



Statement of the European Union on Good Governance (Pillar III of GPRS II)

This year the Consultative Group meeting focuses on Growth and Human Development, the two first pillars of the Ghana Growth and Poverty Reduction Strategy.

Recognizing the importance of growth as an essential vector for poverty reduction we the European Union, EU Member States present in Ghana and the European Commission, would also like to recall the importance of good governance in this frame.

Promoting good governance is by no means the sole responsibility of a one single entity, it is the responsibility of all levels of public authority, private undertakings, organized civil society and development partners because good governance - openness, participation, accountability, effectiveness and coherence - are what the public expects at the beginning of the 21st century.

Governance was defined in GPRS I as responsive relationship between the state, the private business sector and civil society, such that social well-being, social justice and equity are attained and maintained in an environment of sustained economic growth, freedom, rule of law and respect for human rights. Against the background of this broad definition, GPRS II sets the overall objective of good governance and civic responsibility as empowering state and non state entities to participate in the development process of the country and to collaborate in promoting peace and stability in the body politic.

By clustering the governance pillar III of GPRS II in 15 areas of intervention, the Government of Ghana has tried to bundle reform actions in an attempt to reach the above stated objective. The results achieved so far are encouraging, but nevertheless mixed.

The CG meeting constitutes therefore a unique opportunity to review what has been achieved so far and what still need to be done to reach the agreed objectives.

With reference to the implementation of the APRM Programme of Action, one can note among others progress

- With regard to the ratification of important International Conventions.
- Voter registration and general security are enhanced and the adoption of the National Identification Authority Act has been adopted.
- Access to Justice is improving steadily with the introduction of automated courts, the establishment of commercial courts and the promotion of Alternative Dispute Resolution (ADR).

- Capacity building for Parliament is pushed and budgetary allocations to Governance Institutions have been increased. !
- A Public Sector Reform Strategy has been initiated and sound public finance management is promoted continuously.
- Annual progress reports on GPRS are published by NDPC to enhance accountability and monitoring of the national development process.

It is on this positive track record and on the basis of further ambitious commitments agreed with the Government of Ghana in the field of good governance that the European Commission considers increasing by 30% the indicative aid allocation communicated to Ghana for the years 2008-2013.

But there are still some challenges Ghana has to cope with.

In the Ghana Joint Assistance Strategy (G-JAS, February 2007), Development Partners (DPs) reaffirm their support to GPRS II, explicitly prioritising 'strengthening oversight capacity' which applies mainly to the Independent Governance Institutions (IGIs) as listed in the 1992 Constitution.

However, many IGIs highlighted the feeling of exclusion from the mainstream GPRS process, quoting limited progress and participation in the policy dialogue. This also extends to lack of their participation in the CG process. Parliament is the only IGI specifically referenced in GPRS II.

Recognising its crucial link in the good governance chain, the Judiciary has been working to address shortcomings of the courts. But at the same time with the inception of the 1992 Constitution, new laws have been introduced without sufficient implementing regulations and weak, sometimes overlapping mandates, which severely hamper the ability of the courts to enforce the laws and other institutions to apply the laws.

There is credible evidence of reform leadership and vision in the Chief Justice's office, but this reform spirit does not seem to permeate the entire Judiciary. Despite the important achievements increased access to justice by the vulnerable and the rural population is still wanting.

A holistic strategy to the justice sector could be developed to expand and promote equal access to formal systems as well as develop legislative regulations with budgetary provisions for legal defence and dispute resolution particularly in the rural areas.

The Commission for Human Right and Administrative Justice, although defined as an independent institution, is dependant on the Ministry of Finance for its financial resources and on the Attorney General for prosecution of human rights and anti-corruption cases. It needs stronger links with the

Judiciary in order to fully exercise its mandate of ombudsman, anti-corruption and human rights watch dog.

The **Electoral Commission** has by all measures performed successfully during four elections since 1992 and a number of reforms have been implemented by the Electoral Commission regarding voting and registration procedures. However, provision in the electoral law for continuous registration of voters as the need arises could be made and the ban on political party activity in local government should be lifted.

The current fourth **Parliament** (2004-2008) seems not to have fully taken advantage of its existing powers for oversight of the executive. It is true that Parliamentary committees still lack capacity.

On '**Economic Governance**', the legal framework is being strengthened to reduce corruption in the public sector. The enactment of such laws as the Public Procurement Act, the Financial Administration Act, the Internal Audit Agency Act enhance sound financial management and contribute to curb abuse within the public sector, but as far as coordination of anti-corruption agencies is concerned, more efforts are still necessary. Indeed, we must recognize that the perception of corruption still high in Ghana, especially with regard to public procurement.

Definitions for bribery and corruption still have to be clarified. In that respect the AU and UN Conventions on Corruption might help and should be taken as guiding principles.

Real progress has been made with the elaboration of clear Guidelines on Conflicts of Interest for Public Officials and the adoption of the Whistleblowers Act. Now the adoption of the Freedom of Information Bill and the Anti Money Laundering Bill are expected as next steps.

Furthermore, it remains to be ensured that the Assets Declarations are easily accessible and verifiable. In that respect the European Union welcomes and supports the Attorney General's declared intentions to pursue the strengthening of regulations and laws around the Asset Declarations.

As to '**Women Empowerment**' the APRM Review 2006 reveals that although a 'Women in Local Governance Fund' has been established, more efforts are still needed to ensure that structural inequalities between men and women are taken into account in promoting participation in policy decisions. Furthermore, little progress has been made on the implementation of the Affirmative Action Policy and the still awaited incorporation of Convention on the Elimination of all forms of Discrimination against Women into local laws.

Judiciary in order to fully exercise its mandate of ombudsman, anti-corruption and human rights watch dog.

The **Electoral Commission** has by all measures performed successfully during four elections since 1992 and a number of reforms have been implemented by the Electoral Commission regarding voting and registration procedures. However, provision in the electoral law for continuous registration of voters as the need arises could be made and the ban on political party activity in local government should be lifted.

The current fourth **Parliament** (2004-2008) seems not to have fully taken advantage of its existing powers for oversight of the executive. It is true that Parliamentary committees still lack capacity.

On '**Economic Governance**', the legal framework is being strengthened to reduce corruption in the public sector. The enactment of such laws as the Public Procurement Act, the Financial Administration Act, the Internal Audit Agency Act enhance sound financial management and contribute to curb abuse within the public sector, but as far as coordination of anti-corruption agencies is concerned, more efforts are still necessary. Indeed, we must recognize that the perception of corruption still high in Ghana, especially with regard to public procurement.

Definitions for bribery and corruption still have to be clarified. In that respect the AU and UN Conventions on Corruption might help and should be taken as guiding principles.

Real progress has been made with the elaboration of clear Guidelines on Conflicts of Interest for Public Officials and the adoption of the Whistleblowers Act. Now the adoption of the Freedom of Information Bill and the Anti Money Laundering Bill are expected as next steps.

Furthermore, it remains to be ensured that the Assets Declarations are easily accessible and verifiable. In that respect the European Union welcomes and supports the Attorney General's declared intentions to pursue the strengthening of regulations and laws around the Asset Declarations.

As to '**Women Empowerment**' the APRM Review 2006 reveals that although a 'Women in Local Governance Fund' has been established, more efforts are still needed to ensure that structural inequalities between men and women are taken into account in promoting participation in policy decisions. Furthermore, little progress has been made on the implementation of the Affirmative Action Policy and the still awaited incorporation of Convention on the Elimination of all forms of Discrimination against Women into local laws.

The European Union attaches great importance to a proper functioning of the Independent Governance Institutions. A recent Joint Review of support to IGIs in Ghana has shown that although they have strong mandates according to the 1992 Constitution, their contribution to the strengthening of good, responsive and democratic governance in the context of GPRS has been limited so far. Generally, their financial sustainability is still considered fragile and they lack a policy framework for advancing good governance in the context of GPRS and other long term policy perspectives.

The European Union wishes to conclude her statement by addressing an area where achievements lag clearly behind set objectives and general expectations although it is recognized as key to poverty reduction.

'Enhancing decentralisation' (cluster II in pillar III) is an area where significant reform is yet to be initiated. The APRM Annual Progress Report 2006 states that results on the decentralisation front are mixed. A Joint Development Partner (DP)/GoG Review of the decentralisation process finalised in February 2007 has brought forward that there is substantial divergence between Government intentions for decentralisation - including the intentions as stated in the Constitution - and the actual practices in the country. This divergence is buttressed by a variety of laws, which give legitimacy to divergent practices, especially in the choices made by MDAs that tend to define decentralisation as "deconcentration".

The European Union acknowledges that a first attempt in overcoming shortcomings in the decentralisation process in the country has been made by elaborating a 'Draft Comprehensive Decentralisation Policy Framework', tabled in March 2007 and currently before cabinet for scrutiny.

However, in this policy document clear statements of preference or intent concerning political and fiscal decentralisation are still lacking. The establishment of an 'Inter-Ministerial Coordination Committee' is announced.

The European Union supports strongly the creation of such a high level coordination body and hopes that it will start steering the process as soon as possible since crucial elements of the comprehensive policy framework still need to be completed and fine-tuned.

Indeed, the draft policy fails to give policy direction as to the specific functions to be assigned to each level of Government. The policy should also clarify the future role of MDAs and the reforms that that are therefore envisaged.

As to fiscal decentralisation, coordination work has started but the draft policy only vaguely references the components of the future fiscal framework which

will underpin the decentralised local government system. Although the draft policy mentions important issues of clarifying expenditure and revenue assignments, we believe it should also contain clear expressions of the Government's commitment to fiscal decentralisation by confirming its intention to increase the level of discretionary resources at the disposal of Metropolitan/Municipal and District Assemblies (MMDAs) to be reflected by a substantial increase to the District Assembly Common Fund (DACF) mainly for development funding.

Furthermore, the policy should make clear that along with the envisaged shifting of functions from central to local government the corresponding fiscal resources have to be placed under the control of MMDA's.

As to Human Resource Management it is encouraging that the draft policy reconfirms that the Local Government Service (LGS) will be fully operational by the end of 2007. However, the budgetary implications need to be reflected in the budget statement by providing the financial resources to the LGS. Another challenge will be the development of the required human resource management capacities within District Assembly administrations.

Finally, on political decentralisation the draft policy is quite vague. Three options are provided so far. Considering GoG's intentions as articulated in GPRS and supported by the Joint Decentralisation Policy Review and the APRM Review, the European Union feels that option one - election of the District Chief Executives and all Assembly Members - is the one which will make the District Assemblies more accountable vis-a-vis the local population and which will strengthen in a sustainable way the democratic legitimization of local government. Moreover, we argue that such a decision could benefit to be implemented even before the proposed year 2014.

Lastly, although GPRS II recognizes that "as part of the process of generating social accountability and achieving better development effectiveness, involving chiefs in formal development structures is becoming an unavoidable imperative" the Draft Comprehensive Decentralization Policy Framework is silent on this matter.

Since the beginning of the present legislature many positive achievement, among others in the field of good governance has led Ghana at the forefront of Africa. These successes have been recognised by his Peers and His Excellency President Kufuor was therefore rightfully elected Chairman of the African Union. The European Union has clearly expressed her satisfaction and support to President Kufuor and the people of Ghana.

Next year will be an election year and we all know what it generally means for politicians but let us look at it differently, there are still 18 months to go and we the European Union are confident that Ghana can do more, better and faster.