

## Social Contract for Ghana's Political and Economic Transformation

### Article VI

#### National Development Planning

*The **Citizens' Convention for Ghana's Political and Economic Transformation** took place in Accra on June 18-19, 2024, drawing 510 participants representing numerous stakeholder groups from civil society, government and business. Building on 18 months of research and nationwide engagements, participants agreed on specific goals and targets for the seven key issue areas underpinning the Compact and **Citizens' Declaration for a Social Contract with the Government of Ghana**, which the convention adopted by acclamation. The issue areas are: gender equality, youth employment and skills, vision and planning, fiscal responsibility, private sector development, climate change, and health.*

#### Background

The National Development Planning Commission (NDPC) has been responsible for national planning since its establishment in 1992. However, the Commission has faced several challenges. Apart from the limited capacity of the NDPC institutional structure to execute its mandate, three key issues have held back the national planning process: *discontinuity in planning and inconsistencies in policy formulation; a disconnect between party manifestos and the medium- to long-term development plans produced by NDPC; and the role of NDPC as the apex institution constitutionally mandated to produce long-term national development plans, and to monitor and evaluate their implementation.*

The perceived overlap of NDPC's mandate with that of the Ministry of Finance (MoF) is another issue. Legally, the roles of NDPC and MoF are distinct and complementary, but the boundary between short-term financial planning or budget preparation and long-term planning is blurred. Certain units in the Office of the President also have overlapping roles with those of NDPC, leading to inefficient coordination in evidence generation and usage.

There is also concern that NDPC's authority is non-binding, as there is no formal institutional mechanism to ensure that the Commission's advice and voice are effectively heard and considered in decision making. Furthermore, neither the Chairperson nor the Director-General of NDPC is a member of the Cabinet, the core state decision-making organ.

Lastly, the lack of political commitment and buy-in to the plans developed by NDPC, the lack of appropriate legislative instruments to support its constitutional mandate, the lack of enforcement of existing legislative instruments, and the limited capacity of NDPC's institutional structure to fulfil its mandate have all contributed to the challenges faced in the national planning process.

The Constitution of Ghana requires an incoming administration to present a Coordinated Programme of Economic and Social Development Policies two years after assuming office. This undermines continuity in long-term planning. The problem is reinforced by aligning the tenure of the NDPC Chairperson and Commissioners to the political cycle, leading to a complete turnover of NDPC leadership when a new administration assumes office. This undermines NDPC's role as the apex development planning institution, rendering it a political tool in the hands of incumbent governments.

NDPC lacks financial autonomy and is financially under-resourced. Budget allocations do not afford NDPC the flexibility of framing its own budget according to its particular needs. NDPC receives complementary support from UNICEF, UNDP, World Bank, USAID, and the International Development Research Center, which accounted for more than 50% of NDPC resources in 2020 and 2021, but this support is restricted to specific projects or studies.

NDPC currently has 49 Commissioners, a number perceived to be too large. The expansion of the Commission to this number was motivated by the desire to broaden representation and deepen expertise, but from an operational point of view, this undermines NDPC's effectiveness.

## **Actions and Targets to Revamp National Development Planning**

### **1. Financial Autonomy and Adequate Funding for the NDPC**

**Issue:** The NDPC does not have financial autonomy and is underfinanced, affecting their ability to deliver on their mandate.

**Action:** Enforce Clause 17 of the NDPC Act to provide the Commission with block funding from Parliament, allowing it to frame its own budget.

**Target:** By 2027, ensure NDPC's budget autonomy with 100% of operational funding directly from Parliament.

### **2. Amend constitutional provisions**

**Issue:** The national development plans prepared by the NDPC are non-binding and hence disregarded and re-developed each time there is a change in government making it difficult to ensure continuity. The President also appoints the leadership of the NDPC

**Action:** Amend Articles 86 and 87 to give NDPC's national plans binding authority across successive governments and decouple NDPC from the Office of the President.

**Target:** By 2027, achieve constitutional amendments ensuring NDPC's plans are approved by Cabinet and Parliament, making them binding for successive administrations.

### **3. Clarify roles and responsibilities**

**Issue:** The mandates of the NDPC and the Ministry of Finance and there is need for clarity on the short-term financial planning as against the long-term development planning

**Action:** Develop mechanisms to enforce Sections 11 and 13 of the Civil Service Law to delineate roles between NDPC and MoF.

**Target:** By 2027, establish clear frameworks for roles and responsibilities, ensuring no overlap between NDPC and MoF.

### **4. Strengthen NDPC's role in budget integration**

**Issue:** The NDPC's role in resource allocation and budget integration is not formalized and holds little to no weight in final decisions for long term plans.

**Action:** Enhance NDPC's role in integrating long-term plans with the annual budget and resource allocation.

**Target:** By 2028, formalize NDPC's role in vetting and recommending resource allocations for annual plans of ministries, departments and agencies with the approval of parliament.

### **5. Improve internal governance**

**Issue:** The leadership of the NDPC changes with each change in government with no formal structures to ensure continuation of development planning frameworks.

**Action:** Repeal NDPC Act 479 to remove the alignment of the Chairperson's tenure to the political cycle and limit terms.

**Target:** By 2028, implement a maximum of two 5-year terms for NDPC leadership, to ensure stability beyond political cycles.

### **6. Enhance stakeholder engagement**

**Issue:** There is no clear framework for consensus building and avenue for stakeholder input on discussions around National Development Planning.

**Action:** Develop mechanisms to reinforce consensus-building and deepen decentralization in the planning process.

**Target:** By 2027, establish comprehensive stakeholder engagement frameworks to ensure broad-based support and input.

### **7. Accountability measures**

**Issue:** There is no clear mechanism or institution to review development progress and ensure accountability and continuity in terms of long-term development planning.

**Action:** Hold a Citizens' Convention every 10 years and review the accountability mechanism every five years.

**Target:** By 2028, institutionalize a 10-year Citizens' Convention and a 5-year accountability review to ensure continuous improvement and public involvement.