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# **PREFACE**

## **THE GPRS II: A SIMPLIFIED VERSION**

The Growth and Poverty Reduction Strategy (GPRS II) is the national development policy framework to be carried out between 2006 – 2009. The framework comes in three forms: (1) the main document which contains all the technical explanations and standard professional language; (2) the simplified version which targets the general public; these are people who want to have a good understanding of the GPRS II but without the full technical and professional knowledge; and (3) is a flyer that contains a brief summary of the GPRS II and can be read in a few minutes.

This simplified version is especially useful for members of the District Assemblies; Community Based Organizations, Students and Pupils. It will be useful to the general reading public who may not require all the technical details and explanations written in the main document. All citizens who can read will have the opportunity to understand what the GPRS II is all about. This will encourage them to get involved in the implementation, monitoring and evaluation of the policies it contains. The implementation of the GPRS II is likely to be more effective if everyone knows what we as a nation have agreed to do to improve the economy and reduce poverty.

We however, encourage all who are technically capable to read the main document so as to understand fully the entire GPRS II. It is our hope that as more people read any of the versions of the document, many will be involved in decisions, which will be so taken so that together we can move our country forward to become a middle-income country by 2015 and beyond.

# **CHAPTER ONE: INTRODUCTION**

## **1.1 BACKGROUND**

In 2001, Ghana faced a difficult economic situation as a result of the unfavourable economic policy environment and its negative effect on human development. At that time the government found it difficult to get all the funds needed to undertake its activities. It had to borrow from a number of local and international institutions. This was in addition to the already heavy debts from previous borrowing. A combination of these factors made it difficult for the government to address the high level of poverty in the country.

The government applied to the international community through a facility known as the Enhanced Highly Indebted Poor Country (HIPC) initiative. This arrangement exempted the country from payback the huge debt it owed to a number of countries and institutions abroad. The objective was to allow Ghana to use the payments due on these loans to carry out projects and programmes that would directly reduce poverty and improve incomes in the country.

To be able to get the benefits of the HIPC initiative a national development policy framework, the Ghana Poverty Reduction Strategy (GPRS I) was formulated and implemented over the period 2003-2005.

The GPRS I aimed at putting the economy on a sound footing. It also involved carry out programmes and projects on basic education, safe water, improved health, environmental sanitation and special programmes for the very poor and helpless, especially women. In this respect, the GPRS I, broadly reflected a policy framework meant to fight poverty in line with the UN's Millennium Development Goals (MDGs). The GPRS I also included a set of priorities identified as Medium Term Priorities (MTP).

The process of preparation of the GPRS I involved consultations with major stakeholders. These included Ministries, Departments and Agencies, Civil Society Organizations, Local Government Institutions, Traditional Authorities, Private Sector, Groups of Experts and Ghana's Development Partners. This was to ensure that policies and programmes to be implemented reflected the views of stakeholders.

## **1.2 KEY GPRS I STRATEGIES**

Key strategies for poverty reduction under the GPRS I included the following:

- better fiscal and monetary policies;
- industrialization led by private sector, using science and technology;
- sound and sustainable management of the environment;
- promotion of commercial agriculture using environmentally friendly technologies;
- expanding agro-based industries; and
- increasing investments in economic and social services.

These strategies were carried out with particular focus on the following set of medium term priority (MTPs) interventions:

- infrastructure development;
- modernised agriculture based on rural development to increase production and employment;
- investments in education, health, and sanitation to improve provision of basic social services;
- maintaining the rule of law, respect for human rights, and achieving social justice and fairness in order to enhance good governance; and
- private sector development within a stable macroeconomic environment.

In addition, measures were taken to improve conditions for greater reduction of poverty at the district level through:

- the use of HIPC funds to support expenditures in health, education, water, sanitation, and projects that will provide employment at the district level;
- the use of the government funds given directly to the District Assemblies to provide projects that will benefit the poor more;
- increasing the share of the budget that is used to provide rural infrastructure; and
- establishing District Mutual Health Insurance Schemes.

## **1.3 KEY SUCCESSES UNDER GPRS I**

The main objective of relative stability of the economy was attained largely as a result of carrying out of good fiscal and monetary policies. Associated with this turn around are the following:

- the opportunities for financing development programmes and projects improved with government revenue-GDP ratio rising from 17.7% in 2000 to 23.9% in 2005. This made it easier to increase government spending from 32.3% to 35.3% of GDP between 2000 and 2005;
- end of year inflation also dropped from 40.5% in 2000 to 14.9% by the end of 2005;

- interest rates on loans from commercial banks went down from 47% in 2000 to 26% in 2005; and
- the previous irregular and rapid fall in the value of the Cedi against the dollar and other foreign currencies was greatly reduced from 49.8% (dollar) in 2000 to 0.9% in 2005.

Some progress was also made in achieving the objectives of the medium term priority areas:

- productivity in the cocoa and forestry sub-sectors was increased;
- investments in infrastructure in the road sub-sector, energy and ICT have increased;
- the improvements in the stability and growth of the economy made it possible to increase investments in the social sector including health, education, water and sanitation;
- there were special programmes which were aimed at reducing hardship on the very poor, especially women, and children. These have contributed to the significant progress made towards achieving the MDGs;
- institutional reforms were carried out in the financial sector, customs, legal system, labour market, land reform and civil service. The private sector has benefited from the improved economic conditions. These benefits are seen in how the private sector can now get more loans and other forms of assistance. This has made “Doing Business in Ghana” easier.

These improvements have also contributed significantly to promote faster growth. GDP grew from 3.7% in 2000 to 5.8% in 2005. The proportion of people who live under the minimum acceptable level of livelihood (poverty levels) went down from 39% in 1998/99 to 28.5% in 2005/6. This has put Ghana on the road to achieving the millennium development goal of reducing poverty levels by half from the 1990 levels long before 2015 in spite of some mixed results in the efforts to attain some of the other MDGs.

## **1.4 KEY LESSONS LEARNT**

The key lessons learnt from the implementation of the GPRS I are:

- country-owned national development strategy is essential to provide focus and direction;
- linking national strategy to budget ensures that resources are properly used for carrying out projects that are most important for the nation;
- broad based progress on reforms can lead to rapid increases in economic growth and reduce poverty on a continuous basis;
- economic growth should be shared fairly to avoid major social differences among people; and
- strengthening the partnership between government and its development partners has brought shared responsibility. It has also helped to increase financial and technical support for the implementation of national development strategy.

## **1.5 KEY CHALLENGES FACING THE COUNTRY**

Ghana has achieved progress towards faster growth and poverty reduction in recent years, but there are still major challenges to be overcome. These include the following:

- the structure of the economy has not changed in spite of the continuous economic growth, it remains largely dependent on primary exports;
- application of inefficient technologies and slow transfer of simple production technologies;
- weak industrial base which is not well linked with domestic resources
- low infrastructure base, including energy;
- too much reliance on cocoa, gold and timber for foreign exchange;
- high youth unemployment which is a threat to social unity and peace;
- slow pace of reforms of the public sector;
- the brain drain, especially of our health professionals;
- natural resources are not well managed;
- gains from economic growth are not fairly distributed;
- high rate of malaria and HIV/AIDS;
- high public sector wage bill; and
- changes in the prices of international commodities which have negative effects on the economy.

# CHAPTER TWO: WHAT IS GPRS II?

## 2.1 FROM GPRS I TO GPRS II

Based on the positive results of implementing the GPRS I, especially in the area of attaining relative stability in the economy, and some progress made towards achieving the objectives of human development including the MDGs, a successor national development policy framework was formulated in 2006. This is called the Growth and Poverty Reduction Strategy (GPRS II: 2006-2009). While GPRS I focused on Poverty Reduction programmes and projects, the emphasis of GPRS II is on policies and programmes that will bring about growth of the economy and support wealth creation and poverty reduction.

## 2.2 WHAT ARE THE GOALS OF THE GPRS II?

GPRS II aims to bring the income of the average Ghanaian to the level enjoyed by middle-income countries by 2015. It is expected that this will result in social change for the better and improve the quality of life for the average Ghanaian.

The Goal of the GPRS II:

**To become a middle-income country with a per capita income of at least US\$1,000 by the year 2015, led by the private sector, within a decentralized, democratic environment.**

Upon reaching middle-income status, Ghana's population is expected to benefit from improvements in the quality of life including the following:

- high numbers of literate and well educated citizens;
- healthy population;
- ability to have enough and high quality food at all times (i.e. food security);
- clean drinking water for both rural and urban populations;
- good transportation network;
- regular and reliable supply of energy;
- high productivity in industry and agriculture;
- respect for ownership of property and other investments;
- respect for rules and regulations;
- support for the weak, the helpless and disadvantaged persons and groups in the society; this will make them take part fully in the wealth creation process; and
- respect for the rights of women, children and the disadvantaged.

## **2.3 WHAT ARE THE KEY PILLARS OF THE GPRS II?**

Government will continue to carefully manage and improve the economy as was done under GPRS I. This includes ensuring that prices are stable, interest rates are low enough to provide affordable credit to the private sector, and the cedi remains stable. These measures are meant to encourage trade and other business activities within the country and with other countries.

The five major areas of emphasis which were defined under GPRS I namely Macroeconomic Stability, Production and Gainful Employment, Human Development and Basic Services, Vulnerability and Exclusion and Governance have now been reviewed and regrouped into the following three areas under the GPRS II:

- Private Sector Competitiveness;
- Human Resource Development; and
- Good Governance and Civic Responsibility.

GPRS II brings together Government policies and programmes that are carried out by various institutions. It also looks at international agreements, which Ghana has signed. These include the Millennium Development Goals (MDGs), New Partnership for Africa's Development (NEPAD), Africa Peer Review Mechanism (APRM), Convention on the Elimination of All forms of Discrimination Against Women (CEDAW) etc. GPRS II places emphases on how to change the structure of the economy to expand the export base and increase agricultural productivity and rural incomes.

To move the country forward faster than the current rate, GPRS II concentrates on growth. It does this through policies that will provide support to the private sector. The private sector will then be able to increase productivity, produce and sell more both in Ghana and in other countries. It also considers the special needs of women in national development and the protection of the poor, the helpless and the needy.

## **2.4 GROWTH TARGETS OF THE GPRS II**

To become middle-income country by 2015, Ghana needs to achieve the following:

- grow the economy or increase the total market value of all final goods and services in the country produced in a year (GDP) by between 6 - 8% every year;
- increase the production of other commodities for export (in addition to cocoa and gold); these include high value crops such as mangoes, pawpaw, pineapple, cashew etc;
- increase the production of food crops (rice, maize, yam, sorghum, millet, cowpea)
- increase the production of fish and livestock, including poultry;
- increase manufacturing activities in food processing, metal based industry, ICT, etc;
- increase the output of the services sector especially tourism/hospitality industry (hotels and restaurants), transport, storage, communication, real estate, financial services, etc;
- invest in and promote the use of science and technology; and
- better care of the environment.

# CHAPTER THREE: EXPANDING OPPORTUNITIES FOR ALL

## 3.1 INTRODUCTION

GPRS II seeks to expand opportunities for all to actively take part in the creation of wealth, developing a well-informed, disciplined and healthy society; and promoting good governance and civic responsibility. This is expected to lead to improved productivity and more output at a cheaper cost than we are presently doing.

To achieve the goals of GPRS II, we should be able to take care of some key problems we continue to face as a nation. These are problems that have made it difficult for us to earn more income and reduce poverty.

**For example, nearly fifty years after independence, we are still faced with the problem of how to develop and apply improved but simple production technologies. The peasant farmers, especially women who feed the nation, still use the same farming technology (e.g. cutlasses and hoe) which were used by their grandmothers to feed a population one-fifth the size of today's population. Ghana today has still not achieved food security in some of her basic food items.**

## 3.2 PRIVATE SECTOR COMPETITIVENESS

The wealth that is expected to be created will come primarily from the private sector. In view of this, their capacities will have to be enhanced so that they can lead the wealth creation effort first in agriculture; and then industry and other emerging sectors such as ICT and tourism.

### 3.2.1 ENHANCING THE CAPACITIES OF THE PRIVATE SECTOR

Although there has been some improvements since the implementation of the GPRS I, the private sector is still faced with a number of problems. These problems make it difficult for the sector to contribute fully to national development. The GPRS II has identified some of the major difficulties including the following:

- lack of credit to buy appropriate machinery and equipment, especially for small-scale women;
- inadequate information on business opportunities within and outside Ghana;
- falling but still high interest rates;
- difficulties in getting and registering land;
- difficulties in the registration of business operations;

- poor and irregular supply of basic utilities such as electricity, water, etc;
- poor road networks that link food and raw material producing areas to processing and consuming centres;
- poor information on existing regulations and laws;
- complex and sometimes old fashioned laws and regulations that are difficult to carry out;
- poor linkage between the informal sector and formal sector; and
- lack of social protection for those in the informal sector.

**Many of our businesses do not have adequate training in management and entrepreneurship. They are therefore not able to identify and take advantage of opportunities. In addition some businesses do not keep records of their business operations and are unable to benefit from formal sector credit and government supported programmes**

For the private sector to lead the growth of the economy, it will need to expand markets in and outside Ghana. It will also need to produce goods and services that are of high quality at a lower cost and that can be sold at home and abroad. To achieve this, regulatory agencies such as Ghana Standards Board, Food and Drugs Board and the Plant Protection and Regulatory Services need to be strengthened. Important services, which are required to help increase productivity in agriculture and agro-industry will also be improved. These include transportation, energy, science and technology. Other areas that will be supported to achieve faster growth are mining (especially salt), information and communication technology, tourism and the music and film industry. The production of garments and textiles will also be supported under the Special Initiatives.

Specific actions will be undertaken in these priority areas as follows:

- improve investment conditions for agriculture and fishing;
- promote trade and industry;
- develop new sectors like ICT and tourism;
- provide essential infrastructure; and
- develop science and technology;

### 3.2.2 MAKING AGRICULTURE AND FISHERIES ATTRACTIVE AND PROFITABLE

For the next four years (2006 – 2009) the agricultural sector is expected to grow to feed the population, provide raw materials for local industries, and to produce for the export market. Steps will be taken to do the following in the crops and livestock sub-sectors:

- make it easier to get land and register for business purposes;
- repair, expand and/or build new irrigation facilities, particularly for small holder farmers;
- develop and use appropriate technologies in cultivation, storage and processing that target smallholder farmers, especially women;
- promote Farmer Based Organizations (FBOs) and help them to look for better prices;
- promote good farming practices to protect our forests, land and water bodies;
- train farmers to use new and improved seeds, maintain soil and control pest and diseases;
- provide improved breeds of animals and maintain improved husbandry practices;
- expand the coverage and effectiveness of extension services by establishing Extension Information Centres (EIC); and
- make it easier for small farmers to get credit on conditions that will make their businesses profitable.

The fisheries sub-sector will also be supported to apply more modern but simple technology in order to contribute more to economic growth. The policy objectives will ensure the fast development of fish ponds so as to increase the level of fish production and add value to fisheries products. The fisheries sub-sector will be improved as follows:

- reduce over-dependence on sea fishing and increase investments in inland fisheries, especially aquaculture (fish ponds);
- support research on new and better ways of aquaculture and provide assistance to develop aquaculture infrastructure;
- support better monitoring, control and surveillance (MCS) system; and to make sure that people obey the laws and regulations on fisheries; and
- enforce laws to ensure that our water bodies are protected from domestic and industrial wastes.

### 3.2.3 PROMOTING TRADE AND INDUSTRY

Industry is expected to grow faster with emphasis on manufacturing, processing, craft and metal industries, ICT and others. To be able to achieve these objectives, the GPRS II places emphasis on carrying out policies which:

- make it easier for businesses, companies, traders and small farmers to get credit on conditions that will make them affordable and profitable;
- promote efficient management practices and record keeping of activities;
- support the processing and preservation of crops, animal and fish products;

- assist communities to establish fish storage facilities and small-scale fish processing industries;
- make available information on trade opportunities and production standards
- prevent the sale of unsafe and poor quality goods;
- assist exporters to set up small-scale agro-processing and craft industries and assist them to follow international standards;
- promote the development and use of standard packaging, weights and measures for different products;
- encourage local businesses to take part in trade fairs organised in Ghana and abroad; and
- make sure that local products and services are used by government agencies.

In addition to gold and diamond, other minerals such as limestone, bauxite and salt will also be developed to provide employment and income.

The following steps will be taken to add more value to our minerals:

- encourage people to invest in the development of mineral resources, particularly limestone, bauxite and salt;
- rationalize the activities of small-scale miners and encourage mining companies to work with communities to explore and develop alternative employment initiatives;
- enforce environmental rules and regulations and natural resources management standards so as to promote health and safety; and
- promote the use of international best practices to safeguard the environment.

### 3.2.4 DEVELOPING AND PROMOTING ICT

One of the strategies that Government will use to make the activities of the private sector profitable is to develop and apply efficient and effective Information, Communications and Technology (ICT) system.

If we adopt a well-developed information and communication technology (ICT) system, it will help us to link production centres to the markets and improve distribution of goods and services. Improvement in ICT will result in better communication between farmers and traders. Farmers and businesses will get better knowledge of market conditions and better access to business information and opportunities. It will also help to improve the processing of transactions and documentation.

Government will continue to work with the private sector to:

- increase coverage and quality of telephone services particularly in the rural communities;
- promote the use of communication technologies for business transactions;
- encourage local investment in developing and marketing hardware and software;
- encourage small companies to make use of internet services;
- promote the setting up of community information centres; and
- promote the use of communication technology in governance.

### 3.2.5 PROMOTING TOURISM

Tourism can easily become one of Ghana's main foreign exchange earners. Ghana has historical, cultural and archaeological sites of interest to many tourists.

To be able to get more benefits from tourism, the following steps will be undertaken:

- provide better information to people within Ghana and abroad about the tourist potentials in Ghana;
- encourage Ghanaians to value and preserve our historical, cultural and natural heritage;
- improve road networks and communication facilities in areas of tourist interest;
- assist to develop skills of personnel in the hospitality industry;
- deal with difficulties that operators in the tourism sector face;
- support women entrepreneurs in tourism with credit;
- improve services and standards through inspection and licensing;
- promote development and management of coastal lands on continuous basis;
- support micro-enterprises of rural and urban crafts producers and improve the quality and marketing of their products for the tourist industry and export;
- promote the music industry to support tourism; and
- provide the right legal and regulatory conditions to promote the music and films industry.

### 3.2.6 SUPPORT SECTORS FOR FASTER GROWTH AND DEVELOPMENT

To add to the efforts to improve the regulatory and institutional environment, appropriate infrastructure is required. Therefore the GPRS II sees the maintenance and expansion of infrastructure of all kinds, as well as the development of science and technology as key components of the strategy. This is to be done with the active involvement of the private sector.

#### **I. Transportation**

The following measures will be undertaken to improve the transportation system:

- construct and maintain farm-to-market roads, bridges and ferries;
- accelerate the development of one major road linking rural and urban areas;
- construct and maintain all major highways including the trans-ECOWAS highways;
- promote effective ways for maintaining all the roads in all parts of the country;
- promote the development of a well connected modern railway system;
- maintain and provide efficient and modern port and harbour infrastructure across the country;

- promote high safety, security and environmental standards in the aviation industry;
- encourage the private sector to take part in financing, construction and maintenance of road, rail and aviation infrastructure;
- enforce rules and regulations on transport safety and traffic management to reduce accidents;
- strengthen the local people's capacity to go into both consulting and construction services in the road, rail, air and marine sector; and
- enforce existing regulatory and institutional framework for efficient ports, rail, air and water transport system.

## **II. Energy**

Priority measures to achieve efficient and reliable supply of energy include:

- modernize and expand energy infrastructure;
- improve the regulatory environment in the energy sector;
- make sure that the environmental effects of energy supply and consumption are reduced through increased energy efficient technologies;
- encourage the private sector to take part in the development of the energy sector;
- encourage the development and use of other sources of energy such as wind, solar thermal and nuclear; and
- gradually move towards full cost recovery, while taking care of the needs of the poor and disadvantaged.

## **III. Science and Technology**

Science and technology will be developed and applied by:

- promoting the use of the right technologies, both local and foreign, that can improve productivity and efficiency in the agricultural, industrial and services sectors, especially for micro, small and medium size rural enterprises;
- promoting research and development in all sectors of the economy;
- building relevant linkages between research and production to make sure that research outputs are well used; and
- providing institutional and regulatory framework to promote the development of science and technology.

### **3.3. DEVELOPING HUMAN RESOURCES FOR FASTER GROWTH AND DEVELOPMENT**

Human Resource Development is about providing services aimed at ensuring the well-being of the population and developing their capacity so that they can take active part in attaining the socio-economic goals of the country. The main goal of human resource development is to make sure that the country has a well-informed, well trained, disciplined and healthy population. Such population will have the capacity to create more wealth for the country in a continuous basis. Ghana has a youthful population and if we are able to develop their capacities properly, they can help achieve the socio-economic goals and objectives outlined in the GPRS II.

Critical areas of human resource development that will receive attention include education, training and skills development, sports development and access to quality health care. Others are access to safe water and adequate environmental sanitation, population management, available housing and slum upgrading, and social protection.

#### **3.3.1 ACCESS TO EDUCATION AND SKILLS DEVELOPMENT**

##### **I. Formal Education**

The formal educational system has three levels - basic, secondary and tertiary. Basic education is a major building block for the development of human resources for faster growth.

The challenges at the basic education level include:

- improving but still low school enrolments;
- wide geographical and gender differences in access to education;
- less than satisfactory quality education; and
- poor technical and vocational skills and ICT training.

At the secondary school level the following need to be addressed:

- unfair distribution of well-equipped secondary schools;
- few well-trained and motivated teachers; and
- inability to absorb the majority of pupils who complete the compulsory basic education programme (JSS graduates) .

The challenges facing education at the tertiary level include:

- limited physical infrastructure to admit all those who qualify for admission to tertiary institutions; and
- low numbers of qualified and well motivated academic staff.

Priority policy interventions in the education sector at all levels that will provide faster growth include the following:

- increase access to and participation in education and training;

- bridge the gap between females and males in access to education;
- improve the quality of teaching and learning;
- improve efficiency in the delivery of education services; and
- promote science and technology education at all levels by encouraging more girls to take part in these fields

## **II. Promoting Early Childhood Development**

GPRS II gives priority attention to early childhood development to ensure that Ghanaian children get the best possible care and start in life. This will guarantee their survival and development.

Early Childhood Development (ECD) and care brings about more benefits and savings by reducing the cost that comes with poor health, malnutrition, poor learning outcomes, school drop out, etc. If we provide the total needs of children it will enable the population to take advantage of opportunities and further help them to take part in the socio-economic and political development process.

## **III. Training and Skill Development**

Outside the formal education system, many young people do not have the skills and know-how to get jobs in the labour market. This exposes them to all kinds of hardship and abuse including child labour.

The challenges in this area include how to address the needs of the following groups:

- persons 15 years and above who have never gone to school or who drop out of primary school and Junior Secondary School (JSS);
- persons who have completed Junior Secondary School (JSS) and Senior Secondary School (SSS) but are not employed due to poor quality education they received;
- people who have acquired some skills but need retraining especially in good management practices to enhance their access to the labour market; and
- persons with disabilities.

Skills training and entrepreneurial development will be guided by the following priorities:

- provide skills and entrepreneurial training that will benefit females and males;
- promote dialogue between industry and skills/professional training institutions to produce skilled labour required by industry;
- strengthen and support human resource training institutions;
- promote apprenticeship training; and
- promote the adoption of the National Youth Policy and the passing of the Disability Bill.

### 3.3.2 ACCESS TO QUALITY HEALTH CARE

Generally the health status of Ghanaians has improved over the years. However, there are big differences in some health indicators among different geographical regions and socio-economic groupings. The main factors that negatively affect how people get access to quality health care include:

- low capital investment in health facilities;
- poor feeder road systems in the country;
- poor location of the health facilities and lack of communication facilities;
- financial problems;
- problems that affect the organization and the management of health care;
- weak support systems such as transportation and equipment for effective service delivery; and
- problems of human resource, especially low numbers of trained medical and para-medical staff.

In order to increase access to quality health services, the health sector will focus on the following three broad policy objectives:

- make sure that all sections of the population have access to quality health care no matter where they live;
- make sure that the poor have access to adequate health care by extending the National Health Insurance Scheme (NHIS); and
- make sure that Ghanaians get the quality health service they require at reasonable cost.

Two serious health conditions that can reduce the quality of human capital and slow down economic growth and development are malaria and HIV/AIDS. The right measures needed to prevent and treat malaria and HIV/AIDS have been identified for action under the GRPS II.

### 3.3.3 SPORTS DEVELOPMENT

Sports development improves health and make people feel positive about themselves. It also contributes to socio-economic development and brings about international friendship and cooperation. Sport development will therefore be based on the following priorities:

- build relationships and partnerships in sports development;
- promote national unity through sports; and
- promote international friendship, solidarity and cooperation.

### 3.3.4 POPULATION MANAGEMENT

Population growth has strong linkages with economic growth and long lasting social development. Population growth increases the quantity of labour but it may not

necessarily improve its quality. An immediate challenge for human resource development is how to maintain population growth rates that will support economic growth and social development.

Population management will therefore be based on the following priorities:

- make it easy for people to obtain and use family planning services;
- educate the youth on sexual relationship, fertility regulation, adolescent health, marriage and child bearing;
- promote compulsory education for children, particularly girl-child up to secondary;
- promote compulsory and universal birth registration as a basic right and as a measure to manage the population;
- help to include HIV/AIDS into sexual and reproductive health programmes; and
- strengthen the coordination of various agencies to manage the population.

### 3.3. 5 SAFE WATER AND ENVIRONMENTAL SANITATION

Many people living in the rural areas do not have access to adequate and clean drinking water. A major problem, which needs to be address, is how to improve access to clean and good drinking water, and sanitation

If we are able to improve access to water and sanitation it will help the development of a healthy population. Such a population can contribute to faster economic growth and help to reduce poverty on a continuous basis. Access to safe water enhances school attendance and reduces women's workload. It frees women to take active part in economic and governance activities. In addition, it is very important for people to get adequate sewerage and sanitation facilities. It is better for environmental cleanliness and helps to prevent many infectious diseases such as diarrhoea and cholera.

The following important issues will guide the provision of safe water and adequate sanitation:

- speed up the provision of safe water in rural and urban areas;
- speed up on the provision of adequate sanitation; and
- improve environmental health and sanitation in urban and rural areas.

### 3.3.6 HOUSING AND SLUM UPGRADING

Access to adequate housing, safe water and sanitation facilities, is an important ingredient to improve the health outcomes and livelihood of Ghanaians. The main problem is lack of sufficient housing units in the fast growing urban areas. This situation has contributed to overcrowding and has put great pressure on the already limited water and sanitation facilities. It has also brought about many children and young people who live on the streets in the large towns and cities.

Adequate housing facilities bring about economic growth and also improve the living conditions of Ghanaians. When we provide houses, it contributes to economic growth because we create employment for people and also expand the housing construction material industry.

The policies that will improve housing and upgrade the slums are as follows:

- promote urban infrastructure development and provision of basic services; and
- increase access to safe shelter that people can afford.

### 3.3.7 HOW ARE THE VERY POOR GOING TO BE PROTECTED AND SUPPORTED TO PARTICIPATE IN NATIONAL DEVELOPMENT?

An important aspect of the strategy to develop the human resource of the country is to protect the rights of the weak, the helpless and people who are excluded from the society. These are especially children, women, people with disabilities, the elderly, the unemployed and those in deprived communities. These people often are not able to fully use their human resource potential. They may also not contribute well to economic growth and help social development on long term basis because they are weak, helpless and have also been excluded.

GPRS II has developed policies to address the needs of the poor and the disadvantaged and make sure that the problems that will prevent them from taking active part in national development are removed. Efforts will therefore be made to implement policies that will:

- protect people against the negative effects of environmental problems such as desertification, drought, floods, pest infestations, conflicts and bushfires etc, which limit people's contribution to the national agenda;
- target people who have peculiar problems such as unemployed youth, men and women, children and women in difficult circumstances. They also include the elderly, and the people with disability. The policies are there to empower them to contribute their part to the growth of the nation;
- strengthen families to play their supportive roles, deal with stigma and care for People Living With HIV/AIDS (PLWHAs). It tries to develop a self-help spirit among Ghanaians and improve information/statistics on the poor and disadvantaged groups. It again strengthens institutions for better planning of social protection, efficient delivery of services;
- promote health and occupational safety, provide nutrition services for children and pregnant women who do not get balanced food (malnutrition);
- provide treatment and support for PLWHAs and caregivers;
- enforce health exemptions for the aged, orphans and vulnerable children (OVCs) etc;
- promote integrated child development;
- develop capacity in social work and encourage people to volunteer to do things;
- establish database on the weak, the helpless and those who are excluded from society; and
- strengthen institutional, linkages and coordination.

### **3.4 PROMOTING GOOD GOVERNANCE AND CIVIC RESPONSIBILITY**

Promotion of good governance and civic responsibility is the third major area of emphasis of the GPRS II. The strategy involves improving the relationship that exists between the private and public sectors. The aim is to develop useful, well-organized, responsible, accountable and improved state machinery with the capacity to engage the productive private sector and civil society. These will then be able to take active part in the development process and cooperate effectively to promote peace, stability and national development.

**Good governance and civic responsibility involves individuals, political groups and associations, traditional authorities, civil society, the private sector and the government. They should work together for economic growth, peace, stability and improve the well-being of all Ghanaians. Development partners, local and external, also have roles to play**

To achieve this, relevant government institutions will work together with the productive private sector to identify and carry out specific programmes and projects. In addition civil society groups will be supported to take part to develop and carry out strategies for faster growth and poverty reduction. Ghanaians have accepted multi-party democracy as a better way to govern. We therefore need to support, protect and promote our current democracy.

Government will continue to strengthen areas of political governance that still require intervention even after the implementation of GPRS I.

These include:

- strengthening the process of democratization;
- improving the capacity of the legislature and the policy environment;
- strengthening the management of data to support proper decision-making and ensure equity;
- assisting traditional authorities to participate in the formal institutions and processes for governing; and
- ensuring greater civic responsibility.

Strategies for political governance under the GPRS II include making Parliament stronger and also ensuring more effective decentralization. Others are reforming the public sector, protecting rights under the rule of law and ensuring public safety and security. Strategies under the GPRS II also looks at how to manage public policy; empower women and the weak and disadvantaged groups; and how to ensure good corporate governance, increase access to information, and promote greater civic responsibility.

GPRS II further seeks to protect the right to own property, ensure the safety of investments, enforce contracts, and increase the confidence of investors in the economy. It strongly promotes due process for dealing with commercial disputes.

Corruption and economic crimes increase the cost of doing business and increase insecurity. They discourage the flow of investment, especially external ones into Ghana. Institutions that fight against corruption will be strengthened and laws against corruption and economic crimes will be strictly applied. This will discourage abuse by public servants.

Priorities for improving economic governance under GPRS II will focus on improved and disciplined management of the economy. International trade will be promoted by reducing the problems associated with export and import procedures; diversifying and increasing the export base; and promoting new areas where Ghana can compete better. Full advantage will be taken of Ghana's preferential access to international markets (AGOA, EU-ACP). Again, Government will engage fully in foreign trade negotiations, and establish an effective information system to measure progress.

The specific measures to be carried out include:

- increase the level and quality of resources required to support the functions of Parliament;
- establish a Constitutional Review Commission to discuss issues that need constitutional amendment;
- improve conditions of service at the District Assembly so as to attract and retain capable staff;
- improve the methods by which the District Assemblies get revenue from various sources;
- harmonize all laws on local government to help the decentralization process;
- protect property and life, and make sure that property disputes are resolved speedily;
- promote the Alternative Dispute Resolution (ADR) initiative to settle disputes outside the regular court system;
- provide legal support to the poor who cannot pay for regular legal services;
- strengthen the capacity of public security agencies for them to laws and make sure that people obey the laws;
- reduce the time spent to process (documents) and start a businesses;
- promote public discussions on government policies to enhance participation and ownership of development initiatives;
- improve conditions of service of public servants so as to attract and retain competent staff;
- enforce laws on corruption;
- sustain initiatives by civil society groups in monitoring public expenditure;
- strengthen the capacity of anti-corruption agencies to make them more effective and also independent;

- create the awareness on the rights of women and promote women's access to productive resources;
- educate citizens on government policies to promote participation in the implementation and accountability; and
- strengthen the capacity of the media to help public discussions on government policies and make sure that all sections of society are accountable to each other.

# **CHAPTER FOUR: HOW ARE WE GOING TO GET THINGS DONE AND FINANCED**

## **4.1 INTRODUCTION**

If we are to achieve the targets set out in the GPRS II, we have to identify and undertake specific measures and actions. It is also clearly stated who or which agency is responsible for each of these measures and actions.

## **4.2 WORKING TOGETHER FOR A COMMON GOAL**

We have seen that the progress that has been made under the GPRS I was not through the efforts of one group of people working on its own. It was through the collective efforts of all, including government, private sector, households and communities, NGOs, CSOs, and Ghana's Development Partners.

We have learnt that there is a lot we can achieve together if we put our collective efforts towards a common objective. We have so far made significant progress. Ghana now has the chance to reach its development goals faster by changing the direction of the economy and the order of our priorities for national development. The GPRS II reflects a new direction and focuses and aims at ensuring faster economic growth as a means to reduce poverty.

## **4.3 PROMOTING CIVIC RESPONSIBILITY TOWARDS ECONOMIC DEVELOPMENT**

One of the key outcomes of long periods of bad governance is that it makes the public lose confidence in the institutions of state. Many people show lukewarm attitudes, indiscipline and feel satisfied with the little they have. People think more about their personal interests and goals than the public interests. These negative attitudes are often seen in the use of time and financial resources of the state. This has affected productivity and created problems for faster economic growth. GPRS II proposes strategies to encourage the citizenry to actively engage in the process of national development. This will be done within an environment that promotes responsible and disciplined civic behaviour.

Civic responsibility involves understanding what it takes to be a good citizen and doing your part to make society better. It also deals with acceptable attitudes and behaviour within the society, at home and in workplaces. If communities depend too much on the government for all the basic necessities of life, it reduces the sense of ownership, maintenance culture and the sense of civic responsibility for sustaining development

initiatives. Over the years, state and non-state institutions have called for the need to make civic responsibility an important part of our body politic. Unfortunately, we still have a lot more to do when we look at indiscipline and disregard for laws, poor work ethics and attitudes. Adults still put up irresponsible conduct and do not show any sense of patriotism. To address these issues, the following should be undertaken:

- society return to traditional values of being each other's neighbour, respect for authority, honesty and integrity;
- formal and informal institutions of socialization and learning be supported to perform their roles as channels of change; and
- traditional authorities such as chiefs be empowered to take active part in ensuring responsible civic behaviour;
- measures to reward responsible behaviour be instituted; and
- the National Commission for Civic Education be strengthened to pursue advocacy roles.

In addition, rules and regulations will systematically be implemented in all spheres, such as in school, at work, on the streets, in religious institutions, etc.

#### 4.4 GPRS II IMPLEMENTATION: WHO DOES WHAT?

INSTITUTION/GROUP	ROLES AND RESPONSIBILITIES OF INSTITUTIONS
Parliament and Cabinet	<ul style="list-style-type: none"> <li>▫ Review and approve policy frameworks.</li> <li>▫ Approve guidelines and formula for allocating resources including the District Assembly Common Fund (DCAF).</li> <li>▫ Oversees policy implementation.</li> </ul>
Ministries Departments And Agencies (MDAs)	<ul style="list-style-type: none"> <li>▫ Act as lead and/ or collaborating agencies for strategy implementation.</li> <li>▫ Determine programmes and projects in line with the GPRS II and annual budget guidelines.</li> <li>▫ Realign on-going projects in favour of promoting growth and poverty reduction activities.</li> <li>▫ Prioritise and cost activities for inclusion in the annual budget and request for release of funds for only approved activities.</li> <li>▫ Monitor and evaluate output targets and programme outcomes.</li> <li>▫ Submit periodic reports on implementation progress and challenges to NDPC and MOFEP.</li> </ul>
Regional Coordinating Councils	<ul style="list-style-type: none"> <li>▫ Coordinate preparation of district development plans and budgets.</li> <li>▫ Coordinate DACF and special programmes to propel growth and respond to poverty.</li> <li>▫ Monitor the implementation of district plans.</li> </ul>
Metropolitan/Municipal/ District Assemblies (MMDAs)	<ul style="list-style-type: none"> <li>▫ Coordinate the activities of decentralized departments, development partner, NGOs, CBOs, and CSOs and the private sector.</li> <li>▫ Provide forum for participation of community members, NGOs, CBOs, and traditional authorities in identifying community needs and setting priorities for planning. Provide special incentives for the private sector to support local economic development and priority areas of GPRS II.</li> <li>▫ Use DACF and IGF to support priorities.</li> <li>▫ Put in more effort to increase internally generated revenue and encourage community contribution in the form of cash and in kind.</li> <li>▫ Identify priorities and cost activities as basis for negotiating for support from development partners.</li> <li>▫ Use both participatory methods and quantitative methods to monitor and evaluate their performance.</li> <li>▫ Develop a system to track the use of resources and output targets.</li> <li>▫ Prepare and submit quarterly and annual reports to the NDPC and the District Assemblies' Common Fund Administrator and organize forums to discuss findings of monitoring and evaluation.</li> </ul>

INSTITUTION/GROUP	ROLES AND RESPONSIBILITIES OF INSTITUTIONS
Private Sector	<ul style="list-style-type: none"> <li>▫ Take active part all the Annual national budget preparation processes.</li> <li>▫ Participate and keenly influence the preparation of District Medium Term Development Plans.</li> <li>▫ Make sure the MDAs and MMDAs policies and priorities promote the private and local economic development.</li> <li>▫ Invest resources in the key GPRS II priority areas and / or enter into partnership arrangement with public sector institutions.</li> <li>▫ Provide social services to needy communities and vulnerable groups as part of the private sector's social responsibilities.</li> <li>▫ Monitor and evaluate the effects of private sector activities.</li> <li>▫ Hold discussion with Government on effects of GPRS II on the private sector.</li> <li>▫ Participate and demand reports of District Assemblies' performance and compare to targets in plans.</li> </ul>
Development Partners	<ul style="list-style-type: none"> <li>▫ Take part in the identification of national goals and priorities.</li> <li>▫ Develop new programmes and projects in support of GPRS II.</li> <li>▫ Re-shape existing programmes of development partners to support GPRS II priority areas.</li> <li>▫ Provide financial and technical support to relevant programmes and projects.</li> <li>▫ Take active part in reviews on spending and discussion of findings from monitoring and evaluation.</li> <li>▫ Support independent evaluation of GPRS II implementation.</li> </ul>
Media, CSOs/NGOs and CBOs	<ul style="list-style-type: none"> <li>▫ Work for the inclusion of social priorities in the GPRS II plans and annual budgets of MDAs and MMDAs</li> <li>▫ Serve as a means of getting information on the GPRS II to the public and also obtaining ideas from the general public</li> <li>▫ Provide financial and technical support to relevant programmes and projects</li> <li>▫ Monitor activities of MDAs, MMDAs and the private sector</li> <li>▫ Review the effects of GPRS II implementation on the welfare of children, women, the vulnerable as well as the protection of the environment</li> </ul>
Training And Research Organization	<ul style="list-style-type: none"> <li>▫ Participate in policy reviews and framework for allocation of resources</li> <li>▫ Support training and research</li> <li>▫ Participate in monitoring and evaluation of performance of MDAs and GPRS II targets and participate in review forums</li> </ul>

#### **4.5 HOW DO WE MEASURE AND ASSESS PROGRESS TOWARDS ACHIEVING OUR DEVELOPMENT TARGETS?**

A well-organized system to get relevant, reliable, timely, and quality information that is needed to support government and civil society will be developed. This will make it easier to take and carry out decisions for national development based on good and reliable evidence.

The GPRS I included a monitoring and evaluation (M&E) system for identifying progress made towards achievement of development targets, as well as for detecting problems for early resolution.

This system will be improved and made stronger under GPRS II. This will involve ensuring that the system is well established, recognized and accepted by all relevant stakeholders. As part of these arrangements, a centrally located database for storing basic socio-economic data will be established. The data will be easily available to all at the national, regional and district levels.

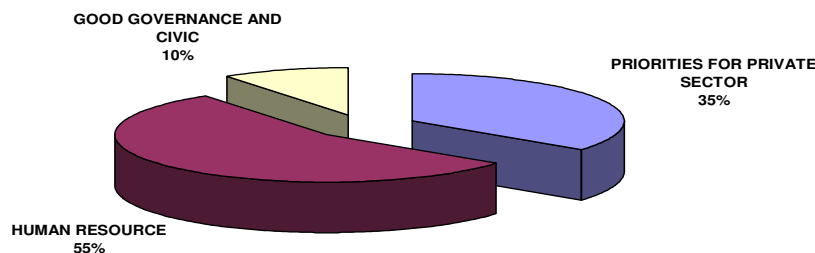
Specific measures that have been put in place to assess the progress of the implementation of the policies and programmes in the GPRS II include:

- develop a system that can continuously compare current situation to targets set;
- compare funds that have been given out to what has been achieved;
- encourage citizens to take part in activities so that shortfalls and problems that occur at all levels can be detected early and corrected;
- support special institutions that have been assigned to measure progress with resources; and train their workers to work more effectively; and
- National Development Planning Commission (NDPC) publish the report on the performance of the GPRS II in a document known as Annual Progress Report (APR) and makes it available to stakeholders every year.

## 4.6 HOW ARE WE GOING TO FINANCE THE GPRS II?

The GPRS II is to be implemented over four years, beginning in 2006 and ending in 2009. The total cost of carrying out the policies and strategies identified in the GPRS II is projected to be US\$8.063 billion. This includes the cost of new and on-going programmes and projects that have already been started. The cost is made up mainly of Service and Investment expenditures of Government such as expenditures for constructing schools, hospitals, office buildings, equipment and machines. Others are new road constructions, maintenance of existing roads and equipment at hospitals, schools and offices. It also includes the cost of buying supplies such as vaccines and the cost of carrying out immunizations, and training of staff to perform their functions.

### Allocation of Resource under GPRS II (in percentage)



Budgeted funds for investments and services is US\$6.27 billion, and the amount of additional funds projected to cover the cost of carrying out the GPRS II (resource gap) is US\$1.79 billion.

Different ways of meeting the resource gap have been considered including generating more revenues from within Ghana and obtaining loans and grants from local and external sources. GPRS II aims at reducing too much reliance on outside sources of funding to finance our development expenditures. It has given priority to measures that will generate more revenues. Getting more tax revenues will be addressed in three main ways:

- broadening the tax base to make sure that persons who are to pay taxes do so;
- eliminating unnecessary exemptions and loopholes in the existing tax system, this is to make sure that certain people or things are not excluded from being taxed; it will also make sure that there are no gaps in the rules which people can use to run away from paying taxes; and
- to strengthening tax administration by training and better motivating those who oversee the payment of taxes.

Other means of getting more funds to carry out planned programmes include:

- savings that we have made under the HIPC programme;
- savings from other debt relief programmes (Multi lateral debt relief) that the country has benefited or will benefit from; and
- the Millennium Challenge Account (MCA). The MCA funds will be used to promote integrated development of agriculture including the building of roads and other transport and irrigation infrastructure.

In addition, it is expected that the performance of the financial sector will improve when we implement the Financial Sector Strategic Plan. The increase in domestic savings that will result is expected to make more funds available to the private sector to finance its productive activities.

## **PARTICIPATION**

### **HOW CAN YOU PARTICIPATE IN THIS EFFORT TO ATTAIN MIDDLE INCOME STATUS BY 2015?**

**These are some of the things you can do:**

- **Show high sense of Civic Responsibility in whatever you do in your Home, Work Place and Community;**
- **Reduce waste in whatever you do;**
- **Organize your Community to support and take part in the of government programmes and projects; and**
- **Undertake Self-Help activities in your community.**

**“Together we stand, divided we fall. Therefore let us join hands and make the goal of middle income economy a reality”**

## **THANK YOU**

We are grateful to all those who have contributed so much towards the development of the simplified version of the GPRS II.

We acknowledge the UNDP who provided the funding for the development and printing of this version of the GPRS II. We also thank the Information Services Department of the Ministry of Information and National Orientation for some of the photographs used in the document.

Finally, we are grateful to you for spending time to read this document right down to this page and pledging to work even harder towards the attainment of middle income status.

We would welcome your comments to enrich this process and ensure more effective implementation.

Comments may be sent to:

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