

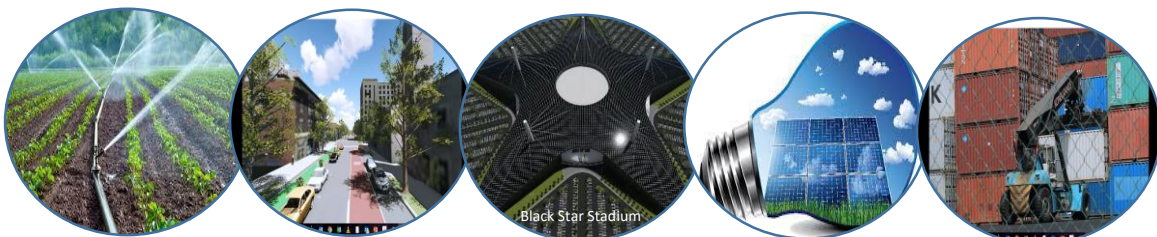


REPUBLIC OF GHANA

BLACK STAR RISING...

Long-term National Development Plan of Ghana (2018-2057)

Outline



**... the most secure democracy is the one that assures the
basic necessities of life for its people as a fundamental duty.**

1992 Constitution, Article 36 (2)(e)

**National Development Planning Commission
September 2017**

KEY ELEMENTS OF THE LONG-TERM PLAN¹

- **INTRODUCTION**
- **PREFACE AND ACKNOWLEDGEMENTS**
- **THE LONG ROAD TO NATIONHOOD**
 1. Pre-Gold Coast Societies
 2. Early Contact with outsiders
 3. Advent of Foreign Religions
 4. Evolution of British Colonialism
 5. Governance under Colonialism
 6. Emergence of the Colonial Economy
 7. The Rise of Cocoa
 8. Prelude to Independence
 9. Independence: The Challenge of Development
- **A HISTORY OF OUR FUTURE: THE PATH TO HIGH-INCOME STATUS**
 1. The Future Envisioned
 2. Overall Goal of the Plan: Transformation
 3. The Five Strategic Goals of the Plan
 4. Interlinkages between the Goals
 5. From Vision to Action
- **GOAL ONE: BUILD AN INDUSTRIALISED, INCLUSIVE AND RESILIENT ECONOMY**
 1. Recent Economic Performance
 2. Structure of the Economy: Change without Transformation
 3. Growth in National Income
 4. Macroeconomic Performance
 5. International Trade and Investment
 6. Economic Growth and Job Creation
 7. Vision of Growth (2018-2057)
 8. The Strategy for Growth
 9. Re-Thinking Private Sector Development
 10. Managing Public Expectations in the Age of Petroleum
 11. Strategic Growth Areas
 - *15 Growth Areas (short-to-medium term)*
 - *10 Growth Areas (medium-to-long term)*
 12. Strategic Exports and International Trade
 13. Drivers of Economic Growth
 14. A New Approach to Measuring Economic Growth
 15. New Approaches to Managing Development
 16. Modelling the Ghanaian Economy for Effective Decision Making
 17. Local Economies as the Foundation of the National Economy
 18. Regional Economic Profiles
 19. Special Development Areas

¹ The full Plan, which was submitted to the President on 26th September, 2017, is currently under review by the Government for onward submission to Parliament and its eventual publication.

- **GOAL TWO: CREATE AN EQUITABLE, HEALTHY AND PROSPEROUS SOCIETY**

Overview of Social Development Policies in Ghana

Cross-Cutting Issues in Social Development

1. Population and Development
2. Culture and Development
3. Poverty and Inequality
4. Gender Equality and Women's Issues
5. Social Protection

Sectoral Issues in Social Development

1. Education: Pre-tertiary and Tertiary
2. Health and Health Services
3. Housing, Water and Sanitation
4. Food and Nutrition Security
5. Sports and Recreation
6. Child and Family Welfare
7. Youth Development
8. Disability and National Development
9. Support for the Aged

Other Issues

1. Role of the Middle Class in National Development
2. The Future of Work
 - *Current nature of Work in Ghana*
 - *Preparing for the Future of Work*
 - *Technological Upheavals of the Future and Work*
3. Migration and Development

- **GOAL THREE: BUILD WELL-PLANNED AND SAFE COMMUNITIES WHILE PROTECTING THE NATURAL ENVIRONMENT**

Spatial Planning and Human Settlements

1. Urban Development
2. Rural Development
3. Natural Environment Management
 - Minerals Exploitation
 - Forest Management
4. Climate Variability, Change and Management
5. Disaster Risks and Management

Infrastructure for Human Settlements

1. Energy Infrastructure: Electricity (generation, transmission, distribution); other
2. Transport Infrastructure: Roads; aviation; maritime and water transport; railways; logistics.
3. Water and Water-Related Infrastructure:
 - Water Resources Management
 - Water Supply
 - Integrated Waste Management (liquid and solid waste)

- Irrigation Infrastructure
- Drainage, Flood Control, and Coastal Protection
- 4. Housing Development
- 5. Social, Civic, and Commercial Infrastructure
- 6. Construction Industry Development
- 7. ICT Infrastructure
- 8. Human Resources for Infrastructure Development
- 9. Financing Infrastructure

Implementation of the Infrastructure Plan: The Infrastructure Plan will be implemented as an integral part of the Long-term National Development Plan, in conjunction with the *National Spatial Development Framework*, which was completed in 2015.

Role of the Private Sector: Ghanaian businesses will be empowered, through appropriate policies and state support, to lead in the implementation of the Infrastructure Plan through skills development, enhanced equipment capacity and the local production of a wide range of construction materials, among others.

Getting Value for Money: The following major initiatives have already commenced, in collaboration with the Ministry of Finance, to ensure a sound environment for the implementation of the Infrastructure Plan:

1. **Development of a Database of Unit Costs for Infrastructure:** This will help address the wide cost variations that often characterise infrastructure of the same specifications at different locations of the country.
2. **Procurement Value Chain Analysis:** The objective is to identify bottlenecks in procurement in Ghana and propose strategies for minimising and eliminating them.
3. **Ghana Infrastructure Database:** To create public awareness of infrastructure matters, including cost, project type, project location, project duration, contractors, among other critical issues.

Principles for Infrastructure Delivery: All infrastructure delivered under the Plan will be:

1. **Cost-effective** (subject to rigorous standards of modern procurement practices to ensure value-for-money, while attaining and maintaining the highest standards possible).
2. **Accessible to all** (especially for PWDs, the aged, children, etc.)
3. **Efficient** (designed to maximise the use of natural resources, such as natural light – e.g. skylights – natural air, land, and space).
4. **Environmentally sustainable** (e.g. strike appropriate balance between requirements of the built environment and the need to preserve the natural environment for current and future generations).
5. **Maintenance framework:** All infrastructure planning and delivery should include implementable and measurable frameworks for effective maintenance to ensure maximum benefit for the public across generations.
6. **Key Preconditions for infrastructure development**
 - Land reforms
 - Local governance reforms
 - Inter-agency mandates reforms and rationalisation

• **GOAL FOUR: BUILD EFFECTIVE, EFFICIENT, AND DYNAMIC INSTITUTIONS FOR NATIONAL DEVELOPMENT**

Deepening Democratic Governance in Ghana

1. The Executive
2. The Legislature
3. The Judiciary

Government Machinery

1. Instability in Government Machinery
2. Ministerial Realignment and Restructuring
3. Duplication in State Agency Mandates
4. Establishment of Autonomous Public Services

Accelerating and Sustaining Decentralisation in Ghana

1. Political Decentralisation
2. Administrative Decentralisation
3. Fiscal Decentralisation
4. Decentralised Planning
5. Economic Decentralisation

Participation of Women and Other Disadvantaged Groups in Governance

1. Women's Participation and Representation
2. Participation and Representation of Other Marginalised Groups

Strengthening the Capacity of the Public Sector to Deliver Development

Human Security and Public Safety

1. The Ghana Police Service
2. The Ghana Prisons Service
3. The Judiciary

Political and Civil Violence

1. Pre- and Post-Election Violence
2. Chieftaincy Disputes and Related Violence
3. Land-related Violence
4. Mob Rule and Instant Justice

Promoting and Deepening Good Corporate Governance

1. The State of Corporate Governance in Ghana and its Impact on Development
2. Institutions and Regulatory Framework for Corporate Governance in Ghana
3. Challenges and Areas for Redress

Strengthening Governance in the Civic Sector

1. Strengthening and promoting respect for law and order ('Good Society')
2. Promoting patriotism, including civic rights and responsibilities, among all Ghanaians
3. Fighting corruption and waste
4. Promoting culture and national values for development

5. Strengthening the role of traditional authorities as partners in national development
6. Supporting the participation of civil society organisations (CSOs) as partners in good governance

- **GOAL FIVE: STRENGTHEN GHANA’S ROLE IN INTERNATIONAL AFFAIRS**

1. Overview of Ghana’s Role in the World
2. Developments in the International Environment
3. Strengths, Weaknesses, Opportunities and Threats
4. ‘Ghana Beyond Aid’
5. Indicative Strategies for Attaining Goal Five

- **PARTNERSHIPS, VALUES AND STRATEGIES FOR SUCCESSFUL IMPLEMENTATION**

- **OPPORTUNITIES AND CHALLENGES OF PLAN IMPLEMENTATION**

- **FINANCING THE PLAN: SOURCES AND STRATEGIES**

.....

QUESTIONS AND ANSWERS ABOUT THE LONG-TERM PLAN

Q. Isn’t 40 Years Too Long?

A. In the life of an individual, 40 years may seem “too long”. But, in the life of a nation that will be around for thousands of years, it is not. It is roughly the period required for the comprehensive transformation of a country’s economy and society.

Q. What will happen over 40 Years?

A. Ghana’s current 4-year medium-term plan, which is known as the second Ghana Shared Growth and Development Agenda (GSGDA II, 2014-2017), ends in December 2017. Between 2018 and 2057, when Ghana turns 100, there will be 10 additional medium-term plans for a total of 40 years.

With or without a long-term plan, successive governments will prepare and implement these 10 medium-term plans. A long-term plan serves as a strategic framework for the preparation of these plans by successive governments, so that they are coherent and reflect a common vision to guide national development across generations. Naturally, adjustments will be made to the Plan over time to take account of new information or changes in circumstances. Nothing is cast in stone.

Q. What else will happen during this period?

A. By coincidence, there will also be 10 general elections between 2020 and 2056, roughly coinciding with the period of the long-term plan (2018-2057). The 10th election will be held in 2056 and the winner will take office in the historic year of 2057. Indeed, the generation of Ghanaians who will be 40 years in 2056 and thus qualify to field a presidential candidate in the election of that year was born in 2016. Given that the average age of a president in the 4th Republic is 60 years, the president of Ghana in 2057 may be anywhere from kindergarten to university as of 2017. The future is already

here, and we need to plan for it to avoid the mistakes of the past. The table below summarises these key milestones.

Economic and Political Road Map to High-Income Status

	Medium-term Plans (Years)	National Elections (Years)
1	2018-2021	2020
2	2022-2025	2024
3	2026-2029	2028
4	2030-2033	2032
5	2034-2037	2036
6	2038-2041	2040
7	2042-2045	2044
8	2046-2049	2048
9	2050-2053	2052
10	2054-2057	2056

Source: National Development Planning Commission (2016)

Q. Will the Plan Replace the Manifestos of Political Parties?

A. The answer is ‘no’. Rather, it will assist political parties to prepare their manifestos by providing them with strategic analysis of how the world of the future is likely to look and how to face it through innovative and effective policies. For example, the Plan’s analysis of the Future of Work (its prospects and challenges in the face of rapidly changing technology) can and must influence the preparation of manifestos and policies on employment and decent work.

The long-term plan thus provides the *continuity* that Ghana needs for its social and economic transformation over the long term and the flexibility of *change* in government occasioned by elections. This innovative approach of blending *continuity* and *change* around a common vision of national development in a multi-party democracy has been applauded by many, including the African Union.

Q. Don’t the ‘Directive Principles of State Policy’ of the 1992 Constitution Serve as a Long-term Plan?

A. As the name indicates, it is a set of principles that are meant to guide the formulation of government policies and plans; they do not by themselves constitute a plan. A long-term plan provides the analytical and strategic context for making such policies based on the *Directive Principles*.

Q. Hasn’t Ghana had a long-term national development plan before?

A: In 1994, the Commission drafted a long-term national development plan known as *Vision 2020*, which was to be implemented over a 25-year period, 1996-2020. Due to administrative challenges, the plan was not published. However, the first medium-term plan from it, known as *Ghana: Vision 2020: The First Step (1996-2000)*, was published. It guided the government’s development policies until 2001, when it was replaced with the Ghana Poverty Reduction Strategy under the Heavily Indebted Poor Countries (HIPC) initiative. Since then, various attempts have been made to produce another long-term plan, without any success. This is the first successful effort.

Q. Wasn’t there a long-term development plan in the First Republic?

A: The most notable plan of the First Republic was the *Seven-Year Plan for National Reconstruction and Development, 1963/64-1969-70*. It was a medium-term plan. However, it had the following to say about the importance of long-term planning:

The economic policies to be realised under this and successive plans of economic development will lack direction and consistency unless they are firmly related to a clear vision of the structure of economy towards which we are moving. Besides, it is only in the longer view that it is rational to project any really radical transformation of an economic system.

In the very short period, we remain prisoners of our past. The most important factors which determine the level of a country's economic development are not subject to radical change in a short period.... Short-term plans such as the present and subsequent ones can only contribute to a change in the basic features of the economy if they are viewed as instalments in a long-run programme designed to effect such change even though the short-term plans themselves must accept some of these features as being fixed for their own duration.

Q. What kind of plan is the current one?

A. All long-term plans are inherently frameworks (or vision documents) that guide the preparation and implementation of medium- and short-term (or operational) plans. In popular usage, however, and for effective communication, the word “plan” is often used interchangeably with “framework” or “vision”. In 2011, Parliament passed the Petroleum Revenue Management Act, (Act 815). Aspects of this law refer to a “long-term plan” for Ghana to be approved by Parliament. The current document, though called a “plan”, is actually a framework, or a vision document, that will guide successive governments in the preparation of their medium-term plans between 2018 and 2057. After 2057, when Ghana would have attained high-income status, it is likely that the government at the time will depend more on medium-term planning and restrict long-term planning to infrastructure, which requires long gestation and implementation periods.

Q. What are some of the other advantages of a long-term plan?

A.

- It inspires a people to rise to their fullest development potential
- It fosters a collective sense of urgency
- It provides an ideal destination towards which a nation works, purposefully
- It helps to mobilise people, irrespective of their political or other affiliations, around a common national development agenda
- It helps to mobilise resources for national development on a scale that might otherwise not be possible
- It unleashes the latent potential of the private sector by giving it a sense of certainty and direction.

Q. Does the name of a plan matter?

A. Long-term plans the world over are known by different names, but they are all meant to cast a vision of the future and to inspire and guide the preparation of medium- and short-term plans that

will ultimately transform economies and societies in a fundamental way. Examples of names of long-term plans include the following:

- Long-range Economic Plan
- National Vision
- Long-term Framework
- Long-term Perspective
- Perspective Plan
- Transformation Agenda

Ultimately, the choice of name is a matter of national preference. Content is more important.

Q. Are there examples of long-term plans by others?

A. The following are examples of long-term plans from around the world:

- Algeria: *Establishment of a National Vision 2030*
- Kenya: *Vision 2030*
- Japan: *Long-range Economic Plan (1958), followed by 'Income-doubling plan'*
- Malaysia: *Vision 2020 – Wawasan 2020*
- New Zealand: *30-year Infrastructure Plan*
- Norway: *Long-term Perspectives on the Norwegian Economy (up to 2060)*
- Qatar: *Vision 2030*
- Saudi Arabia: *Saudi Vision 2030*
- South Africa: *National Development Plan, 2030*
- South Korea: *Vision 2040*
- Turkey: *Over 50 years, ending in 2023 (centenary of modern Turkey)*
- Uganda: *Vision 2040*
- Organisation for Economic Cooperation and Development (OECD): *Looking to 2060: Long-term global growth prospects*
- Stanford University: *100-year Research Programme into Artificial Intelligence.*

The length of a long-term plan is determined by a country's history, stage of development, assessed needs, and vision.

In addition to the above, most multinational corporations, such as mining, oil and energy companies, have long-term plans ranging between 50 and 100 years. Some of these companies operate in Ghana and have decided already what role Ghana will play in those plans.

Q. Are there any other reasons why Ghana must plan long term?

A: The following observation by a British journalist who visited Accra over 140 years ago is a reminder that we cannot take the future for granted, that in order for us to transform our economy and society, we must take a structured and visionary look of our future and work purposefully towards it. Nothing can be left to chance.

Street hawking in 1874 The principal street of Accra is an amusing sight: Some effort appears to be made to keep it clean and the sales people sit upon little mats, or upon low stools which are used all over this country. They line both sides of the street, and expose for sale every sort of article prized by the natives, and the goods being contained in wooden trays everywhere in use here. <i>Observations of a reporter of the Illustrated London News, after he visited the Gold Coast in 1874.</i>	Street hawking in 2017 Mr. Mohammed Adjei Sowah, the Accra Metropolitan Chief Executive (MCE), has cautioned traders not to display their wares on the streets and walkways in the Central Business District. According to him, selling on the streets posed a threat to the lives of the commuting public. He further advised the traders not to display their wares beyond the red line demarcation by the Accra Metropolitan Assembly (AMA). <i>AMA boss cautions hawkers against taking over walkways (Citifmonline.com, Saturday, April 22, 2017)</i>
--	---

Q. What role will Parliament play in the long-term plan?

A. In addition to reviewing plan implementation through the Annual Progress Reports that NDPC produces, Parliament, with technical input from the Commission, will review the long-term plan every 10 years and make recommendations for revisions to targets or strategies, or any other changes that it may deem necessary for the broad achievement of the goals of the plan.

Q. What is the role of the international community in the long-term plan?

A. As a member of the United Nations and the African Union, Ghana is required to incorporate the UN's *Sustainable Development Goals (SDGs)* and the African Union's *Agenda 2063* into its national development agenda. The incorporation of the SDGs followed the successful incorporation of the Millennium Development Goals (MDGs) (2000-2015) into Ghana's various medium-term plans, starting from GPRS I to the current GSGDA II.

Although the MDGs nominally spanned a 15-year period, the goals were benchmarked against indicators in 1990, effectively making the implementation period 25 years. With the SDGs spanning another 15 years (2015-2030), the UN's framework for ending global poverty is spread over 40 years. The SDGs are made up of 17 goals and 169 targets.

The AU's *Agenda 2063*, launched in 2013 on the 50th anniversary of the founding of the Union, spans 50 years and is to be implemented by member states in 10-year instalments. It has 20 goals and 256 targets.

The goals of the two frameworks have been aligned with the five goals of Ghana's long-term national development plan, and almost all their associated targets have been adapted or adopted in the long-term plan in line with Ghana's national development aspirations.

Aligning the Long-term Plan with Global Development Frameworks

LONG-TERM NATIONAL DEVELOPMENT PLAN	SDGs	AGENDA 2063
Goal 1: Build an industrialised, inclusive and resilient economy	Goals: 1, 2, 8, 9, 12, 14	Goals: 4, 5, 6, 7, 20
Goal 2: Create an equitable, healthy and prosperous society	Goals: 1, 2, 3, 4, 5, 10, 16	Goals: 1, 2, 3, 16, 17, 18,
Goal 3: Build well-planned and safe communities while protecting the natural environment	Goals: 1, 6, 7, 9, 11, 12, 13, 14, 15	Goals: 7, 10

Goal 4: Build effective, efficient and dynamic institutions for national development	Goals: 1, 16, 17	Goals: 11, 12, 13, 20
Goal 5: Strengthen Ghana's role in international affairs	Goals: 1, 10, 16, 17, 13,	Goals: 8, 9, 14, 15, 16, 19

CONSTITUTIONAL AND OTHER BASES FOR THE LONG-TERM PLAN

In preparing the long-term national development plan, the Commission was guided by the following:

- i. The 1992 Constitution (Article 87(2)) – Constitutional mandate
- ii. The Commission's enabling law (Act 479, 1994) – Legal mandate
- iii. Request by Parliament (Act 815, 2011) – Legislative mandate
- iv. Constitution Review Commission's Report (2011) – Popular mandate
- v. Meeting the needs of a growing population – The demographic imperative
- vi. Opportunities and threats of globalisation – The global imperative
- vii. Regional integration – ECOWAS and Africa

The highlights for each of the above are provided below:

Constitutional Mandate: Article 87(2)

The Commission shall, at the request of the President or Parliament, or on its own initiative –

- study and make strategic analyses of macro-economic and structural reform options;
- 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;
- make proposals for the protection of the natural and physical environment;
- make proposals for ensuring the even development of the districts of Ghana by the effective utilisation of available resources.

Legal Mandate: Act 479 (1994)

Among its many responsibilities, the Commission is mandated by Act 479 to do the following:

- make proposals for the development of multi-year rolling plans ...
- undertake studies and make recommendations on development and socio-economic issues
- formulate comprehensive national development planning strategies and ensure that the strategies, including consequential policies and programmes, are effectively carried out
- prepare broad national development plans
- 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.

Legislative Mandate: Act 815 (2011)

In 2011, Parliament passed Act 815 governing the use of petroleum revenue. The law also asked for the preparation of a "long-term national development plan... to be approved by Parliament". Among other things, the Act states:

- (21) (2) (d): [T]he allocation of the annual spending amount [from Petroleum Revenue] shall, among other things, be “guided by *a medium-term expenditure framework aligned with a long-term national development plan approved by Parliament*”.
- “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 Act 815 as a “plan prepared by the National Development Planning Commission”.

Popular mandate: Constitution Review Commission Report, From a Political to a Developmental Constitution (2011)

Chapter 3 of the report recommends a long-term national development plan and proposes what it should look like:

- i. A Long-term Development Plan should be national in character.
- ii. The Plan should be binding on all successive governments.
- iii. The Plan should be region- and district-specific, and not [only] national in character.

The report gives the following justification for a long-term national development plan:

- Only long-term planning can deal with the intractable developmental challenges that the nation faces.
- Only a long-term plan may be incorporated into a national Constitution, since Constitutions are crafted as long-term documents.
- A long-term development plan will ensure that present and future generations are catered for in development planning.

The demographic imperative

Ghana’s population is projected to reach 57.3 million by 2057, with the urbanisation rate rising from just over 50.0 percent in 2010 to nearly 80.0 percent in 2057. The provision of housing, educational and health facilities, as well as infrastructure, including energy, requires the kind of long-term perspective proposed in this plan. Failure to take such a long-term view in the past has been the cause of the many shortages and deficits Ghana currently suffers in such key sectors as electricity and housing.

The global imperative

There have been great shifts in global economic output and influence since 1960. The share of the United States in world GDP, for example, fell from about 40.0 percent in 1960 to just over 24.0 percent in 2015, while China’s simultaneously increased from 4.3 percent to 14.8 percent over the period. Although in absolute terms, the US economy in 2016, at US\$18.6 trillion, was the largest in the world,

compared to US\$11.2 trillion for China, the latter is projected to become the largest by 2050, at US\$105.9 trillion.²

These changes have implications for economic policy in Ghana, given the fact that Ghana's share of global economic output declined from 0.09 percent to 0.05 percent between 1960 and 2015. Policies under the plan must, therefore, aim not only to strengthen the economy but also to attain a greater share of the world economy, including trade with major global economies of the future.

Fostering regional integration

Major demographic and economic changes are expected to take place in West Africa and on the rest of the African continent. Ghana needs to anticipate these changes and prepare for them, in terms of trade, immigration, and development cooperation, among others. The emergent Abidjan-Accra-Lagos Mega-Region will require a modern network of efficient infrastructure and logistics for Ghana to be able to benefit from regional trade and investment.

Escaping the Middle-Income Trap

The attainment of middle-income income status is no guarantee that a country will proceed automatically to high-income country status. There is always a threat that the country may stagnate; a situation known as the "middle-income trap". At worst, Ghana may fall back to low-income status. In 2014, the depreciation of the cedi by nearly 35.0 percent slashed US\$10.0 billion from Ghana's GDP, followed by another drop of US\$2.3 billion in 2015, when the cedi lost 22.2 percent of its value against the dollar. In the event, Ghana's per capita income fell from a record US\$1,740 in 2013 to US\$1,480 in 2015, moving the country back towards the middle-income cut-off point of US\$1,040. The surest way to avoid the middle-income trap is to plan purposefully over the long term and implement the Plan with vigour and commitment.

² Economist Magazine, *Economist Intelligence Unit*, 2015.