

AHEAD OF OUR TIMES, BEYOND OUR MEANS

Foreword

Government has made modest gains in its quest to improve the standard of living of the people of Ghana. The successful implementation of the GPRS and the stabilization of the economic environment in the last six years have contributed greatly to this improved state.

However, the 'wish-list' of most MDAs is a never-ending one. Due to the scarcity of resources (money, energy and time), some brilliant government policies for economic growth and wealth creation are left unimplemented.

This document among other measures catalogues initiatives that were proposed by Ghanaians but could not be considered in the 2007 Budget Statement and Economic Policy of Government, because of lack of resources or capacity to implement them immediately.

These initiatives could be taken on board when Government raises more resources or builds enough capacity to implement them.

Government hopes that Ghanaian entrepreneurs, philanthropic organisations, religious bodies, development partners etc. may have interest in some of the projects and invest in them immediately.

These include:

1. Hosting International World Sporting Events;
2. Reducing the burden of parents;
3. Empowering women;
4. Bridge Financing;
5. Improving Accountability and Good Governance;
6. Promotion and Enhancement of Tax Filing Consciousness;
7. Reducing Regional Disparities;
8. Supporting private hospitals; among others;
9. Pro-Poor projects and programmes.

We are committed to poverty reduction and the creation of wealth. We encourage all Ghanaians to come on board and lend their support so that together in unity, we can achieve our goals and continue in the development of an ever-advancing civilisation.

Kwadwo Baah-Wiredu, M.P.
Minister

TABLE OF CONTENT

ITEM	PAGE
Foreword	3
Ahead of Our Times	6
Beyond Our Means	18
Administrative Systems	38

1. AHEAD OF OUR TIMES

In an attempt to address the perennial challenge of closing the gap between revenue and spending, we need to go beyond the traditional approaches and introduce some innovations. Below are some of the innovations to accelerate our pace of development.

1.1. PRIVATE SECTOR DEVELOPMENT

1.1.1. Promoting Investment Abroad

To enable local Ghanaian industries to take advantage of the vast opportunities in Asia; particularly China, India and West Asia, as well as the rest of Africa, Government will roll out a plan to encourage local companies to invest overseas.

The objective of Government is to create Ghanaian-owned businesses, currently operating in Ghana, to enter the global market.

Towards this end, Government will collaborate with Banks in Ghana to explore the possibilities for funding Ghanaian companies with the capacity and potential for venturing abroad.

1.1.2. Promoting Product Branding

Government recognises that international markets are becoming increasingly competitive.

Given that our companies are actively involved in the global supply chain, we need to produce quality products under our own brands that meet international standards.

More innovative branding strategies, highlighting the uniqueness of Ghanaian products and spelling out their competitive qualities could be a starting point.

Government will begin to consider extending double deduction on expenses incurred in advertising Ghanaian brands locally and internationally.

The deduction should be given to a company that currently owns the brand. It must also be extended to a company within the same group that incur such advertising expenditure.

1.1.1. Reviewing the Industrial Sector

An industrial sector development programme is under preparation to harness the potential of Ghana's vast mineral resources for the development of the country. Huge deposits of

- a. Bauxite in the Atiwa and Nyinahine (Eastern and Ashanti regions respectively),
- b. Limestone deposits in the Western and Northern Regions,
- c. Iron Ore deposits- Western Region,
- d. Silica Sand in parts of the coastal belt and indeed several other metallic and industrial products.

This country will have to take advantage of the most advanced technology to leap-frog in its industrialisation programme.

The Government has supported the establishment of an Infrastructure Institute, to introduce the best practice of infrastructure delivery efforts to improve this sector.

The Institute will bridge the gap between research, academia and policy and support Cabinet and MDAs make best choices in Energy, Telecommunication, Water and Sanitation, Transport and Urban Planning and Development.

For instance, a comprehensive Railway Sector Development Strategy has been prepared to make railway serve major cities, current and future mining areas, and also link up with neighbouring countries to enhance the delivery of goods and services.

The railway sector has a role to play in agriculture, industrial and manufacturing sectors of the economy. The sector will be developed to reduce the enormous pressure on our roads. The Institute will be supported to perform its functions with an amount of ₵5 billion.

1.1.3. Second Hand Clothing

There is the need to engage the Association of the Second Hand Clothe Dealers and the Association of Seamstresses and Tailors to dialogue to create a win-win situation for both groups.

The ISD, NCCE and other institutions with public education functions will be charged to carry out the sensitization of the two Associations and the general public. This is part of the drive to make people buy clothes made in Ghana.

This initiative will reduce foreign exchange used for importation of second hand clothes and also create jobs for Ghanaians.

1.1.4. Promoting Indigenous Technology

Government needs to support the emergence of local technology and expertise.

Local businesses able to develop equipment and machinery should be supported to produce on a large scale.

For example, the innovative man from Nkoranza who has built a tractor as well as Apostle Kwadwo Safo of Christo Asafo will be supported by government to produce on a large scale to meet local needs, especially in the deprived areas.

An amount of ₵20 billion will be required for a pilot project in promoting our indigenous technology.

1.1. 5. District Plant Pool

Most local road contractors face a challenge of acquiring the appropriate equipment to make their operation cost effective. They face the problem of being competitive.

Contracts won are normally unduly delayed.

To help local road contractors to become competitive and efficient in the regions and districts, the government will promote Private Public Partnership Arrangements (PPPAs).

The private sector is encouraged to acquire a pool of equipment at the district and regional levels to hire out to road contractors as a potentially lucrative area of investment. The District Assemblies will own 20% shares in this arrangement.

The Ministries of Local Government, Rural Development and Environment, Transport and Finance and Economic Planning will be encouraged to draw up modalities for the commencement of this venture. The table below indicate the proposed number per district.

Seed money of ₵5 billion each will be given to each District Assembly that is able to identify a private partner for the venture.

PLANT POOL REQUIREMENT AT REGIONAL LEVELS

NO.	EQUIPMENT DESCRIPTION	DISTRICT	REGION
1	Pay Loader	1	
1	Low Loader	1	
1	Bitumen sprayer	1	
1	Chipping Spreader	1	
1	Tipper Truck	3	
1	Bull Dozer	1	
1	Roller	Small	1
		Big	1
			2
1	Grader	1	

In so doing, efficiency could be achieved and funding could be arranged with other private sector players to come on board to support this initiative.

1.2. HUMAN RESOURCE DEVELOPMENT

1.2.1. Hosting of International Sporting Events

The Ministry of Education, Science and Sports in a letter dated 31st December, 2004 has signalled Ghana's intention to host the:

- FIFA World Cup in 2052;
- Summer Olympic Games in 2032;
- Commonwealth Games in 2022; and
- 10th All African Games in 2011.

Hence, Ministry of Education, Science and Sports will initiate a process to start preparation from 2008 by ensuring equipment and venues are ready, for these future undertakings.

1.2.2. Promoting Bio-Technology

Bio-technology is gradually becoming a new source of growth. Government has already initiated the bio-technology programme. Government will intensify and increase the programmes in this direction.

Among the major programmes that will be pursued by Council for Scientific and Industrial Research (CSIR) would be:

- Technology acquisition through bio-technology programmes with a matching grant of ₵5billion;
- Commercialisation of R & D findings to be undertaken by companies and international corporations will require an amount of ₵50 billion; and
- In addition an amount of ₵10billion will be required under R&D initiatives for genomics and molecular biology, production of pharmaceutical and nutraceutical products, as well as promoting agro-biological activities.

Government proposes that a Bio Venture Trust of about ₵10 billion should be established to invest and provide training in biotechnology. The CSIR will work with Kwame Nkrumah University of Science and Technology to provide training in biotechnology.

1.2.3. Research Parks in tertiary institutions

To aid and ensure commercialisation of research outcomes into industries, government will need to:

- a. Set up research parks in all tertiary institutions in the country. These research parks must be promoted both nationally and internationally. The private and public sector should be encouraged to provide inputs for identifying interesting research;
- b. Seek to enrich the curriculum of tertiary institutions in order for graduates to immediately fit into both the public and private sectors; and
- c. Organise regular open days for research institutions and research students in the tertiary institution where these research parks are located.

This initiative will be an avenue to link the two sectors i.e. Research and Industry.

1.2.4. Enhancing National Health Care

With the Government interest to provide a nurse in every hamlet coupled with the introduction of National Health Insurance Scheme, Government will engage well-established private clinics and hospitals to provide possible assistance in areas of Nurses, Lab technicians, anaesthetics etc to assist those clinics and hospitals.

The Government through MOH, NHIC will therefore work with Private Doctors and Midwives Council to work out the modalities. This initiative will help

- a. reduce the burden on government hospitals, clinics and health centres;
- b. promote private sector participation; and
- c. make health care easily accessible to all within a short distance.

1.2.5. Brain Drain to Brain Gain

The exodus of our professionals is of great concern to Ghana. In the context of the shortage of skilled workers in several areas, we need to do more to attract more Ghanaian professionals residing overseas to return and work in the country.

These people represent a source of skilled manpower that can be accessed immediately.

Government needs to consider the launch of a Brain Gain Ghana Programme to attract Ghanaians and international scientists residing abroad to collaborate on the R&D technology clusters including agriculture, health, biotechnology and ICT.

In addition, we need to attract the best brains to work in Ghana, especially in the new growth sector like biotechnology, sports and services.

Some complementary steps to expedite this initiative would be to strengthen the issuance of visas, work permits and improve on custom clearance procedures.

Again, government will explore the possibility of establishing a mechanism that will allow our expatriate professionals to contribute to a Shareholding Trust. This Trust will be used to establish training schools to train other professionals locally.

The High Commissions and Embassies will be encouraged to ensure that all travelling Ghanaian professional have satisfied this obligation to government as a condition for acquiring travelling visas.

1.3. GOOD GOVERNANCE

1.3.1. Installation of Closed-Circuit Television in Crime-Prone Areas

Developments on the world geopolitical front and the level of crime in Ghana give cause for Government to consider the use of Closed-Circuit Television (CCTV).

Closed-Circuit Television (CCTV) will be installed in crime-prone areas to deter and detect crimes. The Ghana Police Service, Criminal Investigation Department and the general public will collaborate to provide data on all crime prone areas.

It is estimated that the project will cost €42 billion. The equipment will be secured and managed by the Ghana Police Service.

1.3.2. Transportation

- a. Flat rate for imported 'home use' vehicles
To encourage the importation of relatively new home use vehicles, Government will consider the introduction of a flat rate scheme for vehicle importation. CEPS, MOT, DVLA, and NRSC would be responsible to work out the modalities.
- b. Transport in Urban Areas
In spite of the several road improvement works completed in the major urban areas in the country, traffic congestion continues to be a major problem, especially in Accra and Kumasi. This is due to the ever increasing vehicle population of about 10% per annum.

Public transportation is also a major challenge. The number of small vehicles on our roads coupled with traffic congestion causes a lot of inconvenience with its attendant CO₂ emissions and the high fuel consumption. This calls for a well functioning public transport.

In 2004 and 2005, government undertook extensive long term transport planning studies in Accra, Kumasi, Sekondi-Takoradi, Tamale, Tema, Cape-Coast and Koforidua. Some major findings of the study were that:

- i. Whilst low occupancy vehicles like cars and taxis carry only 26% of person trips in Accra, they disproportionately occupy a large proportion of the road space of 55%, making them the biggest contributors to congestion. On the other

hand larger occupancy vehicles like trotro and large buses carry 67% of person trips but yet occupy only 32% of road space.

- ii. 70% of Arterial Roads in Accra and Kumasi are congested. It is projected that, if the status quo is maintained, the situation will not improve in the long term even if all the arterial roads were widened to dual carriageways.
- iii. Though over 75% of personal trips in all the cities were carried by one form of public transport or the other, only a maximum of 4% is contributed by large buses. The rest is carried by the lower occupancy modes of trotro and taxis.

However these are very old, of poor quality and inadequately maintained. They are owned by individuals, operate from very poor terminals with very long waiting and travel time for passengers.

The Government would accept the main recommendations of the study and should, as part of the ongoing comprehensive transport policy review, adopt policies on urban transportation. The following policy actions should be implemented in the coming years, with the key objective of reducing travel time, safety and reliability of the transport system:

- i. Priority should be given to the development of segregated and prioritized operation of large buses in Accra and Kumasi, in addition to the expansion and dualisation of the arterial network. The outcome will be to encourage a modal shift from car to bus use. In light of this a pilot project for the introduction of a Bus Rapid Transit (BRT) system on the Graphic Road and Winneba Road in Accra would be initiated in 2007.
- ii. Major traffic management works involving junction improvement, networking of traffic light operation, parking management, safe walk to school programs, and enforcement of traffic regulations and control of hawkers will have to be implemented.
- iii. The transport unions must be requested to form companies that will sign contracts with the Assemblies to operate specific routes under specified conditions. This will help to
- iv. Build capacity of the Ghanaian operator to participate in a limited competition regime to operate major routes in the cities such as Accra and Kumasi in the near future.
- v. The Metropolitan and Municipal Assemblies will also have to be assisted to develop the institutional and regulatory framework and capacity to manage transport operations in the cities.
- vi. Adequate provision will also have to be made for walking and cycling as complementary and sometimes alternative means of travel in the cities. Adequate provision will also have to be made for the mobility needs of the physically challenged.

c. Alternate Transport System- Ferries On Waterways

As part of improving the traffic situation in Accra and other urban areas, government needs to consider and encourage the use of other means of transport.

As a first step, government will consider the use of the built up drainage system and waterways from Korle Lagoon to Achimota to provide additional means of transport on this route. Thus, the introduction of ferries on the drainage channel.

d. Odaw Drainage

There is need to ensure the smooth flow of water in large constructed drains. Drains like the 'Odaw' and 'Susan' have become the dumping grounds for refuse and this causes over-flow and flooding when there is heavy down pour.

As one of the measures to ensure these drains are not choked after disilting, tourism will be promoted along such large drainage system. Government will encourage the construction of shopping centres and emergence of commercial activities along the shoulders of such drains. Other interesting tourist facilities will be provided.

The Ministry of Tourism & Diasporian Relations will work with AMA to implement the initiative. An initial amount of 50billion will be required. An initial amount of ₵50 billion will be required.

2. BEYOND OUR MEANS

2.1. PRIVATE SECTOR INITIATIVES

2.1.1 Towing Of Vehicles

The rate of accidents on our roads that are caused by unattended broken-down vehicles is high.

Government will need to initiate the process of coordinating tow operation and ensure the achievement of a coordinated tow system.

As a way of ensuring guaranteed payments to Tow Operators, it is proposed that every vehicle should have an insurance cover for towing services.

Government through the Ministry of Transportation will liaise with insurance companies to provide loans for the private sector to either improve on their current fleet of vehicles or to establish new companies to attend to the needs of the policy holders.

The National Insurance Commission (NIC) will design suitable sticker/certificate to be produced by all insured motorists.

The NIC will have to dialogue with the telecommunication companies to provide and educate the public on the existence of cost-free tow numbers.

The Private Tow Operators, Ghana Police Service, National Insurance Commission and telephone companies will be encouraged to collaborate to ensure the success of this initiative.

2.1.2 Dredging of Water Bodies

With a two-tier objective of providing resources for local construction and local employment, Government intends to embark on a desilting and removal of stumps exercise.

In doing this government will release selected rivers on concessionary terms to interested private sector and individuals to desilt and remove stumps.

- a. The desilted sand will be used to mould blocks for local construction; and
- b. The stumps could also be used for building, basic furniture and firewood

This exercise would be carried out for selected rivers under the supervision of Ministry of Water Resources Works and Housing in collaboration with EPA, Civil Societies and the Communities.

2.1.3. Accredited Warehouse System

The Government needs to promote the development of an accredited warehouse system in support of the development of a commodity exchange.

The warehouse accreditation process should include Legal, Operational, Technical, and Financial parameters.

A needs assessment (with an estimated funding of ₵500m from IGF of MoFA) will have to be carried out to determine what will be required to develop an accredited warehouse system.

This will enable Government determine the appropriate time frame in which a full-fledged commodities exchange can realistically be put in place.

2.1.4. Appreciating Arts, Culture and Heritage

Ghana is blessed with a rich cultural heritage, as well as a pool of talented Ghanaians in the creative arts. There is thus the need to develop the industry.

Government will need to collaborate with the private sector (Associations of Art and Culture groups) to produce high quality export products.

To this end, the establishment of a Creative Industry Development Fund, with an initial requisite amount of ₵50 billion to seek private sector participation to jointly invest and develop the creative arts will be essential.

Government will have to continue with the programmes to inculcate greater appreciation of the arts and culture.

A sum of ₵50 billion is required for the development and management of the arts, promotion of culture and heritage activities, including the construction of State Cultural Parks. In addition international exhibition of Ghana's Heritage should be intensified.

2.1.5. DENI Project

In line with Government's policy to create investment opportunities for Ghanaians in the diaspora and at home, and also strengthen private sector led growth, Government needs to collaborate with Ghanaians in the diaspora to raise an estimated amount of ₵900 trillion (\$1 billion) through the Direct Expatriate National Investment (DENI) project to buy shares in SOEs slated for divestiture through the Ghana Stock Exchange.

The project should also aim to allow Ghanaians at home who want and are financially capable to participate in this DENI project.

In addition the project must aim at reinvesting profits from the SOEs purchased locally to stimulate the economy and for that matter reduce poverty through the ownership structure.

This would serve as a cheaper source of long term capital for restructuring these SOEs, ensure ownership by Ghanaians, trigger multiple effects on the domestic economy such as employment creation, poverty reduction, and channel foreign direct investment into strategic areas of the economy.

Beside, the Project, in raising the targeted amount ₵900 trillion (\$1.0b) to be locally invested, would constitute about 50% of the amount government requires within the next 3 years to execute and attain its growth agenda target of 8%.

Additionally, this capital inflow will be at no direct cost and no burden of repayment to Government, thus making this initiative the single most important factor and bonus to our development and growth agenda in terms of increased production, employment, revenue generation and poverty reduction using our own resources.

The Ghana Stock Exchange will lead with the support of Ministry of Tourism and Diasporan Relations. An amount of ₵1 billion will be required for coordination the achievement of this initiative.

2.2. HUMAN RESOURCE DEVELOPMENT

2.2.1. Cancer Treatment

The Ministry of Health will need to promote greater awareness of early cancer detection. For this, all women will be encouraged to undergo mammogram examination. Government will provide a subsidy for every mammogram done in private and public hospitals that are registered under the NHIS.

2.2.2. Empowering Women

To further enhance the role of our women, government will assess a one-off launching grant to be given to Ministries to set up childcare centres to assist female employees in the public sector.

These childcare centres will be run by the private sector and will be subsidised by government on yearly basis. The private sector is also urged to collaborate and provide similar joint facilities to their female employees.

An amount of ₵300 million for equipping each centre and a subsidy of ₵50,000 per child per month is proposed.

Cocoa Board will be urged to provide cocoa products for these centres through the school feeding secretariat.

2.2.3. Community Sports Complexes

Ghana abounds in sport talents. Government in conjunction with stakeholders have to find ways of harnessing these talents.

The establishment of community sport complexes will aid in the provision of sport and training programmes. These complexes should specialise in various sports.

The central government will build these centres in collaboration with MMDAs and transfer to private sector to run. MMDAs will subsidise the running cost.

In addition, MOESS will enhance the sport facility in secondary and tertiary institutions by directing the total amount of sport levy collected from students to a private sector operator to develop these facilities. The private sector will manage these facilities.

A sum of ₵100billion is required to establish such centres in about 200 communities. These centres will be of same design. The 200 communities will be selected based on their readiness to foot the counterpart fund of 15%.

2.2.4. Malaria Control

Maintenance of good health is an integral part of Government's responsibility.

As a way of ensuring health care, Government established the National Health Insurance Scheme to provide equitable access to quality health for all people living anywhere in Ghana.

Unfortunately, Malaria maintains the dishonourable name of being the number one killer disease in Ghana, especially for pregnant women and children.

Thus, the Ministry of Health in collaboration with the Ministries of Finance and Economic Planning and Local Government, Rural Development and Environment will have to continue to put in place measures to eradicate Malaria.

Some of these measures being proposed include;

- a. indoor residual spraying;
- b. setting up of Vector Control teams;
- c. destruction of the breeding grounds of mosquitoes; and
- d. Intensified Malaria education of the citizenry.

The Ghana Health Service, ISD, NCCE and Ministry of Local Government, Rural Development and Environment will establish a specialised team to carry out the proposed measures. It is estimated that an amount ₵30 billion could assist in this direction over a period of 3 years.

2.2.5. Food Fortification Programme

Ghana has been identified as a nation with serious micro-nutrient deficiency disorder, that is, deficiencies in vitamins and trace minerals essential for growth, development and maintenance of life. Iodised salt has been enjoying VAT exemption for the past decade.

Government therefore needs to consider granting tax exemption on fortificants used to manufacture flour and vegetable oil in order to improve the health status of Ghanaians.

2.2.6. Reducing the Burden of parents

The Government will continue to help parents reduce their financial burden through the Capitation Grant, School Feeding and Free Ride.

In addition Government will consider the abolition of examination fees for public Junior Secondary Schools.

The Ministry of Education, Science and Sports will assess the cost and allocate resources under GETFund if found sustainable.

2.2.7. Formalising the Informal Sector

The informal sector constitutes a large chunk of the populace. Government believes there must be a time when our efforts towards formalising the informal sector should be re-doubled in the form of new innovations such as:

a. Organised 'Susu' Saving

Government believes that the formal financial sector must support the efforts of the informal sector in mobilising savings.

The on-going attempts at coordinating the 'susu' schemes in the country need to be hastened. Government is convinced proper coordination and networked 'susu' scheme could be very beneficial to those in the informal sector.

While MASLOC continues its efforts at training door-to-door 'susu' operators to make them credible, there is the urgent need to consider citing clearly-identifiable shops (kiosks) at vantage points such as lorry parks, markets, and in communities where a chunk of informal activities is undertaken.

This will improve access and confidence in the operation of 'susu' schemes.

Here, the MMDAs are encouraged to earmark ideal locations for the citing of the kiosks and provide other needed assistance.

b. 'Susu' collection and SSNIT Contribution

As a way of formalising the informal sector, Government will explore the possibility of making all the people registered for 'susu' to, contribute 17.5% of their monthly 'susu' contribution to SSNIT towards their 'pension'.

Government will begin the process of institutionalising this initiative through MASLOC.

c. The Cocoa Farmers

Government has to explore the possibility of bringing cocoa farmers into the formal sector on a pilot basis.

A number of cocoa communities need to be identified and placed on a scheme whereby payment of their produce will be scheduled over a one year period.

Five percent (5%) of their average sales will be paid into a pension scheme. Government will explore the possibility of paying the remaining 12.5% out of the yearly bonus paid these farmers.

This programme if successful should be rolled over a 3-year period.

d. Organised School Barbering

The pilot programme of organised barbering sessions for school children within the AMA and KMA areas need to be reviewed and rolled out to all parts of Ghana.

As part of terms of contract for the roll-out programme, barbers must be encouraged to contribute 17.5% of their earning as SSNIT contribution.

e. Other informal Sector Operators

As a way of encouraging tax payment, government will consider the introduction of an agreed percentage of taxes to be paid by drivers, steel benders, masons, carpenters etc. to be set out as pension contribution. The associations of these artisans will be consulted before the scheme is rolled out.

f. Reducing Size of Informal Sector

To reduce the level of informal operation, all artisan and informal operators will be encouraged to join or form Associations.

After doing this, it will be easy to provide technical and financial assistance and thereby improve on their operation. Other legislations like compulsory contribution to SSNIT and tax payment could easily be made and enforced.

The advantages of bringing the cocoa farmers, barbers and 'susu' contributors into the formal sector (SSNIT) include the following:

- a. Guarantee pension;
- b. Guarantee income;
- c. Improve communication with the financial system and access to credit facilities;
- d. Access the National Health Insurance Scheme; and
- e. Sign for their children to enjoy the student loan scheme

2.2.8. Volunteering Programmes

To ensure sustainability and attract more youth to the National Volunteering Programme, Government has to establish award schemes to be held in appreciation of their contribution.

Job camp training programmes will have to be undertaken under the Volunteer Programme for 1000 people in 2007 as a pilot project.

National Service Secretariat will require ₵4billion to provide the necessary logistics to implement and monitor this initiatives.

2.2.9. Improving Employability

The theme of the 2006 Budget Statement and Economic Policy was 'investing in jobs, investing in people'. Youth employment is a major problem faced by many nations.

In the year 2008, Government will assess the impact of the National Youth Employment Programme and allocate matching funds for its continuity.

Government will continue to place more emphasis on the development of Human Resource specifically in respect of the 'on the job training' programme introduced by the 2006 Budget Statement.

The Private Sector will be funded through Ghana Employers Association and National Council for Tertiary Education to provide 'on-the-job' training for fresh graduates and create employment opportunities for graduates.

An amount of ₵80 billion would be required for this purpose in the first three years (2007 – 2010).

2.2.10. Recognising Employees' Contribution

Government will need to take the lead in encouraging the private sector companies to provide special reward in appreciation of the contribution of their employees, such as excellent service, long service and workers safety awards.

Government proposes that tax exemption be given to contributors to the Special Awards Scheme.

The implementing agencies shall be a Tripartite Committee comprising representatives of Government, Employers and Organised Labour. It is proposed that the tax exemption should be similar to the tax credits granted employers in the 2006 Budget Statement (paragraph 1133, page 3344).

Percentage of Workers	Proposed Tax Exemption
Rewarded	
Up to 1%	1. 5%
1 – 5%	1. 10%
Above 5%	1. 15% before

2.2.11. Tax Credit for employers of Fresh Graduates

Government must further strengthen tax credit for employees. In this regard, a clear distinction needs to be made between graduates with previous work experience and fresh graduates without previous work experience.

National Service Secretariat and the National Youth Employment Programme will be encouraged to keep a database of all tertiary school leavers.

Under this scheme, fresh graduate would be defined as an unemployed graduate who is part of the pool of unemployed graduate being managed by NSS and NYEP.

2.2.12. Rain Water Harvesting

Persistent water shortage in several parts of the country has become a great challenge. Many rural and peri-urban communities in the country still rely on surface water sources such as streams, rivers, lakes, ponds, dug-outs and impoundment reservoirs for their water needs.

It is important to adopt rain water harvesting methods and efficient water conservation measures throughout the country.

In this regard, government would need to take the lead in the promotion of the technology for rain harvesting through the construction of pilot schemes in different zones of the country.

An initial amount of ₵ 1.5billion will be required for the first year of this programme.

In addition, it is proposed that all new Government Projects (such as schools, hospitals, and community centres) should be mandated to have rain harvesters.

The Ministries of Water Resources, Works and Housing, Local Government, Rural Development and Environment and Lands, Forestry and Mines are encouraged to collaborate to implement this programme.

In the housing industry, the Private Sector is also encouraged to implement rain harvesting schemes.

2.2.13. Admission and Loans Scheme

Government has taken due cognisance of the challenges faced by our tertiary students before the release of the student loan. In response to this government has established the Student Loan Trust Fund, which is to be financed from:

- a. The GETFUND in the first year of its operation; and
- b. Other sources if found necessary in the following years.

The Ministry of Education, Science and Sports in collaboration with the Student Loan Trust Fund Board will be mandated to workout the possibility of processing the release of the loans before the commencement of every academic year. This will ensure that students would be able to assess the loans at the beginning of the year.

With fresh students, the Board will ensure that the loan registration forms are attached to the application forms for prospective students to complete at the time of application.

The loan forms would be processed with admission forms and letters of award will be attached to admission letters.

2.2.14. Environment

Government will have to continue promoting environmental preservation and ensure a more integrated and sustainable management of natural resources.

An amount of ₵5billion is estimated for the programme to preserve ecological balance, as well as increase public awareness on the importance of living in a healthy environment.

EPA acting as a lead institution will have to collaborate with Information Services Department and NCCE to implement this policy.

2.3. GOOD GOVERNANCE

2.3.1. Special Unit Trust Scheme for Hard Core Poor

Government will introduce a Special Unit Trust Scheme (shareholding) for the HARD CORE POOR. Each selected hard core poor family will be given a loan from MASLOC and other sources to be identified.

This loan of ₵20million will be used to buy Unit Trust for investment through the NIB, NTHC, ARB APEX Bank and other Blue Chip Companies. Dividends to be paid annually shall be as follows:

- a. 20% towards settlement of loans;
- b. 80% to be paid to the household.

The family cannot redeem the Unit Trust before the loan is fully paid off.

Government will work out a mechanism so that redeemed unit trust by hardcore poor families are invested in other high dividend yielding companies or applied to businesses that will continue to yield income for the hard core poor family.

The Special Unit Trust will liaise with the Ghana Statistical Service and MMDAs to identify poor and hardcore poor households. There will be vigorous education on this scheme before it is operationalised.

In addition, government will monitor the improvement in the lives of these families to determine the effect (positive or otherwise) on the hard core poor.

2.3.2. Fostering a Caring Society

In meeting the GPRS II goal of helping the vulnerable and the excluded, Government will consider planning packages for the welfare of the less fortunate groups such as the disabled, victims of natural disasters, hardcore poor and senior citizens.

Government estimates that a sum ₵50 billion will be required for the programmes to improve their welfare.

The Department of Social Welfare under the district assemblies with the supervision of the Ministry of Manpower Youth and Employment will be encouraged to implement the policy.

Government will also establish a welfare care for disabled children from poor homes to undergo rehabilitation especially those who are

unable to care for themselves.

It is proposed that children should be provided with a monthly allowance of €300,000 each. The sum of €3.6 billion will be required for the first year to cater for 1,000 disabled children on a pilot basis.

2.3.4. Improving Safety in Our Homes and Public Places

GNFS, ISD and NCCE would be funded to undertake public sensitisation in order to facilitate the smooth implementation of the Fire Precaution (Premises) Regulation, 2002, LI 1724 to reduce the incidence of fire outbreaks in public places.

All public places would have to obtain Fire Certificates before they are allowed to operate.

This initiative would have to be extended to households.

The Legislative Instrument will then need to be amended in order to determine the threshold for acquiring fire certificates. The GNFS in collaboration with Estate Valuers will develop the details and ensure the implementation of this measure.

The programme of education and compliance being proposed to be undertaken by GNFS, ISD and NCCE will require an amount of €1 billion.

2.3.5. Maintenance Culture

Government has noted with concern the challenges with maintenance of government facilities.

Towards fostering a culture of maintenance, the Ministry of Works and Housing in collaboration with the Ministry of Finance and Economic Planning will consider setting up an Infrastructure and Public Maintenance Team.

The Infrastructure and Public Maintenance Team will develop a framework that will address the maintenance of the country's infrastructure and public facilities.

The Infrastructure and Public Maintenance Team should comprise members from the professional bodies such as Engineers, Architects, Planners, IT specialist and Surveyors who will among other things:

- a. Make inputs into the materials for the construction of future public structures.
- b. Develop a mechanism for a well-structured maintenance programme

These recommendations will then be implemented in subsequent years. An amount of €1 billion is needed for consultancy services.

2.3.6. National Day of 'Collection' for Special Projects

In a drive to improve the participation of Faith-Based Organisations (FBOs) in development, Government should consider dialoguing with the FBOs to adopt specific national projects for development.

Under this programme, Religious Bodies (Friday, Saturday, Sunday and 19-Day Worshippers) will be offered the opportunity to organise all members to contribute on this National Day of 'Collection' which will fall on the last weekend of July 2007 with the possibility of making it an annual national event.

Government in conjunction with the Council for Inter-Religious Bodies will then decide on projects while an Independent Body is proposed to manage the funds for such projects.

Proposed projects include:

- a. Constructing storage warehouses in food producing areas;
- b. Contracting-out the sanitation issues
- c. Constructing of portions of the proposed railway line linking the South to the North;
- d. Purchasing CCTV for installation in every regional capital; and
- e. Providing streetlight nation-wide.

2.3.7. Reducing Regional Disparities

Our development effort will continue to focus on reducing growth and imbalance amongst the 10 regions as well as between urban and rural areas.

For this purpose, Upper West, Upper East, Northern and Central Regions should continue to be classified as deprived areas by Government.

To drive the development of key industries in these regions, Government should establish a Strategic Investment Fund of €5 billion from the HIPC funds in addition to the 2 billion being given to every district in the industrialisation programme.

The fund should be utilized to spur investments in new industrial clusters. The Regional Coordinating Councils (RCC's) of the 4 specified regions will jointly manage the funds.

Companies that will be operating in these regions would have to draw up modalities of release of funds with the RCC's.

Ministry of Local Government, Rural Development and Environment will have to collaborate with MOTI/PSD/PSI to implement this programme.

2.3.8. Corporate Social Responsibility

Private sector's participation in development remains central to Government's development agenda. In pursuit of this, a number of further initiatives to make the private sector take the lead are to be considered.

To deepen the culture of Corporate Social Responsibility (CSR), Companies should be required to disclose their CSR activities. The companies would be required to advertise on quarterly basis in the dailies about the CSR activities.

Government has to identify a host of sectors for adoption by Companies. This has become necessary especially in the next two years where Ghana would host a number of important events as well as international dignitaries.

These sectors should include:

a. Sanitation

Here, companies are to adopt portions of our cities and take care of the sanitation challenges. They are expected to collaborate with the respective Metropolitan, Municipal and District Assemblies to organise massive clean-ups, provide dustbins, sponsor sanitation programmes etc.

b. Lighting

Private companies are encouraged to adopt streets in their vicinities and provide lighting facilities.

c. School and Training Programmes

Companies could also assist in developing human capital by adopting 'a School Programme', such as training of unemployed graduates as well as providing scholarships for further studies.

Among the effort to be encouraged under the 'Adopt a School Programme' include making contributions to Parent-Teacher Associations; sponsoring brilliant students from low-income families.

3. ADMINISTRATIVE SYSTEM

3.1. Private Sector Development

3.1.1. Improving Transportation and Security Services

Security at airports worldwide has had a major cost implication. Ghana is not excluded. In addition, the need for major improved services at the airport must continue to engage Government's attention as Ghana champions Africa's excellence and remains the preferred gateway to Africa.

In this connection, government must assess the airport tax and increase it from \$50 to \$60. This increased amount should be appropriated as follows:

a. \$3.00 to Civil Aviation for airport improvement and security

- b. \$7.00 to the Consolidated Fund out of which \$2.50 will be earmarked to support improvement in public mass transportation.

3.1.2. Free Zone Concept

Free Zone Concept has been useful in most part of the world. Subsequently it was introduced in Ghana with the same benefits in sight. However, there has been mixed results. Government believes there is the urgent need to review the activities of the companies in the free zone and make appropriate recommendation.

The Free Zone Board will co-ordinate this review. An amount of ₵200 million will be allocated for the review.

3.1.3. Local Input Allowance

The use of local raw materials as input for manufacturing in the country is very minimal.

Dependence on imported raw materials does not create much opportunity for increased employment generation and reduces the opportunity for forward and backward linkages within the economy.

There is therefore the need to encourage the use of local raw materials and components.

Consequently, it is proposed that 25% of the value of local input used by businesses be allowed as additional deductible expenses for tax purposes.

3.1.4. Import duty on imported raw materials

To achieve a substantial increase in manufacturing activities for job creation, there is the need to reduce the financial burden on manufacturers. Consequently, Government will engage all stakeholders (AGI, Standard Board, Food and Drug Board and revenue agencies) to consider zero-rating all imported raw materials.

3.2. Good Governance

3.2.1. Improving Accountability and Good Governance

To improve accountability and good governance, Ministry of Finance and Economic Planning through the Public Procurement Board will publicise in the national dailies the list of development projects to be implemented in the districts with funds from the central government budget. By so doing, every citizen in the district will be able to hold implementers accountable.

Government again proposes that, independent institutions such as Community-Based Organisations and Civil Society Organisations should be selected through the tender process and given the mandate to monitor the use of these funds and report to Parliament. An amount of ₵2billion should be earmarked for this exercise.

3.2.2. Communication Strategy

To improve the communication of major development policies such as NYEP, MASLOC and MCA in the district, the Government will need to charge the District Public Relation Officers in the MMDAs, NCCE, Information Services Department, Community Based Organisations, Faith-Based Organisations, and Non-Governmental Organisations to collaborate in public education campaigns.

An amount of ₵1billion will be required for this important exercise.

3.2.3. Promotion and Enhancement of Tax Filing Consciousness

In Ghana, self employed individuals are paying far less than their fair share of the tax burden.

One main cause of the failure of the self-employed to file their tax returns is that they cannot afford the services of qualified consultants to keep reliable records from which their taxable incomes can be determined.

As a response to this problem, the IRS needs to be encouraged to train tertiary students to man the Free Income Tax Assistance Bureau in regional capitals. The students will fall under the 'On the Job Training' Programme.

3.2.4. Connection of Destination Inspection Companies to GCMS

CEPS is to ensure that the FCVR issued in respect of imports are transmitted electronically to CEPS. This will stop the abuse by importers who move from one destination Inspection Company to another looking for low values for their tax assessments.

3.2.5 Automation of Temporary Importation (C59) of Vehicles

CEPS needs to hasten the process of adopting the temporary importation and re-export modules in the GCMS to accelerate the documentation and processing of temporary importation of vehicle, initiated in 2006.

Upon completion, information on vehicles treated under (C 59) will be incorporated into vehicle database to be used by DVLA.

This would improve the monitoring of vehicles admitted under the regime thereby reducing the incidence of fraudulent registration of vehicles.

3.2.6. Tax Refund Account

The IRS currently has no refund account. To facilitate refund of credit to businesses, a tax refund account has to be established and made operational to enhance tax payers' confidence, improve tax administration and ensure fairness in case of tax overpayment.

3.2.7. Smuggling

'Under declaration' and 'smuggling' of high duty goods, such as motor vehicles, cigarette and liquor have negative effect on our economy. These activities rob the country of taxes and disrupt the economic chain of supply.

To stem this tide of smuggling;

Government will further strengthen the enforceable capacity of Customs with additional enforcement officers. The ongoing border patrols will have to be strengthened. The private sector must be encouraged to partner the Government to overcome the problem of smuggling.

3.2.8. Removing the disparities in import taxes for vehicles

The high difference in the charges of import duties on used vehicles as compared to new or fairly new vehicles encourages Ghanaians to import fairly old vehicles. This brings additional challenge of importing used parts for vehicles.

There is therefore the need to review these import taxes on vehicles.

A proposal of a flat rate will be considered for vehicles of same capacities irrespective of their age. Also taxes on vehicle with high fuel usage will be raised to discourage their importation.

3.2.9. Street Numbering

To fully achieve the benefits of a National Identity System, government needs to hasten the on-going exercise of street labelling and improve on the current house numbering exercise being carried out by the MMDAs.

This will ensure easy location of citizens and customers and thus improve access to credit.

In order to complete the exercise, an amount of ₵20 billion is required. The Kwame Nkrumah University of Science & Technology together with the Polytechnics would coordinate and recruit students under the 'On the Job Training' to undertake the house numbering system.