

Towards a Compact for Ghana's Political and Economic Transformation

National Development Planning

Technical Background Paper: Executive Summary

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This note is part of the Compact for Ghana's Political and Economic Transformation. It provides the history, key challenges of development planning, and the role of the National Development Planning Commission (NDPC) as a body constitutionally established to formulate medium- and long-term plans. It concludes with key questions to initiate a national dialogue to reach consensus and buy-in on the formulation and implementation of a long-term development framework and vision for Ghana's economic transformation.

In Ghana, policy making relating to various aspects of economic development is vested in the planning systems of the country. The production of the first formal development plan in Ghana in 1919 initiated a new culture of development planning that continued through post-colonial times at both national and local levels. In 1990, the first draft law on the establishment of an apex institution responsible for development planning was presented to the Provisional National Defense Council (PNDC) government. Subsequently, the 1992 Constitution of the 4th Republic contained provisions in Articles 86 and 87 establishing the National Development Planning Commission (NDPC), its mandate and its composition. Since its establishment, NDPC has prepared three long-term development plans: Ghana Vision 2020 (1996-2020); the Seven-Year Development Plan (2009-2015), and finally the draft 40-Year Development Plan (2018-2057).

NDPC is mandated by the Constitution to advise the President on development planning policy and strategy under Article 86(1) and it is also enjoined to carry out national development planning as per Article 87(2) and (3) of the Constitution. Its mission is to advise the President and Parliament on national development policy and strategy for accelerated and sustainable development. While the central role of NDPC makes it stand out as the lead agency for development planning in Ghana, in reality the Commission has limited impact due to limited capacity, political interference and the fact that it is not represented at Cabinet level, which is where executive decisions are made and final authority in economic development policy rests.

There are three key challenges in development planning in Ghana: first, the discontinuity in planning and inconsistencies in policies and policy formulation; second, the disconnect between the political party manifestos and the long-term development plans produced by NDPC; third, the role of NDPC as the apex institution constitutionally mandated to produce, monitor, and evaluate implementation of long-term national development plans. The overall result is the lack of ownership in development planning and implementation. All three long-term plans initiated by NDPC under one incumbent government has either been shelved or truncated if implementation has even started under the next government. This is exacerbated by a disconnect

between party manifestos, the long-term development plan and the Coordinated Programme of Economic and Social Development Policies. Public investment projects that are not in the long-term development plan find their way into annual budgets while many projects in the development plan do not receive budget funding. This, to a large extent, reflects the perception of the development plan as a shopping list of activities or projects to be implemented by the government, rather than as a framework or vision for harnessing national resources. This undermines the very idea of development planning. There is also a lack of political commitment and buy-in, as well as legislative instruments that have not been implemented to back NDPC's constitutional mandate, and also the limited capacity of NDPC's institutional structure and resources to execute its expected role and mandate.

Some of the underlying causes of the challenges include the perceived overlap of NDPC's mandate with that of the Ministry of Finance. There is concern that there is insufficient interface between the budget allocation process and medium- and long-term development planning. There are also parallel structures in the Office of the President that have roles that overlap with those of NDPC. While NDPC collects needed evidence from monitoring and evaluation processes to improve plans, it is common to find duplicate structures under the Office of the President in successive governments that specifically monitor the flagship projects of the ruling regime, leading to inefficient coordination in evidence generation and usage. Additionally, there is concern that because NDPC is an advisory organ to the executive and legislative branches of government, its authority is non-binding. Furthermore, a provision in the Constitution requiring an incoming administration to present a Coordinated Programme of Economic and Social Development Policies undermines continuity in long-term planning. Moreover, NDPC lacks financial autonomy and is financially under-resourced. The failure to reinforce NDPC's role and mandate since its establishment has led to plans and programs driven by external partners who determine the strategic direction as well as supplying technical expertise and financing.

There have been a number of efforts to address some of the major challenges discussed above. These have taken the form of reviews, diagnostic exercises, and stakeholder convening. Reform of NDPC was also considered by the Constitutional Review Commission, a Presidential Commission of Inquiry set up in January 2010. Unfortunately, the government White Paper (2016) rejected some of the key recommendations, which had been informed by a wide consultative process of the Review Commission.

To enhance development planning in Ghana, there are cogent lessons to be drawn from structures in other countries, such as Malaysia's Economic Planning Unit, South Korea's Development Institute and South Africa's National Planning Commission. For instance, the national planning institutions of these countries are strongly linked to the executive, reflecting the centrality of planning in the country's development agenda. Drawing on these lessons and the discussion above, a number of recommendations on how to strengthen development planning in Ghana emerge. These can be classified into two main domains: (a) factors external to NDPC relating to its position in the national governance structure; and (b) those relating to the internal governance structure. Some of the external factors include constitutional reforms to enforce continuity in implementing long-term plans. Another is ensuring the financial autonomy of NDPC and providing adequate resources to drive monitoring and evaluation of plan implementation. Reforms of the internal structures of NDPC will also be needed, in particular to adjust the strategic focus of the organization as a thought leader and convener. Any reform should include a critical evaluation of the number and functions of the Commissioners, as well as strengthening the technical capacity of the Commission.

This paper sets clear goals and targets based on specific assumptions to enhance development planning in Ghana. The vision for development planning in Ghana is to achieve an inclusive, and strategic planning process to maximize the utilization of national resources. The vision is anchored on three strategic goals: (a) Ensuring continuity in long-term development planning;

(b) Strengthening the capacity of NDPC to undertake its constitutional mandate; and (c) Ensuring adequate financing for development planning.

Guided by the three key issues and the fundamental causes raised above, the following are questions to stimulate conversation and build consensus towards a compact for the Ghana we want:

1. How do we ensure policy and strategy consistency and continuity in development planning in Ghana?

- a. How do we ensure effective engagement and participation of all relevant stakeholders (especially parties not in government) in the planning and formulation process?
- b. How do we improve buy-in and political commitment to the planning process and to the priorities set out in the long-term vision or development framework?
- c. Should the country's development plan be enshrined in the Constitution so that as a state, we have one plan to be used over time?
- d. How can government mechanisms that support coordination of initiatives that cut across several ministries or agencies be enhanced?

2. How do we ensure that NDPC can fulfil its constitutionally assigned mandate in plan development and implementation?

- a. Are there any constitutional reforms or legislative instruments needed to enhance the role of NDPC in development planning?
- b. How do we ensure the leadership of NDPC plays an effective role and has executive oversight of capital investments included in the annual budget?

3. How do we ensure that NDPC is adequately financially resourced and has autonomy?

- a. Are there any legislative instruments needed to facilitate and ensure financial autonomy for the Commission?
- b. How do we ensure external funding for NDPC does not interfere with the strategic direction of the Commission?

4. How do we position NDPC to play its strategic role as a thought leader in development planning in Ghana?

- a. Are there any constitutional reforms to ensure the structure of NDPC is fit for purpose compared to other benchmark countries?
- b. How do we ensure clarity of the role of the Commissioners and track progress?
- c. Are there fundamental issues with the role and number of Commissioners in their provision of strategic direction for NDPC?
- d. Are there constitutional reforms needed to ensure that the tenure of the NDPC Chairman and Commissioners are not aligned or overlap the political cycle?