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PUBLIC SECTOR M&E, PLANNING AND BUDGETING SYSTEMS IN THE REPUBLIC OF GHANA

Ghana's development planning system has evolved over time. It has progressed from a purely centralized and administrative process, without the participation of the masses, to a more democratic and inclusive process that involves the participation of a critical mass of the citizenry (Botchie, 2000).

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BY : KWAME OBENG NTI, PhD

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**PUBLIC SECTOR PLANNING, BUDGETING
AND MONITORING AND EVALUATION
FRAMEWORKS & SYSTEMS IN GHANA**

A REVIEW OF LITERATURE



TWENDE MBELE

SUBMITTED BY: KWAME OBENG NTI, PHD

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ACRONYMS

ABB	Activity Based Budgeting
APR	Annual Progress Report
BPEMS	Public Expenditure Management System
CAGD	Controller and Accountant-General's Department
CISPIP	Civil Service Performance Improvement Program
CPESDP	Coordinated Programme of Economic and Social Development Policy
CSPGs	Cross-Sectoral Planning Groups
GIFMIS	Ghana Integrated Financial Management Information System
GIMPA	Ghana Institute of Management and Public Administration
GMEF	Ghana Monitoring and Evaluation Forum
GPRS	Ghana Poverty Reduction Strategy
GPRS II	Growth and Poverty Reduction Strategy
GRA	Ghana Revenue Authority
GSGDA	Ghana Shared Growth and Development Agenda
ISI	Import Substitution Industrialisation
LUSPA	Land Use and Spatial Planning Authority
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDTP	Medium-Term Development Plan
MES	Monitoring and Evaluation Secretariat
MMDAs	Metropolitan, Municipal and District Assemblies
MOF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
MTNDPF	Medium Term National Development Policy Framework
NDPC	National Development Planning Commission
NIRP	National Institutional Renewal Program
NMEP	National Monitoring and Evaluation Policy

NMTDPF	National Medium Term Development Policy Framework
PARDIC	Public Administration, Restructuring and Development Implementation Committee
PBB	Programme-Based Budgeting Approach
PPMED	Planning, Monitoring and Evaluation Directorate
PUFMARP	Public Financial Management Reform Program
RCC	Regional Coordinating Council
SDGs	Sustainable Development Goals

1.0 OVERVIEW OF DEVELOPMENT PLANNING IN GHANA

1.1 INTRODUCTION TO DEVELOPMENT PLANNING IN GHANA

Governments, all over the world, in their quest to promote national development draw up development plans based on the perceived needs and priorities of the citizenry (UNDP-UNEP, 2015). According to the UNDP-UNEP's Interactive Handbook to Strengthen Planning and Budgeting Processes (UNDP-UNEP, 2015), national development plans delineate desired development outcomes to be achieved by a nation and engender consensus building on the obstacles to, and opportunities for, achieving those outcomes. Development plans also outline the role and contribution of different sectors of the economy and stakeholders in achieving the outcomes, as well as provide a strategic framework within which more detailed planning and budgeting can take place at regular intervals. National development planning is thus a prerequisite for national development and has been used by governments across the globe for decades. The axiom, "He who fails to plan is planning to fail" accredited to Winston Churchill (Waran *et al.*, 2017), unequivocally epitomizes the importance of planning in national development.

The history of Ghana's development planning journey is traceable to the early twentieth century when the British Colonial Governor, Gordon Guggisberg, introduced the first National Development Plan - dubbed the Guggisberg plan (1920–1930) - to guide the growth of the then Gold Coast (National Development Planning Commission, 2015; Fuseini and Kemp, 2015; (Adarkwa, 2012). The Guggisberg plan focused on transforming Ghana into a model economy in Africa by making large investment in infrastructure, health, education, and agriculture (Akobeng 2018; National Development Planning Commission 2015; Fuseinin and Kemp, 2015 and Adarkwa 2012). The plan, thus sought to lay a solid foundation for Ghana's future socio-economic development. The implementation of Guggisberg's plan, however, ended abruptly in 1927, when he was transferred to British Guyana (National Development Planning Commission, 2015).

After the 10-year development plan prepared by Guggisberg from 1920 to 1930, Ghana has developed about 15 additional plans, 8 of which have been prepared during the current democratic dispensation. The first development plan prepared by Guggisberg was followed by another 10-year plan developed by the colonial government in 1951. This plan was later consolidated into an

ambitious five-year development plan by the Nkrumah independence government (1957-1960). After this, the republican Nkrumah government (1960-1966) developed a 7-year development plan in 1963 with the focus on national reconstruction and development by completely diversifying the economy through the import substitution industrialisation (ISI) policy, via giant investments such as the Tema harbour and the Valco aluminum plant (National Development Planning Commission, 2015).

Since the inception of the Fourth Republic, Ghana has prepared and consistently implemented several development plans including the Ghana Poverty Reduction Strategy (GPRS 1), the Growth and Poverty Reduction Strategy (GPRS II), the Ghana Shared Growth and Development Agenda (GSGDA) and the Agenda for Growth and Jobs. Table 1 provides a summary of the development plans prepared by the Government of Ghana since 1919.

Table 1: Ghana National Development Plans Since 1919

No.	Name of Plan	Planned Period
1.	The Guggisberg Plan	1919-1926
2.	The First 10-Year Development Plan (which was condensed into a Five-year Plan)	1951-1959
3.	The Consolidation Development Plan	1957-1959
4.	The Second Development Plan	1959-1964
5.	The 7-Year Development Plan	1963/4-1969/70
6.	The 2-Year Development Plan	1968/9-1969/70
7.	The 1-Year Development Plan	July 1970-June 1971
8.	The 5 Year Development Plan	1975/6-1979/80
9.	The Economic Recovery Program/SAP	1983-1989
10	The Ghana Vision 2020-The First Step	1995-2020
11	The Ghana Poverty Reduction Strategy (GPRS I)	2003-2005
12	The Growth and Poverty Reduction Strategy (GPRSII)	2006-2009
13	The Ghana Shared Growth and Development Agenda (GSGDA)	2010-2013
14	The Ghana Shared Growth and Development Agenda II (GSGDA II)	2014-2017
15	An Agenda for Jobs: Creating Prosperity and Equal Opportunity for All.	2018-2021
16	An Agenda for Jobs II: Creating Prosperity and Equal Opportunity for All.	2022-2025

Source: Author's Construct

The development planning system at the pre-independence era was top-down or centralized in nature with stringent implementation and enforcement procedures (Adarkwa, 2012; Grant and Yankson, 2003). Nevertheless, community participation through mass education and mobilization of citizens, through the local chiefs, was central to the implementation of plans (Fuseini and Kemp, 2015). In the same vein, development planning in the post-colonial era was also very centralized with the national government preparing a series of development plans in a top-down manner until the late 1980s when the concept of decentralization was introduced (Ahoi, 2010; Ayee, 2003; Dei, 1991).

The advent of decentralization in 1988 and subsequent return to democracy in 1992 marked a turning point in developing planning in Ghana. The promulgation of the Fourth Republican Constitution in 1992, and the enactment of other Acts and Legislative Instruments thereafter, provided the tenets of development planning in Ghana. Since then, there has been concerted effort to make the development planning process more inclusive and participatory.

Over the past two decades, the preparation of national development plans has been led and coordinated by the NDPC in collaboration with Cross-Sectoral Planning Groups (CSPGs) selected from the public sector, private sector, civil society, academia, the media, identifiable groups, and individual experts who are fully engaged throughout the process in terms of identification and validation of prioritized policies. In addition, the policy framework is reviewed through national and regional workshops which allow more people to contribute to the document in line with the National Development Planning Commission Act, 1994 (Act 479).

1.2 LEGAL FRAMEWORKS FOR DEVELOPMENT PLANNING IN GHANA

Articles 86 and 87 of the 1992 Constitution of the Republic of Ghana respectively established the National Development Planning Commission (NDPC) as the central planning agency and spelt out the Commission's functions, including the mandate to "advise the President on development planning policy and strategy" (NDPC, nd). As a sequel to Articles 86 and 87 of the 1992 Constitution, the National Development Planning Commission Act, 1994 (Act 479) and the National Development Planning Systems Act, 1994 (Act 480) were enacted to provide the core

legal basis for the NDPC and the performance of its functions (NDPC, nd). Act 479 also enjoins the NDPC at the request of the President, Parliament, or its own initiative, to:

- Formulate comprehensive national development planning strategies and ensure that the strategies including consequential policies and programmes are effectively carried out;
- Prepare broad national development plans;
- Keep under constant review national development plans in the light of prevailing domestic and international economic, social and political conditions and make for the revision of existing policies and programmes where necessary;
- Coordinate the decentralized national development planning system; and
- Monitor, evaluate and co-ordinate development policies, programmes and projects (Government of Ghana, 1994 (1)).

The Act 480 provides for a National Development Planning System, defines and regulates planning procedure and other related matters. The Act affirms the NDPC as the national coordinating body of the decentralized national development planning system which comprises District Planning Authorities at the district level; Regional Co-ordinating Councils at the regional level; and sector agencies, ministries, and the Commission at the national level. Act 480 specifically enjoins the NDPC to:

- Prescribe the format and content of development plans for the districts, ministries and sector agencies;
- Co-ordinate district development plans and programmes submitted through the Regional Co-ordinating Councils, and ensure that these plans and programmes are compatible with national development objectives;
- Integrate economic, spatial and sectoral plans of ministries and sector agencies and ensure that these plans are compatible with national development objectives;
- Advise relevant agencies on the formulation of guidelines for the regulation of physical development;

- In collaboration with relevant agencies, monitor physical development to ensure that any proposed development conforms with the approved development plan for the respective area;
- Issue approved development policies as directed by the President for the guidance of the public and private sectors; and
- Perform such other functions as are reasonably related to development planning, policy and strategy (Government of Ghana, 1994 (2)).

Moreover, Section 1(3, 4), 10 and 11 of the National Development Planning (System) Act 1994 (Act 480), and Sections 15 to 19 of the National Development Planning (System) Regulation, 2016 (LI 2232), mandate the NDPC to issue Legislative Instruments and Guidelines to regulate the decentralized national development planning system, from time to time. Act 480 also requires the NDPC to prescribe the format and content of development plans for districts, ministries, and sector agencies (National Development Planning Commission, 2018).

In a similar vein, Section 13 of the Civil Service Act 1993 (PNDCL 327) also requires Ministries to undertake development planning functions in consultation with the NDPC. The Act further enjoins Ministries to co-ordinate, monitor and evaluate the efficiency and effectiveness of the performance of the development plans in their respective sectors (Government of Ghana, 1993).

Quite recently, a new Legislative Instrument, the National Development Planning Commission Regulations, 2020 (L.I. 2402) has been enacted to enhance the work of the NDPC, in particular in plan preparation and implementation in general (Government of Ghana, 2020a). Regulation 7 (3) of L.I. 2402 also empowers the NDPC to prepare four-year Medium-Term National Development Plans and issue Guidelines to district planning authorities and sector agencies for the preparation of their Medium-Term Development Plans. Regulation 7(5) of L.I. 2402 also enjoins planning authorities of MDAs and Metropolitan, Municipal and District Assemblies (MMDAs) to translate their Medium-Term Development Plans into Annual Action Plans to inform the allocation of financial resources in accordance with the annual budget (Government of Ghana, 2020a).

1.3 DEVELOPMENT PLANNING SYSTEMS IN GHANA

Ghana's development planning system has evolved over time. It has progressed from a purely centralized and administrative process, without the participation of the masses, to a more democratic and inclusive process that involves the participation of a critical mass of the citizenry (Botchie, 2000). The system according to Botchie (2000) was "top down" and highly centralised during the colonial and the early years after independence. The preparation of national development plans was limited to the views and perspectives of a few public servants with little consultation of non-state actors or the masses (Vordzorgbe & Caiquo, 2001). However, from the late 1980s, Ghana adopted a decentralized national development planning approach that seeks to expand scope and increase the space for more citizens to participate in the process.

As spelt out in the National Development Planning Commission Act, 1994, (Act 479), the National Development Planning System of Ghana comprises of three (3) different, but interrelated levels. These are the District Planning Authorities (MMDAs) at the district level, Regional Coordinating Councils (RCCs) at the regional level; and Sector Agencies, Departments and Ministries (MDAs) and the NDPC at the national level (Government of Ghana, 1994).

Planning at the district, regional and national levels is based on development policies and strategies that originate from the NDPC. The process commences with the formulation of a Coordinated Programme of Economic and Social Development Policy (CPESDP). This is followed by the preparation of the Medium-Term National Development Policy Framework (MTNDPF), which is implemented through development plans prepared by MDAs and MMDAs.

The development plans prepared by MDA and MMDAs detail the programmes and projects based on the prioritized needs identified through a participatory process with the relevant stakeholders. It is incumbent on MDAs and MMDAs to ensure that all the programmes and projects budgeted for in a financial year are captured in their plans in line with the dictates of the Public Financial Management Act, 2016 (Act 921).

The effective functioning of the planning system is primarily anchored on horizontal and vertical flows of data and information at all three levels which is usually in the form of advice,

recommendations, and guidance, during the preparation, submission and approval of development plans, policies and strategies (National Development Commission, 2020).

1.3.1 Institutional Arrangements for Plan Preparation and Implementation in Ghana

This section presents the institutional arrangements for the preparation and implementation of development plans at the national, sectorial, regional and district levels.

National Development Planning Commission

As per the dictates of the National Development Planning Commission Act, 1994, (Act 479), the NDPC is the body charged with the coordination of the decentralized national development planning system in Ghana. As the apex planning body, the Commission prepares comprehensive national development planning strategies, policies and programmes to ensure their effective implementation. The NDPC also prepares and issues Guidelines for the preparation of Medium-Term Development Plans to districts, ministries and sector agencies every four (4) years. The Guidelines are developed through extensive participatory and consultative processes with stakeholders, including MDAs, Metropolitan, Municipal and District Assemblies (MMDAs), academia, professional associations, and other experts. The Guidelines are issued to MDAs and MMDAs to:

- Enhance their knowledge of the institutional context for plan preparation;
- Provide the medium-term national development policy context for plan preparation by the sectors;
- Present a step-by-step guide for preparing a sector medium-term development plan;
- Define the format and content of a district development plan;
- Provide recommended tools and analytical techniques to support the process of plan preparation by the sectors;
- Enhance their understanding of the link between the national development policy framework and implementation of international development frameworks such as the AU Agenda 2063 and Agenda 2030 (SDGs), etc.; and
- Serve as a source of reference for civil society and the private sectors in preparing their strategic plans (National Development Planning Commission, 2018).

National development plans are implemented within the context of the decentralized planning system which is geared towards promoting broad participation and partnership in the development process at all levels of society. The MDAs and MMDAs constitute the basic structures for implementation of plans, programmes and activities based on their respective institutional mandates (National Development Planning Commission, 2020). As detailed below, the MDAs and MMDAs have clear roles and responsibilities in relation to planning and implementation of national development plans.

Ministries, Departments and Agencies (MDAs)

Section 13 of the Civil Service Act 1993, (PNDC Law 327), Act 480 and L.I. 2232, require MDAs, in consultation with the NDPC, to undertake development planning functions. It is also mandatory for the MDAs to prepare and submit development plans to the NDPC for approval. MDAs are further required to monitor and evaluate the implementation of approved development plans and submit a monitoring report in prescribed format to the Commission at predetermined intervals. The PNDC Law 327 also charges Ministries to undertake monitoring and evaluation of the implementation of approved development plans and submit reports in prescribed format to the NDPC at predetermined intervals (National Development Planning Commission, 2020).

Regional Level

At the Regional Level, an RCC is required under Act 936 in accordance with Article 255 of the 1992 constitution to provide a District Planning Authority with the requisite data and information to assist the District Planning Authority in the formulation of a district development plan; coordinate the plans and programmes of District Planning Authorities; and harmonise the plans and programmes with national development policies and priorities for consideration and approval by the NDPC. An RCC is also mandated to monitor and evaluate the implementation of the programmes and projects of the District Planning Authorities within the region (National Development Planning Commission, 2020; Government of Ghana, 2016a). The planning functions of an RCC are done by the Regional Planning Coordinating Unit (RPCU), established under Section 190 of Act 936. A RPCU is obliged to advise the Regional Co-coordinating Council (RCC) on the coordination, monitoring and evaluation of district development plans; and on

matters related to development planning in the region, including spatial and sectoral policies (Government of Ghana, 2016a). The RCCs serve as a link between the National Development Planning Commission and the District Planning Authorities (Government of Ghana, 2016a; Government of Ghana, 1994).

Metropolitan/Municipal/District Assemblies (MMDA)

At the district level, MMDAs are the planning authorities as prescribed by Section 82 of Act 936. A District Assembly is responsible for the overall development of the district; formulation and implementation of plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the district. A District Assembly is also required to promote and support productive activities and social development in the district (Government of Ghana, 2016a). The MMDAs are enjoined to prepare District Medium-Term Development Plans and Settlement Structure Plans in the format prescribed by the NDPC and Land Use and Spatial Planning Authority (LUSPA). A District Planning Authority is expected to conduct a public hearing on a proposed District Development Plan, and consider the views expressed at the hearing before the adoption of the proposed Development Plan. A District Assembly is also required by Act 936 to co-ordinate, integrate and harmonize the implementation of programmes and projects under approved development plans for the district and other development programmes initiated or implemented by Ministries, Departments, public corporations and other statutory bodies and non-governmental organizations in the district. Act 936 also charges a District Assembly to monitor the implementation of projects under approved development plans, and assess and evaluate their impact on the development of the district and national economy in accordance with government policy and report in a prescribed format to the NDPC, through the RCC (National Development Planning Commission, 2020; Government of Ghana, 2016a).

At the MMDA level, Sub-District structures (Urban/Town, Zonal and Area Councils) have been created as subordinate bodies of MMDAs to facilitate local level development in support of the development objectives of the district assembly. A District Planning Authority is expected to prepare or direct the preparation of a Sub-District Plan or Local Action Plan in a prescribed format as input for the preparation of medium-term development plans. The Sub-District Structures conduct public hearing before the adoption of a proposed Sub-District Plan or Local Action Plan.

The Sub-District Structures are also required to mobilize resources for development as well as monitor and evaluate implementation (National Development Planning Commission, 2020; Government of Ghana, 2016a).

2.0 PUBLIC SECTOR BUDGETING IN GHANA

2.1 BUDGETING SYSTEMS IN THE PUBLIC SECTOR

One of the most important activities that is carried out by governments and public sector institutions is budgeting. It is through budgeting that the scarce resources of a country are allocated to every sector of an economy. The claim by the British economist Lionel Robbins in 1932 - “human wants are unlimited but the means to satisfy them are limited relatively” - calls for the use of efficient management tools that will ensure the optimal use of the limited resources. One of the tools that government can use for this purpose is the budget. Governments therefore prepare budgets to drive the overall development objectives of their economies (Lawyer & Nigeria, 2013). Public sector budgeting is, therefore, very important for national development and has been used by governments in developing countries, including Ghana, as the major instrument for the mobilization of the needed resources to fund development project and programmes.

Ghana, in its effort to enhance the achievement of aggregate fiscal discipline, strategic resource allocation and efficient service delivery has, since the 1990s, implemented a number of Public Financial Management (PFM) reform initiatives. The Public Expenditure Review in 1993 and 1994 by the government revealed that the public financial management architecture of the country was plagued by weak budgetary framework, lack of proper accounting, ineffective auditing, lack of reliable, accurate, and timely information for management decisions, ineffective monitoring and control of public expenditures, and lack of budget ownership. The government thus launched the Public Financial Management Reform Program (PUFMARP) in July 1995 with the aim of addressing the shortfalls identified in the Public Expenditure Reviews. The PUFMARP, a six-year multi-component government programme, began operation in 1997 with funding from some development partners (Abdulai, 2020; Betley et al, 2012; Oduro, 2003).

A key component of the PUFMARP was the Public Expenditure Management System (BPEMS), which was intended to reform budget implementation, accounting, and reporting by integrating budget preparation and implementation with financial accounting and reporting through a computerized platform that would run the entire financial management system (Abdulai, 2020; Betley *et al*, 2012; Oduro, 2003). Another key component of the PUFMARP was the Medium-Term Expenditure Framework (MTEF), which sought to address the weaknesses inherent in the budget system by augmenting the links between policymaking, planning and budgeting (Muggeridge *et al*. 1999). The MTEF was initially planned to be implemented on a pilot basis in only three MDAs, but was quickly extended to all MDAs (Short, 2003).

The critical role budgeting plays in the Public Financial Management system informed the introduction of Activity Based Budgeting (ABB) in 1998, under the PUFMARP, with the aim of bringing a stronger performance focus to MDAs and MMDAs budgets by linking strategic objectives to budget outputs (i.e. allocations) and activities, in line with the prescriptions of the MTEF (Owusu-Akomeah *et al.*, 2022; Baidoo, 2020). The ABB thus strived to emphasize strategic planning in the management and utilization of public resources (Ohemeng, 2016; Dener *et al.*, 2011).

In spite of the numerous strengths of the ABB approach to budgeting, the implementation of ABB over the years was to a large extent reduced to, and concentrated on, the activities instead of performance orientation. In view of this, the BPEMS was reengineered into the Ghana Integrated Financial Management Information System (GIFMIS) project to improve budget execution, accounting and reporting. This move paved the way for the Government of Ghana to embark on a focused budget reform through the adoption of a Programme-Based Budgeting Approach (PBB). The new budgeting approach was aimed at simplifying the budget process and making MDAs adopt a more strategic approach in the management of their budget. The PBB also established a direct link between planned expenditure to clearly determined results to ensure improved service delivery for the MDAs by shifting emphasis on merely inputs and outputs to the achievement of outcomes and results (Baidoo, 2020; Kwakye and Owuo 2014; Ministry of Finance, 2023a). Moreover, the PBB approach provides the purpose of the budget within MTEF to ensure the

measurement of budget performance relative to the achievement of the purpose for which the budget is been implemented (Ministry of Finance, 2023a).

In 2010, the Ministry of Finance piloted the PBB in two (2) MDAs and scaled it up to 7 MDAs. The PBB was subsequently rolled out to all MDAs and a critical mass of MDA staff was trained in the preparation and management of PBB under the GIFMIS project (2010 – 2014). The Ministry of Finance also had the first Appropriation Act passed in PBB format in 2014 and MDAs have since then been preparing and implementing PBB (Ministry of Finance, 2023a).

Finally, the Ministry of Finance in 2015 under the GIFMIS project introduced a new Budget Preparation and Management System (Oracle Hyperion) to replace the Activate software which was previously used in the preparation of MDAs Budget. The new budget preparation system which integrates with the Oracle Financials (GIFMIS) has helped to enhance the quality of budget information and significantly reduced the time for budget preparation and implementation (Ministry of Finance, 2023a).

2.2 LEGAL FRAMEWORKS FOR PUBLIC SECTOR BUDGETING IN GHANA

The Public Financial Management system in Ghana is based on the Fourth Republican Constitution and other relevant Acts and Regulations that establish proper budget and accountability mechanisms and reporting arrangements. Article 179 (1) of the constitution provides the framework for the national budget. It charges the President to “cause to be prepared and laid before Parliament at least one month before the end of the financial year, estimates of the revenues and expenditure of the Government of Ghana for the following financial year” (Government of Ghana, 1992). In 2016, Parliament - under the sponsorship of the Ministry of Finance - passed into law the Public Financial Management Act, 2016 (Act 921) to regulate the financial management of the public sector within a macroeconomic and fiscal framework in Ghana.

Act 921 repealed and replaced the Financial Administration Act, 2003 (Act 645) and its Amendment (Act 760), as well as the Loans Act of 1970 which were the main legislative frameworks guiding financial management prior to the development of Ghana’s PFM Reform Strategy in 2015 because they were neither centralized nor integrated (Abdulai, 2020). A related

regulation, Public Financial Management Regulations, 2019 (L.I. 2378) was also enacted in 2019 to regulate public financial management (Government of Ghana, 2019). The Appropriations Act that is passed for every fiscal year by Parliament as per the dictates of Article 179 (2a) of the Constitution of Ghana also provides for the withdrawal of sums of money necessary to meet government expenditure for a financial year from the Consolidated Fund and other public funds. Aside from the above legislations, the budget preparation of MMDAs also takes into account the provisions in the Local Governance Act, 2016 (Act 936).

Central to the design and functioning of the legal frameworks is the Ministry of Finance. The Ministry was established under sections 11 and 13 of the Civil Service Law 1993 (PNDC 327) as amended by an Executive Instrument 28 (E.I. 28) and Civil Service (Amendment Instrument, 2017) to ensure effective and efficient macroeconomic and financial management of Ghana's economy. The Ministry thus formulates, implements, monitors and evaluates macroeconomic, fiscal and financial policies, including the annual national budget, sector and district allocations and release of funds (Ministry of Finance, 2023b).

2.3 BUDGET CYCLES IN GHANA

In Ghana, the budget cycle consists of four stages, namely Budget Formulation (planning and preparation); Budget Approval (analysis and approval); Budget Implementation; and Monitoring, Evaluating and Reporting (auditing and evaluation) (Government of Ghana, 2013) as explained below:

i. Budget Formulation

The first stage of the budget cycle is the budget formulation. This stage is pivoted on strategic policies outlined in the National Medium-Term Development Policy Framework (NMTDPF). The MDAs and MMDAs are required to align their MTDPs with national priorities in the NMTDPF. This includes the development of programmes, activities and performance indicators with targets that are accurately costed and aligned with the MTEF. The budget ceiling is devised by the Ministry of Finance for the MDAs and MMDAs based on which they formulate their budgets. This stage is undoubtedly the most debated stage of the budget cycle. It is during this stage that government prioritizes the services it can deliver with available resources.

ii. Budget Approval

The budget approval stage is the second stage of the cycle. It is the stage where the budgets of MDAs are compiled into a national budget by the Ministry of Finance and submitted to Parliament for approval. The budgets of the MMDAs are, however, approved by their respective District Assemblies. Generally, budget approval in Ghana is done in December when Parliament discusses, debates and votes on the national budget and thereafter passes the Budget Appropriation Bill, which authorizes government expenditure for the financial year post-budget approval.

iii. Budget Implementation

Budget implementation is the third stage of the budget cycle. As the name suggests, the budget becomes a management tool that guides MDAs and MMDAs on how to achieve the development objectives outlined in their NMTDPF through the execution of programs and activities at this stage. It is at this stage that essential services and projects are delivered to the people of Ghana.

iv. Monitoring, Evaluating and Reporting

The final stage of the budget cycle is the monitoring, evaluating and reporting stage. This is the stage where monitoring and evaluation, as well as reporting on the implementation of the Medium-Term Development Plans (MTDPs) and budgets, are done. Budget monitoring aims at continuously providing decision makers, and other stakeholders, of an ongoing intervention with early indications of progress in achieving expected budget performance results, or lack thereof. The evaluation, on the other hand, is a specific activity that attempts to systematically and objectively assess progress towards the achievement of an expected outcome as agreed in a MDA's and MMDA's MTDPs. Budget reporting is a management tool that requires the Ministry of Finance (MOF), Controller & Accountant-General's Department (CAGD), Ghana Revenue Authority (GRA), other agencies and MDA finance, planning and technical staff, to convert data and information, usually through some form of analysis, into a format that is useful for decision makers to make policy and operational decisions.

It must be indicated that some stages might take longer to prepare and implement (budget formulation). Other stages are regularly performed throughout the budget cycle (monitoring,

evaluation, and reporting); and the remaining stages (approval and implementation) are usually determined by regulations that dictate when they start and end (Government of Ghana, 2023).

3.0 MONITORING AND EVALUATION IN THE PUBLIC SECTOR IN GHANA

3.1 INSTITUTIONAL ARRANGEMENTS FOR PUBLIC SECTOR M&E

Governments across the globe, in response to the increasing demand for greater accountability and the pursuit for evidence-based decision-making, are intensifying efforts regarding monitoring and evaluation (M&E) of policies, programmes and projects in the public sector. The situation is not different in Africa as the field of monitoring and evaluation has undergone significant changes since the turn of the millennium, with a gradual move towards greater country-owned monitoring and evaluation systems (Basheka, 2015).

Ghana is not different when it comes to the institutionalization of monitoring and evaluation in the public sector. The country has elaborate institutional arrangements for monitoring and evaluation at the national, regional and district levels. Article 87 (2e) of the 1992 Constitution recognizes the need to monitor, evaluate and coordinate development policies, programmes, and projects in the public sector (Government of Ghana, 1992). Section 2 (2) (e) of the National Development Planning Commission Act, 1994, (Act 479) mandates the NDPC to monitor, evaluate and coordinate development policies, programmes and projects (Government of Ghana, 1994). Section 1 (1) (f) of the National Development Planning (System) Act, 1994 (Act 480) also specifies the monitoring and evaluation functions of the NDPC. Act 480 also obliges all Ministries to monitor the implementation of Sector Medium-Term Development Plans and submit quarterly reports to the NDPC in a prescribed format (Government of Ghana, 1994). In addition to these, Section 12 (1) (b) of the Civil Service Act, 1993 (Act 327) enjoins all MDAs to establish a Policy, Planning, Monitoring and Evaluation Directorate (PPMED) to coordinate and monitor Government programs. Furthermore, the Local Governance Act, 2016 (Act 936) also establishes the Metropolitan, Municipal and District Planning Coordinating Units with planning, programming, monitoring, evaluation, and coordinating functions.

As part of the M&E institutional arrangements, the NDPC developed a National Monitoring and Evaluation Manual (M&E) in 2013 to provide guidance and serve as a reference document for the design, development and implementation of a public sector M&E system. Specifically, the manual is intended to:

- Guide the building of M&E capacities of public servants and political leaders in the MDAs and MMDAs;
- Facilitate the preparation and implementation of district and sector M&E plans;
- Enhance the understanding and development of M&E indicators and their corresponding baselines and targets;
- Strengthen M&E data collection, analysis, and utilization of results;
- Facilitate development evaluations and participation in M&E processes;
- Guide the preparation of project, programme, district, and sector progress reports; and
- Enhance the dissemination and communication of M&E results (Government of Ghana, 2013).

Another milestone in the country's M&E institutional landscape was the establishment of the Ministry of Monitoring and Evaluation (M&E Ministry) by Executive Instrument 28 in February 2017 in line with Sections 11 and 13 of the Civil Service Act, 1993(PNDCL, 327). The mandate of the Ministry was to initiate, coordinate, monitor and evaluate the delivery and impact of government policies and flagship programmes (Government of Ghana, 2020). The M&E Ministry was headed by a Cabinet Minister with direct access to the President and Cabinet which made it easy for the reports and assessments of the Ministry to be accessible to high level political decision makers. Following its establishment, the M&E Ministry, in collaboration with M&E focal persons across all the MDAs, developed and rolled out the Government Results Framework for High Priorities 2017-2020. The first of its kind to be developed by any Government in Ghana, the framework covered about 100 outcomes, sub-outcomes and milestones across 33 ministries with the corresponding indicators, baselines, targets and data collection protocols (Government of Ghana, 2018). The Ministry also developed a draft National Monitoring and Evaluation Policy (NMEP), in collaboration with the NDPC, Ghana Institute of Management and Public Administration (GIMPA), Ghana M&E Forum (GMEF) and other stakeholders. This provides a broad framework for M&E across the public sector (Government of Ghana, 2020b).

In January 2020, the Ministry of Monitoring and Evaluation organized its maiden 2020 Results Fair to create a platform for results-driven engagement between the state and non-state actors. The Results Fair sought to provide an opportunity for MDAs to provide the public with evidence on the performance and impact of its policies and programmes and to secure feedback and view from the citizenry to help refine and improve the interventions. The fair, which was opened by the president of Ghana, saw the various MDAs exhibit their programmes and results achieved in pictures, video and infographics to the general public (Korankye, 2020). Furthermore, the Ministry - in collaboration with Twende Mbele and NDPC - conducted a baseline study on public sector M&E culture in Ghana in 2019 with the aim to establish baseline information on the monitoring and evaluation culture within the public sector in Ghana (Government of Ghana, 2020b).

In 2021, the government abolished the Monitoring and Evaluation Ministry and established the Monitoring and Evaluation Secretariat (MES) under the Office of the President to coordinate, monitor and evaluate the delivery and impact of government policies, programmes and projects with the view to address developmental challenges and promote learning, transparency and accountability for results. The MES works in close collaboration with the Office of the Vice President, the NDPC, the Ghana Statistical Services and other relevant agencies to ensure the generation and use of evidence-based information for decision making by Government, especially the Economic Management Team and Cabinet (Monitoring and Evaluation Secretariat, 2023).

3.2 PUBLIC SECTOR MONITORING AND EVALUATION SYSTEM

Since the 1990s, Ghana has witnessed sustained interest and commitment towards making M&E pivotal in the national development process, including making M&E one of the key components of public sector institutional architecture. Ghana has made good progress towards institutionalization of M&E in the public sector. The country's M&E journey started about four decades ago through the introduction of key reforms and initiatives such as the establishment of the Public Administration, Restructuring and Development Implementation Committee (PARDIC) in the early 1980s; implementation of the Civil Service Performance Improvement Program (CISPIP); and the National Institutional Renewal Program (NIRP) of the 1990s. The 1992

Constitution, and other legal instruments of government, outlines key features of the National M&E system:

- Article 87(2) (e) of the Constitution (1992) lists NDPC's functions to include monitoring, evaluating, and coordinating development policies, programmes and projects.
- The National Development Planning Commission Act, 1994, (Act 479) established the NDPC; and the National Development Planning (System) Act, 1994 (Act 480) specifies the planning, coordination, monitoring and evaluation functions of the Commission.
- Section 12(1)(b) of the Civil Service Act, 1993 (Act 327) requires all MDAs to establish a Policy, Planning, Monitoring and Evaluation Directorate (PPMED) to coordinate and monitor Government programmes at the sector level.
- The National Development Planning Systems Act of 1994, Act 480 requires all Ministries to monitor the implementation of Sector Medium-Term Development Plans and submit quarterly reports to the NDPC as prescribed.
- The Local Governance Act, 2016 (Act 936) also establishes the Metropolitan, Municipal and District Planning Coordinating Units with M&E functions.

The National Development Planning System Act, 1994, (Act 480) provides a framework for the monitoring and evaluation (M&E) of the performance and impacts of the national development policies and programmes. The national M&E system comprises primarily the Office of the President, Parliament, MES, NDPC, and all MDAs and MMDAs. The NDPC is mandated to coordinate the national M&E system in close collaboration with the MES and other relevant agencies at the Office of the President.

At the MDAs level, the monitoring and evaluation functions are led by the Policy, Planning, Monitoring and Evaluation Directorates (PPMEDs) in consultation with NDPC, Ministry of Finance and the MES. The NDPC issues guidelines for the preparation of M&E plans to all MDAs and MMDAs, after the formulation of a new National Medium-Term Development Plan. These are used to prepare an M&E plan which serves as the basis for monitoring and evaluating the delivery and impact of their respective development plans. The guidelines outline a format for detailing the performance measurement indicators, and timelines for the preparation and

submission of quarterly and annual progress reports (Hayter, 2016). Based on the agreed timelines, the MDAs and MMDAs are required to prepare and submit the above-mentioned performance reports including evidence of progress made towards the realization of the planned outputs and the expected results (outcomes and impact), using the approved guidelines for review and approval by the NDPC (Hayter, 2016). As part of the review process, the NDPC holds meeting with MDAs and MMDAs to provide feedback in the form of general and specific comments on their M&E plans and Annual Progress reports. This has helped the NDPC to streamline the national M&E processes, provide a standard yardstick for measuring progress and establish the minimum requirements for any M&E system in the country (Dery, 2014). A significant output of the national M&E system is the compilation and publication of the Annual Progress Report (APR) by the NDPC for submission to Parliament to facilitate their monitoring and review meetings with the Ministries (Hayter, 2016).

4.0 CONCLUSION

From the foregoing, it is evident that Ghana has elaborate institutional arrangements, systems and legal frameworks for public sector planning, budgeting and monitoring and evaluation. The Constitution and supporting legislative instruments and Acts define clear cut planning, budgeting, monitoring and evaluation roles, and responsibilities for government agencies, specific departments of sectoral ministries and units in regional and district administrations. Planning at the district, regional and national levels is pivoted on development policies and strategies prepared by the NDPC. The public sector planning, budgeting and M&E process commences with the preparation of four-year Medium-Term National Development Plans by the NDPC. The NDPC thereafter issues guidelines to sectors and district planning authorities to prepare their Medium-Term Development Plans. The MDAs and MMDAs then translate their Medium-Term Development Plans into Annual Action Plans to inform the allocation of financial resources in accordance with the MTEF guidelines provided by the Ministry of Finance. The monitoring and evaluation processes start after the preparation of the plan. The NDPC issues guidelines for the preparation of M&E plans to all MDAs and MMDAs. In turn, these are used to prepare M&E plans for their respective development plans. As part of the M&E arrangements, the MDAs and MMDAs prepare and submit APRs on the progress of implementation and impact of their plans to the NDPC. The APRs highlight evidence of progress made towards the realization of outputs,

outcomes, and impact. The literature also suggests that there are clear linkages between plan preparation, budgeting and monitoring and evaluation at the national, sectorial and district levels. However, the use of monitoring and evaluation evidence to inform planning and budgeting in the public sector calls for further investigation, which is the rationale for this research study.

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Telephone: +27 (0) 11 717 3453 | **Email:** info@twendembele.org

The Oval Building, University of the Witwatersrand
2 St David's Place, Parktown, Johannesburg
Telephone: +27 11 717 3157; Fax: +27 86 765 5860



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