

GHANA

CWA REFORM COMMITMENTS IN 2018	PROGRESS ON REFORM COMMITMENTS SINCE 2018	ADDITIONAL REFORM INITIATIVES	PARTNER SUPPORT
Macroeconomic Framework :			
Macroeconomic stability:¹			
Constrain expenditures within budgetary limits to reduce expenditure overruns.	Fiscal deficits below 5 percent in 2018 and 2019, in line with fiscal rule. Higher fiscal deficit of 6.3% of GDP (end-Q2 2020) compared with target of 3.1% of GDP. This reflected the fiscal impact of the COVID-19 pandemic. The 2020 end year fiscal deficit (excluding Energy and Financial sector related costs) is estimated at 11.4% of GDP due to lower revenues and higher expenditures cover COVID-related costs.	Restart of the fiscal consolidation program and a return to the fiscal rule, which was suspended at the onset of the COVID-19 pandemic.	Ongoing: IMF support for: <ul style="list-style-type: none"> i. Article IV consultations ii. Establishment of the Fiscal Risk Unit in MoF iii. Preparation of Fiscal Risk Statement and iv. Technical assistance on Government Finance Statistics
Pursue a primary surplus in order to reduce the rate of debt accumulation.	Primary surpluses of 1.9 and 0.9 % of GDP in 2018 and 2019, respectively. However, primary deficit of 3.3% (end Q2, 2020) due to the COVID-19 pandemic. The 2020 end year primary deficit (excluding Energy and Financial sector related costs) is estimated at 3.2% of GDP.		
Pursue domestic debt re-profiling to lengthen the maturity profile, reduce rollover risks and cost of credit.	Debt was 59% and 63.2% of GDP in 2018 and 2019, respectively. <ol style="list-style-type: none"> 1. As at end Q2, Debt-to-GDP ratio was 67.0%. 2. Domestic short-term debt is 25.54% of total domestic debt. As a percentage of total debt, it is 6.04% 	Under the SDFP, some priority actions (PPAs) have been agreed upon to improve debt transparency and particularly of SOE debt.	Ongoing: World Bank DPO Series and GEMS-TA to improve debt management and transparency
Domestic Revenue Mobilization:			
Develop and publish simplified versions of the five major tax laws (Customs Duty Act, VAT Act, Income Tax Act, Excise Duty Act, Revenue Administration Act).	Simplified (abridged) versions of the Excise Tax Stamp Act, 2014 (Act 873), Excise Duty Act, 2014 (Act 878), Customs Act, 2015 (Act 981), Income Tax Act, 2015 (Act 896) and Value Added Tax Act, 2013 (Act 870) published on GRA website. <p>However, the abridged version of the Revenue Administration Act is yet to be published.</p>	Under the SDFP, priority actions (PPAs) have been agreed upon to improve domestic revenue mobilization, including reforms to: strengthen the voluntary disclosure and promote self-declarations to expand the tax base; and enhance confidence in the tax system and thus improve compliance and collection.	Ongoing: <ol style="list-style-type: none"> i. DFID - Ghana Revenue Reform Programme and Business Enabling Environment Programme ii. Germany - Governance for Inclusive Growth, development of abridged versions of tax laws, upgrade of customs laboratory, Construction of IT training institute

¹ Note: this is mid-year data, full year will only be available with the complete 2021 budget

Provide simplified record-keeping systems for the determination and payment of taxes and filing of returns.	The record keeping has been combined with the calculation and submission of returns in the 'iTAPS' application. It has been launched for computation of taxes and the filing of returns.		iii. USAID - Governance Programme iv. World Bank - GEMSTA for improved taxpayer database and data warehouse
Provide software to taxpayers for tax calculation		Reforms to establish a data warehouse to enhance revenue administration, including business intelligence.	
Improve access to systems for filing of returns and payment of taxes by introducing one-stop shop stand-alone customer service facilities.	See above		
Provide additional specialized cargo examination bay	This was suspended due to unavailability of partner support.		

Public Investment Management (procurement, PPPs, SOEs, utilities):

Implement and maintain a Public Investment Management (PIM) framework.	Passage of State Interest and Governance Authority (SIGA) bill into law (June 2019) ensuring SOEs adhere to good corporate practices to promote growth of industry and commerce.	Under the SDFP, priority actions (PPAs) have been agreed upon to support the preparation of a State Ownership Policy, setting the principles for public investment / divestment in SOEs.	Ongoing World Bank under the Ghana Economic Management Strengthening Project
Enact the Public Private Partnership (PPP) Law and develop Regulations for the operationalization of the PPP Act after its passage.	The PPP Bill was passed into Law in December 2020. The new PPP ACT 1039 now regulates all activities within the PPP domain in Ghana.		World Bank support for drafting of PPP Bill
Diversify the power generation sources to include renewables to ensure security, reliability, and affordability in a sustainable manner.	Total renewable energy generation (excluding Hydro) has almost doubled from 22.6MW at the beginning of 2018 to 42.6MW in 2020. However, its share of total generation has only increased from 0.5% to 0.8% over the same period.		Ongoing: i. AfDB - Electricity Distribution System Reinforcement and Scaling-Up Renewable Energy Programme (SREP) Investment Plan ii. Germany - Reform and Investment Partnership, Pilot Photovoltaic Project, Renewable Energy and Energy Efficiency for the Public Sector (REEEPublic), Market Entry Into RE and EE for the Productive Sector,

			<p>iii. World Bank - DPO support and Technical Assistance</p> <p>Future:</p> <p>i. Germany - Government Goes Solar, Green Credit Line</p> <p>ii. World Bank - DPO support and Program for Results (P4R)</p>
Implement the Cash Waterfall Mechanism (CWFM) for energy	Ongoing: World Bank - Ghana Energy Sector Transformation Initiative Project		Ongoing: World Bank - Ghana Energy Sector Transformation Initiative Project
Implement procurement auctions for future generation plants.	Given the oversupply of generation and capacity charges to be paid, there is still a moratorium on new IPPs. Procurement auctions would be implemented once the moratorium is lifted.		

Business Framework :

Regulations and Institutions:

Update Ghana's business legal and regulatory framework to reflect new trends in business practices.	<p>Passage of Companies Act of 2019 (Act 992) streamlining business registration and operations as well as establish an autonomous Office of Registrar of Companies (ORC).</p> <p>Bill passed by Parliament. Corporate Restructuring and Insolvency Act, 2020 (Act 1015) assented by President on April 30, 2020.</p> <p>Trading Across Borders Technical Working Group recommendation report is yet to be enforced by GRA Customs, GPHA and others. A Committee has been setup by GRA Customs to conduct Cargo Time Release Study which will provide recommendation for areas to be streamline along the chain.</p>		Ongoing: i. IFC - TA support ii. DFID - Business Enabling Environment Programme (Support to Better Business Regulations Strategy)
Create the Ghana Business e-Registry that will serve as a complete repository of business and investment laws.	Ghana Business Regulatory Reforms Portal launched on August 26 2020 to improve transparency and inclusiveness as well as promote dialogue and feedback to enhance quality service delivery. It is an electronic registry containing business laws, regulations, administrative notices, directives, procedures as well as fees, forms and charges. The URL is www.brr.gov.gh or www.bcp.gov.gh		
Review and reduce the number of steps in the acquisition of the various business operating permits.			

Investor protection and dispute resolution:

Adoption of a new Investment Code

Financing Framework:

Investment risk mitigation:

Develop de-risking instrument to leverage private investment including renewable energy (RE), energy efficiency, and agricultural lending (GIRSAL - Ghana Incentive-Based Risk-Sharing System for Agricultural Lending)

The minimum capital requirement for banks was increased to GH¢400 million from GH¢120 million (end 2018);
The Corporate Insolvency Bill was passed by the Parliament in 2020
Ghana joined the Asian Infrastructure Investment Bank (AIIB) and the Africa Trade Insurance (ATI) as a way to leverage private capital for infrastructure development.

Ongoing:

- i. AfDB - Support to GIRSAL
- ii. Germany - Reform and Investment Partnership (Accompanying Measure)
- iii. AfDB - Support for GIRSAL
- v. Germany - Reform and Investment Partnership (ATI subscription payment)

Future:

Germany - Reform and Investment Partnership (Green Credit Line)

Mobilization of private and institutional investments:

Normalize and extend the yield curve

The spread as at end September 2020 was positive. The yield curve had some inversions

Enhance secondary market activities

As at end December 2020, volume of trades reported by CSD was 108.4 billion compared with 55.6 billion recorded in 2019 and 37.9 billion in 2018. The volume reported by Bloomberg was 5.56billion (as at end December 2020), which is lower than the 5.58billion recorded in 2019. In 2018 the volume was 3.60 billion.

Introduce a wider spectrum of instruments

Concept Note and paper developed on green and SDG bonds. In 2020, 3, 5,6,7-, 10-, 15- and 20-year government bonds were issued.

Build the capacity of all domestic debt market players in the pricing of bonds.

On-going

Ongoing:

DFID support for development of Capital Market Master Plan
The World Bank is providing support to market development under the programmatic multi-year GDRM program