

**AN EXAMINATION OF THE SUSTAINABILITY OF THE
GHANA BEYOND AID AGENDA: CHALLENGES AND
PROSPECTS**

BY

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DECLARATION

I, Solomon Ananpansah, do hereby declare that this dissertation is the outcome of original research conducted by me under the supervision of Ambassador Dr. Kodzo K. Alabo of the Legon Centre for International Affairs and Diplomacy, University of Ghana and that, to the best of my knowledge, no part of it has been submitted anywhere for any other purpose, except where due acknowledgment has been made in the text.

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DATE.....

DEDICATION

This work is dedicated to the Almighty God and to my beloved family; my father Mr Bartholomew Ananpansah, Mama Abena and to my siblings. It is also dedicated to the common Ghanaian aspiration for economic prosperity.

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I give profound gratitude and praise to the ever gracious Lord for the strength of mind and grace in carrying out this study successfully, “O Lord, our Lord, how excellent is thy name in all the earth! Who hast set thy glory above the heavens” (KJV; Psalm 8:1)

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LIST OF ACRONYMS AND ABBREVIATIONS

AAA	Accra Agenda for Action
AFDB	African Development Bank
AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
CDD	Center for Democratic Development
CFTA	Continental Free Trade Area
DAC	Development Assistance Committee
EIB	European Investment Bank
ERP	Economic Recovery Programme
EU	European Union
GBS	General Budget Support
GDP	Gross Domestic Product
GES	Ghana Education Service
GNP	Gross National Product
GNPC	Ghana National Petroleum Corporation
GoG	Government of Ghana
GPRS I	Ghana Poverty Reduction Strategy
GPRS II	Growth and Poverty Reduction Strategy
GSGDA	Ghana Shared Growth and Development Agenda
HIPC	Heavily Indebted Poor Country
IDA	International Development Association
IEA	Institute of Economic Affairs
IMF	International Monetary Fund

MDBS	Multi-Donor Budget Support
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
MMDAs	Metropolitan, Municipal and District Assemblies
MoF	Ministry of Finance
NCCE	National Commission for Civic Education
NDPC	National Development Planning Commission
NGOs	Non-Governmental Organizations
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OFID	OPEC Fund for International Development
PACT	Pan-African Coalition for Transformation
PD	Paris Declaration
SAP	Structural Adjustment Programme
SDGs	Sustainable Development Goals
UN	United Nations

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ABSTRACT

Foreign aid constitutes an important source of developmental funding for many African states including Ghana. In 2018, the government of Ghana announced an intention to pursue an Agenda to build ‘Ghana Beyond Aid’ through the prudent management of the countries resources. This work seeks to look at the sustainability of the “Ghana Beyond Aid” agenda by examining the interpretations and purpose of “Ghana Beyond Aid”, elite consensus on pursuing a “Ghana Beyond Aid” and the challenges and prospects of the agenda. The study employed the qualitative research methodology and relied on both primary and secondary data for the analysis. Primary data were sourced from the Ghana Beyond Aid Secretariat, Parliament, Civil society, Development partners, Academia, NDPC and Political parties via interviews. The study found that, “Ghana Beyond Aid”, is subject to so many interpretations which all reflect a decreasing relevance of aid relative to its contribution to development in a changing context of development cooperation. However, two broad interpretations have been derived: the literally concept, implying a complete cut or rejection of aid and the purposive concept, referring to the vision for Ghana to attain economic self-sufficiency and wean itself from aid dependency. Also, the study revealed an underlying consensus on the need for Ghana to strive for self-sufficiency in line with the purposive concept of ‘Ghana Beyond Aid’. It was however found that, forging a bi-partisan consensus on the implementation of the agenda across governments is difficult to reach due to the dangerously competitive nature of the country’s political template. ‘Ghana Beyond Aid’, the study showed, presents Ghana with the opportunity to make the most out of its resources to get out of aid dependency. It also calls for a commitment to increased domestic resource mobilization, accountable leadership, a fight against corruption and wastage.

CHAPTER 1

INTRODUCTION

1.0 Background to the Study

Several decades after their independence, most African countries are still struggling to find their feet on the development ladder. Poverty, diseases, illiteracy and inequality plague the continent. According to a 2018 World Bank report, Sub-Saharan Africa accounts for most of the world's poor, the report adds that unlike most of the rest of the world where poverty is declining, the total number of poor in Sub-Saharan Africa is increasing (World Bank, 2018). The number of people living in abject poverty on the continent has increased from an estimated 278 million in 1990 to 413 million in 2015, and out of the world's most poor 28 countries, 27 are found in Sub-Saharan Africa, all of them having poverty rates above 30 % (World Bank, 2018), For decades, Africa has remained the focus of the entire world with concerns about the levels of poverty, standard of living and conflicts on the continent.

The continent has received foreign aid from the rest of the world, especially the West in an effort to help Africa overcome its development challenge. Africa in the past fifty years has received in excess of one trillion dollars in development aid from the rest of the world, and several millions of dollars continue to flow into the continent in the form of aid annually (Moyo, 2009). In March 2017, the World Bank Group pledged a record \$57 billion dollars in aid for Sub-Saharan African countries over the next three fiscal years. This World Bank Group financing is expected to support transformation in priority areas like health, education, water and access to power (Baden, 2017). Despite the huge

transfer of foreign aid to Africa for decades, the continent remains underdeveloped. The West has transferred more than \$600 billion in development assistance to Africa so far (Akonor, 2008). More than half of the continent still relies on aid as the largest external source of financing their development. Aid has not done much in helping to change the destinies of many African states as underdevelopment and poverty is still widespread on the continent, while some states are considered to have failed (Andrews, 2009). Moyo (2009) asserted that foreign aid is not the potential solution to the development quandary of Africa, that it is rather the problem and not the solution to Africa's development challenge. She maintains that, aid engenders a culture of dependency and promotes corruption which hampers growth and contributes to underdevelopment and economic problems in the aid reliant countries. She finally suggests complete end to aid to Africa within a specified period of time.

Ghana since the 1960s has been receiving foreign aid to finance its development, despite the countries rich natural resources such as gold, cocoa, timber, oil, bauxite, arable land and manganese, among others. At Ghana's 61st Independence Day celebration, President Nana Akufo-Addo announced an agenda to build "Ghana beyond aid" through the prudent management of the country's resources (Independence Day Speech, 2018). The "Ghana beyond aid" charter committee was inaugurated to draft a "Ghana Beyond Aid Charter" which sets out the true meaning, purpose and calendar of implementation to enable Ghana reach the goal of weaning itself completely from reliance on foreign aid for her development (Office of the President, 2018). This study forms part of studies to examine this development agenda. It is timely to examine the prospects and challenges of

such a development agenda that has been launched amidst high expectations, fanfares and misgivings.

1.1 Problem Statement

In spite of Ghana's rich resource potential, the country since the 1960s has been receiving foreign assistance to fund her development. According to Osei (2012), external aid is a key source of Ghana's development finances. Like many other countries receiving support, Ghana receives support in the form of budget and project assistance. The net Official Development Assistance to Ghana rose from less than 300 million dollars in 1990 to around 928 million dollars in 2004. In the 2005-06 period (during which Ghana was subject to HIPC), the aid decreased, but since then has risen, to about 820 million dollars in 2009 (Osei, 2012). Agoe (2013), notes that about 40 percent of Ghana's budget is donor funded.

President Nana Akufo Addo has declared an agenda to build "Ghana beyond aid" by the prudent management of the country's natural resources to fund her development and wean the country off aid completely. This policy agenda of the president is similar to other development plans that have been pursued in the past but failed, such as, "the import-substitution industrialization policy" pursued by Ghana at the time of independence, "the Ghana Vision 2020" which had as its goal to improve the overall well-being of the citizens and to eradicate all forms of poverty and deprivation by 2020 (National Development Planning Commission, 1995), and quite recently, the 40 Year Development Plan. According to Osei and Domfe, (2016), the Ghana Vision 2020 biggest setback was its inability to fuel up sufficient social interest while a change of government

in 2001 saw the agenda being discontinued and replaced with the Ghana Poverty Reduction Strategy 1 (GPRS1). Development strategies have not produced the needed benefits to Ghana due to a lack of continuity in the implementation of the plans and policies by successive governments (Institute of Economic Affairs Ghana, 2015). Indeed, the main constraints of nearly all development plans in Ghana were the lack of joint political will and dedication to their implementation, restricted stability and continuity in the lives of the plans and a lack of clear and adequate means of financing right from the beginning (Osei and Domfe, 2016). According to (Osei , 2015), scholars Whitfield (2009); Frimpong (2007); Svanikier (2007) assert that an underlying elite consensus largely accounts for the success of democracy in Ghana and South Africa. Elite consensus which immune leaders from punishment by the electorates is the reason why leaders were not making attempts to exit Afghanistan but were rather increasing their troops (Kreps, 2010). It is therefore timely, to examine the prospects and challenges that come with “the Ghana beyond aid agenda” in order to identify possible obstacles that need to be considered from the onset to ensure successful execution of the agenda.

1.2 Research Questions

1. What is the interpretation and purpose of ‘Ghana beyond aid’?
2. Is there elite consensus in building ‘Ghana beyond aid’?
3. What are the challenges and prospects of building ‘Ghana beyond aid’?

1.3 Research Objectives

The general objective is to examine the feasibility of the “Ghana beyond Aid” agenda.

The specific objectives include the following:

1. To examine the interpretation and purpose of ‘Ghana Beyond Aid’
2. To examine whether there exists elite consensus on the ‘Ghana Beyond Aid’
3. To examine the challenges and prospects of pursuing ‘Ghana Beyond Aid’

1.4 Scope of the Study

This study will trace briefly Ghana’s history with aid from the 1960s-2017 and the forms and composition of aid that Ghana receives. The study will examine the ‘Ghana Beyond Aid’ to determine the interpretation and purpose. It will also examine elite consensus on building ‘Ghana Beyond Aid’, identifying the challenges and prospects of pursuing a beyond aid agenda.

1.5 Rationale of the Study

In spite of Ghana’s rich natural resources, the country still rely on foreign assistance to fund her development plans for decades, yet the desired development has not been achieved. In 2017, government proposed an agenda to build ‘Ghana Beyond Aid’ by prudently managing the country’s resources to finance her development without relying on aid. Considering Ghana’s history of not following through with development plans, it is therefore imperative to thoroughly examine the “Ghana Beyond Aid” agenda to determine its meaning and purpose, to ascertain elite consensus on the agenda and the prospects and challenges of building ‘Ghana Beyond Aid’ in order to provide a useful guide to government and policymakers in the policy formulation and calendar of

implementation of the ‘Ghana Beyond Aid’ agenda.

1.6 Theoretical Framework

This study will employ the theory of elite consensus. Elite theory posits that elite conduct has a causal relation to overall patterns of relationships between the state and society. Elites are persons who because of their strategic positions in big or important organizations and movements, are able to affect and influence political outcomes regularly and substantially (Higley, 2010). The theory posits that a “few” who hold power, monopolize power and take the crucial decisions while the rest (non-elites), the public or the masses, have relatively no choice than to agree to the decisions of the privileged minority.

Akinbode (2017), asserts that societies are almost invariably organized in layers within a pyramidal structure with power and decision-making being concentrated at the apex of the pyramid. Thus, decision making and policy outcomes are decided upon by a privileged few for the many. According to Higley and Burton (2006), without a consensually united elite, liberal democracy is impossible. Akinbode (2017) writing on building elite consensus in Nigeria contends that, national consensus or public consensus is often preceded by an elite consensus where the envelope of issues have been narrowed and framed in a manner that only produces agreement with the views of the elite.

Therefore, a national consensus on development must of necessity be preceded by agreement among the elite.

Some criticisms have been leveled against the elite theory. The elite theory has been

criticized on the grounds that it does not provide room for the pursuit of ideal visions of democracy or social revolution and there is also no room for the spread of new values which dispose human beings towards a consistent and thorough altruism (Higley, 2010). The theory is inherently opposed to mass political participation and places all faith in the ability of the elite to the total exclusion of the masses (Walker, 1966). The elite theory has also been criticized based on the fact that it rejects social, political and legal equality of people.

Despite the criticisms of the theory, it is very relevant to this study. Elite theory has some positives. Elites are more sophisticated compared to the general public. They are better educated, possess a disproportionate degree of expertise and are recruited from the most able socioeconomic strata (Peffley & Rohrschneider, 2009). Elites are also more democratic than the mass public and serve as reliable guardians of democracy. They tend to act as models within the public space and substantially shape public opinion. Elite consensus has important implications for policy continuity, especially in most developing countries such as Ghana, where ongoing projects and policies often suffer discontinuity with change of government. According to Osei (2015), scholars Whitfield (2009); Frimpong (2007); Svanikier (2007) working on Africa have argued based on evidence that the success of democracy in Ghana and South Africa is attributable to an underlying elite consensus. With the 'Ghana Beyond Aid' agenda which is a long term goal, policy continuity is very crucial in determining its realizability and continuity across governments and parties. The theory of elite consensus becomes appropriate in examining the 'Ghana Beyond Aid' agenda.

1.7 Literature Review

The question regarding the place of aid in development has received extensive scholarship, but opinions remain divided on the contribution of aid to the development journey of developing countries. While some hold the view that aid has, and can contribute to alleviating poverty and promote development, others believe aid has had little impact on the development of recipient countries, and aid has in fact perpetuated underdevelopment and poverty and therefore countries seeking to develop must look beyond aid to discover for themselves alternative means of financing their development.

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) used the term Official Development Assistance (ODA) to refer to foreign aid, which is defined as the flows of official financing from donor institutions at all levels, to developing countries and to multilateral institutions, which must meet the following to be termed as ODA. First, it is administered by formal institutions or their administrative agencies, including government and local authorities. Secondly, the primary goal is to promote the economic development and welfare of developing nations. Lastly, aid includes grants, 'soft' loans and the provision of technical help (where the grant component is at least 25%). But loans and credits for military purposes are not considered as aid (OECD , 2019). However, this definition ignores that donors also pursue other aims beside the economic development and welfare of developing countries. Evidence from aid allocation literature shows that donors have always been driven by a number of interest (Janus, Klingebiel and Paulo, 2014).

In addressing the question, Does Foreign Aid work, Riddell (2008), evaluates both

pro-aid and anti-aid cases on the contribution of aid to development. He chronicles the history of foreign assistance, the stakeholders and their motivations. He identified three sources of aid, aid from: (1) developed-country governments, (2) Non-Governmental Organizations (NGOs) and (3) private foundations.

According to Riddell, the question, 'Does foreign aid work', can be understood in three ways: (1) do aid projects attain their immediate objectives; (2) does aid contribute to poverty reduction and (3) improve the well-being of poor people; and does aid rather than adding to the systemic problems which restrict a recipient's long-term development prospects, helps to limit the problems. He concludes that on account of aid meeting their immediate objectives in terms of project success, aid has largely been found to work, though there have been problems with sustaining success. He also found that, though there is a positive correlation between aid and growth, recent studies show that the impact of aid on growth have been comparatively small. He for example claims that, a sustained contribution of aid of about 10% of Gross Domestic Product (GDP) raises GDP levels by only about 1%. Based on his assessment, foreign aid inputs and its contribution to the attainment of the Millennium Development Goals (MDGs) is difficult to ascertain.

According to (Agoe, 2013), foreign aid has helped to attain MDG 4 of reducing child mortality in Ghana through the provision of training and capacity building for health care givers. That, donor support in the form of provision of infrastructure and medical equipment have improved nationwide access to primary health-care.

Riddell (2007), asserts that at the country level, aid has sometimes “worked” and sometimes it has not in some countries in different periods of time. He argued that aid has worked, though not as much as it should. Riddle believes that despite the challenges associated with foreign aid, aid to developing countries has the potential to contribute to substantial growth and development. He presents a proposal to make aid a lot more effective in delivering development. One of his key proposals is the establishment of a centralized "International Development Aid Fund" (IDAF) under the supervision of “International Aid Office” (IAO) with a corresponding "National Aid Implementation Aid Agency” (NAIA) to oversee to the administering of aid and implementation of aid projects.

This work is relevant to the research in that it put emphasis on the potential of aid to contribute to development despite the present insufficient role that aid plays towards tackling poverty and ensuring development in the recipient countries. It also makes a case for the need to improve effectiveness of aid rather than discounting the role of aid to development.

Examining the contribution of aid to state building in Ghana and South Korea, Kim (2015), notes that although Ghana and South Korea shared similar GDP per capita in 1957, Ghana still remains an aid-dependent country today, whereas South Korea has been able to transform from being a poor aid-dependent country into a developed country. South Korea is now a member of the Development Assistance Committee of the Organization of Economic Co-operation and Development as of 2010 and now provides

aid to some poor countries. He argued that factors like the impact of colonial legacies, the global context and variations in the aid policy regime accounts for why the South Korean state has been successful in transforming into a developmental state whereas Ghana has failed in that regard.

The author makes the case that contrary to South Korea, where aid was effectively utilized to achieve sustainable development, in the case of Ghana, aid rather resulted in a significant rise in external debt and aid dependency. Unlike Ghana's aid which was largely from multilateral sources such as the IMF and the World Bank in the form of concessional loans and payment support, South Korea received large sums of bilateral aid in the form of grants largely from US and Japan because of its geostrategic relevance to the US in the cold war era. He notes that Ghana's debt went up from US\$1067 million in 1977 to \$3287 million in 1987 and reaching \$7510 million in 1999.

Kim emphasis the crucial role of an effective state with the capacity and commitment to design and push through with policies to achieve growth and development. But in Ghana, the author argued that, aid significantly contributed to weakening state legitimacy and undermining the domestic political process, whereas in South Korea's case, heavy dependence on assistance did not result in any severe erosion of state legitimacy and ability. He also argued that aid intervention in South Korea was less dominant in the inner policy-making process than in Ghana, which gave control to the Korean government's use of aid funds. His conclusion is that the South Korean developmental state is chiefly due to domestic processes, it is therefore imperative to focus state building around dynamic

internal political processes than through external forces. He proposed that efforts must be made to reduce the adverse effects of aid policies on internal affairs.

This work is relevant to the research because it provides conditions under which South Korea succeeded in transitioning from an aid-dependent country into an effective developmental state that now provides aid to other countries, whereas Ghana still depends on aid to fund her development.

According to Moyo (2009), the view that aid to recipient countries can reduce systematic poverty, and has done so is a myth. She argued that African countries are poorer today as a result of aid inflows to those countries. In her view, aid breeds corruption, laziness and inefficiency and a dependency mentality on the part African leaders. According to her, African states most dependent on assistance showed an average annual growth rate of less than 0.2% between 1970 and 1998, a period when aid to Africa was at the highest, yet poverty on the continent increased from 11% to 66%. She maintains that concessional loans and grants to Africa are a curse in disguise because, in her opinion, such assistance promotes corruption and laziness while at the same rate stifling free enterprise and investment on the continent.

She suggests an end to aid to Africa and provides four alternative means of funding for African countries in place of aid. These options she believes, hold better prospects of economic development for African countries than aid which has not been helpful to Africa. First, she proposed that African governments copy the example of Asian emerging

economies to access the global bond markets and take full advantage of the falling yields paid by sovereign borrowers to fund their own development. Secondly, African countries should encourage and attract foreign direct investment such as the China's policy on large-scale direct infrastructure investment (She notes that China invested 900 million dollars in Africa in 2004, compared with only 20 million dollars in 1975). Thirdly, she further proposed the need for African governments to demand for fair and free trade in primary products, which will ensure that African countries are able to compete and increase their exports. Finally, she believes that there must be financial inter-mediation. African states must encourage the spread of micro-finance institutions such as the ones that thrived in Latin America and Asia. She also proposed that citizens should be given secure legal title to their homes in order to enable them easily access credit facilities from financial institutions using their secure legal titles as collateral.

Moyo also notes that it must be made cheaper and easier for emigrants to send remittances back home to Africa. According to Bodo (2013), in 2012, Africans remitted about US\$60 billion which far exceeded development aid funds from international donors, also, these remittances go directly to the targets which makes it better than aid funds which are normally mismanaged at the governmental and non-governmental levels. Moyo (2009), thinks it is not multi-partisan democracy that poor African nations need, but what she describes as a crucial benign dictator, to advance the reforms that are needed to bring economic growth and development to African economies.

Her work is very pivotal for this research because it makes a very spirited case for African countries including Ghana, to look beyond aid for their own development. The work also provides suggestions on how African countries can develop beyond Aid

In his “Africa’s development beyond aid: Getting out of the box”, Gatune (2010) argued that Africa’s transformation does not lie on aid, but on three significant pillars: enterprise, knowledge and good leadership. He therefore proposed that, Africa must focus on building these three pillars. For him, Africa must also restructure their societies to make networks aside closed ethnic ones more prominent, this creates a social capital which will lead to a growth base. He also stated that it is necessary to include fresh stakeholders in Africa's development agenda, for example the religious, the diaspora and the business class as well as to encourage immigrant entrepreneurs. African governments in his view must also transform people from subjects to citizens

According to Osei (2012), foreign capital (both private and public) remains a crucial means of providing development funding to Ghana. That, Ghana’s current status as a middle income economy and with the start of oil exploration will result in a reduction in Overseas Development Assistance in the long-run. But, the middle income status could also increase the country’s credit ratings and thereby give the country more access to borrowing from the private market which is more expensive. He therefore maintains that Overseas Development Assistance (ODA) will still constitute an important means of financing Ghana’s development in the brief- to medium-term. He proposed that foreign aid must be deployed creatively to help channel resources to the manufacturing and

agricultural areas to boost productivity.

Akonor (2008) denies the view that the panacea for Africa's development is foreign aid. He asserted that aid is a makeshift solution and not a lasting solution to the continent's systemic issues. For him, Africa suffers from poor leadership and not the lack of resources to develop the continent. He points out that African governments themselves have a responsibility to create systemic and lasting solutions to the long-standing challenges of the continent. He proposed that African governments must assume full control of their economic destinies and develop innovative avenues to fund their own development rather than always looking up to the developed world. The continent's leadership must be free of aid dependency, by exploiting the collective resources of the continent to fund their own development. As an important step, he proposed the coming together of African leaders under the banner of pan-African unity in order to make real and substantive efforts to harmonize policies.

According to Janus, Klingebiel and Paulo (2014), the term “Beyond Aid” is used synonymously with development cooperation. The authors note that the main goal of foreign help is to eradicate poverty, however, donors are driven by various motivations including such factors as self-interest, recipient needs, reward to recipients on achievement of set targets, altruistic motives of donors among others. Coupled with the well-known fact that aid alone is insufficient to promote development, they argue that, the change in development context is also leading to the irrelevance of aid both externally and internally. Externally, the past context in the 1990s where it was easy to categorize

the world into the prosperous North and the poor South no longer exist. In today's global context, a group of transformed economies have emerged in the South. The concept of uniform 'Global south' has therefore become redundant. Internally, the relevance of aid to shape policy in developing countries is on the decline due to new opportunities in export revenue from minerals, oil and manufactured goods. They however note that aid will still remain important for the very poor countries.

Four overlapping dimensions of 'Beyond Aid' have been identified by the authors, all of which reflect the declining role of aid in attaining development outcomes: (1) proliferation of development and diversification of actors, thereby giving choices to developing countries which leads to innovation and opportunities but also presents challenges in terms of the absence of enough information and data about the activities of various actors. For example, the partnership among developing countries termed as South-South cooperation which is characterized by non-involvement in internal affairs and emphasis on the mutual gains of cooperation through trade and technology transfer; (2) diversification of development finance. This dimension of "Beyond Aid" refers to the increased number of source and mechanisms of financing development as against the development cooperation in the past that was financed mainly through bilateral and multilateral donors. Now private financial flows play a major role. There is as well emphasis and increase on domestic resource mobilization in developing countries which promotes good governance and eliminates the situation where governments become accountable to donors rather than their citizens. There is also innovative financing mechanisms such as private partnerships which operates in areas like climate change,

health, among others; (3) regulation: this dimension of beyond aid refers to the emphasis on national policy-making and global regimes as tools for the development process. Policy sectors like migration, security, climate change and trade are considered more important than aid in achieving development outcomes. The policy coherence for development promoted by OECD for member countries to formulate long-term development policies towards specific areas of interest. Interactions of policy areas become problematic due to differences among partner countries; (4) Knowledge: this final dimension regards the knowledge and experiences of development process. Knowledge sharing becomes important to development in such areas as agriculture, finance, climate change, among others. A distinctive feature of beyond aid is the specialization of knowledge. Governments may employ their agencies and ministries in influencing the use of knowledge sharing with regards to global problems.

The authors also note two views on how the relationship between instruments and goals might change as a result of the transitioning of development cooperation. The first is specialization of development cooperation. This scenario creates the picture where different developing countries have same aim of eradication of poverty join hands. Good governance and domestic resource mobilization are foremost here but these countries are made to believe, to attain development goals most resources and measures must come from developed nations in the form of external assistance. The second scenario is integration of development cooperation where the beyond aid is fused into a bigger perspective of global integration. Here, there are other equally important goals aside poverty reduction which need attention. The level of prosperity of countries is not an

important feature but the main aim is global cooperation which is a world concern.

Finally, the authors propose that poor countries need to maximize the use of their domestic resources and building human capacity where beyond aid can be meaningful to their development and hence eradicate poverty.

The work is relevant to the study since it provides conceptual perspectives on “Beyond Aid”, as well as explanations of the factors that account for calls for movement away from aid. The authors also suggest how beyond aid can be made meaningful to development.

1.8 Methodology and Sources of Data

This study was conducted using a qualitative research approach. The choice of this research approach is appropriate for exploring and examining the ‘Ghana Beyond’ agenda. According to Dawson (2002), qualitative research uses such methods as interviews or focus groups to explore attitudes, behavior and experiences. It allows for the researcher to get an in-depth understanding or opinion from research participants on the problem under investigation. The study made use of both primary and secondary data so as to ensure that effective examination of the agenda is realized.

The primary data was collected through interviews, using a well-designed interview guide. The primary sources of data were obtained through one-on-one elite interviews with relevant institutions and individuals. In all, thirteen (13) persons were interviewed: one (1) from the Ghana Beyond Aid Secretariat; one (1) from the National Development Planning

Commission (NDPC); two (2) from the Parliamentary select Committee on Finance, Parliament of Ghana; one (1) from the Parliamentary select Committee on Trade and Industry; one (1) from the Budget Office, Parliament of Ghana; three (3) from political parties; one (1) from Academia; one (1) development partner; one (1) from civil society; and one (1) social commentator. With due permission from each interviewee, a radio recorder was used to record the interviews. The recordings were transcribed and the text was used in the analysis.

The choice of interview participants was based on their ability to speak to the topic under study. The sampling technique was therefore, purposive sampling. Additionally, the choice of institutions and individuals for this study was informed by the role they play and by their expertise on the aid architecture in Ghana vis-a-vis the ‘Ghana Beyond Aid’ agenda. It is important to say that, a number of persons and institutions that were contacted declined to be interviewed, while some did not respond at all to the interview request. The difficulty in getting some institutions and persons to speak to the topic accounts for the small sample size, which constitutes a major limitation of this study.

However, the study made extensive use of media and video interviews, speeches, reports, policy documents and other secondary sources of data to make up for the small sample size. Secondary data included books, journal articles, documents and policy reviews, among others on aid, and the ‘Ghana Beyond Aid’ agenda. Internet sources were also relied upon for reliable information in conducting this study.

The data obtained was recorded, interpreted and examined to ascertain the sustainability of ‘Ghana Beyond Aid’, and the challenges and prospects of the agenda. Data gathered was examined using content analysis method. Using content or textual analysis, the researcher is able to work through each transcript assigning codes, which may be numbers or words, to specific characteristics within the text. In such a case, the researcher may already have a list of categories or the researcher allows the categories to emerge from the data (Dawson, 2002). The method of content analysis enables the researcher to include large amounts of textual information and systematically identify its properties by locating the more important structures of its communication content (Osew, 2012).

Data gathering, analysis and presentation of research findings was guided by the theoretical framework of elite consensus to give an insight into the topic. Based on the outcome of the study, recommendations were then made for the benefit of policy makers and policy implementers.

1.9 Arrangement of Chapters

The study is divided into four chapters. Chapter one (1) deals with the introduction. Chapter two (2) is an overview of foreign aid in Ghana from the 1960s to 2017 and efforts at making aid work. Chapter three (3) deals with an analysis of the sustainability of the ‘Ghana Beyond Aid Agenda’ and the challenges and prospects. The concluding chapter, chapter four (4) provides summary of findings, conclusion and recommendations of the study.

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CHAPTER 2

AN OVERVIEW OF FOREIGN AID IN GHANA

2.0 Introduction

This chapter provides an overview of foreign aid in Ghana. In particular, it will trace the history of foreign aid to Ghana, the forms, composition and trends in aid disbursement to Ghana from independence to 2017. The chapter will as well provide a brief assessment of the link between external development assistance and sustainable growth and development in Ghana. Finally, the chapter will outline some Aid Effectiveness and Development Cooperation policies that Ghana has pursued since 2003.

2.1 What is foreign aid?

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) used the term Official Development Assistance (ODA) to refer to foreign aid, which is defined as the flows of official financing from donor institutions at all levels, to developing countries and to multilateral institutions, which must meet the following to be termed as ODA. First, it is administered by formal institutions or their administrative agencies, including government and local authorities. Secondly, the primary goal is to promote the economic development and welfare of developing nations. Lastly, aid includes grants, 'soft' loans and the provision of technical help (where the grant component is at least 25%). But Loans and credits for military purposes are not considered as aid (OECD , 2019). However, this definition ignores that donors also pursue other aims beside the economic development and welfare of developing countries. Evidence from aid allocation literature shows that donors have

always been driven by a number of interest (Janus, Klingebiel & Paulo, 2014). The OECD maintains a list of developing nations and territories; assistance is considered ODA only for these nations. The list is always updated periodically and presently covers more than 150 countries with a per capita income below \$12 276 in 2010. A long-term goal of the UN is to ensure that advanced nations allocate 0.7% of their gross domestic revenue to ODA (OECD , 2019)

Moyo (2009) asserts that foreign aid refers to both concessional loans and grants that are sent from rich countries to poor countries. She identified three kinds of aid: humanitarian or emergency aid, that is aid which is given in response to natural disasters and catastrophes (for example, during the Ebola virus epidemic, the aid that was disbursed to Guinea, Liberia and Sierra Leone in 2014); charity-based aid, that is aid which is offered by charitable organizations to institutions or people on the ground (for example, World Vision in Ghana providing educational support to pupils and the girl child in rural communities); and systematic aid otherwise known as official aid, refers to concessional loans and grant payments sent directly to governments through government-to-government transfers (bilateral aid) or payments made through international institutions like the World Bank (multilateral aid).

Riddell (2007) defined aid to mean all resources, therefore, physical goods, skills and technical assistance, concessional loans or grants which are transferred from rich countries to poor countries. According to him, foreign aid is normally provided by rich country governments, Non-Governmental Organizations (NGOs) and lastly by private foundations.

2.2 The Beginnings of Aid

In July 1944, following the end of the Second World War, 700 representatives from 44 countries met in Bretton Woods and agreed to lay the foundations for a global financial and monetary management framework which led to the now pervasive preoccupation with aid as a tool for development (Moyo, 2009). Before this period, aid transfers to less developed countries go as far back as the 19th century. In 1896 the United States supplied food aid to poor countries. British colonies under the 1929 Colonial Act, and the Colonial Development and Welfare Acts of 1940 and 1945, received grants for infrastructure projects in poorer countries. These grant transfers were employed as a tool of political control over the colonies, and only later, in the 1940s, the program was extended to allow the financing of social sector operations under the British Colonial Development and Welfare Act.

The post-war period aid can be put into seven wide categories: its creation in the 1940s, the Marshall plan era of the 1950's, the 1960's ' decade of industrialization, assistance as the response to poverty in the 1970's, assistance as the instrument of stability and structural adjustment in the 1980s and aid as a tool to promote democracy and good governance in the 1990s resulting in the preoccupation with aid as the only panacea to Africa's development quagmire. So, for decades, huge aid transfers continue to flow from rich donor countries to poor recipient countries, particularly Africa in an effort to help such poor countries achieve economic growth and sustainable development (Moyo, 2009).

2.3 A brief History of Aid in Ghana

Ghana's history with foreign aid dates back to the 1960s when the country received foreign assistance after independence (Agoe, 2013). According to Harrigan, J & Younger, S. D. (2000), foreign assistance to Ghana was relatively insignificant in the early 1960s as a result of the mistrust of the Nkrumah-led government towards the West. Foreign aid and foreign capital were seen as injurious to the national ideology of economic independence and the establishment of socialist state (Kim, 2015). Aid inflow per capita for the country was US\$1.44 in 1960, US\$1.40 in 1961, US\$2.72 in 1962, US\$7.93 in 1963 and US\$8.55 in 1964, compared to a per capita aid inflow to Sub-Saharan Africa which was US\$5.42 in 1960, US\$7.79 in 1961, US\$8.92 in 1962, US\$8.67 in 1963 and US\$12.02 in 1964 (Harrigan, J & Younger, S. D. , 2000). Aid flows remained at a low level in the seventies (Tsikata, 1999).

In 1983, the Rawlings-led government shelved its socialist ideologies, suspended its annual budgets in 1981 and 1982 and developed an Economic Recovery Program (ERP), which was approved by both the World Bank and the International Monetary Fund. (Quartey, 2005). Aid became an essential part of government financing following the Structural Adjustment Programme (SAP) with the International Monetary Fund in 1983 (Kyeremeh, 2018). In fact, total aid flows to Ghana rose from \$150.7 million in 1995 to \$450.8 million, by a third from 1985 to 1996, as a result of government commitment under the 1983 Structural Adjustment programme to better economic management and reform (Tsikata, 1999). A commitment to multi-party democracy and democratic governance in the late 1990s led to increased aid to Ghana. According to Whitfield and Emily (2009), aid decreased in the early 1990s because Ghana's

administration began objecting to donor conditionality and policy participation, increasing negotiations of terms that did not align with the government's priorities

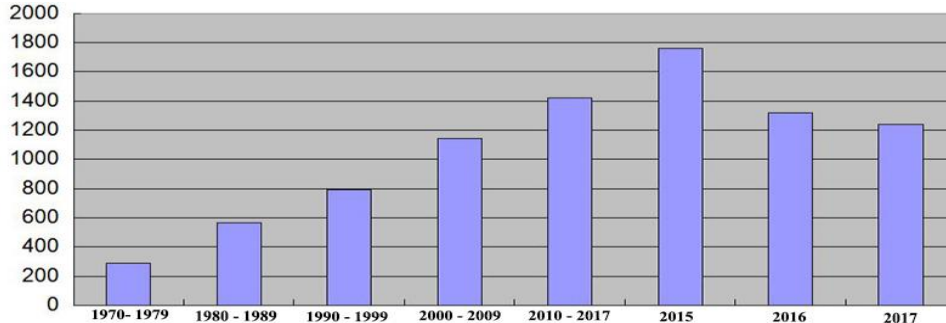
The peaceful transfer of power from the ruling government to the newly elected government in 2000 and the commitment by the new government to the rule of law, poverty reduction, emphasis on good governance and private-sector led development all endeared Ghana to the aid community and therefore saw Ghana's continuous receipt of aid post 2000 (Agoe, 2013). In 2001, the John Kufour-led new government decided to enter the HIPC initiative, the new framework for multilateral development partnership. In February 2002, the IMF and IDA executive boards decided to assist the Republic of Ghana under the Heavily Indebted Poor Countries Initiative, leading to drastic decrease in debt for the Republic of Ghana (World Bank, 2004). Over the period 2003 – 2009, Ghana received about 3.8% of total ODA to Africa, making Ghana the 8th largest recipient of external aid to Africa (African Development Bank, 2011). In nominal terms, total ODA to Ghana increased from US\$1003 million in 2003 to US\$1656.5 million in 2007. It fell to US\$1649.6 million in 2008 and rose back to US\$2102.5 million in 2009 (Ashong & Gerster, 2010)

Ghana receives aid from both bilateral and multilateral donors to finance her development plans (Moss and Majerowicz, 2012). Beside multilateral and bilateral, some other informal' classification exist, that is, traditional donors and nontraditional donors. Traditional donors such as Australia, Belgium, Canada, Germany, Austria, Finland, France, Spain, Italy, the Netherlands, Sweden, Switzerland, the United Kingdom and the

United States of America are the bilateral donors. The BRICS nations, the Saudi Fund and the Abu Dhabi Fund are becoming increasingly significant non-traditional bilateral donors in Ghana's assistance architecture. The multilateral donors include the World Bank, the African Development Bank (AFDB), the European Union (EU), Nordic Development Fund, OPEC Fund for International Development, the Arab Bank for Economic Development in Africa, the European Investment Bank (EIB), the Global Fund to fight Aids, Tuberculosis and Malaria, and twelve organs / agencies within the United Nations. With more than 45% of the multilateral average per year, the World Bank continues to be the biggest multilateral donor. (Tony Addison, George Mavrotas and Mark McGillivray, 2005)

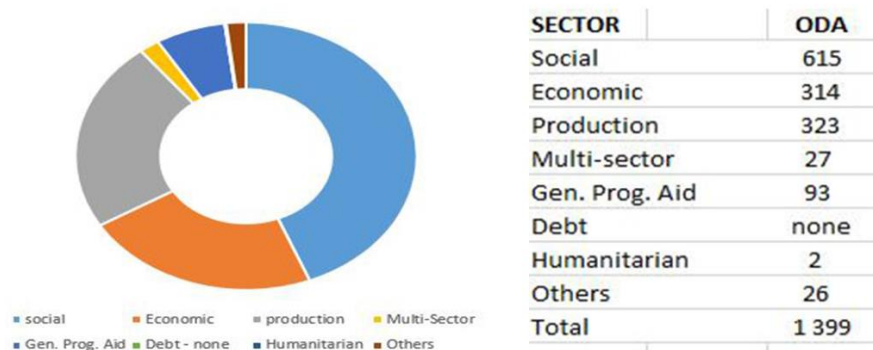
Ghana is currently among the top 50 recipients of Official Development Assistance (ODA) in the world. Ghana's share of total ODA from 2010-2017 was 1.0% of net ODA receipts making Ghana the 10th largest recipient of ODA in Africa. Ghana received a total of US\$1759 million in 2015, a total of US\$1316 in 2016 and US\$1237.0 million of ODA in 2017 (OECD, 2019). Figure 1 below shows a chart of the Net ODA receipts to Ghana from 1960 to 2017. Figure 2 below also indicates the sectorial distribution of ODA to Ghana for the year 2017.

Figure 1: USD million, 2016 prices and exchange rate, Ghana’s Net ODA receipts from 1970-2017



Source: (OECD, 2019)

Figure 2: ODA by sector to Ghana in 2017, USD million



Source: (OECD, 2019)

2.4 Composition of Aid to Ghana

Ghana receives aid in four categories, that is, (i) Debt Relief fund under the multilateral Debt Relief Initiative (MDRI) and the Highly Indebted Poor Country (HIPC) Initiative; (ii) project support involving project loans and grants for funding particular projects and activities; (iii) programme support either as concessional loans or grant support for general and sector budget funding; and (iv) balance of payments assistance from the IMF

which stopped after 2006 but was re-activated in 2009-2012 (Todd Moss and Stephanie Majerowicz, 2012).

Total project aid was \$107,535,809.20 for Ghana in 2012, and \$127,490,000.00 for the overall program assistance. Total 2011 grants totaled USD 1,346,484,000.00, which were made up of US\$ 811,224,000.00 project grants; US\$ 291,090,000.00 program grants; US\$ 133,185,000.00 HIPC aid ; US\$ 110,985,000.00 Multilateral Debt Relief Initiative (MDRI), World Bank support, US\$ 100,800.00 million ; US\$ 10,185,000.00 grant from the African Development bank (Todd Moss and Stephanie Majerowicz, 2012). Project aid comprise the bulk of ODA portfolio in Ghana, increasing gradually during the period (56% in 2008 and 57.4% in 2009), while programme aid has virtually stagnated over the period 2004 and 2007. General budget support, increased from in 2003 from 27.7% to 32.6% in 2010. However, the relative rates in projects and in programme aid stayed comparatively greater than in the mid-1990s. The enhancement of the budget support, which ranged from US\$ 277.9 in 2003 to US\$ 700.4 in 2009, was mainly due in 2003 to the establishment of the multi-donor budget support system (MDBS). The current MDBS, which represents around 30 percent of Ghana's donor inflows, has enhanced aid commitments and predictability (Agoe, 2013). The level of program assistance as a percentage of overall ODA between 2003 and 2008 was less than 50%, following increases from 30% in 1999 to 58% in 2002. The average annual program support was estimated at 38 percent between 2003 and 2008 as a proportion of total ODA, but was 42 percent in 1999–2002. Thus, Ghana's ODA portfolio remained dominated by the generally non-budgetary project support and consequently by the non-use of the countries

schemes, which created parallel management processes and the related unnecessary rigidity in its administration (NDPC & UNDP, 2010).

2.5 Aid and sustainable Growth and Development in Ghana

As noted, Ghana since the 1960s has received and continue to receive external support to fund her development aspirations. The question on the contribution of aid on economic growth and development in Ghana have provided inconclusive results. While some have questioned the relevance and contribution of aid to Ghana's economic growth and development, others have viewed foreign aid to have a positive correlation to economic growth and the development of the country.

According to Tsikata (1999), aid formed a significant element of the decision to reform in 1983. Aid was also crucial in sustaining the reforms during the ERP and SAP (Ernest Aryeetey and Aidan Cox, 1997). Aid and support programs led to quicker economic growth, lower inflation, rehabilitation of highways in the country, a revitalization of exports and sustained the reforms of ERP and SAP by limiting their political costs (Tsikata, 1999). Under the ERP Ghana accomplished much, the ERP reversed the adverse growth rates. In just a year of reforms, GDP growth increased up to 8.6 percent. Investment rates and import volumes were up and inflation decreased from 123% in 1983 to 40% and further to 10% in 1985 (Osei and Domfe, 2016). Ernest Aryeetey and Aidan Cox (1997), found that aid inflows to Ghana led to short-term growth and facilitated a short-term reduction in poverty. They however held that, it did not result to sustainable growth and long-term development. Therefore, they conclude that, aid can only ensure meaningful reduction in poverty and promote long-term growth and development, if it

complements internal and foreign private resources within the framework of a long-term national development effort.

Boakye (2008) in examining the short and long-run relation between foreign aid in Ghana and economic growth from 1970 to 2005 by means of time series analysis, found that in the long term, external assistance had a substantially adverse impact on economic growth in Ghana. He also found that, the poor impact of aid in the long run may be due to the kind of aid that comes into the country. He asserted that donor conditions that usually come with the aid affects the effective allocation of the loans which results to the poor impacts of aid on growth, noting that, a significant amount of aid funds to Ghana over the years (1970 to 2005) under consideration came in the form of loans which became a liability in the long run, as the debt must be serviced. Finally, his results suggested that, the negative impact of aid on growth may be as a result of fungibility of aid. Fungibility of aid refers to a possibility that aid is used in ways not intended for, such as using aid funds to lower taxes, to fund projects in different sectors or through corruption. From his results, it is found that, in the long-run, a 1% increase in aid inflows will significantly impede growth by 0.18% (Boakye, 2008). The research suggested formulating and applying good financial and economic policies, since aid operates in a healthy macroeconomic environment efficiently. Moreover, foreign aid should assist reassign funds from normal goods-producing operations to public goods-producing operations that benefit more individuals and to monitor aid initiatives to prevent misapplication and misuse of foreign capital assets (Boakye, 2008).

Paul Appiah-Konadu, Forster Shitsi Junior, Abokyi Eric and Daniel K. Twerefou (2016), found that, foreign aid and payment of interest on foreign debt have adverse effects on development using time series figures from 1972 to 2012 in order to determine the impacts of foreign aid on economic growth in Ghana. Their study suggests that financial assistance aimed at capital formation and the creation of abilities for the workforce should be provided by means of educational and skills training instead of by means of political assistance in order to derive maximum benefits for the nation from the external aid. It is also advocated that more grants and fewer loans should be given to Ghana as assistance, as interest payments for the external debt were discovered to have adverse impact on economic growth as the majority of foreign aid was not being invested in capital expenditure and productivity enhancing activities (Paul Appiah-Konadu, Forster Shitsi Junior, Abokyi Eric and Daniel K. Twerefou, 2016).

Kim (2015), in examining the implications of aid on policy and state transition in Ghana and in South Korea, found that, aid to Ghana came with a dramatic rise in external debt and aid dependency, whereas in South Korea, foreign assistance was effectively used for sustainable development. He points out that Ghana's foreign debt rose from USD 1067 million in 1977 to reach USD 7510 million in 1999, he indicated that the IMF share of Ghana's overall debt service alone was considerable: 31% in 1987, 29% in 1995, and 13.7% in 1999. Finally, in 2001, Ghana joined the World Bank's and IMF's HIPC and became eligible for enhanced debt relief.

He also argued that, in spite of a series of IMF and World Bank SAPs in the 1980s,

Ghana's economic structure has witnessed very little changes since the end of British colonial rule (Kim, 2015). The Ghanaian economy is still heavily dependent on primary exports such as cocoa, gold, among others, and the import of finished goods. Kim (2015), however notes that, the differences in aid policy regime played a major part in producing the differential impact of aid on state transition in Ghana and South Korea. He notes that Ghana's aid architecture which is dominated by multilateral aid in the form of concessional loans that came with conditions, significantly helped in maintaining patrimonial regimes and failed to propel a quick transition to an effective, developmental state. Aid to Ghana was largely through multilateral donors with a significant amount of it being channeled for debt relief (Kim, 2015).

According to the Ministry of Foreign Affairs of Denmark, Ghana has utilized the development assistance provided through the MDDBS and other modalities prudently and achieved tangible development results. In the period 2003 to 2008, Ghana recorded a strong economic growth, with an annual GDP growth higher on average (5.7 percent) than during the previous six years (1996-2001) of 4.1 percent. Ghana has also seen tremendous progress in the achievement of the MDGs of reducing extreme poverty, improving nutrition and reducing hunger, increasing school enrollment, gender, reducing child mortality and improving access to water. Poverty incidence was significantly reduced from 39 percent in 1999 to 28.5 percent in 2006 (Danida, 2010).

Amartey (2015), in investigating the impact of aid to the Agricultural, Health and Education sectors in Ghana from 1972 to 2013 found that aid to Agriculture and Health

were growth enhancing, while aid to the Education sector was found to be negatively related to growth. This negative impact of aid on the Education sector could be as a result of aid fungibility. However, her study revealed that, in the long run, foreign aid has negative impact on all the three sectors.

Agoe (2013) however found that donor support to Ghana holds certain benefits to the health sector in the long-run in efforts towards reducing child mortality through training and capacity building for health care givers of children such as midwives, paediatricians, obstetricians, community health workers and volunteers. Foreign aid has played a significant role in the attainment of the MDG 4, reduction of child mortality in Ghana through the provision of various forms of support such as budget support, technical assistance, capacity building, healthcare facilities, and equipment (Agoe, 2013)

2.6 Making Aid Work for Development

Riddell (2007), asserts that although foreign aid has not achieved significant results due to some challenges with aid delivery, aid has the potential to better contribute to development. As part of efforts to reform aid to contribute more effectively to development, Ghana has been part of a number of high panel forums on aid effectiveness and has also fashioned out some policies to make donor aid more relevant to the country's development objectives. They include the following:

2.6.1 The Paris Declaration on Aid Effectiveness (PD)

It was acknowledged that aid could-and should-produce better outcomes at the Second High Level Forum on Aid Effectiveness (2005). The result of this high-level forum was

the Paris Declaration (2005) which proposed a practical road map for the improvement of the quality of the assistance and its developmental effect. The Paris Declaration provides the following 5 key principles for making aid effective: (1) **Ownership**: developing countries develop their own policies to reduce poverty, enhance their institutions and address corruption. (2) **Alignment**: donor agencies align behind these objectives and use local systems. (3) **Harmonization**: coordinate, simplify processes and share data to prevent duplication (4) **Results**: developing and donor nations concentrate on the outcome of development and measure outcomes (5) **Mutual accountability**: donors and recipients are accountable for development results (OECD, 2019).

2.6.2 The Accra Agenda for Action (AAA)

At the Third High Level Forum on Aid Effectiveness (2008), the Accra Agenda for Action (AAA) was adopted to deepen the implementation of the Paris Declaration and to call for more cooperation between different stakeholders working on aid and development. It proposed four main areas for improvement: (1) **Ownership**: countries have a greater voice in the procedures of development through greater involvement in implementation of their development policy, greater management in coordination of aid and more use of national mechanisms to deliver aid.. (2) **Inclusive partnerships**: all partners, including donors from the OECD, developing countries and other donors, foundations and civil society, are fully involved.. (3) **Delivering results**: aid focuses on actual and measurable development outcomes (4) **Capacity development**: developing countries capacity to handle their own future is core to the AAA (OECD, 2019).

2.6.3 Multi-Donor Budgetary Support (MDBS)

An assistance package called the Multi-Donor Budgetary Support (MDBS) was agreed in 2003 by the Government of Ghana and its development partners. The Government of Ghana will decide on the sectors of focus and donor consent must be obtained before funding is made available. In adherence with budgetary procedures, support will be assigned in line with the priorities of the Ghana Poverty Reduction Strategy. MDBS seeks to cut transaction costs (such as administrative expenses), develop local abilities and resources, encourage national ownership of aid programs, guarantee the expenditure of disadvantaged individuals and make assistance flows foreseeable by coordinating development partners' policy and processes with the priorities of the government (Quartey, 2005).

The Multi Donor Budget Support programme was designed as a general budget support through which aid is made available to Ghana, to augment the country's budget. The MDBS is consistent with the Paris Declaration principles on aid efficiency. It included US \$300 million per year of budget support transfers, accounting for 39 percent of total ODA in 2003 and for 13 percent of total spending, reducing to 27 percent and 9 percent respectively by 2005 (Andrew Lawson, Gyimah Boadi, Ato Ghartey, Adom Ghartey, Tony Killick, Zainab Kizilbash Agha and Tim Williamson, 2007). According to the Ministry of Foreign Affairs of Denmark, Ghana has utilized the development assistance provided through the MDBS and other modalities prudently and achieved tangible development results (Danida, 2010).

2.6.4 Ghana Aid Policy and Strategy 2010- 2014 (Revised 2014- 2017)

The Ghana Aid Policy which is consistent with the aims of the PD and the AAA is a coherent and consolidated framework in the management and coordination of foreign aid. It outlines policies and strategies for the sourcing and utilization of aid for optimal allocation and impact of aid on development and poverty reduction. The main objectives of the Policy are to promote aid effectiveness, ensure country ownership and control of aid management process, ensure efficient aid coordination, manage aid for development outcomes, enhance mutual accountability and finally move Ghana beyond aid dependency (Sackey, 2010).

The revised Ghana Aid Policy & Strategy offers a guideline for how the Government plans to develop the country's aid architecture by describing its preferences in relation to the type of support and the procedures for managing the external help. The Ghana Aid policy document indicates that the General Budget Support (GBS) is Government of Ghana's preferred method for delivering assistance to the country. Ghana acknowledges that it has no ability to formulate, track and report on all project measures and, accordingly, pooled GBS financing ensures better coordination of assistance, which eventually leads to improvements in domestic systems (Gladys Ghartey, Osei Oteng Asante, Liz Jee Eun Chung and Radhika Lal, 2014)

2.6.5 Leveraging Partnerships for Shared Growth and Development: Government of Ghana- Development Partners Compact (2012-2022)

With the start of oil extraction in 2010 and Ghana's new status as a low middle-income country, in June of 2012, Ghana and fifteen development Partners signed a "Compact for

Leveraging Partnerships for Shared Growth and Development” (Kyeremeh, 2018). The Compact which serves to guide Ghana’s interaction with development partners was based on the Ghana Shared Growth and Reduction Strategy and it is consistent with the goals of Aid Effectiveness. The compact has four objectives: (1) to accelerate inclusive economic growth and sustained poverty reduction by ensuring a reduced reliance on ODA and with increased reliance on alternative development funding and domestic resource mobilization (2) ensure predictability of ODA and other forms of development finance (3) to apply development aid to sectors that have strategic relevance to national development and (4) to increase accountability, transparency and effectiveness of development assistance to Ghana (Ministry of Finance, 2014).

On the gradual reduction of aid dependence, the government of Ghana under the compact expressed its readiness to reduce Ghana’s dependency on aid in the medium to long-term by (1) progressively taking full financial responsibility to invest in accelerated development and the reduction of poverty and inequality (2) development of a plan for a phased ODA and other types of development financing and collaboration (3) to promote trade, investment and regional integration in diverse areas (Ministry of Finance, 2014). According to (Todd Moss and Stephanie Majerowicz, 2012), a predictable outcome of Ghana’s new middle-income status is a loss of access to concessional financing from the International Development Association (IDA), which presently constitutes Ghana’s single largest donor, with over \$250 million dollars in flows per year. They predict that in the absence of any massive shock to the country’s economy or a change in IDA rules, Ghana should expect to graduate out of IDA within the next decade, possibly within the next three to five years.

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CHAPTER 3

AN ANALYSIS OF THE SUSTAINABILITY OF THE GHANA BEYOND AID AGENDA AND THE CHALLENGES AND PROSPECTS

3.0 Introduction

Since her independence, governments of Ghana have announced several development plans or strategies to transform the country. We have had such plans and strategies as, the Seven-Year Development Plan for National Reconstruction and Development, The Ghana Vision 2020, Ghana Poverty Reduction Strategy (GPRS I) and Growth and Poverty Reduction Strategy (GPRS II), Ghana Shared Growth and Development Agenda (GSGDA I & II) and quite recently, the 40 Year Development Plan, which was expected to start implementation in 2018, among other development strategies. However, successful execution of most of the development strategies and plans have remained a mirage.

This chapter undertakes an examination of the sustainability of the “Ghana Beyond Aid Agenda”. In doing so, the chapter would examine the interpretation and purpose of “Ghana Beyond Aid”. It would also examine elite consensus on pursuing a beyond aid agenda in Ghana. The chapter would finally look at some challenges and prospects of pursuing a Ghana beyond aid agenda.

3.1 The interpretation and Purpose of Ghana Beyond Aid

3.1.1 What is Aid?

Aid is the transfer of goods and services between international actors on a concessionary basis. Aid covers both grants and concessionary loans, both bilateral and multilateral, both government and private. It may be given without conditions or it may be tied to some conditions (Penguin dictionary of international relations, 1998). Riddell defined aid as all the resources such as technical assistance, grants and concessional loans which are normally transferred from rich countries to poor countries (Riddell, 2007). Mayo identified three kinds of aid: (1) emergency aid (2) charity based aid and (3) development aid (Mayo, 2007). The primary goal of aid given by rich country governments to poor country governments is to help the recipient countries to meet their development needs. However, Janus, Klingebiel and Paulo (2014), assert that donors have often been influenced by other factors, including their national interest.

3.1.2 Examining the role of aid in Ghana's Development Funding

Aid to Ghana comes in two broad forms: grants with no repayment and concessional loans (35% or more of loan being grant and often with interest below market rate) (Ghana Beyond Aid Committee, 2019). In an interview with the Director of Budget and Research, Parliament of Ghana, it was revealed that, most aid to Ghana comes through the budget (budget support) and some outside the budget (project grant). Therefore, the budget would give some idea of the aid received, give and take about 50% to 70% of total money received (Field interview, June 20, 2019). Since 2017, government has received about \$713.03 million grants through the budget (Extracts from MoF fiscal data, 2017-2019). Agoe (2013) claims that foreign aid has played a major part in Ghana's development

financing over the past 50 years. He adds that assistance will be required for the overall decrease of poverty, the growth of infrastructure, education, health, empowerment of females, conduct of elections and human rights promotion. A member of the Finance Committee of Ghana's Parliament expressed that, the budget of the government always come with expenditure exceeding total revenue, so in order to make up for the deficit, government would normally be left with no option than to borrow either from the domestic economy or commercial market, better still, government can go for concessional loans to finance the deficit (Field interview, June 20, 2019).

Ghana recorded a fiscal deficit of 5.9% in 2014, 5.1% in 2015, 6.4% in 2016, 4.6% in 2017 and a projected 4.5% in 2018 (PwC Ghana, 2017). This is shown in figure 3 below.

Figure 3: Ghana's Fiscal Deficit between 2014-2018

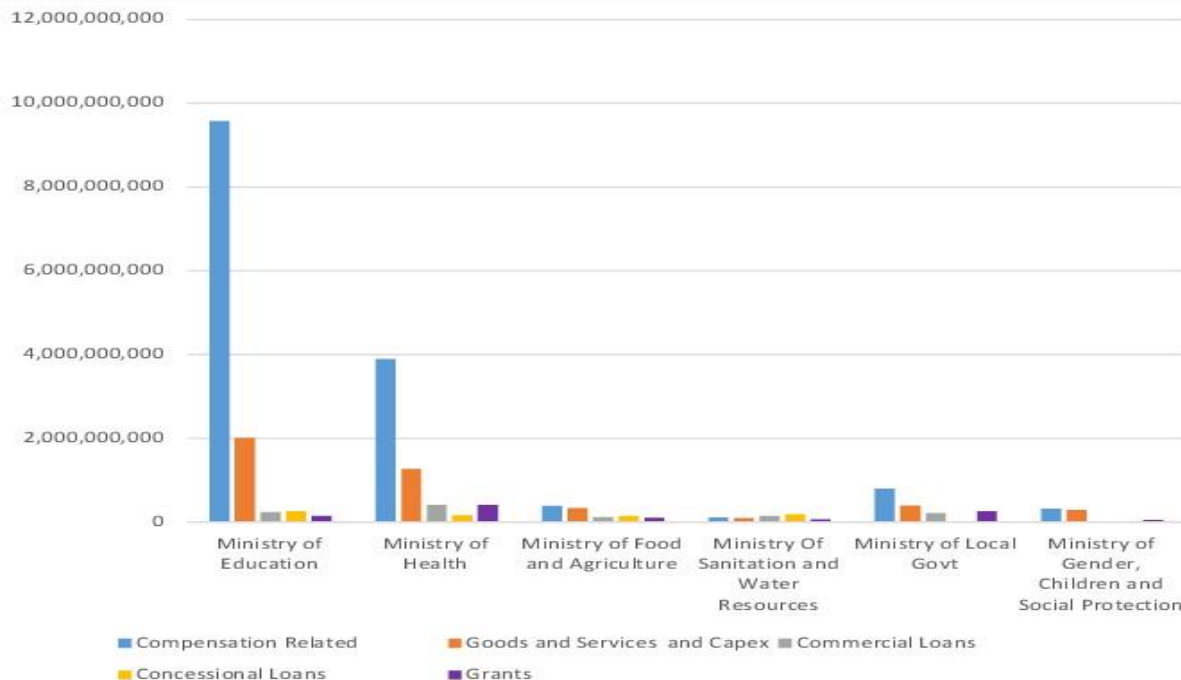


Source: (PwC Ghana, 2017)

The fiscal deficit provides an indication of the amount of borrowing a government has to make. It was explained by a former deputy minister of finance that, the concessional loans are better options to finance the deficit because they come with flexible payment terms with low interest rates than the commercial loans (Field interview, June 20, 2019). The respondent therefore believes that, Ghana requires the grants and concessional loans within the short-medium term to fund her budget deficit. However, as noted by the Budget office, Parliament of Ghana , “concessional loans are difficult to come by for deficit financing for a middle income country like Ghana” (Field interview, June 20, 2019). Osei (2012) affirms this view when he asserted that Ghana's status as a middle-income nation and the start of oil production means that the nation will experience a decline in aid in the long-term, but aid will stay a significant element of government fiscal policies in the brief to medium term.

Aid (the sum of grants and concessional loans) averaged 5.7% of Ghana's budgetary spending for the three years from 2016 to 2018. If we only consider grants, the average is 3.2%. These figures were on a downward trend, with 3.1 percent for assistance and 2.0 percent for grants for 2018 (Ghana Beyond Aid Committee, 2019). Aid, although not significant, plays a critical role in the budget funding of Ghana. See figure 4 below.

Figure 4: Source of revenue to some Ministries from 2016-2018



Source: (Ghana Beyond Aid Charter and Strategy Document, 2019)

From the chart above in Fig 4, contributions from the Government of Ghana in the form of goods and services, capex and other revenue on compensation constitute the dominant sources of income for the Ministries while that of aid is very low. The Ghana Beyond Aid Charter and Strategy Document reveals that, for the general budget, if we exclude compensation payments, interest payments, and statutory transfers and consider only goods and services and capital expenditure, the impact of aid is much more significant. The proportion of aid averaged 38.3 percent over 2016 to 2018, while grants alone averaged 21.2 percent (Ghana Beyond Aid Committee, 2019). The document also shows that, from 2016 to 2018, assistance to the Ministry of Food and Agriculture and the Ministry of Water and Sanitation as a proportion of the Government of Ghana funded expenditure on products and services and capital was 102.8% and 312.1% respectively.

The percentages were 22.7 and 46.9 respectively for the Ministry Education and the Ministry of Health and for the Ministry of Gender, Children and Social Protection, and the Ministry of Local Government, they were 54.3 percent and 104.1 percent respectively.

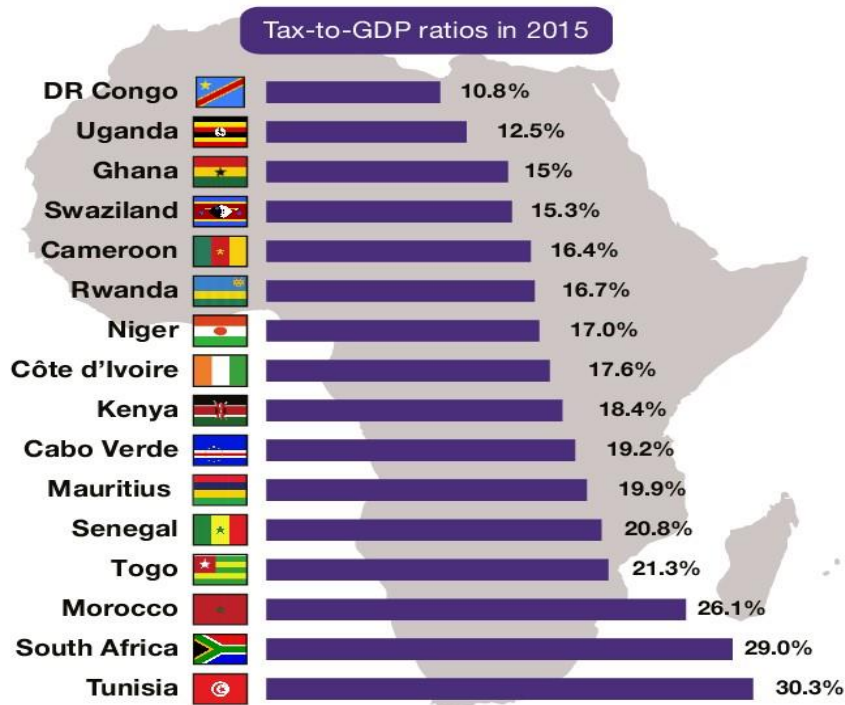
It is quite obvious that Ghana's development funding is presently highly donor-dependent, the budget relies on aid to fund critical sectors of the economy. All thirteen (13) interviewees shared the view that the country's budgets are very much donor driven, a situation they all bemoaned as unfortunate, considering the country's rich human and natural resources. According to Agoe (2013), about 40% of Ghana's budget is donor funded. All thirteen interviewees were also unanimous in agreement that, the country's dependence on donor agencies to fund its development budget, generally stems from the country's inability to manage well its own affairs and to mobilize domestic resources effectively (Field interview, 2019).

The specific factors that have been identified to account for this situation include corruption and leakages. A study by IMANI, a leading Ghanaian think-tank found that Ghana loses more than US \$3 billion a year to corruption (Andrew Ntim & Kofi Boahen, 2016). Another factor for the country's lack of ability to fund its own budget is that, in Ghana, it is very difficult to get people to pay taxes (Field interview, June 24, 2019). The difficulty in getting people to pay taxes, as explained by one respondent, is the nature of the Ghanaian economy which is mainly informal. So getting the optimal tax revenue becomes problematic (Field interview, June 24, 2019). In Ghana, about 88 % of the workforce is employed in the informal sector (Friedrich Ebert Stiftung, 2014). The

informal economy relates to operations and incomes which, partly or completely, are not regulated, taxed and monitored by the government. Their driving motivation is financial. This type of activity or operations allows employers, paid employees, and the self-employed to increase their take-home earnings or reduce their costs by evading taxation and social contributions (Benjamin, 2014).

Ghana's tax to GDP in 2015 was around 15 percent below the average of 19.1 percent among 16 other African countries as shown in figure 5 (OECD/ATAF/AUC, 2017). In 2018, a tax to GDP of 13.1 percent was realized, which is currently far below the average of 20 percent for lower-middle-income economies, while the 2019 projected tax to GDP is around 13.9 percent (B & FT, 2019). A respondent expressed that, "Ghana's tax rate is one of the lowest, marginal tax rate is 25% but when I was in the UN the marginal tax was 40 %, but the lack of compliance is due to a national psychology: as Ghanaians, we have lost our sense of patriotism due to the way politicians manage the national resource" (Field interview, June 24, 2019). This national psychology he believes, discourages the ordinary Ghanaian from being tax compliant, hence the low tax revenue which eventually compels the country to seek for donor support.

Figure 5: Ghana’s Tax to GDP ratio in comparison with 15 other African Countries



Source: (OECD/ATAF/AUC, 2017)

As a country, if you are unable to collect taxes and mobilize your own resources internally to meet your expenditure demands, you end up with no option than to fall on donor support to make up for the budget deficit (Field interview, June 24, 2019). Generally, compared to other regions, countries in Sub-Saharan Africa depend highly on formal assistance flows for their development (Dilip Ratha, Sanket Mohapatra and Sonia Plaza , 2008).

3.1.3 Conceptualizing Ghana Beyond Aid

According to the Ghana Beyond Aid Committee (2019), ‘Ghana Beyond Aid’ is a national transformation agenda comprising a vision of the Ghana we want and the mindset and behavioral changes that Ghanaians commit to make in order to pursue that

vision. The Ghana Beyond Aid Secretariat in an interview explained that, the ‘Ghana Beyond Aid’ vision must not be misconstrued to mean, aid is bad or not useful towards Ghana’s development. But that, ‘Ghana Beyond Aid’ is a national call to manage the country’s resources well enough in order that when the aid stops coming due to donor fatigue, the country can still support its basic needs and survive (Field interview, June 28, 2019). Aid is important for our development but it is insufficient and unreliable source of development financing for the country (Ghana Beyond Aid Committee, 2019).

President Nana Akufo-Addo states that:

“A **Ghana Beyond Aid** is a prosperous and self-confident Ghana that is in charge of her economic destiny; a transformed Ghana that is prosperous enough to be beyond needing aid, and that engages competitively with the rest of the world through trade and investment.” (Akufo-Addo, Forward By The President, 2019).

Therefore, from this perspective, ‘Ghana Beyond Aid’ is simply a vision to break free from the long-standing dependence on foreign largess and to harness domestic resources to fund Ghana’s development aspirations as a sovereign nation that seeks to compete on the global stage (Ghana Beyond Aid Secretariat, Field interview, June 28, 2019)

According to Janus, Klingebiel and Paulo (2014), “Beyond Aid” is a terminology used as a criticism of aid and to refer to the increasing irrelevance of aid relative to its contribution to development in a changing environment of development cooperation. Since development cooperation started more than 60 years ago, the world has been

altered dramatically, the development environment has been revolutionized by economic, political, social and technological innovations (OECD, 2011) Four interpretations of “Beyond Aid” have been derived by Janus, Klingebiel and Paulo (2014), after extensive review of contemporary development cooperation literature.

First, “Beyond Aid” could mean the emergence of several development actors which now presents options for developing countries that hitherto relied on aid to choose from as a result of the proliferation and diversification of stakeholders in development cooperation, such as the South-South cooperation- partnerships among developing countries (Janus, Klingebiel and Paulo, 2014). The dramatic new development in economic relations between South and South is changing traditional models of economic development which is now strongly evident in African and Asian trade (Nankani, 2007). This concept of beyond aid is what president Nana Akufo-Addo may have signaled at the general debate of the 73rd Session of the General Assembly of the UN when he made the statement that: “We know we must get our population educated and trained and we are certain about it. We must address our infrastructural deficits, the traditional methods of tackling this problem will not provide the answers, and we are looking for new ways to resolve it. Ghana, like many countries in Africa is forging relations with China to make arrangements to help address part of our infrastructural deficit” (Akufo-Addo, 2018).

‘Ghana Beyond Aid’ in this sense means “you focus on building alliances or as a country, rewriting the narrative of always going to beg for money but you rather look at partnerships, so they are bringing money, we are giving something in return” (Field

interview, June 27, 2019). Another interviewee argued that, ‘Ghana Beyond Aid’ is a call for the country to look outside the box and chart a path away from begging for handouts onto a path of partnership with countries like China (Field interview, June 20, 2019).

Moyo (2009), advised that foreign direct investments such as China's strategy of massive direct investment in infrastructure should be encouraged and attracted by African nations. She notes that in 2004, China invested about US\$ 900 million in Africa, compared with only US\$ 200 million in 1975. According to (Nankani, 2007), new financial relations between South and South offer African countries true opportunities as well as challenges. He therefore cautions African governments and policy makers to develop strategies to tilt the outcome towards the opportunity side of the South-South cooperation. The application of this understanding of “Beyond Aid” to “Ghana Beyond Aid” means, Ghana has come to a point where it believes its development funding no longer rest on aid, but with the emerging development actors such as countries in the South-South partnerships.

Secondly, the term “Beyond Aid” can also imply the proliferation of source and development funding mechanisms as opposed to previous development cooperation funded primarily by bilateral and multilateral donors (Janus, Klingebiel and Paulo, 2014). The growing commitment of emerging development partners in Africa broaden the continent's growth possibilities and provide actual and substantial possibilities for African countries development (Diarra, 2010). An interviewee expressed this view of “Beyond Aid” by noting that, aid has not done much for the Ghana, so as a country, “we must focus on two things which are not aid. One, is what we have attempted with China in the case of

the Sinohydro deal. We leverage our resources for infrastructure. In this case I present my resource and you give me its return in currency, then the money is no more aid and I can use it for my railway and other projects” (Field interview, June 20, 2019). Secondly, the interviewee adds that, “the country also has the option to go to the capital market and borrow extensively like 30 billion and use it for projects that would have significant returns to pay back”. The interviewee however notes that, the danger in pursuing these options in Ghana is that, the country will often borrow funds and spend it on consumption and on debt servicing instead of investing the borrowed funds on infrastructure and other productivity enhancing projects (Field interview, June 20, 2019).

Dr. Yeboa Amoah, the Chairman of the Securities and Exchange Commission at the 3rd Capital Market Conference held in Accra under the theme “Ghana Beyond Aid: The Role of Capital Market,” indicated that “the capital market has all the needed impetus to drive long-term capital mobilization and intermediation towards a sustainable development, industrialization and wealth creation”. He further adds that, it’s time for Ghana to seriously turn to the capital market for its industrialization drive in pursuit of the ‘Ghana Beyond Aid’ vision (Daily Guide, 2018). In place of aid, African governments must follow the example of Asian emerging markets in accessing the international bond markets and taking advantage of the falling yields paid by sovereign borrowers over the past decade to fund their own development (Moyo, 2009).

This concept of “Beyond Aid” within Ghana’s context therefore implies a decision to turn the country’s focus to other financing options that exist in a diversified financial environment rather than the traditional reliance on aid to finance our development.

Thirdly, “Beyond Aid” could also be interpreted as regulation, that is, a shift away from aid and making aid effective to focus attention on global regimes and domestic policy making as instruments for the development process in policy areas such as trade, migration, among others (Janus, Klingebiel and Paulo, 2014).

Addressing the 71st session of the UN General Assembly in 2016, then President John Mahama in reference to this understanding of “Beyond Aid” stated that, “Africa does not need your sympathy or overseas development assistance,” rather than aid, he expressed that, “Africa needs a fair chance to trade with the rest of the world and amongst ourselves”, and that the “progress towards the creation of a Continental Free Trade Area (CFTA) is commendable and must be fast tracked.” (Mahama, Ghana- President Addresses General debate, 71st Session, 2016). Akonor (2008), asserts that, as an important step towards development, rather than African governments relying on aid for their development, the continent’s leaders must pursue seriously, regional integration and Pan Africanism.

Estimates indicate that Sub Saharan African nations may generate one to three billion dollars by decreasing the cost of international migrant remittances, five to ten billion dollars by issuing diaspora bonds and 17 billion dollars by securitizing future remittances and such other receivables (Dilip Ratha, Sanket Mohapatra and Sonia Plaza , 2008). President Nana Akufo-Addo at the 73rd UN General Assembly session also expressed the point that the development trajectory that we have been on for many decades is not working for us, therefore, Ghana and many other African countries “are trying a different

one and we would appreciate the support and goodwill of the world, especially in helping to stem the huge flow of illicit funds from the continent” (Akufo-Addo, Ghana- President Addresses General debate, 73rd Session, 2018).

The report of the High Level Panel on Illicit Financial Flows from Africa indicated that, Africa loses more than 50 billion dollars a year in illegal economic flows, mainly to commercial operations of multinational corporations, tax avoidance, criminal activity, bribery, corruption and abuse of office. The report further concluded that Africa is a net creditor to the rest of the world, suggesting that Africa loses more than it receives from aid (United Nations. Economic Commission for Africa, 2015). Mr. Ali Nakyea, a tax expert, revealed at the 2017 World Public Service Day under the auspices of the Ghana Integrity Initiative in Accra that, Ghana loses more than 1 billion dollars annually to illicit financial flows (Ghanaweb.com, 2017). Granting an interview with the Africa Renewal, Former President Thabo Mbeki who chaired the High Panel on Illicit Financial Flows indicated that, “Illicit financial flows are a challenge to us as Africans, but clearly the solution is global. We could not resolve this thing by just acting on our own as Africans” (Ighobor, 2016). He therefore called for the support of the international community in resolving the challenge.

In this sense, the conceptualization of ‘Ghana Beyond Aid’ implies a Ghana that has come to a point where, a fairer global environment of cooperation of equal partners in development is required for the countries development rather than the traditional preoccupation with development assistance.

Fourthly, the use of “Beyond Aid” may also be conceptualized as knowledge and experience sharing on the development process rather than relying on aid by developing countries (Janus, Klingebiel and Paulo, 2014). The worldwide revolution triggered by the development and implementation of information technology requires the entire international community to be fully involved if the technology is to be eventually efficient in delivering development (Edoho, Godwin J. Udo and Felix M., 2000). Ghana currently participates in the Pan-African Coalition for Transformation (PACT) which provides a platform for African countries to among other things, dialogue (African Transformation Forum) in promoting peer learning, knowledge sharing and best practices sharing for transformative development (African Center for Economic Transformation, 2019).

Dambisa Moyo provides us with a very radical and extreme interpretation of “Beyond Aid” in her classic “Dead Aid: Why Aid is Not Working and How There is A Better Way for Africa.” She contends that Aid is a problem and not a solution to Africa’s development, she maintains that aid breeds corruption, laziness and a dependency mindset on the part of African leaders, she therefore suggests an end to aid to Africa within a projected period of time (Moyo, 2009). Moyo by her proposal, offers a radical interpretation of “Beyond Aid” to mean a complete cut off from the aid community by African governments. Kagame (2009) in agreeing with Dombisa Moyo states that, “some of Ms Moyo’s prescriptions such as ending all aid within 5 years, are aggressive. But I always thought this was the discussion we should be having: when to end aid and how best to end it”.

This aggressive and radical interpretation of “Beyond Aid” to mean ending of all development assistance to Africa, finds some expression in the message conveyed by President Nana Akufo-Addo at the 73rd United Nations General Assembly Debate when he stated that:

“We are determined in Ghana and increasingly in many other parts of the continent to chart our own path to development, we are no longer interested in being a burden on others, we would shoulder our own responsibilities and build our societies and nations” (Akufo-Addo, Ghana- President Addresses General debate, 73rd Session, 2018).

President Nana Akufo-Addo further stated that “we no longer want to be the place that requires peacekeepers and poverty fighting NGOs, no matter how noble their objectives.” He adds that, “our regional bodies like ECOWAS and our continental body the AU are making systematic efforts despite significant handicaps to bring peace and stability to the entire continent and sooner rather than later, they will succeed” (Akufo-Addo, Ghana- President Addresses General debate, 73rd Session, 2018).

Three (3) out of the thirteen (13) interviewees ascribed this interpretation of “Beyond Aid” to the “Ghana Beyond Aid’ terminology. They thought that the connotation of ‘Ghana Beyond Aid’ implies a Ghana that has grown above aid or Ghana doesn’t require aid again for its development funding. All three however believed that no country can ever claim to be above receiving aid since we live in an interdependent world, where nations ultimately rely on the support of other nations of the world in areas where they

may have a comparative disadvantage (Field interview, 2019). One of them asserts that “the mantra of ‘Ghana Beyond Aid’ is wrongly couched”, which is creating the impression that Ghana does not require aid at this point (Field interview, June 20, 2019). Another interviewee revealed that the ‘Ghana Beyond Aid’ rhetoric is hurting the country because support that was coming to Ghana through the British government has gone to Liberia and Sierra Leone instead, because Ghana does not need aid again (Field interview, July 2, 2019).

Ten (10) interviewees disagreed with this rather aggressive interpretation of ‘Ghana Beyond Aid’, to mean, a complete cut or rejection of aid to Ghana. In reference to an interpretation of “Beyond Aid” to mean cutting off all aid, a respondent stated that, in the practical terms, “it is an impossible journey because we live in a symbiotic world, where we interdepend on each other, assistance will come, sometimes in the area of disaster or where you lack expertise as a country.” (Field interview, July 3, 2019). Another interviewee in disagreement to a radical interpretation of ‘Beyond Aid’ notes that in reality the literary understanding of ‘Beyond Aid’ to imply Ghana wants to do without aid would be problematic. He asserts that the phrase, ‘Ghana Beyond Aid’ should rather be looked at from a purposive meaning: what it seeks to achieve (Field interview, June 27, 2019). Within the context of the purposive meaning, ‘Ghana Beyond Aid’ is a call for the country to look within, first of all, see how best to recalibrate its internal revenue mobilization system in terms of development financing as a country, seal the loopholes and prioritize spending. Externally too, it calls for Ghana to focus on building partnerships to finance its development (Field interview, June 27, 2019). This purposive

conceptualization of “Ghana Beyond Aid” does not amount to a rejection of aid. Their views exactly fall in agreement with the Senior Minister and Chairman of the Ghana Beyond Aid Charter Committee, Mr. Yaw Osafo Marfo who stated that, ““Ghana Beyond Aid’ is not aimed at isolating Ghana from the comity of nations and development partnerships. ‘Ghana Beyond Aid’ is not anti-aid or aid rejection.” (Maafo, 2019).

3.1.3.1 Ghana Beyond Aid: The Literally and Purposive Meaning

From the literature and the field interviews, the term “Beyond Aid” and for that matter, “Ghana Beyond Aid” is not subject to one single interpretation in present development cooperation. However, two broad meanings can be deduced: (1) **the Literally Meaning** of ‘Ghana Beyond Aid’, from the English connotation to mean, a Ghana that has grown above Aid or that does not require aid for its development. Moyo’s (2009), view on cutting all aid to Africa represents this concept of ‘Ghana Beyond Aid’; (2) the **Purposive Meaning** of ‘Ghana Beyond Aid’, to imply, the country’s pursuit of self-sufficiency. This represents the desire of the country to recalibrate its internal affairs to be able to support its most basic needs without being dependent on the benevolence of donors. Therefore, ‘Ghana Beyond Aid’ from the purposive sense, is a goal to attain self-sufficiency and not necessarily intended to alienate Ghana from the global aid community.

3.1.4 Why Ghana Beyond Aid

Purposively, the ‘Ghana Beyond Aid’ agenda is a vision to transform the Ghanain economy and grow out of aid dependency. The Ghana Beyond Aid Secretariat, expoused that, the country’s resources, both human and natural, must drive the country’s development and economic transformation (Field Interview, June 28, 2019). As a country,

“we have the requisite enterprise, skills and creativity to engineer this transition” (Akufo-Addo, Ghana- President Addresses General debate, 73rd Session, 2018). Because, as expressed by one interviewee, “no country is coming to develop your country for you, so Ghana as a country needs to go beyond aid so we can take our destiny into our own hands.” (Field Interview, June 25, 2019). Akonor (2008) asserts that, the development of African countries lies not in the hands of donor agencies, but solely rest with leaders of the continent, who must assume full responsibility for their economic destiny and develop creative techniques to finance their own development.

President Nana Akufo-Addo stated that:

“We are determined in Ghana and increasingly in many other parts of the continent to chart our own path to development, we are no longer interested in being a burden on others, we would shoulder our own responsibilities and build societies and nations that are attractive to our youth” (Akufo-Addo, Ghana- President Addresses General debate, 73rd Session, 2018)

‘Ghana Beyond Aid’ also because, “as a country, we need more than aid to expedite economic transformation to the desired level” (Maafo, 2019). As a country, to achieve any meaningful economic growth and development, there is the need to look within the country. Aid can only be complementary to internal efforts but the country cannot be dependent on aid for development (Field interview, June 26, 2019). According to Ernest Aryeetey and Aidan Cox (1997), aid can only be useful towards Ghana’s development if it complements domestic and international private funds in a long-term national growth

effort. African governments must know that domestic resources constitute the most reliable and sustainable means of development finance (UN Economic Commission for Africa, 2008).

Aid comes with conditionalities that are sometimes injurious to some sectors of the economy, therefore if Ghana wants to dictate the pace of its own development, there is the need to look outside of aid to achieve that. Because, as expressed by the Ghana Beyond Aid Secretariat, “there is no value neutral aid, every aid that we receive is tied to a particular interest of the donor, that is why we need a framework which we will insist that all aid should be aligned to” (Field interview, June 28, 2019). One other respondent believed that conditionalities that have come with aid to Ghana have been injurious to our development in some sectors of the economy (Field interview, July 2, 2019). Another respondent disagreed with the notion that conditionalities have been harmful, on his part, he thinks that the conditionalities are meant to ensure that aid funds are put to good use considering the corrupt nature of Ghana’s public institutions (Field interview, July 2, 2019). Moyo (2009), argues that aid encourages corruption, laziness and uninnovativeness on the part of African leaders, therefore, aid must be stopped.

‘Ghana Beyond Aid’ is also necessary since aid to Ghana is on the decline. Todd Moss and Stephanie Majerowicz (2012), note that Ghana’s middle-income status implies Ghana will lose access to concessional funds in the long run. The Ghana Beyond Aid Charter and Strategy Document also notes that aid to the country is on the decline. Aid to Ghana ranged on a decreasing trend from 5.6 percent of GDP in 2010 to 2.9 percent of GDP in

2017, while the grant component of Aid alone reduced from 3.7% of GDP in 2010 to 2.3 percent of GDP in 2017 (Ghana Beyond Aid Committee, 2019). Jeffrey Sachs advocates for the end to global poverty using the "Big Push" model, which calls for the injection of huge foreign aid funds to developing countries which he believes will permanently bring an end to poverty in those countries (William Easterly and Jeffrey Sachs, 2006). However, foreign aid globally is on a decline. Preliminary data by OECD in April, 2019 shows that foreign aid from official donors to poor countries in 2018 fell by 2.7 percent from 2017 (OECD, 2019)

According to Moyo (2009), African governments must look beyond aid because there exist other better means of financing development such as commercial borrowing from the international financial market, increased trade within Africa and with other economies like China, foreign direct investment and domestic resource mobilization via remittances. This view was shared by all thirteen (13) interviewees who expressed that it was time Ghana increased its domestic resource mobilization, create an enabling environment to attract investment and engage in partnerships and trade. Bodomo (2013), points out that, diaspora African remittances are bigger and better than donor aid funds mostly from the west. 'Ghana Beyond Aid' Vision is thus meant to recalibrate Ghana's development funding.

According to the Ghana Beyond Aid Charter and Strategy Document, this vision of a 'prosperous Ghana that is beyond needing aid' means two things for Ghana's development cooperation: (1) Ghana will pursue a clear strategy for economic

transformation and ensure that every development assistance is aligned to it.; (2) Ghana will strive to increase its own contribution to such basic public services as education, health, water and sanitation without always relying on donors (Ghana Beyond Aid Committee, 2019).

3.2 Elite Consensus on a Ghana Beyond Aid Agenda

Consensus on development planning remains critical to the enterprise of nation building that can stand the test of time (Owusu-Anoah, 2014). The responses from the interviewees depicted unanimity on the need for Ghana to pursue a ‘Beyond Aid’ agenda. Within the context of a **purposive** interpretation of ‘Ghana Beyond Aid’, all thirteen (13) respondents in principle are unanimous in agreement on the need for Ghana to strive for self-sufficiency and wean itself from a dependency syndrome, charity and handouts (Field interview, 2019).

The idea of Ghana attaining self-sufficiency started soon after the country gained political independence. The import substitution and industrialization policy that was embarked upon by Nkrumah was aimed at attaining economic independence and self-sufficiency. Kwame Nkrumah in presenting his seven year development plan to the National Assembly stated that, “we are determined that the economic independence of Ghana shall be achieved and maintained” (Nkrumah, 1964). Osei and Domfe (2016), note that the country since 1964 has pursued a number of development plans in the quest to attain economic self-sufficiency. All the respondents shared the view that, after six decades of the country’s independence, Ghana cannot continue to depend on donors to fund critical sectors of its economy. It was pointed out that the country is well endowed with resources

that can transform and develop the country into a modern state, therefore, “the Ghana Beyond Aid vision is desirable” (Field interview, July 5, 2019).

The Ghana Aid Policy Document which was drafted in 2010 in line with the Paris Declaration (PD) on Aid Effectiveness, the Accra Agenda for Action, and later the Busan Partnership for Effective Co-operation, had as one of its key objectives to ‘move Ghana beyond aid dependency’ (Sackey, 2010). The Ghana Aid Policy aimed at putting to work in Ghana the principles of the Paris Declaration: (1) Ownership and Leadership of our own development and the strategies to use, including a fight against corruption and building strong institutions to deliver development; (2) Alignment of all development assistance to the development needs of the country; (3) Harmonization, coordination among donor countries, use of simple procedures and sharing of information to avoid duplication; (4) Results, here both donors and the country concentrate on outcomes of development and to measure results (5) Mutual Accountability, this entails that both the country and donors become accountable to development outcomes (Sackey, 2010).

Government of Ghana under Compact for Leveraging Partnerships for Shared Growth and Development (2012-2022) entered with fifteen (15) development partners, committed to gradually reduce Ghana’s dependence on Aid for its development by taking full responsibility for her own development funding through domestic resource mobilization and taking advantage of other alternative funding mechanisms (Kyeremeh, 2018). Also, ‘Ghana Beyond Aid’ is specifically captured in the Long-term National Development Plan of Ghana (2018-2057) which was developed in 2017 and was expected to begin

implementation in 2018. Under Goal 5: ‘Strengthening Ghana’s Role in International Affairs’, point 5 of the catalytic initiatives states that, “Adopt a Ghana Beyond Aid Strategy” (NDPC, 2017). It can therefore be concluded that, there is consensus on the need for Ghana to go Beyond Aid. Indeed, the vision to realize Ghana’s economic independence and manage her own affairs has been a long-standing goal that remains to be fully implemented.

3.3 Implementation of the Ghana Beyond Aid Agenda

It has been noted that, Ghana is good at formulating good policies and plans. However, what the country has always lacked is the ability to fully implement such plans. A 2006 Survey on Monitoring the Paris Declaration in thirty four (34) countries that receive aid, notes in particular reference to Poverty Reduction Strategies, that in terms of vision and medium-term targeting, the policy framework of Ghana is strong. However, despite latest advancement, operationalization and the provision of resources required to implement them remain weaker. The report also notes that, while there exist a constitutionally mandated institution, the National Development Planning Commission responsible for drafting both long- and medium-term national plans, the design and content of these plans have changed within the respective administrations of Presidents Rawlings and Kufuor, as a result of a belief that the government of the day provides the framework for the country's development (OECD, 2007). President Nana Akufo-Addo in his Forward to the ‘Ghana Beyond Aid Charter and Strategy Document’ rightly notes that, this is not the first time the country has announced ambitious plans to transform the country economically and socially, several governments have intended similar plans which have failed to materialize (Akufo-Addo, Forward By The President, 2019).

According to Osei and Domfe (2016), an assessment of the development planning experience of Ghana shows that the execution of almost all plans was cut short mid-way during the plan period. This discontinuity in plan implementation, they explained, is normally due to changes in government and also inadequate resources after initial investments. Therefore, President Nana Akufo-Addo notes that, the Ghana Beyond Aid Committee drawing lessons from the history of development efforts, recommends two key Implementation Pillars which the President believes will make the difference: (1) The ‘Ghana Beyond Aid’ agenda should not be a government agenda, but a national agenda; and (2) The ‘Ghana Beyond Aid’ agenda should concentrate instead on a list of initiatives to be implemented by the government, on values, attitudes and mindset change which condition the environment for development (Akufo-Addo, Forward By The President, 2019).

The Ghana Beyond Aid Charter and Strategy Document sets out the following implementation arrangements for the realization of the Ghana Beyond Aid agenda:

The Committee’s proposed Implementation Arrangement:

- ‘Ghana Beyond Aid’ be approached as non-partisan in order to get the collective buy-in of all Ghanaians, so that every government will remain committed to it.
- The vision of ‘Ghana Beyond Aid’ must be spearheaded from the top political leadership, with every Ghanaian having their role to play

To achieve this, there shall be:

- A seventeen (17) Member Ghana Beyond Aid Council to oversee the implementation of the vision. Recommended composition of the Council include:

- (1) a Chair of the Council, which shall be the President of Ghana or the Vice President; (2) Three Vice-Chairs: (a) one representation from the main Opposition Party in Parliament, (b) the leader of the Trades Union Congress, who shall represent Labour, and (c) the head of the Employers Association; (3) five government representatives, including the finance minister; and (4) eight non-governmental representatives including: business leaders, faith-based organizations, the academia, civil society, a representative of all opposition political parties aside the main opposition party, and one youth representation.
- A Ghana Beyond Aid Secretariat to support the Council in its work. In order to monitor progress within the ‘Ghana Beyond Aid’ agenda, the Secretariat will be responsible for developing parameters of the multiple indices. The staff of the Secretariat will include persons seconded from, the Ghana Statistical Service, the National Development Planning Commission, and other professionals.
 - The NDPC as a constitutional body with the mandate of development planning, will develop plans, the President’s Coordinated Programme of Economic and Social Development Policies and its associated Medium-Term Development Framework to reflect the specific priorities, programmes, and projects of the Government of the day.
 - Intensive advocacy and public education campaign through the Media, National Commission for Civic Education (NCCE), the Ministry of Information, Faith-based Organizations, among others, to articulate the broad goals of the ‘Ghana Beyond Aid’ vision and the responsibility of the citizenry towards actualizing it. Through the Ministry of Education and the Ghana Education

Service (GES), it is proposed that, the Ghana Beyond Aid vision be integrated into Basic Education Curriculum to help instill new mind-set and attitudes into the next generation (Ghana Beyond Aid Committee, 2019)

These proposals, the committee believes, will guide the effective implementation of the agenda, guarantee consensus and ensure the sustainability of the 'Ghana Beyond Aid' agenda across governments. It was explained in an interview with the Ghana Beyond Aid Secretariat that, the proposed Ghana Beyond Aid Council is meant to ensure that the Beyond Aid Vision assumes a National character, hence the broad representation of varied interest groups, especially making a member of the main opposition party one of the Vice Chairpersons. The broad advocacy and public campaigns, it was explained, is intended to get public acceptability of the vision so that in the event of a change in government, the citizenry can insist on continuity in implementation (Field interview, June 28, 2019). Harrison (2006), affirms the importance of broad participation and political legitimacy towards implementation of development plans.

A governance and development practitioner however held that, despite the desirability of the vision, the country is too polarized for any meaningful bi-partisan consensus to be forged on the implementation of the 'Ghana Beyond Aid' agenda. He expressed the view that, a predictable outcome of a change in government will be the setting aside of the Ghana Beyond Aid Charter (Field interview, July 5, 2019). It was also revealed that, considering the extensive consultative and broad-based approach the National Development Planning Commission employed in the crafting of a 40 Year National

Development Plan for Ghana in an effort to achieve National Consensus and the citizenry participation in its implementation, yet the plan has been shelved for another development framework, namely, the Ghana Beyond Aid Charter and Strategy, consensus on the implementation of this new framework which has not had a much broader participation in its preparation will be very difficult (Field interview, July 2, 2019).

Abubakari, Asamoah and Agyemang (2018), noted that, various concerned groups including: Trades Union Congress (TUC), , the National House of Chiefs, Ghana Culture Forum, Ghana Journalists' Association, Ghana Union of Traders' Association and the Council of Indigenous Business Association Ghana Employers Association, Private Enterprise Foundation, Federation of Association of Ghanaian Exporters, the National Union of Ghana Students, Religious Organizations, all had declared their support for the 40 Year National Development Plan for Ghana. They also commended that, the NDPC leading the process rather than the central government was a positive step towards gaining bi-partisan consensus on the Plans implementation.

However, the newly-constituted National Development Planning Commission indicated that, the 40 Year Development Plan was not completed and the 450 page document was presented to the commission by the previous administration. The Commission also indicated that, they were currently working on turning the 450 page document into a 'Ghana at 100 plan', which the Commission hoped would guide the various political parties in drafting their manifestos (Field interview, June 20, 2019).

In trying to understand why forging a bi-partisan consensus on the implementation of such critical national development aspirations appears difficult to reach, it was explained that, the fundamental cause lay in the kind of political template the country ran on; the political template, it was argued, is characterised by a “winner takes all politics”, which consequently produced a dangerous competition for power and state control of resources every four (4) years. The result of this competition for power is the credit politics (party’s wanting to take credit for initiatives) the country is witnessing which leads to discontinuity in projects started by opposing parties (Field interview, July 5, 2019).

Wiredu (1995), in advocating for a non-party consensual democracy for Africa asserts that multi party democracies in their very nature produces unhealthy competition rather than engendering cooperation for development. To address this challenge of credit politics and discontinuity in policy implementation, it was suggested that, government considers legislating to protect the Ghana Beyond Aid Strategy and to make it binding on all governments (Field interview, July 5, 2019). Gyampo (2016), also argues that there is no wide involvement in Ghana's process of development planning, which increases the sense of exclusion generally connected with the politics of "winner-takes-all" and undermines inclusiveness and policy continuity. He therefore makes a case for an entrenched plan that can promote inclusive governance, policy continuity and accelerated national development.

However, a Member of Parliament held that, building consensus must not be grounded in legislation, because if you do that, it means you are forcing others with your majority to

accept the ‘Ghana Beyond Aid’ agenda, which he believes will not lead to bi-partisan consensus on its implementation. He notes that unless the document goes through a referendum, a new government with a majority in Parliament can easily repeal the law (Field interview, June 27, 2019).

During the preparatory stages of the 40 Year Development Plan by the NDPC, the Institute of Economic Affairs (IEA), a leading Ghanaian think-tank made the following key proposals towards the preparation and successful implementation of a long-term plan:

- The NDPC should be made an independent and autonomous body with the mandate of formulating and overseeing the implementation of a long term national development plan for Ghana.
- The entrenchment of the National Development Plan in the Constitution in order to make it truly binding on successive governments. They note that, successive governments have consistently flouted legislations that are not entrenched, therefore, **a national development plan that is not anchored in the constitution will be abandoned with a change in government.**
- Ensure that the process of preparing the national development plan is open, transparent and inclusive of all stakeholders in order to ensure public buy-in and ownership of the final policy blueprint.

(Institute of Economic Affairs Ghana, 2015)

Eleven (11) out of the thirteen (13) interviewees expressed the view that, a sure way to ensure National consensus on ‘Ghana Beyond Aid’ is by having a long-term strategic plan backed by law to make it binding on successive governments to implement. Like the IEA’s proposal, they favored the complete depoliticization of the National Development Planning Commission in order for the Commission to play a leading role in the development and implementation of the ‘Ghana Beyond Aid’ agenda within the context of a long-term National development plan. Two (2) interviewees were not in support of legislating to make the plan binding on successive governments. They did not also support the complete depoliticization of the NDPC, a service commission they believe, should exist to only advise and assist the President in the planning and execution of his programmes. Ten (10) of the interviewees supported the view that the NDPC as a body should be cloaked with enforcement powers to insist on compliance to the plan, while three (3) respondents did not support giving enforcement powers to the NDPC, a body they held, did not have the mandate of the citizenry.

The Constitution Review Commission, a presidential Commission of inquiry set up in 2010 to consult with the people of Ghana on the operation of the 1992 constitution and on changes that need to be made to the constitution, using a highly participatory qualitative inquiry methodology to reach out to millions of Ghanaians directly and indirectly, in their report, in a bid to tackle the problem of development planning and implementation the country has faced in time past, recommended among other things, the following:

- The adoption of a long-term National development plan for Ghana which should cover all fields relevant to Ghana's economic growth and its population's social and financial well-being.
- The plan should be entrenched in the constitution and binding on successive governments and enforceable at the instance of any person or institution
- NDPC should be changed from an advisory body to an autonomous independent body with the Chairperson and the Deputy Chairperson being elected by the members of NDPC. It called for a complete depoliticization of the Commission
- Among others.

(The Constitution Review Commission, 2011)

The Government White Paper on the Report of the Constitution Review Commission although welcomed the idea of a long-term plan for Ghana, rejected the entrenchment of the plan to be binding on all governments and enforceable by any citizen. Government believed that, entrenchment of the plan will only allow for the ideologies of particular parties to be forced on others. It also rejected the recommendation to make the NDPC an independent body with the power of overseeing the implementation of the plan since, in governments view, that would give executive functions and power to technocrats who do not have any mandate to govern and, whose actions can, sometimes, reflect partisan political orientations (Government of Ghana).

Therefore, it can be concluded that there is considerable agreement on pursuing the Ghana ‘Beyond Aid Agenda’ within the context of an entrenched long-term National Development Plan that should be binding on successive governments. There is also ample indication for the ‘Ghana Beyond Aid’ agenda to be spearheaded by an independent depoliticized National Development Planning Commission to achieve the collective buy in of all interest groups.

3.4 Towards A Ghana Beyond Aid: Challenges and Prospects

The Ghana Beyond Aid Agenda is essentially a vision for Ghana to attain economic independence and self-sufficiency by harnessing effectively, the country’s own resources to fund its development without being dependent on aid. The Ghana Beyond Aid Charter Document envisages five (5) broad goals in line with the AU’s Agenda 2063 and the UN’s Sustainable Development goals, which underpin the Ghana Beyond Aid Agenda:

Firstly, a **Wealthy Ghana**. This goal of the Charter aims to attain a prosperous Ghana with a transformed economy from the current state. It estimates that in 10 years, per capita GDP will more than double to US\$ 4,500 from the current US\$ 2,035 as of 2017, with GDP growth at over 9 percent a year increasing. Growth will also be diversified, promoting export competitiveness, productivity increases, and technological upgrading, in order to create high income and employment (Ghana Beyond Aid Committee, 2019) Figure 6 shows some indicators, baselines and the targets the Ghana Beyond Aid Charter envisions for a wealthy and a transformed Ghana.

Figure 6: A Wealthy and Transformed Economy (Indicators, Baselines and Targets)

Indicators	Baseline – 2017 (unless o/w specified)	Estimate, 2018	Target, 2019	Target, 2023	Target, 2028
GDP (current US\$ billion, rebased)	58.92	62.22	66.95	107.8	168.2
GDP growth (Real, annual %)	8.1	5.6	7.6	10	9
GDP per capita (US\$)	2035	2102	2210	3257	4,558
Population, total (million)	28.9	29.6	30.3	33.1	36.9
Manufacturing, value added (% of GDP)	12.2	12.5	13	16	20
International tourism, receipts (% of GDP)	2.22	2.4	2.6	2.9	3.5
ICT Service Export (% of GDP)	0.01	0.01	0.01	0.4	1
Exports of goods and services (% of GDP)	39.92	40	41	45	50
Manufactures exports (% of merchandise exports)	14.78	16	16.5	22	30
Top 5 Exports (% of total Commodity Exports)	83.34	81	80	73	60
Exports to Africa (% of Total Exports)	14.0	14.5	15	19	25
Exports to ECOWAS (% of Total Exports)	7.5	8	9	11	15
Cereal yield (kg per hectare)	1,842	1,900	2,000	2,300	2,800
Manufacturing Value Added Per Worker	22,453	23,000	23,500	25,000	30,000

Source: (Ghana Beyond Aid Committee, 2019)

But as noted by an interviewee, the use of the GDP as a measure of the wealth of the nation and of its people is grossly misleading. In his view, in a country where the commanding heights of the economy is in the hands of foreigners and not citizens, the GDP will not constitute a good basis for measuring the peoples wealth. He noted that, the extractive sector and the oil sector which are the main drivers of Ghana’s GDP growth, the country owns only about 5% and 13%, with foreigners controlling 95% and 87% respectively. He therefore suggested that, a different measure such as the GNP could be used instead (Field interview, June 3, 2019). In 2017, Ghana’s GDP grew at 8.1% driven largely by the oil and mining sectors (The World Bank, 2019). Ghana’s oil sector is dominated by international oil companies, including Kosmos Energy (USA), Anadarko

Petroleum Company (USA) and Tullow Oil (Ireland) with GNPC (Ghana) getting 10% in all oil blocks. In respect of the Jubilee Field, GNPC has 13.8 stakes (Friedrich Ebert Stiftung, 2010).

For a country that seeks to go Beyond Aid, Ghana must take charge of the commanding heights of the economy. It was suggested that, the state takes a more active role in nurturing Ghanaian owned businesses and providing them with the needed protection against foreign competition (Field interview, July 3, 2019). Asian countries such as Japan, Korea and Taiwan, China, government intervened systematically and through several channels such as targeting and subsidizing credits to some key industries. Government also stepped in to protect import substitutes, among others, to achieve their transformative development (The World Bank, 1993). As Chang (2002), asserts, infant domestic industry protection has been a key feature of most developed nations of the world.

Secondly, **an Inclusive Ghana**, the goal to reduce poverty and inequality, it aims to reduce poverty down to under 15 percent, from the current rate of around 32 percent. Growth of the economy will provide opportunities, and citizens will be equipped to access them through equal access to education and skills development. There will be improved healthcare and a flexible mortgage system to allow every Ghanaian access to affordable home ownership (Ghana Beyond Aid Committee, 2019). Some indicators, baselines and the targets for an inclusive Ghana Beyond Aid is shown in fig 7 below.

Figure 7: An Inclusive Ghana (Indicators, Baselines and Targets)

Indicators	Baseline 2017 (unless o/w specified)	Estimate, 2018	Target, 2019	Target, 2023	Target, 2028
Poverty headcount ratio at \$3.20/\$1.90 a day (2011 PPP) (% of population)	32.5/12.0	30/11	28/10	20/5	10/0
GINI index (World Bank estimate)	42.40	42	42	39	35
Labor force, total (million)	13.6	14.0	14.5	16	19
Formal Employment (million)	4.5	4.7	5	6.5	9.5
Ratio of Formal Employment to Labor Force (%)	33.16	34	35	40	50
Share of private sector employment in formal employment (%)	48.2	49	50	60	72
Share of women in formal employment (%)	30	35	40	45	50
Access to Secondary Education (%)	60.41	64	70	90	95
Access to Tertiary-Level Education (%)	16	17	18	30	50
NHIA population coverage (%)	35.6	37	40	50	70
Number of people per Doctor/Nurse	8000 / 800	8000 / 750	7500 / 750	7000 / 600	6000 / 500
Home ownership rate (%)	47.5	48	50	58	70

Source: (Ghana Beyond Aid Committee, 2019)

The implications of an inclusive Ghana is an inspired and willing population ready to contribute their quota by way of voluntary contribution of taxes, among others, towards the realization of the broad vision of Ghana Beyond Aid. The prospects of sharing in the benefits that will accrue to the country is key towards getting the collective buy-in of the mass of the people. As expressed by one interviewee, “if every Ghanaian is made to know their responsibilities and what they stand to gain in supporting governments agenda of Ghana Beyond Aid, they will contribute their taxes voluntarily” (Field interview, July 2, 2019).

The World Bank (1993), found that, to establish their legitimacy and gain public support for their policies, East Asian leaders established a principle of shared growth, promising to share with all groups the benefits of a transformed economy. Although the Charter

envisions a gender equal society in a Ghana Beyond Aid, it makes mention of only Women empowerment, while persons with disability and other disadvantaged groups have not been mentioned.

Thirdly, a **Sustainable Ghana**, aims at safeguarding the natural environment and ensuring a resilient built environment. The Charter envisions an ecologically friendly, sustainable nation with clean cities and a green environment, where natural resources will be extracted responsibly without causing harm to the environment in a Ghana Beyond Aid (Ghana Beyond Aid Committee, 2019). Figure 8 depicts some indicators, baselines and targets towards a sustainable Ghana Beyond Aid.

Figure 8: A Sustainable Ghana (Indicators, Baselines and Targets)

Indicators	Baseline – 2017 (unless o/w specified)	Estimate, 2018	Target, 2019	Target, 2023	Target, 2028
Access to Potable Water (% of population)	77.80	79	80	88	100
Access to basic sanitation services (% of population)	14.28	15	18	35	60
Access to clean fuels and technologies for cooking (% of population)	21.71	22	25	35	50
Access to electricity (% of population)	79.30	83	87	90	100
Have we yet banned single-use plastics?	No	No	No	Yes	Yes

Source: (Ghana Beyond Aid Committee, 2019)

This goal of a Ghana Beyond Aid largely draws from the United Nations Sustainable Development Goals, 6, 11, 13, 14 and 15. It was indicated that issues of the environment cost states huge sums of money to keep, it was therefore important to put in place deliberate policies that require the investors the country seeks to attract to be

environmentally conscious in their activities (Field interview, July 4). It was also expressed that, it was shameful for the country to be reliant on donor agencies in tackling such basic issues as sanitation. It was suggested that the institutional issues with MMDAs should be addressed for them to be made effective in ensuring good sanitation and proper drainage system. The MMDAs it was expressed, have a responsibility to pass and enforce by-laws that are environmentally friendly (Field interview, June 20, 2019).

Fourthly, **an Empowered Ghana**, that maintains a safe and united society. The Charter therefore envisions a Ghana Beyond Aid, which would ensure accountable governance, zero corruption and a deepened democracy, citizens emboldened to hold government authorities and public officials responsible and accountable for their stewardship (Ghana Beyond Aid Committee, 2019). Some indicators, baselines and targets for an Empowered Ghana is shown in figure 9 below.

Figure 9: An Empowered Ghana (Indicators, Baselines and Targets)

Indicators	Baseline – 2017 (unless o/w specified)	Estimate, 2018	Target, 2019	Target, 2023	Target, 2028
Overall governance (Mo Ibrahim)	68	68	68	73	80
Implementation of the Freedom of Information Act	No	No	No	Yes	Yes
Corruption Index Score	40	41	42	55	62
Quality of Public Service Delivery (towards electronic delivery of basic services- passport, licenses, etc)	Within 3 months	Within 3 months	Within 2 months	Within 2 weeks	Within three days
Ease of doing Business Rank	108	120	114	60	40

Source: (Ghana Beyond Aid Committee, 2019)

According to the 2018 Corruption Perception Index published by Transparency International, Ghana is the 78 least corrupt country out of 175 countries that were

sampled. Ghana averaged 64.71 rankings between 1998 and 2018 and reached the highest ever of 81 percent in 2017 (Trading Economics, 2019). A 2016 study by IMANI Ghana, that examined some procurement losses in the reports of the Auditor-General between 2012 to 2014 and juxtaposed them with the amount of aid received by the country within the same period, revealed that about \$3 billion lost to corruption was equivalent to 300% of the aid received by Ghana (Andrew Ntim & Kofi Boahen, 2016). The study also found that, the loss of resources due to corruption generally occurred in the field of public procurement, with government authorities inflating contract rates for goods and services. Good and accountable leadership is very critical to the realization of the Ghana Beyond Aid Vision. It was noted that, government officials must demonstrate exemplary leadership for the generality of the people to have confidence in the state to contribute towards an empowered Ghana (Field interview, June 21, 2019). Human rights and freedoms of the citizenry must be respected and guaranteed too.

Lastly, a **Resilient Ghana**, a main component of ‘Ghana Beyond Aid’ is to build the financial power of the country, to promote domestic trust and to make Ghana a significant and respected player in the economic and political world. It forecast a fiscal deficit of not more than 5 and 3 percent by 2023 and 2028 respectively. Grants will also finance not more than 2 percent of goods and services in the overall budget, while all aid in the form of loans will only be used to fund infrastructure and other growth enhancing activities (Ghana Beyond Aid Committee, 2019). The rest of the other indicators, baselines and targets for a resilient Ghana as envision by the Beyond Aid Charter are shown in fig 10 below.

Figure 10: A Resilient Ghana (Indicators, Baselines and Targets)

Indicators	Baseline – 2017 (unless o/w specified)	Estimate, 2018	Target, 2019	Target, 2023	Target, 2028
Tax Revenue (percent of GDP--rebursed)	11.9	12.6	13.1	18.0	23.0
Domestic Revenue (percent of GDP)	14.9	15.6	16.8	20.5	25.0
Fiscal deficit (percent of GDP)	4.8	3.7	4.2	< 5	< 3
Foreign debt (percent of GDP)	29.6	28.9	< 30	< 30	< 25
Capital Expenditure (percent of budgetary expenditure)	17.4	13.0	17.6	25	32
Grant financing (percent of GOG goods and services, and capital expenditure on education, health, and sanitation).	9;26;50	5;16;84	TBC	<10	<5
Foreign direct investment, net inflows (% of GDP)	6.88	8	9	10	12
Foreign exchange reserves as months of import cover.	3.5	3.8	4.5	6	> 6

Source: (Ghana Beyond Aid Committee, 2019)

The implications of a resilient self- confident Ghana calls for increased tax compliance and effective resource mobilization to fund the country’s development. As can be observed from figure 10 above, Ghana’s tax to GDP for 2017 was 11.9 percent, which is far lower than the average of most West African countries (B & FT, 2019). It also implies taking advantage of trade and investment opportunities within the sub-region. An interviewee expressed the view that, as country which is well recognized for its peacekeeping and security capabilities, Ghana should take advantage of the image and consider setting up a donor agency to provide security aid to countries within the sub-region. In his view, the Agency will not only help in boosting Ghana’s image but could also become a useful vessel for identifying opportunities for Ghanaian businesses in those countries in the sub-region (Field interview, June 21, 2019).

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CHAPTER 4

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

4.0 Introduction

This study was interested in interrogating the sustainability of the ‘Ghana Beyond Aid’ agenda. This chapter provides a summary of the findings of the study, gives conclusion and recommendations of the study.

This study set out to address the following questions:

- What is the interpretation and Purpose of the ‘Ghana Beyond Aid’ agenda?
- Is there Elite Consensus on ‘Ghana Beyond Aid’
- What are the challenges and prospects of Ghana going Beyond Aid

These questions informed the study objectives.

4.1 Summary of Key Findings

With regard to the question of the interpretation of ‘Ghana Beyond Aid’, the study found that, there is no one meaning that can be ascribed to the term, “Ghana Beyond Aid”. Rather, as Janus, Klingebiel and Paulo (2014), pointed out, “Beyond Aid” is a terminology generally employed to critique aid and to refer to the increasing irrelevance of aid relative to its contribution to development in a changing environment of development cooperation.

After reviewing extensive literature, they conclude four interpretations of the term,

“Beyond Aid”: (1) it could mean the emergence of numerous development actors which now presents developing countries options aside the traditional reliance on aid in the past. Example, South-South cooperation; (2) it could also mean the proliferation of development funding mechanisms as opposed to traditional development cooperation that was mostly funded by western donors; (3) it also could imply, regulation. Therefore, moving attention from aid towards addressing domestic policy issues and global regimes that adversely constrain developing countries, such as unfair trade practices and migration; and (4) the term can be interpreted as a desire to shift attention towards knowledge and experience sharing in the development process (Janus, Klingebiel and Paulo, 2014).

All these interpretations have been found to be applicable to the, “Ghana Beyond Aid” mantra which points towards a path of increased partnerships with countries like China, calls for increased domestic resource mobilization, emphasis on regional integration as a panacea to development and the calls for fair trading practices, among others. (Moyo, 2009), suggests the complete cutting of all aid to Africa within a projected period of five years, thereby, offering a radical meaning that can be applied to Ghana Beyond Aid to entail the total rejection of development aid due to its deleterious effects on development.

However, the Ghana Beyond Aid Charter and Strategy Document defines ‘Ghana Beyond Aid’ as a vision of a “prosperous and self-confident Ghana that is in charge of her economic destiny; a transformed Ghana that is prosperous enough to be beyond needing aid, and that engages competitively with the rest of the world through trade and investment” (Ghana Beyond Aid Committee, 2019).

Despite the varied concepts of the terminology, this study derived two broad distinct meanings of ‘Ghana Beyond Aid’: (1) the **literally** meaning to connote, the complete rejection of aid and (2) the **purposive** meaning which implies Ghana’s vision to attain economic self-sufficiency and to wean itself off aid dependency. The study found the ‘Ghana Beyond Aid’ agenda as a broad framework of economic development in line with the purposive meaning of “Beyond Aid”.

Purposively, the ‘Ghana Beyond Aid’ agenda is meant to ensure that Ghana pursues a clear strategy and insist that every development aid is aligned to it. It is also intended to engineer mindset change and contribute more, domestically to fund the country’s essential needs.

Information gathered from past development plans and initiatives such as the 40 Year Development Plan for Ghana (2018-2057), the Ghana Aid Policy and Strategy: 2011-2015 (revised 2014-2017), Leveraging Partnerships for Shared Growth and Development (2012-2022), as well as, the Ghana Beyond Aid Charter and Strategy Document and the field interviews conducted, pointed to an overwhelming elite consensus on the need for Ghana to pursue a ‘Ghana Beyond Aid’ agenda in order to fully harness the country’s rich resource potential and get out of donor aid dependency

The study also found that, within the context of the purposive sense of ‘Ghana Beyond Aid’, the country has since independence strived to attain its economic independence. As (Osei and Domfe , 2016) noted, Ghana has since 1964, implemented without success,

various plans and strategies aimed at attaining economic self-sufficiency. The study found discontinuity in policy implementation mostly due to changes in government and also inadequate resources after initial investments to account for the failure in attaining almost all the ambitious goals.

The Ghana Beyond Aid Committee (2019), makes two significant proposals that it believes will help achieve National consensus on the 'Ghana Beyond Aid' agenda in order to ensure its full implementation across governments: (1) it recommends the Agenda be made a National Agenda and not an agenda of the government by having a seventeen (17) member Ghana Beyond Aid Council drawn from varied interest groups, among others; (2) they recommend this particular agenda should focus on attitudes, values and mindset change that promote development rather than a list of initiatives to be carried out by government.

However, from the discussion, the implementation arrangements proposed by the Ghana Beyond Aid Committee in the Beyond Aid Charter Document are not adequate to ensure uninterrupted implementation across governments. The study found that similar implementation arrangements were provided for by the National Development Planning Commission and the Commission at the time, employed a much more elaborate consultative process in its preparation of the 40 Year National Development Plan for the Country. As Abubakari, Asamoah and Agyemang (2018) noted, the 40 Year Development Plan got very elaborate consultation in its preparation and gained the support of numerous interest groups in the country. But the plan has been shelved for another framework,

“Ghana Beyond Aid Charter and Strategy Document”. The main challenge to forging consensus on the implementation, as revealed by the field interviews, stems from the nature of the political template the country operates with. It is characterized by a dangerously competitive winner takes all politics, the dangerous competition for power every four other years results in a struggle for who takes ultimate credit for an initiative, thereby leading to the constant discontinuity in initiatives started by previous regimes.

Furthermore, although proposals by the Constitution Review Commission (2010), for an entrenched Long-term National Development Plan with an independent NDPC monitoring and leading its implementation, were rejected in a Government White Paper, the study largely revealed those recommendations as the surest means of achieving National consensus and ensuring uninterrupted implementation of the ‘Ghana Beyond Aid’ agenda.

On the challenges and prospects that come with pursuing a ‘Ghana Beyond Aid’ agenda, the Charter Document envisions, in line with both AU’s Agenda 2063 and UN’s Sustainable Development Goals, five broad goals of the ‘Ghana Beyond Aid’ agenda: (1) a wealthy, prosperous and transformed Ghana with increased GDP growth and a diversified economy; (2) an inclusive Ghana, where growth and opportunities are equitably shared. Delivery of quality and affordable health, education and skills training to every Ghanaian; (3) it envisages a sustainable Ghana that safeguards the environment. It is a Ghana with clean cities and a green environment; (4) an empowered Ghana with a zero tolerance for corruption, with accountable governance and a deepened democracy;

and (5) the Charter forecast a resilient Ghana with the financial power to fund its development and to become a dominant player on the continent and the globe. The study further reveals that, these ambitious goals as envisaged by the Charter will require a commitment to effectively mobilize domestic resources and manage well the country's resources to get the most out of them to invest in education, infrastructure and other productivity enhancing ventures.

4.2 Conclusion

The 'Ghana Beyond Aid' agenda is fundamentally a broad developmental framework to take the country beyond the frameworks of international donors and institutions for its development decisions, particularly, in the provision of the country's most basic needs as health, education, water and sanitation, among others. The 'Ghana Beyond Aid' agenda is not a new thing, as this study has showed, the country since 1964 has pursued a number of strategies aimed at attaining its economic independence in various forms. There is, therefore, consensus on the desirability of 'Ghana Beyond Aid' and the need to prosecute the agenda.

However, as has been observed, a serious challenge to the full implementation of a 'Ghana Beyond Aid' agenda, lies in the inability of the country to follow through with such ambitious initiatives largely due to discontinuity and also inadequate resources after initial investments. The discontinuity the study has noted, is directly linked to the nature of the political template that the country operates which produces a dangerous contest for political power

It is also observed that, consensus on the ‘Ghana Beyond Aid’ agenda is very critical to the uninterrupted implementation of the vision. Therefore, one can conclude that without forging consensus, the realization of the ‘Ghana Beyond Aid’ agenda will remain a mirage.

From the discussion, it can also be concluded that, the development and entrenchment of a Long-term National Development Plan within which to pursue the ‘Ghana Beyond Aid’ agenda is a viable approach. It is obvious from the study that, the National Development Planning Commission is presently too politicized to command the respect of the political class in their constitutional role of planning the country’s medium to long term development; the commission, stands in need of reform to effectively play its role.

Overall, the ‘Ghana Beyond Aid’ agenda presents enormous opportunities for Ghana to make the most out of its human and natural resources to attain transformational development. However, it is not without challenges, the realization of the vision will require a commitment to good governance, accountable leadership and a principled fight against corruption and wastage. It will also require forging national consensus, attitudinal changes and an increase in domestic resource mobilization.

4. 3 Recommendations

Based on the findings, the study makes the following recommendations:

The study indicated that, the terminology, “Ghana Beyond Aid”, has so many dimensions and it is subject to a number of interpretations within the changing environment of

development cooperation. It is therefore essential for government to bring more clarity to the vision of ‘Ghana Beyond Aid’. It is recommended for government and policy implementers, to engage more with Development partners, Civil society, Political parties, the Business community, Academia and the Citizenry, to bring all stakeholders to a common concept of the ‘Ghana Beyond Aid’ agenda. This will ensure that all are carried along for the realization of the broad goals of the vision.

A reason for the ‘Ghana Beyond Aid’ agenda is to ensure that aid given to Ghana is put to good use and is firmly aligned to the development objectives of the country. However, the study indicated some efforts at addressing such issues as, alignment, ownership of development, mutual accountability, among others, through the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008), the Busan Partnership (2011), the Ghana Aid Policy Strategy (2011-2014/2014-2017) and the Multi-Donor Budget Support (2003), among others. It is therefore essential to harmonize all these initiatives to find expression within the broader framework of the ‘Ghana Beyond Aid’ vision.

Despite the desirability of the ‘Ghana Beyond Aid’ agenda, continuity in the implementation of the framework across successive governments is critical to the full actualization of the broad goals of the agenda. But as the study revealed, Ghana is presently too polarized for any meaningful bi-partisan consensus to be forged on the ‘Ghana Beyond Aid’ agenda. I suggest policy makers and implementers to consider adopting a Long-term National Development Plan to be entrenched in the constitution and made binding on all successive governments. Specifically, I will propose the

adoption for implementation, the NDPC's 40 Year National Development Plan which contains "A Ghana Beyond Aid Strategy", and which has had extensive consultative process in its preparation. I also suggest that the NDPC should be made an independent body to enable it lead in the implementation of the strategy.

'Ghana Beyond Aid' comes with challenges as well as prospects. It calls for increased domestic resource mobilization and the prudent use of resources. There is therefore the need to work on making our tax administration effective and efficient through using technologies to collect taxes, deal with tax evasion, and eliminating discretionary tax exemptions that undermine fiscal integrity. Also, Ghana should participate in international tax cooperation to increase tax transparency and exchange of ideas. Currently Ghana is among some 27 African countries working to ensure that their tax agencies capture all revenues due them, and cutting down on tax evasion and illicit inflows. I suggest the government continues to stick to this cooperative agenda.

Finally, the government and other stakeholders should get actively involved in the latest Transformation Forums. As successor to the aid-based donor-oriented consultative groups, the Transformation Forum, the Pan-African Coalition for Transformation (PACT), can bring on board a full range of domestic and international actors and thus affording Ghanaian and other African governments, an ownership in promoting an African –centered Agency in development financing agenda.

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APPENDICES

Appendix 1

List of person/Institutions who assisted during Data Collection for the Study

1. Dr. Eric Yeboah: Secretary, Ghana Beyond Aid Secretariat
2. Prof. Stephen Adei: Chairman, National Development Planning Commission
3. Hon. Dr. Mark Assibey Yeboah: Chairman, Parliamentary select Committee on Finance Parliament
4. Hon Cassiel Ato Forson: Ranking Member, Parliamentary select Committee on Finance and a former deputy Minister of Finance
5. Hon Sulemana Yusif: Deputy Ranking Member, Parliamentary select Committee on Trade and Industry
6. Dr. Mohammed Nyagsi: Director of Budget and Research,Parliament of Ghana
7. Dr. Prinsilla Baffour: Lecturer, Economics Department, University of Ghana
8. Dr. William Ahadzie: Rector, Ghana Institute of Social Democracy
9. Mr. Bernard Mornah: Chairman, Peoples National Convention
10. Mr. Solomon Nkansah, Former NDC Communication Officer
11. Mr. Prosper Hoetu: Executive Director, Youth Network for Human Rights and Democracy
12. Mr. Michael Nii Abbey: Friedrich Ebert Stiftung
13. Mr. Owula Mangortey: Social Commentator
14. Mr. Ernest Zume: Public Relations Officer, Office of the Senior Minister.
15. Dr. Nii Moi Thompton: Former Director-General, National Development Planning Commission

Appendix 2

INTERVIEW GUIDE

LEGON CENTRE FOR INTERNATIONAL AFFAIRS AND DIPLOMACY,

UNIVERSITY OF GHANA, LEGON

I am very grateful you have made time off your busy schedule to speak to me. My name is Solomon Ananpansah, an MA final year student of the Legon Centre for International Affairs and Diplomacy, University of Ghana. I would like to speak to you about the Sustainability of the Ghana Beyond Aid Agenda of the government. In particular, the objectives of my research is to examine the Meaning and Purpose of Ghana Beyond Aid,, National Consensus on Ghana going Beyond Aid and the Prospects and Challenges in pursuing a Ghana Beyond Aid Agenda in order to provide useful lessons in realizing Ghana's quest for development. The interview should take about thirty (30) minutes. All the responses in this interview are solely for academic purposes and will be kept confidential.

Interviewee.....Institution.....Date.....

Questions

1. What would you say has been the role/contribution of aid to Ghana's development?
2. What is 'Ghana Beyond Aid' in your opinion?
3. Does Ghana need to go Beyond Aid and why?
4. As a country, how can we get out of aid dependency?
5. Do we need aid to get out of aid? What will be the role of aid towards getting out of

aid?

6. To what extent does 'Ghana Beyond Aid' call for a paradigm shift in our approach to development?
7. How can we achieve bipartisan consensus and make 'Ghana Beyond Aid' a national agenda?
8. What should be the role of Academia/Political elite/Media/ Civil society/ Traditional rulers towards the 'Ghana Beyond Aid' agenda?
9. If Ghana chooses to do away with foreign assistance, what policy options are available to the country?
10. What suggestions do you have for the effective mobilization of domestic resources
11. What advice do you have for policy makers in the implementation of the 'Ghana Beyond Aid' agenda?

Thank you so much for your time and sharing your thoughts with me.