2011 to 1.3 per cent in 2012. This is expected to increase moderately to

1.4 per cent in 2013, a reflection of improvement in external demand due to pick up in growth in some emerging market economies and a moderation of fiscal consolidation in Europe.

35. Mr. Speaker, in emerging markets and developing economies, the spillover effects of the problems of the advanced economies combined with internal problems to hold back growth by lowering commodity prices. Consequently, growth fell further from 6.3 per cent in 2011 to 5.1 per cent in 2012 but it is expected to recover moderately to 5.5 per cent in 2013. Among the emerging and developing economies, China and India led the growth, with 7.8 per cent and 4.5 per cent growth, respectively, in 2012 compared to 9.3 per cent and 7.9 per cent, respectively, in 2011.
36. Mr. Speaker, sub-Saharan Africa (SSA) continued to exhibit a favourable growth in 2012, against the backdrop of difficult external conditions. Growth in the region slowed down from 5.3 per cent in 2011 to 4.8 in 2012 and is expected to expand to 5.8 per cent in 2013. Growth in oil exporting economies was higher at about 6 per cent and, is projected to remain favourable with an average growth rate of about 7 per cent in 2013. There is, however, a very high risk to these projections because of the global uncertainties especially, in the euro area and in the BRIC countries. An escalation in the euro crisis, leading to further slowdown in growth will adversely affect SSA through trade.
37. In the same way, softer commodity prices would adversely affect the region's natural resource exporters, just as an escalation in food prices will undermine the external and fiscal balances of food importing countries in the region. There is need for governments to build the necessary buffers to reduce the impact of these possible threats.
38. Mr. Speaker, in the latest release of the World Bank's forecasts on global economic expectations, observed global inflation in 2012 was about 3.9 per cent. Overall inflation in 2013 is projected to remain relatively moderate and is forecast to fall within the 3.5 to 4 per cent range. Based on further observations in emerging and developing economies during the fourth quarter of 2012, inflation is annualised at 5.1 per cent and is projected to be about 6.3 per cent in 2013.

39. The overall estimate of global inflation for 2013 could have significant variation, either upward or downward depending on how the sovereign debt crisis in the Euro zone and the U.S. fiscal and debt ceiling negotiations are managed. Shocks to global petroleum and food supplies might also result in variations from the predicted inflation level for 2013.

#### **Commodity Prices**

40. Mr. Speaker, demand for gold and cocoa remained relatively strong amid the economic turmoil in Asia, Europe and North America. Gold price averaged US\$1,810 in 2012 and is expected to average about US\$2000 during 2013. Similarly, cocoa prices averaged US\$2,375 per metric tonne in 2012, and demand for cocoa beans during 2013 is expected to remain strong.

#### **Implications of the Global Economic Outlook on Ghana's Economy**

41. Mr. Speaker, the problems facing the global economy are multiple and interconnected. The most pressing challenges pertain to the continued unemployment crisis and the seemingly declining prospects for economic growth, especially, in developed economies. As unemployment remains high and incomes stagnate, the recovery will stall in the short run because of the lack of aggregate demand. A weakened aggregate demand in advanced economies will adversely impact on external demand as well as terms of trade of commodity exporters such as Ghana which depends primarily on favourable terms of trade for commodity exports.
42. Geopolitical tensions have the tendency of increasing crude oil prices globally. As a net oil importer, the right mix of policies to insulate the budget from unforeseen external shocks is needed. Government is keenly following the on-going policy debates on how best to design policies that balance the negative short-term effects of fiscal consolidation in the advanced economies as opposed to their favourable long-term effects and their implications on Ghana, in order to fashion out appropriate measures to reduce any negative impacts on our economy.

**Macroeconomic Developments in West African Monetary Zone (WAMZ) Countries**

43. Mr. Speaker, macroeconomic developments in the WAMZ region in 2012 showed that the region was still adversely affected by the downturn of the global economic environment stemming mainly from lingering sovereign debt crisis, financial sector concerns in the euro area, slow down emerging market growth and, near term expectations of further fiscal tightening in the United States.
44. This resulted in weak demand for exports and reduction in Foreign Direct Investment (FDI) and remittances. Consequently, on the average, growth in the Zone moderated in 2012 compared to 2011.
45. Mr. Speaker, preliminary data compiled by the West African Monetary Institute (WAMI) for the Zone shows that real GDP growth was expected to inch up on the average by 6.9 per cent compared to estimated growth rate of 8.7 per cent in the previous year. This growth rate has been driven by increased activities in all sectors in most Member States. In the Gambia, Guinea, Liberia and Sierra Leone, real GDP growth is expected to increase. Sierra Leone is expected to record the highest real GDP growth of 21.3 per cent, supported by increased iron ore mining activities. Real GDP growth is expected to decelerate in Nigeria and Ghana, from 7.2 per cent and 14.4 per cent to 5.9 per cent and 7.1 per cent, respectively.
46. Inflationary pressures picked up slightly during the review period, pushing inflation rate above its trend. On the average, headline inflation increased from 11.6 per cent in 2011 to 12.6 per cent in 2012. The main driver of inflation in the Zone was non-food items. Four countries, namely, the Gambia, Guinea, Liberia and Sierra Leone recorded declines, while Ghana and Nigeria recorded marginal increases.
47. Overall fiscal balances improved in Nigeria and Sierra Leone, but deteriorated in Ghana and Guinea. Liberia, however, recorded a surplus during the period.

48. External sector performance was mixed. While Ghana, Liberia and Sierra Leone recorded deterioration in overall balance of payments, Nigeria, the Gambia and Guinea recorded overall surpluses.

**Ghana's Performance in the WAMZ Convergence Criteria**

49. Mr. Speaker, Ghana's performance in both the primary and secondary convergence criteria deteriorated in the first half of 2012 as a result of the economic challenges the country went through in the first half of the year, and the subsequent losses in the value of the local currency against the currencies of our major trading partners. Consequently, Ghana was able to satisfy one primary criterion as against 4 obtained in June and December, 2011. One secondary criterion was achieved during the same period. In respect of the primary convergence criteria, Ghana achieved the single digit inflation criterion, but missed the target on external reserves in months of import cover, fiscal deficit excluding grants/GDP ratio and central bank financing of fiscal deficit as a percentage of previous year's tax revenue.

**Overall Performance of Countries in the WAMZ**

50. Mr. Speaker, overall, the macroeconomic convergence criteria ratings of countries in the WAMZ deteriorated from 79.2 per cent in June 2011 to 62.5 per cent in June 2012. None of the six member states was able to achieve all the four primary convergence criteria. Four countries, The Gambia, Guinea, Liberia and Nigeria achieved three criteria, while Sierra Leone achieved two. With respect to the secondary convergence criteria, countries' performance was even worse. Out of the six criteria, four countries were able to satisfy two of them, one country satisfied one and one other country could not achieve any of the six.
51. The main challenges identified as facing the countries in the zone are:
- persistent high inflation in some member states;
  - escalating budget deficits in some member countries;
  - rising wage bill;
  - declining public investment from domestic receipts;
  - rising domestic interest payments;
  - declining external reserves in months of imports;

- infrastructure deficits;
- high cost of doing business ; and
- high non-performing loans in the banking system.

52. These challenges need to be urgently addressed with appropriate policies by member States to ensure that countries improve upon their performance on the WAMZ convergence scale as the region draws closer to the 1<sup>st</sup> January, 2015 deadline for a monetary union.

**Progress in the Adoption of an ECOWAS Common External Tariff (CET)**

53. Mr. Speaker, Ghana and the other West African countries have, since 2006 been working towards the adoption of an ECOWAS Common External Tariff. This is an important ingredient to ensure a customs union and deepen the integration agenda of the sub region. The draft CET is composed of Tariff and Statistical Nomenclature based on the Harmonised Commodity Description and Coding System (HS) of the World Customs Organisation and a table of freight tariff and taxes applicable to imported goods. This includes Customs Duties, Statistical Fee and the ECOWAS Community Levy. The CET has a 5-band tariff structure divided into five categories with tariff rates of 0 per cent, 5 per cent, 10 per cent, 20 per cent and 35 per cent, referring, respectively, to essential social goods; primary raw materials; intermediate goods; finished goods; and special goods for economic development.

54. The adoption of the ECOWAS CET will enjoin Member States to make significant changes in their prevailing tariff rates to conform to the new tariff levels in the ECOWAS CET. In Ghana, the tariff levels of some imported items which are sourced from outside the ECOWAS sub-region will move up in accordance with the levels in the ECOWAS CET (where their current tariff levels are below the CET levels). On the other hand imports whose current tariffs are above the ECOWAS CET levels will have their levels reduced to come into conformity with the CET levels. Goods produced in the sub-region will, however, come in at a zero tariff rate.

55. Mr. Speaker, we note that the implementation of the ECOWAS CET in the sub-region is not expected to lead to any disturbing deterioration of the

economic situation of Member States. This was confirmed by a simulation exercise carried out by the ECOWAS Commission to determine the effects of the tariff protection on the volume of trade, household welfare, and customs revenue in member States. The study also concluded that with the exception of Nigeria and Guinea, the customs revenues of countries are expected to remain the same or record a slight increase in relation to their pre-CET levels.

56. Currently, negotiations on the CET have been completed at the technical level and, as per the road map leading to its implementation, member States are expected to adopt the ECOWAS CET beginning January, 2014.

57. Mr. Speaker, activities to be undertaken prior to the implementation date include the following:

- finalisation of the draft text on the Regional Integration Community Levy (RICL) in the first quarter of 2013;
- an experts Meeting of the Technical Committee on Trade, Customs and Free Movement (TCTCFM) in the first quarter of 2013 to adopt the ECOWAS CET;
- meeting of the Ministers of Finance after the meeting of TCTCFM in the first quarter of 2013 to ratify the ECOWAS CET;
- finalisation of draft texts on trade safeguards measures and availability to countries in the first quarter of 2013; and
- adoption of the ECOWAS CET by the ECOWAS Statutory Council of Ministers in May/June 2013.

58. Mr. Speaker, details of the changes that will be effected this year and an accompanying Bill will be submitted for the consideration of this august House. The rest of the changes will be reflected in the 2014 Budget.

**Economic Partnership Agreement (EPA) between West Africa and European Union (EU)**

59. Mr. Speaker, negotiations on the EPA between ECOWAS and EU stalled last year over disagreements in four areas. These are:



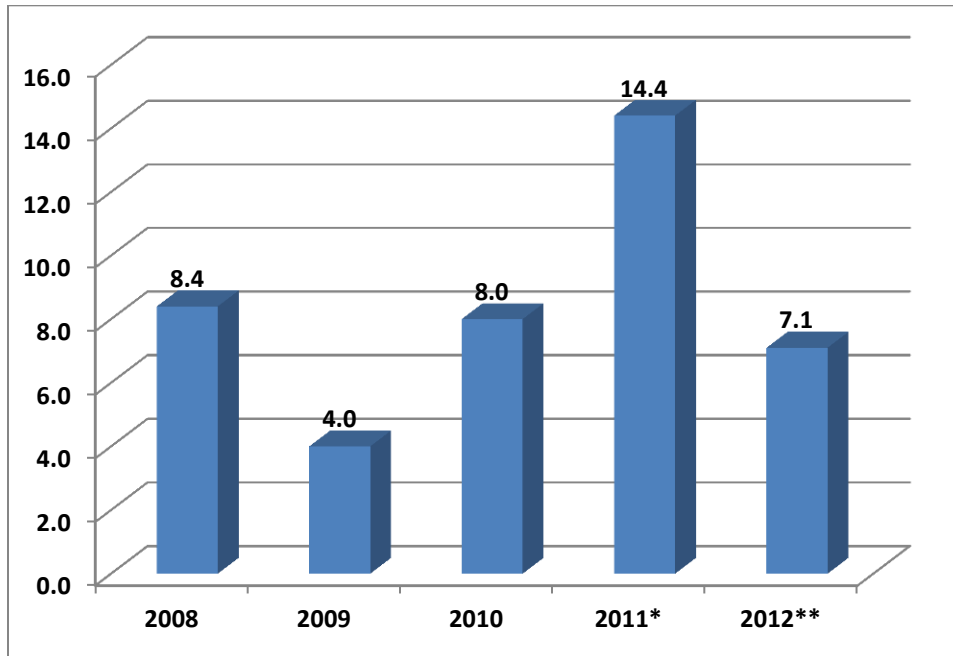
- the inclusion of the impact of agricultural subsidies by the EU on trade between the two regions;
  - the inclusion of Most Favoured Nation (MFN) Clause in the EPA text;
  - the inclusion in the EPA text of the non-execution clause; and
  - the request for West Africa to enter into trade negotiations with countries that have customs union with the EU.
60. A Ministerial Trade Meeting has been scheduled in Praia, Cape Verde in March this year to discuss the areas of divergence in order to move the process forward. Government will engage all stakeholders before concluding any agreement to protect Ghanaian imports to the EU.

### SECTION THREE: MACROECONOMIC PERFORMANCE FOR 2012

#### Real Sector

61. Mr. Speaker, provisional GDP estimates released by the Ghana Statistical Service in September 2012 indicate that in real terms, the economy expanded by 7.1 per cent. This compares with a growth target of 9.4 per cent in 2012 and the actual outturn of 14.4 per cent in 2011, as shown in Figure 1. It is anticipated that the economy will achieve a growth rate of between 8.5 per cent and 9.0 per cent at the end of 2012, when the final GDP estimates are updated by end April 2013.

**Figure 1: GDP Growth Rate (2008-2012)**



Source: Ghana Statistical Service

Notes:

\* Revised

\*\* Provisional

62. Mr. Speaker, the 2012 provisional growth rate of 7.1 per cent is still high given that it is on top of the growth rate of 14.4 per cent recorded in 2011 when the GDP first reflected the impact of crude oil production in

commercial quantities. The 2012 provisional growth rate compares favourably with the global growth of 3.2 per cent and sub-Saharan Africa growth of 4.8 per cent, according to the IMF's World Economic Outlook (Jan 23, 2013).

63. Based on the provisional GDP estimates, the detailed sectoral performance for the economy is presented below.

### The Agriculture Sector

64. Mr. Speaker, the Agriculture Sector recorded a growth rate of 2.6 per cent against a target of 4.8 per cent in 2012 and an actual outturn of 0.8 per cent in 2011 as shown in Table 1.

**Table 1: Agriculture Sector Growth (per cent)**

Item	2011*	2012	
		Target	Outturn**
<b>Agriculture</b>	<b>0.8</b>	<b>4.8</b>	<b>2.6</b>
Crops	3.7	5.0	5.0
o/w Cocoa	14.0	4.3	3.0
Livestock	5.1	4.5	5.5
Forestry and Logging	-14.0	5.0	-18.0
Fishing	-8.7	3.0	2.3

Source: Ghana Statistical Service

Notes:

\* Revised on April 11, 2012

\*\* Provisional estimate as at September 26, 2012

65. Mr. Speaker, apart from Forestry and Logging, all the sub-sectors recorded higher growth rates than those of 2011, with the Crops and Fishing sub-sectors making the largest contribution to agricultural output in terms of shares. But for the poor performance in the Forestry and Logging sub-sector, the agricultural growth performance would have been much higher. The low growth in Forestry and Logging sub-sector can be attributed largely to the:

- decline in the reforestation programme which started in 2010; and

- reduction in the number of permits awarded to timber contractors and the effective enforcement of the ban on illegal logging activities in pursuit of environmental sustainability objectives.

66. Mr. Speaker, it is worth noting that the improvement in growth in the Agriculture Sector from 0.8 per cent in 2011 to 2.6 per cent in 2012 was partly due to prudent policies and strategies such as the scaling-up of the fertilizer subsidy, agriculture mechanization and livestock and fisheries development programmes. The hard work of our farmers and other stakeholders in the Sector also contributed to the improved performance of the Sector.
67. The output of the Fishing sub-sector, which contracted by 8.7 per cent in 2011, grew by 2.3 per cent in 2012 due partly to the significant investments in the aquaculture component of the Youth in Agriculture Programme, among others. This shows that Agriculture can serve as the basis for sustainable youth employment and entrepreneurship development.
68. Mr. Speaker, it is instructive to note that, the contribution of the Agriculture Sector to GDP continues to decline, with the share reducing from 25.6 per cent of GDP in 2011 to 23.1 per cent in 2012.

### **The Industry Sector**

69. Mr. Speaker, the Industry Sector, the second largest sector with a share of 27.6 per cent, recorded a growth rate of 7.0 per cent in 2012 against a target of 15.8 per cent and an actual outturn of 41.1 per cent in 2011 as shown in Table 2.

**Table 2: Industry Sector Growth (%)**

Item	2011*	2012	
		Target	Outturn**
<b>Industry</b>	<b>41.1</b>	<b>15.8</b>	<b>7.0</b>
Mining and Quarrying	206.5	31.9	5.0
o/w Crude Oil	2,023.4	32.6	-5.0
Manufacturing	13.0	3.7	4.3
Electricity	-0.8	10.0	12.0
Water and Sewerage	2.9	4.0	0.0
Construction	20.0	14.0	11.8

Source: Ghana Statistical Service

Notes:

\* Revised on April 11, 2012

\*\* Provisional estimate as at September 26, 2012

70. Mr. Speaker, the lower performance in 2012, compared to the actual outturn in 2011, is due largely to the base effect of crude oil production in 2011. The year 2011 witnessed significant growth in the output of the Mining and Quarrying sub-sector as a result of the introduction of oil production in commercial quantities. The Mining and Quarrying sub-sector registered a growth rate of 5.0 per cent, against a target of 31.9 per cent, due mainly to a contraction in the oil and gas production occasioned by production difficulties in the Jubilee Field in the first half of the year. The robust growth in Industry despite the slack in oil output shows that the economy is robust even without oil. Recent data on oil production, however, shows a growth of 8.9 per cent as at end-December 2012.
71. Mr. Speaker, it is, therefore, anticipated that when the GDP estimates are revised, the growth in the Mining and Quarrying sub-sector will witness significant improvement.

### **The Services Sector**

72. Mr. Speaker, the Services Sector, the largest sector of the economy, which accounted for 49.3 per cent of GDP in 2012, recorded the highest growth rate in the year under review. The Sector exceeded its 2012 target of 7.7 per cent by 1.1 percentage points to register a growth rate of 8.8 per

cent. The sub-sectors which contributed to this remarkable performance include Hotels and Restaurants (13.6 per cent), Transport and Storage (11.4 per cent), Financial Intermediation (11.4 per cent), Information and Communication (12.1 per cent), and Business Services (13.5 per cent) as shown in Table 3.

**Table 3: Services Sector Growth (per cent)**

Item	2011*	2012	
		Target	Outturn**
<b>Services</b>	<b>8.3</b>	<b>7.7</b>	<b>8.8</b>
Trade, Repair of Vehicles, Households Goods	17.9	7.0	4.1
Hotels and Restaurants	3.6	10.0	13.6
Transport and Storage	3.3	5.5	11.4
Information and Communication	17.0	10.0	12.1
Financial Intermediation	1.0	12.0	11.4
Business, real estate and other service activities	14.0	10.4	13.5
Public Administration & Defence	7.4	8.0	2.9
Education	3.8	8.0	5.6
Health and Social Work	5.0	9.0	2.3
Other Community, Social & Personal Service Activities	13.0	9.6	6.7

Source: Ghana Statistical Service

Notes:

\* Revised on April 11, 2012

\*\* Provisional estimate as at September 26, 2012

### Fiscal Sector

73. Preliminary data on implementation of the Budget for the 2012 fiscal year indicates that, total revenue and grants was below the budget target. At the same time, expenditures for the period were higher than the budget estimate. This resulted in an overall fiscal deficit equivalent to 12.0 per

cent of GDP, against a target deficit equivalent to 6.7 per cent of GDP. The deficit was financed mostly from domestic sources, resulting in a net domestic financing equivalent to 9.8 per cent of GDP, against a target of 4.0 per cent of GDP.

**Table 4: Summary of Central Government Operations and Financing, 2012**

Description	2012	
	Budget (GHc million)	Outturn (GHc million)
Total Revenue and Grants	16,927.6	16,668.4
Total Expenditure and Arrears Clearance	21,596.6	25,317.1
Overall Fiscal Balance	-4,669.0	-8,648.7
Total Financing	4,669.0	8,648.7
o/w Domestic Financing	2,760.6	7,018.0

Source: MoF

### Revenue

74. Mr. Speaker, total revenue and grants for the period under review amounted to GH¢16,668.4 million, against a target of GH¢16,927.6 million. This was 1.5 per cent lower than target, but 30.2 per cent higher than the outturn for the corresponding period in 2011.

**Table 5: Summary of Central Government Revenue and Grants, 2012**

Description	Including Oil		Excluding Oil	
	2012		2012	
	Budget (GHc million)	Outturn (GHc million)	Budget (GHc million)	Outturn (GHc million)
Total Revenue and Grants	16,927.6	16,668.4	15,687.8	15,698.4
Domestic Revenue	15,377.9	15,508.1	14,138.1	14,538.1
Tax Revenue	12,584.1	12,517.3	11,963.1	12,247.0
Non-Tax Revenue	2,672.6	2,853.0	2,053.7	2,153.1
Others	121.2	137.9	121.2	137.9
Grants	1,549.7	1,160.3	1,549.7	1,160.3

Source: MoF

75. Tax revenue, excluding tax exemptions granted for the period, amounted to GH¢11,738.3 million, about 3.8 per cent lower than the budget target of GH¢12,201.4 million. The low performance of tax revenue was mainly due to lower company taxes resulting from the non-payment of taxes by some corporate institutions, including oil companies. On a year-on-year basis, total tax revenue for the period grew by 28.0 per cent.

**Table 6: Total Government Tax Revenue, 2012**

Description	Including Oil		Excluding Oil	
	2012		2012	
	Budget (GH¢ million)	Outturn (GH¢ million)	Budget (GH¢ million)	Outturn (GH¢ million)
Total Tax Revenue excluding exemptions	12,201.4	11,738.3	11,580.4	11,468.1
Total Tax Revenue including exemptions	12,584.1	12,517.3	11,963.1	12,247.0
Taxes on Income and Property	5,874.4	5,536.2	5,253.4	5,536.2
o/w Personal Income Tax	1,789.4	2,204.4	1,789.4	2,204.4
o/w Company Taxes	3,069.7	2,361.5	2,685.6	2,361.5
Taxes on Domestic Goods and Services	4,203.1	4,212.0	4,203.1	4,212.0
o/w VAT	2,802.8	2,777.3	2,802.8	2,777.3
o/w Excise	693.7	730.3	693.7	730.3
o/w NHIL	560.9	576.1	560.9	576.1
International Trade Taxes	2,506.6	2,769.0	2,506.6	2,769.0
Exemptions (non-cash)	382.7	778.9	382.7	778.9

Source: MoF

76. Non-tax revenue was GH¢2,853.0 million, against a target of GH¢2,672.6 million. The performance of non-tax revenue was on account of higher internally generated funds retained by Ministries, Departments and Agencies (MDAs) with a corresponding shortfall in non-tax revenue lodged into the Consolidated Fund. Non-tax revenue lodged into the Consolidated Fund amounted to GH¢1,062.4 million, 30.6 per cent lower than the budget target of GH¢1,531.6 million. This was mainly due to the non-



realization of about GH¢525 million that was expected to be paid by the mining companies for their stability agreements.

**Table 7: Total Government Non-Tax Revenue, 2012**

Description	Including Oil		Excluding Oil	
	2012		2012	
	Budget (GH¢ million)	Outturn (GH¢ million)	Budget (GH¢ million)	Outturn (GH¢ million)
Total Non-Tax Revenue	2,672.6	2,853.0	2,053.7	2,153.1
Retention	1,141.0	1,790.6	1,141.0	1,790.6
Lodgement	1,531.6	1,062.4	912.7	362.5
o/w Fees and Charges	275.4	361.7	275.4	362.5
o/w Others	1,256.2	699.8	637.4	0.0

Source: MoF

77. Mr. Speaker, Grant disbursements from our Development Partners amounted to GH¢1,160.3 million, about 25.1 per cent below the budget target of GH¢1,549.7 million. The low performance of grants was mainly on account of the low disbursement of project grants.

**Table 8: Total Grants, 2012**

Description	2012	
	Budget (GH¢ million)	Outturn (GH¢ million)
Total Grants	1,549.7	1,160.3
Programme Grants	436.1	502.5
Project Grants	794.0	512.3
Debt Relief	319.6	145.6

Source: MoF

### Expenditure

78. Total expenditure, including payments made for the clearance of arrears and outstanding commitments, totalled GH¢25,317.1 million, equivalent to

35.2 per cent of GDP. The outturn was 17.2 per cent higher than the budget target of GH¢21,596.6 million and 64.0 per cent higher than the outturn for 2011. The strong growth in expenditure was mainly as a result of higher recurrent spending and increased clearance of arrears.

**Table 9: Total Expenditure and Arrears Clearance, 2012**

Description	Including Oil		Excluding Oil	
	2012		2012	
	Budget (GH¢ million)	Outturn (GH¢ million)	Budget (GH¢ million)	Outturn (GH¢ million)
Total Expenditure and Arrears Clearance	21,596.6	25,317.1	20,620.1	24,587.9
Total Expenditure	19,035.7	20,944.7	18,059.2	20,215.5
Recurrent	13,063.3	15,973.4	12,879.0	15,852.8
Capital	5,972.3	4,971.3	5,180.3	4,362.8
Arrears Clearance	2,560.9	3,829.8	2,560.9	3,829.8
o/w wages arrears	-991.0	1,872.0	991.0	1,872.0
Discrepancy	0.0	542.5	0.0	542.5

Source: MoF

79. Recurrent expenditure for the period totalled GH¢15,973.4 million, against the budget of GH¢13,063.3 million. The outturn indicates a 64.6 per cent increase over the outturn for the same period in 2011. The high growth in recurrent spending was mainly on account of higher levels of personal emoluments, higher payments for utility and fuel subsidies, high interest cost and higher spending on goods and services.
80. Mr. Speaker, Personal emoluments for the period amounted to GH¢6,665.5 million, equivalent to 9.3 per cent of GDP. The outturn was 18.2 per cent higher than the budget target of GH¢5,637.5 million, and 47.0 per cent higher than the outturn for the same period in 2011. The strong growth in the wage bill was due to the implementation of the Single Spine Salary Structure (SSSS) for almost all public sector

institutions on government payroll. If deferred payments for wages are included, cash payments for personal emoluments amounted to GH¢8,537.7 million.

81. Interest Cost was GH¢2,436.2 million, against a budget target of GH¢2,191.2 million. The outturn exceeded the budget target by 11.2 per cent and grew by 51.2 per cent over the outturn for 2011. This was mainly as a result of high domestic borrowing and the associated high cost of servicing the debt resulting from high Treasury Bill rates.
82. Mr. Speaker, expenditure on Goods and Services amounted to GH¢1,321.8 million, against a budget target of GH¢967.2 million. On a year-on-year basis, expenditure on goods and services grew by 36.7 per cent.
83. In 2012, a total amount of GH¢809.0 million was spent on utility and fuel subsidies, with an additional GH¢955.8 million due to be paid in 2013 in respect of electricity and fuel subsidies incurred in 2012. The cash payment made in 2012 was 72.1 per cent higher than the budget target of GH¢470.0 million.

**Table 10: Summary of Total Recurrent Expenditure, 2012**

Description	2012	
	Budget (GH¢ million)	Outturn (GH¢ million)
Total Recurrent Expenditure	13,063.3	15,973.4
Wages and Salaries	5,637.5	6,665.5
Goods and Services	967.2	1,321.8
Subsidies	470.0	809.0
Interest Payment	2,191.2	2,436.2
Others	3,797.5	4,740.9

Source: MoF

84. Mr. Speaker, capital expenditure for the period totalled GH¢4,793.3 million, 19.7 per cent lower than the budget target of GH¢5,972.3 million

but 28.7 per cent higher than the outturn for 2011. The low performance of capital spending was mainly on account of lower foreign-financed capital spending resulting from the low disbursement of project loans and grants from our development partners as well as low disbursement of inflows expected from the China Development Bank (CDB) facility.

**Table 11: Summary of Total Capital Expenditure, 2012**

Description	2012	
	Budget (GH¢ million)	Outturn (GH¢ million)
Total Capital Expenditure	5,972.3	4,971.3
Domestic-financed	2,691.3	2,436.7
Foreign-financed	3,281.0	2,534.6

Source: MoF

85. A total amount of GH¢3,666.1 million was paid in respect of expenditure arrears clearance and liquidation of commitments carried over from previous years. Arrears clearance in 2012 exceeded the budget target of GH¢2,483.8 million by 47.6 per cent. This was mainly as a result of higher payment for deferred single spine salaries which amounted to GH¢1,872.0 million, against a budget target of GH¢991.0 million.

#### **Overall Budget Balance and Financing**

86. Mr. Speaker, based on revenue and expenditure outturns for 2012, the overall budget balance on a cash basis was a deficit of GH¢8,648.7 million, equivalent to 12.0 per cent of GDP. This was against a deficit target of GH¢4,669.0 million, equivalent to 6.7 per cent of GDP. The budget deficit recorded for the corresponding period in 2011 was equivalent to 4.0 per cent of GDP. The domestic primary balance also registered a deficit of GH¢1,172.1 million, equivalent to 1.6 per cent of GDP, against a targeted surplus of GH¢1,737.5 million, equivalent to 2.5 per cent of GDP.

87. Shortfalls in revenue and grants combined with higher spending were the sources of the fiscal slippage in 2012. The details of the shortfalls in domestic revenue and excess expenditures that contributed to the higher fiscal deficit emanated mainly from the following:
- Shortfalls in corporate income taxes – GH¢708.2 million (1.0 per cent of GDP)
  - Shortfall in grants from our development partners – GH¢389.4 million (0.5 per cent of GDP)
  - Implementation of the single spine salary structure – GH¢1,909.0 million (2.7 per cent of GDP);
  - Higher interest cost – GH¢245.0 million (0.3 per cent of GDP);
  - Utility and fuel subsidies – GH¢339.0 million (0.5 per cent of GDP); and
  - Higher spending on goods and services – GH¢354.7 million (0.5 per cent of GDP).
88. Net Domestic Financing of the budget amounted to GH¢7,018.0 million (equivalent to 9.8 per cent of GDP) against the budget target of GH¢2,760.6 million (equivalent to 4.0 per cent of GDP). About thirty-two per cent of the domestic financing was from the central bank and the remaining was from deposit money banks and non-bank public.
89. Foreign financing of the budget was GH¢1,630.6 million (equivalent to 2.2 per cent of GDP), against a target of GH¢1,908.4 million (equivalent to 2.7 per cent of GDP).

**Table 12: Summary of Total Government Financing, 2012**

Description	2012	
	Budget (GH¢ million)	Outturn (GH¢ million)
Total Financing	4,669.0	8,648.7
Foreign	1,908.4	1,630.6
o/w CDB Facility	1,381.7	355.0
Domestic	2,760.6	7,018.0

Source: MoF

## Oil and Gas

### 2011 Petroleum Receipts

90. Mr. Speaker, the 2012 Budget presented information on the petroleum receipts and distribution for the first three quarters of 2011 since the Budget was presented to Parliament in November 2011. The full year report on the petroleum receipts and distribution in 2011 is presented below while a more detailed report is presented to Parliament as part of the presentation of this Budget to this august House in consonance with Section 48 of the Petroleum Revenue Management Act, 2011 ( Act 815).
91. Mr. Speaker, the total volume of crude oil produced in 2011 amounted to 24,195,895 barrels (average of 66,290 barrels per day) against a target of 30,929,005 barrels (average of 84,737 barrels per day). The shortfall in production compared to the target was mainly due to production difficulties experienced in the Jubilee fields. The total volume of crude oil lifted in 2011 amounted to 24,451,452 barrels. Of this amount, the GNPC on behalf of the State, lifted 3,930,189 barrels through four liftings which realized a total revenue of US\$444.12 million (GH¢690.26 million) as shown in Table 13.

**Table 13: Details of 2011 GoG/GNPC Crude Oil Liftings**

Item	Unit	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
		1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
Date of Lifting	dd/mm/yy	9-Mar-11	26-Jun-11	3-Aug-11	15-Oct-11	
Volume of Lift	barrels	995,259	994,691	990,770	949,469	3,930,189
Selling Price	US\$	112.80	116.28	110.67	112.55	
Marketing Cost	US\$	79,621	79,575	79,262	75,958	314,415
Value of Lift	US\$	112,189,576	115,579,115	109,569,254	106,786,778	444,124,724
	GH¢	168,374,115	175,379,750	169,405,024	177,105,872	690,264,761

Source: MOF

92. Mr. Speaker, the total oil receipts of US\$ 444.12 million (GH¢690.26 million) comprises Royalties of US\$122.94 million (GH¢191.08 million) and the State's Carried and Participating Interest of US\$321.18 (GH¢499.19 million) as presented in Table 14 and Table 15.

**Table 14: Composition of 2011 Petroleum Receipts (US\$)**

Item	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
Royalties	31,055,938	31,994,219	30,330,589	29,560,398	122,941,144
Carried and Participating Interest	81,133,638	83,584,896	79,238,665	77,226,381	321,183,580
Total Petroleum Receipts from Lift	112,189,576	115,579,115	109,569,254	106,786,778	444,124,724

Source: MOF

**Table 15: Composition of 2011 Petroleum Receipts (GH¢)**

Item	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
Royalties	46,608,752	48,548,028	46,894,124	49,025,920	191,076,823
Carried and Participating Interest	121,765,363	126,831,722	122,510,900	128,079,952	499,187,938
<b>Total Petroleum Receipts from Lift</b>	<b>168,374,115</b>	<b>175,379,750</b>	<b>169,405,024</b>	<b>177,105,872</b>	<b>690,264,761</b>

Source: MOF

**Distribution of 2011 Petroleum Receipts**

93. Mr. Speaker, total oil revenue received in 2011 was allocated to the various allowable sources in accordance with the Petroleum Revenue Management Act, 2011 (Act 815), as shown in Table 16 and Table 17.

**Table 16: Distribution of 2011 Petroleum Receipts (US\$)**

Item	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
<b>Transfer to GNPC</b>	<b>51,925,528</b>	<b>53,494,333</b>	<b>50,712,717</b>	<b>51,831,724</b>	<b>207,964,302</b>
o/w Equity Financing Cost	32,453,455	33,433,958	31,695,448	34,901,954	132,484,814
o/w Net Carried & Participating Interest	19,472,073	20,060,375	19,017,269	16,929,771	75,479,488
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>60,264,047</b>	<b>62,084,782</b>	<b>58,856,538</b>	<b>54,955,054</b>	<b>236,160,421</b>
<b>o/w Annual Budget Funding Amount</b>	<b>37,396,576</b>	<b>37,376,025</b>	<b>37,227,412</b>	<b>54,955,054</b>	<b>166,955,067</b>
<b>o/w Ghana Petroleum Funds</b>	<b>22,867,472</b>	<b>24,708,757</b>	<b>21,629,126</b>	<b>0</b>	<b>69,205,354</b>
o/w Ghana Stabilization Fund	18,059,341	19,903,268	16,842,745	0	54,805,353
o/w Ghana Heritage Fund	4,808,131	4,805,489	4,786,381	0	14,400,002
<b>Total Receipt</b>	<b>112,189,576</b>	<b>115,579,115</b>	<b>109,569,254</b>	<b>106,786,778</b>	<b>444,124,724</b>

Source: MOF



**Table 17: Distribution of 2011 Petroleum Receipts (GH¢)**

Item	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	1st Lifting	2nd Lifting	3rd Lifting	4th Lifting	
<b>Transfer to GNPC</b>	<b>77,929,833</b>	<b>81,172,301</b>	<b>78,406,931</b>	<b>85,962,915</b>	<b>323,471,980</b>
o/w Equity Financing Cost	48,706,145	50,732,688	49,004,332	57,884,890	206,328,055
o/w Net Carried & Participating Interest	29,223,687	30,439,613	29,402,599	28,078,025	117,143,925
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>90,444,282</b>	<b>94,207,449</b>	<b>90,998,093</b>	<b>91,142,957</b>	<b>366,792,781</b>
<b>o/w Annual Budget Funding Amount</b>	<b>56,124,781</b>	<b>56,714,381</b>	<b>57,557,301</b>	<b>91,142,957</b>	<b>261,539,420</b>
<b>o/w Ghana Petroleum Funds</b>	<b>34,319,502</b>	<b>37,493,067</b>	<b>33,440,792</b>	<b>0</b>	<b>105,253,361</b>
o/w Ghana Stabilization Fund	27,103,458	30,201,218	26,040,567	0	83,345,244
o/w Ghana Heritage Fund	7,216,043	7,291,849	7,400,224	0	21,908,117
<b>Total Receipt</b>	<b>168,374,115</b>	<b>175,379,750</b>	<b>169,405,024</b>	<b>177,105,872</b>	<b>690,264,761</b>

Source: MOF

94. Mr. Speaker, of the total petroleum receipts of US\$444.12 million (GH¢690.26 million) an amount of US\$207.96 million (GH¢323.47 million) was transferred to GNPC, of which Equity Financing Cost was US\$132.48 million (GH¢206.33 million) and GNPC's 40 per cent share of net Carried and Participating Interest was US\$75.48 million (GH¢117.14 million) in line with Section 7 of Act 815.
95. Mr. Speaker, the Benchmark Revenue which represents the petroleum receipts distributed to the Annual Budget Funding Amount (ABFA) and the Ghana Petroleum Funds (GPFs), amounted to US\$236.16 (GH¢366.79 million). Of the Benchmark Revenue, an amount of US\$166.96 million (GH¢261.54 million) was transferred into the Consolidated Fund as ABFA and the remaining US\$69.21 million (GH¢105.25 million) was transferred to the GPFs. Of the amount transferred to the GPFs, the Ghana Stabilization Fund (GSF) received US\$54.81 million (GH¢83.35 million) and the Ghana Heritage Fund (GHF) received US\$14.40 million (GH¢21.91 million). The breakdown of the distribution of total petroleum receipts to

the various allowable sources on lifting basis is shown in Table 14 and Table 15.

**Utilization of 2011 Annual Budget Funding Amount**

96. Mr. Speaker, the ABFA is the annual allocation to the Budget from the petroleum receipts. According to Section 21(1) of the PRMA, the ABFA is part of the National Budget and is regarded as part of the Consolidated Funds. Hence, its use is subject to the same budgetary processes that are necessary to ensure efficient allocation, responsible use and effective monitoring of expenditure. In addition, Section 21(4) requires that a minimum of 70 per cent of the ABFA be used for public investment expenditures.
97. Mr. Speaker, in accordance with Section 21(5) of the PRMA, four priority areas have been approved by Parliament for the ABFA expenditures for the period 2011-2013 as follows:
- Expenditure and Amortization of Loans for Oil and Gas Infrastructure;
  - Road and Other Infrastructure;
  - Agriculture Modernization; and
  - Capacity Building (Including Oil and Gas)
98. Mr. Speaker, in 2011, ABFA received a total allocation of US\$166.96 million (GH¢261.54 million) against a budget of US\$430.94 million (GH¢646.41 million). The big deviation of the actual ABFA from its target was due mainly to non-realization of the projected corporate tax receipts. The ABFA amount was spent as public investment expenditures in the four priority areas as outlined in Table 18.

**Table 18: Expenditure on 2011 ABFA on Four Priority Areas**

Priority Areas	Amount (GH¢)
Expenditure & Amortization of Loans for Oil & Gas Infrastructure	20,000,000
Road & Other Infrastructure	227,641,768
Agricultural Modernization	13,147,652
Capacity Building (including Oil and Gas)	750,000
<b>Total</b>	<b>261,539,420</b>

Source: MOF

**2012 Petroleum Receipts**

99. Mr. Speaker, the fiscal year 2012 experienced an improvement in production of crude oil amidst initial production difficulties in the first two quarters of the year. The total volume of crude oil produced in 2012 was 26,351,278 barrels representing an increase of 8.9 per cent over the 2011 production levels. The GNPC lifted crude oil five times on behalf of the State amounting to 4,931,034 barrels yielding US\$541.07 million (GH¢978.27 million) as shown in Table 19.

**Table 19: Details of 2012 GoG/GNPC Crude Oil Liftings**

Item	Unit	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr			3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
		5 <sup>th</sup> Lifting	6 <sup>th</sup> Lifting	7 <sup>th</sup> Lifting	8 <sup>th</sup> Lifting	9 <sup>th</sup> Lifting		
Date of Lifting	dd/mm/yy	4-Jan-12	3-Apr-12	27-Jun-12	12-Sep-12	12-Nov-12		
Volume of Lift	barrels	996,484	997,636	995,247	947,021	994,646	4,931,034	
Selling Price	US\$	111.63	125.90	90.29	112.56	108.44		
Marketing Cost	US\$	79,719	-	-	-	-	79,718.72	
Value of Lift	US\$	111,157,790	125,598,382	89,863,837	106,592,896	107,858,418	541,071,323	
	GH¢	186,678,393	219,809,728	169,878,598	199,659,153	202,245,319	978,271,191	

Source: MOF

100. Mr. Speaker, of the total oil receipts of US\$541.07 million (GH¢978.27 million), Royalties amounted to US\$150.64 million (GH¢272.37 million) and the remaining US\$390.43 million (GH¢705.91 million) represented the

State's Carried and Participating Interest. Other sources of petroleum receipts amounted to US\$552,418 (GH¢1,044,290) comprising Surface Rentals of US\$448,225 (GH¢847,324) and Royalties from Saltpond Offshore Producing Company Limited (SOPCL) of US\$104,193 (GH¢196,967) as presented in Table 20 and Table 21.

**Table 20: Composition of 2012 Petroleum Receipts (US\$)**

Item	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr		3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
	5 <sup>th</sup> Lifting	6 <sup>th</sup> Lifting	7 <sup>th</sup> Lifting	8 <sup>th</sup> Lifting	9 <sup>th</sup> Lifting	
Royalties	30,948,012	34,968,492	25,019,453	29,677,076	30,029,417	150,642,450
Carried and Participating	80,209,778	90,629,890	64,844,384	76,915,819	77,829,001	390,428,872
Surface Rentals	0	0	448,225	0	0	448,225
Royalties from SOPCL	0	0	104,193	0	0	104,193
Total Petroleum Receipts from Lift	111,157,790	125,598,382	90,416,255	106,592,895	107,858,418	541,623,740

Source: MOF

**Table 21: Composition of 2012 Petroleum Receipts (GH¢)**

Item	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr		3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
	5 <sup>th</sup> Lifting	6 <sup>th</sup> Lifting	7 <sup>th</sup> Lifting	8 <sup>th</sup> Lifting	9 <sup>th</sup> Lifting	
Royalties	51,974,092	61,198,358	47,296,774	55,588,132	56,308,159	272,365,515
Carried and Participating Interest	134,704,301	158,611,370	122,581,824	144,071,021	145,937,159	705,905,676
Surface Rentals	0	0	847,324	0	0	847,324
Royalties from SOPCL	0	0	196,967	0	0	196,967
Total Petroleum	186,678,393	219,809,728	170,922,889	199,659,153	202,245,319	979,315,481

Source: MOF

**Distribution of 2012 Petroleum Receipts**

101. Mr. Speaker, petroleum revenues received in 2012 were allocated to the various allowable sources in accordance with the PRMA. Of the 2012 petroleum receipts of US\$541.62 million (GH¢979.32 million), an amount of US\$230.95 million (GH¢416.89 million) was transferred to GNPC comprising Equity Financing Cost of US\$124.63 million (GH¢224.21 million), and GNPC's 40 per cent share of net Carried and Participating Interest of US\$106.32 million (GH¢192.68 million) in line with Section 7 of the PRMA.
102. Mr. Speaker, the remaining amount of US\$310.67 million (GH¢562.43 million) representing the Benchmark Revenue was distributed to the ABFA and the GPFs as US\$286.55 million (GH¢516.83 million) and US\$24.12 million (GH¢45.60 million), respectively, in line with sections 11, 18, 19, and 23 of the PRMA. Consistent with Section 23(b) of the PRMA, the amount allocated to the GPFs was distributed to the Ghana Stabilization Fund (GSF) and the Ghana Heritage Fund (GHF) in the ratio of 70 per cent and 30 per cent, respectively, as US\$16.88 million (GH¢31.92 million) for GSF and US\$7.24 million (GH¢13.68 million) for the GHF. The breakdown of the distribution of total 2012 petroleum receipts on lifting basis is presented in Table 22 and Table 23.
103. Consistent with Section 11(2), 23(1a), and 23(2) of the PRMA, transfers to the GPFs were only made in the second quarter of 2012 since the allocable petroleum receipts to the GPFs and ABFA in all other quarters fell short of the 2012 quarterly ABFA of US\$95.88 million.
104. All petroleum receipts for the 2012 fiscal year were published in at least two state-owned daily newspapers, MOF website, and in the Gazette as required by Section 8 of the PRMA.

**Table 22: Distribution of 2012 Petroleum Receipts (US\$)**

Item	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr		3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
	5 <sup>th</sup> Lifting	6 <sup>th</sup> Lifting	7 <sup>th</sup> Lifting	8 <sup>th</sup> Lifting	9 <sup>th</sup> Lifting	
<b>Transfer to GNPC</b>	<b>51,334,258</b>	<b>53,516,379</b>	<b>42,499,839</b>	<b>41,683,633</b>	<b>41,915,817</b>	<b>230,949,926</b>
o/w Equity Financing Cost	32,083,911	28,774,038	27,603,476	18,195,508	17,973,695	124,630,628
o/w Net Carried & Participating Interest	19,250,347	24,742,341	14,896,363	23,488,125	23,942,122	106,319,298
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>59,823,532</b>	<b>72,082,003</b>	<b>47,916,416</b>	<b>64,909,263</b>	<b>65,942,600</b>	<b>310,673,815</b>
<b>o/w ABFA</b>	<b>59,823,532</b>	<b>72,082,003</b>	<b>23,797,062</b>	<b>64,909,263</b>	<b>65,942,600</b>	<b>286,554,461</b>
<b>o/w GPFs</b>	<b>0</b>	<b>0</b>	<b>24,119,354</b>	<b>0</b>	<b>0</b>	<b>24,119,354</b>
o/w Ghana Stabilization Fund	0	0	16,883,548	0	0	16,883,548
o/w Ghana Heritage Fund	0	0	7,235,806	0	0	7,235,806
<b>Total Receipt</b>	<b>111,157,790</b>	<b>125,598,382</b>	<b>90,416,255</b>	<b>106,592,896</b>	<b>107,858,418</b>	<b>541,623,740</b>

Source: MOF

**Table 23: Distribution of 2012 Petroleum Receipts (GH¢)**

Item	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr		3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
	5 <sup>th</sup> Lifting	6 <sup>th</sup> Lifting	7 <sup>th</sup> Lifting	8 <sup>th</sup> Lifting	9 <sup>th</sup> Lifting	
<b>Transfer to GNPC</b>	<b>86,210,753</b>	<b>93,659,014</b>	<b>80,341,696</b>	<b>78,077,612</b>	<b>78,596,349</b>	<b>416,885,424</b>
o/w Equity Financing Cost	53,881,720	50,357,444	52,181,611	34,082,006	33,702,475	224,205,257
o/w Net Carried & Participating Interest	32,329,032	43,301,571	28,160,085	43,995,606	44,893,874	192,680,168
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>100,467,640</b>	<b>126,150,714</b>	<b>90,581,192</b>	<b>121,581,541</b>	<b>123,648,970</b>	<b>562,430,057</b>
<b>o/w ABFA</b>	<b>100,467,640</b>	<b>126,150,714</b>	<b>44,985,966</b>	<b>121,581,541</b>	<b>123,648,970</b>	<b>516,834,831</b>
<b>o/w GPFs</b>	<b>0</b>	<b>0</b>	<b>45,595,226</b>	<b>0</b>	<b>0</b>	<b>45,595,226</b>
o/w Ghana Stabilization Fund	0	0	31,916,658	0	0	31,916,658
o/w Ghana Heritage Fund	0	0	13,678,568	0	0	13,678,568
<b>Total Receipt</b>	<b>186,678,393</b>	<b>219,809,728</b>	<b>170,922,889</b>	<b>199,659,153</b>	<b>202,245,319</b>	<b>979,315,481</b>

Source: MOF

### Utilization of 2012 Annual Budget Funding Amount

105. Mr. Speaker, an analysis of the allocation to ABFA in 2012 shows that a total amount of US\$286.55 million (GH¢516.83 million) was allocated to ABFA in accordance with the PRMA against a projected ABFA of US\$383.52 million (GH¢614.55million) for the year, resulting in a shortfall

of US\$96.96 million (GH¢97.71 million) as shown in Table 24. The main reasons for the shortfall in the 2012 ABFA allocation were the shortfall in production targets as well as the non-realization of corporate tax in 2012.

**Table 24: Analysis of ABFA for 2012**

Quarter	GH¢			US\$		
	Budget	Actual	Deviation	Budget	Actual	Deviation
Quarter 1	153,636,614	100,467,640	- 53,168,974	95,879,065	59,823,532	- 36,055,533
Quarter 2	153,636,614	171,136,680	17,500,066	95,879,065	95,879,065	-
Quarter 3	153,636,614	121,581,541	- 32,055,073	95,879,065	64,909,263	- 30,969,802
Quarter 4	153,636,614	123,648,970	- 29,987,644	95,879,065	65,942,600	- 29,936,465
<b>Total</b>	<b>614,546,457</b>	<b>516,834,831</b>	<b>-97,711,626</b>	<b>383,516,261</b>	<b>286,554,461</b>	<b>-96,961,800</b>

Source: MOF

106. Mr. Speaker, all the ABFA for all the quarters fell short of their targets except the second quarter as a result of the two liftings which occurred in the quarter as indicated in Table 25. It is instructive to note that even though the Finance Minister could invoke the withdrawal rule as obtains in Section 12 of the PRMA to cause relevant withdrawal from the Ghana Stabilisation Fund to make up for some of the shortfall in the ABFA on quarterly basis, that option was not exercised. Had that option been exercised, 75 per cent of the shortfall or 25 per cent of the balance in the GSF at the beginning of the year would have been withdrawn from the GSF into the ABFA, for each quarter.
107. The 2012 ABFA was disbursed on the approved four priority areas in accordance with Section 21 of the PRMA as presented in Table 25.

**Table 25: Expenditure on 2012 ABFA on Four Priority Areas**

Priority Areas	Amount Spent (GH¢)		
	Goods and Services	Assets	Total
Expenditure & Amortization of Loans for Oil & Gas Infrastructure		100,000,000.00	100,000,000.00
Road & Other Infrastructure	43,398,774	189,004,495	232,403,269
Agriculture Modernization	30,191,200	42,280,624	72,471,824
Capacity Building (including in Oil and Gas)	49,869,738	62,090,000	111,959,738
<b>Total</b>	<b>123,459,713</b>	<b>393,375,118</b>	<b>516,834,831</b>

Source: MOF

108. Mr. Speaker, of the total ABFA amount of GH¢516.83, an amount of GH¢273.07 million representing 52.8 per cent was spent on oil and gas infrastructure and amortization of loans in respect of such infrastructure whilst GH¢176.73million representing 34.2 per cent was spent on Road and Other Infrastructure. The remaining GH¢67.03 million (13 per cent) was spent on Agricultural Modernisation (GH¢42.09 million or 8.1 per cent) and Capacity Building (GH¢ 24.94 million or 4.8 per cent) as shown in Table 25. Consistent with Section 21(4) of the PRMA which requires that a minimum of seventy per cent of the ABFA be used for public investments expenditures, 76 per cent of the 2012 ABFA was spent on public investment expenditures and the remaining 24 per cent was spent on goods and services as shown in Table 25.

109. Mr. Speaker, the 2013 fiscal year will be the third year of applying the ABFA to the approved four priority areas outlined above. As stipulated by the Section 21(6) of the PRMA, the four priority areas shall apply for three years, implying that the priority areas will be due for review this year for the 2014 fiscal year.

### **Monetary Sector**

110. Mr. Speaker, the Ghanaian economy remained fairly stable in 2012 despite continued weakness in global growth conditions. In the first half of the year, economic stability was threatened by increased volatility in the foreign exchange market, leading to a sharp depreciation of the cedi.



Decisive policy measures were, however, implemented to dampen foreign exchange pressures and, stability in the foreign exchange market was regained. Inflationary pressures remained subdued, benefiting from good food harvests and relatively stable crude oil prices on the international market.

### **Monetary Developments**

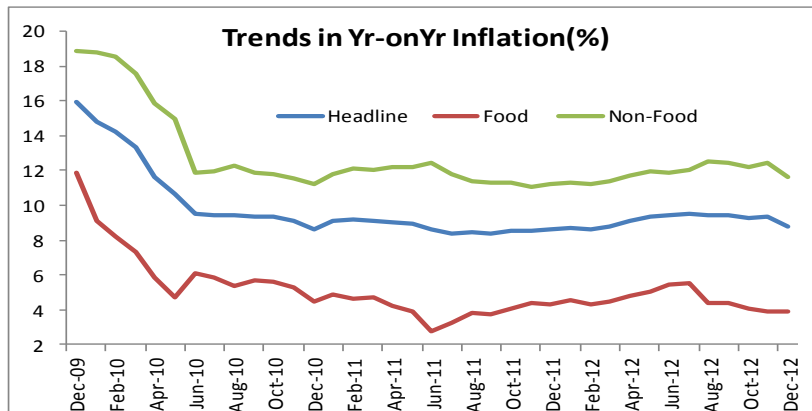
111. Mr. Speaker, provisional monetary data indicated a slower pace of growth in broad money supply. Broad money supply including foreign currency deposits (M2+) grew by 24.3 per cent in 2012 compared with 33.2 per cent in 2011. By the end of December 2012, M2+ stood at GH¢22,620.5 million, compared with GH¢18,195.1 million in 2011.
112. In terms of the components of M2+, currency with the non-bank public recorded a growth of 30.7 per cent while demand deposits increased by 26.0 per cent. Savings and time deposits also grew by 14.8 per cent, while foreign currency deposits went up by 29.4 per cent.
113. While Net Foreign Assets (NFA) of the banking system declined by 9.1 per cent, year-on-year, Net Domestic Assets (NDA) of the banking system grew by 51.9 per cent compared with respective growth rates of 37 per cent and 30.4 per cent during the same period in 2011.
114. Mr. Speaker, Reserve money registered an annual growth of 36 per cent in 2012 compared with 31.1 per cent growth in 2011. The change in reserve money reflected in all its components. Currency with the non-bank public and banks' reserves with Bank of Ghana went up by GH¢1,155.3 million (or 30.7%) and GH¢670.6 million (or 49.3%) respectively while non-bank deposits increased by GH¢99.6 million (or 56.6%).
115. In the review period, credit extension by the banking sector to both the public and private sectors went up significantly. On a year-on-year basis, growth in banks' outstanding credit was 39.3 per cent in 2012 compared with 17 per cent in 2011.
116. Mr. Speaker, by end December 2012, outstanding credit stood at GH¢13,026 million, of which the private sector's share amounted to

GH¢11,478 million. Private sector credit also grew strongly by 34.1 per cent in 2012, relative to 26.3 per cent in 2011. In real terms, private sector credit growth was 23.2 per cent in 2012 compared with 16.3 per cent a year earlier.

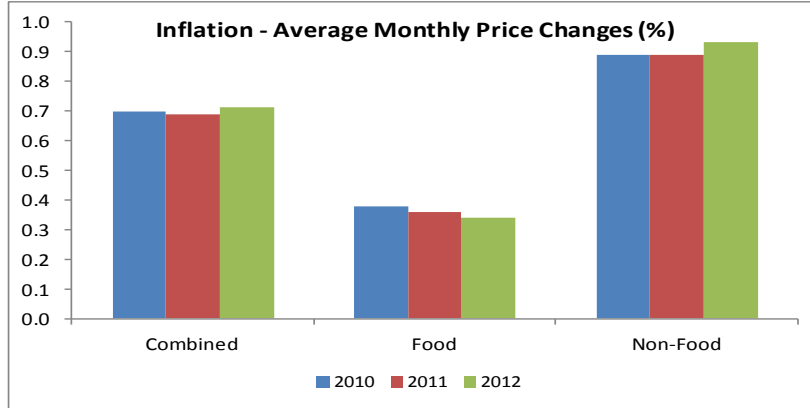
**Inflation**

117. Mr. Speaker, headline inflation went up marginally from 8.6 per cent in 2011 to 8.8 per cent in 2012, continuing the record single digit inflation for more than two years. Although the end year inflation missed the target of 8.5 per cent, it remained within the target band of 8.5±2 per cent. During the year, inflationary pressures remained largely subdued by low food price increases explained by seasonal factors. Food inflation peaked at 5.5 per cent in July 2012 but declined to end the year at 3.9 per cent. Partly reflecting the exchange rate pass-through, non-food inflation also increased to 12.5 per cent in August 2012 and steadily declined to 11.6 per cent in December 2012.

**Figure 2: Trends in Year-on-Year Inflation**



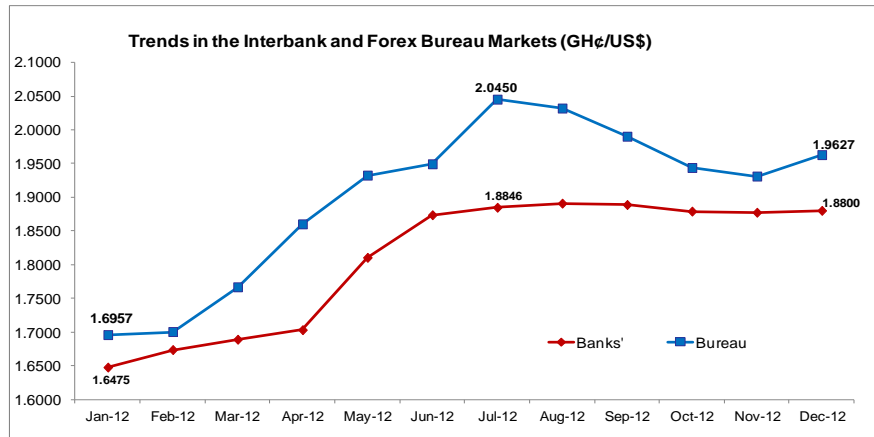
**Figure 3: Inflation – Average Monthly Price Changes (%)**



### Exchange Rates

118. The Ghana cedi traded weak in the first five months of 2012 due to intense demand pressure for foreign exchange partly reflecting a surge in import demand that accompanied the strong GDP growth in 2011 and the premature redemption of portfolio investments by non-residents. However, the introduction of policy measures by the Bank of Ghana helped to moderate the volatility in the foreign exchange market. The policy measures included policy rate hikes, introduction of new bills to mop up excess liquidity and close monitoring of foreign exchange market activities. On a cumulative basis, the Ghana cedi depreciated at the interbank market by 17.5 per cent against the US dollar in 2012 compared to 4.97 per cent in 2011.

**Figure 4: Trends in the Interbank and Forex Bureau Markets (US\$)**



### Developments in Interest Rates

119. Mr. Speaker, in response to the pressures in the foreign exchange market and its possible pass-through to prices, the Monetary Policy Committee (MPC) of the Bank of Ghana raised the Monetary Policy Rate (MPR) by cumulative 250 basis points from 12.5 per cent in December 2011 to end December 2012 at 15 per cent. As a consequence, interest rates trended up but the pace moderated during the second half of the year.
120. In the money market, interest rates on 91-day and 182-day bills went up from 10.7 and 11.3 to 22.9 and 22.88 per cent, respectively, in December 2011 and December 2012. Similarly, rates on 1-year and 2-year fixed notes increased from 11.3 and 12.4 per cent in December 2011 to 22.9 and 23 per cent in December 2012, respectively. The long-dated instruments such as 3-year and 5-year bonds also rose from 14 and 14.3 per cent in 2011 to 24 and 23 per cent, respectively, during the period.
121. The interbank weighted average rates moved up from 6.6 per cent a year earlier to 17.1 per cent in 2012. The average 3-month deposit rate of deposit money banks also went up from 7.8 per cent in December 2011 to 12.5 per cent in December 2012.

122. The average bank lending rates, however, declined by 21 basis points from 25.9 per cent in December 2011 to 25.7 per cent in December 2012, effectively narrowing the interest rate spread to 13.2 per cent in December 2012, compared with 18.2 per cent in the same period of 2011.

### **External Sector**

123. Mr. Speaker, provisional estimates indicate that the trade balance recorded a deficit of US\$4,221.4 million in 2012, pointing to further deterioration in comparison to a deficit of US\$3,052.3 million in 2011. This was on account of increased imports relative to marginal gains in export earnings.
124. During the period, total merchandise exports increased to US\$13,541.4 million, compared to US\$12,785.4 million in 2011. The growth in exports was driven mainly by gold earnings of US\$5,643.3 million, crude oil export receipts of US\$2,976.1 million, and cocoa beans and products of US\$2,828.6 million which indicated year-on-year growth rates of 14.9, 1.7 and 6.9 per cent, respectively. Total imports increased from US\$15,837.7 million in 2011 to US\$17,762.8 million in 2012 due to higher demand for both oil and non-oil imports.
125. Mr. Speaker, the worsening trade balance, as well as increased outflows from services, income and current transfers, resulted in a current account deficit of US\$4,921.5 million (12.3 per cent of GDP) in 2012 compared to US\$3,541.4 million (9.0 per cent of GDP) recorded in 2011. The capital and financial account stood at US\$3,090.5 million in 2012, compared with US\$4,479.3 million in 2011, and was explained by higher short-term capital and net official capital outflows.
126. These developments resulted in an overall balance of payments deficit of US\$1,210.9 million in 2012, compared to a deficit of US\$546.5 million in 2011. By end 2012, gross international reserves stood at US\$5,348.9 million, equivalent to 3 months of import cover compared to US\$5,474.6 million, equivalent to 3.2 months of import cover in 2011.

**Table 26: Summary of Balance of Payments, 2011-2012**

<b>Description</b>	<b>2011 US\$Million</b>	<b>2012 US\$Million</b>
Merchandise Exports (f.o.b.)	12,785.41	13,541.43
Merchandise Imports (f.o.b.)	-15,837.73	-17,762.82
Merchandise Trade Balance	-3,052.33	-4,221.40
Current Account (incl. official transfers)	-3,541.43	-4,921.47
Capital and Financial Account	4,479.32	3,090.54
Capital Account	445.06	144.58
Financial Account	4,034.26	2,945.96
Errors and Omissions	-391.35	620.03
Overall Balance	546.53	-1,210.90
Changes in International Reserves	-546.53	1,210.90
<i>Memorandum Items:</i>		
Gross International Reserves (end of period)	5,474.62	5,348.90

Source: BoG

### **Financial stability in 2012**

127. Mr. Speaker, Ghana's financial system faced significant risks to stability in early 2012, emanating from both external and domestic sources. Threats to stability from external sources were mainly from the sovereign debt crisis in the euro area that spilled into the euro zone banking system as some funding channels closed curtailing banks' access to term funding; and slow-down in growth momentum in various emerging market economies led by China. Funding strains and contractions in credit and output posed threats to stability of Ghana's financial system from contagion through various channels.
128. Domestic threats to stability emanated mainly from the following:
- rapid depreciation of the cedi, which constituted the major risk to macroeconomic stability in early 2012;

- the high, but declining, non-performing loans which continues to pose significant challenges to the banking industry;
  - increased net domestic financing, which crowds-out the private sector and puts pressure on interest rates; and
  - the twin deficits (overall budget and current account deficits of 12.0 per cent and 12.3 per cent of GDP) recorded in the year.
129. Measures taken to contain threats to the system included three-consecutive hikes of the monetary policy rate that culminated in 250bps increase in the first half of the year and re-introduction of Bank of Ghana bills. Additional macro prudential measures were reduction in the Net Open Positions (NOPs) of banks, a requirement for banks to keep statutory reserves in cedis only and a 100 per cent reserve cover for VOSTRO balances to be maintained at the central bank.
130. Further measures to consolidate financial stability included formation of a college of supervisors to spur financial deepening, harmonization of codes and standards, and agreeing on reciprocity arrangements to reduce cross-border contagion. Also, efforts have been intensified to formalize the operations of microfinance institutions in the country in order to induce some discipline in the activities of such institutions to reduce the threat the proliferation of such institutions pose to the system.
131. Mr. Speaker, by the end of 2012, the financial stability indicators pointed to steady improvement. Generally, the banking system remained strong in 2012 on account of increased capital levels of banks and reduced non-performing loans. The meeting of the new minimum capital requirement by all banks by the end of the year has provided a cushion for them to meet unexpected risks and also extend more credit.
132. The financial soundness indicators of the banking industry, measured in terms of earnings, portfolio quality, liquidity, and capital adequacy remained strong. Liquidity risks also remained well-contained in the short-to medium-term. The financial system infrastructure has also seen

tremendous improvement, leading to expansion in access to banking service by non-bank population.

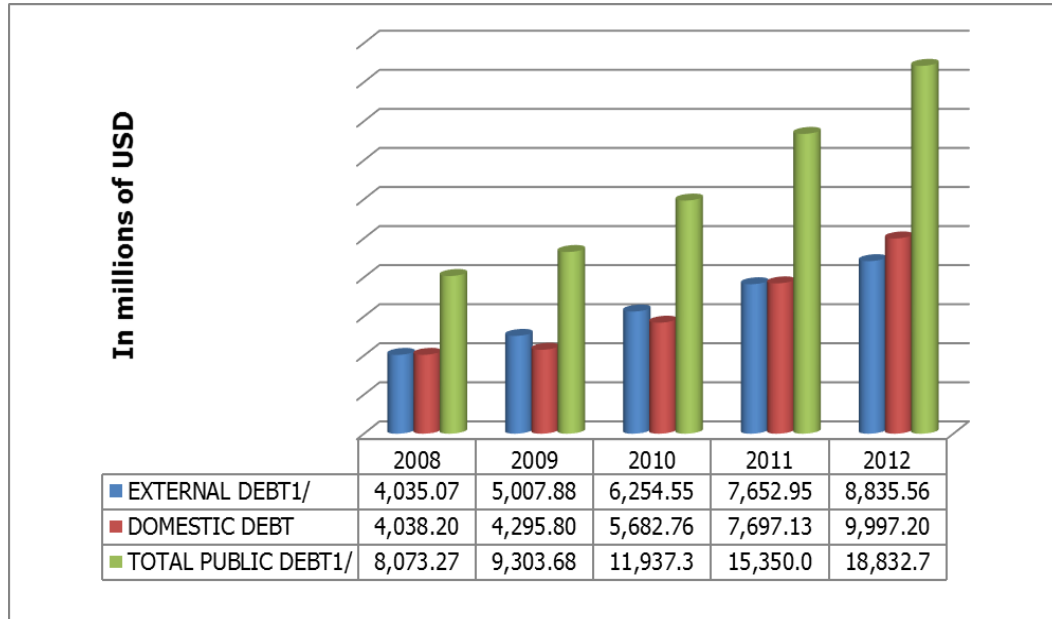
133. Other sectors of the financial system have also registered improved performance. The insurance sector expanded with a rise in insurance penetration. Similarly, the securities market registered improvement in its performance with increases in the Ghana Stock Exchange (GSE) indices and growth in volume and value of shares traded. Also, the Pensions sector recorded remarkable growth with an expansion in the size of funds under management. The implementation of the new three-tier pension scheme is expected to enhance pension benefits and increase retirement incomes and standard of living of workers.

### **Public Debt**

134. Mr. Speaker, the public debt (including government guaranteed debt) increased by 23 per cent from US\$15,350.08 million in 2011 to US\$18,832.77 million by end-December 2012. This represents 40.8 per cent of GDP in 2011 and 49.4 per cent of GDP by end December 2012. In terms of debt type, domestic debt grew by 30 per cent (between 2011 and 2012) to constitute 53 per cent of the total public debt, compared to 47 per cent for external debt as indicated Figure 5.



**Figure 5: Trends in Public Debt**



135. The increased public debt was largely due to the issuance of longer dated domestic debt instruments (3-year and 5-year bond), and increase net debt flows from non-concessional loans for key infrastructure projects.

**New Loan Commitments**

136. Mr. Speaker, Government in 2012, raised loans to the tune of about US\$2,286.24 million (of which US\$1,089.75million was concessional and US\$1,196.49million non-concessional), to implement various infrastructural in an effort to bridge the gap in development. Of the total borrowings in 2012, 26 per cent was committed to the Water Resource Works and Housing sector, 25 per cent to Energy, 13 per cent to Health, 12 per cent to Agriculture and the remaining 24 per cent committed to other sectors of the economy. This is consistent with our middle income status and the policy to diversify the economy and add value to natural resources.

**Loan Financing and Infrastructure Projects**

137. Mr. Speaker, Government is on course with the implementation of key infrastructure projects under various loan financing arrangements committed in 2011 and 2012. Works are far advance on the Western Corridor Gas Infrastructure Project under CDB of China, the Bui Hydro Dam Project by EXIM China is expected to be completed this year, the water projects by EXIM Turkey and Korea are expected to commence this year, as well as the Tamale Airport Project, the Flyover Project and some portion of the Eastern Corridor Road Project supported by the Brazilian PROEX facility. MoFEP is working diligently with the beneficiary MDAs to finalize relevant project preparation documents to ensure the timely completion of these and other projects in the pipeline. The completion of these projects will significantly reduce the infrastructural deficit in critical areas of the Economy.

**Debt sustainability Analysis**

138. Mr. Speaker, the MoFEP in conjunction with the World Bank recently undertook a debt simulation exercise for the end of year 2012, to ascertain our country's debt sustainability levels. This assessment revealed that Ghana remains within the category of moderate risk of debt distress – the same rating the joint World Bank/ IMF mission assessed in November 2011. The assessment, though, showed that public external debt burden indicators remained below their respective thresholds; it also showed an increasing trend in the liquidity ratios, especially the debt service-to-revenue ratio which is projected to average about 9.1 per cent of GDP between 2013-2018 from the current 7.5 per cent.

**Petroleum Hedging Programme**

139. Mr. Speaker, Government in the 2012 Budget indicated the hedge programme put in place to contain the phenomenon of crude oil price escalation, towards achieving price stability and guarantee availability of petroleum products on the Ghanaian market at all times. The key benefit of the hedging programme has been a stabilization of the prices of finished petroleum products which were partially protected by the hedge as crude oil prices soared from \$78 per barrel in September 2010 to \$128 per barrel in April 2011. For 2012 the lowest average price was \$95.77/bbl in June whilst the highest was \$124.50 / bbl in March.

140. The hedging programme has largely been successful. The impact of the latest (and still on-going) oil crises on the economy of Ghana would have been very consequential, had the hedging policy not been put in place. In view of the potential benefits, government intends to strengthen further the programme in 2013.

**Tema Oil Refinery (TOR) Debt**

141. Government over the years has been saddled with the debt of TOR. At the end of December, 2008 the total debt in the books of TOR was GH¢1,678 million increasing to GH¢1789 million at the end of 2009.

142. As part of Government's effort to find a solution to the TOR debt, Governments in 2010 made a payment of GH¢445 million to Ghana Commercial Bank (GCB) to help reduce the debt of TOR.

143. Government again in March 2011, restructured the TOR debt by securitising the TOR debt through the issue of medium term government bonds. To date Government has made payment on behalf of TOR to the tune of GH¢1,137 million.

144. In our quest to find a lasting solution to the perennial financial challenges of TOR a technical, operational and financial diagnostic review was commissioned. The audit has been completed and the recommendations including maintaining the timely implementation of price adjustment arrangements are being implemented to ensure that TOR operates efficiently on a financially sound basis well into the future and thus bring to a close the TOR debt phenomenon.

145. In the process the re-capitalisation of TOR will be an important requirement and various options are being considered for this purpose

## **SECTION FOUR: MACROECONOMIC FRAMEWORK FOR THE MEDIUM-TERM**

### **The Ghana Shared Growth and Development Agenda**

146. Mr. Speaker, the Ghana Shared Growth and Development Agenda (GSGDA) is expected to end in 2013 and, it is expected to be replaced by a successor Plan to be ready by the end of July 2013. The medium-term framework for this Budget is informed by the policy direction for the remaining duration of the GSGDA and the Manifesto of the National Democratic Congress (NDC) as presented to the good people of Ghana.
147. Mr. Speaker, in his Sessional Address to Parliament delivered on February 21, 2013, H.E. President John Mahama indicated that, the vital strength underpinning our national development programme will focus on four pillars, namely putting the People First; a Strong and Resilient Economy; Expanding Infrastructure; and Transparent and Accountable Governance. These pillars will, therefore, inform our medium-term economic framework as we formulate our economic policies.

### **Economic Objectives and Policies for the Medium-Term**

148. Mr. Speaker, the overall medium-to long-term economic goal of government continues to evolve around sustained economic growth and sustainable development. This goal will be pursued within the framework of credible fiscal and debt sustainability and external balance, taking into consideration the vulnerabilities that confront the country in the face of resurgent global risks.
149. Mr. Speaker, Theme Two of the NDC Manifesto dwells on the building of a strong and resilient economy. We have indicated that we are duty-bound to focus our economic development priorities on improving the lives of Ghanaians. This will be achieved through investment and development policies that maximise inclusive growth and supports a responsive relationship between government and the private sector in a manner that creates wealth without undermining the interests of Ghanaians.

150. We programme to maintain single digit rate of inflation; ensure exchange rate stability; reduce the deficits significantly; and maintain high annual economic growth rates. Overall average GDP growth will be supported by strong infrastructure development, particularly in the oil and gas sector.
151. Mr. Speaker, based on the broad economic programme objectives of the government, the fundamentals of our economic programme will include the creation of a macroeconomic environment that promotes accelerated growth and encourages both new domestic and foreign direct investments.
152. For the medium-term, we intend to complete the unfinished programmes of government in order to attain growth with enhanced equity which will be "Advancing the Better Ghana" that we have promised.
153. Government policies for the medium-to long-term will focus on the use of our oil and gas resources to leverage the leap in economic growth and social development required for the creation of sustainable jobs in all sectors of the economy.

#### **Medium-Term Targets**

154. Mr. Speaker, the specific macroeconomic targets to be pursued for the medium-term will include the following:
- an average GDP growth rate of at least 8 per cent per annum;
  - a single digit rate of inflation;
  - an overall average budget deficit equivalent to 6 per cent of GDP;
  - and
  - gross international reserves that will cover not less than four months of import of goods and services.

#### **Macroeconomic Policies and Targets for 2013**

155. Mr. Speaker, it is projected that economic growth will remain strong and inflation is also expected to remain in single digit in 2013, in spite of the fiscal challenges and risks that confront the economy.

156. In 2013, measures will be taken to protect the credibility of fiscal policies and the deficit target. Strong monetary policy stance is expected to be maintained to ensure the stability of the cedi and support our single digit inflation target. The fiscal programme will hinge on the rationalisation of expenditure and strengthened revenue collection. This will include the gradual shift of the basis for budgeting and financial accounting from cash to commitment or accrual basis.
157. Public Financial Management will be strengthened within the context of our macroeconomic policies and fiscal discipline to prevent overspending and avoid new arrears accumulation.
158. Mr. Speaker, implementation of the Ghana Integrated Financial Management Information System (GIFMIS) is expected to reduce the occurrence of outstanding payments and help with implementation of the realignment of the Budget that was mentioned by H.E. the President in his Sessional Address.

### **Fiscal Policy**

159. Over the medium-term, fiscal policy will aim at ensuring fiscal prudence and debt sustainability through improved revenue mobilisation and rationalising and enhancing the efficiency of public expenditures as well as reviewing our capital expenditure and financing methods. Government will continue to resource the Ghana Revenue Authority (GRA) to improve their efficiency in the collection of revenue.
160. Specifically, fiscal policy will focus on:
- resourcing the GRA to improve their efficiency in revenue collection;
  - ensuring transparent, effective and efficient natural resource revenue management, including oil and gas revenue management;
  - continuing with the on-going reforms to strengthen public financial management;
  - management of fiscal risks; and
  - cash management to ensure that spending is kept within budgetary limits.

161. Mr. Speaker, the details of macroeconomic targets for 2013 are outlined below:
- i. real non-oil GDP growth of 6.5 per cent;
  - ii. real overall GDP growth including oil of 8.0 per cent;
  - iii. average inflation of 8.9 per cent;
  - iv. end period inflation of 9.0 per cent;
  - v. overall budget deficit equivalent to 9.0 per cent of GDP; and
  - vi. gross international reserves of not less than three months of import cover for goods and services.

**Real Sector**

162. Mr. Speaker, the year 2013 marks the final year of implementation of the Ghana Shared Growth and Development Agenda (GSGDA). Whilst the National Development Planning Commission is leading the preparation of the successor to the GSGDA, Government, in keeping with the provisions of the GSGDA, will focus on infrastructural development, agricultural modernisation, private sector development, health, water and sanitation, and the education sector. The major objective of the medium term will be to consolidate the country's status as a middle income country by ensuring a stable economic environment, accelerated growth and development and job creation.
163. Based on the policies and strategies to be pursued in the medium term, the economy is projected to grow at no less than 8 per cent from 2013 to 2015. More specifically, the economy is projected to grow at 8 per cent in 2013, 8.7 per cent in 2014, and 8.9 per cent in 2015 as shown in Table 27.

**Table 27: Medium Term Real GDP Growth Projections**

Item	Including Oil (%)			Excluding Oil (%)		
	2013	2014	2015	2013	2014	2015
<b>GDP</b>	<b>8.0</b>	<b>8.7</b>	<b>8.9</b>	<b>6.5</b>	<b>8.9</b>	<b>9.4</b>
Agriculture	4.9	5.8	5.8	4.9	5.8	5.8
Industry	8.7	9.6	9.2	1.6	10.9	11.8
Services	8.5	8.9	9.4	8.5	8.9	9.4

Source: MOF

164. Mr. Speaker, consistent with our policy of ensuring that adequate attention is given to the non-oil sector to prevent the Dutch Disease, the non-oil GDP is projected to grow at an average of 8 per cent in the medium term. This is partly the result of the envisaged new investments in the non-oil sector. On annual basis, it is projected that the non-oil GDP will grow by 6.5 per cent in 2013 and increase further to 8.9 per cent in 2014 and 9.4 per cent in 2015. The details of the projected growth rates for the sectors for both the Oil and Non-Oil GDP are presented in the Appendix Tables.

**Projection of 2013 Petroleum Receipts**

165. Mr. Speaker, based on an estimated average crude oil price of US\$94.36 per barrel and daily production of 83,341 barrels, the total petroleum receipts projected for the 2013 fiscal year is US\$581.72 million (GH¢1,122.72 million). Consistent with Section 17 of the PRMA, the price of crude oil is determined as a seven year moving average and the volume of production is based on a three year average. The breakdown of the 2013 projected petroleum receipts is shown in Table 28.



**Table 28: Composition of 2013 Projected Petroleum Receipts**

Item	Amount	
	US\$	GH¢
Royalties	143,719,814	277,379,240
o/w Jubilee Royalties	143,516,001	276,985,882
o/w Saltpond Royalties	203,812	393,358
Carried and Participating Interest	371,958,838	717,880,557
Corporate Taxes	55,861,240	107,812,193
Surface Rentals	421,799	814,072
Gas Receipts	9,760,000	18,836,800
<b>Total Petroleum Receipts</b>	<b>581,721,691</b>	<b>1,122,722,863</b>

Source: MOF

**Distribution of 2013 Petroleum Receipts**

166. Mr. Speaker, in line with Section 7 of the PRMA, statutory deductions in respect of Equity Financing Cost and the share of Carried and Participating Interest net of Equity Financing Costs amounts should be ceded to the National Oil Company (NOC). Accordingly, this august House in the 2011 Supplementary Budget granted an approval for 40 per cent of the State's Carried and Participating Interest net of the Equity Financing Costs to be transferred to the NOC. Per Section 3(b) of the PRMA, the 40 per cent allocation share will apply for three years until it is reviewed for the 2014 fiscal year.
167. Mr. Speaker, it is, thus, proposed that an amount of US\$191.44 million (GH¢369.48 million), comprising US\$71.09 million (GH¢137.21 million) as Equity Financing Cost and US\$120.35 million (GH¢232.27 million) as Carried and Participating Interest, be allocated to the NOC as shown in Table 29. Consistent with Section 7 of the PRMA, the GNPC will present the budget for the utilization of its petroleum revenue shares to Parliament. The remaining amount of US\$390.28 million (GH¢753.24 million) constitutes the 2013 Benchmark Revenue.

**Table 29: Distribution of 2013 Petroleum Receipts**

Item	Amount	
	US\$	GH¢
<b>Total Petroleum Receipts</b>	<b>581,721,691</b>	<b>1,122,722,863</b>
<b>Transfer to National Oil Company</b>	<b>191,439,452</b>	<b>369,478,143</b>
o/w Equity Financing Cost	71,093,196	137,209,868
o/w 40% share of Net Carried & Participating Interest	120,346,257	232,268,276
<b>Benchmark Revenue</b>	<b>390,282,238</b>	<b>753,244,719</b>
o/w Annual Budget Funding Amount	273,197,567	527,271,304
o/w Transfer to the Ghana Petroleum Funds	117,084,671	225,973,416

Source: MOF

168. Mr. Speaker, in line with Section 18 of the PRMA, a maximum of 70 per cent of the Benchmark Revenue is allocated as the ABFA and the remaining sum is allocated to the GPFs. In response to this provision, Parliament in the 2011 Supplementary Budget approved for the ABFA to be determined as 70 per cent of the Benchmark Revenue. Per Section 18(4), this spending allocation is to apply for three years until it is reviewed for the 2014 fiscal year. In addition, consistent with Section 23(1b) of the PRMA, this august House approved for the amount due the GPFs to be allocated into the GSF and the GHF in the ratio of 70 per cent and 30 per cent, respectively, whose allocation formula will apply for three years until it is reviewed for the 2014 fiscal year.
169. Mr. Speaker, it is, therefore, proposed that out of the Benchmark Revenue of US\$390.28 million (GH¢753.24 million), an amount of US\$273.20 million (GH¢527.27 million) be allocated as ABFA and the remaining US\$117.08 million (GH¢225.97 million) as the GPF. The 70 per cent allocation of the GPF to the GSF will amount to US\$81.96 million (GH¢158.18 million) whilst the 30 per cent allocation to the GHF will amount to US\$35.13 million (GH¢67.79 million) as shown in Table 30.

**Table 30: Allocation of 2013 Benchmark Revenue to ABFA and GPFs**

Item	Amount	
	US\$	GH¢
Benchmark Revenue	390,282,238	753,244,719
o/w Annual Budget Funding Amount	273,197,567	527,271,304
o/w Ghana Petroleum Funds	117,084,671	225,973,416
o/w Ghana Heritage Fund	35,125,401	67,792,025
o/w Ghana Stabilisation Fund	81,959,270	158,181,391

Source: MOF

170. Mr. Speaker, in line with Section 21(5) of the PRMA, the ABFA would be spent in the following four priority areas:

- Expenditure and Amortization of Loans for Oil and Gas Infrastructure;
- Road and Other Infrastructure;
- Agricultural Modernization; and
- Capacity Building (including Oil and Gas).

171. In accordance with Section 21(6) of the PRMA, the four priority areas which were approved by this august House in the 2011 Supplementary Budget to apply for the period 2011-2013 will be reviewed for the 2014 fiscal year.

**External**

172. In the medium term, the thrust of external sector policy will focus on the accumulation of external reserves to provide support for exchange rate stability during external and domestic shocks. The reserve build up will be largely supported by favourable world market prices of the major export commodities and anticipated foreign inflows from portfolio and foreign direct investments.

173. It is anticipated that the high import growth witnessed over the past few years will be moderated by increased exports, especially in crude oil. This follows increased production levels from the Jubilee fields and anticipated

production from some new discoveries. The main downside risk may however be reflected in the outlook for international price movements. Going forward, the price outlook for gold, cocoa and oil will largely be determined by trends in the commodities markets which are influenced by market sentiments and uncertainties in the global economic environment. In the medium term, we expect some relative improvement in the capital account boosted by inflows mainly from foreign direct investments into the oil and gas sectors. This may boost reserve accumulation to facilitate the minimum import cover target of 3 months.

### **Price and Monetary**

174. The assessment of developments in prices shows benign inflation conditions. However, with the reconstitution of the consumer price basket and the pass through effects of the recent upward adjustment of domestic petroleum prices as well as the extent of the liquidity injections from the fiscal slippages during 2012, inflation may inch up marginally to reflect the price inertia. In the medium term however, we expect inflation to remain anchored within single digit range.
175. The objective of monetary policy will be maintained on price stability which provides an enabling environment for sustainable economic growth. In the medium term, monetary policy stance will focus on risks in the outlook that may confront the economy from both domestic and external sources, and at the same time remain complementary to government's fiscal consolidation efforts in the years ahead.
176. The Bank of Ghana will continue to enforce prudential regulations to ensure soundness and stability of the financial system to enhance financial intermediation efforts in the economy. The continuous reduction in credit risk, the main risk that faces the banks is expected to strengthen their balance sheets in 2013.

### **Debt Management in 2013**

177. Mr. Speaker, the end December 2012 debt simulation exercise showed vulnerability to the exchange rate in a stress test with the debt to GDP ratio approaching its threshold by the end of 2018. The main vulnerabilities are related to a high debt service-to-revenue ratio which may pose a risk to the fiscal outlook. While overall public sector debt is projected to marginally increase in relation to GDP in the medium term, the ratio of 49.5 per cent at end December 2012 does not provide strong buffers against shocks. Government in this regard will embark on a gradual fiscal consolidation and additional revenue mobilization measures, supported by a stable economic growth.

### **Debt Management Strategy (DMS)**

178. Mr. speaker, while the Ministry of Finance will continue to ensure optimal levels of borrowing to support our development effort, over the short to medium term, the following strategies will be pursued to guide borrowing:
- a. The strategies for external financing will continue to be the following:
    - Concessional borrowing (with grant element of not less than 35 per cent);
    - Non-concessional borrowing will be restricted to mainly economically viable and self-financing projects on a competitive basis, and explore hedge options to improve predictability of debt service of variable rated loans ;
    - Liability-sharing financing measures that will involve the issuance of guarantees and on-lending to self-financing SOEs, and JV/SPV projects; and
    - Secure loan financing for only planned projects drawn from the reservoir of projects compiled in the Public Investment Programme (PIP) and GSGDA.
  - b. The strategy for domestic financing will aim at maintaining a well-functioning domestic debt market in conjunction with external financing options. To this end, the following policy measures will be pursued:

- moderating the growth of domestic debt;
- lengthening the maturity profile of domestic debt to reduce the frequent refinancing risk;
- broadening the range of instruments offered in the domestic market, including options of targeting instruments to ensure transparency and development of a benchmark yield curve; and
- extending the yield curve by issuing 7-year or 10 year fixed rate bonds aimed at reducing liquidity in shorter dated instruments. Against this background MoFEP in conjunction with the BoG will extend the calendar for bond issuance to the end of 2012.

### **Loan Financing and Infrastructure Projects**

179. Mr. Speaker, Government is committed to the timely completion of projects including those under identifiable source of long term financing. In this regard, the project implementation team in MoFEP will work diligently with the beneficiary MDAs to finalize the relevant documentations relating to the outstanding projects under the facility to scale up disbursement and ensure timely completion of projects by 2015. In this regard, MOFEP will enforce the Cabinet directive on completing pipeline projects as a matter of priority. The completion of these projects will significantly reduce the infrastructural deficit in critical areas of the Economy.

### **Petroleum Hedging Programme**

180. Government plans to continue the petroleum hedging programme in 2013 with plans to hedge about 2 million barrels of crude oil per month, aimed at stabilizing crude oil prices. To this end, MOF will embark on an education campaign with the aim of managing public expectations about the programme and underline the fact that the programme is first and foremost a price protection strategy, rather than a profit-making venture. It is also not a mechanism for generating surpluses to subsidize the price of petroleum products.

## **SECTION FIVE: RESOURCE MOBILISATION AND ALLOCATION FOR 2013**

### **Resource Mobilisation Initiatives**

#### **Tax Revenue**

181. Mr. Speaker, Domestic Tax Effort as measured by the Tax/GDP (non-oil) ratio improved from 15.1 per cent in 2011 to 16.0 per cent in 2012. However, the Tax/GDP ratio including oil (excluding exemptions) increased from 15.4 per cent in 2011 to 16.3 per cent in 2012.
182. Mr. Speaker, while recognizing the strong revenue performance in 2012, the country needs to sustain revenue mobilization efforts in view of the huge funding requirements needed to close the country's infrastructure gap and domestic payment of arrears. The focus on revenue generation in the 2013 fiscal year therefore, is to expand the tax base and improve the efficiency of tax administration.

#### **Tax Bills**

183. Mr. Speaker, the Customs, Excise and Preventive Service, the Internal Revenue Service and the VAT Service were organized into one business unit, the Ghana Revenue Authority. The GRA reform was established in 2010 and the reforms have brought Customs, Internal Revenue Service and the VAT Service under one Commissioner General. The specific functions of Customs and Domestic tax divisions are being headed by various Commissioners. The reforms will ultimately lead to efficiency gain and remove duplication of functions. However, the various Commissioners will have to maintain flexibility in carrying out their function under the overall control of the Commissioner General. The Ministry of Finance will assist to smoothen out this reorganization so that the intended synergy in operations will be achieved with positive results.
184. Mr. Speaker, there is the need to consolidate and harmonize all the various tax laws. During the year, the following laws will be tabled before Parliament.
- The Revenue Administration Bill;
  - The Value Added Tax Bill;

- The Income Tax Bill;
- The Customs Bill; and
- The Excise Bill.

189. Mr. Speaker, the following are the tax proposals for 2013.

### **Domestic Taxes**

#### **Personal Income Tax Bands**

185. Mr. Speaker, in line with our social democratic principles, personal income taxation will continue to be used as a measure for equitable distribution of income and also for protecting low income earners. Taking cognizance of the current inflation trends in the country, the impact of real increases in GDP on personal incomes, and to compensate for the loss in purchasing power of income earners, the annual income tax thresholds and brackets are being revised as follows:

**Table 31: Tax Bands**

	<b>Income Band (GH¢)</b>	<b>Rate (%)</b>
First	1,584	Free
Next	792	5
Next	1,104	10
Next	28,200	17.5
Exceeding	31,680	25

#### **Revision of Personal Reliefs**

186. Mr. Speaker, personal reliefs are a means of reducing the burden on tax payers in certain categories. It is noted that not many tax payers take advantage of personal reliefs which are granted when tax returns are filed. I would wish to encourage tax payers to file their annual returns to take advantage of reliefs since subsidies are not the right way for compensating low income earners. The following personal reliefs are proposed:



**Table 32: Personal Tax Reliefs**

<b>Item</b>	<b>2011 Rate</b>	<b>2013 Rate</b>
Marriage/Dependent Responsibility	100 currency points	200 currency points
Old Age	100 currency points	200 currency points
Child Education	100 currency points up to 3 Children	200 currency points up to 3 Children
Aged Dependent	50 currency points	100 currency points
Training Cost	200 currency points	400 currency points

187. Mr. Speaker, the Ghana Revenue Authority (GRA) is to set up a dedicated office to assist tax payers in filing their tax returns. Additionally, the GRA will simplify the present tax returns form which will make it a lot more convenient for tax payers who have no other income apart from their salaries to file returns.
188. Mr. Speaker, in order to set the pace, all staff of the GRA must file their 2012 tax returns and assist other public and civil servants to do the same.

**Vehicle Income Tax**

189. Mr. Speaker, in the last revision of vehicle income tax, existing quarterly rates were increased for vehicles of all categories except trotros and taxis. It is only fair that we adjust these rates that have not changed since 2005. For example an owner of a 33-seater commercial vehicle is paying only GH¢15 per quarter (GH¢ 5 per month) as compared to rates paid by public servants and other workers in the formal sector. It is to be noted that the incidence of this tax is not on the drivers of these vehicles but on the owners. There is an alternative for the owners to opt to file their tax returns if they believe this presumptive tax is too high. Owners who will opt to file their tax returns will take advantage of the additional deductions allowed for business (e.g. capital allowances and personal reliefs).

**Environmental Taxes**

190. Mr. Speaker, the growing concern about climate change in many advanced and developing countries have brought environmental issues to

the forefront of the policy agenda in most of the advanced and developing countries of which Ghana should not be left out. The argument has always been pointing at the need to introduce a more comprehensive environmental tax system. Ghana is currently facing several environmental challenges and in the area of environmental sanitation, solid waste management presents a challenge to many District Administrations across the country.

191. Mr. Speaker, the annual rate of generation of solid waste is high and over the past decade this has increased from about 7,000 metric tons/day in 1996 to about 13,800 metric tons/day in 2011 (Ministry of Local Government and Rural Development, 2012). The waste problem is most deplorable in urban communities, which struggle with ever-increasing populations due to rural-urban migration.
192. Mr. Speaker, one of the major constraints militating against waste collection and disposal is lack of funding. Currently, the main sources of funding for environmental sanitation services are from the national budgetary allocation and donor support while the Municipal and District Assemblies are expected to use significant portions of their locally generated revenue to handle their waste collection and disposal. These sources of funding have been inadequate and in the case of donor support, unsustainable. Other competing demands in the national budget tend to make funding for environmental sanitation a low priority.
193. Mr. Speaker, in view of this an Environmental Fiscal Reform working group has been formed to look at the various fiscal instruments around the world that can be used to raise revenue for addressing environmental problems in Ghana. The group will also look at how the funds raised can be appropriately applied to addressing the environmental concerns in waste management, transport and mining sectors to mention a few. The group will present some proposals in the 2014 budget.

**Environmental tax on Plastic**

194. Mr. Speaker, Environmental taxes have been introduced on plastics at a rate of 15 per cent with exemptions for pharmaceuticals and agricultural sectors. Also, plastic for water sachets were exempted. Mr. Speaker, it is

time as a nation for us to find a solution to the environmental hazards of water sachets. In this respect, the Ministry of Finance (MoF) and the GRA will later in the year submit proposals for the review of the tax regime.

**Penalty on over-aged vehicles**

195. Mr. Speaker, previously cars beyond a certain age were completely banned in the country. However, it was later decided to impose penalties instead of the outright ban on old aged cars. Considering the environmental implications of over age cars and the risk associated with its usage on our roads, the MoF and the GRA will conduct a comprehensive review of the tax regime on overaged cars and submit proposals to Parliament in the course of the year.

**Tax Amnesty**

196. Mr. Speaker, in the 2012 Budget we offered a tax amnesty to all companies and individuals who have defaulted in the payment of their taxes. This amnesty is still in effect. It appears from returns so far received that the response from the real estate sector is not encouraging. I wish to call on real estate owners who receive rental charges to take advantage of the ongoing exercise on tax amnesty and get registered.
197. Mr. Speaker, businesses in the oil and gas sector who supply final products and do not report their incomes for taxation are also being advised to take advantage of the tax amnesty and register for tax purposes. The GRA will embark on a rigorous exercise after the grace period ends to bring all defaulters to book.

**Airport Tax**

198. Mr. Speaker, the Kotoka International Airport is not only serving as a hub for the West Africa region but, in addition, the number of passengers and airlines are increasing putting the facilities in use at the airport under pressure. It is the intention of the government to upgrade the facilities to higher standards.
199. Mr. Speaker, currently, revenue raised from the Airport tax is shared between the GRA and the Ghana Airport Company. I am proposing that the Ghana Airport Company be allowed to retain all Airport tax collections

so that the entire revenue raised can be used to develop both the international and local airports. The Ministry of Finance and the Ministry of Transport will in due course present a sustainable plan for infrastructure development and expansion of all airports in Ghana.

#### **Communication Service Tax (CST)**

200. Mr. Speaker, when the CST was introduced in 2008, it was fixed at an ad valorem rate of 6 per cent on a minute call charge. In addition, an interconnectivity charge was added to raise revenue for services rendered by mobile operators to each other when they are dealing with calls from customers. The 6 per cent was arrived at in order to remove the cascading nature of the interconnectivity charge. However, Communication Service Companies have raised an issue of double taxation in the interconnectivity charge.

201. Mr. Speaker, in consultation with the industry a bill will be presented to Parliament later this year to take care of these issues which will not lead to any revenue loss to the State. However, the communication companies are being urged to pay all accrued arrears.

#### **Customs Assurance/Destination Inspection**

202. Mr. Speaker, for more than fifty years, all imports into the country have been under pre-shipment destination inspection. This system has not resolved the issue of corruption at the ports. This system cannot be allowed to continue forever. Therefore, after the existing contracts expire, the Customs Division of the GRA will assume the full responsibility for valuation, quality and quantity of imports, in line with the new thinking of the World Trade Organization (WTO). The GRA will develop a module that will enhance the existing risk management module and assist in carrying out this assignment. Currently, the GRA has eight commodities under their valuation assurance programme. During the course of the year, the coverage will be increased to cover all the high value commodities.

#### **Tax Technical Assistance**

203. Mr. Speaker, Ghana was subjected to a Phase one Peer Review by the Global Forum of the Organisation of Economic Cooperation and Development (OECD) in October 2010 and the associated report published

in May 2011. Ghana subsequently joined the Global Forum in May 2011. The report made seven recommendations which must be implemented before Ghana undergoes the Phase II Review in the second half of 2013. To implement the Phase 1 recommendations, some amendments to the legal and regulatory framework are required. The amendments relate to the Anti-Money Laundering Act 2008, (Act 794), the Companies Act 1963, (Act 179) and the Internal Revenue Act, 2000 (Act 592). Government will in the next few weeks introduce the relevant Bills to effect these amendments.

204. Mr. Speaker the phase one review also recommended that Ghana increases its Tax Information Exchange Agreements (TIEA). These TIEAs allow jurisdictions to exchange information among themselves for tax and other purposes. This tool is used by tax authorities around the world to mitigate tax risk and tax evasion across borders. In 2013, Ghana will initiate steps to enter into more TIEAs with our relevant trade and investment partners.
205. Mr. Speaker our relationship with some Development Partners led to the promulgation of a Transfer Pricing Regulation in 2012. Even though Act 592 made provision for transfer pricing abuses, it could not be implemented because of lack of a transfer pricing regulations. Staff of GRA and other stakeholders like the Judiciary, the Police and the business community have been trained with the support of the Development Partners. In 2013, a special unit will be set up to conduct special audit to detect transfer pricing abuses. It is believed that these special audits will lead to a reduction in transfer pricing abuses and, ultimately, result in bigger profits declaration for tax purposes.
- Increase in Value Added Tax threshold**
206. Mr. Speaker, Government will continue to improve efficiency in tax administration. The VAT registration threshold which is currently GH¢ 90,000 will be increased to GH¢120,000 in fiscal year 2013. This proposal which was announced in the 2012 Budget Statement was not implemented for technical reasons. Businesses with turnover of less than GH¢ 120,000 over a twelve month period will pay a presumptive tax of 6 per cent of turnover. Other businesses that do not deal in goods on which

VAT can be applied will pay a flat rate of 3 per cent. These taxpayers will fall within the category of small taxpayers and the GRA will put in place the necessary measures to operationalize the small tax payer offices that are being set up as part of the tax administration segmentation programme. This will be in line with an enhancement of the presumptive tax system. The increase in VAT threshold does not constitute an increase in VAT rate.

### **Tax Exemptions**

207. Mr. Speaker, it is estimated that tax expenditure is about 3.28 per cent of GDP. Compared to the actual tax revenue/GDP ratio of 17.1 per cent, it can be concluded that this is on the high side. In the past, attempts to reduce exemptions have been marginally successful. We intend to introduce new control measures to be incorporated in the new Bills to be tabled before this House later this year to reduce the overall impact of tax exemptions. A recent OECD study showed that direct tax accounted for most of the exemptions, followed by VAT and customs exemptions. Prior to this study most of the control measures that were put in place affected mainly customs exemptions. Once we are aware of the entire impact we will go ahead and review the overall tax exemptions regime will be reviewed in order to drastically reduce the granting of tax exemptions.
208. Mr. Speaker, against this backdrop MOF and GRA will undertake a comprehensive review of the following:
- tax Incentive for agro-processing business;
  - tax incentive for location of businesses;
  - withholding tax rate on management and technical fees; and
  - VAT on imported services.
209. Mr. Speaker, in order to reduce the abuses of tax incentives, a special monitoring team will be formed in the Ministry of Finance and the GRA to monitor the administration and use of tax incentives granted to NGO's, charitable organizations and all other institutions under the various incentive regimes. The team will also conduct periodic cost-benefit analysis of the various tax incentives currently in place.

210. Mr. Speaker, over the past years, government has given tax incentives to some professionals in the public institution under a special vehicle waiver scheme. In order to create a level playing field for all professionals in the country and also to prevent a situation of extending the incentive to all professionals (which will eventually erode the tax base), the GRA and the TPU will conduct a comprehensive review of the special vehicle waiver scheme and later present some proposals to Parliament in the course of the year.

**Corporate Tax**

211. Mr. Speaker, over the years corporate tax rates have been reduced to a level of 25 per cent for most of the corporate entities in the country except the natural resources sector which has a rate of 35 per cent. For tax certainty, we do not intend to vary these rates. However, recent observations are giving cause for alarm. Transfer pricing abuses, inflated cost, and unallowable expenses are reducing the amount of profits for taxation. The GRA will conduct in depth audit to stem these abuses.

**Tax Refunds**

212. Mr. Speaker, delayed payment has been a common feature of our VAT refund and duty drawback system. The Ministry of Finance and Economic Planning will ensure that there are enough resources available for refunds and duty drawbacks. Initially, two per cent of GRA's collection will be dedicated to this Fund. At the end of each financial year, any excess amount standing in the refund account will be transferred into the Consolidated Fund. Ultimately, the GRA in its administrative improvement, will adopt an accounting system that will allow taxpayers to offset such refunds against other tax liabilities.

**Capital Allowances**

213. Mr. Speaker, the maximum cost base of road vehicle other than commercial vehicle is currently pegged at GH¢25,000 for capital allowance purposes. The amount was last reviewed in 2004 from GH¢15,000 per Act 669. It is proposed that a new amount not exceeding GH¢70,000 will apply in 2013 due to the rising cost of vehicles. This will be restricted to brand new vehicles with capacity not exceeding 1.8 cc acquired by a business.

**Windfall Profit Tax**

214. Mr. Speaker, in 2012 the windfall profit tax Bill was tabled in Parliament. The Bill sought to impose a Windfall Profit tax of 10 per cent on mining companies. Unfortunately, the Bill could not be considered by Parliament. A committee is reviewing all stability agreements and incentives in the mining sector, and civil society interest groups have also submitted recommendations on how to adequately tax the mining industry. In the coming weeks, Government will seek to re-introduce the Bill in Parliament after due consultation with all stakeholders.

**Withholding Tax on Rents**

215. Mr. Speaker, in 2002 a final withholding tax was imposed on the rents received as investment income at a rate of 10 per cent. This was further reduced to 8 per cent in 2006. Though we still have a deficit in residential accommodation, more landlords are converting residential accommodation into commercial ones. The GRA will improve the administration of rent tax, including withholding elements, in conjunction with the street/premises numbering programme as well as property taxation by the MMDAs, particularly, with the Ministry of Local Government and Rural Development.

**Resource Mobilisation**

216. Mr. Speaker, as part of our public financial management reforms and, in conformity with new standards for compilation and presentation of fiscal statistics, we are adopting the new guidelines of Government Finance Statistics (GFS 2001) as the basis for compilation and reporting of government finance statistics for Ghana beginning 2013 fiscal year.
217. The GFS 2001 is part of worldwide effort to improve government accounting and transparency in operations and oversight, with particular emphasis on the introduction of accrual accounting. The new nomenclature is key to fiscal analysis and plays a vital role both in developing and monitoring sound financial programmes and in conducting surveillance of economic policies.



218. Mr. Speaker, in order to preserve consistency and ensure comparability with past presentation of our fiscal data, we have presented the old and new nomenclatures and classifications in the Appendix Tables.
219. Mr. Speaker, the 2013 Budget numbers are discussed within the context of the GFS 2001 classification. Whichever format is used, the budget balances are preserved.
220. Mr. Speaker, I would like to ask your kind permission to proceed with the details of the 2013 revenue and expenditure estimates.
221. Mr. Speaker, total non-oil revenue and grants for the 2013 fiscal year is estimated at GH¢21,410.7 million, equivalent to 26.3 per cent of non-oil GDP. The expected non-oil revenue and grants for the year represents an increase of 36.4 per cent over the outturn for 2012.
222. For the 2013 fiscal year, Total revenue from oil that will accrue to the budget is estimated at GH¢1,122.7 million, equivalent to 1.3 per cent of GDP.
223. Thus, total oil and non-oil revenue and grants for the 2013 budget are estimated at GH¢22,533.4 million, equivalent to 25.4 per cent of GDP.
224. Domestic revenue is estimated at GH¢21,275.0 million, 37.2 per cent higher than the outturn for 2012.
225. Mr. Speaker, total tax revenue is estimated at GH¢17,090.8 million, representing 19.3 per cent of GDP. This shows an increase of 36.5 per cent over the outturn for 2012. Of this amount, non-oil tax revenue is estimated to grow by 36.4 per cent to GH¢16,705.6 million, equivalent to 20.5 per cent of non-oil GDP.
226. Taxes on income and property are estimated to increase by 41.3 per cent to GH¢7,825.0 million in 2013, accounting for 45.8 per cent of total tax revenue. Of this amount, royalties and income tax from oil is estimated at GH¢385.2 million.

227. Taxes on goods and services are estimated at GH¢5,576.2 million, representing 32.4 per cent increase over the outturn for 2012 and 32.6 per cent of the estimated total tax revenue for 2013. The estimate for 2013 is made up of GH¢3,768.0 million for total VAT, while excise taxes, National Health Insurance Levy and communication service tax are expected to yield GH¢903.8 million, GH¢753.6 million and GH¢150.8 million, respectively.
228. International Trade taxes, are estimated at GH¢3,689.7 million, representing 4.2 per cent of GDP and 21.6 per cent of total tax revenue. The estimate reflects a 33.2 per cent increase over the outturn for 2012. The increase in international trade taxes is expected to be largely driven by import duties, estimated to be about 99 per cent of the estimated international trade taxes for 2013.
229. Mr. Speaker, Non-tax revenue, comprising mainly fees and charges by Ministries, Departments and Agencies (MDAs), dividend received from public enterprises and other internally-generated funds (IGFs) is estimated at GH¢4,019.9 million, equivalent to 4.5 per cent of GDP and representing 18.9 per cent of domestic revenue. An amount of GH¢2,864.2 million is expected to be retained by MDAs for the funding of their activities and the rest lodged into the Consolidated Fund. A total amount of GH¢737.5 million is estimated as non-tax oil revenue.
230. Mr. Speaker, Grants from Development Partners are estimated to increase by 8.5 per cent to GH¢1,258.5 million, equivalent to 1.4 per cent of GDP. The expected grants will contribute 5.6 per cent to the estimated total revenue and grants for 2013.

**Table 33: Summary of Revenue and Grants Estimates for 2013**

Description	Including oil			Excluding oil		
	Amount (GH¢ million)	Percent of GDP	Percent of Total Revenue and Grants	Amount (GH¢ million)	Percent of GDP	Percent of Total Revenue and Grants
Total Revenue and Grants	22,533.4	25.4		21,410.7	26.3	
Domestic Revenue	21,275.0	24.0	94.4	21,410.7	26.3	
Tax Revenue	17,090.8	19.3	75.8	16,705.6	20.5	78.0
Taxes on Income and Property	7,825.0	8.8	34.7	7,439.8	9.1	34.7
Taxes on Domestic Goods and Services	5,576.2	6.3	24.7	5,576.2	6.8	26.0
International Trade Taxes	3,689.7	4.2	16.4	3,689.7	4.5	17.2
Non-Tax Revenue	4,019.9	4.5	17.8	3,282.4	4.0	15.3
Others	164.2	0.2	0.7	164.2	0.2	0.8
Grants	1,258.5	1.4	5.6	1,258.5	1.5	5.9

Source: MoF

## Resource Allocation

### Expenditure

231. Mr. Speaker, total expenditure, including provision made for the clearance of arrears and outstanding commitments in 2013 is estimated at GH¢30,544.3 million, equivalent to 34.4 per cent of GDP. The estimated expenditure for the year represents a 20.6 per cent increase over the outturn for 2012. Of this amount, GH¢2,070.2 million, equivalent to 2.3 per cent of GDP and 6.8 per cent of total expenditure will be used for the clearance of arrears and outstanding commitments.
232. Mr. Speaker, Compensation to employees which comprises wages and salaries, allowances, pensions, gratuities and social security contributions by Government on behalf of its employees is estimated at GH¢9,004.0 million, representing 10.1 per cent of GDP and 53.9 per cent of non-oil tax revenue. Of this amount, GH¢7,465.4 million (8.4 per cent of GDP) is estimated for the payment of wages, salaries and allowances, while GH¢640.5 million, GH¢211.3 million and GH¢686.8 million is estimated for pensions, gratuities and social security, respectively.

233. Expenditure on goods and services is estimated at GH¢1,742.4 million, representing 2.0 per cent of GDP.
234. Total interest payment is estimated at GH¢3,194.4 million, equivalent to 3.6 per cent of GDP and 10.5 per cent of total expenditure. Of this amount, GH¢620.2 million will be expended on external interest, while GH¢2,574.2 million will be for domestic interest payments.
235. An amount of GH¢1,022.2 million has been provided for the payment fuel and utility subsidies. Of this amount, GH¢586.2 million will be used for the payment of promissory notes issued for the importation of crude oil by the Volta River Authority in 2012 which will fall due in 2013.
236. Mr. Speaker, Grants to other Government units , comprising statutory payments into the National Health Insurance Fund, Ghana Education Trust Fund, the District Assemblies Common Fund, Road Fund, Petroleum-Related Funds, transfer to the Ghana National Petroleum Company and retention of internally-generated funds by MDAs is estimated at GH¢6,208.8 million.
237. Transfers to the DACF and GET Fund are estimated at GH¢1,149.3 million and GH¢691.5 million, respectively.
238. The Road Fund is expected to receive an amount of GH¢206.7 million, while GH¢9.8 million will be transferred into the Petroleum-related Fund.
239. An amount of GH¢917.9 million is estimated to be transferred into the National Health Insurance Fund, while of GH¢369.5 million from oil revenue, is earmarked to be transferred to the Ghana National Petroleum Company for its investments.
240. Mr. Speaker, as part of government efforts to narrow the infrastructure deficit in the country, a total amount of GH¢5,155.1 million is estimated for the acquisition of non-financial assets. This represents a 43.8 per cent increase over the outturn in 2012 and 16.9 per cent of the estimated total

spending for 2013. About 25.3 per cent of the total amount will be financed from domestic sources and the remaining from foreign sources.

**Table 34: Summary of Expenditure Estimates for 2013**

Description	Including oil			Excluding oil		
	Amount (GHc million)	Percent of GDP	Total Expenditure and Arrears Clearance	Amount (GHc million)	Percent of GDP	Percent of Total Revenue and Grants
Total Expenditure and Arrears Clearance	30,544.3	34.4		29,647.5	36.4	
Total Expenditure	28,163.4	31.7	92.2	29,647.5	36.4	
Compensation of Employees	9,004.0	10.1	29.5	9,004.0	11.1	30.4
Use of Goods and Services	1,742.4	2.0	5.7	1,636.9	2.0	5.5
Interest Payments	3,194.4	3.6	10.5	3,194.4	3.9	10.8
Subsidies	1,022.2	1.2	3.3	1,022.2	1.3	3.4
Grants to Other Government Units	6,208.8	7.0	20.3	5,839.3	7.2	19.7
Acquisition of Non-Financial Assets	5,155.1	5.8	16.9	4,733.3	5.8	16.0
Others	1,836.5	2.1	6.0	1,836.5	2.3	6.2
Arrears Clearance and Tax Refunds	2,380.9	2.7	7.8	2,380.9	2.9	8.0

Source: MoFEP

### Overall Budget Balance and Financing

241. Mr. Speaker, Given the revenue and expenditure estimates, the 2013 budget will result in an overall budget deficit of GH¢8,010.8 million, equivalent to 9.0 per cent of GDP.
242. Financing of the deficit will be from both domestic and foreign sources. Net Domestic Financing of the deficit is estimated at GH¢5,474.8 million, equivalent to 6.2 per cent of GDP, and financing from foreign sources are estimated at GH¢2,536.0 million, equivalent to 2.8 per cent of GDP.
243. External loans are estimated at GH¢3,682.4 million, out of which GH¢3,396.0 million will be for projects, and GH¢286.4 million for general budget support. Repayment of external debt is estimated at GH¢1,295.3 million.

**Table 35: Summary of Financing of the 2013 Budget Deficit**

Description	Including oil			Excluding oil		
	Amount (GH¢ million)	Percent of GDP	Percent of Total Financing	Amount (GH¢ million)	Percent of GDP	Total Revenue and Grants
Total Financing	8,010.8	9.0		8,664.1	10.6	
Foreign	2,536.0	2.9	31.7	2,536.0	3.1	29.3
o/w CDB Facility	1,447.5	1.6	18.1	1,447.5	1.8	16.7
Domestic	5,474.8	6.2	68.3	6,122.6	7.5	70.7

Source: MoFEP

## **SECTION SIX: SECTORAL PERFORMANCE AND OUTLOOK**

### **ECONOMIC SECTOR**

#### **Ministry of Food and Agriculture**

244. Mr. Speaker, the continuous introduction of technology to improve agricultural production remains the main focus of Government policy interventions. The key interventions are the adoption of livestock production technologies, agricultural mechanization, irrigation development, fertilizer subsidy, seed improvement, quality standardization, and the implementation of modern buffer stock management techniques.
245. The expected results are increased productivity and output, incomes and export earnings, food security, supply of raw materials for value addition and rural development.

#### **Performance in 2012**

##### **Livestock Sub-Sector**

246. Mr. Speaker, to facilitate effective livestock extension delivery and easy adoption of livestock production technologies, one Livestock Demonstration Centre was established at Weija to enhance livestock production among 5,000 small scale farmers.
247. In line with Government's policy to reduce importation of chicken, to increase income of farmers and to meet the country's meat requirement, 5,687 cockerels were raised and distributed to 250 farmers at a subsidized rate in 25 districts in the Ashanti and Brong Ahafo Regions.
248. To improve the performance of livestock in the country, livestock stations under the Ministry produced 460 improved stocks of various species of livestock and supplied 206 breeding stock to farmers to increase productivity. In addition, 100 grand-parent pigs were imported for multiplication and subsequent distribution to pig farmers across the nation. To enhance livestock extension delivery, 20,000 copies of livestock

production and dry season feeding manuals were developed and printed for distribution.

**Crop Sub-Sector**

- 249. The Ministry is currently promoting tree and industrial crops (Rubber, Coconut, Cotton, Cashew, and Oil palm)
- 250. In the Central Region 3,000 ha of Oil palm plantations involving 960 farmers (722 males and 238 females) have been established. Contract to construct a 77km feeder road has been awarded in the Rubber and Oil Palm growing areas.
- 251. The Ministry has provided improved cashew planting materials to farmers to expand the area under cultivation. In all, 44,000 cashew clones were produced and improved seeds provided to farmers to cultivate 2,500 new cashew farms.
- 252. In the 2011/2012 farming season, 28,297 farmers produced 13,790mt of seed cotton and 5,383 mt of lint.
- 253. Under the West Africa Agricultural Productivity Programme (WAAPP) 118 acres made up of 108 of cassava and 10 acres of sweet potato were established as community demonstration/multiplication sites in 64 districts in all ten regions. A total of 1,394 farmers comprising 846 males and 548 females benefitted from the programme. WAAPP fully funded the construction and refurbishment of a Biotechnology Laboratory at CRI, Fumesua, in Kumasi and provided new equipment and screen houses to CSIR-FRI, CSIR-SARI, CSIR-SRI and CSIR-PGRRI. WAAPP also supported the development of High Quality Cassava Flour and the development of several varieties of cassava, cocoyam, sweet potato, maize and cowpea.

**Fertilizer and Seed Subsidy Programme**

- 254. Mr. Speaker, under this programme, 300,000 farmers benefitted from 170,000mt of fertilizer and 20,000kg of improved seeds of maize, rice and soybean.



**Agricultural Mechanization**

255. Mr. Speaker, Agriculture Mechanization Service Centres (AMSEC) have been established in 62 districts. On the average, each centre was supported with 5 tractors with matching implements, maize shellers and water pumps.
256. Under the Agricultural Machinery Subsidy Programme, 150 units of 50HP Cabrio compact tractors were imported in semi knock-down forms and the first lot of 50 units of these tractors was distributed to smallholder farmers.
257. The Ministry took delivery of combine harvesters for both rice and maize to reduce the drudgery associated with harvesting whilst 400 tractors and combine harvester operators were trained in proper handling, operation and maintenance of machinery/equipment.
258. To reduce the high post-harvest losses in tomato production, a tomato processing factory was commissioned and is functioning at Techiman in the Brong Ahafo Region.

**Promotion of Aquaculture**

259. Mr. Speaker, 135 sites were surveyed for pond construction, out of which, 79 new ponds with total surface area of 450.26ha were constructed. In addition, 19 new cages were constructed as part of efforts to promote the development of aquaculture. Further, 36,682,500 fingerlings were produced for distribution to fish farmers.

**Extension Services**

260. Mr. Speaker, in an effort to encourage the adoption of technologies, the Ministry established 111 community demonstration sites for root and tuber crops in 64 districts in the 10 regions. These are being used to train farmers to increase productivity. Eleven out of the 111 demonstration sites are being used to train farmers on good husbandry practices on sweet potato production.
261. The Ministry has contracted a service provider to design and support the implementation of e-extension programme to build capacity of field

officers to give accurate information to producers, processors and other stakeholders and also improve the coverage of extension service delivery in the country. The e-extension platform has been built and smart phones procured.

262. Under the Farmer Based Organization (FBO), 170 FBOs have been sensitized, trained and clustered along the agricultural value chain to form district networks in the Northern, Upper East, Upper West and Brong Ahafo Regions. This will enhance networking among farmers and also improve farmer-to-farmer extension.

### **Irrigation Development**

263. Mr. Speaker, 90 percent of work on Phase 2 of the rehabilitation works on the Tono Irrigation Scheme has been completed. This has added 320ha to the currently cropped area, thus putting into full operation, the 1,850ha of land under the scheme.
264. Survey works and initial designs have been conducted by the Japanese on the proposed Accra Plains Project. This is expected to add 6,000ha to the area of 5,000ha studied under Studi International. Therefore, a total irrigable area of 11,000 ha is available for cultivation.
265. Rehabilitation works on the Tanoso Weir and Ave Afiadenyigba projects have been completed. These projects have respectively brought back the existing 64ha and 20ha of arable land under cultivation. In addition, work is on-going on the Dawa dam and the breached dams in the 3 Northern Regions.

### **Youth in Agriculture Programme (YIAP)**

266. Mr. Speaker, the YIAP was introduced as an intervention to create jobs and ensure food security. Under this programme 45,000 hectares of land was cultivated in 2012 out of which 210,000mt of grains was produced.
267. In the aquaculture sub-sector of the programme, 450 youth were trained in fish farming. Also, 50 floating cages were constructed and ready for distribution to 250 youth in 6 districts namely, South Tongu, Krachi East,

South Dayi, Upper Manya Krobo, Lower Manya Krobo and Fantentakwa. One million fingerlings were distributed to 1,000 young fish farmers.

268. In the other sub-sectors, 500 youth were trained in the rearing of pigs and cockerels while 300 youth were trained in food processing.
269. With the assistance from the Young Farmers league, 300 young farmers were trained in the operation and maintenance of maize planters, fertilizer applicators and in land preparation at Afienya, Tsokoli and Okwenya all in the Dangme West District.

### **Outlook for 2013**

270. The Ministry of Food and Agriculture will continue with its mandate to implement programmes and projects in the Medium Term Agricultural Sector Investment Plan (METASIP).

### **Irrigation Development**

271. Mr. Speaker, Government will continue the rehabilitation of existing schemes, dams/dugouts and the development of new ones in order to facilitate the promotion of dry season farming of vegetables and high value crops.
272. Construction works will commence on the Accra Plains Irrigation Project covering an area of 11,000ha. Work will also commence on the Mprumen dam and the 3 dams in Koori, Zuedem and Tankasa in the Builsa District of the Upper East Region. To promote rainwater harvesting in the Northern Region, an update of the feasibility study and preparation of designs for the Katanga Valley Irrigation project will be undertaken. The Veve Scheme, Dawa dam and the 10 dams in the Volta and Greater Accra Regions will also be rehabilitated.

### **Agricultural Mechanization**

273. Mr. Speaker, the number of Agricultural Mechanization Service Centres (AMSECs) will be increased to cover at least 170 districts in order to provide mechanization services to farmers who cannot afford their own machines. Two thousand tractors, 100 maize planters, 50 seed drills, 50

boom sprayers, 10 maize/soya harvesters, 50 rice threshers, 100 shellers and 50 dryers will be procured to support the Agricultural Mechanization Service Centres (AMSECs), individual farmers and processors among others.

274. Government will finance the construction and mechanization of 500 boreholes on farmer fields for irrigation, animal watering and agro-processing. In addition, 200 geophysical investigations will be conducted on farmers' fields.

#### **Fertilizer and Seed Subsidy Programme**

275. Mr. Speaker, Government will develop a National Seed Policy in conformity with regional seed and planting material policy under Economic Community of West African Agricultural Policy (ECOWAP).

276. Government will also coordinate the procurement and distribution of 180,000mt subsidized fertilizer to farmers. In addition, web-based software for the smooth implementation and management of fertilizer and seed subsidy programme will be introduced. Furthermore, 4,127mt of seed cotton and 9,472mt of lint will be produced.

#### **Livestock Development Programme**

277. Mr. Speaker, as part of Government's effort to boost local production of poultry, 1,500 farmers in 10 regions would be supported with 30,000 brooded cockerels to enhance their capacity to produce more meat in order to reduce the nation's meat deficit and also increase income of farmers.
278. To enhance and increase guinea fowl production, 40 enterprising guinea fowl farmers in 40 districts across the 3 Northern Regions will be supported with 40 incubators.
279. As part of efforts to enhance the adoption of good husbandry practices, livestock Demonstration Centers will be established in 30 livestock dominant districts to benefit 50,000 livestock farmers.

**Youth in Agriculture Programme**

280. Mr. Speaker, as part of the Youth in Agriculture Programme, Government will continue to pursue the Block Farm Programme, with a target of 60,000ha for the production of maize, cassava, rice, yam, sorghum and cowpea by 60,000 farmers under METASIP.
281. Under the livestock programme, 100,000 birds and pigs will be purchased and distributed to 60,000 young farmers. Also under the agribusiness sub-programme 700 women will be trained and equipped to process farm produce.
282. Mr. Speaker, 3,200 youth in the Eastern, Ashanti, Western and Volta Regions will also benefit from the youth in aquaculture project.
283. For the implementation of the above programmes and activities, an amount of GH¢292,479,722 has been allocated. Out of this, GH¢133,733,330 is GOG, GH¢20,000,000 is ABFA, GH¢136,482,536 is Donor and GH¢2,263,856 is IGF.

**COCOA**

284. Mr. Speaker, Government continued to implement a number of broad policy measures to support the cocoa sub-sector. These measures were to ensure efficiency through streamlining of activities, interventions and programmes and contribute to the growth of the cocoa sector.

**Cocoa Purchases**

285. Mr. Speaker, for the 2012/13 crop year an amount of US\$1.5 billion was raised in the syndicated loan market but US\$1.3 billion was drawn, as compared with the US\$2.0 billion raised and drawn during the 2011/12 cocoa season. This is expected to facilitate the implementation of COCOBOD's programmes and activities over the current cocoa crop season.
286. In fulfilment of the Government's commitment to cocoa farmers, the producer price of cocoa was reviewed upward in October 2012 to GH¢3,392.00 per tonne (i.e. GH¢212.00 per bag) from GH¢3,280.00 per

tonne, indicating an increase of 3.4 percent over the previous year. This new price was 78.36 percent of the net Free On Board (FOB) price.

287. Mr. Speaker, even though the world price of cocoa beans has fallen on the world market, in fulfilment of Government's commitment to cocoa farmers, Government reduced the export tax on cocoa beans in order to enhance the consistent increase in the producer price.
288. In October 2012, Government in conjunction with Ghana Cocoa Board paid a total of GH¢59.2million as bonus to farmers for the 2010/2011 main crop season. The bonus payment works out to GH¢32.00 per tonne.
289. Government through COCOBOD continued with the Cocoa Hi-Tech and CODAPEC Programmes in the 2011/2012 cocoa season. The focus of the Hi-Tech Programme was to encourage fertilizer application and the use of improved planting materials by farmers. The CODAPEC programme was to mitigate the risk associated with the incidence of disease (blackpod) and pests (capsid) that attack cocoa.
290. The Seed Production Unit of COCOBOD also supplied early maturing and certified high yielding planting materials to cocoa farmers to ensure high productivity.

#### **Cocoa Farmers Housing Scheme**

291. Mr. Speaker, with the support of Government, COCOBOD continued the implementation of the Cocoa Farmers Housing Scheme initiated in 2004. An amount of GH¢868,000.00 was released in 2011/2012 cocoa year to the Department of Rural Housing to initiate the construction of 36 houses for farmers in five regions. Out of this number, 22 houses were completed.

#### **Cocoa Roads**

292. Mr. Speaker, the Cocoa Roads Improvement Programme (CRIP) has progressed steadily leading to the upgrade of several roads in cocoa growing areas. This helped the evacuation of cocoa from up-country to take-over centres. In addition, it has enabled school going children to

benefit from the free bus services provided by Government and the evacuation of other agricultural products.

**Scholarship to Farmers' Wards**

293. COCOBOD continued to provide financial assistance from its scholarship fund to wards of cocoa farmers. In 2011/2012 an amount of GH¢2 million was disbursed to 2,600 beneficiaries.

**Corporate Social Responsibility**

294. Mr. Speaker, as part of its corporate social responsibility, COCOBOD has provided a state of the art medical facility at Debiso, a cocoa growing community in the Western Region, giving credence to Government's commitment to improving the welfare and the livelihoods of the farming communities. Another such facility is under construction in the 100,000 tonnes capacity warehouse complex at Kajebril near Takoradi.

**Outlook for 2013**

295. Mr. Speaker, Government through COCOBOD will review all existing supply agreements with the processing companies to ensure that cocoa beans are made available to the processing factories. This will ensure that the objectives of the Revised Cocoa Sector Development Strategy II document are achieved.
296. The CODAPEC Programme will continue to be pursued to mitigate the risk associated with the incidence of disease and pests that attack cocoa. For the 2012/2013 cocoa crop year, a provision of GH¢44.9 million has been earmarked for the project.
297. The Hi-Tech Programme will continue to encourage fertilizer application and the use of improved planting materials by farmers. For the 2012/2013 cocoa crop year, a provision of GH¢50million has been earmarked for the project.
298. Through the Hi-Tech Programme, COCOBOD will continue to educate farmers on the correct application of fertilizer on their farms for improved

productivity. The private sector will continue to participate in the importation and distribution of fertilizers.

299. COCOBOD will continue the treatment and control of the Cocoa Swollen Shoot Virus Disease (CSSVD) which has continued to threaten the sustainability of the industry through cutting and removal of affected trees. An amount of GH¢9.7 million has been allocated for this programme. Government will continue to support farmers to replant and rehabilitate cocoa farms in key growing areas which started in 2009/10, a project aimed at reversing the trend of low productivity.
300. The National programme for the Elimination of Worst Forms of Child Labour in Cocoa growing areas (NPECL) will continue to support the sensitization and educational programme to reduce the incidence of worst forms of child labour in cocoa production. The Cocoa Roads Improvement Programme (CRIP) will continue steadily to upgrade roads in cocoa growing areas. Ministry of Finance will continue to fund these programme as part of its share of the F.O.B.

#### **Promotion of Cocoa Consumption**

301. The Government will continue to boost cocoa consumption through promotional programmes, through the sensitization of the citizenry on the health and nutritional benefits of cocoa. Other major events such as the COPAL Cocoa Day and the Chocolate Day would be used to promote consumption of cocoa products. The Cocoa Research Institute of Ghana (CRIG) will be encouraged to continue research into the utilisation of by-products from cocoa, sheanuts and cashew.

#### **Coffee**

302. Resources for scientific and agronomic research and extension services for coffee production were provided by COCOBOD in 2011/12. With the support of Government, COCOBOD will continue to rehabilitate small to medium scale coffee farms. An amount of GH¢1.25 million of the net F.O.B. has been allocated to fund this project in the 2012/13 crop year.



### **Shea**

303. The Shea Unit of COCOBOD was established in May 2011 to facilitate the implementation of programmes to revamp the shea industry in Ghana. The Unit is expected to be transformed into the Shea Development Board. The Board will be responsible for the introduction of effective production, post-production and marketing initiatives, promotion and the development of the various shea markets locally and globally as envisioned by Government in the GSGDA, 2010-2013. Government will allocate an amount of GH¢2.0 million to the Shea Unit to support its operations this year.

### **Export Duty**

304. COCOBOD will make available GH¢37.9 million to Government as Export Duty for the 2012/13 crop year. This is Government's share of net F.O.B.

## **Ministry of Fisheries and Aquaculture Development**

### **Outlook for 2013**

305. The Ministry of Fisheries and Aquaculture Development will focus on implementing existing laws and regulations in the fisheries industry and promoting aquaculture development in a decentralized environment.

### **Improving Fisheries Governance**

306. Mr. Speaker, the Fisheries Commission will implement the West Africa Regional Fisheries Programme, a roadmap for revitalizing and injecting the needed investments into the fisheries sector over a five year period. In the first year, investments will be made into the building of governance structures and processes such as the establishment of vessel registry, conducting research to establish sustainable levels of stocks and piloting community fisheries management units.

### **Controlling Illegal Fishing**

307. Mr. Speaker, the Ministry will pursue the establishment and operationalization of the Fisheries Enforcement Unit as specified in the Fisheries Law, Act 625(2002). The Unit will collaborate with the Ministries

of Defence, the Interior and the Attorney General's Department to intensify monitoring, control and surveillance activities on all water bodies.

**Accelerated Aquaculture Development**

308. Mr. Speaker, the Ministry will pursue an accelerated aquaculture development strategy to fill in the gap in fish supply. Improved aquaculture development packages such as improved feed and credit will be rolled out to interested farmers. In addition, the Ministry will train farmers to increase fish pond productivity from 1.5 metric tons/ha to 2.5 metric tons/ha and also increase output from the current 20,000mt to 40,000mt within the year.
309. The Youth in Aquaculture Project will train 3,200 from Eastern, Ashanti, Western and Volta Regions to make a living through aquaculture.

**Capacity Development**

310. Mr. Speaker, the Ministry will invest in technical and logistics capacity to support the direction of development. Areas include specialization for aquaculture, fish health and fisheries co-management. Offices of zonal secretariat of the Fisheries Commission will be opened in areas with high potential for fisheries and aquaculture development.
311. Scientific and biological studies will be conducted to monitor the oceanography and other fisheries parameters including fish stocks status and catches in Ghanaian waters in order to review and continue the implementation of an on-going fisheries management plan. Additionally, a canoe frame survey will be carried out to determine the number of canoes in existence prior to the implementation of the Fisheries Project.

**Fisheries College at Anomabo**

312. To equip the actors in the fishing industry with skills in sustainable fishing practices, the construction of the administration block, hostels, laboratories and lecture halls for the Fisheries College at Anomabo will be continued.

**Fisheries Refrigeration Network**

313. Mr. Speaker, the Cold Store Project will be completed to provide additional cold storage capacity of 3,000m<sup>3</sup> and 35tons of ice flake daily. The Ministry will also complete the construction of cold stores at Prampram, Shama, Half Assini and New Takoradi.

**Fish Processing Plant at Elmina**

314. To ensure improved value of fish and profitability of the fish business, the construction of the turnkey fish processing plant at Elmina will be completed.
315. For the implementation of the above programmes and activities, an amount of GH¢48,336,230 has been allocated. Out of this, GH¢16,750,000 is GOG, GH¢ is ABFA, GH¢22,619,610 is Donor and GH¢89,666,620 is IGF.

**Ministry of Lands and Natural Resources**

316. The mandate of the Ministry is to ensure efficient and sustainable management and utilization of the nation's lands, forests, wildlife and mineral resources for the socio-economic growth and development of the country.

**Performance In 2012**

**Forestry Sub-Sector**

317. Mr. Speaker, the Ministry has completed the Land Use, Land Use Change and Forestry Classification Maps for the whole country under the Forest Preservation Programme. In addition, aerial surveys to acquire 3-dimensional structure of our forests were completed. A state-of-the art Geographical Information Systems and Photogrammetry Laboratories for the analysis of satellite imagery and biomass modelling was established. A modern forest inventory system was also developed.
318. Under the National Plantation Development Programme, 9,426ha were demarcated out of which 3,698ha were planted, creating over 10, 000 full

time jobs. This is expected to restore degraded forest landscape, address the deficit in wood supply for both industrial and domestic purposes and create employment for forest fringe communities.

319. Mr. Speaker, to mitigate the rampant encroachment on forest reserves and protected areas, as well as to address illegal logging, mining and settlements, a Rapid Response Unit has been established to ensure compliance to the regulatory and legal requirements that protect our natural resources. Subsequently, 8 teams of the Unit have been created out of which 3 have been adequately equipped and deployed to seriously encroached areas to arrest the menace.
320. As part of efforts to enable the implementation of the Legality Assurance System, with major component being the Wood Tracking System, the Resources (Legality Licensing) Regulations, 2012-LI2184 was passed.
321. Under the Bamboo and Rattan Development Programme, 250ha of bamboo and 8ha model rattan plantations were established in the Brong Ahafo and Western Regions respectively. To enable communities manage the resources as a sustainable revenue source, 21 communities in the Eastern, Central and Western Regions were trained in the scientific management and harvesting of bamboo. Over 700 bicycle frames were exported by the 4 bamboo bicycle manufacturing enterprises established in the country.

#### **Mines Sub-Sector**

322. Mr. Speaker, a number of new mining companies have started full scale operations in the country. They include, Perseus Mining Ghana Ltd (Edikan Mine) at Ayanfuri, Owere Mines at Konongo and Noble Mines at Bibiani. AngloGold Ashanti, Newmont, Goldfields, Golden Star Resources, Adamus Resources Limited and others continued to operate in the country.
323. To give full effect to Act 703, six mining regulations have been passed by parliament to strengthen the regulatory framework governing the management of the minerals and mining industry. In addition, the Ministry has facilitated the passage of the Mineral Development Fund Bill to help address developmental issues in mining communities.

324. The Ministry has established Regional Task Forces to complement efforts by the National Security to deal with the illegal mining situation in the country. Five regional task forces are already operational in the Eastern, Greater Accra, Ashanti, Western and Central Regions.
325. Government is currently undertaking geological exploration of 7 areas totalling 349sq.km in various parts of the country to identify mineralized areas for small scale miners. Japa in the Western Region has proved viable and mineral concessions are being acquired by small scale miners.

**Lands Sub-sector**

326. Mr. Speaker, a blueprint to establish District Lands Commission Offices to decentralize land administration services has been developed. A policy document on grants of large tracts of agricultural land to avert land grabbing and speculation as well as avoid landlessness has been completed.
327. To increase efficiency in survey and mapping data collection, 5 continuous operating reference stations have been established in Accra, Kumasi, Takoradi, Tamale and Bolgatanga whilst a network of 42 stations has been designed to form the new Geodetic Reference Network (GRN) for land surveying. Up-to-date Orthophoto maps covering 14,282.30sq. km for Land Use Planning have been provided in 100 towns nationwide.

**Outlook for 2013**

**Forestry Sub-Sector**

328. Mr. Speaker, in order to access climate change funds to sustainably finance resource management and development, the carbon emission reference level framework and monitoring, reporting and verification systems shall be completed.
329. The Ministry will implement the Forest Investment Programme and the National Plantations Development Programme to arrest the drivers of forest degradation and deforestation in order to enhance our forest resources and for job creation.

330. In addition, ecotourism development and improvement of the status of the protected area system for revenue generation and resource conservation to promote private sector investment will be pursued.

**Mines Sub-Sector**

331. Mr. Speaker, the Ministry would continue to ensure that opportunities for increasing local content in the mining industry through capacity building of local entrepreneurs and job creation in mining areas are pursued. The Sector will continue to enforce the ban on registration and participation of foreign companies in small scale mining in accordance with the Minerals and Mining Act, 2006 (Act 703).

332. As part of efforts to maximize its contribution to sustainable development of the country, the sector will improve information availability to attract investors and also collaborate actively with key stakeholders to implement programmes to improve performance of small scale miners as well as reducing or eliminating illegal mining activities in the country.

**Lands Sub-Sector**

333. Mr. Speaker, to ensure efficient internal revenue generation and transparency in resource management, the lands sub-sector will employ sustainable and rigorous strategies to maximise revenue mobilization.
334. The lands sub-sector will continue to employ Alternative Dispute Resolution Mechanisms which have proven to be more reliable and affordable as well as less time-consuming and acrimonious to land in finding solutions to nagging land disputes between the agencies under the sub-sector and aggrieved parties.
335. Systematic surveying and mapping throughout the country to produce plans and maps at the appropriate scales for various uses will be undertaken to promote orderly growth of settlements through effective land use planning and management.
336. Mr. Speaker, the lands sub-sector will conduct inspection of lands to monitor uses and ensure effective information update to adapt new and

innovative means of promoting development control and enforce regulations.

337. In addition, inventory of all state lands to obtain complete and up-to-date records on public lands will be completed to create the database of all state acquired lands.
338. To ensure the development of the oil and gas industry, the acquisition of rights to land and way leaves for the oil and oil-related industry installations will be facilitated and the appropriate plans and maps produced for the monitoring of operations of the on-shore and off-shore activities in the oil industry.
339. For the implementation of the above programmes and activities, an amount of GH¢226,433,976 has been allocated. Out of this, GH¢52,497,964 is GOG, GH¢13,200,000 is SIP, GH¢17,399,700 is Donor and GH¢143,336,312 is IGF.

## **Ministry of Trade and Industry**

340. In line with the Ghana Shared Growth and Development Agenda and the Sector Medium-Term Plan, the Ministry pursued programmes under the second phase of the Private Sector Development Strategy (PSDS II) and the Industrial Sector Support Programme (ISSP) which are intended to help create jobs, increase levels of income, enhance the human resource capacities of business people and improve the overall national development.

### **Performance in 2012**

#### **Private Sector Development Strategy (PSDS II)**

341. Mr. Speaker, the Governance structure for PSDS II has been set up. The PSDS II Board also acts as Trustees for the Private Sector Development Fund which has been set-up.

342. Furthermore, the Board has approved four flagship initiatives, namely: Business Enabling Environment Reforms Programme, Financial Innovation and Intermediation Programme for SMEs, Business Linkages Programme and Export Diversification Programme.

**Industrial Sector Support Programme (ISSP)**

343. Mr. Speaker, the Ministry during the year organized an inter-agency forum for major stakeholders from public and private institutions to acquaint themselves with the main components of the Industrial Policy. A project management unit to manage the ISPP and coordinate the Industrial Development Fund (IDF) was set up.

**National Export Strategy**

344. The National Export Development Strategy is in its final stage of preparation. It has conducted needs assessment, mobilized resources, initiated and coordinated the development of a regulatory framework to increase returns from exports.

**Consumer Protection Policy**

345. The Ministry has developed a draft consumer protection policy for cabinet's consideration and approval.

**Keta Industrial Salt Estate**

346. A workshop on salt iodization was organised for all stakeholders in the salt industry to help develop modalities for the sustainability in production and usage of iodated salt in the country. A technical committee has been set-up and the Ministry is coordinating its activities.

**Ayensu Starch Factory**

347. The Ayensu Starch factory at Bawjiase in the Central Region which started test production in 2011 is currently running effectively and has produced 35,000 tonnes of cassava starch.

**Ghana Export Promotion Authority (GEPA)**

348. Mr. Speaker, GEPA embarked on various training programmes which included training of farmers in Quality Export Marketing, capacity building of Agricultural extension officers, training of the officers of the Ministry of



Foreign Affairs to be equipped to manage the Economic Affairs desk in Ghana's missions abroad.

**Ghana Standards Authority**

349. To ensure compliance with established product standards, the Authority issued 493 and 590 export and health certificates respectively to cover fish and fishery products. It also inspected 150 fish establishments which included some frozen vessels and 187 consignments of fish, 87 consignments of yam, scrap metals and other non-traditional exports. The Authority further verified 23,117 weighing and measuring devices used for trading purposes and inspected 42,027 imported high risk goods.

**GRATIS Foundation**

350. Mr. Speaker, GRATIS Foundation established a training centre at Koforidua to train the youth in automobile engineering. In addition, 120 people were trained in occupational health safety and environmental issues during food processing. Sixty-five master craftsmen were also trained in various engineering skill development areas.

351. Furthermore, 824 agro-processing equipment were produced, training in their operation and maintenance was provided after installation and 8 new products from research development undertaken in agri/agro sector were successfully designed, manufactured and tested and are currently available for sale.

**CEDECOM**

352. Mr. Speaker, to promote the sustainable development of the Central Region through partnership with the private sector and development partners, the Corporation initiated the construction of 57 boreholes out of which 37 were completed, nine out of 16 CHPS compound were also completed while the Children's Library and Park at Kasoa, Agona Swedru Sports Stadium and a rest stop at Eyisam are at various stages of completion.

## **Outlook for 2013**

### **Private Sector Development**

353. The Ministry will continue the implementation of the Private Sector Development Strategy phase II (PSDS II) to widen economic opportunities for the transformation of the Ghanaian economy and to develop a thriving private sector that creates jobs and enhances livelihoods for all.

### **Industrial Sector Support Programme**

354. The Ministry will continue to implement the Industrial Sector Support Programme with particular focus on value-addition, availability of industrial raw materials, improvement in technology and innovation and development of strategic sectors. An Industrial Development Fund to facilitate rapid development of Ghana's industrial sector is also to be established.

### **Ghana Commodities Exchange**

355. Mr. Speaker, the Ministry will continue to pursue the achievement of the objectives of the Ghana Commodities Exchange Project which involves the establishment of Electronic Warehouse Receipts System and Central Depository, Electronic Trading System, a T+1 Clearing and Settlement System and a Discrete Market Data Dissemination System.

### **Small and Medium Scale Enterprises (SMEs) Development**

356. Mr. Speaker, the Ministry, under the Micro, Small and Medium Enterprises Programme, will conduct an infrastructural needs assessment for some craft villages in Ahwiaa, Bolgatanga, Kpando (Fesi), Alloyi and Kpetoe among others to determine the levels of support required by each of the projects.

### **Ghana Standards Authority**

357. The Authority will issue 1,600 export certificates, inspect 320 fish establishments including frozen vessels, inspect 400 consignments of fish, 260 consignments of yam, scrap metals and other non-traditional export and analyze 860 fishery products. Sixty-five standards will be developed, 45 promoted, 1,100 sold and 5,000 disseminated.

**Ghana Export Promotion Authority**

358. Mr. Speaker, the Ghana Export Promotion Authority will facilitate market access for non-traditional export products, the development and expansion of the production base of non-traditional exports from Ghana, support for export related human resource development programmes, provide relevant trade information to enhance competitiveness of Ghanaian exporters and other stakeholders and co-ordinate the national export agenda and related export activities.

**National Board for Small Scale Industries (NBSSI)**

359. Mr. Speaker, the NBSSI will establish 20 additional Business Advisory Centres in various districts to promote entrepreneurship, create employment opportunities, reduce rural-urban migration and increase income levels of the rural population. In addition, 600 tailor-made entrepreneurial, managerial and technical skills training programmes will be organized for 1,800 entrepreneurs.

**GRATIS Foundation**

360. Mr. Speaker, GRATIS Foundation, will support 1,000 Micro, Small and Medium Enterprises (MSMEs) to improve their product quality through the adoption of improved and cost effective technologies.

**CEDECOM**

361. Mr. Speaker, CEDECOM will undertake activities aimed at developing the Industrial Zones in the Central Region to foster socio-economic development. In addition, four zonal investment fora will be organized for stakeholders on the creation of Metropolitan, Municipal and District (MMDAs) industrial zone. Feasibility studies and design of the technical details of the industrial zones will be conducted.

362. For the implementation of the above programmes and activities, an amount of GH¢124,868,440 has been allocated. Out of this, GH¢19,623,399 is GOG, GH¢5,000,000 is ABFA, GH¢22,368,281 is Donor and GH¢77,876,760 is IGF.

## **Ministry of Tourism, Culture and Creative Arts**

363. The Ministry of Tourism continues to carry out its mandate of developing, promoting, and marketing tourist products as well as enhancing Ghana's image abroad and making her the preferred tourist destination in Africa.

### **Performance in 2012**

#### **Marketing Programme**

364. As part of efforts to promote and market Ghana on the global tourism market, the Ministry participated in three international fairs and exhibitions in three European Markets where over 10 international tour operators and the international media expressed interest in promoting tours to Ghana. It further initiated action to partner CNN to promote Ghana through its network and improve global information access to the country dubbed "CNN Eye on Ghana Project estimated at US\$1.5 Million. Additionally, the Ghana Tourism Authority produced and distributed over 8,000 tourism promotional materials including tourist brochures, maps, posters, DVD's to tourists and Ghana Missions abroad.

#### **Domestic and International Tourism**

365. Mr. Speaker, in furtherance of the Ministry's mandate to promote domestic and international tourism to encourage Ghanaians to appreciate and preserve their national heritage and create wealth, the Ministry organized the National Chocolate Day, the 1st African Choral Music Festival, "Sing Aloud", the Paragliding Festival at Atibie-Kwahu, Ambassadorial Tour to Shai Hills Resource Reserve/Akosombo, Parliamentarians/Media Tour and the 10<sup>th</sup> PANAFEST Grand Anniversary / Emancipation Day to generate foreign exchange and revenue for local communities and District Assemblies as well as boost businesses and local SMEs.
366. In addition, the Ministry under the School Travel Programme piloted a tour for 600 students (150 each) from the Greater Accra, Volta, Northern and Upper West Regions to tourist sites outside their respective regions, which has enhanced the youth's appreciation of the country's local cultures, environment and fostered social cohesion.

**Product Development Projects**

367. Mr. Speaker, the 7 on-going Tourist Receptive Facilities at Salaga, Gwollu, Axim, Kpetoe, Agogo and Wli under construction to enhance tourist sites, create employment and generate revenue are at various stages of completion.
368. The Accra Visitor Information Centre (AVIC) which is to serve as one stop shop information, ICT, entertainment and sports tourism centre for all domestic and international tourists and to create employment for an estimated 500 Ghanaians in the formal and informal sectors is at its final stage of completion.

**UNWTO/UNIDO/ Government of Ghana Coast Project**

369. Mr. Speaker, the on-going Integrated Eco-tourism Destination Planning and Management of the Ada Estuary which seeks to reduce environmental impacts from coastal tourism hotels and support the growth of eco-tourism to improve livelihoods of the local people is on course. Out of a targeted 125 beneficiaries, 103 have been trained as follows: 28 tour guides, 25 local boat operators, 50 hoteliers, food vendors and vegetable growers. The training covered quality service delivery and management of tourists, food hygiene, waste management, customer care and tourism resources management in Ada and its environs.
370. Mr. Speaker, a new 15-Year National Tourism Development Plan (2013 – 2027) has been prepared to enhance the contribution of tourism sector to national and local economic development.

**Tourism Investment Promotion**

371. Mr. Speaker, the Ministry engaged the Tourvest Investment Group of South Africa and secured their interest to invest in the ecologies of Mole and Kakum National Parks, Shai Hills. In addition, specialized tour packages along identified tourist routes to Ghana were promoted.
372. Under the Public Private Sector Partnership Framework the Ministry initiated action to partner ZOIL, a subsidiary of ZOOMLION for the management of the Tourist Receptive Facilities in the country to promote quality service delivery.

**Tourism Levy Regulations (LI 2185)**

373. To transform the Ghana Tourist Board into Ghana Tourism Authority and establish the Tourism Development Fund needed to develop and promote the sector sustainably, the Ministry facilitated the passage of LI 2185 (Tourism Levy Regulations) to operationalize the Tourism Act 817. Ten sensitization workshops for stakeholders on the Act and Levy were organized.

**Outlook for 2013**

374. The Ministry will continue to carry out its mandate of making Ghana the preferred tourist destination in Africa and to make tourism become a lead sector for foreign exchange generation and employment creation in line with the Tourism Sector Medium Term Development Plan under the Ghana Shared Growth and Development Agenda 2010-2013. To this end, the Ministry will focus on aggressive promotion of Ghana and re-packaging of the diverse tourism products for higher international and domestic patronage.

**Marketing**

375. Mr. Speaker, the Ministry will augment its Marketing Ghana Programme through intensive use of the international media. Funding will be mobilized in pursuit of the CNN Eye on Ghana Project which is an initiative to use CNN networks to market Ghana's tourism at the global level as part of efforts to showcase Ghana's tourism and investment potentials to an extensively influential business and leisure travellers and investors from all over the world.
376. In addition, the ongoing Ghana Tourism Branding Programme initiated will be implemented to maintain visibility of Ghana's tourism in the international market.
377. Furthermore, the Ministry will organize major events including the National Chocolate Day, the 2<sup>nd</sup> African Choral Music Festival dubbed 'Africa Sing Aloud', 8<sup>th</sup> Hang and Paragliding at Atibie-Kwahu, the PANAFEST / Emancipation Day, World Tourism Day and the Ghana

Carnival for Peace geared towards boosting domestic and international tourism for foreign exchange and revenue generation .

**Product Development**

378. Mr. Speaker, the Accra Visitor Information Centre (AVIC) will be furnished and made operational to serve as one stop shop information, ICT, entertainment and sports tourism centre for all domestic and international tourists and provide over 500 jobs for Ghanaians in the formal and informal sectors. The tourist receptive facilities under construction at Salaga, Gwollu, Axim, Kpetoe, Wli and Agogo will be completed and made operational to enhance visitation and revenue generation.
379. Furthermore, the Ministry will foster international friendship and sign bilateral agreements in the field of tourism. Other focal areas will include supervision and monitoring of tourism service providers, training and re-training of hospitality service providers to ensure compliance to quality service delivery.

**Creative Industry and Culture Sub-sector**

380. The Government recognizes the potentials of the Creative Industries to shape and reinforce Ghana's economic growth. The creative economy is the complex interaction between culture, economics and technology. The emerging creative economy has become a leading component of economic growth, employment, trade and innovation, and social cohesion in many countries.
381. Mr. Speaker, it has been the Government's policy to organize the sector in a more strategic manner to deliver enhanced services and contribute more meaningfully to the economy. This will be achieved through the development and the implementation of a Creative Industries Sector Medium-Term Development Plan as envisaged in the Ghana Shared Growth and Development Agenda.
382. The Ministry will facilitate the development of cultural villages and enclaves as critical appendages to tourism which is fast gaining economic relevance as a source of revenue generation and employment creation.

383. Furthermore, the Ministry will expedite the implementation of the 3-year Programme of Action (2013–2015) of the civil society organizations towards restoring our national culture and ensuring the achievement of the benchmarks of creativity, excellence and relevance in advancing Ghana's development agenda.
384. In this regard the Ministry will develop and strengthen the creative industry to enable the country actively engage in world trade in creative goods and services, facilitate access to finance and the export market for products of the creative industry. It will also encourage private sector investment in the local music and film industry to raise their standards, use them to sustain and export the enduring values of our culture and tradition as well as generate revenue and employment for Ghanaians.
385. Furthermore, it will collaborate with Ministry of Education to revive cultural festivals in basic and second cycle institutions. This will help nurture the nation's creative resources, support art and craft works and other vocational skills in basic and senior high schools, polytechnics and universities.

**Ghanaian Traditional Festivals and Music**

386. Mr. Speaker, the Ministry will continue to promote nationwide festivals. These include the annual National Festival of Arts and Culture (NAFAC), designed to resurrect, promote and sustain national traditional and musical culture. It will also promote local cultural, music and dance groups. In addition, the sub-sector will continue with its capacity building and sensitization activities tailored towards each group's specific needs.
387. For the implementation of the above programmes and activities, an amount of GH¢18,585,375 has been allocated. Out of this, GH¢7,843,975 is GOG, GH¢1,000,000 is SIP, GH¢5,000,000 is ABFA, and GH¢3,774,750 is IGF.



## **Ministry of Energy and Petroleum**

388. The Ministry of Energy and Petroleum continues to carry out its mandate to formulate, monitor and evaluate policies to provide secure, safe and reliable supply of energy and petroleum products to meet Ghana's developmental needs.

### **Performance in 2012**

389. In line with the above mandate, the Ministry and its sector agencies implemented a number of programmes and projects in power, renewable energy and petroleum sub-sectors which are at various levels of completion.

### **Power Sub-Sector**

#### **Expansion in Power Generation Capacity**

390. As part of measures to increase power generation capacity to 5,000 MW in the short term, an additional generation of 126 MW was added to the country's installed capacity of 2,186 MW from CENIT Power plant at Tema which commenced commercial operation in October 2012, thus increasing the country's installed capacity from 2,186MW in 2011 to 2,312MW in 2012.
391. The on-going construction work on the 400MW Bui Power Project is progressing satisfactorily. One unit of 133MW is to be commissioned by end of the first quarter and the other 2 units by the fourth quarter of 2013 respectively.
392. In addition, the Volta River Authority has signed a contract amendment with Zakhem for the recommencement of the construction of 220MW Kpone Thermal Power Plant. Other power generation projects that were initiated are Tico (Takoradi II) Expansion Project (110MW) and Cenpower Generation Company Ltd (340MW). The front end engineering activities for the retrofitting of the Kpone Generation station commenced.

**Transmission System Improvement Projects**

393. Mr. Speaker, the construction of a 161/34.5kV substation at Buipe to serve a new cement factory, Buipe township and its environs has been completed and in commercial operation. Furthermore, transmission lines for power evacuation for Bui – Sawla, Bui – Kintampo and Bui – Techiman are 98percent complete. Nine substations were upgraded to increase transformer capacity in the New Tema, Akwatia, Achimota, Asanwinso, Takoradi, Techiman, Kumasi, Winneba and Akosombo substations. Work on Tumu-Han-Wa Transmission Line also commenced.

**Distribution Improvement Projects**

394. Mr. Speaker, construction of 5 primary substations for ECG in Accra and Tema under the Ghana Energy Development Project and various 33kV and 11kV feeders required to interconnect the 5 new primary substations into the grid have been completed and commissioned.
395. In the Northern Electricity Distribution Company (NEDCO) area, the Supply Improvement and Rehabilitation Project (NSIRP) commenced. This project involves among others; the upgrade of the existing 34.5/11.5kV substations at Wa, Dalun and Tamale Airport, and conversion of the supply of power to the Savelugu Township and its environs to conventional 3-phase, 34.5kV supply.

**National Electrification Scheme**

396. Mr. Speaker, the implementation of the National Electrification Scheme continued with 466 communities connected to the national electrification grid in all 10 Regions under the Self Help Electrification Programme (SHEP), Turnkey Projects and Grid Extension under GEDAP. The country's access to electricity was 72 percent as at 2010. This access rate is being updated based on additional communities that have been connected to the grid.

**Renewable Energy**

397. Mr. Speaker, to facilitate the sector objective of increasing the proportion of renewable energy in the national energy mix from the current 0.01percent to 10percent by 2020, installation work for 752 off-grid solar systems for remote public institutions (GEDAP Phase II) commenced with

50percent of the installations done. In addition, 255 off-grid solar PV systems have been installed for remote public institutions on lakeside and island communities.

398. Further, solar systems and lanterns have been provided in private homes and businesses in off-grid communities. The construction of a 2MW grid connected solar system by VRA in Navrongo is 95percent completed and the 0.72MW Noguchi Memorial Institute for Medical Research solar park is about 30 percent complete.

#### **Energy Efficiency and Conservation**

399. Mr. Speaker, a Refrigerator Rebate and Turn-In Scheme was launched in September 2012 to facilitate the transformation of the refrigerating appliance market in Ghana from the use of obsolete and high energy wasting appliances to a market of energy efficient and high performing appliances, which will be accomplished through the implementation of a combination of energy performance standards and labeling programme and consumer incentives.

#### **Installation of Automatic Capacitor Banks**

400. Automatic Capacitor Banks (ACB) to improve energy efficiency of public buildings, reduce electricity consumption and expenditure were installed at some selected public facilities such as Korle-Bu Teaching Hospital, Office of the President, Food & Drugs Authority, Accra Sports Stadium and Parliament House.

#### **Petroleum Sector**

##### **Jubilee Field Production**

401. Mr. Speaker, production from Jubilee Field started experiencing premature production decline from November 2011. The field production declined from the October 2011 average daily production rate of 80,000 BOPD to about 63,000 BOPD end July 2012. GNPC and the Jubilee Partners have successfully arrested the decline through the use of innovative interventions and technology and increased daily production rates to about 111,000 barrels of oil per day in December 2012.

402. A total of about 26.4 million barrels of crude oil was produced from the Jubilee field in 2012 up from 24.2 million barrels produced in 2011. The Ghana Group lifted a total of 4.9 million barrels in 2012.

**New Discoveries**

403. Mr. Speaker, exploratory activities by GNPC and Partners intensified resulting in six new discoveries in 2012 which are at various stages of appraisal and development. They are Hickory North, Almond, Beech, Pecan, Sankofa East and Wawa. This brings to a total of 22, the number of hydrocarbon discoveries made since June 2007.

**Gas Infrastructure Project**

404. Mr. Speaker, the construction of a 59km offshore pipeline for the Gas Infrastructure Project continued with a pre-lay activity completed and tie-in to deep water pipeline, 25km of offshore pipeline was installed in addition to the 14km laid by GNPC. Further, an Environmental and Social Impact Assessment for the Offshore Shallow Water pipeline was completed. Government has paid compensation to about 6,000 farmers whose crops were affected by the project.
405. Work has commenced on the laying of onshore 111Km 20-inch pipes from the site of the processing plant at Atuabo to the Aboadze Thermal Station. The core processing units of the Gas Processing Plant are currently being fabricated in Canada and the entire modular plant is expected to be delivered to Ghana in the first quarter of 2013.
406. Mr. Speaker, the site filling, compacting and piling for the gas processing plant is 80 percent complete. The right of way clearing and the line pipe stringing for the 111km onshore pipeline have been completed. Work on the pipe fitting and welding is 83percent complete.
407. The Ministry developed a Natural Gas Pricing Policy in May 2012 and received Cabinet approval for its implementation. The gas pricing policy is essential to guarantee full participation in the gas industry by oil companies.

**Local Content Regulations in the Petroleum Sector**

408. Draft Regulations to provide legal backing to the Local Content Policy was developed and laid before Parliament. A Memorandum of Understanding for the establishment of an Enterprise Development Centre in Takoradi was signed between the Ministry of Energy, Tullow Ghana Limited and Ministry of Trade and Industry to train SMEs in the Oil and Gas Industry to take advantage of opportunities in the oil and gas sector.

**Sankofa-GyeNyame Field**

409. Mr. Speaker, technical appraisal work was completed. This has established the existence of a combined gas resource volume of 3.69 Trillion Cubic Feet (TCF). The recent Sankofa East oil discovery and successful appraisal of same confirms the commercial standing of the oil discovery in the Offshore Cape Three Point (OCTP) block and the strategic importance of the block for further industrial and economic development in the country.

**Outlook for 2013**

410. The Ministry of Energy and Petroleum will continue with the implementation of its medium term strategy within the framework of the Ghana Shared Growth and Development Agenda (GSGDA) in 2013 in Power, Renewable and Petroleum sub sectors.

**Power Sector**

**Expansion in Generation Capacity**

411. Mr. Speaker, the 132MW Takoradi T3 Power Project which was projected to be formally commissioned by the end of the first quarter of 2013 has been duly commissioned by His Excellency, The President. The Bui Hydroelectric Power Project would come online with the full capacity of 400MW by December 2013. The installed capacity of 2,312MW will increase by 532MW by the end of 2013.

**Transmission Projects**

412. The implementation of the transmission improvement projects will continue with Substations Reliability Enhancement projects, Kpando-Kadjebi Transmission and Power System Reinforcement Projects, as well as Tumu-Han-Wa 161 kV Transmission Line and related substations.
413. Works on Ghana Inter-connection with Burkina Faso will commence whilst the 330kV line to Togo-Benin will continue and it is expected to be completed by the end of the year.

**Distribution**

414. Mr. Speaker, the Electricity Company of Ghana will continue to expand the electricity distribution network through the construction of bulk supply points, primary and secondary substations, interconnection lines and pre-payment metering to all urban communities. It will also install distribution transformer meters for auditing purposes, implement software applications to improve customer service delivery, enhance revenue collection and revamp operational areas to ensure rapid set up of customers.
415. The Ghana Energy Development and Access Project will complete the construction of 161/33kV Second Bulk Supply Point in Kumasi (k2BSP) by end of the first quarter, 2013. Two (2) ECG 33/11kV primary substations with associated feeders at Achiase and Fawode in Ashanti Region, Dansoman Primary substation and interconnecting 33 and 11kV feeders will be completed and commissioned. The construction of 1 No. primary substation at Anyinam and upgrade of 2 existing stations (D and E) in the Ashanti Region with associated feeders, 161/33kV Smelter II BSP and connecting feeders at Tema and the supply and construction of distribution network for 82 communities in the Central Region will also be completed.

**National Electrification Scheme**

416. Mr. Speaker, as part of Government's efforts to increase electricity access rate from the current level of 72 percent to 80 percent in 2015, the rural electrification project will be scaled up especially, in the three Northern Regions to bring them up to the national average.

417. Specific projects earmarked for implementation include the extension of electricity supply to newly created District Capitals, supply of electronic meters for on-going Self-Help Electrification Project (SHEP), Municipal/District Capitals Street Lighting Projects and continuation of all other on-going electrification projects.

**Renewable Energy**

418. Mr. Speaker, under the renewable energy project, the Ministry will implement the Phase II of the installation of Solar PV for Public Institutions. It will also continue with the improvement of the Community Lighting Project in off grid communities, installation of off grid solar PVs for remote public institutions, lakeside/island communities and basic schools.

**Energy Efficiency and Conservation Programme**

419. Mr. Speaker, the Energy Commission will roll out the refrigerator Rebate Scheme, which was operated on a pilot scale in Accra and Tema in 2012, throughout the country. The rebate scheme is intended to assist ordinary citizens to buy new and efficient refrigerators.

**Energy Regulation and Planning**

420. The Energy Commission will complete work on regulations on Natural Gas, Occupational Health and Safety Regulations by the end of the year. The Commission is currently conducting and finalizing medium term energy outlook for the country. It is also updating the Strategic National Energy Plan (SNEP) prepared in 2006 to cover 2012 to 2030.

**Petroleum Sector**

**Jubilee Production**

421. Mr. Speaker, the main focus in the area of oil production will be to attain peak oil production of 120,000 barrels of oil per day in the Jubilee Field in 2013. To this end, efforts will be intensified in the use of innovative interventions and technology. The Ghana Group (State and GNPC) is expected to lift 7 parcels of crude oil of about 6.6million barrels.

**Voltaian Basin**

422. Mr. Speaker, to explore the hydrocarbon potential of the Voltaian basin, four locations have been selected for the drilling of wells.

**Exploration Projects**

423. Mr. Speaker, GNPC will through a joint operatorship model explore the hydrocarbon potential of the South Deep Water Tano Block, carry out seismic interpretation and review of geological and engineering data of the North and South Tano Block and conduct joint operations in the Ultra-Deep Water Keta Offshore Area. These activities will be conducted through strategic alliances with world class operators.

**Gas Infrastructure Project**

424. The completion of the Gas Infrastructure Project for the onshore/offshore pipeline in respect of the regulatory and metering station and the gas plant is scheduled for completion in the third quarter of 2013. Testing and commissioning are to be done in the third quarter and commercial operation in the fourth quarter of 2013.

**Petroleum Terminal**

425. Mr. Speaker, the Bulk Oil Storage and Transportation Company (BOST) will commence the construction of a petroleum terminal to store petroleum products and LPG at Pumpuni in the Western Region. The project involves petroleum and LPG storage tanks, pipeline and Conventional Buoy Mooring (CBM) and allied facilities.

**Local Content and Participation in Oil and Gas**

426. As part of measures to promote local content and participation in the petroleum industry, an Enterprise Development Centre (EDC) with support from Jubilee Partners will be fully operational in the year in Takoradi to facilitate the training of SMEs to be properly positioned to take advantage of the oil and gas industry.

**Development of Legislations for the Upstream Petroleum Sector**

427. The Ministry will facilitate the passage into law key legislations to improve governance in the Upstream Petroleum Sector.



428. For the implementation of the above programmes and activities, an amount of GH¢1,061,947,265 has been allocated. Out of this, GH¢9,473,124 is GOG, GH¢130,000,000 is ABFA, GH¢552,995,998 is Donor and GH¢369,478,143 is Transfer to GNPC.

## **Ministry of Environment, Science, Technology and Innovation**

### **Performance in 2012**

429. Mr. Speaker, Government is committed to support national socio-economic development through research, efficient environmental management, science and technology, institutional strengthening and capacity building for sustainable development.

### **Promotion of Science and Technology**

430. Mr. Speaker, under the Better Ghana ICT Project which aims at promoting skills and knowledge in Information Communication Technology among pupils and students country wide, 108,000 laptops were procured and distributed.
431. The Ministry commenced the implementation of the Ghana Skills and Technology Development Project (GSTDP) which seeks to equip the youth with skills and where possible, provide them with start-up capital.
432. Mr. Speaker, the disbursement of scholarships under the Mathematics, Science and Technology Education (MASTESS) Programme is on-going. So far, 7,000 students for the 2011/2012 academic year have benefitted.

### **Environmental Protection**

433. Mr. Speaker, the Coastal Zone Development Project for tree planting and cleaning of beaches to create jobs for the youth, promote biodiversity conservation and reduce the impact of climate change continued. In line with this, 50,000 trees were planted nationwide, creating jobs for over 18,000 youth.

434. In addition, the Ministry developed the National Climate Change Policy and Strategy, built capacity for Clean Development Mechanism Programme and conducted country assessment on achievements for sustainable development.

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

435. Mr. Speaker, the Council replaced the first and second generation breeding flock with stock hatched breeds with fertility and hatchability rates of 90.8percent and 80.3percent respectively in growing facilities at Pokuase and Katamanso poultry farms.
436. Furthermore, an improved technique for virgin coconut oil extraction which is environmentally friendly and less time and energy consuming was developed. The oil has no adverse effect on the skin when used as skin moisturizer or massage oil.
437. Mr. Speaker, in addition to the above, the Council provided training in high quality cassava flour processing to 60 farmer-processors (groups) in two regions, 11 medium/large scale cassava processors in 3 Regions, the Kitchen Staff of 10 Senior High Schools in the Volta Region and also developed rainwater harvesting systems for institutions and communities.

**Ghana Atomic Energy Commission (GAEC)**

438. Mr. Speaker, in line with the Commission's mandate to create an independent regulatory body to pave way for Ghana to adopt nuclear energy, the Commission commenced the construction of a nuclear accelerator building.
439. In addition, constructional works on a hostel and faculty block at the School of Nuclear and Allied Sciences are about 80 percent and 50 percent complete respectively. Furthermore, Government rehabilitated two storey buildings to serve as offices for the National Regulatory Authority.
440. The Government also facilitated the training of 32 Nuclear Scientists, conducted hazard assessment of electromagnetic radiation from mobile phones, radio stations and collected data on earthquake in Ghana and neighbouring countries.

**Environmental Protection Agency (EPA)**

441. Mr. Speaker, capacity building for the monitoring and assessment of the cost of environmental degradation in Ghana was undertaken to develop and implement a sustainable process of assessing and monitoring the Cost of Environmental Degradation (CoEDO). To address the challenge with invasive aquatic weeds, two mechanical weed harvesters and transport barges were delivered as part of the integrated management project stationed at the Volta River Generation Station at Akuse.
442. To ensure that manufacturing industries operate under sound environmental conditions, the Ghana National Cleaner Production Centre (GNPCPC) was also commissioned.

**Town and Country Planning Department (TCPD)**

443. Mr. Speaker, fifty staff were trained in basic and advanced Geographic Information Systems (GIS), Land Use Planning and Management Information Systems (LUPMIS). The Department has also completed permitting reforms which have reduced the turnaround time from 90 to 30 working days.
444. In addition, the Regional Spatial Development Framework for the Western Region was completed. Base line data was collected on the Bui resettlement area to support spatial planning while the outer ring road (94km) for the Greater Accra Metropolitan Area was also planned and demarcated. The Land Use and Spatial Planning Bill was completed and submitted to Cabinet. Manuals for Spatial Planning have also been prepared while National Standards have been reviewed and published.

**Outlook for 2013**

445. Mr. Speaker, the Ministry will implement programmes and projects that focus on biodiversity, reduction of the impact of climate variability and change, application of science and technology, enhancing environmental quality and ensuring proper spatial organization for sustainable development.

**Better Ghana ICT Project**

446. Under this project, the Ministry will procure 100,000 laptops for distribution to individuals and educational institutions to promote the teaching, learning and use of ICT. The Ministry will provide training for the youth in assembling and repairing of ICT equipment, promote skills and knowledge in Information Communication Technology and create jobs.

**Implementation of the Mathematics, Science and Technology Scholarship Scheme**

447. Mr. Speaker, the MASTESS programme which seeks to address the falling standards of Mathematics, Science and Technical education is on-going. In the 2013/2014 academic year, MASTESS will provide scholarships for additional 3,000 beneficiaries, to enhance and sustain the interest of needy but brilliant students in the science and technology field of study.

**Establishment of Science, Technology and Innovation (STI) Fund**

448. Mr. Speaker, the Ministry will establish the Science, Technology and Innovation (STI) Fund to support the development of STI and its adoption in all sectors of the economy. In addition, the Ministry will provide counterpart funding for the implementation of the African Very Long Baseline Interferometer (VLBI) Network project and also organize and host the African Leadership Conference on space science in partnership with the UN Office of Outer Space (UNOSA).

**Environmental Development**

449. Mr. Speaker, the coastal zone development programme for tree planting and cleaning of beaches and promote biodiversity conservation and reduce the impact of climate change will be continued. This is expected to create jobs for the youth.
450. In addition, the Ministry will develop policy to build capacity in the oil and gas sector and setup oil and gas response centre to deal with environmental issues emanating from oil and gas.

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

451. Mr. Speaker, CSIR will harness its Science and Technology expertise for the development of sustainable agricultural production, water and sanitation, rural electrification, road construction and housing.
452. In this regard, a number of research activities will be undertaken to improve the production, processing, preservation and marketing of the following: fisheries, poultry and livestock, local rice and mangoes.

**Science, Technology and Innovation (STI)**

453. The Science, Technology and Innovation (STI) policy for national development will facilitate research, packaging and dissemination of scientific research results to end users and characterization and conservation of plant genetic resources.

**Ghana Atomic Energy Commission**

454. Mr. Speaker, the Government will support the improvement in service delivery in cancer treatment using radiotherapy, develop radiation processed products of natural polymers for application in agriculture, industry, health care and environment as well as hazard assessment of electromagnetic radiation from mobile phones and radio stations.
455. The Commission will integrate Isotope hydrology into ground water resource assessment and will also multiply the quality of planting materials of banana, pineapple, yam and cocoyam for supply to farmers towards increased food production. Furthermore, the Commission will continue to promote the use of nuclear power as an alternative source of energy.

**Environmental Protection Agency (EPA)**

456. Mr. Speaker, the Agency will conduct air quality monitoring in all Regional Capitals and monitor the waste water discharges in the Accra/Tema metropolis. The Agency will also monitor the management of the use of pesticides and hazardous chemicals by the manufacturing and mining sectors. Furthermore, EPA will manage the spread and devastating nature of the invasive aquatic weeds in the lower Volta and Tano River basins.

**Town and Country Planning Department (TCPD)**

457. Mr. Speaker, the Department will create awareness on the need to promote sustainable human settlement development. It will therefore organize World Town Planning Day Celebration, undertake two public awareness and education programmes on urban planning and permitting and also organize one sensitization workshop on the Spatial Planning System for 25 media personnel.

**Manufacturing Industries**

458. Mr. Speaker, to promote good environmental practice for sustainable development, an environmental performance rating and disclosure system would be integrated into the permitting process.
459. The development of a national industry inventory and registration of industries towards the compilation of a draft national industrial register would be strengthened. Capacity building workshop for industries and consultants on New EMP Procedures and UNEP Pre-SME Toolkit for EPA & 6 selected industries would be conducted. These Industries would be monitored under the compliance monitoring and enforcement of industries programme. This would be done to protect the environment for sustainable development.
460. For the implementation of the above programmes and activities, an amount of GH¢139,995,861 has been allocated. Out of this, GH¢85,990,301 is GOG, GH¢13,000,000 is SIP, GH¢300,000 is ABFA, GH¢16,819,710 is Donor and GH¢23,885,850 is IGF.

**INFRASTRUCTURE SECTOR**

461. Mr Speaker, the medium term development frame work, the Ghana Shared Growth and Development Agenda, pinpoints the critical and vital role infrastructure plays in propelling economic growth and sustainable poverty reduction, both key objectives of the Better Ghana Agenda.
462. Infrastructure deficits in the energy, water, roads and the transportation sectors present severe problem affecting the viability of many businesses

especially in the manufacturing and services sectors of the economy. These greatly affect their ability to expand and create job avenues for the teeming youths in the country.

463. Mr Speaker, the focus of this year's budget is to address some of these infrastructure deficits. In this direction, Government will explore all avenues, both domestic and foreign, in securing the much needed funds for the development of the sector.
464. The key drivers of infrastructure development are Water Resources, Works and Housing, Transport, Roads and Highways and Communications.

### **Ministry of Water Resources, Works and Housing**

465. The Ministry continued with its mandate of ensuring the efficient management of the country's water resources and promote sustainable delivery of urban and rural physical facilities in water and housing.
466. The key agencies under the Ministry are Water Resources Commission (WRC), Community Water and Sanitation Agency (CWSA), Ghana Water Company Limited (GWCL), Hydrological Services Division (HSD), Rent Control Division (RCD) and Public Works Department (PWD).

### **Performance in 2012**

#### **Storm Water Drainage and Sanitation Systems**

467. Mr. Speaker, the Ministry undertook the construction of primary storm water drains at Sakaman, Nima, Lashibi-Sakumo, Goaso and Mim to improve sanitation and ensure sustainable environment.

#### **National Flood Control Programme**

468. Mr. Speaker, the Ministry developed and tested a Flood Early Warning System for the White Volta basin. The department commenced the flood forecasting during the recent water spillage from the Bagre Dam in Burkina Faso.

**Sea Defence Works**

469. Mr. Speaker, under the phase II of the Atorkor-Dzita-Anyanui Emergency Sea Defence Works, a groyne system under construction to protect the 1.5km stretch of the coast is about 95 per cent complete. Similar works were done on the 1.5km stretch of revetment to protect the Accra-Tema rail line from the effects of sea erosion under the Sarkumono Sea Defence works. In addition, construction of site offices for the project and the first groyne was started under the Ada Sea Defence works.

**Conservation and Preservation of Water Bodies**

470. Mr. Speaker, the Ministry acting through the Water Resources Commission developed a Riparian Buffer Zone Policy to guide the planting of vegetation along water bodies to conserve and preserve degraded water bodies.
471. To monitor the usage of water resources, the Commission issued licences for 18 major water users in the mining, aquaculture, irrigation and industrial sectors. The Commission also issued licences to 17 borehole drilling companies.

**Sustainable Rural Water and Sanitation Project (SRWSP)**

472. All communities under the project were engaged in Community Led Total Sanitation (CLTS) activities during the year under review. A consultant completed an assessment of 13 Small Town Water Supply Systems in the Northern Region for rehabilitation. These towns were: Bole, Bimbilla, Chereponi, Daboya, Gambaga, Walewale, Salaga, Gushiegu, Nalerigu, Saboba, Tinga, Wulensi and Zabzugu.

**Peri-Urban, Rural and Small Towns Water and Sanitation Project**

473. Mr. Speaker, under the four-year (2008-2012), Potable Water Supply and Sanitation Project, aimed at improving access to sustainable water and sanitation services for 300,000 people in the then 22 districts of the Brong-Ahafo region, the following were accomplished:
- 550 boreholes, drilled and fitted with hand pumps;
  - 15 small towns' piped systems at 75per cent completion stage;
  - 20 hand dug wells at 80per cent completion stage; and



- 101 institutional latrines at 70per cent completion stage.

**Water and Sanitation Component of the Local Services Delivery and Governance Programme (LSDGP)**

474. Mr. Speaker, under the LSDGP, 404 new boreholes were constructed and fitted with hand pumps, 65 boreholes were rehabilitated and fitted with new hand pumps, 2 piped schemes rehabilitated, 40 rainwater harvesting schemes completed and 8 piped schemes based on ground water completed. In addition, feasibility studies were completed for 2 additional ground-water based piped schemes. Surface based piped schemes extended to 37 communities in the Greater Accra region is 80per cent complete while 156 institutional latrines as well as 24 Ferro tanks were completed.

**Rural Water Supply**

475. As part of Government commitment to improve access to potable water, a total of 1,000 boreholes were drilled and fitted with hand pumps under the Rural Water Supply Project.

**COCOBOD Borehole Project**

476. Mr. Speaker, to improve access to potable water for 3,000 rural communities, with a population of 900,000 in cocoa, coffee and shea nut growing areas, the Ghana Cocoa Marketing Board (COCOBOD) under the Cocoa Borehole Project drilled 1,120 boreholes and fitted 972 with solar operated hand pumps.

**Kpong Water Supply Expansion**

477. Mr. Speaker under the Kpong Water Supply Expansion project, substantial works had been completed on the booster station and reservoir at Dodowa while works on the Treatment Plant at Junior Staff quarters had also been completed. Thirty-seven kilometres out of 73km transmission pipelines had been laid while work on the Water Treatment Plant is 45per cent complete. Overall progress of project is 37per cent complete

**Water Supply Project–Additional Works**

478. Construction works to expand the Kumasi water supply from the current production capacity of 24mgd to 30mgd is 90 percent complete, while the

Mampong water supply project to add 1.76mgd of water to the supply is on-going.

## **Housing**

### **Rent Control Department**

479. The Department, received over 28,452 complaints from tenants and landlords out of which 27,200 were settled, 552 referred to the rent magistrate with the remaining 700 pending. The department opened 9 new offices in MMDAs identified with high rent related cases. The Department also submitted to the Ministry of Water Resources, Works and Housing (MWRWH) through the Attorney General's Department final draft of the Reviewed Rent Act 2010 for Cabinet consideration. Sensitization of the general public on rent related issues was also embarked upon. The department is constructing 2-storey Regional Rent Office at Wa and a single storey office building in Jirapa all in the Upper West Region to enhance their operation in the region.

### **Provision of Housing for Public Servants**

480. The Government acting through the Public Servants Housing Loan Scheme Board provided funding to the tune of GH¢2 million for the purchase, completion, and development of housing projects to Public and Civil Servants through-out the country. This amount in addition to their revolving fund of GH¢1 million enabled public sector workers purchase 41 SSNIT Flats/Estates, complete 60 houses and initiate works on 180 houses.

## **Outlook for 2013**

### **National Water Policy and Rainwater Harvesting Strategy**

481. Mr. Speaker, the Ministry will review the national water policy document to incorporate new ideas. The Ministry will lead the development of rain water harvesting strategy to guide the water sector and water-related actors in the promotion of rainwater harvesting (RWH) as a supplement to water service delivery.

**Sustainable Rural Water and Sanitation Project (SRWSP)**

482. Mr. Speaker, under the SRWSP, 1,200 new bore holes, 400 old bore holes, 40 Limited mechanised water facilities and 29 Small Town Systems are to be developed in the Upper West, Upper East, Northern, Brong-Ahafo, Central and Western Regions of Ghana. The five year (2010-2015) Project is targeted to improve access to water and sanitation for 600,000 people in the above mentioned regions.

**Department of Rural Housing**

483. The Department of Rural Housing will construct 17 Cocoa Farmers' Houses in selected districts. In addition, 3 regional bungalows and the headquarters will be rehabilitated and a local building material bank established.

**Local Building Material Centres**

484. In view of Government policy to increase the use of local building materials in the construction industry to 60per cent, the DRH will construct 9 local building materials training centres in 9 districts throughout the country in 2013. This is to facilitate technology transfer, skills training and promote the production and use of local building materials in the country.

**Public Servants Housing Scheme**

485. Mr. Speaker, the Government will continue to show interest in the welfare of public sector workers especially in the area of housing. To this end, Government will continue to provide adequate funds to enable beneficiaries of the programme complete their houses while others are assisted to purchase Estate Houses and initiate their own houses. To realize this objective an amount of GH¢5 million has been allocated.

**Architects Registration Council (ARC)**

486. Government will continue to strengthen the Architects Registration Council to recruit, develop and strengthen its staff capacity, establish its monitoring/policing machinery to weed out charlatans in the practice. In addition, the Council will review the professional practice syllabus and Architects Decree 1969, NLCD 357 to meet current trends in the industry.

487. Schools of Architecture in the country will continue to receive assistance from the Council in getting international accreditation and make recommendations towards academic curricular in the teaching of architecture and draughtsmanship as well as making Architectural Services affordable to all and sundry.

**Storm Water Drainage and Sanitation Programme**

488. Mr. Speaker, to reduce perennial flooding and safeguard life and property, the Government will continue to resource the Hydrological Services Department to construct various storm water concrete drainage systems at Sakaman, Nima, Goaso, Salaga, Sakumono-Lashibi and Bolga. The Ministry will also commence construction works on drainage system at Ashaiman, Swedru, Winneba, Ejura, Tepa, Asankragua, Kumawu, Tamale, etc.

**National Flood Control Programme**

489. Government will sustain the channel opening, widening and deepening of most drains at flood prone areas within the Accra-Tema Metropolis, other regional capitals and selected district capitals.

**Integrated Odaw Basin Development Project**

490. As part of Accra Sanitary Sewer and Storm Drainage Alleviation Project and Sanitation Project, Government will continue with the routine maintenance (i.e. dredging) of the lower and upper sections of the Korle Lagoon and Odaw stream.

**Sea Defence Works**

491. Mr Speaker, the Ministry will continue the construction of 1.5 km of the defence wall along Atorkor-Dzita-Anyanui shore line, Sakumono and Ada Sea Defence works. In addition, it will commence the Ngyiresia Sea Defence works to salvage the adjoining road from being totally washed away by the sea waves.

**Peri-Urban, Rural and Small Towns Water and Sanitation Project in the Brong-Ahafo Region**

492. The Agency will test run the 15 small towns' piped systems and fit 550 boreholes with hand pumps.

**Government of Ghana 5-Year 20,000 Borehole Delivery Programme**

493. CWSA Technical Department will oversee the completion of the 1,090 bore holes fitted with hand pumps and initiate the construction of the next batch of 4,000 boreholes for the year. There will also be a follow up on correction of construction and installation defects as well as water quality issues. The Agency will also source funding to undertake the setting up of Water and Sanitation Management Committees (WSMTs) for communities in which facilities have been installed.

**Kpong Water Supply Expansion and Rehabilitation Project**

494. Mr. Speaker, the contractor will advance works on the construction of intake, water treatment plant and transmission pipeline. Preparatory works will also commence on the Madina reservoir, Boi booster station and the Asofaa booster renovation. In addition, work will continue on the Kpong intake rehabilitation to replace existing intake pumps and install 15,000m<sup>3</sup>/day unit water treatment plant.

**Water Supply Expansion Projects**

495. During the year the expansion of the Nsawam water system, the Mampong water supply system and the Kumawu, Kwahu Ridge, Konongo water systems will be continued.

**Urban Water Project (UWP)**

496. The Dams Rehabilitation component of the project which involves construction and consultancy services on the Dams at Abessim, Axim, Barekese, Inchaban, Koforidua, Mampong, Owabi, Tanoso, Veaa, and Weija will continue.
497. Mr. Speaker, for the implementation of the above activities, an amount of GH¢598,902,647 has been allocated. Out of this GoG is GH¢55,011,253, GH¢5,000,000 is SIP, GH¢59,517,043 is ABFA, GH¢5,580,520 is IGF and Donor is GH¢473,793,831

## **Ministry of Roads and Highways**

498. The Ministry is committed to providing an integrated and efficient road transport infrastructure that supports the country's growth, economic development and poverty reduction.
499. The Departments and Agencies that operate under the direct ambit of the Ministry of Roads and Highways are: Ghana Highway Authority (GHA), Department of Feeder Roads (DFR) and Department of Urban Roads (DUR).

## **Performance in 2012**

### **Trunk Road Development Projects**

500. Mr. Speaker, under the Trunk Road Development Projects, the following major roads were completed during the period: Achimota-Ofankor, Nsawam Bypass, Nkawkaw Bypass 1, Akatsi-Akanu, Akatsi-Agbozume and Techiman-Apaaso. In addition, contracts were also awarded for the following major trunk road projects and works are in progress: Asikuma Junction-Hohoe, Dodo-Pepesu Nkwanta, Nkwanta-Oti Damanko, Fufulso-Sawla, Ayamfuri-Asawinso and Agona Junction to Elubo.

### **Feeder Road Development Projects**

501. Under the Feeder Road Development Project, a total of 104 bridges were launched. Out of these, 82 have been completed and opened to traffic while the rest are at various stages of completion. Some of the completed bridges are on the following roads; Tetegu Jn.-Tetegu, Dodo Amafrom – Dodofe, Osuboi – Ponponse, Nsutapong – Chakachakam, Eshiro Jn.-Eshiro – Kwesigyan, Potsin Jn.-Awobrem, Abochie –Nyankaman, Torya Jn.-Torya, Drabonso – Dawia, Ahenkro-Boaman-Amoako, Wenchiki-Bumbrug, Zabzugu-Kuntumbiyilli, Bolgatanga-Naga, Bui-Zanlerigu, Karni-Kulkarni, Kundugu-Bawasabele.

### **Urban Road Development Projects**

502. Mr. Speaker, in collaboration with the Ministry of Local Government and Rural Development, the Ministry continued with the Urban Transport Project with the objective of reducing congestion on our roads. The

following road works were completed during the period under review: Expansion of the Odaw Bridge and construction of flyover bridge, Extension of the La-Teshie road, Gulf House to GIMPA by-pass, Dansoman main road, all in Accra. Reconstruction of the Oforikrom-Asokwa bypass (including an Interchange at Timber Gardens) and the Lake road in Kumasi, over 200 No. of Traffic signals in the major urban centres had been rehabilitated to reduce intersection bottlenecks.

503. The following urban road projects which are at various stages of completion include Awoshie-Pokuase Road and Community Development Project, Construction of the Bus Rapid Transit route, Construction of Sunyani Road in Kumasi (Sofoline), Spintex road–Polo ground bypass, Boundary road (American house-Madina).
504. Contracts were awarded for the following major urban road projects; Giffard Road (from 37 to T-Junction), Burma Camp Road (from Giffard road to Spintex road), Area-Wide traffic Control System for Accra and works are currently on-going.

#### **Maintenance of Road Asset**

505. The Ministry maintained its focus on routine and periodic maintenance activities to protect the huge investment made by Government in the provision of road infrastructure. As at end of December 2012, routine maintenance had been undertaken on 10,674km of the trunk road network; 8,500km on the feeder road network; and on the urban road network 945km of grading works and 17,914 m<sup>2</sup>/km of pothole patching. Additionally, periodic maintenance activities, comprising re-gravelling/spot improvement and resealing works had been carried out on 186km, 400km and 1,577km on the trunk, feeder and urban road networks respectively.

#### **Trunk Road Maintenance Projects**

506. The following key trunk roads maintenance projects are at various stages of completion: Prestea-Samreboi (km0-31), Sefwi Wiawso-Akontombra (km5-10), in the Western Region; Koforidua-Bunso (22km), Suhum-Asamankese (0-33.8km), in the Eastern Region; Bitumen Surfacing of Kete Krachi-Buya (km 0-10) and Kete Krachi Town Roads (2km), in the Volta Region; Resealing/Partial reconstruction of Otuam-Essuehyia Road

(16km) and Otum Town Roads (2km), Resealing/Partial reconstruction of Apam-Afransi Road (km 0-20), Resealing/Partial reconstruction of Saltpond-AburaDunkwa Rd. (km 5-11) in the Central Region Obogu-Ofoase-Gyadem-Agyenkwaso Road (km 7-64.3), Besoro-Agogo Road Phase 2, Anyinasu-Sekyeredumasi Road in the Ashanti Region; Goaso-Kukuom Junction Road, Ampomah-Anyima Road (km 0-9.2) Prang-Kintampo Road (km 10.6-21.0) in the Brong Ahafo Region; Salaga-Makango (20km) in the Northern Region; Bongo Town Roads (2.0km), Garu Town Roads (1.8km) in the Upper East Region; Nadowli-Lawra-Hamile, Tumu-Bugubele-Wahabu in the Upper West and Dome-Kitase (19.1km), Dawhenya-Afienea Road (7.2km), Ningo-Anyaman Rd (2km) Ashongman, Haatso & Agbogba Estate Roads (2.2km), Accra-Tema Motorway Repair/Pothole patching Works project in the Greater Accra.

**District Capital Roads Improvement Project (DCRIP)**

507. Sixty-Nine districts capitals in all the 10 regions are currently benefiting from the programme. Eighteen district capital roads had been completed across the ten regions with the remaining 51 projects above 80per cent completion.

**COCOBOD Funded Programmes**

508. COCOBOD collaborated with the Ministry to rehabilitate, upgrade and maintain roads vital for haulage of cocoa, coffee and shea-nuts nationwide. Under Tranche 1 (CRIP), a total length of 658km was programmed and 308km had been completed. Under Tranche 2 (C-FRIP), a total of 580km was programmed for minor improvement and the works are at various stages of completion. Some of the completed road projects are: rehabilitation of Suhyenso (Nkrankrom)-Brepro F/R, surfacing of Wuruyie Jn.-Kotwea, surface dressing of Odumase-Nkwabeng-Abuentem & Others (Km 0.00 - 2.80), surface dressing of Adoagyiri - Coaltar-Owuram (km 0.00 - 10.30), spot improvement on Ablekuma-Bokorbokor-Nsakina, spot improvement on Sawaba-Abrumase No.1-Akamade.

**Transport Sector Project**

509. The project consists of two components: The first-year component involves feeder roads rehabilitation and spot improvement of 682km of roads. 50 out of 84 contracts awarded representing 241km have so far



been completed. Some of the projects are as follows: spot improvement of Kumawu–Drobonso, spot improvement of Subinso–Boase, rehabilitation of Wamaso–Aquakrom, rehabilitation of Frankadua–Alabo River, rehabilitation of Kasunya–Area "A" F/R, spot improvement of Wungu–Mishio, rehabilitation of Tempane–Yabrago–Woriyanga, spot improvement of Kpari–Nawie, rehabilitation of Agorve Jn.–Devego feeder road, spot improvement of Sefwi Wiawso–Mansi Aboboya F/R (6.3km) among other projects.

**Poverty Focused Rural Transport Programme**

510. These projects are being undertaken as support to the Ministry of Food and Agriculture's programme to provide access to markets in Ashanti and Brong-Ahafo Regions. Under the programme, 300km of feeder roads covering 6 districts in the two regions were earmarked for rehabilitation. Contracts works covering a total length of 87km were awarded and overall progress of work of 55per cent had been achieved.

**Urban Road Maintenance Projects**

511. The Department continued with the road maintenance projects and provided 4 culverts on Ankaful and Ekon roads as well as on Fosu Lagoon and across Korjor stream; constructed 1 pedestrian bridge at Asafo Market in Kumasi, undertook rehabilitation works on some roads in Sekondi-Takoradi, Ga West, LEKMA and Tema; constructed 3 office buildings and upgraded the CK and Fieve area roads. Besides, an asphaltic overlay was provided on the Tema beach and Old Ada roads as part of the rehabilitation works.

**Improving Road Maintenance Financing**

512. The Ministry improved revenue generation into the Road Fund for the maintenance of the road network. Toll collection commenced at New Offinso (Kumasi-Techiman), Kubease (Nkawkaw-Kumasi) and Sawla (Bole-Wa). The total revenue generated in 2012 was about GH¢235million which is GH¢26million more than the total revenue that accrued in 2011.

**Axle Load Control and Management**

513. The Ministry vigorously pursued the implementation of the Law on Axle Load Limit which resulted in a decline in the trend of overloading from 27.6 per cent in January 2011 to 16.0 per cent at the end of December, 2012.

**Trade and Transit facilitation**

514. The Ministry is supporting other major stakeholders such as Ghana Ports and Harbour Authority (GPHA), Motor Traffic and Transport Unit (MTTU), and the Ghana Revenue Authority – Customs Division in trade and transit facilitation. The Ministry facilitated the procurement of 6 axle weighing equipment for the ports of Tema and Takoradi, organized two transport facilitation training workshops for the MTTU and also facilitated the provision of a Customs intervening stations and rest stop areas on our road transit corridors.

**Joint Border Posts (JBP)**

515. Construction of the JBP at Noepe for Ghana and Togo is on-going and scheduled for completion in April 2013. The Draft Supplementary Act on the legal framework and operation guidelines has been finalized for approval by ECOWAS Member States.

**Public Private Partnerships**

516. The Ministry continued to engage the private sector using the PPP schemes for the financing, construction and management of road infrastructure. The Ministry has registered the following PPP projects with the Ministry of Finance: Dualization of Accra–Kumasi and Accra-Takoradi Highways, Refurbishment and expansion of Accra-Tema Motorway, Construction of Overpass at Teshie Link, and Western Corridor roads Phase 1(Elubo-Sunyani). The procurement processes and discussions with proponents are at various stages. Contract for the financing, design, construction and maintenance of an Overpass on the Motorway at Teshie Link has been awarded. The concessionaire is currently at the design stage and physical works are planned to commence in 2013.
517. Evaluation of Expression of Interest received from consulting firms to undertake the Pre-feasibility Studies for the Accra-Takoradi road had been

completed. This project is a component of the Ghana PPP project supported by the World Bank.

### **Outlook for 2013**

518. Mr. Speaker, the Government's overall objective under the road sector is to achieve a preferable road condition mix in line with the GSGDA. To achieve this objective, the underlisted projects are to be undertaken: Nsawam-Suhum-Apedwa road, Tetteh-Quarshie-Madina road, Madina-Pantang road, Berekum-Sampa road, Kpando-Worawora-Dambai road (PhIII), Wenchi-Sampa road (PhII), Bomfa Junction-Asiwa-Bekwai road, Sefwi Bekwai-Eshiem-Asankragwa road (km 10-56), Asankragwa-Enchi road, Navrongo-Tumu road.
519. The rest are Sofoline Interchange in Kumasi, Spintex road-Polo ground bypass, Boundary road (American house-Madina), Emergency road rehabilitation of Spintex and East Legon roads.
520. Mr. Speaker, other major on-going projects that will achieve significant progress in the year include: Buipe-Tamale road project, Eastern corridor roads (Asikuma Junction-Have, Nkwanta-Oti Damanko), Ayamfuri-Asawinso road, Agona Junction-Elubo road, Giffard and Burma Camp roads, Tarkwa-Bogoso road and Awoshie-Pokuase road and community development project.
521. Mr. Speaker, the Ministry will undertake the routine and periodic maintenance on 11,199km and 300km of the trunk road network respectively. Re-shaping and routine maintenance on 29,634km of engineered feeder roads and Spot improvement works on 420km under periodic maintenance will also be undertaken. In addition, routine and periodic maintenance works will be undertaken on at least 9,170km of the urban road network. These will help extend the service lives of trunk and urban road network.

### **COCOBOD Financed Feeder Roads**

522. The Rehabilitation and improvement of feeder road projects to provide access to cocoa, coffee and shea-nut growing areas will also be

undertaken. Some works which commenced in 2012 will be completed this year.

**District Capital Road Improvement Project**

523. The Ministry will continue to pursue its objectives to improve access through better distribution and integration of the road network system. Every region and district will benefit from the road intervention programmes under the District Capital Improvement Projects (DCRIP) which Government has vigorously pursued over the years.
524. Mr. Speaker, for the implementation of the activities of the Ministry and its agencies, a total amount of GH¢706,721,937 has been allocated, composed of GoG GH¢86,074,607, IGF GH¢466,070 GH¢100,000,000 is ABFA, Donor GH¢313,484,595 and GH¢206,696,665 is Road Fund.

**Ministry of Transport**

525. Mr. Speaker, the Ministry of Transport continues to vigorously pursue its strategic vision of making Ghana the transportation hub of the West Africa sub-region. In this regard, it is pursuing programme and policies to ensure proper development of the rail, maritime, aviation and transport services.

**Performance in 2012**

**Railway Sub-Sector**

526. Mr. Speaker, the rehabilitation and extension of the Accra-Tema sub-urban railway line from Tema Harbour to Japan Motors (Community 1) including the construction of a new station has been completed and ready for commissioning. Rehabilitation works on the Sekondi-Takoradi via Kojokrom sub-urban railway line has also started.
527. A railway master plan which will serve as the blueprint for the development of railway in Ghana is on-going and about 90 per cent complete. Pre-feasibility study for the development of an Integrated Transport and Logistics Corridor including Boankra Inland Port and the Eastern Railway Line has been completed.

**Road Transport Services**

528. Mr. Speaker, the Driver and Vehicle Licensing Authority (DVLA) introduced digitization of documents to reduce faking of Driver and Vehicle Licensing Registration documents. The DVLA has acquired modern mobile testing equipment to conduct random checks of roadworthiness of vehicles to eliminate the use of unsafe vehicles on our roads.
529. The Metro Mass Transit Company acquired a total of 150 new buses to augment its fleet for efficient service delivery.
530. To enhance road safety in the country and reduce the menace of road accidents, the National Road Safety Commission and the Road Safety Management Ltd entered into management contract under Public Private Partnership (PPP) arrangement to remove disabled vehicles and other obstacles on the road network. Also, a new road traffic regulation, L.I. 2180, was passed by Parliament for the compulsory use of seat belt and banning the use of mobile phones while driving among others.

**Aviation Sub Sector**

531. Mr. Speaker, the Ministry's policy of encouraging private sector participation in the aviation industry yielded positive result with the commencement of operations by a new domestic airline, African World Airline, in September 2012. This brought to five (5) the number of domestic airlines operating both domestic and regional routes, resulting in very competitive domestic air fares. On the international route, Iberia Airlines from Spain and Gambia Bird from the Gambia started operations in 2012. A number of airlines also increased their frequencies.
532. As at December 2012, domestic passenger throughput stood at 543,379 representing a growth of 173 per cent, compared to 199,073 for the same period in 2011.
533. Feasibility study and design for the expansion of the KIA terminal building has been completed. To address inadequate parking space at the airside during peak periods, work is on-going for additional parking bay for 8 wide-body aircrafts. Also, a new Instrument Landing System (ILS) was installed at KIA to improve air safety, while Perishable Cargo Centre was

completed and commissioned to facilitate export of perishable goods from the airport

### **Maritime Sub Sector**

534. Mr. Speaker, the Government successfully negotiated and bought back the 60 percent share of Tema Shipyard from the Malaysian partners.
535. Re-construction of Net-Mending Wharf for the canoe basin (Tema Fishing Harbour) is about 70 per cent complete. This will support local artisanal fishing industry at the Tema Community.
536. The construction of 4 ferries for cross ferry services on the Volta Lake and 2 new cross ferry vessels and landing site, under the Millennium Development Authority (MiDA), were completed and currently in operation at Adawso-Ekye Amafrom and Kete Krachi.
537. Mr. Speaker, the Volta Lake Enhancement Project resulted in drastic reduction in the number of perennial accidents experienced on the Volta Lake in the past. Since the commencement of the project, over 8,600 lives were saved. It has also created 6,180 jobs for the youths in the lake catchment area.
538. Work commenced on the development of the Takoradi Logistics Platform to provide warehousing facilities for the Oil and Gas industry, while a Shipper Complaint Unit was established at the Paga Border to offer the requisite assistance to shippers in their imports/exports transactions in the North.
539. The GPHA also contracted a \$45million loan for the construction of a new jetty to handle bulk vessels at the Tema Port.

### **Outlook for 2013**

#### **Railway**

540. Mr. Speaker, the main focus for the railway sub-sector this year, will be the rehabilitation and modernisation of the existing lines as well as the

development of the needed regulatory framework for the sub-sector. In this regard, the activities to be pursued will include:

- Completion of the railway master plan and continuation of works on the Sekondi-Takoradi via Kojo-Krom railway line;
- Continuation of construction works on the Western Line and rehabilitation of the existing Achimota – Asoprochona and Accra - Nsawam railway lines to provide safe sub-urban rail services; and
- Undertake a full feasibility study for the development of an Integrated Transport and Logistics Corridor including Boankra Inland Port, the Eastern and Central Railway Lines.

### **Maritime**

541. Mr. Speaker, the maritime sub-sector will continue with expansion works at the two main ports at Tema and Takoradi to address the current limitations.
542. The Takoradi Port Development Project will commence to upgrade the port to meet the demands in the emerging oil and gas industry. The breakwater extension, dredging and reclamation, construction of bulk ore handling facility, quay-walls and related basic marine infrastructure in the Port of Takoradi will be continued.
543. In respect of the Tema Port, works will continue with the construction of a new jetty to handle bulk carriers to the port in order to free up space for other commercial vessels at the port. Also, the reconstruction of the net-mending Wharf will be completed for use by the Tema fishing community.
544. Mr. Speaker, implementation of the Eastern Corridor Multimodal project to improve transportation on the Volta Lake will commence in 2013. This includes the rehabilitation and expansion of the Inland Ports at Akosombo and the North.

### **Aviation**

545. Mr. Speaker, the Ministry will continue with its liberalised skies policy and development of infrastructure of the aviation industry. In this regard, the Airports Company will complete the evaluation of various financial offers

and commence works on the expansion of the KIA Terminal building including the installation of Aerobridges. These will improve the delivery of services and restoration of KIA to Federal Aviation Administration (FAA) Category One (1) status.

546. The Airport Company will prepare a master plan for the development of the Tamale airport and conclude financial arrangements for works to commence on the airport runway.

#### **Road Transport Services Sub-Sector**

547. Mr. Speaker, with regards to road transport services, new Road Traffic Regulations and Road Safety Strategy III Action Plan will be implemented with the aim of halting the rising trend of road accidents by 2015 and further reduce it by 50 per cent by the year 2020.
548. The Ministry will submit a bill to Parliament to establish a National Road Transport Authority to regulate the operations of road transport services. The Ministry will assist the Private and Public Transport Operators to acquire new buses under its Fleet Renewal Programme.
549. Mr. Speaker, for the implementation of the activities of the Ministry and its agencies, a total amount of GH¢187,086,535, comprising GoG GH¢36,424,375, IGF GH¢3,330,160, SIP GH¢30,000,000, GH¢40,000,000 is ABFA and Donor GH¢77,332,000 has been allocated.

#### **Ministry of Communications**

550. Mr. Speaker, the Ministry of Communications has the core responsibility for initiating and developing national policies aimed at achieving cost effective information, communications infrastructure and services for the enhancement and promotion of economic competitiveness. The dynamic nature of the communications industry globally, continues to have far reaching consequences for the ICT/Telecom sector policy development.



## **Performance in 2012**

551. During the period under review, the sector witnessed significant expansion in scope as well as technological advancement. Ghana was acknowledged by the International Telecommunication Union (ITU) as one of the countries in the developing world with the fastest growing ICT industry.

### **Telecommunications**

552. In the area of Telecommunications, the total telephone subscription for both cellular/mobile and fixed line as at December, 2012 stood at 25,903,408, yielding a tele-density of 105 percent. This is a marked improvement from the December 2008 figure of 11,713,699 representing 52.4 percent tele-density.

### **National Subscriber Identity Module (SIM)**

553. Mr. Speaker, in 2011, the Ministry through NCA implemented the policy of national registration of Subscriber Identity Module (SIM) cards and by the end of the year approximately 100 per cent of Ghanaian phone users had been properly registered. The essence of the registration is to generate database for the facilitation of the fight against crime.

### **Managing Fraud in International Telephone Traffic to Ghana**

554. To promote transparency in the management of Ghana's international Gateway infrastructure, Government promulgated the Electronic Communications (Amendment) Act 786, 2009, to check the prevalence of fraudulent deals in the termination of international telephone traffic and also prevent price dumping and reduced profitability of Ghana's telecommunications market.
555. This accomplishment in checking fraud in international telephone traffic termination, led to increase in revenue amounting to US\$89 million by the telecom sector within two years (2011 & 2012). Ghana's experience subsequently became the best practice which other countries are emulating to benefit from the non-taxable revenue from international telephone traffic.

**Digitization of Manual Records**

556. One of the milestones achieved thus far in this pursuit is that, 5 million manual records of the Birth and Death Registry (BDR) were digitized and indexed. In addition, considerable amount of records of the Registrar General's Department (GRD) were digitized. Manual records of over 70,000 companies were digitized while that of Ghana Revenue Authority (GRA) is on-going.

**Internet Registry**

557. The Ministry in collaboration with the Global IPv6 Forum established an IPv6 Test Laboratory and innovation centre at the Kofi Annan Centre of Excellence in ICT. The main objective is to prepare for the eventual migration to the Internet addressing space to enable the country enjoy smooth transition without interruptions.

**Pilot Data Centre infrastructure and Network Operating Centre**

558. The construction of the Pilot Data Centre and the installation of all network and data communication equipment, which commenced in August, 2012 were completed. Integration of internet into the network core for redistribution to the MDAs was also completed successfully. The National Information Technology Agency (NITA) provided 24 MDAs with e-mail services. Additionally, 156 MDAs, Regional Centres and Districts were also connected to the internet.

**National Digital Broadcasting Migration**

559. Mr. Speaker, in compliance with the Geneva 2006 (GE06) Agreement, a contract was awarded for the implementation of the Digital Terrestrial Television (DTT) Network Infrastructure. In addition to this, the National Digital Broadcasting Migration Committee (DBMC) completed the development of the Final Draft Minimum Specifications for the Free-to-Air (FTA) (DTT) Receivers (i.e. digital decoders and integrated TVs).

**ICT Skills and Human Resource Development**

560. The Ministry in collaboration with its development partners established an Artificial Intelligence laboratory to support research and development at the university level in Ghana and the West African sub-region.

**Development of National Portal**

561. Mr. Speaker, NITA built a national portal to access e-services. A pilot to test this service was ran with 11 agencies which consisted of the Passport Office, NCA, Ghana Tourist Authority, National Insurance Authority, Mineral Commission, Ghana Police Service-CID, NITA, Food and Drugs Authority and Births & Deaths Registry. The Ghana Financial Management Information System (GIFMIS) also runs on this e-Government Network. Currently, there are about 70 MDAs nationwide connected to this platform through the e-Government network.

**Review of National ICT for Accelerated Development Policy**

562. In response to technological and contemporary global developments, the Ministry reviewed the National ICT Policy to include issues of Broadband Policy; Cyber Security Policy, ICT, Environment and Climate Change Policy; and Geo-Information Policy through an all-encompassing stakeholder consultation. The updated policy document was subsequently finalized and is ready for implementation in 2013.

**Expansion of Universal Access**

563. To promote the policy of the availability of postal communications, as universal service rights of the citizenry in the country, the Ministry through Ghana Post is facilitating the construction of Community Information Centres/Post Offices across the country. So far 66 of such facilities are at various stages of completion.

**Ghana Meteorological Agency (GMET)**

564. The Ghana Meteorological Agency (GMet) modernized its weather observing systems at the airports by installing state-of-the-art Automatic Weather Surveillance Radar which was commissioned on 13th June 2012 by His Excellency the President.

**Outlook for 2013**

565. This sector developed a strong policy to facilitate improvement in the communications infrastructure to attract investment in a number of ICT ventures. These include Internet service provision, software and IT hardware service development, and IT Enabled Services (ITES) ventures.

In furtherance of this, the ministry will continue to focus on the following key policy areas in the ensuing year.

**Transparent and Accountable Governance**

- 566. The implementation of the e-application platforms to ensure transparent and accountable governance will continue by utilizing capacity from the National Communication Backbone Company.
- 567. The Ministry will continue to pursue the formal establishment of Internet Governance Registry and develop policy guidelines for the migration from IPV4 to IPV6. This is to create speed and security in the Internet service provision.
- 568. Mr. Speaker, the Ministry through KACE will utilize the facility (Internet registry) to provide training for MDAs, Internet Service Providers (ISPs), Regulatory Bodies and e-Government subscribers. The laboratory will also support the West African community with the provision of both physical and online access to IPv6 testing and migration planning facility. Furthermore, the facility will provide resources for researchers and students in the field of IPv6 and the next generation Internet.

**Construction of Data Centre**

- 569. The National Data Centre is being constructed to serve as secure infrastructure for hosting and managing e-governance applications for different departments of Government and deliver services quickly and effectively. The project is expected to be completed by June 2013.

**Construction of Innovation Centre**

- 570. Mr. Speaker, to facilitate the application of ICT learning and research, the Ministry will pursue the Government policy to expand infrastructure to promote access to ICT.

**National Digital Broadcasting Migration**

- 571. Mr. Speaker, the Ministry will pursue the digital broadcasting migration programme. The national time table for the completion of the migration from analogue to digital broadcasting is December 2014. The Ministry will intensify collaboration with key stakeholders to ensure that they are

resourced to conduct receiver compliance testing for Free-to-Air Digital TV receivers after analogue switch-off to conform to the international standards.

### **ICT Skills and Human Resource Development**

572. The Ministry will continue with the policy of providing the needed support in enhancing literacy in ICT. In this regard, the private sector will also be encouraged to develop core ICT skills in a regulated and accredited manner.

### **The e-Ghana Project**

573. The objective of the Project is to generate growth and employment by leveraging ICT and public-private partnerships to develop the IT Enabled Services industry, and contribute to improved efficiency and transparency of selected Government functions through e-Government applications.

### **Legal Framework**

574. Mr. Speaker, in order to foster investor confidence in the Ghanaian economy and also address issues relating to the increasing cyber-crimes in the country, the Ministry will prepare the necessary legal framework to govern the ICT industry.

### **Fibre Optic Broadband Backbone infrastructure on the Eastern Corridor**

575. Mr. Speaker, in line with the Government's commitment to accelerated development, access to Information and Communication Technology (ICT) has been identified as a necessity to advance this agenda. In this regard, the Ministry through the National Information Technology Agency (NITA) will continue the construction of the 600 km rural-urban fibre optic broadband infrastructure from Ho to Bawku.

### **The Vulnerable and Excluded in ICT**

576. The Ministry will continue to facilitate and promote the Girls in ICT Programme, with a view to promoting girls' interest in ICT, computer science, new communication media and engineering. This will offer girls the opportunity to choose careers in the area of ICT.

**Child Online Protection (COP)**

577. Mr. Speaker, Government recognises the important role the Internet is playing in the provision of quality education for children by enriching the curriculum and helping to bridge the digital divide. The Ministry will continue to collaborate with the ITU for the COP initiative, which is a platform to raise awareness on child online safety issues.

**Distribution of laptops to Tertiary Institutions**

578. In line with Government's commitment to promoting an all-inclusive information and knowledge-based society to the benefit of the citizenry, this Ministry will initiate the distribution of 400,000 laptops to tertiary institutions nationwide within the next four years. The beneficiaries of this initiative include the tertiary institutions, their students and lecturers.
579. Mr. Speaker, for the implementation of the above activities a total amount of GH¢56,968,314 has been allocated. This is made up of GoG GH¢9,998,895, IGF GH¢898,880 and Donor GH¢46,070,539.

## **SOCIAL SECTOR**

580. The policies under the Social Sector seek to improve the living standards, and promote wealth creation of the citizenry and optimization of the potential of the economy in areas such as education and skills acquisition, health, employment, productivity, social protection and poverty reduction. The Ministries tasked with the responsibility of ensuring the attainment of these objectives are: Education, Health, Youth and Sports, Employment and Labour Relations and Gender, Children and Social Protection.

### **Ministry of Education**

581. Mr. Speaker, the mandate of the Ministry is to provide quality education for all Ghanaians to make them functional citizens in order to contribute to the growth and development of the country.
582. The policy objectives of the Ministry are: to improve equitable access to and participation in quality education at all levels; improve quality of teaching and learning; bridge the gender gap in access to education; improve access to quality education for people with disability; promote science and technical education at all levels; strengthen links between tertiary education and industry; mainstream issues of population, family life, gender, health, HIV/AIDS/STIs, conflicts, fire & road safety, civic responsibility, human rights, and environment in the curricula at all levels; and improve the management of education service delivery.

### **Departments and Agencies**

583. Mr. Speaker, the Ministry operates with four line directorates namely; Administration and Finance, Human Resources Development, Policy Planning Budgeting Monitoring and Evaluation and Statistics Research Information Management and Public Relations.
584. The Agencies under the Ministry are the Ghana Education Service, National Service Scheme, Ghana Library Authority, Ghana Book Development Council, National Council for Tertiary Education , The West African Examination Council (National), The West African Examination Council (International), Council for Technical and Vocational Education

and Training, Centre for National Distance Learning and Open Schooling (CENDLOS), Non-formal Education Division, National Board for Professional and Technical Examinations, National Accreditation Board, Ghana Education Trust Fund, National Inspectorate Board, National Teaching Council, National Council for Curriculum and Assessment and the Funds Procurement and Management Unit.

## **Performance in 2012**

### **Basic Education**

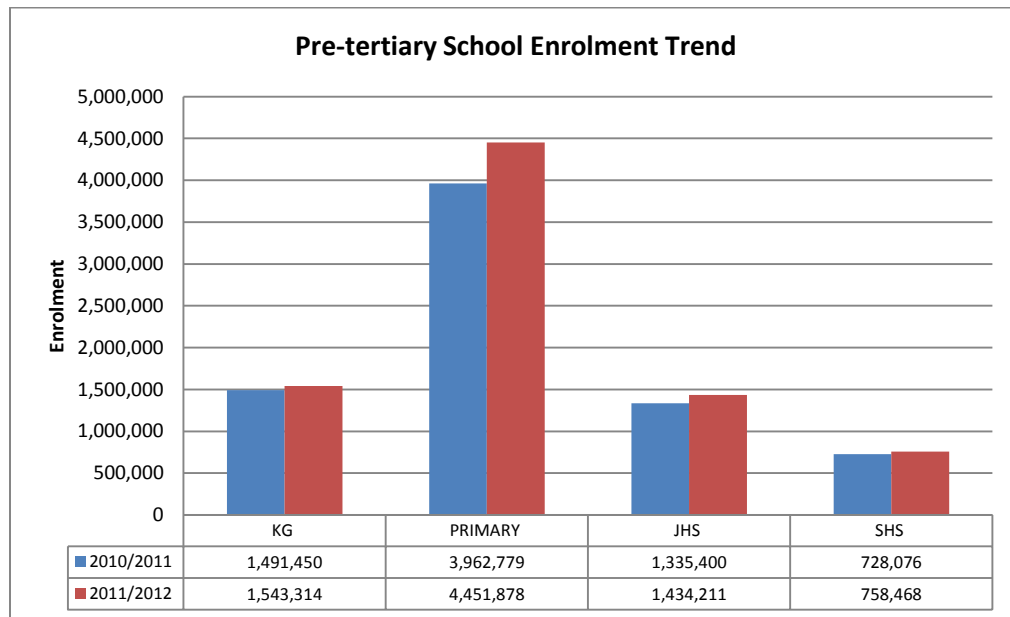
585. Mr. Speaker, Government continued the implementation of the Capitation Grant to improve access, participation and the provision of quality basic education. An amount of GH¢32.1million was released during the year for the payment of Capitation Grant for 5,467,808 pupils in all public basic schools for the second and third terms of the 2011/2012 academic year. Additionally, Government subsidized the conduct of the 2012 Basic Education Certificate Examination (BECE) to the tune of GH¢7,518,157. Also, 1.6 million pupils in deprived communities received free school uniforms.
586. As a result of the above interventions, enrollment in each stage of pre-tertiary education increased between 2010/11 and 2011/12 as shown in the following table and graphs.

**Table 36: Gross enrolment rates at pre-tertiary education**

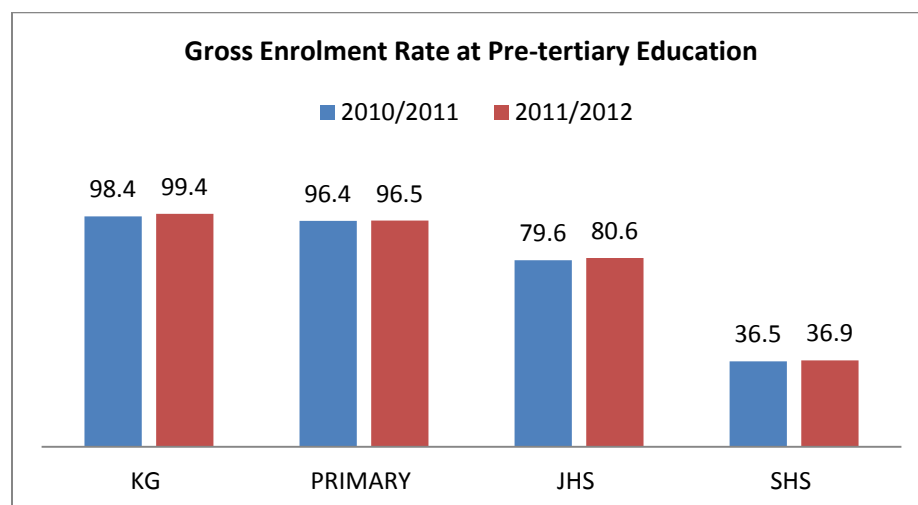
	<b>2010/11</b>	<b>2011/12</b>
KG	98.4	99.4
Primary	96.4	96.5
Junior High School	79.6	80.6
Secondary High School	36.5	36.9



**Figure 6: Pre-tertiary School Enrolment Trend**



**Figure 7: Gross Enrolment Rate at Pre-tertiary Education**



587. The Government demonstrated its commitment to improve quality of teaching and learning through the distribution of 28.4 million free exercise books to Basic Schools. In addition, another 17.4 million exercise books are currently under production. In furtherance of Government's commitment of improving ICT opportunities, 53,555 laptop computers under the Basic Schools Computerization Project were distributed to over 2,000 schools.
588. Mr. Speaker, the National Educational Assessment (NEA) results show that, since 2005, there has been an increase in the number of pupils reaching proficiency in all subjects except Mathematics in P3 as shown in table 37 below. Learning levels, however, remain low and improved quality is a key priority for the future.

**Table 37: Percentage of pupils reaching Proficiency in Maths and English tests**

	<b>English P3</b>	<b>Maths P3</b>	<b>English P6</b>	<b>Maths P6</b>
2005	16.4	18.6	23.6	9.8
2011	24.2	18.2	35.3	16.1

**Schools under Trees Programme**

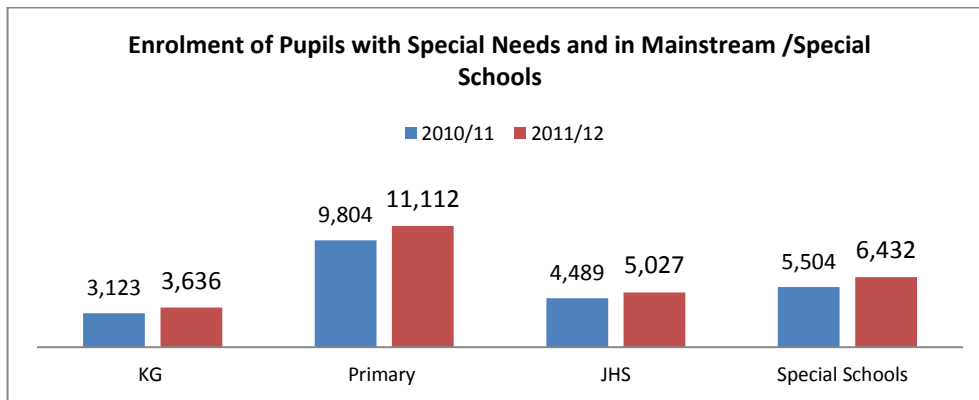
589. Mr. Speaker, in line with Government policy to reduce to the barest minimum the incidence of schools being operated under trees or temporary structures, a total of 1,683 schools are being constructed. Forty-two percent of the schools have been completed and handed over to the beneficiary schools while 20 percent are at advanced stages of completion. The remaining 38 percent are at various stages of completion.

**Special Education**

590. Mr. Speaker, The Government demonstrated its commitment to the strategic goal of providing education for those with physical and mental impairments, orphans and slow learners by training 25 Trainer of Trainers and 180 resource teachers for this purpose.

591. As a result of these efforts, the number of pupils enrolled in basic education mainstream schools increased from 17,416 in 2010/11 to 19,775 in 2011/12, and in special schools from 5,504 to 6,432 in the same period.

**Figure 8: Enrolment of Pupils with Special Needs and in Mainstream/Special Schools**



### **Bridging the Gender Gap**

592. Mr. Speaker, to bridge the gender gap in access to education, Girls' Camps were organized for 624 girls to provide training and mentoring in personal and professional development. In addition, take-home rations and scholarships were given to girls as part of measures aimed at increasing female enrolment at the basic school level in the three Northern Regions.

### **Teacher Training and Motivation**

593. Mr. Speaker, to enhance the quality of teaching in our schools, District Training Officers, Deputy Directors (Supervision) and Circuit Supervisors in all districts were trained on the revised source modules to further assist with In-Service Education and Training (INSET) at the school and cluster level. In addition, 8,409 untrained teachers were enrolled in the Untrained Teachers Diploma in Basic Education (UTDBE) programme.

594. The 18<sup>th</sup> Best Teacher Awards' ceremony was organized successfully to reward deserving teachers that have made marked impacts on the lives of school children and students in their communities.

#### **Senior High School Education**

595. Mr. Speaker, Government continues to support parents in providing second cycle education for their children through subsidized fees. To this end, funds were released for the payment of subsidies for 697,917 and 51,487 students in Senior High Schools and Technical Vocational Institutes respectively.
596. To increase access to and participation in education and raise completion rates, ten two-storey emergency dormitory blocks and 206 six-unit classroom blocks were completed.
597. Mr. Speaker, to improve education in Science, 30 Resource Centres were rehabilitated and refurbished in selected Senior High Schools across the country. Government also provided 150 buses and 100 pick-up trucks to second cycle institutions to ease their transportation problems. Furthermore, 78 out of 200 schools received science and ICT equipment as technical support for science teachers.

#### **Promoting Technical and Vocational Education**

598. Mr. Speaker, through the Council for Technical and Vocational Education and Training (COTVET), the Ministry continued to promote technical and vocational training and education. To this end, the National TVET Qualifications Framework and Accreditation Process for training providers and awarding bodies were established. Under the National Apprenticeship Programme, 5,000 JHS graduates were trained in 4 trade areas namely; garment, cosmetology, electronics and auto mechanics. Competency-Based Training (CBT) was also provided for 8 institutions.

#### **Distance Learning**

599. Mr. Speaker, CENDLOS continued to provide open and distance learning opportunities. Lessons for 4 science SHS 3 subjects were produced in audio-visual format and telecast on GTV. Through the launch of the Ghana Open School System, 44 teachers were trained in e-learning

teaching techniques. Ninety-eight out-of-school youth and prison inmates through the CENDLOS study centres sat for the 2012 BECE, WASSCE and NVTI examinations.

**National Service Scheme**

600. Mr. Speaker, the National Service Scheme remains an important source of teacher supply to improve the quality of teaching and learning. For the 2012-13 service year, over 68,000 personnel were deployed on the National Service Scheme. Out of this number, 69 percent are in public basic schools to teach and support education delivery.

**Tertiary Education**

601. Mr. Speaker, in line with Government policy to expand access to and participation in quality education at all levels, 2 new universities namely University of Health and Allied Sciences and the University of Energy and Natural Resources in Ho and Sunyani respectively, were established. Distance education at the tertiary level improved in terms of enrolment. Total enrolment of students into Distance Education Programme for 2011/2012 academic year increased from 52,489 in 2010/2011 to 63,296 representing an increase of 19.5 percent.

**Outlook for 2013**

602. Mr. Speaker, the Ministry of Education's programmes will continue to be targeted at achieving the objectives in the Education Strategic Plan and the National Medium Term Development Framework.

**Basic Education**

603. Mr. Speaker, Government will continue to provide free uniforms for pupils in basic schools in deprived districts. Capitation Grant and free exercise books will be provided to approximately 5.7 million basic school pupils nationwide as well as subsidy for 410,109 registered BECE candidates.
604. The Complementary Basic Education Programme which provides informal education to help bring 'out-of-school' children into the mainstream will continue.

605. The Ministry will continue to provide appropriate infrastructure such as classrooms, teacher's accommodation and toilet facilities for public basic schools as well as for communities to eliminate the remaining schools under trees.

**Senior High School Education**

606. Mr. Speaker, over the next four years, Government will construct 200 new community day Senior High schools. For this year, 50 community-based and 10 colleges of education will be completed in order to increase accessibility to secondary education; subsidies would be provided to students in all public Senior High and Technical Schools. In addition, funds would be made available for the completion of on-going and remaining emergency classrooms and dormitory blocks.

**Special Education**

607. Mr. Speaker, to ensure education is accessible to children with special needs, Government will continue to provide feeding to over 4,557 pupils in special schools. The Ministry would also facilitate the ongoing construction of Assessment Centres as well as equip special education units.

608. The INSET programme would also be undertaken in Braille and sign language for staff of special education institutes.

609. Sensitization workshops for the parents of children with special needs will be carried out. In addition, the inclusive education programme will be expanded to cover five more districts. Ten school libraries will be rehabilitated to make them friendly to students with disabilities.

**Bridging the gender gap**

610. Mr. Speaker, the on-going Scholarship programme will be extended to cover 15,715 girls through the Girls Participatory Approaches to Student Success (PASS) Programme as a step towards bridging the gender gap. Government will continue to provide the Take Home Rations for girls in the Northern Regions. Programmes to encourage girls into scientific and technical training will also be expanded.

**Improvement of Quality of Teaching and Learning**

611. To attain the target of 95 percent of trained teachers at all levels by 2015, the Ghana Partnership for Education Grant will be used to train at least 5,000 teachers in the Untrained Teachers Diploma in Basic Education (UTDBE) qualification. Government together with its donor partners will support 57 deprived districts and basic schools in support of planning, monitoring and delivery of basic education services in deprived districts.
612. The Ministry will facilitate In-Service Education and Training (INSET) for 9,375 basic and 6,250 secondary teachers to sustain improvements in the quality of teaching.

**Promote Science and Technical Education and Training**

613. Mr. Speaker, Government will continue to support science, technical and vocational education. At the pre-tertiary level, INSET will be provided for 8,462 ICT teachers in JHS and 500 Mathematics and Science teachers in SHS.
614. To bridge the gender gap in science and technical education and trades, Government will expand the coverage of science camps for girls in second cycle education. Funding will also be provided to build the capacity of females in male-dominated trades in technical and vocational education training as well as provide bursaries for 1,500 females in TVET.
615. The second phase of the upgrading of facilities for the teaching of science and technology of the remaining 124 Senior High Schools will commence.

**Open and Distance Learning**

616. Mr. Speaker, to continue with Government's commitment to open and distance learning, the number of JHS, SHS and TVET courses available in audio-visual format will be increased. In addition, training will be provided for tertiary faculty members and study centre tutors in distance learning methodologies.

**Tertiary Education**

617. Mr. Speaker, Government will present a draft Bill to Parliament for the establishment of a new University for Sustainable Environmental Development and Research in the Eastern Region. Funds will also be provided for the National Council for Tertiary Education for capacity building and research in colleges of education, in order to promote them as an attractive option in tertiary education. The number of colleges of education with special emphasis on deprived areas and communities would be increased.
618. In order to guarantee that tertiary institutions are providing education to expected standards, a Quality Assurance Committee will be established through the collaborative efforts with the NCTE and the National Accreditation Board.
619. Mr. Speaker, construction and rehabilitation of infrastructural projects to promote access and quality of teaching and learning at the tertiary level will continue. In this respect, the University of Energy and Natural Resources will admit 700-1000 students for the 2013/14 academic year.

**National Service Scheme**

620. Mr. Speaker, the National Service Scheme will deploy about 90,000 personnel and volunteers in the 2013/2014 year. Sixty per cent of this number will be used to bridge teacher supply gaps in schools and colleges.

**Non-Formal education**

621. Mr. Speaker, wide-reaching access is critical to the success of non-formal education. Thus primers in 15 Ghanaian languages will be produced and distributed to improve reading, writing and literacy skills.

**Ghana Library Authority**

622. Mr. Speaker, the Ghana Library Authority will continue to expand its capacity to facilitate communities' access to library services. To this effect, mobile library services will be expanded to 30 more communities. Also, on-going work on the four regional libraries in Volta, Brong Ahafo, Western and Greater Accra will continue under the GETFund. New books



and periodicals will be purchased to improve the quality of library services. In addition, 50 members of staff will be trained in supervision of static libraries.

623. Mr. Speaker, for the implementation of the above activities a total amount of GH¢4,412,695,383 has been allocated. This is made up of GoG is GH¢2,744,157,089, SIP is GH¢201,697,413; GH¢10,000,000 is ABFA GH¢680,956,470 is IGF, Donor is GH¢84,427,211, GETFund is GH¢691,457,200.

### **Ministry of Youth and Sports**

624. Mr. Speaker, the Ministry is mandated to develop the capacity of the youth and integrate them in national development, while ensuring that national values and aspirations are inculcated in them. The Ministry also ensures that sports is used as a tool for national cohesion, expression of national pride and as a platform for healthy living.
625. The Ministry operates through the following agencies and institutions: National Youth Authority (NYA), National Sports Authority (NSA), Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) and National Sports College, Winneba (NSC-W).

### **Performance in 2012**

#### **Sports**

626. Mr. Speaker, in the area of football, the Black Stars participated in the African Cup of Nations tournament held at Equatorial Guinea/Gabon in January 2012 and also qualified for the 2013 African Cup of Nations in South Africa. The Black Satellites and the Black Starlets qualified for the 18<sup>th</sup> African U-20 Men Championship in Algeria and the 10<sup>th</sup> African U-17 Boys Championship in Morocco respectively.
627. The Black Princesses also qualified and participated in the FIFA U-20 Women's World Cup competition in Japan. The Black Maidens won the bronze medal in the FIFA U-17 Women's World Cup tournament in

Azerbaijan. This feat is historic being Africa's first medal in a FIFA organized competition for women in the U-17 age category.

628. Mr. Speaker, to improve the technical knowledge-base of various stakeholders, training courses were organized on coaching, refereeing, sports medicine and administration. Among the courses organized was the CAF License A which was the first to be organized on the African continent. In addition, under the FIFA Goal Project IV a 6-unit classroom block and a football field were constructed at the Ghanaman Soccer Centre of Excellence at Prampram.

#### **National Sports Authority**

629. Mr. Speaker, the country hosted and participated in the 2nd edition of the ECOWAS Games in Accra and emerged the overall winners with 37 medals. During the Olympic Games held in London, Ghana participated in Athletics, Boxing, Judo and Weightlifting. Ghana also participated in Wheelchair athletes, Cycling, and Power lifting at the Paralympic Games.
630. The national amputee team, the Black Challenge, participated in the World Amputee Football Championship held at Kaliningrad, Russia. The team is now ranked 6th in the World.

#### **National Youth Authority**

631. Mr. Speaker, 825 unskilled youths were enrolled in all the youth leadership and skills training institutions to undergo skills training while 500 youth with varied backgrounds participated in youth dialogues to solicit inputs for the Youth Policy Action Plan in four Zones nationwide. The Authority also participated in the National Policy Fair in Accra as well as in the Western and Eastern Regions. Over 3,000 copies of the Youth Policy Document were distributed to the general public to facilitate the dissemination process.
632. The National Youth Authority also participated in the Melaka – Youth Dialogue Forum in Malaysia, the UN Youth Assembly Session and the Youth Forum in India to foster international relations and enhance networking and partnerships with other sister countries.

633. Mr. Speaker, 306 youths benefitted from a training programme on free range broiler poultry production and management aimed at equipping the youth with technical know-how on poultry-keeping. The beneficiaries were supplied with some chicks to start their poultry farms.

**National Sports College, Winneba (NSC-W)**

634. Mr. Speaker, the College organized training programmes for coaches, sports journalists, sports marketers, facility managers, keep fit instructors and other stakeholders to equip them with the needed technical sports knowledge. The College also participated in the 1<sup>st</sup> Division League, hosted and participated in the International Tennis Federation Africa Junior Championships and won 6 medals made up of 3 gold, 2 silver and 1 bronze.

**Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA)**

635. Mr. Speaker, the Agency recruited a total of 457,779 youth into the various modules. Implementation guidelines for all the modules were developed. In addition, cabinet approved the roll out of a roadmap towards the actualization of the National Youth Employment Programme bill while conditions and scheme of service for the Agency were developed and approved by the Public Services Commission.
636. The Agency also embarked on a headcount to ascertain the actual number of beneficiaries on its payroll and piloted a biometric payment system in the Eastern Region to prevent payment to "Ghost" names.

**Outlook for 2013**

637. Mr. Speaker, the Ministry will initiate the process to enact a Sports Law to replace the SMCD 54 and also formulate a National Sports Policy to serve as basis for future sports development programmes. An Action Plan will be developed to ensure a systematic and effective execution of all sporting programmes.
638. The Ministry will improve community and institutional sports infrastructure by further developing multi-purpose courts in selected districts and

educational institutions across the country in partnership with corporate Ghana. Work on the construction of the Cape Coast Sports Stadium will begin while the stadium for the University of Health and Allied Sciences at Ho will be pursued.

639. Mr. Speaker, notwithstanding the inability for the Black Stars to win the prestigious 2013 African Cup of Nations tournament in South Africa, Government will continue to support the team to participate in the Brazil 2014 FIFA World Cup qualifiers.
640. The Black Satellites will take part in the Algeria 2013 African Youth Championship in March while the Black Starlets will undertake a pre-tournament training Programme in Egypt and Europe towards the 2013 African U-17 Championship in Morocco.
641. The local Black Stars (CHAN Team) will also engage in qualifying matches and pre-tournament preparations in Kenya for the South African 2014 Championship. Similarly, the Black Queens will play the qualifiers for the 2014 African Women Championship while the Black Princesses and the Black Maidens will participate in the qualifying rounds of their respective 2014 World Women Championships.

**National Sports Authority**

642. Mr. Speaker, the Authority will undertake rehabilitation works at the Accra and the Kumasi Sports Stadia to forestall further deterioration of the facilities.
643. Mr. Speaker, the 2nd edition of the National Unity Games will be organized to deepen unity and peaceful co-existence within the country and to unearth new talents for various sporting disciplines to be groomed for the 2014 Youth Olympic Games and the Glasgow 2014 Commonwealth Games.

**National Youth Authority**

644. Mr. Speaker, the Authority will continue with the provision of skills training for the youth at the various youth training institutes. At least 2,250 deprived youth will undergo training in various trades and vocations and

2,400 unskilled and semi-skilled youth who could not gain admission into the mainstream programmes of the 11 youth leadership institutes will be given short-term hands-on training.

645. New initiatives for youth enterprise creation and employment will be organized by the Authority. The initiatives include agricultural ventures such as poultry-keeping and aquaculture.

646. Mr. Speaker, the Authority will organize 21-day voluntary work camps throughout the country to help the youth imbibe the spirit of voluntarism and also to facilitate community development.

**National Sports College, Winneba**

647. Mr. Speaker, the College will rehabilitate and maintain soccer and tennis courts to internationally acceptable standards to host local, national and international tournaments. School holiday training programmes and north and south regional tours will be organized by the College for second generation soccer and tennis academies with the aim of unearthing new talents.

**Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA)**

648. Mr. Speaker, beneficiaries who have served their two-year internship and those whose internships have been renewed for additional one year will be exited. In this regard, the Community Education Teaching Assistants (CETA) and Health Extension Workers (HEW) totalling about 50,000 who have served 3 years and above on the Programme will be exited.

649. The Agency will extend the biometric system which was piloted in the Eastern Region to all the other regions to improve and sanitize the payroll system.

650. Mr. Speaker, the Youth Enterprise Development Project will take off. It is estimated that over 300,000 jobs will be created in the entrepreneurial and self-employment modules.

651. Mr. Speaker, for the implementation of the above activities a total amount of GH¢53,872,871 has been allocated. This is made up of GoG is GH¢53,639,101, GH¢233,770 is IGF.

### **Ministry of Gender, Children and Social Protection**

652. Mr. Speaker, the Ministry of Gender, Children and Social Protection is mandated to coordinate and ensure gender equality and equity, promote the survival, social protection and development of children, vulnerable, excluded and persons with disabilities as well as integrate fulfilment of rights, empowerment and full participation into national development.

#### **Performance in 2012**

##### **Women in Decision-making and Governance**

653. Mr. Speaker, the Ministry put in place an Affirmative Action Committee to coordinate the drafting of the Affirmative Action Bill.

##### **Gender Equality and Women Empowerment**

654. Mr. Speaker, the Ministry in collaboration with ECOWAS Gender Development Centre (EGDC) provided micro-finance assistance to 3 rural agro-based women's groups located in Upper West, Eastern and Volta Regions. In addition, training programmes in food processing and handicraft production were organized for women drawn from Ghana and Nigeria while 20 women food processors in cassava and palm-nut from Kyekyewere in the Central Region were trained in response to the 56<sup>th</sup> CSW session.
655. Mr. Speaker, the Ministry initiated the process of selecting 466 girls from poor households to benefit from African Development Bank's grant for local scholarships to pursue Technical and Vocational Education Training (TVET).

**Human Trafficking**

656. Mr. Speaker, 50 District Assemblies throughout the 10 regions were targeted and sensitized on the effects of human trafficking and the role of the Assemblies in addressing human trafficking issues within their jurisdiction.
657. Mr. Speaker, the draft Legislative Instrument (LI) on the Human Trafficking Act, 2005 (Act 694) was disseminated to over 100 stakeholders drawn from the 10 regions. The draft LI was finalized and submitted to the Attorney General's Department for final drafting.
658. The National Plan of Action (NPA) on human trafficking was reviewed for another 5 year period. Technical proposal, communication strategies and resource mobilization plan were also developed for the operationalization of the plan of action.
659. Ghana has maintained its tier 2 rating status according to the 2011 USA Trafficking in Persons Report. Additionally, a total of 110 cases were reported country wide on human trafficking, with 85 of the cases under investigation. Three persons were prosecuted and 3 convictions were also obtained.

**Domestic Violence**

660. Mr. Speaker, the Ministry scaled up its sensitization and awareness creation programmes in the District Assemblies and established rural response coordinating systems at the regions. Information, Education and Communication (IE&C) materials were also developed to facilitate sensitization on domestic violence issues. A documentary was developed to address acts of domestic violence and translated into Ga, Twi, Dagbani, Ewe, Hausa and Nzema.
661. Mr. Speaker, the Ministry collaborated with CSOs to raise awareness about Gender-Based Violence and Human Rights and rehabilitated a facility as shelter for survivors of domestic violence and victims of human trafficking in Greater Accra.

662. The Domestic Violence draft LI was finalized and submitted to the Attorney General's Department for final drafting.

**Child Protection and Survival**

663. Mr. Speaker, the Ministry developed a National Child Protection Policy (NCP) to provide an integrated approach in the delivery of child related services and outlined comprehensive interventions and standard operating procedures for child care professionals.

**International Obligations**

664. Mr. Speaker, on international commitments to gender equity, equality, women's empowerment and child rights and protection issues, the following were undertaken: participated in the 56th Session of the Commission on the Status of Women (CSW) Conference held in New York; celebrated the International Women's Day; organized the Commonwealth Africa Regional Colloquium; observed the African Union Day of the Child under the theme "The Rights of Children with Disabilities: The Duty to Protect, Respect, Promote and Fulfill" and; submitted the 6<sup>th</sup> and 7<sup>th</sup> combined reports on the elimination of discrimination against women to the Committee on the Elimination of Discrimination Against Women (CEDAW) on behalf of Government.

**Women, Peace and Security**

665. Mr. Speaker, the Ghana National Action Plan 1325 for the implementation of the United Nations Security Council Resolution 1325 on Women, Peace and Security was officially launched.

**Old Women's Homes/Witches Camps**

666. Mr. Speaker, social protection interventions have been put in place to ensure the fundamental human rights and security of women in the "Old Women's Homes", in Gambaga, Gushiegu, Bimbila, Central Gonja, Yendi, and Saboba. In addition these "Old Women's Homes" were provided with potable water.
667. MOGCSP in collaboration with its stakeholders initiated the process for the development of a National Gender Policy (NGP). To facilitate the



development of the policy, regional and national stakeholders' consultations were held to collate their views.

### **Outlook for 2013**

668. Mr. Speaker, the Ministry will engage the services of Technical Assistants (TAs) as part of its institutional capacity development initiative under the Capacity Development Mechanism Initiative Project. IT equipment will be procured under the project for the Ministry and its Regional Offices.
669. Mr. Speaker, the Ministry, in consultation with stakeholders will validate the draft National Gender Policy (NGP) for submission to cabinet. The Ministry will continue to implement the Gender Responsive Skills and Community Development Project (GRSCDP) to assess the performance of Ghanaian women micro entrepreneurs and the youth to increase their access to both financial and non-financial services.
670. The Ministry will complete the selection for award of scholarships to 466 girls from poor households to pursue technical and vocational education.
671. Mr. Speaker, the Human Trafficking (HT) and Domestic Violence (DV) Secretariats will continue to coordinate the implementation of the Human Trafficking Act and the drafting of the Domestic Violence Legislative Instrument as well as intensify advocacy, sensitization and awareness creation campaigns on HT and DV issues.
672. Mr. Speaker, the Ministry will continue the development of the Child Protection Policy. It will also be revamping the child helpline and streamline its operations to better help children in times of distress. The Ministry will continue to implement the Ghana National Action Plan 1325 on Women, Peace and Security.
673. Mr. Speaker, the Ministry will develop a comprehensive capacity programme to support MDAs, MMDAs, CSOs and the Legislature to formulate, and analyse Gender Responsive budget (GRB).

674. Mr. Speaker, for the implementation of the above activities a total amount of GH¢38,596,470 been allocated. This is made up of GoG is GH¢7,604,820, SIP is GH¢30,000,000 GH¢25,000 is IGF and Donor is GH¢966,650.

### **Ministry of Health**

675. Mr. Speaker, the mandate of the Ministry is to promote good health for all Ghanaians through the prevention of diseases and to restore health to the sick and the incapacitated.
676. In line with the set objectives of the GSGDA, the broad objectives of the Health Sector are to:
- Bridge equity gaps in access to health care and nutrition services and ensure sustainable financing arrangements that protect the poor;
  - Strengthen governance and improve the efficiency and effectiveness of the health system;
  - Improve access to quality maternal, neonatal, child and adolescent health services;
  - Intensify prevention and control of communicable and non-communicable diseases and promote healthy lifestyles; and
  - Improve institutional care, including Mental Health Service Delivery.

### **Performance in 2012**

#### **Maternal Health**

677. Mr. Speaker, 911 trained certificate and diploma midwives passed out during the year 2012. The Ministry also developed a comprehensive MDG 5 accelerated framework (MAF) to improve the country's maternal health and assist in attaining the MDG 5 target.

#### **Child Health**

678. Mr. Speaker, considering the health benefits of vaccines and the impacts they have made on the reduction of mortality and morbidity among

Ghanaian children under the age of 5, two new vaccines namely pneumococcal and rotavirus vaccines plus a second dose of measles vaccines were introduced into the existing Immunization Programme. To confront and reduce malnutrition in infants and children, the Ministry developed a nutrition policy and strategy document for submission to cabinet for consideration and approval.

**Primary Health Care Services**

679. Mr. Speaker, in consonance with the Better Ghana Agenda objective of enhancing access to Primary Health Care, 209 new functional Community-Based Health Planning Services (CHPS) zones were created.

**National Ambulance Service**

680. Mr. Speaker, to support improvement in pre-emergency health services, 161 new ambulances were procured. In addition, 28 new ambulance stations were opened bringing the total number of stations to 52.

**National Health Insurance Scheme (NHIS)**

681. Mr. Speaker, the NHIA initiated efficiency measures to contain cost. A Consolidated Premium Account was established where premiums collected by the scheme are deposited. This measure was taken to ensure that premiums collected are properly accounted for, comprehensively reported, adequately monitored and controlled for efficient use. Clinical Audits were scaled up as a measure to contain cost, assure quality and value for money.

**Health Laws and Regulations**

682. Mr. Speaker, 5 Acts of Parliament were given Presidential assent as part of the Health Sector Legal Reforms initiated in early 2009. These are Mental Health Authority Act, (Act 846), Health Institutions and Facilities Act, (Act 829), Specialist Health Training and Plant Medicine Research Act, (Act 833), Public Health Act, (Act 851) and National Health Insurance Act, (Act 852).

### **Human Resource Development**

683. Mr. Speaker, to improve human resources for the sector, a human resource information system was completed and the web-based health workforce observatory was finalized.

### **Procurement and Supply**

684. Mr. Speaker, a 5 year Supply Chain master plan was developed by the Ministry to improve drug availability and supply within the sector.

### **Health Infrastructure**

685. Mr. Speaker, the Ministry completed the following projects: 5 polyclinics (phase II) in the Upper West Region (Wechiau, Babile, Lambussie, Ko and Hain), office complex for the Food and Drugs Authority, rehabilitation and upgrading of Tamale Teaching Hospital (phase I), Eye Centre at Komfo Anokye Teaching Hospital, water improvement projects in selected health facilities in Brong Ahafo Region and the installation of new MRI and CT scan equipment in Korle-Bu, Komfo Anokye and Tamale Teaching Hospitals. In addition, the Children's Ward, Theatre for Kidney Transplant and Neurosurgery were also rehabilitated at the Korle-Bu Teaching Hospital.

### **Outlook in 2013**

686. Mr. Speaker, in line with the achievements of the Health related MDGs by 2015, the Ministry will continue to focus on the following priority areas:

#### **Bridging equity gaps in access to health care and ensure sustainable financing arrangements that protect the poor. These include:**

- Retrain the existing staff and collaborate with local Government to develop an additional 450 functional Community-based Health Planning and Services (CHPS) zones based on population to Community Health Nursing Officer (CHO) ratio;
- Assess the cost of care in the public and private sector to inform the setting of tariff levels and undertake a sustainability analysis of the National Health Insurance Scheme;

- Complete the development of a health financing and resource mobilization strategy;
- Disseminate and implement the recommendations on the study of internally generated funds; and
- Revise staffing norms, and complete the development of the Human Resource deployment plan and implement it.

**Strengthen governance and improve the efficiency and effectiveness of the health system. This involves the following:**

- Complete the development of the Legislative Instruments and the institutions captured under the Health Institutions and Facilities Act 829, 2011;
- Review and amend the Ghana Health Service and Teaching Hospitals Act 525, 1996 to reflect the ceding of the oversight responsibility for service delivery to district assemblies; and support 50 percent of the districts in composite planning;
- Set up a Private Health Sector Council as a coordinating mechanism for the private sector and strengthen public-private partnership;
- Develop a new National Health Policy and Health Sector Medium Term Strategic Plan; and
- Generate evidence and engage with the District Health Service process to measure client satisfaction and knowledge of patient charter.

**Improve access to quality maternal, neonatal, child and adolescent health and nutrition services. This comprises the following:**

- Increase access and use of modern contraceptives, antenatal and post-natal care and improve access to adolescent health services in health facilities. The Ministry will also expand the scope of 2,000 Community Health Nurses (CHNs) and 10 midwives per district through a new training package to enable them provide long term family planning methods and services. In order to scale up forecast of antenatal care, minor refurbishment works would be carried out in 150 districts hospitals throughout the country;
- Improve availability, quality and access to comprehensive/basic Emergency Obstetric and Neonatal care services in health facilities;

- Reduce malnutrition by increasing access to nutrition services and products for women and children. This will be achieved by training 280 nutrition officers and public health nurses to provide appropriate maternal nutrition; and
- Increase access and coverage to EPI services including the newly introduced vaccines.

687. Mr. Speaker, the Ministry will also conduct an evaluation of the free Maternal Health Service to identify gaps to help achieve MDGs 4 & 5. In addition, a grading system for maternal health facilities will be developed to provide an improved basis for management and monitoring of the Millennium Development Goal Acceleration Framework (MAF).

**Intensify prevention and control of communicable and non-communicable diseases. Under this objective, the Ministry will:**

- Reduce morbidity and mortality resulting from communicable diseases particularly malaria, HIV and AIDS, tuberculosis, pneumonia and diarrhoeal diseases;
- Complete the eradication certification process for guinea worm and polio, scale up elimination activities for leprosy, trachoma and yaws, onchocerciasis, lymphatic filariasis and schistosomiasis and control buruli ulcer;
- Support the establishment of the Non-Communicable Diseases (NCD) data repository and monitoring centre;
- Promote healthy lifestyle, and strengthen the prevention and management of non-communicable diseases particularly hypertension, diabetes, sickle cell disease and cancers, including (Framework Convention on Tobacco Control) implementation; and
- Strengthen public health emergency response for diseases of epidemic potential, including international health regulation.

**Strengthen institutional care including mental health service delivery. Priorities are:**

- Prepare health facilities to meet accreditation and licensing criteria in both the public and private sector;
- Strengthen quality assurance and improve systems in health facilities;
- Improve emergency care services in health facilities;

- Develop the Legislative Instrument of the Mental Health Authority Act, (Act 846) and establish its governance and initiate the implementation of the community mental health strategy; and
- Implement the Capital investment plan for 2013.

**National Health Insurance Scheme (NHIS)**

688. Mr. Speaker, this year more reforms in the NHIS will be carried out. The current challenging ID card management regime will give way to an instant issuance of biometric ID cards. Two more Claims Processing Centres will be established in the Northern and Central regions to complete the claims management reforms started in 2010. This is expected to contain costs, inject greater efficiency and introduce uniformity in the claims management system.

689. The scheme will also pilot electronic claims submission and vetting to allow for country-wide roll-out for high volume facilities by the end of the year. The capitation pilot that began last year in the Ashanti region will be subjected to an extensive stakeholder review to inform a planned nation-wide roll-out.

690. Mr. Speaker, the widening financing gaps experienced by the scheme, coupled with the need to broaden the exempt category of members to accommodate some categories of the physically challenged and persons with mental health conditions, as well as the proposed addition of some family planning services in the benefit package, among other things, requires that we consider an upward adjustment of the National Health Insurance Levy. This is to ensure a balance between inflows to the scheme on the one hand and increasing costs due to increasing utilization, increases in prices of medicines and inputs, the expansion of the benefit package and expansion of exempt categories on the other hand.

**Health Infrastructure**

691. Mr. Speaker, for infrastructural development, the priority projects are as follows:

- Construction of 5 polyclinics in Brong Ahafo region;

- Construction of 597 bed capacity Teaching Hospital at the University of Ghana, Legon;
- Expansion of Radiotherapy and Nuclear medicine centres at Korle-bu and Komfo Anokye Teaching Hospitals;
- Expansion of Health Training Institutions;
- Upgrading and rehabilitation of Greater Accra Regional Hospital (Ridge Hospital) and the Tamale Teaching Hospital (phase II);
- Supply and installation of hospital beds and other medical equipment for various hospitals nationwide;
- Construction of trauma and acute pain centre at Korle-Bu;
- Design construction and furnishing of 7 district hospitals (Abetifi, Fomena, Dodowa, Garu Timpane, Takoradi Metropolitan, Kumawu and Sekondi);
- Completion of works on District Hospital at Tarkwa;
- Continue works on Maternity Block for Tema General Hospital;
- Continue works on Maternity & Children's Block at Komfo Anokye Teaching Hospital;
- Procurement of 200 Ambulances; and
- Supply of assorted equipment for replacement in various hospitals nationwide.

692. Mr. Speaker, for the implementation of the above activities a total amount of GH¢3,529,444,056 been allocated. This is made up of GoG is GH¢508,979,926, SIP is GH¢46,840,000, GH¢1,831,402,804 is IGF, GH¢194,462,917 is Donor and NHIL is GH¢917,858,409.

### **Ministry of Employment and Labour Relations (MELR)**

693. Mr. Speaker, the Ministry is mandated to promote gainful employment creation in all sectors of the economy through demand-driven employable skills training, enhance harmonious industrial relations, promote social justice and protect the rights of workers through enforcement of labour laws and regulations and tripartism, ensure equity in public sector pay management, and coordinate the timely production of labour statistics for decision making on accelerated economic growth and national development.



694. The Ministry's policy objectives are productivity and employment, human capital formation for national development, transparent and accountable governance, and promotion of evidence-based decision making on labour and employment issues.
695. Mr. Speaker, the key departments and agencies under the Ministry are the Labour Department, the Departments of Factories Inspectorate and Co-operatives, the National Vocational Training Institute, Management and Productivity Institute (MDPI), Opportunities Industrialization Center (OIC), the Integrated Community Centers for Employable skills (ICCES), and the Fair Wages and Salaries Commission (FWSC).

### **Performance in 2012**

#### **Skills development for employment creation**

696. Mr. Speaker, to enhance employment opportunities, NVTI trained 15,064 youths in various trades including carpentry and joinery, industrial and auto mechanics, textile and hand weaving, and general electronics. MDPI also trained 7,200 youths in four oil and gas modules while the OIC trained 814 persons in masonry, electrical installation, building and draftsmanship. To promote access of the poor to income earning opportunities, ICCES provided training for 5,051 people in 65 centres.
697. Mr. Speaker, Public Employment Centres of the Labour Department also placed 4,481 persons made up of 3,711 males and 779 females into gainful employment.

#### **Labour Administration**

698. Mr. Speaker, to promote social justice, the Labour Department facilitated the payment of workmen's compensation to 121 injured and deceased public sector workers and 273 private sector agencies/institutions. The Department also received 61 industrial complaints out of which 55 were settled and 6 voluntarily withdrawn. In addition, the Department issued Collective Bargaining Certificates to 23 firms and organizations.

699. Mr. Speaker, the Department of Factories Inspectorate (DFI) inspected 1,006 existing workplaces and registered 218 new ones to promote occupational safety and health as well as reduce accidents/incidences at work places. The Ministry, through a comprehensive national consultation process, also formulated a Draft National Occupational Safety and Health Policy aimed at promoting industrial hygiene and reducing the incidence of industrial accidents at work places.

**Public Service Pay Management**

700. Mr. Speaker, the National Tripartite Committee successfully negotiated 20 percent increase in the National Minimum Wage. The implementation of the Single Spine Pay Policy aimed at removing inequities associated with public service pay is also steadily on course. At the end of the year, 478,566 public service employees representing 99.70 percent of total public servants to be migrated onto the Single Spine Salary Structure were migrated. Additionally, draft guidelines on the determination of Market Premium in the Ghana Public Service was developed and more effective measures put in place to address issues relating to payment of categories 2 & 3 allowances.

**Social Protection**

701. Mr. Speaker, the Ministry under its various social protection interventions achieved the following:

**Child protection and Development**

702. Six hundred street children were enrolled in schools under the supervision of the Department of Social Welfare (DSW) while about 1,300 delinquent children were provided with remand home and probation services. In addition, 298 children were admitted in Osu, Kumasi and Tamale Children's Homes.

**Poverty Reduction**

703. Two hundred and twenty-five people with disabilities were trained in various employable skills at DSW's Vocational Training Centers. Approximately, 285,824 beneficiaries received cash grant under the LEAP Programme.

704. Average Cash Grant payment under LEAP was increased by 300 per cent from an average of GH¢12.00 to GH¢36.00 as at August, 2012. Both LEAP coverage and beneficiary households also increased from 95 to 98 Districts, and from 68,557 (2011) to 71,456 households respectively.
705. Ghana Labour-Intensive Public Works Policy was developed in collaboration with the Ministry of Local Government and Rural Development and other social partners. About 22,873 temporary jobs were created in 40 districts during the first pilot phase of implementation.

### **Outlook for 2013**

#### **Skills Development for Employment Creation**

706. Mr. Speaker, the NVTI, MDPI, OIC and ICCES will jointly train a total of 42,531 persons in various trade areas. NVTI and MDPI will collaborate with the Ghana Statistical Service to complete the Labour Demand Survey and conduct "Tracer Studies" to determine the number of 2012 trainees in gainful employment and in the segment of the economy in which they are.
707. Mr. Speaker, one major area identified for job creation is the oil and gas sector. In this regard, the Ministry will collaborate with the Ministry of Energy and COTVET to deepen the on-going off-shore and on-shore oil and gas skills training programmes. It is projected that about 2,400 Ghanaians will be trained out of which 76-85 per cent will be directly employed by companies operating in the Jubilee Oil Fields.

#### **Retooling of Skills Training Institutions**

708. Mr. Speaker, to position the employable skills training institutions under the Ministry to meet the skills demand of the Ghana labour market and enhance job creation, 39 NVTI, 5 OIC and 40 ICCES training centres will be re-tooled with state-of-the-art equipment. The re-tooling will principally focus on replacement of obsolete equipment/machinery.

**Labour Administration**

709. Mr. Speaker, the Ministry, in collaboration with organized labour and other social partners, will strengthen existing "early warning system mechanisms" to reduce labour agitations in all segments of the economy.
710. Mr. Speaker, the protection of the rights of the working people of Ghana and the promotion of their well-being are of prime interest to Government. To this end, the Labour Department and the Department of Factories Inspectorate will be provided with adequate logistics to conduct regular labour and factory inspections.

**Labour Market Information System (LMIS)**

711. Mr. Speaker, in collaboration with the Ghana Statistical Service, TUC, Employers Association, and National Development Planning Commission, the Ministry will put in place a Labour Market Information System and establish a functional data base on labour statistics for a more effective national development planning.
712. Mr. Speaker, to facilitate equal access to employment opportunities for job seekers, 25 existing public employment centres under the Labour Department will be rehabilitated and provided with adequate logistics. The institutional capacity of the Labour Department will also be strengthened to play a more effective labour migration management role.

**Co-ordination of National Employment Interventions**

713. Mr. Speaker, as part of its new mandate, the Ministry will co-ordinate all public and private sector employment interventions and establish a functional national database on employment creation in all segment of the economy. A national employment rationalization exercise will also be conducted to investigate the extent of impacts of current public employment interventions on aggregate economic growth and development.

**Public Service Pay Management**

714. Mr. Speaker, the Ministry will undertake comprehensive public education and sensitization on public service pay management to deepen public understanding, build national consensus on critical components relating to

payment of "market premiums" and categories 2 & 3 allowances and accelerate effective SSPP implementation. In addition, productivity index and labour market surveys will be conducted in collaboration with GSS, NDPC and MDPI to provide the necessary data for evidence-based decision making on payment of "market premiums" and other related allowances.

715. Mr. Speaker, for the implementation of the above activities a total amount of GH¢61,229,880 been allocated. This is made up of GoG is GH¢54,968,970, SIP is GH¢1,000,000, and GH¢5,260,910 is IGF.

## **ADMINISTRATION SECTOR**

### **Ministry of Foreign Affairs and Regional Integration**

716. Mr. Speaker, the Ministry is responsible for the formulation of foreign policy and implementing its objectives in the most efficient and cost-effective manner. In this regard, the Ministry establishes, develops and sustains international goodwill and solidarity.

#### **Performance in 2012**

717. Mr. Speaker, the Ministry succeeded in deepening the trust and goodwill that Ghana continues to enjoy within the international community. This created favorable perception about Ghana and influenced its ability to promote the international interest abroad and work with the international community on a wide range of international issues. Among the interventions of the Ministry were the following:

#### **Policy of Good Neighbourliness**

718. Mr. Speaker, the Ministry pursued the policy of "Good Neighbourliness", which aims at promoting peace and stability in the sub-region by building mutual trust, cordial relations and confidence between Ghana and its neighbours. Common challenges to development across national frontiers, including money laundering and the illicit trafficking in small arms and weapons, drugs and children across national frontiers were addressed.

**Support for the African Union (AU)**

719. Mr. Speaker, the Ministry coordinated Ghana's participation in the deliberations of the AU at the level of the Assembly of the Heads of State and Government as well as the Council of Ministers. Ghana's commitment to efforts in defining the way forward in achieving unity and deeper integration on the African continent through a united agenda built on shared values of political governance, democracy, rule of law and human rights were also articulated.
720. Furthermore, Ghana joined in the preparations for the celebration of the 50<sup>th</sup> anniversary of the OAU/AU due in 2013 and also engaged its economic partners within the ECOWAS arrangement with the aim of promoting greater and freer trade and movement of persons, goods and services within the community.

**Joint Commissions for Cooperation**

721. Mr. Speaker, the Ministry reviewed the functioning of Joint Commission for cooperation to rationalise their effectiveness as frameworks for promoting bilateral cooperation and regional integration. The Ministry convened Joint Commission Sessions with Benin and La Cote d'Ivoire which resulted in the elimination of some constraints to sub-regional trade.

**Economic Diplomacy**

722. Mr. Speaker, Government's policy to harness opportunities of diplomacy to promote both traditional and non-traditional trade and attract foreign direct investment was vigorously pursued. In line with this, the Ministry collaborated with other MDAs to achieve the national objective of diversifying and expanding the export base by actively seeking markets for Ghanaian products abroad while taking full advantage of preferential arrangements and the advantages that could accrue from multilateral trade agreements.
723. The Ministry in collaboration with Ghana Missions abroad, foreign diplomatic Missions in Ghana and the various MDAs facilitated the conclusion of a number of bilateral economic cooperation agreements and

coordinated the participation of Ghanaian companies in trade and tourism fairs abroad.

### **Multilateral Diplomacy**

724. Mr. Speaker, with the view of seeking solutions to the challenges confronting international peace, stability and development at the sub-regional, continental and global levels, Ghana participated effectively in summits, meetings, conferences and workshops such as the 67<sup>th</sup> UN General Assembly Session, the 16<sup>th</sup> Summit of the Non-Aligned Movement (NAM) in Tehran and the 7<sup>th</sup> African Caribbean and Pacific (ACP) Summit in Malabo, Equatorial Guinea.

### **Welfare of Ghanaian Citizens Abroad**

725. Mr. Speaker, the Ministry continued to protect and promote the welfare of Ghanaian nationals abroad by providing consular assistance in matters such as travel documents, arrests and detentions, burial of deceased Ghanaians, processed appeals, complaints and petitions brought by Ghanaian citizens against Foreign Embassies, International Organizations and individuals to ensure justice and respect for their human rights.

### **Outlook for 2013**

726. Mr. Speaker, the Ministry will strengthen Ghana's bilateral diplomacy and sustain a fund of trust and goodwill among principal political and economic actors abroad in order to influence and improve favorable perceptions about Ghana.
727. The Ministry will develop, coordinate and articulate Ghana's negotiating positions at regional, continental and international conferences with the aim of promoting international peace, security and sustainable development. The Ministry will also sensitize the public on ECOWAS protocols and decisions to strengthen consultations between the ECOWAS national focal point, stakeholder MDAs and the private sector to address bottlenecks to the free movement of goods and services within ECOWAS.
728. The Ministry will continue to mobilize Ghanaian communities abroad to participate in national development and also promote and protect their

welfare; provide consular services and negotiate migration partnership agreements with destination countries.

729. Mr. Speaker, for the implementation of the above activities, an amount of GH¢110,229,048 has been allocated. Out of this, GH¢95,645,888 is GOG, and GH¢14,583,160 is IGF.

### **Ghana Audit Service (GAS)**

#### **Performance in 2012**

730. Mr. Speaker, the Service completed and presented to Parliament within the statutory timeframe the reports on the Public Accounts of Ghana for 2011.
731. Furthermore, the Service completed 2,330 audits of MDAs and their respective cost centers, 498 Educational Institutions, 149 MMDAs, 66 Traditional Councils, 34 direct audits, 110 review audits and also undertook performance and IT audits.

#### **Outlook for 2013**

732. Mr. Speaker, operational gaps identified by the Service and other areas of concern to key stakeholders including Government, Parliament and Development Partners have been integrated into the plans and activities of the Service for the year. These are the audit of the public accounts (consolidated fund), procurement audit and contract administration, as well as computerized and electronic systems audit.
733. In addition to the above, revenue management audit (including the proceeds of taxation, grants, oil and gas exploration), performance audit (including audit of physical infrastructure projects which featured in the Public Expenditure and Financial Accountability (PEFA) Assessment), management of the public debt and loans/advances, Capitation Grant and



School Feeding Programme and performance of international audit assignments will also be pursued.

734. Mr. Speaker, the Service will also continue its traditional audit to promote good governance and accountability for the tax payer, contribute to national development through the audit function as well as report on significant exceptions to Parliament and together with the PAC follow-up to resolve outstanding issues in the Auditor-General's report.
735. Mr. Speaker, for the implementation of the above activities an amount of GH¢51,552,918 has been allocated. Out of this, GH¢38,087,000 is GoG, GH¢28,410 is IGF and GH¢13,465,918 is from Donor.

## **National Labour Commission**

### **Performance in 2012**

736. Mr. Speaker, the Commission engaged social partners in training seminars and workshops to sensitize and strengthen them in social dialogue and tripartism as spelt out in the Labour Act 2003, Act 651.
737. The Commission fully settled 151 complaints from individuals, trade unions, workers associations, employers and employees. In addition, 170 outstanding cases rolled over from 2011 were also settled. The Commission also referred 77 cases involving over 500 workers for mediation and voluntary arbitration.

### **Outlook for 2013**

738. Mr. Speaker, the Commission will step up its activities by using effectively the Alternative Dispute Resolution (ADR) processes, to settle most of the complaints filed with it. In addition, the Commission will strengthen its institutional capacity and that of mediators and arbitrators.
739. The Commission through seminars and workshops will also build the capacity of employers and workers in the public sector on the provisions of Act 651 so as to minimize agitations by public sector workers.

740. In order to reach a wider stakeholder population, the Commission will embark on regional tours and also produce a docudrama on the provisions of the Labour Act 2003, (Act 651) which will be aired on electronic media to sensitize social partners.
741. Mr. Speaker, for the implementation of the above activities an amount of GH¢2,084,623 has been allocated. Out of this, GH¢1,784,623 is GOG, and GH¢300,000 is ABFA.

### **Ministry of Information**

742. Mr. Speaker, the Ministry facilitate a two way free flow of timely and reliable information and feedback between the Government and the general public.

### **Performance in 2012**

#### **National and Regional Policy Fairs**

743. Mr. Speaker, the Ministry organized the third National Policy Fair in April, 2012 where 120 MDAs and MMDAs participated. This helped to bring governance closer to the people and went a long way to strengthen Government's policy of transparent and accountable governance.
744. In furtherance of the decentralization and democratization processes, Regional Policy Fairs were held in the Brong-Ahafo, Western and Eastern regions at which MDAs and MMDAs participated in each of the fairs.

#### **Meet-the-Press Series**

745. Mr. Speaker, the Ministry during the year under review, organized meet-the-press series for almost all the Ministries which helped in better explaining the various MDA's projects and programmes to the general public. It also facilitated closer interaction of Government and the media and brought about better appreciation of Government policies and activities through the mass media.

**Public Education Campaign on the Budget**

746. Mr. Speaker, the Ministry embarked on public education on the year's national budget which provided feedback to Government and led to overwhelming appreciation of the budget at the grass root level.

**Outlook for 2013**

747. Mr. Speaker, the Ministry will ensure the free flow of information by organizing one national and 5 regional Policy Fairs to continue showcasing Government policies, projects and programmes to improve Government information dissemination and management.
748. The Ministry will continue the 'meet-the-press' series to ensure interactions between ministries, departments and agencies of Government on one hand, the media and the general public on the other.
749. Mr. Speaker, the Ministry will embark on public education on this year's national budget to give a better understanding at the grass root level as well as provide feedback to Government. In addition, the enactment of the broadcasting and right to information Bills will also be pursued.
750. Mr. Speaker, for the implementation of the above activities, an amount of GH¢41,670,827 has been allocated. Out of this GH¢20,030,957 is GoG, GH¢2,000,000 is SIP and GH¢19,639,870 is IGF.

**Electoral Commission**

**Performance in 2012**

751. Mr. Speaker, in the year under review, the Commission successfully conducted the biometric voter registration, displayed the provisional voters' register (Exhibition) nationwide and conducted Presidential & Parliamentary Elections.

### **Outlook for 2013**

752. The Commission will expand and maintain its VSAT Wide Area Network to support continuous registration of voters. Furthermore, youth groups, civil society organisations and schools will be educated on the electoral process and its purpose
753. Mr. Speaker, for the implementation of the above activities, an amount of GH¢21,228,757 has been allocated. Out of this, GH¢21,228,757 is GoG.

### **Parliament of Ghana**

754. Parliament discharged its constitutional mandate of passage of the required legislations.

### **Performance in 2012**

755. Mr. Speaker, a total number of 369 Papers/Bills were presented to the House and 216 were processed and passed representing 58.5 percent. The 153 others were put on hold to be considered after further documentations were complete.
756. Additionally, the Constitutional Instrument for the creation of 45 new constituencies (C.I 78) was laid, with other Legislative Instruments (L.I.s), loan agreements, and reports from the Committees of the House which worked with Ministries, Departments and Agencies (MDAs).
757. Mr. Speaker, the Public Accounts Committee reported to Parliament on a number of Auditor-General's reports submitted to the House pursuant to Article 187 of the Constitution. The Committee held 10 public sittings to consider the Reports of the Auditor-General in Accra. The Committee also held 5 in Kumasi and Takoradi aimed at bringing Parliament closer to the people.

758. Mr. Speaker, work on the rehabilitation of the Job 600 building project and the e-Government project to upgrade the ICT infrastructure on the floor of the House to improve Parliamentary Business are ongoing.

### **Outlook for 2013**

759. Mr. Speaker, Parliament will complete the establishment of a Fiscal Analysis Office (FAO) to provide in-house capacity on fiscal, financial and budget analysis to enhance the performance of its legislative, representation and oversight functions.
760. The capacity of the existing Chamber is inadequate to accommodate the expanded membership and lack standard facilities. In view of this, feasibility studies for the construction of a new chamber will begin this year.
761. Mr. Speaker, Parliament will continue the major projects on Job 600. The projects lined-up include the electronic component of the building, refurbishment and the implementation of an e-Parliament system.
762. Mr. Speaker, for the implementation of the above activities an amount of GH¢109,293,102 has been allocated. Out of this, GH¢47,369,491, is GOG, GH¢20,000,000 is SIP and GH¢41,923,611 is from Donor.

## **Public Services Commission**

### **Performance in 2012**

763. Mr. Speaker, the Commission together with Office of the Head of Civil Service (OHCS) developed a Human Resources Policy Framework and Manual. The objective is to streamline human resource activities in the public services.
764. A Scheme of Service for 15 public service organizations aimed at handling issues of career progression and training needs of staff was developed by the Commission. In addition, it also facilitated the training in performance

management for 25 public services institutions with the view of improving the skills of human resource practitioners in the public services.

### **Outlook for 2013**

765. Mr. Speaker, the performance management policy framework and manual and efficient monitoring and evaluation systems will be developed to address the issue of the standardize performance indicators and targets. It is expected to ensure an effective and efficient supervision and monitoring of human resource activities in the public services. The manpower audit to rationalize staff in the public services will continue.
766. Mr. Speaker, for the implementation of the above activities an amount of GH¢5,052,559 has been allocated. Out of this, GH¢2,182,198 is GOG, GH¢28,410 is IGF and GH¢2,841,951 is from Donor.

### **Ministry of Chieftaincy & Culture**

767. Mr. Speaker, Article 272 of the 1992 Constitution mandates the National and the 10 Regional Houses of Chiefs to undertake the progressive study, interpretation and codification of customary law with the view to evolving, in appropriate cases, a unified systems of rules of customary law, and compiling the customary laws and lines of succession applicable to each stool or skin.

### **Performance in 2012**

768. In pursuit of this mandate, the Ministry undertook the "Research and Codification into Lines of Succession Applicable to stools/skins" Project in 30 Traditional Areas and the "Research, Ascertainment, and Codification of Customary Laws" in 20 Traditional Areas.
769. Mr. Speaker, phase one of "Ascertainment of Customary Law Project" relating to family and land in Ghana has been successfully completed. Eleven (11) Lines of Chieftaincy Succession have been legislated by Parliament with 17 additional Lines verified and sent to Parliament for Passage into Law.

770. The Judicial Committees of the National and Regional Houses of Chiefs were able to resolve 150 cases amicably out of 650 cases received during the year under review. The ministry established 3 traditional councils to facilitate the execution of the functions and responsibilities of the Paramountcies in the Nungua, Ngleshie-Alata and Osu traditional areas following their elevation to Paramountcies.

### **Outlook for 2013**

771. The Ministry will continue with the research and codification into lines of succession in 30 Traditional Areas. It is intended that 30 Traditional Areas would be tackled each year.
772. The Ministry intends to continue the second and third phases of the Ascertainment and Codification of Customary Law Project relating to Family and Land in Ghana. The third phase of the project which involves validation, harmonization and codification of customary laws pertaining to family and land when completed will reduce land and chieftaincy disputes.
773. The Ministry will continue to embark on quarterly monitoring visits to the 10 Regional Houses of Chiefs and the National House of Chiefs to ensure effective implementation of programmes and projects to achieve the set goals of the Ministry.
774. For the implementation of the above programmes and activities, an amount of GH¢ 19,250,153 has been allocated. Out of this, GH¢19,250,153 is GOG.

## **National Commission for Civic Education**

### **Performance in 2012**

775. Mr. Speaker, the Commission organized public campaigns through radio and television and also initiated the formation of 180 Inter-Party Dialogue Committees at the regional and district levels for stakeholders in the

resolution of conflicts that had the potential to negatively affect the smooth conduct of the 2012 general elections. It also embarked on intensive community mobilization for massive participation in the biometric voter registration exercise.

776. The Commission held an inaugural Democracy Lecture at the Accra International Conference Centre (AICC) on the topic "Building a Peaceful, Democratic, Non Partisan and Prosperous African State: Understanding where African Leaders Have Gotten it Wrong". The Commission also conducted a three-day sensitization workshop for 200 youths on drug abuse and drug trafficking.

### **Outlook for 2013**

777. Mr. Speaker, the Commission will conduct leadership workshops for the youth, women and people with disabilities (PWDs) to create awareness about the negative effect of drugs. It will also sensitize the public on gender and equity, local governance reforms, local government bye-laws and the state of sanitation in Ghana.
778. Mr. Speaker, for the implementation of the above activities an amount of GH¢18,103,149 has been allocated. Out of this, GH¢18,103,149 is GoG.

## **National Development Planning Commission**

### **Performance in 2012**

779. Mr. Speaker, in pursuit of the mandate of the National Development Planning Commission (NDPC), the following major activities were embarked upon:
780. The Commission prepared the 2011 National Annual Progress Report, vetted the sector and district Annual Progress Reports, prepared the National M&E Manual, the National Infrastructure Plan and also assisted MDAs and MMDAs in the preparation of their sector plans.



781. A Baseline Assessment Study Dissemination Workshop to provide feedback on M&E Plans was organized by the Commission. The preparation of a successor to the GSGDA is also on-going.

### **Outlook for 2013**

782. Mr. Speaker, to enable the Commission fully discharge its functions, it will recruit additional 45 new staff to augment the staffing position. Four substantial Directors for the 4 main units of the Commission will also be employed.
783. In line with the preparation process of a successor to the GSGDA, consultative meetings with stakeholders will continue.
784. Mr. Speaker, for the implementation of the above activities an amount of GH¢8,994,734 has been allocated. Out of this, GH¢5,561,434 is GOG and GH¢1,500,000 ABFA, GH¢1,933,300 is from Donor.

## **Ministry of Local Government and Rural Development**

### **Performance for 2012**

#### **Local Government Service and Decentralisation**

785. Mr. Speaker, as part of Government's commitment to deepening democracy and local development, 46 new districts were created.
786. Based on the human resource capacity and physical infrastructure audit report, the Service recruited 2,602 LGS professional staff. Appointment and postings of District Coordinating Directors (DCDs) and Heads of Departments are on-going. This is geared towards developing and retaining human resource capacity at national, regional and district levels. Additionally, the secretariat developed, validated, printed and distributed HR policy, scheme of service, conditions of service and HR recruitment guidelines for members of the LGS and the MMDAs.

787. Reports on the revision, amendment and consolidation of all local Government legislation issues to ensure consistency in the implementation of Acts 462, 656 and L.I. 1961 by a team of experts were completed. The revisions of these relevant Acts were to facilitate inter-service collaboration of the Local Government System.

**District Development Facility (DDF)**

788. Generic Capacity Building Component of the DDF- Generic training programme for 10 thematic areas identified by FOAT 2006, 2008 & 2009 targeted for all MMDAs were carried out and training manuals for 11 new thematic areas under 2008 FOAT were drafted (LGSS & ILGS).
789. An amount of GH¢69 million was disbursed to MMDAs based on the 2009 FOAT assessment results. The 2010 FOAT Performance Assessment which includes further assessment of MMAs for UDG was also completed.

**Ghana School Feeding Programme (GSFP)**

790. The Programme is currently covering 1,582,402 pupils in 4,545 schools. In the year under review, the Programme collaborated with the National Food and Buffer Stock Company (NAFCO) to supply local rice to feed all beneficiary schools. It also conducted a situational analysis on the nutrition status of food supplied to beneficiary schools and trained service providers in food safety.

**Community Development**

791. Mr. Speaker, the Department effectively and efficiently implemented the formal apprenticeship/tracer programmes for 24No. Community Development Vocational and Technical Institutes (CDV/TIs) to enhance human resource capacity. In addition, 2 workshops were organised on Competency Based Training Skills for 437 trainees.

**Births and Deaths Registry**

792. Mr. Speaker, total registration of births in the year under review was 715,271. This comprises 426,143 fresh registrations and 289,128 late registrations. Total registration of deaths stood at 88,972 consisting of 54,286 fresh registrations and 34,686 late registrations.

**Department of Parks and Gardens**

793. Mr. Speaker, the Department supplied 21,500 tree seedlings to schools and other organized people in the communities to undertake tree planting. Maintenance of all landscaped areas of all roundabouts, road medians and road shoulders in the cities and towns, Castle Gardens, State House, Flagstaff House, Asomdwee Park and Peduase Lodge were all carried out.

**Environmental Health and Sanitation**

794. Two engineered landfills were completed in Tema and Sekondi/Takoradi. A 900 ton capacity recycling and compost plant at Adjen Kotoku in the Ga West Municipality under a public private partnership with Zoomlion was completed and is operational.

**Centre for Urban Transportation**

795. Mr. Speaker, the Centre collaborated with the Ministry of Transport and the Urban Development Unit to develop the Road Traffic Regulations. The Centre also organized a workshop on the integration of the urban passenger transport units of the participating MMAs as transport departments under LI 1961. It also facilitated the formation of urban passenger transport units in the participating MMAs and provided advisory services on non-motorized transport for Tema Metropolitan Assembly.

**Local Enterprises and Skills Development Project (LESDEP)**

796. Mr. Speaker, under the project, 44,735 beneficiaries out of a total registration of 68,073 were provided with skill training in vocational, entrepreneurship and business development services. The trainees were also provided with set-up equipment to start their own businesses in various trades. LESDEP set-up over 6,249 trainees with production equipment to start their own businesses in various trades and also provided 15 trucks to the Ghana Co-operative Butchers Association to help reduce transportation cost and make meat more accessible, hygienic and cheaper for the people.

## **Outlook for 2013**

### **Local Government Service**

797. Mr. Speaker, the Service will establish regional HR departments, 150 MMDAs HR Units and District Works Department in all MMDAs. It will also integrate departments under Schedule II of L.I. 1961 into the MMDAs and develop sector-wide results based M&E system for all RCCs and MMDAs to establish baseline indicators as well as implement the report on LG legislations review.
798. The Service will establish Management Information System (MIS) in the LGS Secretariat and HR database Management System (HRDBMS) to be linked with 10 selected MMDAs as a pilot programme.

### **District Development Facility**

799. Mr. Speaker, the secretariat will recruit consultants to conduct 2012 FOAT assessment for both DDF and UDG and disburse funds to MMDAs based on 2011 FOAT assessment results.

### **Ghana School Feeding Programme**

800. Mr. Speaker, the National School Feeding Policy will be launched and implemented. The programme will also collaborate with NAFCO to introduce other food commodities other than rice.

### **Department Of Community Development**

801. Mr. Speaker, in pursuance of its mandate, the Department of will transfer employable and sustainable skills to 6,000 youth through TVET. The scholarship programme shall be extended to additional 300 girls from poor households in 59 selected District Assemblies. Vocational and entrepreneurial skills training will be provided for 800 rural community groups. In addition, the Department will organize income generating activities for 400 rural community groups and train 120 community educators at Rural Development College.

### **Births and Deaths Registry**

802. Mr. Speaker, the Births and Deaths Registry will continue to provide vital statistics by way of demographic data for development planning. It will

also improve registration coverage in the country and expand the Community Population Register Programme. Additional Registration centres in rural communities will be established and the computerization programme of the Registry completed.

**Department of Parks and Gardens**

803. Mr. Speaker, the department will collaborate with the Botany Department of the University of Ghana and other stakeholders to document the country's flora and fauna. It will further develop and maintain a national information facility for sharing digital biodiversity data, initiate programmes to identify threatened economic and ornamental plants for multiplication and conservation. In addition, the department will promote public education on their conservation and importance of plants for human survival.

**Environmental Health and Sanitation Unit**

804. Mr. Speaker, the Unit will continue to expand Community Led Total Sanitation Strategy (CLTSS) to cover all regions and roll out results based M&E system for environmental sanitation. It will also develop Public - Private Partnership interventions in waste management, IE&C materials and also implement awareness raising activities at National, Regional and District levels aimed at changing attitudes and behaviour of citizens on environmental sanitation.

**Centre for Urban Transportation**

805. Mr. Speaker, the Centre will review benchmark indicators for the Ghana Urban Transport Project and conduct research into current transportation trends, challenges and sustainable transport systems.

**Local Enterprises and Skills Development Project (LESDEP)**

806. Mr. Speaker, the program will be expanded to cover 60,000 beneficiaries. Needs assessment will be conducted to determine new viable businesses in 4 regions. The development of the monitoring and evaluation framework will be finalized.
807. Mr. Speaker, for the implementation of the above activities an amount of GH¢1,596,782,851 has been allocated. Out of this, GH¢162,684,507 is

GOG, GH¢90,000,000 is SIP, GH¢5,000,000 is ABFA, GH GH¢189,811,394 is from Donor, and GH¢1,149,286,950 is DACF.

## **Office of Government Machinery**

### **Performance in 2012**

#### **Office of the Head of the Civil Service**

808. Mr. Speaker, the Office of the Head of the Civil Service organized a sensitization workshop on the revised Annual Performance Reporting System for MDAs with the aim of improving the performance assessment report of the Ghana Civil Service. In addition, the Annual Performance Report on the activities of all MDAs and RCCs for the year 2011 was prepared and submitted to the Office of the President.

809. The Office of the Head of Civil Service with the support of the Office of the President organized a one week induction course for the newly appointed Chief Directors of the Civil Service. In addition, the signing of Performance Agreement by Chief Directors to assess their performance was re-introduced.

#### **Scholarships Secretariat**

810. Mr. Speaker, approximately **Gh¢26.3 million** was released by the Ministry of Finance and the Ghana Education Trust Fund (GETfund) to the Secretariat to administer various scholarships at the senior high school and tertiary institutions, in pursuit of Government's objective of human resource development for sustainable national growth and development.

#### **National Pensions Regulatory Authority**

811. Mr. Speaker, the Basic National Social Security Scheme and the Occupational and Personal Pensions Schemes (General) Regulations were completed, passed into law and gazetted. Orientation and sensitization workshops were held for organized labour, employers, service providers, senior officials of MDAs, security services and the general public on the Three-Tier Contributory Pension Scheme.

**Internal Audit Agency**

812. Mr. Speaker, the Agency assisted the National Health Insurance Authority in their regional financial and operational audits of the Mutual Health Insurance Schemes around the country. It also facilitated and promoted the establishment and functionality of the Audit Report Implementation Committees. Nine new ARICs were established while three existing ARICs were reconstituted bringing the total to 302.

**Microfinance and Small Loans Centre (MASLOC)**

813. Mr. Speaker, MASLOC disbursed an amount of GH¢24.9 million as direct loans to 52,922 beneficiaries comprising GH¢2.9 million as individual loans (Small loans and school feeding) and GH¢21.9 million as group loans (microcredit). Total income realized from interest and processing fees amounted to GH¢2.2 million. A total of 1,000 outboard motors were distributed to fishermen in all the fishing communities in Ghana for the fishing industry. It is estimated that, at least 13,000 new direct jobs and additional 20,000 indirect jobs were created.

**Ghana Aids Commission (GAC)**

814. Mr. Speaker, Ghana's HIV epidemic is classified as a low prevalence epidemic with pockets of high prevalence in certain populations. According to the 2011 HIV Sentinel Survey Report, the estimated adult national HIV prevalence in Ghana remains at 1.5 per cent.

815. A total of 3,934,449 people were reached with HIV messages and information through activities implemented under the NSP 2011-2015. Some of these activities include community outreach and mobilization for HIV tests and counseling through the 'Know your status campaign', working with the media on Stigma and Discrimination and film shows and drama.

**PRAAD**

816. Mr. Speaker, PRAAD developed a (Draft) Records Management Policy/ Regulations. Training programmes were also held for middle level personnel of the Civil Service at the Civil Service Training Centre. In addition, Orientation course was organised for newly recruited records class staff. Appraisal of semi current records at the National Records

Centre to ascertain their value as well as decongest the records centre is currently on-going.

**National Population Council (NPC)**

817. Mr. Speaker the NPC was actively involved in the analysis of the 2010 Population and Housing Census data with respect to the publication of the main and thematic reports.
818. The final report of a research on Tourism, Sexual Violence and HIV & AIDS in selected districts in the Central and Greater Accra was also produced. The Council also produced a Population Stabilization Report with the support of Partners in Population and Development (PPD). A draft National Migration Policy was developed in collaboration with the Centre for Migration Studies at the University of Ghana.

**Outlook for 2013**

**Office of the Head of Civil Service**

819. Mr. Speaker, the OHCS will implement programmes aimed at transforming the Civil Service into a modernized, customer-sensitive public organization providing world class services and policy advice. To achieve these objectives, the Office will develop a comprehensive Civil Service Human Resource Plan for efficient management of the Service.
820. The Office will also create a comprehensive HR database on all Civil Servants to facilitate efficient human resource planning and management and operationalize the Annual Performance reporting system.

**Scholarships Secretariat**

821. Mr. Speaker, the Scholarships Secretariat will continue to deliver its programmes of providing scholarships for brilliant but needy students at all levels and at a minimum access cost, for the development of high level human resource base to meet the nation's manpower needs for sustainable growth.
822. Monitoring of awardees, both local and foreign, will be intensified to ensure their academic progress and return home upon completion. The



Secretariat will, in addition, continue to collaborate with the Ministry of Foreign Affairs and Regional Integration and its missions abroad and other relevant bodies, to explore more avenues for bilateral and multilateral scholarship awards for the benefit of Ghanaians.

**National Pensions Regulatory Authority**

823. Mr. Speaker, the National Pensions Regulatory Authority will develop, promote, sensitize, regulate and monitor the operations of the pensions industry. It will also establish guidelines and procedures on Pension Administration and unify all pensions in the country.

**Internal Audit Agency**

824. Mr. Speaker, in line with the Agency's mandate, it will continue to contribute to the improvement of transparent and accountable governance, re-brand the internal audit activity for improved visibility, public acceptability and support. In addition, the Agency will also effectively promote internal audit practice, increase public access to information on internal audit activities and create a congenial environment for high performance work and position managements of MDAs and MMDAs to actively support internal audit practice.

**Microfinance and Small Loans Centre (MASLOC)**

825. Mr. Speaker, to consolidate the value chain in the fishing sector, MASLOC plans to finance the construction of Cold stores at James Town. It will also acquire 1,000 outboard motors and fishing nets to support the fishing industry.

826. MASLOC will collaborate with special agencies and experts to intensify training of credit officers in best microfinance lending operations to build the capacity of staff and management in agricultural financing, especially value chain financing in agriculture.

**Ghana Aids Commission (GAC)**

827. Mr. Speaker, the Commission will scale up coverage of Prevention of Mother-to-Child Transmission (PMTCT) towards elimination target by 2015; strengthen coordination and management of the national response; sustain political commitment through active engagement of

parliamentarians and chiefs; intensify media advocacy; strengthen coordination and implementation arrangements at regional and district level; and intensify prevention interventions among key population and vulnerable groups (youth, women and children, MARPs, PLHIV etc.).

**PRAAD**

828. Mr. Speaker, PRAAD will decongest 10 Record Offices of semi-current records at the Ministries of Justice and Attorney General's Department, Local Government and Rural Development, Finance, Water Resources Works and Housing, Lands and Natural Resources and Transport.
829. It will restructure and establish Classification Systems in 5 MDAs/MMDAs and also train staff in the use of the classification systems and other records management procedures.
830. An Electronic Records Management Unit will be established and a training programme organized for public service personnel in Electronic Records Management.

**National Population Council**

831. Mr. Speaker, the Council will update demographic database on population and development which will include the revision of Population and Reproductive Health Policies together with key demographic indicators and population goals, targets and strategies.
832. Furthermore, it will create awareness on the implications of population dynamics on development through effective advocacy; support development of programmes on key emerging issues such as urbanization, migration and climate change.
833. Mr. Speaker, for the implementation of the above activities an amount of GH¢312,345,521 has been allocated. Out of this, GH¢275,609,541 is GOG, GH¢966,650 is Donor, GH¢20,000,000 is ABFA and GH¢15,769,330 is IGF.

## **National Media Commission**

### **Performance in 2012**

834. Mr. Speaker, the Commission undertook strategic interventions to ensure the media performed professionally during the elections. In addition, the Commission published guidelines aimed at bringing sanity into political advertising.

### **Outlook for 2013**

835. Mr. Speaker, the Commission will bring renewed focus on improving media regulation, especially in conflict sensitive areas to promote peace, harmony and national development. The Commission will also work to ensure the early passage of the broadcasting bill which will help the NMC in the delivery of its mandate.
836. Mr. Speaker, for the implementation of the above activities an amount of GH¢2,560,322 has been allocated. Out of this, GH¢2,560,322 is GoG.

## **Ministry of Finance**

### **Performance in 2012**

#### **Economic Strategy Programme**

##### **Formulation and Implementation of Macroeconomic Policies**

837. Mr. Speaker, in the year under review, the Ministry produced economic indicators and reports on the state of the economy in general. The Ministry together with the IMF and other multilateral & bilateral partners undertook the sixth and final review of the implementation of Extended Credit Facility Agreement with Ghana.

**Accessibility and use of existing database for policy formulation, analysis and decision making.**

838. Mr. Speaker, the Ghana Statistical Service (GSS) focussed on the implementation of the 2010 Population and Housing Census activities; conducted a User Satisfaction Survey, commenced training and fieldwork for the sixth round of the Ghana Living Standards Survey (GLSS6) with a Labour Force (including Child Labour) module.
839. In order to strengthen coordination and collaboration among statistics producing institutions in the country, a draft statistics bill to replace the existing Statistical Service Law (135) was submitted to Cabinet.

**Financial Sector and Capital Markets**

840. Mr. Speaker, the Ministry, in accordance with section 6(d) of Act 749 and Regulation 38 of L.I.1987, developed and issued Guidelines for financial sector practitioners. The Guidelines incorporated in it essential elements of the Anti-Money Laundering Act and Regulations.
841. Mr. Speaker, the National Insurance Commission embarked on the process of developing a new regulatory framework for the supervision of the insurance sector in Ghana.
842. Mr. Speaker, with the aim of providing avenue for SMEs to access the capital market, the Ghana Stock Exchange developed the framework, structure and rules for Ghana Alternative Market (GAX) which is a parallel market that will accommodate companies at various stages of their development, including start-ups and existing enterprises, both small and medium.

**Public Financial Management Programme**

**Resource Mobilization**

843. Mr. Speaker, the Ministry drafted the Petroleum Revenue Management Regulation and Legislative Instrument, and desk review of international best practices. The objective of the exercise was to increase revenue from the natural resource sector.

844. To reduce leakages through tax exemptions and expenditure, a research to estimate the amount of exemptions granted by Minerals Commission, MoFA, EPA and Diplomatic Missions was conducted.
845. Mr. Speaker, as a strategy to modernize domestic tax collection, taxpayers were segmented into Large, Medium and Small for easy monitoring to enhance revenue mobilization. About 70 percent of the full rollout of offices has been completed.
846. The Registration module of the Total Revenue Integrated Processing System (TRIPS) was completed and is operational. Taxpayer Identification Numbers (TIN) were issued to new taxpayers.
847. The Ministry continued to undertake tax audits of companies which resulted in the increase in revenue.
848. Mr. Speaker, the Ministry initiated action towards developing the Project Readiness Filter which will serve as a standard measure delineating actions required at various stages of project preparation, design, appraisal and loan negotiations.
849. Mr. Speaker, the implementation of the Capacity Development Mechanism (CDM) commenced with 11 public sector organizations. These organizations comprise 5 Central Management Agencies, 5 MDAs and 1 subvented Agency. The CDM Secretariat became operational, with the assignment of key staff to it.
850. The Ministry continued to deepen its engagement with DPs through political dialogue and technical coordination meetings within the context of fora such as the Consultative Group/Annual Partnership Meeting (CG/APM), MDBS reviews and retreat, quarterly technical programme meetings and periodic high level political dialogue.
851. The Government of Ghana and DPs entered into a ten year (2012 - 2022) Compact on Leveraging Partnership for Shared Growth and Development,

with the purpose of facilitating the smooth transition of Ghana to middle income country status.

### **Budget Management**

852. Mr. Speaker, the Ministry prepared and submitted for approval the Supplementary Estimates for 2012 and the 2013 Expenditure in Advance of Appropriation.
853. The Ministry also hosted a workshop on Fiscal Transparency and the PEFA Assessment Framework for representatives of member countries of the Collaborative African Budget Reform Initiative (CABRI).
854. Mr. Speaker, as part of the performance for the assessment, a field mission was undertaken in October and November 2012. Following this, various workshops were held with consultants with key stakeholders. A draft document was subsequently prepared and submitted to stakeholders for validation.

### **Payroll**

855. Mr. Speaker, biometric data capture of pensions and active employees was completed. Three regional payroll printing and data capture centres were also established to facilitate the payroll decentralization process.

### **Public Procurement**

856. Mr. Speaker, the assessment of procurement activities for 2011 of 1,000 procurement entities to ascertain their compliance level with the provisions of the Public Procurement Act, 2003 (Act 663) was undertaken.
857. Work on updating of the price database for common user items to provide a basis for value for money analysis was completed.

### **Public Investment**

858. Mr. Speaker, the Ministry coordinated efforts to reintroduce the Public Investment Programme (PIP) by developing a draft framework for the Public Investment Programme (PIP). The Ministry also conducted sensitization and awareness programmes on the PPP Policy.

### **Debt Management**

859. Mr. Speaker, the Ministry in 2012 pursued a policy of borrowing at a minimal cost and prudent levels of risk. The Medium Term Debt Strategy (MTDS) adopted a financing strategy where non-concessional terms were highly restricted to projects with high expected risk-adjusted rates of return. To control the growth of the public debt, loan guarantees to State Owned Enterprises (SOEs) was maintained at marginal levels to limit contingent liabilities.
860. To ensure a vibrant domestic debt market and active secondary market trading, the Primary Dealers' (PDs) performance was reviewed under the New Primary Dealer System.

### **Human Resource and Institutional Management Capacity Programme**

861. Mr. Speaker, to equip and sharpen the skills of staff on the processes and procedures of preparing and presenting cabinet memoranda, the Ministry organized a three-day capacity building programme for 120 of its senior officers to improve the quality of cabinet memoranda submitted to the presidency. The Ministry also prepared and submitted the 2011 Annual Progress Report to the National Development Planning Commission.

### **Outlook for 2013**

#### **Economic Strategy Programme**

##### **Formulation and Implementation of Macroeconomic Policies**

862. As part of measures to build capacity of practitioners' in the area of Finance and Economic Management, the IMF will set up a regional training institute in Ghana (AFRITAC WEST) this year.
863. In line with measures put in place towards the achievement of the West African Monetary Zone, Ghana was selected among other West African Countries to host the upcoming West African Central Bank (WACB) which comes into being in January, 2015. Implementation of a detailed programme to ensure that all the structures are in place to enable the bank to be functional by January 2015 will also commence.

**Accessibility and use of existing database for policy formulation, analysis and decision making.**

864. Mr. Speaker, the GSS will restore the Employment and Wages Survey to provide crucial up-to-date information on employment trends and wage rates in the formal sector. The Labour Force Survey, Agriculture Census, and Ghana Living Standards Survey will continue.

**Financial Sector and Capital Markets**

865. The insurance market institutions will be regulated under the new insurance legal and regulatory framework for the supervision of insurance in Ghana. A new regulatory regime for micro insurance products will be issued to increase client protection and ensure the continuous growth and sustainability of the micro insurance segment. The strengthening of the insurance industry will be continued through the increase in capitalization to expand the industry's risk capacity.
866. The Ghana Stock Exchange (GSE) will launch and commence operations on the Ghana Alternate Market. The GSE will deepen the market through more listings and improved liquidity.
867. The Financial Intelligence Centre will facilitate the creation of the necessary legislative framework to support the fight against money laundering, terrorist financing, proliferation of weapons of mass destruction and other financial crimes.

**Public Financial Management Programme**

**Resource Mobilization**

868. Mr. Speaker, efforts to shore up revenue such as special tax audits of companies will continue. A Special task force would be set up to monitor rent tax. The Preventive department of the Customs Division will continue to combat smuggling by injecting fresh officers into the department. The GCNET facility will be extended to other collections hitherto not covered as a means to increase revenue collection and reduce collection cost. A review of casino tax to streamline and regulate the activities of casinos to ensure efficient mobilization of casino revenue tax will be embarked upon.



869. The Ministry will incorporate incentives granted in the LI 1817 into the Income Tax Act, Act 592, to be managed by GRA. Also measures will be put in place to ensure the passage of the Tax Administration Bill, amendment to the Internal Revenue Act, amendment to the Customs, Excise and Preventive Service (Management) law and VAT amendment Bill to strengthen, harmonize and organize the procedures and processes for GRA to effectively mobilize revenue.
870. Mr. Speaker, the Ministry will continue to implement recommendations on reform of NTR to further improve its mobilization and management.
871. Additionally, the Ministry will ensure that all MDAs appoint focal persons and enforce section 5c of the Act 735 to drive revenue mobilization agenda in their organizations.
872. Mr. Speaker, to further strengthen NTR Management and transfers into the Consolidated Fund at Bank of Ghana, MOFEP will extend the GSM/GPRS e-monitoring system to more MDAs in the regions and Districts by the end of 2013 and in the operations of on-site/daily collection by banks on behalf of MDAs;
873. Mr. Speaker, the Ministry will develop the required guidelines for the implementation of the Ghana Aid Policy; develop a manual to streamline the mobilization and management of loans and grants; develop a harmonized GOG-DP activity calendar to streamline DP missions and engagement with GOG; develop a Division of Labour (DoL) matrix and develop mapping and coordination mechanisms in the aid architecture.
874. Mr. Speaker, the Ministry will continue with efforts to facilitate the procurement and installation of a Web-based information collection, tracking, analysis and planning tool.
875. Mr. Speaker, the number of Government Organizations to benefit from the Capacity Development Mechanism will increase from eleven (11) to sixteen (16). A total amount of GH¢3.3 million has been earmarked for the implementation of the various initiatives.

876. Mr. Speaker, the Ministry will finalize the Project Readiness Filter (PRF) for implementation to commence. The Ministry will organize workshops to sensitize stakeholders on the Filter, after which it will be operationalized.

**Budget Management**

877. Mr. Speaker, to improve the management of the budget and ensure efficient allocation of resources, the Ministry will undertake the following:

- build capacity of budget units of MDAs by organizing refresher courses for all budget and finance officers;
- develop budget manual to guide MDAs in budget preparation, execution and monitoring;
- undertake extensive gender responsive budgeting capacity building for budget officers within MOF and other identified agencies;
- intensify monitoring and evaluation of projects and programmes of MDAs to ensure the implementation of the budget in accordance with appropriation.
- prepare and present to parliament the 2014 Budget Estimates

878. Mr. Speaker, the success of every PFM reform hinges on solid and robust institutional and human capacity. In this regard, government will continue to support capacity building in key areas of PFM system for stakeholders at the central and local government levels.

879. The Cash Management Committee's activities will be strengthened to address challenges relating to cash management. The Multi-Donor Budget Support (MDBS) and Public Financial Management (PFM) platform will be exploited to resolve some of the challenges confronting the PFM systems.

880. Mr. Speaker, a series of validation workshops will be organized to complete the PEFA Assessment. The final report will be produced and published for dissemination to stakeholders. A series of dissemination workshops will also be carried out.

**Payroll and Treasury Management**

881. Mr. Speaker, the CAGD will complete the creation of the 3 Regional Data Capture Centres to enable all MDAs/MMDAs at the Regional levels directly key in their payroll data which will be linked to the central payroll. Payrolls of the MDAs and MMDAs will be printed in those Regions. The department will also complete the migration of the 22 remaining subvented organizations onto the IPPD system.
882. Mr. Speaker, to improve the treasury and payment system, the Ministry will develop a document-flow management system for treasury and administrative operations and the Treasury Single Account will be fully implemented.

**Public Procurement**

883. Mr. Speaker, the assessment of the procurement activities of procurement entities which is to ensure compliance with the provisions of the Public Procurement Act, 2003 (Act 663) will continue. It is planned that 1,000 entities will be assessed.
884. The Ministry will also continue with the processes for the amendments of the Act and promulgation of Regulations to the Act. Following the amendments and passage of the Regulations, sensitisation programmes will be organised for various stakeholders.

**Public Investment**

885. Mr. Speaker, to complement the National Policy on Public Private Partnership (PPP), a draft Bill will be submitted to cabinet.
886. For effective preparation and implementation of PPP, the Ministry will establish a Project Development Facility (PDF) in line with the emerging PPP programmes. The PDF will finance upstream investment appraisal, value for money assessments and other feasibility and safeguard studies.

**Debt Management**

887. Mr. Speaker, with the Country's attainment of middle income status and in the face of dwindling access to concessional resources, the Ministry will

continue to conduct and publish Debt Sustainability Analysis (DSA) and revise the Medium Term Debt Strategy (MTDS) to guide borrowing.

888. To improve accountability in line with effective debt management practice, the Ministry will continue to publish the Annual External Financing Report & the Public Debt Portfolio Report to inform the public on the status of the public debt and deepen relations with stakeholders.
889. As part of the Ministry's commitment to improving public debt management in Ghana, the draft borrowing guidelines will be finalised and disseminated to MDAs and the investor public to facilitate the process of procuring loans.

#### **Human Resource and Institutional Management Capacity**

890. Mr. Speaker, the Ministry will ensure that a conducive working environment is created to facilitate efficient and effective service delivery by making more office space available. The Ministry will also put measures in place to revamp its Records Unit to improve records storage and retrieval.
891. Mr. Speaker, for the implementation of the above activities an amount of GH¢292,206,478 has been allocated. Out of this, GH¢214,170,624 is GOG, GH¢46,747,194 is Donor, GH¢27,350,000 is ABFA and GH¢3,938,660 is IGF.

## **PUBLIC SAFETY SECTOR**

### **Ministry of Justice and Attorney-General**

#### **Performance in 2012**

892. Mr. Speaker, the Attorney-General's Department handled a number of cases. These included robbery, narcotics, murder, rape, defilement, and manslaughter, as well as other cases in the area of firearms, motor traffic, motions and petitions.

893. The Ministry advised on a total number of 1,364 cases made up of 20 on narcotics, 36 on murder, 4 on rape, 3 on defilement. The rest were 1 on manslaughter, 5 on firearms and 170 on motor traffic. Others were 815 motions and 310 petitions.
894. To improve efficiency in the "Justice for All programme," additional Seven Courts were set up in the prisons and 59 remand prisoners from the Nsawam Medium Security Prisons were discharged while 62 others were granted bail.
895. The Department enacted Legislative Instruments on the Minerals and Mining Act, 2006 (Act 703) to cover the areas of General Support Services, Licensing, Explosives and Compensation and Settlement. In addition, the Economic and Organised Crime Office Operations Regulations, 2012, the Local Government (Establishment) Instrument, 2012 as well as the Road Traffic Regulations 2012 among others, were enacted.
896. Furthermore, Constitutional Instruments on the Commencement of the Fourth Session of the Fifth Parliament (C.I. 71) and the Instruments on the Public Elections (Registration of Voters) Regulation 2012 (C.I. 72) were also enacted.
897. Mr. Speaker, a number of laws including The Appropriation Act 2011, (Act 827), Biosafety Act, 2011 (Act 831), Renewable Energy Act, 2011 (Act 832), Incorporated Private Partnership (Amendment) Act, 2012 (Act 836), the Data Protection Act, 2012 (Act 843), Veterans Administration Ghana Act, 2012 (Act 844), Presidential (Transition) Act, 2012 (Act 845) and the Mental Health Act, 2012 (Act 846) were all enacted.
898. The Ministry under the Legal Aid Scheme engaged the services of 45 private lawyers to handle a number of cases for the vulnerable and excluded at no cost to them while about 8,397 clients were assisted.
899. Mr. Speaker, the Council for Law Reporting published Volume II of 2003-2005 Ghana Law Reports. The manuscripts for the following publications: (2001-2005) Review of Ghana Law, [2006-2007] 1 Ghana Law Reports

and [2008-2009] 1 Ghana Law Reports have been completed and will be published.

900. The Registrar-General's Department implemented the operating joint systems with GRA through the issuance of TIN codes. The online appointment and scheduling of businesses and the Single Sign-onto-Access Services through the Government Portal system is in process.

### **Outlook for 2013**

901. Mr. Speaker, the Ministry will engage consultants to review the Data Protection Act, Veterans Administration Ghana Act, Presidential (Transition) Act, Mental Health Act.
902. To ensure effective delivery of Justice, the Ministry will set up and maintain AG's website and newsletter for legal service to kick start the operational witness charter, a document to be signed by the police, the A-G's Department, the courts, the prisons and other stakeholders. In addition the Ministry will implement the MoU for 'Justice for All' programme.
903. In order to improve access to Justice, the Ministry will engage the media and hold regular meetings with civil society organizations to share knowledge and experience.
904. Mr. Speaker, the Ministry will publicise new enactments and work in partnership with National Commission for Civic Education and the Information Services Department to mainstream publication of new laws into their public education activities and translate Laws into local languages. The Copyright Tribunal will also intensify its stakeholder education.
905. To ensure the implementation of attachment and internship programmes with specialized agencies in other jurisdictions and improve infrastructure, the Ministry will see to the completion of the ten-storey Law House and its two-tier car park.

906. The Economic and Organized Crime Office (EOCO) will intensify its operation to mitigate economic and financial crimes and human trafficking as well as prohibit illegal cyber activity.
907. The Legal Aid Scheme will also provide legal services to the poor and needy. In this regard, radio and television talk shows on legal aid especially on rights of the vulnerable will be organized. Dialogue with the General Legal Council and the Ghana Bar Association on pro bono work of legal practitioners will be pursued.
908. Mr. Speaker, for the implementation of the above activities an amount of GH¢26,898,412 has been allocated. Out of this, GH¢18,822,622 is GOG, and GH¢8,075,790 is IGF.

## **Ministry of Defence**

### **Performance in 2012**

#### **Modernization of Ghana Armed Forces**

909. Mr. Speaker, as part of Government's programme to meet the strategic requirement of the GAF, the Ministry acquired personal weapons, troop carrying vehicles (TCVs), infantry fire-assault vehicles (IFAVs), parachutes and accessories, and road construction equipment for the Army. In addition the Navy acquired fast patrol boats with the Air Force adding some platforms: Diamond DA 42 MPP aircraft, CASA 295 aircraft, and Mi-171Sh Helicopters.

#### **Internal and External Peace Support Operations**

910. Mr. Speaker, to enhance the operations of the Ministry and to support UN peacekeeping operations, over 5,000 troops were trained in local and foreign institutions and deployed to various missions abroad. Joint military and police internal security operations were also undertaken across the country.

**Maritime Security and Protection of Oil and Gas Industry**

911. In furtherance of Government's determination to provide adequate protection and security for the oil and gas industry in the Western Region, the Ministry established the Petroleum Security Coordinating Committee (PSCC) and preparatory works for the establishment of Forward Operating Bases (FOBs) are on-going. Furthermore, the need for maintenance facilities for naval assets led to the rehabilitation of the Test-Bench and the completion of the Slipway at the Western Naval Base, Sekondi.

**Infrastructure Upgrading**

912. Mr. Speaker, the Ghana Armed Forces (GAF) improved power supply to 2 and 6 Garrisons in Sekondi-Takoradi and Tamale respectively, and expanded infrastructure at 37 Military Hospital. Preparatory works for the construction of a 500-bed Hospital at Afari near Kumasi and a 600-bed expansion of the 37 Military Hospital were undertaken.

**Outlook for 2013**

913. Mr. Speaker, the Ministry will continue with the modernization of the Ghana Armed Forces. In this direction, it will continue to equip its personnel with adequate training. The Ministry will also continue with the re-structuring projects including command headquarters and company locations. The process of acquisition of land, site preparation and drawings for the Forward Operating Base (FOB) in Jomoro in the Western Region, and for the Engineer Barracks in Kintampo in the Brong Ahafo Region will be completed. The Ministry will also complete the on-going GAF housing projects.
914. Mr. Speaker, the Ghana Navy will continue maintenance work on its fleet at the Naval Dockyard Complex in Sekondi. The process of refurbishment and maintenance of air platforms of the Ghana Air Force will also proceed in earnest.
915. Mr. Speaker, the Ministry will maintain its fighting vehicles and equipment with a view to improving internal security operations. The Ministry will also ensure that clothing and other basic necessities for the officers, men, women and civilian employees of the Ghana Armed Forces are provided.



916. Mr. Speaker, for the implementation of the above activities an amount of GH¢575,609,022 has been allocated. Out of this, GH¢492,303,112 is GOG, GH¢5,973,910 is IGF and GH¢77,332,000 is Donor.

### **Commission for Human Rights and Administrative Justice (CHRAJ)**

#### **Performance in 2012**

917. Mr. Speaker, the Commission made substantial contribution to improving governance, enhancing integrity in public office, improving public service delivery, and entrenching the culture of respect for human rights and human dignity.
918. CHRAJ led a multi-sector stakeholder group to develop and submit the National Anti-Corruption Action Plan (NACAP) to Parliament for consideration and adoption. The NACAP is the national blueprint for fighting corruption over the next 10 years. The Commission also trained over 100 CEOs and Heads of MDAs on the Code of Conduct for Public Officers and Conflict of Interest Rules; sensitized the public on corruption; and completed investigation into 31 cases on corruption, among others.
919. Mr. Speaker, the Commission continued to work on the National Human Rights Action Plan (NAHRAP) and engaged consultants to develop the baseline survey. The NAHRAP, when completed, will deal with the promotion and protection of fundamental rights in a comprehensive, holistic and systematic manner. The Commission also completed investigations into 10,964 complaints, and conducted 2,750 public education programmes in rural communities and schools. In addition, a nationwide monitoring of Ghana's performance in promoting and protecting rights was conducted while the State of Human Rights Reports were issued.
920. The Commission intensified public education on its administrative justice mandate to promote best practices in public administration and improve public sector service delivery. The Commission worked with heads of public sector institutions to promote understanding of its administrative

justice oversight role and completed the investigations into 1,043 complaints.

### **Outlook for 2013**

921. Mr. Speaker, under the National Anti-Corruption Action Plan (NACAP), the Commission will work with other stakeholders to improve Ghana's performance on the corruption index while providing training for heads of MDAs, Ministers and MPs on the Code of Conduct and Conflict of Interest Rules. It will also enforce the Code of Conduct for public officers; intensify public education on corruption; assist Parliament to develop Code of Conduct for MPs; collaborate with stakeholders to implement and monitor the NACAP; and investigate about 300 complaints/allegations of corruption.
922. Mr. Speaker, the Commission will complete the baseline survey of the situation of human rights in Ghana and constitute the national coordinating committee for the development of a National Human Rights Action Plan (NAHRAP). To strengthen its protection mechanisms for the vulnerable, the Commission will complete its gender assessment programme and develop gender policy and action plan; educate 3,000 communities and schools on human rights and investigate about 11,000 human rights complaints.
923. Mr. Speaker, for the implementation of the above activities an amount of GH¢9,900,203 has been allocated. Out of this, GH¢9,900,203.

### **Judicial Service**

#### **Performance in 2012**

924. Mr. Speaker, the Judicial Service improved on its case management systems through the effective use of alternative Dispute Resolution (ADR) which has reduced the back log of cases. To ensure quick access to justice delivery, the Lower Courts have been automated while some selected Magistrate Courts in Accra have been piloted with the weekend court program.

925. Mr. Speaker, in pursuit of its infrastructural programme, the Service continued the construction of a 42-courtroom complex at the Victoriaborg site and Judges Bungalows in Accra and Kumasi. In addition, the Service procured 19 Toyota vehicles to improve upon its service delivery.

### **Outlook for 2013**

926. Mr. Speaker, for the purposes of increase in efficiency, cost effectiveness, reduction in delay in service delivery and quick access to justice, the Service will extend the weekend programme to selected regions in subsequent years with continued extensive use of ICT in all the courts.
927. To enhance its human capacity, the Service will regularly train and equip Judges and Staff, including newly recruited Magistrates, Staff and Judges and also introduce the commercial court concept in the Circuit and District courts.

### **Ministry of Interior**

928. Mr. Speaker, internal security (maintenance of peace, safety, security and stability) is critical for accelerated socio-economic development and the attainment of sustainable development.

### **Performance in 2012**

#### **Ghana Police Service**

929. Mr. Speaker, Government procured 812 assorted vehicles, 60 motorcycles, 2,200 bullet-proof vests, 4,400 ballistic plates, 100 helmets with communication gadgets, 1,000 walkie-talkies and four speed boats. The Police Service also introduced Automated Fingerprint Identification System (AFIS) to enhance investigation of cases by the Criminal Investigation Department.
930. The forensic laboratory of the Police Service has been added to the AFIS facility to enable the Police carry out DNA profiling locally. To this end, the

Police forensic laboratory was equipped with a Document Section that can examine fake currencies, documents, signatures, identity cards, passports as well as Electrostatic Detection Apparatus. This particular apparatus can pick indentations of written materials which have been taken away.

**Ghana Prisons Service**

931. Mr. Speaker, the first batch of 219 high risk prisoners were transferred to the modern Maximum Security Prison at Ankaful in the Central Region.

**Ghana National Fire Service**

932. Mr. Speaker, Government procured a total of 152 new Fire-fighting vehicles and equipment for the Ghana National Fire Service (GNFS).

**Ghana Immigration Service (GIS)**

933. As part of mechanisms to enhance the exchange of real-time on-line information between the GIS and its computerized borders, the Ghana Immigration Service has introduced Digital Border Surveillance system (CCTV and WIFI systems) and is currently implementing the E-immigration project.

934. Mr. Speaker, to improve on service delivery and prevent identity theft as well as fight irregular migration, including human smuggling and trafficking, the Service has constructed a three-storey dormitory block at GIS Training School in Assin Fosu and amended the Immigration Act, 2000 (Act 573) to criminalize human smuggling. It has also established the Document Fraud Expertise Centre which is the first in sub-Saharan Africa.

**National Disaster Management Organization (NADMO)**

935. Mr. Speaker, the National Disaster Management responded to various disaster/emergencies especially Bushfires and Domestic/Industrial Fires nationwide (especially Upper West, Upper East, Northern, Volta and Brong Ahafo), Anthrax (Upper East, Upper West and Northern Region), Army Worms (Volta) and responded to national flooding.

**Narcotics Control Board (NACOB)**

936. Mr. Speaker, NACOB forwarded a Bill to the Attorney General's Department to amend the Narcotic Drug (Control, Enforcement and Sanctions) Law, (PNDC Law 236), 1990. The amendment seeks to make NACOB a Commission and an autonomous agency, having established the Joint Port Control Unit since 2011.

**Ghana Refugee Board**

937. Mr. Speaker, as part of Ghana's foreign policy to extend assistance to our conflict-prone neighbours, the Ghana Refugee Board established new refugee camps for Ivoirians at Ampain in Elembele District of the Western Region, Fetentaa in Berekum District of Brong Ahafo Region and Egyeikrom in the Komenda-Edina-Eguafo-Abirem (KEEA) District of Central Region.

**National Commission on Small Arms (NACSA)**

938. Mr. Speaker, the National Commission on Small Arms (NACSA) organized sensitization programmes for key stakeholders such as chiefs, opinion leaders, blacksmiths, the media, police armourers and licensed arms dealers in Tamale, Yendi, Bawku and Wa on the control and use of small arms.

**National Peace Council**

939. Mr. Speaker, National Peace Council educated about 100 youth from all the regions in the country to become peace advocates within their communities.

**Outlook for 2013**

940. Mr. Speaker, the Ministry will collaborate with the National Security Council Secretariat and the Ministry of Food and Agriculture to address comprehensively and on a sustainable manner the menace posed by alien herdsmen, especially the Fulanis. In addition, the Ministry will intensify the monitoring and regulation of the activities of Private Security Organizations (PSOs).

**Ghana Police Service**

941. Mr. Speaker, the Service in collaboration with other security agencies will continue to maintain peace, internal security and stability to ensure conducive environment for accelerated socio-economic development.

**Ghana Prisons Service**

942. Mr. Speaker, for easier identification of inmates, the Service will create a database of prisoners and improve Security Networks in the Prisons by providing Hi-Tech Security gadgets such as Close Circuit TV, scanners etc in all central prisons. In collaboration with other stakeholders, the Service will pursue the 'Justice for All' and 'Access to Justice' programmes to cover all central prisons.

**Ghana National Fire Service**

943. Mr. Speaker, the Service will provide adequate fire hydrants to enhance fire-fighting, ensure that Metropolitan, Municipal and District Assemblies (MMDAs) improve upon market fire safety to prevent and contain fire outbreaks in the markets.

**Ghana Immigration Service**

944. Mr. Speaker, the Service will review existing Immigration Laws and Regulations to reflect the current mandate of the service and improve border management systems by providing and installing modern border management technology infrastructure.

**National Disaster Management Organization (NADMO)**

945. Mr. Speaker, as part of Government's commitments to effectively manage natural disasters, NADMO will organize training for 2,000 Rapid Response personnel at the national, regional and district levels. The Organization will support 13,000 farmers in dry season gardening as well as livestock production and create 21,000 jobs for Disaster Volunteer Groups (DVGs) in plantation development programmes.

**Narcotics Control Board**

946. Mr. Speaker, as a means of reducing the menace of drug abuse in the country, the Board will construct drug rehabilitation centres for treatment,

rehabilitation and re-integration into society of drug addicts and revitalize the Alternative Development Programme (ADP).

**National Peace Council**

947. Mr. Speaker, the National Peace Council will continue with peace education for individuals and groups to become peace advocates within their communities.
948. Mr. Speaker, for the implementation of the above activities an amount of GH¢825,817,169 has been allocated. Out of this, GH¢737,430,761 is GOG, GH¢23,000,000 is ABFA, GH¢6,420,758 is IGF and GH¢58,965,650 is Donor

**SECTION SEVEN: SOCIAL PROTECTION PROGRAMMES AND POVERTY REDUCTION EXPENDITURES AND PROGRESS TOWARDS ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS**

**Government Spending on Poverty Reduction Related Activities: January – December, 2012**

**A. Sectoral Pro-Poor Spending**

949. Mr. Speaker, consistent with the objectives of the Ghana Shared Growth and Development Agenda (GSGDA) and the Better Ghana Agenda, Government continued to expand access to basic services and facilitate the provision of employment opportunities for the youth and the vulnerable in society. This is reflected in the significant share of total spending on poverty-focused activities by the end of 2012.
950. Mr. Speaker, out of a total domestically-financed budget of GH¢14,480.5 million, an amount of GH¢3,433.5 million, representing 23.71 percent was earmarked for poverty reduction activities. By the end of December 2012, a total of GH¢5,350.30 million had been spent, representing 30.35 percent of the total GoG provisional actual expenditure of GH¢17,631.2 million. This represents a significant increase of GH¢1,916.8 million over the planned total poverty reduction expenditure.
951. In the Education Sector, planned expenditure for 2012 was GH¢3,391.6 million out of which GH¢1,500.7 million, representing 44.25 percent was meant for basic education. By end 2012, a total of GH¢4,992.1 million had been utilised out of which GH¢2,514.34 million, representing 50.37 percent, went into basic education expenditure.
952. A total of GH¢1,500.9 million was budgeted for the Health Sector, out of which GH¢735.0 million, representing 48.97 percent went into Primary Health Care. By end-December, 2012, an actual amount of GH¢2,345.3 million had been spent within the Health Sector. Out of which Primary Health Care programmes received GH¢1,090.7 million representing 46.51 percent.



953. Mr. Speaker, out of a total budgeted expenditure of GH¢180.9 million earmarked for the Agriculture Sector, GH¢163.9 million was spent by the end of 2012. About GH¢152.8 million of this actual sector expenditure, representing 93.22 percent, was spent on the Fertilizer Subsidy programme and establishment of Agricultural Mechanisation Service Centres, among others.
954. For the Water Resources, Works and Housing sector an amount of GH¢101.4 million was budgeted for in 2012. By the end of 2012, an amount of GH¢101.1 million had been spent, out of which GH¢6.5 million was spent on Rural Water provision.
955. The Transport Sector had a budget of GH¢378.6 million, and at the end of December 2012, an amount GH¢523.7 million had been spent, resulting in a positive deviation of 26.8 percent. Out of the 2012 outturn, Feeder Roads projects utilised GH¢85.8 million constituting about 16.38 percent of the actual sector expenditure.
956. The amount budgeted for the Energy Sector in 2012 was GH¢77.3 million. Of this, planned expenditures for providing electricity for rural dwellers was GH¢46.6 million. Actual Energy sector expenditure, by the end of December 2012 was GH¢485.42 million. Out of this, GH¢205.4 million was spent on Rural Electrification activities and on subsidies for petroleum products of which the poor benefited.
957. A total amount of GH¢1,694.9 million was spent on "Other Poverty" related activities representing 9.61 per cent of total government expenditure. The "Other Poverty" expenditures include spending on social welfare, public safety, drainage, human rights, environmental protection, rural housing, legal aid, and decentralisation.

## **B. Social Intervention Programmes**

958. Mr. Speaker, in 2012, Government provided funds for a number of Social Intervention Programmes (SIPs) through Ministries, Departments and Agencies. Spending on these programmes is reflected in the sectoral expenditures reported in the earlier section already discussed. The SIPs

included programmes for improvement of the education sector, sanitation and waste management in cities and towns and for rural water supply. Resources were also provided for implementation of programmes of the disaster management and youth employment programmes, among others. District Assemblies and Members of Parliament were also provided with a share of the funds for local priority projects.

959. For education, a total amount of GH¢206.4 million had been disbursed for payment of Capitation Grants, BECE and Senior High School subsidies, supply of free exercise books and free school uniforms in deprived communities. In addition, these resources were also used to address the problem of 'Schools under Trees', the Senior High Schools 'Quick Fix' Projects, rehabilitation and construction of Science Resource Centres, as well as scholarships for further studies. The School Feeding Programme was also re-designed and targeting improved.
960. Sanitation and Waste Management projects by the MMDAs received a disbursement of about GH¢13.1 million, while the Local Enterprises and Skills Development Programme (LESDEP) aimed at empowering the youth through the acquisition of technical and entrepreneurial skills and supporting job creation at the local level received GH¢67.6 million.
961. The National Youth Employment Programme (NYEP) received an amount of GH¢219.3 million, while the Livelihood Empowerment Against Poverty (LEAP) programme had GH¢8.1 million as cash grants for the vulnerable.
962. Government disbursed to CEDECOM an amount of GH¢7.1 million to enable it implement its work programme, which includes support to small-scale entrepreneurs and other employment generation ventures.
963. Mr. Speaker, to alleviate the plight of victims of disaster, an amount of GH¢10.0 million was also disbursed. The Ankaful Maximum Security Prisons received an allocation of GH¢15.0 million for the upkeep of prisoners.
964. The Energy sector received GH¢99.3 million for the Self-Help Electrification Project to provide electricity for rural dwellers.

965. Local priority projects, designed in consultation with Members of Parliament, their constituents and District Assemblies, received GH¢9.8 million. These projects, in the areas of agriculture, education, health, water and sanitation, were spread across the country.

### **C. Progress towards the Millennium Development Goals**

966. Mr. Speaker, Ghana, since the initiation of the Millennium Development Goals (MDGs), has made significant progress towards reducing poverty; improving access to education; reducing gender disparities in education at the primary level; and providing access to improved water sources and these efforts have been recognized globally. Despite these achievements, challenges still exist in the areas of reducing maternal and child mortality and increasing access to improved sanitation. Given the nearness to the deadline for achieving these targets, Government is intensifying its efforts in these areas to enable their achievement by the due date.
967. As has been the case in the past, since some MDG indicators are not measured on an annual basis, no new information is available on these indicators. Below are details of Ghana's progress towards achieving the Millennium Development Goals.

#### **Goal 1: Eradicate Extreme Poverty and Hunger**

968. Mr. Speaker, the three main targets under this goal are to: (a) reduce by half, the proportion of those living in extreme poverty by 2015; (b) achieve full and productive employment and decent work for all including women and young people; and (c) reduce by half, the proportion of people who suffer from hunger.

Target 1A: Halve the proportion of those in extreme poverty, 1990-2015

969. Mr. Speaker, Ghana's poverty reduction efforts have been hailed as significant as the country halved extreme poverty between 1991 and 2006. According to the fourth round of the Ghana Living Standards Survey (GLSS-4) 2005/6 incidence of poverty reduced from 52 percent in 1992

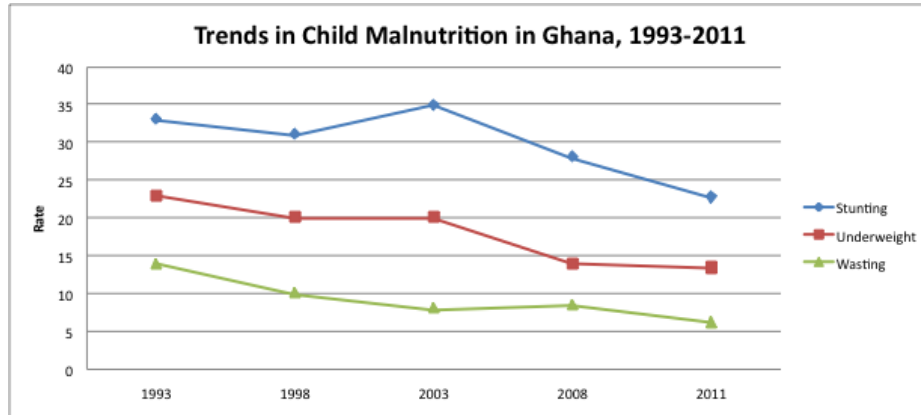
(about 7.9 million persons) to 29 percent in 2006 (or about 6.3 million persons). The reduction was, however, not even in terms of geographical spread, by occupational grouping or by gender. The sixth round of GLSS (GLSS-6) which started on 18th October, 2012 is expected to end on 17th September, 2013, and will give a more up-to-date picture of Ghana's achievement on reducing poverty.

970. Given the persistent inequalities that exist even in the face of significant reduction in poverty incidence, Government has introduced interventions such as the Savannah Accelerated Development Authority (SADA) and the Livelihood Empowerment Against Poverty (LEAP) programmes.

Target 1C: Halve between 1990 and 2015 the proportion of people who suffer from hunger

971. Mr. Speaker, Ghana is poised to attain some of the nutrition targets with some effort. The country has made progress in reducing the prevalence of wasting and underweight children though the incidence of stunting among children under-five years is still high. The proportion of wasting declined from 14 percent in 1993 to 8.5 percent in 2008 and 6 percent in 2011. In terms of underweight children, there has been a similar decline, reducing from 23 percent to 14 percent to 13 percent within the same period. The incidence of stunting among children, however, though it has experienced decline from 33 percent in 1993, remains high at almost 23 percent in 2011, and poses a challenge.
972. To enable Ghana sustain the progress made, improving malnutrition of children prevent slippages in these achievements and make progress in the area of stunting, Government continues to implement various programmes. These include the Ghana School Feeding Programme, which provides quality and nutritious meals to school pupils, and programmes to improve agricultural productivity.

**Figure 9: Changing Pattern of Nutritional Status of Children**



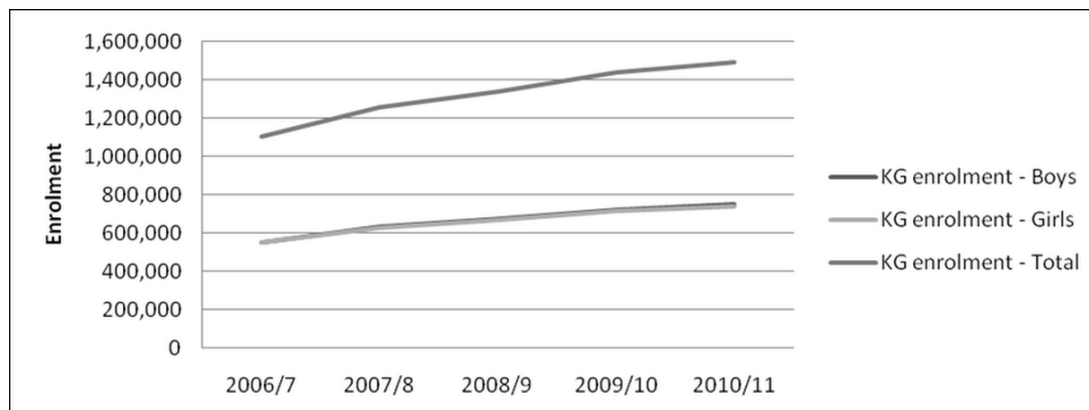
Source: Achieving the MDGs with Equity in Ghana; Unmasking the Issues behind the Averages (NDPC 2012) and 2011 Ghana Multiple Indicator Cluster Survey, (Ghana Statistical Service, 2012).

## **Goal 2: Achieve Universal Primary Education**

Target 2A: Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

973. Mr. Speaker, Government continues to fund a number of interventions, namely, capitation grants, free school uniforms, free exercise books and subsidies which are believed to have positively influenced the progress with achieving Universal Primary Education.

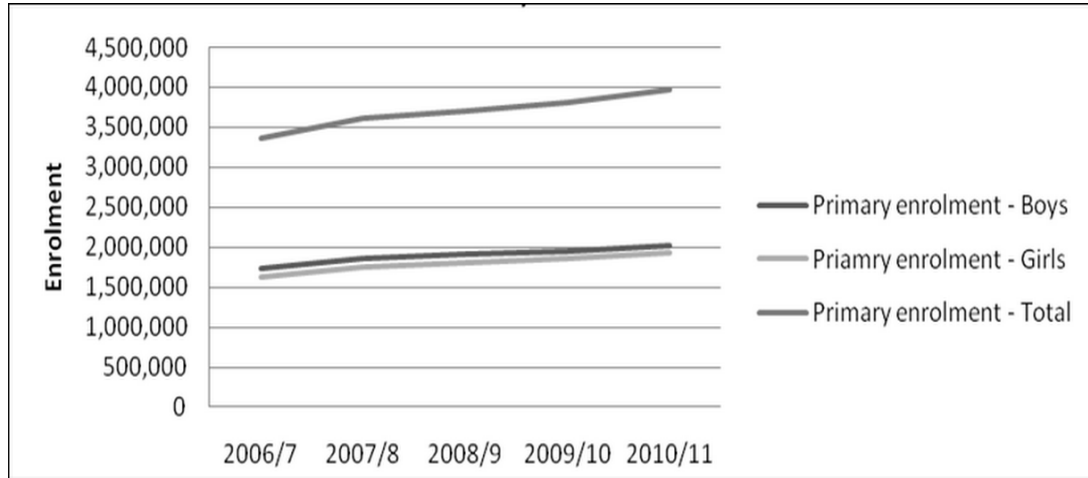
**Figure 10: Primary Enrolment**



Source: Education Sector Performance Report, Ministry of Education, 2011

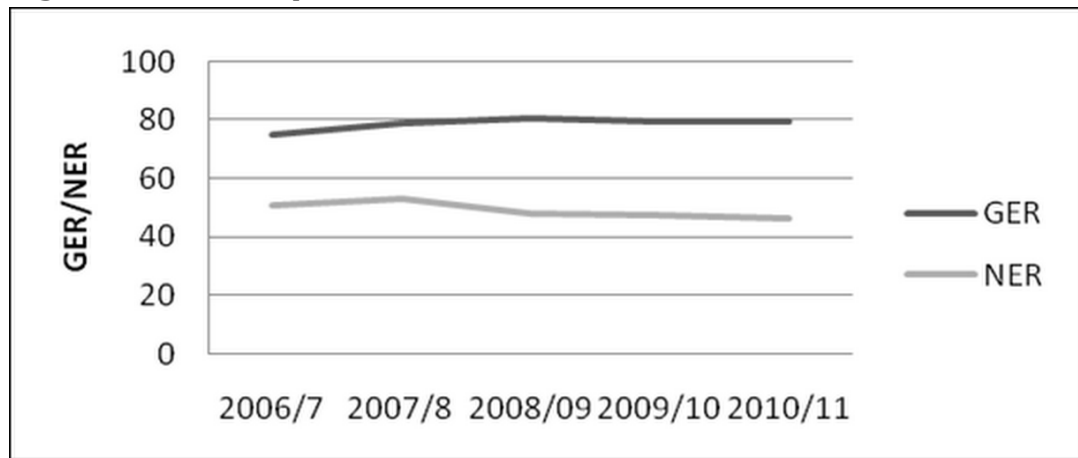
974. Primary enrolment has continued to rise in the last five years and the increase in enrolment has grown at a higher rate in 2010/11 (4 per cent) than for the preceding two years (3%). However, there has been a slow-down from the initial growth rate of 7 per cent in 2006/7.
975. The completion rate for primary school, a vital indicator of Government's commitment to Universal Basic Education, has witnessed a positive trend since 2007/08 and reached 91.6 in 2010/11, surpassing the appraisal of the Annual Education Sector Operational Plan (AESOP) target of 91.4 by 2010/11. This means that Ghana is currently on track to reach the target of Universal Primary Completion by 2015.

**Figure 11: Primary Enrolment disaggregated by sex**



Source: Education Sector Performance Report, Ministry of Education, 2011

**Figure 12: Primary Enrolment – Gross and Net Enrolment Ratios**

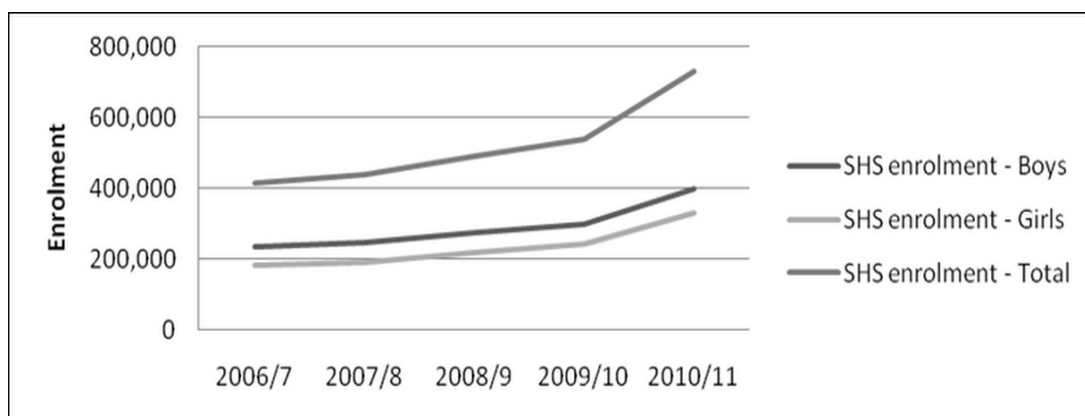


Source: Education Sector Performance Report, Ministry of Education, 2011

- 976. Enrolment at the Junior High School level has risen over the past five years and the growth rate has recently increased from a low of 1 per cent in 2009/10 to 3 per cent in 2010/11.
- 977. Mr. Speaker, at the Senior High School level, growth in enrolment has been increasing in recent years, as the expansion in access to basic education feeds into SHS. However, the sharp rise in 2010/11 was due to

the fact that this was the first year in which there were four grades within SHS level meaning that comparisons in raw enrolment are not possible.

**Figure 13: SHS Enrolment disaggregated by sex**



Source: Education Sector Performance Report, Ministry of Education, 2011

### **Goal 3: Promote Gender Equality and Empower Women**

Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.

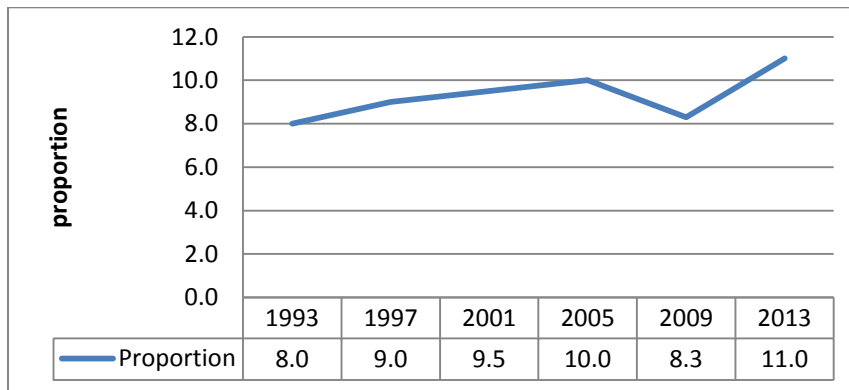
978. Mr. Speaker, gender parity in primary and secondary education and proportion of seats held by women in Parliament are the main indicators being tracked with respect to this MDG in Ghana.
979. Ghana is committed to reaching gender parity within the basic education sector. Gender Parity Index (GPI) is highest at the lower levels as expected, with Kindergarten level closest to achieving gender parity. Primary level GPI has been fluctuating around parity and currently stands at 0.98. At the Junior High School (JHS) level, the GPI was at 0.93 in 2010/11.
980. Mr. Speaker, Gender Parity Index is lower at all levels of education in rural localities compared to urban areas. Government has implemented strategies such as provision of scholarships and organisation of girls' camps to encourage girls to remain in school just as their male



counterparts. More efforts are being made to close gaps in terms of access in deprived areas and "hard to reach" areas.

981. Progress towards improving the proportion of women in Parliament has experienced a positive turn in 2013 with the number of women Parliamentarians increasing to 11 per cent up from 8.3 per cent in 2009. The trend in women's participation in Parliament is shown in Figure 14 below.

**Figure 14: Proportion of women in Parliament**



Source: Parliament of Ghana, 2013

#### **Goal 4: Reduce Child Mortality**

Target 4A: Reduce by two-thirds between 1990 and 2015 the Under-five Mortality Rate

982. Mr. Speaker, results from the Ghana Multiple Indicator Cluster Survey IV (MICS4) conducted in December 2011 indicate that Ghana's Under-five mortality rate declined from 167 per 1000 live births in 2000 to 82 deaths per 1,000 live births as against the MDG target of 39.9 per 1000 live births by 2015. This means that one in every 12 children dies before reaching his or her fifth birthday. Rural areas experience higher levels of infant and under-five mortality (56 and 94 deaths per 1,000 live births respectively), compared to urban areas (46 and 72 deaths per 1000 live births respectively). Consistent with the Ghana Demographic and Health Survey

(2008) findings, the MICS4 reported that 60 percent of deaths in infancy occur during the first 28 days of a child's life.

983. Much effort has been made towards improving child and infant mortality. Such measures undertaken include the implementation of the Child Health Policy and Child Health Strategy. To consolidate the gains made, the National Immunization Programme was augmented by two new vaccines namely pneumococcal and rotavirus vaccines. There is, however, the need to intensify implementation of these measures in vulnerable areas.

### **Goal 5: Improve Maternal Health**

Target 5A: Reduce by three-quarters, between 1990 and 2015 the Maternal Mortality Ratio (MMR)

984. Mr. Speaker, Ghana has made progress in improving maternal mortality. Although the rate still remains high, various health survey results indicate a fall from a high of 740 per 100,000 live births in 1990 to 451 per 100,000 live births in 2008 (Ghana Health Sector Review, 2009). Institutional maternal mortality ratio also indicates a decline from 216 per 100,000 live births in 1990 to 164 per 100,000 live births in 2010 (IMMR). However if current trends continue, achieving the MDG 2015 target of 185 per 100,000 live births (from survey results) and 50 per 100,000 live births (from IMMR) will remain a big challenge.
985. In 2012, various efforts were made by government to consolidate the gains made in achieving the MDG 5. For instance, about 1,000 midwives were trained and the Ministry of Health also developed a comprehensive MDG 5 Accelerated Framework (MAF) to improve the country's maternal health and assist in attaining the MDG 5 target.

### **Goal 6: Combat HIV/AIDS, Malaria and other diseases**

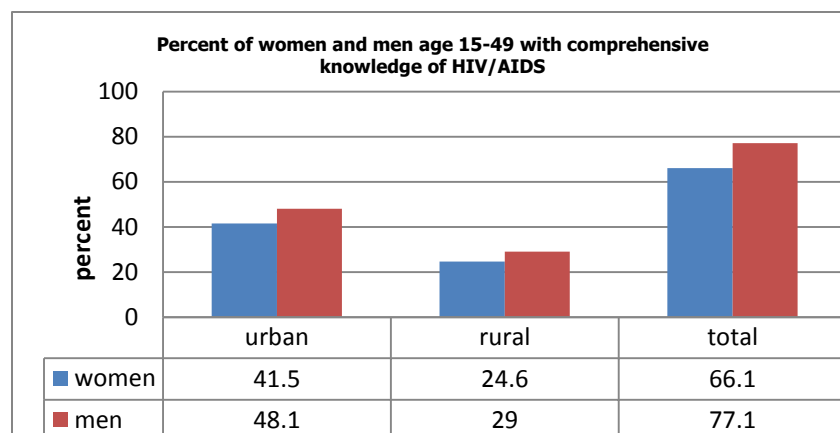
Target 6A: Halt by the 2015 and begin to reverse the spread of HIV/AIDS

986. Mr. Speaker, according to the National Aids Control Programme, HIV prevalence in the country decreased from 1.9 per cent in 2009 to 1.5 per

cent in 2011 (an estimated 225,478 persons, made up of 100,336 men and 125,141 women living with HIV and AIDS) with male-to-female ratio of 1:1.33. Though 2010 had the same prevalence of 1.5 per cent, 2011 had 12,077 new infections and 15,263 AIDS deaths as against 14,165 new infections and 17,230 deaths in 2010. In the medium term (by 2015), the rate is expected to further decrease to 1.3 per cent.

987. It is an accepted fact that one of the most important pre-requisites for reducing the rate of HIV infection is accurate knowledge of how HIV is transmitted and the strategies for preventing transmission. The percent of young women and men who have comprehensive and correct knowledge of HIV prevention and transmission is the MDG indicator being monitored here.
988. According to the Ghana Multiple Indicator Cluster Survey of 2011, 98 percent of women and 99 percent of men have heard about AIDS however only 34 percent of women aged 15-49 years and 39 percent of men aged between 15-49 years have comprehensive knowledge about AIDS. Having comprehensive knowledge about HIV prevention includes knowing that using condoms and limiting sex to one uninfected partner can reduce the risk of getting HIV, knowing that a healthy looking person can have HIV and rejecting the two most common misconceptions. Some differences exist between men and women with regard to comprehensive knowledge about HIV but wider differences exist between rural and urban dwellers. While 4 in 10 women in urban areas have comprehensive knowledge of HIV and AIDS, among rural women, the proportion is much lower at 1 in 4 only. This trend is similar for men as well.

**Figure 15: Comprehensive Knowledge of HIV**



Source: Ghana Multiple Indicator Cluster Survey 2011, Ghana Statistical Service

Target 6C: Have halted by 2015 and begin to reverse the incidence of Malaria and other major diseases

989. Mr. Speaker, malaria can significantly impair foetal growth if the mother becomes infected during pregnancy. It is also a major cause of poverty and low productivity especially in the LDCs.
990. Ghana continues to make progress through the implementing of the National Malaria Control Programme, with a goal of reducing death and illness due to malaria by 75 per cent by year 2015. Through the national strategic plan, a target was set to reduce mortality experienced through malaria among priority groups. Through these interventions, the case fatality for malaria for children under five years of age registered a decline in 2011 and 2012.
991. Mr. Speaker, though Ghana has been making progress implementing its National Malaria Control Programme, there are still gaps in achieving the targets in the previous plan. Lessons learnt from the implementation of the previous strategic plan have informed its current strategies. Ghana is now implementing a malaria control programme with a goal that aims at reducing death and illness due to the malaria disease by 75 per cent by

the year 2015 in line with the attainment of the Millennium Development Goals (MDGs).

**Goal 7: Ensure Environmental Sustainability**

Target 7A: Integrate the principles of sustainable development into country policies and programmes and reverse loss of environment resources.

992. Mr. Speaker, the Ghana Shared Growth and Development Agenda mainstreams climate change with the main objective of adapting to the impacts of, and reduced vulnerability to climate variability. Ghana's emissions though currently lower than other comparator countries, show a strong growth potential in the short to medium term. This is especially true as the economy grows, dominated by agriculture, forestry and oil and gas industries.
993. The three indicators used in assessing the sustainable development target are (a) the cost of environmental degradation as a percentage of GDP; (b) CO<sub>2</sub> emissions, total, per capita and per \$1 GDP (PPP); and (c) energy consumption per capita.
994. Though Ghana is committed to addressing environmental degradation the immense pressure the growing population exerts on natural resources is a great challenge. This pressure is also evident in waste management problems in the major towns and cities and rapid loss of biological diversity and wildlife populations. Between 1990 and 2010, Ghana has lost an average of 125,400ha (or 1.68%) of forest each year or a total loss of 33.7 per cent (i.e. around 250,800ha) of the country's forest cover over that period. By 2011, the cost of environmental degradation to the economy was estimated at about US\$2.7 billion per annum equivalent to 6.9 percent of GDP.
995. Mr. Speaker, it is estimated that the total direct greenhouse gas emission in Ghana based on carbon dioxide, methane, nitrous oxide and perfluorocarbons) have been rising, from -16.8 MtCO<sub>2</sub>e in 1990 to 12.2MtCO<sub>2</sub>e in 2000 and 23.9MtCO<sub>2</sub>e in 2006. Carbon dioxide accounts for the largest share of Ghana's greenhouse gas emission. In per capita

terms, carbon dioxide emissions reached a peak of 0.2 metric tonnes per capita and dropped to 3.37 metric tonne per capita in 2009. The reduction is attributed to consistent implementation of the national forestation policy, implying that forestation helps reduce the content of CO<sub>2</sub> and associated effects.

996. The country's energy consumption per capita increased from 345.6 kg in 1972 to 387.86 kg in 2009, an increase of about 12 percent. Emissions from the energy sector in Ghana represent the fastest growing source of greenhouse gas emissions although energy consumption per capita is one of the lowest in sub-Saharan Africa and has not seen much significant increase since 1972. Total greenhouse gas emissions from the energy sector amounted to 5.9MtCO<sub>2</sub> in 2000, representing an increase of 79.5 per cent above 1990 levels and an overall increase of 182.9 per cent between 1990 and 2006. Within the energy sector, transport is the largest source of emissions (contributing 47 per cent as against 35 per cent by residential and 14 per cent by manufacturing), although it declined by 9 per cent between 2000 and 2006.

Target 7C: Halve by 2015, the proportion of persons without sustainable access to safe drinking water and basic sanitation

997. Mr. Speaker, population with access to improved water sources currently stands at 80 percent; this means that Ghana has already achieved the MDG target of 78 percent. According to the Ghana Poverty and Housing Census (PHS, 2010), the proportion of rural dwellers using unimproved water source (29.8 per cent) remains much greater than their urban counterparts (17.4 per cent). Thus, even though Ghana is on track towards achieving this goal, more effort is being made to bridge the rural-urban gap in achievement.
998. In 2012, Government developed a Strategic Sector Development Plan (SSDP) to guide policies in the water and sanitation programmes up to 2025. The Development Plan includes projects aimed at improving supply of potable water both in rural and urban areas. Under the Potable Water Supply and Sanitation Project, access to sustainable water and sanitation services were improved. For instance, access was improved for over

300,000 people in various districts within the Brong-Ahafo region, through the provision of 550 boreholes and with hand pumps. About 101 institutional latrines being provided in these areas are at 70 percent completion stage. Surface based piped schemes extended to 37 communities in the Greater Accra region was 80 per cent complete while 156 institutional latrines as well as 24 Ferro tanks were completed.

Target 7D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

999. Mr. Speaker, Ghana's progress towards achieving the MDG 7 remains slow as Ghana's urban population is expected to double between 2000 and 2015 with majority of these new settlers vulnerable enough to find themselves in living in slums.
1000. Government continues to implement strategies contained in the national housing policy whilst improving upon existing infrastructure and facilities in slum communities. The Ministry of Water Resources, Works and Housing reviewed the National Housing Policy to include many innovative solutions for the existing slum challenges. The Urban Poverty Reduction Project has collaborated with MMDAs to address challenges of low-income communities. Within Ghana's Decentralisation policy, District/Municipal Assemblies have been entrusted with significant responsibilities relating to planning and enforcement of the physical development within their administrative boundaries.

### **Goal 8: Develop a Global Partnership for Development**

Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

1001. Mr. Speaker, Millennium Development Goal 8 on Global Partnerships for Development has a target of increase in aid from developed countries to 0.7 percent of Gross National Income by 2015.
1002. According to the United Nations' 2012 MDGs Report, core development aid fell in real terms for the first time in more than a decade and this is

attributed to donor countries' experience of fiscal constraints. Bilateral aid to sub-Saharan Africa (where 31 of the 48 LDCs are located, as well as 14 of the 31 landlocked developing countries) was \$28.0 billion in 2011, representing a fall of 0.9 per cent in real terms compared with the previous year. By contrast, aid to the African continent increased by 0.9 per cent, to \$31.4 billion, as donors provided more aid to Northern African countries after the revolutions in the region.

Target 8F: In cooperation with the private sector, make available the benefits of new techniques, especially information and communications

1003. Mr. Speaker, Government continues to create the enabling environment for businesses to flourish. According to the National Communication Authority, the telephony market continues to grow aggressively in all segments, particularly, in the telephony space. Over the last 5 years and 8 years respectively, the market uptake has been growing at a compound average growth rate of 62.3 per cent and 58.3 per cent respectively. Around 53 percent of mobile Internet users in Ghana have engaged in mobile banking and payment activities. Using mobile phones for financial activities is also popular in rural areas, with almost equal penetration compared to urban usage. Sending airtime credits is the most popular mobile finance activity. Airtime can be used as a form of currency to pay for goods and services.
1004. Total Cellular/Mobile Voice Subscriber Base in Ghana as at December 2012 stood at 25,618,427. This is an increase from 5.2 million in 2006 to about 15.1 million in 2009.
1005. Mr. Speaker, at the end of December 2012, MTN had a marginal increase and maintained its position as the market leader with a subscriber base of 11,734,500 representing 46 per cent of total market share. Vodafone's subscriber base increased to 5,259,487 which represent 21 per cent of total market share. Tigo had a marginal subscriber base increase, closing at 3,698,409 which represents 14 per cent of the market, while Airtel increased its subscriber base to 3,192,154 representing 12 per cent of the total market share. GLO decreased its subscriber base from previous months from 1,625,845 in October 2012 to 1,568,014 in December 2012



and this represents 6 per cent of the total market share. The subscriber base of Espresso also decreased from 204,429 in April 2012 to 165,863 in December 2012. The 165,863 represents 1 per cent of the total market share.

**Table 38: Telecom Voice Subscription Trends in 2012**

<b>MOBILE OPERATORS</b>	January	February	March	April	May	June	July	August	September	October	November	December
EXPRESSO	183,607	183,670	202,314	204,423	195,670	227,396	182,845	178,799	178,071	175,469	168,572	165,863
TIGO	3,766,538	3,693,999	3,642,229	3,568,094	3,457,427	3,553,274	3,699,185	3,684,951	3,757,977	3,782,787	3,673,934	3,698,409
MTN	10,249,528	10,323,334	10,394,363	10,518,581	10,644,804	10,757,974	10,828,585	11,017,581	11,269,926	11,506,726	11,615,801	11,734,500
VODAFONE	4,340,905	4,366,536	4,524,038	4,576,384	4,671,999	4,819,700	4,758,272	4,901,555	5,027,207	5,097,795	5,175,377	5,259,487
AIRTEL MOBILE	2,725,128	2,813,598	2,897,077	2,938,108	3,015,499	3,021,863	3,037,336	3,042,409	3,040,580	3,101,686	3,132,615	3,192,154
GLO MOBILE					468,508	990,566	1,152,474	1,613,688	1,610,434	1,625,845	1,578,446	1,568,014
TOTAL MOBILE	21,265,706	21,381,137	21,660,021	21,805,590	22,453,907	23,370,773	23,658,697	24,438,983	24,884,195	25,290,308	25,344,745	25,618,427
<b>FIXED OPERATORS</b>	January	February	March	April	May	June	July	August	September	October	November	December
VODAFONE	266,045	279,756	276,514	273,569	272,167	266,009	261,617	260,368	264,484	265,712	268,426	274,661
AIRTEL	10,763	10,114	9,349	10,531	10,559	10,559	10,559	10,393	10,320	10,320	10,320	10,320
TOTAL FIXED	276,808	289,870	285,863	284,100	282,726	276,568	272,176	270,761	274,804	276,032	278,746	284,981

Source: National Communications Authority (NCA), 2012

### **Outlook for 2013**

#### **Planned Spending on Sectoral Poverty Related Activities**

1006. Mr. Speaker, Government spending on pro-poor activities for 2013, is estimated at GH¢5,366.3 million representing 23.09 percent of total Government Expenditure. This amount is intended to support the provision of basic education, primary health care, poverty-focused agriculture, rural water, feeder roads and rural electrification.

1007. In the Education Sector, an amount of GH¢3,783.9 million has been allocated. Of this amount, GH¢1,975.5 million, representing 52.21 percent, will go into basic education expenditure.
1008. Mr. Speaker, an annual budget estimate of GH¢1,010.0 million has been earmarked for the Health sector for 2013. About 72.63 per cent of the estimate, representing GH¢733.6 million, will go into the funding of Primary Health Care programmes.
1009. A total of GH¢184.0 million has also been allocated for the Agriculture sector. About GH¢173.4 million of this allocation, representing 94.23 percent, is to be spent on the Fertilizer Subsidy programme, the Agricultural Mechanisation Service Centres and the Youth in Agriculture Block Farm Programme, among others.
1010. An amount of GH¢143.2 million was budgeted for the Water Resources, Works and Housing sector for fiscal year 2013; of this, GH¢28.3 million is to be spent on Rural Water.
1011. An amount of GH¢69.3 million is expected to be utilised on Feeder Roads projects under the Roads and Transportation sectors. This constitutes about 49.68 percent on the annual budgeted expenditure of GH¢139.5 million for the sector.
1012. The amount budgeted for the Energy Sector for 2013 fiscal year is GH¢170.1 million, out of which GH¢111.4 million is planned to be spent on rural electrification by the end of the year.
1013. Mr. Speaker, a total amount of GH¢2,275.0 million is planned to be spent on "other poverty-related activities" representing 9.79 per cent of total government expenditure.

**Planned Spending on Social and Priority Intervention Programmes**

1014. Mr. Speaker, in 2013, Government will continue to make funds available for the implementation of various Priority Intervention Programmes comprising economic, social, infrastructural and administrative sector

activities. A total amount of GH¢1,504.9 million will be spent in these areas and they are expected to enhance growth and reduce poverty.

1015. Mr. Speaker, in the year 2013, an amount of GH¢93.0 million will be spent on removal of "Schools under Trees"; GH¢28.0 million will be invested in free school uniforms; provision of free exercise to pupils in deprived communities has been allocated an amount of GH¢28.7 million; Capitation Grants scheme will receive GH¢25.8 million; an amount of GH¢9.5 million and GH¢50.7 million have been allocated for the BECE and SHS subsidies, respectively. Also, Science Resource Centres have been allocated GH¢30.0 million. Senior High School Infrastructure ("Quick Fix") will receive GH¢25.0 million. In addition, an allocation of GH¢179.0 million has been made to 50 Community Schools; and GH¢62.0 million to 10 colleges of education. Preparatory works will begin from the establishment of a University in the Eastern Region, for which an allocation of GH¢5.0 million is made.
1016. Mr. Speaker, in respect of health sector Social and Priority Intervention Programmes, a number of allocations have been made. This year, an allocation of GH¢15.0 million has been made to support the Malaria Vector Control Programme (Labiofam). In addition, allocations have been made for a number of programmes in the health Ministry including GH¢5.0 million for the uptake of family planning services, GH¢5.0 million for psychotherapeutic medicine and GH¢11.3 million for Ghanaian medical trainees in Cuba. In the area of HIV and AIDS, the National AIDS/STI programme has been allocated GH¢5.0 million: supply of locally manufactured Anti Retrovirals, an amount of GH¢5.0 million, and prevention of Mother-to-child transmission, has also been allocated GH¢0.5 million. For various health sector construction projects the following allocations have been made: Tema Maternity Hospital - GH¢2.0 million; Fomena Nurses Training College - GH¢1.9 million; the office complex of the Nurses and Midwives Council - GH¢1.4 million; completion of nurses training schools at Goaso, Cape Coast, Agogo, Pantang, Hohoe and Wa - GH¢5.0 million. The rehabilitation of Axim Hospital will also receive GH¢1.0 million and for the Akuapem North District Administration Nurses Flats, an amount of GH¢1.1 million.

1017. For various equipment supply and rehabilitation works in the health sector, the following provisions have been made in 2013: the Maternity and Children's block of the KATH and the Children's Block of KBTH will receive (GH¢2.4 million and GH¢1.1) million respectively; an Oxygen Supply Plant for Medical Gas will be funded with GH¢4.0 million; and for the purchase of a CT scan, an allocation of GH¢5.0 million has been made. The Bio Equivalence Centre has been allocated GH¢5.0 million.
1018. Mr. Speaker, promotion of Technical and entrepreneurial skills as well as job creation at the local level continues to be the priority of Government. In 2013, the Local Enterprises and Skills Development Programme (LESDEP) will receive GH¢75.0 million. To facilitate the employment of the youth, the GYEEDA has been allocated an amount of GH¢30.0 million. The Ghana School Feeding Programme, which serves as a source of employment and market for local crop farmers, has been allocated GH¢199.0 million for its implementation. To resource the 46 new districts to enable them perform their designated functions, an amount of GH¢5.0 million has also been allocated as seed capital and the Town and Country Planning Department has an allocation of GH¢0.30 million. To strengthen democratic institutions, Members of Parliament will also be supported with GH¢10.0 million for constituency offices.
1019. Mr. Speaker, Government has allocated an amount of GH¢20.0 million to the Savannah Accelerated Development Authority (SADA) for agricultural programmes. The Central Regional Development Commission (CEDECOM) will receive GH¢5.0 million, while the Livelihood Empowerment Against Poverty (LEAP) programme will be supported with GH¢30.0 million. The Micro and Small Loans Centre (MASLOC) will provide loans to the value of GH¢5.0 million to MSMEs to foster growth. In addition, Government will support the construction of Jubilee markets with an amount of GH¢10.0 million.
1020. The Plantation Development Programme will be supported with an amount of GH¢10.0 million and the Alternative Livelihoods Development project (Swedru) has an allocation of GH¢3.2 million.

1021. Mr. Speaker, for energy projects, an amount of GH¢30.0 million has been allocated for extension of electricity in rural areas. The Dis-infestation Service of the Bui Dam will receive an amount of GH¢15.0 million
1022. In the area of water and sanitation, Rural Water Supply Projects will receive an amount GH¢10.0 million. Sanitation and waste management programmes have been allocated GH¢120.0 million, while coastal sanitation has been allocated GH¢13.0 million.
1023. The Volta Lake Enhancement project will be funded with GH¢30.0 million. Railway rehabilitation work will be allocated GH¢30.0 million, while an amount of GH¢10.0 million will provide additional funding for the rehabilitation of airports. Urban roads maintenance will be provided with GH¢100.0 million.
1024. Mr. Speaker, to enhance the competitiveness of Ghana's private sector, GH¢15.0 million has been allocated to the Venture Capital Fund. An amount of GH¢10.0 million has been allocated for Exim Guarantee. Factories inspectorate has an allocation of GH¢1.0 million.
1025. In support of the development of the creative arts, an allocation of GH¢1.5 million has been made to the industry. In addition, the following allocations specific have also been made: Abibigroma - GH¢0.25 million; Ghana Dance Ensemble - GH¢0.25 million; and Ghana Folklore - GH¢0.25 million. The Bureau of Ghana languages will also receive an amount of GH¢0.75 million to support its planned programmes.
1026. Mr. Speaker, a provision of GH¢20.0 million has been made to support disaster management activities and GH¢15.0 million for the Ankaful Maximum Security Prisons.
1027. District Assemblies and Members of Parliament have been provided with GH¢10.0 million for local priority projects.

## **SECTION EIGHT: STRUCTURAL REFORMS OF THE MEDIUM-TERM AGENDA**

### **Public Financial Management Reforms**

1028. Mr. Speaker, as part of efforts to ensure value for money and efficient delivery of public service, the Government has embarked on a number of Public Financial Management Reforms. They are the:

- Ghana Integrated Financial Management Information Systems (GIFMIS) Project;
- Integration & Modernization of the Revenue Agencies - Ghana Revenue Authority;
- The Programme Based Budgeting (PBB) ; and
- Fiscal Decentralisation

### **Ghana Integrated Financial Management Information Systems (GIFMIS) Project**

1029. Mr. Speaker, the GIFMIS PROJECT was launched in May 2009 and the implementation of the plan has been progressing steadily.

1030. The objectives of the project are to use new Information, Communication and Technology (ICT) tools and processes to improve financial accounting and reporting to enhance financial efficiency and ensure effectiveness in service delivery.

1031. The Project rolled out the General Ledger and P2P (procure to pay) modules to all MDAs in Accra as well as the regional offices of the MDAs for processing expenditure related to the Consolidated Fund. Currently, MDAs cannot process any payment outside the system.

1032. The monthly public accounts for 2012 were prepared using the GIFMIS. Transaction Processing Centres (TPCs) have been established in Accra and all the regional capitals for training as well as processing of transactions by MDAs that have no network connectivity.

1033. To improve cash management, dormant bank accounts at Bank of Ghana have been closed. The active ones are being rationalized to constitute a Treasury Single Account.
1034. As part of the preparatory work towards rolling out GIFMIS to the MMDAs, a consultant has been engaged to align the MMDAs Accounting to the GIFMIS business process.
1035. A comprehensive study has been carried out on the IPPD system for upgrade and integration with the GIFMIS Oracle Financials.
1036. Preparatory work has also started on the development of Ghana Human Resources Management Information System (GHuMIS) for the effective management of public sector employees.
1037. Mr. Speaker to achieve the full benefit of the GIFMIS project, there is the need to interface some of the existing systems in some key institutions. As result, the (T-24 and SWIFT) at BoG, (TRIPS and GCMS) at GRA, e-Monitor (for non-tax revenues), CSDRMS for Debt Management and PIMS (for Public Investment Management) all at MoFEP are ongoing and at various stages of completion.
1038. In 2013 the Project will extend the system to cover the Consolidated Fund at the MMDAs level. The system will also be extended to cover Internally Generated Funds (IGF), Donor Funds and Statutory Funds for all MDAS and MMDAs
1039. The 2012 annual accounts will be prepared using the GIFMIS. The testing and the roll out of the interfaces between GIFMIS, (T-24 and SWIFT) at BoG, (TRIPS and GCMS) at GRA, e-Monitor (for non-tax revenues) , CSDRMS for Debt Management and PIMS (for Public Investment Management) all at MoFEP will be completed.
1040. The Treasury Single Account (TSA) strategy will continue to cover all government accounts at the Bank of Ghana to further improve cash forecasting and cash management.

**Integration & Modernization of the Revenue Agencies - Ghana Revenue Authority**

1041. Mr. Speaker, the GRA Head Quarter's Divisions and Departments have been set up with the full implementation of the organisational structure. Codification of Tax Procedures is still ongoing while branding of GRA had been completed. Staff reassignment, training and placement continued. The GRA Project continued with the appointment and reassignment of Heads of Medium Taxpayers Office (MTO) and Small Taxpayers Office (STO) throughout the country to drive the integration and modernization process. Sensitization of stakeholders on the change process also continued in the year. Overall, the GRA Integration and Modernization programme for 2012 to 2014 is about 14 per cent complete with 20 per cent of the activities currently ongoing and 66 per cent yet to start.
1042. In 2013 the ongoing Codification of Tax Procedures and branding of GRA will be completed. Staff rationalization, training and placement will continue. Re-issuing of Tax Identification Numbers for existing taxpayers will be carried out in 2013. Furthermore, the activities of the Integration and Modernization programme will continue and the Aflao border office complex of the GRA will be completed.
1043. The Preventive Department of the Customs Division will continue combating smuggling by injecting fresh officers into the department.

**Programme Based Budgeting (PBB)**

1044. The introduction of PBB is intended to improve the connectivity between Planning and Budgeting and the effectiveness and efficiency of public sector spending. It is also to enhance Government's ability to allocate available resources in accordance with its policy priorities and better demonstrate the strategic intent of the Budget. PBB will also define a new performance-based structure of accountability for the work programme and budget as well as the basis on which the performance of MDAs and MMDAs will be evaluated.
1045. In 2012 the Pilot PBB Training for the 34 MDAs was carried out to build capacity for the staff of the MDAs. The MDAs determined their programme structures, prepared narrative statements that provided goals and objectives,



developed performance indicators and translated their 2012 ABB into Programmes and Sub-Programmes (PBB Structure), In addition the seven Pilot MDAs namely Ministries of Tourism, Communication, Education, Health, Food and Agriculture, Roads and Highways and Commission on Human Rights and Administrative Justice prepared their 2013 PBB.

### **Selection of Budget Module**

1046. To identify and select an appropriate Budget Module for budget preparation and implementation process which can integrate with the GIFMIS platform, a Consultant was contracted to review the business processes involved in budgeting and develop specifications for the selection of a suitable module. This has been completed and specifications submitted to the GIFMIS Procurement Unit to initiate the procurement process for the selection of a new budget preparation module.
1047. In 2013 the preparation for the roll out of PBB in 2014 will commence. To facilitate the smooth implementation of the reforms a Budget Working Group (BWG) will be set up in all the MDAs. The Project Secretariat for Budget Reforms will review all Programme structures and performance measures developed during the 2012 PBB Training. Parliamentarians will be engaged on PBB issues including the structure of the Appropriation Bill. Templates and detailed instructions for preparing Budgets for 2014 will be developed and a change management strategy implemented to ensure smooth implementation of the PBB reform.
1048. The Ministry will collaborate with NDPC to review the GSGDA, implement a process of annual strategic planning updates by all MDAs and develop and implement a more policy based approach to setting indicative Budget ceilings.

### **Budget Module**

1049. Mr. Speaker, it is unlikely that the procurement process for the selection of a new budget module will be completed in time for a system to be selected and installed before the preparation of the 2014 Budget which will commence in June 2013.

1050. The target is therefore to complete the procurement process and commence the coding, structure issues of the PBB system and train selected MoFEP staff for the Piloting of the new system in the last quarter of 2013 with full implementation of the system for the 2015 Budget.

**Budget Software for 2014 PBB Preparation**

1051. The Activate Software (Version 1.5.1) which was used in the Pilot PBB Budget Preparation has been proposed as an alternative system for the preparation of the 2014 PBB by all MDAs. It is believed that this arrangement will facilitate the planned roll out of PBB in 2014.

**Fiscal Decentralization**

1052. Mr. Speaker, the Directive Principles of State Policy enshrined in the 1992 Constitution enjoins the state to take appropriate steps to "make democracy a reality by decentralizing the administrative and financial machinery of Government to the regions and districts".
1053. Over the last two decades, Government has implemented various initiatives aimed at decentralizing the administrative and financial machinery of Government to the local level. Whilst remarkable progress has been made in the areas of political and administrative decentralization as well as decentralized planning, much needs to be done in the area of financial decentralization.
1054. In pursuance of this objective and to deepen democracy and improve public financial management at the local level, in 2012 the MMDAs Composite Budget which has been in our statute for almost a decade was successfully rolled out to the 170 MMDAs.
1055. Mr. Speaker, the full rolled out of composite budget in 2012 in all MMDAs has brought to the fore a number of challenges. They include:
- The non-alignment of the Metropolitan Municipal and District Assemblies (MMDAs) budget processes with that of the National budget;
  - Late provision of the MMDAs budget ceilings from the DACF, DDF and UDG of the preparation of the MMDAs budget; and

- Increased deduction of the direct transfers from the DACF to the MMDAs at the national level.
1056. These challenges among others have created a lot of difficulties in the management of the MMDAs budget thus creating concerns about accountability, efficiency in service delivery and predictability of releases inherent in good budget practice.
1057. In the medium to long term, Government is determined to move beyond the composite budget to implement the larger reforms which will ensure that resources are transferred in a transparent and predictable manner to the MMDAs to enable them perform their decentralized functions.
1058. The reforms will include measures to address challenges that confront the implementation of our fiscal decentralization policy. The measures include:
- Provision of Medium Term budget allocations to the District Assemblies Common Fund Administrator for the development of a medium Term formula starting 2013 to 2015 for approval by this august House;
  - Institution of measures to reduce the numerous deductions from the DACF to free more budget allocations to support the MMDAs budget implementation for improved service delivery to the people;
  - Finalization and implementation of the Intergovernmental Fiscal Framework (IGFF) Policy and Grants Transfer reports; and
  - Collaboration between DACF administrator and MOFEP to determine the ceilings for the MMDAs to facilitate better planning and MTEF budgeting at the sub-national level.
1059. Mr. Speaker, it is hoped that all these measures when implemented will lead to better alignment of the MMDAs budget and National budget process as we work towards general Government budget reporting.

1060. Government will further strengthen the capacity of the citizens to demand for accountability and effective performance of service delivery by rolling out to the 216 MMDAs the PFM social accountability templates piloted in eight MMDAs in five regions.

**Sustainability of Government's Wage Bill**

1061. Mr. Speaker, the migration of public service workers onto the Single Spine Salary Structure (SSSS) is near completion. As of December 2012, the Fair Wages and Salaries Commission (FWSC) had successfully migrated about 478,566 public sector workers onto the SSSS, representing 99.7 per cent of public service workers to be migrated. The remaining public institutions are expected to be migrated in the course of 2013. Although the migration exercise has led to an appreciable increase in the public sector wage bill, it poses some systemic risks to macroeconomic stability. In spite of these challenges, Government remains fully committed to its implementation with the view of improving the welfare of public service workers.
1062. Mr. Speaker, the mounting wage bill, resulting mainly from the implementation of the Single Spine Pay Policy (SSPP), is a source of great concern for fiscal and macroeconomic stability. The wage bill has more than tripled over the period 2009-2012. It increased from GH¢2.48 billion (52.2 per cent of tax revenue) in 2009, prior to the implementation of the SSSS, to GH¢3.18 billion in 2010 (49.5 per cent of tax revenue), and further to GH¢6.67 billion (53.8 per cent of tax revenue) in 2012. Inclusive of arrears, the 2012 wage bill amounts to GH¢8.54 billion equivalent to 68.2 per cent of tax revenue, 40.8 per cent of expenditure, and 11.9 per cent of GDP. The trajectory of the wage bill is certainly unsustainable as the ratio of wage to tax revenue is way above the threshold of 35 per cent established under the Secondary Convergence Criteria in the West African Monetary Zone.
1063. Mr. Speaker, total compensation, which comprises basic salary, allowances, salary arrears, pensions, gratuities, and social security contribution rose from GH¢2.89 billion (60.8 per cent of tax revenue) in 2009 to GH¢9.05 billion in 2012 (72.3 per cent of tax revenue). Of this amount, SSSS arrears paid in respect of 2010/2011 amounted to GH¢1.87 billion. Thus, of the GH¢12.39 billion tax revenue collected in 2012, about

72.3 per cent was used to settle the compensation bill of about 600,000 public service workers and pensioners.

1064. Mr. Speaker, despite the current pressures on the wage bill, the labour front has been fraught with agitations on aspects of the SSPP such as market premium and categories 2 and 3 allowances which have further huge cost implications. The implementation of an interim market premium for the health and education sectors has faced serious challenges due mainly to the absence of market premium guidelines to guide the implementation of market premium. However, plans are far advanced in the issuance of the market premium guidelines and will be issued soon. It is expected that the guidelines would minimize agitations on market premium, which has restricted application, and provide a more objective basis for determining the market premium.
1065. Mr. Speaker, another area of concern is the rationalization, standardization, and determination of categories 2 and 3 allowances. Judging from the negative effects of rushing the implementation of the interim market premium, care will be taken not to rush the implementation of these allowances without first undertaking a thorough review of the diverse allowance structure and its financial implications. We are, therefore, urging Organised Labour, our partners in development, to exercise restraint and continue to facilitate the review, rationalization and standardization process.
1066. Mr. Speaker, going forward the following measures will be taken to ensure the sustainability of the SSPP, realign the elements of expenditure in the Budget, and reverse the worrying trend of the public sector wage bill:
- Consistent with the White Paper on the SSPP, the SSPP is to be implemented within a five-year period, therefore, aspects of the pay policy with huge fiscal implications will be spread over the five-year period rather than rush their implementation;
  - The SSPP is an all-embracing Government policy that must apply to all Ministries, Departments and Agencies that are fully or partially on Government budget except those which are exempted by the

Constitution or an Act of Parliament. Government will, therefore, speed up the migration of all MDAs, especially, subvented agencies onto the mechanized payroll system and the SSSS to ensure efficient control and management of the payroll of these agencies.

- The FWSC, the MOF, Public Sector Reform Secretariat, the Public Services Commission, the Office of the Head of Civil Service and other relevant agencies will carry out complementary public sector reforms to ensure that pay is linked to productivity in the public service. Even though the primary objective of the SSPP is to remove inequities and distortions in the public sector pay and enhance productivity and, not necessarily to increase pay, the implementation of the SSSS has led to significant salary increases in the public sector. Public service workers are, therefore, expected to match the increased pay with improved productivity to ensure the sustainability of the pay policy;
  - The wage adjustments in the public service and the current exercise on the rationalization and standardization of categories 2 and 3 allowances will be undertaken within budgetary constraints in the implementation period;
  - Government has decided that emphasis will be laid on determining the National Minimum Daily Wage and negotiating the public service wage before the annual budget is submitted to Parliament for approval;
  - Government will, as a matter of urgency, ensure that market premium guidelines are issued to provide more clarity on the determination of market premium and prevent its abuse; and
1067. The payroll upgrade, auditing, and biometric registration exercises will be mainstreamed into the Government payroll and human resource management system and there will be strict enforcement of existing wage management regulations on government officials who renege on their responsibilities, thereby, promoting payroll fraud.

## **SECTION NINE: POLICY INITIATIVES**

### **Infrastructure Development through Public Private Partnership (PPP)**

1068. Mr. Speaker, Government recognises infrastructure development as a key ingredient in its development agenda. Our efforts at achieving production efficiency, reliability and competitiveness will not achieve much if we do not expand, up-date and modernize our national social and economic infrastructure. It is estimated by the World Bank that the country faces an infrastructural funding gap of about US\$1.5 billion per annum consistently for at least the next ten years. This funding deficit undermines efforts at ensuring sufficient and efficient infrastructure delivery that is required to harness the potential of the private and public sectors to grow and diversify the economy and create employment opportunities.
1069. A national infrastructure plan is being finalized that will align key components of the economic expansion with optimum access to needed infrastructure. In order to maximise private financing to reduce the infrastructure gap, it is the expectation of government that all Ministries, Departments and Agencies (MDAs) undertaking investment projects will do so within the framework of the Public Investment Plan (PIP); and use a more diversified financing space provided through the Public Private Partnership (PPP) option.
1070. Mr. Speaker, as part of government's efforts to involve the private sector in public infrastructure and service delivery through PPP, a national policy on PPPs has been designed and launched. The policy expects that all PPPs should have the core values of sustainability, acceptability to the demands of accelerated national development (Government and end users) and value-for-money in terms of timely, better and enhanced delivery (availability) of the project.
1071. Mr. Speaker, Government is currently developing a PPP law that will be introduced soon before this august House for consideration. The policy document and legislative framework will complement other institutional, financial and operational framework to address the key binding constraints

in the current enabling environment for PPP in Ghana. Moreover, His Excellency, the President chairs the Private Sector Advisory Council, and has relocated the Private Sector Development Secretariat directly under the Presidency to enable optimum facilitation of activities relating to private sector development using the authority of his high office.

1072. Mr. Speaker, in recognition of government's commitment to using PPPs as a strategic mechanism for procuring, financing and delivering public infrastructure and services, an International Development Association (IDA) credit of about US\$30 million has been approved by the World Bank to support the Ghana PPP Project. It is the expectation of Government that Ghanaian development professionals and institutions will appropriately position themselves to participate actively in the opportunity open to the Private Sector and thereby pride themselves as having provided adequate local content in this new business initiative.

#### **Improving Efficiency and Transparency in the Mining Sector**

1073. Mr. Speaker, the mining industry is one of the largest contributors to the country's foreign exchange earnings. Since 2000, commodity prices have risen about 75 percent in real terms. This presents a unique opportunity for government to mobilise internally generated wealth from our natural resources, especially, in the mining sector for sustainable development.
1074. However, there is information asymmetry in the negotiation of mining contracts, which tends to profit foreign entities that invest in the mining sector of the economy. Government will therefore, invest more in building technical capacities in order to negotiate mining contracts that will be beneficial to the wellbeing of our people. The on-going negotiations on existing Stability Agreements will be expedited to set new standards for the sector.

#### **Millennium Challenge Account (Compact 2)**

1075. Mr. Speaker, the 5-year approximately US\$547 million Millennium Challenge Account (Compact I) Programme formally ended on Feb 16<sup>th</sup>, 2012. The main focus of Compact 1 was in Agricultural Development, Infrastructural Projects and Rural Services Development Projects.



1076. As a testament to good performance of the first compact and continued good policy, the US Government's Millennium Challenge Corporation (MCC) re-selected Ghana as one of only four countries eligible to continue developing compact proposals for Compact 2 for Fiscal year 2013.
1077. Funds from Compact 2 are wholly and entirely earmarked for the energy sector, and it is aimed at strengthening the sector in order to make Ghana self-sufficient in energy generation. It is also envisaged that, Ghana would become a net exporter of the commodity to her neighbours in the West African sub-region and beyond.
1078. Ghana is in the process of preparing a Second Compact for the consideration of the Millennium Challenge Corporation (MCC) in the USA. Concept Papers on the Second Compact have been submitted to the MCC. Preliminary comments received indicate that, most of the programmes proposed under Compact 2 have been approved by the MCC Board for further development. Hopefully, the Second Compact of the Millennium Challenge Account would be released to Ghana, by end of 2013.

**DACF Management Reforms**

1079. Mr. Speaker, synchronization of MDA Budget Guidelines and Budget Ceilings are critical components of the budget preparation process. The guidelines and costing must be issued in a timely manner to facilitate the budget process and ensure creditability in the preparation of MMDAS budget.
1080. Currently, the central government and local government budget cycles are disjointed, making it difficult to issue clear budget ceilings for MMDAs. The primary problem is that the DACF, District Development Facility (DDF) and Urban Development Grant (UDG) transfers are not determined at the budget preparation stage, but rather during the period of execution, thereby, forcing MMDAs to issue multiple supplementary budgets. This creates confusion, disjointed budgeting and difficulties in monitoring the full budget process. Additionally, it decreases accountability, efficiency and equity inherent in good budget practice.

1081. Mr. Speaker, measures will be put in place to address these challenges to ensure that transfers to MMDAs from the DACF, DDF and UDG are determined at the budget preparatory stage. In this respect, a Functional Organizational Assessment Test (FOAT) will be conducted in the third quarter of the year to facilitate the process.

**"Girls in ICT" Programme nascent**

1082. Mr. Speaker, government's policy of giving equal opportunities and access to education, will be given additional boost with the expansion of training programmes in the ICT and other allied programmes that will benefit the youth. Due to the current nascent nature of ICT knowledge and general lack of interest by young girls in ICT, the Ministry of Communication has identified the need for Girls to show interest in ICT and Technological issues.

1083. In furtherance of this, the Ministry of Communication, in collaboration with the Ministry of Gender, Children and Social Protection and the Ministry of Environment, Science, Technology and Innovation, will initiate the celebration of "Girls in ICT" programme as part of the activities marking the annual commemoration of the World Telecommunication and Information Society Day.

1084. A committee has been constituted and is working with the objective of providing policy inputs and programmes to facilitate sustainable and collaborative policy development in four key sectors of the economy namely: Information Technology, Education, Environment & Science, and Women & Children.

1085. In this regard the Ministry will continue to facilitate and monitor the Girls in ICT Programme thereby promoting an interest in technology, computer science, new communication media and engineering, offering girls' opportunities to choose careers in the area of ICT.

**Water for Schools**

1086. Mr. Speaker, one of the basic necessities of life is water. Over the years, government has worked towards providing water for most communities in the country. Whilst this has yielded results, there are still a lot of

communities that do not have access to water. Most schools in Ghana do not have access to clean water and sanitation facilities. For a lot of the boarding schools, access to water remain a major challenge and affect learning and other critical activities of the schools. Students spend a substantial amount of man hours to search for water at the detriment of their studies.

1087. As part of efforts to address the deficit in water provision, Government has decided, as a priority over the medium term, to ensure that all primary, junior and senior high schools in the country have access to clean and potable water.
1088. In 2013 therefore, government will seek to provide water through environmentally sustainable ways to ensure that health and sanitation in schools are improved. This is in line with the vision of government to ensure that school children in Ghana are insulated from the risk of acquiring communicable diseases whilst at the same time removing the burden of students having to search for water.
1089. The Ministry of Works and Housing will collaborate with the Ministry of Education to undertake a needs assessment of water and sanitation facilities in all existing schools and draw up a programme to meet the existing gaps. With regards to new schools, conscious effort will be made to provide adequate water and sanitation facilities as part of the essential requirements for the schools.
1090. Mr. Speaker, sanitation and environmental health have become critical for development, as Ghana is woefully lagging behind in meeting key MDG targets on sanitation. A national task-force comprising multiple agencies and the private sector has developed a short-term plan for an aggressive resolution of the sanitation challenge. Government will initiate the process for a more robust medium-term plan on sanitation and environmental sanitation, towards systematixing the national plan with decentralised implementation in a manner that is cost-effective and better coordinated.

### **Deposit Insurance**

1091. A viable deposit insurance system serves as a safety net for small savings and adds to confidence in the banking and financial system, especially if supported by a well-functioning regulatory and supervisory system. Bank failures can hurt confidence in the banking system, especially deposit mobilization. The government believes that a deposit insurance system will help boost confidence by ensuring that a scheme exists for resolving failing institutions and addressing the liabilities of small savers. With the support of the German Government steps have been initiated towards establishing a deposit insurance agency/commission in the country. A feasibility study on the subject has been completed and a legal framework and other modalities for the full implementation of the scheme are being prepared, for implementation by fiscal year 2014.

### **Securities Depository**

1092. Mr. Speaker, the country has two depositories for the management of stocks and other securities. The depositories are at the Central Securities Depository (CSD) at the Bank of Ghana and the Ghana Stock Exchange Depository (GSD). These depositories are databases that store electronic information of individual and group investments made for treasury bills, bonds, shares etc. The information for these securities can be reported and used for trading on relevant platforms.
1093. Mr. Speaker, there will be merger of the two Depositories in 2013 to create one National depository for all securities in the country, thereby, providing easy access to information on securities, enhanced efficiency in the securities market and lower transaction cost. The depository will be a huge boost to the financial market development in the country.

### **Development of a Financial Inclusion Strategy**

1094. Mr. Speaker, the country has implemented financial sector reforms over the years to address the problem of access to financial services. However, challenges still remain per the FinScope National survey and World Bank Global Financial Development Report. The absence of Financial Inclusion Strategy in the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society still remains a challenge in the financial sector.

**Partnership for Growth Initiative**

1095. Mr. Speaker, one of the pillars under the GSGDA is to have a strong private sector development and participation to sustain and broaden the country's economic growth. As part of measures to implement this pillar and in recognition of government's commitment to this programme, the United States Government under the Partnership for Growth Initiative has selected Ghana as one of the four (4) participating countries to benefit from this initiative. This partnership arrangement will be implemented through the development of a five-year Joint Country Action Plan (JCAP) with special focus on the Power Sector and Financial Sector under the Access to Finance.
1096. Goals to be achieved under the power sector will be Strategy and Planning; Institutional, Regulatory and Structural Reform; Electricity Demand and Generation Capacity; Transmission and Distribution Infrastructure and Operations; and Rural Access. The Access to Finance will focus on Financial Sector Regulation and Supervision; Financial Sector Infrastructure; Broadening and Deepening the Financial Sector; and Support SME capacity to access credit. These goals will help eliminate and/or minimize constraints identified as inhibiting factors to the growth of these sectors which also affect private sector participation in the economic growth process.

**Development of a Fiscal Risk Management Plan**

1097. Mr. Speaker, developments over the years have exposed the need to carefully identify and manage all sources of fiscal risk to the budget. Governments have, over the years, endeavoured to ensure macroeconomic stability through the implementation of prudent fiscal and monetary policy measures. However, there remains a huge challenge in bringing unplanned and unanticipated expenditures under control. Effective budget execution has been undermined by continuous off-budget expenditure.
1098. These expenditures sometimes include critical payments, especially, contingent liabilities from State Enterprises, subnational governments and unexpected legal claims. In the absence of an institutional framework, and

effective management system, government's ability for effective fiscal management is reduced thereby, undermining the credibility of the budget and government's effort at sustained macro-economic stability.

1099. Mr. Speaker, in recognition of this, the Ministry of Finance in the coming year, will develop and implement a Fiscal Risk Management Strategy (FRiMs). The strategy will identify all sources of fiscal risk, categorize them, undertake a comprehensive analysis of the risk and put in place a plan to manage them, ensuring that they are minimized as much as possible.
1100. An institutional framework and monitoring systems and other risk mitigation measures will be developed to manage all contingent liabilities from public and quasi-public institutions, subnational government, and government guarantees, in order to have a full and complete handle on government fiscal risk.
1101. It is expected that over the medium term, this initiative will lead to an improved and sustained government fiscal outcomes.

**Additional Measures**

1102. Mr. Speaker, government will implement the following additional measures to improve efficiency in the delivery of services in 2013. They include:
- A temporary freeze on the creation of new GYEEDA modules and the recruitment of additional new beneficiaries in pursuance of government policy of reviewing and re-aligning GYEEDA activities;
  - A review of the allowances of Chiefs to include judicial allowances in response to their adjudication role;
  - The provision of GH¢10,000,000.00 to furnish the Parliamentary Tower Block and GH¢10,000,000.00 for the construction of MPs Constituency Offices;
  - The registration of all government Vehicles with GV Number Plates.

- The introduction of a hire purchase plan for the acquisition of Vehicles by government officials;
- Taking of inventory of all government Vehicles in all MDAs and MMDAs will be undertaken;
- The standardisation of allocation of fuel coupon for official use across Ministries;
- The piloting of electronic toll collection on the Tema Motor-way and other road networks;
- The Media Development Fund will be resourced with additional GH¢2,000,000.00;
- The promotion of the use of Solar Energy and portable Gas stoves;
- The restructuring of the National Board for Small Scale Industries (NBSSI) into an umbrella supervisory body for SMEs; and
- The consolidation of the role of National Identification Authority (NIA) to be responsible for the compilation and management of all primary Biometric data for official use.

### **Employment Generation**

1103. The government's efforts at Employment Generation will centre on the following areas among others;
- The Block Farming Programmes promoted by the government will be up-graded to the development of Serviced Agricultural Estates that will provide land parcels on sub-lease basis to groups and individual interested in entering agriculture as a business. This will organised to create jobs for our people;
  - The Local Economic Development Programme currently being jointly promoted by the ministries of Local Government and Trade and Industry will create jobs in all districts of Ghana;

- The Youth Employment Fund will be fully operationalized early this year to support the youth's entry into job creating ventures;
- The accelerated development of social and economic infrastructure is expected to generate many employment opportunities for our youth;
- A programme of slum re-development and rural re-generation to enhance the quality of human settlement is expected to generate on-site employment in many parts of the country.



## **SECTION TEN: CONCLUSION**

1104. Mr. Speaker, in summary, the policies outlined in this Budget seek to sustain confidence in the future of the Ghanaian economy. Towards this end, we have fashioned and will continue to fashion pragmatic policies to correct imbalances that threaten our economic aspirations and lay a firm foundation for consolidating our middle income country status.
- We are determined to realign expenditures, especially, on non-funded projects, Personnel Emoluments, which is now out of proportion to expenditures on Goods and Services as well as infrastructure developments.
  - We are determined to continue with measures and programmes that give effect to our commitment to the welfare of the vulnerable members of our society, through judicious allocation of resources.
  - We are determined to avoid the phenomenon of long delays in completing government projects, and ensure that all major capital projects have clearly identified sources of finance without which there will be no approval by the Ministry of Finance.
  - We are determined to improve coordination of central government programmes with the MMDAs that control statutory funds.
1105. Mr. Speaker, thus far, we have managed to push the economy onto a higher growth trajectory, maintained relative macroeconomic stability in the midst of the turbulent global financial crises and attracted sizeable investments into critical sectors of the economy. The exchange rate of the cedi against Ghana's trading partners has stabilized. Inflation has been in single digit for over 2 years.
1106. Our delivery of critical economic and physical infrastructure has been unparalleled and will continue.

1107. The administration of H.E. John Mahama will remain faithful to the NDC's philosophy of social democracy and continue with well-targeted social intervention programmes for the benefit of all the people of Ghana. Indeed, the Better Ghana Agenda continues unabated.
1108. Mr. Speaker, every country in the world is experiencing its fair share of economic challenges. However, we in Ghana have reason to feel confident in the future of the Ghanaian economy judging from our overall performance. We must all understand that if we work together to overcome the current challenges, we all stand to benefit from the opportunities that would be created. We must not and should not seek refuge in blame games. This is not the time for that.
1109. I believe in solving problems as and when they confront us. That is what efficient and effective governance is all about. As the Minister for Finance, I will keep an open mind and remain receptive to good ideas that will help advance our goal of attaining High Middle Income Status and spread the benefits to all Ghanaians within the shortest possible time.
1110. Mr. Speaker, I beg to move.

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