



For more information visit
www.compactforghana.com

Towards a Compact for Ghana's Political
and Economic Transformation

NATIONAL DEVELOPMENT PLANNING: History, Challenges, and Solutions for a Long-Term Framework in Ghana

Technical Background Paper

May 2023



Contents

Executive Summary.....	2
I. Introduction.....	5
II. Key challenges in development planning in Ghana.....	6
III. Fundamental causes of the challenges.....	8
IV. Proposed solutions.....	10
V. Measuring success: goals and targets.....	20
VI. Key questions for consultation and public dialogue.....	23
References.....	24
Annex.....	25

List of figures

Figure 1: Development planning in Ghana compared to benchmark countries.....	11
Figure 2: Development planning and budget process.....	17
Figure 3: Timeline of long-term planning in Ghana.....	25

List of Tables

Table 1 : Goals and targets for measuring success.....	21
--------------------------------------------------------	----

Executive Summary

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 on economic development is vested in the planning systems. 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 Fourth Republic contained provisions in Articles 86 and 87 establishing the National Development Planning Commission (NDPC), its mandate and its composition. Since its establishment, NDPC under the 1992 Constitution has prepared under the various governments three long-term development plans: Ghana Vision 2020 (1996-2020); the 7-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 Article 87(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 its constitutional designation in government – it is not represented at Cabinet level, which is where executive decisions are made and final authority in economic development policy rests.

The key challenges in development planning in Ghana include the lack of ownership of planning and implementation. All three long-term plans initiated by NDPC under an incumbent government have either been shelved, or truncated if implementation has even started under a new 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 and 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 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 which are not implemented despite NDPC's constitutional mandate. In addition, NDPC has limited capacity in its institutional structure to execute its expected role and mandate, lacking financial autonomy and being financially under-resourced.

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. Also, certain structures in the Office of the President have overlapping roles with those of NDPC. While NDPC collects needed evidence from monitoring and evaluation processes to improve plans, it has been common to find duplicate structures in the Office of the President in successive governments that specifically monitor the flagship projects, 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.

There have been a number of efforts to address some of these major challenges in the form of reviews, diagnostic exercises and stakeholder meetings. Reform of NDPC was also considered by the Constitutional Review Commission, a Presidential Commission of Inquiry, set up in January 2010. Unfortunately, the 2016 government White Paper rejected some of the key recommendations for a wide consultative process of the Review Commission.

There are cogent lessons we can draw from other countries like Malaysia's Economic Planning Unit, South Korea's Development Institute, and South Africa's National Planning Commission to strengthen development planning in Ghana. 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 long-term plans. Another is ensuring the financial autonomy of NDPC and providing adequate resources to drive monitoring and implementation of plans. Reforms of the internal structures of the Commission will also be needed, in

particular to adjust the strategic focus of the organization as a thought leader and convener. Again, 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 specified 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 fulfill its constitutional mandate; and (c) Ensuring adequate financing for development planning.

Thus, guided by the vision for development planning in Ghana and an assessment of its key challenges, the following are questions to stimulate discussion and build consensus toward a Compact for the Ghana we want:

- a. How do we ensure policy and strategy consistency and continuity in development planning in Ghana?
- b. How do we ensure that NDPC can play its constitutionally assigned role in plan development and implementation?
- c. How do we ensure that NDPC has the autonomy and financial resources to play its mandated role?
- d. How do we strengthen NDPC to play its strategic role as a thought leader in development planning in Ghana?

I. Introduction

Development planning in Ghana predates independence. The first comprehensive development plan was a 10-year plan developed by Governor Gordon Guggisberg in 1919. The second was the 1951 10-year development plan launched by the colonial government and later consolidated as a 5-year development plan by Kwame Nkrumah's administration, between 1951-56. The third was the comprehensive Seven-Year Development Plan for National Reconstruction and Development (1963/64-1969/70) that sought to diversify the Ghanaian economy. From the 1980s, a comprehensive reform program of financial and structural reforms was launched under a liberalized economic regime. In 1983, the Provisional National Defense Council (PNDC) Economic Recovery Programme (ERP) adopted a market-oriented approach, and was launched in two phases: ERP I, the stabilization phase (1983-1986) and ERP II, the structural adjustment phase (1987-1989). The structural adjustment phase was initiated to consolidate the gains of ERP I through public sector and structural reforms to encourage the expansion of private savings and investments, and a broader strategy to restore the economy.

In 1990, the first draft law on the establishment of a National Development Planning Commission was presented to the PNDC government, and proposals were submitted to the Consultative Assembly that was drawing up the Constitution of the Fourth Republic of Ghana. The 1992 Constitution contained provisions in Articles 86 and 87 establishing NDPC, outlining its mandate and its composition. Since its establishment, NDPC under the 1992 Constitution has prepared under the various governments three long-term development plans: Ghana Vision 2020 (1996-2020), the 7-year development plan (2009-2015), and the 40-Year Development Plan (2018-2057) with a vision of achieving "a just, free and prosperous society" by 2057. (see Figure 1 in the annex for more details of the history of planning in Ghana).

This paper is part of the Compact for Ghana's Political and Economic Transformation. The remainder of the paper is structured as follows. Section II presents key challenges of development planning in Ghana, focusing on the role of NDPC as a body constitutionally established to formulate medium- and long-term plans. Section III analyses the fundamental causes of the key challenges and Section IV provides recommendations to address them. Section V provides goals and targets for implementation of the recommendations to strengthen the roles and functions of NDPC. Section VI 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.

II. Key challenges in development planning in Ghana

There are three key challenges confronting development planning in Ghana:

- (a) **The first is discontinuity in planning and inconsistencies in policies and policy formulation.** These challenges have been the hallmark of Ghana's development planning process since independence. All three long-term plans initiated by NDPC under an incumbent government is either shelved, if the planning process was ongoing, or truncated if implementation has started under a new government. Unfortunately, under the current political duopoly, there is limited commitment to long-term planning and implementation of projects with a long-term implementation horizon. Furthermore, even though the National Development Planning (System) Act 480 provides a framework for a decentralized national system of planning and development, there are weaknesses in the mechanism(s) for long-term policy coordination and implementation. These weaknesses in policy continuity, coordination and implementation have contributed to limited progress in Ghana's economic transformation¹.
- (b) **The second challenge is the disconnect between the party manifestos and long-term development plans produced by NDPC.** This challenge, though related to the first, deserves special treatment. The party manifesto is supposed to present a political party's formal long-term plan and vision, while the Coordinated Program of Economic and Social Development Policies (CPESDP) provides an opportunity to ground the manifesto in evidence. But this is not the case. It is the annual national Budgets that engage high-level attention. Although the link between the development plan and the annual budget has been strengthened over the period, there is room for further improvement. Approximately 75 percent of what is budgeted for is from the plan, with just about 40 percent of the plan getting implemented due to resource challenges. This, to a large extent, reflects the perception of the development plan as projects to be implemented by government, rather than as a framework or vision for harnessing national resources for economic

¹ See African Transformation Index Report (ATI 2021)

transformation under the government's strategic guidance. These issues fundamentally undermine the very idea of development planning.

(c) The third challenge is the role of NDPC as the apex institution constitutionally mandated to produce, monitor and evaluate implementation of long-term national development plans. NDPC is mandated by the 1992 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 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 of the country. While this central role of NDPC as the lead agency for development planning in Ghana is undisputed, in reality, the Commission has not been able to adequately perform this function, due to the following reasons: (a) lack of political commitment and buy-in to the plans developed by NDPC; (b) lack of appropriate legislative instruments to back its constitutional mandate; (c) lack of enforcement of existing legislative instruments; and (d) limited capacity of NDPC's institutional structure to execute its expected role and mandate.

There have been a number of efforts to address some of the major challenges raised above. These have taken the form of reviews, diagnostic exercises and stakeholder meetings. These assessments have focused on the structure, composition and mandate of NDPC. One such review conducted in 2010 focused on the internal capacity of NDPC. Prior to this, in 2009, senior officials from NDPC, Ministry of Finance and the UNDP Ghana country office conducted a study tour of the planning processes of Malaysia, India and Singapore, countries deemed to have exemplary planning processes. In 2008, an ACET team of institutional experts reviewed Ghana's planning processes with an emphasis on the national planning institutional framework, the essential elements of the draft Long-term Development Plan (2008-2015) and its implementation arrangements. In 2012, an ACET team of experts conducted an organizational and functional review of NDPC and proposed recommendations to strengthen its work. Some of the structural issues were taken up in the Public Financial Management (PFM) Act, 2016 (Act 291) and the Legal Instruments 2232, 2411 and 2402. There are, however, capacity challenges impeding effective implementation.

Reform of NDPC was also considered by the Constitutional Review Commission (CRC), which conducted a Constitutional Review Process (CRP) between 2010 and 2011. The CRC was a Presidential Commission of Inquiry, set up in January 2010 to consult with the people of Ghana on the operation of the 1992 Constitution and on any changes that need to be made to the Constitution.

In 2016, a government White Paper² rejected some of the recommendations of the Constitutional Review Commission on development planning. Unfortunately, to date, successive governments have not been able to implement most of the recommendations from the various reviews on enhancing development planning in Ghana. The need to re-engage with citizens to deepen and consolidate the economic and governance process is critical. A compact with the citizenry will be essential for addressing these challenges.

III. Fundamental causes of the challenges

This section discusses fundamental causal factors that obstruct development planning in Ghana. There are five key factors:

- a) **The perceived overlap of NDPC’s mandate and that of the Ministry of Finance (MoF).** Legally, the roles of NDPC and MoF are distinct and complementary. NDPC Act 479 requires the Commission to perform the following functions: (1) formulating comprehensive development planning strategies and ensuring that they “are effectively carried out”; (2) preparing broad national development plans; and (3) constantly reviewing national development plans and making recommendations for their revision where necessary. Sections 11 and 13 of the Civil Service Law, 1993 (PNDCL 327) enjoin MoF to collaborate with NDPC. Further, in MoF’s mission states that it will work with NDPC “in the translation of development plans into annual programmes”. In practice, the boundary between short-term financial planning or the budget preparation (the domain of MoF) and longer-term planning (the domain of NDPC) is blurred. It appears that the uncertainty is primarily due to the term “economic planning” (seen as an MoF role) and development planning (seen as an NDPC role). More importantly, at the practical level, concerns are raised about possibly insufficient interface between the budget allocation process and medium- and long-term development planning.

To address these ambiguities in the roles and functions of the MoF and NDPC, in 2012, following the recommendation from the ACET study, the Ministry of Finance and Economic Planning (MoFEP) was renamed Ministry of Finance (MoF). However, this change in nomenclature was not underpinned by a Legislative Instrument that would appropriately delineate each institution’s roles and responsibilities. Thus, while the MoF should focus on its core mandate of public finance management, it continues to stray into development planning, which is the domain of NDPC.

²<https://rodra.co.za/images/countries/ghana/research/WHITE%20PAPER%20%20ON%20THE%20REPORT%20OF%20THE%20CONSTITUTION%20REVIEW%20COMMISSION%20PRESENTED%20TO%20THE%20PRESIDENT%20.pdf>

- b) [Structures in the Office of President \(OoP\) have overlapping roles with those of NDPC.](#) Unlike NDPC, which is constitutionally mandated, an Economic Management Team has been set up in the [Office of President](#) by successive administrations to perform specialized roles. While NDPC must collect evidence from general M&E exercises to improve planning, it is common to find duplicate structures under the Office of the President that specifically monitor the ruling regime's flagship projects, leading to inefficient coordination in evidence generation and usage. Starting with President Atta Mills' administration, specialized units within the presidency have been monitoring delivery of the party manifesto. President Mahama's administration also had the Delivery Unit, which played a similar role. The current President Akufo-Addo administration elevated this to Cabinet level and also established a Ministry of Monitoring and Evaluation in its first term in office. Interestingly, the Annual Progress Reports of these units are tabled at Cabinet (the highest decision-making body in the executive) for discussion, while the Annual Progress Reports produced by NDPC end up at Parliament House (ACET 2021).
- c) [NDPC outputs are perceived to be non-binding, and this perception limits the Commission's ability to fulfill its mandate.](#) There is concern that because NDPC is an advisory organ to the executive and legislative branches of government, its products are non-binding. There is no formal institutional mechanism to ensure that the Commission's advice and voice are effectively heard and/or taken into account in decision-making. Of serious concern is the fact that neither the Chairperson nor the Director-General of NDPC is a member of the Cabinet, the core, state, decision-making organ. Furthermore, during the Constitutional Review Process, stakeholders proposed that the President should be required to implement a National Development Plan that resulted from a national consultative process led by NDPC. Unfortunately, this was rejected by the government White Paper that responded to the recommendations of the Constitutional Review Commission.
- d) [A key provision in the Constitution requiring an incoming administration to present a Coordinated Programme of Economic and Social Development Policies \(CPESDP\) undermines continuity in long-term planning.](#) This provides a pretext for an incoming administration to prepare a new development plan. This limitation is reinforced by the alignment of the tenure of the NDPC Chairperson and the Commissioners to the political cycle. Stakeholders interviewed in the various review processes on the role of NDPC have argued that a core limitation of Act 479 is this alignment of tenure to the political cycle, leading invariably 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.

- e) **NDPC lacks financial autonomy and is financially under-resourced.** Budget allocations to NDPC do not afford NDPC the flexibility of framing its own budget and aligning it to its particular needs. Furthermore, NDPC budget allocations are consistently lower than requested and unstable in disbursement. NDPC receives complementary support mainly from UNICEF, UNDP, World Bank, USAID and IDRC and they accounted for more than 50 percent of NDPC resources in 2020 and 2021. However, such support is restricted to specific projects or studies.³
- f) **The current number of Commissioners is perceived to be too large.** Currently, there are 48 commissioners. The expansion of the Commission was motivated by the desire to broaden constituencies represented and deepen expertise. Such a large number of Commissioners undermines NDPC's effectiveness. For instance, a review of NDPC conducted by ACET (2012) observed that: (1) Getting the required quorum "of not less than half of the membership"⁴ for Commission meetings is rarely achieved, as absentees invariably exceed 50 percent; (2) Coordinating the schedules of such a large and diverse group is challenging; and (3) Participation by Ministers who are Commissioners has been minimal, which shows their indifference towards the work of the Commission. Furthermore, the review noted that stakeholders lacked clarity on the functions of Commissioners. The roles of Commissioners were later clarified by Legislative Instrument (LI) 2402 2020. But the extent to which it is being implemented is unclear.

IV. Proposed solutions

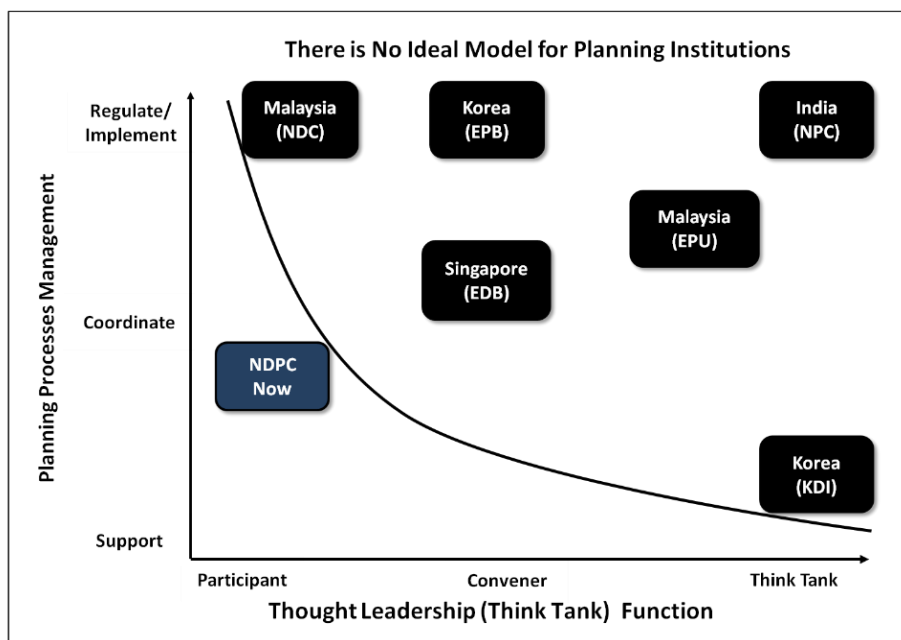
The previous section discussed the underlying causes of the challenges impacting development planning in Ghana. In this section, we will review benchmark countries chosen because of their record of accomplishment in development planning and in advancing their economic transformation agendas. The countries are India, Korea, Malaysia, Singapore and South Africa. We then draw lessons from the benchmark exercise and make recommendations regarding the challenges discussed in previous sections.

³ Government funding has largely been stagnant and has fallen slightly in nominal terms over the last several years even though it increased by 200 percent in 2018

⁴ National Development Planning Commission Act, 1994 (Act 479)

The review of benchmark countries highlighted a diversity of successful organizational and business models, clearly suggesting that there is no blueprint or best practice. Beyond the key underlying factors analyzed in the previous section, the review indicates clearly that what defines and drives an effective development planning organization is strong leadership from the very top. This provides legitimacy and authority, signaling to all stakeholders that there is strong political will and commitment that places development planning at the center of decision making. For instance, in India and Malaysia, the National Development Council is chaired by the respective Prime Ministers. In Korea, a chairperson with a rank of a deputy prime minister and a vice-chairman with the rank of a cabinet minister head the Economic Planning Board (EPB).

Figure 1: Development planning in Ghana and benchmark countries



As shown in Figure 1 above, the strategic positioning of the planning organizations differs in each of the benchmark countries, based on their mandates and missions. Korea has two institutions handling planning: the EPB, which formulates economic plans, and until 1980 had the authority to allocate the capital budget; and the Korean Development Institute (KDI), a think tank tasked with studying the economy and developing strategic options. In Malaysia, the Economic Planning Unit (EPU) studies the economy, develops plans and allocates resources, while the NDC oversees the implementation of projects. In Malaysia, India and Korea, the planning agencies have regulatory and sanctioning functions as they traditionally have budgetary resources allocated for development plans.

There are four key lessons that we can draw from the benchmarking exercise. These are discussed below.

(a) Translating long-term visions and plans into medium-term plans and breaking them further into annual action plans is central to success. Malaysia, for example, has a National Vision 2020 (launched in 1991) that outlined how the country aimed to attain developed country status by 2020. This document was broken into five-year plans. Each of these plans has strong linkages to the annual plans of government agencies and strong oversight from the EPU. The EPU was established in 1961 as an agency under the Prime Minister's office responsible for steering Malaysia's socio-economic development towards achieving developed nation status by the year 2020. Malaysia's ability to stick to its vision seems to have steered the country towards its objective, notwithstanding modifications that were required along the way. Worthy of note is the fact that Malaysia's model is predicated on one political party holding power for over 20 years.

Key takeaway for development planning in Ghana: Ghana's long-term plans do not appear to guide the development agenda, and "disappear" with different administrations. For example, the 1995 Medium-Term Development Framework "Ghana: Vision 2020-The First Step" was carved out of the long-term development framework, Ghana Vision 2020. However, under a new government in 2001, a new coordinated program for social development was prepared to cover the period 2003–2012 without reference to Vision 2020. Safeguards need to be put in place so that Ghana's national vision for long-term development is adhered to, and when necessary, modified following due processes.

(b) The national policy and planning models are diverse, with as many models as there are countries. The national policy and planning function in the benchmark countries is based on the specific and evolving needs of each nation. In South Africa, policy formulation and development planning are located within two different government institutions: the Chief Directorate Planning in Policy Coordination and Advisory Services are to undertake work related to medium- and long-term planning within government. The National Planning Commission, chaired by the Minister in the Presidency for National Planning, drafts long-term vision and strategic plans for South Africa. The Korean model is unique, as Presidential Committees appear to be the main vehicles for economic planning. Successful planning models have invested in knowledge management and managing the planning processes. For instance, the Malaysian planning unit includes a think tank.

Key take-away for development planning in Ghana: NDPC should develop a structure that is focused on the needs and institutional environment of Ghana. The model should be home-grown, and be based on national realities, assets and constraints such as: (a) The need for strong presidential backing for

plans to be prioritized by ministries, departments and agencies (MDAs); (b) A current national focus on the decentralization process; (c) Limited resources that strongly impact NDPC's ability to be fully staffed. For example, although there appears to have been much thinking around the structure of NDPC resulting in a resource-heavy organizational structure, and although these resources are likely needed to increase the impact that NDPC can have, the reality is that resources allocated to NDPC are not likely to grow in the immediate term. The model should be redefined to consider such constraints.

(c) The national planning institutions appear to be strongly linked to the executive. In India, the Prime Minister is the Chairman of the National Development Council. Also, the Planning Commission holds discussions with various groups in Parliament as part of the planning process. In Malaysia, the Director General of the EPU reports directly to a Deputy Minister in the Prime Minister's Department, who then reports to a Minister in the Prime Minister's Department. In Korea, the chairs of the Presidential Committees report directly to the President. However, in Singapore the EDB is located under the Ministry of Trade and Industry to reflect the centrality of trade and industry as key drivers of Singapore's growth.

Key take-away for development planning in Ghana: In Ghana, the links between the leadership of NDPC and the executive and Parliament appear to be weak, and dependent on personal relationships. Acts 479 and 480 propose strong linkages between the leadership of NDPC and the executive but these have not been fully operationalized. NDPC, for example, does not have a direct link to the Cabinet either through the NDPC Chairman, the Director-General or NDPC staff. Although some Commissioners can serve as a link as they are Cabinet members, they sit in Cabinet as representatives of their ministries, focusing on a narrower mandate than that of NDPC.

(d) There is a strong linkage between planning and investments. In India, the mandate of the Planning Commission of India (PCI) puts a strong focus on resource management. The mandate specifically tasks PCI with: (a) making periodic assessments of all resources in the country; (b) boosting insufficient resources; and (c) formulating plans for the most efficient utilization of resources. Other countries also mention resources and funding input as part of the role of the policy and/or planning function.

Key take-away for development planning in Ghana: The example of India seems very relevant for Ghana. Within such a context, maximizing and coordinating available resources to fund competing emergencies is a priority in light of limited funds from a broad range of sources that are sometimes difficult to monitor. The discussion in the previous sections shows that coordination between NDPC and MoF is not optimal, and that

NDPC has little input into the financial allocation process. The PFM Act 921 and LI 2411 appear to give NDPC some input into decisions on capital investment. Yet, stronger linkages need to be built between NDPC and MoF and other institutions charged with financial management.

In summary, while there are common themes across countries, there are also important differences in the approaches adopted. There is no “one-size-fits-all” in development planning. At the same time, the national policy and planning function in Ghana seems to be facing the challenge of relevance. Much creativity and innovation is needed for NDPC to play its much-needed role. The Commission must develop a strategy that will help it assert its position and relevance in the development planning framework across administrations.

These observations are further reinforced by the submissions made to the Constitutional Review Commission. The crucial points that emerged were the following: (a) There is general support for the restructuring of NDPC; (b) NDPC should not be a mere advisory body and the government should be bound to comply with the terms of a National Development Plan; NDPC should be mandated to develop long-term, multi-year, national development policies and plans, and it should be charged with monitoring and evaluation of the Plan; c) MoF should focus on financial management; (d) Every incoming administration should be duty-bound to ensure that development initiatives and budget appropriation bills are consistent with the National Development Plan; and (e) NDPC should be adequately funded.

From the discussion above, some recommendations on how to strengthen development planning in Ghana emerge. These can be classified into two main parts: (a) Factors external to NDPC relating to its position in the national governance structure, in particular strengthening the provisions concerning implementation of the NDPC mandate and its role and involvement in the planning process; and (b) Those relating to reforming the internal governance structure, and in particular, adjusting the strategic focus of the organization as a thought leader and convener, and strengthening its organizational and business processes.

A. Reforming the external governance structure of NDPC

There has to be renewed commitment to providing NDPC with the authority and tools to implement its mandate. This would imply giving a preeminent role to NDPC within the political economy system and strengthening its role and involvement in the planning process, including in particular, strengthening its role in the allocation and approval of the development budget. To achieve this objective, NDPC should be repositioned as the de facto apex of national development planning and coordination with respect to both

the Presidency and Parliament and other entities including the MDAs and MoF. Within the core decision-making structure of the executive and legislative branches, NDPC should be seen as the “voice of development” with a clearly defined role in framing the country’s development policies and programs. The Constitution and related legal provisions establish NDPC as the key advisor to the Presidency and Parliament on development planning issues and the chief coordinating and regulating body of development planning process. However, the absence of strong support from the top political and administrative structures has been a major impediment in the execution of its mandate. Although there have been some improvements in aligning annual plans and resources in recent years, NDPC generally seems to be performing the role of long-term planning in isolation with a limited role in the integration of long-term planning with annual plans and allocation of resources for implementing the plans. This is exacerbated by its lack of financial autonomy. In order to ensure that NDPC exercises its role as the key advisor on development planning matters and coordinator of the development planning system, the following actions are recommended:

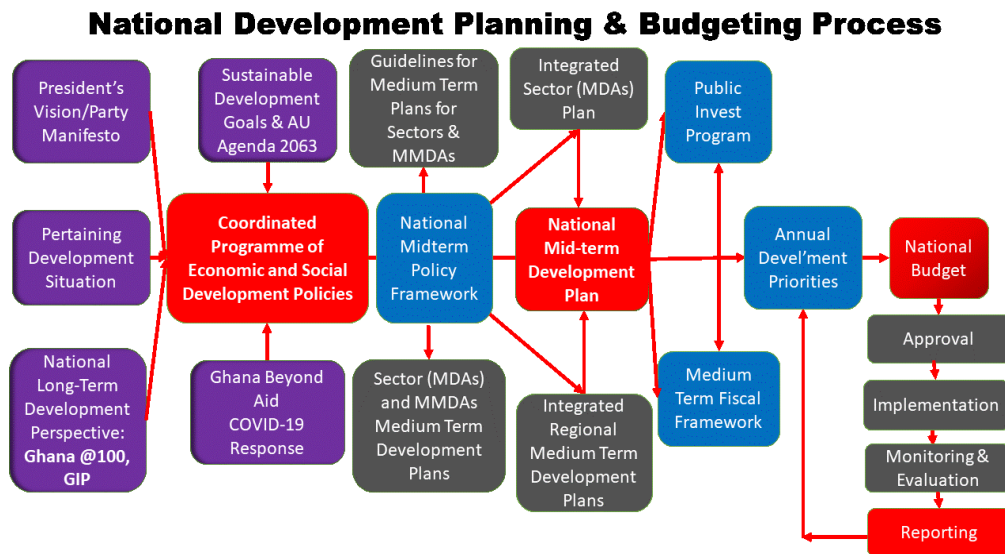
- i. [The President or the Vice-President of the Republic of Ghana should chair the Commission.](#) Leadership from the top is key to NDPC’s success. This gives the Commission the needed influence, authority and presence to perform the expected role. It sends a strong signal regarding the importance attached to development planning. The argument of conflict of interest – that NDPC cannot have the President, who is also the head of the government, as its Chairperson because the Commission has been created to advise the President – is not well founded. In any system, the head of government chairs many councils and entities whose role is to advise the government. The Chair will only preside over key strategic meetings three times or less a year. When national development planning was first introduced by President Nkrumah, he was the Chairman of the body created for this purpose. There appears to be no legal impediment for the President to be designated as Chairman of NDPC. If, however, the constitutional experts think otherwise, an amendment to the constitutional provision would be highly recommended. In conjunction with this, the current Chairman’s position can be re-designated as Vice-Chairman and his status equated with that of a cabinet minister. To ensure NDPC’s presence in the core decision-making process, the Vice -Chairman and/or the Director-General of NDPC should also be made a permanent invitee to Cabinet meetings. In this regard, the NDPC Act 479 (1994) may have to be amended to remove the clause of the Vice-Chairman being elected from among the members of the Commission.
- ii. [NDPC’s role and involvement in the planning process can be strengthened through Legislative Instruments \(LIs\) or Executive decisions covering the following areas:](#)
 - a) **Strengthening NDPC’s role in integrating long-term and medium-term plans with the annual plans.** Under the current institutional arrangement for development planning in the country,

there are four planning agencies, with NDPC at the apex.⁵ NDPC is expected to coordinate sector and spatial plans by issuing guidelines to planning agencies. Its role in integrating long- or medium-term plans with annual plans, or in framing programs and projects which are part of annual plans of MDAs or in the allocation of resources for implementation of annual plans, is sometimes performed by MoF due to capacity challenges. Between 2019 and 2021, the capacity of NDPC was strengthened to respond to this role but the extent to which this continues is unclear and not guaranteed. The constitutional and legal provisions clearly give the responsibility to NDPC to coordinate and regulate the development functions of other organizations. Even as NDPC is recognized as the apex institution responsible for medium and long-term development planning, its role in translating long-term plans into annual plans and their funding remains diffuse (see Figure 2 for the detailed planning and budgetary process).

- b) **Providing the Commission with binding authority in development resource allocation.** As the planning process currently functions, NDPC has a minimal role in deciding the allocation of resources based on the plan, and plays a marginal role in plan implementation through framing of programs and projects and their funding in the budget. MoF allocates funds in the budget (including the development budget) but does not undertake any national development planning. The gap between development planning and finance functions is an impediment to any meaningful planning. The tasks of planning and the allocation of resources to different components of a plan are inseparable and should be ideally undertaken by the same agency or organization. If NDPC performs these tasks, it would only be in the nature of advice and assistance to MoF and should not amount to exercising or sharing the executive authority of MoF.
- c) **Ensuring a clearer delineation of the Commission's role and that of MoF within the planning system.** In order to ensure the effective performance of the development planning system, the planning role of MoF should be clearly delineated. While MoF is the final authority on affordability of expenditures, NDPC must be positioned as the voice of the needs for development. As a constitutional body attached to the Presidency, NDPC cannot have a direct and final say in the allocation of resources in annual budgets, a function which can only be performed by MoF. To ensure that the determination of affordability is consistently informed by prioritized development needs, NDPC can be given a more effective say in vetting and recommending allocations of resources to programs and projects in the annual plans of MDAs.

⁵ At the national level are NDPC, MDAs and Ministry of Finance; Regional Coordinating Councils are at the regional level and MMDAs at local and district level.

Figure 2: Development planning and budget process



iii. Ensuring continuity in long-term planning by enacting a new constitutional provision that requires that medium- and long-term plans prepared by NDPC are approved by the Cabinet and Parliament, and that the Coordinated Programme of Economic and Social Development Policies (CPESDP) prepared by incoming administrations are based on the approved development plans. Currently, long-term plans are neither approved by Cabinet nor by Parliament and as such do not have endorsement across the political spectrum. This discontinuity is exacerbated by the provision of Article 36 (5) of the Constitution, which requires the incoming administration to produce a CPESDP without any reference to existing plans. To provide continuity to planning, as suggested during the Constitutional Review Committee hearings, Article 36(5) should be repealed and instead a new provision that requires medium- and long-term plans prepared by NDPC to be approved by the Cabinet and Parliament and that the CPESDP prepared by an incoming administration is based on approved development plans.

What is most critical for a long-term plan is the approval by the representatives of the people since it is aspirational and indicative. The medium-term plan as well as annual priorities should require both parliamentary and Cabinet approval.

iv. **Providing financial autonomy and adequate funding.** These two issues are critical for improving the efficiency and effectiveness of the Commission. NDPC's budget allocation has largely remained stagnant but increased nominally in 2018 by about 200 percent, with external funding accounting for about 50 percent of NDPC's resources in 2020 and 2021. But the Commission remains under-

resourced, and under-staffed at all levels. Technical staff do not receive competitive remuneration, hence a high rate of attrition. This has inevitably affected its capabilities, operational effectiveness and credibility. Apart from being under-resourced, NDPC today has little financial autonomy. Clause 17 of the NDPC Act 479, 1994 deals with funding of the Commission. It states, “Parliament shall provide the Commission with funds for its operational and administrative expenses and the Commission may receive monies from other sources approved by the Minister responsible for Finance.” The intention of this provision seems to be to provide block funding through budget approved by Parliament so that the Commission can then prepare its own administrative and operational budget. Such an approach will not only ensure adequate funding and provide flexibility to the Commission where needed but will also ensure better utilization of available skills in the Commission.

B. Reforming the internal governance structure of NDPC

In addition to external reforms, for NDPC to effectively and efficiently perform the roles and functions described above, it would need to adjust its current operating model to one that effectively combines strong management of the planning process and thought leadership. Article 87 of the Constitution and Act 479 mandate that the Commission shall engage in a number of functions associated with a thought-leadership position including: (1) Make strategic analyses of macro-economic and structural reform options; (2) Undertake studies and make recommendations on development and socio-economic issues; and (3) Formulate comprehensive national development planning strategies. An adjustment should be made to reorient the Commission’s structure towards thought leadership, without any modifications to its mandate. A number of interrelated issues would require attention, key among which are: (a) The number and functions of the Commissioners; (b) The internal organization of the functions of the Commission; and (c) The business processes of the Commission.

In addition to the issues outlined above, two critical recommendation will enhance the internal governance structure of NDPC.

- i. **Strengthen the capacity of the Commission.** Currently, the Director-General (DG) is the only full-time member of the Commission and functions as the Chief Executive. The DG is supported by core staff comprising five Directors, 12 Deputy Directors, 20 technical staff, and 20 staff in administration. To ensure that the Commission becomes a thought leader, more subject-matter experts should be brought into the Commission, especially at top management level. To reconcile the objectives of having a focused organization with the need for endorsement of Plans by other stakeholders, two

options are offered for consideration. In both options the core membership of the Commission includes the President as Chairman, a Vice-Chairman, a Director-General, four full-time Commissioners and the ex-officio members (Minister of Finance, the Government Statistician, and the Governor of the Bank of Ghana) as defined in Article 86 of the Constitution and Act 479.

(a) **Option I.** The Commission's membership continues under the current arrangement, but the current Executive Committee will be revamped to include the four full-time subject matter experts referred to above.

(b) **Option II.** The Commission will be much smaller than its current size and limited to only those spelled in Article 86 of the Constitution and ACT 479 but without the regional representation. To respond to the concern about inclusiveness, a wider forum called the National Planning Council may be created with membership of other stakeholders including Regional Coordinating Councils, civil society representatives, academics, political party representatives and so on. The development plans prepared by the Commission can be put up to this Council for endorsement. This option may require legal/constitutional amendments.

ii. **Strengthening NDPC's strategic role in thought leadership.** In addition to its role in preparing development plans NDPC should also strive to become a premier institution on thought leadership in development policy and planning. Thought leadership in the context of the planning process implies spearheading economic development. Strengthening thought leadership would require some shift in the role and functions of the Commission and greater emphasis on building expertise in issues of development policies, as well as integrative skills and capacity to convene stakeholders. To achieve this objective a realignment of the business processes as well as upgrading the skill mix of professional and technical staff would be required.

(a) **Re-alignment of business processes.** First, core elements of the analytical work must be undertaken in-house. This implies expertise in the key technical areas, which can be best accomplished through subject matter specialists. Second, there should be a more structured arrangement with other research institutions, such as think tanks and universities. It should be recognized that while building up its own analytical capacity, NDPC cannot have the full complement of technical and subject-matter expertise needed. Therefore, it should be able to draw on certain external expertise as appropriate. In a sense, this is currently being done, but we recommend that the relationship should be structured in such a way that NDPC's core team takes the lead and manages the expected products. This implies strong, in-house integrative skills and in particular, the ability to put together coherent strategy documents drawing on both external and internal data and research.

(b) Strengthening the technical team. Currently, the Commission has functional divisions headed by Divisional Directors covering four areas: Development Policy and Planning; Development Coordination; Research and Innovation; and Monitoring and Evaluation (M&E). This structure does not reflect subject matter expertise and is not conducive to developing skills and expertise for conducting analytical work on different sectors and engaging in dialogue for policy reforms with MDAs. An appropriate structure would require realignment of the divisions to ensure better interface and meaningful utilization of the input of NDPC.

V. Measuring success: goals and targets

In this section, we provide a vision for development planning in Ghana based on the recommendations to strengthen the roles and functions of NDPC. We then propose a results matrix to measure the success factors for implementing the recommendations.

The vision for development planning in Ghana is to achieve: **an inclusive, and strategic planning process to maximize the utilization of national resources.**

To achieve this, we set clear goals and targets, which are specified in the table below. The results matrix below is premised on five assumptions.

- I. Ghana possesses the political commitment to make the necessary evidence-informed policy, constitutional and legislative changes to pursue development planning for economic transformation.
- II. Key stakeholders including the political parties, civil society organizations, traditional authorities, religious groups, development partners and all citizens working together towards achieving the common vision.
- III. NDPC's analytical work provides the required evidence for developing activities and programs of significant and sustainable impact.
- IV. NDPC has an effective program coordination unit.
- V. Adequate funding is available to implement the planned activities.

Table 1 : Goals and targets for measuring success

Vision: an inclusive, and strategic planning process to maximize the utilization of national resources			
Goal 1: Strengthened capacity of NDPC to fulfill its constitutional mandate			
Strategic objectives (SO)*	SO 1: Enhanced capacity of NDPC senior management to assert NDPC centrality in development policy and planning in Ghana.	SO 2: Enhanced capacity of NDPC technical staff to deliver innovative medium- and long-term plans and continuously review indicators	SO 3: Improved operating procedures that provide strategic analysis of macro-economic and structural reform options
Intermediate Outcome (IMO)**	IMO 1: The role of NDPC as a thought leader in development planning is achieved	IMO 2: The capacity of NDPC is bolstered to deliver comprehensive national development planning strategies	IMO 3: The business process of the Commission is enhanced to reduce attrition and attract highly skilled professional
Intermediate Output (IO)***	IO 1: NDPC has better oversight over implementation of development plans in the medium- and long-term planning process	IO 2: Employees have the required skills to deliver high-quality reports, evaluation, and forecasts	IO 3: Realigned business processes that deliver coherent strategy documents
Activity (ACT)****	ACT 1.1: Re-enact or amend Legislative Instrument to redefined the role of top management of NDPC ACT 1.2: Reduce the number of Commissioners through Legislative Instruments or a constitutional amendment to refocus the work of the Commission	ACT 2.1: Employ subject-matter specialists ACT 2.2: Ensure technical experts have competitive remuneration ACT 2.3: Engage in policy dialogues geared toward reforms	ACT 3.1: Realign the Divisions of the Commission to ensure better interface and meaningful utilization of inputs ACT 3.2: Revise the Standard Operating Procedures of the Commission to reflect current needs
Goal 2: Assured continuity in Long-term Development Planning			
Strategic objectives (SO)	SO 1: Ensuring political commitment to the priorities set out in the long-term vision or framework	SO 2: Ensuring implementation of Legislative Instruments to support coordination of plans and initiatives across government ministries and agencies	SO 3: Enhancing effective engagement and participation of key stakeholders in the planning and formulation process

Intermediate Outcome (IMO)	IMO 1: Strengthened role of the Commission in long-term planning	IMO 2: Enhanced coordination in the planning process across government ministries and agencies	IMO 3: Enhanced participation of key stakeholders and citizenry in the development policy and planning process.
Intermediate Output (IO)	IO 1: Long term development vision or framework is produced and approved by Parliament.	IO 2: Planning processes is improved and coordination across ministries and agencies is enhanced	IO 3: Development policy and strategy is aligned
Activity (ACT)	ACT 1.1: Amend the constitutional provision of development planning ACT 1.2: Enact new Legislative and Executive Instruments	ACT 2: Re-train top management on content of relevant Legislative Instruments ACT 2.2: Ensure Legislative Instruments are implemented	ACT 3.1: Facilitate strategic convening of stakeholders and citizenry ACT 3.2: Ensure inclusive participation of disadvantaged groups in plan formulation and adjustment
Goal 3: Sustained financing to the Commission for development planning activities			
Strategic objectives (SO)	SO 1: Ensuring the Commission has financial autonomy and adequate funding to carry out its constitutional mandate	SO 2: Ensuring a clear delineation of the Commission's role from that of the Ministry of Finance	SO 3: Providing the Commission with binding authority in development resource allocation
Intermediate Outcome (IMO)	IMO 1: Distinguished institution for coordinating and regulating the development functions of other organizations	IMO 2: Well-functioning apex institution able to regulate resources for development	IMO 3: Well-functioning institution with the ability to formulate plans for the most efficient utilization of resources
Intermediate Output (IO)	IO 1: New Legislative Instrument and constitutional provision enacted	IO 2: Legislative Instruments enforced	IO 3: New Legislative Instruments enacted
Activity (ACT)	ACT 1.1: Enact new legal and constitutional provisions ACT 1.2: Improve capacity of the commission to integrate long or medium-term plans with annual plans ACT 1.3: Improve capacity of	ACT 2.1: Enforce existing legal and constitutional provisions ACT 2.2: Improve capacity of the Commission to vet the allocation of resources for implementation of annual plans of MDAs	ACT 3: Enact new legal or constitutional provisions to ensure the Commission has a binding role in resource allocation

	the Commission to frame programs and projects of MDAs annual plans		
--	--------------------------------------------------------------------	--	--

* (SO) – Higher level strategic goals or long-term effect of the intervention. ** (IMO) – These are benefits that the intervention is designed to deliver.

*** (IO) – These are tangible and intangible products that result from the intervention activities. **** (ACT) – Interventions or actions of key stakeholders to achieve the strategic goal.

VI. Key questions for consultation and public dialogue

The failure to reinforce NDPC’s role and mandate since its establishment has led to plans and programs driven by donors who determine the strategic direction and supply technical expertise and financing. Guided by the three key issues raised above, and the five fundamental causes, the following are a set of questions to stimulate discussion and build consensus on the way forward:

- i.** 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 political commitment in the planning process and buy-in for 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 mechanisms within government support coordination of initiatives that cut across several ministries or government agencies be enhanced?*

- ii.** How do we ensure that NDPC can play 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 annual national budgets?*

- iii.** How do we ensure that NDPC is 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 donor funding for NDPC does not interfere with the strategic direction of the Commission?*

- iv.** 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 with what pertains in 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 the tenure of the Chairperson and Commissioners are not aligned with or overlap the political cycle?*

References

Organizational and Functional Review of NDPC. Diagnostic Report, ACET (2012).

The role of evidence in policymaking in Ghana: a political economy analysis, SEDI: Oxford Policy Management and ACET (2021)

Annex

Figure 3: Timeline of long-term planning in Ghana

Colonial period (1922 – 1951)	Nkrumah Era	Post Nkrumah Era	4 th Republic
<u>Plans</u> <ul style="list-style-type: none"> Guggisberg plan(1920-30) 10 yr. plan (1946-56) 10 yr. plan (1951-59) 	<u>Plans</u> <ul style="list-style-type: none"> 10 year (1951-59) truncated to 5 year (1951 56). 2-year plan(1957-59) 7-year plan(1963 70) 	<u>Pans</u> <ul style="list-style-type: none"> National liberation Council [(NLC 2 yr. plan (1968-70) United Party (UP) 1 yr. plan (1970-71) National Redemption council (NRC) 5 yr. plan (1975/-1979) Liman's 5 yr. plan (1981 85) 	<u>Plans</u> <ul style="list-style-type: none"> Ghana Vision 2020: (1996-2020) 7-year development plan: (2009 – 2015) 40-year development plan: (2018 -2057)
<u>Plan implementation</u> <ul style="list-style-type: none"> Guggisberg plan: 70% 10 yr. plan (1946-56): 0% 10 yr. plan (1951 -59): 20% 	<u>Plan implementation</u> <ul style="list-style-type: none"> 10-year plan (1951 -59) truncated by 5 years 2-year plan (1957-59) 7-year plan 91963-70) 	<u>Plan implementation</u> <ul style="list-style-type: none"> NLC and UP plan implemented - Notable for seeking expert advice NRC plan launched 2 years late and truncated by 1978 coup Limann plan truncated by 1981 coup 	<u>Plan implementation</u> <ul style="list-style-type: none"> Vision 2020: 20% 7-year development plan: not implemented 40-year development plan: not implemented
<u>Plan achievement</u> <ul style="list-style-type: none"> Guggisberg plan: - Achimota School - Korle Blu Hospital -333 km of rood and railways 	<u>Plan achievement</u> <ul style="list-style-type: none"> 7-year plan: -Volta dam -Tema port, and motorway -Valco aluminum processing plant 	<u>Plan achievement</u> <ul style="list-style-type: none"> Little or no evidence 	<u>Plan achievement</u> <ul style="list-style-type: none"> Vision 2020: cannot be assessed 7-year development plan: cannot be assessed 40 – year development plan: cannot be assessed