

STATE OF THE NATION ADDRESS 8TH FEBRUARY, 2007

SALUTATION

Mr. Speaker, the Constitution of the Fourth Republic prescribes that the President of the Republic delivers to Parliament a message on the state of the nation at the beginning of each session. This is what I have come to do.

Mr. Speaker, as I look around the House, I see empty seats on the Minority's side.

It is a sad day that members of that side have chosen to absent themselves. It is sad again that they have resorted to this course of action, apparently in reaction to the judgement of a duly constituted court of law. It is even sadder that they seem to ignore the fact that the due process of going through appeals, as provided for by the Constitution, is yet to be exhausted, in this particular case.

Mr. Speaker, I want to use this occasion to ask them to reconsider their withdrawal from the House and come back to play their part to uphold the integrity of the House. I make this appeal in the light of the sincerity with which government is committed to the reconciliation process it has initiated for healing the wounds of the nation and to make for a fresh start.

Mr. Speaker, let me at this point acknowledge Mr. Abu Bonsrah, the honourable member for Fomena, who has taken his seat in the House from the recent by-election. I wish him a very successful term.

About two weeks ago, our own brother and compatriot, Mr. Kofi Annan, who has successfully completed two terms as Secretary-General of the UN returned home to Ghana to a hero's welcome. He has since delivered a thought-provoking lecture which is the first in the series of the Golden Jubilee Lectures. I am sure the whole nation joins me in wishing him a happy return home, after his distinguished service for humanity.

Mr. Speaker, later, I shall talk about Ghana's unanimous election to the Presidency of the African Union during this very auspicious year. Let me however thank the many well-wishers from around the country and beyond for their kind sentiments. The honour belongs to the entire nation.

INTRODUCTION

Mr. Speaker, when the 2006 budget was read in November 2005, many thought the practice would be a nine-day wonder. Happily, the tradition is being sustained and this year's budget statement was read last November. As a result, government's policies and financial plans for the year, as contained in the budget statement, have already been approved by the House. So, this morning I am addressing:

1. Key challenges within the socio- economy,
2. Issues of good governance, and
3. The on-going Golden Jubilee celebrations and their aftermath.

GHANA ON THE RISE

Mr. Speaker, my government assumed office in 2001 and had its mandate renewed for a second term in 2004. All too soon, it has reached the mid-point of this second term. All over the world, this period is considered critical for governments which are about to end their tenure, in that, they tend to engage in dispassionate assessment of their performance with a view to correcting their mistakes and consolidating their achievements for the time left. In this respect, this government is no different.

Propitiously, in our case, this critical mid-term analysis is coinciding with the Golden Jubilee Anniversary of Ghana's Independence , as a sovereign nation. This reinforces the need for the government and the entire society to engage in stock-taking and re-setting of national vision and goals for advancement. Therefore, I expect subsequent discussion of this State of the Nation Address to be conducted in the spirit of candour and sincerity from all sides.

Happily, Mr. Speaker, the government's assessment of the nation's political, economic and social conditions of the state indicates that, on balance, **GHANA, THE BLACK STAR OF AFRICA, IS ON THE RISE AGAIN.** This should make all of us nationals happy about the various contributions and sacrifices we have made, individually and collectively, to bring the nation this far. The obvious challenge now is how to accelerate the development for the betterment of the entire society. This appreciation should strengthen our resolve to work together in overcoming existing problems and drawbacks like:

- The energy crisis that is plaguing industrial and economic activities.
- The pockets of conflict in the country, arising mainly from chieftaincy disputes,
- The low salaries, wages, and productivity, with their attendant high unemployment within the economy,

- The impact of Globalisation on socio-economic development programmes.

Mr. Speaker, it is within our power to overcome most of these challenges in the short to medium term. This is why we Ghanaians must will ourselves to work harder than we have ever done in the past 50 years.

Fortunately, our path to success is benchmarked by our national vision of attaining a middle income status through a growth rate of 8% GDP annually, which translates to over US\$1,000 GDP per capita income within the next decade.

Happily, this vision also coincides with the Millennium Development Goals set by the UN to reduce global poverty by half by 2015. Ghana is therefore not alone, like a long distance runner in search of a better life. Our task is made lighter in the knowledge that there are other nations around the world being encouraged and assisted by the international community to move alongside us in the same direction in overcoming these challenges.

Mr Speaker, within our category of developing nations, Ghana is being acknowledged as among the leaders in the pursuit of these goals. Thus government is determined to consolidate and build on the achievements made so far, and to turn the massive tide of goodwill that Ghana is enjoying worldwide to maximum advantage to facilitate this undertaking.

ENERGY AND POWER

Mr. Speaker, I shall start my message with a report on the current crisis in the supply of energy in the country. I believe this will go a long way in reducing the anxiety and the fears of the business community and the public in general.

The problem of inadequate energy supply has crept up on the nation since the construction of the Akosombo dam. With it, the whole nation was lulled into believing that the dam will be an inexhaustible source of power. The first signs that this belief was naïve appeared toward the mid 1980s when the nation suffered the first load shedding from Akosombo.

Alas, the economy was in no shape to support any serious solutions to the problem. There was a recurrence after the mid 1990s. It was then

that resort was made to thermal plants like Aboadze. Fuelled by crude oil, these plants proved extremely costly to run.

On assumption of office in 2001, government decided to find long-term solutions to this problem. Accordingly, it initiated action to raise US\$40million, being Ghana 's equity, for commencement in 2003, of the construction of the West African Gas Pipeline project. This had been on the drawing board for many years. The project, which will produce large volumes of relatively cheaper and sustainable source of energy, was expected to be operational by December last year. There has been some constructional delay and is now programmed to be operational in August this year.

Mr. Speaker, in anticipation of this flow of gas, the establishment of gas turbine thermal plants is being undertaken by public and private agencies.

In the interim, government has taken short to medium term measures to put an end to the embarrassing and expensive load shedding to which society and industry have been subjected to over the past six months. These measures include supply from the West Africa Power Pool arrangement whereby, within the next fortnight, Ghana will benefit from supplies from Nigeria and Cote D'Ivoire to the tune of 200 megawatts.

The Volta River Authority is poised to establish a 300 megawatt plant in Tema.

The same company is building another emergency plant to supply 126 megawatts of power by August this year.

The Osagyefo Power barge which has been standing idle will be empowered to produce 120 megawatts.

A private sector Ghanaian-Chinese joint venture company is in the offing to produce, in two phases, up to 600 megawatts of power.

Government has also contracted three American companies to produce up to 110 megawatts by the end of April.

This arrangement would altogether provide at least 500 megawatts which is far in excess of the present shortfall.

I should acknowledge at this point, the consortium of mining companies which has offered to build a plant at Tema, to be completed by June, to supply 80 megawatts of power.

Mr. Speaker, additional to these ventures, government has initiated action to build another hydro-electric dam, the Bui dam. As we speak there is a high powered delegation in China to sign an agreement with the Chinese Exim bank for assistance towards the construction of this dam which is designed to generate 400 megawatts of electricity.

So, Mr. Speaker, government has not been remiss in its responsibilities. On the contrary, it has taken steps to give both short and long term solutions to the problem. Within five years, the energy level will be doubled in capacity to cater for the industrial and economic requirements for the next 20 years.

Mr. Speaker, I should add that research is on-going to find alternative sources like solar, wind as well as biological plants like the jetropha whose seed is used to produce diesel oil.

Mr. Speaker, I should use this occasion to appeal once again to our entire society to be economical in the use of electrical appliances and also conserve energy within public offices and installations.

ECONOMIC PERFORMANCE

Mr. Speaker, despite the perennial problems of the energy sector, including the highest price ever of crude oil last year, this nation has registered very impressive achievements during the past six years in the management of its macro-economy.

Counting on the support and goodwill of Ghanaians, government has implemented various policies and programmes which have enabled it to transform the macro economy from years of stagnation to the current growth rate of 6.2%. From 40.5% in 2000, inflation now stands at 10.2%; while the commercial banks' lending rate which stood at over 50% five years ago is now around 20% and is still falling.

The Cedi has stabilised and maintained its value against major currencies, thus encouraging the Bank of Ghana to initiate a process, starting from next July, towards its re-denomination. This is to make accounting procedures and monetary transactions less cumbersome for everyone and, also, to reduce the cost of printing money, or the burden of carrying huge amounts of money around.

Mr. Speaker, this outstanding performance of the macro-economy is boosting the confidence of both domestic and foreign investors, which is already on the upsurge. Ghanaians no longer feel the need to transfer their money abroad nor change it into foreign currency to preserve its value. Further, all over the country, there is evidence of vigorous construction work which must be taken as a sign of a growing economy.

Another manifestation of confidence is in increased remittances from Ghanaians living abroad, which totalled over US\$4 billion last year.

On the financial front, 4 new banks, Guaranty Trust, Fidelity, Zenith and Intercontinental, have been established within the past 2 years.

Meanwhile, the bill for the establishment of an International Financial Services Centre, a partnership between the Government of Ghana and the Barclays Bank, is ready to be placed before Parliament. This is to further the policy of making Ghana an international financial hub. I encourage Honourable Members to give the bill the necessary backing.

In the case of the mining sector, I am happy to announce that I commissioned the operation of Newmont Gold mine at Kenyasi in the Brong Ahafo Region. It has already poured its first gold.

Barry Callebaut Ghana has also installed a new multi-million dollar processing line to expand its product range.

In the mean time, Cargill International, a global agro-processing company has started the construction of a new Cocoa Processing Facility in Tema, which involves over US\$50 million in new investments.

Golden Exotic Company is the local subsidiary of the world renowned Compagnie Fruitiere of France . It started its operations in the country in 2003. From a first export of 3,600 metric tonnes of pineapples in 2005, the Company projects to export 17,000 metric tonnes this year. Such is the high performance which investors are now recording within our economy.

Mr. Speaker, in addition to such well-organised Private Sector companies, there is a host of others within the informal section of the sector whose potential is yet to be fully developed. Government will continue to direct various policies and measures to identify them, to

assist them raise their production level and create more job opportunities, using micro as well as small and medium credit lines. This will not only improve their business, but also, help widen the tax net.

PUBLIC SECTOR REFORMS.

Mr. Speaker, last year, I appointed a Minister to oversee the critical reforms needed in the Public Sector. The reforms are to rationalize operations in the sector, enhance the capacity of both the agencies and their staff and restore discipline and pride.

A well functioning public sector should also become more supportive of the Private Sector, in the spirit of Public- Private Sector Partnership, which should be the cornerstone for the acceleration of socio-economic development.

Last year, government adopted a new wage reform policy to set up a framework to ensure equal pay for work of equal value across the spectrum of the Public Sector. To operate, this new policy, a Fair Wages Commission has been set up to rationalize the entire sector's salaries by removing distortions which, in the past caused confusion and disaffection among Public Servants.

The exercise which was preceded by salaries across the Board in this year's budget has put a strain on government's financial targets. Government however sees the increases as necessary investments to inspire public servants and change their mindset towards higher productivity.

HUMAN RESOURCE DEVELOPMENT

Mr. Speaker, in pursuit of the policy of Human Resource Development, the government is embarking on ambitious schemes in capacity building, skills acquisition, vocational training and application of science and technology. The centre-piece of this policy is the New Educational Reform to be launched in September, this year.

Already, following the introduction of measures like the Capitation Grant, School Feeding Programme, and School Bussing Programme, great strides have been made in school enrolments. It is expected that by 2015 Ghana would have reached 100% enrolment.

SECONDARY EDUCATION

At the secondary level, during the year, Government will commission the first batch of model Secondary Schools, numbering thirty-one (31), that have had their facilities upgraded. Contracts for the second phase of the upgrading programme, involving twenty-five (25) schools, have also been awarded; and construction has begun in many places.

TECHNICAL AND VOCATIONAL EDUCATION

Mr. Speaker, the same attention is being given to technical and vocational education. Government is embarking on an accelerated programme of construction, rehabilitation and equipping of technical and vocational institutes, and polytechnics throughout the country.

TERTIARY EDUCATION

On tertiary education, government will continue with its programme of expansion of infrastructural development to keep pace with enrolment.

Mr. Speaker, government acknowledges the contribution of the Private Sector in this area, especially the sprouting of universities established by religious bodies. Given the rapidly increasing population of students, running into hundreds of thousands throughout the country, the institutions are faced with demand for hostel facilities. Government appreciates the role the GETFund is playing. Government is inviting also the Private Sector to assist in meeting this need.

A scholarship scheme has been fashioned under the GetFund Manpower Development Scholarship Scheme, to train faculty. In 2005/2006, some 60 faculty of tertiary institutions were sponsored for overseas training. Conditions of service to attract bright young people to make a career of teaching at this level are also under consideration.

TEACHER EDUCATION

Mr. Speaker, the entire reform is hinged on the central role of teacher education. Thus, government is committed to upgrading all the 38 Teacher Training Colleges. As part of the process, a diploma programme was introduced in Teacher Training Colleges in the 2003/04 academic year. The first batch of teacher trainees will graduate in June this year.

Central to the improvement is the emphasis on the study of science, mathematics and technology. Indeed, 15 colleges have been selected for extra specialization in the teaching and learning of these three subjects.

Vehicles and teaching and learning materials have been provided to all teacher training colleges to facilitate the realization of this policy.

SCIENCE

The whole purpose of the reform is to encourage the development of a scientific and development outlook and towards this end. During the year, work on the establishment of two Bio-technology Centres and a National Accelerator Laboratory will commence. Construction of a Library and Computer Centre for the newly established College of Nuclear Sciences will also begin.

SPORTS

The policy of the government is to re-position sports as the embodiment of the spirit of the new Ghana . This should enhance a sense of integration, peace and development. Government is committed to sustaining the huge gains made at the 2006 Soccer World Cup tournament as well as propelling the nation's sports to new heights.

CAN 2008

In this regard, the country is gearing up for the hosting of the continent's biggest football fiesta. The construction of two new stadia at Sekondi and Tamale is on schedule and the rehabilitation of the Accra and Kumasi stadia is also progressing steadily. Arrangements for funding to support the construction of the Cape Coast stadium are being finalized and construction is expected to commence in the course of this year.

The senior national team, the Black Stars will be given the motivation and encouragement it needs to prepare adequately for the CAN 2008. Did somebody say we trounced a team from a neighbouring country lately? This portends well for CAN 2008 and the world Cup later in South Africa .

MANPOWER DEVELOPMENT AND DEPLOYMENT

Mr. Speaker, on the labour front, the National Youth Employment Programme which was launched during the latter part of last year, remains on course. Lessons learnt from 2006 will be fed into this year's programme to explore both short term and long term opportunities.

Other projects and programmes for the year include preparation of a National Employment Policy; Implementation of the Programme of Action for eliminating the worst forms of Child Abuse; and Finalization

for submission to Parliament of the NGO and Trust Bill and the Persons with Disability Bill.

PROVISION OF SOCIAL SERVICES

Mr. Speaker, water supply has as high a priority as energy, as far as this government is concerned. Towards this end, it has caused boreholes, hand-dug wells and pipe system in their hundreds to be constructed for rural water delivery.

Mr. Speaker, for urban water delivery, never in the history of this country has a more massive scale of construction of water projects been embarked upon.

Outstanding among the projects in Cape Coast , in the Central Region, a 36.9 million Euro project to bring water from the Pra River at Hemang is 58% complete. When commissioned in November this year, water shortages that ever so often disrupt the school calendar in Cape Coast and its environs will be a thing of the past.

Similarly, rehabilitation of the water treatment plant at Kwanyaku, also in the Central Region is about 95% complete, and is to be completed before June this year. It will guarantee water for Kwanyako, Swedru, and 30 to 40 small and medium towns and villages in that whole area.

Also in the Central Region, Baafikrom, near Mankessim is a water Project that has been going since 2006 and is to be completed in 2008. The project will provide potable water to meet demand into 2020 for many villages and towns in the area.

In Tamale, in the Northern Region, a 45.0 million Euro water project is scheduled for completion in 2008. It will increase production capacity to 9.3 million gallons daily, enough to meet demand up to 2015. All the communities along the transmission line including Nyankpala, Vitting, Shishegu, Savelugu, Kumbungu, Yapeligu, all the way to Pong Tamale, Yoggu, Datoyoli and Walewale will benefit from the project.

Further, in the Eastern Region, another 35.8 million Euro project in Koforidua is to be completed in early 2008. It will have an output of 3 million gallons a day, to meet demand up to 2025. Besides Koforidua, the beneficiary communities include Ketenkye, Asokore, Oyoko, Avalalikope, Kasakorpe, Bukuonor, Galorba Oterkpolu, Pleyo, Okper, Odorkrom and Aboabo.

Mr. Speaker, another project which will make a big difference to access to water is the Accra East-West Interconnection which is on going and should be completed in 2008. It is designed to transport water from Weija to the Okponglo booster station to augment supply to Adenta, Madina, East Legon , Ashaley Botwe, Kwabenya, Asongman and Dome.

Meanwhile, government is negotiating a credit line for work to start in the second quarter of 2007 to desilt the Kpong Dam. This is the second phase to the Accra East-West Interconnection. It will guarantee sustained supply to the entire Accra-Tema Metropolis for decades to come.

In view of the many water projects being undertaken, the fight against water borne diseases has a better chance of success than ever before.

HEALTH CARE DELIVERY

Mr. Speaker, our manpower development programme is seriously compromised wherever ill-health intervenes. To guarantee soundness of body, Government's programme for 2007 is one of

- Promoting healthy lifestyles and healthy environment
- Improving access to quality health, reproduction and nutrition services
- Capacity development for health delivery
- National Health Insurance Scheme

Mr. Speaker, there is little point to having excellent programmes and facilities that for reasons of cost cannot be accessed by those who need health-care most. It is precisely for addressing this need that the National Health Insurance Scheme is of utmost concern to this government.

Mr. Speaker, I am happy to report that, as at the close of 2006, the number of District Mutual Health Insurance Schemes stood at 134, 11 more than the previous year. I can report further that 34% of the population, had registered; 25%, had either paid up their premiums fully or belonged to exempt groups; and close to 18% had been issued with ID cards, entitling them to free access to health services covered by the Scheme. This year, the Scheme is expected to achieve 55% coverage.

Mr. Speaker, in present circumstances, I dare say that there is no more affordable alternative to NHIS. Whatever our political affiliation may be, we must value the health of our constituents sufficiently to bring them on board the Scheme as soon as possible.

Mr. Speaker, the fight against HIV/AIDS is succeeding and the prevalence rate is down to 2.7 from 3.1. Malaria is being combated by a combination of Insecticide Treated Nets, preventive medication, and advances in anti-malarial drugs. 100 per cent coverage for measles immunization in children is the national profile.

Emergency and Ambulance Services have benefited from the strategic distribution of 50 ambulances and the establishment of 20 accident stations in 8 regions. A fully operational National Accident and Emergency Centre is also coming up at the Komfo Anokye Teaching Hospital.

DEVELOPMENT OF THE PRIVATE SECTOR

Mr. Speaker, six years ago, when government announced the policy to make the Private Sector the main engine for economic growth, it sounded overly ambitious. So familiar were the seemingly intractable problems which had made the sector unattractive to many an otherwise potential entrepreneur. Today, as a result of the stabilising macro-economy, improved public/private sector partnership which is expected to be enhanced further through the on-going Public Sector Reforms; conditions within the private sector are becoming more conducive to business.

VENTURE CAPITAL FUND; MEDIUM & SMALL SCALE LOANS SCHEME

The sector is being invigorated further through the provision of various form of funding. In addition to various micro credit funds already in the system, and the Venture Capital Fund introduced earlier, the Micro-credit and Small Loans Scheme (MASLOC) was also launched last year to give a further boost to the sector. MASLOC has offices in all regional capitals and is in the process of establishing 345 sub-district desks to make their services easily accessible to potential beneficiaries. Government is considering setting up an apex authority to oversee the administration of all these funds to ensure efficient and focused implementation. The objective is to empower the Private Sector further.

AGRICULTURE

Mr. Speaker, agriculture the largest section of the private sector, continues to be the mainstay of the national economy. Government's policy is to enhance productivity of the sector through application of science and technology and best practices. These include provision of irrigation facilities, improved planting materials, effective extension services and various forms of credit.

This approach was adopted in the cocoa industry; and the result has been phenomenal, recording the highest production ever, of over 740,000 tonnes, during the 2005-2006 cocoa seasons. The target of COCOBOD is to hit the one million ton mark within the next 3 years; and this will not be at the compromise of the world acclaimed quality of the bean.

This policy of applying science and technology together with best practices is being applied to the cultivation of legumes, cereals, vegetables, staples like plantain and yam, and horticultural produce like mangoes, pineapples and pawpaw. It explains their year-long presence in the markets at fairly reasonable prices even during off-season these days.

THE MILLENNIUM CHALLENGE ACCOUNT

Mr. Speaker, one of the highlights of the year 2006 was the signing in Washington of the Compact of the US Millennium Challenge Account between Ghana and the US . This has made Ghana beneficiary to an amount of US\$ 547million for modernisation of her agriculture and the transformation of her rural economy.

Mr. Speaker, in this one huge project we are afforded the model of what our agriculture should be. The vision is that the success will spill over and be replicated throughout the country.

I commend the House for working with dispatch on the approval of the MCA bill. The Authority to manage the Programme has been established. Government will maintain oversight interest to ensure that the objectives of the programme are met.

Let me call on the whole nation to show an interest in this programme which is expected to generate allied businesses like storage and warehousing, sales and marketing, transportation and processing and thereby create more than 2 million jobs for individuals both within and outside the project districts.

TRADE AND INDUSTRY

Mr. Speaker, this government initiated the President's Special Initiative (PSIs) to promote the policy of making Ghana a leading agro-industrial nation. The PSI is designed to showcase the best example of Public/Private partnership. Government acts as facilitator for the private sector to access resources and best practices to guarantee success.

Despite the great enthusiasm on the part of both government and participating farmers, the PSIs encountered difficult teething problems which have provided invaluable lessons for the future. The potential of the PSIs for generating employment and foreign exchange, as well as transforming the rural landscape is however not in doubt.

Government is therefore taking the necessary steps to re-energize the PSIs to make them more functionally efficient and competitive.

For instance, the Ayensu Starch Factory which was established at Bawjiase in the Central Region fell on poor supplies of the raw material and uncommitted personnel. Government has instructed a review of the processes there; and expects that by April this year, the factory will resume operations.

Similarly, at the PSI for Oil Palm, 50,000 acres of nurseries have been frustrated by poor working capital. Government has instructed a thorough review of the problem so that the targeted 500,000 acres can be reached.

Under the PSI for Garments and Textiles, 9 factories have already been established, with capacity to employ almost 4,000 people. 10 new factory units are also being established in Kumasi, Koforidua and Tema. The primary export destination for the garment products is the United States of America under the AGOA Initiative. Significantly, this year, a major conference of all the countries enjoying the AGOA status is being held under the joint auspices of the governments of US and Ghana, in Accra.

In the case of the PSI for Salt, this year, some producers are making major strides with their ventures. Those lagging behind will be provided with credit facilities to expand their production units, whilst others will be helped to improve their technology and production operations.

Under the Government's programme for revitalizing distressed State-owned Enterprises, the Pwalugu Tomato Factory has been rehabilitated

and will resume production this year, with over 1,300 farmers being supported to cultivate tomato to feed the factory.

Under the same programme, the old Juapong Textiles Company is currently being re-activated with some Chinese company and will also commence full scale operations in April, employing about 800 people initially.

INFRASTRUCTURAL DEVELOPMENT

Mr. Speaker, there is a popular saying that “businesses follow roads”. In line with this, government is extending a network of roads to all corners of the country, and even beyond to link us to our immediate neighbours in the sub-region. The work that has been done in this respect in the past six years is phenomenal. Honourable Members may from time to time want to drive through some of our new roads like the Accra-Kumasi; Accra-Cape Coast ; Accra-Aburi-Koforidua; Agona Nkwanta-Tarkwa or the Kumasi-Techiman and Bamboi-Tinga roads to see developments for themselves.

Throughout the country, similar vigorous developments are occurring in the case of trunk and feeder roads.

AVIATION

Mr. Speaker, with respect to aviation, our vision is to make Ghana the hub of the sub-region. The need to pursue this vision has become even more urgent given the steady growth of the economy and the level of investor interest. Towards this end, the ongoing developments of the Kotoka airport will continue and the regional airports are all to be brought up to standard. This will facilitate all weather movement around the country by tourists and football fans at CAN 2008.

INFORMATION AND COMMUNICATION TECHNOLOGY

Mr. Speaker, today the revolution of Information Communication Technology is fundamentally changing the way the world works and decreasing the marginal cost of production and raising productivity across all industries. The Government will continue to place emphasis on the potential of Information and Communications Technology (ICT) to provide the foundation for transforming the nation’s economy. Government has accordingly integrated the Ghana ICT Policy for Accelerated Growth as a driver and enabler, within the Growth and Poverty Reduction Strategy (GPRS II).

To ensure that every District has access to high speed internet connection and promote a wider penetration of ICT services

throughout the country, including distance education and tele-medicine, the Government has secured from the Government of China, a concessionary loan facility of \$30 million to construct a national Fibre Optic Communication Backbone. This project will start this year and will go a long way to mainstream our economy in the digital world.

Mr. Speaker, Government has secured another facility of \$40 million from the World Bank towards the Ghana project. The implementation of this project is expected to increase employment through Business Process Outsourcing (BPO), enhanced revenue collection, the computerization of IRS and other revenue agencies and increased human capacity development in the ICT enabled sector.

The National Information Technology Agency (NITA) will also be established to coordinate the implementation of various e-government projects throughout the country including the formulation of a national enterprise IT architecture. Government intends to pass an e-Transaction Bill this year. This will tackle issues of data protection, cyber crimes, intellectual property and security. There will be positive outcomes for business and for consumers, giving all parties greater confidence in e-commerce.

The positive policies adopted by this government and sustenance of competition have led to a tremendous increase in telephone subscriptions in both the fixed and mobile sectors. From a figure of 215,000 subscribers in 2001, the number has shot up to about 4.5 million as of September 2006. Despite these increases, Government intends to create a more competitive market structure by privatizing WESTEL and Ghana Telecom in the course of this year.

Mr. Speaker, the ultimate aim of Government's strategy is to transform Ghana into a country with sufficient and efficient, communications infrastructure. This will be driven by appropriate technological innovations accessible to all citizens.

NATIONAL IDENTIFICATION SYSTEM

The implementation of the National Identification System has reached a critical stage. Mass Registration is about to take place for the realization of this objective in the first quarter of this year.

Given the sensitive and security concerns associated with national identification systems, a Bill will be presented to Parliament with a view to regulating the processes.

The citizens identity card will address most of the issues of national concern including the need for reliable data for national planning, for poverty reduction programmes, Control of fraud, school enrolment and planning; issuance of passports and drivers' licence, identification of customers at banks and even for disaster management.

This is a very important national programme which needs the support of all and sundry.

GOOD GOVERNANCE

Mr. Speaker continued good governance is a top priority policy which has underpinned all activities of this government for the past 6 years. It has been extremely important to enhance citizens' participation in governance at all levels and also, implement policies and programmes that will enable them realise their full potential in an atmosphere of peace and security.

Government is facilitating the on-going local government system to deepen citizen participation even further. At the moment, the composite budgeting system has been introduced to enable Assemblies to appreciate the quantum of funding available for their functions. This system will enable Assemblies to prioritise their needs, and rationalize their spending.

The Assemblies should also realise that that with the expansion of the mandate of the Ministry of Local Government to cover the Environment, they have received additional charge to manage their own environment and sanitation.

Mr. Speaker, for the past 6 years, government has invested huge sums of money in training and equipping the police and also in increasing the numerical strength of the staff to enhance the quality of policing and the law and order situation in the country. In 2006 alone, 3,547 new police personnel were recruited into the service. This is reflected in the improving law and order situation in the country.

Mr. Speaker, I want to appeal to all our traditional societies with the country to be mindful of the need for peace as the bedrock of our development and as a result shun all matters that will degenerate into conflicts and instability in their respective areas. I find it necessary to make this appeal because of continued reports from all over the country. As much as possible, all misunderstandings should be resolved peacefully or with recourse to the law.

I must also mention the menace of drug pushing and trafficking which threaten not only our peace and security as a nation but also the country's hard-won image and reputation.

Government in partnership with concerned international agencies is determined to wage a relentless war and eradicate this menace. All parents and responsible citizens should rally to support government in this effort.

Mr. Speaker, last year, Ghana had the honour of chairing the UN Security Council. Just last week, at the African Union Summit in Addis Ababa Ghana was elected unanimously to the Chair. This is certainly a huge honour for our country. Clearly, our policies are yielding results both locally and internationally. Ghana will use this unique opportunity to advance the cause of peace and development on the continent. Further, Ghana will remain committed to her international bi-lateral and multi-lateral obligations. Our nation will maintain its policy of good-neighbourliness at sub-regional and continental levels. Ghana will also continue to play an active part in peace keeping programmes in a bid to promote global peace.

Mr. Speaker, I wish to use this occasion to thank our development partners and the international community who have supported Ghana's development efforts.

PRESIDENTIAL COMPLEX

Last year, I told the nation through this august House the need for a befitting Presidential Complex for Ghana. I am happy to report that work has begun on such a complex, at Flagstaff House. By the end of the year, God willing, the project would be completed. Refurbishment of Peduase Lodge is also on course.

GOLDEN JUBILEE CELEBRATION

Mr. Speaker, I have noted with joy report of a special sitting of Parliament on Monday, February 5, where young people held a "Mock Parliament" as part of the Ghana at 50 celebrations. I understand the House was full; and I hear that those who were privileged to witness the ceremony left with the reassurance that the future of our country would be safe in the hands of the young people who were the parliamentarians for the day.

But side by side with this exuberance and hope for the future, isn't it sad, Mr. Speaker, that there are some people who are arguing that there should be no celebrations to mark this jubilee year of our

nationhood? And the reason they cite is poverty. It is as though joy issues exclusively out of money. Let us be careful that we do not become known as those who know the cost of everything and the value of nothing.

Yes, we have had, and we still have difficulties; we have had what might be called a chequered history and to quote everybody's favourite teacher, "we could have done better". It is true that we have fallen short of the high aspirations with which Ghana was ushered into independence on March 6 1957 .

But it is equally true that we have recovered our track and are making headway. We therefore have cause to celebrate. Fortunately most of us appreciate the values which have helped us to rediscover ourselves and we should be thankful to the Almighty.

Let us think of ourselves in the best possible terms; and use the opportunity of this jubilee year to uplift our spirits and the national psyche. We should be careful not to miss our way again. Let us resolve to cherish our national Constitution and let us be each other's keeper.

This is the time to take pride in our land and in ourselves; let us celebrate Ghana . After all, this is the land of freedom and justice.

And so I say long live Ghana !

Let me also wish us all a happy yearlong 50th anniversary celebration.

Mr. Speaker, thank you and may God bless Us All.