

## I

### **Performance Contracts in Ghana's Public Enterprise Reform Programme**

The performance contract system constitutes a major element in Ghana's public enterprise reform programme. The system incorporates two main elements – the corporate plan and a performance contract – linked in an annual cycle of monitoring and evaluation activity. Each state-owned enterprise [SOE] participating in the system is required to prepare and update regularly a comprehensive corporate plan. The implementation of this plan is disciplined by means of a negotiated contract agreement which sets annual performance targets and is monitored on a quarterly basis.

#### **The Role of Performance Contracts in the Reform Programme**

From the beginning of the public enterprise reform programme in 1987, the performance contract system has been used to structure programmes for improving the performance of those core or priority SOEs that were to continue in public ownership. This core group of enterprises includes the Ghana Cocoa Board, a major source of government revenue, and 16 other enterprises, concentrated for the most part in the energy, transportation and communications sectors. The performance of these enterprises deteriorated badly in the 1970s and early 1980s and their recovery was considered to be of major importance to the success of the economic recovery programme.

While initially conceived as an instrument contributing to the improved performance of priority public enterprises, the performance contract system has gained acceptance as a useful framework for managing transactions across the interface between government and enterprise. The legal and institutional framework of SOE governance had been seriously eroded during the preceding years of economic decline and political instability, and effectively set aside in 1982. In that year, the Interim Management Committees (Public Boards and Corporations) Law (PNDC 6) was enacted and the pre-existing system of SOE management by boards of directors largely abolished.

Under this 1982 legislation, the boards of 57 major SOEs were dissolved and replaced by Interim Management Committees. These Committees excluded any representation of the supervising sector ministry, as well as external directors, and comprised entirely employees of the enterprise as follows:

- the chief executive;
- the financial controller or chief accountant;
- the head of the main operations division;
- a representative of middle-level management;
- a representative of the workers' union, nominated by the workers;
- two representatives of the (local) People's Defence Committee, later Committee for Defence of the Revolution (CDR).

This act introduced a period of SOE self-management that extended over the better part of a decade. In this interval of participatory management the chief executive was assigned or assumed authorities previously exercised by the board. Ad hoc interventions by supervising ministries tended to proliferate and the discipline provided by a coherent and consistent governance structure virtually disappeared.

The broad thrust of reform in the area of SOE governance has been to concentrate accountability for enterprise direction and performance on a board of directors, and to increase operational autonomy by reducing the extent of both authorised and ad hoc ministerial interventions in enterprise operations. Supervising ministries were directed in 1991 to reconstitute the boards of directors of enterprises in their portfolios. However, implementation of this directive has been slow and remains incomplete. As recently as December 1993, a third or more of SOEs reporting did not have a board in place.

This background is important for an appreciation of the contribution made by the performance contract system to the overall reform programme. The Planning, Monitoring and Evaluation (PME) system for updating the corporate plan, negotiating annual performance objectives and targets, followed by quarterly reporting and annual evaluation, has come to be accepted as a useful framework for managing the interface between government and enterprise. An annual cycle of activity now links the supervising ministry and enterprise with the State Enterprises Commission and the Ministry of Finance and Economic Planning in the setting of performance objectives for core public enterprises. This contribution is of particular significance in Ghana's case, restoring discipline to a system of SOE governance that had lost both credibility and effectiveness during nearly ten years of enterprise self-management by a committee of its employees.

### **Elements of the Planning, Monitoring and Evaluation System**

The Planning, Monitoring and Evaluation [PME] system is one of the main components of the SOE Reform Programme. For this reason it comprises a major part of the ongoing workload of the State Enterprises Commission. The system provides an improved mechanism for managing the interface between government and public enterprise and for guiding the implementation of measures to improve

performance. The system incorporates three elements linked in an annual cycle of activity:

- updating the corporate plan;
- negotiating the performance contract;
- quarterly monitoring and annual evaluation and reporting of enterprise performance.

Performance contracts are negotiated agreements between a sector ministry and the managers of a public enterprise accountable to that ministry. Each contract defines the respective intentions, obligations and responsibilities of government and the enterprise. Underlying each agreement is the presumption that it is derived from or based upon a comprehensive corporate plan that is updated on an annual basis. The contract agreement, normally negotiated on an annual basis as well, sets performance objectives and describes the planning assumptions and the resources and other commitments of government and enterprise upon which the realisation of performance targets depends. All agreements are signed by the sector minister, the Minister for Finance and Economic Planning, the chief executive of the SOE and witnessed by the State Enterprises Commission.

### **The Corporate Plan**

In 1983, at the beginning of the Economic Recovery Programme [ERP], no major public enterprise had a relevant or current corporate plan. In consequence, one of the first tasks in the introduction of the performance contract system was a concerted effort to prepare such plans for the core enterprises serving the economic infrastructure. Between 1987 and 1988, a number of corporate plans were prepared, many by external consultants as most SOEs lacked any significant corporate planning capability. Further difficulties encountered in the initial crash programme to prepare corporate plans included the general absence of current financial information for SOEs, and uncertainties about the direction of government policy affecting their operating environment.

In the course of 1988, concurrent with the negotiation of the first performance contracts, it became apparent that neither enterprise management nor the sector ministry had been much involved in these corporate planning exercises. Managing directors expressed both confusion and alienation regarding corporate plans prepared on their behalf by consultants. This atmosphere was intensified by the general failure to involve sector ministries in the corporate planning exercise or in the negotiation of the 1989 performance contract agreements.

These early experiences with corporate planning focused attention on the general lack of both plans and planning capability at the enterprise level. While this capacity weakness required the continued use of consultant expertise in the short-term, a systematic effort was made in subsequent years to involve both the sector ministry and enterprise management in the preparation and updating of corporate plans. By the end of 1991, all core SOEs, except the Ghana National Petroleum Corporation, had prepared a comprehensive corporate plan and reviewed it with the supervising ministry as well as the State Enterprises Commission. Few SOEs, however, have yet reached the stage of routinely updating their corporate plan on an annual basis, and several continue to depend on external consultants for this purpose.

Ultimately, the success of the efforts made through the performance contract system to improve the efficiency and productivity of core public enterprises will depend on the extent to which corporate planning logic and results-oriented management informs the thinking of agencies responsible for their direction. To strengthen planning capacity at the enterprise level, the Commission organised in 1991 two general corporate planning workshops. This programme of training sessions was continued on a limited basis in 1992. Meanwhile, plans were made for the delivery in 1993 of a more focused and systematic training programme for SOE board members and senior management staff, targeted on the 47 enterprises participating in the performance contract system in that year. This programme was delivered to some 22 enterprises in 1993 and is being repeated in 1994 for the remaining twenty-five.

### **The Performance Contract**

The annual performance contract is negotiated between SOE management on the one hand and the supervising sector ministry and the Ministry of Finance and Economic Planning on the other. The role of the Commission is one of facilitating and co-ordinating the negotiation process.

From 1991, the structure of performance contracts has been standardised under five main heads:

- objectives of the enterprise (a statement of mission);
- performance indicators to be monitored and annual targets to be achieved during the contract period;
- mutual undertakings of government and enterprise;
- critical assumptions made in setting specific targets; and

- reporting requirements.

The setting of specific performance targets for the enterprise and its sector ministry, in a format that can be monitored, is intended to provide a basis for evaluating performance and improving accountability in the public enterprise sector. The agreements are also related to an incentive bonus scheme for enterprise management. The State Enterprises Commission functions as a facilitator in the negotiation of agreements and has responsibility for monitoring and evaluating performance against agreed objectives and targets, and for making recommendations to government for the payment of incentive bonuses.

### **Annual Negotiations 1989 to 1994**

The 1989 performance contract agreements were negotiated between the State Enterprises Commission and enterprise management. The exercise was carried through in relative haste, under strong pressure of conditions attached to the second Structural Adjustment Credit. With one significant exception, neither sector ministries nor the Ministry of Finance and Planning participated in the 1989 negotiations. In the case of the Ghana Cocoa Board, the Office of the PNDC, to which the Board was accountable, participated actively in both the corporate planning exercise and the negotiation of a multi-year performance contract. The signing of this contract was a condition of second tranche release for the first structural adjustment credit.

In the negotiation of the 1990 performance contracts, only one sector ministry was directly and fully involved. The Ministry of Transport and Communication participated in the formulation of agreements for Ghana Airways, Ghana Railways, the State Shipping Corporation, Ghana Ports and Harbours Authority, Ghana Posts and Telecommunications Corporation, Omnibus Services Authority, City Express and the State Transport Corporation. For each of these SOEs (except Ghana Airways) a corporate plan had been prepared and served as the basis for negotiating the content of the contract agreements and the selection of performance indicators. All other performance contracts for 1990 were negotiated, as in 1989, between the enterprise and the State Enterprises Commission without the participation of the various sector ministries. All agreements were signed, however, by both the sector ministry and the Ministry of Finance and Economic Planning.

In both 1991 and 1992, performance agreements were negotiated with the full participation of supervising ministry and enterprise management. The political prominence given to the signing of 1991 performance contracts stimulated demands from a number of ministries and enterprises for inclusion in the system. By mid-April, an additional 30 public enterprises had been accepted for inclusion in the system, and a review of corporate plans and the drafting of 1991 performance

agreements was begun by staff of the State Enterprises Commission. Since 1992, a total of 46 public enterprises have participated in the system, although not all have progressed to the point of having an agreed corporate plan and performance agreement.

### **Monitoring and Evaluation**

All performance contracts require the submission of quarterly and annual reports on progress towards achievement of the targets established in them. The Commission is responsible for the monitoring and evaluation of these reports (except in the case of SOEs in the energy sector), and for the preparation of an annual report to government on issues arising from the performance of SOEs participating in the performance contract system.

All enterprises participating in the performance contract system are required to submit a financial and operational report to the State Enterprises Commission, within four weeks after the end of each quarter. The contents of these quarterly reports include:

- an operating statement showing actual performance against budget for the quarter and year to date;
- a balance sheet as at the end of the quarter;
- cash flow for the quarter showing actual against forecast;
- a report of capital projects compared to budget;
- a report on the achievement of agreed performance targets;
- a report on progress achieved, explaining deviations and indicating the most important trends of the quarter.

### **Reporting to Government**

Annual performance evaluation reports are prepared by the State Enterprises Commission on the basis of quarterly reports received from the enterprise. These reports cover the following points:

- a basic information sheet that explains the main activities, outputs, inputs, pricing and other aspects of enterprise operations and mission;

- a comparison of performance targets and actual results;
- a performance index sheet comprising a weighted overall performance score based on actual vs targeted performance;
- a profit and loss statement, initially for four years, to be extended to five for 1990 and later years, as a summary of progress by the enterprise; and
- a performance review assessment of factors underlying actual performance and departure from targeted levels, and of importance to future planning and programming.

The annual evaluation reports are submitted to the Office of the President and the standing Committee of Parliament responsible for state-owned enterprises. Copies are also forwarded to the sector ministry and the Ministry of Finance and Planning. The State Enterprises Commission is responsible for the monitoring and evaluation of all performance contracts. Annual evaluation reports covering the core or priority SOEs have been completed for 1990, 1991 and 1992.

### **The Incentive Bonus Issue**

The performance contracts as negotiated in 1989 and subsequent years provide for bonuses to be paid to all employees of the enterprise, both management and workers. This practice differs from that in other countries where a performance contract defines the criteria for payment of incentives or bonuses to managers. The incentive bonus referred to in current performance contracts is generally assumed by enterprise management to correspond with the provision in many collective agreements for payment of an annual bonus to all employees. The distribution rules followed in most SOEs mean that all employees in qualifying enterprises receive an annual bonus approximating 10 to 15 per cent of salary.

### **Institutionalisation of the System**

The introduction and development of the performance contract system was closely linked with conditions attached to a succession of three structural adjustment credits (SACs). Under SAC I, effective in May 1987, the completion of corporate plans for ten enterprises was a condition of effectiveness. The drafting of the 1988 performance agreements for four enterprises and the signing of an agreement with Ghana Cocoa Board were the conditions for second tranche release. The terms of SAC II, effective in May 1989, required finalisation and updating of corporate plans for all core SOEs and the signing of performance agreements for 1989 and 1990.

These conditions were continued in SAC III, effective from February 1991, for the years 1991 and 1992.

The coverage of the performance contract system advanced between 1987 and 1992 in parallel with the conditions of successive structural adjustment credits. The first agreement, with the Ghana Cocoa Board, was signed in 1988. Core SOE participation increased to 14 in 1989, and to 17 in 1990 and 1991. Early in 1991, the State Enterprises Commission, responding to requests from a number of other SOEs, targeted an additional 30 enterprises for inclusion in the system. This extension was intended to bring these additional SOEs, many engaged in a major restructuring exercise, within the scope of the improved system for SOE governance.

While 46 public enterprises currently participate in the performance contract system, not all have actually signed a performance agreement. The reasons for this relate primarily to delays in preparing and agreeing the details of a corporate plan with the supervising sector ministry. While performance contract negotiations were initiated in both 1992 and 1993 with all participating enterprises, the updating of corporate plans and performance targets has lagged among many, particularly those added to the system in 1991 and 1992. By 1993, a total of 46 SOEs were participating in the PME system. However, only 23 of these signed performance contracts in that year as compared to 27 in 1992, a difference largely accounted for by the withdrawal of energy sector SOEs in 1993. The return of most energy sector SOEs for the year 1994 assured the continued coverage of the major core public enterprises.

The initiatives represented in the performance contract (PME) system have contributed to the institutionalisation of a reformed system for the governance of Ghana's public enterprises. In this system, responsibility for corporate planning and target setting is shifted from sector ministry to the directors and senior management of the enterprise. The Commission's review and evaluation of experience with the performance contract system, completed in 1993, suggested that in the eyes of both enterprise managers and sector ministry, representatives the principal benefit of the system is as a mechanism for structuring the dialogue between government and enterprise. The strengthened emphasis on a commercial orientation of operations, and the setting of feasible but challenging performance targets are widely perceived as additional major benefits.

Over time, the pro forma compliance of earlier years with conditions imposed by the terms of successive structural adjustment credits has yielded to a more enthusiastic acceptance of the system as a framework for managing the interface between government and enterprise. With this change in perception, the role of the State Enterprises Commission has become more of a facilitator than an initiator in the negotiation process.

## **Case Studies**

Two enterprises, more or less representative of Ghana's experience with the performance contract system for core SOEs, are reviewed here. Both the Electricity Corporation of Ghana [ECG] and the Omnibus Services Authority [OSA] have participated in the system from 1989. While both have realised some improvement in performance, neither has consistently met annual performance targets. Nevertheless, by 1992, ECG appears to have established a sustainable basis for profitable operations. OSA, on the other hand, appeared still to be some way short of that goal.

### **Electricity Corporation of Ghana**

A summary profile of the Electricity Corporation of Ghana abstracted from the 1994 Performance Contract is shown in Annex 1. The Corporation is the sole distributor of electrical energy to some 381,000 domestic, commercial, industrial and Government consumers in southern Ghana. ECG did not conclude a performance contract for 1993 but returned to the system in 1994.

The annually negotiated performance targets for ECG are summarised in Annex 2.1. All indicators are in current value terms. Three measures – revenues, net profit and return on assets – emphasise the profitability objective of reform. Each year, from 1988 to 1994 inclusive, ECG has targeted for revenue growth increasingly profitable operations and a return on assets employed in the order of 8 per cent. Other targets included an increase in electricity supplied and improved efficiency through a reduction in staff numbers and in staff costs, expressed as a ratio to total revenues.

The results achieved by ECG, summarised in Annex 2.2 in current value terms, are complete only for 1992, the latest year for which a complete evaluation has been made. Partial data for 1993 is derived from draft and audited accounts for that year. Following a series of overall and operating losses during 1991, the Corporation rebounded sharply to record strong revenue growth in both 1992 and 1993 and substantial profits. Progress on the efficiency indicators was less dramatic, as reductions in staff numbers were offset in most years by staff costs, which were higher than at target-level.

A somewhat different perspective on ECG performance is provided by reference to the trends in constant value terms shown in Annex 3. These indicate that real revenues increased by about 50 per cent between 1988 and 1992, while cost growth was restrained to near 20 per cent over the same period. This favourable relationship between revenue growth and cost increases underlies the strong

improvement in ECG profitability, although the return on assets employed continues to fall well below target levels.

### **Omnibus Services Authority**

A summary profile of the Omnibus Services Authority, abstracted from the 1994 Performance Contract, is shown in Annex 4. The Authority provides bus passenger transportation services in competition with two other state-owned enterprises, and with the operators of private road transport bus services.

The annually negotiated performance targets for OSA are summarised in Annex 5.1. All indicators are in current value terms. Three measures – revenues, net profit and revenues per bus/kilometre – emphasise the profitability objective of reform. Each year from 1988 to 1994, OSA has targeted revenue growth, a reduction in overall losses, and an improving revenue per bus/kilometre. Other targets included a succession of year-on-year increases in bus kilometres driven, and improved efficiency through a reduction in staff numbers and in staff costs expressed as a ratio to total revenues.

The results achieved by OSA, summarised in Annex 5.2 in current value terms, are complete only to 1992, the latest year for which a complete evaluation has been made. Partial data for 1993 is derived from preliminary reports for that year. The most obvious discrepancy between planned and actual performance relates to bus kilometers operated. In the case of OSA, this is the result of consistent optimism about the numbers of new buses that would be provided by government. For 1992, the Authority has recorded a succession of operating and overall losses but considerable improvement in revenues generated per bus/kilometre. It is apparent, however, that these remained well below cost-recovery levels during 1992. Among the efficiency indicators, progress was less impressive as the benefit of reduced staff numbers was offset by the sharp increase above targeted levels in 1992 of staff costs as a percentage of revenue.

In constant value terms, the performance of OSA presents a more pessimistic impression. In 1992, after five years of losses, the Authority is essentially at the same place in real volume terms as it was in 1988. Its costs continue to exceed its revenues by a substantial margin, and it would appear to have made little progress in competition with other suppliers of road transport services.

### **Contribution of the Performance Contract System to Reform Objectives**

There is little doubt that the performance contract system has been successful in re-introducing systematic corporate planning as a priority concern of SOE

management. This focus has also led to significant progress towards a number of other objectives of the SOE Reform Programme. There has been, for example, dramatic progress in reducing the over-staffing problem of core enterprises. Total employment in these enterprises has declined from 96,000 in 1986 to 70,000 in 1991. Broadly speaking, the labour productivity of these SOEs has increased substantially, although there are exceptions as illustrated by the OSA case study.

From the perspective of government, the improving performance of core enterprises has translated into the elimination of direct subvention-support, except that provided to the Ghana Railways Corporation. Tax and dividend returns have also increased as government has been better able to monitor financial performance and enterprise management has been made more accountable. Better documentation of the problems facing the core enterprises has contributed to a more appropriate policy response in such areas as the timely appointment of external auditors, the strengthening of financial management capability, the management of workforce rationalisation measures, opportunities for privatisation and recapitalisation.

From the perspective of SOE managers, the system is proving to be a useful means of formalising, and thus reducing, ministerial interventions in day-to-day operations. The resultant improvement in managerial autonomy is a major benefit of the reform programme as accountability is focused on SOE management and referenced to defined performance targets.

Experience also suggests that the introduction of performance contracts has been instrumental in changing ministerial perceptions of an appropriate and effective means of structuring the relationship between ministry and SOE. The entrenchment of these perceptions and benefits is an important policy objective for the next phase of the reform programme as the emphasis shifts toward a major expansion of service delivery capacity.

## **Annex 1**

### **Summary Profile: Electricity Corporation of Ghana**

#### **Name and Background:**

ECG was set up in 1967 by Government Decree (NLCD 125) to succeed the Electricity Division of the Ministry of Works and Housing.

#### **Sector Ministry:**

ECG operates under the Ministry of Mines and Energy (MME) and is governed by an 11-member board of directors.

#### **Main Inputs:**

ECG buys electric power in bulk from VRA at 33,000 volts for distribution. Very limited thermal generation of power using diesel is done to serve Kete Krachi.

#### **Main Output:**

ECG is a state-owned utility selling electric power to its customers at Voltage Standard of 230 volts + 6%, -10%, i.e. 244 volts maximum and 207 volts minimum.

#### **Market:**

The Corporation is responsible for the distribution of electricity in designated regions in southern Ghana. In 1987, the Volta River Authority (VRA) took over from ECG the responsibility for electric power systems in northern Ghana. ECG serves about 381,300 customers in the Greater Accra, Ashanti, Western, Central, Eastern and Volta Regions.

#### **Power Sector Tariff:**

The price at which ECG sells its service to its customers is reviewed and determined by Parliament annually. The corporation, however, submits tariff proposals to the Government through MME for recommendation to Parliament.

#### **Recent Performance:**

ECG has had the good fortune of a quick turn-around from decline to growth in the recent past under the Economic Recovery Programme (ERP). The last two

financial years saw steady growth in customer satisfaction and corporate viability. Some indicators were:

	1993	1992
	€billion	€billion
1. Revenues	46.749	27.946
2. Operating Profit	10.144	4.999
3. Net Profit	7.375	4.150

**ANNEX 2: Electricity Corporation of Ghana**

	Units	1988	1989	1990	1991	1992	1993	1994
<b>2.1 Performance Targets</b>								
Revenues	cedi million	7,800	8,153	12,554	19,778	26,282	ns	73,544
Net Profits	cedi million	ns	ns	532	786	2,311	ns	17,226
Return on assets	percent	ns	8%	7%	8%	8%	ns	8%
Electricity sales	Gwh	1,040	1,087	1,242	1,427	1,565	ns	ns
Salaries/Revenue	percent	ns	ns	8%	10%	8%	ns	10%
Employees	number	3,660	3,260	3,040	2,940	2,865	ns	ns
<b>2.2 Actual Performance</b>								
Revenues	cedi million	7,996	9,633	10,880	14,243	27,946	46,749	
Net Profits	cedi million	(4,463)	306	(1,122)	(4,065)	4,151	10,144	
Return on assets	percent	-28.6%		3%	-1.2%	3.6%		
Electricity Sales	Gwh		1,203	1,310	1,403			
Salaries/Revenue	per cent			11%	10.1%	15.8%		
Employees	number	3,639	3,196	3,106	2,845			

**ANNEX 3: Financial Performance of Electricity Corporation of Ghana**  
(constant 1984 values in cedi millions)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Revenues	583	909	846	482	1,484	2,122	2,747	2,552	2,917	2,777	2,247	2,471	4,413
Costs	446	674	587	351	783	1,238	2,490	3,582	3,125	2,435	2,190	2,314	3,640
of which wages & salaries	0	0	0	0	0	133	263	0	0	640	526	238	699
Other income, including Subvention	(37)	(22)	(34)	(21)	(10)	12	354	56	50	61	41	39	159
Extraordinary items	(31)	(27)	(22)	(386)	(274)	(785)	(3,377)	(1,448)	(1,471)	(315)	(330)	(231)	(294)
Profits before tax	(131)	186	223	(275)	325	111	(3,057)	(2,422)	(1,629)	88	(232)	(705)	258
Tax/dividend/transfer payments	0	0	11	0	21	6	0	0	0	4	0	0	0
Subvention Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Lending Receipts	0	0	0	0	0	0	0	1,407	2,216	2,294	759	2,015	2,198
Investment	0	0	0	0	0	129	(37)	693	439	1,247	99	48	3,561
of which Foreign finance	0	0	0	0	0	(902)	168	1,100	724	431	0	362	360
Value added	(131)	186	223	(275)	321	245	(2,794)	(2,422)	(1,329)	729	344	(467)	1,357

## Annex 4

### Summary Profile: Omnibus Services Authority

Sector Ministry:	Ministry of Transport and Communications
Main Outputs:	Provision of urban and urban-rural transport services
Main Inputs:	Buses; diesoline; lubricants; tyres, batteries; spare parts and labour
Market:	The market consists of passenger transport. The main competitors of OSA are City Express Services and Private Transport Operators
Pricing:	The fares charged by both private and public operators are regulated by the Ministry of Transport and Communications. The fares are adjusted in response to increases in the costs of inputs, particularly diesoline. The tariff structure is graduated according to distance travelled.
Recent Performance:	<p>Turnover has shown no significant growth. The Authority had continuously been making losses. However, stringent cost control measures instituted by management since 1991 have resulted in considerable reduction of the losses.</p> <p>The 1992 Audited Accounts showed a loss of €570.2 million which was an improvement over the 1991 net loss of €811.4 million. Provisional out-turn for the 1993 Accounts shows gross profit of €517 million and a net profit of €215 million after depreciation charge of €302 million.</p> <p>Revenue per labour force and fleet utilisation showed some marginal improvement in 1993.</p> <p>OSA continues to be burdened with high debt servicing obligations, in the face of zero working capital support.</p>

ANNEX 5: Electricity Corporation of Ghana

	Units	1988	1989	1990	1991	1992	1993	1994
<b>5.1 Performance Targets</b>								
Revenue	cedi million		1,822	2,318	3,2058	2,914	3,118	6,370
Net Profit/(Loss)	cedi million		(803)	(767)	(727)	239	( 22)	127
Staff Costs/Sales	percent		18.6%	22.0%	19.0%	20.0%	18.0%	18.0%
No. of Employees	number		1,636	1,270	1,340	1,324	1,259	
Bus/Kilometers	kilometers		12,552	8,737	10,237	13,438	15,040	15,400
Revenue/bus/km	cedi		110	210	300	242	287	409
<b>5.2 Actual Performance</b>								
Revenue	cedi million		1,056	1,980	2,398	2,238		
Net Profit/(Loss)	cedi million		(552)	(1,780)	(811)	(152)		
Staff Costs/Sales	percent		14.7%	21.2%	17.2%	26.0%		
No. of Employees	number		1,484	1,255	1,324	1,211		
Bus/Kilometers	kilometers		10,039	7,995	9,979	8,663		
Revenue/bus/km	cedi		105	248	240	258	355	

**ANNEX 6: Financial Performance of Omnibus Services Authority**  
(Constant 1984 values in cedi millions)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Revenues	73	132	124	146	108	162	381	302	409	416	353
Costs	93	124	143	212	206	473	587	575	782	561	452
of which wages & salaries	0	0	0	0	0	0	0	41	54	72	96
Other income, including subvention	2	4	2	7	7	5	5	10	5	4	7
Extraordinary items	0	0	0	0	0	0	0	0	0	0	1
Profit before tax	(19)	12	(17)	(59)	(90)	(307)	(201)	(264)	(368)	(141)	(90)
Tax and Dividend payments	0	0	0	0	0	0	0	0	0	0	0
Subvention Receipts	0	0	0	0	0	0	0	0	0	0	0
Net Lending Receipts	0	0	0	0	0	0	0	0	0	0	0
Investment	0	0	0	0	0	0	0	0	0	0	0
of which Foreign finance	0	0	0	0	0	0	0	0	0	0	0
Value added	(19)	12	(17)	(59)	(90)	(307)	(201)	(223)	(314)	(68)	5