

**Policy Paper on Corruption and Business in Ghana:
Towards a Better Anti-Corruption Agenda**

Submitted to:

**His Excellency Alhaji Dr. Mahamudu Bawumia
Vice President of the Republic of Ghana
&
Chairman of the Economic Management Team of the
Government of Ghana**

By:

The Private Sector Anti-Corruption Group (PSACG)

April 2019



Table of Contents

THE PRIVATE SECTOR ANTI-CORRUPTION GROUP (PSACG) 1

EXECUTIVE SUMMARY 2

1.0 INTRODUCTION AND APPROACH 6

1.1 BACKGROUND 7

1.2 SUMMARY OF FINDINGS AND POLICY PROPOSALS 11

 1.2.1 INADEQUATE INFORMATION ON PROCESSES AND COSTS OF SERVICES . 13

 1.2.2 MULTIPLE REGULATORY AGENCIES WITH DUPLICATING AND OVERLAPPING
 FUNCTIONS..... 15

 1.2.3 MULTIPLE TAXES, FEES AND CHARGES FOR DUPLICATED SERVICES . 18

 1.2.4 MULTIPLE LAW ENFORCEMENT AGENCIES PERFORMING REGULATORY
 FUNCTIONS AT THE PORTS 21

 1.2.5 THE LACK OF OR INADEQUATE CHANNELS FOR REPORTING CORRUPTION 23

 1.2.6 POLITICAL PARTY FUNDING..... 26

1.3 CONCLUSION 27

The Private Sector Anti-Corruption Group (PSACG)

The Private Sector Anti-Corruption Group (PSACG) is a project funded by the UK's Department for International Development (DFID) - Strengthening Action Against Corruption (STAAC) program. PSACG is led by the UK Ghana Chamber of Commerce (UKGCC) with support from the heads of the chambers of commerce comprising Canada Ghana Chamber of Commerce (CGCC), European Business Organization (EBO), the Ghana Netherlands Business and Culture Council (GNBCC), and the American Chamber of Commerce, Ghana (AMCHAM).

PSACG believes that "Corruption is inefficiency and inefficiency causes a waste of scarce resources by misdirecting those resources from areas of need to centres of greed". By virtue thereof, PSACG stands for certain guiding principles including the following:

1. Effective implementation of the Whistleblower's Act (Act 720) of 2006
2. Effective Implementation of the Right to Information Act (RTI Act)
3. Transparency of business processes
4. Certainty before the Law
5. Digitization of the economy (using paperless systems)
6. Technology / Automation of services

Executive Summary

The Akufo-Addo led government presented a number of policy options that echoed substantial hope for the revival of the private sector as the main engine of growth for Ghana. The policy measures, some of which were drawn from the 2016 New Patriotic Party Manifesto, have been well articulated by the Presidency and other leading officials of the government in a number of policy documents. The government's expressed conviction in the private sector as the driver of growth for job creation has resulted in the strategy to push major reform initiatives including anti-corruption measures; public sector reforms; reduction of tax burden on businesses; efficient regulatory regime for businesses; and improvement in macro-economic conditions. In spite of these reform initiatives, businesses still face significant challenges due to the high cost of doing business, which results from a number of systemic and institutional bottlenecks such as corruption. To help distil the concerns about the impact of corruption on businesses, the Private Sector Anti-Corruption Group (PSACG) was established in 2018. It is a project initiated by the UK-Ghana Chamber of Commerce (UKGCC) and funded by the UK Department for International Development (DFID)'s Strengthening Action Against Corruption (STAAC) program. The main objective of the PSACG project is to serve as a voice for the private sector in the fight against corruption. In 2018, PSACG organized

a Safe Space forum, which provided a platform for over 30 CEOs of local and multinational businesses to share their experiences on how corruption adversely affects businesses in Ghana. Their experiences have been distilled along the following themes, which reflect the major causes of corruption that hurt businesses:

1. Inadequate information on processes and costs of services;
2. Multiple regulatory agencies with duplicating and overlapping functions;
3. Multiple taxes, fees and charges for duplicated services;
4. Multiple law enforcement agencies performing varied regulatory functions at the ports;
5. The lack of or inadequate channels for reporting corruption; and
6. Political party funding.

To help address these challenges, the CEOs at the "Safe Space" event and other respondents recommended that government, in consultation with stakeholders in the business sector, should:

1. Provide regular updates on the publications of services, timelines for delivery, and costs of services on the websites and notice boards of service delivery agencies; as well as adopt mobile apps and

- other digital applications for effective information dissemination in all service delivery agencies;
2. Implement a national digital and web monitoring and complaints system for reporting service ineptitude and corruption;
 3. Establish a clear governance structure at the ports to regulate inter-agency relations and simplify business processes;
 4. Expedite action on the recommendations of the Ports Fees/Charges Committee and establish similar committees to review charges in other sectors;
 5. Institute a national inter-sectoral and cross-sectoral review of agencies and their enabling legislations to remove regulatory redundancies and functional overlaps that constrain business growth;
 6. Ensure effective coordination of all security agencies operating at the ports, monitor activities of security officials at the port on CCTV, and apply swift and hefty sanctions for officers who are found engaging in corrupt activities;
 7. Establish a national hotline for reporting corruption, clarify the appeal processes for the resolution of corruption complaints, institute annual mandatory ethics training for all public servants, get Parliament to pass the Code of Conduct for Public Officers' Bill, and mandate CHRAJ to prepare a separate annual report on corruption in administrative agencies for the Presidency; and

8. Explore the feasibility of state funding for political parties including the option to resource the Electoral Commission to conduct internal political party elections, as well as revise campaign-financing rules to reduce cost of elections.

1.0 Introduction and Approach

This report was prepared by the Private Sector Anti-Corruption Group (PSACG), a project funded by the UK's Department for International Development (DFID) - Strengthening Action Against Corruption (STAAC) program. PSACG's key mission is to aid engagement with the Government of Ghana, through the Office of the Vice President, in tackling corruption that impacts on the cost of doing business and enhances investment flows into Ghana.

PSACG is led by the UK Ghana Chamber of Commerce (UKGCC) with support from the heads of the chambers of commerce comprising Canada Ghana Chamber of Commerce (CGCC), European Business Organization (EBO), the Ghana Netherlands Business and Culture Council (GNBCC), and the American Chamber of Commerce, Ghana (AMCHAM). PSACG was formed to give private sector leaders a Safe Space platform to voice the concerns and experiences of businesses (both Ghanaian and international) operating in an environment where corruption is pervasive. Accordingly, the PSACG organized its first Safe Space forum with over 30 private sector actors from both local and multinational businesses to share their experiences of corruption and propose measures that would promote a good atmosphere for businesses. The enthusiasm of these top CEOs to attend the Safe Space forum, and to speak so passionately as they

did about incidences of corruption within the business environment, coincides with the passion with which both His Excellencies, the President and Vice President spoke about the ills of corruption pre- and post-election.

This report seeks to present the challenges faced by local and multinational companies operating in Ghana, how the identified operational bottlenecks affect their businesses, and provide policy recommendations to deal with corruption. The report was put together with primary data collected from the Safe Space forum as a focus group of over 30 CEOs and complemented by other key informant interviews with officials from the Customs Excise and Preventive Service, the Ghana Institute of Freight Forwarders, and the Chamber of Pharmacy Ghana.

1.1 Background

The President Akufo-Addo led government presented a number of policy options that echoed substantial hope for the revival of the private sector as the main engine of growth for Ghana. The policy measures, some of which were drawn from the 2016 New Patriotic Party (NPP) Manifesto, have been well articulated by the President and other leading officials of the government in a number of policy documents. For instance, the Coordinated Programme for Social and Economic Development 2017-2024, the Public

Sector Reform Strategy (themed "Delivery for citizens and the private sector"), budget statements, as well as policy statements on national and international platforms capture the aspirations of the government to create a macro-economic environment that is business-friendly to bolster the private sector as the engine of growth for the Ghanaian economy. In the 2017 budget statement for instance, the Minister of Finance stated:

"Mr. Speaker, as we have said severally, corruption holds back economic growth, increases the cost of doing business, reduces revenue to the state, leads to capital flight, and inflates the cost of running government. It also results in a loss of legitimacy and respect for legally constituted authority".

The government's stated conviction that the private sector is the driver of growth for job creation has resulted in the strategy to push major reform initiatives including anti-corruption measures, public sector reforms, reduction of tax burden on businesses, efficient regulatory regime for businesses, and improvement in macro-economic conditions. Specifically, among others, the following key reforms have been rolled out. They include: (i) Warehouse and re-performance audits including audits of free zones; (ii) Addressing systemic abuse of exemptions regime; (iii) Removal of nuisance taxes; (iv) Introduction of e-procurement; (v) Launch of an online electronic registry for the documentation of all business

related laws and other measures; (vi) Introduction of e-registration; (vii) Paperless port system; (viii) Provision of stable electricity supply and reduction in electricity tariff; (ix) Automation of court processes and effective management of cases; (x) Increased budgetary allocations to anti-graft state institutions; and (xi) Establishment of an independent office of the Special Prosecutor.

One important outcome of NPP's push for major reforms within the business environment is the improvement in the position of Ghana on the 2019 World Bank Doing Business Report (DBR) from 120th position in 2018 to 114th position in 2019 out of a total of 190 countries, and 11th in Africa. Whilst the improvement is worth celebrating, significant constraints continue to exist in a number of the indicators for the report such as resolving insolvency, cross border trading, contract enforcement, and property registration. The 2018 Global Competitiveness Index¹ places Ghana at 106 out of 140 countries from the 2017 position of 104 out of 138 countries. The marginal improvements should give impetus to the government to do more to sustain and continue to improve the marginal gains made in key areas. It is within this context that the role of CEOs through the Safe Space forum should be seen by

¹ Klaus Schwab (2016). The Global Competitiveness Report. World Economic Forum, Geneva: Switzerland

government as a welcome addition to its desire to improve the business environment in Ghana.

In spite of the promise that government's policy initiatives hold, evidence from the data collected from the Safe Space forum and the other interviews conducted indicate that **businesses still find the business environment in Ghana quite challenging due to the high cost of doing business, which results from a number of systemic and institutional bottlenecks.** A major systemic bottleneck is the issue of corruption, which emanates from the myriad of institutional challenges. Anecdotes of corruption in Ghana is widespread and the level of perceived corruption remains high among ordinary citizens and private sector actors. This situation is reflected in the annual scores of Ghana on the Corruption Perception Index (CPI) in 2018. The country was rated 41% (below the minimum standard of 50% mark and below 9 other African countries) and the third lowest score since 2010. It is instructive to note that since Ghana's inclusion in the survey in 1998, the country has consistently performed below average; its CPI has never reached 50%. Figure 1 shows Ghana's performance on the CPI from 2010 to 2018.

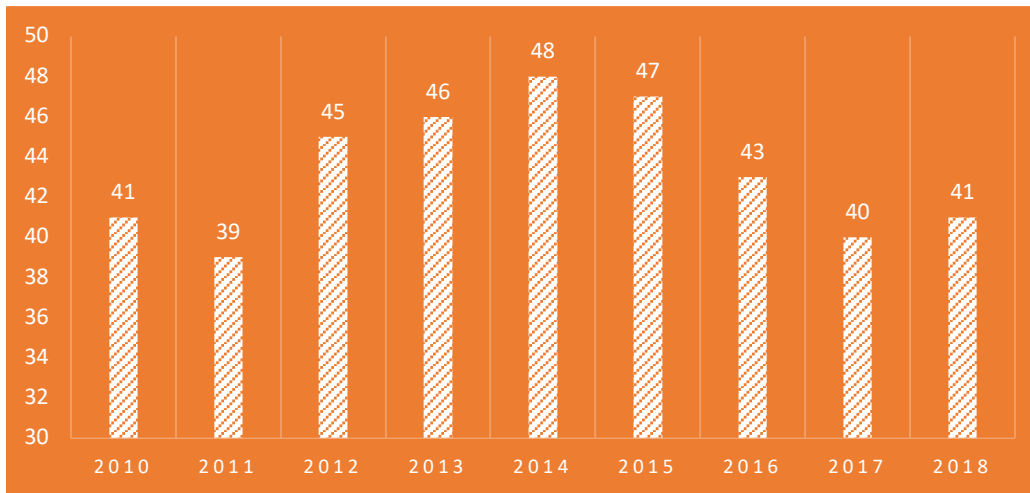


Figure 1: Ghana's CPI Score since 2010

1.2 Summary of findings and policy proposals

To make good the promise of fighting corruption, the government has demonstrated its commitment through the adoption of various reforms, including the creation of institutions, passage of legal instruments as well as increased funding for anti-corruption agencies. Nonetheless, the measures introduced by the government to fight corruption and promote a business-friendly atmosphere for private sector businesses to thrive are too early and/or not yet fully rolled out to ascertain their impact on eliminating corruption. Although many of the NPP government's reforms appear far-reaching, historical evidence suggests that **Ghana's challenge has not been the lack of reform ideas or policies but rather, the inability to see implementation through.** It is PSACG's view that one of the missing ingredients has been the

support of the private sector. This policy paper is therefore a first step of the private sector in supporting the government to deal with the issue of corruption.

The CEOs who participated in the Safe Space forum did not only share the challenges they encounter with corruption and how their operations are affected by it. They also proffered practical recommendations to deal with the challenges and pledged their commitment and support to help the government deal with corruption. Among the key recommendations they made are: (i) Enforcement of the laws and strengthening of punitive and deterrent sanctions; (ii) Introduction of modern digital control checks; (iii) Strengthening of the legal system to ensure that investors have certainty with respect to their investments and business transactions; (iv) Addressing of political party funding; (v) Transparency of business processes in all ministries and government institutions; and (vi) Enhancing the conditions of service of public servants.

These points from the discussions and follow-up interviews are distilled along the following themes, with key policy proposals:

- i. Inadequate information on processes and costs of services;
- ii. Multiple regulatory agencies with duplicating and overlapping functions;

- iii. Multiple taxes, fees and charges for duplicated services;
- iv. Multiple law enforcement agencies performing regulatory functions at the ports;
- v. The lack of or inadequate channels for reporting corruption; and
- vi. Political party funding.

1.2.1 Inadequate information on processes and costs of services

One of the critical elements for reducing corruption is the availability of information on services, the processes involved in accessing these services, the timelines for service delivery, and the cost of these services. The attempt by government to ensure transparency in administrative processes as well as the cost of assessing services from public institutions is therefore a positive step toward reducing corruption. Notable examples of the public institutions include the Judiciary, Ghana Ports and Harbours Authority, Ghana Immigration Service, and Ghana Standards Authority. However, there is still significant progress to be made in this area. Currently, only a few agencies display fees and charges for their services on their websites and make these easily accessible. In effect, there is insufficient information about procedures

and the cost of assessing services from public agencies. What exacerbates the situation is when there are new reforms, state agencies or authorities rarely avail themselves to take feedback and respond to client frustration on a continuous basis. Under circumstances of uncertainty and inadequate information, corruption thrives, and businesses muddle through with bribery. A respondent captured their susceptibility to bribery in these words:

Why do we pay bribes? Because sometimes people don't know the procedures and the timelines for services to be rendered within public institutions. Capacity building issues must also be addressed. How can we also use some of these reporting tools that we have? I am interested in knowing how I can change GRA and Customs."

PROPOSED POLICY ACTIONS

We therefore propose the following policy actions:

- i. The publication of services, timelines for delivery, and costs of services on the websites and notice boards of all service delivery agencies should be made mandatory, and agencies should be required to regularly update their websites with current information. Alert notification of such changes should be communicated to key stakeholders.
- ii. The use of mobile apps and other forms of digital applications for effective information dissemination

should be made mandatory for all service delivery agencies.

1.2.2 Multiple regulatory agencies with duplicating and overlapping functions

Currently, there are a number of regulatory agencies operating in almost every business sector with duplicated and functional overlaps. In the health and pharmaceuticals sectors for instance, agencies such as the Pharmacy Council, the Health Facilities Regulatory Agency, the Food and Drugs Authority, the Ghana Standards Authority, Environmental Protection Agency as well as many sector-specific agencies such as the Veterinary Services have duplicating functions. Evidence suggests that many of these agencies have duplicating and overlapping functions, and businesses are required by the enabling legislations to register and seek approvals and certifications for all their activities or some aspects of their functions. A participant at the Safe Space forum said:

"A few years ago, the bigger multi-national pharmaceutical companies were battling with illegal importation and fake drugs and so on and we decided to address it. We realized when talking about the issue of enforcement that the different agencies

dealing with the system in Ghana didn't know what each was responsible for and who was accountable for what".

Many companies require multiple approvals and certifications from more than two state institutions for the same type of approval (e.g. Ghana Standards Authority and Food and Drugs Authority). The bureaucratic inertia and paper-work required to fulfil obligations to these agencies are very unfriendly and time-consuming for businesses. For instance, although the government acted to reduce the number of agencies involved in joint inspections at the ports from sixteen (16) to three (3) to simplify port clearance procedures, there are still so many agencies operating in the ports and many more outside of the port that businesses are required to deal with on a daily basis. A respondent at the port said:

"Per the Vice President's blue-print, there are supposed to be only 3 agencies (Ghana Revenue Authority, Ghana Standards Authority and Food and Drugs Authority) that must take part in the joint inspection of cargo at our ports. But the situation is different. We still have other agencies who are stampeding the flow of work at the ports, causing unnecessary delays".

The key problems with these issues are that the frustrations business people encounter create delays to business processes and provide opportunities for agency

officials to demand bribes. Sharing experiences on the challenges, one participant stated:

"I have been the victim and participant of corruption. The Ghanaian economy is an import-driven economy and the corruption starts at the Customs. As soon as the goods are imported and hit the ports, you are forced to engage in that bribery space. It's the system and you really can't avoid it because when your competitor is doing it and you are not engaged in it, you are out-priced and there is no level playing-field."

With limited avenues for grievance and complaints for businesses to resort to when confronted with paying bribes, many businesses conform by paying illegal monies and increasing their costs of doing business, thereby rendering them uncompetitive.

PROPOSED POLICY ACTIONS

We therefore propose the following policy actions:

- i. A national inter-sectoral and cross-sectoral review of agencies and their enabling legislations to harmonise the regulatory redundancies and duplicated and functional overlaps that constrain business growth. The sectoral and inter-ministerial technical committees should be given the highest political backing to forestall inter-agency turf wars.
- ii. In each instance that a new agency is established, the regulation of the agency that hitherto performed the roles should be reviewed to expunge functions

related to the new agency and define clearly, the inter-agency collaborations required.

- iii. A clear governance structure should be established at the ports and be accessible to all parties. The structure should define inter-agency relations and collaborations.

1.2.3 Multiple taxes, fees and charges for duplicated services

In addition to the challenges posed by a preponderance of regulatory agencies, there is a plethora of “charges” and “fees” that businesses are required to pay when dealing with each agency. The Safe Space forum found that many of the charges and fees are for identical services. The additional costs imposed on Ghanaian businesses in some sectors in particular, including the pharmaceutical sector, are the most expensive in the West African sub-region. Ghana is reported to be the second most expensive country in the world and most expensive in Africa for the cost of medicines, a situation attributed to the excessive and multiple taxes, charges and fees to which businesses are subjected. Table 1 presents a comparative cost of pharmaceutical product registration in Africa.

Table 1: Cost of Pharmaceutical Product Registration in Africa

Country	Cost of Pharmaceutical Product Registration (US\$)	No. of Years	Average Cost per Year (US\$)
Ghana	3,600	3	1,200
Nigeria	750	5	150
Kenya	1,000	5	200
Uganda	1,250	5	250
Côte d'Ivoire	1000	5	150
Mauritius	230	5	46
South Africa	2,230	5	446

In addition, there are over twelve (12) taxes, fees and charges to be paid by companies at the port of entry. A recent Vice Presidential Committee on Port Fees and Charges identified not only a multitude of institutions but also an over-abundance of taxes, fees and charges². Currently, there are at least fourteen (14) Ministries, Departments and Agencies (MDAs) charging different fees. Businesses are required to deal with these agencies depending on their area of business³. There is evidence from the Safe Space forum and interviews conducted that suggests that these multiple and high taxes, fees and charges are partly responsible for causing smuggling into the country of unregistered products, forcing otherwise

²Draft Report of the Vice President's Committee on Port Fees and Charges

³ ibid

genuine businesses to exploit loopholes in the tax systems and pay bribes to outwit the system. One respondent said:

"Every procurement agency requires suppliers to register with them even with small agencies such as district hospitals. So, our members have to register with any government entity that is a procurement entity."

In addition, evidence suggests that regulatory overlaps and multiple regulatory fees and bottlenecks constrain businesses and incentivize businesses into finding "ways" of dealing with the costs. Paradoxically, whereas in other jurisdictions in the world, businesses are willing to pay more taxes if corruption was reduced, the situation is rather the opposite in Ghana. The numerous taxes, fees and charges that have been imposed on businesses over the years have suffocated businesses to the extent that most admitted that they prefer to engage in corruption as a survival strategy. This situation has the tendency to make businesses in Ghana uncompetitive but also less attractive to potential foreign investors.

PROPOSED POLICY ACTIONS

The following policy actions are therefore proposed:

- i. The Economic Management Team, which is chaired by the Vice President, should expedite the implementation of the recommendations of the Ports Fees and Charges Committee.

- ii. A Committee similar to the Vice President's Committee on Ports Fees and Charges is required to review the taxes, fees and charges pertaining to each sector and across sectors to harmonise the rate of taxes, fees and charges. This Committee should have broad representations of all actors. It should be led by the Ministry of Trade and Industry, Ministry of Finance and their respective agencies with membership drawn from the various chambers of commerce and trade associations.

1.2.4 Multiple law enforcement agencies performing regulatory functions at the ports

Security at the ports is essential and PSACG understands the need for law enforcement agencies to be stationed at the ports to provide security. There are, rightly so, a number of state security agencies operating at the ports, such as the Bureau of National Investigation (BNI), National Security, Criminal Investigations Division (CID) of the Ghana Police Service, Narcotics Control Board and some ad-hoc committees/bodies operating from the ports. Nonetheless, the interactions of businesses at the ports with law enforcement agencies suggest that rather than providing security or support, some of these agencies have become regulatory in nature and have now become part of the myriad of agencies that importers and exporters have

to deal with. In essence, many of the security agencies have become oversight agencies over the state agencies with responsibility for various aspects of the functions in the ports. In addition, what continues to constrain the effective and timely operation of businesses are the illegal payments that businesses are forced to pay to these law enforcement agencies. A participant at the Safe Space forum stated:

"Enforcement of our laws is very crucial in addressing corruption but how do you fight corruption when the person who is supposed to enforce the laws is doing something that doesn't exist in any book? They use subtle means to force people to comply with their corrupt practices."

There are also a number of task-forces operating at the ports. In the words of one respondent:

"There is a task-force claiming to be from the Flagstaff House; another from the Senior Minister's office; another task-force from the Office of the Finance Minister; there is a task-force from the Commissioner General; and another from the Commissioner of Customs."

For instance, a letter by the Commissioner, Customs Division introducing a twelve-member Ministry of Finance task-force signed on 1st February, 2019 had no Terms of Reference for the task-force except to "perform a special assignment".

PROPOSED POLICY ACTIONS

We propose the following policy actions:

- i. There should be a merger of all security agencies operating at the ports.
- ii. CCTV cameras should be installed and be operational at all times in all security offices.
- iii. Swift and hefty sanctions should be imposed on security officials who are found engaging in corrupt activities.
- iv. The activities of task-forces should be streamlined.

1.2.5 The lack of or inadequate channels for reporting corruption

While the incidents of corruption remain prevalent, there are few channels available to report its occurrence. Businesses that are confronted with corruption do not have clearly defined procedures to lodge their complaints, especially at the facility level. A participant suggested that:

"There also needs to be cultural change. At the corporate level, how do we monitor and identify fraud and corruption? Is there a system that one can identify and report corruption at every level?"

In instances where these options are available, they are either not widely publicized to customers/clients or fail to evoke public confidence in the process. For instance,

with the ongoing reforms to deal with corruption in the judiciary, only two additional complaints units have been established in the Ashanti and Western regions to complement the existing complaints office in the Greater Accra Region. Again, for the fear of victimization, people prefer to live with the consequences of corruption without seeking redress. One of the key conclusions drawn from this analysis is that many business leaders do not trust the governance systems so consequently, do not seek redress from them. In addition, for fear of victimization, business people fear to speak up about the extent and impact of corruption on their businesses.

PROPOSED POLICY ACTIONS

We propose the following policy actions:

- i. Deploy a national digital and web monitoring and complaints system for reporting service ineptitude and corruption. Effective monitoring and feedback on corruption complaints is helpful in establishing trust among complainants. The use of technology in public agencies will provide a reliable means of accessing complaints at a centralized point, as well as sharing information to all relevant decision makers for quick response. This has the potential to support the implementation of the Whistleblower Act of 2006, (Act 720).
- ii. Establish a national hotline for reporting corruption.

- iii. Implement the Anti-Corruption Action Plan (NACAP) in close collaboration with the private sector.
- iv. The appeal processes for the resolution of complaints must be clearly stated and communicated to all stakeholders.
- v. Institute an annual mandatory ethics training for all public servants. This could be done through an online self-administered training that all public servants must enrol in at the beginning of each year.
- vi. All state agencies, especially the service delivery agencies, should institute and enforce gift policies.
- vii. The Government should empower CHRAJ to monitor the provision of administrative services and corruption complaints. CHRAJ should be well-resourced and mandated to prepare a separate annual report on corruption in administrative agencies to be submitted to the Office of the President; and copied to Parliament.
- viii. Institute a formal, objective and transparent performance review of public agencies with the aim of reducing corruption during the course of service delivery.
- ix. The heads of agencies that emerge as the most corrupt agencies from studies such as Afrobarometer should be mandated to submit an anti-corruption strategy to the presidency on how to reduce corruption. The implementation of the strategy should be monitored.

- x. Parliament should pass the Code of Conduct for Public Officers Bill, which is currently in Parliament. After it is passed, it should be enforced.

1.2.6 Political party funding

One of the critical issues to deal with if the fight against corruption will make any impact is the issue of funding of political parties. Although the state has failed to take a serious look at this issue, its impact on the fight against corruption can no longer be ignored. Through political party funding, businesses and individuals invest in politicians and expect pay-back in various forms, including contract awards and appointments into government positions. Some businesses are known to show equity to the two main political parties in terms of support during elections as a condition for continuous receipts of government contracts. A participant described the practice in these words:

“One important question to also ask is: How are political parties funded in Ghana? Nobody questions how they get their money to fund their activities, but they get huge amounts of money which have to be paid back. If these questions are not answered, all the noise about corruption will make very minimum impact.”

Thus, businesses connive with government officials to subvert the procurement processes by inflating contract prices in order to siphon money for political activity funding.

PROPOSED POLICY ACTIONS

We propose the following policy actions:

- i. Re-examine the feasibility of state funding for political parties and to revise campaign financing regulations.
- ii. Require a shorter period for electioneering campaigning as is done in other jurisdictions to reduce the timeframe for financing campaigns.
- iii. Mandate the Electoral Commission to carry out key internal electoral activities of political parties.

1.3 Conclusion

There is clear evidence in Ghana that historically, the fight against corruption has not been as forthright as is required to reduce the problem and make the desired impact. There have been renewed efforts by the current government to spur economic growth, create jobs and promote wealth-creation through the private sector. To achieve these objectives, the government is implementing a number of reforms to tackle corruption and promote a business-friendly environment. The measures are either too

early since implementation, or not yet fully rolled-out to ascertain their impact on eliminating corruption. Although some of these measures appear to be far-reaching reforms, historical evidence suggests that Ghana's problems are not due to the lack of reform ideas or policies but rather to the inability to see through with implementation.

It is crucial for the private sector to be engaged in the fight against corruption and work closely with the government to sustain efforts. The commitment of those operating in the private sector was demonstrated by the high attendance to the Safe Space forum where CEOs of both national and multinational companies spoke passionately about the incidence and negative impact of corruption on businesses in Ghana.

Based on the views of the CEOs at the Safe Space forum, this policy paper is submitted to the Office of the Vice President. It outlines the challenges faced by businesses and provides policy recommendations along the following themes:

- i. Multiple regulatory agencies with duplicating and overlapping functions;
- ii. Multiple charges for virtually the same and duplicated services;

- iii. Multiple law enforcement agencies performing regulatory functions at the ports;
- iv. Inadequate information on processes and costs of services;
- v. The lack of or inadequate channels for reporting corruption; and
- vi. Political party funding.

Additionally, PSACG has recommended a number of policy proposals for government's action to help sanitise the business environment and contribute to stimulating growth and job creation.