

# ***The Basis for a Long-term National Development Plan for Ghana***

## **1. The Constitution (Article 87(2)) says:**

- (2) The Commission shall, at the request of the President or Parliament, or on its own initiative
- (a) study and make strategic analyses of macro-economic and structural reform options;
  - (b) make proposals for the development of **multi-year rolling plans** taking into consideration the resource potential and comparative advantage of the different districts of Ghana;
  - (c) make proposals for the protection of the natural and physical environment;
  - (d) make proposals for ensuring the even development of the districts of Ghana by the effective utilisation of available resources; and
  - (e) **monitor, evaluate and co-ordinate development policies, programmes and projects.**

## **2. Public Calls for a Long-term Plan**

In January 2010, the Government established a Constitution Review Commission (CRC) to:

- (a) “ascertain from the people of Ghana, their views on the operation of the 1992 Fourth Republican Constitution and, in particular, the strengths and weaknesses of the Constitution;
- (b) to articulate the concerns of the people of Ghana on amendments that may be required for a comprehensive review of the 1992 Constitution;
- (c) to make recommendations to the Government for consideration and provide a draft Bill for possible amendments to the 1992 Constitution”.

According to the CRC’s report, issued in December 2011, the Commission was “overwhelmed, during its consultations, with submissions calling for the institution of a national development plan (the Plan) for the nation...although [development planning] was not one of the 44 indicative sets of issues used by the Commission for the consultative process”.

Given the “widespread, consistent and clear” nature of the calls (as described by the CRC), the Commission devoted Chapter 3 of its report, ***From a Political to a Developmental Constitution***, to “National Development Planning”.

The following are highlights from the Report:

### **1. The [Long-term Development] Plan should be national in character for the following reasons:**

- a.** It will ensure that there is a blueprint for national progress and sustainable development.
- b.** It will be the framework for accelerated growth and actual reduction in poverty levels among Ghanaians.
- c.** It will ensure that national development is not centred on sectional political party manifestos; manifestos must rather be aligned to the Plan.
- d.** It will reduce the party politicization of our development process.
- e.** It will serve as a holistic basis for the assessment of the performance of successive governments.
- f.** A development plan which is national in character stands a greater chance of being adhered to by successive governments than a sectional policy.

**2. The Plan should be binding on all successive governments for the following reasons:**

- a. This will ensure that projects initiated under a previous government are not abandoned when there is a change of government.
- b. A binding Plan will ensure that national resources, annual budgets and government programmes, projects and initiatives are directed to realizing the ends of the Plan.
- c. It will make it possible for any Ghanaian to enforce adherence to the Plan by successive governments.
- d. It will ensure that national resources are not wasted on projects that do not lead to the ultimate good of the nation.
- e. A binding Plan will lead to the censuring of government officials who act contrary to the Plan.

**3. The Plan should be region-and district-specific, and not [only] national in character for the following reasons:**

- a. It will allow [for] the peculiar needs of the regions and districts to be addressed.
- b. It will make the district and regions partake in deciding their own needs.

**4. The Plan should be long term for the following reasons:**

- a. A long-term development framework, incorporating short-term and medium-term goals, accords with international best practice.
- b. Only long-term planning can deal with the intractable developmental challenges that the nation faces.
- c. Only a long-term plan may be incorporated into a national Constitution, since Constitutions are crafted as long-term documents.
- d. A long-term development plan will ensure that the present and the future generations are catered for in development planning.

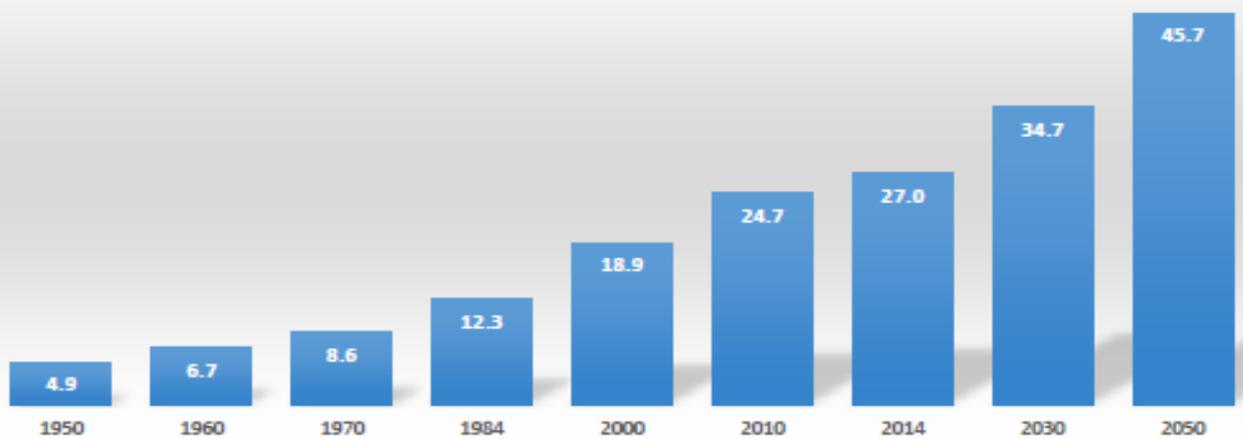
While opinions, including those of the Government White Paper on the CRC report, differ on some aspects of the recommendations, there have been further public calls for a long-term national development plan, binding on all governments. The Christian Council of Ghana and the Ghana Institute of Planners have been among the most vocal and persistent advocates of such a plan.

### **3. Demographic Basis for Long-term Planning**

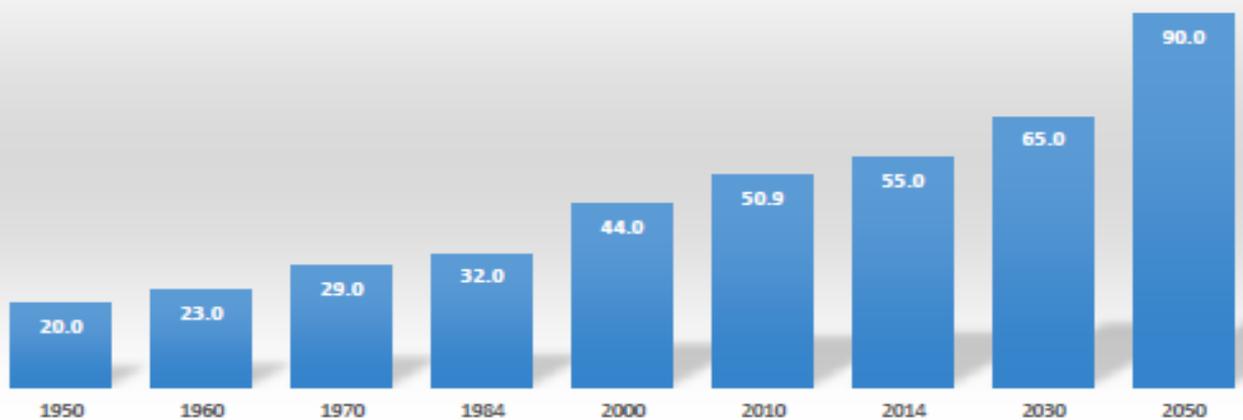
Major changes in the population of Ghana – size, composition, where they live, where they work, and how they get to and from work, among other factors – require that we plan for the long-term. It is estimated, for example, that by the year 2050, Ghana's population would be nearly 46 million (up from 27 million in 2014), and of the 46 million some 90 percent would live in urban areas (up from about 55.0% in 2014).

Some have called for a halt to urbanisation, but this is unrealistic and indeed counter-productive. Urbanisation is an inevitable fact of life and of development; it is also known that for all the challenges that countries like Ghana face with urbanisation, in general, labour productivity (and by extension incomes) tend to be higher in urban areas than they do in rural areas. Rather than trying to do the impossible – which is to stop urbanisation – we should rather anticipate it, plan for it, and manage it by providing the necessary infrastructure and, more important, promoting the efficient use of space – for human settlements, agricultural, commercial and industrial use, transport services as well as civic and leisure use.

**Population Levels in Ghana (1950-2050), millions**



**Ghana: Population Living in Urban Areas (%) 1950-2050**



Source: National Development Planning Commission (2015)

#### **4. Petroleum Revenue and Long-term Planning**

The Petroleum Revenue Management Act (Act 815) of 2011 provides perhaps the strongest legal basis for the development of a “long-term national development plan” for Ghana. In discussing the use of petroleum revenue for national development, Act 815 (21) (2) (d) states that the allocation of the annual spending amount shall, among other things, be “guided by **a medium-term expenditure** framework aligned with **a long-term national development plan approved by Parliament**”.

The Act also states: “The exact percentage of the Benchmark Revenue which shall be allocated annually to the Annual Budget Funding Amount shall be guided by **a medium-term development strategy** aligned with **a long-term national development plan**, absorptive capacity of the economy and the need for prudent macroeconomic management.”

The Act further states that for any financial year, “a minimum of seventy percent of the Annual

Budget Funding Amount shall be used for public investment expenditures consistent with **the long-term national development plan** or with subsection (3).”

A “***national development plan***” is defined in the Act as a “plan prepared by the National Development Planning Commission”.

## **5. Who constitute the Commission?**

**According to the 1992 Constitution, the Commission shall consist of:**

- (a) A Chairman who shall be appointed by the President in consultation with the Council of State;
- (b) A Vice Chairman elected by the members from among their number;
- (c) **The Minister responsible for Finance and such other Ministers of State as the President may appoint,**
- (d) **The Government Statistician;**
- (e) **The Director-General appointed under section 10 of this Act;**
- (f) **The Governor of the Bank of Ghana;**
- (g) One representative ***from each region of Ghana*** appointed by the Regional Co-ordinating Council of the region who shall have experience in development planning; and
- (h) Such other persons as may be appointed by the President having regard to their knowledge and experience of the relevant areas and roles pertaining to development, and to economic, social, environmental and spatial planning.

## **6. Role of NDPC**

Article 87 of the 1992 Constitution states, among other things, that the National Development Planning Commission (NDPC) “shall, at the request of the President or Parliament, or on its own initiative:

- (a) study and make strategic analyses of macro-economic and structural reform options;
- (b) make proposals for the development of multi-year rolling plans, taking into consideration the resource potential and comparative advantage of the different districts of Ghana;
- (c) make proposals for the protection of the natural and physical environment;
- (d) make proposals for ensuring the even development of the districts of Ghana by the effective utilisation of available resources; and
- (e) monitor, evaluate and co-ordinate development policies, programmes and projects.

The National Development Planning Commission Act of 1994 (Act 479), which set up the Commission, reiterates these functions (in addition to specifying its structure and composition) by stating that the Commission shall do the following:

- f) undertake studies and make recommendations on development and socio-economic issues ‘
- g) ***formulate comprehensive national development planning strategies*** and ensure that the strategies including consequential policies and programmes are effectively carried out’
- h) ***prepare broad national development plans***
- i) keep under constant review national development plans in the light of prevailing domestic and international economic, social and political conditions and make recommendations for the revision of existing policies and programmes where necessary; and
- j) perform such other functions relating to development planning as the President may direct.

The National Development Planning (System) Act of 1994 (Act 480) states that the Commission “shall be the national co-ordinating body of the decentralized national development planning system.” Act 480 further states that the decentralized national development planning system “shall comprise District Planning Authorities as

the district level, Regional Co-ordinating Councils at the regional level and sector agencies, Ministries and the Commission at the national level”, putting the Commission at the apex of the national development planning system.

On the basis of Article 87 of the Constitution as well as Acts 479 and Act 480, the Commission since its establishment has worked with successive governments to develop various plans, including **Vision 2020** (1996-2020), which aimed to transform Ghana into a middle-income country in 25 years. That long-term plan was terminated in 2001 and replaced with a succession of medium-term policy frameworks and plans, namely: Ghana Poverty Reduction Strategy (GPRS I, 2002-2005); Growth and Poverty Reduction Strategy (GPRS II, 2006-2009); Ghana Shared Growth and Development Agenda (GSGDA I, 2010-2013) and Ghana Shared Growth and Development Agenda (GSGDA II, 2014-2017).

There is a general view that the medium-term frameworks and their medium-term plans, developed by the central government and district assemblies respectively, have not served Ghana well, hence the calls for a long-term national development plan.

In responding to these concerns, the National Development Planning Commission reviewed both Ghana’s development planning record dating back to the 1920s, as well as the planning experiences of other countries, mindful of the current political context of planning in Ghana where different political parties come to power with specific development agendas (or manifestos) that may be at variance with those of their predecessor. Development planning in other parts of the world, in particular Asia, has taken place under military regimes, one-party states, or strong central governments with little or no change in leadership or ideology. The Commission also examined the Directive Principles of State Policy of the 1992 Constitution and how they can facilitate the preparation of long-term national development plans that are binding across governments over the long term yet flexible enough to allow each government the space to carry out its manifesto promises.

## **7. Framework and Plans**

The Commission decided that the Directive Principles of State Policy, which are accepted by all Ghanaians as an integral part of the 1992 Constitution, provide enough broad guidelines for the preparation of a **high-level plan**, or **framework**, that would be long-term in nature and binding on all successive governments but flexible enough to allow each government to prepare its own **operational or medium-term plans**, based on its manifesto, for the attainment of the Vision, Goals and Objectives of the framework.

In addition to the Constitution, such a framework, especially the measurable objectives, will be informed by the views of Ghanaians (at home and abroad) through public consultations as well as submissions by the following: The Presidency; Parliament; Judiciary; Ministries, Departments and Agencies; Metropolitan, Municipal and District Assemblies; other state organisations; political parties; faith-based organisations; professional associations; as well as other civic organisations.

The framework will also be informed by various existing laws, policies, and reports, as well as international frameworks, such as the 15-year **Sustainable Development Goals (SDGs)** of the United Nations and the 50-year **Agenda 2063** of the African Union, among others. As a member of the UN and AU, Ghana is required to include the goals of their frameworks into its own national development plans and report on them periodically.

A framework acceptable to all Ghanaians, following both public and technical consultations, can best serve the purposes of a long-term development “plan” without constraining the ability of political parties to fulfil their manifesto promises. The Commission has proposed a 40-year time horizon, starting from 2018 and ending in 2057, when Ghana would be celebrating its 100<sup>th</sup> independence anniversary. This framework would entail 10 four-year medium-term plans by successive governments that will end in 2057, as well as 10 national elections, beginning with the election of 2020 and ending with the election of 2056.

The Commission has proposed that the framework should be subjected to 4 decennial (or 10-year) reviews by Parliament. However, the operational plans will be monitored by the National Development Planning Commission through its Annual Progress Reports as well as the sitting President’s constitutionally mandated State of the Nation Address. Non-governmental organisations may undertake independent evaluation of progress and share the findings with the public.

It is important to note that the implementation of any long-term plan entails the preparation of successive medium-term plans, which in turn are operationalised into annual plans that are linked to the annual budget. Currently, government is implementing the sixth medium-term plan under the Fourth Republic, the **Ghana Shared Growth and Development Agenda (GSGDA II)**. That Plan comes to an end in 2017 and a new one spanning 2018-2021 will, under the law, have to replace it.

If this new plan becomes the first of the 10 medium-term plans under a long-term plan, it would be the first time in the Fourth Republic that a medium-term plan has been provided a strategic anchor. This will help political parties prepare more realistic manifestos and relieve them of the pressures of making promises that are often hard to achieve – they would work primarily towards the goals and targets would have been accepted by all Ghanaians under the long-term plan. This would also contribute to the efficient utilisation of scarce national resources.

*Source: National Development Planning Commission, August 2015.*