



# Local and Regional Economic Development, Ghana

Scoping Study:

## **Supporting creation of a business enabling environment through development of Mechanisms for Complaint and Redress**

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“Realizing Human Rights in German Development Cooperation”

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## List of Abbreviations

AGI	Association of Ghanaian Industries
ASSI	Association of Small-Scale industries
BAC	Business Advisory Centre
BANGO	Brong Ahafo NGO Association
BMZ	German Federal Ministry for Economic Cooperation and Development
CBO	Community-Based Organisation
CHRAJ	Commission on Human Rights and Administrative Justice
CR2 Ltd.	Changing Relationships, Claiming Rights Ltd.
CS	Civil Society
CSO	Civil Society Organisation
DA	District Assembly
DAC	Development Assistance Committee
DED	Deutscher Entwicklungsdienst
GTZ	German Agency for Technical Cooperation (Gesellschaft für Technische Zusammenarbeit GmbH)
ILO	International Labour Organisation
InWent	Capacity Building International
IR	Internal Revenue
KfW	Kreditanstalt für Wiederaufbau (Bank)
LRED	Local and Regional Economic Development
MASLOC	Micro-finance and Small Loans Centre
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
NBSSI	National Bureau for Small-Scale Industries
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PSED	Programme on Sustainable Economic Development
RCC	Regional Coordinating Council
RUTIPP	Rural Trade and Industry Promotion Project
ToRs	Terms of Reference
UN	United Nations

## Summary of Findings and Recommendations

### **Findings**

The concept of a complaints and redress mechanism, to regulate issues between the public and private sectors, is new in Ghana. The scoping study set out to investigate whether stakeholders, from micro-, small- and medium-scale enterprises in the three LRED regions (Ashanti, Brong Ahafo and Northern) experience a need for such a mechanism and, if they do, what the mechanism should look like and how it would function.

Discussions with people from the public and private sectors, during mini-workshops, market-place visits and semi-structured interviews in markets and public service offices, confirmed that stakeholders are in favour of some form of CRM. Most stakeholders felt that the CRM should be an independent, legally-backed organisation, set up through an Act of Parliament. They felt it should operate at national, regional and district levels. Some participants stressed the need for market level advice and complaints centres, accessible by more vulnerable, and usually marginalised, petty traders and micro-enterprises. These views were supported by public and private sector representatives, alike. The majority of stakeholders favoured set-up of a new, independent body for CRM. However, whilst this might be ideal, we do not feel that it is practical for LRED to take on such an initiative by itself. To establish an organisation, through an Act of Parliament, would take many resources and a long time (18 months to 3 years). We suggest, instead, that LRED follows a more modest approach to CRM.

In coming to these conclusions, participants (both men and women) in the mini-workshops identified and clarified a range of issues around which they have problems and complaints (see, also, section 4):

Severity of problem	Problem
Severe problems	<ul style="list-style-type: none"> <li>• Business registration process</li> <li>• Access to public institutions and information</li> <li>• Access to loans</li> <li>• Getting utilities, such as water and electricity</li> </ul>
Medium problem	<ul style="list-style-type: none"> <li>• Access to information and training on creating and managing a business</li> <li>• Unfair taxation</li> <li>• Transport and roads</li> </ul>
Lesser problem	<ul style="list-style-type: none"> <li>• Access to market information</li> <li>• A place to do business (though severe for markets)</li> <li>• Security</li> </ul>

There did not appear to be a strong gender division in assessing these problems. Men and women all face difficulties in getting loans, access to information and secure places to work. However, it must be noted that women are even less likely than men to have

access to collateral and guarantors and are, of course, more heavily involved in the informal sector.

To address these and other problems, four options for setting a CRM were considered (see Table 1). Taking into consideration LRED resources and capacities, the following option (Option 2) is considered to be the most feasible option at present. Option 2 would involve building a strategic approach to creating possibilities for voicing complaints and seeking redress, by extending work already carried out with LRED partner organisations. Optimal benefit is likely to be achieved if partnership is also established with the Commission on Human Rights and Administrative Justice (CHRAJ). However, whilst CHRAJ is mandated to address all rights issues, it is currently too stretched to widen its current priority areas of rights violations against women, children and the very poor.

Aside from possible investment in CHRAJ, Option 2 requires relatively little additional funding, and could be set up and run through RCC and DA counterparts. The option requires a fuller investigation of the possibilities of capacity strengthening with a number of different organisations, such as local radio, the Business Associations, the BAC and CHRAJ. It also requires supporting the RCC and DAs in establishing proper complaints offices and systems. The RCC and DA level complaints offices need to be accessible to all levels of trader and entrepreneur.

Option 2 is innovative insofar as it promotes a coordinated, multi-pronged approach to complaints and redress. LRED would need to identify the strategic possibilities of implementing this option, and to decide whether to take a "broad-brush" approach (which is likely to give the most benefit, if resources can be made available to support it), or to concentrate, initially, on one or two organisations/ areas. These might be: advocacy and advice through local radio; setting up complaints offices in the market/ RCCs and DAs; strengthening the Business Associations etc. There will be greater benefit if all stakeholders (including business people from all levels) can work together to develop an integrated approach and real partnership between the different organisations.

The approach envisaged in Option 2, is the minimum acceptable to fit with a rights-based approach to development which aims at inclusivity and accountability: it is a basic step in the LRED process of opening up spaces for citizens to voice their opinions and concerns, and encouraging more equitable relationships between citizens and state.

During the consultation processes, and particularly during visits in the regions and districts (Kumasi Metropolitan and Sekyere East, in Ashanti, Sunyani in Brong Ahafo), several other rights issues were noted. These centered around issues to do with inclusion of poor and marginalised people, gender, child labour, quality of work, partnership and rights-based aspects of impact monitoring and evaluation (see section 3). Recommendations on these issues are given, below.

### ***Recommendations***

The recommendations given here relate to the general rights issues noted during the mission, and to first steps towards establishment of a CRM:

- 1. Strengthen the approach to inclusivity so that greater numbers of vulnerable petty traders, especially women, can participate in, and benefit from, LRED initiatives**

The current LRED approach, whilst stimulating change in the power relations between the public and private sectors, could go further towards opening up opportunities for poorer and more vulnerable people, involved in petty trading and micro-enterprises. Aside from the work of the Department of Women, none of the business development initiatives, currently on offer in Ghana through public services, reach to the more marginal business people in the informal sector – such as vegetable sellers, market workers etc.. LRED has a commitment to working for gender equality, but is missing opportunities to do so: since many of the poorest traders are women. In creating possibilities for people to voice their complaints and seek redress, LRED needs to be sure that poorer traders are able to access the CRM

**2. Give attention to potential rights abuses, such as child labour and quality of work issues, which may be an adverse result of improved business opportunities stimulated through LRED**

Creating employment and income earning opportunities for people allows people to determine their own development. From a rights-based perspective, however, it is also important to consider not just the quantity, but also the quality, of employment. Working conditions must be decent as defined by art. 7 and 8 ICESCR and the ILO core labour conventions. Child labour is common in Ghana and it is well-known, throughout the developing world, that improved business opportunities may lead to an increase in child labour – as families either use children in their developing businesses, or increase children’s workload at home, so that adults can be free to work in the business. These aspects of business development have not been a focus of LRED so far. It is imperative that LRED give attention to them now, if future rights violations are to be avoided.

**3. Develop strategic partnerships so as to optimize potential for LRED benefits to be sustained over time**

In the next phase, LRED could place greater emphasis on building strategic partnerships with other programmes and organisations, and to the allocation of resources to encourage them. To date, LRED, as a “soft” component, has taken on a role in promoting coordination and collaboration with other GTZ focal areas, KfW and DED. Partnership has, however, been *ad hoc*. From the perspective of rights-based development, more needs to be made of the advantages that strategic partnership can give. The mission had no mandate to investigate partnership, but there are obvious overlaps between, for example, LRED and the governance sector, and further development of integrated approaches are likely to be beneficial to both programmes.

**4. Ensure that monitoring and evaluation systems can assess the rights-based impacts and outcomes of the LRED component**

The mission did not review the LRED M&E system. From a rights-perspective, embedding impact and outcome M&E, from the start of any initiative, is imperative. This needs both a rights-based framework for M&E and a rights-based approach (see section 3). It is vital that rights-based M&E, to support the establishment and running of a CRM, is developed and implemented straightaway. In this way, progress towards fulfilment of rights can be assessed – in terms of increase in human security and assets and decrease in vulnerability.

**5. Take a modest, but realisable, approach to establishment of a Complaints and Redress mechanism by adopting Option 2**

As described above, this multi-pronged approach to establishment of opportunities for complaints and redress is the minimum acceptable under a rights perspective. The option is achievable with relatively few resources, but could make an appreciable difference in the relationships between public and private sectors. It leaves open the opportunity to expand into greater support, in the future, for an independent, legally empowered organisation, such as CHRAJ, dealing with complaints and redress.

**6. Continue to research possibilities for ensuring greater accountability of public services and take-up of obligations by all LRED stakeholders**

LRED will benefit from continuing to expand its knowledge on the range of initiatives, in Ghana, which aim to increase accountability of public services. The Public Service Reform programme could be investigated, as could programmes aiming to increase access to justice. There may well be initiatives which would link with efforts to improve possibilities for complaints and redress.

***Conclusions***

Take up of these recommendations would make a significant contribution to strengthening the rights-basis and good governance dimension of LRED. It would increase the inclusivity of LRED initiatives, open up new spaces for dialogue between citizens working in the private sector and public service offices, and strengthen the chances for greater accountability, and take-up of obligations, by all stakeholders. Finally, establishment of a CRM, under Option 2, would provide an excellent opportunity for LRED Task Forces and their Champions to work together in developing partnerships, suitable to their particular contexts, to support micro-, small- and medium-scale business people in getting their legitimate complaints addressed.



# 1 Introduction: background to the scoping study

## 1.1 Background

This scoping study is part of collaboration between two GTZ initiatives. One is the Local and Regional Development (LRED) component of the Programme on Sustainable Economic Development (PSED), in Ghana. The other, is the Realising Human Rights in Development Cooperation project (RHR), which is based in GTZ, Eschborn, and which financed the mission.

The broad aim of the mission was for the RHR to give support to LRED in investigating whether an ombuds mechanism could/ should be developed as part of their ongoing programme to create an enabling environment for small- and medium-scale enterprises (SMEs) in Ghana (see brief description of LRED, below). RHR was asked to provide technical expertise in rights-based development to investigate this issue and make suggestions for future LRED inputs into an ombuds system. The mission took place between the 6<sup>th</sup> and 19<sup>th</sup> of September, 2008. During the mission, discussions were held with LRED and other GTZ staff, and with KFW and DED in Accra. The mission focused on field visits to three regional centres Kumasi in the Ashanti region, Sunyani in Brong Ahafo, and Tamale in Northern Region. In Ashanti, consultations were also held in Kumasi metropolitan and Sekyere East. In Tamale, visits were also made to Savelugu-Nanton and West Gonja (see Annex 2, for full itineraries).

## 1.2 The LRED Component of PSED

The Programme on Sustainable Economic Development (PSED), is supported by the German Agency for Technical Cooperation (GTZ) and headed by the “Ministry of Trade, Industry, Private Sector and President’s Special Initiative”. The LRED *approach* was introduced into Ghana, in 2005, by GTZ’s Rural Trade and Industry Promotion Project (RUTIPP). LRED has now become one of the five *components* of PSED, which consolidates the activities of the German Technical Cooperation in this focal area in Ghana. Sustainable development and poverty reduction are Ghana’s main development challenges. GTZ in Ghana follows the principles of Sustainable Development, which includes an economic, ecological and social dimension and seeks to provide systemic assistance tailor-made for the Ghanaian context.

The new LRED component builds on the experience of RUTIPP. In November 2005, RUTIPP was subject to a project evaluation, in order to realign the GTZ-supported private sector development activities in Ghana strategically, and to strengthen their results-orientation. In October 2006, the LRED component was launched as part of PSED with the aim to:

**Improve the local and regional business and investment climate as well as the economic competitiveness of selected regions, to reduce the cost of doing business for micro-small and medium-scale enterprises, to strengthen the public-private dialogue and to finally contribute to an enabling business environment.**

### **1.3 Realising Human Rights in German Development Cooperation**

Since the late 1990's, the importance of human rights has been increasingly recognised in the development policy context, and was prominently expressed in the Millennium Declaration of 2000. Multi- and bi-lateral donors, as well as NGOs, have started to integrate a rights perspective in their policies and programmes. In 2007, OECD DAC endorsed its first "Action-oriented Policy Paper on Human rights and Development", calling for stronger linkages between economic, social, cultural, political and civil human rights, with development policy and practice.

In July 2004, the German Federal Ministry for Economic Cooperation and Development (BMZ) adopted the "Development Policy Action Plan on Human Rights 2004-2007", with the objective of orienting German Development policy more closely towards human rights standards and principles. The Action Plan also contains an explicit commitment to mainstreaming a right-based approach in all areas of German Development Cooperation, and at all different levels in intervention. The Ministry's Human Rights Action Plan has been recently up-dated and extended until 2010.

Against this background the Ministry commissioned GTZ – in cooperation with the German Institute for Human Rights – to carry out an advisory project that supports the envisaged human-rights mainstreaming process in the Ministry itself as well as in the four implementing agencies of German development cooperation: GTZ, KfW, InWEnt, DED. In addition the project supports working processes at international level, such as in the OECD Task Team on Human Rights, and the UN Human Rights Council. The GTZ sector project, "Realising Human Rights in Development Cooperation" (RHR), took off in June 2005.

The project includes a variety of capacity development measures for BMZ staff as well as staff of the implementing agencies, including support in integrating a human-rights perspective into sectoral / cross-sectoral as well as country / regional strategies issued by the Ministry. As important ground work, the project has been collaborating and advising a number of development programmes in Kenya and Guatemala in the practical application of a HRBA. In 2007, the project extended its advisory services to Ghana and, in 2008, to Bangladesh as well. CR2 Ltd<sup>1</sup>. Has been giving technical advisory services to the project since 2006.

The request for the current cooperation with LRED arose in October 2007, when LRED was being formulated. PSED requested that RHR assist LRED in its efforts to cut red-tape. This resulted in development of ToRs for the current mission.

### **1.4 Objective of the Mission**

The ToRs for the assignment gave the objective as:

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<sup>1</sup> CR2 Social Development Ltd. (Changing Relationships, Claiming Rights) is a small company and network which works to strengthen Rights-Based Approaches to poverty reduction, governance and social development.

**Support the creation of a business enabling environment through the development of a Concept and instrument of Ombudsman and its introduction to stakeholders regional level<sup>2</sup>**

In response to the ToRs<sup>3</sup>, we noted that:

“As yet, it is not certain whether the concept [of Ombudsman] *per se* would be either feasible or acceptable to stakeholders, or whether it would fully support the aims of the project. What is clear from project documentation, however, is that business-level stakeholders, and others, recognise that the lack of dialogue between public and private sectors is an impediment to business development and that Voice and Response mechanisms, where they do exist, are beset with problems. Bureaucracy is inefficient and ineffective and prone to corruption. However, the government has expressed a strong commitment to overcoming these problems.

The visit will aim to build on current understanding so as to gain further clarification on:

- 1) Stakeholders’ opinions on the potential Voice and Response mechanisms, related to regulation and redress, which could best support the LRED component objectives
- 2) The processes which would be needed to formulate a mechanism, to implement it and to monitor and evaluate progress
- 3) Who would need to be involved in these processes, and a rough time-scale
- 4) Management and budget implications and need for follow-up”.

After consultations with LRED management, in Accra, it was agreed that the mission would scope out the possibilities for establishing a **Complaints and Redress Mechanism** (CRM) to serve the private sector in relation to problems and concerns arising from private sector relationships with the public sector. It was agreed that there would not be enough time to allow us to work with management, and other stakeholders, in drawing up a time-scale for new initiatives or budgets. In the report, we have only been able to give indications of what initiatives could be taken up in the short-term and which would take longer. We have also given some suggestion of relative levels of resources that would be needed to put different option into process.

## **1.5 Caveats**

LRED is a programme which operates by facilitating processes which open up spaces for dialogue between the public and private sectors. As such, it may put forward options for approach, and facilitate problem identification and solution, but ideas are, generally, generated by stakeholders, themselves.

In the current mission, we, on behalf of LRED management, were putting forward an idea (of a CRM) which had not arisen, in any way, from the stakeholders we would be consulting. There are always difficulties in operating in this way (see, also, Sections 2 and 5). However, in some cases, as here, the imposition of some new ideas is unavoidable. Nobody we consulted had previously thought about the possibility of setting up a CRM between the public and private sectors. Nobody had, openly, thought about the need to regulate complaints and check their validity. Offices of public services were simply used to being inundated with complaints and requests of all sorts. The

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<sup>2</sup> See Annex 1

<sup>3</sup> See Annex 2

private sector was used either to taking complaints “to the top” (i.e to the director of the relevant service), to their representatives in craft and business associations, or to keeping their complaints to themselves. Few people in the private sector had confidence that complaining could positively change things.

Nevertheless, in Ghana, there had previously been an office of the ombudsman – for consideration of general rights complaints. This office had been subsumed in the Commission for Human Rights and Administrative Justice (CHRAJ), so we had some experience on which to build.

## **1.6 The Report**

Section 2 outlines the methods used during the study. Section 3 is a consideration of rights issues in LRED, noted during the consultations, other than those directly related to a CRM. Section 4 outlines the findings from the consultations, around the issues about which the private sector would, currently, be making complaints. Section 5 looks at the possible ways forward and makes some suggestions about things which LRED could start to do in the short-term, in support of complaints and redress mechanisms.

## **2 Method**

### **2.1 Different methods of enquiry**

This section briefly examines the methods used during the scoping study. The fieldwork for the study was carried out by the consultants, with the assistance of LRED champions and DED staff. This meant that, in many cases, there was a need for translation into local languages. This was not ideal, but consultants believe that they were still able to gain valuable insight into the questions to be studied.

To address the questions outlined in the ToRs (see Annexe 1), several methods of enquiry were used:

1. In-depth discussions with LRED personnel
2. Documentation review
3. Field visits to Ashanti (Kumasi, Sekyere East) Brong-Ahafo (Sunyani) and Northern Region (Savelugu-Nanton and West Gonja)
4. Meetings with key stakeholders: e.g police, VRA, internal revenue service, MASLOC, CHRAJ, local radio
5. Stakeholder mini-workshops: with LRED task team, LRED champions, RCCs, DAs/MAs, other public institutions, business associations, business people and others
6. Semi-structured discussions with small-scale entrepreneurs in the market (haberdashers, tomato sellers, butchers, barrow boys, etc.)
7. Feedback meeting with LRED personnel

Overall, more than 170 people were consulted during the scoping study. This number comprised men and women from both the private and the public sectors, with business people from micro through to macro levels. When meeting individuals, or small groups of people in offices, semi-structured interviewing was used. During the mini-workshops,

wherever possible, a participatory approach was taken. With some groups, a spokes method facilitated identification of characteristics of a complaints and redress mechanism (see Annexe 2). However, in many cases, there was not enough time to allow for a fully participatory approach, so the mini-workshops were restricted to small-group and plenary discussions, without the use of participatory tools.

The results of selected stakeholder mini-workshops are appended in Annexe 4. In brief, all workshops followed a similar format:

## 2.2 Mini-Workshop Format

### ***Background and Explanation***

The LRED champion and facilitators gave an explanation for the consultation and presented the aims.

### ***Aims:***

- To check the validity of problems and concerns, related to complaint and redress issues, raised during previous LRED activities
- To clarify participants perception of the need/ lack of need for a complaints and redress mechanism (CRM) relating to small and medium enterprise development and operation
- To explore participants' views on the major, necessary characteristics of a CRM
- To understand the differences, if any, in perceptions, between government and private sector/ civil society stakeholders.

### ***Clarification on concerns raised***

Facilitators presented a number of cards on which different concerns arising from previous LRED activities, and from in-depth discussions, were listed. Participants commented on these, identified the priorities in their area and added any other issues they thought were important. For an example, see below:

**Table 1:** Kumasi 10.09.08 **Major Issues** Public = 6 reps, Private = 6 reps, Other = 3

<b>Issue</b>	<b>Public</b>	<b>Private</b>	<b>Other</b>	<b>Total</b>
Business registration process: time	4	1		5
Access to public institutions: information and where to go to get it	2			2
Getting Utilities: Time, in getting them location – depends where you are difficult it is, efficiency, cost, high costs outside city centres	6	4	1	11
Unfair taxation: how to bring in the informal sector, difficulty of identifying businesses – could use the Associations	4	2	1	7
Access to, and conditions of loans: difficulty of providing collateral because of lack of land registration. Mass of bank documentation and bureaucracy. Need to prove 3mths repayments. Women can't deal with the bureaucracy. Need public sector input to reduce it – local government to make permanent addresses	2	5	3	10

(needed for loans), Interest rate spread too bid, interest rates high, lack of long-term loans				
A place to do business: for markets and industries. Everyone wants to be in the centre despite gov. incentives to move out (but see, utilities)	1	2	1	6
Transport: Time, road condition, no flights to the North		2	1	3
Access to market information: for non-literate people, trade and business stats. not available – exist but no one knows, lack of PR and dissemination from holding institutions	2	4	2	8
Access to information on how to create and manage a business	3	1		4

Although there were regional differences in prioritisation, there was a high degree of agreement on the above list of concerns. For further discussion on this, see section 5.

***Identifying characteristics of a sector-wide regulatory mechanism:***

Participants were then asked to consider what a mechanism or system to regulate the relationship between public and private services, and to handle complaints and redress, would need to be like? Would it need to be only for the sector, or could it be wider? What characteristics would it need so as to be acceptable to both the public services and the private sector? And what would be necessary to ensure that it would be both useful and sustainable?

To consider these issues, participants were divided, where possible, into two groups: public service representatives, and those from the private sector and other parts of civil society. Despite this division, there was, in almost all districts, a high degree of congruence between the findings of the two groups.

***Plenary discussions***

Participants came together to share findings and make suggestions for taking the issues forward.

Findings from some of the consultations are given in the annexes. The findings were used to help formulate the suggestions given in this report for future work on complaints and redress mechanisms (see Section 5).

### **3 Other Rights Issues**

#### **3.1 Introduction**

This section looks at a selection of the issues which the LRED approach raises in relation to rights-based development. The points raised here are not exhaustive. LRED already has an approach which fits well with the concepts and practice of rights-based development and there have been numerous successes to date. However, the mission became aware of a number of aspects which would need strengthening if LRED were to

optimise its potential to work for rights fulfilment. More work would need to be done if these were to be fully explored. Here, we focus on aspects of people's participation and inclusion in development benefit, and on issues of accountability, transparency and the fulfilment of obligation. As the examples given below demonstrate, improvements in the business environment in general, may not reach to the more marginalised and worse off traders. The LRED focus of working through the "Response" side – public services – is valuable, but may not be enough to ensure that vulnerable citizens' voices can be heard. Without focus on changing the many aspects of power relations between the public sector and citizens, many petty traders, trying to secure a livelihood, may fail to benefit from LRED interventions.

The observations in this section go beyond the ToRs for the mission, but we consider them vital not only to development of complaints and redress mechanisms, but also to optimising the benefit of all LRED interventions.

### **3.2 A Rights Perspective**

Working with a rights perspective means that we need to view the processes and products, of all interventions, holistically. From the point of view of LRED, this means that we need to assess not only the expected benefits to LRED participants and direct stakeholders (such as SMEs and public service offices), but also look at the actual, and potential, impact on other people in the LRED context. This means that we need to look at the expected impacts in a disaggregated way and to assess potential impacts on a full range of stakeholders, in each context. For example, whilst many owners of SMEs stand to benefit from LRED interventions, are there any who will not? Is anyone excluded from the processes of economic development that LRED encourages? If so, who? Within small businesses, do all family members stand to gain, or do some family members end up with little benefit and unacceptable work conditions or workloads? The following section briefly examines these issues.

### **3.3 LRED Focus**

The focus of the LRED approach is to support the development of a business environment in which active small and medium enterprises can contribute to economic growth. The logic behind this approach is that, through stimulation of the economy, by working to promote an environment in which entrepreneurs who have potential for growth can build their businesses more easily, there will be a follow-on effect which will also benefit poorer people (through employment opportunities, etc.).

It is, as yet, too early to determine whether this follow-on effect is working in the Ghana-LRED context. But, the results of the present scoping study showed that there are areas in which the approach might, contrary to expectations, lead to greater inequity, between the poorest of poor people and those who are already somewhat better off. This may be the case unless attention to these areas is embedded, now, within the LRED approach. In terms of working for poverty reduction, there is a problem in that LRED does not deal with the poorest and most disadvantaged sectors of the "business" economy, and it seems that no one else is doing so either.

### **3.4 LRED Reach**

From a rights-based perspective, the LRED choice of public services, and local government, as an entry point, is positive. This is because it sets up opportunities for increasing Citizen-State Engagement and forming better links between Voice and Response (that is, broadly speaking, between the legitimate concerns and claims of citizens, and the mechanisms – whether through other individuals or through institutions – which should respond to them).

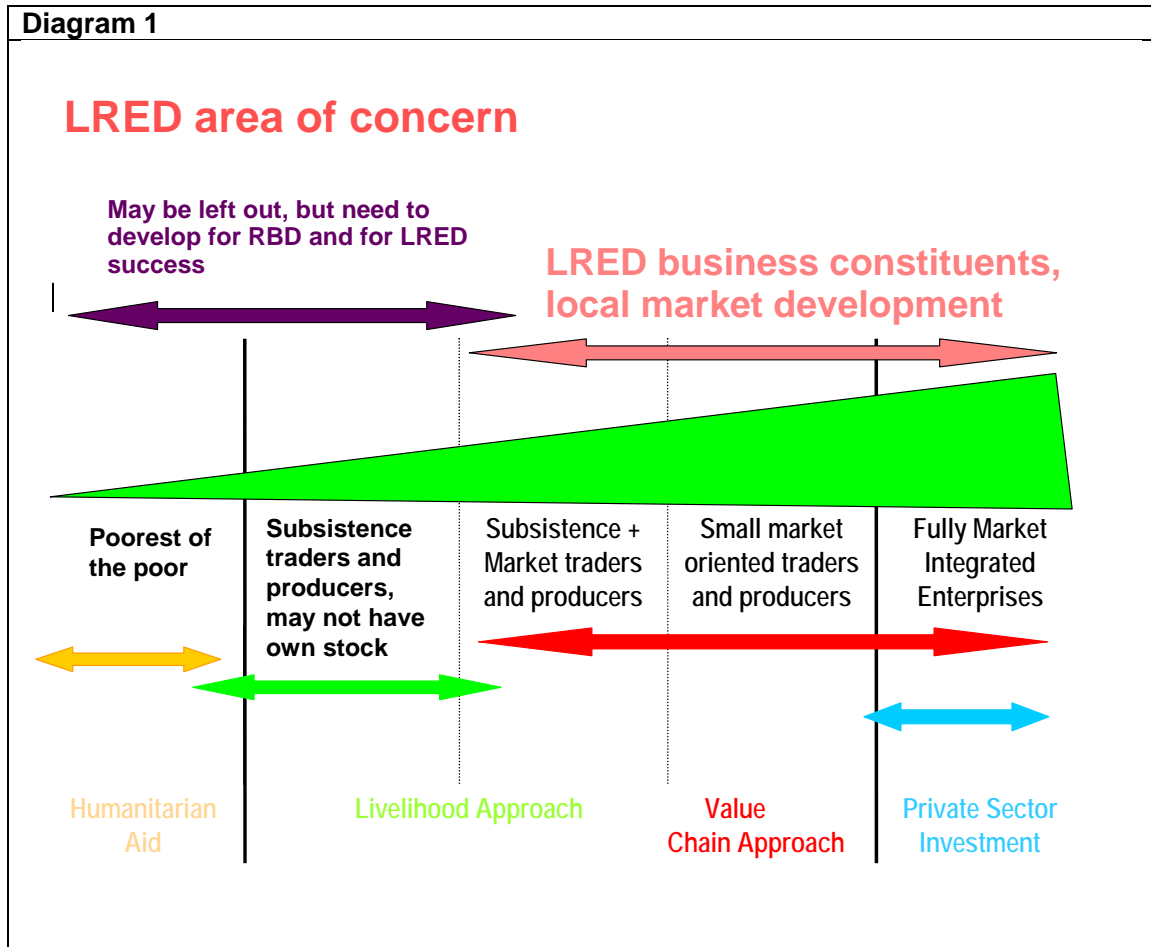
At present, however, working into SMEs through the public services, only reaches to a certain level. It is successful in bringing public services and the SMEs of the formal sector together; it can also encompass numbers of small, informal enterprises in the market, through their Associations. But, it does not reach traders and producers who are not already well-organised, or able to access existing BDS, nor does it address the concerns or rights of some of the worst off people engaged in informal sector business. These are not the poorest of poor and marginalised people – as they are already engaged in some form of livelihood activity, such as vegetable selling – but they do fall within the lowest income quintile of the population.

A market-oriented approach, focusing on enterprises with growth potential, nearly always leads to greater competition. The stronger SMEs in the market get stronger and the weaker ones may lose business and become more marginalised. Though this may lead to greater market efficiency, it is problematic from a pro-poor and human rights perspective, as the poorest get hurt most. It is unsure whether they will find employment in one of the growing enterprises.

In theory, the concerns of the poorest traders could fall within the LRED remit, even though they are usually beyond the scope of the Local Market Development (LMD) approach (see diagram 1, below) which is related to LRED.



Diagram 1



The poorest of poor people, and those trading only at subsistence – often without their own stock – do not have the potential to benefit from local market development. However, if development is to be equitable and rights-based, it is essential that measures are put in place to ensure that these people can “join in” and develop their economic potential for secure livelihoods so that, should they choose to do so, they are ready to profit from market development. The present components of LRED do not address these issues, nor do other components of the PSED appear to do so. So far, partnerships which could cover this gap, have not been created with other organisations.

### 3.5 The Rights and Concerns of Petty Traders, and Gender

Unless the rights and needs of the poorer traders and producers are addressed, it is likely that, over time, the gap, between the poorest people and those moving towards economic development, may increase rather than decrease. Since the least stable traders in the informal sector tend to be already socially, politically and economically more disadvantaged, there is a real danger that social inequities may be reinforced and perpetuated, rather than reduced. This also has a strong influence on whether gender-related development issues are addressed: since many of the most disadvantaged traders are women, often from women-headed households. These women, whilst personally “strong” and able to voice their concerns and complaints, have little or no

social capital with which to ensure that they are treated fairly and can work to secure their livelihoods. It is often the case that traders in this category do not own their own stock and, despite the various “market Queens” who, in theory, represent their cause, their negotiating power is further reduced by the fact that they operate, as individuals, on a post-pay system to get goods to sell. For example, the tomato sellers in Sunyani market:

**Box 1 The Tomato Sellers**

Three women were selling tomatoes from a trestle top right outside the market manager's office. They say the manager is attached to the District Assembly. The trestles belong to someone else and they come to sell tomatoes every day except Sunday. They say that the tomatoes come from outside town and they are selling the tomatoes for a man they get them from each day. They don't have to pay for the tomatoes in advance, but at the end of the day, they give him the money and can keep the little profit they have made, out of which, they also have to pay their market taxes. They say that they don't make enough money to live on. There is a tomato-sellers group – with a tomato Queen, but they don't have the funds to buy tomatoes “wholesale” themselves. When it rains, they get wet, but one of them said she keeps a spare set of clothes so she can change if it gets too bad. They say that the market manager is constantly trying to get them to move – but they haven't got anywhere else to go. But, since his office is right by them, when they have a problem they can at least go to him, or as a tomato-sellers' group, they can send their Queen to negotiate. Not that any improvements are ever made.

Even when small traders are in a position to own their own stalls, they do not feel that their right to work and security is protected:

**Box 2 The Tomato Stall**

We also talked to one woman who is located in the sheltered stalls deeper in the market. She says that she owns her stall, so she just pays the 10 pesos market service charge. But she says that the problem is that they are constantly being urged to move out. The DA says it wants them out so that they can make a lorry park on the market space. They want them to move to new market, but it is far and maybe no one will come to buy the tomatoes. And there are thieves there.

The main link between LRED and petty traders like the tomato sellers, comes through the government NBSSI. In some of the consultations held (in Kumasi Metropolitan) petty traders placed more emphasis on the NBSSI as the champion of their voices than they did on their own trade associations. This depended, however on a) the existence of an NBSSI office in the area and b) the perceived strength of the NBSSI team. One way or other, whilst the work of the NBSSI is crucial, it is difficult to imagine a system whereby an office of government can be relied on directly to support citizens in getting their claims to other government offices met. This is particularly so since NBSSI is not a powerful organ of government but, rather, an under-resourced entity, not present in all urban areas.

Even when trade associations are strong, their power to influence the offices needed to support business development, is limited. For example, the Head of the Association of Small-Scale Industries (ASSI) in Tamale, reported the following problem:

### **Box 3 The “Listening” Bank**

The Head of ASSI in Tamale explained how he had gone to the office of the public micro credit scheme, MASLOC, to try to arrange a loan. The official he needed to see was never available – the door was always closed. In the end, knowing he would get nowhere by himself, he asked the NBSSI official to come with him to the scheme. At that point, doors were opened and it was possible to make the loan arrangements.

This example shows that, despite improvements, there is a long way to go before small (and medium) traders are in a position to negotiate fairly and freely with those in public and private offices.

### **3.6 Child Labour**

As the entry-point is through the officers and offices of public services, it is not surprising that LRED has not yet given attention to issues of child labour. However, as with all interventions aimed at improving the chances that small and medium entrepreneurs can operate in an easier business environment, LRED needs to consider the risk that improved business opportunities may lead to increased child labour.

Globally, the worst forms of child labour<sup>4</sup> in Ghana are well known: trafficking, work/forced labour in the cocoa plantations and child domestic labour are well documented. However, reports<sup>5</sup> also suggest that around a third of children between 5 and 17 are involved in regular labour. The majority of these children are in rural areas, but many are also working in the towns.

In urban centres, children work in the informal economy in such activities as transportation, restaurant work, street vending, and petty trading. Many girls work as head-porters (“kayaye”) in urban areas such as Accra, Kumasi, and Takoradi. These girls often live on the streets and are especially vulnerable to being exploited in sex-work. Children in Ghana are also engaged in commercial sexual exploitation, including in the tourist destinations of Elmina and Cape Coast. Outside these “worst forms of child labour” occupations, children are also widely involved in “helping out” in family businesses – often to the detriment of their studies and leisure time. A 2003 report suggested that 88% of working children were unpaid family workers and apprentices<sup>6</sup>.

It is well-documented that, as small enterprises develop, children may be drawn further into work to support the business and the household. Whilst some “helping out” can be beneficial – young people feel good about their contribution to family income and learn useful skills for the future – there is a fine line between contribution that is valuable both to children and to adults, and exploitation. On the weekend, during the scoping study, we encountered numerous young people under eighteen, tending shops in Sunyani market, from 7.00 am to 7.00 pm, whilst their parents went to collect vegetables in the field. This is a long work day by any standards, and carries responsibilities far above the “two hours work a day” often accepted for children under 14. Evidence from other places suggests that, as businesses start to develop, children may either be left regularly

<sup>4</sup> As defined in the ILO Convention no. 182 on The Worst Forms of Child Labour

<sup>5</sup> National Child Labour Surveys, SIMPOC, ILO, 2003, and 2006;

<sup>6</sup> *ibid.*

to run businesses in this way, or may have increased workloads in the household (such as child care and animal husbandry) to allow adults time to run the business. Evidence suggests that, as businesses begin to develop, adults will make use of the labour of children in the family, rather than have to employ outsiders.

As LRED is currently conceptualised, it is beyond its scope to address these issues. However, since they present a serious threat to the fulfillment of rights, LRED needs to take them into consideration as soon as possible and, certainly, in the next phase. Initially, this will require dialogue between public services and citizens to ensure that issues of child labour reach the public agenda.

### **3.7 Other Quality of Work Issues**

Creating employment and income earning opportunities for people allows people to determine their own development. From a rights-based perspective, however, it is also important to consider not just the quantity, but also the quality, of employment. Working conditions must be decent as defined by art. 7 and 8 ICESCR and the ILO core labour conventions. It must be assured that employers, also small ones, respect the national labour law. Slavery and working conditions of extreme exploitation must be abolished. Larger enterprises with more employees must guarantee the basic rights and freedoms of employees, especially freedom of association, collective bargaining and non-discrimination. Basic health and safety conditions must be met, working hours must be humane, salaries for full employment must be at a living wage level.

These aspects need to be considered by any development intervention aiming at employment creation. They have not been a focus of LRED so far. Yet, LRED through its public sector entry point, has the opportunity to address these aspects. LRED could, for example, build the awareness of public service entities, such as the NBSSI or the District Assemblies, on child labour and other labour rights issues. It could also work to build their capacity to deal with them effectively.

### **3.8 Wide Access to Complaint and Redress Mechanisms**

Whatever mechanisms of complaint and redress LRED may choose to support, it needs to ensure that these are accessible to all small and medium producers and traders, including those nearer subsistence levels. This is in addition to ensuring that the benefits of current LRED interventions reach even more widely into the small-business community. Petty traders, particularly, need to be able to voice their claims in easily accessible places, close to their work. Care needs, too, to be given to ensuring that the methods of raising queries, voicing concerns and following complaints, are appropriate to the needs of all traders. Whilst written records are necessary, it is also important to create fora in which small traders, not necessarily comfortable with reading and writing, can formally voice their concerns (see also, section 5, below). Public meetings are not always the best option for ensuring this: During the consultations, we were told of information meetings, set up by the tax office in Tamale, to which no one came. There is obviously an opportunity cost in giving up potential earning time to attend meetings. Many people suggested that there should, rather, be some kind of trusted "listening post" within the market area. This would be separate from, and in addition to, the market manager's office (see section 5).

### **3.9 Partnerships**

Currently, it appears (pers.comm., LRED staff) that there is considerable onus on LRED to take responsibility for forging links between different components of the PSED and other GTZ priority area programmes, KFW and DED, and other development partners. This is not surprising – it is always the “soft” component of a programme which ends up with this role: dealing with social relations means that attention to how development components connect, is crucial. Nevertheless, from the perspective of rights-based development, more needs to be made of the advantages that productive partnership can give. It was beyond the scope of the mission to investigate partnership, but the overlaps between LRED and the Governance sector, for example, are obvious, and further development of integrated approaches could prove beneficial to both programmes. This does not mean that building partnership for greater synergy will be easy. Partnerships only work when all partners are working towards common goals and all are convinced of the benefits that partnership will give them: in terms of strengthening their own work. This takes time and, potentially, an allocation of resources.

In the next phase, we suggest that there could be greater emphasis on partnership, and to the allocation of resources to encourage it. Without specifically allocated resources, it is unreasonable to expect LRED to devote more effort to partnership than it is currently giving.

### **3.10 Rights-based Monitoring and Evaluation**

The mission did not look at LRED’s M&E system. The comments offered here, are general points, made in relation to basic rights-based M&E.

There are two major characteristics to rights-based M&E. One is that it involves an M&E framework which is capable of monitoring and evaluating progress towards rights fulfillment. The other is that the framework is put into operation in a rights-based way<sup>7</sup>.

#### **1) *Rights-based M&E Framework***

In essence, a rights-based M&E framework will be based on assessment of how rights principles (non-discrimination, equality of opportunity, participation, empowerment, transparency and accountability) and the rights standards for basic public services (accessibility, affordability, adequacy, quality) are put into practice. Such a framework will measure the processes involved in the implementation of principles and standards, and the products which arise from implementation. Its focus will be on impacts and outcomes, rather than on activities and outputs. The framework will look for increase in human security through increase in assets of all kinds and, importantly in rights-based development, through decrease in vulnerability. It will assess whether benefits gained are likely to lead to sustained positive change.

The focus on decrease in vulnerability is particularly important in rights-based development. The indicators for decreased vulnerability are in terms of things such as: livelihood diversification for households and individual members, social networks, access

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<sup>7</sup> For further information on a rights-based framework for M&E see Crawford, S. and Brocklesby M.A., A Planning Monitoring And Impact Assessment Framework For Rights-Based Development, in Crawford, S. The Impact of Rights-based Approaches to Development, UK Interagency Group on Human Rights Based Approaches, London, 2008

to justice (of all kinds), gender equity, issue-based alliances contributing to reduced social exclusion, decrease in corruption, conflict management, ability to negotiate and take risk. Most of these are indicators which are relevant to LRED, as it now stands. However, were LRED able to give attention to the rights issues outlined in this section, there would be even greater chance of achieving significant decrease in vulnerability for a wider range of stakeholders.

## **2) *Operating a Rights-based M&E Framework***

As suggested above, measuring whether rights principles and standards are put into practice, requires differentiated data (demographic, social, geographical, economic etc.). These data are used to assess impacts on different social groups and to refine strategies of intervention. Further, a wide range of stakeholders, including more marginalised people, need to be involved in the processes of M&E. It is also vital to form links between M&E at local levels and that at middle and central levels. In this way, information and experience can be used to shape policy and practice at all levels.

LRED is already involved in both these aspects of M&E. We suggest that they could be further strengthened to ensure greater stakeholder participation in M&E and greater potential to measure the wide range of likely impacts.

### **3.11 Summary**

In summary, the fit between the LRED approach and rights-based development is good. There are, however, a number of very important principles, which underpin rights-based development, which are not currently given full attention by LRED. Foremost amongst these, is the issue of inclusivity. LRED aims to reach micro-enterprises, as well as small- and medium-scale ones. But its present approach, does not leave room for the really vulnerable petty traders to participate fully in the advantages which LRED will bring. From LRED's point of view, this is particularly important because it means that an opportunity to reach highly vulnerable women, and to challenge current gender power relations, is not being taken up.

LRED would also benefit from addressing core labour standards to ensure fair and decent work. This would involve attention to issues of child labour and to working conditions, generally, in businesses falling within the LRED compass. Looking at core labour standards would also provide an entry point with public services, for work to increase their accountability and take-up of obligations, in relation to people working in micro, small and medium enterprises.

## 4 Clarification of problems faced by SMEs

### 4.1 Introduction

During the LRED activities, held in Kumasi, in May 2008, and in Savelugu-Nanton and West Gonja districts, in July 2008, a number of issues and concerns, faced by SMEs, were raised. Many of these were specific to the particular districts. Others, however, were common to many of the districts.

The scoping study summarised the problems identified during the LRED activities. This summary was used to identify, with stakeholders, concerns for which currently, there is no mechanism through which to find solutions, or seek redress.

Although the problems had been discussed in the LRED activities, people felt that there is still a need for further elaboration and exploration. We outline the concerns raised, below, and briefly discuss some of the issues:

Severity of problem	Problem
Severe problems	<ul style="list-style-type: none"><li>•Business registration process</li><li>•Access to public institutions and information</li><li>•Access to loans</li><li>•Getting utilities such as electricity and water</li></ul>
Medium problem	<ul style="list-style-type: none"><li>•Access to information and training on creating and managing a business</li><li>•Unfair taxation</li><li>•Transport and roads</li></ul>
Lesser problem	<ul style="list-style-type: none"><li>•Access to market information</li><li>•A place to do business (though severe for markets)</li><li>•Security</li></ul>

### 4.2 Business registration process

There are reports that, at the national level, business registration can be completed in only five days (pers. Comm. LRED staff). However, this is not the experience away from Accra. Even where a local registration office exists (eg. Kumasi) many business people consulted consider the business registration process to be costly, time-consuming and without benefit (see also, the LRED Time and Motion report [Kohler, S.] which notes that registration can take around 153 days in the Brong Ahafo region). In particular, smaller-scale entrepreneurs consulted during the present study, felt that registration meant only that that they had the protection of being legal, and the “privilege” of paying taxes.

Small and medium-scale entrepreneurs could see that there ought to be benefit in registering their business, but gave examples to show that this is not the case. For example, the Head of the Association of Small-Scale Industries in Tamale pointed out that there are irregularities in the award of construction contracts by government:

contracts should go only to registered contracting businesses but, in fact, they are awarded to people who have “connections”, whether or not they are registered.

Business registration may cost up to 110 Cedis<sup>8</sup>. For non-literate people, the costs of registration are even higher than for others. This is because they must pay for someone to fill in the forms for them. Also, whilst the Registry Offices can provide facilities to get the forms typed, this service has to be paid for. This means that the cost of registration is actually cheaper for people who already have access to computers. Furthermore, there is no explanation on the registration forms that typing is required. If someone brings forms completed in handwriting to the Registry Office, they will have to purchase a fresh set of forms (around 50 – 60 Cedis).

### 4.3 Taxation

In all areas visited, some business people pointed out that taxation is very unfair. Taxation does not, in fact, depend on business registration. The onus is on the individual to come forward for taxation. So both registered, and unregistered, businesses may, or may not, be taxed. Since implementation of tax law is somewhat haphazard, who actually pays their taxes, and who does not, is sometimes left to chance. In Kumasi, the Internal Revenue (IR) Regional Director drew attention to the difficulty of enforcing tax law and acknowledged that the situation is not fair. He said that, because of the lack of resources in the Tax offices, it is difficult to track defaulters. Debts are, therefore, allowed to accumulate, which makes it even harder for small business people to pay. Assessments are given only for the whole year whereas, in the Director's opinion, they should be given quarterly, in arrears. The Director also pointed out that, even if a business person is willing to pay taxes, it is, physically, not easy for them to do so. They need to attend the office, in person, on a Saturday morning, and queue up to make payment. Taxes are paid through the district tax offices, of which there are only 9 in the Ashanti region. Tax collectors do go out into the districts. But often, it is not worth it, because the amount of tax collected is so small that it does not cover the transport costs. All income tax which is collected goes through the district to the regional and central level. But, this leaves the districts with little incentive to collect more income tax, as they cannot use it to benefit their own localities. Equally, this exacerbates citizens' frustration as they feel they are paying taxes, but seeing no improvements from doing so.

The IR is looking into the possibility of electronic payment – but this would only be accessible to a small number of businesses, and many people do not have access to computers, or the knowledge of how to use them. The Kumasi Director pointed out a link here to the GTZ e-governance programme, but was unclear whether the issue would fall within the remit of the programme.

Often, the amount of tax demanded from a business is only a “guesstimate” by the IR. This is because few business people in the market know how to book-keep properly or how to prepare their accounts. Without correctly kept records, the IR can only estimate what the fair amount of tax might be. In Sunyani market, the keeper of a haberdashery

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<sup>8</sup> Koeler reports a lower figure for business registration, and points out that forms may be filled for free at the post office. However, the figure quoted above is based on buying forms during the consultancy process and discussion of the registration cost with the Registrar. It is highly likely that a wide range of realities exist in practice.



shop talked about the fact that he is charged an arbitrary amount of tax. But he also acknowledged that he does not know how to prepare accounts or returns for submission to the tax office (though he does have a system for basic book-keeping). Some of the small-scale traders consulted seemed to believe that income into their business is the same as taxable profit. They did not understand that valid expenses were deductible from the taxable amount. This may mean that some people are over-paying on taxes and, as the Kumasi Director said: “You will never get a refund if you pay too much, we don’t have the resources to operate such a system”.

In Kumasi, the IR official told us that Client Service Centres are being set up. These will be located away from the tax offices and will allow people to voice their complaints about the way they are being taxed. They will also provide information on how to prepare forms and how to pay taxes.

#### **4.4 Access to information and training**

In all consultations held, participants said that getting access to information is a real problem. There are various different types of information that business people say they need. These include: information about protocols and legal codes for doing business; information on where, and how, to apply for loans; information on market conditions and on the prices for goods, and information and training on how to run a business. For example, few of the small traders we consulted seemed to have much idea about business planning or forecasting, and none seemed to understand the need to plan for depreciation of tools and equipment etc..

As public services officers pointed out, some of this information is available. But it is not always accessible. The majority of small traders do not know where to find information, and they do not know what information they need to help them run their businesses. As mentioned in Section 4, public services do attempt to make some kinds of information available – but not necessarily in ways that are most appropriate for business people. As business people said, it is difficult to give time to going to meetings when they are not sure if there will be any real benefit.

Many small entrepreneurs acknowledged the role of the NBSSI in disseminating information and providing training. They see the NBSSI office as their link, not only to information, but also to other public service offices. But, the mandate of the NBSSI does not extend to traders. NBSSI deals with the service and manufacturing sectors; for example: agro-processing, wood, hairdressers, hospitality etc.. Those who cannot use, or choose not to use, the NBSSI as a link, tend to take their queries straight to the RCC or Municipality, to the office of the Director. This is not usually appropriate, but they know of nowhere else to go.

The Department of Women runs training in some areas (Kumasi), for women traders, on such things as the tax system and accounting. But it appears that there is a strong need for development of a strategic approach to information sharing, across the public services, and for further identification of capacity strengthening needs, amongst small-scale traders.

#### 4.5 Access to loans

Loans for small businesses are available through the banks and MASLOC. But the process of getting a loan is not easy. From the point of view of public service officials in Kumasi, small business people are ill-prepared to receive loans. Citizens, they said, think that they have an automatic right to loans. They do not understand that they need to be able to give some guarantee that the loan will be repaid, and to be able to account for the loan properly.

NGOs in Sunyani stated that helping young people to access business loans is particularly problematic, because it is so hard for them to provide collateral or a guarantor. The NGOs aim to negotiate softer payment conditions for groups of young people from organisations like the Don Bosco Centre. Women traders are assisted to get loans by the Women's Department.

Generally speaking, however, business people at all levels from petty traders through to members of the Association of Ghanaian Industries (AGI), said that accessing loans is not easy: there are not enough loan facilities available, interest rates can be very high (between 30% and 60% was quoted), the length of loans is too short (three or six months) and people do not know why loans cannot be for a longer period<sup>9</sup>.

Some of the business people consulted said that they have applied for loans from MASLOC, but that no money has yet been disbursed.

#### 4.6 Business infrastructure

By business infrastructure, we mean the basic utilities (water, electricity etc.) needed to run a business, and also such things as a place to do business, security and transport. In all areas, access to reliable water and electricity is a problem. Quantity and quality of water are both issues. In Savelugu-Nanton (Northern Region), for example, people said that the quality of water is so bad that they cannot always use it, and have to buy water in from other sources. Electricity cuts are common everywhere. Sometimes, businesses are cut off because bills have not been paid. But at other times, no explanation is given. People have different ways of dealing with this. In Sunyani, the local radio plays a vital role:

##### **Box 4 Space FM**

Space FM is a private radio station which believes in social responsibility. They make their money from advertising. Space FM see themselves as being gate-keepers between the public and private sectors. They have a role to mediate on issues which citizens do not feel themselves strong enough to act alone. These issues can be publicised through the radio, and pressure brought to bear on local authorities. For example, when electricity is cut off for no apparent reason, people can ring up the radio station and the station will publicise the problem. Or a district Assembly man may come into the station to complain about the lack of promised facilities in his area. Similarly, the station is open to public services making announcements: for example, when the Volta

<sup>9</sup> This may be to do with the period of agricultural loans, which often run only through one harvest period, and are not geared for investment in capital equipment etc.

Region Authority (VRA) needed to make disconnections (to electricity), so as to carry out repairs, they made a public announcement on the radio.

Nevertheless, the station is well aware that there is a major problem between the private sector and the public services. Citizens' perception is that the public sector just doesn't function. The public sector say that it doesn't have the resources to make things function. But they are not able to get that message across convincingly.

*Source: Meeting at Space FM 12.09.08*

Some business people, particularly those with bigger businesses, felt that transport was a major issue. Bad roads and lack of vehicles make getting goods to market difficult. One entrepreneur pointed out that the lack of air communication between Sunyani and the North made things very difficult.

Security was an issue for many, particularly for petty traders and small-scale market businesses. In Tamale, the butchers told us that they had had to make their own improvements in the market – by getting a locking door installed. In Sunyani, people were concerned that the municipality wants them to move to the new market. They said that it is not secure there, there are thieves who live in the empty shops, and it is a long way from town. They also felt that the distance would mean both that they would lose business and that it would cost them a lot to get to the market. Some market traders said that the presence of the police does not make them feel any more secure: the only time the police do anything, is when they are brought out to enforce collection of taxes.

Conversely, in Sunyani, at least, there seems to be a high degree of trust in the “Yellow Yellows” – the community police set up under the Youth Employment scheme. At present, the Yellow-Yellows do not play any role in market security, though they do have the power of arrest (as do all citizens). Some traders said that more should be made of the Yellow-Yellows in ensuring security in the markets. That they are trusted by the community, is indicated by the following example:

#### **Box 5 Yellow-Yellows**

During a meeting with Sergeant Akubia, in Sunyani Police Station, a woman dropped in to leave a wrap of belongings at the station, for safekeeping. Sergeant Akubia is in charge of the Yellow-Yellows programme, of 44 women and 100 men, in Sunyani. He said that the woman had come in from the countryside with her daughter, who needs to stay in town whilst she is taking exams. The woman had approached one of the Yellow-Yellow women and asked, directly, if the daughter might stay at her house whilst she needed to be in town. It would be too expensive to go home every day, and she did not want her daughter to stay in town without protection. The Yellow-Yellow brought the mother and daughter to see Sergeant Akubia, and the arrangement was formalised. Now, the mother was dropping off belongings for her daughter, whilst she went into town to do her shopping.

#### **4.7 Voicing Concerns**

The issues mentioned above do not exhaust the range of issues and complaints brought up by business people, but they are indicative of the concerns faced by many. Bigger business people also have these problems, but they are better placed to know, and fight for, their rights. The AGI is a strong Association, with international partnerships, able to negotiate with government and represent the interests of members in local, national and international fora. Its members are all well-established business people, many of which are competing in the international market<sup>10</sup>.

The Association of Small-Scale industries (ASSI) represents the concerns of the smaller business person, such as those working in the wood industry, mechanics, refrigeration etc.. But at times, the Association lacks the capacity to negotiate, on an equal footing, with public services. Also, it does not reach out to petty traders in the market. These traders are represented through their leaders and Market Queens but, whilst these groupings provide a way for traders and producers to voice their concerns, they do not appear to have the strength that guilds do in some other countries. Some traders consulted (for example, smock-weaver in Tamale) said that their leaders had not been successful in getting the municipality to improve the situation in the market. They said they had been forced to sort out problems by themselves. In general, and as would be expected, the smaller trader or business-person has more difficulty in negotiating solutions to problems with public services, than do those people running bigger businesses.

#### **4.8 Summary**

In summary, the study supports the LRED understanding that citizens in the private sector have little faith in public institutions and services. If they have complaints, they do not expect that these will be addressed. If services are lacking, citizens do not feel that their voice, alone, will lead to change. The situation was summed up by one respondent who said:

“Public services are unresponsive to the needs of the people. Take for example the energy supply. The energy company recently changed its system from post-paid to pre-paid because so many people did not pay their bills. Now you have to buy pre-paid vouchers. But there is only one counter for the whole district where you can buy them, and there is constantly a very long queue. People have to wait so long. Why don't they decentralise the system?” (Sunyani, LRED Task Force).

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<sup>10</sup> See [www.agighana.org](http://www.agighana.org)

## 5 Possible Solutions: Complaints and Redress

### 5.1 Introduction

In the final Section we look at the different ways in which complaints and concerns, arising from the private sector, might be addressed. A number of different options are outlined and the strengths and drawbacks of each are listed. We conclude with identification of some steps which LRED could take immediately, and which could contribute to a future CRM, specifically for the business sector. The recommendations put forward here, are based on findings from the consultations and take into consideration the fact that LRED has not, till now, involved itself in anyway with complaints and redress, other than to identify problems faced by SMEs and to champion solution-finding on some of these. Furthermore, the study showed that set up of a complete CRM, at national level and with full legal standing, is beyond the scope of LRED acting on its own. For these reasons, recommendations focus on steps which LRED can take now, and over the coming 18 months, to initiate a practical local, district and regional approach to complaints and redress.

In Section 1, it was noted that the scoping study set out to test the hypothesis that some kind of complaints and redress mechanism for the private sector, in relation to public services, is necessary. The fact that we were not asking SMEs the open question “what needs to happen so that you can get your complaints dealt with fairly?”, but were, instead, asking whether a CRM was necessary and, if so, what it would look like, influenced the responses in some ways. This approach was deemed necessary because of the requirements of the ToRs, and the time limitations on the study. What it meant was, that respondents, having had the purpose of the study explained to them (as investigating the need for, and nature of, a complaints and redress mechanism for the private sector) were predisposed to react favourably to the idea of creating such a mechanism. In only two meetings, in Sunyani: at the offices of NBSSI and of BANGO (the NGO consortium, where 7 people attended the meeting) did participants say that a new mechanism was not necessary.

One of the questions we asked small-scale entrepreneurs was, “what do you do, currently, when you have a problem or complaint?”. Answers can be summarised into the following four actions:

“There’s nothing we can do. We just grumble about it to ourselves” (*carpenter, Sunyani*)

“We go and complain to the Director of the District Assembly, but nothing happens” (*trader, Savelugu Nanton*)

“We go to the Head of our Association and ask him to help” (*welder, Sunyani*)

“Sometimes the NBSSI people help us” (*hairdresser, Kumasi*)

People said that they rarely got any positive solution to their problems, so we asked them to think what sort of mechanism would work for them, to address their complaints. The responses are outlined, below.

### 5.2 Three Types of Complaints and Redress Mechanism

During consultations, participants were asked to identify the characteristics which would be necessary in the design of a CRM which would meet the needs of the private sector.

In doing this, people were asked to think about what it would take to ensure that a mechanism would be accessible to all people who needed to use it, affordable and powerful enough to ensure that positive change could be negotiated. Participants were asked to consider:

- Whether the mechanism would need to be governed at district, regional or national level,
- How it might be funded
- Who would run it and staff it
- What sort of issues it would address
- Whether it should specialise in business complaints and redress, or be more general
- Whether it would deal with legal issues

These issues were put forward for consideration because most participants had not previously considered the possibility of complaints and redress mechanisms, especially in relation to their business rights, and had no basis on which to form their opinions. In the mini-workshops, participants worked in two groups (public services, and private sector plus other civil society organisations and the NBSSI). The characteristics defined by each group were then shared in plenary.

Although there were some variations between different groups in the different districts, there was a high degree of congruence. There was also relatively little difference between the findings of the public and private sectors.

Where the differences existed, they were to do with the level (national, regional, district) at which participants felt the CRM should be located. As might be expected, some petty traders, located in the market, were interested in having a market-level mechanism. Others, particularly government officials, and those entrepreneurs from bigger businesses, saw the importance of having a national level mechanism which could extend through to district level.

Three different types of mechanism were identified:

- 1) A separate body, operating at district, regional and national levels, and fully autonomous (ie. not swayed by government opinion or influence)
- 2) A complaints and queries office in the RCCs and DAs (similar to the Customer Service Centres proposed by the IR and the Complaints Offices of the VRA)
- 3) An advice and complaints point in the markets – open either full or part time.

These three approaches are discussed, below.

### **5.3 An Autonomous CRM**

Nearly all the groups, participating in the study, thought that the ideal CRM would be one which was fully autonomous and independent from government. Most groups concluded that the CRM would function most efficiently and effectively if it were:

- National in character, but operating with offices at the regional and district levels
- An independent body, set up by an Act of Parliament

- Governed by a Board of Directors comprising members of public service and the private sector, with an appointed Head of the organisation
- To focus entirely on business: taking in small, medium and large-scale enterprises
- Able to take up legal issues
- To have a mixture of private and public funding
- To act as a “one-stop shop” for regulation of complaints and redress, but also for getting information and advice

In addition, the following characteristics were identified by the Sekyere East public services group:

- It should link strongly with the Business Associations
- It should liaise with BAC and cooperatives
- It should have very clear ToRs
- It should facilitate access to loans

Participants also discussed the potential strengths of such an organisation, and the challenges it might face:

<b>Strengths</b>	<b>Challenges</b>
Independent (belongs to the state, not the government): can represent private sector complaints fairly	Difficult to ensure independence: Head would be appointed by the President
Has the power to negotiate with government at all levels	People may not trust the organisation because it would be seen as belonging to government (as CHRAJ <sup>11</sup> is seen)
Specialised knowledge on business and related law	Would be a very long process to set up ( 2 – 3 years) and require people with legal expertise, and be costly to run
Legal representation	Might duplicate existing organisations’ work: like CHRAJ, Serious Fraud Office, PURC <sup>12</sup> etc.
Accessible to all	
Can be trusted by both public and private sectors	
Private sector buy-in to funding would lead to greater chances for sustainability	
Could be based on trust between all stakeholders	

Despite the challenges identified, most participants felt that an independent, state-run organisation was the option that would give most benefit to the private sector in the long run.

<sup>11</sup> Commission on Human Rights and Justice. See later in this Section, and Annex 3  
<sup>12</sup> Public Utilities Regulatory Commission

#### 5.4 Complaints and Information Offices in the RCC / DA

Some participants in the consultations, particularly those involved in smaller-scale businesses, placed stronger emphasis on establishment of complaints and information offices in the RCCs and DAs. In Kumasi, we were told that a complaints “box” system exists in all DAs. But officers admitted that it was not used.

In Sekyere East, the private sector group came up with a number of suggestions for handling complaints and redress through the DA offices:

##### **Box 6 Business People’s Ideas on a District Level CRM in Sekyere East**

During the mini-workshop in Sekyere East (Ashanti Region), the private sector group identified the following characteristics of a complaints and information office:

- The office should be in the District Assembly.
- It should have 3-5 people of staff.
- It should have knowledge about business.
- It should be dedicated to complaints and information and have time for business people when come with problems,
- It should be friendly and open. Not like other public services that don’t care, are unfriendly, don’t listen or don’t have time.
- Proximity is important, it should be accessible to everyone, therefore based in every district.
- Its functions should also comprise promoting business, and it should also facilitate access to loans.
- The office should make sure that everyone pays taxes for the sake of fairness. For example, it could give out a stamp that all businesses should place on their shop-fronts to show that they have paid tax, so that customers can see that you have paid tax and others haven’t. The office should also help in collecting the tax.
- We would like the staff of the office to come and see us at our businesses. It should not just be an office where we have to go.

*Source: Transcript of findings, Sekyere East mini-workshop, Group 2*

These ideas were echoed by other groups in other districts, but were seen as additional to establishment of an independent CRM. Many participants saw the difficulty of expecting people to rely on, and trust, a complaints office which would be situated within the very structure about which people wanted to voice complaints. These participants felt that it was unrealistic to expect that an office within the RCC or DA would have the power to challenge the rest of the public services. Most people felt that the public services do not have a level of transparency and accountability that would allow them to regulate themselves.

The establishment of complaints and information offices within the RCCs and DAs, might be an element in the establishment of functioning CRMs. But it cannot be relied on to provide enough protection to citizens, without other means to ensure impartiality in the face of complaints, and positive action when complaints are found to be justified.



## **5.5 Service Points in the Markets**

The third suggestion for a CRM, was put forward by market traders. Like other small traders and entrepreneurs, these people said that proximity to their workplace is important. They felt that they do not have the time to take everyday complaints or concerns to the RCC or DA, or to any other offices. They want to take their problems to someone who has first-hand understanding of the way that the market place works, and of the issues that arise for people in it. Several people said that the office could easily be combined with that of the Market Manager. It would not, they said, matter if the office was open everyday or not, as long as they could rely on it being staffed regularly.

## **5.6 Existing Complaints Mechanisms**

During the consultations, many participants drew attention to complaints mechanisms that already exist. None of these were considered adequate to deal with their concerns.

### ***PURC, VRA***

The PURC, and the VRA complaints offices were thought to be methods of dealing with complaints that work quite well – insofar as they allow citizens to voice their complaints – but that do not deal with the full range of problems faced by SMEs and do not necessarily ensure redress, even where complaints are fully justified. It was also acknowledged that they are not fully accessible. Some small-scale entrepreneurs said that going to any office is difficult, because they are not treated well.

### ***NBSSI, BACs***

The NBSSI, and the Business Advice Centres (where they exist) were thought to be useful and helpful in solving some kinds of problems. In the areas we visited, there was obviously a good relationship between NBSSI staff and SMEs. Nevertheless, the NBSSI does not have the power to deal with all issues, and officers are not present in all areas.

### ***Media***

The role of local radio, in helping to bring the complaints of SMEs to public notice, has been described in Section 5, above. In addition to the liaison the Space FM offers between private and public sectors, it has also, in the past, made and aired programmes offering advice on business development, and covering various aspects of business management and marketing. The programmes have used experts on business administration, brought in from Kumasi. The programmes were made with the help of Canadian funding, which has now finished.

### ***CHRAJ<sup>13</sup>***

Some participants mentioned CHRAJ as an organisation capable of handling complaints and forcing change. Some people said, though, that CHRAJ is weak. Others noted that, although it handles legal issues, it has no expertise in business matters and, therefore, would not presently be able to handle the concerns of the private sector enterprises. It was also noted that, whilst CHRAJ is an example of an independent state-run institution, it is not independent enough. The appointment of the highest positions “for life”, means that there is room for political bias to creep in.

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<sup>13</sup> A profile of CHRAJ is given in Annex 3

Currently, the CHRAJ priority areas are cases concerning the rights of women and children. Consultations with CHRAJ officers revealed that rights issues, brought up by the private sector in relation to public services, could be covered by their mandate. But at present CHRAJ is extremely stretched – both in terms of financial and human resources – and could not possibly take on an expanded workload, without further resources. Furthermore, the CHRAJ ethos currently, is to present itself somewhat shabbily; offices are under-resourced in terms of refurbishment and equipment. The purpose behind this was said to be to show that all available resources are going towards helping poor people obtain their rights. Whilst, in some ways, this is an image that may increase accessibility for poor and marginalised people, it does not necessarily attract aspiring business entrepreneurs, particularly those at middle- or larger-scale.

### ***Public Service Reform***

The current initiatives for Public Service Reform and anti-corruption may well offer opportunities for the private sector to voice complaints and seek redress. This is an area that needs further research. The mission was unaware of the opportunities here, and did not have the chance to meet with anyone involved in reform initiatives. It is likely that this could be a useful avenue in developing a national-through-to-district level CRM, and needs further investigation.

## **5.7 Options for a Complaints and Redress Mechanism**

Drawing from the findings during the consultations, the table on the following pages sets out a number of possible options for a CRM, specifically geared to regulating the relationship between the private and public sectors.

The options all describe mechanisms, for complaints and redress, which would operate from the national through to district levels, but be specific to context.

**Option 1** requires set up of a **new, independent organisation** (see above).

This option is an ideal approach to setting up a CRM, but it is not the most practical, in the LRED context. Option 1 would most closely mimic the set up of CHRAJ and the institution of Ombudsperson, in other countries. When CHRAJ was established, it was designed to take over the role of ombudsperson, with specific relation to the rights of poor and marginalised people. Establishing a CRM as an independent organisation would have the advantages of power and autonomy, but it would also be costly and time-consuming (see section 5).

Most importantly, from LRED's point of view, the set-up of an independent organisation would, currently, fall outwith LRED's remit. It could only be achieved effectively if LRED were to work in partnership with a programme (Governance?) already committed to strengthening rights and justice. As noted in Section 4, there is currently no real partnership with governance programmes. Furthermore, LRED would require a specific budget and human resources (time) if it were to take on the onus of supporting creation of a new organisation. This is unlikely to be practical at this stage.

**Option 2** describes **actions which could be taken now to strengthen existing organisations and services**. We consider this to be **the most practical option for LRED to investigate further and to put into operation**.

**TABLE 1 OPTIONS: SYSTEMS OF COMPLAINT AND REDRESS, LRED, PUBLIC-PRIVATE SECTOR RELATIONS**

Option	Characteristics	Advantages	Disadvantages/ pitfalls/ caveats	Risk/ Return
<p><b>1. New independent set-up, at national, regional and district level</b></p> <p><b>(ideal option?: but not for LRED alone)</b></p>	<p>Set up by Act of Parliament                      Answerable to Parliament                      Ruled by law                      Board of trustees from public and private sector                      Appointed, high-level staff                      May have private and public funding</p>	<p>Powerful: able to require change/ action in public services                      Respected by public and private sectors                      Carries out negotiation and hearings                      Makes independent decisions which are binding                      Appealed against only through high court                      Can deal with all levels of complaint, including legal issues                      Accessible by all levels of business, including sole traders and the most marginalised people                      Free?                      Can also provide business advice                      Meets stated desires of public and private sectors</p>	<p>Costly to establish: would need funds from private and public sector to survive                      Costly to maintain: salaries need to be high to retain staff (cf. CHRAJ).                      Takes time to set up: 18mths – 3years to establish legal status                      Requires high level of support (financial and human resources) over first three years                      Sustainability a major issue</p>	<p><b>Very High risk</b>                      (investment, feasibility, duplication, sustainability)  <b>High return</b></p>
<p><b>2. Multi-pronged approach to strengthening existing services: such as media (especially radio) Associations, , complaints desks, complaints committee, CHRAJ (possibly)</b></p> <p><b>(preferred option: possibilities for immediate LRED action)</b></p>	<p>Context-related: would work with one or several mechanisms.                      All organisations involved should work to common goals through complementary strategies                      No extra staffing or other resourcing, but capacitation of existing, media, Associations, RCC/ DA staff, CHRAJ, and provision of training/ information on public/ private sector issues</p>	<p>Reduced costs                      Optimises media involvement and allows for lobbying and advocacy with influence at local, district and regional levels.                      Strengthens business organisations                      Increases regional and district government transparency                      Accessible by all levels of business, including sole traders and most marginalised                      Has higher likelihood of success because of coordinated spread of inputs                      Strategic approach, can be built up gradually                      Allows public sector to optimise publicity when changes made.                      Strengthens and uses existing capacities of business associations and members, but ensures that individuals also have access to redress                      Places strong emphasis on capacitation of</p>	<p>Need better publicity on all organisations' services offered                      Currently the organisations do not have capacity (knowledge, personnel, funds etc.) to engage fully                      Working individually, organisations other than CHRAJ do not have legal mandate or power to require action or to regulate complaints                      Relies on goodwill of RCCs and Das and their willingness to change                      Complaints offices attached to govt. will not, necessarily, have trust of the people                      Currently, CHRAJ is over-stretched and has focus on women, children and very poor</p>	<p><b>Medium risk</b>                      (reasonable investment for capacity strengthening possible absence of coordination and capacity)  <b>Medium + + return</b></p>

		<p>micro- and small-scale business (through media and Associations)          Good fit with existing initiatives          Encourages productive partnerships          Can work well at policy and practice levels          Can make use of CHRAJ legal expertise          “Buys into” CHRAJ independence and mandate to act on all rights issues, and on admin. justice</p>		
<p><b>Partnership focusing on CHRAJ: combining add-on to CHRAJ with partnership with other agencies, eg. AGI, ASSI, ?Public Investment Forum; (university think-tanks); customer help desks, or complaints desks</b></p> <p><b>(feasible: but my require change in LRED focus to support this level of partnership and support to CHRAJ)</b></p>	<p>As 2, but with greater emphasis on building up CHRAJ. Working through partnership and coordination of efforts. With additional support to media –such as regional radio – for strong emphasis on publicity and lobbying to support claims; investigate issues and celebrate success. Strengthened business associations. Targeted support to CHRAJ: office and staff (Respected analysis of issues by universities)</p>	<p>Partnership approach: combining “soft” capacitation, PR, lobbying and advocacy with “harder” legally powerful component a (CHRAJ) Providing business expertise Secures wide buy-in and support under a legally independent mandate (CHRAJ), with surrounding mechanisms for wide social marketing of the concept and mechanism Has higher likelihood of success because of coordinated spread of inputs. Highly accessible to all levels of business, including sole traders and most marginalised, because of media support. Allows public sector to optimise publicity when changes made. Strengthens and uses existing capacities of business associations and members, but ensures that individuals also have access to redress Places strong emphasis on capacitation of micro- and small-scale business (through media and Associations) Good fit with existing initiatives Encourages productive partnerships Can work well at policy and practice levels Local CHRAJ offices and other orgs. keen on the idea</p>	<p>Requires different types and levels of support (funding, human resources, capacitation) over the medium to longer term Requires partnership coordination Requires national, formal buy-in from CHRAJ Requires support to overcome CHRAJ weaknesses and to gain better profile for the organisation (partly possible through the media partnership) Support for a public/ private sector “part” of CHRAJ, may lead to competition with CHRAJ as whole, unfair distribution of resources and dissatisfaction amongst clients (and staff) Requires public/ private buy-in, and funding, over time Is it sustainable?</p>	<p><b>Medium ++ risk</b>          (coord, of partnership, means that there will be lasting benefits even of some aspects are not successful)</p> <p><b>High return</b>          (strong ownership through partners, involvement of wider society, strong emphasis on transparency)</p>

<p><b>Supporting CHRAJ to handle cases from business people in relation to the public sector</b></p> <p><b>(too narrow: does not build on existing LRED strengths)</b></p>	<p>Established “office” within CHRAJ offices, providing business complaints services and seeking redress for valid complaints, through negotiation and legal channels and with staff and infrastructure dedicated to these issues.</p>	<p>Set-up already in place – at national, regional and district levels          Reduces costs          Can “buy into” CHRAJ independence and mandate to act on all rights issues</p> <p>Accessible by all levels of business, including sole traders and most marginalised          Can make use of CHRAJ legal experts          Needs development, but is open to this</p>	<p>As above, CHRAJ is over-stretched and has focus on women, children and very poor          Needs better publicity on services          CHRAJ currently not widely known and not known as relevant to business services          Currently does not have capacity (knowledge, personnel, funds etc.) to take on issues of public/ private sector</p>	<p><b>High risk</b> (unlikely to reach necessary capacity without new resources)  <b>Low return</b> (unlikely to give priority to business issues without structural support)</p>
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Option 2 would involve building a strategic approach to creating possibilities for voicing complaints and seeking redress, by extending work already carried out with partner organisations. Optimal benefit is likely to be achieved if partnership is also established with CHRAJ. It is, however, unlikely that CHRAJ would choose to expand its work to deal with private-public sector issues, without an injection of resources which would allow it to hire personnel dedicated to this topic. (This is handled in Option 3, below). Without such an investment, the most that might be hoped for is that the private sector would become more aware that CHRAJ has a mandate to help them in cases of rights abuse, and that CHRAJ would be more open to receiving these cases.

Aside from possible investment in CHRAJ, Option 2 requires relatively little additional funding, and could be set up and run through RCC and DA counterparts. The option requires a fuller investigation of the possibilities of capacity strengthening with a number of different organisations, such as local radio, the Business Associations. It also requires supporting the RCC and DAs in establishing proper complaints offices and systems. The RCC and DA level complaints offices need to be accessible to all levels of trader and entrepreneur. The current “complaints box” system, which relies on written complaints and, obviously, does not provide any kind of advice, is not suitable, since many complainants are non-literate or not comfortable with reading and writing.

**Option 2 is the preferred option for LRED to take forward, in the current context:** Whilst the approach is modest – in that it does not attempt to instigate new systems of working, it is innovative insofar as it promotes a coordinated, multi-pronged approach to complaints and redress. LRED would need to identify the strategic possibilities of implementing this option, and to decide whether to take a “broad-brush” approach (which is likely to give the most benefit, if resources can be made available to support it), or to concentrate, initially, on one or two organisations/ areas. These might be: advocacy and advice through local radio; setting up complaints offices in the market/ RCCs and DAs; strengthening the Business Associations etc. Any of these interventions is likely to have benefit. However, there will be greater benefit, and greater synergy, if all stakeholders (including business people from all levels) can work together to develop an integrated approach and real partnership between the different organisations.

As has been noted, the benefits of this option will be tempered by the fact that complaints offices set up within RCCs and DAs cannot be independent and, therefore, lack the power to fight for citizens rights. However, the media and stronger Business Associations, do have this ability and can be supported to champion citizens’ voices. LRED might also consider the possibility of supporting local radio programmes (as those previously run by Space FM, which give technical advice to SMEs).

The approach envisaged in Option 2, is the minimum acceptable to fit with a rights-based approach to development which aims at inclusivity and accountability: it is a basic step in the LRED process of opening up spaces for citizens to voice their opinions and concerns, and encouraging more equitable relationships between citizens and state.

**Option 3** concerns partnership, as outlined in Option 2, but is **partnership focusing strongly on developing the capacities of CHRAJ as a complaints and redress**

**mechanism for the private sector**<sup>14</sup>. The advantages of this Option are that it would provide a fully independent, legally competent service for complaints and redress. It would build on the experience that CHRAJ has already gained in representing poor people in legal settings, and in negotiation and mediation.

In this Option, the strategy for partnership would be built around establishing dedicated offices within the CHRAJ offices. These offices would take on the role of coordinating all partners activities in support of complaint and redress, and would also provide business advice and information.

Consultations, with the CHRAJ staff, in Tamale and West Gonja, suggested that CHRAJ is open to the idea, though this would have to be clarified and formalised at central level. However, focusing on CHRAJ would require considerable input. In Tamale, office space is available. But all other infrastructure would need to be provided. Payment for staff would need to be determined: who would pay them? The government? Or the private sector? The concept would need considerable further research into feasibility, and full development, before it could be seriously considered. For these reasons, we feel that LRED should continue to consider the possibility of expanding to Option 3, but can start with initiatives under Option 2.

**Option 4 focuses solely on CHRAJ, without input into other organisations.** This option has been rejected as being impractical and out-of-line with the LRED approach.

## 5.8 Conclusions

In summary, we consider that the establishment of some sort of system for handling and regulating complaints from the private sector, in relation to public service, is essential. It is a vital component of a rights-based approach to business development and fits well with LRED's objectives. However, we feel that LRED should not involve itself in setting up a formal ombuds-type mechanism. Whilst LRED might participate in establishing such a mechanism at some future point, it is not within LRED's mandate, or expertise, to involve itself in the legal processes which would be necessary to develop an ombuds system for relations between the private and public sectors.

Nevertheless, LRED is now well-positioned to encourage development of a complaints handling strategy, as described in Option 2, above. LRED places strong emphasis on the development of partnerships and the facilitation of improved relations between the public and private sectors. Option 2 is a minimum requirement for promoting this approach in relation to complaints and redress and addresses the basic issue that most people are currently powerless to do much in the way of finding solutions to their genuine complaints.

A further advantage of Option 2, is that it is fully inclusive. By working through a range of partners, and through information sharing, lobbying and advocacy, as well as formal complaints systems, the complaints and redress mechanisms will be accessible to people at all levels of business – from petty traders in the informal sector, through to established business members of the AGI. Whilst strengthening of Business

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<sup>14</sup> As mentioned in earlier sections, CHRAJ was the only national organisation, dealing with rights issues, that we met. Suggestions have since been made that the Public Service Reform initiatives could also provide a focal point.

Associations will not be relevant to traders at the lowest levels, market service points and radio programmes will be. Work in support of Option 2, will make a significant contribution to strengthening the rights-based approach issues outlines in Section 3. It will increase the inclusivity of LRED initiatives, open up new spaces for dialogue between citizens working in the private sector and public service offices, and strengthen the chances for greater accountability, and take-up of obligations, by all stakeholders. Finally, Option 2 provides an excellent opportunity for LRED Task Forces and their Champions to work together in developing partnerships, suitable to their particular contexts, to support the chances that micro, small and medium business people will get their legitimate complaints addressed.



## Annex 1: Terms of Reference and Response

**Dr. Sheena Crawford (Mrs.)**

### Terms of Reference

**Assessment of the gaps in public service delivery in 3 regions and 4 pilot districts and development of a concept and instrument on how to improve the relationship between the public and private sector**

<b>Project title:</b>	<b>Programme for Sustainable Economic Development (PSED)</b>
<b>Name of Component</b>	<b>Local and Regional Economic Development (LRED)</b>
<b>Project number:</b>	<b>81089855; 06. 2007.0-002.00</b>
<b>Contract Number</b>	<b>18.2008</b>
<b>Duration</b>	18 working days

<b>GTZ Programme objective (Program for Sustainable Economic Development/PSED)</b>	
To support the creation of a business enabling environment and to promote the access of entrepreneurs to energy as well as to financial and non-financial Business Development Services.	
<b>LRED component objective</b>	
To support Private Sector Development at the local and regional level by strengthening the public-private dialogue and by improving the local business and investment climate.	
<b>LRED component target for project phase: 1 June 2007 – 30 September 2009</b>	<b>Indicators for project phase: 1 June 2007 – 30 September 2009</b>
The capacities of public and private stakeholders at national, regional and local level (e.g. MoTIPS& PSI, MLGRDE, MoMYE, NBSSI, RCC, NDPC, selected District Assemblies and business associations) to apply and replicate LRED concepts are strengthened.	<ol style="list-style-type: none"> <li>1. In at least 4 pilot districts, jointly agreed action plans on LRED and on local investment promotion are implemented by public and private stakeholders</li> <li>2. Gender is reflected as a cross-cutting issue in the objectives and indicators of the LRED action plans</li> <li>3. Experiences of pilot districts and applied LRED concepts are documented and</li> </ol>

	<p>disseminated at local and national level</p> <p>4. Public and private BDS service providers have 10 facilitators who initiate and advise LRED processes.</p>
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**The aim of the project:**

The “Programme on Sustainable Economic Development”, is supported by the German Technical Cooperation (GTZ) and headed by the “Ministry of Trade, Industry, Private Sector and President’s Special Initiative”. The LRED *approach* has been introduced in Ghana in the year 2005 by GTZ’s Rural Trade and Industry Promotion Project (RUTIPP) which has now become a *component* of the Program for Sustainable Economic Development (PSED), which consolidates the activities of the German Technical Cooperation in this focal area in Ghana. Sustainable development and poverty reduction are Ghana’s main development challenges. GTZ in Ghana follows the principles of Sustainable Development, which includes an economic, ecological and social dimension and seeks to provide systemic assistance tailor-made for the Ghanaian context.

This new LRED component builds on the experience of RUTIPP. In November 2005, RUTIPP was subject to a project evaluation in order to strategically realign current GTZ-supported private sector development activities in Ghana, and to strengthen their result-orientation. Based on the recommendations of the evaluation, LRED was integrated into the newly designed Program for Sustainable Economic Development (PSED). In October 2006, the LRED component was launched as part of PSED with the aim to:

**Improve the local and regional business and investment climate as well as the economic competitiveness of selected regions, to reduce the cost of doing business for micro-small and medium-scale enterprises, to strengthen the public-private dialogue and to finally contribute to an enabling business environment.**

GTZ’s work is process-oriented, holistic and guided, above all, by the principles of good governance. GTZ understands its role as facilitator with the aim to empower partners and help them to raise their capability and provide them with the tools and strategies to help themselves. GTZ thus utilizes an integrated and cross-sectoral approach to Capacity Development; particularly in regards to change management during complex reform processes. In line with these, the LRED component aims at an integrated economic promotion of selected regions in Ghana by applying LRED processes in a participatory way.

The LRED component follows the implementation principles of the Private Sector Development Strategy (PSDS) by supporting an effective dialogue in an integrative way between the government, the private sector at local level and civil society. This is a crucial success factor for the component and will be given special attention.

The component interacts at the macro level with the relevant policy makers, at the meso level it contributes to develop support and implementation capacities and at the micro level it engages with entrepreneurs and civil society as well as with government officers.

The LRED component will have the effect that cooperation between the public and private sector leads to win-win situations for both parties (higher tax income, satisfaction of the electorate, a conducive environment for businesses, etc), which in turn will

decrease the distrust between the two sectors, reinforce consensus building mechanisms and strengthen the sense of joint responsibility of both sectors for the development of the locality. Public private dialogue also increases transparency with regard to public income and spending and thus reduces the risk of corruption within local government.

For the implementation of the LRED component, some of the policy principles applied to ensure consistency and congruence are.

### **1. Ensure systemic interventions**

There are important guiding principles for systemic interventions in order to ensure ownership of relevant stakeholders in the LRED project:

- Think sustainability from the beginning;
- Apply the market development principles: improve the functioning of (market) systems rather than building the capacity of individual players, keep clarity of the role of implementing agency (facilitation rather than implementation), design light touch interventions with little financial support to stakeholders;
- Promote local ownership through crowding in of actors;
- Build interfaces between stakeholders;
- Flexible, opportunistic and multi-faceted interventions guided by an overarching systemic thinking leading towards shared developmental visions;
- Think about the needs of stakeholders within systems, look-out for the poor within systems;
- Innovate approaches, build on past experience.

### **2. Pro-Poor Focus**

LRED emphasizes local economic competitiveness where the poor can benefit for example of new jobs created. Pro-poor projects such as the promotion of labor intensive economic sectors are to be prioritized while keeping the principle of competitiveness.

### **3. Gender and HIV**

The LRED strategy has to take into account cross cutting issues; activities are to be included which increase awareness among the component's target group and partner organization and which help affected people. Effective pro-poor growth strategies allow poorer segments of the population, in particular women and youth, to contribute to and to benefit from economic growth in the country. Economic empowerment of women and youth contributes to improving gender equality in Ghana.

### **Background information**

Improving the business enabling environment has become an important topic in the discourse on private sector development. Many past efforts to increase the global competitiveness of developing economies have not been able to outweigh the negative effects of disadvantageous legal, political and institutional frameworks in the partner countries. Development partners have started to shift their focus on systematically analyzing and influencing a country's business climate.

In October 2007 the President of Ghana presented his vision on Public Service Delivery. The so called New Citizens' Charter addresses the need for transparency, accountability, prompt responsiveness to the needs of the citizens and all participants

and a zero tolerance for corruption. The Ministry of Public Sector Reform was established to drive a continuous process of reforming the public sector.

Responding to the growing demand for practical approaches to reduce Red Tape, LRED in collaboration with its partners is developing a strategy to improve public service delivery and introduce the ombudsman concept, a unit for addressing economic justice issues in the regions.

Red tape had become a critical issue in the current LRED phase (until September 2009) since previous LRED exercises have demonstrated a need to raise local governments' awareness on avoiding excessive bureaucracy. These interventions are in line with the Growth and Poverty Reduction Strategy II (GPRS II), which is specifically stating private sector competitiveness as one of its strategic directions. The objective is to support the development of the business enabling environment, by reducing the bureaucratic obstacles and support the Development of a strategy to overcome red tape with participation of local partners.

#### **Some preparatory activities according to phase plan**

- Gap analysis of public service delivery regarding economic development at the regional level. This seeks to answer the following questions:
  - How can the public service delivery be improved?
  - Which problems face the private sector/civil society in terms of service provision?
  - What can be done to fasten/shortcut administrative procedures?
  - Which bureaucratic obstacles for economic development are necessary and which aren't?
  - How can the procedures to meet requirements of procurement contracts be easier accessible?
  - How can the tax and levy payment be restructured to allow better revenue collection, e.g. improved PPD?
  - What needs to be done to offer better and more transparent services to customers like SMEs? Which roles can both, public and private sector play in achieving it?
  - Are public and private sector prepared to implement the Ombudsman concept? If not, how can the benefits made understandable to stakeholders?
  - What needs be done to build more trust into public service delivery?
- Action planning
- Implementing action plans
- District and Regional Data Fact Sheets are developed
- Results will be coordinated with GTZ/PSED/Component 1: Business Enabling Environment
- Concept and instrument of Ombudsman developed (if required) and introduced to stakeholders at district and regional level (**focus of current assignment**)

**The aim of the assignment:**

The consultant shall assess the gaps in public service delivery in 3 regions (Brong-Ahafo, Ashanti and Northern Region) and 4 pilot districts (Kumasi Metropolitan Area, Sekyere East, Savelugu-Nanton, West Gonja) and develop a concept and instrument (eg. Ombudsman concept) on how to improve the relationship between the public and private sector in terms of service delivery, dialogue, information sharing etc. The Consultant shall work according to the details of the following schedule:

Date	Activity	Place
5 <sup>th</sup> - September (Friday)	Preparation of assignment	abroad
7 <sup>th</sup> September (Sunday)	Travel to Accra/Ghana	abroad/Ghana
8 <sup>th</sup> September (Monday), 9 am  10 am	Meeting with Dr. Julius Spatz, Programme Director GTZ PSED  Further preparation of assignment Briefing with LRED Team Leader and Senior LRED Advisor	Ghana: Accra;
9 <sup>th</sup> -11 <sup>th</sup> September (Tuesday-Thursday afternoon)	Travel to Ashanti Region  Meeting with LRED Red Tape Focal person and Zebra Consultant in Ashanti Region;  Meetings with Stakeholders in Ashanti Region (at regional level and in 2 pilot districts)	Ghana: Accra, Kumasi
11 <sup>th</sup> -13 <sup>th</sup> (Thursday afternoon - Saturday)       Saturday afternoon	Travel to Brong-Ahafo Region (accompanied by LRED/Red Tape Focal Person)  Meetings with Stakeholders in Brong-Ahafo Region (at regional level)  Documentation	Ghana: Kumasi, Sunyani,
14 <sup>th</sup> -17 <sup>th</sup> (Sunday – Wednesday)	Travel to Northern Region (accompanied by LRED Red Tape Focal Person) Meeting with LRED Advisor Tamale and Zebra Consultant in Northern Region  Meetings with Stakeholders in Northern Region (at regional level and in 2 pilot districts)	Ghana: Sunyani, Tamale

18th (Thursday)  10.30 a.m.  2 pm.  4 p.m.	Travel from Tamale to Accra  Meeting with Dr. Helmut Schoen, KFW  Meeting with Kay Andraschko, ded Country Director  Meeting with Ms. Harriet Ludwig, BMZ/German Embassy	Ghana: Tamale; Accra
19 <sup>th</sup> (Friday), 10 a.m.  14.30 p.m.	Debriefing with LRED Team Leader nad Senior LRED Advisor inAccra  Meeting with GTZ Country Director and/or Programme Director PSED, Dr. Julius Spatz  Departure to home country/Arrival 20th September 2008	Ghana: Accra/abroad
3days	Report writing	abroad

**Time frame of the assignment:**

The assignment takes in a total 18 working days.

**Deliverables:**

A draft report will be submitted by 30 September 2008, a final report latest by 15 October 2008.

**Qualification**

The Consultant has proven track record of successful human rights-based analyses and implementations in developing countries.

Accra, September 2008

## **RESPONSE TO THE TORs**

### **1. Background**

The ToRs lay out the basis for a visit to LRED in support of collaboration between LRED and the GTZ HQ-based project which promotes the Human Rights-Based Approach (HRBA) to development. The visit will be carried out between 7<sup>th</sup> and 19<sup>th</sup> September, 2008.

LRED has identified the area of Red-Tape Reduction as a potential entry point for collaboration between the two projects. The consultant (Sheena Crawford) and GTZ staff member (Folke Kaiser), will explore – with LRED staff and a range of stakeholders – the possibilities for contributing to red-tape reduction through introduction of the concept of Ombudsman. Meetings with stakeholders will be held in Ashanti, Brong-Ahafo and Northern regions.

### **2. The HRBA and LRED**

The HRBA works to ensure that the principles of participation, non-discrimination, equality of opportunity, accountability, transparency and fulfilment of obligation which underpin all Human Rights standards, can be made real in practice. It does this in various ways but, fundamental to all HRBA efforts, is work to improve dialogue and communication between the widest possible range of stakeholders; to open up spaces for improved and inclusive decision-making – where even the more marginalised and vulnerable people can participate; to improve relationships between people with power and those who are powerless, and to develop and institutionalise mechanisms and systems which will protect and maintain these changes. The HRBA also works to ensure that all stakeholders understand that rights fulfilment is only possible when everyone recognises and works to fulfil their own responsibilities.

“In [the HRBA], there is a strong focus on developing new ways to link “Voice and Response”. It works to link citizens and their rightful claims with the individuals and systems of state, public and private organisations which must respond to those claims. Through these new and improved links, [HRBA] works for more equitable resource allocation, citizens’ participation in decision-making, and a stronger role for ordinary people in management of improved public services. These services must meet the four “A’s”: the rights standards of being available, accessible, affordable and appropriate, and they must be of good quality”<sup>15</sup>. This shows that there is already a strong complementarity between the work of LRED to date, and the Human Rights-Based Approach.

The Inception Report (December 2007) and reports on Training of Facilitators in Kumasi (May 2008) and LRED Intervention on the Northern Region (July 2008), indicate the strongly participatory and inclusive approach that LRED is taking, and demonstrate the importance of citizen-driven development initiatives. The aim of the current visit is to support these processes and, if possible, to offer suggestions for continued strengthening of the approach.

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<sup>15</sup> Brocklesby M.A and Crawford S. “Changing Relationships, Claiming Rights: how to do Rights-Based Development” ITG forthcoming

### 3. The Concept of Ombudsman

During the visit, the concept of introducing some kind of Ombudsman system will be explored. As yet, it is not certain whether the concept *per se* would be either feasible or acceptable to stakeholders, or whether it would fully support the aims of the project. What is clear from project documentation, however, is that business-level stakeholders, and others, recognise that the lack of dialogue between public and private sectors is an impediment to business development and that Voice and Response mechanisms, where they do exist, are beset with problems. Bureaucracy is inefficient and ineffective and prone to corruption. However, the government has expressed a strong commitment to overcoming these problems.

The visit will aim to build on current understanding so as to gain further clarification on:

- 5) Stakeholders' opinions on the potential Voice and Response mechanisms, related to regulation and redress, which could best support the LRED component objectives
- 6) The processes which would be needed to formulate a mechanism, to implement it and to monitor and evaluate progress
- 7) Who would need to be involved in these processes, and a rough time-scale
- 8) Management and budget implications and need for follow-up

### 4. Method

The time schedule for the visit has been set (see ToRs) and includes brief visits to each of the regions and (some?) of the pilot districts. To gain most benefit from the time and to support the participatory approaches so far employed in the project, we propose to hold Participatory Interest Group mini-workshops with stakeholders.

We would like to hold at least one morning- or afternoon- long mini-workshop in each visited area with a mixed group of stakeholders if possible. During the mini-workshop we will use participatory methods in smaller groups so as to gain opinion from stakeholders with different interests. We will then share findings and discussion with the plenary group before ending the mini-workshop. It is likely, that individual discussions with key stakeholders will be necessary (though it is hard, at this stage, to identify who these will be).

If it is not possible, or suitable, to gather a full range of stakeholders in one mini-workshop, then we could divide participants (if necessary) into public sector and business people. What is important is that we can gain input and share findings with a full range: from public sector officials through to small and medium business people from the formal and informal sectors. Ideally, we would meet with a range of business people themselves (including, of course, women and young people) and not only with their elected representatives.

The **objectives** of the mini-workshops will be finalised with LRED management and staff on Day 1, but will encompass aspects of the questions highlighted in the ToRs around need, willingness and readiness to implement Voice and Response mechanisms for regulation and redress.

All meetings would be agreed with LRED staff and we are entirely aware that we are dependent on LRED to set up and organise the meetings.



### **5. Equipment, translation**

We will need the usual workshop “toolbox” for the workshops (flip chart paper, plenty of large felt-tip markers, masking tape, coloured card etc., plus – depending on the number of participants – about 50 sticks of 50cm each. These can probably be found locally.) In addition, the possibility to use power-point may be useful, but is not essential. Translation will be necessary in some areas (?).

### **6. Monitoring and Evaluation**

M&E is embedded within all HRB approaches from the outset. It is intended that some of the methods used in the mini-workshops and discussions can form part of a baseline for future monitoring and evaluation of interventions around red-tape reduction and redress. The approach to M&E should also fit with the overall system for M&E adopted by LRED.

### **7. Feedback**

Feedback to LRED management will include wide discussion of the findings and potentials for next steps and consideration of resource implications for the component.

Sheena Crawford  
CR2 Ltd.  
August 2008.

## Annex 2: Full Itineraries

to be completed by LRED

Day 2008	Place	Activity
<b>Sunday, 7.9.</b>		
	Accra	Arrival of Ms. Folke Kayser, Dr. Sheena Crawford
<b>Monday, 8.9.</b>		
9 am		Meeting of mission team with - Dr. Julius Spatz, GTZ/PSED programme coordinator
10 am		Meeting of mission team with - Lisa Wegner, chief technical advisor of LRED Component - Afia Darkwa, technical advisor of LRED Component
<b>Tuesday, 9.9.</b>		
7.30 am		Flight from Accra National Airport to Kumasi (Crawford/Kayser)
9 am	Kumasi	Meeting of mission team with - Dr. Dan Inkoom, LRED Advisor for Kumasi region and LRED focal person for Public Service Delivery/Red Tape (zebra consultant) - Silvio Koehler, LRED Advisor for Brong Ahafo Region (DED)
		Meeting of Mission Team, Dan, Silvio with - Mr. Gyasi, <b>[function]</b> at RCC and LRED focal person - Lucy Owusu, LRED facilitator
		Meeting of mission team, Dan, Silvio with - Mr. Kwarteny, Regional Coordinating Director - <b>[name]</b> , Regional Manager of NBSSI - <b>[name]</b> , Regional Minister - LRED Task Force <b>[names and functions to be added]</b>
<b>Wednesday, 10.9.</b>		
9 am		Mini workshop with stakeholders: - Xxx name, function, institution - Yyy <b>[names and functions of all participants to be added – Silvio has all lists]</b>
2 pm		Meeting with LRED Team at Kumasi Metropolitan Assembly - Xxx name, function, institution - Yyy <b>[names and functions of participants to be added]</b>
4 pm	Sekyere East	Meeting with LRED Team at Sekyere East: <b>[mini-workshop]</b> - Xxx name, function, institution - Yyy <b>[names and functions of participants to be added]</b>
<b>Thursday, 11.9.</b>		
Morning		Interviews/ meeting with: - Xxx name, function, institution - Yyy financial institutions, Empretec, ASSI, Police, Ghana Commission on HR and Justice, Internal Revenue Office, Registrar General, Commercial Court at regional level, Electricity Company of Ghana, Ghana Water Company,

		Ghana Telecom, Media etc <b>[to be verified, names and functions of participants to be added]</b>
<b>Afternoon</b>	Sunyani	Travel to Sunyani (Brong-Ahafo Region)
<b>Afternoon</b>		Interviews/ meeting with: - [name], Deputy Regional Minister, - [name], Coordinating Director, - [name], Regional Planning Officer, - LRED Task Force
<b>Friday, 12.9.</b>		
<b>Morning</b>		Interviews/ meeting with: - Xxx - Yyy EnDev, NBSSI, financial institutions, Internal Revenue Office, Police, Ghana Commission on HR and Admin Justice, Internal Revenue Office, Electricity Company of Ghana, Local radio etc <b>[to be verified, names and functions of participants to be added]</b>
<b>Afternoon</b>		Mini work shop with stakeholders: - Xxx - Yyy <b>[names and functions to be added]</b>
<b>Saturday, 13.9.</b>		
<b>Morning</b>		Interviews/ meeting with: - Brong Ahafo NGO Association (BANGO) <b>[names and functions of all participants to be added]</b>
		Meeting with K.B. <b>[full name?]</b> , independent expert on LRED
<b>Sunday, 14.9.</b>		
<b>Morning</b>		Travel to Tamale (Northern Region)
<b>Monday, 15.9.</b>		
<b>9 am</b>	Tamale	Meeting with - Nana Odoi, LRED Advisor (DED) Meeting with - Xxx - Yyy Regional LRED Task Force, LRED Focal Person, Mr. Sebik, Regional Economic Planning Officer, General Manager of NBSSI, Regional Coordination Director and Regional Minister (if possible) <b>[to be verified, names and functions of all participants to be added]</b>
<b>Afternoon</b>		Meeting with - Xxx - Yyy NBSSI, financial institutions, ASSI, Police, Ghana Commission on HR and Justice, Internal Revenue Office, Registrar General etc <b>[to be verified, names and functions of all participants to be added]</b>
<b>Tuesday, 16.9</b>		
<b>10 am</b>		Mini work shop with stakeholders: - Xxx - Yyy <b>[names and functions to be added]</b>
<b>Afternoon</b>	Savelugu Nanton	Meeting with LRED Team SaveluguNanton: - Xxx - Yyy

		[names and functions to be added]
<b>Wednesday, 17.9.</b>		
<b>(full day)</b>	West Gonja	Meeting with LRED Team in West Gonja:
<b>Thursday, 18.9</b>		
<b>8 am</b>		Flight from Tamale to Accra (Crawford/Kayser)
<b>10.30 am</b>	Accra	Meeting with - <b>xxx</b> , Country Director, KFW - Kai Andraschko, Country Director, DED
<b>2 pm</b>		Meeting with - Harriet Ludwig, Attachée for Developemnt Cooperation, German Embassy - <b>Xxx</b> , Attachée for Visa Affairs and Human Rights, German Embassy
<b>Friday, 19.9.</b>		
<b>10 am</b>		De-briefing of LRED Component by mission team: - Lisa Wegner - Afia Darkwa - Silvio Koehler - Nana Odoi - <b>xxx</b>
<b>Afternoon</b>		Departure of Dr. Sheena Crawford
<b>Saturday, 20.9</b>		
<b>Afternoon</b>		Departure of Ms. Folke Kayser

## **Annex 3: The Commission for Human Rights and Administrative Justice, Ghana**

### **Briefing on the Ghana Commission on Human Rights and Administrative Justice (CHRAJ)**

#### **Mandate**

The Ghana Commission on Human Rights and Administrative Justice (CHRAJ) was established in 1993 by an Act of Parliament (Law Nr. 456). CHRAJ is an independent body that is publicly funded and only answerable to the Parliament. It reports annually to the Parliament on its performance.

It has three functions:

- 1) Human rights institution,
- 2) Ombudsman for administrative justice,
- 3) Anti-corruption agency.

In addition, the Commission is mandated by the Constitution to carry out and sponsor public education programmes to promote rights awareness.

#### 1) Human rights

The Commission has a broad mandate to protect universal human rights and freedoms, especially those vested in the 1992 Constitution (Chapter 5), including civil, political, economic, social and cultural rights. The Commission's human rights functions are a) to protect and enforce human rights and b) to promote human rights and prevent abuses.

#### 2) Administrative justice

The Commission is mandated to protect and promote administrative justice to ensure that the government and its officers are accountable and transparent, that the administrative organs of the state provide equal access to employment and services and that they are administered fairly. In particular, this function is to ensure that public officials avoid arbitrariness or bias in their actions.

#### 3) Anti-corruption

The Commission is mandated to investigate abuse of power and all instances of alleged or suspected corruption and the misappropriation of public funds by officials. The anti-corruption mandate has been strengthened by the recent Whistle Blowers' Act. The Commission also recently issued Conflict of Interest Guidelines.

The Commission is mandated to investigate complaints under each of the three functions. It may not receive cases that are already pending at a court. Its services are open to every citizen; services are cost-free. CHRAJ receives and settles cases between individuals, as well as cases between an individual and a government agency, so long as they are to do with rights issues falling under its mandate. (In fact our interlocutors reported that most of their cases are between individuals, such as the misappropriation of a widow's inheritance by the family of the dead husband, mistreatment of children or violation of the labour rights of employees.)

#### **Structure**

The Commission is made up of a Commissioner, who is the chair, and two Deputy Commissioners, all of whom are appointed by the President of the Republic. Together they make up the governing body of the Commission.

The Commission has branches in the 10 regional capitals. These regional offices coordinate and supervise the 99 district offices under their respective jurisdictions.

### **Functioning**

If a case is filed, it is registered and investigated. In all cases involving public authorities, the accused party is asked to reply to the accusation within two weeks. If there is substance to the allegation, mediation is carried out as a next step. Most cases are settled in this way. A mediation is concluded with legally binding terms of settlement. If needed, CHRAJ can also conduct public hearings with legal representation (only at the central and the regional offices). The rulings and decision of the Commission have the power of a court judgement; if they are not being implemented CHRAJ can make a submission to a court for enforcement. CHRAJ jurisdictions can only be overruled by a judgement of the high court.

### **Capacities**

The Regional Offices we visited had one legal officer and one or two investigators, plus technical and administrative support staff (such as assistant investigators or case registrars), the District Offices usually have one investigator and three support staff.

The staff we met, generally appeared to be qualified, motivated and committed. Yet the CHRAJ Annual Report 2005 deplores difficulties in retaining qualified staff due to poor salaries. CHRAJ is clearly under-funded, some offices don't even have computers or means of transportation. Despite these bottlenecks the case-load handled was significant. Yet there are limits to CHRAJ's capacity to handle many more cases.

The CHRAJ Annual Report of 2005 (the only one available on the internet) reports that the Commission, in 2005, received 15749 cases nationwide. In 2007, The Tamale Regional Office, for example, received over 200 cases, and the Sunyani District Office received 121 cases. All the CHRAJ offices in the Ashanti Region combined, had received over 2000 cases in 2007. All offices reported that all legitimate cases were dealt with and nearly all could be resolved – the vast majority by mediation only. Depending on the complexity of the case this took between four weeks to a few months.

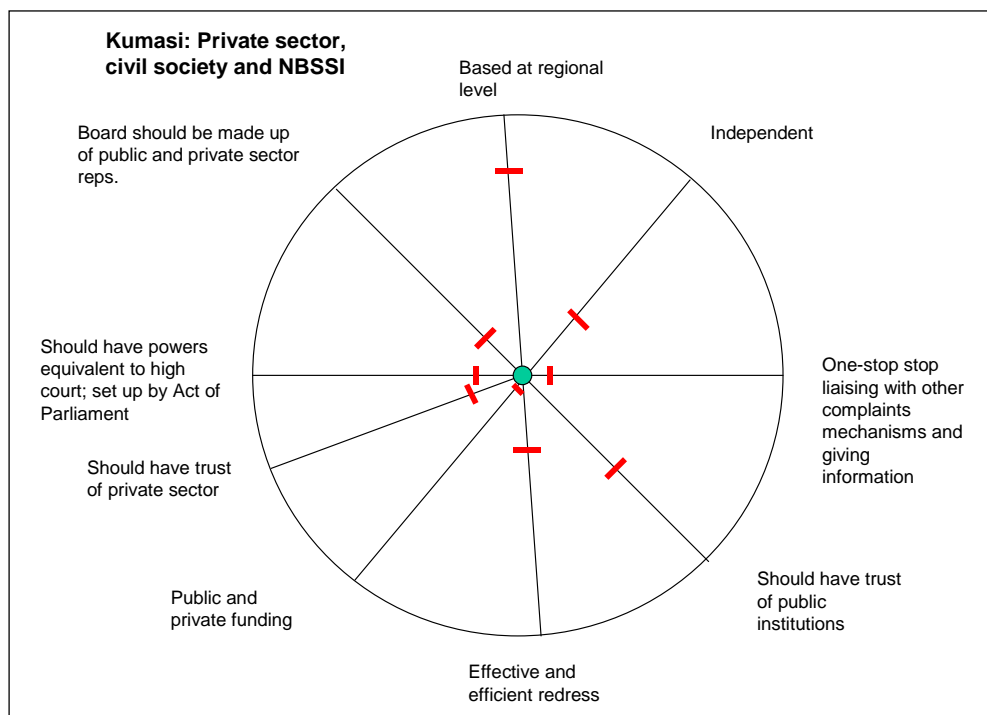
The majority of the stakeholders we met knew of CHRAJ and trusted it to be independent and not “meddling with politics”. Yet many had an unclear idea of its mandate and function, seeing it mostly as an institution defending the rights of children, women and the most deprived – which has indeed been the focus of CHRAJ's work so far. For that reason, business people have not, to our knowledge, filed their rights complaints against the public sector at the CHRAJ offices we met, although such cases would also fall under CHRAJ's mandate.

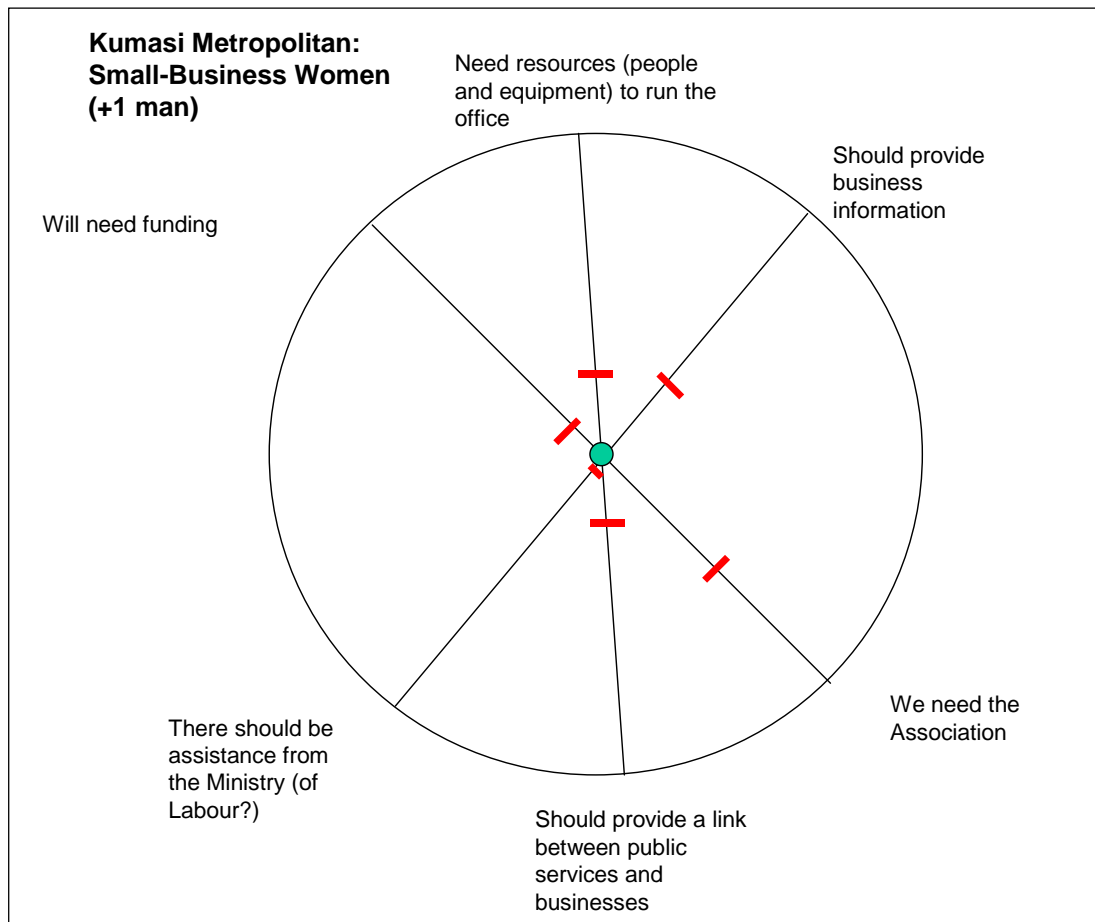
## Annex 4: Examples of Results from Participatory Tools

### “Spokes” in Kumasi

Spokes is a very simple activity which can be used to explore any number of different themes and topics. Following discussion on a topic, symbols (or written cards, depending on all participants' comfort with reading and writing), in this case representing the people, institutions, and characteristics necessary, at all levels, for a fair and equitable complaints and redress mechanism, are arranged around the outside of a circle. The symbols are then joined to a central point by lines drawn on the ground, or by sticks etc. to form a wheel. The centre represents “us” (ie. the participants), and the symbols around the edge of the wheel represent things “we” need. Participants are asked to discuss together and mark along each spoke where they think they are now, or what is currently available, in some form, in relation to the things they want to achieve/obtain. It is important that participants do not try to give percentage values to the distances they are marking. The marks should show the value in spatial terms and show also the achievement/ existence of one issue relative to another. Discussion can then be expanded to what people think is necessary to overcome barriers.

The two examples given below show the results of spokes activities with two different groups, in Kumasi, on the characteristics needed for a fair and effective CRM.





There are numerous advantages to using visual, participatory methods, such as spokes. Amongst other things, they encourage the active participation of all people involved in the discussion. They also work to build a consensus of opinion and provide a record which can be used as a basic monitoring tool for measuring change over time.