



REPUBLIC OF GHANA

**THE BUDGET STATEMENT AND ECONOMIC POLICY**

*of the*

**GOVERNMENT OF GHANA**

*for the*

**2014 FINANCIAL YEAR**

*presented to*

**PARLIAMENT**

*on*

**Tuesday, 19<sup>TH</sup> NOVEMBER 2013**

*by*

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*on the Authority of*

**H. E. PRESIDENT JOHN D. MAHAMA**

**THE**  
**2014 BUDGET STATEMENT**  
**AND**  
**ECONOMIC POLICY**

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The 2014 Budget Statement and Economic Policy of the Government of Ghana is also available on the internet at: [www.mofep.gov.gh](http://www.mofep.gov.gh)

## **ACRONYMS AND ABBREVIATIONS**

ABFA	Annual Budget Funding Amount
AESOP	Annual Education Sector Operational Plan
AIDS	Acquired Immune Deficiency Syndrome
AMA	Accra Metropolitan Assembly
AML	Anti-Money laundering
AMSECs	Agricultural Mechanization Services Enterprise Centres
ARB	Association of Rural Banks
ART	Anti-Retroviral Treatment
AU	African Union
BACs	Business Advisory Centres
BECE	Basic Education Certificate Examination
BNI	Bureau of National Investigations
BOG	Bank of Ghana
bopd	barrels of oil per day
BPOs	Business Process Outsourcing
BR	Benchmark Revenue
CAP	Carried and Participating Interest
CBT	computer based theory
CDB	China Development Bank
CEDECOM	Central Regional Development Commission
CET	Common external Tariff
CFR	case fatality rate
CHPS	Community Health Planning and services
COCOBOD	Ghana Cocoa Board
CODAPEC	Cocoa Disease and Pest Control
CPI	Consumer Price Index
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CSIR	Council for Scientific and Industrial Research
CSM	Cerebrospinal Meningitis
CSOs	Civil Society Organisations
CST	Communication Service Tax
CT	Computerized Tomography
DACF	District Assemblies Common Fund
DDF	District Development Fund
DPCU	District Planning Coordinating Unit

DSA	Debt Sustainability Analysis
DSRA	Debt Service Reserve Account
DTRD	Domestic Tax Revenue Division
DV	Domestic Violence
DVLA	Driver and Vehicle Licensing Authority
DWAP	District Wide Assistance Project
ECCD	Early Childhood Care and Development
ECG	Electricity Company of Ghana
ECOWAS	Economic Community of West African States
EDAIF	Export Development and Agricultural Investment Fund
EFC	Equity Financing Cost
EFT	Electronic Funds Transfer
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
EPI	Expanded Programme of Immunization
e-PV	Electronic Payment Voucher
ETCs	Entity Tender Committees
ETLS	ECOWAS Trade Liberalization Scheme
EU	European Union
FAA	Financial Administration Act
FAR	Financial Administration Regulations
FDB	Food and Drugs Board
FDI	Foreign Direct Investment
FIFA	Federation of International Football Association
FINSSP	Financial Sector Strategic Plan
FOAT	Functional Organisational Assessment Tool
FOB	Free-On-Board
GAEC	Ghana Atomic Energy Commission
GATA	Ghana Aviation Training Academy
GCMS	Ghana Customs Management System
GCTA	Ghana Cooperative Transport Association
GDP	Gross Domestic Product
G-DPG	Government-Development Partner Group
GEDAP	Ghana Energy Development and Access Project
GEPA	Ghana Export Promotion Authority
GER	Gross Enrolment Ratios
GES	Ghana Education Service
GFZB	Ghana Free Zones Board

GGF	Ghana Green Fund
GHF	Ghana Heritage Fund
GHuMIS	Ghana Human Resources Management Information System
GIF	Gamma Irradiation Facility
GIFMIS	Ghana Integrated Financial Management and Information System
GIPC	Ghana Investment Promotion Centre
GLR	Ghana Law Reports
GNPC	Ghana National Petroleum Company
GOG	Government of Ghana
GOTA	Global Open Trunking Architecture
GPFs	Ghana Petroleum Funds
GPHA	Ghana Ports and Harbours Authority
GPI	Gender Parity Index
GPRTU	Ghana Private Road Transport Union
GRA	Ghana Revenue Authority
GRATIS	Ghana Regional Appropriate Technology Industrial Service
GRSCDP	Gender Responsive Skills and Community Development Project
GSF	Ghana Stabilization Fund
GSGDA	Ghana Shared Growth and Development Agenda
GSS	Ghana Statistical Service
GYEEDA	Ghana Youth Employment and Entrepreneurial Development Agency
H.E	His Excellency
ha	Hectare
HIV	Human Immunodeficiency Virus
HR	Human Resource
HRMIS	Human Resource Management Information System
HT	Human Trafficking
IAA	Internal Audit Agency
IAUs	Internal Audit Units
IBES	Integrated Business Establishment Survey
ICCES	Integrated Community Centres For Employable Skills
ICT	Information Communication Technology
ID	Identity
IE/C	Information, Education and Communication
IEC	International Electro technical Commission
IGF	Internally Generated Fund

iIMR	Institutional Infant Mortality Rates
ILGS	Institute of Local Government Studies
IMF	International Monetary Fund
IPPD	Integrated Personnel Payroll Database
ISO	International Organization for Standardization
ITNs	Insecticide Treated Nets
ITU's	International Telecommunications Unions
JHS	Junior High School
JVCs	Joint Venture Companies
JVS	Joint Venture Companies
KATH	Komfo Anokye Teaching Hospital
KBTH	Korle Bu Teaching Hospital
KG	Kindergarten
KIA	Kotoka International Airport
KTPP	Kpone Thermal Power Plant
L. I.	Legislative Instrument
LAP	Land Administration Project
LDCs	Least Developed Countries
LEAP	Livelihood Empowerment Against Poverty
LED	Local Economic Development
LESDEP	Local Enterprises and Skills Development Programme
LGSS	Local Government Service Secretariat
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTE	Long Term Evolution
M&E	Monitoring and Evaluation
M2+	Broad Money Supply
MAF	MDG 5 accelerated framework
MARPs	Most at Risk Populations
MASLOC	Micro-Finance and Small Loans Centre
MASTESS	Mathematics, Science and Technology Scholarship Scheme
MDAs	Ministries, Departments and Agencies
MDBS	Multi-Donor Budget Support
MDGs	Millennium Development Goals
MDPI	Management Development and Productivity Institute
MESTI	Ministry of Environment, Science, Technology and Innovation
MGD	Million Gallons a Day
MICS	Multiple Indicators Cluster Survey

MMDAs	Metropolitan, Municipal and District Assemblies
MMR	Maternal Mortality Ratio
MoF	Ministry of Finance
MoFA	Ministry of Food and Agriculture
MRI	Magnetic Resonance Imaging
MSE	Micro and Small Enterprise
MSME	Micro, Small and Medium Enterprise
mt	Metric tonnes
MTDS	Medium Term Debt Strategy
MTEF	Medium Term Expenditure Framework
MTO	Medium Taxpayer offices
MTTD	Motor Transport and Traffic Division
MVA	Megavolt ampere
MW	Megawatts
NAFTI	National Film and Television Institute
NAPTEX	National Board for Professional and Technician Examinations
NBSSI	National Board for Small Scale Industries
NCA	National Communication Authority
NDA	Net Domestic Assets
NDF	Net Domestic Financing
NDPC	National Development Planning Commission
NEDCo	Northern Electricity Distribution Company
NER	Net Enrolment Ratios
NFA	Net Foreign Assets
NGOs	Non-governmental Organisation
NHIL	National Health Insurance Levy
NIA	National Identification Authority
NMTDPF	National Medium-Term Development Policy Framework
NOC	National Oil Company
NPC	National Peace Council
NSEZ	Northern Sector Ecological Zone
NTHC	National Trust Holding Company
NVTI	National Vocational Training Institute
OAG	Office of the Administrator-General
ODA	Official Development Assistance
OIC	Opportunities Industrialisation Centre
OPD	Out Patient Department
P2P	Procure to Pay



PANAFEST	Pan African Festival
PBB	Programme-based Budgeting
PBWGs	Programme Budget Working Groups
PDF	Project Development Facility
PFM	Public Financial Management
PIMS	Public Investment Management System
PIP	Public Investment Programme
PJCC	Permanent Joint Commissions for Cooperation
PM10	Particulate Matter 10
PPA	Public Procurement Authority
PPBMEs	Policy, Planning, Budgeting, Monitoring and Evaluation Units
PPME	Public Procurement Model of Excellence
PPP	public private partnership
PRMA	Petroleum Revenue Management Act
PROTOA	Progressive Transport Owners Association
PV	Photovoltaic
PWD	Public Works Department
R&D	Research and Development
RCCs	Regional Coordinating Councils
RECOMEPs	Regional Committees on MSE Promotion
REP	Rural Enterprises Programme
RTFs	Rural Technology Facilities
SADA	Savannah Accelerated Development Authority
SHEP	Self-Help Electrification Project
SHS	Senior High School
SIP	Social Intervention Programme
SIP	Social Intervention Programmes
SMEs	Small and Medium Scale Enterprises
SOEs	State Owned Enterprises
SOPCL	Saltpond Offshore Producing Company Limited
SPV	Special Purpose Vehicle
SSNIT	Social Security and National Insurance Trust
SSSS	Single Spine Salary Structure
STI	Science, Technology and Innovation
STO	Small Taxpayer offices
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TB	Tuberculosis
TEN	Twenenboa-Enyenra-Ntomme

TPCs	Transaction Processing Centres
TRBs	Tender Review Boards
TRIPS	Total Revenue Integrated Processing System
TSA	Treasury Single Account
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UN	United Nations
UNFPA	United Nations Population Fund
UNWTO	United Nations World Tourism Organization
US	United States
VAT	Value Added Tax
VRA	Volta River Authority
WAEC	West Africa Examination Council
WAMI	West Africa Monetary Institute
WAMZ	West Africa Monetary Zone
WASSCE	West Africa Senior Secondary Certificate Examination
WEO	World Economic Outlook
WHO	World Health organization
WIMAX	World Wide Interoperability Microwave Access

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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 31<sup>st</sup> December, 2014.
2. Mr. Speaker, on behalf of His Excellency, John Dramani Mahama, President of the Republic of Ghana and in accordance with Article 179 of the 1992 Constitution, permit me to present the Budget Statement and Economic Policy for the year 2014 to the House.
3. Mr. Speaker, in March this year, I presented the 2013 Budget Statement and Economic Policy of the Government to this august House. The election petition case was still ongoing at the time and therefore we must be grateful for the lifting of the cloud of economic uncertainty that came with the decision which reaffirmed H. E. President John Dramani Mahama as the validly elected President of the Republic of Ghana. His Excellency, the President has since led many to compliment Ghanaians for making our democracy strong.
4. The 2013 Budget was based on the Ghana Shared Growth and Development Agenda (GSGDA: 2010-13) which lapses this year. The successor plan, for the next term (GSGDA II: 2014-17) is being finalized and will incorporate a medium-term vision and strategy for the country.
5. In the 2013 Budget, one of the primary objectives of Government was to deal with the high budget deficit caused by overruns that were highlighted in specific detail and explained to the House and the nation. While proposing solutions to tackle the causes of the overruns, we indicated clearly that the fundamentals of the economy were strong and the nation's medium-term prospects were also bright. Mr. Speaker, we wish to reiterate that the fundamentals of the economy are still strong and the nation's medium term prospects are bright.
6. Mr. Speaker, throughout the year, we have been putting a lot of focus on implementing programmes that will stabilize the budget and consolidate our Lower Middle Income Country (LMIC) status and extend its benefits to current and future generations. However, it is obvious that the additional focus on highlighting and correcting the short-term imbalances in the way the public purse is managed has led to some misconceptions and even deliberate distortions of our economic performance. Mr. Speaker, permit me, therefore, to be very clear on our performance and prospects for the nation:



- As a result of sound economic policies and priority interventions of the government, Ghana's GDP in nominal terms has more than doubled between 2009 and 2013;
- Our real GDP growth rate which has averaged 7 percent in recent years, in spite of all the known challenges, is much higher than the Sub-Saharan African average of 4.9 percent and the average global rate of 3.2 percent. Indeed, the provisional 7.4 percent growth rate for 2013 reported by the Ghana Statistical Service showed positive growth rates for all sub-sectors. We should be proud of this performance as a nation;
- For a nation which, according to the International Monetary Fund (IMF), is globally among three African countries (the others being South Africa and Nigeria) to have attracted the highest Foreign Direct Investments (FDI) with accumulated volume of more than US\$10 billion for the past decade, our record reflects the high investor confidence in the economy;
- Mr. Speaker, our positive medium-term prospects are widely acknowledged, especially as we become a significant hydrocarbon and power producer in the sub-region while maintaining a diversified economy with a solid agricultural and service base. Therefore, Mr. Speaker, the confidence to which we ascribe also inspires us to acknowledge our short term challenges, but move beyond them with bold strategies to secure those positive prospects;
- Ghana won the confidence of the international financial markets with stable domestic bond performances. Furthermore, in August this year, we issued a second international sovereign bond which was over-subscribed by US\$1.5 billion. Recourse to development financing through Capital Market Sources will now become a prominent feature at this stage of our national economic positioning;
- Mr. Speaker, this Government has been pursuing accelerated infrastructure development supported by effective public finance management and institutional reforms, to lay the foundation for the next decade of inclusive and shared growth. To reiterate, our country has high potential for development, underpinned by a relatively well-diversified economy, multiple growth drivers, sizeable sub-regional market, hardworking and skilled citizens. We will continue to pursue the opportunities for prosperity and wealth with additional bold initiatives as I shall highlight in this budget;

- Therefore, Mr. Speaker, I stand before this Honourable House to present a budget that is truly transformational. In this regard, the budget highlights relevant policies for consolidating our middle income status.
7. Mr. Speaker, our plan to address the short-term imbalances in the Budget, as presented to this House in March 2013, is also on course and it boosts our confidence in achieving the objectives of the GSGDA. For the avoidance of doubt, we presented a multi-year programme of adjustment, not one that would be completed in a single year. The adjustment is, therefore, properly gauged, sequenced, and measured to avoid undue disruptions to the economy.
  8. A single year fiscal adjustment programme has never been our experience, not even under IMF programmes and, certainly, this is not the experience of even economically developed Western European countries that have had to make similar adjustments against the background of the global financial crisis. To do otherwise is to raise the bar excessively for Ghana which has chalked these sterling performance against known volatilities.
  9. Mr. Speaker, against this background, permit me to account for the budget overruns that we reported in March, 2013:
    - Firstly, the 2012 shortfall of GH¢384.1 million (0.5 percent of GDP) from Corporate Income Taxes (CIT) from the petroleum sector has been completely reversed and the projection for 2013 now shows a positive variance of GH¢224.6 million (0.3 percent of GDP);
    - Secondly, the adjustments in subsidies for petroleum products and utilities are projected to reduce the Budget overrun from GH¢339.0 million (0.5 percent of GDP) to GH¢244.9 million (0.3 percent of GDP). It is important to explain that the Budget will continue to include justifiable and targeted cross subsidies as part of our well-diversified social intervention policies, notably in the agriculture, education, health and energy (gas and solar) sectors;
    - Thirdly, while significantly delayed, we expect more in-flows of outstanding grants and budget support as arising from recent consultations with our Development Partners (DPs). The consultations are also consistent with the compact with DPs to make our transition to Middle Income Country status, smooth particularly in relation to the MDGs. As a result we expect to attain the 2013 Budget target for this source of revenue; and
    - Finally, in contrast, however, wages and salaries as well as debt service commitments remain areas of concern. The nominal overrun on wages

and salaries is still high at a 2013 projected outturn of GH¢1,959.3 million (2.2 percent of GDP) compared to GH¢1,909.0 million (2.6 percent of GDP) in 2012. While the focus on Single Spine Pay Policy (SSPP) since 2010 has been on arrears from the migration, the 2013 overrun include payment for gratuity and allowances on a larger base for wages. The overrun in interest payments has increased from GH¢245.0 million (0.3 percent of GDP) in 2012 to a projected outturn of GH¢1,249.2 million (1.4 percent of GDP) in 2013, despite positive signs that our refinancing strategy has resulted in modest reductions in interest rates in recent times.

10. Mr. Speaker, to further enhance the resilience of the economy against risks and promote our accelerated growth and development with job creation, it is imperative to continue to re-align the budget to national priorities. The theme for this budget is, thus, **"Rising to the Challenge: Re-aligning the Budget to meet Key National Priorities"**. Government is committed to sustaining the progress made so far by pursuing prudent macroeconomic and financial measures to reduce the growth of public debt and support macroeconomic stability for accelerated growth and development. To this end, Government will continue to strengthen its prudent expenditure management and revenue mobilization.
11. Mr. Speaker, in rising to the challenge, we have been addressing the causes of budget overruns with several tools that include the following:
  - **Petroleum and Utility Subsidy adjustments:** to reduce the adverse impact of hefty increases of utility tariffs and petroleum prices on households and businesses, Government, in collaboration with our social partners and guided by regulatory institutions, will continue the policy practice for the gradual shift to automatic price adjustment mechanism for petroleum and utility prices. This re-alignment will keep the subsidy within budget estimates and free more resources for key national priorities;
  - **Petroleum revenues:** The current legislative arrangements on distribution of petroleum receipts to allowable expenditures under the Petroleum Revenue Management Act, 2011 (PRMA/Act 815) do not auger well for aligning the receipts to national priority programmes. Mr. Speaker, some improvements such as the calculation of the Benchmark Revenue and allocations made to the Petroleum Funds (Stabilization and Heritage) and Annual Budget Funding Amount (ABFA), require the Executive and Parliament to take a second look at the PRMA for effective alignment. Therefore, we will be laying proposals before the House, both as fiscal consolidation and PRMA review measures as part of the process of aligning the budget to national priority infrastructure programmes;

- **Compensation for public sector workers:** While acknowledging the positive aspects of the SSPP in retaining public sector staff and improving their productivity and incomes, the SSPP is imposing severe fiscal strain on the Budget. It became necessary to tackle the overruns in compensation through engagement with Labour, private sector, civil society and employers at a Forum in Ho convened by of H. E. President John Dramani Mahama. The Communique from the forum recommended key and timely interventions that include:
  - i. moderation in, and conclusion of wage negotiations before the Budget for the ensuing year is presented to Parliament;
  - ii. a call on all social partners to adhere to the guidelines on the implementation of the Market Premium with the Labour Market Survey which will guide the identification of scarce skills beginning with the Health and Education Sectors;
  - iii. resorting to negotiated resolution of Post Conversion difficulties rather than through industrial action;
  - iv. working on a multi-year approach for the amount allocated as Compensation of Employees in annual budgets;
  - v. fast-tracking the Payroll improvements under the Ghana Integrated Financial Management Information System (GIFMIS) reforms to eliminate waste and abuse; and
  - vi. implementing the productivity elements of the SSSS reforms.
- In the spirit of the emerging partnership among the social partners from the Ho forum, H.E. President John Dramani Mahama, his Vice President, Ministers and Appointees have decided to take a voluntary 10 percent pay cut for 2014. The amount to be deducted by the Controller and Accountant-General will be paid into a fund to be dedicated to special purpose CHPS compounds focusing on maternal and neonatal health.
- Mr. Speaker, Government, Employers, and Organized Labour are continuing negotiations on the National Daily Minimum Wage and the public sector wage adjustments. We are, of one mind to put the development of our nation first. We are determined that public sector compensation should not put any further stress on the fiscal envelop and must leave room for infrastructure development and other priority programmes. The social partners are committed to the removal of

leakages and wastage in public pay administration and to bring the wage bill to sustainable levels as part of measures of re-aligning the budget to national priorities.

- **Debt Service:** The reliance on short term domestic bonds to finance capital projects and the relatively high rates of interest have resulted in high debt service. Our main strategies include **refinancing** and extending the tenor of loans and bonds for financing the capital budget; implementing **recovery schemes** (e.g., escrows and on-lending) for commercially viable projects; and better financing of the capital budget with sources from the Annual Budget Funding Amount (ABFA) and Value Added Tax (VAT) feeding into a supporting Debt Service Account, to provide certainty of interest and loan repayments to the markets.
- **Limit on new loans:** Government has undertaken a thorough review of existing loans and stock of pipeline facilities that has resulted in contracting of new loans on exceptional basis only. This is also part of a comprehensive debt restructuring and management review. To reduce the cost of debt service, Government proposes, as part of the re-aligning of the budget, to adopt a refinancing scheme to lengthen maturities and obtain better terms for outstanding loans.
- **Limit on new contracts:** Following the compilation of a comprehensive contract database, Government has decided to suspend the award of new major contracts in 2013 to enable MDAs focus on on-going and pipeline projects. New contracts were approved on exceptional basis only and the data base has greatly aided our shift from cash to accrual or commitment basis for Government accounts. Furthermore, since the completion of some pipeline contracts was hindered by lack of counterpart funds, this Honourable House will recall that a specific provision was made to, partly, clear these outstanding commitments from the proceeds of the August 2013 Sovereign Bond. Ministries, Departments and Agencies (MDAs) are expected to complete such ongoing and pipeline projects and award new contracts on limited and exceptional basis within national priorities.
- **Tax Measures:** Earlier this year, the House approved some revenue measures to complement the effort to stabilize the fiscal situation. Ghana has a liberal tax regime that was engineered in the 1980s and, therefore, it was not our intention to reverse the trend. Hence, many of the new tax measures came with "sunset" clauses. Nonetheless, while the measures have started yielding results, Parliament has passed a new VAT Act that increases the rate to 15 percent (excluding 2.5 percent for NHIL).

- Mr. Speaker, it is proposed that, in addition to stabilizing the fiscal situation, the entire amount from the 2.5 percent VAT be dedicated to our ongoing infrastructure and development drive under the proposed Infra Fund. This proposal will also support our budget re-alignment theme in favour of capital expenditures or assets. The allocation will be made annually to the capital budget through appropriation.
- Mr. Speaker, the VAT mechanism is more efficient. The level of accountability leaves little room for doubt. VAT also protects the socially vulnerable groups by exempting products from agriculture and fishing sectors, health, education and transportation. It also avoids tax cascading by removing input tax from output tax without which the price of final product could have been higher.
- Mr. Speaker in line with the objective of maintaining a liberal tax regime, it is proposed that the following amendments should be considered and approved by the House:
  - i. National Fiscal Stabilization Levy: The NFSL, which is expected to end at December 2014 will now terminate at June 2014;
  - ii. Special Import Levy scheduled to end in June 2015 will now end at the close of 2014;
  - iii. Special Import Levy: It is also proposed that the following be specifically exempted from the Special Import Levy, with immediate effect – agriculture and fishing inputs such as cutlasses, outboard motors and fishing nets; medical supplies such as condoms; educational materials and energy bulbs that were exempted from import duty under the original customs tariff.
- **Programme Based Budgeting:** Mr. Speaker, to facilitate the re-alignment of the budget consistent with the Public Financial Management (PFM) Reform agenda, which has the support of this august House, the 2014 Budget is presented in the Programme Based Budgeting (PBB) format. Unlike the Activity-Based Budgeting approach which has been used in the last fifteen years, focus will shift from inputs and activities to service delivery and results. This will add to several ongoing PFM initiatives that seek to promote the re-alignment such as:
  - i. Ghana Integrated Financial Management Information Systems (GIFMIS);
  - ii. Financial Accounting and Payroll Upgrade;
  - iii. Human Resource Management System (HRMS);

- iv. Ghana Revenue Authority modernization; and
  - v. Fiscal Decentralization.
12. It is expected that, these actions coupled with the delivery of the PBB will result in better accountability, improved performance and a more result-oriented budget management.
13. Mr. Speaker, the theme of this year's Budget "**Rising to the Challenge: Re-aligning the Budget to meet Key National Priorities**" stems from His Excellency President Mahama's vision and strategic direction of "a stable, united, inclusive and prosperous country with opportunities for all, and reinforce the foundation for socio-economic transformation in partnership with the private sector." His utmost commitment to the people of Ghana is to enhance the Better Ghana Agenda through "Decent Work" for Ghanaians. This overarching priority is anchored on the four pillars of the Government's Medium-Term Development Agenda, namely:
  - Putting People First, by addressing the Human Development issue - improved access to quality healthcare and education, addressing productivity and employment needs of our people; and addressing the social and economic needs of the most vulnerable through targeted and well-coordinated social protection interventions;
  - A Strong and Resilient Economy - ensuring and sustaining macroeconomic stability, enhancing competitiveness of Ghana's private sector, trade and industrial rejuvenation in a manner that will create and sustain Decent Work; and accelerated agricultural modernization and sustainable natural resources management;
  - Expanding Strategic Infrastructure, especially oil and gas, strategic roads, ports and special development zones, such as Savana Accelerated Development Authority (SADA) and the Western Corridor in a manner that triggers multiplier effects on rejuvenating the productive sectors and attendant linkages to agricultural modernization; and
  - Enhancing Transparent, Decentralized and Accountable Governance, in a manner that focuses priority on anti-corruption measures, advancing decentralization and service provision to citizens.
14. Mr. Speaker, the main elements of this budget are therefore drawn from the President's Priorities for the medium term which will be presented to this Honourable House in the coming months, elaborated in the GSGDA II (2014--2017) being finalized by Government; and forms part of the Medium Term Expenditure Framework (MTEF).

15. Mr. Speaker, consistent with the medium term objectives, Government will pursue programmes and policies to achieve and sustain an average real GDP growth of not less than 8.0 percent in the medium term.
16. Mr. Speaker, the attainment of Lower Middle Income Country (LMIC) status, however, has led to reduction in very soft and long term aid inflows and its attendant fiscal and balance of payments challenges. Attracting concessional financing is increasingly becoming difficult. Two of our multilateral development partners, the World Bank (IDA) and the African Development Bank (AfDB), have varied the terms of credit to our disadvantage as a result of our migration from the LDC to LMIC status. For example, World Bank credit which we could access at 0.75 percent service charge and 40 years of maturity is now accessed with a service charge of 1.25 percent and a maturity of 25 years. Likewise, the African Development Bank has notified us of changes in the terms of their credit similar to that of the World Bank.
17. Mr. Speaker, Government recognizes that to achieve the medium term national development priorities it has set for itself, will require a bold effort at doing things differently, and leveraging the benefits of efficiency-driven economy for the long term socio-economic development of the country. This will also require the elimination of corruption in our transaction, as emphasized by His Excellency President John Dramani Mahama who has led the way by announcing bold anti-corruption initiatives.
18. Mr. Speaker, Government will continue with all the ongoing infrastructure projects in all sectors as well as the social intervention programmes, the details of which have been presented in section five of this document.
19. Mr. Speaker, I will now continue to present the key aspects of the 2014 Budget.



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

20. Mr. Speaker, after five years of weak, sluggish and uneven recovery from the global financial crisis, the performance of global economies remained low for the first half of 2013. This, indeed, has rendered the crisis the lengthiest in the century in terms of recovery. Projections, however, continue to foresee a modest acceleration of activity, driven largely by the advanced economies.
21. According to the October 2013 World Economic Outlook (WEO) of the IMF, world output growth is forecast to reach about 3.3 percent in 2013 and 4.0 percent in 2014. The global growth is expected to come mainly from the United States, where activity will move into higher gear as fiscal consolidation eases and monetary conditions stay supportive. The Japanese economy, which has rebound recently, is expected to lose steam in 2014 due to fiscal tightening. Growth in the Euro Zone is expected to remain sluggish in 2014.
22. Mr. Speaker, economic activity in Sub-Sahara Africa was robust in the first half of 2013, amidst the recent global financial market volatility which has affected mainly frontier economies in the region. The region is expected to end 2013 with an average growth rate of 5 percent, which is projected to reach 6 percent in 2014, mainly on account of strong domestic demand. Other factors that are expected to feed into growth in 2014 include investments in infrastructure and increased output from energy and natural resource projects coming on stream in some countries in the region.
23. Inflation is expected to remain generally stable in advanced countries, supported by a slowdown in commodity price movements. In major emerging market economies, however, inflation has been relatively higher, a problem that has been magnified by the exchange rate depreciation of recent months. The external financing condition that has led to the weakening of emerging market currencies in recent months could also drive up inflation.
24. Mr. Speaker, addressing the increased volatility and achieving strong, balanced and sustainable global growth will continue to require appropriate policy responses and reforms in countries of all income levels. According to the WEO, key advanced economies are expected to pursue a policy mix that supports near-term growth, which must be linked to reliable plans for medium-term public debt sustainability and allowing for more gradual near-term fiscal adjustment. With low inflation and sizable economic slack, monetary policy stimulus is expected to continue until the recovery is well established. Potential adverse side-effects are expected to be contained with regulatory and macro-prudential policies while further progress in financial sector restructuring and reform is needed to recapitalize and restructure bank balance sheets and improve monetary policy transmission.

### **Commodity Prices**

25. Mr. Speaker, recently, risks of a spike in oil prices have arisen because of the threat of disruptions due to increasing unrest and geopolitical tensions in the Middle East and North Africa. Demand for protection against inflation has waned as the Federal Reserve has started to signal the end of quantitative easing in the United States. The traditional drivers of demand for gold have weakened or reversed in the last few months. Also, demand for safe haven assets has diminished as the worst of the crisis in the Euro Zone appears to be over. As a result, gold prices have declined by about 11 percent on average to US\$1,465.5 per fine ounce during the period under review.

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

26. Mr. Speaker, the impact of the global developments on the Ghanaian economy is mixed and diverse. The increasing unrest and geopolitical tensions in the Middle East and North Africa continue to threaten oil production, pointing to potential spikes in oil prices. As a net oil importer, there is the need for the right policy mix to insulate the country from unexpected external shocks. On the downside, the expected high unemployment rates in advanced economies are likely to weaken aggregate demand, with serious implications for commodity exporters such as Ghana. The easing of the recent global financial market volatility in advanced economies is expected to restore investor confidence in stock markets, weaken demand for gold and lower gold prices further.
27. The spillovers from sluggish external demand, reversal of capital flows and declines in commodity prices pose great threats to growth prospects for 2014 and the medium term. In order to ensure that the medium term growth targets are met, we need to pay priority attention to pipeline infrastructure investments, deepen the ongoing structural reforms and give priority to non-traditional exports.

### **Macroeconomic Developments in the West African Monetary Zone**

28. Mr. Speaker, economic growth in the West African Monetary Zone, as depicted in the Zone's aggregate real GDP was 6.7 percent during the first half of 2013, compared to 6.4 percent in the corresponding period of 2012. The growth was driven by increased activities in all sectors of the economy in most member states.
29. Across member states, growth performance remained generally robust. In Nigeria, the economy expanded by 6.6 percent during the review period, compared to 6.4 percent in the first half of 2012, largely on account of increased activity in Industry and Agriculture. Data from the West African Monetary Institute (WAMI) show that Ghana's real GDP growth slowed from 11.1 percent in the first half of 2012 to 6.4 percent in the corresponding period

in 2013, due to reduced activity in the industrial sector, especially energy and manufacturing, as well as slower growth of the agricultural sector. Economic growth is expected to increase in The Gambia from 3.9 percent in 2012 to 6.4 percent in 2013 as a result of expansion in agriculture, while Liberia's growth is projected to record marginal increase from 8.3 percent to 8.4 percent on account of increased mining activities. Guinea and Sierra Leone, however, projected growth slowdown from 3.9 and 15.2 percent in 2012 to 2.9 and 14.6 percent in 2013, respectively.

30. Mr. Speaker, price stability remained a major focus of monetary policy in the Zone. Ghana and Liberia have adopted inflation and exchange rate targeting, respectively, while the other members of the Zone have adopted a monetary targeting framework. During the first half of 2013, inflationary pressures in the Zone eased considerably as zone-wide inflation declined to 9.3 percent at end-June 2013, from 12.6 percent at end-June 2012 and 11.2 percent at the end of December, 2012. Guinea, Nigeria and Sierra Leone experienced disinflation during the review period, while inflationary pressures mounted in The Gambia, Ghana and Liberia. Meanwhile, The Gambia, Liberia and Nigeria recorded single-digit inflation rates of 5.8, 7.0 and 8.4 percent, respectively. In Ghana, Guinea and Sierra Leone, inflation was in double digits at 11.6, 12.0 and 10.8 percent, respectively.
31. Mr. Speaker, the zone-wide gross external reserves position improved with an aggregate stock of reserves of US\$51.4 billion at end-June 2013, compared to US\$41.1 billion during the same period in 2012. In terms of zone-wide import cover, the gross external reserves increased to 7.7 months, from 6.0 months. The stock of external reserves increased in four member states, with Nigeria and Ghana recording the largest increases of 27.0 and 20.1 percent over that of end-June 2012 to US\$45.0 billion and US\$4.9 billion, respectively, at end-June 2013. In Guinea and Liberia, the gross external reserves position deteriorated by 13.2 and 13.3 percent, to US\$669.7 million and US\$231.4 million, respectively.

### **Primary Criteria**

32. Mr. Speaker, an analysis of the primary criteria indicates that, at end-June 2013, Nigeria was the only member state that satisfied all the four **primary** criteria as shown in Tables 1 and 2. Liberia and Sierra Leone satisfied three of the criteria each, with Liberia missing out on the external reserves criterion, while Sierra Leone did not meet the inflation criterion. The Gambia and Guinea satisfied two criteria each. The Gambia missed fiscal deficit and central bank financing criteria while Guinea was unable to meet the inflation and fiscal deficit criteria. Ghana met only the central bank financing as a percentage of previous year's tax revenue criterion.

33. Mr. Speaker, inflation and fiscal deficit remained the more challenging criteria for Member states, while central bank financing and external reserves were the more commonly and frequently satisfied criteria. As indicated in Table 2, Member states attained a performance score of 66.7 percent on the primary convergence scale during the review period, compared to 62.5 percent in the corresponding period of 2012.

**Table 1: Number of Primary Criteria Satisfied by Member states of the WAMZ**

Country									June	Dec	June
The Gambia	3	4	4	4	3	2	3	3	3	3	2
Ghana	2	2	2	0	2	3	4	1	3	3	1
Guinea	2	1	2	1	1	0	2	3	2	2	2
Liberia	NA	NA	1	3	4	4	3	3	3	3	3
Nigeria	3	4	4	3	3	2	3	3	3	3	4
Sierra Leone	2	2	2	2	1	1	1	2	2	2	3

Source: West African Monetary Institute NA = Not Available

**Table 2: Number of Countries Satisfying the Primary Criteria**

Year										12	12	13
Criterion	Target/Threshold	05	06	07	08	09	10	11		June	Full year	June
Inflation	End period inflation should be single digit	1	3	2	2	3	3	2		3	3	3
Fiscal Deficit	Fiscal deficit (excluding grants) should be less than or equal to 4%	2	3	4	3	1	0	3		3	2	3
Central Bank Financing	Central Bank Financing of the deficit should be less than or equal to 10% of previous year's tax revenue	5	4	6	4	4	2	6		5	6	5
Gross External Reserves	GER should be greater than or equal to 3 Months of imports of Goods and Services	4	4	4	3	5	5	5		4	5	4

Source: West African Monetary Institute

### Status of Convergence on the Secondary Criteria

34. Mr. Speaker, at end-June 2013, no Member State of the WAMZ satisfied all the **secondary** criteria, as indicated in Table 3. Nigeria satisfied three criteria which were non-accumulation of arrears, salary mass over tax revenue and exchange rate stability. Guinea met salary mass over tax revenue and investment from domestic receipts criteria, while Liberia complied with non-accumulation and liquidation of domestic arrears and tax revenue over GDP

criteria. The Gambia and Sierra Leone did not satisfy any of the secondary criteria. Ghana met the criteria on real interest rate and exchange rate stability.

35. Mr. Speaker, all the six secondary criteria remained challenging for member states as their performance on these criteria deteriorated to 22.2 percent at end-June 2013, from 27.8 percent at end-June 2012, as indicated in Table 4.

**Table 3: Number of Secondary Criteria Satisfied by Member states of the WAMZ**

Country								June	Dec	June
<b>The Gambia</b>	3	3	2	1	3	2	2	2	2	0
<b>Ghana</b>	2	2	2	1	1	1	1	1	0	2
<b>Guinea</b>	1	1	2	2	2	1	1	2	2	2
<b>Liberia</b>	NA	NA	0	2	1	1	1	1	2	2
<b>Nigeria</b>	4	3	4	3	3	3	1	2	2	3
<b>Sierra Leone</b>	1	1	1	0	0	1	2	2	1	0

Source: West African Monetary Institute NA = Not Available

**Table 4: Number of Countries satisfying Secondary Criteria**

Year	Target/Threshold	05	06	07	08	09	10	11	12	12	13
Criterion									June	Dec	June
Change in Arrears	Non-accumulation & liquidation of Domestic Arrears	NA	NA	NA	NA	1	1	2	3	2	3
Tax Revenue /GDP	Tax-to-GDP Ratio should be greater than or equal to 20%	2	0	1	1	1	1	1	1	1	1
Salary mass/ Tax Revenue	Wage-to-Tax Revenue Ratio should be less than or equal to 35%	3	3	4	4	3	1	1	1	2	2
Public invest /dom. Revenue	Ratio between Domestically Financed Capital Expenditure and Domestic Revenue should be greater than or equal to 20%	1	2	2	2	2	3	1	2	2	1
Real Interest Rate	Real Interest rate should be positive	1	1	2	1	1	1	1	1	1	1
Exchange Rate Stability	Depreciation or appreciation of the currency should not be more than 15%	4	4	2	1	2	2	2	2	1	2

Source: West African Monetary Institute NA = Not Available

## ECOWAS Trade Liberalization Scheme

36. Mr. Speaker, all the WAMZ countries have signed on to the ECOWAS Trade Liberalization Scheme (ETLS), yet intra-regional trade remains low. This is as a result of a number of challenges facing the implementation of the scheme, including poor infrastructure, the existence of high primary complimentary export commodities and non-tariff barriers. The ECOWAS Commission is, therefore, determined to address these challenges by encouraging member countries to remove all non-tariff barriers and improve on trade.

**ECOWAS Common External Tariffs**

37. Under Article 37 of the Revised Treaty of 1993, member states agreed to 'the gradual establishment of a Common External Tariff (CET) for goods imported into member states from third countries in accordance with a schedule to be recommended by the Trade, Customs, Taxation, Statistics, Money and Payments Commission of ECOWAS'.

38. Mr. Speaker, Ghana has been involved in the meetings and processes of the CET since 2004. The architecture of the ECOWAS CET is shown in Table 5.

**Table 5: Tariffs and Taxes Applicable to Imported Goods**

Category	Description	Rate	Number of lines
0	Essential social goods	0%	85
1	Basic essential goods, raw materials, capital goods and specific inputs	5%	2,146
2	Inputs and intermediate goods	10%	1,373
3	Final consumer goods	20%	2,165
4	Specific goods for economic development	35%	130
<b>Total number of lines</b>			<b>5,899</b>

Source: ECOWAS Commission

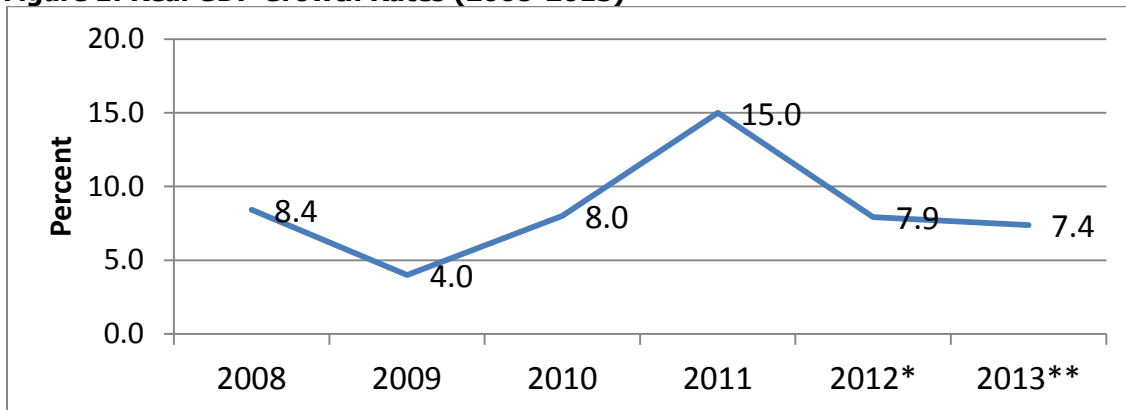
39. Mr. Speaker, the final decision on the CET was ratified at the Extra-Ordinary Summit held on 25th October 2013, in Dakar, Senegal, where it was decided that the full implementation of the ECOWAS tariff regime shall commence on 1st January, 2015. The implication is that Ghana would have to ratify the ECOWAS CET through Parliament before 1<sup>st</sup> January, 2015.

## SECTION THREE: MACROECONOMIC PERFORMANCE FOR 2013

### Real Sector

40. Mr. Speaker, the Ghana Statistical Service (GSS) released the provisional Gross Domestic Product (GDP) report in September, 2013. The report estimates the provisional 2013 real GDP growth at 7.4 percent, lower than a projected growth of 8.0 percent and the 2012 growth of 7.9 percent, as shown in Figure 1.

**Figure 1: Real GDP Growth Rates (2008-2013)**



Source: Ghana Statistical Service

\*Revised

\*\*Provisional

41. Mr. Speaker, even though the provisional real GDP growth rate of 7.4 percent is lower than the 2013 Budget projection of 8.0 percent, the real GDP value is higher than the value projected in the 2013 Budget. The provisional 2013 real GDP, which stands at GH¢32,332 million, compares favourably with the 2013 Budget projection of GH¢32,109 million and the 2012 revised real GDP level of GH¢30,099 million. The higher-than-projected real GDP results from the upward revision of the 2011 real GDP growth from 14.4 percent to 15 percent and that of 2012 from 7.1 percent to 7.9 percent. This performance is quite remarkable, given that it is on top of a much larger GDP base.
42. With a higher-than-expected inflation rate for 2013, the Ministry of Finance projects a higher GDP deflator and, consequently, a higher nominal GDP growth than the GSS estimate, which is based on half-year sectoral figures.
43. Mr. Speaker, the Services Sector once again led the overall GDP, with a growth of 9.2 percent, followed by the Industry Sector with 9.1 percent and Agriculture with 3.4 percent. Non-oil GDP growth stood at 5.8 percent.

### Agriculture Sector

44. Mr. Speaker, we are happy to announce that the Agriculture Sector, which experienced a declining growth in 2010 and 2011, is beginning to show signs of recovery. The Agriculture Sector has posted a consistent increasing growth since the marginal growth of 0.8 percent in 2011. It grew by 1.3 percent in 2012 and 3.4 percent in 2013, even as the pace of Industry and Services sectors have also been expanding. The 2013 growth is on account of a 5.3 percent growth in Livestock, 3.0 percent growth in Crops, 8.9 percent growth in Fishing and a 0.8 percent growth in the Forestry and Logging sub-sectors, as shown in Table 6.

**Table 6: Agriculture Sector Growth**

Activity	2011	2012*	2013	
			Target	Outturn**
Percent				
<b>AGRICULTURE</b>	<b>0.8</b>	<b>1.3</b>	<b>4.9</b>	<b>3.4</b>
Crops	3.7	1.0	5.0	3.0
o.w Cocoa	14.0	-6.9	5.0	3.7
Livestock	5.1	5.0	5.0	5.3
Forestry and Logging	-14.0	-1.4	6.0	0.8
Fishing	-8.7	4.7	2.3	8.9

Source: Ghana Statistical Service

\*Revised

\*\*Provisional

45. Mr. Speaker, the provisional 2013 GDP indicates that the Forestry and Logging sub-sector, which has exhibited a declining trend, registered a positive growth rate in 2013, owing to the investments in reforestation activities. The provisional growth of 0.8 percent in the sub-sector in 2013 compares favourably with the decline of 14.0 percent and 1.4 percent recorded in 2011 and 2012, respectively.
46. Mr. Speaker, the Fishing sub-sector almost doubled its 2012 growth of 4.7 percent by recording a growth of 8.9 percent in 2013, after declining by 8.7 percent in 2011. By this performance, the sub-sector has broken its annual oscillatory trend by recording successive positive growth rates for the first time since 2007. The performance of the Fishing sub-sector is primarily due to the strong growth in the aquaculture industry.
47. Mr. Speaker, the Livestock sub-sector grew by 5.3 percent in 2013, up from 5.0 percent in 2012, while the Crops sub-sector rallied to a growth of 3.0 percent from 1.0 percent in 2012. The growth in the Crops sub-sector was mainly on account of a 3.7 percent growth in cocoa output in 2013, up from negative 6.9 percent in 2012.
48. In spite of the improved growth in Agriculture in 2013 compared with that of 2012, the Agriculture Sector's share of GDP declined from 22.7 percent in 2012



to 21.3 percent in 2013 due to stronger growth in both the Industry and Services Sectors.

### Industry Sector

49. Mr. Speaker, the Industry Sector recorded a growth of 9.1 percent in 2013, up from 7.0 percent in 2012, as shown in Table 7.

**Table 7: Industry Sector Growth**

Activity	2011	2012*	2013	
			Target	Outturn**
	Percent			
<b>INDUSTRY</b>	<b>41.6</b>	<b>7.0</b>	<b>8.7</b>	<b>9.1</b>
Mining and Quarrying	206.5	5.0	8.0	17.6
o.w Petroleum	2023.4	9.1		37.5
Manufacturing	17.0	5.0	5.0	2.5
Electricity	-0.8	11.1	15.0	13.3
Water and Sewerage	2.9	2.0	4.0	2.4
Construction	17.2	11.2	12.5	8.4

Source: Ghana Statistical Service

\*Revised

\*\*Provisional

50. Mr. Speaker, the growth in the Industry Sector led to an increased share of GDP from 27.3 percent in 2012 to a provisional share of 28.1 percent in 2013. The 2013 performance of the Industry Sector was mainly on account of a 37.5 percent growth in petroleum activities, which fed into a 17.6 percent growth in the Mining and Quarrying sub-sector, up from 5.0 percent in 2012. The Manufacturing sub-sector, however, posted a growth of 2.5 percent, down from 5.0 percent growth in 2012. This was due, primarily, to the power crisis which was experienced in the first half of the year as manifested in the 8.6 percent decline in industrial intermediate imports in the first half of the year.
51. Mr. Speaker, the Electricity sub-sector expanded by 13.3 percent, up from 11.1 percent in 2012, due largely to the investments in generation capacity, transmission equipment and activities leading to the connection of a number of communities to the national grid. The Construction sub-sector also recorded a growth of 8.4 percent, even though it was lower than the growth of 11.2 percent recorded in 2012.

### Services Sector

52. Mr. Speaker, the Services Sector grew by 9.2 percent in 2013, down from 10.2 percent in 2012. The main drivers of growth in the sector were in the Hotels and Restaurants (13.7 percent), Information and Communication (24.7 percent), Financial Intermediation (12.1 percent), Health and Social Work (11.2 percent) and the Transport and Storage (9.5 percent) sub-sectors, as shown in Table 8.

**Table 8: Services Sector Growth**

Activity	2011	2012*	2013	
			Target	Outturn**
	Percent			
<b>SERVICES</b>	<b>9.4</b>	<b>10.2</b>	<b>8.5</b>	<b>9.2</b>
Trade, Repair Of Vehicles, Household Goods	11.0	5.8	7.0	1.5
Hotels and Restaurants	3.6	13.0	10.0	13.7
Transport and Storage	11.0	9.8	8.5	9.5
Information and Communication	17.0	23.4	12.0	24.7
Financial Intermediation	1.0	23.0	13.0	12.1
Business, Real Estates, and others	14.0	13.1	13.0	7.6
Public Administration & Defence; Social Security	7.4	4.2	7.0	4.9
Education	3.8	6.7	4.0	4.6
Health and Social Work	5.0	7.9	6.0	11.2
Other Community, Social & Personal Services Activities	13.0	4.0	5.0	9.1

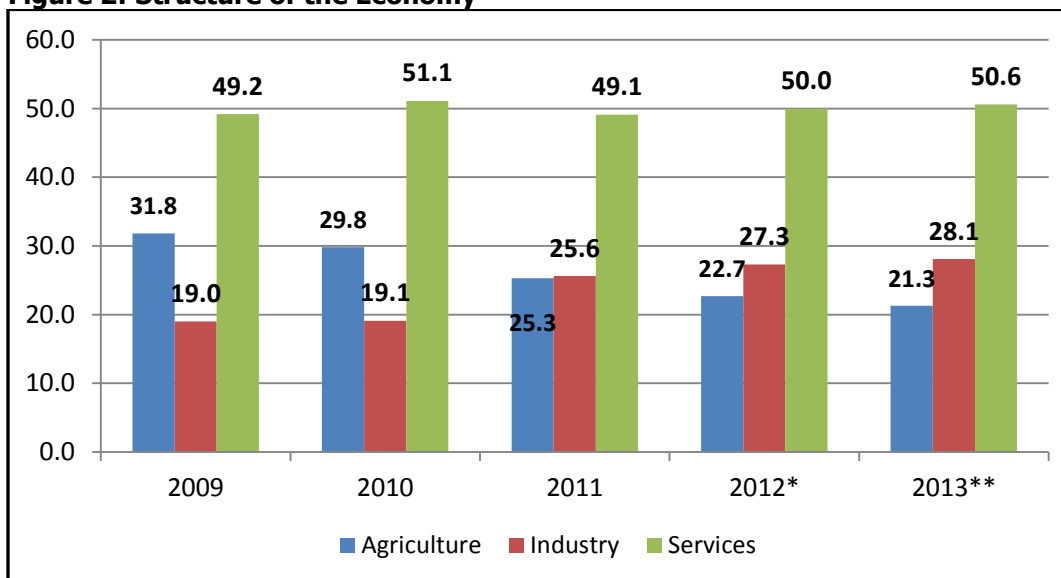
Source: Ghana Statistical Service

\*Revised

\*\*Provisional

53. Mr. Speaker, in addition to maintaining its position as the largest contributor to GDP, the Services Sector also increased its share of GDP from 50.0 percent in 2012 to 50.6 percent in 2013, as shown in Figure 2.

**Figure 2: Structure of the Economy**



Source: Ghana Statistical Service

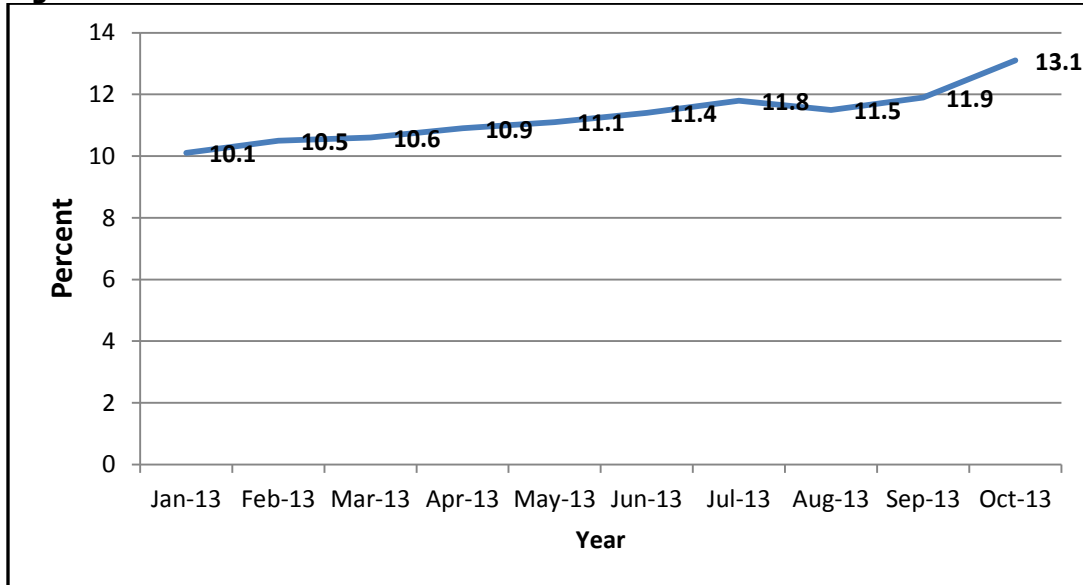
\*Revised

\*\*Provisional

**Inflation**

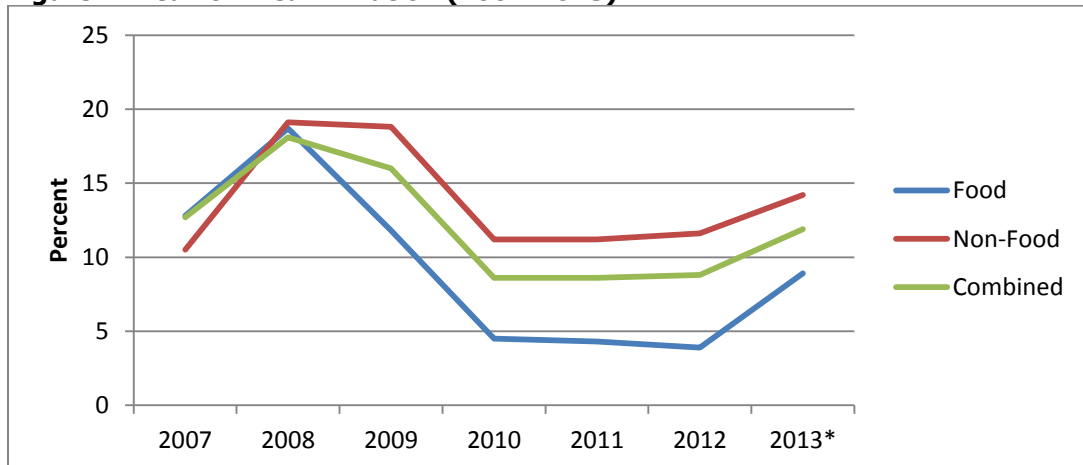
54. Mr. Speaker, inflation has been on an upward trend since the beginning of 2013 resulting in inflation above single-digit from January through October 2013. Inflation rose persistently from 10.1 percent in January 2013 to 11.8 percent in July. In August, however, inflation dropped slightly to 11.5 percent before rising again to 11.9 percent in September 2013 and 13.1 percent in October 2013, as shown in Figures 3 and 4.

**Figure 3: Year-on-Year Inflation Rate in 2013**



Source: Ghana Statistical Service

**Figure 4: Year-on-Year Inflation (2007-2013)**



Source: Ghana Statistical Service

\*September 2013

55. Mr. Speaker, the increase in inflation in 2013 is influenced primarily by the pass through effect of the fuel and utility price increases and demand pressures.
56. The Ghana Statistical Service also rebased the Consumer Price Index (CPI) and revised the CPI basket in May 2013 to reflect current price developments. The new CPI series is characterized by the following:
- the base year was changed from 2002 to 2012;
  - the coverage increased from 40 to 42 markets;
  - the number of items in the CPI basket increased from 242 to 267;
  - the weight of Food and Non-alcoholic Beverages reduced from 44.9 percent to 43.6 percent;
  - the weight of Transport was revised upwards from 6.2 percent to 7.2 percent; and
  - the weight of the Housing, Electricity, Water and Gas component was revised upwards from 7.0 percent to 9.5 percent.
57. Mr. Speaker, with the increase in the weight of Transport from 6.2 percent to 7.2 percent in the rebased CPI, the pass through effect of fuel price adjustments was more telling than would have been the case in the old CPI. The same applies to Housing, Electricity, Water and Gas. For instance, the rebasing led to the weights of some goods whose prices scarcely deter demand, such as Housing, Water, Electricity and Gas; Education; and Transport being adjusted upwards while that of food reduced, albeit marginally. On the other hand, food inflation has been lower than non-food inflation in the periods of single digit inflation. This means that a much bigger weight for the food component in the CPI basket portends a lower overall inflation than would otherwise have been.
58. Mr. Speaker, it is expected that inflation will end the year around the upper bound of the inflation target of  $9\% \pm 2\%$ , due mainly to the utility and fuel price adjustments that have taken place in the course of the year.

### **Monetary Sector Developments**

59. Mr. Speaker, in an effort to achieve the target inflation, monetary policy was programmed to complement Government efforts at fiscal consolidation and ensuring macroeconomic stability. In the year to September 2013, developments in the monetary aggregates indicated that the annual growth rate of Broad Money Supply (M2+) declined to 17.7 percent year-on-year, compared with a growth of 24.3 percent in December 2012 and 28.8 percent in September 2012.

60. Strong Open Market Operations resulted in a slower reserve money growth of 21.0 percent (GH¢1,362.7 million) on year-on-year basis in September 2013 compared with 49.3 percent (GH¢2,141.1 million) the previous year and 37.8 percent (GH¢1,191.1 million) in 2011.

61. Mr. Speaker, the slower pace of expansion in reserve money in the year was due to slower growth in Net Domestic Assets, which increased by GH¢734.3 million (30.0 percent) during the review period, compared with an increase of GH¢3,414.6 million (351.9 percent) in 2012. Within the NDA, Government position with the Bank of Ghana worsened by GH¢742.6 million (17.1 percent) while claims on the rest of the economy grew by GH¢1,680.1 million (114.7 percent). Net Foreign Assets, however, increased by 15.6 percent (GH¢628.4 million) during the review period compared with a decline of 24.0 percent (GH¢1,273.2 million) for the same period in 2012.

#### **Credit to the Private Sector**

62. Mr. Speaker, the pace of expansion in credit to the private sector significantly moderated during the review period. In nominal terms, credit to the private sector recorded an annual growth of 26.6 percent in September 2013, compared with 43.8 percent growth in September 2012. In real terms, private sector credit grew by 13.1 percent, down from 31.4 percent in 2012.

#### **Developments in Interest Rates**

63. Mr. Speaker, interest rates picked up in the early part of the year but showed signs of cooling down in the third quarter. The Bank of Ghana's monetary policy rate was raised by 1 percentage point in April 2013 to 16.0 percent in response to developments in macroeconomic fundamentals. At its September 2013 meeting, the Monetary Policy Committee kept the rate at 16.0 percent. In response, developments in interest rates over the review period have been mixed. The 91-day Treasury bill rate, the 2-year note and the 5-year bond closed September at 23.1, 23.0 and 23.0 percent, respectively, the same level as in December 2012. The 182-day bill, the 1-year note and the 3-year bond, however, declined by 0.1, 0.4 and 1.8 percent to end September 2013 at 22.9, 22.5 and 19.2 percent, respectively.

#### **Developments in Exchange Rate**

64. Mr. Speaker, developments in the domestic foreign exchange market over the nine month period were characterized by large formal and informal sector demand for foreign exchange against dwindling demand from traditional commodity sources.

65. Supply of foreign exchange was, however, boosted by purchases from banks, Swaps and inflows from the 3-year and 5-year bonds, as well as the proceeds from the Euro Bond. Over the review period, the Ghana Cedi depreciated by

4.12 percent, 9.97 percent and 14.1 percent against the US dollar, the pound sterling and the Euro, respectively, compared with depreciations of 17.9 percent, 14.1 percent and 13.1 percent over the same period in 2012, as shown in Table 9.

**Table 9: Performance of the Cedi against Major Currencies**

<b>Currency</b>	<b>End-September 2013 (%)</b>	<b>End-September 2012 (%)</b>
<b>US Dollars</b>	4.12	17.9
<b>Pound Sterling</b>	9.97	14.1
<b>Euro</b>	14.1	13.1

### **External Sector Developments**

66. Mr. Speaker, the provisional trade balance for the period January to September 2013 recorded a deficit of US\$2,744.2 million, showing an improvement of US\$226.0 million, compared to a deficit of US\$2,970.2 million recorded for the same period in 2012. The improvement in the trade balance was on account of a marginal decline in imports against a marginal growth in exports.
67. The value of merchandise exports for the period was provisionally estimated at US\$10,329.4 million, indicating a marginal increase of US\$93.7 million (0.9 percent), compared to US\$10,235.7 million recorded for the same period in 2012. The performance in exports was driven mainly by receipts from the export of oil, timber and other non-traditional exports. Low commodity prices, coupled with a reduction in export volumes of our key commodities, notably gold and cocoa affected export earnings.
68. Mr. Speaker, crude oil exports recorded a provisional amount of US\$2,976.5 million, up by 41.8 percent, compared to the level recorded in the corresponding period in 2012. The increase was due to a rise in volumes of exports as production levels picked up. Volume exported went up by 48.6 percent to 27.6 million barrels compared to 18.7 million barrels in 2012.
69. Mr. Speaker, receipts from gold exports during the review period amounted to US\$3,672.6 million compared to US\$4,282.3 million recorded during the same period in 2012. The fall was as a result of both price and volume effects. The average realized price decreased by 10.9 percent to settle at US\$1,465.5 per fine ounce while the volume of gold exports also fell by 3.8 percent to 2.5 million fine ounces.
70. Earnings from the exports of cocoa beans and cocoa products totaled US\$1,730.7 million in 2013, representing a decrease of 25.7 percent compared to US\$2,328.6 million in 2012. Earnings from cocoa beans, in particular,

amounted to US\$1,247.81 million, showing a decline of 33.2 percent compared to the outturn recorded in 2012.

71. The total value of merchandise imports amounted to US\$13,073.57 million, down by 1.0 percent or US\$132.34 million compared to the outturn recorded in 2012. The marginal decline in imports was as a result of a drop in non-oil imports. Total value of oil imports amounted to US\$2,574.0 million compared with US\$2,542.2 million for the same period in 2012.
72. The total non-oil merchandise imports was provisionally estimated at US\$10,470.5 million which is 1.8 percent lower than the outturn of US\$10,663.6 million recorded for the same period in 2012. The decrease was mainly on account of a drop in imports of capital and intermediate goods.
73. The trade balance is estimated to improve from the end-year initial projected deficit of US\$4,957.5 million to an estimate of US\$4,046.3 million on account of a drop in projected imports, as shown in Table 10.

**Table 10: Projected and Provisional Trade Balance**

Item	2013 Projected values	Jan - Sept (Actuals)	Q4 Proj	2013 Proj.	Variance
Exports	13,051.30	10,329.37	2,688.45	13,017.82	33.48
Imports	18,008.82	13,073.57	3,990.53	17,064.09	-944.73
Trade balance	4,957.52	2,744.20	1,302.08	4,046.28	

Source: Ministry of Finance

74. Mr. Speaker, the country's gross international reserves as at end September 2013 decreased by US\$136.9 million to US\$5,212.1 million from a stock position of US\$5,349.0 million at the end of December 2012. The September reserve position was sufficient to provide 2.9 months of import cover. It is expected that 2013 will end with a gross international reserve cover of not less than 3 months of imports.
75. The Balance of Payments (BOP) is projected to record a deficit of US\$884.0 million in 2013, compared to a deficit of US\$1,210.9 million registered during the same period of 2012. The reduction in the deficit is as a result of an improvement in the capital and financial account which compensated for the deterioration in the current account.
76. Mr. Speaker, proceeds from oil and non-traditional exports will help meet the export target for 2013, in spite of dwindling export proceeds from gold and cocoa exports. The target for imports on the other hand, is not likely to be met. At the current level of US\$13,073.57 million, the variance of US\$944.73 million may not be met in the fourth quarter of 2013. Imports are projected to pick up



from US\$3,589.64 million in the third quarter to US\$3,990.53 million in the fourth quarter, up by 11.2 percent, in line with fourth quarter trends.

### **Fiscal Sector Developments for 2013**

77. Mr. Speaker, against the backdrop of a high fiscal deficit in 2012, fiscal policy outlined in the 2013 Budget aimed to achieve fiscal prudence, resulting in sustainable debt limits and a reduction in the budget deficit from 11.8 percent of GDP in 2012 to 9.0 percent of GDP in 2013.
78. Mr. Speaker, the fiscal and other related targets were to be achieved through measures that include:
- improved revenue mobilization through the Ghana Revenue Authority's (GRA) on-going Modernization Programme — an area that remains challenging;
  - realigning key budget items and enhancing the efficiency of public expenditures through the ongoing Public Financial Management (PFM) reforms, (including GIFMIS) — the Budget will continue to focus on addressing short-term challenges; and
  - reviewing capital expenditures and the strategy for financing them — which is the focus for policy initiatives this year.
79. Mr. Speaker, preliminary data for the first nine months of the year indicate that, both revenue and expenditure were below their respective targets for the period. However, since the shortfall in revenue exceeded the shortfall in expenditure, the resulting fiscal deficit on cash basis, was equivalent to 8.4 percent of GDP against a target of 7.2 percent. This compares to a deficit equivalent to 7.7 percent of GDP for the same period in 2012. Government fiscal position for January to September and outlook for 2013 are summarized in Table 11.

**Table 11: Summary of Central Government Operations and Financing – 2013**

Description	2013 Budget Estimate (Million GH¢)	Target for Jan - Sept 2013 (Million GH¢)	Provisional Outturn for Jan-Sept 2013 (Million GH¢)	Percent Deviation	Projected Outturn for 2013 (Million GH¢)	Percentage Change over Budget Estimate
	a	b	c	(c/b-1)*100	d	(d/a-1)*100
Total Revenue and Grants	22,533.4	16,341.9	13,868.2	-15.1	20,801.0	-7.7
Total Expenditure and Arrears Clearance	30,544.3	22,710.3	21,202.8	-6.6	29,706.4	-2.7
Overall Fiscal Balance	-8,010.8	-6,368.3	-7,334.5	15.2	-8,905.4	11.2

Total Financing	8,010.8	6,368.3	7,334.5	15.2	8,905.4	11.2
o/w Domestic Financing	5,700.8	4,745.2	4,689.3	-1.2	5,818.4	2.1

Source: Ministry of Finance

### Revenue

80. Mr. Speaker, total revenue and grants for the period was GH¢13,868.2 million, equivalent to 15.9 percent of GDP, against a target of GH¢16,341.9 million, equivalent to 18.4 percent of GDP. In nominal terms, the provisional outturn was 17.6 percent higher than the outturn for the same period in 2012. The shortfall in total revenue and grants was partly as a result of low disbursement of grants from our development partners and, mainly due to lower than anticipated domestic revenue collections. For the year 2013 as a whole, total revenue and grants are projected at GH¢20,801.0 million, 7.7 percent lower than the budget target for the year.
81. For the first three quarters of the year, domestic revenue, made up of tax and non-tax revenue, amounted to GH¢13,333.9 million, against the budget target of GH¢15,285.9 million. The outturn was 12.8 percent lower than the budget target and 24.1 percent higher than the outturn for the same period in 2012. The shortfall in domestic revenue was due to weak tax revenue performance in all tax types, except corporate income tax from the oil companies. It is projected that by the end of the year, total domestic revenue will be GH¢19,542.5 million, 8.1 percent lower than the budget estimate of GH¢21,275.0 million. Central Government revenues and grants for January to September and outlook for 2013 are summarized in Table 12.

**Table 12: Summary of Central Government Revenues and Grants – 2013**

Description	2013 Budget Estimate (Million GH¢)	Target for Jan - Sept 2013 (Million GH¢)	Provisional Outturn for Jan-Sept 2013 (Million GH¢)	Percent Deviation	Projected Outturn for 2013 (Million GH¢)	Percentage Change over Budget Estimate
	a	b	c	(c/b-1)*100	d	(d/a-1)*100
Total Revenue and Grants	22,533.4	16,341.9	13,868.2	-15.1	20,801.0	-7.7
Domestic Revenue	21,275.0	15,285.9	13,333.9	-12.8	19,542.5	-8.1
o/w Oil Revenue	1,122.7	930.9	1,150.2	23.6	1,576.0	40.4
Tax Revenue	17,090.8	12,122.3	10,005.0	-17.5	15,129.6	-11.5
o/w Oil Revenue	385.2	315.3	560.1	77.7	678.8	76.2
Non-Tax Revenue	4,019.9	3,040.9	3,222.9	6.0	4,242.1	5.5
o/w Oil Revenue	737.5	615.6	590.1	-4.2	897.2	21.6
Others	164.2	122.7	106.0	-13.6	170.8	4.0
Grants	1,258.5	1,056.1	534.3	-49.4	1,258.5	0.0

Source: Ministry of Finance

82. Mr. Speaker, non-oil tax revenue, excluding exemptions for the period, amounted to GH¢8,878.0 million, 19.7 percent lower than the budget target of GH¢11,052.6 million. Including oil and exemptions, tax revenue amounted to GH¢10,005.0 million, equivalent to 11.5 percent of GDP. This was 17.5 percent lower than the target of GH¢12,122.3 million (13.7 percent of GDP). In nominal terms tax revenue was 12.9 percent higher than the outturn recorded for the same period in 2012.
83. Mr. Speaker, the weak tax revenue performance was as a result of lower import volumes, decline in commodity prices on the world market and, the slowdown in economic activities during the first half of the year, due partly to the energy crisis. Particularly, the decline in gold prices over the period resulted in lower than expected company taxes and mineral royalties. For the year as a whole, total tax revenue is projected at GH¢15,129.6 million, 11.5 percent lower than the budget estimate of GH¢17,090.8 million. Table 13 shows total Government tax revenue performance for January to September and outlook for 2013.

**Table 13: Total Government Tax Revenue – 2013**

Description	2013 Budget Estimate (Million GH¢)	Target for Jan - Sept 2013 (Million GH¢)	Provisional Outturn for Jan-Sept 2013 (Million GH¢)	Percent Deviation	Projected Outturn for 2013 (Million GH¢)	Percentage Change over Budget Estimate
	a	b	c	(c/b-1)*100	d	(d/a-1)*100
Total Tax Revenue excluding exemptions	16,019.7	11,367.9	9,438.1	-17.0	14,281.1	-10.9
Total Tax Revenue including exemptions	17,090.8	12,122.3	10,005.0	-17.5	15,129.6	-11.5
Taxes on Income and Property	7,825.0	5,538.7	4,473.3	-19.2	6,833.6	-12.7
o/w Personal Income Tax	3,140.1	2,245.6	1,863.3	-17.0	2,697.5	-14.1
o/w Company Taxes	3,540.5	2,429.1	1,913.4	-21.2	3,044.2	-14.0
Taxes on Domestic Goods and Services	5,576.2	4,002.5	3,403.4	-15.0	4,990.8	-10.5
o/w VAT	3,768.0	2,685.6	2,291.0	-14.7	3,348.4	-11.1
o/w Excise	903.8	660.6	509.3	-22.9	859.4	-4.9
o/w NHIL	753.6	544.2	479.7	-11.8	616.4	-18.2
o/w CST	150.8	112.0	123.3	10.1	166.6	10.5
International Trade Taxes	3,689.7	2,581.1	2,128.3	-17.5	3,305.2	-10.4
Exemptions (non-cash)	1,071.1	754.4	566.9	-24.9	848.4	-20.8

Source: Ministry of Finance

84. Mr. Speaker, although the performance of domestic revenue from the traditional sources has been weak, oil revenue performance for the period under review has been very strong as a result of higher than expected crude oil prices, higher production levels and higher corporate income taxes from the sector. Total oil revenue from January to September 2013, amounted to GH¢1,150.2 million, against a target of GH¢930.9 million.
85. Grant disbursement from our development partners was 49.4 percent lower than the budget target of GH¢1,056.1 million and 48.9 percent lower than the outturn recorded during the same period in 2012. The lower than expected outturn of grants was due to the non-disbursement of budget support from our Multi-Donor Budget Support (MDBS) partners. Total end-year grant disbursements are projected at GH¢1,258.5 million, same as the budget target, on account that all our development partners will disburse as planned.

### **Expenditure**

86. Mr. Speaker, total expenditure, including payments for the clearance of arrears and outstanding commitments for the first three quarters of the year amounted to GH¢21,202.8 million (24.3 percent of GDP), against a target of GH¢22,710.3 million (25.6 percent of GDP). The outturn was 6.6 percent lower than the budget target and 25.5 percent higher than the outturn for the corresponding period in 2012. The growth in expenditure was mainly due to the increase in interest cost and the growth in the wage bill during the period.

87. As a result of the shortfall in revenue performance, total expenditure for the year, including provision for the clearance of arrears and commitments, is projected to be 2.7 percent lower than the 2013 budget estimate. For the year as a whole, total expenditure is projected at GH¢29,706.4 million (34.1 percent of GDP).
88. Expenditure on Wages and Salaries from January to September 2013 totaled GH¢5,883.9 million, 5.5 percent higher than the budget target of GH¢5,576.5 million and 19.4 percent higher than the outturn for the same period in 2012. In addition to this, an amount of GH¢846.3 million was spent on the clearance of wage arrears. Expenditure on wages and salaries alone was 66.3 percent of non-oil tax revenue (excluding exemptions) and 62.3 percent of tax revenue (excluding exemptions). Including the wage arrears paid during the period, expenditure on wages was 75.8 percent of non-oil tax revenue (excluding exemptions) and 71.3 percent of tax revenue (excluding exemptions). For the year as a whole, wages and salaries, including the provision made for the clearance of wage arrears is projected at GH¢9,567.1 million, 25.8 percent higher than the 2013 budget estimate.
89. Mr. Speaker, interest payment for the period totaled GH¢3,285.1 million, 39.5 percent higher than the budget target of GH¢2,355.0 million and 111.1 percent higher than the outturn for the corresponding period in 2012. Of this amount, domestic interest was 47.2 percent higher than the budget target. On a year-on-year basis, domestic interest grew by 140.4 percent, reflecting very high domestic borrowing in 2012 to finance the deficit. Given the outturn for the first three quarters of the year, total interest cost for the whole year is projected at GH¢4,443.5 million, 39.1 percent higher than the 2013 budget estimate.
90. Expenditure on Goods and Services amounted to GH¢657.0 million, against a budget target of GH¢1,080.3 million. The lower expenditure on Goods and Services was mainly as a result of the need to rationalize discretionary spending in the face of revenue shortfalls, high expenditures on wages and salaries, as well as high interest cost. In this regard, expenditure on Goods and Services for the whole year is projected at GH¢1,045.4 million, 40.0 percent lower than the 2013 Budget estimate.
91. Total capital expenditure for the period amounted to GH¢3,466.5 million, equivalent to 4.0 percent of GDP. This compares with a budget target of GH¢3,674.9 million, equivalent to 4.1 percent of GDP. The shortfall in capital expenditure was mainly as a result of the slow disbursement of some project loans. Of the total capital expenditure for the period, domestically-financed capital expenditure was GH¢1,139.1 million, 20.5 percent higher than the

budget target. To ensure that growth is not further negatively impacted by a reduction in capital spending due to the shortfall in revenue, part of the proceeds from the Eurobond issue was earmarked to fund capital expenditures in the Budget. Besides ABFA, this contributed to the relatively higher performance of domestically financed capital expenditure.

92. On account of the slow disbursement of project loans, total capital expenditure for the year is projected at GH¢4,544.1 million, 11.9 percent lower than the budget estimate. Central Government expenditures for January to September and outlook for 2013 are summarized in Table 14.

**Table 14: Summary of Central Government Expenditures – 2013**

Description	2013 Budget Estimate (Million GH¢)	Target for Jan - Sept 2013 (Million GH¢)	Provisional Outturn for Jan-Sept 2013 (Million GH¢)	Percent Deviation	Projected Outturn for 2013 (Million GH¢)	Percentage Change over Budget Estimate
	a	b	c	(c/b-1)*100	d	(d/a-1)*100
Total Expenditure and Arrears Clearance	30,544.3	22,710.3	21,202.8	-6.6	29,706.4	-2.7
Total Expenditure	28,163.4	20,917.0	18,743.4	-10.4	26,931.3	-4.4
Compensation of Employees	9,004.0	6,732.7	6,601.9	-1.9	9,720.6	8.0
o/w Wages and Salaries	7,465.4	5,576.5	5,883.9	5.5	8,538.7	14.4
Use of Goods and Services	1,742.4	1,080.3	657.0	-39.2	1,045.4	-40.0
Interest Payments	3,194.4	2,355.0	3,285.1	39.5	4,443.5	39.1
o/w Domestic Interest	2,574.2	1,931.7	2,843.3	47.2	3,791.1	47.3
Subsidies	1,022.2	998.9	302.1	-69.8	1,267.1	24.0
Grants to Other Government Units	6,208.8	4,706.7	3,180.9	-32.4	4,296.7	-30.8
Social Benefits	38.8	29.1	0.7	-97.5	38.8	0.0
Others	1,797.7	1,339.4	1,249.2	-6.7	1,575.0	-12.4
Capital Expenditure	5,155.1	3,674.9	3,466.5	-5.7	4,544.1	-11.9
Arrears Clearance and Tax Refunds	2,380.9	1,793.3	2,138.2	19.2	2,453.9	3.1
Discrepancy	0.0	0.0	321.2		321.2	

Source: Ministry of Finance

### Overall Budget Balance and Financing

93. Mr. Speaker, based on revenue and expenditure outturns for the first three quarters of the year, the overall budget balance on cash basis registered a deficit of GH¢7,334.5 million, equivalent to 8.4 percent of GDP. This was against a deficit target of GH¢6,368.3 million, equivalent to 7.2 percent of GDP.
94. Based on the projected revenue and expenditure for end-2013 fiscal year, the fiscal deficit is projected at GH¢8,905.4 million, equivalent to 10.2 percent of GDP. The projected rise in the fiscal deficit is mainly as a result of the projected

- shortfall in revenue, coupled with projected higher spending on wages and salaries as well as interest costs.
95. Mr. Speaker, the domestic primary balance registered a deficit of GH¢252.9 million, equivalent to 0.3 percent of GDP, against a target deficit of GH¢766.6 million, equivalent to 0.9 percent of GDP. For the year as a whole, the domestic primary balance is projected to be a deficit of GH¢253.9 million, equivalent to 0.3 percent of GDP.
96. Mr. Speaker, the overall budget deficit for the first three quarters of the year was financed from both domestic and foreign sources. Net Domestic Financing amounted to GH¢5,014.8 million, against a target of GH¢4,745.2 million. Foreign Financing of the deficit was GH¢2,915.0 million, against a target of GH¢1,835.6 million. The higher foreign financing was as a result of the use of part of the 2023 Eurobond to finance some capital expenditures in the Budget and to refinance high-interest maturing domestic debt. Hence, foreign financing constituted 39.7 percent of total financing, against a target of 28.8 percent and domestic financing constituted 68.4 percent against a target of 74.5 percent.
97. For the year as a whole, net domestic financing and foreign financing of the budget are projected at GH¢6,154.2 million and GH¢3,373.9 million, respectively. This compares to the 2013 budget estimate of GH¢5,700.8 million and GH¢2,536.0 million for net domestic financing and foreign financing, respectively. Central Government Financing for January to September and outlook for 2013 are summarized in Table 15.

**Table 15: Summary of Central Government Financing – 2013**

Description	2013 Budget Estimate (Million GH¢)	Target for Jan - Sept 2013 (Million GH¢)	Provisional Outturn for Jan-Sept 2013 (Million GH¢)	Percent Deviation	Projected Outturn for 2013 (Million GH¢)	Percentage Change over Budget Estimate
	a	b	c	$(c/b-1)*100$	d	$(d/a-1)*100$
Total Financing	8,010.8	6,368.3	7,334.5	15.2	8,905.4	11.2
Foreign	2,536.0	1,835.6	2,915.0	58.8	3,373.9	33.0
Domestic	5,700.8	4,745.2	5,014.8	5.7	6,154.2	8.0
Petroleum Funds	-226.0	-212.5	-595.3	180.1	-622.8	175.6

Source: Ministry of Finance

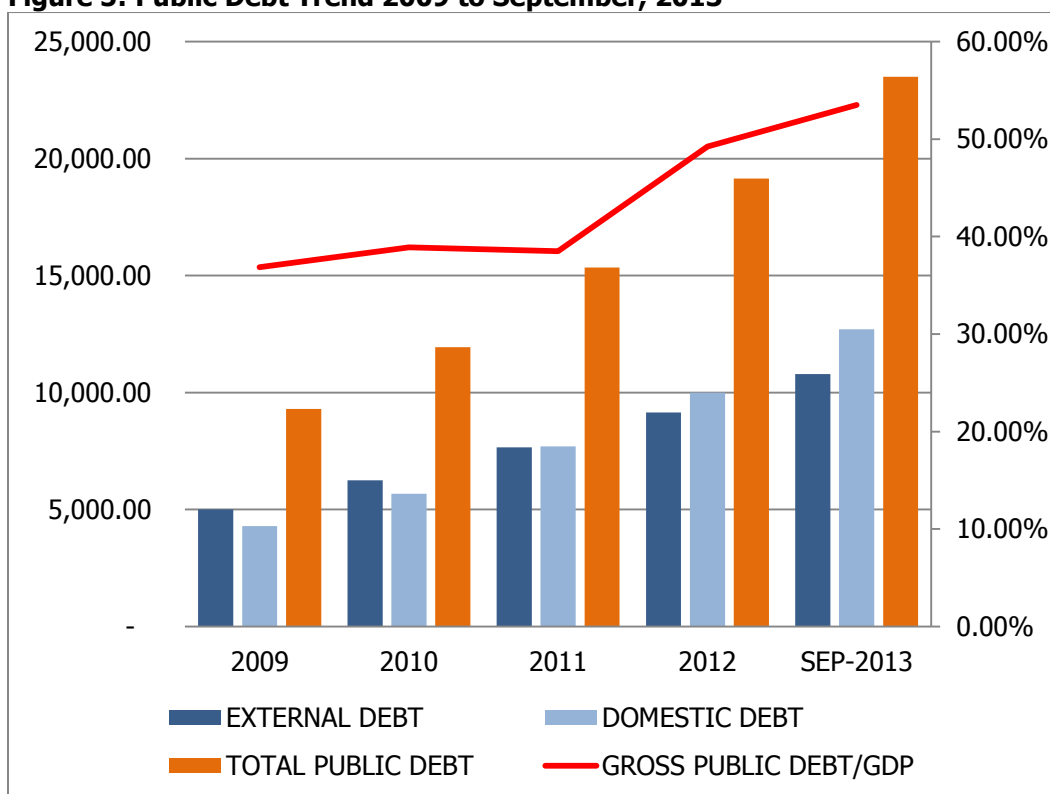
98. Mr. Speaker, the continuing fiscal consolidation measures are discussed in Section four.

### **Public Debt**

99. Mr. Speaker, the stock of public debt (including Government guaranteed debt) increased by 22.7 percent from US\$19,150.78 million at the end of 2012 to a provisional estimate of US\$23,498.76 million at the end of September 2013. As a percentage of GDP, the public debt increased from 49.3 percent at the end of

2012 to 52.0 percent at the end of September 2013, as shown in Figure 4. The lower than expected growth in GDP partly accounts for the levels of the ratios.

**Figure 5: Public Debt Trend 2009 to September, 2013**



Source: Ministry of Finance

### Composition of Public Debt

100. External debt totaled US\$10,794.54 million at the end of September 2013, from the end 2012 stock of US\$9,153.58 million. This constitutes 45.9 percent of public debt (24.6 percent of GDP). The increase in external debt stock is partly accounted for by the disbursement of about US\$750 million from the Eurobond proceeds in 2013 as well as drawings of about US\$383.5 million from the China Development Bank (CDB) facility.
101. Domestic debt amounted to US\$12,704.22 million (GH¢24,900.3 million) as at end-September 2013, representing 54.1 percent of public debt (28.9 percent of GDP). The stock shows an increase of about 27.1 percent over the end-2012 domestic debt of US\$9,997.20 million.
102. Total domestic debt issuance and redemption as at September 2013, amounted to GH¢14,360.65 million and GH¢11,303.66 million, respectively, giving a net issuance of GH¢3,056.99 million.
103. In 2013, loans totaling US\$1,793 million were signed, including the US\$1 billion Eurobond. The distribution is for projects in the Health, Housing, Transport,



Local Government and Road sectors. This compares with 38 loans amounting to US\$2,286 million, signed in 2012.

104. Mr. Speaker, Government in 2013 took steps to restructure domestic debt. Measures taken included substituting portions of domestic debt financing for external debt financing (part of the 2023 Eurobond), and the issue of a 7-year domestic bond in August, which did not only increase the maturity profile of domestic debt but also improved refinancing risk.
105. Mr. Speaker, the measures taken have started yielding some positive results as the average rates on Government debt instruments have seen a reduction from 23 percent at the beginning of the year to 19.5 percent as at end-October, 2013. The full effect of the measures is envisaged in 2014.
106. The reclassification of Public Debt and improvement in risk management are discussed in Section Four.

#### **Petroleum Receipts (January-September 2013)**

107. Mr. Speaker, in the first nine months of 2013, crude oil production from the Jubilee field averaged 102,503 barrels of oil per day (bopd), compared with a projected output of 83,341 bopd and 71,997 bopd in 2012. This works out to a total of 27,060,737 barrels for January-September 2013, compared with a full year estimate of 30,419,465 barrels and 26,351,278 barrels for the full year of 2012. By end-September 2013, GNPC had made five liftings on behalf of the State. This totaled 4,977,922 barrels which resulted in a total revenue of US\$533.86 million (GH¢1,025.05 million), as shown in Table 16.

**Table 16: Details of Jan-Sept 2013 Jubilee Petroleum Receipts on Lifting Basis**

Item	Unit	1st Qtr		2nd Qtr		3rd Qtr	Total
		4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	
Date of Lifting	dd/mm/yy	10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	
Volume of Lift	barrels	995,550	996,201	995,520	995,685	994,966	4,977,922
Selling Price	US\$	113.171	108.620	99.038	103.744	111.656	
Value of Lift	US\$	<b>112,667,389</b>	<b>108,207,353</b>	<b>98,594,310</b>	<b>103,296,345</b>	<b>111,093,924</b>	<b>533,859,320</b>
	GH¢	<b>212,118,893</b>	<b>205,604,791</b>	<b>188,768,665</b>	<b>201,272,928</b>	<b>217,288,605</b>	<b>1,025,053,882</b>

Source: Ministry of Finance

108. Mr. Speaker, the Jubilee Field is currently in its second phase of development – the Phase 1A. Work done so far in this phase has helped to further increase production to an average level of around 107,000 bopd in October 2013. If production continues at the October 2013 level, the 2013 Jubilee average daily production is anticipated to exceed the 102,503 mark recorded for January-September 2013.

109. Mr. Speaker, total petroleum receipts, including proceeds from Jubilee Field oil liftings by GNPC on behalf of the State as at the end of the third quarter of 2013, was US\$707.28 million (GH¢1,358.18 million), compared with a total 2013 Budget estimate of US\$581.72 million (GH¢1,122.72 million). The main reasons for the positive variance of US\$125.56 million (GH¢235.40 million) were the realization of more than expected inflows from corporate income tax and increased production. The details of the sources of petroleum receipts are shown in Table 17.

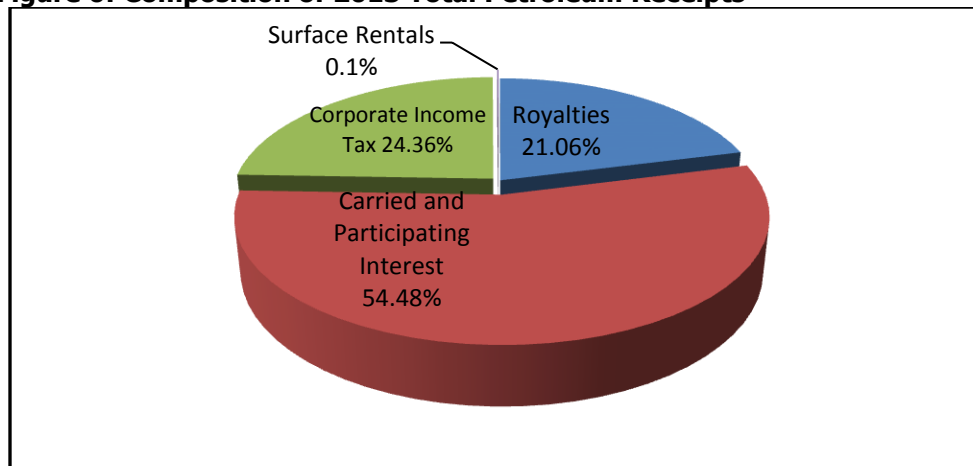
**Table 17: Composition of 2013 Petroleum Receipts**

Item	Unit	1st Qtr		2nd Qtr		3rd Qtr	Total
		4-Jan-13	1-Mar-13	21-Apr-13	23-Jun-13	11-Aug-13	
Date of Lifting	dd/mm/yy	10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	
Jubilee Royalties	US\$	31,368,307	30,126,566	27,450,149	28,759,267	30,930,231	148,634,519
Carried and Participating Interest	US\$	81,299,082	78,080,787	71,144,161	74,537,078	80,163,693	385,224,801
Surface Rentals	US\$	121,914	80,821	466,409	128,634	-	797,777
Royalties from SOPCL	US\$	232,236	16,985	44,056	-	110,554	403,831
Corporate Income Tax	US\$	40,210,100	-	78,854,807	53,152,025	-	172,216,932
<b>Total Petroleum Receipts</b>	<b>US\$</b>	<b>153,231,638</b>	<b>108,305,158</b>	<b>177,959,582</b>	<b>156,577,003</b>	<b>111,204,478</b>	<b>707,277,859</b>
	<b>GH¢</b>	<b>288,484,068</b>	<b>205,788,971</b>	<b>341,264,642</b>	<b>305,139,768</b>	<b>217,504,772</b>	<b>1,358,182,220</b>

Source: Ministry of Finance

110. Mr. Speaker, of the total petroleum receipts as at end-September 2013, corporate income tax constituted 24.36 percent, Carried and Participating Interest was 54.48 percent, Royalties was 21.06 percent and 0.1 percent was from Surface Rental, as shown in Figure 5.

**Figure 6: Composition of 2013 Total Petroleum Receipts**



Source: Ministry of Finance

111. Corporate income tax received as at end-September 2013 amounted to US\$172.22 million (GH¢330.83 million), against a target of US\$55.86 million (GH¢107.81 million). This included a receipt of US\$40.21 million (GH¢75.70 million) in the first quarter of 2013 in respect of 2012. The positive variance between the target and actual corporate income tax resulted mainly from the increased production in the period under review. Moreover, the experience with petroleum corporate income tax in 2011 and 2012 influenced the decision to be conservative in the estimation for 2013.
112. Mr. Speaker, Surface Rentals yielded approximately US\$797,777 (GH¢1.526 million), Royalties from Jubilee amounted to US\$148.63 million (GH¢285.39 million) while Royalties from the Saltpond Offshore Producing Company Limited (SOPCL) yielded US\$403,831 (GH¢769,382). The SOPCL Royalties resulted from a January to September 2013 output of 78,376 barrels, compared with 77,374 for full year of 2012.

#### **Distribution of 2013 Petroleum Receipts**

113. Mr. Speaker, the total January-September 2013 petroleum revenues were allocated in compliance with the Petroleum Revenue Management Act (PRMA). An amount of US\$186.09 million was transferred to GNPC as its Equity Financing Cost (US\$53.50 million) and its share of the Net Carried and Participating Interest (US\$132.69 million), as shown in Table 18.

**Table 18: Distribution of 2013 Petroleum Receipts (US\$)**

Item	1st Qtr		2nd Qtr		3rd Qtr	Total
	10th Lifting	11th Lifting	12th Lifting	13th Lifting	14th Lifting	
<b>Transfer to GNPC</b>	<b>42,342,760</b>	<b>38,487,485</b>	<b>37,432,100</b>	<b>32,687,149</b>	<b>35,141,266</b>	<b>186,090,761</b>
o/w Equity Financing Cost	16,371,879	12,258,684	14,957,392	4,787,197	5,126,315	53,501,467
o/w Net Carried and Participating Interest	25,970,881	26,328,841	22,474,708	27,899,952	30,014,951	132,689,333
o/w Contribution to Min. Bal. on PHF	-	(100,000)	-	-	-	(100,000)
o/w Payment of Net Shortage from 1st and 2nd Liftings	-	(40)	-	-	-	(40)
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>110,888,878</b>	<b>69,617,577</b>	<b>140,527,482</b>	<b>123,889,854</b>	<b>76,063,211</b>	<b>520,987,003</b>
o/w ABFA	68,299,392	-	68,299,392	-	68,299,392	204,898,175
o/w GPFs	42,589,487	69,617,577	72,228,090	123,889,854	7,763,820	316,088,828
o/w Ghana Stabilization Fund	29,812,641	48,732,304	50,559,663	86,722,898	5,434,674	221,262,180
o/w Ghana Heritage Fund	12,776,846	20,885,273	21,668,427	37,166,956	2,329,146	94,826,648
o/w Contribution to Min. Bal. on PHF	-	(100,000)	-	-	-	(100,000)
o/w Payment of Net Shortage from 1st and 2nd Liftings	-	(56)	-	-	-	(56)
<b>Total Payments</b>	<b>153,231,638</b>	<b>108,305,158</b>	<b>177,959,582</b>	<b>156,577,003</b>	<b>111,204,478</b>	<b>707,277,859</b>

Source: Ministry of Finance

114. The Bank of Ghana transferred an amount of US\$100,000 on behalf of GNPC as its contribution to the minimum balance on the Petroleum Holding Fund (PHF) Account at the Reserve Bank of New York, and GOG also contributed

US\$100,000 for the same purpose. BOG also deducted an amount of US\$56.00 and US\$40.00 from the claims of GOG and GNPC, respectively, in respect of overpayments to them in the first and second liftings in 2011.

115. Mr. Speaker, the Annual Budget Funding Amount (ABFA), which is 70 percent of the net GOG petroleum receipts, amounted to US\$204.90 million (GH¢392.94 million) with the Ghana Heritage Fund (GHF) and the Ghana Stabilization Fund (GSF), which constitute the Ghana Petroleum Funds (GPFs), receiving US\$316.09 million. This is due mainly to the interpretation given to "excess" in the PRMA. Thus, by end-September 2013, the GPFs had received more revenue than the ABFA, which is the direct opposite of what obtained in 2012 and 2011. This resulted from the receipt of revenues over and above the quarterly ABFA which in turn resulted from the realization of petroleum corporate income tax and increased Jubilee production.
116. Mr. Speaker, Government has, thus, shown commitment in ensuring that the Funds receive their due, in line with the provisions of the PRMA. Of the total amount transferred into the Ghana Petroleum Funds (GPFs), US\$221.26 million went to the GSF and US\$94.83 million was transferred to the GHF. It is instructive to note that by end-September 2013, the GSF alone had received more inflows than the ABFA.

#### **Utilization of the 2013 Annual Budget Funding Amount**

117. Mr. Speaker, the Annual Budget Funding Amount (ABFA) in the first three quarters of 2013 shows that a total amount of US\$204.90 million (GH¢392.94 million) was allocated in accordance with the PRMA. The actual ABFA allocation in US dollars was equivalent to the 2013 Budget estimate but lower in cedi terms due to exchange rate differential, as shown in Table 19.

**Table 19: Variance Analysis of the 2013 ABFA Receipts**

Period	GH¢			US\$		
	Budget	Actual	Variance*	Budget	Actual	Variance
Qtr 1	131,817,826	128,587,265	(3,230,561)	68,299,392	68,299,392	-
Qtr 2	131,817,826	130,766,015	(1,051,811)	68,299,392	68,299,392	-
Qtr 3	131,817,826	133,586,780	1,768,954	68,299,392	68,299,392	-
<b>Total</b>	<b>395,453,478</b>	<b>392,940,060</b>	<b>(2,513,418)</b>	<b>204,898,176</b>	<b>204,898,176</b>	<b>-</b>

Source: Ministry of Finance

\*Variance due to exchange rate differential

118. Mr. Speaker, the 2013 ABFA apportionment marks a vast improvement over that of 2012, which fell short by US\$96.96 million. The shortfall in the 2012 ABFA was primarily due to shortfalls in production targets as well as the non-

realization of corporate income tax. However, in 2013, the revenue targets were met and the Jubilee partners started paying corporate income tax, as already indicated.

119. Mr. Speaker, of the total ABFA of GH¢392.94 million received in the first three quarters of 2013, an amount of GH¢299.41 million, representing 76.2 percent, was disbursed to the four priority areas. Out of the total amount disbursed, GH¢142.34 million, representing 47.5 percent, was spent on Road and Other Infrastructure, while GH¢32.58 million, representing 10.9 percent, was spent on Capacity Building. Expenditure and Amortization of Loans for Oil and Gas Infrastructure received GH¢119.88 million or 40.0 percent, while Agriculture Modernization received GH¢4.60 million or 1.5 percent, as shown in Table 20.

**Table 20: January-September 2013 ABFA Spending on Four Priority Areas**

Priority Areas	Amount Spent (GH¢)		
	Goods and Services	Assets	Total
Expenditure & Amortization of Loans for Oil and Gas Infrastructure	-	119,878,695	119,878,695
Road and Other Infrastructure	-	142,344,388	142,344,388
Agriculture Modernization	-	4,599,688	4,599,688
Capacity Building (Including Oil and Gas)	18,490,817	14,092,236	32,583,053
<b>Total</b>	<b>18,490,817</b>	<b>280,915,007</b>	<b>299,405,824</b>

Source: Ministry of Finance

120. The annual report has been published separately and is being presented together with the budget to Parliament in accordance with Section 48 of the PRMA.

## **SECTION FOUR: MACROECONOMIC FRAMEWORK FOR THE MEDIUM TERM AND 2014**

121. Mr. Speaker, as noted earlier, the medium term objective and strategic direction under the new Medium Term Development Policy Framework (MTDPF) is to expand opportunities for all, and reinforce the foundation for socio-economic transformation of the country, in partnership with the private sector. The strategy for accelerated economic growth will be anchored on putting people first, building a strong and resilient economy, expanding infrastructure while ensuring transparent and accountable governance. This will be achieved through increased investments in infrastructure, agriculture modernization, manufacturing based on agro-industrialization, Science, Technology and Innovation (STI) and targeted exploitation of Ghana's natural resources, particularly, minerals, oil and gas.

### **Real sector**

122. Mr. Speaker, consistent with the medium term objectives, Government will pursue programmes and policies to achieve an average real GDP growth of not less than 8.0 percent in the medium term with annual real GDP growing at 8.0 percent in 2014, 8.2 percent in 2015 and 10.0 percent in 2016. In comparison with historical trends, the 2014-2016 GDP projection depicts a scaling up of agricultural output, a more evenly spread in industrial growth and, a still strong performance in the Services Sector.

123. Government is seeking to achieve an average growth rate of 5.4 percent in the Agriculture Sector, up from the average of 2.7 percent attained in the 2010-2013 period. This will be achieved by investing in agriculture infrastructure and cultivation of more arable lands while embarking on reforestation activities to reclaim part of our lost forest belt.

124. Mr. Speaker, reforestation activities move in step with cropping, at least, in the initial years. It is our belief that our investment in reforestation activities will also lead to higher growth prospects in the Crops sub-sector. This strategy will be achieved through a targeted application of allocated funds from the ABFA of the petroleum revenue and other Government revenues.

125. The Industry Sector is projected as the lead sector in the medium term, with an average growth of 9.6 percent, followed by the Services Sector with 9.3 percent, as shown in Table 21.

**Table 21: Medium Term Real GDP Growth Projections (2014-2016)**

Activity	Including Oil			Excluding Oil		
	2014	2015	2016	2014	2015	2016
<b>Real GDP</b>	<b>8.0</b>	<b>8.2</b>	<b>10.0</b>	<b>7.6</b>	<b>8.3</b>	<b>8.9</b>
Agriculture	4.2	5.8	6.2	4.2	5.8	6.2
Industry	9.1	7.1	12.6	6.5	7.1	8.1
Services	8.9	9.3	9.6	8.9	9.3	9.6

Source: Ministry of Finance

126. Mr. Speaker, the expected growth of the Industry Sector in the medium term stems from the anticipated debut production of gas in 2014, ramped up Jubilee crude oil production in 2014 and 2015, the coming on stream of the Twenenboa-Enyenra-Ntomme (TEN), as well as the Sankofa-Gye Nyame fields in the second half of 2016.

127. Mr. Speaker, the projected average medium term non-oil real GDP growth of 8.2 percent attests to Government's policy of not neglecting the traditional sectors of the economy in favour of the petroleum industry. Non-oil GDP is expected to grow at 7.4 percent in 2014, rising to 8.3 percent in 2015 and 8.9 percent in 2016. Details of the medium term GDP projections have been provided in Appendices.

#### **Monetary sector**

128. Mr. Speaker, the thrust of monetary policy over the medium term will continue to be the maintenance of stability in the general level of prices as a necessary ingredient for sustainable growth. In this regard, policies will focus on improving stability in the foreign exchange market while accumulating more comfortable level of reserves.

129. To boost credit delivery for economic growth, the Bank of Ghana will continue to pursue policies to ease credit accessibility, bring transparency in the setting of lending rates and improve financial intermediation. The Bank of Ghana will also strengthen its supervisory role in the banking and non-bank sectors, especially in the area of micro finance in response to the rapidly evolving developments in the sector.

#### **External sector**

130. Mr. Speaker, in the medium term, the thrust of external sector policy will continue to focus on the maintenance of reserves to provide a cover for at least, three months of imports of goods and services.

131. This will be achieved through the maintenance of macroeconomic stability to enhance the inflow of foreign direct investments and portfolio inflows as well as increase the inflow of foreign exchange from both traditional and non-

traditional export sources. In the longer term, however, we will aim at accumulating a more comfortable reserve level of a minimum of four months to cushion the economy from any adverse external shocks.

132. Looking ahead, the increased production of crude oil in the medium term from new discoveries with its associated gas production, the programme to diversify our export base from the export of primary commodities to processed higher-earning products and the gradual abatement in the capital allowances granted the oil producing companies will work together to increase our foreign exchange earnings and in the process, increase the country's gross international reserves. The completion of the Atuabo Gas Processing Plant will help reduce oil imports and also partially relieve the use of our foreign exchange reserves to import oil. This together with a slowdown in demand for imports of consumer goods will all work in favor of building our foreign exchange reserves.
133. The main downside risks to the outlook include the threat of unfavorable commodity price movements especially for gold which is threatened by the eminent tapering in the Federal Reserve monetary easing program, as well as the dwindling inflows from our development partners. Our continual commitment to achieving macroeconomic stability will however lessen the impact of such reversal of capital inflows into the economy.

**Fiscal sector**

134. Mr. Speaker, over the medium-term, fiscal policy will continue to aim at ensuring fiscal prudence and debt sustainability through improved revenue mobilization and rationalizing and enhancing the efficiency of public expenditures, as well as reviewing our financing methods. Our fiscal policy objective of ensuring fiscal sustainability by reducing the fiscal deficit to 6 percent over the medium term still remains.
135. Government will continue to resource the Ghana Revenue Authority (GRA) to broaden Ghana's tax base and improve their efficiency in the collection of revenue. Specifically, fiscal policy will focus on:
- improving revenue mobilization (an effort being led by the Ghana Revenue Authority (GRA) under its on-going Revenue Modernization Program);
  - realigning the key budget items and enhancing the efficiency of public expenditures (e.g. through the ongoing Public Financial Management [PFM] reforms, including GIFMIS);
  - reviewing capital expenditures and the strategy for financing them (in collaboration with Bank of Ghana);



- focusing on the completion of pipeline projects to reduce medium term fiscal risks; and
- Refinancing and extension of tenure of debt.

136. We wish to reiterate that the country's medium term prospects for fiscal sustainability remains strong even as Government is committed to addressing our short-term fiscal challenges which are mostly structural and cannot be dealt within a single year. It is in this context that we announced a multi-year adjustment and consolidation plan in the 2013 Budget.

#### **RESOURCE MOBILIZATION FOR 2014**

137. Mr. Speaker, total non-oil revenue and grants for the 2014 fiscal year is estimated at GH¢24,276.6 million, equivalent to 25.0 percent of non-oil GDP. The expected non-oil revenue and grants for the year represents a 26.3 percent increase over the projected outturn for 2013.
138. For the 2014 fiscal year, total revenue from oil that will accrue to the budget is estimated at GH¢1,709.4 million, equivalent to 1.6 percent of GDP.
139. Thus, total revenue and grants including oil for the 2014 budget are estimated at GH¢25,986.0 million, equivalent to 24.6 percent of GDP.
140. Domestic revenue, made up of tax and non-tax revenue is estimated at GH¢24,855.3 million, 27.2 percent higher than the projected outturn for 2013.
141. Mr. Speaker, total tax revenue is estimated at GH¢20,351.1 million, representing 19.3 percent of GDP. This shows an increase of 34.5 percent over the projected outturn for 2013. Of this amount, non-oil tax revenue is estimated to grow by 35.6 percent to GH¢19,589.8 million, equivalent to 20.1 percent of non-oil GDP.
142. Taxes on income and property are estimated to increase by 35.2 percent to GH¢9,238.3 million in 2014, accounting for 45.4 percent of total tax revenue. Of this amount, royalties and corporate income tax from oil is estimated at GH¢761.3 million.
143. Taxes on goods and services are estimated at GH¢7,061.7 million, representing 41.5 percent increase over the projected outturn for 2013 and 34.7 percent of the estimated total tax revenue for 2014. The strong growth in taxes on domestic goods is mainly as a result of the increase in VAT rate from 12.5 percent to 15.0 percent.

144. The 2014 estimate for taxes on good and services is made up of GH¢4,874.9 million for total VAT, while excise taxes, National Health Insurance Levy and communication service tax are expected to yield GH¢1,205.8 million, GH¢765.2 million and GH¢215.9 million, respectively.
145. International Trade taxes, are estimated at GH¢4,051.1 million, representing 3.8 percent of GDP and 19.9 percent of total tax revenue. The estimate reflects a 22.6 percent increase over the projected outturn for 2013. The increase in international trade taxes is expected to be largely driven by import duties, estimated to be about 98 percent of the estimated international trade taxes for 2014.
146. 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¢4,342.8 million, equivalent to 4.1 percent of GDP and representing 17.5 percent of domestic revenue. An amount of GH¢2,806.0 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¢948.1 million is estimated as non-tax oil revenue.
147. Mr. Speaker, Grants from Development Partners are estimated at GH¢1,130.7 million, equivalent to 1.1 percent of GDP. The expected grants constitutes 4.4 percent to the estimated total revenue and grants for 2014.

**Table 22: Summary of Revenue and Grants Estimates for 2014**

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	26,001.9	24.6	100.0	24,292.5	25.0	100.0
Domestic Revenue	24,871.2	23.6	95.7	23,161.8	23.8	95.3
Tax Revenue	20,351.1	19.3	78.3	19,589.8	20.1	80.6
Taxes on Income and Property	9,238.3	8.8	35.5	8,477.0	8.7	34.9
Taxes on Domestic Goods and Services	7,061.7	6.7	27.2	7,061.7	7.3	29.1
International Trade Taxes	4,051.1	3.8	15.6	4,051.1	4.2	16.7
Non-Tax Revenue	4,358.7	4.1	16.8	3,410.6	3.5	14.0
Others	161.4	0.2	0.6	161.4	0.2	0.7
Grants	1,130.7	1.1	4.3	1,130.7	1.2	4.7

Source: Ministry of Finance

## **RESOURCE ALLOCATION FOR 2014**

### **Expenditure**

148. Mr. Speaker, total expenditure, including provision made for the clearance of arrears and outstanding commitments in 2014 is estimated at GH¢34,956.8 million, equivalent to 33.1 percent of GDP. The estimated expenditure for the year represents 17.7 percent increase over the projected outturn for 2013. Of this amount, GH¢2,816.2 million, equivalent to 2.7 percent of GDP and 8.1 percent of total expenditure will be used for the clearance of arrears and outstanding commitments.
149. Mr. Speaker, Compensation of employees which comprises wages and salaries, allowances, pensions, gratuities and social security contributions by Government on behalf of its employees is estimated at GH¢10,597.3 million, representing 10.0 percent of GDP, 70.4 percent of non-earmarked tax revenue, 54.1 percent of non-oil tax revenue, and 52.1 percent of tax revenue. Of this amount, GH¢8,967.8 million (8.5 percent of GDP) is estimated for the payment of wages, salaries and allowances, while GH¢678.9 million, GH¢224.2 million and GH¢726.4 million is estimated for pensions, gratuities and social security, respectively.
150. Expenditure on goods and services is estimated at GH¢1,529.5 million, representing 1.4 percent of GDP.
151. Total interest payment is estimated at GH¢6,178.6 million, equivalent to 5.9 percent of GDP and 19.5 percent of total expenditure. Of this amount, GH¢975.8 million will be expended on external interest, while GH¢5,202.8 million will be for domestic interest payments.
152. An amount of GH¢50.0 million has been provided for the payment of subsidies on petroleum products.
153. 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¢6,498.0 million.
154. Transfers to the DACF and GET Fund are estimated at GH¢1,369.8 million and GH¢739.4 million, respectively.
155. The Road Fund is expected to receive an amount of GH¢226.7 million, while GH¢5.7 million will be transferred into the Petroleum-related Fund.

156. An amount of GH¢926.6 million is estimated to be transferred into the National Health Insurance Fund, while GH¢423.7 million from oil revenue, is earmarked to be transferred to the Ghana National Petroleum Corporation for its investments.
157. Mr. Speaker, as part of government efforts to narrow the infrastructure deficit in the country, a total amount of GH¢5,967.3 million is allocated for capital expenditure. This represents a 31.3 percent increase over the projected outturn for 2013 and 17.7 percent of the estimated total spending for 2014. About 24 percent of the total amount will be financed from domestic sources and the remaining from foreign sources.

**Table 23: Summary of Expenditure Estimates for 2014**

Description	Including oil			Excluding oil		
	Amount (GH¢ million)	Percent of GDP	Percent of Total Expenditure and Arrears Clearance	Amount (GH¢ million)	Percent of GDP	Percent of Total Revenue and Grants
Total Expenditure and Arrears Clearance	34,972.7	33.1	100.0	33,649.0	34.6	100.0
Total Expenditure	31,749.5	30.1	90.8	30,425.8	31.3	90.4
Compensation of Employees	10,597.3	10.0	30.3	10,597.3	10.9	31.5
Use of Goods and Services	1,529.5	1.4	4.4	1,529.5	1.6	4.5
Interest Payments	6,178.6	5.9	17.7	6,178.6	6.4	18.4
Subsidies	50.0	0.0	0.1	50.0	0.1	0.1
Grants to Other Government Units	6,513.9	6.2	18.6	6,090.2	6.3	18.1
Capital Expenditure	5,967.3	5.7	17.1	5,067.4	5.2	15.1
Others	912.8	0.9	2.6	912.8	0.9	2.7
Arrears Clearance and Tax Refunds	3,223.2	3.1	9.2	3,223.2	3.3	9.6

Source: Ministry of Finance

### **Overall Budget Balance and Financing for 2014**

158. Mr. Speaker, based on the revenue and expenditure estimates, the 2014 budget will result in an overall budget deficit of GH¢8,970.8 million, equivalent to 8.5 percent of GDP.
159. Financing of the deficit will be from both domestic and foreign sources. Net Domestic Financing is estimated at GH¢4,117.9 million, equivalent to 3.9 percent of GDP, and financing from foreign sources are estimated at GH¢4,921.9 million, equivalent to 4.7 percent of GDP.

**Table 24: Summary of Financing of the 2014 Budget Deficit**

Description	Including oil			Excluding oil		
	Amount (GH¢ million)	Percent of GDP	Percent of Total Financing	Amount (GH¢ million)	Percent of GDP	Percent of Total Revenue and Grants
Overall Fiscal Balance	-8,970.8	-8.5		-10,244.9	-10.5	
Total Financing	8,970.8	8.5	100.0	10,244.9	10.5	100.0
Foreign	4,921.9	4.7	54.9	4,921.9	5.1	48.0
Domestic	4,117.9	3.9	45.9	5,323.0	5.5	52.0
Other	-69.0	-0.1	-0.8	0.0	0.0	0.0

Source: Ministry of Finance

### Public Debt

160. Mr. Speaker, as noted, the attainment of middle income status has resulted in dwindling access to grants and concessional facilities. This has led to Government's reliance on non-concessional and commercial loans to finance the deficit and capital expenditures at high interest rates and shorter tenure. To mitigate risks associated with the debt portfolio, Government will pursue the following financing strategies in the medium term:

- Concessional borrowing with grant element of not less than 35 percent;
- Restrict non-concessional borrowing mainly to economically viable and self-financing projects;
- Undertake liability sharing financing measures that will involve the issuance of guarantees, and on-lending to self-financing SOEs and Special Purpose Vehicles (SPV)/Joint Ventures (JVs);
- Lengthening the maturity profile of domestic debt through the issuance of longer dated bonds

### Projection of 2014 Petroleum Receipts

161. Mr. Speaker, after two-and-a-half years of implementation of the PRMA, stakeholders have identified some inconsistencies, as well as operational and administrative challenges in the Act. The Ministry of Finance has, therefore, commenced the process of reviewing some Sections in the Act to ensure its smooth implementation. All stakeholders are invited to submit proposals to inform the review which Cabinet will submit to this august House for consideration and passage during the first quarter of 2014.

162. Mr. Speaker, the petroleum revenue that will accrue to Government in 2014 has been estimated in line with the provisions in the Petroleum Revenue Management Act, 2011 (Act 815). The total petroleum revenue which will accrue to the State in 2014 is estimated at US\$776,999,702.58 (GH¢1,709,399,345.67). In line with the PRMA, the estimates have been duly certified by an independent consultant and are summarized in Table 25.

**Table 25: Composition of Projected 2014 Petroleum Receipts**

ITEM	AMOUNT	
	GH¢	US\$
<b>TOTAL PETROLEUM RECEIPTS</b>	<b>1,709,399,346</b>	<b>776,999,703</b>
<b>Royalties</b>	<b>349,399,499</b>	<b>158,817,954</b>
o/w Jubilee Royalties	348,626,140	158,466,427
o/w Saltpond Royalties	773,359	351,527
<b>Carried and Participating Interest</b>	<b>903,554,813</b>	<b>410,706,733</b>
Corporate Income Tax	411,925,576	187,238,898
Surface Rentals	1,751,457	796,117
Gas Receipts	<b>42,768,000</b>	<b>19,440,000</b>

Source: Ministry of Finance

163. The 2014 projected crude oil price per barrel was estimated as a seven-year moving average of actual average unit price of crude oil for the four years immediately prior to the current financial year (2009-2012), the price for the current financial year (2013), and expected average unit price for the two years immediately following the current financial year (2014-2015). Based on this formula, the 2014 crude oil price is projected at US\$93.3373 per barrel.
164. The projected total quantity of crude oil for 2014 was also estimated at 33,955,644 barrels (i.e. 93,029 barrels per day), using the average quantity of crude oil for three years – the three years being the immediately preceding year (2012), the current financial year (2013) and the year following the current financial year (2014).

#### **Distribution of Projected 2014 Petroleum Receipts**

165. Mr. Speaker, this august House granted approval for the petroleum revenue distribution formula which was provided in the Supplementary Budget presented in 2011. The PRMA requires a revision of a number of provisions with respect to petroleum revenue distribution after every three years and, are thus, due for revision in 2014. Consequently, we would like to make a number of proposals regarding these provisions for 2014-2016. The full details of the proposals, with the relevant sections of the PRMA, have been provided in the Policy Initiatives section and in the appendices of this Budget document.

166. Mr. Speaker, two of these proposals are to revise the GNPC's share of the net Carried and Participating Interest from 40 percent to 30 percent; and to maintain the current four priority areas for ABFA spending.
167. Mr. Speaker, we have applied the distribution formula proposed earlier to the various allowable items as shown in Table 26.

**Table 26: Distribution of Projected 2014 Petroleum Receipts**

ITEM	2014	
	GH¢	US\$
<b>ALLOCATION OF PETROLEUM RECEIPTS</b>	<b>1,585,312,493</b>	<b>776,999,703</b>
<b>Transfer to National Oil Company (NOC)</b>	<b>392,982,224</b>	<b>192,610,020</b>
o/w Equity Financing	202,275,342	99,140,000
o/w 30% share of Net Carried & Participating Interest	190,706,882	93,470,020
<b>Benchmark Revenue (BR)</b>	<b>1,192,330,269</b>	<b>584,389,683</b>
o/w Annual Budget Funding Amount	834,631,189	409,072,778
o/w Transfer to the Ghana Petroleum Funds	357,699,081	175,316,905
o/w Ghana Stabilization Fund	250,389,357	122,721,833
o/w Ghana Heritage Fund	107,309,724	52,595,071

Source: Ministry of Finance

168. Mr. Speaker, of the total petroleum receipts due the State, the proposed total transfer to the NOC (i.e. GNPC) is estimated at US\$192.61 million (GH¢423.74 million). Out of this amount, US\$99.14 million (GH¢218.11 million) is allocated as Equity Financing Cost and US\$93.47 million (GH¢205.63 million) is the NOC's 30 percent share of the Carried and Participating Interest, net of Equity Financing Cost.
169. Mr. Speaker, the Benchmark Revenue is estimated at US\$584.39 million (GH¢1,285.66 million). It is proposed that 70 percent or US\$409.07 million (GH¢899.96 million) of the Benchmark Revenue be allocated to the ABFA and 30 percent or US\$175.32 million (GH¢385.70 million) be allocated to the GPFs. Out of the amount allocated to the GPFs, it is further proposed that 70 percent or US\$122.72 million (GH¢269.99 million) be allocated to the GSF while 30 percent or US\$52.60 million (GH¢115.71 million) is allocated to the GHF.
170. Mr. Speaker, Section 21(5) of the PRMA states that the ABFA shall be spent in not more than four priority areas in order to maximize the impact of the use of petroleum revenue. Section 21(6) also states that the four priority areas where the ABFA is spent shall be reviewed every three years, with 2014 as the first year of review. We are proposing to this august House to consider and approve the existing four areas for the period 2014-2016. The priority areas and the attached budget lines for 2014 are shown in Table 27.

**Table 27: ABFA Distribution for the Four Priority Areas**

<b>PRIORITY AREA</b>	<b>US\$</b>	<b>GH¢</b>
Expenditure & Amortization of Loans for Oil and Gas Infrastructure	165,882,676	364,941,887
Road and Other Infrastructure	154,101,379	339,023,034
Agriculture Modernization	62,009,436	136,420,759
Capacity Building (Including Oil and Gas)	27,079,287	59,574,431
<b>Total</b>	<b>409,072,778</b>	<b>899,960,111</b>

Source: Ministry of Finance

171. Mr. Speaker, Government is re-orienting the expenditure in the four priority areas to focus primarily on capital projects. The 2014 ABFA expenditure will be devoted to only a few capital projects to increase efficiency and effectiveness. To this end, Government has decided to deploy the ABFA for the development of six projects in the medium term and, to clear pipeline infrastructure projects, as shown in appendices.

#### **MACROECONOMIC TARGETS FOR THE MEDIUM-TERM AND 2014**

172. Mr. Speaker based on the above medium term macroeconomic framework, the specific macroeconomic targets to be pursued for the medium term (2014-2016) include the following:
- An average real GDP (including oil) growth rate of at least 8 percent;
  - An average non-oil real GDP growth rate of at least 8;
  - An inflation target of 9 percent with a band of  $\pm 2$  percent;
  - An overall Budget Deficit of 6 percent by 2016
  - Gross International Reserves which will cover not less than 4 months of imports of goods and services by 2016.
173. Mr. Speaker, the specific macroeconomic targets for 2014 are as follows:
- non-oil real GDP growth of 7.4 percent;
  - overall real GDP (including oil) growth of 8.0 percent;
  - An end year inflation target of 9.5 percent within the band of  $\pm 2$  percent;
  - Overall budget deficit equivalent to 8.5 percent of GDP; and
  - Gross international reserves of not less than 3 months of import cover of goods and services.



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

### **ADMINISTRATION SECTOR**

#### **OFFICE OF GOVERNMENT MACHINERY**

174. The Office of Government Machinery exists to institutionalize open, transparent, and accountable governance for the attainment of government's development agenda of improving the quality of life of Ghanaians. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Institutional Development Programme**

175. Mr. Speaker, in furtherance of human development, employment and productivity, and in pursuit of the objective of developing Human Resource for National Growth, the Scholarship Secretariat continued to administer and monitor scholarships. To this end, the Secretariat paid the second term fees of 73,675 students on scholarships in second cycle institutions as well as allowances for the first half year of 671 students on Bilateral Scholarship Awards in 12 countries. In 2014, the Scholarships Secretariat will continue to carry out its mandate of scholarships administration.
176. As a new organization, much of the maiden year of the existence of the Office of the Administrator-General (OAG) was devoted to start-up activities and consolidating its legal and statutory foundations.
177. Mr. Speaker, the Office facilitated, regulated and managed the transition from the Mills/Mahama administration to the newly elected Mahama administration. In 2014, the Office will hold sessions with Ministers, Chief Directors and Directors on modalities and framework for the preparation of Handing-Over Notes and compilation of Asset Registers in the Public Sector. In addition, the Office will facilitate the introduction of a new semi-automated framework (Integrated Stewardship Accounting and Reporting Mechanism) for the preparation of Handing over notes.
178. The 2012 Transition Team identified a number of implementation problems with Act 845 and has therefore made proposals for the review of the Act. The Chairman of the Transition Team submitted a package of legislative amendment proposals through cabinet to be forwarded to Parliament
179. Mr. Speaker, the Presidency Sub-Committee obtained inventories of all movable and immovable assets and properties of the state. The inventories were properly documented and transferred to the new Administration. To promote

accountability and prudent management of public resources, OAG concluded the initial phase of a major vehicle fleet audit exercise of all MDAs and MMDAs.

180. The Office will recruit senior grade experts for the Policy, Research, Statistics and Information Management Unit and the General Services and Administration Unit. It will also design a management information system for compilation and storage of data on Government owned vehicles, assets and properties. Using the very latest technology, the Office will assist MDAs to acquire the capacity and know-how to assume total and effective management control of all vehicle assets on a full life cycle basis.
181. Mr. Speaker, the Office of the Head of Civil Service organized a sensitization workshop for MDAs on the revised Annual Performance Reporting System aimed at improving performance assessment reporting of the Service. The office also prepared and submitted the Annual Performance Report on the Civil Service for 2012 to the Office of the President. In 2014, the Office will develop comprehensive human resource and training plans to aid the professional development of Civil Servants and operationalize the Annual Performance Reporting System.
182. The Office also organized a one week induction course for newly appointed Chief Directors of the Civil Service and re-introduced the signing of Performance Agreements in order to assess their performance.
183. Mr. Speaker, the Office of the Head of Civil Service started the construction of a 3 storey 15-Unit Classroom Block for the Civil Service Training Centre in Accra and also trained the first batch of Civil Servants from Liberia and Sierra Leone. In 2014, the Office will review the Civil Service Code of Conduct and Rules and Regulations, continue the construction of the 3 storey 15-Unit classroom block at the Civil Service Training Centre and the training of another batch of Civil Servants from Liberia and Sierra Leone. In addition, a manpower hearing will be conducted for MDAs to ensure that the Civil Service has the right numbers and skills mix of officers.
184. Mr. Speaker, the Public Records and Archive Administration Department developed a draft policy on records management, began the establishment of a records management system at the Ministry of Gender, Children and Social Protection and decongested 7 records offices of MDAs. In addition, the Department also trained various categories of staff of the Civil Service in records management and conducted orientation for newly recruited Records Class staff. To decongest the National Records Centre, the Department commenced the appraisal of semi-current records at the Centre.

185. In 2014, the service will continue the training of creators of records notably administrative officers, the secretarial class, management and politicians on their role in record management and also train handlers of records.
186. Mr. Speaker, the National Population Council (NPC) Secretariat developed the 6<sup>th</sup> Country Programme (2012-2016) with the support of UNFPA and other partners. In addition, the NPC produced the final report of a research on Tourism, Sexual Violence and HIV and AIDS in selected districts in the Central and Greater Accra regions.
187. In 2014, the NPC will integrate population variables into all aspects of development planning at all levels using both the revised integration modules and the district profiles. The Council will also embark on programmes that aim to reposition family planning as a priority in our national development efforts and update demographic database on population and development. In addition, the Council will create awareness on the implications of population dynamics on development through effective advocacy and support programmes on key emerging issues like urbanization, migration and climate change. The NPC will review the Revised National Population Policy and the Adolescent Reproductive Health Policy and review the NPC Act to reposition the Council to effectively discharge its mandate.

**Security and Safety Management Programme**

188. Mr. Speaker, the National Identification Authority (NIA) completed the establishment of the National Identity Register and began the full operation of the national identification system. Data collection in the remaining three Northern Regions was completed bringing to 15,216,450 the number of registered persons, representing 69 percent of the total registerable population. The Authority also printed and distributed 800,000 Ghanacards in the Greater Accra Region.
189. In 2014, the Authority will continue investing in the expansion and improvement of the National Identification System to increase its efficiency and performance by making it fully functional and decentralizing its operations to all the regions. The Authority will also continue with the printing and distribution of the Ghanacards to the remaining 9 regions.

**Investment Promotion and Management Programme**

190. Mr. Speaker, the Ghana Investment Promotion Centre (GIPC) attracted and registered 199 Foreign Direct Investment (FDI) projects in the areas of solar power generation, financial services, manufacturing of beverages, real estate development, growing and milling rice with Thai technology as well as cultivation and procession of rubber and oil palm. This resulted in total FDI

inflow of US\$517.35 million and created 75,161 jobs comprising 63,781 Ghanaians and 11,380 expatriates.

191. In 2014, the Centre will intensify its investment drive to increase Foreign Direct Investment by 20 percent and stimulate US\$1.0 billion worth of domestic private sector investment. This will lead to a 30 percent increase in new jobs.
192. Mr. Speaker, the Savannah Accelerated Development Authority (SADA) provided, 2,075 tractors to poor farmers for the 2013 farming season. This will increase farm outputs and contribute to household income levels, address food security and create opportunities for actors in the various value chains of maize, soya and rice within the Northern Sector Ecological Zone (NSEZ). In addition, 20,000 households in the NSEZ received subsidized fertilizer, seed and agronomic support.
193. 2014, the Authority will increase smallholder farmer productivity by 50 percent, increase agriculture mechanization and bio-technology to increase yields of 5 tons per hectare and add value to agriculture products in order to make them more competitive. As part of the agriculture modernization program, the Authority will provide 500 tricycles for farmers to cart agriculture inputs and farm produce to reduce post-harvest losses
194. Mr. Speaker, 2000 farm families were supported to grow mangoes while a Private Company was engaged to create employment for about 5,000 youth to grow 5,000,000 trees and contribute to greening the north, protecting river bodies and promoting good environmental practices. In 2014, the Authority will formally handover the 5,000,000 trees planted in 2012/13 to local communities and support them to protect and nurture the trees. Training and awareness creation against bush fires and other alternative environmental practices will be provided.
195. The Authority promoted dry season farming using butter nut squash as an entry point to generate employment and foreign exchange through exports. In 2014, the Authority will increase the number of beneficiaries under the dry season farming of butter nut squash and introduce other horticulture crop species that can withstand conditions in the NSEZ.
196. Mr. Speaker, under the Guinea Fowl Project, a joint venture company was formed to promote the commercial and high tech production of guinea fowls for local consumption and export. The company commenced the construction of ultra- modern facilities to promote out-grower schemes and create employment opportunities.

197. Other interventions in collaboration with other stakeholders are in the area of irrigation development on the Sissili and Kulpawn rivers and the establishment of a solar farm at Nabogu to produce 40 Megawatts of power to feed into the National Grid.
198. Mr. Speaker, in 2014, the Authority will complete the legal processes for implementation of the irrigation project and the establishment of the solar plant. The Authority will also leverage funding to establish commercial integrated farms to produce rice, lemon grass and other crops for local use and export.
199. In order to ensure the successful implementation of the SADA programme, a robust M&E framework will be developed to ensure a holistic supervision and monitoring of the projects.
200. Mr. Speaker, the Millenium Development Authority completed 56 boreholes, 5 small town water systems and pipe extensions across 52 communities in 25 districts. In addition, 14 post-harvest infrastructure projects in the Southern Horticulture Belt, comprising a perishable cargo centre at KIA, 3 pack houses at Mariakrom, Otwekrom and Akorley were completed. Furthermore, the rehabilitation of 2 irrigation schemes at Golinga and Bontanga, the construction of a 75km trunk road from Agogo to Dome in the Afram Basin and a 46km feeder road in the Volta Region were also completed.
201. Mr. Speaker, the Authority also completed 252 educational facilities comprising 129 school blocks, 1 teacher's bungalow and extended electricity supply to 10 post-harvest facilities on large scale farms and 1 irrigation project. The Authority is working with the Millennium Challenge Corporation (MCC) to define potential projects for Ghana's Second Compact, which will seek to address the country's challenges in the energy sector. Subsequently, the Authority has submitted detailed project proposals outlining proposed compact investments in generation, distribution and access to electricity.
202. Mr. Speaker, the Micro Finance and Small Loans Centre (MASLOC) imported and distributed 1,000 outboard motors and 6,450 bundles of fishing nets to fishermen in all the fishing communities in Ghana. The 1,000 outboard motors are expected to generate at least 13,000 new direct jobs and 20,000 indirect jobs.
203. In 2014, MASLOC will finance the construction of cold stores in James Town to consolidate the value chain in the fishing sector. In addition the Centre will acquire and distribute 1,000 outboard motors and a number of fishing nets to support fishermen. In addition, the Centre will continue to collaborate with the Ministry of Fisheries and Aquaculture Development to upgrade outboard motor

garages to make them more efficient and expose them to modern scientific ways of doing business.

204. Mr. Speaker, MASLOC will supply inputs to hairdressing salons and train hairdressers to make them more effective to attract more clientele while trained seamstresses will be set up to retrain others in order to take advantage of the government's free school uniforms initiative. Chop bars will be supported to employ modern hygienic ways of doing business and also build their capacities to enable them become more efficient.
205. Under the Vehicle Hire Purchase Scheme, 390 Hyundai Verna cars and 200 Hyundai Accent cars were distributed to individuals and taxi drivers across the country.
206. Mr. Speaker, to improve incomes, livelihoods and economic welfare of farmers, MASLOC funded 48 poultry farmers in the Volta Region to produce table eggs for sale and also provided training and supervision as well as markets for their produce under the Poultry Finance Scheme. In 2014, identified groups of poultry farmers will be supplied with day-old chicks of commercial egg layers to produce table eggs for sale to improve their incomes, livelihoods and economic welfare.
207. The Centre will intensify training of credit officers in best microfinance lending operations, extend credit to the productive poor, especially in the rural areas and help startup businesses to create more jobs. Furthermore, the Centre will continue with the decentralization of its lending operations to all districts and strengthen group loan beneficiaries to acquire the habit of saving.

#### **Regulatory Services Programme**

208. Mr. Speaker, the National Pensions Regulatory Authority submitted 2 Legislative Instruments on the Basic National Social Security Scheme Regulations and the Occupational and Personal Pensions Schemes Regulations which were passed into law and gazetted.
209. The Authority organized orientation and sensitization workshops for stakeholders on the Three-Tier Contributory Pension Scheme and sensitized informal sector groups on special pension schemes for workers in that sector.
210. Mr. Speaker, the Authority also developed a public information, education and communication strategy and completed guidelines for registration. The Authority also registered Schemes, Pension Fund Managers and Custodians as well as Licensed Trustees.

211. In 2014, the Authority will establish six regional offices to enable it achieve its objective. In addition, the Authority will procure ICT Equipment, Deploy Pensions and Accounting Software at the Head Office and the six regional offices for effective regulatory services. It will also support the training and education of Trustees, Custodians and Pension Fund Managers to ensure effective service delivery and compliance and organize workshops and conferences to educate MDAs, MMDAs and corporate bodies on the new Pension Act 766 and the 3-Tier Pension Scheme. A national databank for pensions and a pension online information library will be established.
212. Mr. Speaker, the Internal Audit Agency undertook audit inspections based on reviewed 299 of the 610 internal audit reports of MDAs and MMDAs and presented inspection reports to their respective management for redress. The Agency assisted the National Health Insurance Authority in their regional financial and operational audits of the Mutual Health Insurance Schemes throughout the country and submitted the requisite reports to the Authority for further action. The Agency will review 400 reports in the coming year.
213. To improve the quality of Internal Audit Reports received from Internal Audit Units (IAUs) of MDAs and MMDAs, the Agency trained 50 heads of IAUs in quality management and conducted reviews at 50 IAUs. In the coming year, the Agency will continue this exercise and train 80 heads of IAUs and conduct reviews at 90 IAUs.
214. Mr. Speaker, in recognition of the need to increase access to information on Internal Audit activities, the Agency trained 670 members of staff of IAUs in the use of the IAA website. The Agency also reviewed the Quality Assurance Improvement Programme Manual in line with the new IIA Standards and trained staff from selected IAUs in conducting quality assurance reviews. Three hundred and ninety-five officers from 25 MDAs/MMDAs were also trained in integrated risk management. In 2014, the Agency will train 750 staff of IAUs in the use of the website and place 52 internal audit journals on the Agency's website for public access.
- HIV and AIDS Management Programme**
215. Mr. Speaker, the Ghana AIDS Commission embarked on a drive to increase HIV testing and counselling uptake through the "Know Your Status" Campaign. The Commission also implemented activities that increased the number of Persons Living with HIV on Anti-Retroviral Treatment (ART) and the uptake of Preventing Mother to Child Transmission of HIV.
216. The Commission worked with the media on HIV counselling and testing, Preventing Mother to Child Transmission of HIV, stigma and discrimination and Anti-Retroviral Treatment. In addition, the Commission worked closely with

Civil Society Organizations to undertake community outreach through peer education, one-on-one and group discussions, community mobilization for HIV testing and counselling, condom promotion and distribution, film shows and drama and Information, Education and Communication (IE/C) materials distribution. Through these interventions, a total of 3,934,449 people were reached with HIV messages and information.

217. Mr. Speaker, in 2014, the Commission will continue to prioritize and intensify prevention interventions among key population and vulnerable groups which include the youth, women and children, Most at Risk Populations (MARPs), People Living with HIV etc. and scale up coverage of Preventing Mother to Child Transmission towards elimination target by 2015. In addition, the Commission will scale up treatment coverage towards universal access, strengthen coordination and management of the national response and actively engage parliamentarians, chiefs, civil society, faith-based organizations and other opinion leaders in order to sustain political commitment.
218. Mr. Speaker, the Commission, through the Heart to Heart campaign, implemented behavioural change activities using the mass media communication channels and direct interactions to share information to address the issues of stigma and discrimination. In 2014, the Commission will work with Persons living with HIV, communities and media to address the HIV/AIDS stigma and implement activities that will enhance policy and advocacy in support of implementation of the National Strategic Plan 2011-2015
219. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢326,838,620 has been allocated. Out of this GoG is GH¢314,508,727, GH¢12,121,180 is IGF and DP Funds is GH¢208,712.

## **PARLIAMENT OF GHANA**

220. Parliament of Ghana exists to perform legislative, financial, oversight of the executive, representational and deliberative functions. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Parliamentary Business Programme**

221. Mr. Speaker, for the period under review, Parliament continued to discharge its constitutional mandate of passage of required legislations. The Parliamentary Chamber was expanded to accommodate the increased membership of the House. The House (Plenary and Committees) held a total of 331 sittings during which Papers/Bills were presented to the House for consideration. These



included Legislative Instruments, Constitutional Instruments, Loans/Agreements, reports from the Committees of the House and MDAs among others.

222. Parliament continued to exercise its constitutional mandate of effective oversight over the use of state resources. In this direction, 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 sittings to consider outstanding reports before it.
223. Mr. Speaker, the 6<sup>th</sup> Parliament composed the various Committees of the House, approved ministerial and deputy-ministerial nominees as well as the national budget and received the President's message on the State of the Nation.
224. In the ensuing year, Parliament will establish an Office of Scrutiny and Fiscal Analysis to provide in-house capacity on fiscal, financial and budget analysis. The Office will support the work of Parliament across its legislative, representation and oversight functions, and in particular contribute to increased capacity and effectiveness of Parliament in the budget process and national poverty reduction efforts. Parliament will also undertake monitoring and evaluation of public projects and introduce tools to track the implementation of the Public Accounts Committee's recommendations.
225. Mr. Speaker, Parliament organized a post-budget workshop to enable the Leadership and Members review the Budget Statement and Economic Policy to have a fair understanding of MDAs performance in the past year and their proposals for the 2013 fiscal year.
226. In pursuit of its public outreach programme, the Committee on Government Assurances and the Appointments Committee of Parliament held Sittings and conducted other Parliamentary Businesses in public. In 2014, Parliament will establish a TV channel for live telecast of Parliamentary Proceedings to deepen knowledge and greater awareness of the work, processes and relevance of Parliament.

#### **Information Support Service Programme**

227. Mr. Speaker, to transform the ICT infrastructure of the House and implement an e-Parliament system, Parliament commenced the implementation of major ICT project activities which constitutes the electronic component of the JOB 600. In 2014, the ICT project will be completed. In addition furnishing of the Job 600 office complex will be completed to provide all 275 Members with adequate office accommodation.

228. Mr. Speaker, Parliament completed preparatory works to establish a Parliamentary Training Institute to provide institutional mechanism for continuing education; learning, training and development of Members of Parliament and Staff; execution and promotion of research in Parliamentary democracy; provision of training and advisory services to the populace and; collaboration with national and international organizations for the promotion of best practice. In 2014, work will commence on the establishment of the Institute.
229. In 2014, Parliament will collaborate with Public Records and Archives Administration Department to establish dedicated archives to store records of the House and other essential documents as part of the overall strategy to improve records/data management.
230. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢178,540,890 has been allocated. Out of this GoG is GH¢177,850,890, and DP Funds is GH¢690,000.

### **GHANA AUDIT SERVICE**

231. The Service is one of the key oversight, accountability, and monitoring and evaluation mechanisms in the governance of this country. To this end, the Service exists to provide independent assurance to Parliament and other stakeholders that public funds are received, used judiciously and fully accounted for. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Audit Operations Programme**

232. Mr. Speaker, the Ghana Audit Service completed and presented public account reports on the Consolidated Fund, Public Boards, Corporations and other Statutory Institutions, MDAs, MMDAs, Pre-University Educational Institutions, District Assemblies Common Fund and Special Audits to Parliament in line with the statutory requirement. These comprised the audit of 1,689 MDAs, 168 MMDAs, 402 Educational Institutions and 5 Traditional Councils representing 69.67 percent of planned audits.
233. In 2014, the Service will continue with its traditional regularity and financial audit of 3,235 audit entities which include MDAs, MMDAs, Pre-University Educational Institutions as well as special audits.
234. Mr. Speaker, the Service will also conduct audits in the following areas; procurement and contract administration; GSGDA programmes, MDBS, DDF/FOAT, DWAP; computerised and electronic systems in the public sector

including GIFMIS and IPPD 2; revenue management including the proceeds of taxation, grants as well as oil and gas exploration; performance audit including physical infrastructure projects; public debt and loans/advances; Capitation Grant and School Feeding Programme; and performance of international assignments.

235. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢119,115,792 has been allocated. Out of this GoG is GH¢119,115,792.

### **PUBLIC SERVICES COMMISSION**

236. Mr. Speaker, the goal of the Public Services Commission is to promote a well-managed public workforce capable of and committed to delivering high quality services for accelerated growth and development. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Human Resource Management Programme**

237. The Commission developed and rolled out a new performance management policy and appraisal system (i.e. the staff performance review appraisal form and manual) to all Public Service organizations. The Commission will facilitate the effective functioning of the new Performance Management System in 50 public service organizations.
238. A performance agreement model was developed, validated and circulated to all chief executives while a performance Management System for the public service was also developed and ready for submission to Cabinet. The training of human resource managers in the use of the staff performance appraisal instrument is on-going.
239. In 2014 the Commission will pursue the training of human resource managers in public service organizations and operationalize the Human Resource Management Policy Framework and manual in the public services.
240. To strengthen controls in the areas of human resource and information management, the Commission secured support for the inclusion of Human Resource Management Information System (HRMIS) component onto the GIFMIS platform. The Commission will facilitate the establishment of the HRMIS in pilot MDAs and MMDAs.
241. In addition, the Commission will conduct manpower audits of additional 50 public service organizations to identify excess labour for deployment to organizations in deficit and in need of such categories of staff, establish the

actual manpower size of public service organizations and re-introduce manpower ceilings/establishment schedules/levels for organizations.

242. Furthermore, the Commission will commence the review of organizational structure of public service organizations to determine how the functions and responsibilities of the various units relate to the achievement of their mandates and missions. It will also begin the development of standard schemes of service and job descriptions for all public service organizations.
243. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢3,483,805 has been allocated. Out of this GoG is GH¢3,483,805.

### **ELECTORAL COMMISSION**

244. Mr. Speaker, the Commission in its present form was set up under Article 43(i) of the 1992 Constitution of the Republic of Ghana and established by an Act of Parliament, Act 451 of 1993. The Commission's exists to organize and supervise all public elections and referenda as a way of advancing the course of democracy and good governance through institutionalizing free, fair and transparent elections. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Electoral Services Programme**

245. Mr. Speaker, for the period under review, the Commission expanded and maintained its VSAT Wide Area Network to support the continuous registration of voters. In addition, the Commission conducted 3 Bye-Elections in Akatsi, Buem and Kumbungu. The Commission also began arrangements to engage stakeholders on improving the electoral process.
246. In 2014, the Commission will re-demarcate electoral areas and Unit Committee boundaries, expand the Biometric Voters' Register to include persons who qualify to be registered, sensitize the public to increase awareness of the district level electoral process and conduct as well as supervise Assembly and Unit Committee Elections in all 216 MMDAs. Furthermore, the Commission will inspect political party offices and audit political party accounts to enforce legal, operational and financial compliance for political organization to enhance good governance.
247. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢141,082,137 has been allocated. Out of this GoG is GH¢139,477,235, and DP Funds is GH¢1,604,903.

## **MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION**

248. Mr. Speaker, the Ministry exists to assist the Government in the formulation and implementation of the country's foreign policy in the most cost effective way to ensure that Ghana establishes and sustains goodwill among the community of Nations. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

249. Mr. Speaker, the Ministry continued to play a frontline role in the deepening of the country's international goodwill and the promotion of trust and solidarity in the sub-region and continent as well as influence dialogue and consensus on a wide range of issues in bilateral and multilateral fora.

### **International Cooperation Programme**

250. Mr. Speaker, on the score of sub-regional and continental harmony, the Ministry in tandem with its neighbouring Missions facilitated cooperation with our neighbours to address the challenges of the spread of terror networks, human and drug trafficking, money laundering, proliferation of small arms and illegal weapons along our borders. Ghana collaborated with ECOWAS to put in place adequate measures to safeguard the peace, security and prosperity of the Community.

251. Mr. Speaker, during the year under review, the Ministry continued to pursue issues on the ultimate integration of our sub-region. In this regard, the Ministry facilitated the participation of H.E. President John Dramani Mahama in the ECOWAS Extraordinary Summit Session in Abidjan and the 43rd Ordinary Session of the Authority of Heads of States and Governments of ECOWAS in Abuja. Both Summits dwelt on the resolution of crisis in the sub-region, with special emphasis on the crisis in Mali and Guinea Bissau within the context of the UN Security Council Resolution 2085. Ghana signed the ECOWAS agreement for the construction of a three-lane express highway from Abidjan to Lagos.

252. Mr. Speaker, the Ministry facilitated the participation of H.E. President John Dramani Mahama in his maiden AU meeting in Addis Ababa where he reiterated his support for the ideals of the AU and his commitment to a united continent. The meeting adopted the AU Commission's strategic plan for 2014-17.

253. Mr. Speaker, the Ministry as the focal point of Permanent Joint Commissions for Cooperation (PJCC), coordinated the participation of our private and public

sectors stakeholders in the 8th Session of the Ghana-Guinea PJCC as well as the 11th Session of the Ghana-Burkina Faso PJCC.

254. Mr. Speaker, the Ministry continued to harness the potential of economic diplomacy to market Ghana abroad as a favourable destination for investment, while simultaneously deepening the frontiers of existing markets and the search for new ones for our non-traditional exports. To this extent, the Ministry facilitated a high level Government and business delegation to participate in the African Global Business Forum and the Annual Investment Meeting in Dubai.
255. Mr. Speaker, the Ministry through its Permanent Missions to the United Nations in New York and Geneva continued to articulate Ghana's views and position in major multilateral institutions to which Ghana belongs in order to help search for sustainable solutions to the challenges confronting international peace, stability, security and socio-economic development. Accordingly, H.E. the President participated in the 68th UN General Assembly in New York during which he contributed to the discussions on global peace and security.
256. Mr. Speaker, Ghana's bilateral relations with most countries continue to be at its peak and the Ministry endeavoured to sustain same during the year under review. H.E. the President paid a High Level Visit to the UK at the invitation of Prime Minister Rt. Hon. David Cameron during which a number of bilateral economic and technical cooperation agreements were signed for implementation. The President also visited Turkey and France where he held economic bilateral talks with his counterparts. In addition, various Senior Government officials paid important visits to strengthen relations with key bilateral partners such as Russia, China, Japan and Korea.
257. Conversely, high level visits were paid to the country by President Mahmoud Ahmadinejad of Iran, H.E. General Michel Sleiman of Lebanon, the Minister for Foreign Affairs of Canada, Hon. John Bard and the Governor-General of Canada Rt. Hon. David Johnson among others. During these visits bilateral economic talks were held with H.E. the President of Ghana.
258. Mr. Speaker, the Ministry and its Missions abroad coordinated Presidential audience with the Ghanaian Communities during the President's foreign travels to London, Paris, Ankara and Bamako to solicit their input into national development. A Diaspora Support Unit was established at the Legal and Consular Bureau of the Ministry to compile a comprehensive database of Ghanaians in the Diaspora.
259. In 2014, the Ministry will continue to assist government in its bid to deepen and diversify relations with our immediate neighbours, expand the frontiers of existing markets for Ghana's non-traditional exports, attract investments and

tourism into the country and enhance consular protection and assistance to our compatriots as well as coordinate the activities of our diasporan brothers and sisters.

### **Passport Administration Programme**

260. Mr. Speaker, in conformity with the requirements of the International Civil Aviation Organization that all member states replace machine-readable passports with biometric by January 2015, the Ministry expanded its operations at the passports headquarters and established passport application centres in 6 regions namely Accra, Kumasi, Tamale, Sekondi-Takoradi, Sunyani and Ho. In 2014, the Ministry will establish application centres in the 4 remaining regions.
261. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢153,953,029 has been allocated. Out of this GoG is GH¢141,217,551, and GH¢12,735,478 is IGF.

## **MINISTRY OF FINANCE**

262. The goal of the Ministry is to ensure efficient and effective management of the economy towards the attainment of upper middle income status and poverty reduction. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Economic Policy Management Programme**

263. Mr. Speaker, to promote credibility and prudent economic management, the Ministry collected updated data on public investment, commenced the development of the Ghana Public Private Partnership (PPP) law and conducted series of stakeholder consultations for inputs into the law. The Ministry also monitored the financial performance of State Owned Enterprises (SOEs) and Joint Venture Companies (JVCs) and developed a public investment management system to automate the management of project cycle processes across MDAs.
264. In 2014, the Ministry will continue to strengthen the coordination and planning of public investment by ensuring efficient and effective management of Government investment in SOEs/ JVCs and developing a national public investment policy and regulation. The Ministry will also undertake a comprehensive capacity building programme of MDAs/SOEs/MMDAs on the development and management of PPP and Public Investment Programme (PIP) as well as on the use of the Public Investment Management System (PIMS) software. In addition, mechanisms will be put in place to establish a Project

Development Fund, Infrastructure Facility Fund and a Viability Gap Scheme in order to support the PPP programme.

265. Mr. Speaker, in the area of economic statistics, the Ghana Statistical Service (GSS) produced statistics on inflation rates, construction input costs, gross domestic product and external trade and also updated external trade statistics. In addition, the Service produced social and demographic statistics on population, health, environmental sanitation, migration, culture, labour/employment, education and crime/judicial proceedings.
266. In order to strengthen coordination and collaboration among statistics producing institutions in the country, the Service completed and submitted to Cabinet, a draft bill to guide and moderate the activities of the national statistical system.
267. Mr. Speaker, on the 2010 Population and Housing Census, the Service continued the processing of Census data, released the summary of the final results, finalized and disseminated the National Demographic Analytical Report and completed and disseminated the Census Atlas. In 2014, the Service will continue work on the Ghana Living Standards Survey 6 and continue with outstanding activities on the 2010 Population and Housing Census.
268. Mr. Speaker, the National Insurance Commission commenced the enforcement of the law on compulsory fire insurance and carried out stakeholder consultations on the review of the Insurance Act (Act 724) to make the insurance sector compliant with international standards.
269. Mr. Speaker, the Ministry also facilitated the amendments of the Anti-terrorism Act, and the Anti-Money laundering Act, identified, sensitized and trained institutions with strategic AML/Combating the Financing of Terrorism deficiencies. Mr. Speaker, with the aim of removing all regulatory overlaps and provisions that hinder the development of the securities market and make it conform to international standards, the Ministry commenced the review of the Securities Industry Law. In addition, the proposed merger of the Central Securities Depository and the Ghana Stock Exchange Depository was completed and is currently awaiting shareholders' approval.
270. Mr. Speaker, the national financial inclusion strategy will be finalized in 2014 to facilitate reduction in the size of the adult population excluded from the financial system which currently stands at 44 percent.
271. The Ministry will commence the implementation of the Financial Sector Strategic Plan II to consolidate the gains made from previous financial sector reforms and facilitate the development of a financial sector that is stable and



efficient in the mobilization and allocation of funds, fully integrated with the global financial system and supported by a regulatory and supervisory system that promotes a high degree of confidence.

272. Mr Speaker, to enable Credit Unions become more efficient and provide them with an enabling legislation to regulate their members, the ministry will facilitate the passage of the credit unions regulations.
273. The Ministry will continue with the implementation of the Rural and Agricultural Finance Programme to support improved and sustainable livelihoods of the rural poor, particularly women and vulnerable groups.
274. Mr. Speaker, to address the inadequacy and unreliability in the energy sector as well as improve access to finance, the Ministry signed the Partnership for Growth with the United States Government and also developed the strategic implementation plan.

## **Revenue Mobilisation and Management Programme**

### **Enhancement of Revenue Mobilization**

275. Mr. Speaker, to boost the collection of domestic tax revenue, the Ghana Revenue Authority (GRA) continued to conduct special tax audits of companies and set up a special task force to monitor rent tax.
276. To strengthen, harmonize and organize the procedures and processes for effective revenue mobilization, the Tax Administration Bill, amendment to the Internal Revenue Act, the Customs, Excise and Preventive Service law and VAT Amendment Bill were passed.
277. Mr. Speaker, the Ministry drafted an Environmental Fiscal Reform Action Plan for Ghana to address environmental problems. The Ministry also drafted a concept paper on the proposed Ghana Green Fund (GGF) with the aim to ensure that revenues raised from environmental taxes are used for its intended purpose. The Ministry also revised the tax regime for plastic materials by reducing the tax rate from 15 to 10 percent and expanding the base to cover most plastic materials.
278. The Ministry in its effort to green the economy will draft an Environmental Fiscal Reform Policy Document and also through wider stakeholder consultation draft legislation on the Ghana Green Fund.

### **Exemptions**

279. Mr. Speaker, in order to reduce abuses in the exemptions regime, the Ministry conducted a monitoring exercise at selected exemption beneficiaries of various

schemes in Kumasi, Sunyani, Cape Coast and Takoradi. The Ministry will continue to embark on this monitoring exercise in the other parts of the country 2014 to further reduce the abuses in the system.

### **Tax Consultations**

280. Mr. Speaker, to deepen the relationship with the business community/tax payers, the Ministry held four pre budget stakeholder consultative meetings in Akosombo, Takoradi, Kumasi and Accra. To further strengthen relationships with stakeholders, the Ministry will expand the consultations to 2 more regions. The Ministry will also embark on post budget stakeholder consultations.

### **Resource Mobilization**

281. Mr. Speaker, the Ministry facilitated the establishment of the Government-Development Partner Group (G-DPG) to serve as the highest-level aid coordination body in Ghana as well as address the need for regular and structured development dialogue between Government and Development Partners. In 2014, the Ministry will establish a joint Task Force to facilitate the operations of the G-DPG as well as support the preparation of the action plan for the Government-Development Partner Compact (2012-2022).
282. In furtherance of Ghana's global recognition in matters relating to the reforms of the international aid and development architecture, the Ministry continued with its engagement in global fora. In addition, the Ministry organized the national stakeholders' forum for solicitation and consolidation of inputs as part of efforts to evolve and implement a Post-Busan Implementation Framework to track the outcomes of the 4th High Level Forum in Busan, South Korea. The Ministry will complete the development of the Framework and sign up to the Global Partnership Monitoring Framework in 2014.
283. The Ministry held further consultations with national stakeholders on the Ghana Aid Policy and Strategy (2014-2017) and submitted the final draft to Cabinet for approval. The implementation of the Ghana Aid Policy and Strategy (2014-2017) will be pursued.
284. Mr. Speaker, to facilitate the aid-on-budget reform, the Ministry commenced the procurement process for the Ghana Aid Information Management System which will interface with GIFMIS and capture aid information as well as support the management of donor funded programmes and project

### **Expenditure Management Programme**

285. Mr. Speaker, the Ministry prepared the 2013 Budget Statement and Economic Policy and facilitated the preparation of all MDAs Annual Budget Estimates which were subsequently approved by Parliament.
286. Mr. Speaker, in compliance with the FAR, the Ministry reviewed and circulated the Budget Calendar to guide the budget development process. A Budget Framework Paper which is also a requirement of the FAR, was prepared and submitted to H.E the President outlining the anticipated macro-fiscal challenges to the development of the 2014 budget.
287. Mr. Speaker, the Ministry circulated the 2014-2016 Budget Preparation Guidelines to all MDAs and MMDAs and organized orientation workshops for Chief Directors, Directors of Policy, Planning, Budgeting, Monitoring and Evaluation Units (PPBMEs) and Finance on the Budget Guidelines. The Ministry also held stakeholder consultations to solicit their inputs for the 2014-2016 Budget.
288. Furthermore, the Ministry organized a production workshop for all MDAs to facilitate the preparation of 2014-2016 Programme Based Budget and conducted policy and technical hearings for the budget preparation process. In the ensuing year, the Ministry will strengthen the coordination of the preparation of the national budget by organizing training workshops to build capacity of PPBMEs of all MDAs on the new budgeting process, preparing and circulating implementation guidelines and analyzing MDAs Budget performance.
289. Mr. Speaker, the Ministry improved the implementation of MDAs budget by strengthening the cash management system through the institution of weekly revenue and expenditure reconciliations as well cash flow forecasting meetings in collaboration with the Controller and Accountant-General's Department and the Bank of Ghana. Additionally, the Ministry conducted physical monitoring of Government programmes and projects being implemented by the MDAs and issued monthly and expenditure reports. In 2014 commitment control, cash and treasury management systems including the issuance of cash ceiling instructions to MDAs will be strengthened to improve budget implementation.
290. As part of efforts at mainstreaming gender budgeting in the budgeting process, the Ministry conducted extensive gender budgeting training for its staff and staff of some selected MDAs.
291. In 2014, the management of project loans and grants will be streamlined to ensure compliance with the requirements of the FAA and FAR for accounting and reporting.

292. Mr. Speaker, the Ministry deployed the Ghana Integrated Financial Management Information System to MDA Head Offices and Regional Head Offices and also started pilot decentralized payroll printing and processing of selected payroll transactions at 4 Regional Centres namely Western, Volta, Northern and Ashanti. In 2014, the Ministry will deploy the oracle Fixed Asset module under GIFMIS on a pilot basis to enable the Controller and Accountant-General's Department take inventory of all public assets and create an assets database.
293. To improve the treasury and payment system, the Ministry started the development of a Document Flow Management System for treasury and administrative operations. This will be completed in 2014.
294. Mr. Speaker, the Treasury Single Account (TSA) strategy was implemented to further improve cash forecasting and cash management. In 2014, the TSA strategy will be expanded to cover all Government accounts at the Bank of Ghana and the commercial banks to further improve cash forecasting and also reduce bank charges.
295. Mr. Speaker, in the year under review, a Business Continuity Plan was developed and Incident Management Team put in place to address any possible disruption in the Department's operations. Also, a Disaster Recovery Site was established to prevent the loss of vital data in case of disaster. To mitigate the risk of disruption of business in the event of ICT system disaster, the Ministry will install IBM SAN routers to facilitate communication between the Department and the Disaster Recovery site in the coming year.
296. Mr. Speaker, the Ministry commenced the development of Electronic Payment Voucher (e-PV) system to improve the management of the IPPD system. Under this system, heads of MDAs will be required to review and certify payroll information online before the payment of salaries. To ensure effective and efficient payroll management, the Ministry upgraded the current payroll system and launched a Payroll Procedure Manual as well as an electronic pay slip (E-Pay slip) system.
297. In 2014, the Ministry will establish 5 Regional payroll printing centres and 10 regional personnel processing centres to enable MDAs/MMDAs in the regions and districts input data into the payroll system aimed at deletion of names of separated staff and improve the management of the payroll. In addition, training programmes will be organized on accounting, GIFMIS operations, payroll process and procedures and on the use of ICT policy manuals for all MDAs/MMDAs.

298. The development of the e-PV system will be completed, launched and training conducted for users while the upgraded payroll will be integrated with the Oracle Financials for improved budget management.
299. Mr. Speaker, the annual accounts for 2012 was completed and submitted to the Auditor-General on schedule. Monthly accounts, which used to be in five months arrears, are now only two months in arrears.
300. To address the reconciliation challenges of MDA expenditures with the Public Accounts, the Ministry will restructure and equip the Public Accounts section of the CAGD in 2014 to enable them do monthly reconciliation with the MDA accounts. In addition, a Joint Technical Committee comprising MOF, CAGD, Ghana Revenue Authority and Ghana Audit Service will be constituted to review the monthly and annual public accounts to ensure that the accounts are completed by the statutory time of 15th of the ensuing month.

**Public Procurement**

301. Mr. Speaker, the Public Procurement Authority (PPA) developed detailed Contract Management Manuals for Goods, Works and Services and related Training Manuals. The Authority also conducted training for 359 officials from 13 Institutions in both the Public Service and the Private Sectors aimed at building procurement capacity.
302. In addition, the Authority collaborated with the Public Services Commission, Office of the Head of Civil Service, the Local Government Secretariat and other key Stakeholders for the implementation of the Scheme of Service for Procurement Practitioners for the establishment of the Procurement Units within the Public Sector. In 2014, the Authority will continue to work with public service organizations to ensure that Procurement Units are established for the management of public procurement and existing staff appropriately migrated into the Procurement Class.
303. Mr. Speaker, the Authority will continue with the assessment of the procurement activities of 1,000 entities to ensure compliance with the provisions of the Public Procurement Act, 2003 (Act 663) using an enhanced public procurement model of excellence tool.
304. The Authority continued to update the Price Database for common used items which measures average prices across the country to serve as a guide for entities in their procurement activities especially value for money analysis. In 2014, the Authority will continue to build procurement capacity within the Public and Private Sectors as well as members of ETCs and TRBs on contract management. In addition, the Authority will continue the training of the Attorney General's Office, the Judicial Service and Members of Parliament.

305. Mr. Speaker, the Authority will also complete and implement the review of the Standard Tender Documents to provide framework agreements as well as sustainable criteria so as to obtain cost savings through economies of scale and collaborative procurement. In addition, the Public Procurement Model of Excellence (PPME) Tool will be redesigned and institutionalized in all entities.

#### **Debt Management Programme**

306. Mr. Speaker, to ensure that public debt remains sustainable in the medium to long term, the Ministry together with officials from the World Bank and the IMF conducted a Debt Sustainability Analysis (DSA). The analysis which took into consideration pipeline approved loans showed that Ghana's risk of debt distress remains moderate over the medium term.
307. The Ministry published the issuance calendar for Government treasury bills and bonds in a bid to promote transparency and improve active participation in the domestic market by market participants.
308. Mr. Speaker, the Ministry will continue to conduct Debt Sustainability Analysis and review the Medium Term Debt Strategy to serve as a guide for public debt borrowing.
309. To improve transparency and accountability in line with sound debt management practice, the Ministry will continue to publish the annual public debt reports. In addition, the borrowing guidelines will be reviewed and disseminated to MDAs and investors to facilitate the process of procuring loans.
310. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢224,246,020 has been allocated. Out of this GoG is GH¢194,858,946, GH¢6,147,770 is IGF and DP Funds is GH¢23,239,305.

### **MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT**

311. Mr. Speaker, the Ministry exists to achieve a sustainable, equitable economic growth and poverty reduction through citizen participation and accelerated service delivery at the local level within a decentralized environment. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Management and Administration Programme**

312. Mr. Speaker, the Ministry developed Public Financial Management (PFM) templates with guidelines to improve the transparency and accountability in the

Metropolitan, Municipal and District Assemblies. In 2014, the Ministry will train MMDAs in the use of the templates. Training will also be conducted for MMDAs in the use of the social accountability training, financial management, revenue mobilization training manuals, and trainer's guides.

313. Mr. Speaker, the Ministry assisted 22 MMDAs to implement street naming activities, property re-valuation, preparation of revenue enhancement plans, assets registers and database for business operation permits.
314. Mr. Speaker, a draft report on the Rationalization of National Social Protection spending was prepared for review by stakeholders. A total of 38 subprojects made up of one school block, 22 feeder roads, and 15 dams and dugouts were completed under the Ghana Social Opportunities Project with a total of 59,345 individuals employed compared to a target of 33,800.
315. In 2014, the project report on the Rationalization of National Social Protection will be finalized and 112 new sub-projects made up of 54 Dams and dug-outs, 23 climate change interventions and 35 feeder roads will be started and completed.
316. The Ministry will continue to pursue interventions and activities aimed at improving the capacity of both the RCCs and MMDAs in the area of Planning and Budgeting by developing a manual for participatory planning and budgeting.
317. Mr. Speaker, to improve revenue generation as well as urban development and management, Cabinet approved the Policy Guidelines on Street Naming and Property Addressing. An Operational Manual was also developed and an orientation on the manual conducted.
318. Mr. Speaker, Cabinet approved the Local Economic Development (LED) Policy and Action Plan and the Operational Manual was also finalized. MMDAs from Central and Western Regions were trained in the LED operational manual. In 2014, the LED Secretariat will organize training for staff of MMDAs of the remaining 8 Regions on the use of the manual and also train core staff in mainstreaming LED into the district planning process and district MTDP.
319. Mr. Speaker, the Ministry will fast-track HR management through the Regional HR Departments and the 150 MMDAs HR Units. Additionally, HR Units will be established in the rest of the 66 District Assemblies. The Secretariat will also facilitate the establishment of District Works Departments in all MMDAs.

320. The integrated rural development project will be implemented in 2014 to provide socio-economic infrastructure, technical support, micro-medium term credit and outreach and monitoring services to increase household incomes.

**Decentralization Programme**

321. Mr. Speaker, under the District Development Facility, nationwide generic capacity building training programmes were carried out in asset and contract management, accounting manual and composite budget, strategies in modern procurement, introduction to public sector administrative skills and change management. In addition, the Local Government Service Secretariat (LGSS) collaborated with the Institute of Local Government Studies (ILGS) to conduct orientation training for all 2,602 newly recruited staff the Service.
322. The Ministry submitted the amended legislations on Schedule II Departments of L.I.1961 namely Ghana Library Board, Births and Deaths Registry, National Youth Council and National Sports Council to Cabinet for approval.
323. Mr. Speaker, in 2014 the Secretariat will facilitate the effective integration of Departments in the Second Schedule of L.I. 1961 into the MMDAs. In this regard, opportunities will be explored to ensure effective integration of some other departments which were not named in any of the legal documents but have expressed interest in being part of the MMDAs. Generic Guidelines for the establishment of departments which have been developed shall be made operational.
324. As part of efforts to deepen decentralization, the LGSS initiated Stakeholders' collaborative meetings on the establishment of the Departments of MMDAs contained in Schedule I and II of L.I 1961. Schemes of Service for Environmental Health and Sanitation, Social Welfare and Community Development, Legal and Statistics Classes were drafted for validation and finalization.
325. Mr. Speaker, based on the 2011 Functional and Organizational Assessment Tool (FOAT) assessment results, funds were allocated and transferred to MMDAs under the District Development Facility and the Urban Development Grant. Also, the FY 2012 FOAT assessment has been conducted and the results are being collated.

**Local Level Development and Management Programme**

326. Mr. Speaker, in line with the Ministry's commitment to local level development and management, 2,853 youth consisting of 682 males and 2,171 females were trained in employable and sustainable skills while 1,000 passed out with Vocational, Technical and Entrepreneurial Skills. In addition, the Gender Responsive Skills and Community Development Project (GRSCDP) also offered



scholarship package for additional 3 females from poor households in each of the 59 beneficiary Districts of the GRSCDP.

327. Furthermore, 534 beneficiaries were trained on various income generating and entrepreneurial skills which imparted on a total membership of 16,643 women while 56 out of the 120 trainees who received training in community education graduated.
328. Mr. Speaker, in pursuance of government's objective to create and maintain green belts in prestige areas and open spaces, maintenance activities were carried out on roundabouts, road medians and road shoulders in our cities and towns. The Ministry continued to implement activities in the area of landscape beautification in our built environment such as the Flagstaff House, Castle Gardens, Peduase Lodge, State House gardens and all RCC'S gardens.
329. The Department of Parks and Gardens will continue to pursue actions to combat the effects of global warming by engaging various stakeholders to undertake tree planting. It will also collaborate with MMDA's in the promotion of landscape beautification, develop programmes for floral beautification, establish public parks in cities and towns and promote ecotourism to create jobs for the people as well as generate revenue for MMDAs.
330. Mr. Speaker, a total of 350,000 tree seedlings were also supplied to various communities, schools and organized groups while the collection of plant species to feed the Biodiversity Information Facility is in progress. In 2014, the conservation of threatened plant species and restoration importance of plant diversity under the Global strategy for plants conservation will be continued. The Ministry will continue with the collaboration with the Botany Department of the University of Ghana and other stakeholders in the documentation of our national information facility for the sharing of digital biodiversity data.
331. Mr. Speaker, the Ministry will organize formal training for 4,000 youth and 6,000 women in vocational and technical skills in income-generating activities. In addition, 120 community educators will be trained at the Rural Development College. The Ministry will also secure accreditation to enable the Rural Development College run Diploma programmes. A Handbook on Community Development procedures based on Operating standards will also be developed.

**Environmental Sanitation Programme**

332. Mr. Speaker, the Community Led Total Sanitation Strategy introduced in the Eastern and Brong Ahafo Regions was scaled up to cover 7 regions and a total of 3,959 tertiary students were deployed under the Ghana Students' Industrial Attachment Programme to carry out sanitation education campaign.

333. To improve environmental sanitation and good hygiene practices in both rural and urban communities, the Environmental Health and Sanitation Programme will scale up Community Led Total Sanitation activities to all regions in 2014. A results-based M&E system for environmental sanitation to accurately capture, process and analyze data for national statistics will be deployed.
334. Mr. Speaker, the University of Ghana Sewerage Treatment Plant and 42no. 20-Seater Water Closet Public Toilets were completed under the Accra Sewerage Improvement Project. In 2014, new sewer networks at Mamprobi, Korle-Gonno and Korle-Bu will be constructed, while sewer networks at University of Ghana, Achimota Hospital, Achimota School and Trinity College will be rehabilitated. A pumping Station at Dansoman Estate will be constructed.

**Socio-Economic Intervention Programme**

335. Mr. Speaker, in developing a National School Feeding Policy, Stakeholder Consultations were held in the various regions and with NGOs and Parliament. To improve the nutritional intake of pupils, a ration design tool was developed and baseline data collected as part of an impact evaluation of the programme. In 2014, the Policy will be launched for implementation and the ration design tool will be applied to improve the nutritional intake of pupils.
336. Mr. Speaker, 15,000 persons were trained in business and entrepreneurship skills under the Local Enterprises and Skills Development Project. In 2014, needs assessment will be undertaken to enable a total of 35,000 beneficiaries nationwide to be recruited and trained in technical, entrepreneurial and business management skills. Business set-up equipment will be provided to beneficiaries.
337. Mr. Speaker, a knowledge sharing workshop on best practices in food security was organized for 75 key partners. Under the Onion Value Chain Improvement Sub-Project, 2,749 farmers in 8 communities in Bawku West, were supported with 24 onion storage structures. The bulb size of onions increased from 60 to 100 grams by the introduction of new variety (galmin) and improved agronomic practices under this project.
338. Furthermore, the "Zai" method introduced to 715 farmers improved maize production from 3 bags to 8 bags per acre in Builsa, East Gonja, East Mamprusi and Garu-Tempani Districts under the Sustainable Farming Techniques sub-project.
339. In 2014, 200 farmers will benefit from the "Zai" method and other sustainable soil management practices. These farmers will be supported with inputs to increase production while dry season farming will be introduced to 10 communities in Builsa, East Gonja, East Mamprusi and Garu-Tempani Districts.

Farmers in the Bawku West District will benefit from an improved variety of onions while 2 communities in the Wa Municipality will be introduced to Community Based Cage Fish Culture.

### **Births and Deaths Registration Programme**

340. Mr. Speaker, the Ministry registered 111,317 births and 102,742 deaths. In addition, Birth and Death Certificates, registers and forms have been printed and distributed to promote and expand the community population registration in 68 rural communities while additional registration centres were established in 54 rural communities.
341. In 2014, the Ministry will continue to expand the Community Population Registration, establish additional registration centres in rural communities and computerize its operations. In addition, the Ministry will work with GES and parents to register children under 18 years of age entering school without Birth Certificates; continue to seek support to expand the nationwide computerization programme; interface the network systems between the Central Registry Office and all ten Regional Registration centres through a Wide Area Network connection.
342. Mr. Speaker, the Births and Deaths Registry will continue to capture the backlog of information on births and deaths dating back to 1912. To complement the on-going public education on births and deaths registration, the Registry will also strengthen its collaboration with the Mass Media and Faith Based Organizations.
343. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢239,851,160 has been allocated. Out of this GoG is GH¢82,833,752, and DP Funds is GH¢157,017,408.

### **NATIONAL MEDIA COMMISSION**

344. Mr. Speaker, the goal of the Commission is to promote free, independent and responsible media so as to sustain democracy and national development. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

#### **Media Regulation and Management Programme**

345. Mr. Speaker, the Commission stepped up efforts in democratic regulation of the media in line with its constitutional mandate. To improve the process of complaints adjudication, the Commission conducted an audit of the existing process

346. Mr. Speaker, in line with its constitutional mandate, the National Media Commission devised a mechanism for the appointment of Chief Executives and governing boards of the state-owned media. The Commission also appointed and inaugurated Chairmen and members of the four State-Owned Media organizations.
347. In addition, the Commission embarked on a nationwide peace building effort to ensure responsible and professional reportage in the election petition and sent out three delegations to perceived flash points in Ashanti, Volta and Northern regions to dialogue with media personnel and the Regional Police Command.
348. Mr. Speaker, the Commission will continue to sensitize journalists and media owners across the country and deepen its partnership with other stakeholders to ensure professionalism in the media.
349. Specific interventions will include;
- Dialogue with stakeholders such as the Ghana Journalists Association, Ghana Independent Broadcasters Association, Ghana Community Radio Network, Private Newspaper Publishers Association of Ghana and the political parties;
  - Establishment of Media Advisory Councils with the specific aim and purpose of evaluating media performance and advising the National Media Commission and the media.
  - Deployment of NMC members to all regions to assess post-election and other media related issues.
350. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢4,107,062 has been allocated. Out of this GoG is GH¢4,107,062.

## **MINISTRY OF INFORMATION AND MEDIA RELATIONS**

351. Mr. Speaker, the Ministry exists to empower the people of Ghana through information dissemination, training and strengthening the capacity of the media for ownership of policies, programmes, projects and activities necessary for social and economic transformation. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

**Information Management Programme**

352. Mr. Speaker, during the year under review, the Ministry organized regional tours during which Government policies and programmes were explained to the people.
353. In 2014, the Ministry will organize 300 Town Hall Meetings targeting 10 million people across the country. The Ministry will also engage public officials at the Regional and District levels with the view to making them accountable to the citizens at the grassroots level.
354. Mr. Speaker, the Ministry organized the National Policy Fair to showcase Government achievements as well as policies and programmes for the medium term. In 2014, the Ministry will organize 1 National and 5 Regional Policy Fairs.
355. The Ministry also organized Meet-the-Press Sessions for 22 Ministries to explain the various programmes and projects of MDAs to the general public and also facilitate close interaction between Government and the media. Eighty Meet-the-Press Series will be organized throughout the country in 2014 with much emphasis on quality and regularity to enable the media report adequately on the performance of public policies, programmes and projects. The Ministry will also organize 26 Ghana Development Dialogue Series to afford MDAs and MMDAs the opportunity to explain to the general public the rationale for choosing some policies over others.
356. Mr. Speaker, to strengthen the capacity of the media, the Ministry distributed 952 laptops to media personnel and associations including the Ghana Journalists' Association, Private Newspapers Association of Ghana, the Ghana News Agency and the Information Services Department. The Ministry will train 300 private media personnel in 2014 to build their capacity and improve upon media reportage.
357. Mr. Speaker, the Right to Information Bill was approved by Cabinet and subsequently laid before Parliament while the drafting of the Broadcasting Bill aimed at strengthening and sanitizing the broadcasting industry is ongoing.
358. The Ministry covered the Supreme Court Hearing on the 2012 election petition and other important national events and processed more than 60 local and 30 foreign stories as a result of improvement in news gathering.

**Film and Television Production Training Programme**

359. Mr. Speaker, the Ministry completed and submitted to Cabinet, Development and Classification of Film Bill which seeks to revise the Cinematography Act 1961 (Act 76).

360. The National Film and Television Institute (NAFTI) turned out 30 students with BFA degrees, increased student in-take by 40 percent and held the 2013 NAFTI Film Lectures. The Ministry also continued the expansion of infrastructure of the institute in order to turn it into a full-fledged University of Media and Creative Arts.
361. Mr. Speaker, to build capacity of the media, the Ministry will commence activities aimed at establishing the Ghana Broadcasting University and continue the transformation of NAFTI into a Media and Creative Arts University in 2014. The Ministry will also continue to brand Ghana abroad as one of the best investment destinations by publicizing Ghana's democratic and economic achievements and investment opportunities online and in major international journals.
362. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢100,120,293 has been allocated. Out of this GoG is GH¢62,385,693 and GH¢37,734,600 is IGF.

## **NATIONAL DEVELOPMENT PLANNING COMMISSION**

363. Mr. Speaker, the National Development Planning Commission has been established to advise the President of the Republic of Ghana (and Parliament upon request) on development policy and strategy, to prepare and ensure the effective implementation of approved national development Plans and Strategies and coordinate economic and social activities country-wide in a manner that will ensure accelerated and sustainable development. Key achievements for 2013 and outlook for 2014 are as follows:

### **National Development Policy, Planning Monitoring and Evaluation**

364. Mr. Speaker, the National Development Planning Commission prepared a draft vision document to provide a long term framework to guide development planning and strategy for the country. Additionally, a National Long-Term Infrastructure Plan was prepared to address the challenge of inadequate and depreciating infrastructural facilities which constitutes a key obstacle to attaining socio-economic development. This plan served as an input into the National Long-Term Development Plan.

365. The Commission prepared a successor National Medium Term Development Framework (2014 – 2017) to the Ghana Shared Growth and Development Agenda (GSGDA 2010 – 2013). The NDPC also developed planning guidelines for the preparation of both sector and district Medium-Term Development Plans.

366. Mr. Speaker, the Commission monitored the implementation of strategies to achieve the policy objectives in the GSGDA 2010–2013 and reported progress on the core national indicators in the 2012 Annual Progress Report. Additionally, in order to address identified weaknesses in M&E reporting, a National Monitoring and Evaluation Manual was prepared to assist MDAs and MMDAs improve upon their M&E functions.

367. In 2014, the National Development Planning Commission will develop a planning model to guide long term development planning, establish special development zones to address peculiar development challenges and finalize the National Long Term Development Policy Framework. In addition, the Commission will prepare the 2013 National Annual Progress Report and the National M&E Plan as well as review the national core indicators to monitor the implementation of National Development Policy Framework.

368. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢6,548,479 has been allocated. Out of this GoG is GH¢6,548,479.

## **ECONOMIC SECTOR**

### **MINISTRY OF FOOD AND AGRICULTURE**

369. Mr. Speaker, the Ministry exists to promote sustainable agriculture and thriving agribusiness through research and technology development, effective extension and other support services to farmers, processors and traders for improved livelihood. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Food Security and Emergency Preparedness Programme**

370. Mr. Speaker, this programme seeks to reduce food and nutrition insecurity through modernized agriculture, management of national strategic stocks for emergencies and the establishment of effective early warning systems.
371. The Ministry through Ghana Irrigation Development Authority continued with the construction and rehabilitation works on the Dawa, Ave Afiedenyigba, Tono Phase II, Akomadan, Dawenya, Zuedam/Tankase and Koori irrigation projects. When completed, a total of 640 hectares of irrigable area will be available for cultivation.
372. In 2014, the Government will partner the private sector to continue the rehabilitation of existing irrigation schemes to promote all year farming. It will also intensify the provision of extension services to farmers. In addition, the Ministry will increase irrigated area to 20,605 hectares to increase the production of cereals and vegetables to 120,153 metric tons.
373. Mr. Speaker, the Ministry procured 100 Cabrio agricultural tractors (50hp) and distributed them on hire purchase to individual vegetable farmers for land preparation. As part of the package, 80 tractor operators in Greater Accra were trained on effective tillage practices and proper maintenance of the tractors.
374. In addition, 10 mechanical harvesters were acquired and distributed to selected Agricultural Mechanization Services Enterprise Centres (AMSECs) while, a prototype dryer was fabricated to enhance production of high quality cassava flour.
375. Mr. Speaker, to increase productivity of food crops as well as selected cash crops, the Ministry developed the National Fertilizer Policy to distribute subsidized fertilizers to farmers. As at the end of September, the Ministry had



distributed 142,000mt of fertilizer. In 2014, it will continue the policy by distributing 180,000mt of subsidized fertilizer.

376. As part of the National Seed Policy, the Ministry distributed 2,000mt of maize seeds for cultivation in the major season. In addition, 8,958 farmers comprising 5,480 males and 3,478 females, received planting materials of improved root and tuber crop varieties to plant 1,000 hectares of cassava and sweet potato. As a continuation of the policy 3,000 metric tons of improved seeds will be distributed in 2014.
377. Mr. Speaker, within the framework of the GSGDA, Government has put in place an elaborate plan to exploit our national potential in poultry production.
378. As a result of prudent interventions put in place by government, poultry imports reduced by 12 percent as at November, 2013. This created room in the market for increase in local production.
379. Mr. Speaker, as part of the government's plan to further expand local production, the Ministry of Food and Agriculture will collaborate with Ministry of Trade and Industry to support 100 medium to large scale farmers across the Country on a pilot basis, to deliver 30,000 metric tonnes of poultry products in 2014.
380. The overall objective is to meet 45 percent of our local poultry meat requirement by 2016. Apart from income generation, this will create 52,000 direct jobs and 100,000 indirect jobs for the teeming youth.
381. Mr. Speaker, the Ministry will continue with its Youth in Agriculture programme and implement the following activities under the Block Farm, Livestock and Poultry and Agri-business initiatives:
- A total of 45,000 youth will benefit from the Block Farm initiative in 2014 and 45,000 hectares is targeted for production of maize, rice, cassava, sorghum and cowpea;
  - Under the Livestock and Poultry initiative, a total of 2,500 guinea fowl keets and 5,000 broiler day old chicks will be procured. These will be treated and reared into brood stock. A total of 27 metric tons of broiler feed and 35 metric tons of layer feed will also be procured;
  - Under the Agri-business initiative pepper and clams farmers/processors will be trained in hygienic handling and packaging in Dangme East and Ga South Districts of Greater Accra Region. For the 2 locations, 8 solar dryers,

3 tent dryers, 6 raised platforms, drums, baskets, 6 fenced working areas, 20 processing trays and 4 switch ovens will be provided.

### **Increased Growth in Incomes Programme**

382. Mr. Speaker, the Ministry implemented the Guinea Fowl project to support 40 farmers with incubators to service 3,600 farmers across the 3 Northern Regions. The Ministry also raised and distributed 8,000 cockerels to 500 farmers in 5 regions while 1,500 were supplied to the National Service Scheme in the Ashanti region;
383. To increase the productivity of local livestock, the breeding stations produced 1,117 improved stocks of various species of livestock and supplied them to farmers.
384. The Ministry produced and distributed 5 million doses of Thermostable NDI-2 vaccines to control new castle disease.
385. Mr. Speaker, in 2014, this programme will continue to improve the production of some selected crops and livestock. The targeted outputs are stated in tables 28 and 29 below:

**Table 28: SUMMARY OF TARGETS FOR CROPS 2014**

<b>Commodity</b>	<b>No. of Out growers</b>	<b>Area to be cultivated (ha)</b>	<b>Production (mt)</b>
Cereals	50,230	87,881	357,956
Legumes	1,489	3,870	4,644
Roots and Tubers	30,185	27,778	502,786
Horticultural crops	973	1900	108,320
Vegetables	3,300	13,831	610,733
Tree crops	46,325	82,382	420,320
<b>TOTAL</b>	<b>132,502</b>	<b>217,642</b>	<b>2,004,757</b>

Source: Ministry of Food and Agriculture

**Table 29: SUMMARY OF TARGETS FOR LIVESTOCK 2014**

<b>Commodity</b>	<b>No. of out growers/groups</b>	<b>No. Animals /eggs to be supplied</b>	<b>No. of live animals to be produced</b>	<b>Projected production (mt)</b>
Pigs	100	300	2,160	105,840
Guinea Fowls	80	40,000	34,400	33,024
<b>TOTAL</b>	<b>180</b>			<b>138,864</b>

Source: Ministry of Food and Agriculture

### **Marketing of Agricultural Produce and Products Programme**

386. Mr. Speaker, the Ministry facilitated the export of some crops including papaya by controlling pests/diseases, certification and infrastructure provision. To reverse the dwindling volumes of papaya export, 3 plant houses have been established for mass production of bio-agents. As a result, the new papaya mealy bug has been put under control to ensure all year round export.

387. Mr. Speaker, a total of 1,800 farmers and 15 mango farms were selected and certified to export fresh mangoes to Lebanon. Furthermore, 4 demonstration centres were established, a temperature controlled pack completed and a biological laboratory complex constructed and furnished to improve horticultural crops production.
388. In 2014, the Ministry will improve existing market infrastructure, grading and standardization systems, market intelligence, and strengthen the capacity of stakeholders along the value chain. Specifically, the Ministry will facilitate the linkage of agro-business firms with small holding farmers, design and launch a market promotion programme for made in Ghana commodities and also facilitate the enforcement of anti-dumping regulations.

**Management of Land and Environment Programme**

389. Mr. Speaker, the promotion of sustainable land management technologies was up-scaled during the period as a major vehicle for addressing climatic change effects in the savannah zone. Over 5,000 farmers in 8 districts have been trained and 400 supported to implement land management technologies in their farming activities.
390. Mr. Speaker, the existing environment and climate change unit and regional environment desks will be strengthened to coordinate climate change adaptation in 2014. In this regard 80 districts will be targeted and a grants scheme established for sustainable land and environment management to benefit 800 service providers and adopters.

**Science and Technology in Food and Agricultural Development Programme**

391. Mr. Speaker, in line with this programme objective, the Ministry will rehabilitate and equip 3 out of the 5 national agricultural research stations to ensure the availability of quality and certified planting materials all-year-round at affordable prices.
392. Under Government's Accelerated Agricultural Modernization Policy, the Ministry will continue to address the challenges confronting the mechanization of agriculture along the value chain by implementing the following interventions:
- Facilitate the expansion of coverage of private sector led Agricultural Mechanization Services Enterprise Centres (AMSECs) to 148 MMDAs;
  - Develop the skilled man power to handle, manage and maintain farm power machinery/equipment as well as locally fabricate simple tools and parts for the machinery;

- Intensify the use of animal traction and intermediate means of transport by smallholder farmers operating on fragile soils;
- Promote the use of dryers for grains and vegetables as well as super grain bags for storage.

### **Cocoa**

393. Mr. Speaker, cocoa continued to play its pivotal role in the development of the economy especially in rural development. Government continued to implement policy initiatives that ensured efficiency and contributed effectively to the growth in the cocoa sector. The promotion of cocoa consumption and utilization of cocoa products was intensified during the year through the creation of the National Committee for the Promotion of Cocoa Consumption.

### **Cocoa Purchases**

394. Mr. Speaker, for the 2013/14 crop year an amount of US\$1.2 billion was raised in the syndicated loan market, as compared to the US\$1.3 billion drawn during the 2012/13 cocoa season. This is to facilitate the implementation of programmes and activities over the current cocoa crop season.

395. Government maintained the producer price of dried cocoa beans at GH¢3,392 per ton. This translates into GH¢212 per bag of 64 kilogram gross weight and represents 79.17 percent of the net Free-On-Board (FOB) price.

396. Mr. Speaker, given the continued fall in the price of cocoa beans on the world market, Government sacrificed about 62 percent of its share (export tax) of the F.O.B to maintain the producer price paid to the farmer. This shows Government's commitment to the non-oil sector, cocoa which has been the backbone of this country's economy for over a century.

397. Government through COCOBOD continued with the Cocoa Hi-Tech and CODAPEC programmes in the 2012/2013 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 (black pod) and pests (capsid) that attack cocoa. In 2014, Government will continue to support cocoa farmers through the mass spraying exercise to control pests and diseases.

398. Mr. Speaker, the Seed Production Unit of COCOBOD also supplied early maturing and certified high yielding planting materials to cocoa farmers to ensure high productivity. Government will continue with the replanting and rehabilitation of cocoa farms in addition to providing planting materials that are

drought tolerant, early bearing and high yielding. In the 2013/2014 crop season, Government will supply 20 million free seedlings to farmers.

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

399. Mr. Speaker, with the support of Government, COCOBOD continued the implementation of the Cocoa Farmers Housing Scheme which was initiated in 2004. An amount of GH¢838,000.00 was made available in 2013/2014 cocoa year to the Department of Rural Housing for the construction of houses for farmers.

#### **Scholarship to Farmers' Wards**

400. Mr. Speaker, COCOBOD continued to provide financial assistance to cocoa farmers in the form of scholarships for their wards. A total of 7,500 wards benefited from the scheme.

#### **Corporate Social Responsibility**

401. Mr. Speaker, COCOBOD, as part of its corporate social responsibility, commissioned a state of the art medical facility at Debiso, a cocoa growing community in the Western Region, to improve the welfare and livelihoods of the farming communities.

402. Government through COCOBOD organized a Stakeholders forum to review all aspects of the cocoa supply chain to ensure efficiency and reduce operational costs. In 2014, the National Programme for the Elimination of Worst Forms of Child Labour in Cocoa growing areas will continue to support the sensitization and educational programme to reduce the incidence of worst forms of child labour in cocoa production.

403. Government will launch the Cocoa Sector Scenario Planning Exercise in the 2013/2014 cocoa year to take stock of the sector and map its plausible future trajectory in order to identify priority interventions. In addition, the Cocoa Research Institute of Ghana and the private sector will be encouraged to continue with activities that lead to the utilization of products from cocoa, sheanuts and cashew.

#### **Coffee and Shea**

404. Mr. Speaker, Government through COCOBOD will continue with the replanting and rehabilitation of coffee farms in addition to providing planting materials that are drought tolerant, early bearing and high yielding. COCOBOD will continue to fund the Shea Unit as part of its efforts aimed at promoting the production of shea nuts as main cash crop for farmers in the North.

#### **Management of Land and Environment Programme**

405. Mr. Speaker, the promotion of sustainable land management technologies was up-scaled during the period as a major vehicle for addressing climatic change effects in the savannah zone. Over 5,000 farmers in 8 districts were trained and 400 supported to implement land management technologies in their farming activities.
406. Mr. Speaker, the existing environment and climate change unit and regional environment desks will be strengthened to coordinate climate change adaptation in 2014. In this regard, 80 districts will be targeted and a grants scheme established for sustainable land and environment management to benefit 800 service providers and adopters.

### **Science and Technology in Food and Agricultural Development**

407. Mr. Speaker, to create enabling conditions for regional cooperation in technology generation and dissemination, the Veterinary Services Directorate produced 5 million thermostable NDI-2 vaccines to control Newcastle diseases in poultry. So far 2 million doses of NDI-2 Vaccines are ready for supply to Niger whiles 850,000 doses of vaccines were administered in 7 regions of the country.
408. Mr. Speaker, the Ministry will rehabilitate and equip 3 out of the 5 national agricultural research stations to ensure the availability of quality and certified planting materials all-year-round at affordable prices.
409. Under Government's Accelerated Agricultural Modernization Policy, the Ministry will continue to address the challenges confronting the mechanization of agriculture along the value chain by implementing the following interventions:
- Facilitate the expansion of coverage of private sector led Agricultural Mechanization Services Enterprise Centres (AMSECs) to 148 MMDAs;
  - Develop the skilled man power to handle, manage and maintain farm power machinery/equipment as well as locally fabricate simple tools and parts for the machinery;
  - Intensify the use of animal traction and intermediate means of transport by smallholder farmers operating on fragile soils;
  - Promote the use of dryers for grains and vegetables as well as super grain bags for storage.
410. For the implementation of the above programmes, an amount of GH¢306,891,987 has been allocated. Out of this, GH¢73,768,336 is GOG,

GH¢52,180,591 is ABFA, GH¢178,767,140 is DP Funds and GH¢2,175,920 is IGF.

## **MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT**

411. Mr. Speaker, the Ministry exists to promote sustainable fisheries and aquaculture through research, technical support services, regulations, institutional building for co-management and stakeholders' participation, provision of statistical and economic intelligence information, and the active promotion of livelihood improvement in fishing communities. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Fisheries Resources Management Programme**

412. Mr. Speaker, this budget programme seeks to ensure sustainable exploitation of the fisheries resources, both marine and inland, to guarantee production of fish for food security and nutrition of the populace as well as safeguard employment along the fisheries value chain
413. Mr. Speaker, the site for the proposed Fisheries College at Anomabo to train and enhance the technical skills of the major stakeholders in the industry was cleared for work to commence. In 2014, the construction of structures for phase one consisting of hostels, administration block, laboratories and lecture halls will commence.
414. The Ministry commissioned the construction of the Turnkey Fish Processing Factory at Elmina in the Central Region and completed the construction of cold stores in Prampram, Half Assini, Shama, Komansti and Nyanyano.
415. Mr. Speaker, the Ministry will facilitate the implementation of the Fishermen Life Insurance Scheme to transfer the risk of liability resulting from the payment of compensation in the event of accidents in the coastal and lake fishing communities to the private sector. It is envisaged that 200,000 fishermen will have an insurance cover over life, canoes, outboard motors and fishing net at the end of the year.

#### **Aquaculture Development Programme**

416. Mr. Speaker, the Ministry prepared and launched the Ghana National Aquaculture Development Plan to increase aquaculture production from 27,000mt in 2012 to 100,000mt by 2016 in order to meet the national fish requirement and reduce the reliance on marine and inland capture fisheries.
417. Mr. Speaker, in 2014, the Ministry will develop policy and regulatory frameworks as well as administrative systems to support effective allocation of aquaculture rights and administration. The Ministry will also strengthen the capacity of aquaculture associations to provide business advisory services for



existing and potential investors in medium and large scale aquaculture ventures.

418. In addition, the Ministry will develop various profitable fish farming production modules as basis for providing credit to small-scale starter farmers. It will also support the entry and growth of new small-scale individuals and investors with profitable business plans into the aquaculture sector. An Extension unit will be established and equipped to provide technical services to fish farmers.

**Monitoring, Control and Surveillance Programme**

419. Mr. Speaker, the Ministry set up a committee to investigate fishing malpractices and sanctioned 10 tuna fishing companies for engaging in illegal, unreported and unregulated fishing practices. In collaboration with the EU, the Ministry developed a road map for improving processes for industrial fisheries operations.

420. The Ministry also inaugurated a National Steering Committee to oversee the establishment of the Fisheries Enforcement Unit and identified Tema, Takoradi, Kpando Torkor and Yeji fisheries offices for rehabilitation and retooling.

421. Mr. Speaker, the Fisheries Enforcement Unit will be formally established and strengthened to efficiently and effectively carry out its duties in respect to combating illegal fishing through land, sea and air surveillance and equip fisheries enforcement unit offices at Takoradi, Tema, Kpando Torkor and Yeji.

422. The Fisheries Act of 2002, Fisheries Regulations 2010 (L.I. 1968) and the structure of the Fisheries Commission will be reviewed to support the legal and functional reforms expected in the fisheries sector.

**Fish Health and Post-Harvest Management Programme**

423. Mr. Speaker, in order to minimize outbreaks and spread of diseases, 17 farms and hatcheries were visited and appropriate guidance given on aquaculture, fish health and sanitary practices. Investigations into deaths of aquatic organisms in the Volta River between the Akosombo and Kpong Dams, fish kill in the Densu delta near Panbros Salt Ltd and allegations of chemical use for fish preservation by operators, were undertaken by the Fish Health unit. The Unit will continue inspection and education duties along the coast.

424. Mr. Speaker, the Ministry will continue the construction of the Turnkey Fish Processing Plant at Elmina which consists of 40 chilled cubicles with display units, cold storage rooms of 100 metric tons capacity, blast freezers, 2 ice making plants and a waste processing plant to improve the value and profitability of fish landed.

425. For the implementation of the above programmes, an amount of GH¢128,615,836 has been allocated. Out of this, GH¢15,243,703 is GOG, GH¢84,240,168 is ABFA, GH¢22,507,706 is DP Funds and GH¢6,624,260 is IGF.

## **MINISTRY OF LANDS AND NATURAL RESOURCES**

426. The Ministry exists to formulate policies to address the degradation of natural resources and ensure the effective and efficient management of these resources for sustainable development. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Land Administration and Management Programme**

427. Mr. Speaker, the Ministry completed comprehensive needs assessment of the land sector agencies, customary lands secretariat and civil society coalition on lands aimed at developing a capacity building strategy and a 3-year human resource development plan under the Land Administration Project (LAP).
428. The Ministry completed a new policy on National Spatial Data Infrastructure aimed at reducing duplication and cost among agencies and improving the quality and generation of geographic information. A National Survey and Mapping Policy document which provides the context, direction, guidelines and actions for mapping the entire country was also developed.
429. Mr. Speaker, a Pre-trial Manual including the application of Written Witness Statement and ADR with the collaboration of the Judicial Service was developed under the Land Administration Project. In addition, the installation of intelligent scanning equipment to speed up the scanning of all manual records and a framework and action plan for the sorting and consolidating of all land records was completed.
430. Mr. Speaker, the Ministry will facilitate the passage of the Land and Land Use Planning Acts, refurbish and automate selected courts in Sekondi-Takoradi, Tamale and Kumasi and promote the review of policies on land related fees and taxes. In addition, the Land Title Registry will be assisted to clear backlog of applications for land registration in Accra and improve customary land administration through the establishment of 10 customary land secretariats.

#### **Forestry and Wildlife Development and Management Programme**

431. Mr. Speaker, the Ministry continued the forest plantation development programme. The Forestry Commission is implementing the Accra Eco-Park Development Project as a major ecotourism destination to provide Accra with a nature-based recreational facility and also improve the protection and ecological integrity of the forest.

432. The Ministry will continue the implementation of the National Plantations Development Programme in order to develop a sustainable resource base that will satisfy the future demand for industrial timber and enhance environmental quality. To this end, 49,639 ha of existing plantations will be maintained.

433. Mr. Speaker, the forest and wildlife resources of Ghana have come under intense encroachment and destruction especially in forest reserves and wildlife protected areas. Illegal settlements, farming, poaching, mining and chainsaw operations are the key threats to these reserves. The Ministry will therefore resource 5 additional forestry protection teams to cover other forest reserves in the country. It will also continue to promote the development of Eco-tourism by implementing concession agreement for the construction of ecolodges in Mole and Kakum National Parks.

**Mineral Resource Development and Management Programme**

434. Mr. Speaker, following the establishment of the Inter-Ministerial Task Force under the directive of H.E, the President to flush out illegal mining activities, about 5,000 foreigners engaged in illegal small scale mining were deported. To ensure effective policing by the District Security Committees, a new reporting format was developed by the Minerals Commission to report illegal mining activities

435. In support of small scale mining, the Ministry is currently undertaking geological exploration of 349sq.km in 7 different geographical areas of the country to identify mineralized areas for small scale miners. Exploration at Japa in the Western Region proved viable and mineral concessions are being acquired by small scale miners.

436. Mr. Speaker, in compliance with the Minerals and Mining Act, 2006, (Act 703), District Mining Committees were formed and inaugurated in some mining areas to assist in the management of small scale mining.

437. In 2014, the Ministry will continue to provide the necessary platform for transparent engagement of all stakeholders in order to promote harmony in the mining sector. To this end, it will facilitate the establishment of a small scale mining competency training centre at University of Mines and Technology, Tarkwa to offer training to small-scale miners in proper mining practices.

438. Mr. Speaker, to promote Alternative Livelihood Projects in mining communities based on the success of the Prestea-Huni Valley Pilot Oil Palm Plantation Project, another 23,000 acres of oil palm plantation is being established in the Dunkwa-Ayanfuri area of the Central Region. To this end, a 300,000 oil palm nursery was established.

439. Mr. Speaker, fiscal mine models on both macro and micro levels to improve mining sector revenue collection, management and transparency was developed and a multi-agency revenue task force established to enhance cooperation and collaboration among revenue agencies and the Minerals Commission.

**Land and Maritime Boundary Management Programme**

440. Mr. Speaker, the Ghana Boundary Commission met the deadline for the submission to the United Nations Commission for the extension of the country's continental shelf beyond 200 nautical miles and initiated engagements with Ghana's coastal neighbours towards eventual delimitation of her maritime boundaries.
441. Mr. Speaker, the Ministry will conclude the continental shelf extension project with the United Nations and facilitate the delimitation of our maritime boundaries with our coastal neighbours through negotiations.
442. For the implementation of the above programmes, an amount of GH¢279,656,034 has been allocated. Out of this, GH¢77,074,421 is GOG, GH¢46,368,795 is DP Funds and GH¢156,212,819 is IGF

**MINISTRY OF TRADE AND INDUSTRY**

443. The Ministry's mandate is to establish Ghana as a major manufacturing, value added, financial and commercial hub in West Africa as well as articulate programme that propel the private sector to assume leadership in industry and job creation.
444. The Ministry plans to achieve its mandate through the following key programmes.

**2013 Performance and Outlook for 2014**

**Trade Development Programme**

445. This programme seeks to create competitive advantage on a more diversified range of products with higher levels of value-addition, ensure International Trade Competitive advantage in cost, price, quality, design and logistics management.
446. Mr. Speaker, a web-based product gallery was launched to create a platform for Ghanaian Micro, Small and Medium Enterprises to exhibit their products on the World Wide Web and thus give them the necessary exposure in the global

market to Ghanaian Products. So far, the website has been populated with 1,079 products and 282 manufacturers.

447. Mr. Speaker, a draft Consumer Protection Policy has been developed awaiting cabinet approval. The policy when approved will create the policy space for increased consumer confidence and strengthen consumer position in the marketplace, while ensuring that consumer concerns and needs especially those of women, children and physically disadvantaged are adequately catered for. The accompanying Framework Law will create the environment for the establishment of a public agency that will ensure effective consumer redress and enhance consumer welfare.
448. A national export strategy and National Export Development Programme were launched in August to improve the potentials of the Non-Traditional Export sector to achieve the strategic growth target of US\$5.0 billion within four years. In the coming year, the Ghana Export Promotion Authority (GEPA) will undertake trade fairs, solo exhibitions and buyer-seller meetings in 5 ECOWAS Countries to showcase Made-in-Ghana products and services.
449. Mr. Speaker, the Export Development and Agricultural Investment Fund Act is being revised to expand the resource envelop for private sector support of development particularly, manufacturing and start-ups. EDAIF disbursed GH¢46.15 million to 36 applicants. The Agriculture and Agro-Processing component was the highest beneficiary with an amount of GH¢20.89 million going to 13 applicants, followed by the Export Development and Promotion facility with an amount of GH¢14.01 million made to 13 applicants.
450. Mr. Speaker, GEPA will provide management and marketing support for 1500 horticultural producers in selected towns in the Volta Region to produce galia, melon, papaya, pumpkin, mangoes and vegetables and utilize the modern pack-house facility in Vakpo. In addition, GEPA will also train 1000 exporters particularly in the SME sector to equip them with the necessary skills to succeed in foreign markets.
451. The Ministry will focus on securing new market opportunities for exporters, especially those to be created by the Economic Partnership Agreement which will allow for an increased thrust in trade promotion drive in the European Market.

### **Regional Integration**

452. The Ministry participated in the Extraordinary Summit of Heads of State and Government held in Dakar, Senegal where the Heads of State and Government reiterated their commitment to the conclusion of an equitable and development-oriented EPA and directed the chief negotiators for West Africa to

expeditiously resume discussions with their European partners with a view to concluding the regional agreement as soon as possible. When concluded new market access opportunities will be created to allow for export diversification.

453. The Authority of Heads of State and Government also entrusted the role of facilitation and monitoring of the monetary convergence process to H.E. John Dramani Mahama President of the Republic of Ghana and H. E. Mahamadou Issoufou, President of the Republic of Niger. This monetary convergence process is expected to be completed within 5 years.

**Business Development and Promotion Programme**

454. Mr. Speaker, the Ministry upgraded the infrastructure at the GRATIS Centre in Koforidua to be used as one of the campuses of the proposed GRATIS University College of Applied Technology.
455. Mr. Speaker, in order to help reduce post-harvest losses and promote food security in Ghana, GRATIS Foundation in collaboration with the Root and Tuber Improvement and Marketing Programme of MoFA designed and prototyped a 1.5 metric ton High Quality Cassava Flour Dryer to produce composite flour. GRATIS also designed and prototyped a dual palm oil expeller which enhanced the operations of palm oil producers by reducing time and cost of production.
456. To improve production technology, facilitate technology transfer and disseminate marketable technologies, government will provide the needed support to GRATIS Foundation in this quest. This will enable them support mostly micro and small enterprises in rural and economically deprived communities in the agro-processing sector to acquire simple tools and technology to expand production.
457. GRATIS intends to train 1,268 young men and women in employable skills and set up a Minds-on, Hands-on and Hearts-on (Practical) University. Under manufacturing, 200 hygienically and environmentally friendly Agro/Agri-Processing Centers (Good Practice Centers) in all districts in Ghana in the areas of Cassava (Gari) processing, Palm Oil, Shea-butter, Groundnut, Fruit Juice and Fufu Processing will be set up to create about 5,000 jobs, reduce post-harvest losses and rural poverty and increase exports and incomes.
458. GRATIS will design and prototype a 2 ton/hr. Palm Oil processing plant, a 1 ton/hr. Palm Oil Expeller; 200 and 500kg/hour Fruit Juice Expellers and 200 and 500 kg/hr. Hammer Mills.
459. Mr. Speaker, the National Board for Small Scale Industries (NBSSI) provided business advisory services to 8,624 entrepreneurs, and trained 29 women entrepreneurs in Kumasi in sound financial management to sharpen their

financial and record-keeping skills to enhance access to credit. In the coming year, the NBSSI will establish 3 Business Incubators in Accra, Kumasi and Tamale; provide 30 Business Advisory Centres; and organize tailor-made entrepreneurial, managerial and technical skills training for 4,800 rural entrepreneurs to create employment opportunities, reduce rural-urban migration and increase income levels.

### **Business Development Services**

460. Under this component, Rural Enterprises Programme (REP) will complete the establishment of the targeted 95 new Business Advisory Centres (BACs) and provide support to strengthen all BACs in all the 161 participating districts. In addition, 30,400 rural poor people will be provided with skills training in community-based income generating activities, small business management and marketing; while 16,500 operators of rural micro and small enterprises will be given all year round business counselling services by the district-based Business Advisory Centres (BACs). In addition, up to 500 performing rural businesses will be supported to undertake study tours to bigger businesses outside their districts.
461. Mr. Speaker, the Central Region Development Commission constructed 10 bore holes in the Agona West Municipality, 3 Community-Based Health Planning and Services compounds in the Agona East and Assin South Districts and an ICT Centre at Gomoa Mankessim.

### **Agricultural Commodity Processing Infrastructure Development**

462. This component, which seeks to promote technology transfer and dissemination among rural micro and small enterprises, will initiate the establishment of infrastructure such as new Rural Technology Facilities and Resource Centres with the aim of boosting the technology base of rural MSEs including agro-industry. Through the joint facilitation of the BACs and Rural Technology Facilities (RTFs), 3,200 rural master crafts persons and 900 rural traditional and technical apprentices will be provided with technical skills training. Also 600 rural micro and small enterprise operators will be trained in occupational safety, health and environmental management, while 2,600 graduate apprentices will be supported to take the National Vocational Training Institute (NVTI) examinations. Another 1,200 graduate apprentices will be provided with business start-up kits. All the activities under this component will be funded by resources from the African Development Bank mixed credit facility the agreement of which has just been signed by the Government of Ghana.

### **Access to Rural**

463. Under this component, 740 qualified rural micro and small enterprises will be supported to access GH¢2.6 million of matching grant funds; while another

2,500 enterprises will be supported with GH¢6.2 million credit facilities through the ARB Apex Bank and its network of rural banks across the country.

### **Institutional Development**

464. Regional Committees on MSE Promotion (RECOMEPs) of all the 10 RCCs and the MSE sub-committees of all 161 participating districts of the Programme will be strengthened through training. Support will also be provided to districts that are interested in establishing light industrial estates to initiate the processes in that direction. A total budget of GH¢29.2 million including recurrent costs is earmarked for these components.

### **Trade and Investment Promotion**

465. Concessionary Financing for Small Holder Farmer Groups and Agro Processors Small holder farmer groups producing for export and agro-processing, as well as the small scale agro-processors would be supported with concessionary finance under a zero percent interest rate credit facility from the Export Development and Agriculture Investment Fund (EDAIF) to enable them expand their capacities and production volumes to feed local agro industry and for exports.

### **Irrigation Development Projects for Industry and Export Production**

466. In order to increase the supply of agricultural produce and food crops to meet the demand of local agro industry and for export, the country's irrigation infrastructure will be improved to ensure availability of water for sustainable year round agricultural production. The Export Development and Agricultural Investment Fund (EDAIF) provided funding for the completion of the Kpong Left Bank Irrigation project which now supplies water for 2,400 hectares. Additional funding was provided for the training of 800 smallholder farmers in the Torgome area in the technical protocols of vegetable production for export.
467. The trained farmers in the Torgome area as well as in selected communities in the Volta region around the Vakpo catchment area will be supported in the coming year to embark on the commercial vegetable export production. Seven (7) other sites have been identified for the development of the irrigation infrastructure of which construction work is to commence at the Tanoso, Nasia/Ligba, Okyereko and Mprumen sites, with funding support from EDAIF.

### **Perishable Cargo Centres**

468. In anticipation of increased volumes of perishables that will pass through the exit ports, the existing perishable cargo centre at the Kotoka International Airport would be expanded to facilitate exports of fresh horticultural products and the transit storage of vaccines and pharmaceuticals, amongst others.



Similar but smaller perishable cargo facilities would be constructed at the Tamale and Kumasi airports.

### **Cashew Export Development**

469. The cashew export industry would be provided with a package to support the cultivation of cashew plantations as well the expansion of cashew processing industry to facilitate value addition for export. This would be in line with Government policy to develop viable alternate cash tree crop for the savanna belt of Ghana. In the coming year 12,700 small holder cashew farmers will be supported in Bole, Jaman and Wenchi districts to cultivate cashew for processing and for export. Two cashew processing factories in Jaman and Techiman would be supported to expand their capacities in order to increase the extent of value addition of cashew for export.

### **Fresh Horticultural Export Development**

470. Export of fresh horticultural products from Ghana currently amounts to 30,000 tonnes annually. Ghana used to command a 10 percent market share of pineapples in the EU market in the mid-2000s. This share has dropped significantly over the past 8 years.
471. Support would be provided to 12 selected large commercial producers and exporters of pineapples, melons and other high value horticultural export products to expand their farms and related infrastructure to increase volumes of their production by 50 percent in order to regain previous market share and significantly extend Ghana's position in the international fresh produce markets.

### **Shea Nut and Shea Butter Export Development**

472. Shea nuts and shea butter have become major export commodities for Ghana in recent years. Shea nuts have hitherto been harvested from the wild. Support will be provided in the coming year by the Export Development and Agriculture Investment fund for the development of planting materials and the commencement of commercial cultivation of shea trees in order to ensure the sustained availability of the raw product for export. Support for the expansion of facilities for the processing of shea nut into shea butter and other tertiary derivatives would be provided for selected groups and enterprises in the coming year.

### **Export Incentives**

473. New export incentives would be introduced in the ensuing year in order to recognize and thereby boost the efforts of exporters of non-traditional products. Primary amongst these would be the introduction of Export Bonus facility which would be a non-cash redeemable voucher directly related to the proportion of export revenues earned by the exporters. An Export Leaders Award scheme would be operationalized to reward entrepreneurs successfully

entering into exports with outstanding export oriented innovations. This programme would be decentralized in order to encourage the district level export orientation. The waiver of taxes on raw materials for export oriented manufacturing would be introduced as an additional incentive for export production.

### **Trade Promotion, Trade Missions, Trade Fairs and Exhibitions**

474. A National Export Strategy and its accompanying National Export Development Programme were launched in August to improve the potential of the non-traditional export sector to achieve the strategic growth target of \$5 billion within the next four years, from current levels of \$2.3 billion. An aggressive trade promotion programme has since been embarked on to ensure Ghana becomes and remains the preferred supplier of non-traditional export products, and a major investment destination within the ECOWAS sub-region.
475. The Ministry successfully hosted the 7th ECOWAS Trade Fair in Accra, and organized a number of outgoing trade missions to countries such as Turkey, China, United States and India. Exporters were supported to participate in Trade fairs in Germany, South Africa, Japan, Nigeria, Cote D'Ivoire, Benin, China and Liberia. In the coming year, exporters would be supported to participate in 15 trade fairs and solo exhibitions of made in Ghana products in selected export markets, as well in 5 Trade and Investment Missions to selected countries.

### **Investment Promotion**

476. Ghana Investment Promotion Centre (GIPC) in collaboration with Ghana Export Promotion Authority (GEPA) and Ghana Free Zones Board (GFZB) will establish aggressive trade and export strategies to attract FDI to Ghana. This is aimed at improving trade financing to provide anchorage for the National Export Strategy. Our missions abroad will vigorously pursue aggressive Trade and Investment promotion drive to safeguard Ghana's economic interests in the global competitive market. In furtherance with this objective, the overseas trade mission will be strengthen and mandated to pursue the strategies.

### **Corporate Social Responsibility Policy**

477. The Ministry is in the process of developing a comprehensive Cooperate Social Responsibility Policy which will encourage industries to improve their impacts in the communities where they operate by addressing wider social and environmental challenges. It will also provide a framework within which Government and industry, through a collaborative effort can improve the health, safety and well-being of the people.

### **National Board for Small Scale Industries**

478. The NBSSI will carry out a Small Scale Rural Industrialization Initiative on pilot basis in thirty districts with support from EDIAF. This concept will be based on adding value to available resources in the pilot districts. Consequently, this will promote development through industrialization, create jobs and improve livelihoods. It will be replicated in other districts in the medium to long term.

#### **Sustenance of State-Owned Industrial Establishments**

479. To improve and sustain the operations of Volta Star Textiles Company Limited, Northern Star Tomato Factory Limited and Ayensu Starch Company, the ministry has requested for Expressions of Interest to engage Transactional Advisors to determine the value of these companies. This will enable the Ministry implement an informed PPP strategy or Joint Venture arrangement to revamp these companies.

#### **Industrial Parks**

480. Government has initiated the process of developing modern industrial park throughout the country to facilitate industrialization. Land for two of such zones has been acquired in the Northern and Western regions. These parks are expected to provide serviced plots with constant provision of utilities and other industry-essential infrastructure. In the ensuing year, acquisition of land for the Volta Region industrial park will be pursued.

#### **Craft Villages**

481. To increase the volume and value of non-traditional exports, especially in the handicraft sector, Government will establish a craft village in Kpetoe, Volta Region to improve Kente production. Government will also refurbish and retool the Aburi and Bolgatanga Craft Villages respectively.

#### **Industrial Placements**

482. Government will facilitate, with the collaborative effort of industry, industrial placement schemes for young graduates. This will, among other things, offer them a best start in their careers, promote entrepreneurship and reduce unemployment. Government will also pursue a deliberate policy of extending industrial placement and employment to people with disabilities.

#### **Support to Industry**

483. To meet one of the objectives of the better Ghana Agenda of job creation for Ghanaians, Government will strictly monitor for compliance the application of concessionary duty rates for raw materials and inputs for production while consideration will be given for a comprehensive review of the tariff regime with a view to reducing cost of production for industrialists.

484. In addressing the apparent permanent congestion especially at the port of Tema and thereby reduce clearance time, the Ministry will implement a public-private partnership arrangement for non-intrusive cargo scanning services which will lead to the expansion of the number of existing scanners to cover some strategic inland container depots. In the longer term, mobile scanners will be introduced at strategic areas and the programme expanded to include other entry/exit points of the country.

**Quality Standards, Technical Regulations and Conformity Assessment**

485. Government through the TRAQUE Programme will develop an effective national Quality Infrastructure. In pursuance of this objectives, Government will refurbish and equip conformity assessment bodies and some research facilities, mainly, the Ghana Standards Authority, Food and Drugs Authority, Plant Protection and Regulatory Services Directorate of MoFA, Food Research Institute, Veterinary Services Directorate and the Institute of Industrial Research. This is aimed at improving service delivery in terms of the production of quality goods for the local and export markets.
486. Government will also develop a functional Technical Regulations and Standards Regime. This is aimed at streamlining and clearly defining the roles of key regulatory bodies such as the Ghana Standards Authority and Food and Drugs Authority, to among other things, reduce the cost of doing business, regulate the importation of low quality goods, ensure the health and safety of consumers and most importantly improve market access for exports.

**Standardization and Conformity Assessment Programme**

487. Mr. Speaker, in order to safeguard the health, safety and economic interest of consumers, the Ministry through the Ghana Standards Authority inspected 51,420 imported high risk goods at the port of entry, conducted 392 market surveillance activities throughout the country and also tested 10,604 product samples.
488. Mr. Speaker, the Authority verified 54,045 fuel measuring instruments and accessories of Oil Marketing companies as well as 3,669 scales of cocoa and cotton licensed buying companies and other scales used for trading purposes. The Authority issued 690 Export Certificates and 494 Health Certificates to cover products meant for export and certified 221 locally manufactured products and one food safety management system to applicable standards. In addition, 677 medical equipment were calibrated to ensure accurate results for diagnosis of patients and 150 standards developed to guide industry and other stakeholders.
489. In 2014, the Authority will develop new standards and disseminate trade related information manufacturers, exporters, importers and other

stakeholders. The Authority will inspect 90,000 imported high risk goods at the entry points, conduct 124 markets surveillance throughout the country, and promote public awareness on standardization metrology and conformity assessment.

490. Mr. Speaker, in order to improve competitiveness of industry domestically and globally, the Authority will issue 1,200 Health Certificate and 1,500 Export Certificates to cover export consignments. It will also certify 650 locally manufactured products and certify 6 management systems to relevant standards. The Authority will in addition issue accreditation to cover Metrology and testing laboratories to ISO/IEC 17025:2005 to ensure that reports issued are recognized and accepted globally.

### **Industrial Development Programme**

491. Mr. Speaker, this programme seeks to improve local production and distribution of goods, cost-competitiveness, promote local content in the manufacturing sector; enhance sustainable industrial development and transformation through harmonized coordination within Government and partnership with the private sector.
492. Mr. Speaker, the ministry secured a facility to revive the Komenda sugar factor to create employment especially within the catchment area and also help reduce sugar import importation. Civil and engineering works as well as the establishment of irrigation scheme for high yield sugar cane plantation to feed the factory will be intensified in the coming year.
493. Mr. Speaker, in order to attract export oriented investments to generate foreign exchange, create employment and improve livelihoods, the Ghana Free Zones Board licensed 23 companies and initiated the process of acquiring land for the establishment of Export processing Zone in Sekondi.
494. For the implementation of the above programmes, an amount of GH¢256,532,193 has been allocated. Out of this, GH¢47,917,932 is GOG, GH¢59,574,431 is ABFA, GH¢86,934,350 is DP Funds and GH¢662,105,480 is IGF.

### **MINISTRY OF TOURISM, CULTURE AND CREATIVE ARTS**

495. The Ministry has the mandate to provide a firm and stable policy environment for effective mainstreaming of Ghanaian culture into all aspects of national life. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

**Tourism Product Development Programme**

496. Mr. Speaker, the tourism sector was the 4th highest foreign exchange earner after Gold, Cocoa and foreign remittances by contributing US\$ 1.7 Billion to GDP in 2012. Actual international tourist arrivals rose from 903,300 in 2012 to 993,600 in 2013.
497. The Ministry initiated action for the UNWTO to help mobilize funding for the implementation of the 15 year National Tourism Development Plan 2013-2027 and continued with the establishment of the Accra Visitor Information Centre which is near completion.
498. In 2014, the Ministry will facilitate the completion of the Accra Visitor Information Centre and tourist receptive facilities in Axim, Kpetoe, Salaga and Gwollu to improve information dissemination and basic services. It will also increase revenue as well as create employment for the beneficiary communities.
499. Mr. Speaker, the National Photo Competition and Job Creation Project was launched to provide job opportunities for over 600 unemployed youth to take pictures of tourist sites and events in all regions. The Ministry will continue with the organization of National Photo Competition of tourist sites and events to create jobs for the youth.
500. The Ministry organized the 8th Okwahu Hang and Paragliding Festival which attracted 9 foreign pilots and 300 flyers. The event boosted domestic tourism as over 10,000 tourists patronized the event. Again the event improved the local economy of the Kwahu area by boosting employment and incomes of local transport operators, craftsmen, hoteliers, caterers and entertainment service providers. In 2014, the Ministry will diversify and expand the tourism industry for accelerated job creation by organising the Greater Accra Regional Homowo Festival (Homofest) to boost culture, creative arts and tourism enterprises.

**Tourism Research and Marketing Programme**

501. Mr. Speaker, the PANAFEST 2013 was successfully organized and attracted over 10,000 Africans from the diaspora and boosted tourism enterprises, jobs and incomes of transport, hotel, restaurants and entertainment service providers. In addition, the Ministry celebrated the National Chocolate Day on 14th February to promote consumption of chocolate in the country.
502. In 2014, the Ministry will organize the National Festival of Arts and Culture as part of efforts to showcase Ghana's rich culture for patronage by domestic and international tourists and also review the National Commission of Culture law and Laws of other Culture related Agencies.

### **Tourism Quality Assurance Programme**

503. Mr. Speaker, the Ghana Tourism Authority will be strengthened with the necessary logistics to conduct inspections and license tourism enterprises in both the formal and informal sectors. The Authority has projected to increase tourism enterprises licensed from 4,117 to 6,996 in 2014 and develop standards for new tourism enterprises.
504. As part of maintaining standards and improving service delivery in the hospitality industry, the Hotel Catering and Tourism Training Institute will train 300 school leavers for the hospitality industry and additional 200 industry service providers through its mobile training programmes in the regions.

### **Culture, Creative Arts and Heritage Management Programme**

505. Mr. Speaker, key interventions to be pursued under this programme include organization of national drama festival for schools & colleges; organization of cultural exchange programmes for artists and other officials by national commission on culture. Other interventions will include the exhibition of cultural heritage materials and collection, conservation and documentation of sites/artifacts for museums.
506. The Ministry will also initiate the process for putting in place a legal and regulatory framework for the development and promotion of Creative Arts. It also will facilitate establishment of a Council and provide relevant capacity building for Creative Arts.
507. For the implementation of the above programmes, an amount of GH¢33,705,525 has been allocated. Out of this, GH¢27,831,765 is GOG and GH¢5,873,760 is IGF.

## **MINISTRY OF ENVIRONMENT, SCIENCE, TECHNOLOGY AND INNOVATION**

508. Mr. Speaker, Government is committed to promote sustainable development by deepening and strengthening market driven Research and Development (R&D) for sound Environmental Governance, Science, Technology and Innovation through intensive awareness creation, collaboration and partnership. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Research and Development Programme**

509. Mr. Speaker, the construction of the National Local Material Resource Training Centre was completed and a sensitization seminar and training session on the use of local building materials organized for 100 Architects and 50 masons.
510. Under the Better Ghana ICT Project, 40,000 laptops were distributed to upgrade the ICT labs of about 800 Senior High, Technical and Vocational Schools accredited by the Ghana Education Service.
511. Mr. Speaker, under the Mathematics, Science and Technology Scholarship Scheme (MASTESS) programme, 2,560 scholarships were awarded to new beneficiaries for the 2012/2013 academic year as well as 3,700 continuing students. In the 2014/2015 academic year, the scheme will provide scholarships for a total of 7,000 beneficiaries to enhance and sustain the interest of needy but brilliant students in the Science and Technical fields of study.
512. Mr. Speaker, the Council for Scientific and Industrial Research (CSIR) developed and released 4 varieties of early maturing and drought tolerant maize in commercial quantities for Africa. Other varieties of maize were identified and accepted by farmers as high yielding, drought tolerant and striga tolerant. Yam, cocoyam and potato cultures were also established using nodal cuttings as explants with a 100 percent success rate. In addition, the Council developed and released improved soybean varieties adapted to the agro-ecologies and farming systems of the savanna zones of Northern Ghana. In the ensuing year, CSIR will develop high yielding, disease and pest tolerant varieties of vegetables, fruits, certified seeds and planting materials for the local and export markets. The Council will also develop technologies to increase meat and egg production.
513. The CSIR undertook studies on the effects of climate change on forest dependent livelihoods and towards the sustainable development and utilization of bamboo species. The Council also successfully completed the project to restore degraded areas within the Afram headwaters with indigenous tree species for biodiversity conservation. In addition, the Council established parasite infectivity levels of blackflies in some parts of the Densu Basin. The Council will continue with the promotion of the utilization of lesser known wood species.
514. Mr. Speaker, the Council also developed and deployed a demo version of school science software and distributed it to science teachers and students in selected schools in Accra and Kumasi for testing and feedback.
515. 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. To enhance mango production, the Council will provide grafted mango seedlings and certified planting materials to farmers and other stakeholders and train them on good agricultural practices for increased productivity.

516. Mr. Speaker, the Ghana Atomic Energy Commission (GAEC) upgraded the Space Science Technology Centre into an Institute and commenced work to convert the 32-metre dish communication antenna (satellite) at Kuntunse into a radio telescope for more socio-economic use. Work on the conversion will continue into the medium term.
517. Mr. Speaker, GAEC will intensify public sensitization on using the Gamma Irradiation Facility (GIF) to reduce post-harvest losses and seek to upgrade the capacity of GIF to facilitate this goal. Sterilization of medical items for the health industry will also be improved to speed up service delivery across the country.

#### **Environmental Protection and Management Programme**

518. Mr. Speaker, the Ministry undertook a review of the coastal zone sanitation programme, restructured it and put in place a monitoring system to ensure efficient implementation in the four (4) coastal regions. The national climate change policy has been approved by cabinet and the draft strategies for the implementation of the policy are currently being validated with relevant stakeholders to pave way for the implementation of the policy. The Ministry of Environment, Science, Technology and Innovation (MESTI), with assistance from the Ministry of Finance has entered into a public private partnership with Apex-PCCL to start a motor vehicle emission testing in Ghana. The emission standards are being finalized for testing of motor vehicles to start in 2014.
519. Mr. Speaker, the Environmental Protection Agency (EPA) continued to monitor air quality indicators for PM<sub>10</sub> (Particulate Matter) along the 30km Bus Rapid Transit stations at Graphic road, Kaneshie First Light, Mallam Junction, Weija and Kasoa. In 2014, the Agency will continue to monitor and analyse air quality indicators from industries/hotels in the Accra-Tema metropolis for effective compliance.
520. Under the AKOBEN programme, which complements the EIA process and serves as a monitoring and verification programme to ensure that companies follow environmental regulations on a continual basis, the EPA enlisted and trained 50 new companies.
521. Mr. Speaker, the Ghana Environmental Management Project, which has the objective to reverse loss of soil fertility, land degradation and erosion, as well

as loss of vegetative land-cover, has implemented 74 sub-projects to improve community livelihoods in the 3 northern regions of Ghana.

### **Spatial Planning and Human Settlement Programme**

522. Mr. Speaker, the Town and Country Planning Department prepared two planning schemes for the 80MW Power Plant enclave in Anochie, in the Ellembele District to guide spatial location of investments and coordinate sectoral initiatives in the area. Street addressing was also completed in Bogoso, Tarkwa, Bibiani and Sefwi-Wiawso.
523. In 2014, the Department will prepare a National Spatial Development Plan, as well as a number of Planning Schemes for selected oil and gas project enclaves in the country. The Department will also continue to pursue the passage of the Land Use and Spatial Planning Bill into Law. This law will harmonise and regulate the laws on land use and spatial planning and ensure the judicious use of land in order to improve quality of life. Furthermore, to help improve the investment climate in Ghana, the Department will review the building permitting process and reduce the turn-around time for building permitting from an average of 7 months to 1 month.
524. For the implementation of the above programmes, an amount of GH¢245,955,307 has been allocated. Out of this, GH¢162,015,713 is GOG, GH¢40,797,873 is DP Funds and GH¢43,141,720 is IGF.

## **MINISTRY OF ENERGY AND PETROLEUM**

525. Mr. Speaker, the Ministry exists to develop and ensure reliable high quality energy services at the minimum cost to all sectors of the economy through the formulation, implementation, monitoring and evaluation of energy sector policies. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Power Generation, Transmission and Distribution Programme**

526. Mr. Speaker, in line with government's objective towards achieving 5,000MW generation capacity by 2016, the 132MW combined cycle Takoradi T3 Plant was completed. In addition, 2 out of 4 generating units of the Bui Hydro Project were commissioned to generate 266MW into the national grid at peak periods. This has reduced the degree of power curtailment in the country and stabilized the voltage supply. Construction works for the expansion of the 110MW T2 Aboadze Plant was commenced.

527. In 2014, the Ministry will add an additional 342MW to the expected installed capacity of 2,845.5MW by completing the first phase of 220MW Kpone Thermal Power Plant (KTPP), 11MW T2 (Tico Expansion) and VRA 12MW Solar PV project.
528. Mr. Speaker works on the following transmission improvement projects are at various stages of completion; Tumu-Han-Wa Transmission System 24 percent, Wa substation 50 percent, Tumu substation 7 percent, Wa-Han line 25 percent and Han-Tumu line 5 percent. The Bulk Supply Point at Adjiringanno in Accra, expansion works in Tafo and the construction of 2X26MVA, 33kV primary substation at Accra North Industrial Area were completed to meet the growing demand for power and enhance reliability of supply in various locations.
529. Mr. Speaker, to enhance power transmission in the energy sector, Government would complete the 161kV Tumu-Han –Wa Transmission Project. There are plans to further improve transmission under the 330KV transmission lines from Prestea-Kumasi, Tamale-Bolga and 161kV Kpando-Kadjebi Transmission Project.
530. In order to improve power distribution systems for efficient service delivery the following projects were completed under the Ghana Energy Development and Access Project (GEDAP):
- 5no.33/11kV primary stations with associated 33&11KV feeders in Accra and Tema;
  - 433 communities in ECG operational area with 62,128 customers connected under Grid Intensification package.
  - 495 communities in ECG operational area with 54,722 customers connected under Grid Extension project;
  - 149 communities in NEDCo operational area with 20,000 customers connected.
531. Mr. Speaker, to address the challenges facing power distribution in the country, including distribution losses reduction, the following on-going projects will be completed to enhance the distribution system;
- The construction of ECG 33/11kV primary sub-stations at Fawode, Achiase, New Dansoman and Anyinam in Ashanti Regions;
  - The construction of a new Bulk Supply Point at Tema (Smelter II)
  - The installation of 70,000 split-prepaid meters to replace credit meters within ECG's system and the supply and installation of a Commercial Management System for ECG.
  - Under the replacement of credit with prepaid meter programme, 2,309 out of 2,912 credit meters have been replaced with prepaid meters in the

ECG area of operation, representing 80 percent. In the NEDCo area of operation 2,157 out of 3,447 credit meters have been replaced with prepaid meters, representing 63 percent

532. Mr. Speaker, the implementation of projects under the National Electrification Scheme in line with the objective and achieving universal access by 2016 was stepped up in 2013. Works on following projects are at various stages of completion:

- 110 communities out of a target of 467 in all regions under SHEP 4 were completed and connected to the national grid while 54 communities are ready to be commissioned and connected to the grid. The remaining 303 communities are at various stages of completion;
- Works are currently ongoing in 302 communities under the Upper West Electrification Project. Works in 93 communities in Wa Municipal, Wa West District and Wa East District were connected to the national grid. Customer service connections are on-going in 62 communities in Lambusie and Sissala West Districts. Works in 147 communities in the Nadowli East, Lawra Sissala West and Jirapa Districts were completed and ready for Commissioning;
- Works in 129 communities are on-going under the Northern Regional Electrification Project for 500 communities, 12 communities in the Karaga, Mion and 2 communities in the East Mamprusi Districts were connected to the national grid. Works in 42 communities in the Nanton, Tolon, Kumbungu, Tamale South, Tamale North, Sawla Tuna-Kalba and Savelugu Districts were also completed and are ready for commissioning. Customer service connections are on-going in 43 communities in the East Mamprusi, Bole, Nanumba South, Nanumba North, Bunkpuyugu, Gushiegu, Zabzugu, East Gonja and Kpandai Districts;
- Stringing of High Tension and Low Tension networks are on-going in 123 communities under the Upper East Regional Electrification Project;
- As part of Government programme to extend power to 600 communities in the Ashanti, Central, Greater Accra, Volta, Western, Brong Ahafo and Northern Region, 121 communities were connected to the national grid.

533. Mr. Speaker, the Ministry plans to increase access to electricity from the current level of 75 to 80 percent in 2014 by scaling up the implementation of rural electrification project in the three Northern regions to bring them up to the national average. Under the 'Energy for all Programmes' a total of 1,385

communities will be connected to the national grid through the SHEP and GEDAP projects in the medium term.

534. In 2014, the following interventions will be undertaken:

- A total of 92 communities in the Upper West, 143 communities in the Northern Region, 125 communities in the Upper East, 130 communities in the Ashanti, Central, Greater Accra, Volta, Western, Brong Ahafo and Northern Regions will be connected under the SHEP;
- While a total of 130 communities will also be connected under GEDAP Grid Extension package in the Central Region.

### **Petroleum Development Programme**

535. Mr. Speaker, in line with government's commitments to developing the petroleum sector, the Plan of Development for upcoming fields, Tweneboa, Enyera and Ntomme with estimated recoverable reserves of 245mmbbls of oil and 365 bcf of gas, was reviewed and approved. Appraisal activities for the Sankofa East and Gye Nyame were completed and commerciality declared for both oil and non-associated gas resources. In 2014, the main focus under the upstream petroleum subsector will be to attain peak oil production of 120,000 barrels of oil per day in the jubilee field.

536. Mr. Speaker, a gas pricing policy was developed and approved by Government to provide a framework for pricing of natural gas including Liquefied Natural Gas (LNG) and an LNG Infrastructure Development project was initiated. In 2014, a framework will be put in place to provide a basis for construction, operation and maintenance of LNG facility in Ghana to meet anticipated shortfalls in gas supplies for power generation.

537. The 3 components of the Gas Infrastructure project, consisting of offshore and onshore pipelines are 95 and 90 percent complete respectively whiles the gas processing plant is 55 percent complete.

538. Mr. Speaker, the draft Petroleum Exploration and Production Bill to regulate development, production and utilization of the country's hydrocarbon resources was submitted to Cabinet for approval whiles a Legislative Instrument on local content and local participation in petroleum activities was laid in Parliament for consideration.

### **Renewable Energy Development Programme**

539. Mr. Speaker, to facilitate the sector's objective of increasing the proportion of renewable energy in the national energy mix from the current 0.01 percent to

10 percent by 2020, a number of projects were undertaken in the following areas:

540. A 2MW VRA solar system at Navrongo and 176 other solar systems were installed bringing the total number to 752 nationwide. In addition, a total of 1,286 systems were installed under the ELECNOR project, 275 solar streetlights procured for installation in Cantonments and 14000 solar PV system installed in remote rural communities under the ARB Apex-Solar PV Electrification Project.
541. Mr. Speaker, In line with the medium term objective of increasing renewable energy to 10 percent in the generation mix by 2020, the following renewable energy projects will be pursued:
- Installation of solar stand-alone power systems for off-grid basic schools to facilitate learning of ICT in 98 districts;
  - Installation of solar systems at 25 energy service centres and 65 Solar street lights for remote rural communities;
  - Continuation of solar lantern promotion programme with the distribution of 50,000 solar lantern nationwide;
  - Distribution of a least 100,000 improved firewood and charcoal stoves nationwide through the Ghana alliance for clean cook stoves;
  - Launched the Rural LPG promotion programme at Garu-Tempene District in the Upper East Region. The programme seeks to roll out over 20,000 6kg cylinders to rural uses in 10 districts in the 10 Regions on pilot basis in 2014.
  - Feasibility studies on the Pwalugu and Juale mini hydro power projects currently under way will pave way for the construction of additional 120 MW hydro power to the natural grid.
542. For the implementation of the above programmes, an amount of GH¢1,340,908,515 has been allocated. Out of this, GH¢72,725,158 is GOG, GH¢430,951,887 is ABFA, and GH¢837,231,470 is DP Funds

## **INFRASTRUCTURE SECTOR**

### **MINISTRY OF WATER RESOURCES, WORKS AND HOUSING**

543. The Ministry exists to ensure efficient management of the country's water resources, the provision of adequate, safe and affordable water; the delivery of decent and low income affordable housing; promoting sustainable delivery of various urban and rural physical infrastructure facilities, as well as the provision of basic social services. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Water and Sanitation Management Programme**

544. Mr. Speaker, in order to achieve the coverage target of 68 percent access to safe, adequate and affordable water in 2013, the Ministry and its Agencies pursued the programmes outlined below:
545. Under the programme of 'Strategic actions for improving the efficient utilisation and management of water resources of the country', Government adopted a Riparian Buffer Zone Policy. The policy aimed at developing and maintaining areas or bands of natural or planted vegetation along the banks of some water bodies to conserve and preserve them. Mr. Speaker, the Ministry initiated the review of the National Water Policy to incorporate current trends in the water and sanitation sector. Co-operation was established with external agencies to help incorporate rain water harvesting schemes as part of the national building codes. In 2014, the Ministry will complete the review of the national water policy and incorporate rain water harvesting schemes into the national building codes to promote of rainwater harvesting as a supplement to water service delivery.
546. Mr. Speaker, the Ministry developed a dam safety regulation to regulate all activities related to dam design, construction, operations, maintenance, and decommissioning to ensure adequate level of safety for all dams. In the coming year, a National Dam Safety Unit will be set up to administer the regulation on Dam Safety country-wide as well as co-ordinate all relevant activities related to dams.
547. Mr. Speaker, in order to minimize the impact of floods in the northern part of Ghana, an operational flood forecasting and early warning system for the White Volta from its border with Burkina Faso to the Volta Lake was developed.

548. The Water Resources Commission will enhance trans-boundary co-operation through ratification of UN Watercourses Convention as well as development of protocols between Ghana and Cote d'Ivoire for the management of the Tano and Bia river basins.

**Urban Water Management Programme**

549. Mr. Speaker, to raise the percentage of urban dwellers who have access to safe, adequate and affordable water from 63 percent in 2012 to 68 percent in 2013, the Ghana Water Company Limited completed the following water projects;

- Rehabilitation and expansion of the Barekese water treatment plant to add 6 Million Gallons a Day (MGD) to current production of 24 MGD,
- Rehabilitation and expansion of the Kpong ATMA Rural treatment plant to add 9 MGD to the existing 6.16 MGD,
- Works on the 3.16 MGD Essakyir water supply project,
- Rehabilitation and expansion of the water treatment plant at Mampong in Ashanti to add 1.05 MGD to the existing production of 0.55MGD,
- Construction of five (5N<sup>o</sup>) water treatment plants to produce a total of 1.5MGD to serve the following towns: Osenase, Kibi, Anyinam, Apedwa and Kwabeng,

550. Mr. Speaker, the GWCL also continued works on the Wa, Upper East, Kumawu, Kwahu Ridge and Konongo Water Supply Projects. The construction and consultancy services assignments on the Dams and weirs at Abessim, Axim, Barekese, Inchaban, Mampong, Owabi, Techiman, Tanoso, Vea, and Weija.

551. Under the Urban Water Programme (UWP), construction and consultancy services assignment for civil works at Wa, Agona, New Edubiase, Akim Oda, Akim Ofoase, Suhum, Asamankese, Peki, Kpandu, Anfoega, Sovie, Nkonya Ahenkro, Breman-Asikuma, Dunkwa-on-Offin, Aboso, Bogoso, Axim, Elubo and Prestea are at different stages of completion.

552. Mr. Speaker, in 2014, the Ghana Water Company Limited will continue to:

- Rehabilitate and expand 20N<sup>o</sup> water supply systems in the Volta, Western, Eastern, Central, Ashanti, Northern and Upper West Regions,
- Complete the rehabilitation and construction of 3.3MGD water treatment plant under the Kpong Intake Expansion project,



- Complete the construction of a 13.2MGD desalinated water plant under the PPP project at Teshie-Nungua,
- Complete the construction of the 40MGD water treatment plant – under the Kpong water supply and expansion project,
- Continue the rehabilitation and expansion works on the Tamale Water Supply System,
- Continue the rehabilitation and expansion works on the Akim Oda, Akwatia (4.18MGD) and Winneba Water Supply Project,
- Complete the construction and rehabilitation of 8.47MGD water treatment plant under the 3K Water Supply Project,
- Construct a 3.3MGD water treatment plant under the Wa Water Supply Expansion Project,
- Complete the rehabilitation of 10N<sup>o</sup> dams and weirs in the Northern, Ashanti, Western, Eastern, Brong Ahafo and Greater Accra Regions,
- Rehabilitate and expand water systems in Bawku, Navrongo and Berekum,
- Continue rehabilitation works on the Winneba water supply system and extension of the distribution network to serve the following communities Apam, Ankamu, Mprumem, Mankoadze, Pomadze and Okyereko,
- Undertake the expansion of the Kpong Water Treatment Plant(WTP) by 6.6MGD and replacement of transmission pipelines targeted at Tema especially Free Zone,
- Continue negotiation on the construction of a 40MGD water treatment plant under the PPP project at Asutsuare (Phase 1), and
- Commence the Sekyere-Herman-Brimsu pipeline inter-connection to improve water supply to Cape Coast and surrounding areas.

### **Rural Water Management Programme**

553. Mr. Speaker, the Community Water and Sanitation Agency continued with the provision of potable water to rural communities from 63.4 percent in 2012 to 70 percent in 2013 through the implementation of the following projects.

554. The Peri-Urban, Rural and Small Towns Water and Sanitation Project aimed at improving access to sustainable water and sanitation services for 300,000 people in all the 27 districts of the Brong Ahafo Region is on-going. The project has delivered 17 small town piped schemes, 670 boreholes fitted with hand pumps, 101 institutional latrines and 20 hand-dug wells so far
555. Mr. Speaker, works under the Northern Region Small Towns Water and Sanitation Project which aims at providing access to sustainable potable water and sanitation services to 125,000 people in 13 districts along the eastern corridor of the Northern Region commenced and are at various stages of completion. So far 4 small town water supply systems have been completed for the people of Bungbalga and Bungbong in Yendi District, Karaga in the Karaga District and Bunkpurugu in the Bunkpurugu Yonyoo District this year. In 2014, the Community Water and Sanitation Agency will accelerate the implementation of the project to ensure its completion.
556. Under the Sustainable Rural Water and Sanitation Project which is targeted to improve access to water and sanitation for 600,000 people in 66 districts in Upper West, Upper East, Northern, Brong Ahafo, Central and Western Regions, 600 out of the target of 1,200 boreholes have been drilled and awaiting hand pump installation while contracts for the supply of 1,200 hand pumps for installation on boreholes were signed. In addition, contracts for the rehabilitation of 400 boreholes in the Northern Region were also signed. In 2014, construction works for 480 institutional latrines and 69 mechanised pipe schemes under this Project will continue in all the targeted districts.
557. Under the Government's 20,000 Borehole project, 536 out of 1,115 boreholes drilled have been fitted with hand pumps this year; the rest are to be completed in 2014.
558. Mr. Speaker, the Phase 1 of the Tongor-Kpalime Water Supply Project was completed and handed over to serve 13 communities while the North Tongu-Adaklu Anyigbe Water Supply Scheme and Krachi East and West Water and Sanitation Projects are on-going and expected to be completed in 2014.

### **Human Settlement and Development Programme**

559. Mr. Speaker, the Ministry continued to implement the National Housing policy to reduce the housing deficit by creating the enabling environment for private sector participation to deliver affordable housing units and to improve mortgage affordability in the country. The Ministry will continue to facilitate the completion of the following housing projects: - Agu Resources Housing Project, Constructora OAS Housing Project and Sethi Reality Housing Project.

560. In order to increase the residential housing units to the security services completed 72N<sup>o</sup> two-bedroom flats for the staff of the Bureau of National Investigation (BNI). The remaining 96N<sup>o</sup> flats will be completed by end December. The phase II of the Housing project will commence next year.
561. Mr. Speaker, the State Housing Company Limited completed 72 flats at Borteyman. The Ministry is collaborating with the Social Security and National Insurance Trust (SSNIT) for funding to complete the remaining houses at Borteyman, Koforidua, Asokore-Mampong, Tamale and Wa for public and civil servants.
562. The Cocoa Farmers' Housing Project targeted 17 three-bedroom house types to provide access to affordable shelter for cocoa farmers in the cocoa growing communities. The Department of Rural Housing will commence the construction of 8 out of the planned number in the Western Region and will complete works on all the 17 next year.

#### **Infrastructure Management Programme**

563. Mr. Speaker, to reduce the perennial flooding and safeguard life and property, the Hydrological Services Department constructed various storm water concrete drainage systems at Sakaman, Nima, Goaso, Salaga, Sakumono-Lashibi and Bolgatanga. The Department continued with the routine maintenance of the lower and upper sections of the Korle Lagoon and Odaw stream under the Accra Sanitary Sewer and Storm Drainage Alleviation Project.
564. The Department will continue with the routine maintenance of the lower and upper sections of the Korle Lagoon to bring life into the ecosystem. It will also commence construction works on the drainage systems at Ashaiman, Adenta, Swedru, Winneba, Ejura, Tepa, Asankragua, Kumawu, and Tamale.
565. Mr. Speaker, the Department also completed protective works on the 500m and 1,000m stretch of Armour Rock Revetment at Sakumono and Ngyiresia Coastlines respectively. The construction of 500m of Armor Rock Groyne at Atorkor-Dzita-Anyanui and 4 Armour rock groynes to protect 3,000m of Ada Coastlines were completed.
566. The Hydrological Services Department will continue the coastal protection works at Atorkor-Dzita-Anyanui (phase III) shore line, Ada, Sakumono, Amanful-Kumah, Aboadze and Ngyiresia.
567. Mr. Speaker, the Hydrological Services Department sustained the channel opening, widening and deepening of drains at flood prone areas at Adenta, Katamanso, Sowutuom, Trassaco Valley, Nima, Okpoi-Gonnor, Martey-Tsuru, Madina Maye-Hot, Gbawe, Lapaz, New Ashongman, Nsakyie, Israel, Danfa,

Tema New-Town, Hohoe, Dzorwulu, Dawhenya, Achimota, Amanfrom, Taifa, Ashiyie, Agbogba, Nungua and Teshie all within the Accra- Tema Metropolis, other regional capitals such as Aboabo in Kumasi, Anaji in Sekondi Takoradi and Cape Coast as well as in selected district capitals such as Ksoa, Ashaiman, Ada, Kpando, Hohoe, Kwabeng and New Edubiase .

568. The Department will continue to sustain the channel opening, widening and deepening of most drains at flood prone areas within the Accra- Tema Metropolis and other regional and district capitals to reduce the perennial flooding. It will also continue the construction of various prioritized storm water concrete drainage systems at Sakaman, Nima, Goaso, Ejura, Madina, Adenta, Teshie, Nungua, Ksoa, Tema, Kpone, Haatso, Dome, Taifa, Kwabanya, Darkuman, Kpandu, Ho, Tamale, etc. to improve upon the environment and to protect life and property.
569. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢531,389,023 has been allocated. Out of this GoG is GH¢89,718,844, GH¢6,023,120 is IGF and DP Funds is GH¢435,647,058

## **MINISTRY OF ROADS AND HIGHWAYS**

570. Mr. Speaker, the Ministry exists to provide an integrated, efficient, cost-effective and sustainable road transport system responsive to the needs of society, supporting growth and poverty reduction and capable of establishing and maintaining Ghana as a transportation hub of West Africa. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Road Construction Programme**

571. Mr. Speaker, the Ministry continued to improve major road corridors to promote trade and economic activities. A total of 103km of development works including reconstruction, construction and upgrading were undertaken against a target of 75km which represents 138 percent whiles 13 bridges out of 30 on the feeder road network were completed.
572. Significant progress were also made on the following road projects.

**Table 30: Road Projects**

Project Title	Completion Rate as at:	
	December 2012	September 2013
Tetteh Quarshie-Madina	88%	93%
Asankragwa-Enchi Road	78%	94%
Nsawam-Apedwa Road, Kwafokrom – Apedwa Section	54%	68%
Buipe-Tamale	37%	80%
Fufulso-Sawla	20%	39%
Dodi-Pepesu Nkwanta	Commenced	22%
Tarkwa Bogoso-Ayamfuri	6%	15%
Agona Junction – Elubo	Commenced	14%
Awoshie-Anyaa Road Project	24%	80%
Anyaa – Pokuase Road Project	26%	70%
Urban Transport Project (Odaw Bridge expansion and flyover)	80%	Defect Liability Stage
Burma Camp Roads	Contract Signed	43%
Giffard Road	Contract Signed	43%
Sunyani Road (in Kumasi)	70%	80%
Spot Improvement and Rehabilitation of Feeder Roads in 10 Regions (682km)	56%	95%

Source: MoRH

573. Mr. Speaker, in 2014, the Ministry will construct 300km of trunk roads, 90km of rural roads and 150km of urban roads. It will also undertake 8 engineering studies and construct 12 trunk, 20 rural and 2 urban bridges as part of the development of key road corridors.
574. In 2014, construction of the following roads will continue: Tetteh Quarshie-Madina; Asankragwa-Enchi; Kwafokrom-Apedwa; Buipe-Tamale and Fufulso-Sawla as well as the Dodi-Pepesu Nkwanta; Tarkwa-Bogoso-Ayamfuri; Agona Junction-Elubo; Anyaa-Pokuase; Burma Camp Roads; Giffard Road; and the Sunyani road in Kumasi.
575. Mr. Speaker, the following projects are also scheduled for implementation in 2014: Agona Nkwanta-Dixcove; Busuta Junction-Busuta; Princess Junction-

Princess Town; Sankor Junction-Cape Three Points; and the Mpataba Junction-Half Assini-Jewi Wharf roads. In addition, works on the Area wide intelligent traffic system in Accra and improvement of the La Beach Road in Accra will continue.

576. Mr. Speaker, the Ministry commenced the use of the Public Private Partnership (PPP) model for the financing, construction and management of road infrastructure. A consultant was procured to undertake feasibility study on the dualization of the Accra-Takoradi road. The PPP contract for the financing, design and construction of an overpass on the motorway at Teshie Link is ongoing.

577. In 2014 the following road projects will be considered under PPP arrangement:

- Accra-Tema Motorway rehabilitation and expansion
- Accra – Kumasi dualization
- Western Corridor roads Phase 1(Elubo-Sunyani)

#### **Road Rehabilitation and Maintenance Programme**

578. Mr. Speaker, the Ministry undertook routine and periodic maintenance activities on 5,819km of trunk; 3,400km of feeder, and 1,193km of urban road networks. In addition, periodic maintenance activities comprising re-gravelling, spot improvement and resealing works were carried out on 21km, 374km and 13km on the trunk, feeder and urban road networks respectively.

579. In 2014, the Ministry will continue to undertake routine maintenance activities on 11,600km trunk, 16,000km feeder and 4,200km urban road networks. Periodic maintenance activities will be undertaken on 892km trunk, 1,500km feeder and 1,200km urban roads. In addition, minor rehabilitation works will be undertaken on 625km trunk, 1,425km feeder and 200km urban roads. The Ministry will continue to improve road maintenance financing by implementing electronic tolling of roads to improve revenue generation into the Road Fund.

#### **Road Safety and Environment Programme**

580. Mr. Speaker, the Ministry pursued the implementation of the Law on Axle Load Limit as stipulated in the New Road Traffic Regulation LI 2180. Intensive education and sensitization were organized for key stakeholders. The Ministry will reduce overloaded vehicles weighed at Permanent Axle Weigh Bridge Stations to 15 percent.

581. Mr. Speaker, to improve trade and transit facilitation among member countries as stipulated in the ECOWAS protocol, officers of the Motor Transport and Traffic Division (MTTD) of the Ghana Police Service and the Customs Division of the Ghana Revenue Authority were sensitized to reduce the number of

roadblocks on the transit corridors of Abidjan –Lagos and the Tema-Ouagadougou. This resulted in the reduction of the number of checkpoints from 28 to 13 on the Aflao-Elubo road corridor.

582. Mr. Speaker, the Ministry will install and maintain 60 traffic signals and 21 road safety hazard sites across the country.
583. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢779,276,751 has been allocated. Out of this GoG is GH¢79,889,294, ABFA is GH¢139,413,241, GH¢85,502,120 is IGF and DP Funds is GH¢474,472,096

## **MINISTRY OF COMMUNICATIONS**

584. Mr. Speaker, the Ministry exist to facilitate the development of a reliable and cost-effective world-class communications infrastructure and services, driven by appropriate technological innovations and accessible by all citizens to enhance the promotion of economic competitiveness in a knowledge-based environment. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **ICT Capacity Development Programme**

585. Mr. Speaker, the Ministry through the Ghana Investment Fund for Electronic Communications undertook universal access projects and programmes which achieved several milestones including internet connectivity to 200 institutions and the installation of rural telephony in 10 communities. The Ministry also set up 2 ICT centres at the Ghana National Fire Service Headquarters and Training School and facilitated capacity building activities for 42 Nursing Training Schools, 32 Prison Instructors and 20 Community Information Centre managers.
586. Mr. Speaker, the Ministry of Communications will support the development and maintenance of an educational portal for teachers, students, parents and researchers. This will be done in collaboration with teachers, students, the Ghana-India Kofi Annan Centre for Excellence in ICT and other trainers. The project will further provide connectivity to the least developed 200 secondary schools in the country. It is expected that coupled with government's universal access programme, quality education will be delivered to the doorstep of all particularly those in underprivileged communities.
587. The Ministry will support the Legislature to implement the e-Parliamentary System, under which members will be able to file their queries to the Executive

online, leading to speedy and paperless flow of information. Other important features of the initiative will be the digitization of the Parliamentary library.

588. Mr. Speaker, in line with Government's determination to transform the Justice delivery System, the Ministry of Communications is assisting the Judicial Service to develop an e-Justice System to improve on the effectiveness and efficiency of justice delivery. As part of His Excellency President John Dramani Mahama's initiatives to strengthen the fight against corruption, the e-justice programme has been scaled up to include the Ministry of Justice and Attorney General's Department. The solution will include Criminal Justice Information integration, core Court Management System, access to relevant legal softwares and institutional capacity building.
589. A tertiary institutions network programme to provide infrastructure, connectivity and applications will be implemented in selected public tertiary institutions to strengthen their capacity in ICT. In line with this, a comprehensive study was carried out to assess the infrastructure, connectivity and applications requirements.

#### **ICT Infrastructure Development Programme**

590. Mr. Speaker, the telecommunications sector continued to register impressive growth rates in subscription. The total telephone subscription for cellular lines grew by 3,059,035 between August 2012 and August 2013. Over the same period, mobile internet subscribers grew by 2,869,136. A total of 67 licenses and authorizations were granted by the National Communications Authority to various communications service providers.
591. Mr. Speaker, 914,268 cellular subscribers moved from one mobile service provider to another while retaining their original mobile numbers. Success rate for porting requests submitted exceeded 88 percent. This is an indication of how Mobile Number Portability continues to provide opportunities for subscribers who are dissatisfied with their service providers to shift to their preferred providers.
592. The formal launch of the construction of the 780 kilometer fibre optic ICT backbone infrastructure on the Eastern Corridor of the country was performed at Wamale near Tamale to provide broadband infrastructure to over 120 towns and communities along the route from Ho to Bawku, with link to Tamale from Yendi. The project is ongoing. The 120 beneficiary towns also include: Garu, Seshie, Kugurago, Nakpanduri, Gbintri, Katani, Zanteli, Gushiegu, Nawuni, Sakpeigu, Yendi, Makayili, Nakpachei, Bokpaba, Bimbila, Damanko, Kpasa, Menuso-Nkwanta, Dodi-Pepesu, Kadjebi, Jasikan, Hohoe, Golokwati-Biakpa, e.t.c.



593. Mr. Speaker, the Ministry will continue with the construction of the fibre optic infrastructure which will comprise the construction of a data centre and a managed services component to ensure security of data on the entire network. It is expected that the project will provide high-speed connectivity throughout the country to support entrepreneurial development and enhance job creation.
594. The e-Government Platform Project is upgrading existing World Wide Interoperability Microwave Access (WIMAX) sites to Long Term Evolution (LTE) technology. This will cover 90 sites to enable the deployment of advanced ICT Applications in education, health, commerce, Open Government and other business opportunities.
595. Mr. Speaker, the rollout of the e-Government Infrastructure is being extended to cover all the districts. It has deployed 30 New Base Stations, expanded the optic fibre in Accra considerably and rolled out a Secondary Data Centre in Kumasi.
596. Mr. Speaker, e-Services for Web Content Management, e-Forms and Document Work Flow and online Payments were developed on a pilot basis as a shared service for 12 MDAs, including; Passport Office, DVLA, FDB, Ghana Tourist Authority, Ghana Police Service, Births and Deaths Registry, AMA, NIA, NCA and Minerals Commission.
597. Mr. Speaker, as part of the US\$97 million e-Transform project, the Ministry will support the National Identification Authority to complete the implementation and deployment of a well-functioning unique national biometric ID system. It will support the distribution of 12 million biometric cards, including 3 million cards already printed and 9 million cards to be printed once citizen data is confirmed. To improve the speed and reduce the cost of distribution of cards, mobile registration workstations, mobile verification systems and related software will be deployed.
598. The issuance of an authentic unique national biometric ID system will further open up opportunities for e-commerce, enhance law enforcement and systematically end the multiple Identification systems which exist currently.
599. Mr. Speaker, the Ministry of Communications is collaborating with the Rockefeller Foundation to refurbish the old PWD warehouses near Kwame Nkrumah Circle into a Grade A facility as a fast track solution to meet urgent real estate needs of the Business Process Outsourcing industry. The Centre will provide leased spaces for Business Process Outsourcing software development, IT training and other IT services. It will provide infrastructure and business support services designed to assist BPOs small and medium ICT businesses to maximize their potential for growth and job creation.

600. Government is migrating television broadcasting from analogue to digital mode in line with ITU's prescriptions. The benefits include near nationwide reach for television services, better picture and sound quality. Prospective investors in TV stations will be spared the initial heavy investments which is associated with analogue television broadcasting. Digital dividend will also accrue to the nation as a result of high spectrum efficiency.
601. As part of the proposed conformance regime for digital terrestrial television receivers, the Digital Broadcasting Migration Committee published the minimum requirements for receivers of free to air digital terrestrial television in Ghana. Modalities for the reclassification of FM broadcasting stations and amendment of regulatory and spectrum fees were completed.
602. Mr. Speaker to facilitate communication within the Public Sector as part of government's efforts to improve productivity, and make the public service more responsive to the needs of the citizenry, Phase II of the Global Open Trunking Architecture (GOTA) communication network will construct 270 base stations and provide 200,000 handsets to enhance the performance of the existing areas and also provide seamless services all over the country.
603. Specifically, Upper East, Upper West, Northern and Brong Ahafo Regions which did not benefit from the project under Phase I have been adequately catered for. The existing networks within Greater Accra, Ashanti, Eastern, Volta, Central and Western Regions will be enhanced.
604. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢93,988,899 has been allocated. Out of this GoG is GH¢11,214,382, GH¢1,780,220 is IGF and DP Funds is GH¢80,994,297.

## **MINISTRY OF TRANSPORT**

605. The Ministry exists to create an integrated, modally complementary, cost effective, safe, secure, sustainable and seamless transportation system responsive to the needs of society, supporting growth and poverty reduction and capable of establishing Ghana as a transport hub of West Africa. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Management and Administration Programme**

606. Mr. Speaker, the Ministry pursued its policy of encouraging private sector participation in the aviation industry which resulted in competitive domestic aviation service delivery.
607. The KIA-Phase III rehabilitation project is 47 percent complete. Feasibility study and design for the expansion of the KIA terminal building was completed while work is on-going on additional parking bay for 8 wide-body aircrafts to address the inadequate parking space at the airside during peak periods. The construction of a 7-Storey Ghana Aviation Training Academy (GATA) complex building is about 80 percent complete. This will provide the training needs in the aviation sub sector in-country and the sub region.
608. Mr. Speaker, in 2014 the KIA Terminal Building Expansion project will continue in order to provide a new enlarged departure hall, a concourse building to accommodate 6 new boarding gates with hold rooms, boarding bridges, retail and concession spaces, airline lounges, expanded halls for arrival, immigration and baggage claim area.
609. Mr. Speaker, rehabilitation works on the asphaltic overlay of the runway at the Kumasi Airport is 25 percent complete and an ultra-modern Instrument Landing System is being installed to aid safe landing. The runway will be extended from 1,981 metres to 2500 metres and the installation of Aeronautical Ground Lighting will continue in 2014 to make night operations possible.
610. Preparatory works on the upgrade of the Tamale Airport as an alternate to KIA is on-going, and actual construction works will begin in the first quarter of 2014. When completed, the airport will be the obvious choice for the countries from the Sahel belt, help move the SADA project to a new level, as well as making the annual Hajj Pilgrimage for our Moslem brothers and sisters a very exciting one.
611. The year 2014 will witness the preparation of the master plan for the development of the new regional airports for the remaining regions namely the Volta Region, Eastern Region, Upper East and the Central Region. Refurbishment of existing regional airports will also commence.

#### **Maritime Services Programme**

612. Mr. Speaker, the Ministry has signed contract agreement for the development of 11 Fish Landing Sites at Axim, Dixcove, Moree, Mumford, Elmina, Winneba, Senya Bereku, Gomoa Fete, James Town, Teshie and Keta. The construction of these landing sites will commence in 2014.
613. The Net-Mending Wharf and Dredging of Canoe Basin at the Tema Fishing Harbour is being reconstructed. When completed, the project will

revolutionalize the industry and transform totally the economic life of our fisher folks

614. Mr. Speaker, the Ghana Maritime Authority continues the Vessel Tracking Management Information System project to control activities relating to piracy and armed robbery, illegal-unreported-unregulated fishing and other maritime crimes. The project is about 99 percent complete.
615. The Ministry has procured three 50-Seater High Speed Passenger Ferries and one Modular Passenger/Freight Vessel to be deployed at various ferry crossings on the Volta Lake.
616. Under the Eastern Corridor Multi-Modal Transport Project, the Ministry will develop ports infrastructure at Akosombo, Buipe and Yapei and procure appropriate vessels and equipment to improve transportation services on the Volta Lake. These critical projects will go a long way to improve tremendously the socio-economic lives of the over 700 communities scattered along the lake.
617. Mr. Speaker, the Regional Maritime University will continue to support the transport sector service by training seafarers for export. This will generate some revenue for the state.

#### **Rail Transport Programme**

618. Mr. Speaker, the rehabilitation and extension of the Accra-Tema sub-urban railway line from Tema Harbour to Japan Motors as well as the renovation and construction of railway stations along Accra –Tema railway line are at various stages of completion.
619. The Ghana Railway Development Authority will continue the rehabilitation and re-development of the Sekondi-Takoradi via Kojokrom sub-urban railway line. Modern signaling and communication facilities will also be provided.
620. Mr. Speaker, the draft report of the Railway Master Plan was submitted and awaiting stakeholders' review while a pre-feasibility study of the Eastern Railway Line and the Boankra Inland Port was completed.
621. The process to engage a Transactional Adviser to guide the public private partnership (PPP) is on-going. This project, which will commence in 2014, when completed will help to decongest the Tema Port because cargo meant for northern and middle belts will be transported by rail to Boankra in the Ashanti Region for transit and clearing.
622. Construction of the sub-urban rail-line between Sekondi/Takoradi via Kojokrom will be expedited. Remodeling of Takoradi, Kojokrom and Butuah train stations

will be undertaken while a completely new station will be built at Sekondi. Halts will be provided at Prisons, Ketan, Adiembra and Essaman. Diesel Multiple Unit trains will be provided to improve upon the transportation in the Sekondi/Takoradi Metropolis.

623. For the Accra/Tema rail service, The Ministry will continue the remodeling of the Baatsona, Achimota and the Odaw train stations.
624. A feasibility study will also be undertaken for the introduction of Tram services in the Accra and Tema metropolis.

**Road Transport Management Programme**

625. Mr. Speaker, the Driver and Vehicle Licensing Authority (DVLA) introduced computer based theory (CBT) testing of prospective drivers to other DVLA offices across the country. The CBT is now operational in 22 out of the 25 offices nationwide. This will improve quality of test data, reduce turnaround time at the DVLA premises, and also reduce human interferences in the driving test administration as well as faking of test results.
626. The Authority completed the installation of local area network in all its offices and wide area network in 15 offices. In an attempt to improve its revenue generation and remove the activities of middlemen, the DVLA introduced a pilot online access to its services in Accra, Tema and Weija.
627. The Authority will procure additional mobile testing equipment for random checks to be carried out on our roads.
628. Mr. Speaker, the Metro Mass Transit Company Ltd. embarked on a computer aided receipt verification processing system to reduce revenue leakages and hence improve upon revenue generation. The company constructed depots and workshops in Ho, Bolgatanga and Cape Coast. An additional 25 female drivers were trained bringing the total to 50 to drive the intra city buses.
629. In 2014, the construction of the Aflao depot will continue while work will begin on the Tarkwa depot. The Kumasi and Accra workshops will be upgraded to international standards to provide first class servicing for their vehicles. To reduce the long winding queues during the peak periods, the Company will procure higher occupancy buses to improve upon intra-city services.
630. Mr. Speaker, to enhance road safety in the country and reduce the menace of road accidents, the National Road Safety Commission sensitized the general public on road safety rules and regulations, monitored the implementation of road safety strategies and set standards for road safety equipment.

631. In 2014, the Commission will continue with implementation of the Road Safety Strategic Plan which specifies programmes and activities to be undertaken by road safety implementing agencies in the Country.
632. Mr. Speaker, even though we continue to experience carnage on our roads, the efforts of the Commission is appreciated and was therefore invited to the United Nations General Assembly in 2012 to share their experiences with the rest of the world.
633. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢89,949,128 has been allocated. Out of this GoG is GH¢32,045,010, GH¢30,089,468 is ABFA, GH¢15,583,860 is IGF and DP Funds is GH¢12,230,789.

## **SOCIAL SECTOR**

### **MINISTRY OF EDUCATION**

634. Mr. Speaker, the Ministry exists to provide relevant education to all Ghanaians as a vehicle for human and national development. The vision is to create a dynamic sector that equips all Ghanaians with relevant education and skills to realize and develop their potential to promote socio-economic growth and national development. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Management and Administration Programme**

635. Mr. Speaker, the Centre for National Distance Learning and Open Schooling continued to provide open and distance learning opportunities to raise access to education. The Centre commenced the production of 400,000 DVDs on JHS and SHS Mathematics and English for distribution to schools. In addition, the pilot open school system enrolled 632 youth and prison inmates in JHS, SHS and TVET programmes from 13 study centres, out of which 52 wrote the BECE, WASSCE and NVTI examinations.
636. In 2014, the Ministry will increase the number of youth and prison inmates participation in the Open School System from 632 to 882, produce 400,000 copies of 59 audio-visual lessons in English, Mathematics, Integrated Science and Social Studies for distribution to schools as well as 100 units of practical interactive e-lessons for SHS and TVET.
637. Mr. Speaker, the Ghana Library Authority procured 72,410 copies of books of various titles including 65 sets of encyclopaedia to stock the ten Regional Libraries and 50 District Libraries. The Authority in 2014 will continue to provide static and mobile library facilities at the Regional, District and Community levels to support teaching and learning.
638. The Ministry deployed 80,000 National Service personnel of which 62 percent were posted to the Education sector and will register up to 90,000 personnel in the 2014/15 service year. Out of this number, 63 percent will be deployed to the Education sector.
639. Mr. Speaker, a Policy Dialogue on Tertiary Education under the theme "Repositioning Tertiary Education for National Development" was held. Among the key issues in a Communiqué that require Cabinet and Parliamentary approval were the development of a National Vision and Plan for Tertiary

Education, the development of a sustainable Funding Policy for Tertiary Education and the development of a policy of Diversification and Differentiation of Tertiary Education Institutions.

640. A working group was established to work with the Inter-Ministerial Coordinating Committee on decentralization to develop modalities for implementing education decentralization in line with the National Decentralization Policy Framework. In 2014, the Ministry will review the Ghana Education Service Act, and the Education Act with the view to removing the inconsistencies and aligning roles and responsibilities.
641. Mr. Speaker, to bridge the gender gap in access to education, a total of 15,700 girls from JHS benefited from scholarships through the Participatory Approach to Students Success. In order to improve completion and retention especially for girls in deprived areas, take home rations were provided for 90,000 girls in the three Northern Regions. Scholarships were also provided for 800 girls to improve female enrolment in technical education. Science, Technology and Mathematics Education clinics were also organized for 300 girls in 20 Junior High Schools.
642. In 2014, the Ministry will take pragmatic steps towards improving quality and enhancing efficiency of the management of education service delivery. Specific measures to be undertaken include cleaning of payroll and rationalization of recruitment; teacher deployment from urban areas to deprived areas; review of payment of teacher trainee allowances; enforcement of policy on zero tolerance for teacher absenteeism and; rationalization of all school fees.

#### **Basic Education Programme**

643. Mr. Speaker, about 32 million exercise books were distributed to Basic Schools across the country, benefiting 4,768,806 pupils while 170,221 pupils, in selected deprived communities, benefited from free school uniforms. In 2014, about 10 million exercise books will be distributed nationwide while 10,000 school uniforms will be provided to needy pupils. The Ministry will provide BECE subsidy for over 403,000 final year JHS pupils.
644. Under the programme of removing schools under trees, 983 classroom blocks representing 43.3 percent out of the total of 2,269 have so far been completed and handed over with the remaining 1,286 expected to receive expedited attention.
645. Mr. Speaker, these interventions among others contributed to an increase in enrolment at all levels of Basic Education between the 2011/12 and 2012/13 academic years. The enrolment levels now stand at 1.6 from 1.4 million in KG, 4.1 from 3.9 million in Primary and 1.4 from 1.3 million in JHS. The Ministry



plans to complete 190 6-unit Classroom Blocks under the "Schools under trees" project in 2014.

646. Mr. Speaker, as part of efforts to achieve quality Basic Education, 12,000 pupil teachers were enrolled under the "Untrained Teacher Diploma in Basic Education" Programme. In addition, In-Service Education and Training was organized for 3,086 KG teachers, 13,264 Primary School teachers and 6,534 JHS teachers.
647. To increase the percentage of trained teachers in deprived areas, the GES will enforce the posting policy where newly trained teachers are posted to deprived areas for at least two years to improve the percentage of trained teachers in Kindergarten, Primary, and JHS from 51.6 percent, 69.0 percent and 84.0 percent to 60.0 percent, 73.0 percent and 85.0 percent respectively.
648. Mr. Speaker, a total of 12.5 million English, Mathematics and Science Core Textbooks were procured and distributed to public Primary and JHS Schools which exceeded the target Textbook-Pupil ratio of three textbooks per pupil to four textbooks per pupil.
649. The National Inspectorate Board distributed 10,000 booklets of quality indicators across the country to sensitize Head Teachers on the revised school performance evaluation tools. In addition, District and School grants under the Ghana Partnership for Education were disbursed to 57 District Education Offices and 6,600 Basic Schools in deprived areas to improve access, quality, equity and management of education.
650. In 2014, the Ministry will improve the quality of Kindergarten education by providing workbooks for 1.2 million pupils in English and Mathematics. Early Childhood Care and Development training will be organized for KG teachers in 13,305 schools. Workbooks will also be provided for 1.6 million pupils in Lower Primary.
651. Mr. Speaker, the Ministry provided Capitation Grant for 5,741,198 pupils in Public Basic Schools for the 2012/2013 academic year and subsidized the registration cost of 391,079 candidates for the Basic Education Certificate Examination.
652. To improve ICT in education, 26,283 laptops were provided to Basic Schools under the Basic School Computerization Programme. 20,000 Junior High School teachers benefited from ICT training and laptops. The remaining 30,000 teachers are being trained and will also receive laptops.

653. Mr. Speaker, the Ministry, under the Complementary Basic Education Programme, will carry out baseline studies and enrolment drives to bring 25,000 out-of-school children on to the programme. The first year of implementation will target the three northern regions and the Brong Ahafo region providing a nine-month complementary education programme to out of school children.

**Second Cycle Education Programme**

654. Mr. Speaker, in pursuance of the Ministry's objective to ensure increased access to second cycle education, subsidy was provided for 736,919 SHS students and 55,147 TVET students.

655. To ensure adequate provision of infrastructure to increase access to SHS enrolment, the Ministry completed 75 6-unit classroom blocks while 45 2-storey Emergency Dormitory Blocks were completed and handed over. The remaining 86 classroom blocks and 10 dormitory blocks are at various stages of completion.

656. Mr. Speaker, in 2014, the Ministry will increase enrolment levels at SHS from 770,925 to 786,344 and from 32,833 to 33,490 in TVET. This will be achieved through interventions such as provision of subsidies for over 780,000 SHS students and 33,000 TVET students.

657. As part of efforts aimed at providing opportunities for BECE candidates who do not meet the criteria for selection into Senior High Schools, the Ministry working with WAEC has reviewed the policy on BECE resit. Private BECE candidates will now be permitted to resit in February 2015.

658. Mr. Speaker, in a bid to increase access to Secondary Education, the Ministry will commence the construction of 200 community day SHS in 2014. The beneficiary districts have been identified and the procurement of contractors and consultants for the construction of the first 50 schools is on-going. In addition, the Ministry will complete the remaining 10 2-storey Dormitory Blocks and 60 6-Unit Classroom Blocks under the Quick Fix Project.

659. Mr. Speaker, to improve quality at the Second Cycle level, 1,046 SHS teachers and 29 TVET teachers benefited from In-Service Training. In-Service-Training was organized in Physics, Chemistry and Biology for 250 Science teachers in 124 Senior High Schools across the country. Sixty Laboratory Technicians were trained in the effective management of Science Laboratories in the schools and 83 schools were equipped with 900 boxes of science equipment. In 2014, 500 more SHS science teachers will be trained.

660. As part of the National Apprenticeship Programme, the Ministry provided training for 1,500 master craft-persons in cosmetology, garment making, auto mechanics, ICT, welding and fabrication, building construction and electronics. The programme increased its intake of JHS graduates from 5,000 in 2012 to 8,000 in 2013.

661. Mr. Speaker, to improve delivery of Technical and Vocational Education, 10 Technical Institutes, 2 Polytechnics and the College of Technology benefited from the upgrading of infrastructure and provision of equipment. In addition, 200 instructors in Technical Institutions received training to upgrade their skills while 700 students in Technical Institutes benefited from a scholarship scheme aimed at increasing access to Technical and Vocational Education and Training.

#### **Non Formal Education Programme**

662. Mr. Speaker, the Ministry will continue with the provision of functional literacy and numeracy education for adults. Training will be given to 1,400 facilitators to embark on the National Functional Literacy Programme and 35,000 learners enrolled in English and 15 Ghanaian languages. Instructional materials in occupational English literacy for hairdressers and dressmakers will be reviewed and piloted.

#### **Inclusive and Special Education Programme**

663. Mr. Speaker, as part of its commitment towards improving access to education for children with special educational needs, teaching and learning materials were distributed to 15 schools for the deaf, 17 schools for the visually impaired and 27 schools for the intellectually disabled. In 2014, the Ministry will continue to supply appropriate teaching and learning materials and carry out awareness campaigns in order to increase access to quality education for children with special educational needs.

664. To reduce the cost of Special Education to parents, 6,800 pupils benefited from feeding grants in the second and third terms of 2012/13 academic year. The feeding grants will be provided for 7,566 pupils in Special Schools and Units in the 2013/14 academic year.

#### **Tertiary Education Programme**

665. Mr. Speaker, in the drive to increase access to tertiary education to eligible Ghanaians and to gradually meet the national gender norm of 50:50 gender parity and 60:40 science to humanities enrolment for national development, some social, affirmative and development interventions took place.

666. The National Council for Tertiary Education and National Accreditation Board reviewed the minimum admission requirements for admission into Polytechnics

making it possible for more candidates to enroll. The Polytechnics were however expected to mount access courses supervised by NAPTEX for students with D7 and E8 grades as a condition precedent.

667. Mr. Speaker, three Committees were set up to work out modalities and roadmap for the establishment of a new Public University in the Eastern Region, 10 new colleges of education and conversion of Polytechnics to Technical Universities. In 2014, the Presidential Committee on the new University will submit its report to the Government to be followed by project preparatory works as well as the legal, institutional and regulatory works for the establishment of the University.
668. The National Board for Professional and Technician Examinations developed competency-based curricula in five new programmes in polytechnics while the National Accreditation Board prepared Guidelines for developing benchmarks for polytechnics. The National Accreditation Board in collaboration with tertiary institutions will develop programme/subject benchmark for accreditation.
669. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢5,816,315,034 has been allocated. Out of this GoG is GH¢4,560,827,380, GH¢103,510,325 is ABFA, GH¢951,854,210 is IGF and DP Funds is GH¢200,123,119.

## **MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS**

670. The Ministry is charged with specific responsibilities to formulate policies and strategies to accelerate aggregate employment creation in the economy, promote demand-driven Vocational and Technical Skill Training. In addition, the Ministry is to ensure the protection of the Rights of workers, enhance industrial harmony and ensure equity in wages and salaries administration. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Job Creation and Development Programme**

671. Mr. Speaker, the various modules under GYEEDA were revised and a new approach developed to make the programme more responsive to skill acquisition and expansion of productive employment opportunities for the youth.
672. The Department of Cooperatives reviewed the Youth in Agriculture Module under GYEEDA and registered 1,757 Youth cooperatives in 10 regions. A total of 34,659 youth were engaged in productive co-operative ventures. A new

'Triangular Model' that links beneficiaries to skills development institutes, and to viable cooperative societies to enhance their employment opportunities was developed. In 2014, the Ministry will begin the training of 560,421 youth out of which an estimated 65 percent -70 percent are expected to be employed through the Co-operative System in the medium term.

673. Mr. Speaker, the Ministry will coordinate all public and private job creation initiatives and establish a national database to inform Government Policy on accelerating employment creation. A rationalization exercise will be carried out in collaboration with the NDPC, Organised Labour, Ghana Employers' Association and the private sector to determine public private sector job creation initiatives that have the twin potentials of accelerating employment creation and contributing to aggregate economic growth and national development.
674. The Ministry will also collaborate with the Ministry of Local Government and Rural Development, the Ghana Social Opportunities Project, the Ministry of Agriculture and District Assemblies to implement the Labour-Intensive Public Works Policy Framework.

#### **Skills Development Programme**

675. Mr. Speaker, The demand-driven Skills Training Institutions (NVTI, OIC, and ICCES) trained 21,802 artisans in various trades and placed 3,639 trainees in internship programs to acquire on-the-job skills. In addition, 251 OIC graduates were assisted and placed into employment. A "Tracer Study" will be conducted in 2014 to assess the impact of Vocational and Technical skills training on employment creation in the economy, particularly in the informal sector.
676. The Ministry will intensify its demand-driven vocational and technical employable skills training programmes to minimize the existing gap between the requirements of the labour market and availability of employable skills in the economy. Under this, a total of 49,749 persons will be trained by the Skills Training Institutions in various trades. A principal component of the skills training will be by apprenticeship or "learning by doing" approach.
677. Mr. Speaker, to guide employment creation and enhance job opportunities for unemployed Ghanaians, the Ministry collaborated with key stakeholders and developed a Labour intensive Public Works Policy Framework and the National Employment Policy for implementation. The Ministry will fully roll-out the Labour intensive Public Works Policy Framework and the National Employment Policy in 2014.

678. A "Tracer Study" will be conducted to assess the impact of Vocational and Technical skills training on employment creation in the economy, particularly in the informal sector.

**Labour Administration Programme**

679. Mr. Speaker, the Ministry issued 1,269 and 27 Tender and Bargaining Certificates respectively and successfully settled 60 labour disputes and collaborated with the Ghana Statistical Service to establish a functional Labour Market Information System.
680. Ministry will continue to deepen collaboration with social partners to promote industrial peace in the country by establishing an Early Warning Mechanism.
681. Mr. Speaker, a nation-wide public sensitization and education on specific roles and responsibilities of employers and employees as enshrined in the Labour Act of 2003, Act 651, will be carried out by the Ministry in collaboration with Organized Labour, Employers' Association, and other social partners. The Fair Wages and Salaries Commission will also carry out a national sensitization exercise to deepen public understanding and appreciation of Government policy on the Single Spine Pay Policy.
682. The Ministry registered 142 new workplaces and conducted 663 workplace inspections to enforce Occupational Safety and Health Standards. The Department also investigated 5 reported industrial accidents for payment of compensations to victims and provided technical guidance for the development of the National Occupational Safety and Health Policy.
683. Mr. Speaker, Government's commitment to remove distortions and inequities in Public Service pay through the implementation of the Single Spine Pay Policy is steadily on course despite challenges. Statistics indicate that 479,497 out of a target of 480,000 public workers were migrated onto the Single Spine Salary Structure. In collaboration with social partners, the National Tripartite Committee also successfully negotiated the National Minimum Wage and determined the 2013 Base pay and Pay point relativity.
684. The Ministry will collaborate with the Ghana Statistical Service, NDPC and MOF to undertake a labour Market Survey to determine critical skills in short supply in the public service that qualify for the market premium. Beneficiaries will therefore be placed on the SSSS as soon as the survey is completed. The appropriate market premium values determined shall NOT be part of or indexed to wages and salaries of beneficiaries.
685. Mr. Speaker, the Fair Wages and Salaries Commission will also collaborate with the Controller and Accountant General's Department and the Head of Civil

Service to carry out a national payroll survey that will rationalize nominal roll with pay roll of each public service institution. The objective is to clean the public service payroll and possibly reduce the Public Sector wage bill over time.

686. Mr. Speaker, it is now Government policy to link pay to work and productivity in the public service. This enjoins employers to pay for work done and compensate for increases in productivity of employees. In line with Section 168 (2 & 4) of the Labour Act of 2003, Act 651, Government will henceforth pay only for work done. To implement these policy directives, a national framework to link pay to work and productivity and productivity index in the public service will be developed by the Ministry.
687. The Ministry will collaborate with social partners and enforce Labour Laws and Regulations in this respect. Institutions, Unions, Associations, and Establishments that contravene the Labour Act of 2003, Act 651 will be duly sanctioned.
688. Mr. Speaker, the production of timely and reliable labour statistics underpins effective employment policy formulation and national development planning. To this end, the Ministry will collaborate with the Ghana Statistical Service, Ministry of Finance, Employers' Association, Research Institutions and the District Assemblies to establish a functional Labour Market Information System that will aid production of labour Market Information for national planning.
689. Mr. Speaker, Ghana is a signatory to international protocols and agreements on ensuring that children are not used for or exploited in the production of goods and services for domestic consumption and for exports. In this regard, Government will collaborate with domestic and external partners to ensure that children are not exploited in economic ventures, particularly in the cocoa, fisheries, quarry and mining segments of the economy. The Ministry will collaborate with MOF and Cocoa Board and other partners, particularly the District Assemblies to implement the National Plan of Action on Elimination of Child Labour.
690. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢38,542,298 has been allocated. Out of this GoG is GH¢34,917,348 and GH¢3,624,950 is IGF.

## **MINISTRY OF YOUTH AND SPORTS**

691. 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 platform for healthy living. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Youth Services Programme**

692. Mr. Speaker, the Ministry has advanced the preparation of the National Youth Bill and the Implementation/Action plan of the National Youth Policy and in 2014 will finalize and facilitate the passage of the National Youth Law as well as adopt an Action Plan for the Youth Policy to ensure a systematic and effective execution of all Youth programmes.
693. Mr. Speaker, the Ministry developed conditions of service and the scheme of service for Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) in order to streamline the operations of the Agency and also enhance the performance of staff. The Ministry exited all beneficiaries who had served two years or more with GYEEDA under the Agency's Exit Strategy, paving way for the recruitment of about 100,000 new beneficiaries in all the Agency's modules.
694. As part of the process of restructuring GYEEDA, the Ministry prepared and submitted the draft GYEEDA bill to the Attorney General and Minister of Justice which will be submitted to Parliament.
695. Mr. Speaker, the National Youth Achievers Award will be decentralized to the regions to make more impact on the youth sector. Also, the process of establishing the National Youth Parliament will be completed to provide a platform for the Youth to contribute to national discourse.
696. The Nationwide Youth Caravan Project will continue to disseminate information and educate the public on the National Youth Policy and Action Plan. As part of the Caravan, 21-day voluntary work camps will be organized in 100 districts across the country to educate the Youth and inculcate moral values into them.

#### **Sports Development Programme**

697. Mr. Speaker, the Ministry initiated action to enact the Sports Law to replace the SMCD 54 to serve as basis for the development of sports in the country. The National Sports Policy will also be revised and an action plan developed to implement the policy.
698. The remaining 8 out of the 20 multi-purpose sports courts in some selected districts and educational institutions across the country will be completed in 2014.



699. Mr. Speaker, the Senior National Football Team, the Black Stars won the first leg of the play off qualifier for Brazil 2014 FIFA World Cup tournament against the Pharaohs of Egypt and will hopefully participate in the tournament.
700. The National U–20 Football Team, the Black Satellites participated in the African U–20 Youth Championship in Algeria as well as the FIFA World Youth Tournament in Turkey and placed second and third respectively. The Black Satellites and the Black Starlets will both participate in their respective Championships and Qualifiers.
701. The National U-17 Female Football Team, the Black Maidens also participated in the African U-17 Female Championship in Morocco placed second.
702. Mr. Speaker, the Senior National Female Football Team, the Black Queens, will participate in the 2014 African Women Qualifiers and Championships while the Black Princesses (U-20) and the Black Maidens (U-17) will both participate in their respective World Cup Qualifiers and Championships.
703. The Local Black Stars will also participate in the 2014 African Nations Championships that will be held in South Africa. Ghana will participate in the 2014 Commonwealth Games in Glasgow, Scotland, the 2nd African Youth Games in Botswana and the 2014 ECOWAS Games in La Cote d' Ivoire.
704. Mr. Speaker, the Ministry will pursue its policy of converting the National Sports College into a Centre of Sports Excellence in West Africa through the Public-Private-Partnership arrangement. The Project to be undertaken will involve construction of multi-purpose sports complex and offices. The College will also run and expand the scope of its coaching courses to include more sporting disciplines.
705. The construction of the Cape Coast Sports stadium, which commenced with the ground preparatory works, will continue while the process for the acquisition of land for the Ho Sports Stadium will be completed for work to commence.
706. Mr. Speaker, the Ministry will expedite action on the construction of a Modern Boxing Gym at Bukom, the rehabilitation of the Accra, Baba Yara, Essipong and Tamale Sports Stadiums, and preparatory works for the construction of 10 Sports Senior High Schools in all the regional capitals and district sports arenas.
707. Mr. Speaker, an amount of GH¢3.3 million have been budgeted to be shared equally to the 33 sports associations to facilitate their activities. This is part of the measure in Government to ensure that the lesser known sports are adequately resourced. The component for the Ghana Football Association will be used to support Juvenile (Colts Football).

708. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢36,134,116 has been allocated. Out of this GoG is GH¢35,685,666 and IGF is GH¢448,450.

## **NATIONAL COMMISSION FOR CIVIC EDUCATION**

709. Mr. Speaker, the Commission is established to promote and sustain democracy and inculcate in the Ghanaian citizenry the awareness of their rights and obligations through civic education. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Civic Education Programme**

710. Mr. Speaker, the Commission organized the celebration of the Citizenship Week in 4,000 schools nationwide under the theme "Transparency and Accountable Governance". The Commission also organized a lecture on the theme "Advancing Together" and engaged the media to mark the 20th anniversary of the Constitution.
711. The Commission will continue to increase ownership and participation in governance process by creating and sustaining awareness among citizens on Good Governance at all levels of society. To this end, the Commission will educate and sensitize the public on the principles of the 1992 Constitution thereby increasing awareness of citizens' rights and responsibilities
712. The Commission will celebrate the annual constitution week and continue to improve the level of confidence in the justice and administrative system. In addition, it will collaborate with the Electoral Commission to sensitize the citizenry to reduce acrimony and create a free political environment. Furthermore, the commission will carry out a nationwide voter education and sensitization on the 2014 District Assembly Elections.
713. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢26,982,410 has been allocated. Out of this GoG is GH¢26,982,410.

## **MINISTRY OF CHIEFTAINCY AND TRADITIONAL AFFAIRS**

714. The Ministry exists for the effective interface between Government and the Chieftaincy and Traditional Institution for the promotion of peaceful and good governance and the overall development of Ghana. Key achievements for 2013 and outlook for 2014 are as follows:

## **2013 Performance and Outlook for 2014**

### **Chieftaincy and Traditional Affairs Programme**

715. Mr. Speaker, the Ministry, through the judicial processes resolved 40 Chieftaincy cases while 91 disputes were settled through Alternative Dispute Resolution, thus creating peaceful environment and improved productivity. In 2014, the various Judicial Committees within the Chieftaincy Administration will continue to adjudicate the remaining 100 chieftaincy matters which are pending.
716. Mr. Speaker, during the year 2013, 16 legislative instruments on lines of succession to 16 stools/skins were processed for passage into law while the Royal Code of Ethics for Chiefs and Queen Mothers was launched to ensure the dignity of Traditional Authority in the country. In 2014, the Ministry will carry out research to codify lines of succession to 20 stools/skins; i.e. 2 in each region. The Ministry will also pursue a field research programme and data collection to codify more and more lines of succession, since that is the surest way to rid the country of the so many rampant chieftaincy disputes over succession.
717. Mr. Speaker, in 2013 an elaborate training workshop was organized for 46 chieftaincy staff from across the country to sharpen their skills in Chieftaincy Law and Administration. In 2014, the Ministry will organize 50 elaborate sensitization and awareness creation workshops for Chiefs and Queen Mothers. i.e. 5 in each region. The essence of this programme is to overcome the problem of harmful traditional customary practices haunting the Ghanaian society and which impede democratic practice as well as economic development.
718. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢20,227,991 has been allocated. Out of this GoG is GH¢20,227,991.

## **MINISTRY OF HEALTH**

719. Mr. Speaker, the mandate of the Ministry of Health is to promote for all Ghanaians good health through the prevention of diseases and injuries, and to restore health of the sick and the incapacitated. Key achievements for 2013 and outlook for 2014 are as follows:

## **2013 Performance and Outlook for 2014**

### **Management and Administration Programme**

720. Mr. Speaker, the Ministry conducted a successful annual performance review and also reviewed the 2010-2013 Health Sector Medium Term Development Plan. In 2014, the Ghana Health Service and Teaching Hospitals Act, Act 525, 1996 will also be reviewed and amended.
721. The Ministry will strengthen public financial management of the sector as well as health data collection, analysis and management. In addition, 23 hospital administrators will be trained in leadership and financial management. Furthermore, vital health commodities such as family planning contraceptives, tuberculosis drugs, anti-snake serum, rabies vaccines, CSM vaccines and locally manufactured anti-retroviral drugs will be procured.
722. Mr. Speaker, the Ministry will also improve monitoring and supervision, implement the digital e-Health Solution Project and replace equipment in selected facilities.

### **Health Service Delivery Programme**

723. Mr. Speaker, an evaluation of the free Maternal Health Service Initiative was conducted which confirmed the national trend of an increasing use of health facilities for deliveries by pregnant women. Supervised delivery by mid-year increased from 24.3 percent in 2012 to 37.5 percent. Ante-Natal Care recorded an increase of 13.7 percent to 46.3 percent. In addition, the Couples Years Protection also increased from 586,100 to 749,200. Finally, family planning acceptor rate marginally increased from 12.4 percent to 12.9 percent. Following from that, the Ministry will accelerate the uptake of Family Planning Programme from 1,400,000 to 1,500,000 Couple Years Protection and increase skilled delivery coverage from 60 percent in 2013 to 80 percent in 2014 through the acceleration of implementation of maternal health support programme.
724. Mr. Speaker, institutional neonatal mortality at half year was 2.3 per 1,000 live births as against 5.8 per 1,000 live births in 2012. The corresponding figures for institutional infant mortality were 2.6 per 1,000 live births and 6.6 per 1,000 live births. Malaria case fatality rate (CFR) among under-five year olds reduced marginally from 0.87 percent in half year 2012 to 0.80 percent in June, 2013.
725. The Ministry will increase the number of functional infant incubators for neonatal care services by an additional 560 in 184 public hospitals nationwide as well as other accessories. The Ministry will reduce under-5 malaria case fatality rate from 1 percent in 2013 to 0.75 percent by scaling up Malaria Vector Control Programme.
726. Mr. Speaker, the guinea worm elimination status has so far been maintained with no reported cases. To contain rubella measles throughout the country, the Ministry embarked upon mass immunization campaign in which 921,025

children under 5 were vaccinated. The third round of the vaccination against Human papilloma virus was conducted in the Central and Northern regions for 28,571 girls in classes 4 and 5 against cervical cancer. In 2014, vaccination will be done to cover more girls in classes 4 and 5.

727. Mr. Speaker, a pilot membership authentication system was implemented in Ayawaso and La district schemes in Accra. Total indigents increased by 17 percent from 393,453 in 2012 to 458,685 in 2013. About 5,000 beneficiaries were registered and the common targeting mechanism is being piloted in 10 districts across the country. A further 1,037 inmates of psychiatric hospitals were registered in Accra Mental and Pantang Psychiatric Hospitals.
728. In 2014, to bring sanity in utilization, claims management and improve operations, the scheme will scale up the implementation of enhanced membership authentication and the e-claims systems across the country. The Ministry will increase membership of the Scheme by 9 percent to reach 10.15 million, with the informal sector constituting 35 percent. The cost of claims is projected at GH¢765 million, an increase of 12 percent.
729. Mr. Speaker, an evaluation of pilot capitation in Ashanti Region showed that there is a significant increase in utilization and claims for OPD specialist and referral cases. In addition, a new medicine list and tariff were revised during the course of the year and are currently being implemented. This will enhance efficiency and reduce false claims.
730. Mr. Speaker, the Ministry continued the rehabilitation and upgrading of Bolgatanga Regional Hospital and handed over the completed Tarkwa District Hospital. In addition, 19 CHPS compounds were constructed while works on 25 new CHPS compounds commenced. In 2014, the Ministry will begin the construction of CHPS compounds to upscale maternal and child health care services.
731. Mr. Speaker, under the National Medical Equipment Replacement Project, various medical equipment and machines including patient monitors, MRI scanners, X-ray machines, dental chairs, hospital beds were installed at Ridge Hospital, Tema General Hospital, Princess Marie Louise Children Hospital, 37 Military Hospital, Police Hospital, Maamobi General Hospital, Ga South District Hospital, Achimota Hospital as well as polyclinics at Korle Bu, Kaneshie and Drobo in the Brong Ahafo Region.
732. Mr. Speaker, the Ministry will by March 2014 complete and hand over 5 Polyclinics located at Bomaa, Techimantia, Wamfie, Kwatire and Nkrankwanta all in the Brong Ahafo Region.

733. Mr. Speaker, in 2014, the Ministry will undertake the rehabilitation or expansion of various Regional and District hospitals and Polyclinics across the country. These will include 20 percent upgrading of Ridge Hospital into a functional Regional Hospital, continuation of the rehabilitation of Bolgatanga Regional Hospital, completion of 50 percent new maternity facility and expansion of the Tema General Hospital, completion of maternity blocks at Tafo and Komfo Anokye Teaching Hospitals in Kumasi and refurbishment/ upgrading of Kaneshie Polyclinic into a District Hospital. The rehabilitation of Cape Coast and Ho Municipal hospitals as well as the Akuse and Mampong Akuapem hospitals will also commence in 2014.
734. Additional works are the rehabilitation of Bechem Hospital, construction of 5 Polyclinics in Greater Accra Region, rehabilitation of Axim Hospital, construction of National Blood Transfusion centres in Accra and Kumasi, construction of two Regional Hospitals in the Western and Eastern Regions, construction of District Hospitals at Adenta, East Mamprusi, Besease and Awutu (Central Region).
735. Other projects to be undertaken in 2014 include the construction of 10 polyclinics in the Central Region, construction of 1 Regional Hospital at Wa and 3 District Hospitals at Salaga, Tepa and Nsawkaw, construction 1 District Hospital and 5 polyclinics in the Western Region.

#### **Tertiary and Specialized Health Services Programme**

736. Mr. Speaker, various medical equipment and machines including patient monitors, MRI scanners, X-ray machines, dental chairs and hospital beds received under the National Medical Equipment Replacement Project were installed in the three teaching hospitals. New MRI and CT Scan Centres were established at Tamale and Korle Bu Teaching Hospitals. In addition, the pediatrics theatre of Korle Bu Teaching Hospital was renovated and new medical equipment installed.
737. In 2014, the Ministry will expand coverage of Clinical Specialist Outreach Programme in District and Regional Hospitals within catchment areas of Teaching Hospitals. The Ministry will sustain diagnostic activities and operational research into emerging diseases aimed at reducing maternal mortality while measures will be put in place to expand access to safe blood and blood products by 60 percent in 2014. The Ministry will also develop and implement the Mental Health Strategic Document for establishment of psychiatric wings of regional and district hospitals and increase the production of new cadre of community mental health officers from 109 by 20 percent.
738. The Ministry will improve access to herbal medicines by increasing production of assorted medicines from 18,000,000 to 25,000,000 millilitres.

739. To improve access to quality tertiary and specialized health services, the Ministry will complete 80 percent of civil works of the University of Ghana Teaching Hospital project, construct 15-30 percent of the Emergency Trauma and Acute Care Centre at KBTH and undertake major rehabilitation and upgrading of the Tamale Teaching Hospital. In addition, the Ministry will also complete 50 percent of rehabilitation works at Accra and Pantang Psychiatric Hospitals, undertake civil works at the Radiotherapy and Nuclear Medicine Centres at KBTH and KATH as well as complete and equip the Maternity and Children's blocks at KATH.
740. To expand access to specialized health services, the Ministry will complete the Re-constructive Plastic Surgery and Burns Centre, construct Urology and Nephrology Centre of Excellence and refurbish 65 percent of the children's block at KBTH. To improve access to quality tertiary and specialized health services, the Ministry will upgrade the Volta Regional Hospital to a Teaching Hospital and expand the 37 Military Hospital.

**Human Resources for Health Development and Management Programme**

741. The Sector's Human Resource Information System was piloted and the process of interfacing it with the Human Resource Management Information System of the Public Services Commission commenced.
742. Mr. Speaker, 1,360 Pharmacists were trained nationwide as part of the Ministry's continuing education programme for pharmacists while 191 house officers were posted to various community pharmacy sites nationwide. About 2,500 Licensed Chemical Sellers in Ashanti, Brong Ahafo, Greater Accra and Western Regions were trained while 143 newly qualified pharmacists were registered and inducted.
743. The Ministry will complete facilities for 3 out of 6 Nursing & Midwifery Training Colleges namely Goaso, Cape Coast, Agogo, Pantang, Hohoe and Wa. The Ministry will further undertake rehabilitation of selected Nurses & Midwifery Colleges.

**Health Sector Regulation Programme**

744. Mr. Speaker, a draft legislative instrument to operationalize the Health Facilities Regulatory Agency, Mortuaries and Funeral Facilities Agency and Ambulance Council under the Health Institutions and Facilities Act, Act 829, 2011, was completed.
745. The Ministry will control and regulate tobacco and substance abuse and conduct safety monitoring of drugs as well as regulate clinical trials and will also complete and furnish office complex for the Nurses and Midwives Council.



The Ministry will also construct office accommodation for the 5 newly created health institutions.

746. Mr. Speaker, the newly created Allied Health Professions Council started the registration of members, developed guidelines for accrediting training institutions and programmes and the conduct of professional licensure examinations. In 2014, the Council will continue with the registration of members and the development of its legislative instrument to operationalize the Health Professions and Regulatory Act, Act 857, 2012.
747. The Traditional Medicine Practice Council intensified special enforcement to get rid of charlatans in Eastern, Central, Volta and Greater Accra regions.
748. Mr. Speaker, a National Food Safety Policy was drafted by the Food and Drugs Authority to serve as a guide in the promotion of food safety in Ghana. A department was also established to tackle and ensure the safety of meat, poultry, eggs and honey products from primary production through processing to retailing in addition to strengthening food-borne disease surveillance.
749. The Ministry will implement a National Nutrition Policy targeted at children, adolescents and the aged.
750. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢3,353,707,814 has been allocated. Out of this GoG is GH¢1,208,823,013, GH¢1,363,622,800 is IGF and DP Funds is GH¢781,262,001.

## **MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION**

751. The Ministry exists to ensure gender equality through the mainstreaming of gender considerations, promoting the welfare and protection of children and empowering the vulnerable, the excluded, the aged and persons with disabilities through social protection interventions. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Gender Equality and Equity Programme**

752. Mr. Speaker, the Ministry drafted an Affirmative Action Bill to address the concerns of women in national development and will facilitate its enactment to promote the empowerment of women and mainstream gender into sector policies, plans and strategies. The Ministry will also conduct research on harmful cultural practices affecting women.

753. A total of 243 officials of the Department of Gender, Home Science Instructors of the Department of Community Development, District Planning Coordinating Unit and Staff of beneficiary districts in 9 Regions were trained on strategies to mainstream gender into planning, budgeting and monitoring. Gender Analysis Framework and Planning Templates were developed to guide DPCUs for the inclusion of Gender issues in planning processes.

**Children's Rights Promotion, Protection and Development Programme**

754. Mr. Speaker, the Ministry finalized the National Child Protection Policy to ensure the holistic protection and welfare of the Ghanaian child within a functional family welfare framework and also reviewed Early Childhood Care and Development Policy to improve ECCD services for children aged 0-8 years. The Ministry prepared a Consolidated Report on the implementation of the Convention on the Rights of the Child highlighting practical strides made to address the concerns of children.

755. The Ministry will finalize and disseminate the National Child Protection Policy as well as review and implement the Early Childhood Care and Development Policy. It will also promote the rights of children by creating awareness in communities and among stakeholders.

**Social Development Programme**

756. Mr. Speaker, in order to tackle extreme poverty and achieve the United Nations Millennium Development Goals, the Ministry provided grants to a total of 73,042 households under the Livelihood Empowerment Against Poverty (LEAP) to improve their socio-economic status, ensure the survival and development of their children as well as promote the welfare of the vulnerable and excluded in society. In addition, Electronic Payments of LEAP Grants was piloted in 3 Ecological Zones for purposes of ensuring timely transfer of cash to beneficiaries.

757. A Framework on National Targeting Mechanism to facilitate the implementation of other social protection interventions to reduce duplication of programmes and interventions was developed. The Ministry is also developing an M&E Framework and Manuals for LEAP to track progress, identify gaps and design timely interventions for implementation. In 2014, the Ministry will expand the implementation of the LEAP, to cover over 100,000 household beneficiaries.

758. Mr. Speaker, about 7,331 of the affected market traders in 4 markets were provided with cash grants to replenish their businesses as a result of fire outbreaks and thereby contributing to their empowerment and reducing poverty and vulnerability.

759. The Ministry facilitated the celebration of the National Day for the Aged to create awareness on the need to develop and implement relevant interventions. The Ministry will provide social welfare services to 1,200 aged.
760. Mr. Speaker, a total of 288 Persons With Disabilities (PWDs) were registered for better targeting of service delivery. The Ministry will provide timely, reliable and disaggregated data on PWDs and mainstream PWD issues into the national planning processes and facilitate the enactment of the L.I. on Persons with Disability Act.

### **Domestic Violence and Human Trafficking Programme**

761. Mr. Speaker, the Ministry developed guidelines to facilitate the disbursement of the Human Trafficking (HT) Fund for the protection, rehabilitation and reintegration of human trafficking victims. The referral strategy to link human trafficking victims to appropriate services was also drafted.
762. Communication Strategy on Domestic Violence (DV) issues was developed to facilitate educational campaigns and training for the prevention of gender-based violence and protection of survivors of gender-based violence. In addition, DV Victim Support Fund was launched to galvanize support for its growth and a training manual developed for DV Service Providers as well as for the sensitization of stakeholders on domestic violence.
763. Mr. Speaker, in 2014 the Ministry will facilitate the enactment of the HT and DV L.Is, implement the National Plan of Action and operationalize rapid response team for HT and DV matters. It will also provide professional psychosocial support for HT and DV victims and set up and operationalize the HT and DV Funds.
764. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢91,038,708 has been allocated. Out of this GoG is GH¢63,684,856, GH¢17,550 is IGF and DP Funds is GH¢27,336,302.

### **NATIONAL LABOUR COMMISSION**

765. The Commission exists to develop and sustain a peaceful and harmonious industrial environment by promoting and protecting the rights and responsibilities of employers and employees. The Commission also facilitates and settles industrial disputes through the use of effective dispute resolution mechanisms. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

**Facilitation and Settlement of Industrial Disputes Programme**

766. Mr. Speaker, the National Labour Commission received a total of 666 complaints from individuals, workers organizations/associations, trade unions and employers. A total of 322 were settled through facilitation and summary/formal hearings. Sixty-nine of the complaints were referred to mediation for settlement of which 54 were settled and the remaining 15 referred to voluntary arbitration for adjudication. Ten out of the 15 were resolved with 5 outstanding due to lack of consent by one party to settle at arbitration. The 5 will subsequently be heard by the Commission.
767. In 2014, the Commission will improve efficiency in its service delivery through effective and speedy facilitation of industrial disputes and disagreements and promote the use of Alternative Dispute Resolution Mechanisms in the settlement of industrial differences.
768. The Commission will also ensure prompt enforcement of its decisions, awards and orders in the Law courts where parties fail to comply. It will also respond promptly to appeals against its decisions, orders and directives.
769. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢2,378,174 has been allocated. Out of this GoG is GH¢2,378,174.

## **PUBLIC SAFETY SECTOR**

### **MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S DEPARTMENT**

770. The Ministry exists to provide a legal and policy framework within which legal services are efficiently and effectively delivered to ensure justice for all. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Law Administration Programme**

Mr. Speaker, the promotion of the rule of law brings about stability which also leads to development. In this regard, the Ministry prepared 31 substantive legislations and 19 subsidiary legislations. The Prosecutions Division of the Ministry prosecuted 2,104 criminal cases out of which 84 resulted in convictions, 10 in acquittals, 453 pending determination, 1,191 advised on, among others.

771. Under the Legal Aid Scheme, 8,000 cases were handled through the provision of Alternative Dispute Resolution. In order to break the physical, economic and social barriers in accessing justice, the Legal Aid Scheme will strengthen the implementation of the "Justice For All" programme with the introduction of weekend courts and small claims courts.
772. Mr. Speaker, to improve the training and practice of the legal profession, the Council for Law Reporting printed and disseminated 2,000 copies of the 2008 - 2009 Vol. I & II of Ghana Law Reports (GLR). In 2014, the Council for Law Reporting will continue to deepen the training and practice of law by printing the following documents:
- 4,000 copies out of stock Ghana Law Reports and Review of Ghana Law;
  - 2,000 copies of 2003 - 2005 / 2006 -2007 volumes 1 & 2 GLR;
  - 2,000 copies of 2010 - 2012 volume 1 & 2 of GLR; and
  - 2,000 copies of review of Ghana Law (2006 - 2007) volume 1 & 2.
773. Mr. Speaker, the Registrar-General's Department registered 6,786 sole proprietorships, 39 partnerships, 3,993 companies limited by shares, 941 companies limited by guarantee, 27 external companies, 52 subsidiary business names and 841 marriages.
774. The Copyright Office also registered 1,495 works of art, undertook public education on Copyrights and Intellectual Property Rights and conducted 25 anti-piracy exercises to reduce high incidence of pirated works. The Office will

develop a policy framework and enforce existing legal and regulatory frameworks for the development of the Creative Arts Industry.

775. Mr. Speaker, the Law Reform Commission produced three draft reports for consideration. These are Criminal Injuries Compensation Law, Marriage Registration Law and the Law Reform Act. The Intestate Succession Bill and Property Rights of Spouses Bill are being reviewed by the Law Reform Commission to correct the anomalies in the current Regulations.

**Management of Economic and Organized Crime Programme**

776. Mr. Speaker, the Economic and Organized Crime Office in trying to improve its working environment completed the Head Office building and regional offices. To promote effective and efficient anti-corruption systems, transparency and accountability. The Office will continue with its awareness creation on economic and organized crime through public education and will facilitate the prosecution of offenders and recover proceeds from crimes committed.

**Legal Education Programme**

777. Mr. Speaker, the General Legal Council admitted 30 lawyers to the bar, licensed 1,016 and 251 lawyers and law firms respectively. In addition, 260 Law Students have been trained and yet to be called to the bar. The General Legal Council is training 496 Law Students and 30 career magistrates in professional Law and career magistrate course to improve upon justice delivery in the country.
778. To enhance the quality of justice delivery in the Country, the Board for Legal Education of the General Legal Council anticipates calling 270 Lawyers to the bar. This will add to the existing number of Legal Practitioners in the Country to help improve on the entrenchment of the Rule of Law. In addition to the above, 40 trained career magistrates will be called to the bench
779. The General Legal Council will investigate 30 complaints bordering on professional misconducts to improve on the professional conduct of lawyers and uphold ethical standards within and among the legal fraternity. The Council will also license 1,750 Lawyers and 300 law firms to aid proper regulation of private legal practice in Ghana. The Ghana School of Law will train 40 lawyers in specialized Commonwealth Legislative Drafting to aid the enactment of good laws.
780. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢64,494,995 has been allocated. Out of this GoG is GH¢56,570,544, and GH¢7,924,450 is IGF

## **MINISTRY OF DEFENCE**

781. The Ministry is charged with the responsibility of formulating and managing the implementation of policies aimed at safeguarding the sovereignty and territorial integrity of the nation as well as ensuring the protection of life and property. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Ghana Armed Forces Programme**

782. Mr. Speaker, to enhance the safety of personnel, the GAF will take delivery of personnel gear and other military equipment and also step-up troop maintenance through feeding, provision of clothing and medical service.
783. As part of the continuous modernization of the GAF, fighting and other vehicles will be procured. The on-going housing and other infrastructural projects to reduce the housing deficit facing the GAF will be completed.
784. Mr. Speaker, the government's aim of protecting the security of the nation is paramount. In this regard, GAF in collaboration with other security agencies helped to combat violent crimes as well as checked illegal logging and mining to curb environmental degradation. It effectively monitored all our land borders and contributed troops and equipment towards international peace keeping operations. In 2014, GAF will continue to collaborate with other security agencies to provide security to the citizenry and protect the country's land borders.
785. Mr. Speaker, Ghana Navy provided security for the off-shore oil and gas fields and effectively monitored and controlled our marine resources. The Navy will undertake the docking and maintenance of Naval platforms to enable it effectively protect the Nation's territorial waters and oil facilities.
786. Mr. Speaker, the Ghana Air Force also provided adequate surveillance of our airspace and international borders and improved troop lift capacity by air for emergency and peace support operations.

#### **Military Health Service Programme**

787. Mr. Speaker, the preparatory works for the construction of a 500 bed capacity second Military Hospital in Kumasi were completed. The construction of the hospital will help improve the health conditions of men and women of the armed forces. In 2014, GAF will commence construction works on this project.

#### **Armed Forces Capacity Building Programme**

788. Mr. Speaker, the Military Academy and Training Schools (MATS), Ghana Armed Forces Command and Staff College (GAF CSC) and the Kofi Annan International Peacekeeping Training Centre (KAIPTC) continued to undertake capacity building of GAF personnel for both internal and external operations. The Ghana Armed Forces carried out training programmes for 150 Other Ranks, 118 Officer Cadets and commissioned 52 Officer Cadets into the Ghana Armed Forces (GAF). It also conducted operational level training for 67 Staff Officers at the Ghana Armed Forces Command and Staff College (GAF CSC) and recruited 850 Other Ranks. In 2014, GAF will continue with the capacity building of personnel for both internal and external operations.
789. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢687,254,558 has been allocated. Out of this GoG is GH¢531,615,816, GH¢11,347,530 is IGF and DP Funds is GH¢144,293,212.

### **COMMISSION ON HUMAN RIGHTS AND ADMINISTRATIVE JUSTICE**

790. The Commission exists to enhance the scale of good governance, democracy, integrity, peace and social development by promoting, protecting and enforcing fundamental human rights and freedoms and administrative justice for all persons in Ghana. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Human Rights Programme**

791. Mr. Speaker, the Commission completed the baseline survey and drafted the National Human Rights Action Plan to deal with the promotion and protection of fundamental rights in a comprehensive, holistic and systematic manner. It also completed investigations into 10,500 complaints and conducted about 800 public education programmes in rural communities and schools.
792. Mr. Speaker, the Commission will complete the development of the National Human Rights Action Plan and submit to Parliament for consideration and approval. The Gender policy and action plan and other recommendations of the Gender Assessment of the Commission will be developed to educate the public on human rights in 3000 communities and schools. The Commission will also investigate about 11,000 human rights complaints as well as monitor the state of human rights and issue the state of human rights report.

##### **Administrative Justice Programme**

793. Mr. Speaker, to effectively administer justice, the Commission worked with heads of public sector institutions to promote understanding of its



administrative justice oversight role. It also completed investigations into 1,043 complaints and intensified its public education on administrative justice.

794. In 2014, the Commission will review administrative decisions, actions and procedures of MDAs to ensure fairness, transparency and efficient service delivery. The Commission intends to promote the principles of good administration and conduct by assisting MDAs develop their Client/Service Charters. Furthermore, the Commission will educate the public to demand better services from duty bearers and also investigate about 1,500 complaints of maladministration, unfair treatment and abuse of office by public officials.

#### **Anti-Corruption Programme**

795. Mr. Speaker, the Commission continued to work on the National Anti-Corruption Action Plan and was made the focal point for the preparation of the Self-Assessment Checklist for the 2013 United Nations Convention against Corruption. In 2014, the Commission will provide training for heads of departments on the Code of Conduct, enforce the Code of Conduct for public officers, intensify public education on corruption, monitor the implementation of the NACAP by other stakeholders, and investigate complaints/allegations of corruption.
796. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢26,396,851 has been allocated. Out of this GoG is GH¢13,646,789, and DP Funds is GH¢12,750,062.

#### **JUDICIAL SERVICE**

797. The Service exists to resolve legal conflicts according to law, impartially and efficiently for all persons without fear or favour, affection or ill-will through true and proper interpretation, application and implementation of the laws of Ghana. Key achievements for 2013 and outlook for 2014 are as follows:

#### **2013 Performance and Outlook for 2014**

##### **Courts Administration Programme**

798. Mr. Speaker, the Judicial Service will continue the weekend Courts programme in Accra and also extend it to the Volta and Ashanti Regions. It will introduce the Commercial Court concept in the Circuit Courts; as a result of which additional court automation equipment and vehicles for the Superior and Lower Court Judges will be acquired. It will also undertake the furnishing of some selected Courts.

##### **Alternative Disputes Resolution Programme**

799. Mr. Speaker, to reduce the number of cases adjudicated in the traditional courts, 6,500 cases were referred to and mediated under the Alternative Dispute Resolution (ADR) Mechanism. This resulted in the settlement of 4,000 cases representing 61percent of cases referred to ADR
800. In 2014, the Service will continue to intensify the propagation of the principles of Alternative Dispute Resolution to reduce the backlog of cases in the Courts and to mainstream ADR into the Court processes. Furthermore, the Service will connect 10 additional courts to handle 10,000 cases to be referred to them of which 7,500 will be settled. This will represent 75 percent of cases to be settled.
801. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢189,474,071 has been allocated. Out of this GoG is GH¢186,162,729, GH¢2,246,720 is IGF and DP Funds is GH¢1,064,622.

## **MINISTRY OF THE INTERIOR**

802. The Ministry exists to ensure the maintenance of internal security within the laws in Ghana to promote peaceful development. Key achievements for 2013 and outlook for 2014 are as follows:

### **2013 Performance and Outlook for 2014**

#### **Conflicts and Disasters Management Programme**

803. Mr. Speaker, conflicts and disaster management is one of the key issues that the Government pursued. The National Commission on Small Arms continued with public education and sensitization programmes on the dangers and impact of illicit arms and gun violence and organized workshops to review and harmonize Legislation on Firearms to conform to international conventions and best practices. The Commission also facilitated the marking of about 10 percent of arms in the custody of the Ghana Armed Forces in the Greater Accra Region under the first phase of the National Arms Marking Project.
804. In 2014, the National Commission on Small Arms in continuing with the successes that have already been achieved, will intensify public education and awareness on armed violence and the National Arms Marking Project, mobilizing blacksmiths into associations and pursue the skills development and alternative livelihood schemes. The Commission will continue to sensitize, collect and destroy confiscated weapons from all regions.
805. Mr. Speaker, in collaboration with the University of Cape Coast, the National Peace Council (NPC) undertook a study to map out conflict zones in Ghana in

order to analyze the spatio-temporal dynamics of conflicts; examined the underlying causes and status of various conflicts; appraised the management strategies; and explored policy interventions to conflicts. The Northern Region was selected as the case study for the first phase.

806. In 2014, the National Peace Council will organize training programmes for Regional and Districts Peace Councils to operationalize the NPC Act and also mediate in potential conflicts as well as create awareness on non-violent responses to conflicts.
807. Mr. Speaker, the National Disaster Management Organization (NADMO) continued the implementation of its Flood Disaster Preparedness Programme by desilting and widening the main river channels of the Kpeshie, Mokuse, Gbeemi, Lafa, Odaw in Accra and Tema Metropolis to increase their capacity to prevent flooding. The Organization also completed the first phase of the Wasakuse dredging project in Big Ada which benefitted farmers and fisherman in the area. Training in disaster risks management was organized for 10 Regional Coordinators, 216 District Coordinators, Platform Members, Disaster Technical Advisory Committee Members and the Parliamentary Select Committee for Defence and Interior. NADMO will continue to embark on public education campaigns on disaster management, equip District Disaster Volunteer Groups and support disaster victims with relief items.
808. Mr. Speaker, the Ghana National Fire Service carried out public education in over 300 establishments and companies nationwide including MMDAs and lorry parks. The Service trained 542 civilians to augment the Anti-Bush Fire Volunteers nationwide and a total of 5,091 fire certificates were issued after undertaking fire inspection activities. The Service attended to 3,211 fire outbreaks and responded to 187 road traffic accidents. Three hundred personnel were trained and passed out into the Service.
809. In 2014, the Service will carry out anti-bush fire campaigns and train fire volunteer squads in the rural communities, procure fire-fighting equipment and embark on media discussions on disaster risk reduction.

### **Crime Management Programme**

810. Mr. Speaker, in an attempt to reduce crime, the Narcotics Control Board intensified its enforcement and control activities which resulted in the seizure of a total gross weight of 319.06 kilograms of various narcotic drugs. The Board also stepped up its operations in the fight against the abuse and trafficking of illicit narcotic drugs, precursor chemicals as well as psychotropic substances.
811. In 2014, the Board will organize sensitization programmes for District Assemblies, Schools as well as on TV and Radio Talk shows and will also

embark on special operations for interdiction, running of informants and Inter-Agency Collaboration.

812. Mr. Speaker, the Ghana Police Service continued to maintain peace and order in the country before and after the 2012 Presidential and Parliamentary Elections and quelled the ethnic, communal conflicts and attacks that erupted in some parts of the country particularly Yendi, Bawku, Nkonya, Alavanyo, and Kumasi.
813. Through the establishment of a Patrol Department, the Service increased frontline policing including highway patrol, tent city and community police activities, static men and vehicles for visibility and accessibility in Accra, Tema and Kumasi. It also embarked on regular swoops leading to arrest of some hardened criminals and drug pushers in their hideouts in the major cities.
814. Mr. Speaker, the Police-Population Ratio (PPR) improved from 1:824 in 2012 to 1:747 in 2013 as a result of improvement in the staff strength which increased from 29,117 in 2012 to 32,117.
815. To aid the operations of the Police, two mobile clinic vans, communication equipment, 6 marine police speed boats and 14 "Maverick" armoured vehicles were acquired. In addition, the Service established a Marine Police Unit in the Western Region to protect the oil and gas industry.
816. In 2014, the Service will intensify the visibility project, day and night patrols on the highways, commercial and residential suburbs of the major cities across the country. It will also expand the intelligence-led policing through the reward to informant system.
817. Mr. Speaker, in line with government's social justice policy, the Ghana Prisons Service continued the construction of the second phase of the Ankaful Maximum Security Prison to facilitate the reformation and rehabilitation of prisoners, provide accommodation to officers and safe custody of prisoners. Regarding Inmates' Education, 52 and 45 inmates were prepared and presented for NVTI and Basic Education Certificate Examination respectively for 2013 while 10 candidates were also prepared to write the November/December WASSCE.
818. To ensure safe custody and welfare of prisoners, the Ghana Prison Service will provide skills training and formal education for convicted prisoners and juveniles in custody. The Service will also procure plant and equipment as well as agriculture machinery to improve agricultural output.

### **Migration and Refugee Management Programme**

819. Mr. Speaker, the Ghana Immigration Service (GIS) ensured greater enforcement of Immigration laws at the entry points of the country's borders. Six Hundred and Sixty-One foreigners have been arrested and 735 people of various nationalities were refused entry into the county for failing to meet arrival conditions while 445 cases of fraudulent nature were intercepted at the Kotoka International Airport.
820. The operations of the Border Patrol Unit of the Service was enhanced by the installation of Border Surveillance Systems (CCTV and WIFI Systems) at 15 out of 17 strategically selected Border Control Points throughout the country.
821. The Ghana Immigration Service will continue to process passengers at the various entry points and issue visas, work and residence permits effectively and efficiently. The Service will also organize educational campaigns to sensitize the public on migration and work permits. The inspection of factories, hotels, churches, dwelling places and mining sites will be intensified to weed out illegal immigrants.
822. Mr. Speaker, the Service will also undertake rigorous enforcement of immigration laws, intensify border surveillance and on-the-spot-checks and create a Special Rapid Response Unit. Furthermore, the Service will undertake regular revenue monitoring exercises, update skills and resource revenue collectors to enhance their capacity to improve revenue generation.
823. The Ghana Immigration Service will continue the development of a National Migration Policy to minimize the negative impact and optimize the potential impact of migration for Ghana's development.
824. Mr. Speaker, in the area of refugee management, the Ghana Refugee Board in collaboration with other stakeholders produced and issued travel documents to refugees in the country. In the coming year, the Board will continue to assist in the care and general wellbeing, maintenance and management of refugees and asylum seekers in the country.
825. Mr. Speaker, for the implementation of the above programmes, an amount of GH¢1,013,251,214 has been allocated. Out of this GoG is GH¢963,777,060, GH¢11,145,410 is IGF and DP Funds is GH¢38,328,744.

## **SECTION SIX: SOCIAL PROTECTION, POVERTY REDUCTION EXPENDITURES AND PROGRESS TOWARDS ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS**

### **GOVERNMENT SPENDING ON POVERTY REDUCTION RELATED ACTIVITIES AND SOCIAL PROTECTION:**

826. Mr. Speaker, Government has expressed a renewed commitment at rationalizing social protection policies and expenditures in order to ensure that efficient, well-targeted interventions necessary to improve the lives of the vulnerable are implemented in 2014. The evidence of this renewed commitment is the realignment, by His Excellency the President, of the former Women and Children Affairs Ministry into the Gender, Children and Social Protection Ministry which has, as one of its mandates, to comprehensively, address social protection issues in Ghana. The Ministry has been mandated to develop a comprehensive and well-coordinated social protection strategy.
827. The Ministry in collaboration with relevant stakeholders is coming up with social protection floors aimed at preventing or alleviating poverty, vulnerability and social exclusion. The guarantees of social protection floors are expected to ensure that, over the life cycle, people who are in need have access to at least critical health care, food and basic income security.
828. Mr. Speaker, Government's decision to intensely pursue the implementation of social protection strategies, by introducing new interventions while improving on existing ones, is on the back of Ghana's attainment of middle income status where the general view has been that economic growth is usually achieved at the expense of social service provision. Government, therefore, recognizes the need to consciously provide basic goods and services to individuals, families who are poor or vulnerable to mitigate, prevent or cope with economic, social, natural and other shocks that affect their livelihood and survival. Some of these risks include floods, drought, fire, economic slow-down, social exclusion and inequalities with respect to geographical locations and differences in demographic characteristics.
829. In recent times, Government has chalked up success in the implementation of the Livelihood Empowerment Against Poverty (LEAP) which is the flagship cash transfer programme of Ghana's National Social Protection Strategy. Over the period of its implementation, LEAP has benefitted many families through improved food security; better nutrition; increased enrolment in the National Health Insurance Scheme as well as an increase in families seeking preventative care services among others.

830. By mid-year of 2013 the coverage had reached about 73,000 households in all 10 regions of the country and Government plans to extend the programme to 100,000 by close of 2013. It is estimated that 150,000 households will be covered by close of the year 2014. The Ministry will improve the targeting of LEAP using more efficient data collection as well as expansion in the coverage of the programme to ensure that the impacts already achieved are not only deepened, but also have a lasting effect on the lives of a greater number of beneficiaries, their families and wider communities.
831. Mr. Speaker, to protect the health of its citizens, the National Health Insurance Scheme was launched a decade ago. The NHIS is a particularly significant social protection mechanism in that the poor pay no premia and this has reduced a significant risk factor for many of our poor people. Government will in 2014 continue to strengthen the scheme, ensuring better access of the poor to health care whiles the Ministry of Health intensifies its preventive health programmes

#### **SECTORAL PRO-POOR SPENDING FOR JANUARY – SEPTEMBER, 2013 AND OUTLOOK FOR 2014**

832. Mr. Speaker, for 2014, reducing the incidence of poverty and preventing the vulnerable from entering into poverty remains a key priority of the Government of the National Democratic Congress. The pro-poor expenditures support the provision of basic education, primary health care, poverty-focused agriculture, rural water, feeder roads and rural electrification. Consistent with the above important objectives, Government has improved on pro-poor spending levels and put in place measures to increase the efficiency of resources committed to such programmes. It has also instituted measures to ensure that there is proper targeting, that eligible persons and households are supported to make a living and that data on such spending is captured. In the relevant sectors, strengthening monitoring and evaluation continues to be the focus, to improve on spending.
833. Out of a total budget of GH¢23,241.7 million for 2013 (which excludes tax expenditures and foreign-financed capital expenditures), an amount of GH¢5,366.3 million, representing 23.09 percent was earmarked for poverty reduction activities. By the end of September, 2013, a total of GH¢4,332.3 million was spent, representing 27.3 percent of the total Government expenditures of GH¢15,849.1 million.
834. Total Government spending on pro-poor activities for 2014, is estimated at GH¢6,315.2 million representing 23.97 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.

835. Mr. Speaker, within the sectoral pro-poor expenditures, there are specific priority interventions that are worth mentioning. These include programmes in support of education, improvement of sanitation and waste management in cities and towns, the Savannah Accelerated Development Authority programmes, rural water, disaster management and youth employment programmes among others. Such spending is included in the reporting on sectoral poverty reduction spending below.

### **Education Sector**

836. In the Education Sector, planned expenditure for 2013 was GH¢3,783.9 million. Of this amount, GH¢1,975.5 million, representing 52.21 percent was expected to go into basic education expenditure. By the end of September 2013, a total of GH¢3,211.5 million was utilized, out of which GH¢1,789.0 million, representing 55.71 percent, went into basic education expenditure.
837. For 2014, an amount of GH¢6,147.5 million has been allocated for the entire Education Sector. Of this amount, GH¢2,781.7 million, representing 45.25 percent, will go into basic education expenditure.
838. As part of planned SIPs in 2014 for the education sector, an amount of GH¢101 million will be spent on the completion of education infrastructure, removal of "Schools Under Trees", Senior High Schools 'Quick Fix' Projects and community day Senior High School projects; GH¢10.0 million will be invested in free school uniforms; provision of free exercise books to pupils in deprived communities will receive GH¢10.0 million. The Capitation Grants scheme will receive GH¢25.4million while GH¢14.1million and GH¢60.8 million have been allocated for the BECE and SHS subsidies respectively. Government scholarships for the pursuit of further education will be supported with GH¢15.0 million.

### **Health Sector**

839. Of a total amount of GH¢1,010.0 million budgeted for the Health Sector in 2013, 72.63 percent, representing GH¢733.6 million, was earmarked for Primary Health Care programmes. Out of the total amount of GH¢1,769.2 million spent by end of September, 2013 within the Health Sector, Primary Health Care programmes received GH¢617.4 million representing 34.9 percent of total Health Sector expenditure.
840. An estimated amount of GH¢2,288.7 million has been earmarked for the Health sector for 2014. Primary Health Care programmes will receive 34.01 percent of this allocation, representing GH¢778.4 million.



841. In 2014, government will continue the construction of Community Health, Planning and Services (CHPS) Compounds to improve equitable access to healthcare.

### **Agriculture**

842. Total budgeted expenditure for the Agriculture Sector was GH¢184.0 million. By the end of September 2013, GH¢92.2 million was spent. About GH¢84.1 million of this expenditure, representing 91.23 percent, was spent on the Fertilizer Subsidy programme and the establishment of Agricultural Mechanization Service Centres, among others to boost agricultural production.

843. For 2014, a total of GH¢226.3 million has been allocated for this sector. About GH¢214.9 million of this allocation, representing 94.5 percent, is to be spent on poverty focused Agriculture. These include spending on Coastal Fishing Harbours and Landing sites, Fisheries and Aquaculture Infrastructure, the Fertilizer Subsidy programme and the Agricultural Mechanization Service Centres, among others.

### **Water, Housing and Works**

844. For the Water Resources, Works and Housing sector, an amount of GH¢143.2 million was budgeted for 2013. By the end of September, an amount of GH¢199.3 million was spent on the entire sector out of which GH¢19.0 million was spent to improve the access of Rural dwellers to potable water, promote good health and promote economic usage of water in rural areas.

845. An amount of GH¢90.9 million has been budgeted for the Water Resources, Works and Housing sector for fiscal year 2014; of this, GH¢20.8 million, is to be spent on Rural Water.

### **Transport**

846. The Transport Sector, with an annual budgeted expenditure of GH¢139.5 million for 2013 had by the end of September 2013, spent an amount of GH¢335.7 million. Of this, Feeder Roads projects utilized GH¢74.9 million constituting about 22.32 percent of the actual sector expenditure.

847. For 2014, an amount of GH¢104.2 million is planned to be used on Feeder Roads projects under the Roads and Transportation sectors. This constitutes about 20.68 percent on the annual budgeted expenditure of GH¢503.7 million for the sector.

### **Energy**

848. The amount budgeted for the Energy Sector in 2013 was GH¢170.1 million. Of this, planned expenditures for providing electricity for rural dwellers was GH¢111.4 million. Actual Energy sector expenditures, by the end of September,

2013 was GH¢932.0 million, with GH¢398.3 million spent on Rural Electrification activities, both for residential use and to support the expansion of small-scale production.

849. The amount budgeted for the entire Energy Sector for 2014 fiscal year is GH¢604.4 million, out of which GH¢303.7 million is planned to be spent on rural electrification.
850. Specifically, the Energy sector will receive an amount of GH¢20.0 million for the Self Help Electrification Project (SHEP) to provide electricity for rural dwellers.

### **Other Poverty**

851. A total amount of GH¢1,350.6 million was spent on "Other Poverty" related activities representing 8.52 percent of total Government expenditure. The "Other Poverty" expenditures include spending on social welfare, public safety, drainage, human rights, environmental protection, rural housing, legal aid, decentralization among others.
852. For 2014, an amount of GH¢2,111.5 million is planned to be used on "Other Poverty" related activities representing 8.02 percent of total Government expenditure.
853. The Livelihood Empowerment Against Poverty (LEAP) programme will be supported with an amount of 38.0 million.
854. The Savannah Accelerated Development Authority (SADA), established to address the development gap between the northern savannah and the rest of Ghana, has been allocated an amount of GH¢20.0 million in 2014.
855. In 2014, the Central Regional Development Commission (CEDECOM) will be funded with an amount of GH¢20.0 million to enable it implement its work programme, which includes support to small-scale entrepreneurs and other employment generation ventures.

### **PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS**

856. Ghana, since the initiation of the Millennium Development Goals, has made significant progress towards reducing poverty; improving access to education; reducing gender disparities in primary education; 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 Ghana achieve these targets by 2015.

Below are details of Ghana's progress towards achieving the Millennium Development Goals:

**Goal 1: Eradicate extreme poverty and hunger**

857. 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

858. The GLSS 2005/6 indicated that poverty in Ghana was reduced from 52 percent in 1992 (about 7.9 million persons) to 29 percent in 2006 (or about 6.3 million persons). Fieldwork for GLSS-6 will provide, by the end of this year, updated information on the incidence of poverty to ensure better targeted interventions to further address poverty and inequalities.

Target 1C: Halve the proportion of people who suffer from extreme hunger by 2015

859. The main indicator monitored here is the prevalence of underweight children below 5 years of age. Ghana has met the target of reducing by half, the number of underweight children under 5 years. It may, however, be noted that stunting among children under 5 years still remains high at 28 percent. To sustain the progress and address the issue of stunting, the Ghana School Feeding Programme and attention to breast feeding are being pursued to improve nutrition in children.

**Goal 2: Achieve universal primary education**

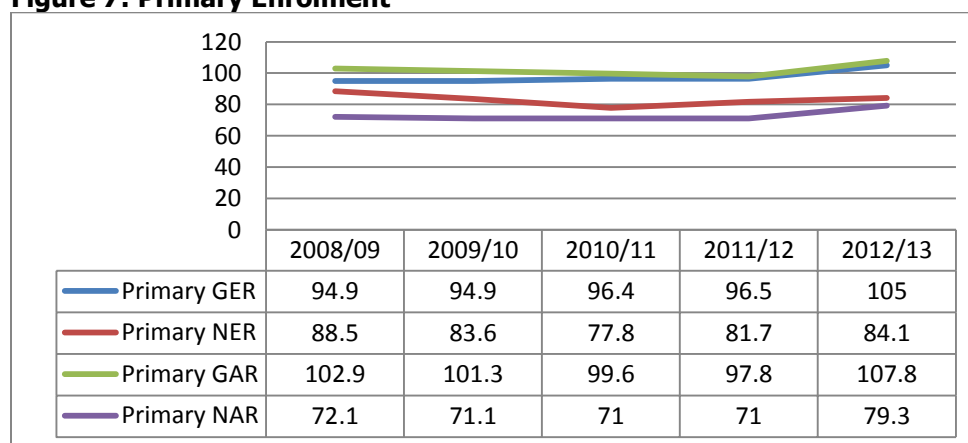
Target 2A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

860. Government continues to fund a number of interventions namely capitation grants, free school uniforms, free exercise books and subsidies to ensure that children are enrolled and are able to complete basic education.
861. This support appears to have positively impacted progress in access to all levels of basic education, with all indicators improving in 2012/13 except for

admission rates to JHS, though these trends change slightly when adjusted for population data.

862. Total enrollment at the kindergarten level is currently at about 1.6 million, and increased by 61,191 pupils in the 2012/13 academic year. The GER increased to 113.8 in 2012/13. Official age enrolment also continued to increase, giving an NER of 74.8.
863. Both gross and net enrolment ratios at the primary level increased at 105 and 84.1 percent respectively, in 2012/13 academic year. Admission into primary 1 saw a similar trend to overall enrolment ratios. Also worth noting is the increase in admission ratios from the previous year, both for total admission (107.8) and admission of 6-year olds (79.3) using the unadjusted population data. Enrolment ratios are lower for deprived districts than for the national level, and saw a decrease in 2012/13 as compared with 2011/12.
864. Completion rates improved significantly at the primary level at 112 percent, surpassing the Ghana Education Sector Plan (AESOP) target of 100 percent. However, a large portion of this annual increase was due to the population adjustment.

**Figure 7: Primary Enrolment**



Source: Education Sector Performance Report

865. At the Junior High School Level, the growth in enrolment seen in recent years continued. The Gross Enrolment Ratios and Net Enrolment Ratios for 2012/13 academic year are at 82.2 and 47.8 respectively.
866. 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. The number of students enrolled in Senior High Schools increased from 758,468 in 2011/12 to 842,587 in 2012/13, although due to the adjustment with 2010 PHC data the gross enrolment ratio appeared to fall narrowly to

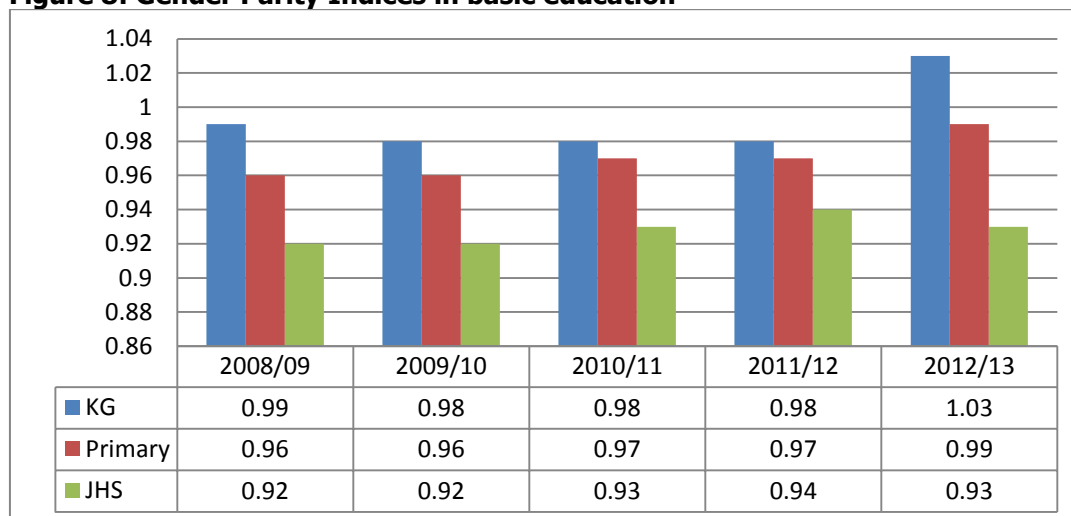
36.8. Transition from Junior High School to Senior High School also increased by 10 percentage points from the 2011/12 academic year. The completion rate for males is almost 6 percentage points higher than for females.

### 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

867. 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.
868. According to the Education Sector Performance Review of 2012, progress was made towards gender equality in 2012/13. Using the new population data, gender parity has been surpassed in KG, with a higher proportion of girls being sent to KG than boys for the 4 to 5 year-old age group. Gender parity is almost met at the Primary level, with a GPI of 0.99, but there is still some way to go for JHS where the GPI is 0.93.

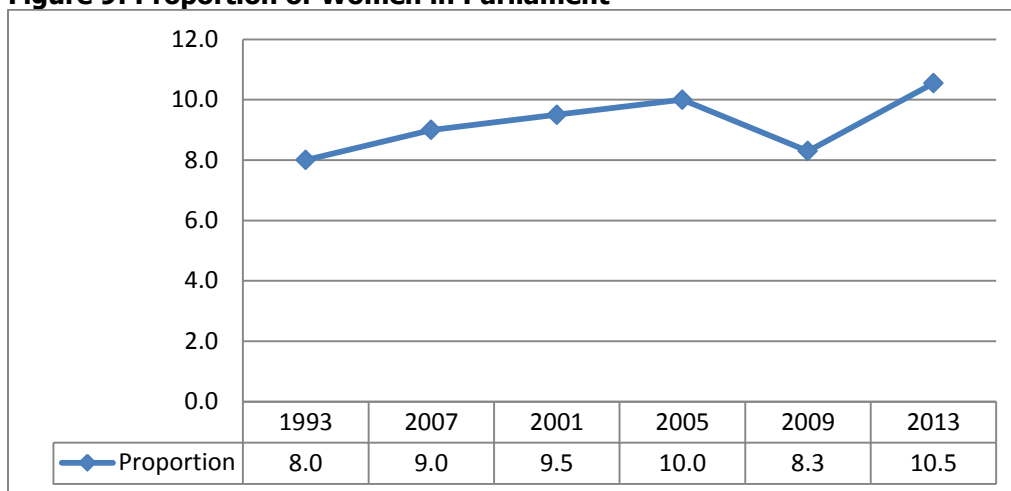
**Figure 8: Gender Parity Indices in basic education**



Source: Education Sector Performance Report

869. At the Senior High School level, enrolment and achievement remains unequal for boys and girls. In 2012/13 the proportion of SHS enrolment made up of girls increased to 45.9 percent. The GPI in 2012/13 stands at 0.86. More boys finish SHS than girls do, as shown by the higher completion rates for boys than girls.
870. 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 percent up from 8.3 percent in 2009. The trend in women's participation in Parliament is shown in figure 9.

**Figure 9: Proportion of Women in Parliament**



Source: Parliament, 2013

#### **Goal 4: Reduce Child Mortality**

Target 4A: Reduce by two-thirds between 1990 and 2015 the Under-five Mortality Rate

871. Ghana's Under-five mortality declined from 167 per 1000 live births in 2000 to 82 deaths per 1,000 live births in 2011 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. The national average rates have however remained stagnant since 2008. However, there are significant regional variations, with some regions such as Upper West being able to reduce their child mortality rate by 50 percent while some have only achieved marginal improvements.
872. Institutional Infant Mortality Rates (iIMR) improved significantly in 2012 with more than 50 percent reduction in infant deaths. Immunization rates have been consistently high and the reduction in vaccine preventable diseases may have contributed to this reduction in institutional rates of infant deaths. Ghana has not recorded any deaths due to measles since 2003.
873. Institutional under five mortality also improved significantly in 2012 with more than 50 percent reduction overall, possibly a reflection of improvement in access to care. All districts experienced reductions with some in the Upper West region having a reduction of 91 percent. Health Insurance coverage and community management of malaria, diarrhea and acute respiratory infection are the main interventions that have improved access to care in the districts and communities.

874. With the scale-up of the Community Health Planning and services (CHPS) interventions, increased Expanded Programme of Immunization (EPI) coverage, increased use of Insecticide Treated Nets (ITNs) and improved coverage of skilled deliveries since 2008, child health will hopefully improve as we near the MDG target year.

### **Goal 5: Improve Maternal Health**

Target 5A: Reduce by three-quarters, between 1990 and 2015 the Maternal Mortality Ratio (MMR)

875. Ghana's efforts to improve on maternal health have made a progressive change in the Maternal Mortality Ratio. However, achieving the MDG 2015 target of 185 per 100,000 live births (from survey results) and 50 per 100,000 live births (from iMMR) remains challenging. Recognizing the importance of tackling this issue, Government is implementing the comprehensive MDG 5 accelerated framework (MAF) to improve the country's maternal health and assist in attaining the MDG 5 target.
876. An evaluation of the free Maternal Health Service initiative has confirmed the national trend of an increasing use of health facilities for deliveries by pregnant women. Over the past 3 years, supervised delivery coverage has increased by 28.2 percent and over the past 5 years by 66.5 percent. Coverage of supervised deliveries in 2012 was 58.5 percent which represents an increase of 6.7 percent over 2011. The Multiple Indicators Cluster Survey (MICS) showed that Ghana had a skilled attendant at delivery coverage of 68.4 percent. The good performance can be attributed to improved access from the free maternal health care policy and also improvement in data collection.
877. Institutional Maternal Mortality (iMMR) dropped significantly from 211 maternal deaths per 100,000 live births in 2011 to 193 in 2012. Though various hospitals have initiated interventions which are improving on maternal health, other facilities do not appear to be having such success.
878. Some of the top causes of maternal deaths are high blood pressure, hemorrhage after childbirth and abortion. Other causes include sub-standard drugs which affect positive outcomes during maternal emergencies. This is being investigated by the Food and Drugs Authority.

### **Goal 6: Combat HIV/AIDS, Malaria and other diseases**

Target 6A: Halt by 2015 and reverse the spread of HIV/AIDS



879. The HIV prevalence rate in Ghana continues to be stable. From 1.9 percent in 2009 to 1.7 percent in 2011, the HIV prevalence rate according to the Ghana AIDS Commission was at 1.3 percent for 2012. The number of HIV Clients receiving ARV therapy increased from 59,007 in 2011 to 73,339 in 2012.

Target 6C: Halt by 2015 and reverse the incidence of Malaria and other major diseases

880. Ghana's Malaria Control Programme aims at reducing deaths and illnesses due to the malaria disease by 75 percent by 2015 in line with the attainment of the Millennium Development Goals (MDGs). Malaria case fatality rate (CFR) among under-5 year olds reduced marginally from 0.87 percent in half year 2012 to 0.80 percent in June, 2013.

881. Transmission of guinea worm has been interrupted and there has not been a single case in Ghana since May 2010. The country continues to maintain surveillance for guinea worm. The World Health organization (WHO) has requested that the surveillance system be improved to ensure the country is certified as guinea worm-free.

882. Tuberculosis treatment success rate continues to improve although at 86.2 percent. The adverse outcomes of TB reduced from 16.7 percent to 13.8 percent and the fieldwork to determine the national prevalence of tuberculosis has been started.

883. To contain rubella measles throughout the country, the Ministry of Health embarked upon mass immunization campaign in which 921,025 children under-5 were vaccinated.

### **Goal 7: Ensure Environmental Sustainability**

Target 7C: Halve by 2015, the proportion of persons without sustainable access to safe drinking water and basic sanitation

884. Access to improved sources of drinking water came in slightly under the set target of 80 percent. Coverage of sanitary facilities that are not shared increased to 15 percent of the population. While the proportion of the population with access to improved sanitary facilities that are not shared increased, the access to all improved sanitary facilities, shared and not shared, reduced. To improve upon these indicators, there is the need for inter-ministerial collaboration.

Target 7D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

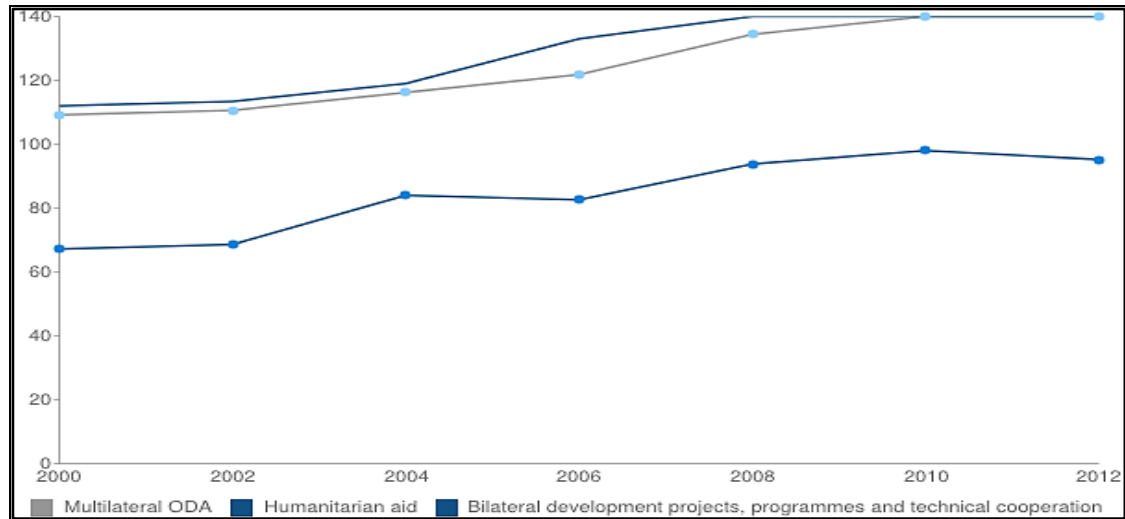
885. Ghana's progress towards achieving the MDG 7 remains slow as Ghana's urban population is expected to double between 2000 and 2015 with majority of these new settlers vulnerable enough to find themselves living in slums.
886. Government continues to implement strategies contained in the national housing policy while 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 Decentralization policy, MMDAs 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: Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income

887. Millennium Development Goal 8 on Global Partnerships for Development has this target: increase in aid from developed countries to 0.7 percent of Gross National Income by 2015.
888. According to the United Nations' 2013 MDGs Report, there is less aid money overall, with the poorest countries most affected. The Report indicates that in 2012, net aid disbursements from developed to developing countries totaled \$126 billion representing a 4 percent drop in real terms compared to 2011, which was 2 percent below 2010 levels. The decline affected least developed countries the most. In 2012, bilateral official development assistance to these countries fell by 13 percent, to about \$26 billion. However, the report shows that lower debt burdens and improved access to trade are benefiting developing countries.

**Figure 10: Official development assistance from developed countries, 2000-2012 (current US\$ billions)**



Source: The Millennium Development Goals Report 2013

Target 8F: In cooperation with the private sector, make available the benefits of new techniques, especially information and communications

889. Reports from the National Communication Authority indicates a continued growth of the telephony market, 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 percent and 58.3 percent 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.
890. Total Cellular/Mobile Voice Subscriber Base in Ghana as at December, 2012 stood at 25.6 million from 5.2 million in 2006.

## **SECTION SEVEN: PUBLIC FINANCIAL MANAGEMENT REFORMS**

891. Mr. Speaker, key PFM reform initiatives currently being implemented to improve revenue mobilization and expenditure management are on course to ensure value for money and efficient service delivery. Key among them are the Ghana Integrated Financial Management Information System, Programme-Based Budgeting, Fiscal Decentralization and Modernization of Revenue Management and Administration.

### **PROGRAMME BASED BUDGETING**

#### **Performance in 2013**

892. The Government of Ghana has over the past years implemented budget reforms as part of the wider Public Financial Management (PFM) reforms aimed at enhancing efficiency in the allocation and utilization of resources, improving transparency and accountability and linking public spending to results.
893. The current budget reforms which involve the introduction of Programme Based Budgeting (PBB), seeks to change the budget classification from Activities to Programmes, and introduce performance information in the budget system. The new budget approach is envisaged to respond to the challenges identified with the Activity Based Budgeting system such as the very complex and detailed budget structure and the centralized budget management. Additionally, the system for budget preparation will be changed from the Microsoft Access-based Activate software to an Oracle-based Hyperion system. This is expected to improve the quality, accuracy, timeliness and credibility of budget information. It is also expected to fully integrate with the GIFMIS and other ongoing reforms to strengthen Ghana's PFM system.
894. Mr. Speaker, in pursuance of this budget reform agenda, the Ministry of Finance provided training to all the relevant officers of Ministries, Departments and Agencies (MDAs) to facilitate the smooth implementation of the budget reforms. Programme Budget Working Groups have been set up and trained to assist the Budget Committees of all MDAs in the preparation of their annual budgets in the programme budget format.
895. Taking cognizance of the importance of linking PBB to the NMTDPF and the Medium Term Development Plans of MDAs, the Ministry collaborated with the NDPC to review the GSGDA which is at its terminal point this year. In addition, the 2010-2013 Guidelines for the preparation of the Medium Term Plans of MDAs which forms the basis for their budget preparation was also reviewed.

896. In addition, the Programme Structure of all MDAs and performance measures developed during the 2012 pilot training were reviewed, and new structures developed for re-aligned and new Ministries. Templates and detailed instructions for preparing the 2014-2016 budget using the PBB format were developed and circulated.
897. As part of the change management process, the Ministry developed a change management strategy for the PBB reform agenda. In this regard, Honourable Members of Parliament were engaged on Programme Based Budgeting and other issues relating to the structure of the Appropriation and their oversight roles.
898. The process for the procurement of a new budget preparation and management system has been completed and a contract signed with an implementing partner for the supply and installation of a new budget software.

## **Outlook for 2014**

### **Medium term overview**

899. Over the 2014-2016 medium term period, a number of budget reforms will be undertaken to further strengthen and enhance the efficiency of the PFM system.

### **Capacity Building and Institutional Strengthening**

900. The Ministry will undertake the review of the programme based budgeting implementation to deepen the processes and strengthen the performance management, monitoring and evaluation systems in all MDAs. The ministry will also collaborate with the NDPC in the preparation of MDAs medium term development plans for the implementation and monitoring of the national budget.
901. The Ministry will also conduct training for selected Internal and External Auditors on the concepts of Programme Based Budgeting and their expected roles in performance management and audits of MDAs.
902. The Ministry will procure a consultant to undertake capacity needs assessment of all MDAs and train MoF Schedule Officers to understand and appreciate the change roles and provide technical support to MDAs budget process.

### **Change Management**

903. The change management strategy for the implementation of budget reforms and the training of Budget Officers and Senior Government Officials of MDAs as well as the sensitization of other stakeholders including Civil Society Organizations (CSOs), will be undertaken.

**New Budget Preparation Software**

904. The new budget software, HYPERION, which will seamlessly integrate with the GIFMIS platform, will be deployed to all MDAs to facilitate the preparation and implementation of the 2015-2017 budget. This will entail the design and installation of the system and training of all MDAs for the preparation of the 2015 Budget and beyond. A test-run using the 2014 Budget will be conducted and Budget Schedule Officers of the Ministry trained in the use of the software to support MDAs in managing their Annual Budget Estimates.

**Rollout of PBB to MMDAs**

905. To strengthen the financial management system at the local Government level and synchronize the budgeting systems across government, the Ministry will commence preliminary activities towards the implementation of PBB in MMDAs in 2016. The Ministry will focus on training and business process change which will involve the development of a Work plan for training and capacity development for MMDAs.

**Other Reform Initiatives**

906. The Ministry will continue to coordinate and provide leadership in the implementation of other budget reforms. This will involve
- Strengthening the MTEF process by consolidating and strengthening of the Budget Framework Paper as the basis for determining fiscal policy and realistic budget deficit targets, as well as developing and maintaining a government-wide system of forward estimates to achieve the necessary fiscal control and predictable releases;
  - Reviewing, developing and encouraging effective commitment and cash management by developing a strategy to fully implement the second phase of the implementation of the Treasury Single Account (TSA); preparing cash planning manuals and instructions; preparing guidelines for assets acquisition by MDAs; and updating of contract database, towards the primary objectives of reducing public sector borrowing costs and improving the predictability of expenditure commitments and timely liquidation of obligations;
  - Review of the legal framework of Ghana's PFM system to establish a programme of reform for rules and regulations that: (1) are appropriate to the major changes in PFM practice as a result of the ongoing reforms; and (2) can support the needed changes in business processes as part of the ICT platform; and

- Review of the current budget execution processes and development of a manual for budget releases, to ensure that the process of prioritization exercised in the preparation and approval of the budget is carried through during budget execution.

907. In addition, the Ministry will revamp the State Enterprises Commission with a view to developing a framework to guide the operations of State Own Enterprises.

## **FISCAL DECENTRALIZATION**

### **Performance in 2013**

908. Mr. Speaker, Ghana's decentralization policy has been designed to make development a shared responsibility between central and local governments and make MMDAs responsible for the provision of economic and social infrastructure and other facilities that inure to the public good. The acceleration of Fiscal Decentralization reforms since 2012 by Government was in recognition of the fact that the structural changes imposed by the decentralization programme will not be effective unless adequate financial resources are made available to the districts.

909. Mr. Speaker, over the last two years, MOF has given priority to undertaking a systematic and comprehensive review of the intergovernmental fiscal policy framework, the transfer and grant system with the view to restructuring them to ensure that MMDAs have reliable resource flow to implement their devolved functions.

910. Ministry of Finance reached an agreement with both the DACF Administrator and DDF Secretariat to synchronize allocations from the two sources with the MMDAs budgeting processes. Mr. Speaker, for the first time, a Medium Term budget allocation from the DACF was developed by the Administrator and communicated to the MMDAs through the budget guidelines issued by the Ministry of Finance.

911. Mr. Speaker, the Ministry has also initiated action to review the disbursement of other funds to reflect the decentralization arrangements. Discussions are currently ongoing with the Road Fund to decentralize the use of the Road fund to support the functions of the departments of urban roads and Feeder Roads which have now been transferred to the MMDAs.

### **Outlook for 2014**

912. Mr. Speaker, the ongoing fiscal decentralization reforms has however brought to the fore the need to pay serious attention to local revenue generation and management by the MMDAs and to explore other financing mechanisms, which would give local Government authorities greater autonomy from the central Government so that they can make their own governing choices and act independently of central government.
913. This is against the background that total compensation to public sector employees alone including those of the MMDAs, continues to take a very significant percentage of tax revenue, crowding out resources available for other important expenditure items under Goods and Services, as well as Capital components under the Budget, and transfers for decentralized functions.
914. Mr. Speaker, Government is mindful of the fact that fiscal decentralization should result in the expansion of revenues under the control of local governments in a way that would match functional responsibilities to financial proceeds. These revenues must however come from a combination of fees and charges, local taxes, shared taxes as outlined in the Schedule 6 of the Local Government Act 1993, Act 462 and central Government transfers. The situation which is emerging and worrisome to stakeholders of decentralization, is the over reliance of MMDAs on central Government transfers, and the neglect of improving internally generated revenues.
915. Mr. Speaker, of similar concern is also the tendency of major assemblies to resort to central Government for grants to resolve their sanitation challenges, despite the huge potentials they have to increase IGFs from property rates and other sources. In the past two decades, Government has provided an amount of US\$423,127,532.00 loans and grants to fund sanitation projects in Accra, Kumasi, Tema and Tamale Assemblies.
916. Mr. Speaker, in 2014 Government will initiate measures to strengthen local revenue generation as an important fiscal decentralization reform component to ensure that MMDAs control substantial own revenue flows to enhance their capacity to actually perform the roles they have been formally authorized to play, whiles they remain accountable to local citizens for the public goods and services that they deliver.
917. The measures will include the:
- Development of a well-defined policy framework that enables the expansion of the base of existing MMDA revenue sources, the identification of new sources of revenue, and the effective administration of collection systems. To this end Government will initiate a national



debate on MMDA Internally Generated Funds to reflect on options for policy reforms.

- Establishment of an effective public and social accountability mechanism to ensure that the resources mobilized are put to use for the benefit of ordinary Ghanaians
- Support the major MMDAs to enter into PPP arrangements in the building up of sanitation infrastructure in the MMDAs.
- Review draft 2008 Municipal Finance Bill, to provide policy direction and operational guidelines to enable qualifying MMDAs to access other financial resources to meet their operations.

### **Ghana Integrated Financial Management Information Systems (GIFMIS) Project**

#### **Performance**

918. Mr. Speaker, the implementation of the GIFMIS is a major pillar of the PFM reform programme of the government.
919. The overarching development objective of GIFMIS is to assist in improving the effectiveness of service delivery and the allocation of scarce resources, using the new tools and processes resulting from the GIFMIS, and assure an accountable, more effective, and transparent government.
920. It has been observed that having an integrated system helps in providing information on sectors and levels of the economy both national and subnational and will assist in making critical decisions as well as monitoring the implementation of those decisions.
921. Mr. Speaker, when fully implemented, GIFMIS will serve as the single source system for official budget preparation and management, cash and treasury management, purchase ordering and payments, and financial control and reporting for the country as a whole.
922. The General ledger which is a repository of all accounts as well as the purchases and accounts payable modules have been rolled out to all MDAs at the national and regional levels. The system is now the official system of recording of procurements and payments (commitments and expenditure) made by MDAs at national and regional levels in respect of consolidated fund

budgetary resources. These MDAs can only access their consolidated funds budgets by use of the GIFMIS.

923. The Annual Public Accounts (on the consolidated funds) for 2012 was prepared using the GIFMIS. Monthly accounts for 2013 are also produced using the GIFMIS.
924. Mr. Speaker, an electronic funds transfer system has been developed and payments to suppliers and contractors are now made by electronic transfer of the funds to the beneficiary bank accounts. This system is operational at 20 MDAs at the national level and seven MMDAs that are on the GIFMIS system.

### **Outlook**

925. In 2014, the system will be connected to offices of spending units who currently process their transactions at Transaction Processing Centres.
926. Mr. Speaker, to achieve the full benefit of having an integrated financial management system, plans have been concluded to interface major legacy systems such as the Total Revenue Integrated Processing System (TRIPS), Ghana Customs and Management Systems (GCMS) of the GRA, the T24 and SWIFT at BOG to the GIFMIS.
927. Mr. Speaker, the Controller & Accountant General's Department is upgrading the IPPD system and will integrate it with the GIFMIS. The upgrade will improve performance of the IPPD system while the integration will facilitate budgetary control over payroll cost. The upgrade is expected to be completed by the end of the year while the integration will be completed by end of the first quarter of 2014.
928. Currently, GIFMIS covers only Consolidated Funds. In 2014, the system will be extended to incorporate Internally Generated Funds, Statutory funds and Donor funds.
929. Mr. Speaker, in 2014, training will be conducted for MDAs on analysis of reports from the GIFMIS system for monitoring and decision making such as resource allocation and programme management. These efforts are aimed at consolidating the gains of the GIFMIS system at National and Regional Levels before eventual roll out to the Districts.
930. Mr. Speaker, to ensure effective cash management, a Loans and Fiscal Agency Agreement has been signed with BOG.

### **Use of GIFMIS for Processing of IGF and DP Funded Transactions**

931. Mr. Speaker, with effect from 2014 transactions relating to Internally Generated Funds and Development Partner Funds will be processed on the GIFMIS. This will enhance the efficiency and comprehensiveness of public expenditure and improve compliance with the Financial Administration Regulations, 2004 (L. I. 1802) and the annual appropriation act.
932. Under this arrangement MDAs that generate non-tax revenue will be required to lodge the revenue collection in gross into designated accounts. On the basis of amounts lodged, the MDA will be required to obtain warrants from the Ministry of Finance to enable them access budget under the IGF source of funds.
933. In respect of DP funds, MDAs will apply to MoF for warrant on receipts of the funds before processing of expenditure on the GIFMIS.
934. The Controller and Accountant General will issue procedures to guide MDAs to implement the warrant system in relation to the use of the GIFMIS system for IGF and DP Funded projects.

**Administrative Measures to Minimize Unauthorized Commitments**

935. Mr. Speaker, effective Commitment Control remains one of the major challenges to fiscal management. Contrary to the legal requirement to ensure that commitments are only made against budget appropriations and moratorium on award of new projects, some MDAs order goods and services and award contracts without recourse to lay down procedures.
936. Contractors and suppliers also accept contract awards and purchase orders without appropriately authorized purchase orders.
937. Mr. Speaker, in 2014, the Ministry of Finance will publish the legal and administrative requirements for award of contract and ensure that only duly authorized purchase orders generated from the GIFMIS system are recognized as valid commitments on Government and therefore payable from budgetary resources.

**MDA and MMDA accounts with the Commercial Banks**

938. Mr. Speaker, Government has noted with great concern the numerous bank accounts held by MDAs and MMDAs with the commercial banks. Some of the funds were held in various investment instruments with the banks at low returns.
939. As part of the process of improving the management of our cash resources, the Controller & Accountant-General has been directed to evaluate the holding of these accounts with the commercial banks, within the framework of the Laws

governing the Agencies. The objective is to determine accounts which should be moved to Bank of Ghana or for which MOF will review and negotiate terms of investment of funds.

940. Currently, these accounts are outside the TSA Framework. In 2014, CAGD will work to bring these accounts into the TSA framework for effective utilization of our cash resources.

**Revenue Modernization and Integration**

941. Mr. Speaker, in December 2009 the Ghana Revenue Authority (GRA) Act (791) was passed to merge the Revenue agencies into a single organization to improve efficiency and effectiveness in Ghana's Tax Administration. The integration marked the culmination of Tax Reforms which have been ongoing since 1984.

942. The current GRA reforms fall in two parts. The first is the integration of the revenue agencies into a single organization. This involves merging staff positions and offices. The second is the modernization of business processes and procedures based on best practices.

**Domestic Tax Integration and modernization**

943. The focus of the GRA Reform in the past 3 years has been on the integration of the erstwhile Internal Revenue Service and the Value Added Tax service to create the Domestic Tax Revenue Division (DTRD). GRA has continued and completed the concept of Segmentation by creating 15 Medium Taxpayer Offices (MTO) and 51 Small Taxpayer Offices (STO) in addition to the existing Large Taxpayer Office (LTO). Additionally, a functional approach organized around Taxpayer Services, Debt Management and Audit was adopted and have been implemented in all 66 offices, along with training in new operational manuals.

944. The GRA, following best practice in tax administration, has adopted Self-Assessment for all taxpayers. The project was publicly launched in May 2012. To date, 7 MTOs are practicing Self-Assessment and the remaining 8 will start in January 2014.

**Review of Tax Laws**

945. A project has been initiated to harmonize and simplify the GRA Tax laws. Administration provisions, existing separately within each of the previous laws have been harmonized into a single Tax Administration Bill. The Internal Revenue Act (now the Income Tax Bill), the VAT law, Excise law and the Customs Law have been reviewed and simplified. This House approved the VAT law last week whiles the excise and customs bills have been approved by Cabinet.

**Integrated Revenue Processing System**

946. An integral part of the DTRD modernization is the implementation of the Tax Administration software known as TRIPS (Total Revenue Integrated Processing System) which automates the DTRD processes and provides management information for decision making. System development and testing is complete and the roll out phase has started. One office is currently operational. It is envisaged that 12 offices will be operational in Greater Accra by the end of 2013.

**Customs Modernization**

947. The immediate focus of the customs modernization is on improving risk management, valuation and post clearance processes. The timeframe for these projects is being considered in line with the contract review of the destination inspection companies.

**Other Activities**

948. Mr. Speaker, the GRA modernization entails a major re-engineering of the work processes of its business lines with core processes being streamlined or re-configured and new processes implemented. These reforms have major implications for the GRA workforce. The Job Descriptions and Job Evaluation Project seeks to establish the new roles and responsibilities within GRA.
949. Other projects in the pipeline are Customer Care Project, the implementation of the HR Strategy, Performance Management System and Training and Development Strategy.

## **SECTION EIGHT: POLICY INITIATIVES**

950. Mr. Speaker, the broad policy initiatives in this Budget have been designed to enable us consolidate our middle income status and deal with the new challenges of financing our development. The policy initiatives are presented in five areas, namely, Infrastructural Development, Private Sector/SME Development, Fiscal, Social Intervention Policies, and Transparency, especially the fight against corruption, reflecting key priorities of Government.

### **INFRASTRUCTURE DEVELOPMENT**

#### **Ghana Infrastructure Fund (GIF)**

951. Mr. Speaker, under the able leadership of His Excellency President John Dramani Mahama, Government proposes to set up the Ghana Infrastructure Fund (GIF) to deal with the huge infrastructure deficit and to focus on strategic infrastructure that will lead to job creation and the growth of the economy.

952. **Nature of the Fund:** GIF will be a quasi-fiscal body that will be chaired by the Minister of Finance and, in due course, pursue its own "ratings" on the domestic and international financial and capital markets. Indeed, independent ratings is a strategic move that Government will encourage to enable these enterprises borrow on their own balance sheets or records.

- **Private Sector Role:** The GIF will focus on strategic infrastructure in partnership with the private sector. Currently, Ghana's financial and capital markets are constrained with limited availability of long term finance, both local and international, to support both the public and private sector infrastructure projects. The GIF will partner the private sector through linkages that include financing project SPVs, PPPs, mortgage finance and finance leases. Additionally, the GIF will create investment opportunities for institutional investors including pension funds.
- **Sources of GIF funds:** The potential sources of funds for GIF includes appropriations by Parliament, including the recently increased VAT, ABFA portion for amortization and infrastructure development. Other sources include: escrowed and on-lent funds from prior investments; private or public domestic and foreign funds from multilateral institutions and development banks; the capital markets (including our stock exchange); pensions and mutual funds (including social security and insurance funds); and other funds.

- **GIF Debt Service Account (DSA):** The GIF, with assistance of the Bank of Ghana, will set up and manage a Debt Service Account (DSA) for designated domestic and foreign Sovereign Debt.
  - **Project financing:** The Board of the GIF will advise the Minister on viable projects to be financed by GIF, including those involving special purpose vehicles (SPV) such as joint venture (JV) and public-private partnership (PPP) projects. It is envisaged that GIF will issue special bonds to finance specific commercial projects. The GIF will be empowered to set up on-lending, escrow and other mechanisms for the purposes of pursuing and ensuring the success of its investments.
  - **Guarantees and risk management:** The establishment of GIF will lead to a review of Government's exposure to risks from borrowing and issuing sovereign guarantees. It is our intention to minimize the use of sovereign guarantees that are currently treated, automatically, as public debt in our Debt Sustainability Analysis (DSA) band and not as contingent liabilities. We are currently in discussions with the World Bank and African Development Bank (AfDB) on the appropriate classification of SOE and other guarantees. Where guarantees are essential, we will maximize the use of third party guarantees such as MIGA guarantees and World Bank/AfDB partial and credit risk guarantees.
953. Mr. Speaker, the GIF is a response to the need to manage Ghana's limited but potentially expanding fiscal space; sub-optimal classification and management of public debt; and difficulties in mobilizing funds, in particular, for infrastructure projects of a commercial nature. The linkages to the private sector are crucial since, to leverage private sector investment in infrastructure projects, it is necessary to vigorously pursue long-term quasi-fiscal institutions as well as banking and/or capital market solutions.
954. Mr. Speaker, the intention of Government is to consolidate the use of such commercial financing facilities to finance projects that can repay commercial loans that the Government contracts directly or guarantees. It is also a means of freeing grants and concessional facilities for social infrastructure projects that often return benefits indirectly (e.g., through improvements in social indices) and directly over relatively longer periods.
955. The successful implementation of the GIF will therefore, provide several opportunities to apply national resources in various novel ways including long-term infrastructure bonds to accelerate the upgrading and renewal of critical national infrastructure. We are mindful of the fact that the Ministry of Finance

needs to work with our infrastructure ministries, in particular, to improve executive, financial and operational management.

956. Mr. Speaker, given the importance attached to the GIF, H.E. the President will establish and inaugurate the special committee to implement it immediately after the House approves the government's financial policies. It is proposed that the GIF becomes operational during the first quarter of 2014.

## **FISCAL POLICY**

### **Debt Management**

957. Mr. Speaker, with the diminishing sources of grants and concessional financing because of our new LMIC status, Government has developed a debt management strategy that provides more cost-efficient access to the international and domestic capital markets to meet its development needs. Hence, we wish to propose a number of strategies to consolidate sustainability and efficiency in debt management.

- **Liquidity management:** Applying the "Golden Rule" of fiscal management as it is called in the U.K., short-term borrowings will be primarily used for liquidity management purposes over the fiscal year and will not be used to accumulate permanent debt.
- **Revenues from Self-Financing Projects:** Our debt management policy will ensure that commercial projects are designed with emphasis on the revenue generation, with appropriate escrow and on-lending mechanisms to recover the loans used to implement the investments.
- **On-lending and escrow arrangements:** Over the past years, State-owned Enterprises (SOEs), Special Purpose Vehicles (SPVs), and some MDA/MMDAs have benefitted from loans and Government guarantees to support commercial projects without incorporating the cost of debt service into the projects or financial statements for the entities. As a firm policy, Government has started an on-lending and escrow account initiative to prevent these loans from aggravating the public debt situation.
- **Financing capital expenditures (CAPEX):** The capital expenditure component of the annual budget will be funded primarily from the long-term debt market. In this regard, Government extended the yield curve to seven years in 2013 and will continue to work towards extending the yield curve to 10-12 years from 2014, with assistance from the Multilateral and other agencies. In connection with this, Government



tapped into the Eurobond market in 2013 to obtain long-term funds for debt restructuring and capital expenditures.

- **Loans-to-Priority Projects Programme:** Government has taken stock of all pipeline and existing loans and has started a "loans-to-priority projects" Programme – based on which it now identifies projects that are funded from specific sources of funds such as the recent sovereign bond issue and the ABFA. The policy will be enhanced by the use of the elaborate coding system under GIFMIS
- **Tapping External Capital (Bond) Markets:** Mr. Speaker, borrowing from the external capital market is part of a borrowing programme for (a) general capital budget support (as noted above); (b) financing specific projects; (c) re-financing existing debt; and (d) counterpart funding for the capital and recurrent budget. The benefits of this initiative include:
  - i. less reliance on the short-end of the markets (e.g., Treasury Bills) to finance the budget and, thereby, extending the tenor of loans; and
  - ii. diversifying the sources of long-term financing (which currently includes loans from the multilateral institutions/banks as well as development, commercial, and EXIM banks); and, thereby helping to improve the fiscal situation and minimizing any adverse impact on the availability of credit (i.e., crowding out) and rising domestic interest costs.

958. Mr. Speaker, Government is mindful of the foreign exchange exposure in tapping the foreign capital markets to finance our capital expenditures. However, as noted below, we intend to limit this exposure through the use of foreign-exchange based debt service account from sources such as the ABFA and escrow accounts.

#### **Eurobond Issue**

959. Mr. Speaker, members of this august House will recall that in August 2013, Government obtained Parliamentary approval to issue up to \$1 billion in the Eurobond markets. The prospectus is being distributed with this budget and a more detailed report is attached in an Appendix to this budget, as we promised to do when the House approved the measure. The summary of the transaction is as presented in the table 31.

**Table 31: Eurobond Issue Transactions**

Ratings Issue	B1 Stable (Moody's)
	B+ Negative (Fitch)
	B Stable (Standard & Poor)
Size	US\$ 1 billion
Coupon	7.875%
Price	99.1515
Issue Date	7 August 2013
Maturity Date	7 August 2023
Proceeds	\$741,432,500 (after discount, estimated issue expenses and exchange of \$220 million for Ghana 2017 Bond))
Listing	Irish Stock Exchange Ghana Stock Exchange

Source: Ministry of Finance

960. Mr. Speaker, at the time the Eurobond was issued, the markets had become very turbulent. The main factors that affected the bond issue were the relatively long approval process under our laws, the period for settling electoral disputes, the uncertainty created by the U.S. Fed's announcement on its quantitative easing policy and Ghana's long absence from the international capital markets.
961. Mr. Speaker, we persevered knowing that turbulence is a regular feature of markets and more importantly we had a positive outlook to enter the market. Nonetheless, the experience clearly shows that timing is of essence and we must find a compromise that is consistent with our laws.
962. Mr. Speaker, it is noteworthy that even in the face of a challenging global market environment, Ghana was able to issue another Euro bond and listed it at the Ghana Stock Exchange, thus, becoming the first sub-Saharan African country to do a domestic listing of a Eurobond. Through this path breaking listing, institutional investors including local pension funds were able to participate in this transaction, thus enhancing their portfolio diversification opportunities.
963. Therefore, Mr. Speaker, to enable the Government tap into "good windows of opportunity" on the international capital markets, it is proposed that the annual bond programme should be submitted to Parliament for prior-approval with the annual Budgets—starting with this Budget. Immediately after this speech, the Government will table the normal documents for the House to approve Ghana's third entry into the Eurobond market. In this regard, the Ministry of Finance,

Bank of Ghana and Attorney-General's Department will institutionalize the Capital Markets Committee to advise government on international capital market operations, generally, and the management of new issues. The Ministry of Finance will use this Committee to immediately support the setting up of a Ghana Infrastructure Fund (GIF) until the Fund becomes fully operational.

964. Mr. Speaker, it is being proposed that Ghana's liability management should be regular and ongoing, as an important feature of our public debt management strategy. The purpose of making external bond market issues regular is to (a) achieve a more orderly financing of the capital budget or specific projects; and (b) establish sinking fund or amortizing debt structure to retire or refinance the bonds.

### **Sustaining the New Pay Policy**

965. Mr. Speaker, following the migration of public service institutions onto the Single Spine Salary Structure, disparities in pay have reduced drastically. This major achievement has, however, come with significant increases in the government wage bill, therefore, threatening the very sustainability of the Single Spine Pay Policy (SSPP). In spite of the challenges posed by the implementation of the SSPP, Government remains committed to the policy.
966. Mr. Speaker, provisional fiscal data show that for the first three quarters of 2013, expenditure on compensation of employees including arrears on Compensation constituted 74.4 percent of tax revenue and 96.5 percent of non-earmarked tax revenue. The trajectory of the compensation bill and its sustainability is of concern to Government, Employers, Organized Labour and other stakeholders. Government is, therefore, working in collaboration with the social partners to address the issues of the sustainability of the new pay policy.
967. The Ho Forum on the sustainability of the new policy proposed a number of recommendations which are currently being examined by the Post-Ho Implementation Committee with a view to coming out with appropriate strategies to address the recommendations within specific time lines. Mr. Speaker, the Committee has produced an interim report and has met with H.E. President John Dramani Mahama to apprise him and assure him that work is still in progress.
968. Mr. Speaker, since Ho, Government, Employers and Organised Labour have been working hard to finalize negotiations on the National Daily Minimum Wage and public sector wage adjustment, but have not been able to conclude negotiations before the 2014 Budget is read due to circumstances beyond their control. All efforts are being made to ensure that the negotiation is completed by the end of the year.

969. Mr. Speaker, short-to-medium term measures being pursued to address the sustainability of the pay policy include:

- **Institutional Arrangements:** The Ministry of Finance has established a Compensation of Employees Unit under the Budget Division to deal with all compensation issues including those relating to wages and salaries, allowances, pensions, social security, and gratuities. In addition, the Ministry has constituted a Compensation Committee with membership drawn from the Ministry of Finance, Controller and Accountant-General's Department, the Fair Wages and Salaries Commission, and the Public Services Commission to advise on compensation issues.
- **Weaning off Subvented Agencies from Government Payroll:** Mr. Speaker, 12 subvented agencies which have the capacity to be on their own with regards to payment of their personal emoluments have been identified to be weaned-off Government subvention. To this end, measures and modalities will be established to assist the identified institutions to be weaned-off Government payroll. This exercise will continue in the medium term until all such institutions are weaned off.
- **Recruitment and Replacement:** From 2014, the wages and salaries vote of MDAs and MMDAs in respect of recruitment and replacement of staff in public sector institutions, will be subjected to budget constraint. In this regard, the Ministry of Finance will collaborate with the Public Services Commission and Office of the Head of Civil Service to ensure that due process, including seeking financial clearance before undertaking recruitment and replacement, are observed. Sanctions will be imposed on heads of institutions who do not follow the due process.
- **Market Premium:** As recommended at the Ho Forum, Government will implement the White Paper on Market Premium without further delay. To this effect, Government has directed the Fair Wages and Salaries Commission and the Ghana Statistical Service to undertake a Labour Market Survey to inform the determination of critical skills in short supply and their market premium, starting with the Health and Education sectors. From January 2014, the existing interim market premium paid to some workers will be abolished and replaced by market premium determined in consonance with the White Paper.
- **Public Service-Wide Performance Management System:** Mr. Speaker, linking pay to productivity is one of the phases in the implementation of the SSPP. To this end, the Fair Wages and Salaries Commission in collaboration with the Public Services Commission and the Management

Development and Productivity Institute will expedite action on the modalities for the introduction of the Public Service-Wide Performance Management System.

- **Categories 2 & 3 Allowances:** Government has observed the existence of several allowances in the public service and the need to streamline and bring sanity into the administration of these allowances. As part of the implementation the Single Spine Pay Policy, the Fair Wages and Salaries Commission in collaboration with the Public Services Joint Standing Negotiation Committee (PSJSNC) is working on the harmonization and standardization of categories 2 and 3 allowances. To ensure that this phase of the SSPP is sustainable, the FWSC and the Ministry of Finance will engage Organized Labour to ensure that the implementation of the categories 2 and 3 allowances is executed within budget constraints and is properly phased. Measures will also be implemented to ensure that existing allowances are not abused and are executed based on approved budget of MDAs.
- **Use of Internally Generated Funds:** It has come to the notice of Government that some institutions use their Internally Generated Funds (IGFs) to honour unapproved payments such as payments of salary supplements contrary to what the law on the use of IGF stipulates. These actions are illegal and any institution found indulging in this act will be sanctioned accordingly. Mr. Speaker, to ensure efficient, effective, and lawful use of IGFs, the IGFs of MDAs will be administered using the warrant system through the GIFMIS as required by Regulation 165 of the FAR.
- **Book and Research Facility:** Government recognizes the importance of research in teaching and learning in all higher institutions of education. In order to encourage more research work in tertiary institutions and to realize its full benefits, Government has decided to review the existing system of payment of the book and research allowance, and replace it with a Research Facility. Mr. Speaker, the Ministry of Education through the National Council for Tertiary Education has set aside GH¢15 million towards the establishment of a Research and Innovation Facility. The Ministry is to develop guidelines for the operationalization of the Facility, while engaging stakeholders on exploring other sources of making the Facility sustainable.
- **Human Resource Management Policy:** Mr. Speaker, the Public Services Commission has developed a comprehensive Human Resource Management Policy Framework and Manual. This is aimed at reviewing and remolding past and outmoded procedures and processes to conform

to international standards in human resource management. This will also strengthen the overall capacity of the public service for effective service delivery. The draft Manual is before cabinet for approval. In line with government's policy determination to control the rising wage bill, the Public Services Commission has been mandated to build a human resource database of Government employees to enable Government effectively control the entry and exit of workers in public sector institutions. This will, in part, allow Government to constantly review the staff ceilings and mandates of public institutions to identify overlap of functions and recommend appropriate right-sizing of MDAs and MMDAs, where necessary.

- **Payroll Upgrade:** The Controller and Accountant-General's Department is upgrading the payroll system to enhance efficiency by allowing more time for payroll update, improve performance by minimizing human intervention during payroll run, and reduce payroll processing time. The payroll upgrade is expected to be completed in December 2013. After completing the payroll upgrade, the IPPD will be integrated into GIFMIS to facilitate automatic accounting for payroll data as well as strengthen budgetary control on payment of salaries and wages.
- **Payroll Audit:** Mr. Speaker as part of the process of removing wastage in the payroll, government has commissioned the Internal Audit Agency to audit the 2011 and 2012 payroll of selected institutions with the support of the CAGD. This exercise will focus on Ghana Education Service and Ghana Health Service as the first phase. In addition, the management of Korle-Bu Teaching Hospital in collaboration with CAGD, undertook a review of the payroll and also conducted a head count of staff on the payroll of KBTH in October, 2013. The exercise revealed instances of the payment of salaries to ineligible staff numbering about 1,053 who are paid through the mechanized payroll of the CAGD and 60 who are paid with IGFs of KBTH. The management of KBTH has been directed to take the necessary steps to take off the names of the people from the payroll and to recover all illegal payments. The review and the head count exercise will be extended nationwide.
- **Biometric Registration:** The CAGD in collaboration with the National Identification Authority is to start the clean-up of the biometric data of Public Servants on Government Payroll and also validate the existence of active and retired officers as well as new entrants by November 2013.
- **Electronic Salary Payment Vouchers (ESPV).** To facilitate the review and certification of salary payment vouchers as part measures of controlling the wage bill, the CAGD is implementing an Electronic Salary

Payment Voucher System (ESPV) and plans are far advanced for its roll out. Heads of MDAs and MMDAs will henceforth, be required to certify on a monthly basis, staff on their nominal payroll before the Ministry of Finance issues a warrant for payment of their salaries. This will make Heads of Institutions responsible for managing their own wages and salaries budgets and reduce the phenomenon of "ghost names" on the payroll. The Korle-Bu Teaching Hospital will be used as a pilot for E-SPV. With support from the Ghana Education Service (GES), heads of Management Units who do not have internet connectivity will use the computer laboratory of Senior High Schools across the country to enable them access the monthly payroll data for validation.

- **Electronic Pay Slips:** To facilitate timely information on salaries paid to public sector employees, an Electronic Pay Slips System has been developed and deployed to MDAs to enable employees access their pay slips on mobile phones or computers with internet connectivity before they go to the bank.

### **Managing Foreign Exchange Losses**

970. Mr. Speaker, fiscal management has suffered from foreign exchange losses for a long time, due to factors that include:

- the short time allowed in contracts and transactions to settle debt denominated in foreign currency;
- the lack of foreign exchange mechanisms to manage foreign currency debt service; and
- abuse of foreign currency provisions in the payments processes.

971. Mr. Speaker, the Ministry of Finance will work with the Attorney-General's Department and the Bank of Ghana to improve the contract and transaction process. Secondly, Government will set up a Foreign Currency Debt Service Account to minimize exposures to foreign exchange risk.

### **Implementation of Provisions in and Review of the PRMA**

972. Mr. Speaker, there are some provisions in the PRMA that require a review, for implementation purposes, every three years. These provisions proposed for review for purposes of 2014 appropriation are outlined below.

- **Transfer to GNPC:** A downward revision of the 40 percent share of Carried and Participating Interest, net of Equity Financing Cost, to 30 percent—in view of the increase in volumes of crude oil exports.

- **ABFA and Petroleum Funds:** The following are being proposed with respect to these funds:
  - i. retention of the 70 percent allocation of the Benchmark Revenue for ABFA and 30 percent for the GPFs and
  - ii. formally linking the Stabilization (excess)/ABFA and the proposed Ghana Infrastructure Fund (GIF).
- **Four Priority Areas of Expenditure:** Maintaining the existing four (4) priority areas, already approved by Parliament, for the 2011-13 fiscal years. These are Expenditure and Amortization of Loans for Oil and Gas Infrastructure, Road and other infrastructure, Agriculture Modernization and Capacity-Building (including oil and gas).
- **Cap on the GSF:** In line with Section 23(3) and (4) of the PRMA, it is proposed that the GSF be capped, at US\$250 million and the excess amount utilized for debt repayment and setting up the Contingency Fund (envisaged under the Constitution). This amount will be reviewed from time to time—and recommendations made to Cabinet and Parliament—as would be necessitated by macroeconomic conditions, as provided for in the PRMA.
- Mr. Speaker, the proposed cap on the GSF is informed mainly by the following:
  - i. The spirit of the PRMA was to transfer 70 percent, 21 percent and 9 percent of the net petroleum receipts to the ABFA, GSF and GHF, respectively. However, as already indicated, the transfers to the GSF alone exceed that of the ABFA in 2013.
  - ii. Return on the GSF: The investment income on the GSF has been low, compared with our borrowing costs for infrastructure projects. In order to ensure value for money, the excess transfers to the GSF will be used for loan repayment in order to free capital for infrastructure development
- Mr. Speaker, the decision to cap the GSF is not to deny it of funds. Indeed, we could have made withdrawals from the GSF in 2012 due to shortfalls in allocations to ABFA, as provided in the PRMA. However, Government opted against making any withdrawals from the GSF in 2012.
- **Setting up of the Contingency Fund:** Establish the Contingency Fund as provided for in the Constitution, to receive some of the excess



transfers into the GSF once the cap is attained, in line with Section 23(4) of the PRMA. An amount of GH¢50 million from the excess of the cap on the GSF is proposed to initiate the setting up of the Contingency Fund to meet urgent or unforeseen need for expenditure for which no other provision has been made.

### **Review of the PRMA**

973. Mr. Speaker, the issues that require review through legislation will be presented to this august House in early 2014. These issues include:

- **Petroleum Benchmark Revenue:** The Petroleum Benchmark Revenue formula has consistently led to an underestimation of petroleum prices and volumes, leading to excessive transfers into the Ghana Petroleum Funds and underfunding of the ABFA. The proposal is to review the formula for estimating the benchmark revenue to provide more robust estimates
- **Qualifying Instruments:** Section 27(2) of the PRMA allows for a review of the range of instruments designated as qualifying instruments for the investment of the accumulated funds in the GPFs after every three years or sooner. In line with this provision, MOF will be exploring the possibility of reviewing the range of instruments for investment of the GPFs based on the advice of the Investment Advisory Committee (IAC). The proposal is to review Section 61 of the PRMA to include higher yielding instruments based on an approved list of guidelines in the investment policy.
- **PIAC Membership:** Section 54(1) of the PRMA states that the membership of PIAC shall be eleven. However, the same section enumerates thirteen slots to be filled. This contradiction will be corrected during the review of the PRMA.

### **Resource Mobilization Initiatives**

974. Mr. Speaker, for 2014, the emphasis will be on improving revenue mobilization through tax effectiveness and efficiency. To that effect the Ghana Revenue Authority (GRA) will continue its tax modernization programme to ensure the recovery of uncollected taxes. The measures include plugging leakages and loopholes in tax administration, widen the tax net, undertake direct tax audit, intensify customs post clearance reconciliation, intensify VAT reconciliation and improve payroll tax auditing.

975. Mr. Speaker, permit me to present some of the revenue measures and proposals for 2014.

### **Personal Income Tax (PIT)**

976. Mr. Speaker, the thresholds for personal income taxes have been raised for the past 5 years, which is consistent with our social democratic principles. The rationale is to protect low income earners as well as compensate for inflation. It is proposed to maintain the income tax threshold and the brackets for 2013 in order to reduce the impact of the overall wage bill on Government expenditure. However, depending on the outcome of the negotiations on the National Daily Minimum Wage, the PIT rate may be reviewed.

#### **Withholding Tax on Rent**

977. Mr. Speaker, in order to encourage the provision of residential accommodation, a withholding tax of 15 percent is proposed for commercial buildings while that of the residential accommodation remains at 8 percent. The ongoing street naming exercise will help in identification of properties and assist in enhancing the collection of rental income taxes. The GRA, MMDAs and other stakeholders will continue to work on the Cadastral Project for the country to enhance the valuation of properties for property rates.

#### **Tax Stamps**

978. Mr. Speaker, next year, Government will introduce tax stamps on selected excisable products as part of measures of enforcing compliance. The Ministry of Finance in consultation with the Ministry of Trade and Industry and other stakeholders will determine modalities for its implementation.

#### **Transfer Pricing**

979. Mr. Speaker, following the passage of the transfer pricing regulation in 2012, the GRA is mainstreaming the new tax regulations into its operations. To this effect all key staff and other stakeholders that will help in implementing the transfer pricing regulations have been trained. It is envisaged that effective auditing which will commence in 2014 will reduce the abuses and under-declaration of profits and, thereby, resulting in higher profits for taxation purposes.

#### **Windfall Profit Tax**

980. Mr. Speaker, in 2012 the windfall profit tax Bill was tabled in Parliament. The Bill sought to impose a windfall profit tax of 10 percent on mining companies. Unfortunately, the Bill could not be considered by Parliament. A committee is reviewing all stability agreements, incentives and the windfall profit tax that could not be passed in 2012. I will urge all civil society interest groups to continue with the submission of their recommendations on how to adequately tax the mining industry. In due course, Government will re-introduce the Bill in parliament after completion of the consultations with all stakeholders.

### **Tax Expenditures**

981. Mr. Speaker, it is estimated that tax expenditures constitute a significant proportion of total tax revenue (13.1 percent) and GDP (2.1 percent). Revenue loss from exemptions granted in duties and taxes continue to undermine overall tax revenue performance. The Government in the 2013 budget announced its intention to review the exemptions regime as a whole to reduce the scope and eliminate abuses in the administration and application of exemptions. Consequently, all existing exemptions resulting from the clearance of goods on permit will be reduced to the minimum. Work on the remaining types of exemptions will continue in order to achieve a comprehensive review in the medium term.

### **Management and Technical Fees**

982. Mr. Speaker, the current employee income tax rate for non-residents is 20 percent and that of management technical service fees (e.g. consultancies) 15 percent. The difference in the rates has created an opportunity for tax avoidance by reclassifying non-resident employee services as management and technical services. In order to curb it, it is proposed that the tax on management technical services fees be increased from 15 to 20 percent.

### **Free Income Tax Assessment Bureau (FITAB)**

983. Mr. Speaker, it is important that traders who are potential tax payers are encouraged to keep some level of records on their transactions. Many of the potential taxpayers claim they cannot engage accountants to prepare their financial statements and so are unable to file their tax returns. In order to encourage the keeping of records a Free Income Tax Assessment Bureau (FITAB) will be set up. These are offices that will be located in the Small Tax Payers Office (STOs) or at standalones in locations where the concentration of informal sector operators is high.

984. The FITAB will cover only taxpayers who are not by statute required to present audited accounts. Limited Liability Companies are to be excluded since they are required by law to present audited accounts. A pilot of this proposal will commence next year using data from the Geographic Information System (GIS).

### **Electronic Point of Sales Device Scheme**

985. Mr. Speaker, the electronic point of sales (EPOS) device is used to record sales figures by wholesalers and retailers at the point of sale. The EPOS is generally not alterable by the operator and is used as a basis of tax assessments and audits by tax authorities. However, in reality such devices permit skimming of cash receipts just as much as the manual system. The device is equipped with electronic sales suppression software which is used to falsify sales figures for the purpose of tax evasion.

986. Mr. Speaker, to mitigate or completely eliminate the abuse in the EPOS, many countries have special laws in place that make it obligatory for wholesalers and retailers to use cash registers approved by the tax authorities, with special security features that enable the authorities to check in a reliable way, the totals of tax that the wholesaler and retailer has to pay. As part of our efforts to reduce tax loopholes in the system, proposals will be submitted to Parliament in the course of the year.

**Construction Industry Scheme (CIS)**

987. Mr. Speaker, as part of the measures to improve domestic revenue in general and self-employed income tax in particular, Government will introduce a Construction Industry Scheme in 2014. The CIS is a scheme that will regulate all payments made by contractors to subcontractors in the building and other related businesses. The Scheme will set out rules for how payments to subcontractors for construction work must be handled by contractors in the building industry for tax purposes.

**Valuation Assurance Programme**

988. Mr. Speaker, the Customs Division of the GRA in the course of the year will improve the coverage of items under the valuation assurance programme. They will also ensure that destination inspection companies adhere to their terms and conditions of their contracts by quoting the appropriate values and quantities of all imports that they will inspect. Ultimately, the Customs Division will acquire its own complete valuation module. Over the years Customs Division has been updating the harmonized code by including new classifications. This exercise will continue to cover areas like sola lamp and helicopter wing aircraft.

**Reward to Informants**

989. Mr. Speaker, in many countries the tax authorities rely on information from the general public in enhancing its operations. Ghana has also been pursuing the means of soliciting reliable information from informants. Ghana has a long standing scheme whereby rewards are paid after successful collection of duties and penalties, reassessment of evaded or avoided taxes and under declaration of VAT. The GRA will revamp this scheme and Ghanaians are being called upon to assist in the fight against duty evasion, tax evasion and corruption as a patriotic duty. This provision is also amplified in the President's anti-corruption initiatives. Informants and institutions whose efforts lead to successful prosecution and retrieval of proceeds of corruption will be eligible for a percentage of such retrievals to enhance their capacity to undertake their functions

**Petroleum Excise and Road Fund Levy**

990. Mr. Speaker, to be consistent with our current excise tax regime, we propose changing the basis of the petroleum excise duty from specific to ad valorem. We also propose a marginal increase in the road fund levy. This will result in slight increase in the ex-pump price for premium and gas oil.

**Taxation of Capital Gains for Petroleum Operations**

991. Mr. Speaker, it is proposed that provisions relating to the capital gains tax in the Internal Revenue Act, 2000 (Act 592) should now be applied to petroleum operations.

**Reviewing the tax rate for free zones enterprises**

992. Mr. Speaker, Free Zone Enterprises enjoy a ten year tax holiday as an incentive for registering under the scheme. After the holiday, they are limited to a tax rate of not more than 8 percent of chargeable income in line with the rate applicable to income from non-traditional exports of companies in the domestic territory. They are, however, permitted to offload 30 percent of their goods or services onto the domestic market. The income from these transactions also attracts the 8 percent tax rate while their local counterparts who have a mix of exports and domestic transactions pay tax on those transactions at a higher rate. This gives goods brought into the domestic market by free zone enterprises an unfair advantage over those produced by the non-free zone enterprises.

993. It is proposed that to even the playing field, the income derived from the supply of goods and services provided by free zone enterprises to the domestic market should be taxed at the same rate as their counterparts operating in the domestic market. The income derived from exports will however continue to enjoy the incentive tax rate of up to 8 percent.

**New Legislation**

994. Mr. Speaker, the reforms and new initiatives outlined in the Budget will make it necessary to review and update key legislation. In the course of 2014, proposals will be put forth on reviews of the following laws:

- Financial Administration Act
- Financial Administration Regulations
- Bank of Ghana Act
- The Banking Act
- Borrowers and Lenders Act
- The Loans Act

995. These reviews will take particular note of the need to tighten any loop-holes that might inadvertently open opportunities for corruption.

**Public Investment Programme**

996. Mr. Speaker, in order to link our public investment to the MTEF and the medium-term strategy, Government will develop a policy and law on Public Investment Management to provide appropriate legislative framework to guide the delivery and management of public investment. This will cover all the requirements including planning, formulation, appraising, selection, budgeting as well as monitoring and evaluation of all public investments. The legislative framework is expected to guide the relationship between national development policy objectives, sector policies and strategies. The Public Investment Programme (PIP) will emanate from this framework.

## **PRIVATE SECTOR/SME DEVELOPMENT**

### **Boost for SMEs**

997. Mr. Speaker, over the years, SMEs have been the bulwark of creating jobs and mobilizing the informal sector. However, funds created to address their limited access to financing and reducing the cost of borrowing have not been sustainable.
998. In this respect, Government is setting up a new SME fund to boost support for SMEs. The activities of the Fund will be overseen by a Board of Trustees and a professional fund management company. This management structure will improve the processes for credit appraisal and recoveries in order to make the Fund a sustainable revolving fund.
999. Mr. Speaker, the pilot scheme will mobilize and deploy about GH¢50 million from sources such as EDAIF as well as pipeline and new loans and grants (including financing from development partners). The Fund will have formal links with established domestic institutions such as EXIMGUARANTY and the Venture Capital Trust Fund as well as rural banks and micro-finance companies. It will also collaborate with the National Board for Small Scale Industry (NBSSI) to facilitate the unification of several SME finance and capacity-building initiatives under one umbrella.

### **Stimulus for the Private Sector**

1000. As a new initiative to support the Ghanaian private sector, Government will, with support from EDAIF, following the review of the existing legislation, provide financial stimulus to the following sectors: exports, pharmaceuticals, poultry, textiles and garments, SMEs and agro-processing sectors, to enhance their competitiveness for the growth and support of job creation. To promote the competitiveness of the manufacturing sector, Government will use its huge procurement advantage to patronize the locally manufactured goods.

### **Support to Local Industries**

1001. Mr. Speaker Government recognizes the role that local industries play in the economic development of this country. These industries have huge potential for creating employment opportunities for the teeming unemployed youth. Government is therefore taking measures to ensure that there is adequate local content through the amendment of the Public Procurement Act. To this effect, government has submitted an LI to parliament, which will mature soon, to ensure adequate local content in the energy sector.
1002. Mr. Speaker, imports of textbooks and exercise books are allowed into the country free of import duty and VAT. However raw materials of local manufacturers of these textbooks and exercise books pay import duty and VAT.

As part of measures to promote local industries to make them competitive, it has been decided that such raw materials imported for the local printing of textbooks and exercise books through tenders administered by the Ministry of Education will be admitted free of import duty and VAT. This is consistent with our desire to meet the provisions of MDG Goal 2 of achieving universal primary education

1003. Similarly, Mr. Speaker, import of HIV/AIDS drugs into the country are exempt from import duty and VAT. However the raw materials of local manufacturers of the same drugs are subject to import duty and VAT. To further boost the fight against HIV/AIDS, raw materials imported for the local production of these HIV/AIDS drugs under the supervision of the Ministry of Health will also be exempted from import duty and VAT. This is consistent with the MDG Goal 6 dealing with the combat of HIV/AIDS, Malaria, and other diseases.

#### **Financial Sector Reforms**

1004. Mr. Speaker, the financial sector has undergone significant transformation in the last two decades through series of financial sector reforms, the latest being FINSSP I. The changing structure and expansion of the economy continues to create demand for new financial services which have to be addressed with a second generation of financial sector reforms. Key among these is the promotion of a more diversified financial system through appropriate interventions to stimulate the capital market and other non-bank sectors. In this regard, Government will initiate and implement another generation of financial sector reforms under FINSSP II. The key initiatives will include:

- Promoting the development of the capital market by providing technical support to SOEs and other corporate entities to enable them raise funding through the issuance of corporate bonds.
- Promoting the establishment of domestic rating agencies by developing a regulatory framework for rating domestic companies.
- Developing a framework for district assemblies and statutory bodies to access the domestic bond market to enable them finance critical, strategic, and priority development projects.
- Promoting the development of mortgage finance schemes to close the housing deficit.

#### **Banking Sector Reforms**

1005. Mr. Speaker, the following banking sector initiatives will be pursued in 2014:



- Re-drafting of the Banking Act to consolidate a number of objectives: consolidation of the parent and amendment acts; strengthen the framework for consolidated supervision and address gaps in the Act with respect to emerging exigencies in the banking sector, including deposit insurance. Higher capital requirements for fresh licences have been set to provide newly established institutions with a stronger cushion for risk absorption; while recently recapitalized existing institutions are encouraged to grow their capital in line with their businesses.
- The Bank of Ghana will continue with efforts to strengthen its oversight responsibilities, in particular, of microfinance institutions. Minimum capital requirements have been raised and will be enforced, complemented by intensified onsite supervision. The Bank has also created a dedicated department for rural and microfinance supervision to ensure that adequate staff resources are devoted to ensure sanity in the sector. The Bank will also equip umbrella associations with logistics to help monitor microfinance institutions.

#### **Accelerated Agriculture Modernization**

1006. Mr. Speaker, as part of efforts to boost agriculture production, facilitate trade and improve the environment for commercial activities, government will undertake initiatives to transform agriculture. The focus will address post production challenges in agribusiness. In this regard, government will facilitate the pooling of private and public sector funds to pursue the following major initiatives in the agricultural sector:

#### **Developing modern Farmers markets**

1007. In 2014, Government will construct two modern farmers markets in the Brong Ahafo and Northern Regions. The Brong Ahafo market will focus on grains while the market in the Northern region will focus on tubers. However, there will be facilities for other agriculture produce. The facilities to be provided will include stalls, shops, large warehouses, cold rooms as well as business and trading centres. Farmers and producers will be registered and a database developed. The markets will be privately managed through a limited liability company.

#### **Development of Agriculture Estates**

1008. Government will facilitate the establishment of agricultural estates on the Accra plains and other existing state lands in collaboration with the private sector through Public Private Partnership arrangements.

#### **Scaling up of the Agricultural Insurance Scheme**

1009. Mr. Speaker, Agriculture insurance protects farmers against adverse climactic conditions, improves farmers' access to finance and credit facilities and

promotes investment in agricultural productivity which will lead to food security, increased incomes of farmers and poverty reduction. Government with the assistance of other stakeholders will scale up the commercial agricultural insurance system established in 2011 on a pilot basis to cover multiple crops, weather and more regions.

1010. The weather (drought) index insurance product for maize was rolled out in May 2011 in the three northern regions. In 2012, the programme was expanded to three more regions, namely Ashanti, Brong Ahafo and Eastern, and covered two additional crops, namely soya and sorghum. Subsequently an Area Yield Index (AYII) and Multi-Peril Crop Insurance (MPCI) products to cover crops, livestock and poultry have been designed for some selected districts in the Upper West region.
1011. Expansion of the coverage of agriculture insurance will have a widespread impact on the economy. The expansions in farms coupled with prudent investment in agronomic activities will have a direct effect on food availability and accessibility for the citizenry leading to an increased food security situation. Insurance cover could also be used as the catalyst to promote commercial agriculture.

#### **Statistics for Development**

1012. The Ghana Statistical Service will conduct the Integrated Business Establishment Survey (IBES) and Census of Agriculture in Ghana. The IBES will be a primary source to benchmark statistics, covering not only the units in a formal sector but in informal as well, and focusing on non-household business activities. The expected output will be a Business Register for Ghana which will publish among others the employment data for all sectors and sub-sectors and statistics on economic activities for all sectors and sub-sectors.
1013. The Census of Agriculture in Ghana will address the poor quality and paucity of Agriculture data. It will assist in the provision of reliable data for statistical analysis, computation of national indicators and serve as valuable tools to government and other development actors.
1014. The expected impact is that the Ghana Business Register will facilitate the estimation of the GDP contribution of different classes of business such as that of Micro, Small and Medium Enterprises (MSMEs) and those in the informal sector. It will also provide employment figures and a comprehensive list of businesses for the expansion of the tax net and improved revenue generation among others.

#### **Social Intervention Initiatives**

1015. Mr. Speaker, in 2014 the Livelihood Empowerment Against Poverty (LEAP) programme will be supported with an amount of 38.0 million to cover 150,000 households and improve the targeting of LEAP using more efficient data collection, as well as expansion in the coverage of the programme. This is to ensure that the impacts already achieved are not only deepened but also have a lasting effect on lives of a greater number of beneficiaries, their families and wider communities.
1016. Mr. Speaker, children are the most vulnerable in our society and orphaned children are even more so than any other. A society that does not take care of its orphans and deprived children is one that has completely lost its consciousness of what is important and necessary. In recognition of this, Government in this budget has provided GH¢5 million to take care of the three state orphanages – Osu, Kumasi and Tamale and the two subvented orphanages at Mampong and Jirapa. Part of these funds will be used to rehabilitate these very rundown and overcrowded facilities while the remaining amount will be used to increase their subsistence allowance and to fund other social services.
1017. In 2014, the SADA programme in collaboration with the Ministry of Gender, Children and Social Protection will undertake specific interventions to address growing migration of older women to urban, market locations.
1018. In 2014, Government will continue the construction of Community Health Planning and Services (CHPS) compounds to improve equitable access to healthcare. Special-purpose CHPS compounds focusing on Maternal and neonatal health will be built under a special purpose fund established by the President. In 2013, the Government of Ghana purchased 12.9 million text books for primary and junior high school in the three core subjects – English, Maths, Science. There are also new teacher guides. This was a government initiative to deliver on the policy commitment of ensuring each child had 3 core textbooks.
1019. In 2014, Government, with the assistance of its partners will also source basic science kits for junior high schools to improve the quality of teaching.
1020. As part of planned Social Intervention Programmes in 2014 for the education sector, an amount of GH¢101.15 million will be spent on the completion of on-going education infrastructure, removal of "Schools Under Trees", Senior High Schools 'Quick Fix' Projects and start-up for community day Senior High School projects. An amount of GH¢10.0 million will be invested in free school uniforms while provision of free exercise books to pupils in deprived communities will receive GH¢10.0 million. The Capitation Grants scheme will receive GH¢25.4

million while GH¢14.1 million and GH¢60.8 million have been allocated for the BECE and SHS subsidies respectively.

1021. The Energy sector will receive an amount of GH¢20.0 million for the Self Help Electrification Project (SHEP) to provide electricity for rural dwellers.
1022. Under the Kero Lantern Replacement project, the Ministry of Energy and Petroleum is deploying 200,000 solar lanterns to replace kerosene lanterns particularly in areas without electricity, so far, 20,000 lanterns have been deployed in over 50 communities throughout the country.
1023. The Rural LPG programme seeks to promote the use of LPGs in rural communities in particular. The project will see the deployment of 15,000 cylinders in 10 districts in the 10 regions on a pilot basis. This will be followed up with the deployment of 250,000 cylinders nationwide.
1024. The refrigerator rebase programme seeks to replace old energy inefficient fridges with energy efficient new fridges. Under the programme, individuals turn in their old inefficient fridges to the Energy Commission for a coupon of GH¢200.00 to enable them purchase new energy efficient fridges from designated dealers throughout the country.

#### **Transparency and Anti-Corruption Initiatives**

1025. Mr. Speaker, the measures proposed in this Budget are predicated on a strong and decisive fight against corruption. H. E. President John Dramani Mahama announced specific anti-corruption measures and declared that the "key to resolving the corruption problem is strengthening our capacity to prevent, and where it has already happened, detect, investigate, retrieve and successfully prosecute the perpetrators."
1026. Mr. Speaker, this budget takes a serious view of the President's avowed commitment to fight corruption in all its forms and, following His Excellency's directives, additional budget provisions have been made to strengthen anti-corruption agencies, notably CHRAJ. Also, as directed by H. E. the President, a percentage of proceeds of corruption when recovered, will be paid to anti-corruption agencies instrumental in exposing such acts, and this will further strengthen their resource base.
1027. Mr. Speaker, the work on GIFMIS will enhance our technological capacity to fight corruption arising from possible collusion and manipulation of databases and records.

1028. Mr. Speaker, Government takes a very serious view of Value-for-money and transparent means for its contracting for projects and services that involve the use of public funds. Consequently, all contracts have been carefully codified in the contract database, and these are selectively being reviewed for compliance with all the provisions under the law. H.E. President Mahama has recently announced as part of Government's anti-corruption measures that all contracts for services proved to have been unlawfully awarded should be reviewed and possibly canceled.

## **SECTION NINE: CONCLUSION**

1029. Mr. Speaker, This budget has been prepared with due consideration of the aspirations of the Ghanaian for a better Ghana that provides opportunity for all, provides decent jobs, access to improved social services and peaceful environment to thrive which they truly deserve. It also reflects our determination as a government to deliver on our mandate and our resolve to rise up to the challenge and confront the very difficult responsibility to realign the budget to meet key national priorities.
1030. We believe that the task is for the hopeful and strong and not the pessimist. The journey to economic prosperity is a marathon not a sprint and we are determined to transform this country. We hope to achieve this by implementing fiscal consolidation measures through:
- aggressive revenue mobilization
  - rationalizing expenditures and
  - reducing interest cost.
1031. We will continue to provide key sectors like agriculture and manufacturing with incentives to enhance their competitiveness. Two funds will be set up to address two key challenges that this country faces: limited infrastructure and access to credit for our small and medium scale enterprises that form a significant component of our economy and employ a good number of our people. This we believe, will not only create jobs but generate the environment for increased economic activity
1032. Mr. Speaker, there is the general view, that countries attain middle income status and economic growth at the expense of social service provision. Government, therefore, recognizes the need to consciously provide basic goods and services to individuals and families who are poor or vulnerable to mitigate, prevent or cope with economic, social, natural and other shocks that affect their livelihood and survival.
1033. In that regard, critical social intervention programmes will be continued with special emphasis on the expansion of the LEAP programme from 100,000 to 150,000 households. Others will be rationalized to improve targeting and make them more efficient and effective.
1034. To improve efficiency in the delivery of public services, we have for the first time introduced performance measurement in the budget management pushing our agencies to be more efficient and deliver value for every cedi that is spent.

Service improvement indicators have been included in the budget of all MDAs and they will be assessed on that basis through the implementation of programme based budgeting.

1035. Mr. Speaker, this is a demonstration of our commitment to the principles of good economic governance in terms of transparency and accountability.
1036. Mr. Speaker, it is our conviction that this budget makes proposal for programmes that will improve the lives of our people in the context of our new emerging status. It will definitely require some sacrifices and the support of members of this august house and all Ghanaians but surely it will deliver the better Ghana that we promised.
1037. Mr. Speaker, in conclusion, I wish to state that today is significant in many respects. Whiles I am here presenting my second budget since my assumption in office as finance minister, the black stars are in Egypt to meet the Pharaohs in what can at best be described as a fait accompli! We will take advantage of their qualification for investment promotion purposes. We are profoundly proud of the Stars and I wish to assure them that their bonus will be paid immediately they win and come back.
1038. Mr. Speaker, I beg to move.