



**THE REPUBLIC OF GHANA**

# **GHANA TRADE POLICY**



REPUBLIC OF GHANA

## **Foreword**

The Trade Sector Support Programme (TSSP) is the implementation plan for the Ghana National Trade Policy, which was launched in February 2005 by His Excellency the Vice-President Alhaji Aliu Mahama. The TSSP details out the specific activities to be undertaken annually for the achievement of the policy prescriptions contained in the Ghana Trade Policy.

The design of the TSSP was led by the Ministry of Trade and Industry with substantial contributions from international as well as local experts with proven expertise in the core thematic areas of the Trade Policy. The TSSP is therefore based on international best practice as well as local experience, fitted to the needs of the domestic environment. The work of the design team was supported by extensive consultations with all major stakeholders. The final product can be said to be proudly 'Made In Ghana'.

The TSSP provides a comprehensive framework for the operationalisation of the Ghana Trade Policy with detailed programmes and projects which have been fully costed. The programmes and projects have been derived from a gap audit analysis of existing interventions and initiatives in the trade sector. The TSSP is designed to fit strategically with other key national development programmes such as the Ghana Poverty Reduction Strategy and the Private Sector Development Strategy. In view of its cross-sectoral nature, a coordination and management structure for the TSSP has been designed to maximise cooperation and collaborative implementation by the various MDAs and stakeholders.

The structure and content of the TSSP lends itself to ready implementation. It is my hope and desire therefore, that this document will become a living document rather than one to be left on the shelves.

In this regard, the full commitment and cooperation of all stakeholders is called upon to ensure successful implementation of the Programme and enable it contribute in a substantial way to national development and enhanced welfare for all Ghanaians.

Alan Kyerematen  
Hon. Minister Of Trade and Industry

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## **1 INTRODUCTION**

Ghana's aspiration is to become a middle-income country by 2015, with a per capita income of US\$1000 per annum. This is an ambitious target and will require an increase in average annual growth rate of GDP from 5% to about 8%.

Attainment of such rapid growth rates requires structural transformation of the productive sectors of the economy. Ghana needs to move away from a heavy dependence on exports of a limited number of primary commodities to create competitive advantage on a more diversified range of products with higher levels of value-addition. In international trade, competitive advantage is increasingly less a function of cost or price and more a function of quality, design and logistics management, leading to timely sales and after sales service. For this reason it is imperative that both the private sector and supporting public sector institutions understand and are able to respond to the demands and requirements of the marketplace. This necessitates policy interventions geared towards complementing rather than supplanting the market, as elaborated in the Ghana Trade Policy.

The Trade Sector Support Programme (TSSP) is designed to systematically implement the Ghana Trade Policy and deliver rapid and strategic expansion of Ghana's productive base. It is informed by practical experience of rapid economic change in other countries, which has been tailored to Ghana's context. The TSSP takes a new approach to international trade capacity building in that it is centred on strengthening local capacity both in the public and private sectors to deliver long-term sustained change.

The TSSP is presented in three volumes. Volume One provides an in-depth analysis of the current support interventions in the trade sector across various MDAs as well as the private sector, identifies key challenges arising therefrom and makes specific recommendations to address these challenges in order to deliver the policy prescriptions contained in the National Trade Policy. Volume Two builds these recommendations into a series of 27 implementable projects, each with clear targets, outputs and implementation plans, with clearly defined institutional responsibilities. It also elaborates the programme management and coordination mechanisms. Finally, Volume Three provides details of the budget required for implementation.

## **2 PROGRAMME COMPONENTS AND ARCHITECTURE**

The Trade Sector Support Programme will be implemented over a five-year period, from January 2006 to December 2010. It seeks to contribute to accelerated sustainable economic growth as well as increased incomes and employment for the people of Ghana. This will be achieved by increasing Ghana's competitiveness in international and domestic markets and improving the legal and regulatory environment for business and consumers.

Key indicators that will be used to measure the overall performance of the TSSP include increased volume and value of exports; improved performance of domestic firms and SMEs in targeted sectors; increased flows of domestic and foreign direct investment; and increased sector competitiveness relative to other countries.

The TSSP comprises twenty-seven stand-alone but inter-related projects covering the following ten thematic areas and a management and coordination component:

- Multilateral Trade
- Import-Export Regime
- Trade Facilitation
- Production Capacity
- Export Trade Support Services
- Standards
- Domestic Trade And Distribution
- Competition And Government Procurement
- Consumer Protection
- Intellectual Property Rights
- Management and Coordination

Each TSPP Project has clear outputs and targets, which will be delivered within the five-year period. All the projects have time-bound action plans with clearly defined institutional responsibilities, performance indicators and budgets. The projects are designed to complement existing activities and programmes in the trade and industry sector.

The TSSP takes into consideration existing capacity within the Ministry of Trade and Industry and other key MDAs to manage and coordinate the implementation of the Programme, and prescribes a series of capacity building activities designed to strengthen their capacity to play their assigned roles.

### Key Design Features

The key programme design features which are reflected throughout the TSSP can be summarised as follows:

- *A New Approach To Programme Design Which Facilitates Implementation.* The project approach adopted in the design of the TSSP with detailed activities which are fully costed with clearly defined deliverables, provides a structured framework which facilitates programme implementation. In addition, the fact that the projects have been derived from a gap audit analysis of existing interventions and initiatives recognises and builds up what has already been achieved rather than beginning from scratch. Furthermore, extensive consultations organised at various stages during the design has ensured buy-in from all stakeholders.
- *Ensuring A Strategic Fit Between The TSSP And Other Key National Development Programmes.* The TSSP complements the Ghana Poverty Reduction Strategy and the Private Sector Development Strategy as well as other ongoing projects and programmes in the trade sector (including those externally funded by Development Partners), in order to avoid duplication.
- *Entrusting Responsibility For Programme Implementation To Government And Private Sector.* The TSSP will be implemented through a public-private sector partnership with MOTI responsible for programme management and coordination, and the private sector being responsible for actual implementation.
- *Maximising Local Ownership.* The TSSP design was led throughout by MOTI working in collaboration with other local stakeholders, although there were substantial contributions from international consultants. The contents of the TSSP have also been agreed with all key MDAs and stakeholders to ensure full local ownership.
- *Built-in Flexibility.* The TSSP has been designed to respond rapidly to changing needs within the internal and external environment, albeit within the projected resource envelope.
- *Mainstreaming Crosscutting Issues.* Provision is made in the design of the TSSP to mainstream crosscutting issues such as the environment, gender and sensitivity to vulnerable groups throughout the implementation of the Programme.

### Main Stages And Milestones For Programme Implementation

The first stage of TSSP implementation will be a 3-month inception phase during the fourth quarter of 2005. This phase which is designed to provide a solid base for full-scale implementation will involve establishing project teams, setting up financial management and reporting systems, developing monitoring and evaluation mechanisms, establishing quantitative project targets, developing a communications strategy and establishing a website, and restructuring and strengthening the Ministry of Trade and Industry (MOTI) to manage the programme.

Full implementation of the TSSP will commence in the first quarter of 2006 and terminate at the end of 2010. During the course of implementation, annual workplans and budgets will be developed for each project and TSSP Progress Reports will be prepared every six months. Strategic Implementation Reviews will be undertaken by experts at two stages during implementation (Q2 2007 and Q2 2009) to ensure that the programme is on-track for achieving its key targets. At the end of the TSSP implementation, a comprehensive Programme

Completion Report measuring performance against set targets will be prepared and submitted to Government.

## **4 DESCRIPTION OF PROJECTS**

The following provides a brief overview of the projects under each of the ten thematic components of the Trade Sector Support Programme:

### **Component 1: Multilateral Trade**

#### ***Project One: Improved Structures For International Trade Negotiations***

##### ***Purpose:***

To improve the capacity of MOTI and other MDAs and stakeholders with trade-related functions to take considered and well-coordinated decisions on all aspects of international trade negotiations and trade relations.

##### ***Outputs:***

1. Clear Division Of Roles And Responsibilities Established Between MOTI And Other MDAs With Trade-Related Functions
2. MOTI's Capacity To Analyse And Lead Trade Negotiations Strengthened
3. Sector Minister Regularly Briefed On All Aspects Of International Trade Negotiations
4. Well-Functioning Overseas Trade Offices With Effective Consultations Between Trade Missions And MOTI Established
5. Effective Consultation Mechanism With Private Sector and Civil Society Operational
6. Effective Trade Information Centre Operational
7. ECOWAS Secretariat Strengthened

##### ***Brief Description***

This project outlines a fundamental redistribution of trade-related responsibilities within the Government of Ghana, with a much clearer focus on the central policy-making and co-ordination responsibilities of MOTI. MOTI's capacity to analyse and lead trade negotiations will be strengthened, and mechanisms established for comprehensive Government-wide co-ordination of and consultations on trade policy with private sector, civil society and other stakeholders.

#### ***Project Two: Formulation And Implementation Of Trade Negotiation Strategies***

##### ***Purpose:***

To ensure effective participation by Ghana in international trade negotiations in support of national development objectives

##### ***Outputs:***

1. Negotiating Strategy For Non-Agricultural Market Access At WTO Formulated And Executed
2. Negotiating Strategy For Agriculture At WTO Formulated And Executed
3. Negotiating Strategy For Services At WTO Formulated And Executed
8. Effective participation in all other WTO activities
4. Implementation Bottlenecks With ETLs & ECOWAS Trade Protocols Identified And Removed
5. Negotiating Strategy For ECOWAS CET Formulated And Executed
6. Strategy For EPA Negotiations Formulated And Executed
7. Strategy For Trade And Investment Cooperation With Other African Countries Formulated And Executed

## 8. Strategy For Use Of Bilateral Economic Cooperation Agreements For Trade And Investment Formulated And Executed

### ***Brief Description***

This project highlights the key negotiating issues that Ghana must address over a five-year period. In the context of the WTO, negotiating strategies for agriculture, non-agricultural market access and services, carefully linked to supporting Ghana's strategic sectors, will be developed and implemented. Regarding ECOWAS, activities aim to reduce barriers to intra-ECOWAS trade, and promote a customs union that will support Ghana's agriculture, industry and services development strategies. Activities are proposed for effective preparations towards the Economic Partnership Agreement including the development of negotiating strategies that will ensure the achievement of asymmetric outcomes. Other activities seek to achieve improved trade with other African countries and mobilise regional resources and investment to support Ghana's economic growth and development.

### **Component 2: Import-Export Regime**

#### ***Project One: Tariff & Non-Tariff Measures***

##### ***Purpose***

To ensure a level playing field for all economic operators through effective and systematic application of a transparent tariff regime

##### ***Outputs***

1. Tariff Advisory Board Established And Functioning Effectively
2. Tariff Rates Reviewed And Inconsistencies Removed
3. Effective Rates Of Protection Methodology Established
4. Capacity To Administer Contingency Trade Measures Strengthened
5. Import Permits Efficiently Administered
6. Capacity Strengthened To Ensure Foods And Drugs Are Of High Quality
7. Capacity In Toxicology And Risk Assessment Built
8. Rules Of Origin Effectively Administered
9. Efficient Systems For Application And Administration Of Quotas In Place
10. Transparency In Export Control Administration Achieved
11. Public Awareness On Value Of Artefacts Increased

##### ***Brief Description***

A Tariff Advisory Board will be established to ensure that tariffs are set in accordance with national economic development rather than primarily for revenue purposes, and to improve transparency and predictability in the import -export regime. Inconsistencies will be removed from the existing tariffs and mechanisms for granting exemptions and permits streamlined. Capacity will be built in the administration of permits and trade contingency measures, rules of origin and quotas. Finally, measures will be established to stem the illegal export of antiquities.

#### ***Project Two: Export & Import Incentives***

##### ***Purpose***

To operate an efficiently managed incentives regime to facilitate increased domestic production

### ***Outputs***

1. Duty Drawback Scheme Streamlined
2. Education And Awareness Creation Undertaken On Duty Drawback
3. VAT Exemption Procedures Streamlined
4. Efficient Multi-Purpose Free Zones System In Place
5. Clear Procedures On Inward Processing Under Bond Established
6. Training And Awareness Programmes On Inward Processing Under Bond Undertaken
7. Customs Procedures And Controls Of Bonded Warehouses Streamlined

### ***Brief Description***

The project will streamline the duty drawback and VAT exemption schemes to ensure rapid processing times. The decentralization of freezone operations will be supported and customs controls, procedures and practices in the freezones will be brought inline with international best practice with reduced physical inspections, and emphasis on the examination of documents and post audit controls. Procedures for inward processing under bond will be established and bonded warehouses computerised and administration streamlined.

## **Component 3: Trade Facilitation**

### ***Project One: Customs Clearance***

#### ***Purpose***

To ensure speedy and efficient goods clearance and thus reduce costs

#### ***Outputs***

1. Effective Coordination Mechanisms For Trade Facilitation Established
2. GCNet Strengthened And Connected To Key MDAs, Border Points, Freight Forwarders And Other Users
3. Improved Accuracy Of National And Regional Trade Database
4. Customs Procedures Simplified And Remote Entry System For Customs Declarations Strengthened
5. CEPS Adequately Trained And Performing All Valuation Duties Efficiently
6. CEPS Procedures Oriented To Address Trade Facilitation Objectives
7. Fee Structure For Goods Clearance Reviewed
8. Valuation Procedures Brought In Line With WTO Valuation Agreement

#### ***Brief Description***

The project will support the extension of GCNet connectivity to all border points, simplify and computerize customs procedures and declarations, support CEPS to build sufficient capacity to take over destination inspection functions, rationalize the fee structure of key clearance charges and ensure efficient implementation of the WTO Valuation Agreement. The project will also ensure that the quality of trade data captured is improved for policy analysis.

### ***Project Two: Airport Cargo Handling, Storage & Cold Chain***

#### ***Purpose***

To facilitate the provision of modern storage and cold chain as well as competitive cargo handling facilities at the airport

### **Outputs**

1. Adequate Storage And Cold Chain Facilities Established At The Airport
2. Cold Chain Facilities Established From Production Point To Airport
3. Cargo Handling Services Provided At Competitive Rates

### **Brief Description**

This project will facilitate increased private sector investment in storage and cold chain facilities at the airport. A dedicated loan facility will be established to stimulate producers to invest in cold storage facilities at the production point and in refrigerated transportation. The project will facilitate the achievement of competitive air-cargo handling charges through transparent and competitive award of contracts to airport service providers and effective enforcement. So that availability of cargo space on flights does not constrain the expansion of non-traditional exports, the project will review incentives for airlines to provide cargo space.

### **Project Three: Adequate And Efficient Facilities At Ports**

#### **Purpose**

To fully implement the port landlord system and facilitate the provision by private sector of modernised container terminals and other port services

#### **Outputs**

1. Landlord Concept Fully Implemented
2. Efficient Port Management In Place
3. Security Enhanced At Ports
4. Well Equipped And Modernised Container Terminals Established

#### **Brief Description**

Under this project the implementation of landlord port concept will be strengthened. A review of the procedures for granting licenses to private sector operators will be undertaken and promotion of joint ventures to create opportunities for participation by Ghanaian operators, whilst ensuring efficiency in operations. Best practice port management technology will be adapted for Tema and Takoradi Ports and effective monitoring systems created to oversee the implementation of the landlord concept. The IMO Code on International Ship and Port Facilities Security will be implemented. Modernised container terminals will be established through the computerisation of port management and the promotion of investment opportunities.

### **Project Four: Cost Effective and Secure Transit Trade Facilities**

#### **Purpose**

To provide efficient, cost-effective and secure cargo transit facilities to serve landlocked neighbours

#### **Outputs**

1. Effective Tracking Mechanism Established For Transit Cargo
2. Efficient / Speedy Clearance At Land Borders
3. Safe Movement Of Trucks Between Entry And Exit Points And Reduced Number Of Road Checks
4. Key Officials And Business Operators Acquire French Business Language

### ***Brief Description***

A best practice modern transit tracking system will be adapted to Ghana's needs and installed. In order to speed up clearance at land borders, the project aims to establish consultative forums for Ghanaian customs officials and those of neighbouring countries. A shift system of Government Agencies and banks at border points will be instituted to ensure that transit trade services are available for extended hours seven days a week. Targets for border clearance will be established and publicised and a customer complaints desk set up at each border point. To improve the safety of transit cargo across Ghana, registration systems and regulations on axle loads and container cargo sealing and timing will be introduced for cargo trucks. To facilitate business operations with francophone entrepreneurs, French language training will be provided to Ghanaian officials and private sector operators.

### ***Project Five: Free Port***

#### ***Purpose***

To create a free port to support the objective of making Ghana a hub for West African trade and investment

#### ***Outputs***

1. Free Port Designed And Necessary Legislation Enacted
2. Free Port Infrastructure And Management Systems Established
3. Manufacturing Enterprises Established Within Free Port

### ***Brief Description***

Under this project a feasibility study will be conducted to establish the nature and location of the Free Port and advise on the necessary legal framework. Government will provide the necessary off-site infrastructure e.g. roads and electricity, and investors will be sought to build the Free Port facilities on a Build, Own, Operate and Transfer (BOOT) system. Once established, incentive packages for establishing manufacturing enterprises in the Free Port will be designed and publicised.

## **Component 4: Production Capacity**

### ***Project One: Development Of Industrial Policy & Sector Strategies***

#### ***Purpose***

To develop an industrial policy for Ghana with clear guidelines for the implementation of Ghana's industrialization programme and ensure a consistent and stable policy environment

#### ***Outputs***

1. Industrial Policy Developed And Publicised
2. Strategic Sectors Identified And Sector Strategies Developed
3. Sector Working Groups Established And Effectively Overseeing Implementation Of Sector Strategies
4. Establishment Of Industrial Databases On All Companies, Including SMEs, Operating In Strategic Sectors And Tracking Their Performance
5. MOTI Technical Capacity Developed In Targeted Sectors

### ***Brief Description***

An Industrial Policy will be developed to set the broad framework for promoting and developing Ghana's industrial base. It will include criteria for selecting strategic sectors for targeted support, based on an intimate knowledge of the market and Ghana's supply potentials. The selected sectors will be supported through strategies, which will be developed and overseen by sector-specific working groups, comprising both public and private sector stakeholders.

### ***Project Two: Investment Promotion***

#### ***Purpose***

To enhance Ghana's ability to attract investment into industry, particularly the strategic sectors

#### ***Outputs***

1. GIPC's Capacity Enhanced
2. Ghana's International Investment Competitiveness Improved
3. Incentives For Strategic Sectors Enhanced
4. Main Barriers To Investment Removed
5. Effective Investment Promotion By Overseas Trade and Investment Promotion Offices
6. Industrial Land Inventory and Industrial Estates Developed

### ***Brief Description***

Under this project, investment promotion activities will be enhanced to levels of international best practice. Investor facilitation will be strengthened through the establishment of investor referral points at the airport, key hotels and regional capitals and a dedicated hand-holding service will be created to guide potential investors through the steps necessary to establish a business. Ghana's competitiveness and productivity will be benchmarked against competitor nations. Incentives for investors will be reviewed and attractive investment packages developed and promoted for each strategic sector. In order to increase availability of land for industry, an inventory of all existing designated industrial zones will be undertaken, and industrial land banks established. In addition, turn-key industrial sites and flexible advance factories will be created to attract investment into strategic sectors and will be the basis of strategic sector clusters.

### ***Project Three: SME Support***

#### ***Purpose***

To effectively develop and promote SMEs through financial and non-financial support for enhanced competitiveness

#### ***Outputs***

1. NBSSI And Other Business Development Service Agencies Strengthened To Provide World-Class SME Support Services
2. Business Support Institutions In Ghana Delivering Effective SME Training Courses
3. Specialized Technology Centres And Business Incubators Established
4. SMEs Service Providers Upgraded And Offering Specialized Technical Services
5. Productive Enterprises In Rural Areas Established
6. Crafts Initiative Operational
7. Outsourcing Opportunities For SMEs Increased
8. Formation and Development of Business Associations Encouraged
9. Technology Innovation and Capital Goods Manufacture Initiative Operational

### ***Brief Description***

NBSSI and other business development service agencies will be strengthened to deliver world-class SME support services through a network of business advisory centres. In order to support technological upgrading of SMEs, this project will develop specialized technology centres in line with identified strategic sectors and sector policies, located close to related industrial activity. SME upgrading will be facilitated through fiscal incentives for technology upgrades and R&D expenditure. An SME Management Training Centre will be established to provide standard and sector-specific management training, and to facilitate upgrading of existing training institutions. Access to finance will be improved through provision of specialised business development services and by facilitating linkages to SME funds. The project will target the development of SMEs in the rural sector, particularly those with a focus on agro-processing since this is a sector with the potential to stimulate substantial downstream and upstream production (REDP etc.).

### ***Project Four: Education-Industry Linkage***

#### ***Purpose***

To improve responsiveness of technical education and training to present and future needs of industry, especially in the strategic sectors

#### ***Outputs***

1. Future Skills Advisory Group Operational
2. Curricula Of Tertiary Institutes Aligned To The Needs Of Industry
3. Specialized Training Centres Established For Targeted Sectors
4. Effective Attachment Programmes For Undergraduates In Industry Operational
5. Effective Linkages Between Tertiary, R&D Institutions And Industry Established
6. Provision Of Career Guidance Counselling Services

### ***Brief Description***

This project will link education to industry to develop a critical mass of skilled workforce for industrial development. The linkage will help provide the right blend of managerial and technical skills as well as entrepreneurship for the future and integrate educational outputs with industrial labour needs. A Future Skills Advisory Group will be established in collaboration with the Ministry of Education and Sports, to identify skills needs and recommend ways in which the education and training system can respond to meet these needs in a timely manner. Marketing as a business approach will be promoted at all educational levels, and greater emphasis placed on technical education and training.

### ***Project Five: Investment Finance***

#### ***Purpose***

To increase availability of and access to long-term investment finance facilities at competitive prices, especially for targeted productive sectors

#### ***Outputs***

1. Financial Regulations Responds To The Needs Of Production, Savings, Investment And Export
2. Mechanisms For Increased Access To Long-Term Finance Identified And Implemented
3. Credit Reference Mechanisms Established And Operating Effectively
4. Early And Effective Implementation Of The Venture Capital Fund

## 5. EDIF Reorganised And Strengthened To Provide Investment Finance To All Sectors

### ***Brief Description***

This project will complement the Investment Promotion and SME Support projects by working directly with the financial institutions to improve access to medium and long-term capital. Financial incentives will be designed to give the greatest possible stimulus to production, savings, investment and exports. Mechanisms for increased access to long-term finance will be developed, for example, an SME Development Bank, Industrial Development Corporation and Mutualist Credit Guarantee Scheme. Mechanisms will also be identified for establishing an effective credit reference agency. Finally, the project will work with banks to develop innovative SME-oriented products.

### ***Project Six: Infrastructure Support & Service Delivery For Strategic Sectors***

#### ***Purpose***

To improve infrastructure facilities and service delivery to productive enterprises for accelerated trade and industry development

#### ***Outputs***

1. Infrastructure And Service Requirements Of Industry Determined
2. Infrastructure And Services Upgraded For Strategic Sectors
3. Quality Of Services From Public Sector Institutions Improved

### ***Brief Description***

Poor access to land and inadequate infrastructure (roads, electricity, telecommunications, education and skills, ICT infrastructure), can have a highly negative impact on the productive sectors of the economy. This project will aim to remove such bottlenecks, particularly for priority sectors. The project will also support the upgrading of key institutions to become responsive, user-friendly business service organizations and to adopt a customer-driven, market led and timely service philosophy.

## **Component 5: Trade Support Services**

### ***Project: Export Trade Support Services***

#### ***Purpose***

To provide a full range of effective support services to the export sector to achieve growth and expansion in export markets and develop new value-added products for Ghana's export portfolio

#### ***Outputs***

1. Export And Investment Promotion Harmonised
2. Internationally Competitive Trade Promotion Organization Established & National Export Strategy Developed
3. Up-To-Date Trade Information Provided To Exporters And The Business Community
4. Exporters Have Easy Access To Trade Finance
5. High Quality Export Management Training Provided To Targeted SMEs
6. Effective Participation In National, Regional And International Export Promotion Events
7. Export Trade Houses For Key Markets Established And Operating

8. Proactive Network Of Foreign Trade And Investment Representatives Established In Key Markets
9. Product Development And R&D Information Available To Exporters
10. Market Access Opportunities For Non-Traditional Exports Under Preferential, Bilateral, Regional And Multilateral Agreements Effectively Promoted And Utilised

### ***Brief Description***

Under this project, GEPC will be upgraded to provide world class export promotion services including trade information, export management training, product adaptation and R&D. Greater coordination will be achieved between export and investment promotion at both the strategy level to harmonise the workplans of key institutions, and the operational level to directly facilitate exports through the establishment of an Export Roundtable. Export and investment promotion will be further strengthened by the establishment of effective market presence in key markets, the establishment of export trade houses to act as brokers for SME exporters and effective participation in trade promotion events.

## **Component 6: Standards**

### ***Project One: Institutional Upgrading***

#### ***Purpose***

To strengthen standards institutions in Ghana to become internationally competitive

#### ***Outputs***

1. Overlaps In Functions Of GSB/FDB Eliminated
2. GSB Upgraded To Internationally Competitive Standards
3. GSB Accredited To Carry Out Product Certification, Systems Certification And Certification Of Inspectors
4. Laboratories In All Standards Related Institutions Upgraded And Accredited
5. National Five-Year Strategic Plan For Standards Developed
6. An Effective System For Elaboration Of Technical Regulations Established

### ***Brief Description***

This project will streamline and reorganise national standardisation and upgrade Ghana Standards Board to internationally competitive levels. It will introduce a shift from a mandatory to a voluntary approach to standards, which will encourage trade and development. A national standards strategy and action plan will be developed, which will provide a common understanding amongst all stakeholders to enhance Ghana's standardisation. The project will also lead to the upgrading of all key laboratories in the country and the introduction of ISO/IEC standards and guidelines. In the medium term this will enable accreditation of the key bodies supporting international trade.

### ***Project Two: SPS & TBT***

#### ***Purpose***

To ensure that the application of technical as well as sanitary and phyto-sanitary regulations does not constrain export performance or result in undue costs for imports

## ***Outputs***

1. Business Operators Regularly Updated And Provided With Requisite Technical Support To Meet Technical Barriers To Trade (TBT) And Sanitary and Phyto-Sanitary (SPS) Requirements
2. Active Participation Of Relevant National Institutions In Activities Of International Standards Setting Bodies
3. Dedicated Export Inspection Facilities At KIA, Tema And Takoradi Established
4. Efficiency In Inspection And Certification For Technical Barriers To Trade (TBT) And Sanitary and Phyto-Sanitary (SPS) Compliance Achieved
5. Mutual Recognition Agreements With Trading Partners Operational
6. Effective National Alert System Set Up

## ***Brief Description***

The project will establish an effective and efficient TBT and SPS regime in Ghana to assist local producers to take advantage of export opportunities. The SPS and TBT National Enquiry Points will be strengthened to deliver effective information and technical support to exporters. The provision of inspection facilities at the airport and harbours will increase the ability of exporters to meet orders in a timely manner and ensure that exports are of the requisite quality. To ensure that certification by Ghanaian bodies will be recognised in key export markets, mutual recognition agreements with trading partners will be pursued. The establishment of an efficient national alert system will enable the Government to rapidly and effectively respond to any quality problems regarding exports. In the case of imports, the project will ensure efficiency and cost competitiveness in the inspection and certification of products.

## ***Project Three: Enforcement Of Standards On Domestic Market***

### ***Purpose***

To protect the health and safety of consumers through the effective development and enforcement of standards

### ***Outputs***

1. Effective Post-Market Control System Established
2. Effective Labelling Including Price-Marking And Bar-Coding In Place
3. Use Of Weighing Scales For Trading Enforced
4. Traceability Of Food Products From The Farm Gate To The Consumer Developed
5. Harmonisation Of Standards In ECOWAS Achieved

### ***Brief Description***

The project will ensure that quality standards on the domestic market effectively protect consumers. In line with international best practice the project will involve the abolition of pre-market controls, except for certain products such as drugs, and a shift to post-market controls. Effective labelling of products will be enforced together with the promotion of a systematic weights and measures regime. Mechanisms to ensure traceability from production point to consumers will be strengthened to quickly identify the sources of unwholesome food items on the market. Enhanced traceability will also support export development as international standards become increasingly stringent. Finally, the project will aim for harmonisation of standards within the ECOWAS region.

## ***Project Four: Productivity Improvement***

### ***Purpose***

To improve management efficiency and labour productivity and thus enhance the productivity of firms

### ***Outputs***

1. Specialised Outreach Programme To Support Firms Acquire ISO Quality Management Systems (QMS) Certification In Place
2. Standardisation And Quality Management Training Programme Established
3. Productivity Performance Award Programme Instituted
4. Private Sector Motivated To Continually Train Workers

### ***Brief Description***

The project will introduce quality management techniques to private enterprises through specialised outreach programmes and training courses to support firms attain increased productivity and improved quality. A National Policy on Workers' Training, will be designed and developed along the lines of identified best practice systems (e.g. in Latin America) to provide incentives to the private sector to train workers.

## **Component 7: Domestic Trade & Distribution**

### ***Project One: Improved Trade And Distribution Infrastructure And Systems***

### ***Purpose***

To create an efficiently functioning domestic market for the development and distribution of products for both local consumption and export, and promote consumer welfare

### ***Outputs***

1. MOTI Offices In The Regions Strengthened
2. Farm Storage And Transport Facilities For Agricultural Produce Improved
3. Adequate Road, Railway, And Inland Waterway Transport And Telecommunications Services Provided To Priority Productive Areas
4. Adequate Market Infrastructure Established In Key Cities And District Capitals
5. Business Registration Computerised, Simplified And Decentralised
6. Trade Taxes Streamlined And Simplified
7. Access To Credit For Domestic Trade Enhanced

### ***Brief Description***

The project will aim to reduce price fluctuations and improve prices for producers and consumers through better storage, transport and market infrastructure. Commercial market centres and rest-stops will be developed in key trading areas and the market day concept promoted. It will also aim to reduce high transport costs through provision of transport infrastructure to priority productive areas and support local contractors. The project will facilitate improved infrastructure such as telecommunications, water and electricity as well as access to land and finance, and enable firms locate outside of the main commercial centres thereby supporting the integration of the rural economy into the wider economy. Business registration and streamlining of trade taxes will encourage informal traders into the tax net.

Finally, access to trade finance will be improved through streamlining of micro-finance initiatives, and the provision of incentives for banks to increase lending to the agricultural sector.

### ***Project Two: Promotion Of Made In Ghana Goods and Services***

#### ***Purpose***

To promote the growth and development of local industry through the stimulation of demand for locally produced goods and services

#### ***Outputs***

1. Marketing Business Development Services (BDS) Provided To Manufacturers Producing For The Local Market
2. Corporate Image Of Ghana Standards Board Improved
3. Product Galleries Established And Showcasing Made In Ghana Products
4. National Friday Wear Programme Expanded Nationwide
5. National Consumer Credit Scheme In Place And Operational
6. Advertising Strategy For Promotion Of Made In Ghana Goods Implemented

#### ***Brief Description***

The project will involve a series of initiatives to stimulate demand for Made In Ghana Goods. Local manufacturers will be supported to upgrade packaging, enhance product development, gather market intelligence and vigorously promote products. The Ghana Standards Board will be assisted to improve its corporate image and actively promote its logo as a 'symbol of quality'. Product galleries displaying 'Made-In-Ghana' goods will be established on the web and in major cities and regional capitals. A 'Made-In-Ghana' branding strategy will be developed to promote 'Made-In-Ghana' Goods through the print and electronic media. To support the textiles and garments sector, Ghanaians will be encouraged to patronise locally produced garments under the Friday Wear Programme. Finally, a National Consumer Credit Scheme tied to the procurement of locally manufactured goods will be introduced.

### **Component 8: Competition & Government Procurement**

#### ***Project One: Competition***

#### ***Purpose***

To establish and maintain a transparent and effective competition regime that promotes efficiency and encourages the development of the productive sector

#### ***Outputs***

1. Competition Bill Drafted And Submitted To Cabinet
2. Competition Bill Enacted
3. Competition Commission Members And Staff Appointed
4. Training And IT Systems Developed
5. Competition Guidelines And Regulations Published
6. Awareness Raising On Competition Undertaken
7. Entry Into Force Of Competition Law
8. Respected Competition Regime Operational

### ***Brief Description***

The project will review and redraft the existing Competition and Fair Trade Bill in light of best practice. On the enactment of the Competition Bill, a Competition Commission will be established with the requisite staff and infrastructure. Competition guidelines and regulations will be published and awareness raised among the business community as to the implications and reach of the law.

### ***Project Two: Government Procurement***

#### ***Purpose***

To establish a transparent Government Procurement system that enhances competition and promotes the use of local products and services to support local industry

#### ***Outputs***

1. Guidelines, Rules And Regulations Developed
2. Upcoming Tenders And Public Procurement Board (PPB) Activities Publicised
3. Capacity Of MDA Procurement Entities Enhanced
4. Domestic Private Sector Able To Respond To And Win Bids For Provision Of Goods And Services

### ***Brief Description***

The Government is the largest consumer in Ghana and as such has the potential to support the development of local industry. The project will support local suppliers, particularly those sourcing Made In Ghana goods, to effectively bid and therefore increase their chances of winning Government contracts. A survey of total Government procurement will be carried out and will include the products, volume of procurement and sources of supplies, as well as prices of the products and services. A local industry census will be carried out of the goods and services that local firms produce, including annual production figures and direction of supplies, and the technology requirements of firms. An action plan will be drawn up to assist industry to respond effectively to the procurement process.

## **Component 9: Consumer Protection**

### ***Project: Consumer Protection***

#### ***Purpose***

To create an environment that affords protection to consumers and enhances consumer welfare

#### ***Outputs***

1. Consumer Protection Policy Developed
2. Framework Law On Consumer Protection Enacted
3. Consumer Protection Authority Established
4. Mechanisms And Instruments For Delivering Speedy Redress Established And Operating Effectively
5. Economic Rights Of Consumers Protected

6. Clear And Sufficient Rules On Labelling, Including Foodstuffs, And A Code Of Practice On Advertising Established And Enforced
7. Environmentally Friendly Consumption On A Sustainable Basis Promoted
8. Consumers Aware Of Their Rights And Effectively Represented On Relevant National Bodies

### ***Brief Description***

Under this project, a Consumer Protection Policy and Framework Law will be developed. This will lead to the establishment of a Consumer Protection Authority including Small Claims Courts to facilitate consumer redress. Efficient labelling and a code of practice on advertising will be established to improve the accuracy of information provided to the consumer. The project will promote sustainable and environmentally friendly consumption patterns to ensure sustainable development through education campaigns. Finally, consumers will be educated on their rights, and steps taken to strengthen consumer-oriented NGOs and ensure effective representation of consumers on decision-making bodies.

## **Component 10: Intellectual Property Rights**

### ***Project: Intellectual Property Rights***

#### ***Purpose***

To institute an intellectual property regime that encourages innovation, and facilitates productivity improvement and competitiveness

#### ***Outputs***

1. Intellectual Property Offices Fully Operational
2. Legislation In All Areas Of The TRIPS Agreement Fully Operable, Updated And Completed
3. An Efficient Automated Industrial Property Management System And An Electronic Copyright Register In Place
4. Public Awareness And Understanding Of Intellectual Property Increased
5. Progressive And Sustained Elimination Of Counterfeited/Pirated Goods In The Market Place Achieved
6. Judiciary Continuously Sensitised On Intellectual Property Issues
7. Patent Information Utilised By The Public And Private Sector For Knowledge Based Decisions Concerning Technology

### ***Brief Description***

The project will strengthen the Registrar General's Department and Copyright Office to effectively administer intellectual property rights. This will include the replacement of the current paper-based system with an automated industrial property management system and electronic copyright registers which will be established as turn-key projects. Relevant legislation will be amended or drafted to ensure effective coverage of all areas of the TRIPS Agreement. Sensitisation of Judiciary through colloquia and educational campaigns for the public to increase awareness will be undertaken. Regarding piracy and counterfeit goods, a task force will be established to eliminate counterfeit goods from the marketplace. To facilitate access to patent information, a patent information point will be established to support entrepreneurs to access relevant information on existing technologies.

### Programme Implementation Structure

The Ministry of Trade and Industry will be responsible for the strategic management and coordination of the implementation of the TSSP, working in partnership with key MDAs, private sector and civil society organisations. The overall Programme Director will be the Chief Director, MOTI, and implementation of each of the components will be overseen by Directors General of the Ministry.

In order to maximize coordination and synergies between MDAs and the private sector for the rapid growth of trade and industry, a number of additional mechanisms will be established to support the overall TSSP implementation structure. These mechanisms have been designed to complement existing bodies and structures, making them perform more effectively, namely;

An **Inter-Ministerial Coordinating Group** comprising key and relevant sector Ministers will provide an effective interface mechanism between key Ministries to discuss policy issues on trade and industry and review proposals and provide strategic direction. The Inter-Ministerial Coordinating Group will interface regularly with the Private Sector Development Strategy Oversight Committee to build synergies.

A national **Trade and Industry Development Board** will be established as a consultative panel of business, economic and other specialists, which will advise the Sector Minister on the strategic direction of the trade and industry sectors in order to sustain competitiveness and growth.

A **Tariff Advisory Board** comprising key MDA officials, technical experts and industry representatives will undertake analysis on the impact on productive sectors and government revenue of tariff and non-tariff measures as well as other regulations pertaining to exports and imports, and advise the Inter-Ministerial Coordinating Group accordingly.

A **Future Skills Identification Group** comprising technical experts from MOTI, MOES, tertiary and technical institutes, industry and organized labour will identify, in a systematic way, the skill needs of different sectors and advise on actions needed to address them as part of a partnership process between Government, business, education, training and employee representatives.

The **Trade Policy Coordination Group**, chaired by the MOTI Chief Director and including the relevant MOTI Directors, will provide the Sector Minister with policy advice on key trade issues. It will also be charged with routine coordination and oversight of TSSP implementation and will interface with key MDAs and development partners. The Group will also develop and implement a TSSP monitoring and evaluation plan which will accord with the Private Sector Development Strategy monitoring and evaluation plan. Heads of projects will report regularly to the Group. A cluster of technical working groups constituted around the components of the TSSP will work with the Trade Policy Coordination Group of MOTI to provide specialist technical advice and support implementation of the TSSP.

An **Inter-Agency Coordinating Group**, chaired by the Minister of Trade and Industry and comprising representatives of all the key MDAs and other stakeholders involved in TSSP implementation will meet on a quarterly basis to review operational progress. The Inter-Agency Coordinating Group will be charged with reviewing and rolling-forward project implementation plans and budgets for the different components of the programme during the 5-year implementation period. Quarterly reports will be submitted to the National Development

Planning Commission, Policy Coordination Monitoring and Evaluation Unit of the Presidency, and the Private Sector Development Strategy Working Group (comprising the Oversight Committee and the Donor Private Sector/Trade Coordinating Group).

A **Trade Forum** and an **Industry Forum** will be established to strengthen consultations and provide a dialogue mechanism for Government, the private sector and civil society to deliberate on critical issues in the trade and industry sectors respectively. They will be held on a quarterly basis for the Ministry of Trade and Industry to solicit the views of a wide range of stakeholders on pertinent trade and industry related policy issues.

### **Programme Funding And Financial Management**

TSSP will be supported through three different funding modalities: the government budget; pooled-funding through the PSDS Joint Financing Facility; and, in some cases and with good reason, through aligned project support.<sup>1</sup> Arrangements for TSSP funding and financial management have therefore been aligned with those already in place for the government budget and the PSDS Joint Financing Facility. An initial allocation of US\$2.3m is available from the PSDS Joint Financing facility for implementation of the TSSP inception phase in 2005.

MOTI and other key implementing MDAs will prepare and submit quarterly financial reports on their TSSP project activities to the PPME Division of the Ministry of Trade and Industry, where they will be compiled into six-monthly TSSP reports. The Ministry of Trade and Industry will submit these financial reports to all relevant parties, including the quarterly meetings of the PSD Strategy Working Group.

### **Contracting And Procurement**

All procurement of goods, works and consultancy services will be in accordance with the Public Procurement Act 2003, Act 663, and associated regulations covering administrative and institutional arrangements for procurement, tendering procedures etc. MOTI, and in some cases, other key implementing MDAs will be responsible for procurement of goods, works and services.

### **Monitoring And Evaluation**

The TSSP will incorporate comprehensive, robust consultation, monitoring and evaluation systems. The TSSP monitoring and evaluation systems will track a wide range of performance indicators, scheduling and implementation and expenditure data. The majority of the content for the monitoring and evaluation system will be collected and analysed by project teams, obtained from research to be commissioned under individual TSSP Projects. The PPME Division in MOTI will monitor key targets for each project, as well as the key targets for the programme as a whole, in line with the Private Sector Development Strategy.

### **Communications Strategy**

The TSSP is a large and complex programme, involving a large number of MDAs, business associations and other external stakeholders. To maintain good information flow to key implementing partners and other stakeholders and facilitate coordination with other programmes, a communications strategy for TSSP will be designed and implemented.

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<sup>1</sup> Under the PSDS Common Management Arrangements, five of Ghana's Development Partners (DFID, the EC, World Bank, Denmark and AFD) have agreed to provide funds through a Joint Financing Modality. Other Development Partners (including USAID, UNIDO, UNDP, Canada, Italy, Japan, Germany) have agreed to contribute to the PSDS through the Aligned Project Support Modality. All Development Partners supporting the PSDS are represented on the PSDS Donor Coordinating Group.

## **Strengthening MOTI To Lead Programme Coordination and Management**

The Ministry of Trade and Industry as the principal government institution responsible for trade policy and development, will be responsible for the strategic management and coordination of implementation of the TSSP. The Ministry of Trade and Industry will therefore be strengthened to effectively play this role.

A comprehensive capacity building programme will be implemented for MOTI staff at different levels. It will cover areas including:

- Management development and communications skills
- Accounting and audit
- Procurement administration
- Project management
- Monitoring and evaluation
- IT skills
- Information management and analysis

In addition, IT infrastructure and information systems will be upgraded to support effective delivery of all aspects of TSSP implementation.

The Trade Sector Support Programme is structured to deliver the outputs of each project in a coordinated manner. The successful implementation of each component of the Programme will be dependent on the realization of the objectives of the other components. Therefore the TSSP is intended to be construed as an integrated programme. Funding on a year-by-year basis linked to the activities specified in each component is crucial for the realization of the outcomes. The TSSP has been designed to respond rapidly to changing needs within the internal and external environment, albeit within the projected resource envelope.

It is anticipated that the successful implementation of the entire TSSP will radically transform the trade and industry sectors of Ghana's economy and contribute to enhancing the welfare of Ghanaians.