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**Ministry of Finance and
Economic Planning**

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The 2011 Budget Statement and Economic Policy of the Government is also available on the internet at: www.mofep.gov.gh

ACRONYMS AND ABBREVIATIONS

ABB	Activity Based Budgeting
AFDF	African Development Fund
AIDS	Acquired Immune Deficiency Syndrome
ATMA	Accra Tema Metropolitan Assembly
BECE	Basic Education Certificate Examination
BOG	Bank of Ghana
BOP	Balance Of Payments
BSC	Bachelor of Science
CAGD	Controller and Accountant Generals Department
CDP	Community development Programme
CET	Common External Tariff
CHAN	African Nations Championship
CHN	Community Health Nurses
CHPS	Community Health and Planning Services
COCOBOD	Ghana Cocoa Board
CST	Communication Service Tax
DACF	District Assemblies Common Fund
DMB	Deposit Money Banks
DSW	Department Of Social Welfare
DVLA	Driver And Vehicle Licensing Authority
ECF	Extended Credit Facility
ECG	Electricity Company Of Ghana
ECOWAS	Economic Community Of West African States
ENI	Ecumenical News International
EPA	Environmental Protection Agency
ERM	External Revenue Mobilisation
EU	European Union
FBM	Forex Bureau Market
FOB	Freight on Board
FPSO	Floating Production Storage and Offloading
FWSC	Fair Wages and Salaries Commission
GCB	Ghana Commercial Bank

GCC	Ghana Gold Company
GCNET	Ghana Community Net Work
GDP	Gross Domestic Product
GES	Ghana Education Service
GETFUND	Ghana Education Trust Fund
GIC	Ghana Investment Centre
GIPC	Ghana Investment Promotion Council
GNI	Gross National Income
GNPC	Ghana National Petroleum Company
GOG	Government of Ghana
GPRS	Growth and Poverty Reduction Strategy
GRA	Ghana Revenue Authority
GRIDCO	Ghana Grid Company
GSB	Ghana Standards Board
GSGDA	Ghana Shared Growth And Development Agenda
GSS	Ghana Statistical Service
GWC	Ghana Water Company
HIPC	Highly Indebted Poor Country
HIRD	High Impact Rapid Delivery
HIV	Human Immune-Deficiency Virus
HS	Harmonised Commodity Coding System
ICA	Information Communication Authority
ICC	International Cricket Council
ICT	Information Communication Technology
IGF	Internally-Generated Funds
IMF	International Monetary Fund
IMMR	Institutional Maternal Mortality Ratio
IMR	Infant Mortality Rate
IPPD	Integrated Personnel And Payroll Database
IRS	Internal Revenue Service
ISD	Information Services Department
IT	Information Technology
ITT	International Trade Taxes
JHS	Junior High School
KG	Kindergarten

KNUST	Kwame Nkrumah University Of Science And Technology
KVIP	Kumasi Ventilated Improved Pits
L.I.	Legislative Instrument
LEAP	Livelihood Empowerment Against Poverty
M.P	Member of Parliament
MCA	Millennium Challenge Account
MDAS	Ministries, Departments And Agencies
MDBS	Multi-Donor Budget Support
MDGS	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MESW	Ministry Of Social Welfare And Employment
MGDS	Millennium Development Goals
MIDA	Millennium Development Authority
MMDAS	Metropolitan, Municipal and District Assemblies
MMDCES	Metropolitan, Municipal and District Chief Executives
MOFEP	Ministry Of Finance And Economic Planning
MOWAC	Ministry Of Women And Children's Affairs
MPC	Monetary Policy Committee
MTDMS	Medium-Term Debt Management Strategy
MTNDPF	Medium Term National Development Policy Framework
NADMO	National Disaster Management Organisation
NDC	National Democratic Congress
NDC	National Democratic Congress
NDF	Net Domestic Financing
NDF	Net Domestic Financing
NFSL	National Fiscal Stabilisation Levy
NFSL	National Fiscal Stabilisation Levy
NHIF	National Health Insurance Fund
NHIL	National Health Insurance Levy
NPRA	National Pensions Regulatory Authority
NSS	National Service Scheme
NTR	Non-Tax Revenue
NVTI	National Vocational Training Institute
NYEP	National Youth Employment Programme
OPEC	Oil Producing and Exporting Countries

PBB	Programme Based Budgeting
PEPB	Petroleum Exploration and Production Bill
PFM	Public Financial Management
PID	Public Investment Division
PPP	Public-Private Partnership
PRMB	Petroleum Revenue Management Bill
SADA	Savannah Accelerated Development Authority
SHEP	Self Help Electrification Project
SHS	Senior High School
SIP	Social Intervention Programmes
SME	Small and Medium Scale Enterprises
SOLAR PV	Solar Photo Voltaic
SRN	State Registered Nurses
SSNIT	Social Security and National Insurance Trust
SSSS	Single Spine Salary Scheme
TOR	Tema Oil Refinery's
UEW	University Of Education, Winneba
UNFPA	United Nations Population Fund Agency
UNICEF	United Nations Children's Fund
UNSCR	United Nations Security Council Resolution
VAT	Value Added Tax
VIT	Vehicle Income Tax
VRA	Volta River Authority
WIMAX	Worldwide Interoperability for Micro Wave Access

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SECTION1: INTRODUCTION

1. Madam Speaker, I beg to move that this august House approves the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2011.
2. Madam Speaker, in accordance with article 179 of the 1992 Constitution, I have the singular honour and privilege to stand before this august House and the people of Ghana to present the 2011 Budget Statement and Economic Policy on behalf of the President, His Excellency, Prof. John Evans Atta Mills.
3. Madam Speaker, on 18th November, 2009, I presented to this House the second Budget Statement of the NDC Government. The Budget was based on Government's vision of a 'Better Ghana' in which, growth and economic prosperity are premised upon the collective effort and on the principle of opportunities for improved standard of living for all Ghanaians.
4. Our 'Better Ghana' agenda is to be achieved through the implementation of sound and prudent economic policies intended to ensure continuous stability and growth within an environment of good governance.
5. Madam Speaker, I am pleased to report that, two years on, despite the challenges, we have made significant progress. The economy has shown strong resilience and stability as indicated by all the key macroeconomic indicators as follows:
 - GDP growth of 4.1 percent in 2009 compared to the sub-Saharan Africa growth of 2.0 percent;

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- the fiscal deficit reduced significantly from the double digit of 14.5 percent on cash basis at the end of 2008 to 9.7 percent in 2009;
 - inflation has trended downwards in sixteen (16) consecutive months from 20.74 percent at the end June 2009 to reach 9.38 percent in October 2010, the lowest in the last two decades;
 - gross international reserves of US\$ 3,973.0 million at the end of October 2010 have exceeded three months of import cover compared with reserves of US\$2,036.2 million at end December 2008 which could barely cover 2 months of import; and
 - the Ghana Cedi has strengthened and appreciated by 0.1 percent, 2.2 percent and 5.4 percent against the US dollar, pound sterling and euro respectively as at the end of September, 2010.
6. The interim growth figures released by the Ghana Statistical Service clearly show that we have been able to return the economy to a path of sustainable growth.
 7. The oil and gas production which will be on stream very soon will further consolidate this effort and ensure accelerated growth. The careful and rigorous rebasing of our national income has revealed that the size of the economy has become bigger.
 8. Madam Speaker, with the progress made so far, I can confidently state that we ready to make the transition from stability to accelerated growth.
 9. We should all note with satisfaction that, as a result of our collective effort towards good governance since the inception of the fourth republic, our dear nation, Ghana has now joined the league of middle income countries. Indeed, when we met

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our development partners in Accra in late September, they reaffirmed their faith in Ghana, in its policies and prospects. With their help, and more importantly with our own efforts, it is time to forge ahead. The challenge ahead is to ensure a continuous accelerated growth and development towards fair and equitable income distribution.

10. Madam Speaker, our medium term development framework is the Ghana Shared Growth Development Agenda (2010-13) which will be presented to this august House before the end of this year, focuses on seven key areas.
11. Madam Speaker, in this budget, we have taken on the challenge of implementing more extensively, the introduction of the Single Spine Salary Scheme. Madam Speaker, in order to fully meet this challenge we have focused on improved efficiency in revenue management.
12. Madam Speaker, we believe that it is the role of Government to ensure equity and fairness in salary administration and reward Ghanaian workers for their commitment to our economic growth and development. Through this budget, we are demonstrating our commitment to do just that.
13. Madam Speaker, the year 2011 marks the beginning of Ghana's oil and gas production in commercial quantities. A major challenge will be how the oil revenues will be used to transform the economy and accelerate growth without sacrificing macro-economic stability and accentuating income inequalities.
14. Based on experiences from other oil and gas producing jurisdictions, government is taking steps to manage revenues from these natural resources in a prudent manner that ensures that the prerequisite for accelerated growth and development, namely, social, economic and physical infrastructure are appropriately improved. It is in this context

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that we recently presented to Parliament, the Petroleum Exploration and Production Bill and the Petroleum Revenue Management Bill. In addition, we will soon put before this august House a Petroleum Commission Bill.

15. It is against this background, that the theme for the 2011 budget **'Stimulating Growth for Development and Job Creation'** is appropriately chosen to focus attention on the need of the economy to be propelled onto a higher growth and development trajectory.
16. Madam Speaker, the 2011 budget will therefore focus on major growth-oriented programmes and projects that would improve and sustain Ghana's middle income status. In this regard, there will be significant investments in the areas of Energy and Road and Rail transport to facilitate private sector expansion for employment generation.
17. The execution of these growth-driven activities will be complemented by social intervention programmes in pursuit of the core values of the NDC Government providing equality of opportunities and improvement in the social development of our people. Specifically, all the social intervention programmes in the health and education sectors will continue.
18. Madam Speaker, in furtherance of this, government will harness and effectively utilise available resources from both domestic and foreign sources to deliver on our pledge for a 'Better Ghana'. Government will continue with its prudent fiscal and monetary policies to sustain the macroeconomic stability for improved private sector competitiveness and growth, which we believe, will stimulate employment and improve the quality of life of Ghanaians.
19. Madam Speaker, permit me to highlight and bring to the attention of this august House to the following:

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- a) developments in the global economy in 2010 including an outlook for sub-Saharan countries and impact on the domestic economy;
- b) developments in our economy and major achievements for the fiscal year 2010;
- c) government's medium term macroeconomic framework that sets out the objectives and policies for the next three years;
- d) key achievements in 2010 and key priority interventions of government that would be funded in pursuit of the growth and development agenda in 2011;
- e) reforms that would complement major policy interventions for achieving the shared growth agenda; and
- f) policy initiatives.

SECTION 2: GLOBAL ECONOMIC DEVELOPMENTS

Global Economy

20. Madam Speaker, the world economy has experienced gradual recovery since the 2007- 2008 major recession brought about by the global financial, fuel and food crisis. Downside risks, however, remain prominent as most advanced and few emerging countries are confronted with major adjustment problems, sluggish growth and high unemployment rates.
21. Many developed countries are still confronted with huge public debt and fragile financial sector which have to be dealt with through monetary and fiscal measures. Some of these measures may, however, lead to further lowering of global demand and consequently affect the growth rate of global output and worsen the current high unemployment rates globally.
22. Madam Speaker, the above developments have implications for our country since reductions of the budgets of developed countries may result in cuts in external aid to developing countries and also lead to lower demand for our exports.
23. In emerging and developing countries, prudent policies that were crafted and implemented as part of the policy package to counteract the effects of the global crises have contributed significantly to a favourable medium term growth outlook. Their continuous good performance will, however, remain dependent on demand in advanced economies.
24. In the light of the above, the IMF forecasts global output to expand by 4.8 percent in 2010 and 4.2 percent in 2011. These growth in output will be led by emerging and developing economies with projected rates of 7.1 percent and 6.4 percent respectively in 2010 and 2011. However, growth projection in advanced economies will remain

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subdued at 2.7 percent and 2.2 percent, respectively (World Economic Outlook - WEO, October, 2010).

25. To overcome the potential downside risks, the Fund recommends the need to strengthen private sector demand in advanced economies, continuation of fiscal consolidation, increase in net exports in deficit countries and decrease in net exports surplus countries.
26. Madam Speaker, in Sub-Saharan Africa, economic recovery has been faster than expected with projected growth rate of 4.5 percent in 2010 and 5.7 percent in 2011 compared with the growth rate of 2.0 percent in 2009. The downside risks to this favourable growth outlook are the highly volatile financial sector and the uncertainties in the developed countries which can result in lower demand for raw materials, and lead to lowering of commodity prices.

Macroeconomic Developments in the WAMZ Countries

27. Macroeconomic performance for the first half of 2010 in the WAMZ countries shows a significant improvement over the corresponding period in 2009. End of year real growth is thus expected to average 7.2 percent, above the 6.3 percent achieved in 2009, and the highest rate achieved since 2003. This growth rate is anchored on the relative improvement in the world economy, stability in commodity prices (especially, fuel and food), good performance in the agriculture sector and reduction of conflicts in the sub-region. Growth is expected to increase further in 2011 to above pre-crisis levels.
28. Inflation pressures in the sub region similarly eased in almost all countries in the first half of the year, aided to a large extent by availability food in the region and a relatively stable currency. The average rate of inflation fell to 11.3 percent in June 2010 compared to 12.3 percent in December, 2009.

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Compared to corresponding period in 2009, average inflation rate rose by 0.6 percent.

29. Fiscal deficit to GDP ratio (excluding grants) for the region for the first half of 2010 worsened from an average of 4.4 percent in 2009 to 4.5 percent in 2010 on account of shortfalls in domestic revenue collection. All countries, with the exception of Liberia recorded deficit. Fiscal deficit is however, expected to improve by end December 2010 and improve further in 2011.
30. Gross reserves for the region in the review period January to June 2010, reduced from US\$45.6 billion to US\$41.6 billion mainly as a result of the decline in Nigeria's external reserves. In terms of months of imports of goods and services, there was a decline from 12.1 months of import cover to 11.9 month of import cover in the corresponding period in 2009.
31. Similarly, all the local currencies depreciated at varying rates against the United States dollar during the review period.
32. In the medium term, growth prospects remain high, as the global economy continues to recover from the two years of recession. However, there is the need to better coordinate fiscal and monetary policies and improve on revenue collections in order sustain the current low inflation regime in the sub region and even reduce it further.

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Table 1: Ghana – Status of WAMZ Primary Convergence, 2001-2010

Primary Criteria	Target	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009	2010
											June	June
Inflation Rate (end period)	Single	21.3	15.2	23.6	11.8	13.9	10.9	12.8	18.1	20.7	16.0	9.5
Fiscal Deficit/GDP (%) excl. grants	≤ 4%	-13.2	-8.3	-7.5	-8.1	-6.9	-11.3	-15.6	-18.4	12.3	-12.3	-12.8
Central Bank Financing of fiscal deficit as % of previous year's tax	<10%	0.0	12.1	0.0	27.7	0.0	0.0	0.0	38.7	26.5	-3.1	-2.9
Gross External Reserves (Months of Imports*)	≥ 3	1.4	2.7	5.0	4.6	4.0	3.7	3.9	2.2	4.1	4.1	3.2
Criteria satisfied		1	0	2	2	2	2	2	0	0	2	3

Source: WAMI

Table 2: Ghana – Status of WAMZ Secondary Convergence, 2001 -2010

Secondary Criteria	Target	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009	2010
											June	June
Change in arrears(*)	≤ 0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tax revenue/GDP ratio	> 20%	17.2	17.5	20.2	22.4	21.9	21.1	21.9	25.0	19.3	22.1	22.3
Salary mass/Total tax revenue	≤ 35%	52.9	57.2	49.6	46.1	44.8	44.9	46.0	45.5	55.5	51.6	47.4
Public Investments from domestic receipts	> 20%	16.4	13.2	17.2	17.3	16.0	22.2	26.4	32.6	16.0	14.1	17.8
Real interest rate	> 0	-6.8	-2.2	-13.9	-2.3	-7.2	-6.2	-8.2	-9.1	-11.8	-6.0	-2.8
Exchange rate(+:depreciation/ -: appreciation) against WAMZ ERMII +/- 15%		5.0	13.2	4.7	2.2	3.1	4.1	8.8	27.1	38.9	61.1	60.6
Criteria satisfied		1	1	2	2	2	3	3	2	1	1	1

Source: WAMI

33. Madam Speaker, it is significant to note that for the first time, Ghana met three out of the four primary convergence criteria which has eluded us for the past nine years.

ECOWAS Common External Tariff (CET)

34. West African countries have since 2006 been negotiating on an ECOWAS Common External Tariff as part of the processes leading to the establishment of a customs trade area in the

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sub region. One of the outcomes of the negotiations is the adoption by countries in the sub-region of a 5-band tariff structure comprising zero percent, five percent, ten percent, twenty percent and thirty-five percent as import duty rates for social and special products, raw materials, intermediate products, final consumption products and special goods for economic development respectively.

35. In addition, the region has adopted a new Harmonized Commodity Coding System (HS) based on the 2007 Harmonized Code, to replace the individual HS being used by countries of the sub region when the implementation of the ECOWAS CET is operationalised.
36. The full implementation of the CET programme will impact on government's fiscal revenue and also create new opportunities and challenges to the private sector, especially manufacturers/producers and importers. Private sector operators will be required to reposition their businesses to enable them manage the challenges and take advantage of the new opportunities that will be offered in the wider market that the Community will create.

ECOWAS Community Development Programme (CDP)

37. Madam Speaker, to implement the ECOWAS Vision 2020, the new vision adopted by the Authority of Heads of State and Government at the 32nd Summit held in Abuja in June, 2007, the ECOWAS Commission has been committed to formulate the Community Development Programme (CDP).
38. The CDP process aims at translating the long term development strategy of the region into coherent programmes of action to give concrete expression to the Vision. Its objective is to ensure coherence and build synergy at three levels, that is:
 - between sector programmes and ECOWAS Commission;

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- between policies and programmes from the ECOWAS Commission and those of the other regional institutions; and
 - between policies and programmes of ECOWAS and development strategies of Member States.
39. The general orientation of the CDP process is geared towards ten main strategic axes which include: integration of people, cooperation among States, development of common policies in agriculture, transport and communication interconnectivity, financial and monetary integration, interconnection of communication infrastructure and management of natural resources and the environment, among others. Ghana has already submitted her programme for consideration by the ECOWAS Commission.

Programme with the International Monetary Fund

40. Madam Speaker, as a result of the severe macroeconomic imbalances that this government inherited from the previous administration, we had to seek the assistance of the International Monetary Fund (IMF) to help us stabilise the economy.
41. In this regard, government in 2009 requested for a three-year programme now called the Extended Credit Facility (ECF) from the IMF.
42. The IMF Executive Board, on 15th July, 2009, approved a loan of 387 million Special Drawing Rights (SDRs), equivalent to US\$602 million as balance of payments support to Ghana. This amount is expected to be disbursed in seven tranches over a three-year period (July 2009 – June 2012), after each review of the programme which takes place semi-annually.

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43. The first and second reviews of the programme have been successfully completed and a total amount of US\$218 million have so far been disbursed to support the country's balance of payments. The third review of the programme is expected to be completed by the end of January, 2011.
44. The programme has contributed to the stabilization of the economy as the disbursements have helped to increase the level of Ghana's reserves, which in turn, has helped stabilise the Cedi and boosted confidence in the economy.

SECTION 3: RECENT MACROECONOMIC PERFORMANCE

45. Madam Speaker, Ghana weathered the global recession relatively well, in spite of slowing of overall economic growth in 2009. This was achieved through prudent macroeconomic policies, favourable world market conditions for cocoa and gold exports, increased agricultural output. In general, there has been a recovery in business confidence as a result of an excellent performance of the economy.

Fiscal Performance for 2009

46. Madam Speaker, the 2009 Budget set an overall fiscal deficit target of GH¢2,033.8 million, equivalent to 9.4 percent of GDP on cash basis.
47. The budget outturn for the 2009 fiscal year indicates that total revenue and grants amounted to GH¢6,881.3 million, 7.9 percent below the budget target of GH¢7,474.2 million. The shortfall was mainly as a result of the under-performance in domestic revenue mobilization.
48. Total expenditure for the 2009 fiscal year amounted to GH¢9,074.4 million, equivalent to 41.7 percent of GDP. This was against a budget target of GH¢9,508.0 million, equivalent to 43.7 percent of GDP.
49. Madam Speaker, the overall budget balance was a deficit of GH¢2,118.6 million, equivalent to 9.7 percent of GDP. This deficit was financed from both domestic and foreign sources. Net domestic financing of the budget amounted to GH¢1,042.1 million, equivalent to 4.8 percent of GDP, compared to a budget target of GH¢1,032.8 million. Financing from foreign sources totalled GH¢1,076.6 million, equivalent to 4.9 percent of GDP.
50. The domestic primary balance recorded a surplus of GH¢122.5 million, equivalent to 0.6 percent of GDP (on cash

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basis), against a target deficit of GH¢293.6 million (on cash basis), equivalent to 1.4 percent of GDP. This compares with a deficit equivalent to 10.1 percent of GDP in 2008. The 2009 primary balance indicates much improvement in the domestic effort towards budget implementation.

51. Madam Speaker, the details of the fiscal outturn for 2009 are provided in the appendix tables of this budget statement.

Economic Performance for 2010

52. Madam Speaker, the performance of the economy for 2010 has been assessed using data for the first three quarters of the year. Projections up to the end of the year are based on the first three quarters data.

53. Madam Speaker, following the progress made in implementing our economic programme in 2009, prudent policies were adopted in 2010 to achieve a further reduction in the fiscal deficit, and therefore ambitious goals were set for carrying forward some specific structural fiscal reforms to consolidate the gains made in 2009.

54. The following targets were set for the 2010 fiscal year:

- Real GDP growth of 6.5 percent;
- Average inflation rate of 10.5 percent;
- End-period inflation of 9.2 percent;
- Overall budget deficit of 7.5 percent of GDP; and
- Gross international reserves of not less than 2.5 months of import cover.

55. Madam Speaker, the performance of the economy during the 2010 fiscal year is provided below.

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Real Sector

56. Madam Speaker, as at September 2010, the economy had expanded by 5.9 percent against a GDP target of 6.5 percent, according to provisional GDP estimates based on actual January to June data released by the Ghana Statistical Service in September 2010. The Agriculture sector grew by 4.8 percent, while the industry and services sectors grew by 7.0 percent and 6.1 percent respectively.
57. Madam Speaker, the sectoral performance of the economy is presented below:

Agriculture

58. Madam speaker, according to the provisional data, the Agriculture Sector grew by 4.8 percent in 2010 against a target of 6.0 percent and constituted about 32.4 percent of GDP, relinquishing its position as the largest contributor to output to the Services Sector. All sub-sectors in the Agriculture Sector achieved their targets except the Crops and Livestock sub-sector, which posted a growth rate of 5.0 percent against a target of 7.0 percent as shown in Table 3.
59. Madam Speaker, the provisional growth rate of the Crops sub-sector was based on land area alone, and excluded input expansion (e.g. increased fertilizer use, improved seeds, and improved land preparation) and output in the Minor Season (July to September) as well as crop activities in the Northern sector which usually accounts for a third of total output. Madam speaker, it is expected that when the GDP figures are revised at the end of the year, the agriculture sector will post a much higher growth rate.

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Table 3: Provisional Agriculture Sector Growth (2010)

ACTIVITY	TARGET	PROV. OUTTURN
AGRICULTURE	6.0	4.8
Crops and Livestock	7.0	5.0
Cocoa Production and Marketing	4.0	4.6
Forestry and Logging	3.0	3.8
Fishing	5.0	5.0

Source: GSS & MOFEP

Industry

60. Madam Speaker the Industry Sector grew by 7 percent against a target of 6.6 percent contributing about 25.7 percent to GDP. The impressive performance of the Industry sector is largely explained by the remarkable performance of the Mining & Quarrying, and the Electricity & Water sub-sectors. Whiles the Mining & Quarrying sub-sector grew by 10.5 percent against a target of 6 percent, the Electricity & Water sub-sector grew by 13.3 percent against a target of 10.0 percent. Electricity production increased by 17.7 percent resulting mainly from a 9.2 percent increase in hydro power generation and 38.3 percent increase in thermal power generation.
61. Madam Speaker, after contracting by 1.7 percent in 2009, the Construction sub-sector recorded a high growth rate of 7.9 percent against a target of 8 percent. The Manufacturing sub-sector posted a marginal growth of 1 percent after contracting by 1.3 percent in 2009. The performance of the rest of Industry sub-sectors is illustrated in Table 4.

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Table 4: Provisional Industry Sector Growth (2010)

ACTIVITY	TARGET	PROV. OUTTURN
INDUSTRY	6.6	7.0
Mining and Quarrying	6.0	10.5
Manufacturing	4.0	1.0
Electricity and Water	10.0	13.3
Construction	8.0	7.9

Source: GSS & MOFEP

Services

62. Madam Speaker, the Services sector grew by 6.1 percent and contributed 32.8 percent as its share to GDP, displacing the Agriculture sector as the highest contributor to GDP. This is an indication of a structural change in the economy towards the Services sector. The Finance, Insurance, Real Estate and Business Services sub-sector recorded the highest growth rate of 13.9 percent against a target of 10 percent mainly explained by substantial growth (38.7 percent) in Business Services such as consultancy and other professional services. The Wholesale and Retail Trade, Restaurants and Hotels sub-sector registered the lowest growth rate of 3.5 percent in the sector compared to a projected growth of 8 percent. The performance of the rest of Services sub-sectors are illustrated in Table 5.

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Table 5: Provisional Service Sector Growth (2010)

CTIVITY	TARGET	PROV. OUTTURN
SERVICES	6.9	6.1
Transport, Storage and Communication	6.0	6.0
Wholesale and Retail Trade, Restaurants and Hotels	8.0	3.5
Finance, Insurance, Real Estate and Business Services	10.0	13.9
Government Services	5.5	4.5
Community, Social and Personal Services	6.0	4.5
Producers of Private Non- profit Services	6.0	6.0

Fiscal Sector

63. Madam Speaker, in reviewing the performance of the economy for 2010, provisional actual information available up to the end of September, 2010, have been used and based on this, projections are made to indicate the expected outturn for end 2010.
64. Madam Speaker, the main objective of the 2010 Budget was to continue the progress in fiscal consolidation to ensure macroeconomic stability. To this end, the 2010 budget used the budget deficit as the fiscal anchor, and targeted a further reduction in the fiscal deficit to 7.5 percent of GDP. This target was to be achieved by improving expenditure rationalisation and management, while enhancing revenue mobilisation.

Summary of Budget Results

65. Provisional data on the implementation of the budget for the first three quarters of 2010 indicates that, revenues were

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below the budget target by 1.8 percent. On the other hand, expenditures were higher than estimated by 8.0 percent.

66. The fiscal deficit for the first three quarters was GH¢2,294.3 million, equivalent to 8.8 percent of GDP, compared to a budget target of GH¢1,968.6 million, equivalent to 7.6 percent of GDP. The bigger deficit is mainly as a result of increased disbursement of project loans than was anticipated, and the accelerated clearance of domestic arrears than programmed for the first three quarters of the year.

Revenue and Grants

67. Total revenue and grants amounted to GH¢5,999.8 million (equivalent to 23.1 percent of GDP), compared to a budget target of GH¢5,895.0 million (equivalent to 22.7 percent of GDP). The higher outturn was the result of improvement in tax revenue administration for the period. For the year 2010 as a whole, total revenue and grants are projected at GH¢8,828.4 million.
68. For the first three quarters of 2010, domestic revenue, made up of tax and non-tax revenue, totalled GH¢5,158.5 million, equivalent to 19.9 percent of GDP. The outturn was 7.1 percent higher than the budget estimate of GH¢4,818.3 million. On a year-on-year basis, domestic revenue increased by 35.3 percent. It is projected that by the end of the year, total revenue will be GH¢7,656.7 million, 7.3 percent lower than the budget estimate of GH¢8,264.0 million.
69. Total tax revenue was GH¢4,413.4 million, equivalent to 17.0 percent of GDP. This was higher than the budget target of GH¢4,090.5 million by 7.9 percent, and 35.5 percent higher than the outturn recorded during the first three quarters of 2009. The good performance of tax revenue was mainly on account of the performance of direct and value added taxes. For the year as a whole, total tax revenue is projected at

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GH¢6,102.6 million against a budget estimate of GH¢6,072.2 million.

70. Direct taxes, made up of personal, self-employed, company taxes and others such as the National Fiscal Stabilisation Levy and mineral royalties, amounted to GH¢1,654.6 million, 6.5 percent higher than the budget target of GH¢1,553.3 million. The outturn indicates a 45.2 percent increase over the outturn for the first nine months of 2009. The strong performance of direct taxes is the result of improved performance of personal income taxes and company taxes. Direct taxes for the year, are projected to yield GH¢2,380.2 million.
71. Indirect taxes yielded to GH¢1,448.7 million, 2.7 percent higher than the budget estimate of GH¢1,411.2 million and 27.3 percent higher than the outturn for the corresponding period in 2009. The sturdy performance of indirect taxes is attributed to the good performance of domestic value added and excise taxes. Indirect taxes for the year as a whole, are projected to yield GH¢1,974.1 million, 6.9 percent lower than the target of GH¢2,119.7 million.
72. Domestic VAT recorded a total amount of GH¢489.1 million, against a budget target of GH¢407.3 million. The outturn shows a 56.3 percent increase over the outturn recorded during the same period in 2009. The high growth in domestic VAT can be ascribed to the pick-up in economic activity, compared to the same period in 2009, as well as improvement in tax administration. Based on the performance for the period under review, domestic VAT is projected at GH¢669.0 million, 9.8 percent higher than the budget estimate of GH¢609.4 million.
73. Import VAT for the period under review was GH¢684.7 million, 1.4 percent lower than the budget target of GH¢694.4 million, but 19.8 percent higher than the outturn

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for the corresponding period in 2009. The low performance of import VAT is partly attributable to the increase in the level of tax exemptions which have resulted in an erosion of the import tax base. For the year as a whole, import VAT is expected to yield GH¢939.3 million, 11.9 percent lower than the budget target of GH¢1,066.0 million.

74. Petroleum taxes recorded an outturn of GH¢190.0 million, 24.4 percent lower than the budget estimate of GH¢251.2 million and 12.3 percent lower than the outturn during the corresponding period in 2009. As a result, petroleum taxes are projected at GH¢260.5 million, 26.1 percent lower than the budget estimate of GH¢352.4 million.
75. The outturn for International Trade Taxes, made up of import and export duties, was GH¢822.0 million, indicating an 11.6 percent increase over the budget target of GH¢736.6 million. The outturn was 51.4 percent higher than the outturn for the corresponding period in 2009. The strong performance of international trade taxes was mainly due to higher export duties paid by COCOBOD. International trade taxes are projected to be GH¢1,102.7 million, 3.4 percent lower than the budget estimate of GH¢1,141.4 million for the year.
76. Of the total international trade taxes, import duties for the first three quarters of 2010 amounted to GH¢737.3 million, 2.3 percent higher than the budget target, and 37.5 percent higher than the outturn for the same period in 2009. It is projected that import duties for the year as a whole, will be GH¢1,089.6 million, 6.6 percent lower than the estimated amount for the year.
77. National Health Insurance Levy (NHIL) for the period amounted to GH¢265.5 million. Revenue from the National Health Insurance Levy is projected to be GH¢365.0 million by the end of the 2010 fiscal year.

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78. Receipts from Non-Tax Revenue that was lodged into the Consolidated Fund amounted to GH¢193.8 million, 1.9 percent higher than the budget target of GH¢190.3 million, and 48.8 percent higher than the outturn for the same period in 2009. The strong growth in non-tax revenue lodgements is as a result of the transfer of an amount of GH¢75.0 million from the Bank of Ghana as dividend to government. For the year as a whole, non-tax revenue is projected to be lower than the budget estimate by 27.9 percent.
79. Provisional disbursements of grants by our development partners amounted to GH¢841.3 million, against a budget target of GH¢1,076.7 million. The low performance of grant disbursements is mainly due to undisbursed project grants which was 43.7 percent lower than the budget target of GH¢633.4 million. Total end-year grant disbursements are projected at GH¢1,171.7 million, 14.1 percent lower than the budget estimate for 2010 on account of lower projected disbursement of project grants.

Table 6: Summary of Revenue and Grants for 2010

Item	2010 Budget Estimate (Million GH¢)	Target for Jan - Sept 2010 (Million GH¢)	Provisional Outturn for Jan-Sept 2010 (Million GH¢)	Percent Deviation	Projected Outturn for 2010 (Million GH¢)	Percentage Change over Budget Estimate
Total Revenue and Grants	9,628.5	5,895.0	5,999.8	1.8	8,828.4	-8.3
Total Revenue	8,264.0	4,818.3	5,158.5	7.1	7,656.7	-7.3
Tax Revenue	6,072.2	4,090.5	4,413.4	7.9	6,102.6	0.5
Direct Taxes	2,235.4	1,553.6	1,654.6	6.5	2,380.2	6.5
Indirect Taxes	2,119.7	1,411.2	1,448.7	2.7	1,974.1	-6.9
International Trade Taxes	1,141.4	736.6	822.0	11.6	1,102.7	-3.4
Non-tax Revenue	1,916.4	523.3	610.0	16.6	1,381.7	-27.9
Grants	1,364.5	1,076.7	841.3	-21.9	1,171.7	-14.1

Source: MoFEP

Expenditure

80. Total expenditure, including payments made for the clearance of arrears and commitments for the first nine months of

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2010, amounted to GH¢8,494.0 million, equivalent to 32.8 percent of GDP. The outturn was 8.0 percent higher than the budget target of GH¢7,863.6 million. Total expenditure for the year, including the provision for the clearance of arrears and commitments is projected at GH¢11,342.7 million, 2.0 percent higher than the 2010 budget estimate.

81. Recurrent expenditure for the period totalled GH¢5,872.3 million, against a budget target of GH¢5,621.2 million. For the year as a whole, recurrent expenditure is projected at GH¢7,846.2 million, compared to a budget estimate of GH¢7,625.0 million.
82. Personal emoluments for the period amounted to GH¢2,268.9 million, equivalent to 8.7 percent of GDP. The outturn was 12.1 percent lower than the budget target of GH¢2,582.0 million, and 32.8 percent higher than the outturn for the same period in 2009. Personal emoluments for the whole year is projected at GH¢3,283.0 million, 5.5 percent lower than the 2010 budget estimate.
83. Expenditure on Goods and Services amounted to GH¢725.6 million, against a budget target of GH¢367.8 million. The over-expenditure in goods and services is mainly a result of the payment of category one salary-related allowances from administration expense, due to the delay in the implementation of the single spine salary structure. Expenditure on Goods and Services are projected at GH¢780.0 million, 22.8 percent higher than the 2010 budget estimate of GH¢635.1 million.
84. Transfers to households, consisting of Pensions, Gratuities, transfers into the National Health Insurance Fund, Safety net for petroleum deregulation and Social Security contributions by Government on behalf of public sector workers, collectively, amounted to GH¢668.1 million, against a budget target of GH¢737.9 million. Together, these expenditure

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items are projected to record an outturn of GH¢901.9 million by the end of 2010, 19.0 percent below the budget estimate of GH¢1,113.7 million for 2010.

85. Total interest payment for the first nine months of the year was GH¢1,046.9 million, 15.7 percent higher than the budget estimate of GH¢905.1 million. Of this amount, domestic interest payment was GH¢851.3 million, 21.1 percent higher than the budget target. The higher-than-projected expenditure on domestic interest payment was due to higher-than estimated domestic borrowing, part of which was used to settle Tema Oil Refinery's indebtedness to the Ghana Commercial Bank. Interest payments due for the whole year is projected at GH¢1,310.9 million, 2.6 percent lower than the 2010 budget estimate.
86. Total capital expenditure for the period amounted to GH¢2,083.0 million, equivalent to 8.0 percent of GDP. This compares with a budget target equivalent to 7.2 percent of GDP. On a year-on-year basis, total capital expenditure grew by 16.6 percent. Given the outturn for the first three quarters of 2010, total capital expenditure for the year is projected to be GH¢2,904.8 million, 2.3 percent higher than the 2010 budget estimate.
87. Domestic-financed capital expenditure, which comprises payments to the Ghana Education Trust Fund, the District Assemblies Common Fund, Road Fund, Petroleum-Related Funds and other cash expenditure (item 4), was GH¢791.0 million, 6.1 percent higher than the budget target of GH¢745.2 million. The outturn indicates a 58.7 percent increase over the outturn for the first nine months of 2009. The outturn for domestic-financed capital expenditure is projected to be GH¢1,154.8 million by the end of the year, against the 2010 budget provision of GH¢1,311.1 million.

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88. Transfers into the Ghana Education Trust Fund (GETFund) totalled GH¢221.4 million, against a budget target of GH¢213.5 million, while the District Assemblies Common Fund (DACF) received a total of GH¢255.8 million. The higher-than estimated transfer to the GETFund was due to the good performance of Value Added Taxes. For the year as a whole the transfers into the GETFund and DACF are projected at GH¢313.3 million and GH¢429.0 million, respectively.
89. Other cash expenditure (item 4), for the period amounted to GH¢213.4 million, against a budget target of GH¢139.2 million. For the year as a whole, item 4 is projected at GH¢277.0 million, 30.7 percent lower than the budget estimate for 2010.
90. Foreign-financed capital expenditure amounted to GH¢1,292.0 million, 16.2 percent higher than the budget target of GH¢1,111.7 million. The increased foreign-financed capital expenditure is on account of higher than expected project loan disbursements. As a result, foreign-financed capital expenditure is projected to be GH¢1,750.0 million, 14.5 percent above the 2010 budget estimate of GH¢1,528.4 million.
91. For the first three quarters of 2010, a total amount of GH¢246.0 million was paid in respect of expenditure arrears clearance and liquidation of commitments carried over from 2008 and 2009. It is projected that a total amount of GH¢260.9 million will be spent on the clearance of arrears and commitments by the end of 2010.

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Table 7: Summary of Expenditures for 2010

Item	2010 Budget Estimate (Million GHc)	Target for Jan - Sept 2010 (Million GHc)	Provisional Outturn for Jan-Sept 2010 (Million GHc)	Percent Deviation	Projected Outturn for 2010 (Million GHc)	Percentage Change over Budget Estimate
Total Expenditure (including arrears clearance and tax refunds)	11,573.6	7,863.6	8,494.0	8.0	11,342.7	-2.0
Recurrent Expenditure	7,625.0	5,621.2	5,872.3	4.5	7,846.2	2.9
Wages and Salaries	3,113.0	2,582.0	2,268.9	-12.1	3,283.0	5.5
Goods and Service	635.1	367.8	725.6	97.3	780.0	22.8
Transfers	1,972.6	1,521.9	1,480.1	-2.7	2,103.9	6.7
Interest Payments	1,346.2	905.1	1,046.9	15.7	1,310.9	-2.6
Other Recurrent Expenditure	558.3	244.5	350.8	43.5	368.3	-34.0
Capital Expenditure	2,839.5	1,857.0	2,083.0	12.2	2,904.8	2.3
Domestic-financed	1,311.1	745.2	791.0	6.1	1,154.8	-11.9
Foreign-financed	1,528.4	1,111.7	1,292.0	16.2	1,750.0	14.5
HIPC and MDRI-financed	313.1	170.7	260.1	52.4	288.9	-7.7
Arrears Clearance and Tax Refunds	795.9	214.7	278.6	29.7	302.8	-62.0

Source: MoFEP

Overall Budget Balance and Financing

92. Madam Speaker, given the performance of revenues and expenditures for the first three quarters of 2010, the overall budget balance, showed a deficit of GH¢2,294.3 million. This is equivalent to 8.8 percent of GDP, compared with a budget target of a deficit equivalent to 7.6 percent of GDP.
93. Based on the projected revenues and expenditures up to the end of the 2010 fiscal year, the fiscal deficit for the full year is expected to be GH¢2,514.3 million, equivalent to 9.7 percent of GDP. The projected rise in the fiscal deficit is mainly as a result of the projected higher disbursement of project loans from our development partners than was earlier estimated.
94. The domestic primary balance for the period under review registered a deficit equivalent to 2.1 percent of GDP, against a budget target of a deficit equivalent to 3.2 percent of GDP. The domestic primary balance is expected to be a deficit equivalent to 1.4 percent of GDP at the end of the year.

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95. The overall budget deficit was financed from both domestic and foreign sources. Net Domestic Financing of the budget amounted to GH¢1,797.0 million, equivalent to 6.9 percent of GDP, against a target of GH¢1,660.9 million (6.4 percent of GDP). Of the total domestic borrowing, GH¢445 million, equivalent to 1.7 percent of GDP was used to pay off Tema Oil Refinery's debt owed to the Ghana Commercial Bank. Financing from foreign sources totalled GH¢942.2 million, equivalent to 4.3 percent of GDP, against a target equivalent to 2.9 percent of GDP.
96. For the year as a whole, Net Domestic Financing (NDF) and foreign financing of the budget are projected at GH¢1,618.5 million and GH¢1,340.8 million, respectively. This compares to a 2010 budget estimate of GH¢1,261.8 million and GH¢683.3 million for Net Domestic Financing and foreign financing, respectively.

Table 8: Summary of Financing of 2010 Fiscal Deficit

Item	2010 Budget Estimate (Million GH¢)	Target for Jan - Sept 2010 (Million GH¢)	Provisional Outturn for Jan - Sept 2010 (Million GH¢)	Percent Deviation	Projected Outturn for 2010 (Million GH¢)	Percentage Change over Budget Estimate
Total Financing	1,945.1	1,968.6	2,294.3	16.5	2,514.3	29.3
Foreign	683.3	747.6	942.2	26.0	1,340.8	96.2
Loans	1,110.9	1,057.3	1,182.7	11.9	1,678.9	51.1
Amortisation	-557.7	-390.1	-279.8	-28.3	-459.8	-17.6
Exceptional Financing	130.0	80.5	39.3	-51.2	121.7	-6.5
Domestic	1,261.8	1,660.9	1,797.0	8.2	1,618.5	28.3

Source: MoFEP

Public Debt

97. The total public debt increased from US\$8,551.7 million (59.7 percent of GDP) in September 2009 to US\$11,247.7 million (68.1 percent of GDP) by end September 2010, representing an increase of 32.1 percent over the period. As at end-September 2010, external debt was US\$5,998.3 million, representing 53.1 percent of the total public debt stock, while

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domestic debt amounted to US\$5,249.4 million, representing 46.9 percent of the total public debt stock.

98. The increase in external debt stock was largely due to higher disbursements of project loans compared to repayments on existing loans, while the rise in domestic debt was mainly due to the issuance of 3-Year Fixed Rate bonds to settle part of arrears owed to contractors, part settlement of TOR's debt to Ghana Commercial Bank (GCB), increasing interest costs on borrowed funds and payments of huge judgement debt.

Monetary Sector

99. Provisional data indicates that growth of key monetary aggregates in the year through September has continued to be on the upward trend. Broad money supply, including foreign currency deposits, (M2+) recorded a year-on-year growth of 31.6 percent to GH¢11,487.2 million at the end of September 2010. The growth in M2+ was reflected mainly in the domestic currency component (M2) which went up by 38.9 percent year-on-year. Strong growth in savings and time deposits and demand deposits accounted for the developments in M2 during the period.
100. Reserve money grew by 47.0 percent (GH¢1,006.5 million) year-on-year, and 3.8 percent (GH¢115.9 million) year-to-date, exceeding the programme target by 12.4 percent (GH¢265.9 million) year-on-year and 8.8 percent year-to-date. The growth in reserve money during the nine month period was mainly due to currency with the non-bank public and banks reserves with the Bank of Ghana which firmed up by 35.0 percent and 78.4 percent respectively.
101. Total credit extended by the Deposit Money Banks (DMBs) to both public and private institutions has begun to pick up after a slowdown in the preceding year. Growth in banks' outstanding credit to public and private institutions in August

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2010 rose by 8.5 percent on a year-on-year basis, compared with 16.1 percent in December 2009. At the end of August, banks' outstanding credit to public and private institutions stood at GH¢7,215.6 million.

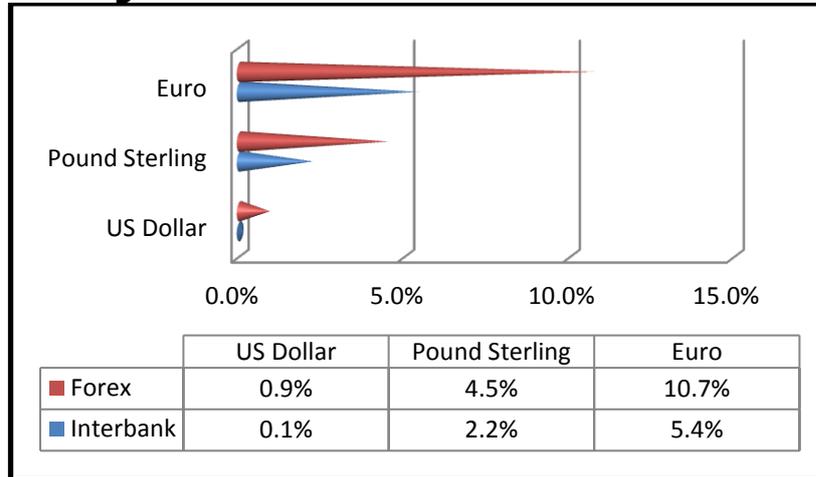
Inflation

102. Madam Speaker, inflation declined continuously from 15.97 percent in December 2009 to a single digit of 9.52 percent in June 2010. By October 2010, inflation had further declined to 9.38 percent, reflecting the tight monetary stance of the Bank of Ghana, government's fiscal consolidation policy, good performance of domestic food crops, stable exchange rate regime and stable commodity prices.
103. Food price inflation reduced from 9.08 percent in January 2010 to 5.67 percent in September, 2010 while non-food inflation followed a similar downward trend, falling from 18.79 percent to 11.84 percent .
104. Madam Speaker, with these developments in the first nine months of the year, the annual single digit inflation target of 9.2 percent could be achieved.
105. We are on course to sustaining a single digit inflation.

Exchange Rate

106. At the domestic currency market, the Ghana cedi traded competitively in both the Inter-Bank and Forex Bureau markets during the nine-month of 2010. At the Inter-Bank Market, the Cedi appreciated by 0.1 percent, 2.2 percent and 5.4 percent against the US dollar, the pound sterling and the euro, respectively. The Cedi traded relatively stronger in the Forex Bureau Market, appreciating by 0.9 percent , 4.5 percent and 10.7 percent against the US dollar the pound sterling and the euro, respectively.

Figure 1: Appreciation of the Cedi against Major Trading Currencies



Interest Rates

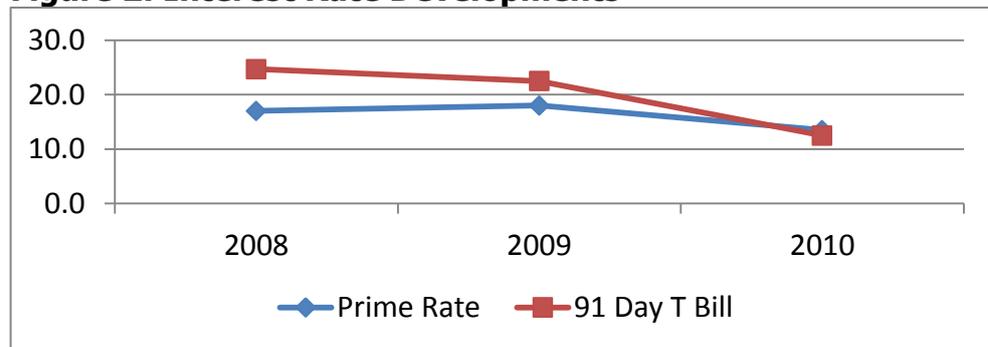
- 107. Madam Speaker, developments in interest rates reflected inflationary conditions and expectations over the period. The Policy Rate which stood at 18.00 percent in December 2009 was reduced by a cumulative 450 basis points to 13.50 percent between January and July 2010 by the Monetary Policy Committee and has since remained at that level.
- 108. In response to the downward adjustments in the policy rate, short term interest rates on the money market fell significantly during the first nine months of the year. In the banking sector, average lending rates went down for the fifth time since the beginning of the year to 27.63 percent, shedding 4.92 percentage points in the process. Average deposit rates also witnessed some decline with the average savings deposits and 3-month time deposit rates shedding 3.5 and 9.5 percentage points respectively.
- 109. Madam Speaker, the Commercial Banks have been less responsive to the fall in the inflation rate although average lending rates have fallen to 27.6 per cent, shedding 4.92

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percentage points since the beginning of the year. It is our expectation that as the low inflation environment is sustained, and the financial sector becomes more efficient, the commercial banks will have no option but reduce their lending rates further.

110. The interbank weighted average interest rate went down by 4.26 percentage points to 12.25 percent in the first nine months aligning the interbank weighted average rate firmly within the Bank of Ghana interest rate corridor of 11.50 percent to 14.50 percent .

Figure 2: Interest Rate Developments



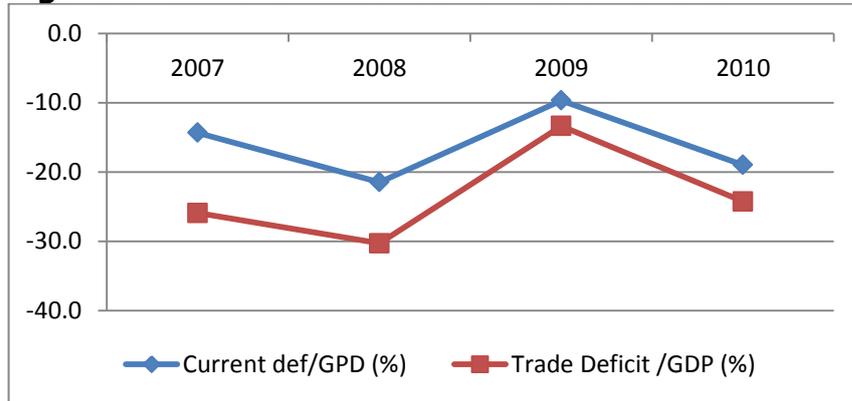
111. Average interest rates on Treasury securities similarly registered declines during the first nine months of 2010. The 91-day Treasury bill rate fell from 23.70 percent at the end December 2009 to 12.57 percent at the end of September 2010, thus, shedding off 11.73 percentage points. The 182-day Treasury bill rate fell from 26.46 percent at the end of the year to 13.01 percent at the end of September 2010. Government of Ghana 1-year and 2-year Treasury Notes rates declined by 7.30 and 11.47 percentage points to 13.20 percent and 13.28 percent, respectively, at the end of September 2010.

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External Sector

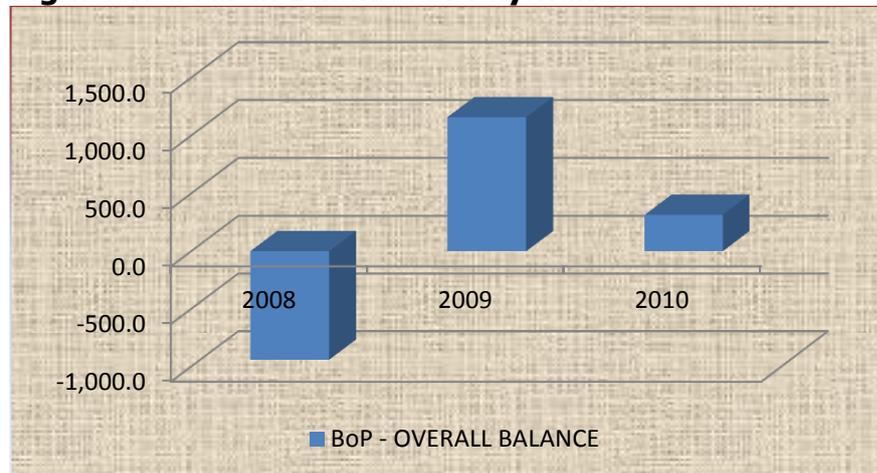
- 112. Madam Speaker, the Balance of Payments registered a surplus of US\$101.66 million during the first three quarters of 2010 against a deficit of US\$29.5 million for the corresponding period of 2009. The overall balance is projected to be surplus of US\$ 315.0 million on account of expected favourable developments in the capital account.
- 113. The balance of trade recorded a deficit of US\$ 2,173.18 million (18.9 percent of GDP) for the nine month period of 2010 against a deficit of US\$ 1,763.35 million (15.4 percent of GDP) in the similar period of 2009. The growth in the deficit was the result of increase in domestic demand for both oil and non-oil imports.

Figure 3: Current Account and Trade Deficits



- 114. Merchandise exports for the period totaled US\$5,822.23 million as against US\$4,174.16 million in the similar period of 2009, indicating an increase of 39.5 percent. The increase reflected improvements in earnings from most of the country's export commodities, especially gold, cocoa beans and cocoa products.

Figure 4: Overall Balance of Payments



115. Merchandise imports amounted to US\$7,995.41 million, indicating a growth of 34.7 percent on the value of merchandise imports for the nine-month period of 2009. The increase in the value of imports was due to 29.6 percent growth in non-oil imports and 59.9 percent in oil imports.
116. The stock of gross international reserves of Ghana at the end of October 2010 stood at US\$3,973.0 million from US\$3,164.81 million at the end of December 2009, enough to cover 3.2 months of imports of goods and services.

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SECTION 4: MACROECONOMIC FRAMEWORK FOR THE MEDIUM-TERM (2011-13)

117. Madam Speaker, we have already stated that, a lot of progress has been made towards the achievement of our objectives for the medium term in line with this Government's 'Better Ghana' Agenda. However, a number of challenges continue to pose constraints to the achievement of our medium term goals.
118. These challenges include high fiscal deficits; relatively high inflation and interest rates; weak institutional capacity for fiscal policy management, particularly at the local Government level; uneven sectoral growth as a result of low infrastructure base for economic and social development; and high unemployment and relatively high poverty levels.
119. In the medium term, Government will continue with its policy measures that will minimize any potential adverse effects on the macro-economy. Government will cautiously scale back the fiscal deficit over the medium term, in order to create fiscal space for targeted spending on critical infrastructure, job creation and poverty reduction.
120. Madam Speaker, the key measures that will be adopted to achieve this goal will include:
- i. reforms in public financial management;
 - ii. improvement in tax collection;
 - iii. widening the tax net; and
 - iv. rationalization of recurrent expenditures.

The Ghana Shared Growth Development Agenda

121. Madam Speaker, the final draft of our Medium Term National Development Policy Framework (MTDF), the "**Ghana Shared Growth and Development Agenda**" (GSGDA) for the period 2010–13 has been completed by the NDPC. The

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strategy benefited from earlier consultations with key stakeholders, and will be updated on an annual basis, taking into consideration changing government policy priorities.

122. The GSGDA has seven thematic areas, namely, ensuring and sustaining macroeconomic stability; enhancing international competitiveness in Ghana's private sector; accelerated agricultural modernisation and sustainable natural resource management; oil and gas development and management; infrastructure, energy and human settlements development; human development, productivity and employment; and transparent and accountable governance.
123. Madam Speaker, the MTDF recognizes that Ghana's economic outlook in the medium-term depends critically on the ability to address existing fiscal imbalances through the implementation of some specific structural policy measures, and the need to maintain fiscal discipline in the management of revenues and expenditures. To achieve the MTDF objective, government intends to reduce the fiscal deficit to the 3–5 percent of GDP range.

Fiscal Policy Objectives

124. The main fiscal policy objectives in the MTDF will be to improve financial resource mobilization; improve public expenditure management, to reinforce expenditure control systems and improve service delivery at sustainable cost levels; and institute mechanisms to manage external shocks.
125. In order to achieve the medium-term fiscal policy objectives, Government will pursue the modernization programme of the revenue agencies; ensure transparent, efficient and effective oil and gas revenue management; ensure expeditious utilization of all aid inflows; adopt a comprehensive Ghana Integrated Financial Management Information System (GIFMIS) for effective budget management; and develop a

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well-functioning domestic debt market as a vibrant and alternative source of financing for public investment projects.

The 2011 Macroeconomic Targets

126. Madam Speaker, in linking the 2011 Budget to the Ghana Shared Growth Agenda, expenditure priorities for 2011 will be focused on Agriculture; Infrastructure in roads, energy, oil and gas; Water and sanitation; Health; Education; Rail Transport, ICT, Science, Technology and Innovation.
127. Fiscal policy in 2011 aims to continue the progress made in restoring fiscal sustainability and macroeconomic stability. Consequently, the 2011 budget targets a further reduction in the deficit to 7.5 percent of GDP.
128. On the revenue side, tax collections are projected to increase in 2011 by 1.4 percent of GDP, through the elimination of import tax exemptions and strengthened tax administration.
129. Madam Speaker, the following are the macroeconomic targets of the 2011 Budget:
 - Real GDP growth (excluding oil) of 7.0 percent ;
 - Real GDP growth (including oil) of 12.3 percent ;
 - average inflation target of 8.8 ;
 - end-period inflation target of 8.5 ;
 - fiscal balance of a deficit equivalent to 7.5 percent ;
and
 - gross external reserves equivalent to not less than three months import cover of goods and services.

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REAL SECTOR

Projected GDP Growth for the Medium Term (2011-2013)

130. Madam speaker, based on the policies and strategies to be pursued under priorities and thematic areas of the Ghana's Shared Growth and Development Agenda (GSGDA), the economy is projected to grow at no less than **7 percent** in the medium term (2011-2013). The sectoral breakdown of the medium-term growth projection is presented in Table 9.

Table 9: Medium Term Growth Targets Using the Old Series (with and without oil)

Activity	GDP Growth Rate (excluding oil)			Oil GDP Growth Rate(including oil)		
	2011	2012	2013	2011	2012	2013
GDP	7.0	7.0	7.0	12.3	9.3	8.3
Agriculture	6.1	6.0	6.0	6.2	6.1	6.0
Industry	8.2	8.4	8.4	25.4	14.1	12.0
Service	7.3	7.1	7.1	9.9	8.7	7.5

Medium-Term Debt Management Strategy (MTDS)

131. Government has adopted the MTDS as a framework for prudent debt management. This would provide a systematic approach to decision making on the appropriate composition of external and domestic borrowing to finance the budget, taking into account both risk and cost. A mechanism for regular monitoring of MTDS implementation would be put in place, and be reviewed annually to determine whether the key underlying assumptions remain valid.

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Monetary Sector

132. The Bank of Ghana is committed to pursuing policies that would lead to further reduction in the rate of inflation and sustaining the level of inflation at single digit without compromising on growth. Towards this end, the Bank of Ghana will strengthen its inflation targeting framework and intensify its engagement with the fiscal authorities to ensure better co-ordination between fiscal and monetary policies in 2011. The end 2011 inflation target is projected at 8.5 percent , reducing further to 7.0 percent in 2012. This forecast is contingent on stable crude oil and food prices.

Interest Rate

133. The Bank intends to engage major stakeholders: the banks and non-bank financial institutions, borrowers and investors on ways of improving the interest rate transmission mechanism and getting the existing tight credit conditions relaxed. The measures are aimed at improving efficiency of the transmission from the Policy Rate to retail rates. They are also intended to improve access to credit in the economy to boost real sector activity.

External Sector

134. Madam Speaker, Ghana's external trade position is expected to improve in 2011 as incomes from oil production come on-stream and as optimism in global recovery leads to improved commodity prices. The current account position is expected to improve and contribute to substantial build-up in gross international reserves which is projected to reach 3.6 months of import cover by the end of 2011.
135. The Bank of Ghana will continue to maintain a flexible exchange rate regime. The liquidity impact of any reserve accumulation will be monitored closely. If the Balance of Payments continues to receive strong inflows the Bank of

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Ghana will respond appropriately within its inflation targeting framework.

Financial Stability

136. The Bank of Ghana will step up its supervisory role over the banks with a view to ensuring strict compliance with prudential regulations whilst adopting improved lending practices. This is to ensure improved corporate management at the banks, curb the rising trend of Non-Performing Loans.

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SECTION 5: RESOURCE MOBILISATION AND ALLOCATION FOR 2011

137. Madam Speaker, the rebasing of Ghana's National Accounts has revealed that as a nation we have not performed well in terms of our domestic revenue mobilisation. With the rebasing, Ghana's tax revenue to GDP ratio is among the lowest in a group of African countries. This indicates that more work will have to be done in the areas of tax administration, broadening the tax base and introducing new taxes to enable government generate enough revenue to fund our developmental needs.

RESOURCE MOBILISATION

BUDGET 2011 FISCAL RESOURCE MOBILISATION INITIATIVES

138. Madam speaker, the NDC Government has made significant progress in putting the finances of the government on a sound footing, stabilising the economy, and laying the foundation for rapid and sustainable economic growth. However, there are a number of challenges that continue to drawback the achievement of our fiscal goals.
139. These challenges include the rather low level of domestic revenue mobilisation that often result in shortfalls in expected revenue; increased competing expenditure demands for the limited resources; the tension between balancing expectations for high economic growth and reduction in fiscal deficits and inflation; and efficient cash management to meet government expenditure obligations in a timely manner. Moreover, in spite of the oil production for 2011, the expected revenue will only amount to only about six percent of total revenue.
140. Madam speaker, in order to mitigate the fiscal risks associated with challenges outlined earlier, and ensure better

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implementation of the government's expenditure and social programmes on a sustainable basis, a number of revenue enhancing measures and policies have been proposed for implementation.

PROPOSED TAX POLICIES FOR 2011 FISCAL YEAR

141. Madam Speaker, we expect the following new initiatives to improve government cash flow:

- Mining royalties, henceforth, will be paid monthly instead of quarterly;
- Given the basis of VAT as a credit mechanism, deferred payments of VAT will be discontinued, but we will introduce measures to improve the refund system; and
- Our warehousing and transit regimes allow importers of finished products, including consumables, to warehouse them for up to two years before payment of assessed taxes. This practice is not consistent with bonded warehousing as temporary customs regime, and imposes cost on the treasury. It amounts to government providing interest free loans to this group of importers. Henceforth, the bonded warehousing facility will be restricted to only raw materials for manufacturing as originally intended.

DOMESTIC TAXES

Threshold of the 5 percent Withholding Tax

142. Madam Speaker, the threshold of the 5 percent withholding tax will rise from fifty currency points (GH¢50.00) to five hundred currency points (GH¢500.00). The threshold has remained at fifty currency points since 2001 despite the general price increase and the volume of business. The revision, therefore, reflects the present economic realities, reduces administrative costs and should also increase the

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level of compliance by withholding agents. The present exemption from withholding tax for compliant taxpayers on application will continue and will be improved.

Tax Holidays for Real Estate Developers

143. Madam Speaker, the five years exemption period granted to companies engaged in the construction for letting or sale of residential premises under Section 11(6) of Act 592 was mainly to create affordable accommodation for the middle to low income earners. Unfortunately, the real estate developers focused on building for the high and upper class of the society while abandoning the original purpose. The government proposes to abolish the general five year tax exemption for real estate developers. However, given government's heavy involvement with the provision of affordable housing, real estate developers who partner the Ministry of Works and Housing to provide affordable houses will continue to benefit from the five year exemption.

Tax Holidays for Hotels and Hospitality Industry

144. Madam Speaker, in our continuing effort to make policy evaluation and oversight effective and to improve the institutional coordination in the way we administer exemptions, it has become necessary to recommend to the House to repeal LI 1817, which empowers the Ghana Investment Promotion Council (GIPC) to grant tax exemptions for the hotel and hospitality industry. We will take stock of the relevant incentives, bring them in line, and incorporate those that are desirable into Act 592 to be managed by the Ghana Revenue Authority as was previously the case under the defunct Ghana Investment Centre.

Gift Tax

145. Madam Speaker, Gift Tax moves in tandem with general Income Tax including Capital Gains Tax. Since Capital Gains

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Tax has been increased from 5 percent to 15 percent [Internal Revenue (Amendment) Act, 2010 Act 797] it is only proper to do the same for Gift Tax. In this regard, an increase in gift tax to be in tandem with general income tax is being proposed. This will avoid shifting of Capital Gains to Gift Tax.

Communication Service Tax (CST)

146. Madam Speaker, the coverage of the Communication Service Tax has been restricted to the class 1A telecom operators as defined by the National Communications Authority. To ensure fairness, the CST coverage will now be extended to all companies and persons across the industry, in conformity with the existing law. Further, a monitoring mechanism will be put in place to maximize government revenue. The Ghana Revenue Authority will issue administrative guidelines on the extension.

Increase in Value Added Tax Threshold

147. Madam Speaker, our VAT threshold for goods and services is the lowest in Sub-Saharan Africa. The result is that we use more personnel to assess and collect small amount of taxes from small businesses and retailers.
148. In order to improve the efficiency in tax administration following the integration of VAT and IRS, and improve on tax audits of the top tier VAT payers, the VAT threshold will increase from GH¢10,000.00 to GH¢90,000.00 for both goods and services. The VAT taxpayers who fall below the GHC90,000 threshold will now fall into a new scheme of combined VAT and income tax assessment. This ensures that no trader stays outside the VAT and income tax system, and should also reduce the burden of compliance on small businesses and retailers. The details of the combined

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assessment will be in the VAT (Amendment) Bill that I will submit to you in due course.

Domestic Zero-Rating and Exemptions

149. To further improve the VAT regime to conform to international standards and in line with liquidity concerns of the affected industries, the following zero rated items are being reclassified as exempt items – pharmaceutical products, paper for the publishing industry, and agricultural inputs like cutlasses. This is also in line with the original VAT law.

Excise Duty

150. In order to protect the environment, government proposes a 20 percent environmental tax on plastic packaging materials and products, excluding bottled water which already attracts excise duty. The environmental tax will be charged at the importation and any production or collection points. However, sachet water producers will be exempted from this tax if they apply to the Commissioner-General. I confirm that sachet water prices will not go up. I urge the industry in consultation with MMDAs to continue with their programme of environmental education

Review of Excise Duty Rates

151. The change from specific to ad-valorem excise duties on tobacco, alcoholic and non-alcoholic beverages rates have achieved the desired objective. However, we are cognisant of the need to remain competitive and of concerns of industry. As a result, we propose to reduce the ad valorem rate by 2.5 percent on all excisable goods except on spirits and cigarette. In fact, Madam Speaker, for health reasons and to better align with international agreements, the excise duty on cigarettes will rise from 140 percent to 150 percent.

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Presumptive Tax

Increase in Vehicle Income Tax Rates (VIT)

152. Madam Speaker, the presumptive taxes for Vehicle Income Tax was last reviewed in 2005. To improve fairness with the payment of personal income tax and other income taxes, the quarterly presumptive vehicle income tax rates are revised as follows:

Table 10: Vehicle Income Tax Rates

	CATEGORY	Existing Quarterly Rate (GHC)	New Quarterly Rates (GHC)
1	Hiring Cars	10	40
2	Hiring Cars (4x4)	20	60
3	Tour Operator (Up To 23)	25	100
4	Tour Operator (Above 45)	60	150
5	Articulated Timber Trucks	90	200

153. Madam Speaker, these are presumptive taxes and therefore, the revision of the Legislative Instrument will not prevent the Commissioner General through the Commissioner of Domestic Tax to request transport owners to file their tax returns and pay appropriate taxes under the regular regime. This is not a tax on drivers as is erroneously believed. Transport owners have the right to claim the advance tax paid as credit. As a social democratic government we have exempted taxis and trotros.

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Tax Stamp for Informal Sector Operators

154. Madam Speaker, the Tax Stamp was introduced as presumptive tax for the informal sector. The operators in this sector were classified and the presumptive tax basis on quarterly basis. Since then, the rates have not been revised in line with general movements in price levels. Madam Speaker, we propose to revise the rates and a bill to that effect will be tabled in the House soon.

Taxation of Professionals and the Informal Sector

155. Ghana has many self-employed professionals who are contributing to economic development through the provision of professional services. Indeed it is very satisfying to note that on several government projects we have had opportunity to use our own competent professionals working in consultancy capacities. Knowing the level of fees paid for such services in the private sector, we think that it is the responsibility of these professionals to also contribute their quota as required by law and discharge their civic responsibility with regard to the payment of taxes. We are aware that a small but significant group of such professionals have conscientiously discharged their responsibility to the state. We want to acknowledge and recognize them, and at the same time create a conducive administrative framework for others to follow suit.
156. Madam Speaker, we want to encourage the voluntary compliance of professionals in their tax payments as a civic responsibility. Beginning 2011, Government will focus attention on the revenue contribution from the self-employed group with special emphasis on professionals. A special desk will be established in the Domestic Tax Division of the Ghana Revenue Authority to monitor compliance of professionals in their tax payments.

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157. The GRA will coordinate monitoring from the district level, reconcile data with the Registrar General's Department to develop the necessary databases to facilitate monitoring, seek data from the recognised professional bodies, and assess current enforcement procedures.

Mining List

158. Madam Speaker, in consultation with the Mining industry, a review of the mining list was undertaken in 2004. In the same spirit of government working with the private sector, we intend to carry out another review in 2011 to reflect changes that fairly meet the needs of the industry, tighten exemptions, ensure fairness across industries, while safeguarding revenues.

National Fiscal Stabilisation Levy

- 159.** Madam Speaker, the National Fiscal Stabilisation Levy (NFSL) was introduced in the second half of 2009. Government proposes to extend the NFSL for an additional year.

Withholding Tax

160. The current withholding tax of 5 percent applied across board for foreign suppliers of services makes local entrepreneurs who are subject to 25 percent corporate tax plus all other payroll taxes uncompetitive, especially in the supply of services in the extractive sectors of the economy. This defeats our goal to enhance local content, particularly, in the petroleum sector. The withholding tax on foreign supply of services is, hereby, increased from 5 percent to 15 percent and shall be treated as final tax.

Additional Tax Holiday for APEX Bank

161. Madam Speaker, the APEX Bank was granted a 5-year tax holiday for the period 2005-2009. We recognise the role of

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the APEX Bank in ensuring the proper supervision and effective operation of the rural banking system. As a result, we wish to extend the tax holiday by an additional 5 years to bring its tax holiday to a 10 year period, ending in 2014. This is also consistent with the tax-free holiday of 10 years enjoyed by the rural and community banks. We hope this measure will help the APEX bank to improve its capital base, strengthen its credit portfolio to agriculture, micro-financing, rural and cottage industries, and at the same time concentrate on its mandate to service the rural communities.

Institutions with Tax-Free Status

162. Some institutions enjoy tax-free status because of the original non-profit motive that established them. However, in recent times, some of these institutions have expanded their scope of activities into commercial areas and therefore have substantive profit-making activities. Madam Speaker, the Ministry will amend the law to allow the Commissioner-General to tax all commercial activities under the income tax law, as indeed applies without exception to all VAT and Customs activities.

Personal Income Tax Bands

163. Madam Speaker, Personal Income taxation will continue to be used as a major tool for equitable distribution of income and for the protection of low income earners. To achieve the goal of fair and equitable taxation, the government will in 2011, as it did in 2010, revise the income tax threshold and brackets. The revision will also accommodate inflationary impact on salary and wages. The following tax bands and rates are proposed.

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Table 11: Income Tax Threshold

	Income Band	Rate
First	1,104	Free
Next	360	5%
Next	840	10%
Next	17,976	17.5%
Exceeding	20,280	25%

Revision of Personal Reliefs

164. Madam Speaker, at the heart of this government's Better Ghana Agenda, is social equity, and we must find fiscal instruments to achieve this goal. While the changes in the exempt income tax band and brackets are beneficial to all income earners, they do not address adequately the social burden of families with children, dependent spouses, and dependent relatives. Since 2007, the rates of personal reliefs have remained the same and that did not encourage employees or the self-employed to file their tax returns and benefit from the reliefs. We are introducing the following significant improvements in the reliefs for the 2011 year of assessment:

Table 12: Personal Relief's

Item	2006 Rate	New Rate
Marriage/Dependant Responsibility	30 Currency Points	100 Currency Points
Old Age	35 Currency Points	100 Currency Points
Child Education	30 Currency Points up to 3 Children	100 Currency Points up to 3 Children
Aged Dependant Relative (2)	25 Currency Points	50 Currency Points
Training Cost	100 currency Points	200 Currency Points

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165. Personal relief for the disabled remains at 25 percent of the taxable income.
166. I encourage and urge tax payers to file their returns and get the requisite credit.

Customs And International Trade Taxes

Energy saving lamps

167. Under the present tariff code, energy saving compact fluorescent lamps are admitted exempt from all taxes. In furtherance of promoting energy savings and reduction of power consumption, LED Lamps are being added to the exemption list. Local companies producing energy saving bulbs will have the same treatment for their primary raw materials.

Import Tax on Rice and Poultry Products

168. In line with our ECOWAS obligations, we are expected to harmonize our tariffs on certain imported products. ECOWAS is in the process of concluding and ratifying the Common External Tariffs (CET). After the ratification, we intend to impose the CET's recommended tariff of 35 percent on imported rice and poultry products.

Airport Tax

169. Madam Speaker, the government proposes to increase airport tax from US\$75 to US\$100, US\$150, and US\$200 for Economy, Business and First Class respectively for international travel; US\$50 to US\$60 for regional travel; and GH¢ 1 to GH¢ 5 for domestic travel.

Tema Oil Refinery Debt Recovery Levy

170. In 2003, a Debt Recovery Fund was established to finance TOR's accumulated debt from under recovery. A debt recovery levy was imposed on specified petroleum products. The debt burden on TOR, however, remains high and threatens the financial viability of the country's banking system. The government is, therefore, proposing an upward adjustment to the current Debt Recovery levy to retire the TOR debt and its effect on the banking system.

Exemptions and Permits

171. Madam Speaker, to further address the revenue leakages through exemptions, we have started to develop clear criteria for evaluating parliamentary permits, waivers and granting exemptions with clear sunset clauses. These include exclusion of personal exemptions beyond what is in the law. We will continue with the review of the status of all import duty exemptions – the list of beneficiaries, the list of items, including zero-rated imports and special treatments– to determine their continuing eligibility and whether some reclassifications may be needed.
172. Madam Speaker, in the 2010 budget we announced that all NGOs and charitable organizations must re-apply for tax exempt status on periodic basis with their audited financial statements and a certified record of their activities by the appropriate sector ministry. We want to reiterate government's intent to enforce this policy.
173. Madam Speaker, in the 2010 Budget Statement, we stated that granting special permits to personnel of Health and Teaching Services on the vehicle imports was for a temporary period. To ensure fairness and equity to all tax payers in both the public and private sectors, we promised this august House that the special permit will be phased out in 2011. In

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honour of the commitment made, I do, hereby, announce that the special permit is now abolished across board.

Improving Efficiency in Customs Revenue Collection

174. As mentioned earlier, another area of revenue loss to the State is bonded warehousing. In 2011, in addition to the government cash flow measures, the Government will review the purposes of the bonded warehousing program and if necessary propose changes to the law.
175. Madam Speaker, in order to reduce the opportunities for abuse in the customs clearance process, in future, only government imports or imports for the execution of government projects will be given opportunity to be cleared 'on permit'. This is to ensure that customs duties are paid in full before goods are cleared from the various entry points.

Property Rates

176. Madam Speaker, in many economies, property taxes contribute substantially to revenue mobilization. In Ghana, property taxes make up only 0.03 percent of Ghana's GDP.
177. Madam Speaker, there is huge potential for the MMDAs to improve their revenue mobilization through property taxes and be less dependent on the Common Fund in providing local services and amenities.
178. Madam Speaker, payment of property tax is a civic duty. We need those taxes to improve basic local amenities such as sanitation, water, and street lights. Moreover, the government provides services like police protection and judicial services in order for all of us to enjoy our property peacefully. It is our intent to work with the Ministry of Local Government and Rural Development to strengthen capacity in the administration of property taxes in this country. An

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improved scheme will be put in place by the end of the first quarter of 2011 to take effect in the second quarter.

179. I wish to propose to this House that in the near future, government releases to the Assemblies may place more weight on their revenue mobilization efforts as reflected in the DACF formula.

Revenue and Grants

180. Madam Speaker, total non-oil revenue and grants for the 2011 fiscal year is estimated at GH¢10,017.8 million, equivalent to 32.1 percent of GDP. The expected non-oil revenue and grants for the year represents an increase of 13.5 percent over the projected outturn for 2010.
181. For the 2011 fiscal year, total revenue from oil that will accrue to the budget is estimated at GH¢584.0 million, equivalent to 1.9 percent of GDP.
182. Thus, total oil and non-oil revenue and grants for the 2011 budget are estimated at GH¢10,601.1 million, equivalent to 34.0 percent of GDP.
183. Domestic revenue is estimated at GH¢9,299.5 million, 21.5 percent higher than the projected outturn for 2010.
184. Total tax revenue is estimated at GH¢7,712.5 million, representing 24.8 percent of GDP. This shows an increase of 26.4 percent over the projected outturn for 2010.
185. Direct taxes are estimated to increase by 40.1 percent to GH¢3,334.8 million in 2011, accounting for 43.2 percent of total tax revenue. Of this amount royalties and income tax from oil is estimated at GH¢321.9 million.

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186. Indirect taxes are estimated at GH¢2,393.1 million, representing 31.0 percent of total tax revenue. The estimate for 2011 is made up of GH¢1,937.7 million for total VAT, while petroleum and excise taxes are expected to yield GH¢330.0 million and GH¢125.4 million, respectively.
187. International Trade taxes, are estimated at GH¢1,335.8 million, representing 4.3 percent of GDP and 17.3 percent of total tax revenue. The estimate reflects a 21.1 percent increase over the projected outturn for 2010. The increase in international trade taxes is expected to be largely driven by import duties, estimated to be 95.3 percent of the estimated international trade taxes for 2011.
188. Import duties are estimated to increase by 25.1 percent to GH¢1,273.7 million in 2011, while export duty from cocoa is estimated to yield GH¢62.2 million.
189. The National Health Insurance Levy (NHIL) is estimated to yield an amount of GH¢477.7 million, representing 1.5 percent of GDP and an increase of 30.9 percent over the projected outturn for 2010. The expected yield from the NHIL includes an amount of GH¢89.8 million contribution from the Social Security and National Insurance Trust (SSNIT).
190. Non-tax revenue, comprising fees and charges by Ministries Departments and Agencies (MDAs), dividend received from public enterprises and other internally-generated funds (IGFs) is estimated at GH¢1,355.7 million, equivalent to 4.4 percent of GDP and representing 14.6 percent of domestic revenue. Of this amount, GH¢262.2 million is estimated as revenue from oil.
191. Grants from development partners are estimated to increase from the projected outturn for 2010 by 11.1 percent to GH¢1,301.6 million, equivalent to 4.2 percent of GDP. The

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expected grants will contribute 12.3 percent to the estimated resource mobilized (total revenue and grants) for 2011.

Table 13: Summary Of Revenue And Grants Estimates For 2011

Item	Amount (Million GHc)	Percent of GDP	Percent of Total Revenue and Grants	Percentage change over 2010 projected outturn
Total Revenue and Grants	10,601.1	34.0		20.1
Total Revenue	9,299.5	29.9	87.7	21.5
Tax Revenue	7,712.5	24.8	72.8	26.4
Direct Taxes	3,334.8	10.7	31.5	40.1
Indirect Taxes	2,393.1	7.7	22.6	21.2
International Trade Taxes	1,335.9	4.3	12.6	21.1
Non-tax Revenue	1,355.7	4.4	12.8	-1.9
Grants	1,301.6	4.2	12.3	11.1

Source: MoFEP

RESOURCE ALLOCATION

Expenditure

192. Madam Speaker, total expenditure for 2011 is estimated at GH¢12,670.8 million, equivalent to 40.7 percent of GDP. The estimated expenditure for the year represents a 14.8 percent increase over the projected outturn for 2010. Of this amount, recurrent expenditure is estimated at GH¢8,924.9 million, equivalent to 28.6 percent of GDP and 70.4 percent of total expenditure. An amount of GH¢3,745.9 million, equivalent to 12.0 percent of GDP is estimated for capital expenditure.

Recurrent Expenditure

193. As a result of the full implementation of the Single Spine Pay Policy (SSPP) for public sector workers, personal emoluments (item 1) for 2011 is estimated at GH¢3,732.8 million, representing 12.0 percent of GDP.

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194. Expenditure on goods and services (Items 2 and 3) is estimated at GH¢604.2 million, representing 1.9 percent of GDP and 4.8 percent of total expenditure. Of this amount, expenditure on goods (item 2) is estimated at GH¢400.6 million, while services expense (item 3) is estimated at GH¢203.6 million.
195. Transfers to households, made up of an amount of GH¢282.3 million for Pensions, GH¢94.4 million for Gratuities, GH¢363.3 million for Social Security contributions by Government on behalf of its employees, and GH¢477.7 million for the National Health Insurance Fund will amount to GH¢1,217.7 million, equivalent to 3.9 percent of GDP.
196. Other transfers are estimated at GH¢1,107.8 million, out of which GH¢28.8 million is being estimated for reimbursement to ECG in respect of subsidies to lifeline consumers of electricity. An amount of GH¢818.1 million of internally generated funds is expected to be retained by MDAs, while import duty exemptions (classified as tax expenditure) are estimated at GH¢260.8 million.
197. Total interest payments for the 2011 fiscal year is estimated at GH¢1,831.3 million, equivalent to 5.9 percent of GDP and 14.5 percent of total expenditure. Of this amount, GH¢459.1 million will be expended on external interest, while GH¢1,372.2 million will be for domestic interest payments.
198. An amount of GH¢386.9 million has been provided in a Reserve Fund for the payment of judgment debts and promissory notes issued for the importation of crude oil by the Volta River Authority.

Capital Expenditure

199. Madam Speaker, total capital expenditure, made up of expenses on domestic and foreign-financed capital projects,

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is estimated at GH¢3,745.9 million, 29.0 percent higher than the projected outturn for 2010.

200. Domestic-financed capital expenditure, comprising statutory payments into the Ghana Education Trust Fund, the District Assemblies Common Fund, Road Fund, Petroleum-Related Funds, transfer to the Ghana National Petroleum Company and other discretionary cash expenditure (item 4) is estimated at GH¢1,587.5 million. Domestic-financed capital expenditure is estimated to increase by 37.5 percent over the projected outturn for 2010, representing 42.4 percent of total capital expenditures.
201. Transfers to the DACF and GET Fund are estimated at GH¢530.7 million and GH¢376.9 million, respectively.
202. The Road Fund is expected to receive an amount of GH¢154.3 million, while GH¢6.1 million will be transferred into the Petroleum-related Fund.
203. Other discretionary cash expenditure (Item 4) is estimated to be GH¢257.3 million, equivalent to 2.0 percent of GDP.
204. An amount of GH¢262.2 million from oil revenue, is earmarked to be transferred to the Ghana National Petroleum Company for its investments.
205. Based on expected inflows from the disbursement of project loans and grants, foreign-financed capital expenditure is estimated at GH¢2,158.4 million, equivalent to 6.9 percent of GDP.
206. An amount of GH¢214.0 million is estimated to be used to clear arrears emanating from the implementation of the Single Spine Salary Structure.

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Table 14: Summary of Expenditure Estimates For 2011

Item	Amount (Million GH¢)	Percent of GDP	Percent of Total Expenditure	Percentage change over 2010 projected outturn
Total Expenditure (including arrears clearance and tax refunds)	12,938.0	41.5		14.1
Recurrent Expenditure	8,924.9	28.6	69.0	13.7
Wages and Salaries	3,732.8	12.0	28.9	13.7
Goods and Service	604.2	1.9	4.7	-22.5
Transfers	2,352.7	7.6	18.2	11.8
Interest Payments	1,831.3	5.9	14.2	39.7
Other Recurrent Expenditure	403.9	1.3	3.1	9.7
Capital Expenditure	3,745.9	12.0	29.0	29.0
Domestic-financed	1,587.5	5.1	12.3	37.5
Foreign-financed	2,158.4	6.9	16.7	23.3
Arrears Clearance and Tax Refunds	267.3	0.9	2.1	-11.7

Source: MoFEP

Overall Budget Balance and Financing

207. Given the revenue and expenditure estimates, the 2011 budget will result in an overall cash budget deficit of GH¢2,336.9 million, equivalent to 7.5 percent of GDP.
208. Financing of the deficit will be from both domestic and foreign sources. Net Domestic Financing of the deficit is estimated at GH¢1,219.8 million, equivalent to 3.9 percent of GDP, and financing from foreign sources are estimated at GH¢1,117.1 million, equivalent to 3.6 percent of GDP.
209. Of the total foreign financing, loans are estimated at GH¢1,618.7 million, out of which GH¢1,374.2 million will be for projects, and GH¢244.5 million for general budget support. Repayment of debt is estimated at GH¢619.8 million.
210. Exceptional financing, made up of debt relief from our bilateral development partners, is estimated at GH¢118.2 million.

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Table 15: Summary of Financing Of 2011 Fiscal Deficit

Item	Amount (Million GHc)	Percent of GDP	Percent of Total Financing	Percentage change over 2010 projected outturn
Total Financing	2,336.9	7.5		-7.1
Foreign	1,117.1	3.6	47.8	-16.7
Loans	1,618.7	5.2	69.3	-3.6
Amortisation	-619.8	-2.0	-26.5	34.8
Exceptional Financing	118.2	0.4	5.1	-2.9
Domestic	1,219.8	3.9	52.2	-24.6

Source: MoFEP

Debt Sustainability Outlook for 2011

211. Madam Speaker, Government is determined to ensure that it receives the best quality of external aid that does not lead to future debt sustainability problems. The key strategy of the new financing plan includes minimizing cost by maximizing concessional borrowing and monitoring the evolution of external debt indicators in relation to sustainable thresholds.
212. In order to reduce the cost of domestic debt, Government would continue exercising fiscal discipline to limit the increase in public sector borrowing requirements. This would reduce domestic interest rates further and permit the rolling over of existing debt at lower cost. Lower interest cost would therefore release resources for productive expenditures.

Risks and contingencies

213. Madam Speaker, we have reviewed 2011 fiscal projections carefully, and expect to achieve the targets which are informed by the outlined policies. Fiscal developments will be monitored closely to ensure that the fiscal goals are met.
214. Madam Speaker, there are a number of challenges and risks to the implementation of this budget, and these have

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informed the policy measures and structural reforms outlined in this Budget

215. The main challenges are on how to improve upon revenue mobilization through the implementation of appropriate tax reforms and institutional arrangements to make the collecting agencies more effective and efficient. Similarly, expenditure management needs strengthening through the full scale implementation of all financial management reform schemes that are initiated by the Ministry of Finance and Economic Planning.

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SECTION 6: SECTORAL PERFORMANCE AND OUTLOOK FOR 2011

ECONOMIC AND INFRASTRUCTURE SECTORS

216. The critical role of Economic and Infrastructure sectors in accelerating economic growth and sustainable poverty reduction has been identified as important to Ghana's ultimate goal of attaining middle-income status. Accordingly, government seeks to expand existing social and economic infrastructure to ensure that services provided are reliable, affordable and efficient.
217. The key focus areas of policy for the medium-term are: transport infrastructure; energy and energy supply to support industries and households; science, technology and innovation; information and communication technology development; human settlements development; recreational infrastructure; and water, environmental sanitation and hygiene.
218. Also private sector competitiveness will be enhanced to partner Government and other stakeholders in the transformation of the economy through industrialisation and modernised agriculture. The modernisation of agriculture will be accelerated to ensure its linkage with industry through the application of science and technology innovation.
219. The recent discoveries of oil and gas fields offshore Ghana, have created remarkable avenues for stimulating national development. The potential for oil and gas to positively drive the economy to improve the living standards of Ghanaians will depend on the integration of the industry into the local economy.
220. The Ministries under the sectors to drive this agenda of Government include; Ministries of Food and Agriculture,

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Energy, Lands and Natural Resources, Communication, Trade and Industry, Environment Science and Technology, Roads and Highways, Transport, Water Resources, Works and Housing and Tourism.

ECONOMIC SECTOR

MINISTRY OF FOOD AND AGRICULTURE

Performance in 2010

221. The Government is committed to modernizing agriculture to enhance food security and reduce income variability for farmers. The main policy interventions are buffer stock management, fertilizer subsidy, livestock and fisheries development, irrigation development and mechanization systems.

Buffer Stock Management

222. The National Food Buffer Stock Company (NAFCO) was established to hold food security buffer stocks and to intervene in the market to ensure competitive prices at all times. The company acquired and rehabilitated two warehouses for the storage of grains. About 6,949 metric tonnes of rice and 416 metric tonnes of maize were purchased and stored.

Fertilizer Subsidy Programme

223. The fertilizer subsidy programme was reviewed and a more efficient system in the form of waybill system was introduced to replace the coupon system to enhance the delivery of the programme and ensure more transparent distribution system. Government subsidised 60,000 metric tonnes of fertilizer at

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an average cost of GH16.00 per bag, as part of efforts to increase productivity.

Livestock and Fisheries Development

224. For fisheries and livestock development, Government began the construction of cold stores at Nyanyanor, Kromantsi and Apam in the Central Region and Half Assini, New Takoradi, Shama, and Sekondi in the Western Region. About 11.07 ha of ponds and 192 cages were constructed as part of efforts to promote and develop aquaculture and cage culture.
225. To improve the performance of local breeds of livestock, livestock farmers were supplied with 2,584 livestock of various improved species in Northern, Upper-East, Upper-West, Brong-Ahafo, Ashanti and Volta Regions. In addition, 35,000 cockerels were distributed to 1,750 farmers in 25 districts at subsidised prices to improve protein intake of Ghanaians.

Agriculture Mechanization

226. In line with Government's commitment to increase farmers access to agricultural mechanization services, 84 service centres were operationalised by September, 2010 as against 69 in 2009. In addition, to give a further boost to the food security policy, the Government increased the existing food storage capacity by purchasing pro-cocoons to store a total of 30,000 metric tonnes of grains.

Irrigation Project

227. The first phase of the rehabilitation of the Tono Irrigation dam has been completed making available 1,874 ha of land for cultivation. In addition, the rehabilitation of 70 dams in the three Northern Regions which were breached was also completed.

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Youth in Agriculture

Block Farm Programme

228. Under the Block Farm Programme, about 47,000 hectares of land were cultivated with maize, rice, sorghum, soybean and vegetables. This programme provided financial opportunities to 80,000 beneficiaries.

Outlook for 2011

229. Government will continue with its objective of modernizing agriculture for a strong economy to create job opportunities.

Fertilizer Subsidy Programme

230. The Ministry of Food and Agriculture will continue with its fertilizer subsidy programme for increased yield by subsidising 150,000 metric tonnes of fertilizer.

Agricultural Mechanization

231. The programme of establishing at least one Agricultural Mechanization Service Centre per district along the value chain will continue in the remaining 86 Districts. Further, about 100,000 metric tonnes capacity rice milling machine will be acquired to assist paddy rice farmers in the three Northern Regions in rice milling.

Irrigation Development

232. In respect of irrigation development, the first phase of the Accra Plains Irrigation Project, covering an area of about 5,000 hectares will be carried out to promote double cropping of vegetables and cereals. The implementation plan for the National Irrigation Policy will be completed and launched during the year.

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Fisheries Development Programme

233. Government will establish a fish processing plant at Elmina to provide facilities for processing, packaging and marketing of fish and fish products. The Ministry will also undertake feasibility studies for the construction of a fish laboratory and quarantine stations, two harbours and twelve landing sites to boost fish production.

Youth in Agriculture Programme

234. The unattractive nature of the current farm practices is a significant factor to rural poverty and rural-urban migration. To address this situation the Ministry will continue to pursue the Youth in Agriculture Programme in the areas of block farming, livestock, fisheries and agribusiness development to increase production of crops, livestock and fish as well as generate employment opportunities for the youth.

Livestock Development Programme

235. As part of the implementation of the National Cockerel Programme, 5000 household poultry will be supported with 100,000 brooded cockerels to enhance their capacity to produce more meat to reduce the nation's meat deficit and also increase incomes of farmers.

Export Development and Agricultural Investment Fund (EDAIF)

236. An additional levy of 0.5 percent on non-oil imports will be added to Export Development and Investment Fund (EDIF) to establish the Export Development and Agricultural Investment Fund (EDAIF) to finance agriculture.

National Buffer Stock Management

237. The National Food Buffer Stock Company (NAFCO) will acquire a modern rice mill. In addition, it will improve its

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storage capacity of 34,000 metric tonnes as at now to at least 100,000 metric tonnes.

238. Madam Speaker, for the implementation of the above activities an amount of GH¢221,550,587 has been allocated. Out of this, GH¢14,950,000 is GOG, GH¢5,890,390 is IGF, GH¢19,938,410 is for Social Intervention Programmes and GH¢117,371,999 is Donor.

COCOA INDUSTRY

239. Government continued to implement policy measures within the cocoa subsector such as increased producer prices, effective diseases and pests control programme, bonus payment, hi-tech programme (fertilizer application) and replanting of denuded areas to enable the cocoa sub-sector contribute significantly to the growth of the agricultural GDP.

Performance in 2010

Syndication of Cocoa Loans

240. Madam Speaker, for the 2010/2011 crop season, COCOBOD successfully raised an amount of US\$1.5 billion from 30 international banks in a syndicated loan arrangement compared with the US\$1.2 billion raised during the 2009/2010 crop year. The Loan which was oversubscribed is an indication of the confidence that the international community has in the Ghanaian economy.

Producer Prices

241. Madam Speaker, in fulfillment of our manifesto's promise to compensate the hardworking cocoa farmers for their untiring efforts, the government reviewed the producer price of cocoa upwards during the 2009/2010 crop year, in October 2009 and January, 2010. The producer price has been revised upwards again in October 2010 to a high level of GH¢

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3,200.00 per tonne (ie GH¢200.00 per bag). This new price is 75.15 percent of the net FOB price, the highest in the history of this country.

Hi-Tech Programme

- 242. The Cocoa Hi-Tech Programme continued in the 2009/2010 Crop Season to encourage fertilizer application and the use of improved planting materials by farmers. The Seed Production Unit of COCOBOD also supplied improved planting materials to farmers to help increase production.
- 243. COCOBOD continued to support the programme of tarring selected roads in the remote cocoa growing areas under the Cocoa Roads Improvement Programme (CRIP).

Cocoa Scholarship Scheme

- 244. The scholarship scheme which offers financial assistance for children and wards of cocoa farmers was supported with an amount of GH¢5 million during the 2009/2010 Crop Season.

Cocoa Certification and Child Labour Issues

- 245. The National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa growing areas (NPECLC) continued to support the sensitization programme to reduce the incidence of the worst forms of child labour in cocoa production. The NPECLC was supported with an amount of GH¢4.9 million from COCOBOD. Ghana was removed from the United States Trafficking Victims Protection Reauthorization Act (TVPRA) list of countries that could not export cocoa to that country.

Coffee Industry

- 246. COCOBOD provided resources for scientific and agronomic research and extension in coffee production. Activities undertaken included the identification of existing farmers and

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their farms, organising farmers' forum as well as radio programmes in coffee growing districts to disseminate information on good agronomic practices.

Outlook for 2011

Producer Pricing

- 247.** In line with the NDC Government manifesto commitment, we will continue to pay the farmer a minimum guaranteed price of 70 percent of the net FOB price. The new producer price which took effect from 1st October 2010 is GH¢3,200.00 per tonne (i.e. GH¢200.00 per bag) of cocoa for the 2010/2011 cocoa season. This price is 75.15 percent of the net FOB price.

Bonus Payment

248. COCOBOD will pay a total of GH¢50,793,724.00 as bonus to farmers for the 2009/2010 main crop season. The bonus payment works out to GH¢40.00 per tonne.

Pricing of Cocoa Beans for Domestic Processing

249. The finalization of the revised Cocoa Sector Development Strategy II document will be completed. In addition, COCOBOD will review all existing beans supply agreements with the processing companies to ensure that the processing factories have access to cocoa beans.

Cocoa Disease and Pest Control Programme (CODAPEC)

250. The CODAPEC programme will continue to be pursued to mitigate the risks associated with incidence of disease and pests that attack cocoa. For the 2010/2011 cocoa crop year, an amount of GH¢104,402,721.00 has been allocated for this

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programme. CODAPEC will also procure spraying machines for the spraying of cocoa farms.

Cocoa Swollen Shoot Virus Disease

251. COCOBOD will also intensify the treatment and control of the Cocoa Swollen Shoot Virus Disease which continues to threaten the sustainability of the industry through cutting and removal of diseased trees.

Cocoa Hi-Tech Programme

252. COCOBOD will continue to educate farmers on the correct application of fertilizer on their farms as a yield enhancing measure as well as ensure that appropriate cocoa fertilizers are available at the right time for application by farmers. The distribution will be streamlined to minimize corruption. Private sector participation in the importation and distribution of fertilizers to cocoa farmers will be explored.

Farmers' Scholarship Trust Fund

253. The scholarship scheme which offers financial assistance to farmers' wards in second cycle institutions will be given further support during the 2010/2011 crop season. For the 2010/2011 cocoa crop year, provision has been made for an amount of GH¢2,400,000.00 to be paid into the fund.

Rehabilitation of Cocoa Roads

254. COCOBOD will continue the programme on the rehabilitation and tarring of selected roads in the major cocoa growing areas under the Cocoa Roads Improvement Project (CRIP).

Cocoa Farmers Pension and Housing Scheme

255. Cocoa Farmers' Pension Scheme will commence with an initial amount of GH¢9.3 million. COCOBOD will further develop modalities to implement the scheme and also continue to

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support the special housing scheme for cocoa farmers during the 2010/2011 cocoa crop year with an amount of GH¢868,000.00.

Rehabilitation and Replanting of Old Cocoa Areas

256. COCOBOD will continue with the programme to educate and encourage farmers to rehabilitate and replant cocoa in the abandoned cocoa growing areas in Central, Eastern, Ashanti, Brong-Ahafo and Volta Regions with high yielding and disease resistant varieties.

Cocoa Certification and Child Labour Issues

257. The National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa growing areas (NPECLC) will continue to support the sensitization and educational programme to reduce the incidence of the worst forms of child labour in cocoa production.

MINISTRY LANDS AND NATURAL RESOURCES

258. Government is committed to ensuring that the country's lands, forestry and wildlife and mineral resources are managed sustainably for wealth creation and reduction in land disputes. In line with this objective, the main focus areas are land management, forestry and wildlife, mines and environmental governance.

Performance in 2010

Lands Subsector

259. The Ministry has prepared and circulated the framework for the three components land bill; land ownership and tenure, land management and administration and survey and

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mapping. A prototype land information system has also been developed. The processing time for land and title registration has been reduced from 36 months to 3 months and from 36 months to 7 months respectively. Also, Government returned 60 percent of the land acquired in 1,942 to the Nungua Stool and inventory of State acquired lands in 13 districts has been completed.

260. The lands commission has commenced scanning of all lands registry and state land records in Accra as part of the process of migrating from manual to digital. Accra Land registry is about 80 percent complete and the state land record is 20 percent complete.

Forestry Subsector

261. To secure the boundaries of natural forest reserves against encroachment, the Forestry Service Division cleaned 14,000km of forest reserves by forest guards and 6000km of forest boundaries by community contracts. Inspection of 15,000 km of forest boundaries was undertaken and 2,681.76 of Green fire belt was cleaned and maintained.
262. Payments of arrears of royalties due stools, traditional authorities and district assemblies in the forestry sub-sector which have been in arrears for over two years amounted to GH 3.9 million. As at the second quarter of 2010, an amount of GH 6.5 million had been paid including the GH 3.9 million arrears.

National Forest Plantation Development Programme

263. Government launched the National Forest Plantation Development Programme during the year. A total of 24,000 hectares have been cleared and 15,000 hectares of forest plantation was established and over 25,000 people employed.

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Timber Exports

264. Exports of wood products earned the country 79.88 million Euros from a total volume of 236,904m³ of wood which represents an increase of 8.9 percent in value and 1.38 percent in volume over the previous year. As part of efforts to ensure the supply of legal wood in both domestic and export market, the Forestry Commission has established Timber Validation Department to carry out the piloting of the Wood Tracking System under the Voluntary Partnership Agreement.

Mines Subsector

265. The mining subsector employs about 20,000 Ghanaians directly in large scale mining, 6,000 in the mine support services and about 500,000 in the small-scale gold, diamond and quarry production. A new method of gold extraction from concentrates without the use of mercury has been developed for small scale miners. Further, about 300 licenses have been granted to Small Scale Miners in the country.
266. In addition, a new seismic equipment has been acquired for the monitoring of earthquake and other related issues. The acquisition of airborne geophysical data to cover the entire country to aid mineral exploration has also been completed.

Improving Mining Sector Revenue, Transparency and Management

267. The Minerals Commission facilitated the formation of multi-agency Mining Revenue Taskforce under the Natural Resource and Environmental Governance Programme. The taskforce carried out pilot audits on the Newmont Ahafo mine.

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Outlook for 2011

268. The Ministry of Lands and Natural Resources will continue with its core objective of ensuring land and sustainable natural resource management for accelerated worth creation.

Lands Subsector

269. The Lands Commission will carry out key activities as part of measures to improve efficiency and effectiveness of service delivery and revenue mobilization. To this end, Government will continue the computerisation of the Public and Vested Lands Management, Survey and Mapping, Land Valuation and Land Registration Divisions of the Lands Commission and develop an integrated Land Information System that will provide the infrastructure for an effective and efficient land administration system. In addition, land values database will be developed to guide the operations of the land market and provide guidance to property investors and developers.

Forest Subsector

270. Government will expand the National Forest Plantation Development Programme in all the 170 political districts. In addition, survey demarcation and pillaring of 20 Forest Reserves will be undertaken to secure the boundaries against encroachment.
271. The Forestry Commission will accelerate the development of management plans for all the forest reserves to enhance sustainability.
272. The framework for the management of admitted farms and settlements in forest reserves and protected areas will be developed and implemented to prevent further encroachment by farmers. The Commission will ensure adequate domestic wood supply whilst private sector investment in the forest sector will be promoted.

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Mines Subsector

273. The Ministry will undertake institutional strengthening to provide extension services to small scale mining, improve availability of information and sector promotion to attract mining investors as well as improve the licensing processes to reduce social conflicts in mining communities. In addition, the mining sector revenue collection, management and transparency will be improved through better collaboration between mining related agencies.
274. The Ministry will continue to undertake monitoring and evaluation of all mining operations in the country and the use of mineral royalties by MMDAs. The implementation of the action plan developed by the multi-agency revenue task force to improve mining sector revenue collection, management and transparency will be vigorously pursued.
275. Madam Speaker, for the implementation of the above activities an amount of GH¢98,337,463 has been allocated. Out of this, GH¢46,365,080.00 is GOG, GH¢20,618,807.00 IGF, GH¢5,000,000.00 is for Social Intervention Programmes and GH¢26,453,576 is from Donors.

MINISTRY OF TRADE AND INDUSTRY

276. The Government's goal is to develop a thriving private sector and a vibrant technology driven and competitive industrial sector to contribute to economic growth and employment generation.

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Performance in 2010

Trade Facilitation

277. The Ministry of Trade & Industry completed the repositioning of the Destination Inspections services in the country after the review of the scheme.
278. To streamline the import management process and facilitate the speedy clearance of goods through customs, while at the same time improving record keeping, the Electronic Import Declaration form was introduced, and paper Imported Declaration Forms have been phased out wherever there is GCNet Connectivity.
279. To reduce linguistic barriers and improve Ghana's trade relations with French speaking countries, 320 officers from both public and private Sector institutions are being trained through the Ministry's Business French Program.
280. The Tariff Advisory Board is fully operational and is addressing inadequacies in the Tariff System. The Board will ensure that Tariff is set to promote the national economic development agenda and ensure equity and fairness vis-à-vis the competition between imported products and local production.

Export Promotion

281. The Ghana Export Promotion Council participated in the following International Fairs and provided the opportunity for Ghanaian SME Enterprises to also participate in these fairs namely the Ambient Fair in; Germany, the Abuja and Lagos Trade Fairs in Nigeria, the Tripoli International Fair in Libya and Shanghai Expo in China.
282. A National Traceability System for priority exports has been established based on a Geographic Information System for priority driven exporter database. Twenty-six trainers, 200

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exporters and Business Support organizations have been trained to use and manage the traceability system.

283. The Export Development and Investment Fund through the Mango Development Project, has over the period 2009/2010 funded the planting of 12,000 acres of Mango Seedlings in the Northern, Upper East, Upper West, Brong-Ahafo and Northern Volta regions, with a view to developing Mango as a major export crop for the country.
284. The Ministry with funding from the Export Development and Investment Fund, and also with support from the fertilizer subsidy program of the Ministry of Food and Agriculture started the Cotton Support Program, and assisted 3,000 farmers in the three Northern Regions to cultivate cotton for export.

Support for Micro, Small and Medium Enterprises

285. The rural Enterprise skills have provided training and start up kits for 4,252 rural apprentices in metal works, auto-repairs, electronics, leatherworks, masonry and blacksmithing.
286. Five hundred rural micro and small-scale enterprises have been supported through the training of master crafts persons and created employment for about 8,000 new jobs in the rural areas. Additionally, over 520 rural entrepreneurs have been supported with credit facilities in the sum of GH¢1,120.00
287. Three rural technology facilities in the Assin South, Garu Tempane and North Tongu Districts have been completed and 4 more are at about 70 percent level of completion. These will allow for the manufacture of simple machinery to support agro processing and small-scale industrial activities. All eighteen rural technology facilities have been provided with Nissan Pick-ups and standby Generator of 4MW whilst

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46 District Business Advisory Centres have been supplied with motorbikes and office equipment.

288. The National Board for Small Scale Industries provided Business Development Assistance for 23,879 SME entrepreneurs and training and finance to 322 persons and assisted them with loans amounting to GH¢234,281.00 as part of the effort to assist in job creation.
289. The GRATIS Foundation trained 300 technical apprentices in metal machining, welding and fabrication, foundry and woodwork. The company manufactured 141 units of Cassava and Palm fruit processing equipment, which were exported to Sierra Leon and Cameroon, and developed several new prototype machines for use on the local market namely a crop residue processor, multi-crop thresher with a winnower⁵, food warmer, a tomato pulping machine, and a soap processing plant.
290. The Micro Small and Medium Enterprises project through its Business Development Services Fund supported 142 SME's to acquire technical assistance to address issues of low productivity, access to markets, product development and access to finance.
291. The Ghana Standard Board through the Private Sector Development Strategy phase 1 program refurbished the soil and fertilizer laboratories. The GSB has also developed an Export System Alert Website to provide information to exporters.

Legislative Initiatives

292. To streamline the exportation of non-ferrous scrap metal L.I. 1969 was passed this year to ensure that exporters do not misclassify ferrous scrap for local production.

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293. Legislative Instrument (L.I.1962) was also passed to ensure the payment of corporate income tax by free Zone Enterprises registered under the Free Zones Act.

Outlook for 2011

294. The Government will continue to work with various stakeholders to support the small and medium enterprise sector, private sector development, industrial development and overall economic growth and job creation.

Industrial Policy

295. The Government has approved a new Industrial Policy for the country, which focuses on Industrial Production and Distribution, technology and Innovation. The Support Program will be operationalized to drive the implementation of the Industrial Policy.
296. Further, to support industrial Development and Local Industry the Government will work on comprehensive Industrial Development and Competiveness Legislation for the development of local industries through the promotion of domestic content both in terms of human and material resources, and the transfer of technology.
297. The Government will begin work on the development of a Commodity Exchange to connect the buyers and sellers of locally grown agricultural commodities in an efficient, reliable and transparent manner by making use of innovation, technology and learning from International best practices from the African continent and beyond.
298. The Government will begin the development of an Industrial Salt Estate at Keta in the Volta Region to promote large-scale commercial salt development. This will be in addition to ongoing SME salt development activities with UNICEF and the Global Alliance for improved nutrition.

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MSME Development

299. Government will establish an SME database to provide up to date information on the operations and activities of SME's in various parts of the country. This is with a view to providing information and developing relevant support services to the SMS Sector. The Government will also commence the implementation of its program to rehabilitate and strengthen 6 craft villages across the country.
300. The Ministry will support SME Enterprises and Entrepreneurship Development with a view to supporting small and medium enterprises that have the potential to transform the economy and support growth. The Ministry will work with the Venture Capital Trust Fund and will be supported with an initial sum of GH¢10.0 million for this purpose.
301. The Ghana Standards Board will tighten inspection regime for the inspection of high-risk imported goods to reduce the dumping of substandard goods within the country.
302. The National Board for Small Scale Industries will organize 2000 tailor made entrepreneurial and technical improvement programs for 60,000 entrepreneurs. It will also support 1,800 SME's to improve the packaging and quality of their products. It will establish 10 new Business Advisory Centres in 10 Districts to support SME development.
303. Madam Speaker, for the implementation of the above activities an amount of GH¢82,603,136.00 has been allocated. Out of this, GH¢9,290,476.00 is GOG, GH¢21,065,660.00 is IGF, GH¢5,200,000.00 is for Social Intervention Programmes and GH¢47,047,000.00 is from Donor.

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MINISTRY OF TOURISM

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

Performance 2010

Marketing Programme

305. The Ministry facilitated a documentary to showcase Ghana in China and produced and circulated promotional materials on tourism in the major European, American and Asian markets. The National Tourism Website was upgraded to make it more interactive to improve global access to Ghana's tourism products.
306. The Ministry participated in international and local fairs and exhibitions to showcase Ghana's tourism products for patronage and to position Ghana on the World Tourism Map as well as enhance the country's competitiveness as a preferred destination for business and leisure tourism.

Domestic Tourism Promotion Programme

307. In line with the objective of promoting domestic tourism to encourage Ghanaians to appreciate and preserve the national heritage and create wealth in the communities, the Ministry organised the national chocolate day celebration which increased consumption of chocolate for sustenance of employment for cocoa farmers, fifth paragliding festival at Atibie-Kwahu, emancipation day celebration and the world tourism day to boost international and domestic tourism in the country.

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Product Development and Quality Service Delivery Programme

308. In pursuit of promoting sustainable and responsible tourism so as to preserve historical, cultural and natural heritage and to ensure quality and standards in the delivery of services to tourist, 75 percent of the targeted 6,000 units and 4,500 accommodation and catering units in both formal and informal sectors were covered under re-inspections and mid-year inspections to ensure standards are maintained.

Outlook 2011

309. The Ministry will continue to pursue the attainment of its goal of making Ghana the preferred tourist destination in Africa and making the sector a major foreign exchange earner and employment generator for the country. In line with this, the programmes and activities will focus on aggressive promotion and marketing of the country and improvement and packaging of tourism products.

Marketing Programme

310. The Ministry will participate in 8 international conferences and seminars to adapt best practices in international tourism trends to improve Ghana's product development and packaging. In addition, the Ministry will participate in eight international and six local fairs and exhibitions to showcase Ghana's tourist products for patronage.
311. The Ministry will also organise the paragliding festival at Atibie-Kwahu, Emancipation Day Celebration and the World Tourist Day to boost domestic and international tourism. The brand tourism programme "Star of Africa" to market Ghana as a preferred tourism destination will be carried out and the e-marketing programme will be continued to improve global information access to Ghana.

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Product Development

312. The Ministry will organise orientation and nationwide sensitization programmes to improve packaging of tourism products and also implement the National Tourism Act. The Accra Visitor's Information Centre will be established and made operational.
313. The Ghanaian Cuisine Programme to showcase the different kinds of traditional Ghanaian foods will be organised in addition to the training for private sector operators, bus and taxi drivers on tourism code of ethics and Ghana's tourism in all local languages.
314. Further, the Ministry will intensify the inspection of tourism enterprises in both formal and informal sectors to ensure quality and standards in service delivery.

Promotion of Domestic Tourism

315. The Ministry will organize familiarization tour of tourist sites for policy and decision makers countrywide and sensitization programme to empower women entrepreneurs in the tourism sector. The print and electronic media will be used to promote domestic tourism.
316. Madam Speaker, for the implementation of the above activities an amount of GH¢17,225,167.00 has been allocated. Out of this, GH¢7,145,700.00 is GOG, GH¢9,650,837.00 is IGF and GH¢428,629.00 is from Donor.

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MINISTRY OF ENERGY

317. The main objective of Government for energy is the development and sustenance of an efficient and viable energy sector that provides secure, safe and reliable supply of energy to meet Ghana's development needs in a competitive manner.

Performance in 2010

Power Subsector

Rural Electrification Project

318. In line with Government's objective of attaining universal access to electricity by 2020 642 communities countrywide were connected to the national electricity grid under SHEP during the year.

Regional Capitals Street Lighting Projects

319. The Regional Capitals Street Lighting Projects in Takoradi, Ho, Sunyani, Bolgatanga and Wa have been completed while the Accra and Kumasi components are ongoing.

Expansion in Power Generation Capacity

320. In line with the policy of expanding Ghana's power generation capacity, the design and construction of 400MW hydro power plant project at Bui is 32 percent complete. Also works for the construction of the 132 MW combined-cycle power plant at Aboadze has commenced. A joint implementation team comprising GNPC, VRA, and GRIDCo has been constituted to supervise the establishment of 200MW power plant at Bonyere to utilize the gas from the Jubilee fields.

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Transmission and Distribution Improvement Projects

321. The substation upgrade project to improve the transmission system in Techiman, Kumasi, Winneba and Akosombo is 80 percent complete. Also the Mallam substation upgrading is 30 percent complete. The construction of a Third Bulk Supply Point in Accra and a Second Bulk Supply Point in Kumasi are 60 percent and 30 percent complete respectively.
322. Under the Distribution Improvement Programme, 31 projects have been completed while 93 are on-going. Specifically 18 primary substations are being constructed with associated networks.

Renewable Energy

323. A Renewable Energy Bill aimed at increasing the contribution of renewable energy from 0.01 percent to 10 percent in the national energy mix has been developed and submitted to Cabinet for approval. Solar PV systems have been supplied, installed and commissioned in 75 rural health institutions in the three Northern Regions. In addition 189 public institutions including clinics, schools and security posts in remote communities have been identified and mapped out for solar electrification.

Petroleum Subsector

Upstream

324. The development of the Jubilee fields for the production of the first oil in the last quarter of the year is on track. Work on the pipe laying on the sea floor and the FPSO is 95 percent and 98 percent complete respectively. An enclave for Gas Processing Plant, VRA's Power Plant, as well as fertilizer has been identified and 90 percent of the land demarcation survey has been completed.

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Downstream

325. The construction of 4No. 10,000m³ storage tanks with ancillary facility at the Accra Plains Depot has been completed and operationalized. An inland petroleum jetty, river barges and tug boats at Debre is 80 percent complete. Also a nationwide stock taking of the rural kerosene distribution improvement project exercise has been completed.

Outlook for 2011

Power Subsector

326. The focus of the power subsector will be upgrading of transmission and distribution network and scaling up of rural electrification for the realization of universal access to electricity supply by 2020. The Ministry will also continue with work on the 400MW Bui Hydroelectric and 132MW Takoradi 3 Thermal Projects.

National Electrification Scheme

327. The implementation of the electrification projects will continue with the extension of electricity to additional 412 communities in the Volta and Greater Accra Regions. Installation works for the extension of electricity supply to 1,200 communities in the Western, Central and Brong Ahafo regions will continue.
328. The electrification of 79 communities in the Ashanti and Eastern regions will continue and 800 communities under the SHEP-4 Projects will be completed. New Electrification Projects for 500 communities in the Northern region, 500 communities in the Upper East region and 400 communities in the Upper West region will also be continued.

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Renewable Energy

329. The main focus area under the renewable energy will include development of human resource capacity in KNUST, Tamale and Koforidua Polytechnics. The supply and installation of Solar PV Systems in selected remote communities and public institutions will be continued and renewable energy business development for 20 private sector developers of hydro, wind, solar-PV and biomass resources will be supported. Government will also formulate policies and strategies to enhance access to sustainable cooking fuels and sustainable biofuel promotion.

Petroleum Subsector

330. The petroleum subsector will focus on the intensification of exploration, production and distribution activities. The key projects will include the appraisal of Tweneboa Complex and ENI Sankofa and Deepwater Tano Block. Exploration in other blocks will be intensified. The gas commercialization project will also be scaled up and the Gas master plan developed.
331. An inland petroleum jetty, river barges and tug boats at Debre will be completed while the rural kerosene distribution programme will be redesigned and improved.
332. Government will also enforce Extractive Industries Transparency Initiative in the Oil and Gas sector to ensure transparency in revenue management.
333. Madam Speaker, for the implementation of the above activities an amount of GH¢405,495,572.00 has been allocated. Out of this, GH¢4,289,022.00 is GOG, GH¢30,000,000.00 is for Social Intervention Programmes and GH¢371,206,550.00 is from Donor.

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MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY

334. The aim of Government is to establish a strong and vibrant technological base for accelerated growth and sustainable development to improve the quality of life of all Ghanaians through the development and promotion of appropriate technologies, safe and sound environmental practices and regulated human settlement.

Performance in 2010

Agriculture and Agro-Processing

335. The Centre for Scientific and Industrial Research (CSIR) through the Animal Research Institute continued with the implementation of the Guinea Fowl Development Programme in Northern Ghana to increase survivability to 90-95 percent and populate rural communities. The outcomes from the interventions resulted in the survival of 82 percent on-station and 88 percent on-farm station.
336. Small scale cage culture of tilapia in two selected communities at South Senchi and Tusker in the Asuogyaman District has been developed. Twenty-two farmers are getting micro credit support to generate additional income through cage culture. Data on fish growth and economics are being gathered for assessment of economic viability of small scale cage culture.

Coastal Restoration Project

337. As part of the Ministry's effort to maintain sanitation and restore the biodiversity of our coastal communities, the Coastal Development Project aimed at keeping the coastal line clean is being implemented in 4 regions namely; Volta, Greater Accra, Central and Western Regions. In all, about

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10,000 people have been engaged to clean and plant coconut trees along the beaches.

Plastic Waste Management

338. The Ministry has established a committee on plastic waste management to advice and design modalities for controlling plastic waste. To this end, consultative programmes with stakeholders to solicit views on the recommendation of the committee have been organized in Accra, Kumasi, Takoradi and Tamale. A pilot project on waste collection to create jobs as well as wealth has also been initiated.

Control of Deployment of Telecommunication Masts

339. To address public concerns on the haphazard sitting of communication towers and masts in the country and its implication on health and safety, the Ministry led an inter-ministerial committee to develop new guidelines to regulate the deployment of telecommunication masts in the country.

Addressing Oil Spillage

340. In line with its mandate to ensure a sustainable environmental management in the extractive industry, the Ministry constituted a committee to investigate oil spillage by Kosmos Energy to improve and mainstream safety, environmental protection and capacity enhancement towards ensuring incident free offshore drilling of oil and gas in Ghanaian waters. An audio-visual system is being put in place at the Headquarters of the Environmental Protection Agency to enable Government monitor reportable environmental incidence in real-time.

Environmental Protection Agency (EPA)

341. The Agency trained 1000 pesticide dealers nationwide as part of Ghana- Agro Input Dealer Development Programme, whilst

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the impact of aquatic and terrestrial ecosystems from the aerial spraying operations under the Pan African Tsetse and Trypanosomiasis Eradication Campaign was monitored. The national ozone unit initiated the process of registering all importers and retailers of refrigerants in the country. Recruitment of 40 highly skilled personnel to augment the human resource of the EPA is on-going.

342. To ensure environmental quality the Agency carried out noise monitoring in four schools in Accra and analysed effluent samples from industries in Accra and Tema metropolitan areas as well as samples of surface and groundwater quality monitoring in the Afram Plains were taken and analysed.

Ratification of Nuclear Conventions and the passage of the Bio-safety Law

343. The Ministry has submitted 5 nuclear related conventions including the Comprehensive Nuclear Test Ban Treaty, Joint Convention on the Safety of Spent Fuel Management and the Safety of Radioactive Waste Management (1997), the Convention of Nuclear Safety (1994), African Nuclear Weapon Free Zones Treaty and the Amendment of the convention on the physical protection of nuclear material to Parliament for ratification. The Ministry has also submitted the bio-safety bill to Parliament for passage.

Town and Country Planning Department

Institutional and Legal Review

344. As part of the institutional and legal review of Town and Country Planning, a coherent and modernised legal framework including model guidelines and regulations have been developed. Technical discussions and zonal stakeholder consultations have also been completed.

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Acquisition of Spatial Data

345. To facilitate effective land use planning, about 731km² of aerial photos, 756km² of topographic maps and 2177km² of satellite imagery have been acquired. Besides, 752 km of roads have been trapped to facilitate geo-referencing of plants and 30 sector layouts hitherto in paper format has been digitised.

Human Settlement Policy

346. To promote a sustainable spatially integrated and orderly development of human settlements to support socio-economic development, a Human Settlement Policy study has been conducted and report prepared and submitted to the National Development Planning Commission for inclusion in the National Spatial Development Framework.

Outlook 2011

Implementation of Action Plan for the Utilization of Local Building materials in the construction industry

- 347.** The first Phase of the Action Plan for the utilization of local building materials in the construction industry will commence. It will involve the training of more artisans in the use of local building materials such as clay brick and tiles, pozollana cement and bamboo. Government is encouraging the establishment of brick and tile factories across the country.

National Science and Technology Theme Park Project

348. Work will commence on the establishment of Ghana's first Science and Technology Park in Cape Coast with a feasibility studies and the preparation of a business plan to serve as a blue print for mobilizing resources to implement the project.

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Centre for Scientific and Industrial Research (CSIR)

Rural Electricity

349. Under the Rural Electrification Project, lesser known wood species for poles, Bio-fuels (from agricultural waster) for generators, Hybrid solar/wind energy systems for households will be promoted.
350. As part of Government efforts at managing plastic waste in the country, two sorting and collection centres will be established as pilot projects in two municipalities. Workshop to develop implementation framework for the plastic waste project will be organized.

Commercial Agriculture

351. CSIR will promote the cultivation of local high yielding rice such as "Sika Mo" and Gbewaa aromatic rice through the provision of breeder, foundation and certified seeds. Production guides for commercial rice farmers and the promotion of water management structures as well as farm gate rice process will be pursued in line with the rice programme for the improvement of national food security, reduction in rice imports and increase in income of stakeholders in rice production.

Fishing

352. The Ministry will continue to provide knowledge and expertise for sustainable fisheries management of capture fishing by providing improved varieties of tilapia and catfish. The Ministry through CSIR will undertake the production and supply of improved breeds of tilapia and catfish fingerlings.

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Housing/Roads

353. The Ministry will continue to promote the use of local building materials (clay and pozzolana) and fast track construction techniques for affordable housing delivery. The use of pozzolana lime technology in stabilizing rural-type roads and extending their lifespan will be promoted.

Ghana Atomic Energy Commission

354. The Commission will continue to develop a comprehensive national groundwater resource assessment programme using isotope hydrogen with an initial focus on the Central Region. An independent regulatory body "Ghana Nuclear Energy Regulatory Authority" will be established to pave the way for the adoption of nuclear energy in the energy mix by the year 2020. A draft bill will be sent to Parliament for approval.

Environment

355. The Ministry will review the implementation status of the environmental legislation and facilitate the enactment of a Legislative Instrument to ensure its implementation. The National Environmental Fund will be re-launched and fees and levies charged also reviewed.
356. As part of efforts to sustain sanitation and restore biodiversity of our coastal communities, the Ministry will continue to implement the coastal development project in Volta, Greater Accra, Central and Western regions to promote coastal ecotourism restoration of lagoon and beach recreation for both international and domestic tourism and employment generation.

Climate Change

357. Climate change is a long term development and economic issue for Ghana. In response to climate change issues, the Ministry will finalize the policy framework on climate change

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and prepare sectoral adaptation and mitigation strategies to respond nationally to the challenges posed to sustainable development.

Implementation of Plastic Waste Management Action Plan

358. As part of the implementation of the plastic waste management action plan involving public private partnership, two sorting and collection centres will be established as pilot projects in two municipalities in the country to collect and sort out plastic waste. The project will be implemented at the municipal level by all stakeholders including plastic manufacturers associations and sachet water producers.

Environmental Protection Agency (EPA)

359. EPA will continue to monitor and collate air quality data as well as monitor and analyse waste water discharges into water bodies in Accra-Tema metropolis. Effluent quality from hotels in Accra will be monitored to ensure compliance and capacities of private and public operators will be enhanced on the management of industrial chemicals. Awareness on the safe use and management of pesticides will be created in selected communities in the country.
360. In addition, activities towards the integrated management of invasive aquatic weeds project will be continued to ensure that water weeds infestation in the lower Volta and Tano rivers are eliminated.
361. The Ministry through the EPA will finalise 2 regulations to the EPA Act, Act 490. These regulations will strengthen not only the governance of the oil and gas sector, but also the various forms of e-waste. Monitoring of mining activities will also be accentuated to ensure sustainable development.

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Town and Country Planning Department

362. The Ministry will revise the existing land use plans to facilitate the provision of basic infrastructure such as roads, water, electricity, sewerage and waste management as part of measures to upgrade the existing slums in towns and cities and prevent the formation of new ones. The department will also pursue the passage of the land use and planning bill and its accompanying regulations to provide a coherent and modernised legal framework that will enhance enforcement of planning and building regulations. A Planners Registration Council (PRC) will be established to regulate the professional conduct of Planners in the country.
363. Madam Speaker, for the implementation of the above activities an amount of GH¢177,443,578.00 has been allocated. Out of this, GH¢67,954,610.00 is GOG, GH¢10,954,220.00 is IGF and GH¢98,534,748.00 is from Donor.

INFRASTRUCTURE SECTOR

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

364. Government continued with the implementation of its plans, programmes and projects aimed at promoting sustainable urban physical infrastructure development and the provision of basic social services.

Performance in 2010

Rural Water Programmes

365. To achieve 63 percent rural water coverage, 64 new boreholes, 58 small town pipe systems, 2 small community

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pipe systems and 2 hand dug wells were constructed as well as 36 existing boreholes rehabilitated. In addition, 18 rainwater catchment systems, 2318 household latrines, and 172 institutional KVIP latrines commenced during the year.

Urban Water Supply Project

366. Under the Kwanyaku-Kasoa water supply interconnection project, the construction works on the 500m³ reservoir, interconnecting new pipelines and town distribution networks at Kasoa, Gomoa Nyanyano, and Senya Bereku has been completed. The main works on the Koforidua water supply project phase I and II has also been completed. The extension of water supply to New Tafo and its immediate environs with the construction of transmission and distribution pipelines, booster station and reservoirs is about 90 percent complete.

Government Affordable Housing

367. Government continued to explore avenues to secure funding to construct safe, decent, and low income housing for the people. The affordable housing programme which was poorly planned and funded by the previous regime has been streamlined and is now on course at Borteyman-Nungua, Kpone-Tema, Asokore-Mampong, Wamale, Koforidua and Wa.
368. Government is facilitating the construction of 10,000 affordable housing units at Nsakina-Amasaman, in the Ga West District by Messrs Agu Resources.

Public Servants Home Scheme

369. The Government through the Public Servants Home Scheme provided 225 houses for various categories of public servants this year.

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Conversion of the State House into Offices

370. Government commenced the conversion of the tower block of the State House (Job 600) into offices for Members of Parliament to provide permanent offices and other facilities for M.Ps' and their support staff to strengthen parliament to further deepen democracy in the country.

Storm Water Drainage and Sanitation Systems

371. The Ministry undertook the construction of primary storm water drainage and sanitation systems at East Legon, Alogboshie, Ofankor, Achimota, Banana Inn, Gbawe, Ashaiman, Madina, Anyaa, Kasoa, La, Kwabenya, Odorkor, Ningo, Maate Tsuru and West Legon as well as Kpando in the Volta Region to improve sanitation and ensure sustainable environment.

National Flood Control Programme

372. To mitigate the impact of floods, primary and secondary drains at Abeka, Abossey Okai, Haatso, Gbawe, Agbogba, Adenta, Ashiye, Amarhia, Ashaiman, Kasoa, Pokuase and Kpandu were widened and deepened to protect life, property and other infrastructural facilities.

Integrated Odaw Basin Development Project

373. Government continued with the relocation programme involving the removal of commercial and industrial activities from the Korle Lagoon Ecological Restoration Project (KLERP) area to Adjen Kotoku. To this end, works on 4.2 km access road from Medie and circular access road to the planned development areas for industrial, commercial and residential as well as social infrastructures has been completed.

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Keta Sea Defence Resettlement Programme

374. As part of Governments programme to restore and enhance life and activities of the people affected by the Keta Sea Erosion, 160 two-bedroom houses and 49 septic tanks were completed at Kedzi, Vodza and Adzido

Water Resources Commission

375. The Commission continued with the hydro-geological studies in the Northern, Upper East and Upper West Regions and gathered scientific information and data on groundwater potential. The Commission also drilled 15 new monitoring boreholes. Climate change adaptation activities are being implemented to promote adaptive and coping strategies for water resources use and management to reduce livelihood vulnerability.

Outlook for 2011

376. Government will continue to increase the provision of safe and potable water, affordable housing and enhance sanitation as well as promote environmental sustainability.

Water Resources Commission

377. A comprehensive National Integrated Water Resources Management Plan will be prepared to address major problems related to water resource availability, water quality, environmental/ecosystem sustainability and institutional capacity. To accelerate the provision of affordable and safe water to all people, the Commission will develop regulations for the setting up of National Dams Safety Units to regulate and coordinate all activities related to dam design, construction, operations, maintenance and decommissioning.

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Improved Rural Water Supply

378. To achieve the target of 65.8 percent rural water coverage in the year 2011, Community Water and Sanitation Agency (CWSA) will accelerate the provision of safe and portable water in rural communities. In this regard, 20,000 new boreholes, 20 hand-dug wells, 35 small community piped systems and 2 small town piped systems will be constructed. The Agency will also rehabilitate 8 boreholes and train 910 water and sanitation committees.

Urban Water Supply

379. For Government to achieve 65 percent urban water coverage, the Ministry through Ghana Water Company will accelerate the provision of safe and potable water in urban areas. The implementation of the Urban Water Supply Projects at Kpong, Damango, ATMA Rurals, Kumasi, Essakyir, Tamale, Sunyani, Konongo, Kumawu, Kwahu, Wa and Mampong will be continued. The Kpong water expansion project will commence vigorously in 2011.

Other Projects

380. The Cape Coast Water Supply System is to be connected to the Inchaban water scheme to improve water supply to the Sekondi-Takoradi metropolis. Construction works on the Nsawam and Essakyir water projects will also commence.
381. Rehabilitation of various regions urban water systems in six of the country will continue under the Urban Water Project, sponsored by the World Bank.

National Housing Programme

382. Government will continue its oversight responsibility over the various housing programmes such as Agu Resources, Satya, STX, and the Redevelopment Scheme to effectively supervise

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the commencement and continuation of the construction of the various types of decent, safe and low income housing units in the country.

Government Affordable Housing

383. The Ministry will continue the construction of the affordable housing units at Borteyman, Kpone – Tema, Asokore-Mampong, Wamale, Koforidua and Wa. Government will also source for funding with private sector participation to commence the construction of the second phase of the affordable housing units at Ho, Sekondi–Takoradi, Sunyani, Cape Coast and Bolgatanga.

Strom Water Drainage and Sanitation Systems

384. The construction of a number of primary storm water drainage and sanitation systems in all the regional capitals to improve upon sanitation and ensure sustainable environment will be continued. The Ministry will also undertake the development of a drainage master plan to ensure orderly development of physical properties.

National Flood Control Programme

385. The Ministry will continue to undertake various flood mitigation programmes including widening, deepening and regrading of 20km stretch of primary drains in Accra, other regional capitals and some selected district capitals, as well as undertake the construction of culverts and corresponding inlets and outlets of all primary storm water drainage systems to protect life, property and infrastructural facilities.

Integrated Odaw Basin Development Project

386. The relocation programme involving the removal of all activities from the KLERP area to Adjen-Kotoku will be continued and the 4.2 km access road from Medie and

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circular access roads to the planned development areas will be completed. In addition, the 13 km periodic maintenance programme on the Odaw/Onyasia as part of the overall KLERP will be continued.

Keta Sea Defence Resettlement Programme

387. The Ministry will continue with the construction of the remaining 2, 3 and 4 bedroom houses as well as ensure the connection of water supply, sewerage and electricity to these completed houses at Kedzi, Vodza, and Adzido. The programme to establish Keta Basin Development Authority to supervise all development in the Keta Basin will be concluded during the year.
388. Madam Speaker, for the implementation of the above activities an amount of GH¢558,625,890.00 has been allocated. Out of this, GH¢16,618,212.00 is GOG, GH¢1,165,842.00 is IGF, GH¢10,938,410.00 is for Social Intervention Programmes and GH¢529,903,428.00 is from Donor.

MINISTRY OF TRANSPORT

389. Government is committed to creating an integrated, modally complimentary, cost effective, safe, secure, sustainable and seamless transportation system responsible to the needs of society, supporting growth and poverty reduction and capable of establishing Ghana as the transportation hub of West Africa.

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Performance in 2010

Rail Subsector

390. Construction works on the rail extension from Asoprochona to Tema has been completed and His Excellency, the President has cut the sod for the extension of the line from Tema Port to Community one. The new diesel multiple units have been commissioned and operationalized for commuter rail services between Accra and Tema. In addition, the feasibility study for the rehabilitation of the entire Western line has been completed. Sectional maintenance works on the Western lines have been undertaken to facilitate the transportation of bauxite and manganese to the Takoradi Port for export.

Maritime and Inland Water Subsector

391. The Ministry of Transport in collaboration with Zoil has introduced a programme to enhance safety of transportation on the Volta Lake. This includes checking of overloading of boats and deployment of Life Guards to attend to accidents on the Lake.
392. Construction of new ferries for Ekyi Amanfro-Adawso Crossing under the MiDA Project has commenced. A conceptual design for the Takoradi Port expansion project has been completed and engagement of consultants is in progress for detail design and construction.

Road Transport Subsector

393. The National Road Safety Commission in collaboration with the Driver and Vehicle Licensing Authority and the Government Technical Training Centre (GTTC) has established the National Drivers Academy to train and retrain drivers to reduce the accident rate in the country.

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394. The DVLA has developed regulatory standards for driving schools and driving instructors to improve the quality of driving on the road.

Aviation Subsector

395. The Ministry has negotiated and initialed 9 bilateral Air Service Agreements which has increased the number of airlines operating from and to Kotoka International Airport (KIA) from 25 to 30. Five new domestic carriers have been issued with air carrier's license to provide air transport passenger services.
396. The rehabilitation of KIA is on-going and a new fire station will be completed by end of the year.

Outlook 2011

Rail Subsector

397. The Ministry will continue to source for funds for the development of the railway sub-sector. The Ghana Railway Company Limited will utilize the Indian Exim facility to refurbish its rolling stock. In addition, the Ministry will prepare a Railway Master Plan, continue the rehabilitation of the Western Railway Line and the sub-urban railway lines in Accra-Nsawam, Kumasi-Ejisu and Sekondi-Takoradi.
398. The Ghana Railway Development Authority will be strengthened and appropriate regulatory framework for the sub-sector developed.

Aviation Subsector

399. The Ministry will continue with its policy of liberalizing the regulatory framework to attract more airlines and to create the enabling environment for private sector to operate and invest in aviation infrastructure and services. The

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programme of making KIA as an aviation hub for the sub-region will also be rigorously pursued.

400. The rehabilitation works at KIA and the regional airports, particularly, upgrading of Tamale Airport as alternate to KIA, will be continued.

Maritime and Inland Water Subsector

401. The Maritime sub-sector will focus on the development of Takoradi Port including oil services facilities and the enactment of the necessary regulations to guide the oil and gas production whilst feasibility study for a deep sea port will be pursued.
402. The Ministry will also continue with the Lake Safety enhancement programme with the provision of new ferries for Kete-Krachi, Kpando-Agordeke and Ekyi-Amanfro Crossings. Also some landing stages will be constructed along the banks of the Volta Lake.

Road Transport Subsector

403. The Ministry will facilitate the enactment and the implementation of the new Road Traffic Regulations which is currently before Cabinet and also continue to assist Intercity State Transport Company (ISTC), Metro Mass Transport (MMT) and the private sector operators to acquire new buses under the Ministry's fleet renewal programme.
404. The National Road Safety Commission (NRSC) will facilitate the installation and operations of speed cameras and speed limiters to improve road safety.
405. The NRSC will also upgrade 2 trauma care centers along the Accra-Kumasi highway as well as establish 2 first-aid posts on the Accra-Cape Coast highway.

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406. The NRSC will collaborate with the National Youth Employment Programme to engage youth for road safety education for schools and also continue to conduct driver training through the National Drivers' Academy (NDA).
407. The DVLA will complete the automation of its services and introduce a computer based driver testing to eliminate fraud in driver testing and licensing. Appropriate regulations will be passed to enable Private Garage operators undertake vehicle testing.
408. Madam Speaker, for the implementation of the above activities an amount of GH¢18,173,336.00 has been allocated. Out of this, GH¢16,221,736.00 is GOG and GH¢1,951,600.00 is IGF.

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MINISTRY OF ROADS AND HIGHWAYS

409. The Ministry of Roads and Highways continued with its core mandate to provide and maintain an integrated, cost effective and sustainable road transport network responsive to the needs of users, and supporting growth and poverty reduction. The major areas of operations within the road sector are routine and periodic maintenance, rehabilitation, reconstruction, upgrading, traffic management, safety and institutional strengthening.

Performance in 2010

Road Traffic Regulations

410. The Ministry has developed a new road traffic regulation and submitted to cabinet to replace the 1974 road traffic regulation (LI553) in line with current trends in road safety. The regulations are to operationalize the Road Traffic Act 2004, Act 683, in conformity with International Conventions and ECOWAS protocols on road transport.

ECOWAS Regional Transport and Transit Facilitation Programme

411. As part of the implementation of the ECOWAS Regional Transport and Transit Facilitation Programme, Government has acquired 57.27 acre parcel of land at Paga for the construction of the Joint Boarder Project (JBP) between Ghana and Burkina Faso to enhance free movement of goods and services within the ECOWAS sub-region.

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Ghana Highway Authority

Axle Load

412. A total 14 Permanent Weighbridge Stations (PWS) and 8 High Speed Weigh-In-Motion (HSWIM) stations to check and control axle loads and provide accurate statistics on overloading were constructed at strategic locations on the trunk road network.

Routine and maintenance works

413. The Authority carried out routine and periodic maintenance works on 10,947km and 444.36km representing 98 percent and 121 percent respectively of the approved programmes for the year. Further, partial reconstruction, upgrading and rehabilitation of roads including town roads of 810.13km were executed.

Development Projects

414. Substantial progress was made on the following major construction and reconstruction works; Anwiankwanta-Yamoransa, Ho-Fume, Asankragwa-Enchi, Achimota-Ofankor, Sogakope-Adidome-Ho, Kumasi-Techiman Phase 2 and Berekum-Sampa roads. In addition, work progressed on the Tetteh-Quarshie-Madina road.

Tolling of Roads

415. To reduce leakages and modernize the toll collection process, the Ministry is piloting an automation of two key toll collection plazas namely: the Tema motorway and Kasoa. This will be replicated at the other toll points in the country.

Department of Feeder of Roads

416. Under the Feeder Road Programme, 5,149km feeder roads were completed and periodic maintenance comprising re-

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gravelling and spot improvement rehabilitation works of 521.8km was executed. Some of the feeder road projects completed are; upgrading of Asempaneye-Adumasa Valley Farm Track, surfacing of Juaho-Twabidi Ph. II, rehabilitation of Pokuase-Nsakyi and Wamfie-Nsokor town roads. Others are Kpandai, Assin Fosu and Nsuaem-Kyekyewere town roads.

District Capitals Roads Improvement Project

417. A total of 70No. culverts, 22.2km of concrete U-drains and 1,250 metres of kerbs have been completed under the District Capital Roads Improvement Project (DCRIP) initiated by the Government to facelift some of the newly created district capitals.

Bridge Programmes

418. A total of 15 major and small span bridges commenced across the country during the year. Among them are; Papase-Domfiase, Aboabo Junction-Aboabo, Azua-Kofi Akura-Kpasa, Binduri-Kaadi-Kugri, Dolibizon-Pina, Kyekyease-Nyamebekyere-Nkontomire, Achirensua-Hwidiem-Asuhyiase, Chinglinua-Dolgi, Pra River Junction–Pra River and Okyimso-Mereponso-Ati bridge projects.

COCOBOD Programmes

419. The COCOBOD funded road programmes in the Eastern, Volta, Western, Central, Ashanti and Brong-Ahafo regions involving reshaping and spot improvement is on-going. In addition, 63.6km length of feeder roads has been completed in cocoa producing areas under the Cocoa Road Improvement Project (CRIP).

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Department of Urban Roads

420. The Department of Urban Roads completed a total of 3,550km of routine maintenance and periodic maintenance works in all 20 Metropolitan and Municipal Assemblies were executed.

Overhaul of Traffic Signals

421. Traffic signals in most major urban centers were completely overhauled. To ensure uninterrupted operation and reduce energy consumption, 48-hour power backups and Light Emitting Diodes (LED) technology were introduced in the some busy cities across the country.
422. Other development projects undertaken included the Accra Central Business District (CBD) Phase 1, Oforikrom-Asokwa bypass, Komfo-Anokye Teaching Hospital-Abuakwa, La-Teshie, and construction of Nsawam Phase 2 road project.

Development Projects

423. Other on-going development projects undertaken and at various stages of completion include the Urban Development Project involving the expansion of the Odaw bridge and construction of flyover bridges on the Graphic Road, the construction of Giffard and Burma Camp roads in the Accra East corridor and Accra Central Business District Phase 2.

Outlook for 2011

424. Government will continue to pursue its objectives of improving access through better distribution and integration of the road network system.

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Transport Sector Project

425. Government, in pursuance of its objective of improving access and mobility on our road network, the first phase of the improvement and rehabilitation of feeder roads to support focused and commercial agriculture around growth poles will commence. The rehabilitation work on the Asawinso–Ayamfuri Road will also commence. Physical works for the rehabilitation of the Giffard road and Burma Camp Roads 1 and 2 will commence in the second quarter of 2011.

Urban Transport Project

426. The construction of the Bus Rapid Transit (BRT) pilot route in Accra and the improvement of traffic management facilities in Accra and Kumasi will be undertaken.

West Africa Transport and Transit Facilitation Project

427. Rehabilitation works on the Buipe-Tamale, Agona Junction–Elubo, Noepe– Ghana/Togo and Paga, and Fufulso to Sawla roads will be undertaken to improve mobility.

Electronic Tolling of Roads

428. As part of measures to improve revenue generation into the Road Fund, the electronic tolling of roads which was piloted on the Accra-Tema motorway will be expanded to cover other major roads such as Kumasi-Techiman, Apedwa-Kumasi, Winneba-Cape Coast and Bamboi-Wa roads.

Public Private Partnership

429. Government will continue the Public Private Partnerships (PPP) schemes in the financing, construction and management of road infrastructure. Discussions are far advanced with three private companies for the Motorway Overpass at Teshie Link Junction, the concrete overlay of

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Accra-Tema Motorway, dualization of Accra-Kumasi road and the dualization of Accra-Cape Coast- Takoradi Road Projects.

Axle Load Control

430. The implementation of the law on Axle Load Limits as provided in the Road Traffic Act 2004 (Act 683) will be intensified to forestall premature failure of the road network and the consequent cost of rehabilitation.

Ghana Highway Authority

Maintenance of Road Asset

431. The Authority will shift its present focus of upgrading and rehabilitation of roads to routine and periodic maintenance of roads to enhance and protect Government's investment in the provision of road infrastructure.

Maintenance, improvement and development works

432. The Ministry will carry out a total of 11,199km routine maintenance and 6,635km of periodic maintenance activities on the trunk road network. About 201km of minor rehabilitation works will be undertaken whilst major development works for over 200km of road project will be continued. The major development works include; Tetteh-Quarshie-Madina, Bamboi-Tinga, Akatsi-Agbozume, Techiman-Apaaso, Asankragwa-Enchi-Dadieso, Berekum-Sampa, Kpando-Worawora-Dambai Phase 3, Wenchi-Sampa Phase 2, Bomfa Junction-Asiwa Bypass, Anyinam-Konongo bypass, Achimota-Ofankor, Nsawam-Apedwa, Nsawam bypass, Ayamfuri-Asawinso, Kwafokrom-Apedwa dual carriage, Tarkwa-Bogoso-Ayamfuri and Akatsi-Dzodze Akanu roads.
433. Other key projects are Eastern Corridor road Project, Western Oil Enclave, Tarkwa Bogoso–Ayamfuri, Ayamfuri–Asawinso,

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Ffulso–Sawla, Buipe-Tamale, Dodo Pepeso–Nkwanta, Takoradi-Agona Junction, Agona Junction–Elubo, Elubo–Asemkrom, Benchema Junction–Osei Kojokrom, Assin Praso–Bekwai road and Atebubu-Kwame Danso-Kejeji roads.

434. In addition, the following roads have awarded for construction in 2011; Wa-Han, Twifo-Praso-Dunkwa, Navrongo-Tumu and Bame-Dzolo-kpuita-Kpedze roads

Bridge Programme

435. The rehabilitation of the Adome Bridge will commence whilst feasibility Studies and Design for the lower Volta Bridge at Dorfor Adidome will be undertaken. In addition, the construction 6 Bridges on the Wa-Walewale road and a new bridge on the Twifo Praso road will also commence.
436. The Ghana Highway Authority will also continue to complete the construction of the Birim, Ochi, Asuboni, Amenfneso, Nimpini, Sissily, Kalangmua and Pra river bridges.

Department of Feeder Roads

- 437.** The Department of Feeder Roads will undertake the reshaping and routine maintenance on 26,223km of engineered feeder roads. Rehabilitation and construction of short and medium span steel bridges, box culverts and side drains will also be undertaken.
438. Some of the on-going feeder road projects to be completed during the year are; Bortianor-Kokrobitey, Abrem-Agona-Essiam, Wegbe-Alavanyo-Nkonya, Akropong-Tumfa-Ekorsu, Asokore-Mampong-Parkoso-Aprade, Tankro-Fiema and Bunkprugu, Asankragwa and Winkongo-Tongo-Zuarungu town roads.

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Bridge Programme

439. The Department of Feeder Roads will undertake the construction of a number of bridges over critical crossing points on the feeder road network.

Cocoa Roads Improvement Programme

440. Ghana COCOBOD has made available an amount of US\$200 million for the rehabilitation of roads in cocoa, coffee and sheanut growing areas.
441. The programme will cover roads in the six cocoa producing regions namely, Eastern, Ashanti, Brong Ahafo, Central, Volta, and Western regions as well as some selected areas in Northern, Upper East and Upper West Regions.

District Capital Road Improvement Programme

442. The District Capital Road Improvement Programme will be continued in the 2011. Under these projects, 2 kilometres of roads will be rehabilitated in each of the chosen districts. Some of the beneficiary District Capitals includes, Dodowa, Odumase, New Abirem, Kpetoe, Bogoso, Zabzugu, Garu Tampane and the district capital of Wa West.

Department of Urban Roads

443. The Department of Urban Roads will continue to undertake routine and periodic maintenance works on at least 9,033km of urban roads network. The department will also continue major rehabilitation and reconstruction works on the Kumasi road and urban development project, Teshie and Komfo Anokye Teaching Hospital to Abuakwa roads. The construction of Awoshie–Pokuase road and community upgrading, Burma Camp and Maate Tsuru roads in the Eastern corridor of Accra will commence. Also, the area wide

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traffic control and management works under the Urban Transport Project will commence.

444. Resealing, resurfacing, drainage works, traffic management and safety including rehabilitation of traffic lights will be executed. These will include rehabilitation of old Ada and industrial area roads (8.6km), Abossey Okai Roads (3km), Ashaiman Arterial Roads (8.2km), Boundary, Nautical and West Nkpor Roads, all in Nugua (3.2km), Kokrobite Main Road, Gbawe–Oblogo Road (7km) and Weija area roads in Greater Accra Metropolitan Area
445. In addition, partial Reconstruction of Ofankor Cemetery and Yellow House Road (3.2km) and resealing of Selected Roads in Accra, Ledzorkuku-Krowor, Tema, Ashaiman, Adentan, Ga East, West and South (147km) will be undertaken.
446. In the Kumasi Metropolitan Area, sectional rehabilitation and resealing of Moshie Zongo and Asawase Roads (10km) as well as asphalt overlay of 24th February road and Airport roundabout–Suame roundabout (3km) will be carried out.
447. The Construction of Poase Bridge and sectional repairs and resealing of selected roads (20km) in Takoradi Metropolitan Area will also be undertaken.

Tema Motorway Roundabout Project

448. The Tema Motorway Roundabout Project which includes the construction of a grade separated interchange at the motorway intersection will commence during the year. The project will consider all modes of travel to improve capacity and enhance accessibility.
449. Madam Speaker, for the implementation of the above activities an amount of GH¢335,960,762.00 has been allocated. Out of this, GH¢81,412,702.00 is GOG, GH¢31,524,535.00 is IGF, GH¢10,000,000.00 is for Social

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Intervention Programmes and GH¢213,023,525.00 is from Donor.

MINISTRY OF COMMUNICATIONS

450. Government's main objective for communication is to facilitate the development and access to a reliable, cost effective and world-class communication infrastructure and services, driven by appropriate technological innovations accessible to all citizens.
451. The key projects driving the objective include telecom penetration, Mobile Number Portability (MNP), Telecommunication Gateway, National Fibre Backbone and Broadband.

Performance in 2010

Telecom Sector

452. To improve access, the telecom market experienced a growth of 10.8 percent. The total access lines stood at 16,992,460 at the end of August 2010. This represents a penetration rate of 73.8 percent with mobile telephony accounting for 97.97 percent of the total access lines of about 16,651,168. Additionally, fixed access lines also increased from 267,389 in the fourth quarter of 2009 to 351,448 by the end of August 2010 representing about 27.6 percent increase.

Telecommunication Gateway Project

453. The Ministry of Communication through the National Communication Authority (NCA) facilitated the installation of a consolidated national gateway monitoring system to help the sector accelerate the development of mobile telephony throughout Ghana and also create the environment for a

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competitive terrain to enhance the delivery of affordable ICT services.

National Fibre Backbone and Broadband Project

454. The Ministry supervised the implementation of the 2nd phase of the Fibre Backbone Project and 90 percent of the Kumasi-Techiman-Sunyani and Tamale-Bolga stretches have been completed. Additionally, the Navrongo-Paga path as well as Tumu-Wenchi stretch have also witnessed 90 percent and 50 percent completion rate respectively.

Provision of Universal Access

455. As part of the universal access obligation, the Ministry will continue to support the extension of ICT infrastructure and services to underserved and un-served areas of the country to bridge the digital divide between the urban and rural areas.

Spectrum Monitoring

456. NCA and Bureau of National Communications (BNC) undertook a nationwide exercise to clear all illegal spectrum occupants in the 450MHz band. In furtherance to this, NCA collaborated successfully to migrate BNC from the 800MHz band to 450MHz band to pave way for the rolling out of the sixth mobile network that will operate on the 800MHz band.

Community Information Centres (CICs)

457. Government as part of its commitment to promote all inclusive information and knowledge society to benefit the underserved and un-served areas continued to sustain the construction of CICs in all constituencies and provide infrastructure and equipment support for the completed ones.

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Forty-Six existing CICs have been equipped with internet facilities whilst 20 have been provided with equipment.

E-Government Network

458. The Ministry in collaboration with the National Information Technology Agency (NITA) is pursuing the e-Government network infrastructure project aimed at creating a platform for the use of shared services among the MDAs nationwide to facilitate communication within Government. In this regard, 8 communication masts have been constructed to facilitate the deployment of WIMAX and 5 new ones are at various stages of completion.

Deployment of National ICT Standards and Type Approvals

459. In line with the effective implementation of the Electronic Communications Act, Act 775 of 2008, the Ministry through NCA developed 2 regulatory documents namely, the National Specifications and Technical Standards and Equipment Type Approval Guidelines to help prevent the importation of sub-standard ICT equipments and generate employment.

Outlook for 2011

E-Government Platform

460. The Ministry will continue to pursue the implementation of the e-applications (e-government and e-Ghana) to facilitate efficient and effective service delivery to the public in support of the broad goal of transparent and accountable governance.
461. In this regard, the Ministry will continue with the e-government network infrastructure project aimed at creating a platform for the deployment of ICT on a shared government IT architecture and will among other things build

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WIMAX last mile access networks to serve government agencies in all the 10 regional capitals. It is also expected that the WIMAX network will connect up to 550 MDA facilities throughout the country and also offer data rates of up to 20 Megabits per second (Mbps).

Deployment of Enterprise Architecture and E-Government Interoperability Framework

462. The Ministry will ensure the effective implementation of the Enterprise Architecture (EA) as well as the e-Government Interoperability Framework by all MDAs to enable them meet the challenges of the digital economy. These documents will guide MDAs in deploying efficient cost-effective and citizen centred IT solutions that optimizes value gained across Government.

Creation of Computer Emergency Response Team (CERT)

463. The Ministry will facilitate the establishment of a Network Operation Centre (NOC) where computer servers and routers will be installed to receive reports of computer fraud incidence on a 24/7 basis and also provide remedial actions. This institutional arrangement will be responsible for addressing possible issues such as computer malfunction, cybercrime, and virus attacks among others.

Development of Technology Park

464. The Ministry will promote the development of an ICT Park under the Micro, Small and Medium Enterprises (MSME) project to facilitate growth in the technology industry to create the enabling environment for real job creation in the area of ICT and Information Technology Enabled Services (ITES) business initiatives. The design and construction phase of the project will commence at the Tema multi-purpose industrial park.

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Telecom Sector

465. The focus for 2011 will be the expansion of the broad band infrastructure to cover all District Assembly areas to support the deployment of high speed internet to District Assemblies, schools and teacher training colleges, hospitals and police stations.

Mobile Number Portability Solution

466. The Ministry will ensure that the NCA intensifies its policy dialogue with the Telecom Industry players to address challenges associated with implementing Mobile Number Portability (MNP) in a market environment that is moving towards the deployment of next generation and converged networks. MNP will foster customer choice of service and help promote effective competition in the telecom industry by enabling subscribers to switch between service providers without cost and inconvenience of changing telephone numbers.

National Digital Migration

467. The Ministry will continue to monitor the national digital broadcasting migration process to ensure the smooth migration process from analogue to digital terrestrial broadcasting in line with international convergence standards.

Monitoring of Telecommunication Gateway Project

468. Government will promote transparency in the communication industry and will not relent on its responsibility to verify the number of international telephone traffic to Ghana for the purpose of enhancing revenue for development. The National Communication Authority will be tasked to exercise utmost vigilance to ensure that Government policy of strictly monitoring the international gateway infrastructure and the

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contribution of service providers is not undermined through the complacency of some of the operators.

Provision of Universal Access

469. The development of 50 Common Telecom Facilities that will enable telecom operators extend their services to many more communities in addition to the 378 communities under the scheme will be pursued.
470. Further, the Ghana Investment Fund for Electronic Communications (GIFEC) will accelerate the implementation of the schools connectivity project. This will enable more schools to be provided with connectivity and ICT equipment to enhance community and distance learning.
471. Madam Speaker, for the implementation of the above activities an amount of GH¢29,547,558.00 has been allocated. Out of this, GH¢6,280,127.00 is GOG and GH¢23,267,431.00 is from Donor.

SOCIAL SECTOR

472. The main goal of Government for the Social Sector is to develop a healthy, well educated, skilled and informed population to promote growth and social equity for development. The Sector consists of the Ministries of Education, Health, Youth and Sports, Employment and Social Welfare and Women and Children's Affairs.

MINISTRY OF EDUCATION

Performance in 2010

473. Madam Speaker, the focus of the Ministry in 2010 was on the achievement of the targets set under the Medium Term

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Development Plan, Education Medium Term Strategies and the Education Strategic Plan.

Basic Education

474. Madam Speaker, the Ministry continued to collaborate with District Assemblies, Religious Bodies and Non-Governmental Organizations to provide classrooms for pre-schools as a way of mainstreaming pre-schools into the basic education system. Government released a total amount of GH¢23.8 million during the year as payment of Capitation Grant for pupils in all public basic schools.
475. Efforts were made in the course of the year towards the achievement of Universal Primary Completion and Gender Parity. The Ministry continued its public education activities in churches, durbars, communities and market places on the need to send children to school. The Government also provided material and financial support for gender related activities.
476. Madam Speaker, to help alleviate the burden on parents, Government subsidized the conduct of Basic Education Certificate Examination (BECE) in 2010 to the tune of GH¢4,911,494. The provision of free school uniform and exercise books to enhance participation and quality of teaching and learning went on as promised. About 23 million exercise books were distributed to school pupils while uniforms were provided for 526,263 needy children.
477. Madam Speaker, as a result of the above interventions, the Ministry recorded the following achievements in key enrolment targets as shown below:

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Table 16: Education Enrollment Targets

Level of Education 2009/2010	2008/2009
GER (Pre-School Level) 97.0%	93.0 %
GER (Primary Level) 95.0%	95.0%
Gender Parity Index- (Primary Level) 0.97	0.96

478. Government's effort towards the elimination of schools under trees over the medium-term is also on course. So far, the construction of 175 schools have been completed and handed over to house schools under trees.
479. To alleviate the hardships experienced by school children in the three Northern regions school as a result of the floods which destroyed their classrooms, 67 classroom blocks with sanitary facilities for KGs, Primary and Junior High Schools have been constructed.

Teacher Motivation and Retention

480. Madam Speaker, as part of government's efforts to motivate teachers towards quality education, teachers were given 15 percent of basic salary as professional allowance.

National Service Scheme

481. Madam Speaker, in 2010 the Scheme deployed 40,000 personnel while 20,000 volunteers were recruited as teachers under the National Volunteer Programme to make up for the shortfall in teacher supply.

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Senior High School Education

482. Government has put in measures to provide infrastructure facilities in the senior high schools to meet the infrastructure needs resulting from the need to accommodate the fourth year students. Out of the 375 schools earmarked for construction, 100 have been completed and handed over while the remaining 275 are ongoing.
483. Government continued to provide subsidy for Senior High Schools to alleviate the burden of parents. To this end, a total of GH¢14 million was paid for the second and third terms of the 2009/2010 academic year.
484. Madam Speaker, work on the second phase of upgrading of physical facilities in 25 Senior High Schools is 86 percent complete.

Tertiary Education

485. Madam Speaker, an office complex has been provided for the tertiary education regulatory bodies to enhance their efficiency and effectiveness.
486. The task force on the establishment of the two new universities at Ho and Sunyani has submitted its report for consideration.
487. Enrolment in the public universities rose by 9 percent from 93,973 to 102, 543 in the 2008/2009 academic year. Additionally, polytechnic enrollment increased by 12 percent whilst enrolment in the private universities also increased by 19 percent from 18,278 to 21,857.
488. Student's enrollment in the distance learning programme in the publicly funded universities increased from 20,772 to 31,994.

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Ghana Library Board

489. The construction of regional libraries at Ho and Sunyani is about 50 and 62 percents complete respectively. Funds were made available to the Ghana Library Board for the effective implementation of the Mobile Library Vans.

Non-Formal Education

490. Madam Speaker, the programme continued to support the promotion of non-formal literacy educational programmes with the recruitment of 1,822 facilitators to help sustain the programme.

Infrastructure Development

491. Improvement in the infrastructural facilities in the tertiary educational institutions which consist of the construction of lecture theatres, staff accommodation, library blocks, halls of residence, sports stadia, computer laboratories, auditoriums and agricultural engineering workshops are at various stages of completion.

Polytechnics

492. Madam Speaker, the polytechnics in collaboration with the NABPTEX continued to offer bridging programmes to enable students from technical institutes to upgrade themselves in Mathematics, English and Science to enable them to pursue higher level courses. Government continued to equip and strengthen the Polytechnics to enable them efficiently offer technical and practical oriented programmes in order to meet the needs of industry and national economy.

Outlook for 2011

- 493.** Madam Speaker, the Ministry of Education's programmes will continue to be informed by the targets set in the Medium

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Term Development Plan, Education Medium Term Strategies and the Education Strategic Plan.

494. The Ministry will continue to address the managerial and structural challenges confronting education to assist in the achievement of the benchmarks contained in the strategic plans to accelerate the growth and development of education. In line with this, emphasis will be focused on the provision of facilities for Science, Information, Communication Technology (ICT) and Technical/Vocational Education as well as training and teacher motivation.

Access to and Participation in Education and Training

495. Towards the attainment of Universal Primary Education by 2012 as required in the MDGs, an intensified enrolment drive will be pursued by continuing the provision of free uniforms for children in basic schools in deprived communities, to improve enrolment and retention. In addition, Government will continue with its social intervention programmes of providing capitation grant, free exercise books and subsidies to basic and senior high schools.

Pre-School Education

496. Madam Speaker, the Ministry will continue with its activities towards providing infrastructural facilities for pre-school education. This will be done in collaboration with District Assemblies and other non-state actors. The Government will also continue to provide special training for pre-school and kindergarten teachers.

Primary and Junior High School Education

497. Madam Speaker, to further expand and improve upon educational infrastructure, the Ministry will continue to upgrade basic school infrastructure including the programme to eliminate 'schools under trees'.

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- 498. Government will also ensure that all extra fees and the shift system in JHS are abolished.
- 499. Free exercise books will be provided for every pupil in all public basic schools at a total cost of GH¢28.2million.

Senior High School Education

- 500. Madam Speaker, Government will revamp Science Resource Centres in selected SHS throughout the country during the year. The training of science teachers will continue and funds provided to improve the running of these centres. Programmes to increase the interest and participation of students in the study of Science will be pursued.
- 501. Construction and rehabilitation works on the second phase of the programme for upgrading SHS will continue. In addition, new projects in the Senior High Schools will commence.
- 502. Achieving gender parity in access to Education will be vigorously pursued. Support will be given to gender parity related activities to achieve the MDG Gender Parity Index of 1:1 through the provision of financial and material support to needy girls as well as engaging in enrolment drive activities in collaboration with District Assemblies.

Improvement of Quality of Teaching and Learning for Enhanced Pupil/Student Achievement

- 503. Madam Speaker, to improve on the quality of teaching and learning for enhanced pupil/student achievement, the Ministry will continue to monitor the smooth implementation of its textbook policy to ensure that textbooks supplied are used by the pupils. The National Inspectorate Board will be strengthened to ensure effective school monitoring, supervision and inspection to enhance accountability.

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504. Teacher preparation, upgrading and deployment through appraisal, in-service training and incentives will be instituted and measures will be put in place to further reduce geographical disparities in teacher allocation especially in deprived districts.
505. Madam Speaker, the Computerised School Selection and Placement System (CSSPS) will continue to receive adequate resources to deliver improved service.

Improving Quality and Efficiency in Delivery of Education (Educational Planning and Management)

506. Madam Speaker, the Ministry will decentralize resource planning, development and management to the District and School level. In addition, school governance and community engagement through effective functioning of School Management Committees at the basic level and Board of Governors at the second cycle level will be strengthened.

Promote Science and Technical Education

507. The Government will continue the modernization and expansion of technical schools and provide for alternative and well-developed streams of technical education. It will also expand infrastructure in the technical and vocational institutes. Further, Government will continue to liaise with industries to provide places for teachers and students of technical institutes for industrial attachment.
508. Madam Speaker, the Council for Technical and Vocational Education and Training (COTVET) will be strengthened to handle issues relating to skills development in both the formal and informal sectors.

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E-School project

509. Government will launch a comprehensive e-school project to provide computers to pupils / students in educational institutions in order to demystify the use of computers and prepare Ghanaian children for a competitive future.

Tertiary Education

510. Madam Speaker, Government will continue the ongoing infrastructural projects in the tertiary institutions to promote access and quality of teaching and learning. Additionally, the Ministry will support, strengthen and develop the capacity of regulatory bodies to ensure quality delivery of education at this level.
511. Madam Speaker, postgraduate studies will be strengthened whilst scholarships for postgraduate training streamlined and research promoted within the tertiary educational institutions.
512. The roadmap to fully integrate the 38 accredited teacher training colleges into the tertiary education system will be pursued.
513. Competency-based training and attachment programmes will continue to receive attention to make polytechnic education relevant to industry and national development.
514. Support will also be given to the public universities running distance learning programmes to enable them expand their intake.
515. Madam Speaker, the Government will revamp the National Accreditation Board to enable it perform its functions effectively
516. Government will continue with the process of establishing two public Universities at Sunyani and Ho with a campus at Hohoe.

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Non-Formal Education

517. Madam Speaker, the scope of the non-formal approach to education will be broadened by strengthening the division to contribute effectively to reducing adult illiteracy.

Ghana Library Board

518. The Board will be supported to improve on its mobile library services especially to distance learning students in the universities and also continue the Youth Essay Competition.

National Service

519. Madam Speaker, 68,000 National Service Personnel (NSP) and National Volunteer Service Personnel (NVSP) will be posted to critical areas of the economy in 2011. Income generation activities including the implementation of the endowment fund policy towards self-financing the Scheme will be supported.

Special Education

520. Madam Speaker, Government will provide adequate funds to train competent personnel to support special education in the special schools for persons with disabilities and special needs. In addition, collaboration between GES and UEW to organize courses to upgrade the skills of teachers in this field will be promoted. Furthermore, Government will also continue to equip existing special schools with logistics and other essential stores.
521. Government will also ensure that rehabilitated and new infrastructure are user friendly to students with disabilities and also develop action plans to implement education provisions of the Disability Act.

Teacher incentives and motivation

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522. Madam Speaker, Government is committed to improving the incentive packages and motivation for teachers. In pursuit of this, measures will be taken to initiate action to implement the allowances stated in the NDC Manifesto for teachers. Of special concern is the allowance for teachers in rural and deprived areas as well as technical and vocational education teachers.
523. For the implementation of the above activities, an amount of GH¢1,983,217,447.00 has been allocated. Out of this, GH¢1,477,730,827.00 is GoG, GH¢314,252,860.00 is IGF, GH¢102,938,410.00 is for Social Intervention Programmes and Donor is GH¢88,295,350.00

MINISTRY OF YOUTH AND SPORTS

Performance in 2010

524. In pursuance of its broad objective of developing the capacity of the youth for national development and using sports as a tool for national cohesion and expression of national pride, the Ministry undertook a number of activities. These were in the areas of sports, infrastructure development and job creation.

Sports

525. Under sports, the national teams participated in major international tournaments. Key achievements were, reaching the quarter finals of the Federation of International Football Association (FIFA) World Cup, winning the silver medal of the African Cup of Nations by the senior national team and successfully hosting the African Tennis Junior championship qualifier, amongst others.

526. In addition, the Local Black Stars also qualified to participate in the second edition of the CHAN 2011 competition to be held in Sudan while the National U-20 Women Team and their U-17 counterparts participated in their respective world-cup competitions in Germany and in Trinidad and Tobago.

527. Besides, the reigning Africa and World U-20 Champions, the Black Satellites begun their defense of the 2 trophies won in 2009 in Rwanda and Egypt respectively by playing qualifying matches for the 2011 African Championship, for which the team has already qualified for the tournament in Libya.

528. In the other sporting disciplines, Ghana participated in the Commonwealth Games in Delhi, Youth Olympics in Singapore, the Ghana Cote D'Ivoire friendship Games, the YFAK Zone III

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Championship, the 8-nation ICC–ICA World Qualifier and won a number of medals to raise the image of the country.

Sports Infrastructure

529. On infrastructure, the Ministry through the National Sports Council constructed a multipurpose outdoor sports facility and renovated the Tennis Court at the Ohene Djan Sports Stadium. Sports gymnasias were also opened at each of the four main stadia in Accra, Kumasi, Sekondi and Tamale to cater for the training needs of sports men and women.

Employment Creation

530. To generate employment, the National Youth Employment Programme introduced the Trade and Vocation Module and increased the number of youth enrolled under the programme. Between November 2009 and August 2010, about 60,000 beneficiaries were enrolled into the programme.
531. To ensure the sustenance of the Programme, an exit plan is being successfully implemented and beneficiaries who served for at least two years on the Programme are smoothly transiting into more permanent employment or are being assisted to establish their own ventures.

National Youth Council

532. The National Youth Policy was launched by the Vice President, H. E. John Mahama at Elmina in the Central Region.
533. The National Youth Council, in collaboration with NVTI, GES, NSS and UNFPA, provided Leadership Training for about 2,000 deprived and disadvantaged youth and also promoted youth reproductive health services for out-of-school youth in

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the Volta, Eastern, Western, Central, Northern and Upper East Regions.

Outlook in 2011

534. Madam Speaker, the Ministry will continue to develop and promote the various Sports disciplines through the following national and international activities;

International Competitions

535. Ghana will participate in Bilateral Games with other African countries as well as the All Africa University Games to be held in Accra and the World University Games in Tokyo, Japan.
536. Ghana will also participate in the All Africa Games qualifiers in the first quarter of the year, leading to the 10th All Africa Games to be held in Maputo, Mozambique in September. Each of the 34 Associations will also attend international invitational tournaments on merit.

Local Competitions

537. Madam Speaker, in order to unearth talents among the youth, Government's emphasis will be placed on inter-district and inter-regional sports festivals which will culminate in the national sports festivals. In addition, schools and colleges sports programmes as well as polytechnics and universities sports will be supported.

Football Competitions

538. Our national teams will be supported to participate in all critical tournaments to maintain the nation's hard won reputation gained over the past few years. In connection with that, the national teams will participate in the following competitions;

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- The U-20 National Team, Black Satellites will defend the trophies won in 2009 under the Confederation of African Football (CAF) and FIFA;
- Our senior national team, the Black Stars, will continue to participate in the qualifying matches for the 2012 African Cup of Nations Tournament in Gabon and Equatorial Guinea and;
- The local Black Stars will also participate in the 2011 edition of CHAN to be hosted by Sudan.

National Youth Policy

539. The National Youth Policy document, which was recently launched has been published and is being distributed. Dissemination fora are being organized on the Policy and the African Youth Charter to bring to the fore the rights and responsibilities placed on all stakeholders.
540. The National Youth Council (NYC) will continue to organize and promote programmes that offer the youth opportunities for the productive use of their talents and leisure. In line with this, about 5,400 deprived and unskilled youth will be trained in Vocational, Technical and Leadership Courses in all the 10 youth leadership and skills training institutes nationwide.
541. The Ministry will promote youth empowerment through counseling, education and community service. The National Youth Council in collaboration with other agencies will also establish crop and livestock production units in the 10 youth training institutes.

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542. Additionally, short term training courses will be organised in agriculture extension services for 480 youth in all the regions and training will be provided for 2,250 deprived youth in leadership, vocational and technical skills.

Youth Employment

543. The National Youth Employment Programme (NYEP) will be supported to develop and roll out new modules in the NYEP's quest to expand its operation to empower more unemployed and vulnerable youth. In line with this, about 103,000 and 5,000 beneficiaries will be recruited under the youth-in-insecurity and the people with disability modules respectively. The Programme will also introduce a provident fund scheme for the beneficiaries, which will be deducted from source monthly. A lump sum will be given to each beneficiary after the two year programme.
544. Also a capacity building initiative in proposal writing for the youth will be introduced on competition basis. The Ministry will also ensure the passage of the National Youth Employment Programme Law to give the Programme the necessary Legal Status.
545. As part of Government's efforts to reduce 'galamsey', which is a threat to the lives of the youth, the Ministry in collaboration with the Retired Miners Association (RMA) will introduce new module to be called youth-in-mining module.

Sports Infrastructure

546. Government will commence construction works on the multi-purpose sports stadium at Cape Coast and VIP stand at the Tema Sports Stadium. Additionally, rehabilitation works in Kpando, Ho, Bolga, Wa and Kaladan parks in Tamale will be undertaken. The Ashanti Goldfield Company Limited will also support the development of 10 multi-purpose courts in identified districts in the Country.

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547. For the implementation of the above activities, an amount of GH¢45,919,856.00 has been allocated. Out of this, GH¢28,480,986.00 is GoG, GH¢653,370.00 is IGF and GH¢16,785,500.00 is for Social Intervention Programmes.

MINISTRY OF EMPLOYMENT AND SOCIAL WELFARE

548. Government's main objective under employment and social welfare is to ensure human resource development, create sustainable employment opportunities, and promote harmonious industrial relations. The Ministry also continued to facilitate the social integration of people with disability to contribute towards national development and socio-economic growth of the nation.

Performance in 2010

National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLC)

549. Madam Speaker, the recognition of Ghana's effort on the fight against the worst forms of child labour especially in Cocoa production has reflected in the non-inclusion of Ghana in the United States Executive Order 13126 on the Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labour.
550. The National Plan of Action (NPA) for the Elimination of the Worst Forms of Child Labour which seeks to eliminate child labour in all sectors of the economy has been approved by Cabinet.
551. The Ministry has also developed a Ghana Child Labour Monitoring System to capture all relevant information on children in the cocoa growing communities to inform remedial interventions of the programme.

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552. Additionally, under the Child Protection Programme, the Ministry trained 420 District Child Protection and 2,675 Community Child Protection Committee members in the handling of child protection issues in the country.

Livelihood Empowerment against Poverty (LEAP)

553. Under the LEAP programme, Madam Speaker, over 45,000 extremely poor and vulnerable households from 81 districts were provided with a total financial support of GHC5.8 million to meet their basic needs.
554. To enhance capacities of District Social Welfare Officers and community LEAP implementation members to undertake outreach programmes, 652 bicycles, 45 computers and accessories, 45 each of scanners, workstations and photocopiers were provided.

Labour Issues

555. Madam Speaker, the Ministry facilitated tripartite dialogue to uphold and sustain Industrial peace and harmony in the country.
556. The Ministry through the Department of Labour and other stakeholders carried out sensitisation of the Labour Act (Act651) through workshops and seminars for social partners.
557. The Labour Market Information System website has been designed and subjected to review for subsequent installation and operationalisation.

Single Spine Pay Policy

558. Madam Speaker, significant progress has been made in the implementation of the Single Spine Pay Policy (SSPP). A number of institutions have already been migrated onto the Single Spine Salary Structure (SSSS). The rest of the

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institutions will be migrated as soon as their mapping exercise and other related tasks are completed.

559. The implementation of this new pay reform will drastically reduce pay disparities in the public service. Moreover, Government can ensure compliance and effectively monitor the pay structure of self-accounting institutions. Additionally, the wage bill will be managed more efficiently and the increasing rounds of pay negotiations will be significantly reduced.

Skills Training for Employment

560. In furtherance to the job creation agenda of government, the Ministry trained 38, 420 youth in various employable skill areas in its vocational training institutions: the National Vocational Training Institute (NVTI), the Opportunities Industrialisation Centre (OIC) and the Integrated Community Centres for Employable Skills (ICCES).

Management training

561. Madam Speaker, increasing productivity of the Ghanaian worker is a concern of government because of its linkage with the ability to attract investment into the country. In connection with this, a total of 426 workers from both public and private sector institutions have benefitted from various productivity enhancement programmes at the Management Development and Productivity Institute (MDPI).

Disability Issues

562. The National Council on Persons with Disability initiated moves to establish regional structures aimed at carrying out advocacy and sensitisation activities on the Disability Act.
563. The Council has developed a draft strategic plan to bring the activities of the council within the context of national

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development agenda. Additionally, in collaboration with Ghana Federation of the Disabled, the modalities for disbursing the 2-3 percent share of Common Fund to Persons with Disability has been developed.

Ageing Policy

564. The Ageing Policy which seeks to integrate older persons into the mainstream of society and its Implementation Action Plan has been approved by Cabinet.

National Employment Policy

565. The Ministry in 2010 developed a draft National Employment Policy and its Implementation Action Plan

Development and management of cooperatives

566. To mobilize resources effectively under Cooperative development and management, the Ministry through the Department of Cooperatives registered 350 co-operative societies and trained 400 cooperative members, executives and employees during the period under review.

Social Welfare

567. Madam Speaker, the Ministry through the Department of Social Welfare integrated 7,530 children, disadvantaged adults and Persons with Disabilities (PWDs) into the mainstream of society through the provision of various forms of social welfare services.

Workmen's Compensation

568. The Ministry through the Labour Department paid an amount of GH¢1,207,217.07 to cater for the compensation of 240 injured and deceased workmen.

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Outlook for 2011

569. Government will continue to pursue its main objective of ensuring human resource development, create sustainable employment opportunities, and promote harmonious industrial relations and social integration of people with disability.
570. In line with this, the Ministry will undertake the following social interventions with the view to contributing towards national development and socio-economic growth of the nation.

National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLC)

571. Madam Speaker, Government will continue with the protection of the cocoa industry from threats of sanctions and boycott in the international market by expanding the activities geared towards the elimination of all forms of child labour to additional 21 cocoa growing districts.
572. In addition, Government will develop a legal framework for addressing Worst Forms of Child Labour in cocoa growing areas and provide alternative means of livelihood for cocoa farmers to make them generate additional income during the off seasons.

Livelihood Empowerment Against Poverty (LEAP)

573. Madam Speaker, Government will cover 65,000 beneficiary households under the LEAP Programme. This will be achieved through the following activities:
- Establishment of National Steering Committee for Social Protection.

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- Implementation of Common Targeting Mechanism to facilitate pro-poor targeting across sectors.
- Building the capacity of Social Protection Committees and Enumerators to effectively administer Common Targeting Mechanisms.
- Establishment of Social Complimentary Services Reference Centre
- Strengthening organizational structures of MESW/DSW under the Institutional Strengthening Plan (ISP) to implement the National Social Protection Strategy (NSPS) and ;
- Provision of logistics to implement NSPS/LEAP.

Labour Issues

574. The Ministry will pursue the agenda for the establishment of Regional Pilot Tripartite Committees in sekondi-Takoradi, Kumasi and Tamale to deal with labour administration matters that affect workers, and employers' rights, productivity, labour standards, labour inspections and other related matters.

Single Spine Pay Policy (SSPP)

575. Government is aware of the enormous challenges associated with the implementation of such a comprehensive pay reform and will take appropriate measures to mitigate the impact of the single spine implementation on the budget. The following measures are proposed over the medium term to ensure the sustainability of the Single Spine Salary Structure (SSSS);
- The rationalisation and standardisation of allowances and benefit which are not part of the SSSS will be undertaken

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as a matter of urgency to ensure that such allowances are negotiated to sustainable levels.

- Payroll audits in Public Sector Institutions will be intensified to ensure elimination of ghost names and measures to prevent their recurrence will be instituted.
- Performance management-related public sector reform such as labour rationalisation and others which ensure that remuneration is tied to productivity will be accelerated; and
- Migration of all subvented agencies onto the IPPD will be accelerated.

Disability issues

576. The Disability Council in collaboration with other stakeholders will embark on advocacy and sensitization of the general public on the Disability Act. This will be in relation to issues associated with the design and construction of public buildings in compliance with the provision of the Disability Act.

Policy Issues

577. The Ministry will finalise the National Human Resource Policy document by developing an Implementation Action Plan for submission to cabinet. The thrust of this policy is to ensure the development of a knowledgeable, well-trained and disciplined labour force with the capacity to drive and sustain private sector-led growth.
578. The Ministry in collaboration with the International Organisation on Migration and the Ministry of Interior has initiated action towards the development of a National Migration Policy.

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Skills Training for Employment

579. The National Vocational Training Institute (NVTI), the Opportunities Industrialisation Centre (OIC), and the Integrated Community Centres for Employable Skills will continue with the provision of employable skills for the youth.
580. Additionally, the NVTI in collaboration with other stakeholders will provide the youth with relevant technical skills that will enable them participate in the emerging oil and gas industry.
581. For the implementation of the above activities, an amount of GH¢34,901,862.00 has been allocated. Out of this, GH¢16,322,382.00 is GoG, GH¢4,393,470.00 is IGF, GH¢12,000,000.00 is for Social Intervention Programmes and Donor is GH¢2,186,010.00.

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MINISTRY OF HEALTH

582. Madam Speaker, Government focused on its core objectives of delivering accessible, affordable and quality health services to all by undertaking interventions to improve health service delivery and reduce the inequality gap.

Performance in 2010

583. To support improvement in Emergency health services, 400 personnel are being trained as Emergency Medical Technicians. In addition, Government initiated the process of procuring a total of 375 ambulances to provide the necessary capacity to the National Affordable Service (NAS), which currently has only 24 ambulances.

Services

584. Madam Speaker, supervised delivery by midyear in 2010 was 21.9 percent compared with 12.1 percent in the same period in 2009.

Control of Guinea Worm Disease

585. Under the Guinea worm control, 8 cases were detected in 2010 as against 229 in the same period in 2009. Surveillance has been stepped up in endemic areas to ensure an early eradication of the disease by 2011.

Malnutrition

586. To reduce malnutrition in infants and children, the Ministry embarked on complementary feeding programme for infants and children. In line with this objective, the Ministry organised training in infant and young children's nutrition and also developed training materials to provide nutritional assessment and counseling support. Additionally, the Ministry implemented essential nutrition actions in all the

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regions aimed at preventing neonatal deaths, and enhancing health services for children.

National Health Insurance Scheme (NHIS)

587. The National Health Insurance Scheme continued to provide financial risk protection against the cost of basic/standard quality healthcare for all registered members with an estimated coverage of 66.4 percent (15.6million) of the population as at June 2010. Outstanding arrears of payment to providers between 2007 and 2008 have also been made.
588. The implementation of the NHIS has generated astronomical growth in healthcare utilization from about 600,000 in 2005 to 19,000,000 as at June 2010. Claims payment has consequently risen from GH¢18 million in 2005 to over GH¢384 million in December 2009. This calls for additional revenue measures to fill growing funding gap for the NHIA.

Primary Health Care Services

589. To enhance access to Primary Health Care, the number of functional Community Health-Based Planning Services (CHPS) zones was increased from 868 to 911. Further to this, a training manual was developed and piloted to be used in the training CHPS Health Committee members. This training manual is for training Regional Coordinators to enhance efficiency in access through the CHPS concept.
590. A multidisciplinary team has finalized the referral policy, which has been adopted by the Ministry and its stakeholders. However, full implementation of the policy will take effect after a system for international referrals has been incorporated into the document.

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Health Laws and Regulations

591. Nine bills have been approved by Cabinet and forwarded to Parliament for approval as part of the Health Sector Legal Reform initiated in early 2000. They include Health Coordination, Mental Health, Health Professionals and Regulatory, the Public Health and Traditional and Alternative Medicine bills.

Communicable Diseases

592. Madam Speaker, the conceptual framework for the Health Promotion Officers project was launched with the target of training 2,500 health workers while 600,000 Rapid Diagnostic Test kits were supplied for confirmation of malaria cases. Additionally, 70 health workers have also been equipped with skills to provide training for other health workers on the Home Management of Malaria, Diarrhea and Acute Respiratory Infections.

Human Resource Development

593. Madam Speaker, the post basic certificate midwifery training program which was cancelled in 2006 has been re-introduced. In line with this, 5 new midwifery training colleges have been opened, and additional 5 existing colleges have also been made to offer this course. This will enable the requisite numbers of midwives to be produced to support the high workload brought about by the introduction of the free maternal health care. There is an increase in the production of nurses within various categories, namely, SRN, CHN, Health Care Assistants and Midwives. A Committee of the Ministry has reviewed incentive packages for attracting Medical Doctors to serve in deprived communities.

Traditional Medicine Practice

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594. Madam speaker, as part of Government's efforts to improve traditional medicine practice, 15 BSc Herbal Medicine Graduates have been recruited for deployment through orientation while a database of information on herbal medicine and clinical data has been pre-tested and ready for use in the herbal medicine Units. In addition, Practitioners have been trained to form business cooperatives for assistance to operate common manufacturing facilities owned by the cooperatives.

Health Infrastructure

595. For infrastructure development, the main projects included the completion of Winneba District Hospital, 100-bed General Hospital with Malaria Research Center at Teshie, 21 Health Centres with OPEC funding and 5 polyclinics at Kpandai, Tatale, Janga, Chereponi, and Karaga in the Northern Region to improve access to health services. Feasibility studies for the development of a specialized Maternity and Children's Hospital at Ridge Hospital has also been undertaken.

Outlook in 2011

596. Madam Speaker, in line with the achievements of the Health related MDG's by 2015, Government will continue to concentrate on improving health outcomes by targeting resources towards the Health of women and children, prevention and control of communicable and non-communicable diseases.

Health of Women, Neonates, Infants and Children

597. The sector will implement the National Child Health Policy and strategy which seeks to increase access to maternal, new born and child health services (MNCH). The Ministry will also implement the adolescent health policy and adopt measures to ensure safe blood product transfusion.

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Bridging Equity Gaps in Access to Health services

598. In line with the sector Medium Term Development Plan, in 2011, the Ministry will accelerate the implementation of CHPS Strategy in underserved areas through the involvement of District Assemblies. Thirty uncompleted and ongoing CHPS Compounds will be completed, while an additional 30 will be constructed and equipped to be functional. Government will also seek the required funds for the completion of about 391 health infrastructure uncompleted projects dotted around the country.
599. Health Training institutions will be expanded and renovated while basic utilities such as water and electricity provided in institutions where these facilities are lacking. In addition, beds will be provided to remove patients on the floor.

Institutional Care

600. Madam Speaker, following the passage of the Mental Health Act, the Ministry will develop a subsidiary legislation and adopt a community mental health care strategy to facilitate the implementation of the Act. The Ministry's mission of "Never Deny Care" will be pursued vigorously in all health facilities.

Prevention and Control of Communicable and Non Communicable disease

601. To strengthen the control and prevention of disease in 2011, the Ministry will strengthen surveillance, reporting and emergency response systems. Case detection and management at health facility level will be improved and vector control strategy scaled up. The Ministry will in addition restructure all monitoring and evaluation units under optimal performance.

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602. The Sector will also intensify healthy life style promotion by implementing Behavior Enhancing Communication. To this end, Public Health Education will be intensified with the State of the Art Communication.

National Health Insurance Scheme (NHIS)

603. The Scheme will continue to provide financial risk protection against the cost of basic quality health care for all citizens in Ghana. In addition, the implementation of the integrated ICT Platform project will be scaled up while work will continue with Ministry of Employment and Social Welfare to identify the very poor for subsidized NHIS membership. Efforts will also be made to intensify clinical audit of claims in operations to improve cost-containment.

Human Resources Strategy

604. Government will focus on scaling up the production middle level cadres such as Community Psychiatric Nurses, Midwives, Medical Assistants, Laboratory Technologist and core auxiliary staff and also develop a human resource redeployment plan based on revised staffing norms.
605. The Ministry will provide training and certification to more preceptors and implement the internet Human Resources System (iHRIS) software nationwide scale up plan.

Health Infrastructure

606. The Construction works on District Hospitals at Tarkwa and Bekwai, 4 Regional Hospitals and staff housing at Wa, Kumasi, Sekondi Takoradi and Tema for Doctors, Nurses, Midwives and other paramedics will be carried out. Other Projects to be undertaken include the refurbishment of the Tamale Teaching Hospital and the Expansion of Radiotherapy and Nuclear Medicine Centres at Korle-Bu and Komfo Anokye Teaching Hospitals and the construction of 6 District Hospitals

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at Adenta/ Madina, Twifo Praso, Konongo-Odumase, Nsawkaw, Tepa and Salaga.

607. Blood transfusion centres will be established at the Teaching Hospitals in Kumasi and Accra. In addition, construction works will be carried out on 12 District Hospitals with 2 at Kumawu and Effiduase in the Sekyere East district and 10 in the Krobo Areas in the Eastern Region and other newly created Districts without District Hospitals.
608. The construction of 5 Polyclinics at Lambuisie, Babile/Brifo, Ko, Wechau and Han in the Upper West Region will be initiated. Additionally the Phase 3 of the Bolga Regional Hospital Project will be continued.
- 609.** For the implementation of the above activities, an amount of GH¢987,475,507.00 has been allocated. Out of this, GH¢406,642,442.00 is GoG, GH¢356,407,532.00 is IGF, GH¢4,938,410.00 is for Social Intervention Programmes and Donor is GH¢219,487,125.00.

MINISTRY OF WOMEN AND CHILDRENS' AFFAIRS

542. Madam Speaker, Government's overall goal for women and children is to formulate policies to promote gender equality and equity, empowerment of women, particularly the vulnerable, rural and urban poor; as well as facilitating the survival, protection and development of the Ghanaian child.

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Performance in 2010

Women Empowerment

610. In line with Government's policy to increase the percentage of women in decision making, the Ministry compiled data of potential women leaders in the Metropolitan, Municipal, and District Assemblies and built capacities of some of them as candidates for the 2010 District Assembly Elections. In addition, the 'Women in Governance Fund' was launched to support the activities of women in the districts.

Children/Anti-Human Trafficking

611. Government was able to deal with the increasing cases of trafficking in the Greater Accra, Central, Western and Upper East Regions. The Police Anti-Human Trafficking Unit was able to intercept a number of children alleged to be trafficked. Three hundred and thirty-eight victims were rehabilitated and re-integrated into their families and communities. The alleged perpetrators were arraigned for prosecution.
612. Madam Speaker, the Ministry established the Child Protection Committees (CPCs), 6 Anti-Human Trafficking Units within the Ghana Police Service (Central, Ashanti, Upper East, Volta and Greater Accra Regions), a national database on human trafficking (NDHT) and Anti-Human Trafficking Bureau/Desks within the Ghana Immigration Service and the Attorney General's Department to tackle cross border trafficking and facilitate prosecution of offenders.
613. Madam Speaker, the Human Trafficking Management Board (HTMB) was inaugurated and a sub-committee set up to facilitate the development of a Legislative Instrument to operationalize the Human Trafficking Act.

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Domestic Violence

614. The Ministry collaborated with its stakeholders in the implementation of the Domestic Violence Work Plan for 2010. Five thousand copies of the abridged version of the Domestic Violence Act were distributed. The review of the special medical form for Domestic Violence victims was initiated. A communication strategy was prepared, adopted and disseminated for the effective implementation of the Domestic Violence Act.

Gender Issues

615. The Ministry through its capacity building programmes enhanced gender mainstreaming and gender responsive budgeting in MDAs and MMDAs. The Beijing Platform for Action; the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); ECOWAS, EU and the Commonwealth Policies, plans and programmes on gender equality were implemented.
616. Furthermore, the Ministry has initiated the Gender Responsive Skills and Community Development Project as well as embarked on dissemination activities on Ghana's plan of action for UNSCR 1325 on women, peace and security.

Early Childhood Care and Development

617. Orientation was organized for some of the new Early Childhood Care and Development (ECCD) committee members in the districts for effective implementation of the ECCD Policy.

Institutional Re-assessment

618. An Institutional Assessment of MOWAC was carried out with a view to re-structure and re-engineer the Ministry in order to make it more relevant and effective to the needs of women

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and children and to ensure improved collaboration with its development partners.

Outlook in 2011

Human Trafficking

619. Madam Speaker, Government is committed to addressing the challenges identified in 2010. Key among the challenges is the absence of a Legislative Instrument to facilitate the operationalization of the law. The process is collaborative and the Attorney General's Department is assisting to draft the L.I. The weak knowledge base in some communities and among the larger segments of the Ghanaian populace and inadequate shelters and victim protection mechanisms will be addressed.

Domestic Violence

620. The provision of shelters for victims of Domestic Violence goes a long way to protect the victims from further abuse, emotional and psychological trauma associated with the violence. In line with this, three shelters will be constructed in 3 strategic regional capitals and the Domestic Violence support Fund will also be made functional.
621. Gender equity and women empowerment has been a major concern to Government. To this end, the Ministry will accelerate the implementation of programmes and projects to eliminate gender inequality and discrimination as well as empower women, particularly the vulnerable, rural and urban poor. The Ministry will also facilitate the survival, protection and development of the Ghanaian child.

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Early Childhood Care and Development

622. Capacities of the District Committee Members of the ECCD will be built to ensure the effective implementation of the ECCD Policy at the Local Level.

Worst Forms of Child Labour

623. Government will continue to pay attention to the education and sensitization of child labour prone areas on the dangers and consequences of employing children in works that poses risks to their health and development and which also denies them of their right to education. This will be done in collaboration with other relevant MDAs and stakeholders.

Gender Mainstreaming/Gender Responsive Budgeting

624. Madam Speaker, the Ministry will also carry on with the implementation of the Gender Responsive Skills and Community Development Project by initiating and completing the rehabilitation/construction of infrastructure for the 25 Community Development Vocational and Technical Institutes (CDVTIs); train 250 planners from 59 districts at the Institute of Local Government Studies (ILGS) to mainstream gender into the planning, budgeting, monitoring and evaluation at the district level.

Women in Governance

625. As a follow up to the Ministry's re-launch of the Women in Governance Fund, measures will be put in place to create the necessary conditions to facilitate women's participation in governance.
626. In addition, ICT, teaching equipment and tools for the 25 Community Development and Vocational training Institutes,

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entrepreneurial and business support to women's small scale businesses will be provided as part of government's effort to empower women.

Sex-disaggregated Data

627. MDAs and MMDAs will be made to collect sex-disaggregated data to enhance evidence-based decision making through gender analysis. Data Base will be established at MOWAC with support from the Ghana Statistical Service (GSS).
628. For the implementation of the above activities, an amount of GH¢13,337,093.00 has been allocated. Out of this, GH¢3,285,652.00 is GoG, GH¢14,370.00 is IGF, and Donor is GH¢10,037,071.00.

MINISTRY OF LOCAL GOVERNANCE AND RURAL DEVELOPMENT

629. Madam Speaker, Government is committed to deepening the democratic culture by increasing the participation of the people in Government in order to improve their economic circumstances and to bring about balanced accelerated development in the country. Government intends to achieve the above objective through a number of progressive policy and legislative interventions.

Performance in 2010

Comprehensive Decentralization Policy

630. Madam Speaker, to deepen political, administrative and fiscal decentralization in Ghana and to reaffirm Government's commitment to the decentralization policy, a national stakeholder consultation was organized and Cabinet has

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given approval to a Comprehensive Decentralization Policy and an Action Plan. An Inter-Ministerial Coordination Committee (IMCC) on decentralization to facilitate cross-sectoral implementation of the decentralization policy and to accelerate the envisaged processes has also been inaugurated.

Passage of Legislative Instruments

631. Madam Speaker, Local Government (Departments of District Assemblies) (Commencement) Instrument 2009 L.I. 1961 for the transfer of functions, resources and personnel from the Civil Service to the Local Government Service has been passed by Parliament and 144 District Works Departments have been established in 5 Regions as part of the integration of decentralized departments of MMDAs.
632. In addition, the Bill (Local Government Review of Urban, zonal, Town, Area Councils and Unit Committees) that will seek to facilitate the active involvement of citizens in decision making and reduce the over 16,000 Unit Committees to a 16,000 to a manageable size of about 5,000 is currently before Parliament for consideration and passage.

District Development Fund (DDF)

633. The 2008 Functional and Organisational Assessment Tool (FOAT) assessment results were consolidated and capacity building needs of the MMDAs identified. Subsequently, the DDF allocation formula was reviewed and approved and a total amount of GH¢83,464,247.63 was disbursed to 170 MMDAs to enable them improve on service delivery as part of efforts to carry Government closer to the people.

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Second Urban Environmental Sanitation Project (UESP II)

634. Madam Speaker, Community Infrastructure Upgrading (CIU) works in Sekondi-Takoradi, Ashiaman and Kumasi as well as Storm drainage works in Accra and Sekondi-Takoradi have been completed while the Kumasi drainage works is 80 percent complete.

Department of Community Development

635. Madam Speaker, 4,015 youths received vocational, technical and entrepreneurial development skills training and 420 women's group leaders were also equipped with micro financing management skills.

Births and Deaths Registry

636. Madam Speaker, the Births and Deaths registry covered 55 percent and 24 percent of projected Births and Deaths respectively by the end of the third quarter of the year. The Registry enhanced its collaboration with the Ghana Health Service, UNICEF, Plan Ghana and Faith Based Organizations (FBOs) to further promote and create awareness on infant birth registration.

Ghana School Feeding Programme

637. Madam Speaker, under the School Feeding Programme, about 670,000 pupils have been covered and it is expected to increase to 1,040,000. A social accountability component has been introduced into the programme and this has led to improvement in the management of the Programme.

District Assembly Common Fund

638. Madam Speaker, the formula for the distribution of the District Assemblies Common Fund was approved by Parliament and disbursements for 2010 have been on

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schedule. In addition, the Office intensified its monitoring and evaluation of projects and a report was submitted to Parliament.

Outlook for 2011

639. Madam Speaker, Government will consolidate the achievements made in the initiatives and projects that were undertaken in 2010.

Local Government Service

640. Madam Speaker, the Local Government Service will establish Human Resource Units for all MMDAs to ensure the management of over 33,000 personnel to be transferred from the Civil Service to the Local Government Service. In addition, 25 District Works Departments in some selected MMDAs in the remaining 5 Regions will also be established. The implementation of the capacity building programme for District Assemblies as contained in the DDF/FOAT programme will continue.

Urban Development Project

641. The validation of guidelines, sensitisation of stakeholders and implementation of street naming exercise in the various MMDAs will be vigorously pursued.

Department of Community Development

642. Madam Speaker, in pursuit of Government's agenda under community development, skills training will be provided in entrepreneurial development and income generation for Community Based Organizations (CBOs). Support will also be given to communities to plan, implement and monitor community initiated programs. The Department will be supported to transfer vocational, technical and employable skills to the youth and provide technical assistance to

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communities on appropriate technologies to improve basic infrastructure, create jobs and reduce poverty.

Ghana School Feeding Programme

643. Madam Speaker, in line with the objective of the Social Accountability Component of the School Feeding Programme, Civil Society Organizations (CSOs) will be selected, trained and supported to engage in social accountability monitoring and evaluation activities at their community level. Re-targeting of beneficiary pupils will also be undertaken using the selection criteria.

Environmental Health and Sanitation Unit

644. The unit will continue to build the capacity of MMDAs for improved sanitation services delivery through increased awareness in hygiene and sanitation, and enforcement of sanitation services in MMDAs

District Assemblies Common Fund

645. Madam Speaker, the computerization programme which seeks to give access for District Assemblies to submit returns and other information on-line will be pursued.
646. For the implementation of the above activities, an amount of GH¢226,237,907.00 has been allocated. Out of this, GH¢77,168,156.00 is GoG, GH¢75,738,410.00 is for Social Intervention Programmes and Donor is GH¢73,331,341.00.

ADMINISTRATION SECTOR

OFFICE OF GOVERNMENT MACHINERY INTERNAL AUDIT

Performance in 2010

647. Madam Speaker, the internal Audit Agency completed the update of relevant guidance documents and adopted the international professional practices framework required for internal audit practices in the Public sector. The Agency also facilitated the establishment of Audit Report Implementation Committees (ARICS), out of which 50 were inaugurated.

Outlook in 2011

Support to Internal Audit Practices

648. The Agency will continue to engage and collaborate with heads of MDAs and MMDAs to promote the practice of internal auditing in their organisations. Integrated risk management to support internal audit practices will also be promoted.

GHANA INVESTMENT PROMOTION CENTRE

Performance in 2010

649. Madam speaker, the Ghana Investment Promotion Centre exists to promote and facilitate both domestic and foreign investment in the various sectors of the economy.
650. A key function of the Centre is to support investors to secure the relevant permits and approval for the implementation of their businesses. In this regard, the Centre registered a total

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number of 312 projects at an estimated value of GH¢1.59 billion during the first three quarters of the year. The total initial capital transfers amounted to GH¢65.93 million for the same period.

651. Madam Speaker, out of the 312 registered projects, 200 were wholly owned foreign enterprises and the remaining 112, joint ventures between Ghanaians and their foreign counterparts. Out of the 116,014 jobs expected to be created from the registered projects, 100,264 will be for Ghanaians and the remaining 15,750 reserved for expatriates.

Outlook in 2011

652. Madam Speaker, the Centre is committed to promoting Ghana as a safe and preferred destination for business and in pursuit of this a new four year strategic plan will be finalised with special attention to service delivery in the oil and gas industry, tourism sector and in the area of modernized agriculture.
- 653.** For the implementation of the above activities by the Office of the Government Machinery, an amount of GH¢292,921,220.00 has been allocated. Out of this, GH¢124,429,235.00 is GoG, GH¢4,488,864.00 is IGF and Donor is GH¢164,003,121.00.

OFFICE OF PARLIAMENT

Performance in 2010

Legislative Business

654. Madam Speaker, Parliament's key role is to enact the required legislation for the betterment of all Ghanaians.

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Parliament also exercises legislative power to ensure good democratic governance of the country.

655. Madam Speaker, during the period under review, a total of 15 Bills and 100 Papers were laid. Eight of the Bills were passed by Parliament. The Papers included Legislative Instruments, International Agreements, and Reports from the Committees of the House and Ministries, Departments and Agencies.
656. Government has noted with concern the challenges and constraint of MPs in analyzing the budget. Plans are far advanced for the passage of the Budget Act to strengthen the budget process and also establish a Legislative Budget Office to provide information database to enhance the capacity of MPs in the analysis of the budget.
657. Madam Speaker, the 3-storey office complex which is to provide additional office space for Leadership and staff is completed and in use. Also, work on the rehabilitation of the Job 600 building to provide office space for MPs is in progress.

Outlook in 2011

658. Madam Speaker, Parliament will continue to perform its legislative functions and exercise oversight for the effective implementation, monitoring and evaluation of the Medium Term Development Plan.
659. In order to achieve the above, Parliament will hold plenary and committee sittings and also organize committee workshops and visits to project sites and institutions throughout the country with the view to ensuring that resources are efficiently and effectively utilized.

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660. Work on the renovation of Job 600 to provide office accommodation and refurbishment works on residential accommodation for MPs will be continued.

MPS Constituency Development Fund

661. Madam Speaker, in fulfillment of the President's promise to establish the MPs Constituency fund, the necessary modalities that will ensure that the fund is properly anchored in the Financial Administration and Legislative framework are being worked out and a committee comprising members of both cabinet and parliament before the end of 2010 to develop guidelines for proper utilization of the Fund.
662. The objectives of delinking the MPs Constituency Development fund from the District Assemblies Common Fund and other established statutory funds are to ensure timely release of funds, eliminate the associated conflict between MPs and MMDCEs and restore the Common Fund, HIPC Funds, GETFund and NHIS Levy for their intended purposes.

MPs Constituency Office

663. Madam Speaker, good governance is the creed of the NDC Government. Indeed our democratic principles of enhancing growth and development through good legislation cannot be over emphasized. Parliament needs to be adequately resourced to be able to provide appropriate legislation in support of government's growth agenda.
664. Members of Parliament in most democratic dispensations are not only assured of good office accommodation but equally good constituency offices. While work is progressing steadily on the renovation of "**Job 600**" to provide decent office accommodation for our Parliamentarians, government considers it equally necessary to provide decent office accommodation for MPs at the constituency levels.

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665. In 2011, Government will initiate a phased programme of providing offices for MPs in their constituencies.
666. Madam Speaker, in order to educate the general public on parliamentary business, Government will facilitate the establishment of a Television Channel solely for the live broadcast of parliamentary sitting and proceedings. This will bring parliament closer to the electorate.
667. Government will intensify monitoring and evaluation of policies and programmes to ensure that their implementation correspond to planned initiatives. In addition, a TV channel solely for the live broadcast of parliamentary sittings and proceeding.
668. For the implementation of the above activities, an amount of GH¢2,985,489.00 has been allocated from GOG.

AUDIT SERVICE

Performance in 2010

669. Madam Speaker, the Audit Service is mandated to promote increased accountability, probity and transparency in the management and utilization of public resources, establish and operate quality control standards and performance assessment procedures.
670. Madam Speaker, in pursuit of this mandate, the Audit Service completed 4,408 audits out of 6,780 targeted for the year. In addition 4 Auditor-General's annual reports were completed and submitted to Parliament while 5 reports are at the draft stage. Four performance and 8 IT audit reports have also been presented to Parliament.

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671. Madam Speaker, the Service also undertook the audit of 31 Ghana Missions abroad and completed due diligence audit of 117 District Assemblies upon Executive directive.

Outlook in 2011

672. Madam Speaker, the Service will focus on operational gaps and risk areas in audit planning and execution. In addition to the public accounts, emphasis will also be on procurement audit and contract administration.
673. The Service will also embark on computerised and electronic systems audit, payroll audit and performance audit of physical infrastructure as well as organise training on oil and gas revenue audit.
674. For the implementation of the above activities, an amount of GH¢30,582,509.00 has been allocated from GOG.

PUBLIC SERVICES COMMISSION

Performance in 2010

675. Madam Speaker, the Public Services Commission (PSC) which is responsible for human resource management and transparent and accountable governance, finalized a new Performance Appraisal System. The Commission also organized a three-day conference for Chief Executive Officers, Governing Boards and Chief Directors to deliberate on issues of corporate governance in the Public Service.
676. Madam Speaker, the Commission organised a stakeholders meeting with key Ministries, Departments and Agencies on the establishment of a data base for the entire Public Service

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to facilitate succession planning and efficient use of skill mix in the entire Public Service.

Outlook in 2011

677. Madam Speaker, government will support the Public Services Commission to develop and issue manuals on human resource management for Public Service Institutions. The Service will also purchase ICT equipment to establish a human resource databank for policy formulation, analysis and decision making
678. Madam Speaker, to establish a human Resource databank for policy formulation, analysis and decision making, the Commission will conduct field survey for human resource bio data collection.
679. For the implementation of the above activities, an amount of GH¢1,371,123.00 has been allocated from GOG.

ELECTORAL COMMISSION

Performance in 2010

680. The Electoral Commission is established to conduct and supervise all public elections and referenda and compile and revise the voters register at such periods as determined by law. The Commission is also responsible for educating citizens on the electoral process and its purposes as well as demarcating electoral boundaries for both national and local government elections.
681. Madam Speaker, the Commission undertook a revision and exhibition of the voters register to include all eligible qualified citizens who for one reason or the other could not register.

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682. In collaboration with the Ministry of Local Government and Rural Development, the Commission prepared and placed before Parliament, Constitutional and Legislative Instruments that seek to amend the regulations and structures on the conduct and supervision of District Assembly elections.

Outlook in 2011

683. Madam Speaker, to advance the course of democracy and good governance by institutionalizing free, fair and transparent elections to the acceptance of all stakeholders, the Commission will replace the voters register for the 2012 election as well as conduct and supervise any by-elections that may become necessary.
684. The Commission will organise seminars and conferences to sensitize civil society organizations on planned activities as well as educating the general public on the electoral processes.
685. The Commission will also continue with its human resource capacity building and infrastructure development to achieve the stated objectives.
686. For the implementation of the above activities, an amount of GH¢25,399,946.00 has been allocated from GOG.

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MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION

Performance in 2010

687. Madam Speaker, the Government pursued policies and programmes that optimized the benefits accruing to the country as we engaged with the international community, while promoting and protecting the interest of the country.
688. Madam Speaker, in line with this, government participated in deliberations of the African Union and contributed to the collective effort to promote peace, stability and economic development on the African continent.
689. Government also convened Joint Commission Sessions with a number of African countries which resulted in the promotion of trade and elimination of constraints to sub-regional trade.
690. Madam Speaker, government also convened the Fourth Session of the Ghana-Iran Joint Commission for Cooperation in areas of agriculture, investment, health and transfer of technology.
691. Promotion of Made-in-Ghana goods and tourism were also enhanced by coordinating the participation of Ghanaian companies in Trade and Tourism Fairs abroad.

Outlook in 2011

692. Madam Speaker, government will aim at establishing a just and equitable international economic and social order, through the pursuit of economic diplomacy, respect for international law and the settlement of international disputes in collaboration with other countries and the appropriate international organizations.

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693. Madam Speaker, steps will be taken to seek additional international markets for Ghanaian products abroad while taking full advantage of preferential arrangements that accrue from multilateral trade agreements.
694. Furthermore, efforts will be made to mobilize foreign investments for the diversification and expansion of the tourism industry and market Ghana abroad as a competitive tourist destination.
695. Government through its foreign missions will also promote investment in the Oil and Gas sector to transform the structure of the economy from the production and export of primary products to a diversified industrial-based economy.
696. Madam Speaker, foreign missions will also be supported to ensure the promotion and protection of the welfare of Ghanaian nationals abroad and encourage their active participation in national development.
697. Madam Speaker, the Biometric Passport Project has successfully been implemented and the daily processing is ongoing in Accra. The Sunyani and Sekondi-Takoradi will commence next year.
698. For the implementation of the above activities, an amount of GH¢84,635,912.00 has been allocated. Out of this, GH¢79,125,527.00 is GoG, GH¢5,510,340.00 is IGF and Donor is GH¢95,648,644.00.

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MINISTRY OF FINANCE AND ECONOMIC PLANNING

Performance in 2010

699. Madam Speaker, the key objective of the Ministry is to improve and sustain macroeconomic stability and growth, fiscal resource mobilization, efficient public expenditure and debt management.

Formulate and implement sound macroeconomic policies

700. The Ministry was reorganized and a new organogram designed to ensure efficient and effective delivery of functions and also provide management with the relevant data and information in the area of economic strategy and decision making.

Ghana Extractive Industries Transparency Initiative

701. Madam Speaker, Ghana has been designated an Extractive Industries Transparency Initiative (EITI) compliant after successfully going through an independent assessment for quality assurance. A framework for the extension of the EITI to the oil and gas sector was developed and the 2006-2008 EITI reports on the mining sector published.

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Fiscal Resource Mobilisation

External Resource Mobilisation

702. Madam Speaker, consistent with the resource mobilization mandate and in collaboration and partnership, the Ministry concentrated on deepening its engagement with Development Partners through policy dialogue and the negotiation of aid packages aimed at fostering economic growth and development.
703. Madam Speaker, as part of efforts to improve the mobilization of external resources and increase the total portfolio of development assistance to Ghana, the Ministry focused on the fulfillment of agreed actions required for the release of incentive tranches of funds. As a result, additional resources in the form of grants and concessional loans were secured to complement already-programmed funds targeted at supporting key infrastructure, social and other programmes outlined in Government's development blueprint.
704. Madam Speaker, the Ministry continued to undertake actions towards implementing the commitments that Ghana endorsed in the Paris Declaration on Aid Effectiveness in 2005 and the Accra Agenda for Action in 2008. To this end, work is on-going to further strengthen our public financial management and procurement systems. This involves the development of modalities to facilitate the full integration of aid in the country's budget preparation, execution, accounting, auditing and reporting processes. The objective of this work is to encourage more Development Partners to use our country systems as stipulated in the Paris Declaration and the Accra Agenda for Action.
705. Madam Speaker, other on-going work includes actions to strengthen country ownership, further improve the predictability of aid flows, ensure the alignment of external

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assistance to Ghana's development plan and budget; and to create tighter links between results and resources to improve monitoring and evaluation. Furthermore, a Development Partner Performance Assessment Framework (DP-PAF) has been developed as one of the instruments to enhance mutual accountability.

706. Madam Speaker, the Ministry has finalized the Ghana Aid Policy and Strategy Phase One, for submission to Cabinet for approval. The document highlights the importance of development assistance in the medium term to the sustainability of Ghana's current growth and development gains.
707. Madam Speaker, the Ghana Aid Policy and Strategy takes cognizance of the fact that the discovery of oil and its commercial exploitation will influence our Development Partners' decisions about the nature and volume of development assistance to be delivered to Ghana. The Policy is therefore intended to serve as a strong foundation for dialogue with our Partners with respect to economic management and aid coordination as we work towards achieving our shared growth and poverty reduction agenda.

Domestic Resource Mobilisation

708. Madam Speaker, as part of efforts to improve domestic revenue mobilization and management, an audit of rent deduction and management of government bungalows was conducted in all MDAs and MMDAs. Additionally, Internally Generated Funds of selected MDAs are being audited to ensure compliance with the provisions of the Financial Administration Act/Financial Administration Regulation and the MDAs (Retention) of Funds Act, 2007 and Act 735.
709. Madam Speaker, to curtail the continuous growth of exemptions with its attendant loss of revenue and restrict it

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to only essentials, the Ministry has since August this year, transferred the office that handles exemption requests into the Tax Policy Unit. The objective is to merge exemption administration with tax policy.

710. Madam Speaker, as you may recall, the Integration and Modernization of the Revenue Agencies began with the passage of the GSGDA Act in 2009. The GRA Project was officially launched in January 2010. The Project Governance structure is in place and a Commissioner-General has been appointed to drive the integration and modernization process.
711. Madam Speaker, the Ghana Revenue Authority undertook revenue enhancing measures including the setting up of the National Enforcement Team to check smuggling, the amendment of the Minerals and Mining Act to fix the rate of royalty at 5percent of minerals won and the establishment of IRS intranet in all districts in the Greater Accra Region except Kaneshie. A contract for Public Private Partnership (PPP) for the introduction of electronic monitoring equipment for Communication Service Tax has also been signed.

Public Expenditure Management

712. To improve budget preparation, implementation, monitoring and evaluation, the ministry initiated the move from Activity Based budgeting to Programme Based Budgeting. A Concept Paper was developed and orientation workshop organized for members of the Parliamentary Select Committee on Finance, Chief Directors and staff of the two pilot ministries namely; Communication and Tourism.
713. A Budget Strategy Paper was developed and a stocktaking workshop organized for Cabinet to assist them take decisions on policies, programmes, and projects as well as revenue and expenditure measures for 2011.

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714. To facilitate Fiscal Decentralisation, a study was conducted and a validation workshop organized for stakeholders on the linkage of the MMDA Budget and Planning process with that of Central Government. An outcome of the workshop was that a Fiscal Decentralisation Unit be established at MOFEP to spearhead the fast implementation of the Fiscal Decentralisation Policy as well as the Programme of Action.
715. Madam Speaker, Government policy to migrate the payroll of subvented agencies onto the centralized payroll system is in progress. As at October, 2010, 96 out of 135 agencies had migrated. In addition, the deployment of the Pension-Retro on the IPPD 2 system has enabled the payment of pension arrears to be made for most Pensioners.
716. Madam Speaker, the deepening of the Treasury Single account process has resulted in the identification of over 1,500 dormant accounts for closure. Government is also reviewing the bank accounts database of MDAs to determine the number of accounts MDAs can operate.

Public Procurement

717. The Public Procurement Act, 2003 (Act 663) is being reviewed to address the challenges identified in its implementation. Further, the training programmes aimed at building procurement capacity within the Public Service and the private sector continued during the year.

Debt Management

718. Madam Speaker, as part of government's strategy to ensure continued debt sustainability, a Debt Sustainability Analysis (DSA) was conducted to assess the public debt sustainability in the medium term in the face of increasing potential debt. The results showed that Ghana's debt was sustainable.
719. The second Annual External Financing Performance Report which provides detailed external finance disbursement by

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MDA and creditors has been prepared and will be published by the end of the year.

Outlook in 2011

720. Madam speaker, in pursuit of government's determination to ensure economic growth with stability for the promotion of sustainable development of Ghana and her people, specific interventions in Economic Strategy, Public Financial Management, Human Resource and Institutional Management Capacity Programmes will be intensified.

Economic Strategy Programme

Economic Research and Forecasting

721. Madam Speaker, government will ensure that the task of formulating and implementing sound macroeconomic policies are continued whilst systems are put in place to improve accessibility and use of existing database for policy formulation, analysis and decision making. Studies will be conducted on the effective ways of taxing professionals to assist the tax administration.

Population and Housing Census

722. The Ghana Statistical Service will carry out data capture, report writing and publication of the 2010 Population and Housing Census. A post enumeration survey will also be conducted. Preparatory activities for the agricultural census will also be carried out in 2011.

Public Investment

723. Madam Speaker, Government will put in place the necessary structures to institutionalize a framework for Public Asset Investments and Public Private Partnerships by finalizing the

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development of a Public Private Partnership (PPP) policy as well as provide legislation and institutional framework to regulate PPP in the country.

Financial Sector Development

724. Madam Speaker, Government is committed to improving the operating environment in the financial sector, reform and review of the necessary legal and legislative instruments to facilitate effective and efficient regulatory regime.
725. Madam Speaker, steps will be taken to improve access to insurance, thereby improving the current low insurance penetration through the development of micro and agriculture insurance schemes to cater for the informal and agricultural sectors. Capacities of micro finance institutions to make them more efficient at integrating the poor into the national financial system will be improved.

Capital Market Development

726. A five year strategic plan for Securities and Exchange Commission will be developed to strengthen their regulatory capacity to cope with the increasing dynamics of the securities industry.
727. The Ghana Stock Exchange will establish a Small and Medium Enterprise development market to provide viable sources of raising relatively cheaper medium to long-term capital on the capital market and create an active trading platform to complement the first official list of the Exchange.

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Public Financial Management Programme

Budget Management

728. Madam Speaker, the year 2011 will mark the beginning of major reforms in the budget management system of the country. A project document for the implementation of Programme Based Budgeting (PBB) in Ghana will be developed and capacity building and training programmes for budget staff in MDAs and MMDAs on PBB will be initiated. It is expected that all the requisite staff of MDAs and MMDAs would have been adequately trained to ensure a successful nationwide implementation of PBB by 2013.
729. Madam Speaker, as part of the PFM Reforms, Fiscal Decentralisation will be given utmost attention. In line with this objective, a Fiscal Decentralisation Unit will be established in the Budget Division of the Ministry to review the fiscal decentralization action plan in collaboration with the Ministry of Local Government and Rural Development and Local Government Service as well as all stakeholders. The Unit will also be tasked to deal with all issues related to Intergovernmental Fiscal Relations as well as the full and successful implementation of fiscal decentralization in Ghana.

Payroll, Treasury Management and Accounting

730. Madam Speaker, government will continue to improve the management of the national payroll system to ensure value for money, eliminate fraud and ghost names. The programme to migrate all subvented organisations onto the national payroll will be intensified while decentralization of the payroll by creating regional data capture centres will be embarked upon.

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731. Madam Speaker, the exercise on the Pension-Retro for pension payroll will be pursued to ensure that all pensioners are fully migrated onto the IPPD 2.
732. Madam Speaker, government will continue with the implementation of the Treasury Single Account and other components of the Public Financial Management Reforms such as the Ghana Integrated Financial Management Information System (GIFMIS) Project to improve the payment system as well as accounting and reporting.

Public Procurement

733. Madam Speaker, the assessment of activities of procurement entities to ensure compliance with the provisions of the Public Procurement Act, 2003 (Act 663) will continue. It is estimated that 1000 Entities will be assessed during the period.

Debt Management

734. Madam Speaker, government will continue to maintain a healthy mix of both concessional and non-concessional loan financing in line with the new financing strategies.
735. Government will from 2011 publish a 'Public Debt Portfolio Report' which will be disseminated for the information of the general public to promote transparency in the management of the public debt.

External Resource Mobilisation

736. Madam Speaker, the Ministry will coordinate the process for the timely realization of all the necessary actions, which include the formulation of a National Capacity Development Framework; guidelines on Vertical Funds, Tax Exemptions, Loans and Grants Procedures; guidelines for engaging with Civil Society Organizations; and revision of the Loans Act,

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among other actions outlined in the Action Plan of the Aid Policy.

737. Madam Speaker, the Ministry will lead the process for conducting the 2011 Survey on Monitoring the Paris Declaration which will be undertaken between January and March 2011.
738. The Ministry will also continue to implement its commitments under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, and actively prepare for Ghana's participation, as a "Focus Country", in the 4th High Level Forum on Aid Effectiveness scheduled to be held in Busan, South Korea.
739. Implementation of the use of Country Systems Initiative will be vigorously pursued, as this will not only reduce transaction costs but, more importantly, strengthen national ownership, foster alignment of development assistance packages to country priorities and engender sustainable systems.

Domestic Resource Mobilisation

740. Madam speaker, to achieve the targets set for domestic revenue mobilization, government will facilitate revenue enhancement activities of MDAs through improved policy guidance, monitoring and implementation of legal, Institutional and Regulatory changes.
741. Madam Speaker, as part of its automation and modernization programme, the National Lottery Authority (NLA) will deploy 10,000 points of sales terminals during the year. This will create 10,000 new jobs for new lotto marketing companies, and facilitate the participation of the banker to banker and

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former private lotto operators in the lotto marketing business as defined under the lottery Act 722. New products will be introduced and commissions restructured to increase NLAs contribution to the treasury.

742. Madam Speaker, the Ghana Revenue Authority will enhance revenue mobilization by resourcing the Preventive Department to become more effective in combating smuggling, under valuation and under declaration of imports through on-line monitoring of values assigned by the Destination Inspection Companies (DICs), enhancing the implementation of the Communication Service Tax and monitoring of tax reliefs, exemptions and other dispensations such as Free Zone, warehousing and transit operations.

Human Resource and Institutional Management Capacity

743. Madam Speaker, owing to the strategic role the Ministry plays in the economic governance of the nation, the capacity of staff will be upgraded. Additionally, the reorganization of the Ministry's set-up will be completed and implemented to ensure efficient and effective service delivery.
744. For the implementation of the above activities, an amount of GH¢178,559,490.00 has been allocated. Out of this, GH¢80,498,036.00 is GoG, GH¢2,412,810.00 is IGF and Donor is GH¢95,648,644.00.

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NATIONAL COMMISSION FOR CIVIC EDUCATION

Performance in 2010

745. Madam Speaker, the need to increase public awareness of constitutional provisions, rights and responsibilities as a fundamental law, raising social consciousness on democratic and economic rights as key elements in participatory governance continues to be of priority to government.
746. Madam Speaker, the National Commission on Civic Education in collaboration with the Constitutional Review Commission and other stakeholders set up Regional, Metropolitan, Municipal and District Committees to plan regional and district level consultations on the Constitutional Review.
747. The Commission also intensified education on conflict resolution in areas which have the potential to disturb the peace during the up-coming district level elections.

Outlook in 2011

748. Madam Speaker, the Commission will organize programmes to increase the human resource capacity of local communities, especially women to strengthen the decentralization process.
749. Programme to sensitize all citizens on the building blocks of democracy, transparency, justice, probity, accountability, rule of law, universal adult suffrage and human rights will be pursued.
750. For the implementation of the above activities, an amount of GH¢7,858,498.00 has been allocated from GOG.

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MINISTRY OF CHIEFTAINCY AND CULTURE

751. Madam Speaker, the Ministry of Chieftaincy and Culture is mandated to develop effective interface between Government and Civil Society on matters relating to Chieftaincy and Culture for the promotion of peace, good governance and international partnership for the overall development of Ghana.

Performance in 2010

National Festival of Arts and Culture (NAFAC)

752. The Ministry organised the biennial National Festival of Arts and Culture (NAFAC) in Tamale to promote cultural diversity as a rich asset which the nation can exploit for growth, employment and wealth creation.

Compilation of Customary Laws and Lines of Succession applicable to Stools/ Skins

753. The Ministry has collected and documented data on 100 paramountcies with 21 converted into draft customary declaration laws for the respective stools. Twelve out of the 21 draft customary declaration laws have been submitted to parliament for passage into legislative instrument to regulate succession to the respective stools and skins. The 12 paramountcies are Nkoranza, Drobo, Sunyani, Prang, Yeji and Atebubu in the Brong Ahafo Region; Kpone in the Greater Accra Region, Kaleo in Upper West Region, Navrongo in Upper East Region, Gonja in the Northern Region, Lower Axim in Western Region and Buem in the Volta Region.

Codification of Customary Laws

754. The Ministry through the National House of Chiefs has completed the first phase of the research work into Customary Land Law and Family Law. Twenty traditional

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areas comprising 2 traditional areas in each Region of Ghana were covered.

Alternative Dispute Resolution (ADR) and Adjudication of Chieftaincy Cases

755. The Judicial Committee of the national regional house of chiefs determined 320 cases and disposed of 33 with 287 cases pending. About 352 cases were successfully determined through ADR mechanism in the Ashanti Region.

Chieftaincy Bulletin

756. The National House of Chiefs issued the first edition of the Chieftaincy Bulletin, the official mouthpiece of the house, which reports on matters affecting the chieftaincy institution.

Outlook in 2011

757. Madam Speaker, the Ministry will review the Legal Framework regulating the mandate and activities of the National Commission on Culture, Ghana Museums and Monuments Board, National Theatre of Ghana, Kwame Nkrumah Memorial Park, Bureau of Ghana Languages and National Symphony Orchestra to streamline the laws to reflect their current status.
758. To reduce Chieftaincy disputes in the country, the Ministry will continue with the research and codification of Customary Laws and Lines of Succession and its usage at the traditional council level to be developed into Law in 30 traditional areas.
759. The Ministry will continue to carry out the organization of cultural exchange programmes and joint cultural commissions. In addition, training programmes will also be organised for 100 Traditional and Regional Registrars, Research officers, Bailiffs, Court Clerks and Cultural Officers

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to develop the human resource capacity of the institution for improved service delivery.

760. The Ministry will complete the construction of the Museum of Science and Technology building and 2 regional Theatres. In addition, the construction of security wall against the Ministry's acquired land at Kawukudi will commence.
761. Furthermore, efforts will be made to install local area networks at the National and 3 Regional Houses of Chiefs to improve internal and external communications.
762. For the implementation of the above activities, an amount of GH¢15,039,993.00 has been allocated. Out of this, GH¢13,066,993.00 is GoG and GH¢1,973,000.00 is IGF.

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NATIONAL MEDIA COMMISSION

Performance in 2010

763. Madam Speaker, government continued to support the National Media Commission which enabled it to promote and ensure the freedom and independence of the media for mass communication and information while ensuring the establishment and maintenance of the highest journalistic standards.
764. In line with its complaint settlement procedure, the Media Commission resolved a number of media related complaints, thereby ensuring peaceful and harmonious media-public relations.

Outlook in 2011

765. Madam Speaker, the Commission will intensify the training of media men and women on the ethics and codes of the profession and create congenial relationship between the media and the government
766. The Commission will also review its law and intensify efforts to decentralise its activities to the other regions and prepare a successive plan for the state owned media.
767. For the implementation of the above activities, an amount of GH¢2,125,293.00 has been allocated from GOG.

MINISTRY OF INFORMATION

Performance in 2010

768. Madam Speaker, the Ministry of Information is mandated to ensure the free flow of relevant public information in pursuance of Government's policy of open and transparent governance. The Ministry is also mandated to effectively monitor and evaluate public response to government policies and provide feedback to government while projecting the image of the country to attract foreign investment.
769. Madam Speaker, in line with this, Government in 2010 hosted the first ever Ghana Policy Fair, which made it possible for ordinary Ghanaians to interact with officials of the various Ministries, Departments and Agencies to understand the policies and programmes they are implementing. The Fair also helped visitors to provide feedback to MDAs on the policies they are implementing.
770. Madam Speaker, Government during the period also intensified the engagement of the people to inform and educate them of Government's programmes and activities and also gather feedback. These activities involved visits and interactions with the chiefs, people and workers in the various regions and districts of the country. These regions and district tours enabled the Ministry to reach out positively to the people at the grass root level with details of Government plans for them and collate their views of priority projects and interventions.
771. Meet-the-Press sessions were organized for selected MDAs and MMDAs. National events including sporting events and anniversary celebrations were produced and broadcast. In addition to these, there were special press conferences on various Government issues and developments.

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772. Madam Speaker, the Ministry also produced a number of documentaries and special series on the activities of various sectors. The Information Services Department (ISD) provided support to various national exercises including the 2010 National Population and Housing Census, outbreak of H1N1 Influenza and the introduction of new 2 Cedi notes by the Bank of Ghana.
773. Madam Speaker, in preparation for the migration from analogue to digital television, the development of a Multi-Channel Digital Terrestrial Television (DTT) platform has commenced with the support of Government.
774. Madam Speaker, a Technical committee put together by the Ministry in Collaboration with the Ministry of Communication is finalizing the draft Broadcasting Bill for presentation to Cabinet. The Bill aims at sanitizing the Ghanaian Broadcasting industry.
775. The Ministry has also begun the review of the draft Development and Classification of Film Bill. The draft bill when passed into law is expected to replace the Cinematograph Act 1961(Act 76) and establish a National Film Authority.

Outlook for 2011

776. Madam Speaker, the Government will continue to ensure free flow of information in pursuance to the transparent and accountable governance policy of President J. E. Atta Mills. In this regard, there will be effective and efficient monitoring and evaluation of public responses to government policies and programmes.
777. The Ministry will organize at least 5 regional editions and a National edition of the Ghana Policy Fair to enable Government showcase its projects and programmes, get

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feedback on policies and programmes being implemented and also attract effective partnership from the private sector.

778. Madam Speaker, Government will intensify the monitoring and evaluation of policies and programmes to ensure that their implementation corresponds with planned initiatives. These will be done much more vigorously than the previous year through increased interaction and public fora at the regional and district levels.
779. The Ministry also intends to amend the structure of the Meet-the-Press sessions to make them more effective and to achieve the objectives of each session. This will enable Government to consistently and effectively communicate and interact with the public on specific sector developments and activities.
780. Madam Speaker, Cabinet is expected to consider the draft Broadcasting Bill and the Development and Classification of Film Bill for the consideration of Parliament before the end of 2011. In addition, the Right to Information Bill, which has already been laid before Parliament, will continue to receive Government's support
781. Government's information management activities in 2011 will also include the activation of the ISD's outreach programmes in the regions and districts with the use of audio-visual materials.
782. The Ministry also plans to roll out more publications, documentaries and special programmes on government projects, programmes and activities with a view to keeping the citizenry actively and positively informed. Accordingly, three editions of the Ghana Today magazine, a publication of ISD will be published.
783. Madam Speaker, a Mini Handbook on Ghana, which will detail comprehensive information of Ghana will be published and

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made available for investment torus and free pick-up in our various missions abroad and other engagements of His Excellency the President and Vice President abroad.

784. For the implementation of the above activities, an amount of GH¢32,861,104.00 has been allocated. Out of this, GH¢17,779,234.00 is GoG and GH¢15,081,870.00 is IGF.

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NATIONAL DEVELOPMENT PLANNING COMMISSION

Performance in 2010

785. Madam Speaker, the National Development Planning Commission has the responsibility for the formulation of national development planning policies and strategies. The Commission also ensures the effective coordination, implementation, monitoring and evaluation of approved national development plans and coordinates the decentralized national development planning system.
786. Madam Speaker, the final draft of the Ghana Shared Growth and Development Agenda 2010-2013 (GSGDA) was approved by the Commission and submitted to H. E. the President. The costing of the Development Plan was also carried out using inputs from Sector Medium-Term Development Plans which are derived from the GSGDA.
787. Madam Speaker, the Commission provided guidelines to enable Sectors and Districts prepare their Medium-Term Development Plans and provided technical support to the 17 newly created districts to enable them revise and finalise their Medium-Term Development Plans.
788. In addition, similar support was also provided to seven selected pilot districts to prepare local economic development strategies as part of their District Medium-Term Development Plans to enhance the growth of local businesses.
789. The Commission completed and distributed the 2008 Ghana Millennium Development Goals report and the 2009 Annual Progress Report (APR) on the implementation of the GPRS II.

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Outlook in 2011

790. Madam Speaker, within the framework of its planning, coordination and monitoring and evaluation roles, the Commission will continue to prepare and disseminate 2010 Annual Progress Report on the implementation of the GSGDA, the Medium Term National Development Plan and the 2010 Ghana Millennium Development Goals Report.
791. In addition the Commission will also coordinate the preparation of the National Human Settlement Policy, the National Infrastructure Plan and the Sector and District Monitoring and Evaluation Plan.
792. For the implementation of the above activities, an amount of GH¢5,476,064.00 has been allocated. Out of this, GH¢2,475,659.00 is GoG and Donor is GH¢3,000,406.00.

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NATIONAL LABOUR COMMISSION

Performance in 2010

793. Madam Speaker, the National Labour Commission has set itself to become an efficient and effective industrial dispute settlement institution to create a peaceful and attractive environment for investment.
794. In pursuit of this mandate, the Commission mediated and settled a number of industrial disputes and in some cases paid compensations to deserving petitioners.
795. In addition union management operators in the Free Zones enclave have been trained on the legal processes of unionization and good worker-management relations.

Outlook in 2011

796. Madam Speaker, the Commission will implement policies and strategies aimed at strengthening tripartism and social dialogue, minimising industrial unrest and implementing the national employment policy under Act 651.
797. The Commission will continue to train and educate social partners on effective labour-management cooperation and promote good faith negotiations among stakeholders.
798. For the implementation of the above activities, an amount of GH¢810,122.00 has been allocated from GOG.

PUBLIC SAFETY

MINISTRY OF JUSTICE AND ATTORNEY-GENERAL

Performance in 2010

799. Madam Speaker, government has the duty to improve the capacity of the legal system to enhance speedy and affordable access to justice for the promotion of transparent and accountable governance.
800. Madam Speaker, substantial progress has been made in the justice delivery system through several interventions such as the 'Justice for All Programme' which offers remand prisoners and others who have found themselves in prison by reason of miscarriage of Justice further access to justice at no cost.
801. Madam Speaker, a number of laws were enacted during the year. Notable among them are the Minerals and Mining (Amendment) Act, 2010 9(Act 794), the Ghana Boundary Commission Act, 2010 (Act 795), the Internal Revenue (Amendment) Act, 2010 (Act 797) and the Public Utilities Regulatory Commission (Amendment) Act, (Act 800).
802. In addition to these various Legislative Instruments have been laid before Parliament while others are also at the drafting stage

Outlook in 2011

803. Madam Speaker, the Minerals and Mining Law, the Criminal Injuries Compensation Law, the Law of Torts, the Law of Contract and the Marriage Registration Law will be reviewed to reflect current aspirations.

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804. Madam Speaker, the Copyright Tribunal will be established and more public/stakeholder education and training will be conducted in line with its core mandate of educating the public on the infringement of copyright and related rights.
805. Madam Speaker, the Economic and Organised Crime Office (EOCO) Act 2010, Act 804 will be implemented with emphasis on financial or economic crimes, money laundering, human trafficking, prohibited cyber activity and tax fraud.
806. Madam Speaker, legal aid services to the poor and needy in the Ghanaian society will be provided. In this regard, Radio and TV talk shows on legal aid especially on rights of the vulnerable will be organised while dialogue with General Legal Council and Ghana Bar Association on Pro bono work by Legal practitioners will be pursued.
807. Madam Speaker, the business Registration Reform Programme will be enhanced and provision made to support its Decentralization programme. An online registration of businesses will be pursued in collaboration with GCNET in order to minimize delays in service delivery.
808. For the implementation of the above activities, an amount of GH¢20,954,538.00 has been allocated. Out of this, GH¢17,106,778.00 is GoG and GH¢3,847,760.00 is IGF.

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MINISTRY OF DEFENCE

Performance in 2010

809. Madam Speaker, to ensure a sustained economic growth and development, government provided the necessary support to enable the Ghana Armed Forces maintain the level of internal security.
810. To this end, joint military and police internal security operations to combat crime especially armed robbery, drug trafficking and crimes relating to environmental degradation were intensified.
811. Madam Speaker, government continued to provide strategic equipment and logistics support to the Ghana Armed Forces to meet the challenges of modern times.
812. Madam Speaker, the Executive Jet, Falcon 900 was delivered and commissioned while arrangements are far advanced to acquire additional reconnaissance and transport aircraft and helicopters to improve the air power of the Ghana Air Force.

Outlook in 2011

813. Madam Speaker, to meet emerging challenges especially in the Oil and Gas Industry, government will continue to develop national policies and strategies and upgrade the capacity of the Forces by providing the requisite skills, equipment and logistics.
814. Madam Speaker, government will therefore intensify training programmes in modern security and intelligence capabilities and upgrade the Engineer Corps to support Ghana's infrastructural development.

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815. Air and sea patrols in the country's air space and territorial waters especially the fisheries grounds and the newly discovered oil fields will also be intensified to protect the nation's maritime assets.
816. The Ghana Armed Forces will continue to deploy Officers and Men for internal security and peacekeeping operations.
817. Madam Speaker, a Petroleum Security Co-ordinating Centre (PSCC) will be set up to carry out functions in accordance with the national oil security plan.
818. The rehabilitation of the Naval Slipway in Sekondi to facilitate the refit of our ships locally is scheduled for completion by the first quarter of 2011. It will also serve as an additional source of income generating activity for the military.
819. Madam Speaker, the upgrading of medical equipment at the 37 Military Hospital is almost completed and a contract for the construction of a 500-bed capacity block at the hospital has been finalized for commencement early next year.
- 820.** For the implementation of the above activities, an amount of GH¢205,480,761.00 has been allocated. Out of this, GH¢146,861,778.00 is GoG, GH¢2,661,210.00 is IGF and Donor is GH¢55,957,564.00.

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**COMMISSION FOR HUMAN RIGHTS AND
ADMINISTRATIVE JUSTICE**

Performance in 2010

821. Madam Speaker, the Commission for Human Rights and Administrative Justice is set out to enhance public capacity and improve systems for combating corruption and to demand fair and transparent public administration and efficient service delivery.
822. In this regard the Commission prepared the National Anti-Corruption Action Plan (NACAP) and conducted anti-corruption education programmes to assist the public identify corrupt practices that negatively impact on society.
823. CHRAJ received and investigated a number of cases and allegations of corruption and organized awareness programmes on the Whistleblower Act for the public and public officials.
824. The Commission conducted a total of 963 human rights educational programmes for rural communities, schools, faith-based organizations, and civil societies. In addition the formation of human rights clubs was facilitated.

Outlook in 2011

825. The Commission will continue to carry out its core mandate by facilitating fairness, transparency and accountability in public administration. In addition, fundamental human rights and freedoms of each individual will be promoted and protected.
826. The Commission will monitor the implementation of the National Anti-Corruption Action Plan (NACAP) to assist the

Theme: Stimulating Growth for Development and Job Creation

fight against corruption and reduce opportunities for corrupt practices.

827. Madam Speaker, the Commission will strengthen its efforts to promote and enhance national integrity through the National Integrity Programme by setting up ethics desks and advisory committees in MDAs.
828. For the implementation of the above activities, an amount of GH¢8,777,644.00 has been allocated from GOG.

JUDICIAL SERVICE

Performance for 2010

829. Madam Speaker, the Judicial Service intensified its efforts to Propagate the Principles of Alternate Dispute resolution (ADR) to reduce the backlog of cases in the courts and to mainstream ADR into the court system. In addition, the Weekend Magistrate Courts sittings in Accra were intensified.
830. Madam Speaker, the need to provide adequate and decent residential and office accommodation for the Judiciary has been of great concern to the government. In this regard, the Service has been able to refurbish and complete a number of high and appeal court buildings and residential accommodation nationwide.

Outlook in 2011

831. Madam Speaker, government will continue with strategies that conform to the National Strategies of Legal Sector Improvement Programmes. To this effect, the process of automating the Magistrate courts to facilitate the performance of family, juvenile and drug related courts will be pursued.

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832. Government will provide adequate support for further propagation of the Principles of Alternate Dispute Resolution (ADR) while the Week End Magistrate Courts will be extended to Kumasi and Takoradi.

MINISTRY OF INTERIOR

833. Madam Speaker, the Ministry continued its programme of promoting a safe, secure and congenial environment conducive for accelerated socio-economic development.

Performance for 2010

Ghana Police Service

834. The Service in collaboration with other security agencies maintained law and order and ensured peace and stability in all parts of the country.
835. The draft Oil and Gas Security Plan and the training of core personnel of the Oil and Gas Police Unit have been completed.

Ghana Immigration Service

836. The Ghana Immigration Service effectively and efficiently managed the country's borders to ensure that the economic and security interest of our nationals were safeguarded.

Ghana National Fire Service

837. Madam Speaker, the Service responded to 1,172 fire outbreaks and successfully saved properties running into several millions of Ghana Cedis.

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838. A total number of 1,019 fire certificates were issued while 22 fire educational programmes were organised and 562 Fire Volunteers trained nationwide.

Ghana Prisons Service

839. Madam Speaker, the first phase of Ankaful Maximum Security Prison which is capable of housing 2000 inmates has been completed and is due for commissioning. The Service acquired new tools and equipment for pottery, blacksmithing, vulcanizing, auto-mechanics, carpentry and sewing to retool and re equip the defunct Prison Industries.

National Disaster Management Organisation (NADMO)

840. Madam Speaker, NADMO intensified its public sensitization programme and procured assorted food and non-food relief items for disaster victims nationwide. NADMO also assisted vulnerable communities in Northern Ghana through income generation activities and improvement in social infrastructure.

Narcotics Control Board (NACOB)

841. Madam Speaker, the Board recorded 32 cases of narcotic drugs, arrested 38 culprits and seized a total of 483.6 kilograms of various narcotic drugs.
842. The Board also intensified the counseling of inmates at various psychiatric hospitals and rehabilitation centres and continued with educational programmes in second cycle schools.

Outlook for 2011

Ghana Police Service

843. Madam Speaker, the Service will take measures to reduce crime levels, especially in domestic burglaries and violent

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crimes. Public education on the concept of community policing will also be enhanced.

844. Madam Speaker, to improve maintenance of law and order, the activities of Private Security Organisations will be reviewed and regularized to enable them give effective support to the formal security agencies.

Ghana Immigration Service

845. Madam Speaker, the Service will take steps to enhance revenue generation and mobilisation by ensuring greater enforcement of Immigration laws and effective border patrols.

Ghana Prisons Service

846. Madam Speaker, the Prisons Service will transform James Camp Prisons into a Remand Prison and provide Inmates Database Management System in all Central Prisons.

Ghana National Fire Service

847. Madam Speaker, the Service will review its organizational structure and will be empowered to provide effective and efficient service delivery. In addition, early warning fire alarm systems will be installed in all MDAs and Government buildings.

National Disaster Management Organisation (NADMO)

848. Madam Speaker, the National Disaster Management Organisation will focus on disaster risk reduction and climate change risk management through the establishment of national and regional platforms for all stakeholders. Disaster Prevention and Response Mechanisms will be strengthened while social mobilization for disaster prevention will be enhanced.

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Narcotics Control Board (NACOB)

849. Madam Speaker, NACOB will undertake Legislative Review of its mandate, conduct baseline survey on drug abuse and trafficking, and introduce sniffer dogs in its operations. The Board will also re-introduce the Alternative Development Programme for those involved in the cultivation of cannabis.

Ghana National Commission on Small Arms

850. The Commission will be strengthened to enable it identify, collect and destroy all obsolete, seized and voluntarily surrendered stock of arms while ensuring that existing laws on small arms are simplified and made available to the general public.
851. For the implementation of the above activities, an amount of GH¢301,933,392.00 has been allocated. Out of this, GH¢264,139,431.00 is GoG, GH¢3,577,077.00 is IGF, GH¢15,000,000.00 is for Social Intervention Programmes and Donor is GH¢19,216,883.00.

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SECTION 7: POVERTY REDUCTION EXPENDITURES AND PROGRESS TOWARDS ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS

Government Spending on Poverty Reduction Related Activities: January – September, 2010

I. Sectoral Pro-Poor Spending

852. Government's target in 2010 in terms of poverty reducing expenditures was to improve on the 2009 pro-poor spending levels and increase efficiency. In view of this commitment, review exercises on pro-poor expenditures were conducted to improve on improve on data capture and targeting of programmes.
853. The total budget for Government expenditure for 2010 is GH¢8,258.58 million. Out of this, an amount of GH¢1,946.67 million, representing 23.98 percent was earmarked for poverty reduction activities. As at the end of September 2010, a total of GH¢1,918.23 million had been spent on poverty reduction activities. This is 28.8 percent of the total GoG expenditures of GH¢6,536.32 million recorded within this period.
854. In the Education Sector, out of a budget of GH¢1,653.26 million, a total of GH¢1,535.62 million had been utilized by the end of September. Of this amount, GH¢800.88 million, representing 52.8 percent, went into basic education expenditure.
855. Out of an annual budgeted expenditure of GH932.07 million for the Health sector earmarked for the year, GH¢629.43 million had been utilized by end of September. About 50 percent of this expenditure, representing GH¢315.81 million, went to fund Primary Health Care programmes.

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856. A total of GH¢89.90 million was budgeted for the Agriculture sector. By end of September 2010, GH¢94.15 million had already been spent. About GH¢94.02 million of this actual sector expenditure, representing 99.85 percent, was spent on the Fertilizer Subsidy programme and the Youth in Agriculture Block Farm Programme, among others.
857. An amount of GH¢ 46.85 million was budgeted for the Water Resources, Works and Housing sector for the fiscal year 2010. As at end September 2010, GH¢25.34 million had been spent out of which GH¢4.85 million was spent on Rural Water.
858. By the end of September 2010, about GH¢50 million had been utilised on Feeder Roads projects under the Roads and Transportation sectors. This constitutes about 14.86 percent of the end-of-September total actual sector expenditure of GH¢335.45 million. The annual budgeted expenditure of the sector was GH¢282.76 million.
859. The Energy Sector budgeted amount for 2010 fiscal year is GH¢71.25 million, out of which GH¢68.16 million was planned to be spent on rural electrification by the end of the year. Actual Energy sector expenditures, by end September 2010 was GH¢41.85 million, with GH¢25.55 million spent on Rural Electrification activities. This constitutes about 61 percent of the total.
860. A total amount of GH¢627.26 million was spent on "other poverty-related activities" representing 9.42 percent of total government expenditure. The "other poverty-related activities" refer to areas of expenditures that do not directly fall under the broad sectors stated above. These include social welfare, public safety, drainage, human rights, environmental protection, rural housing, legal aid, decentralization among others. A number of cost centres have been added to the "other poverty" as a result of the

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review exercise which sought to reclassify government expenditures considered as pro-poor. Some of these new expenditure lines include spending on forestry, Births and Deaths Registry, aspects of spending by the Electoral Commission and by Parliament.

II. Utilisation of HIPC Funds

861. Planned spending from the Highly Indebted Poor Country (HIPC) funds for 2010 was GH¢261.64 million. Of this amount, GH¢26.16 million was set aside for District Assemblies' programmes, GH¢52.33 million for domestic interest payments and the remaining GH¢172.91 million for sectoral programmes and projects.
862. End September provisional figures indicated that GH¢186.77 million had been released for both MDAs and District Assemblies for programmes and projects. Members of Parliament also received a proportion of these funds to pursue critical development projects in their constituencies, in consultation with the relevant District Assemblies in the health, education, water and sanitation sectors. An amount of GH¢21.36 million was spent on domestic debt servicing.
863. For education, releases amounted to GH¢72.89 million in total, covering payment of capitation grants, supply of free school uniforms, and Government subsidies for the Basic Education Certificate Examination (BECE) and Senior High Schools. For the health sector, a total amount of GH¢5.95 million went to the Malaria Clinical Trials Project, construction of 50 Community Health and Planning Services (CHPS) compounds nationwide and the National Ambulance Service.
864. Local government received about GH¢67.72 million for the implementation of various activities including: GH¢49.89 million for the School Feeding Programme; and GH¢4.49 million to support the activities of MPs in their specialized

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developmental projects at the districts. A total of GH¢12.42 million was spent on environmental sanitation activities. Further, GH¢0.70 was released for the Due Diligence Audit Project at the MMDAs.

865. Furthermore, an amount of GH¢6.0 million went into the completion of Ankaful Maximum Security Prisons aimed at enhancing living conditions in the prison. The Ghana National Fire Service was provided with GH¢6.20 million to procure equipment to improve on their service delivery, while about GH¢4.0 million was provided to the National Disaster Management Organisation (NADMO) in the delivery of disaster relief.
866. For the Food and Agriculture sector, an amount of GH¢10.0 million was released for the National Buffer Stock programme. The water sector received a total amount of GH¢11.29 million for the extension of the Tamale Water Supply Project, the Weija Water treatment plant, and for relocation and rehabilitation works.
867. Transport received an amount of GH¢1.34 million which was used for rehabilitation of the Western rail line.

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Table 17: Utilisation of HIPC Funds, January-September 2010

Priority Area	Amount (GH¢m)	PROPORTION OF TOTAL RELEASES
Economic	10,000,000.00	
Ministry of Food and Agriculture	10,000,000.00	4.80%
Infrastructure	12,633,377.83	
Ministry of Water Resources, Works and Housing	11,291,889.16	5.43%
Ministry of Transport	1,341,488.67	0.64%
Social	146,666,192.37	
Ministry of Education	72,873,823.65	35.01%
Ministry of Health	5,948,733.34	2.86%
Ministry of Local Government and Rural Development	67,843,635.38	32.60%
Administration	1,256,302.00	
Ministry of Finance and Economic Planning	1,256,302.00	0.60%
Public Safety	16,202,089.22	
Ministry of Interior	16,202,089.22	7.78%
MDAs Total	186,757,961.42	
Debt Servicing	21,364,654.59	10.27%
Total	208,122,616.01	100%

III. Utilisation of Multi-Lateral Debt Relief Initiative (MDRI) Funds

868. The total budget for MDRI funded projects was GH¢103.83 million for 2010 fiscal year. By the end of September, total releases in respect of such projects was GH¢36.19 million. The energy sector received a total amount of GH¢18.16 million, representing 50.19 per cent of the total for the Self-Help Electrification Programme (SHEP-4) and other related activities.
869. The National Youth Employment Programme (NYEP) by September also received a total amount of GH¢13.75 million representing 38.0 per cent of the total while the Savannah Accelerated Development Authority received GH¢1.28 million, representing about 3.52 percent. The Ministry of Employment and Social Welfare received GH¢3.0 million representing 8.29

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per cent of total MDRI funds in support of the Livelihood Empowerment Against Poverty (LEAP) programme.

Progress towards the Millennium Development Goals

870. Ghana, in the just ended Millennium Development Goals (MDGs) summit held in Washington DC in September, 2010, was tagged as a “high-flyer” in her bid to eradicate extreme poverty. Ghana has made progress towards achieving the MDG targets, though some challenges remain. These challenges have been made more profound by the effects of the Global Economic Crisis. Some MDG indicators are not measured on an annual basis, and for these no new information is available this year. Below are details of Ghana’s progress towards achieving the Millennium Development Goals:

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

Target 1A: Halve the proportion of those in extreme poverty, 1990-2015

871. Ghana has been adjudged “on track” to achieving the goal of halving poverty by 2015; there is however, the need to sustain this achievement. Over the years, Government has consistently spent an average of about 25 per cent of its expenditures on poverty reducing activities; this has resulted in the decline in population classified as extreme poor.
872. Government has also made a number of commitments regarding protecting the level and share of pro-poor spending. In 2009, all social protection programmes being implemented with the aim of protecting the poor and vulnerable sections of the population, were reviewed for effectiveness and efficiency. The Livelihood Empowerment Against Poverty (LEAP) programme for example, after being reviewed, was scaled up this year, with 45,000 extremely

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poor and vulnerable households from 81 districts with a total financial support of GH¢5.8 million to meet some of their basic needs.

873. Addressing the challenge of reducing inequalities in poverty reduction across geography, employment and gender lines is key to sustaining this achievement. This is a priority of Government, evidenced by its commitment to initiatives for balanced and equitable regional development such as the setting up of the Savannah Accelerated Development Authority (SADA) and the Central Regional Development Commission.

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

874. Significant progress has been made in decreasing malnutrition. The Ghana Demographic and Health Survey of 2008 shows that the indicator of reducing by half the proportion of children who are underweight had already been achieved ahead of 2015, while the target on reducing by half the prevalence of wasting is on course and may be met before 2015, if current trends continue. Given Government's focus on agriculture and food production, sustaining these positive shifts in the indicators and achievement of these targets by 2015 seems likely. Extra efforts will however be required to realize the MDG target on the prevalence of stunting.

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

875. Achieving universal primary education requires positive shifts in enrolment, admission and completion rates. In the

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2009/2010 academic year, these indicators showed mixed progress. While enrolments at pre-school level rose to a high of 97.3 percent, Gross Enrolment Ratios at primary level maintained the 2008/09 level of about 95 percent. Progress with net enrolments at the primary level however, showed a slight dip in the 2009/2010 academic year. At the Junior High School level, gross and net enrolments remained at 79.5 percent and 48 percent respectively.

Table 18: Progress with Primary Education

Indicator	2007/08	2008/09	2009/2010
Gross Enrolment Rate (GER)	95.2%	94.9%	94.9%
Net Enrolment Rate (NER)	83.4%	88.5%	83.6%
P6 Completion Rate	88%	88.7%	87.1%
Gender Parity Index (GPI)	0.96	0.96	0.96

876. To ensure achievement of Universal Basic Completion by 2015, enrolments and retention need to improve, while drop outs or repetitions need to be reduced. Government has instituted a number of measures to ensure increasing enrolments, retention and completion as well as good quality education. These include timely disbursement of the capitation grant, classroom construction to expand access, provision of free school uniforms in deprived areas and provision of free exercise books. Also schools under trees are being phased out to ensure a more conducive atmosphere for learning.

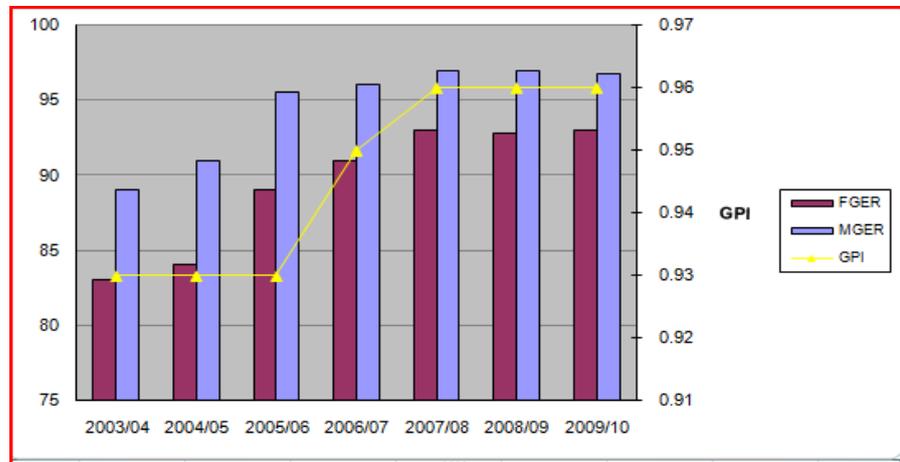
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GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015

- 877. Gender parity and the proportion of seats held by women in Parliament are the main indicators being tracked with respect to this MDG. The Gender Parity Index (GPI) at the primary level remained at 0.96 in the 2009/10 academic year. GPI at the JHS level has also remained at 0.92. Gender disparities have received increasing focus over the past decade, especially with the introduction of the education capitation grant scheme, which has contributed significantly to female enrolments.

Figure 5: Female and Male Enrolments and Gender Parity at Primary level



GOAL 4: REDUCE CHILD MORTALITY

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

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878. The most recent data for child mortality, from the Ghana Demographic and Health Survey, indicated that the rate of deaths in children under five, had witnessed a significant reduction after years of stagnation. The Survey indicated a 28 percent decline to 80 per 1,000 live births. The GDHS also showed that the Infant Mortality Rate (IMR) had also declined to 50 per 1000 live births by 2008, while immunization of under-1 year olds against measles improved to 90.2 percent for that same year.
879. A number of initiatives account for the positive shifts in child health indicators including the new Child Health Policy and Child Health Strategy and a scaling-up and sustaining child survival interventions. Performance for Penta 3 coverage has reached almost 90 percent, after coverage dropped slightly in 2008.

GOAL 5: IMPROVE MATERNAL HEALTH

Target 5A: Reduce by three-quarters, between 1990 and 2015 the maternal mortality ratio

880. Annual changes in maternal health are monitored using the proxy indicator, Attended Deliveries, since the Maternal Mortality Survey is undertaken periodically. The 2008 Ghana Maternal Mortality Survey reported 451 maternal deaths per 100,000 live births which was the average over the seven years preceding the survey. Attended Deliveries in 2009 was 45.6 percent, up from 39.3 percent in 2008, while Institutional Maternal Mortality Ratio (IMMR)(which measures maternal deaths occurring in health facilities only), also improved. IMMR was 170/100,000 by end 2009, down from 201/100,000 in 2008. This improvement is somewhat dampened by the reduction in Ante Natal Care coverage which dropped to 92 percent in 2009 from 97 percent the previous year.

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881. Government interventions in improving maternal health care include the implementation of free maternal health services, repositioning family planning and training and repositioning reproductive and child health staff. A safe motherhood task force is operational and Government is supporting increased production of midwives through direct midwifery training. The High Impact Rapid Delivery (HIRD) approach is also being implemented as a complementary strategy to reduce maternal and child mortality. Several districts have indicated progress in service indicators achieved and innovative strategies implemented with regard to improving maternal health.
882. A number of challenges have been identified in improving maternal health, to enable achievement of MDG 5. These include increase in scaling up maternal health services; investments in Community Health Planning Services and related Primary Health Care infrastructure and systems within the context of the Ouagadougou Declaration. There is also the need to improve deployment of skilled health workers, supply of equipment, logistics, staff accommodation and non monetary incentives.

GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

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

883. In 2009, HIV prevalence among pregnant women increased to 2.9 percent, after it declined in the sentinel surveys of 2008 and 2009. At the regional level, the Eastern region continued to show the highest prevalence recording 4.2 percent of infected pregnant women. The lowest prevalence was in Northern Region with 2.0 percent. All regions, with the exception of the Eastern Region, recorded increases in prevalence in 2009 compared to 2008. HIV prevalence in urban areas is still higher than in rural areas, with the median

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prevalence in urban communities at 3.6 percent compared to prevalence in rural sites at 2.2 percent.

884. In terms of prevalence by age distribution, the highest prevalence in 2009 was in the 40 – 44 years age group, and lowest prevalence in the 15 – 19 years age group. An estimated 267,069 adults and children were living with HIV and AIDS in 2009 with 13 percent (33,745) of these, receiving antiretroviral treatment.
885. Government recognizes the need to sustain efforts being made in order to meet the target of halting and reversing the spread of HIV/AIDS by 2015. National Strategic Plan is currently being finalised and includes the needed interventions for addressing the menace of HIV.

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

886. Malaria remains a public health concern and is regarded as a leading cause of mortality and morbidity particularly among pregnant women and children under-five years, and a leading cause of miscarriage and low birth weight. It is estimated that about 30percent to 40percent (3 -3.5 million) of total outpatient cases each year are suspected to be malaria, out of which 900,000 are children under-five. Furthermore, about 61percent and 8percent of hospital admissions of children below age five and pregnant women, respectively, are cases of malaria.
- 887.** To halt and reverse the incidence of malaria, interventions being applied focus on both curative and preventive care. The campaign on the use of Insecticide-Treated Nets (ITNs) continues to receive considerable attention especially for children less than five years. Similarly, ITN use among pregnant women has been increasing.

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GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 7A: Integrate the principles of sustainable development into country policies and programmes and reverse loss of environment resources by 2015

888. The annual deforestation rate has been averaging 65,000 hectares per year since independence and Ghana's primary rainforest has been reduced by 90 percent. In 2010, total forest area is 4,940,000 hectares, primary forest cover is 395,000 hectares representing 8 percent of total forest. A number of factors, including the activities of illegal operators, known as "Chain Saw operators" and the incidence of bush fires in some forest reserves, have contributed to the rapid depletion of Ghana's forest cover.
889. There is a need for stronger enforcement of forestry and wildlife policies and strategies to ensure that forest and wildlife resources are managed on economically viable, socially beneficial and environmentally sound principles. Streamlining institutional responsibilities, strengthening inter-agency co-ordination and strict enforcement of policies and associated legislation on forestry will help ensure sustainable natural resource and bio-diversity conservation in the country.
890. Government provides support to re-forestation through the National Forest Plantation Development programme, including with regular allocations from HIPC funds. In 2010, a total of 15,000 hectares was established. Other support has been provided to the Urban Forestry component programme.

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

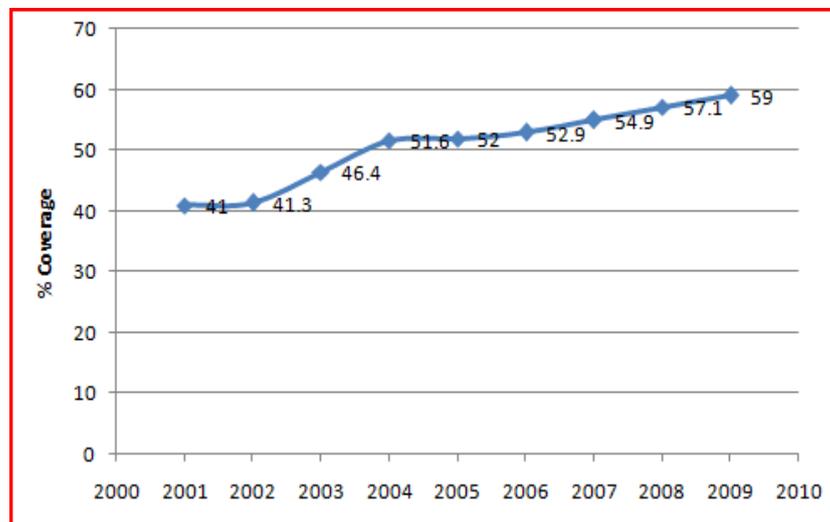
891. The national coverage for water supply as at December 2009 was almost 59 percent. This combines data from the Community Water and Sanitation Agency (for rural water

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coverage) and Ghana Water Company (for urban water coverage). The MDG target is to reach 78 percent by 2015. Data from the Ghana Demographic and Health Survey of 2008 reported national coverage at 77 percent.

892. Government in 2010 undertook a number of projects including construction of 58 small town systems and 64 new boreholes, and rehabilitation of 36 existing boreholes.

Figure 6: Improved Water Coverage



893. A number of challenges remain in terms of both rural and urban water supply. For urban areas, substantial investments are required to replace old supply lines, construct new ones to cater for population growth, change in urban land use and improvements in quality of service.
894. Quality of water is a challenge in both rural and urban areas. Chemicals such as Fluoride and Arsenic and pollutants from the activities small scale miners affect the safety of water for human consumption. Lack of water for drinking and hygiene in basic schools tends to affect retention and attendance by pupils especially female adolescents. Addressing this issue of

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adequate water supply and sanitation in schools will impact positively on this and other MDGs, particularly MDG2 and MDG3.

895. With regard to halving the proportion of people without access to basic sanitation, data available, from the 2008 Ghana Demographic and Health Survey indicated that national coverage for sanitation was 11 percent, up from 8 percent in 2003. For urban areas, coverage increased by 1 percentage point between 2003 and 2008 to reach 16 percent. Sanitation coverage in rural areas was recorded at 7 percent in 2008, from a low of 2 percent in 2003. The MDG target for Ghana is 53 percent of the population using improved sanitation by 2015. This means that about one million, two hundred thousand people will need to have access to or use an improved sanitation facility each year till the target date of 2015.

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

896. Ghana's progress towards achievement of this target of MDG 7, proportion of the urban population living in slums, has been slow. In 1990, the total number of people living in slums in Ghana was estimated at 4.1 million, and increased to 4.99 million in 2001 and then to 5.5 million people in 2008. In terms of its share of the total population, the proportion of people living in slums in Ghana has declined consistently from 27.2 percent in 1990 to about 19.6 percent in 2008. On the other hand, population with access to secure housing has stagnated at about 12 percent over the past five years. Population with access to secure housing will increase by only 6 percent by 2020. If the current pattern continues, a significant proportion (about 14 percent) of the population will still be living in slum areas by 2020.

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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

897. The eighth MDG, Global Partnerships for Development, is for an increase in aid from developed countries to 0.7 percent of Gross National Income by 2015. Most developed countries have not met this target. Aid inflows to Ghana have however shown an increase from US\$578.96 million in 2001 to US\$1,433.23 million in 2008 in nominal terms. In real terms however, aid inflows to Ghana between 2002 and 2008, stagnated at about 8.7 percent of GDP. This was after an initial rise from 6 percent of GDP in 1999, rising to 15 percent of GDP in 2001. Project aid, which comprises the largest share of aid to Ghana, is about 60 percent of total ODA.
898. Over the past two decades Ghana has been receiving external financial support (both loans and grants) of about 40 percent of budget for projects and programmes annually. This translates into annual average inflow of about US\$560 million over the period 1990 – 2000 and about US\$1,050 million for the period 2001-2008. Loan inflows have dominated external receipts, except in 2003, the inception of the Multi-Donor Budget Support (MDBS) programme, when grants recorded US\$798.98million against loans of about US\$487.31 million.

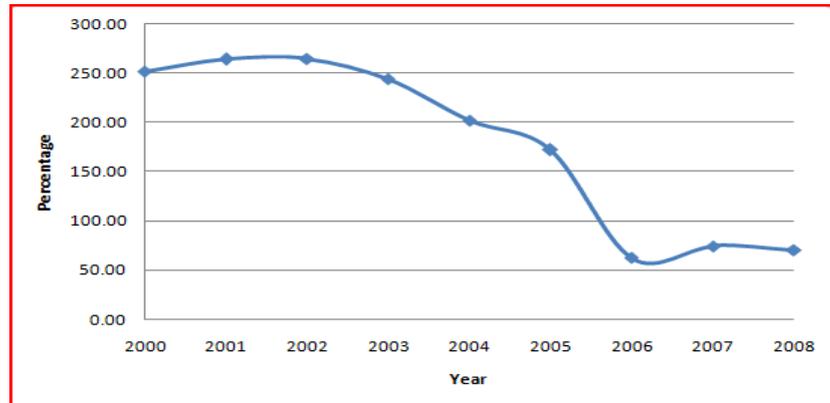
Target 8D: Deal comprehensively with LDC debt and make debt sustainable in the long run

899. Ghana benefitted from debt relief from the Highly Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) provided by the IMF, the World Bank and the AfDF. The combined effect of these reliefs has been major reduction in Ghana's external debt as a percentage of

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exports. The external debt to exports ratio declined steeply from the high levels of more than 200 percent before the Completion Point under HIPC to fairly stable levels after Completion Point. With debt relief under the MDRI, the ratios declined further to about 70 percent in 2008.

Figure 7: External Debt as a Percentage of Exports



OUTLOOK FOR 2011

Spending on poverty reduction

- 900. For 2011, spending by Government on pro-poor activities is estimated at GH¢2,485.33 million representing 24.29 percent of total Government Expenditure to support basic education, primary health care, poverty-focused agriculture, provision of rural water, feeder roads and rural electrification.
- 901. An amount of GH¢28.81 million has also been provided to support consumers of electricity by poor households, known as the Consumer Lifeline payments.

Social Intervention Programmes

- 902. Government has allocated GH¢354.20 million to fund a number of Social Interventions Programmes in 2011.

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903. For interventions in support of education, a total amount of GH¢152.94 million has been programmed as follows: GH¢10.0 million to cover school uniforms and free exercise books in deprived areas/schools; GH¢36.0 million for capitation grants and the BECE subsidy; and GH¢30.0 million for Senior High School subsidy. GH¢22.0 million will be used for Government scholarships for students from the deprived regions and also for students on priority programmes overseas. The school feeding programme will be supported with an amount of GH¢50.0 million. District Assemblies/Members of Parliaments programmes in education will receive GH¢4.94 million.
904. To improve on sanitation and waste management in cities and towns, an amount of GH¢20.8 million has been allocated. District Assemblies programmes in this area will also be supported with GH¢4.94 million.
905. Government has allocated an amount of GH¢25.0 million to the Savannah Accelerated Development Authority (SADA) for spending on priority programmes. The Central Regional Development Commission (CEDECOM) will receive an amount of GH¢5.2 million, while the Livelihood Empowerment Against Poverty (LEAP), will be supported with GH¢12.0 million.
906. Rural water supply has been allocated GH¢6.0 million. In addition, District Assemblies and MPs programmes for water have been allocated GH¢4.94 million. District Assemblies health programmes have also allocated an amount of GH¢4.94 million.
907. The National Youth Employment Programme has been allocated an amount of GH¢16.78 million for job creation; the Self Help Electrification Programme (SHEP 4) has an allocation GH¢30.0 million to enable continuation of extension of electricity to unserved areas. The Social Investment Fund (SIF) has been allocated an amount of GH¢15.0 million while

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the Plantation Development programme will receive an amount of GH¢5.0 million. An amount of GH¢4.94 million has been allocated for District Assemblies agricultural programmes.

908. A provision of GH¢10.0 million has been made to support disaster management activities and GH¢5.0 million for the Ankaful Maximum Security Prisons.
909. District Assemblies and Members of Parliament have been provided with GH¢24.69 for local priority projects. The allocation will be used for agriculture, education, health, water and sanitation as follows:
- Agriculture - GH¢4.94 million
 - Education - GH¢4.94 million
 - Health - GH¢4.94 million
 - Water - GH¢4.94 million
 - Sanitation - GH¢4.94 million
910. An amount of GH¢30.73 million has also been reserved as contingency.

SECTION 8: STRUCTURAL REFORMS OF THE MEDIUM TERM AGENDA

Public Financial Management Reforms

911. In the face of limited resources available for the delivery of expanding public services, there is the need for government to ensure value for money and the efficient delivery of services. In that regard, government has begun implementing major reforms in a bid to strengthen the public financial management system.
912. These reforms include the transformation of public financial reporting systems through the implementation of the **Ghana Integrated Financial Management Information Systems (GIFMIS)**. The major focus of the GIFMIS is the upgrading and fresh installation of Oracle Public Sector Financial e-Business Suite software, with its setup and re-implementation as the over-arching financial accounting and management system for the accounting, control, audit and reporting of the GoG budget appropriation. GIFMIS is expected to improve the effectiveness of service delivery and the allocation of resources, using new tools and processes to ensure more accountable, effective and transparent government.
913. In addition, Government has begun the introduction of **Programme Based Budgeting (PBB)** over the next five years, as part of efforts to address existing weaknesses in the budgeting system. The current Activity Based Budgeting is too detailed, cumbersome and does not lend itself easily to performance management due to over emphasis on inputs and activities instead of outputs and results.
914. This specific budget reform, therefore, will help introduce performance orientation, flexibility and simplicity in the budget system to improve resource allocation and utilization.

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915. Preparatory work will begin on a new and comprehensive budget law to effectively regulate the management of the entire public finances. In this regard a comprehensive legislative review will be undertaken of all existing legislations governing public financial management to ensure compliance with the constitution and effective management of public funds.
916. Madam Speaker, in 2009, Government introduced an interim manual system of a **Cash Management Framework** with collaboration between the GRA, CAGD, MoFEP and the Bank of Ghana. The monthly results from the Cash Management Committee has informed cash management of government and helped to support the fiscal consolidation process. A framework for capturing outstanding payments has also been developed to support the cash management process. The second and third phases of the **Treasury Single Account** project will entail the completion of extending the monitoring of Government accounts to those at Bank of Ghana and the Deposit Money Banks.
917. MoFEP has also established a contract database framework which tracks the engagement in contracts by all MDAs. The benefit of this framework is to establish the potential liabilities on Government finances. In 2011, this process will be deepened to support budget execution.
918. The **Ghana Revenue Authority (GRA)** was launched in January 2010 following the promulgation of Act 791 . The project charter, organizational structure and project plan have been prepared and approved. In 2011, the GRA intends to review the Internal Revenue Act, Customs, Excise and Preventive Act and complete the project to review the VAT Act. The three pre-existing revenue agencies have been brought under common management in a newly established Ghana Revenue Authority (GRA) with the appointment of a Commissioner General.

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Fiscal Decentralization

919. As part of efforts to improve Public Financial Management at the local level, government will scale up activities to fully implement the fiscal decentralization policy. In connection with that, institutional and capacity development will be undertaken to facilitate speedy implementation of the revised intergovernmental fiscal framework.
920. In 2011, particular attention will be paid to resource allocation, utilization and reporting at the local level.

Wage Management

921. Madam Speaker, the Government is committed to the welfare of the ordinary worker and has demonstrated commitment to the implementation of the Single Spine Pay Policy.
922. However, achieving success in fiscal management requires prudent management of the public sector wage bill. Failure to rein in public sector wage pressures will continue to make capital investments a residual adjustment item in the budget. The expectation is that public sector wage pressures may increase as each group pushes for what they perceive as historical distortions and inequities. With government as the single largest employer, managing expectations of public sector wage demands is critical, lest it spills over to the private sector with potential adverse impact on the dynamics of transforming the economy.
923. In order to minimize the wage risks, the government has taken a number of measures that seek to lay the basis for a comprehensive public sector reform. The key objectives of the reform are to link public sector pay to productivity; to bridge the gap between public sector incomes and incomes in the private sector, in order to attract competent and

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experienced people into the public service; and determine the optimal number of workers required to efficiently deliver public services. The government has also taken the initiative to clean the public service payroll of "ghost names", duplication and waste.

924. The headcount of the 283,000 staff of the Public Education Sector was conducted in July-August 2009, with data collected from nearly 20,000 educational establishments. Following cross-checks conducted through March 2010, and an opportunity to appeal, salary payments for 1,157 apparent ghost workers have been suspended starting in April 2010. Verification work is on-going on about 11,300 on workers classified as Verifiable Potential Ghosts with a view to detect more ghost workers. Reflecting good progress on this headcount, similar audits will be launched for other ministries, to be completed by end- 2011.
925. The current stand-alone payroll database will be integrated and upgraded into the GIFMIS once roll-out of the latter has been completed. Pending this integration, for agencies already on the payroll database, new recruitment will continue to be verified by the CAGD on a continuous basis to ensure appropriate budget authorization.
926. The following measures are proposed over the medium term to ensure the sustainability of the SSSS:
- Implementation of the Single Spine Pay Policy within a five-year period consistent with the White Paper on the SSPP;
 - The rationalization and standardization of allowances and benefit which are not part of the SSSS will be undertaken as a matter of urgency to ensure that such allowances are negotiated to sustainable levels. In the interim, no new rate for allowances would be approved until the

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rationalization and standardization exercise are completed by the Fair Wages and Salaries Commission (FWSC);

- payroll audits in public sector institutions will be intensified to ensure elimination of ghost names and measures to prevent their recurrence will be instituted. Already, a company has been engaged for this purpose;
- performance management-related public sector reform such as labour rationalization and others which ensure that remuneration is tied to productivity will be accelerated; and
- migration of all subvented agencies onto the IPPD will be accelerated.

927. Madam speaker, significant progress has been made in the implementation of the Single Spine Pay Policy. A number of institutions have already been migrated onto the Single Spine Salary Structure (SSSS). The rest of the institutions will be migrated as soon as their mapping exercise and other related tasks are completed.

928. Madam Speaker, it is also necessary to make the SSPP succeed. Previous attempts of salary consolidation such as the Ghana Universal Salary Scheme (GUSS) did not succeed yet the costs often feed into the base of any new scheme in an adhoc and haphazard manner. We are, therefore, determined to make progress by making this scheme a reality.

Rigidities in the Budget

929. Madam Speaker, last year, I mentioned the lack of space for policy manoeuvre in the budget structure. Indeed, the national budget has become very lopsided and a victim of inordinate rigidity caused by the earmarking of a large part of it. A disproportionate portion of the national expenditure is

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statutorily determined, taking the form of GETFund, NHIS, and District Assembly Common Fund (DACF). This is in addition to the other contractual obligations, such as interest payments, wages and salaries, and pensions that have to be met in the budget. The rigidities that these statutory and contractual payments introduce in the budget are such that virtually very little revenue is left to fund other critical expenditures.

930. Madam Speaker, in the face of the serious rigidities in the budget because of the statutory transfers and contractual obligations, implementing the Single Spine Salary Structure on a sustainable basis poses serious challenges. Indeed, the implementation of the Single Spine Salary Structure would result in inadequate resources for funding of social intervention programmes on a sustainable basis.
931. Although, the implementation of this new wage policy is stretched over a period of five years, the wage bill for fiscal year 2011 is estimated at 12 percent of GDP, making it one of the highest in sub-Saharan Africa. Not only that, but also over 75 percent of the total wage bill and the associated increases resulting from the Single Spine Salary Structure goes to employees in only three MDAs, namely the Education, Health and Local Government, which ironically are the very sectors with the statutory funds that introduce rigidities in the budget structure and leaves no revenue space for the sustainable implementation of the Single Spine Salary Structure.
932. Madam Speaker, to ensure that the Social Intervention Programmes of Government are implemented on a sustainable basis consistent with the medium term expenditure framework, distribution formulas for parliamentary approvals of the DACF, GETFund and the National Health Insurance Fund will be structured to allow for

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up to 30 percent of such transfers to be used to finance these programmes.

MANAGEMENT OF DOMESTIC ARREARS

933. Madam Speaker, when I appeared before you last year, I mentioned the legacy of arrears that this Government inherited on assumption of office in 2009. The arrears totaling GH¢1,801.56 million related to unpaid invoices and certificates for various works done in the period leading to December 2008. In 2009, Government paid GH¢626.5 million of the arrears. For the 2010 fiscal year, Government has paid arrears of GH¢246 million in addition to GH¢445 million of the outstanding TOR liabilities to GCB.
934. In view of the constraining effects of these arrears on macroeconomic management and Government's development agenda, measures will be taken to efficiently manage arrears and commitments in order to mitigate their impact on the budget over the medium term. We will come back to this august House, shortly with additional proposals on the management of arrears and commitments.
935. Madam Speaker, as a first step towards the management of this process, Government has directed that all MDAs must obtain Commencement Certificates from the Ministry of Finance and Economic Planning before committing Government in respect of new and on-going projects.

Management of Oil and Gas Revenue

936. Madam Speaker, although the nation will begin to reap the benefits of the oil find in terms of revenue in 2011, I wish to draw attention to the fact that the flow of revenue from oil in these early years will be in small portions. For the 2011 fiscal year, expected oil revenue will form only about six percent of total revenue. We, expect all Ghanaians to be moderate in their expectations from the oil. We must continue to focus

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our attention on the non-oil sector of the economy which hitherto has been the backbone of the economy.

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SECTION 9: POLICY INITIATIVES

937. Madam Speaker, Government will continue with interventions that are consistent with the medium term objectives of this country as outlined in the GSGDA document and initiate new policies to sustain growth for development and job creation. The interventions will include the measures outlined below:

Priority Spending for 2011

938. Madam speaker, the role of infrastructure development in accelerating economic growth is very crucial, especially at this stage of the country's development. Indeed the infrastructure deficit in the energy, housing, roads and water sectors undermine the ability of many businesses to produce goods and services in an efficient manner. The Ghanaian economy is expected to grow significantly in the coming years with oil and gas coming on stream. Over the medium term, investment decisions will focus on the following key priority areas that are expected to drive the growth process. The areas are:

- Accelerating agriculture modernization;
- Developing oil and gas industry;
- Developing critical infrastructure;
- Sustaining natural resource management and environment;
- Enhancing the competitiveness of the private sector; and
- Human resource development

939. Madam speaker, the 2011 budget will ensure significant investment in the areas of agriculture, rail transport, roads and highways, energy and housing in pursuit of government growth strategy. This will be complemented by investment in the social sector to improve the living standards of Ghanaians in general and the poor in particular. Specifically, there will be major interventions in the education, health and water

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sectors. These ministries will be provided with adequate domestic and foreign resources to implement the growth oriented programmes for job creation as indicated in Table 19:

Table 19: Allocation for Growth Oriented Programmes

	Growth Oriented Programme	GOG	IGF	Social Intervention Programme	Donor	Total
	Economic	91,929,287	26,956,050	55,138,410	535,625,549	709,649,295
1	Food and Agriculture	78,349,789	5,890,390	19,938,410	117,371,999	221,550,587
2	Energy	4,289,022	-	30,000,000	371,206,550	405,495,572
3	Private Sector	9,290,476	21,065,660	5,200,000	47,047,000	82,603,136
	Infrastructure	114,252,650	34,641,975	20,938,410	742,926,953	912,759,988
4	Water Resources, Works and Housing	16,618,212	1,165,840	10,938,410	529,903,428	558,625,890
5	Roads, Highway and Transport	97,634,438	33,476,135	10,000,000	213,023,525	354,134,098
	Social	1,884,373,268	670,660,392	107,876,820	307,782,475	2,970,692,955
6	Education	1,477,730,827	314,252,860	102,938,410	88,295,350	1,983,217,447
7	Health	406,642,440	356,407,532	4,938,410	219,487,125	987,475,507
	Total	2,090,555,204	732,258,417	183,953,640	1,586,334,976	4,593,102,238

Disbursement of project loans and grants

940. Madam Speaker, our development partners have significantly improved on the predictability of their direct budget support to the government. Unfortunately, a large part of the financial resources provided by development partners remain unutilised.

941. The slow disbursements of funds are as a result of the following'

- Inadequate matching funds for projects
- Difficulty in project design
- Non adherence to disbursement procedures
- Poor management and supervision of projects
- Ineffective reporting systems

942. Madam speaker, to address the slow disbursement of project loans and grants steps have been taken to ensure a high disbursement rate of donor funds especially in the 2011

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priority areas. These include the provision of adequate counterpart funds for the project loans and grants. In addition, project management and procurement guidelines and training will be provided for all staff managing projects with support from our development partners.

943. Efforts will be made to improve on effective monitoring of projects through the development of a comprehensive monitoring and evaluation plan and schedule to guide project implementation. This will be complemented with quarterly projects meetings of sector ministries, development partners and Ministry of Finance and Economic Planning
944. Madam Speaker, the US\$547 million **Millennium Challenge Account** Ghana programme, will be nearing completion by the end of 2011. Grant disbursement under the scheme to support Agriculture, Transportation and Rural Development programmes in 2011 will amount to GH 354.8 million.

China Billion Dollar Framework Agreements

945. In pursuit of the NDC Government's Manifesto commitment to invest in the nation's infrastructure as an anchor for accelerated economic transformation, His Excellency the President in September, this year, led a high powered team to the People's Republic of China and signed agreements totaling some 13 billion dollars.
946. The two agreements signed with the China Development Bank and the China Exim Bank respectively, will when crystalized, see a massive investment that will bring about an unprecedented transformation of the nation's infrastructure in the areas of road, rail, energy, water, education, etc.
947. In the course of 2011, as the financing terms of the projects covered by these two framework agreements reach their final stages, specific loan agreements will be brought before

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Parliament to seek approval to pave way for the accessing of these pivotal resources to accelerate the pace of the nation's infrastructural transformation.

Water for All

948. Madam Speaker, good water is a basic human need and a requirement for the sustenance of life. Unfortunately, many of our compatriots have to live without potable water. In most of our rural communities, citizens have to depend on streams and rivers as their source of water. Madam Speaker, government will provide safe and portable water to the citizenry to reduce the incidence of health related water borne diseases government will provide 20,000 boreholes across the country over the next five years starting 2011 fiscal year.

Addressing Endemic Poverty (Savannah Accelerated Development Authority and Central Region Development Commission –CEDECOM)

949. Madam Speaker, in fulfillment of Government's pledge to address the unacceptably high incidence of poverty in the northern Savannah regions and in the Central Region, the two institutions will be supported to facilitate and implement major poverty reducing programmes.
950. In that regard, adequate provision has been made for SADA to implement their programmes for the 2011 fiscal year.
951. For CEDECOM budgetary provision has made for the implementation of initiatives in the areas of tourism development, agribusiness, salt production and human resource development to create jobs and facilitate business in the region.

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Protecting the Non-Oil Sector

952. Madam Speaker, the recent rebasing of the country's national accounts provides data on the growth poles of the economy to guide policy analysis and decision making. It is evident from the rebased data that the traditional sectors of agriculture and manufacture have lost out to the service sector in terms of contribution to GDP.
953. Based on rebased data, growth rates recorded in the Agriculture, Industry and Service Sector were – **1.7** percent, **6.1** percent and **7.7** percent respectively in 2007. Provisional figures for 2010 show agriculture and Industrial growth of **4.8** percent and **6.0** percent respectively compared to **8.2** percent growth in the service sector.
954. Madam Speaker, Government recognizes the immense contribution of the non-oil sector towards the growth and development of this country. Measures will be put in place to ensure the continuous sustenance of the non-oil sector in order that it does not play second fiddle to the oil sector as has happened in some oil producing countries.
955. Madam Speaker, the 2011 budget would seek to address this by specific interventions in the agriculture and the manufacturing sectors to revamp their lead in the growth agenda. The private sector would be supported in diverse ways in the effort of increasing industrial production and output that would create jobs.
956. Designing and implementing policies and strategies to modernize the agricultural sector and at the same time targeting the development of the industrial and services sectors to increase their contribution to GDP will therefore be top priority of government.

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957. Madam Speaker, Government's agriculture development strategy is based on the knowledge that agriculture has significant potential to grow beyond the levels experienced in recent years. Specific interventions in the agric sector to ensure growth in output and the elimination of income variability will include the following:
- Accelerating the use of mechanization;
 - Establishing district centres for agriculture advisory services;
 - Improving the application of modern science and technology;
 - Promoting the development of appropriate irrigation schemes; and
 - Providing agriculture financing through the establishment of Agricultural Development Fund.
958. Madam Speaker, the private sector will also be assisted to become globally competitive in support of government's growth and development agenda. In this respect, government will ensure the creation of a diversified, innovative and fully integrated industrial sector with the active participation of the private sector. Government expects the oil and gas sector to impact significantly on economic activities over the medium term to achieve the right synergies for job creation. In this connection, the Public-Private Partnership (PPP) option in the implementation of mega projects in the construction, transport, manufacturing and service provision sectors will be explored.
959. The issue of high economic and non-economic cost of doing business will be tackled in consultation with other stakeholders and government will continue to promote public-private partnership to accelerate the development and implementation of policies.

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Automation and Modernization Programme Of The National Lottery Authority

960. Madam Speaker, as part of its automation and modernization programme, the National Lottery Authority will deploy ten thousand (10,000) points of sales terminals during the year. This will create at least 10,000 jobs for new lotto marketing companies, and facilitate the participation of the remaining banker to banker and former private lotto operators in the lotto marketing business as defined under the lottery Act 722. New products will be introduced and commissions restructured to increase NLA's contribution to the treasury.

Private Sector Competitiveness.

961. The Government of Ghana (GoG) has developed a new Medium Term Development Plan to replace the Growth and Poverty Reduction Strategy (GPRS II covering 2006-2009), which like the previous strategies, is expected to prioritize growth as the way of reducing poverty. The design and development of Ghana's Medium Term Private Sector Development Strategy Phase II, has been designed with the theme: 'A thriving private sector – Job creation and enhanced livelihood for all'. This initiative has three main strategic objectives:
- To improve the investment climate;
 - To transform the economy from a factor driven economy with a competitive, efficiency driven economy;
 - To provide greater incentives for creating formal jobs and improving livelihoods.
962. To achieve these three objectives, the government is committed to creating an environment which broaden investment and encourage greater enterprise development and innovation. Government also will create a more supportive basis for transforming the economy by increasing

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productivity, especially in the small and medium enterprise sector and will provide greater incentives for creating formal jobs. Finally, the Government will work towards increasing economic opportunities for the poor especially in underdeveloped regions.

963. To achieve these two objectives, Government is committed to creating an environment that is conducive for the private sector to expand and create jobs.
964. Madam Speaker, challenges still remain, but Government is committed to making improvements in the areas of:
- Starting a business;
 - Dealing with licenses;
 - Increasing Job creation;
 - Registering property;
 - Access to credit;
 - Payment of taxes; and
 - Contract Enforcement.
965. Madam Speaker, Ghana's regulatory system has been characterized by unclear divisions of regulatory responsibilities between agencies, duplication in functions, and lack of clarity in the roles and powers of the agencies among others.
966. To address these challenges, Government will undertake the following specific actions:
- Design a transparent, simplified and client-friendly business application process that covers divergent and cross-cutting issues for small, medium and large enterprises.
 - Provide support to develop and strengthen public-private dialogue.

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- Ensure the continual implementation of an outreach and capacity building programme to raise awareness among potential private sector players.

967. Madam Speaker, as part of government's continuous commitment to support the private sector, a well coordinated reform initiative within the framework of Public Private Partnership (PPP) has begun. The PPP policy document has been finalized and will be submitted to cabinet for approval. In this regard projects such as the Alstom Power Plant in the energy sector, the Takoradi and Tema Port expansion and the Accra Kumasi Toll road will be undertaken within the PPP framework.

968. Madam Speaker, we wish to assure Ghanaians and the international community that we will not be complacent but rather maintain the pace of reforms that have brought us this far.

Affordable Housing Using Local Raw Material

969. Madam Speaker, housing is recognized as one of the important infrastructural development necessary for the economic growth of this nation. Ghana faces an acute housing deficit of one million units especially in the urban centres. The cost of housing and other infrastructural development is excessively high as most of the materials used are imported. However, there exist abundant raw materials which can be used in the construction industry to reduce import content in the construction industry.

970. Madam Speaker, government is seeking to ensure that by the year 2015 at least 60 per cent of materials used in the building and construction industry will be indigenous raw materials. A housing policy programme on the utilization of local building materials such as clay brick and tiles, pozzolana

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cement, bamboo etc in the construction industry has already been prepared on the initiative of government.

971. It is anticipated that the increased use of these durable local materials will considerably reduce the import bill on building materials in addition to the following:
- conserving capital;
 - providing employment for the youth especially within the localities;
 - providing affordable housing;
 - improving engineering qualities;
 - generating revenues to the state; and
 - improving infrastructural development especially in districts where indigenous building material plants will be located.

Monetisation of Government Interests in Mining

972. Currently, Ghana has shares and carried interests in a number of mining companies that enable government to receive significant cash flows from royalties and dividends. The current increases in gold prices, increased demand for gold exposure by investors, and the appreciation in the equity interests in the gold mining companies present a unique opportunity for the government to consider the monetization of all or portion of its gold interests to deliver a significant capital sum to support the nation's growth and development.
973. Beginning in fiscal year 2011 therefore, government will commence discussions on the establishment of a national vehicle, the 'Ghana Gold Company (GGC)', which will hold the country's gold royalties and equity interest. The GGC will be a newly incorporated company that will be 100 percent owned

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by the government and into which the government will transfer its gold and equity interests.

974. The benefits to government of having such a company are several, including the following:
- delivery of significant capital sum to the government, raised from private markets;
 - innovative way to capitalize on the market premium for royalties;
 - provides government with continued exposure to capital appreciation of a national company, together with ongoing dividends;
 - availability of capital raising options to government, including trade sale, stock market listing, gold-linked bond issue, etc;
 - existence of a national vehicle that can raise further capital from future royalties and/or other assets.

Pension Scheme for the Informal Sector

975. Madam Speaker, H.E. the President, Prof. J.E. Atta Mills launched the new pension scheme on 16th September, 2009. Following the passage of the National Pension Act, 2008 (Act 766), the National Pensions Regulatory Authority has been established to oversee the administration and management of the new three-tier pension scheme.
976. Implementation of the new scheme started in January 2010 with the mandatory first and second tier schemes, followed by the voluntary third tier which commenced on 1st May 2010. The Pensions Regulatory Authority has issued provisional registration to a number of employer sponsored provident fund schemes and group pension scheme for the informal sector.
977. Madam Speaker, it is important to note that provision has been made in the third-tier voluntary personal pension

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scheme to cater for the peculiar needs of workers in the informal sector who are about 85 percent of the working population.

978. Informal sector contributors will have two accounts, a retirement account (to provide benefits on retirement) and a personal savings account with rules for withdrawals before retirement. What this means is that workers in the informal sector can now participate in a pension scheme which will take care of them in their old age and just like counterparts in the formal sector, will also receive monthly pensions as well as a lump sum.

Social safety nets

979. The most vulnerable groups are supported through a number of programmes, including the capitation grant (financial support for school fees), school feeding, fertilizer subsidies for small-scale farmers, NHIS and reduced electricity tariffs for lifeline consumers. In updating the government's poverty reduction strategy for the medium term, the government reviewed the complementarity and effectiveness of the various social safety nets. At the same time, the government has worked with key stakeholders to review the current classification of poverty-reducing expenditure, and will ensure that the support focuses on the key programmes.

Programme of Persons with Disability

980. The share of the Common Fund for person with disability is to be increased from the current 2 percent to 3 percent in line with the social democratic tenets of the NDC of supporting the disadvantaged. District Assemblies are to ensure speedy releases of the funds to support the programme of persons with disability.

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Electricity sector

981. Following finalization of a study of the operations of the electricity sector, government adopted a comprehensive financial restructuring and recovery plan for the sector. The key elements of this plan are: (i) an upward adjustment in electricity tariffs; (ii) implementation of actions to strengthen revenue collection by the electricity sector public utilities; and (iii) adoption of a plan to restructure the balance sheets of the utilities by the end of 2011. Going forward, tariffs will be subject to quarterly reviews to ensure continued cost recovery. However, Government will continue to make provision in the Budget to provide subsidies to support life-line consumers of electricity.

Supporting Poultry Farming

982. Madam Speaker, last year, Government promised to assist poultry farmers to acquire equipment, chicken feed, chemicals and other inputs to enable them undertake large scale production of poultry in the country. Government also promised to levy duties to cut down on imports of poultry and fish into the country and to support local production.
983. During the year, government engaged the Poultry Farmers Association on how to increase local production to the level where domestic demand can be met in fiscal year 2010. Government found that the major constraints to large-scale poultry production in the country are lack of credit, equipment, and poultry feed.
984. To support poultry farmers to increase local production of chicken and eggs, a significant portion of the Japanese grant and other grants will be made available to poultry farmers to be used to acquire the necessary equipment and chemicals for the industry. Government also believes that the huge production of maize in recent times should support local

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production of poultry feed in the country. Discussions are also underway with some foreign investors on the production of poultry feed in the country. Once the discussions are concluded and production commences, the problem of lack of poultry feed will become a thing of the past.

Public Debt Management

985. Madam Speaker, while grant financing and concessional loan financing will constitute the core component of external support in the near future, nonconcessional financing will be used for projects contracted or guaranteed by the government where there is no scope for concessional or grant financing, the impact on debt sustainability is manageable, and project evaluations show a high rate of social or economic return.
986. A number of reforms are being introduced to further strengthen debt management. These include:
- the adoption of an explicit debt management strategy, establishing clear objectives for debt management in terms of the cost and risk of the debt portfolio, and identifying potential funding sources and consideration for probable changes in the relevant legislation in the face of the possible use of new financial instruments;
 - close monitoring of all public sector external debt contracts by the Ministry of Finance's Debt Management Division; and
 - the adoption of clearly defined framework for appraising Public investment projects being considered for nonconcessional external loan financing, their benefits and prioritization across projects, to ensure consistency with the government's developmental

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priorities. Guidelines laying out this process will be developed by the Ministry of Finance and submitted to Cabinet for approval.

Public Private Partnership

987. Madam Speaker, the Government is committed to improving public investment management through a framework that facilitates public and private investment in the delivery of infrastructure and public service projects. In this regard, the Ministry of Finance & Economic Planning has established a Public Investment Division (PID) which will be the central organ within Government to provide strategic guidance to: (1) national investment and project development;(2) project appraisal;(3) project screening, selection and budgeting;(4) project implementation;(5) project adjustment; and (6) project evaluation and monitoring.
988. Madam Speaker, the establishment of the PID reflects an assurance of efficiency in public investment decisions to boost investment in public infrastructure and services that contribute to improvements in human capital.
989. Madam Speaker, in line with Government's policy in accelerating infrastructure modernization a Public-Private Partnership arrangement has been concluded for the Construction of a Fly-Over and Vehicular Interchange over the Accra-Tema Motorway at Teshie Link. This aims at reducing congestion, reducing travel time and facilitating the movement of goods and people within the Accra-East Corridor.

SME DEVELOPMENT

990. Madam Speaker, Growth and Employment in Ghana, are directly linked to the growth of SMSE's. Most businesses in

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Ghana fall within the category of Micro, Small and Medium Enterprises, with an employment capacity of close to 70 percent of the Ghanaian labour force.

991. SME's thus have significant contribution to make to Ghana's socio-economic development and growth, and the attainment of its middle income status.
992. Despite these benefit, the tremendous potential of small and Medium Enterprises are yet to be realized, due to the challenges confronting the sector – which has led to the shifting of focus from entrepreneurship to a proliferation of petty trading nationwide.
993. Madam Speaker, Government has put in measures to remove bottlenecks constraining MSME's development.
994. These measures include:
 - The Government through the Ministry of Trade and Industry under the (Private Sector Development Strategy stage II) will strengthen SME Support institutions such as NBSSI, GEPC, EMPRETEC and NGO's working in the area of entrepreneurship and enterprise development;
 - Collaboration with and strengthening of SME's business associations, through consultations and dialogue;
 - Provision of vital information to SME's to facilitate effective linkages and networking among SME's and between SME's and Large Scale Enterprises;
 - Entrepreneurial Skills Development through Harmonization and Coordination of entrepreneurial programmes and activities of various training agencies, so as to enhance the managerial, technical and other competencies of SME operations.

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AGRO-PROCESSING

995. Madam Speaker, Government intends to boost commercial agriculture by engaging the private sector through the Public Private Partnership framework in agro processing. The Public Investment Division of the Ministry of Finance and Economic Planning has been tasked to work with the Ministry of Food and Agriculture to consider proposals from private sector organisations in developing large scale commercial farms in rice, maize and soya bean cultivation and processing among others with the expertise from South Africa using state of the art technology. With the help of the South African expertise, large feed processing mills will be established as part of the agro processing to feed the poultry industry. This agricultural development programme will help in: -
- Sustaining the country's food security and also meet needs of the School Feeding Programme;
 - Stimulation of domestic economic activity particularly in the agro-processing sector; and
 - Contributing to the millennium development goal of required healthy levels of animal protein consumption by the year 2015.

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SECTION 10: CONCLUSION

996. Madam Speaker, the budget I have tabled before this august House gives further impetus to the government's commitment to create a "Better Ghana" for all.
997. Madam Speaker, the NDC Government has done a lot in the two years that it has been in office to restore macroeconomic stability and put the economy on a path of rapid and sustainable growth. Inflation has been reduced to a single digit; interest rates are on a declining trend; the twin deficits of fiscal and current account have been reduced to acceptable levels; foreign reserves have increased significantly, which together have stabilized the value of the Cedi. These are by no means a small feat in a period of two years.
998. Madam Speaker, the theme for this year's budget, "Stimulating Growth and Development for Job Creation", is indeed appropriate. The 2011 budget puts Ghana on the right path to achieving accelerated economic growth and prosperity in an environment of stability. Indeed, the economy will grow rapidly in the coming years, supported by the scaling up of the disbursement of project loans and grants and utilizing the new opportunities for higher growth that may accompany the downstream activities of the oil and gas industry.
999. Madam Speaker, significant resources have been deployed to modernize agriculture, boost manufacturing, provide critical infrastructure, improve the delivery of water, sanitation and electricity services, support the private sector to grow and become more competitive, and develop our human resource capability. Government is also ensuring that the appropriate structural and institutional reforms take place so that the mixture of agriculture, manufacturing, mining, oil and gas provide a modern, dynamic and diversified economy.

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1000. Madam Speaker, government has also kept its commitment to implementing the single spine salary structure which was introduced by the previous government. The government is implementing the policy despite the obvious risks and challenges it poses to fiscal management in the country because of the positive impact it has on welfare and living conditions of employees in the public sector. This is a demonstration to the people of Ghana that, even in the face of serious resource constraints, the welfare of the people will not be compromised by the government.
1001. Madam Speaker, the proposals I have tabled before the House today seek to grow the Ghanaian economy on a sustainable basis; create jobs to reduce unemployment; improve household and business incomes to broaden the base of wealth creation; and improve the delivery of social services, including healthcare and access to quality education, to improve the quality of life of the people of Ghana.
1002. Madam Speaker, I believe, steadily and surely, we are on course towards fulfilling our 'Better Ghana' agenda.
1003. Madam Speaker, I beg to move.

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APPENDIX TABLES