



# STATUS REPORT OF GHANA'S PDIA TEAM



**CABRI/ Building State Capacity Closing  
Workshop on PFM in Africa  
South Africa  
11<sup>th</sup> December, 2017**

# INTRODUCTION



➤ The TEAM is passionate about learning a new approach to solving complex problems:

➤ **TEAM MEMBERS:**

1. SEIDU DAWDI ADAMS
2. ALEXANDER NKANSAH
3. THELMA DANGBEY-KUBI
4. PETER AIDOO
5. GEORGE OFORI-ATTA
6. ERIC YARTEY

➤ **TEAM COACH:**

PETER JOHN JONATH (CABRI SEC.)

# GHANA TEAM AND COACH



# AGENDA



- Introduction;
- Problem Statement;
- Status of work;
- Entry Points and outputs
- Authorizer's role
- Challenges, Lessons
- Recommendations and Next Steps

# President's quote



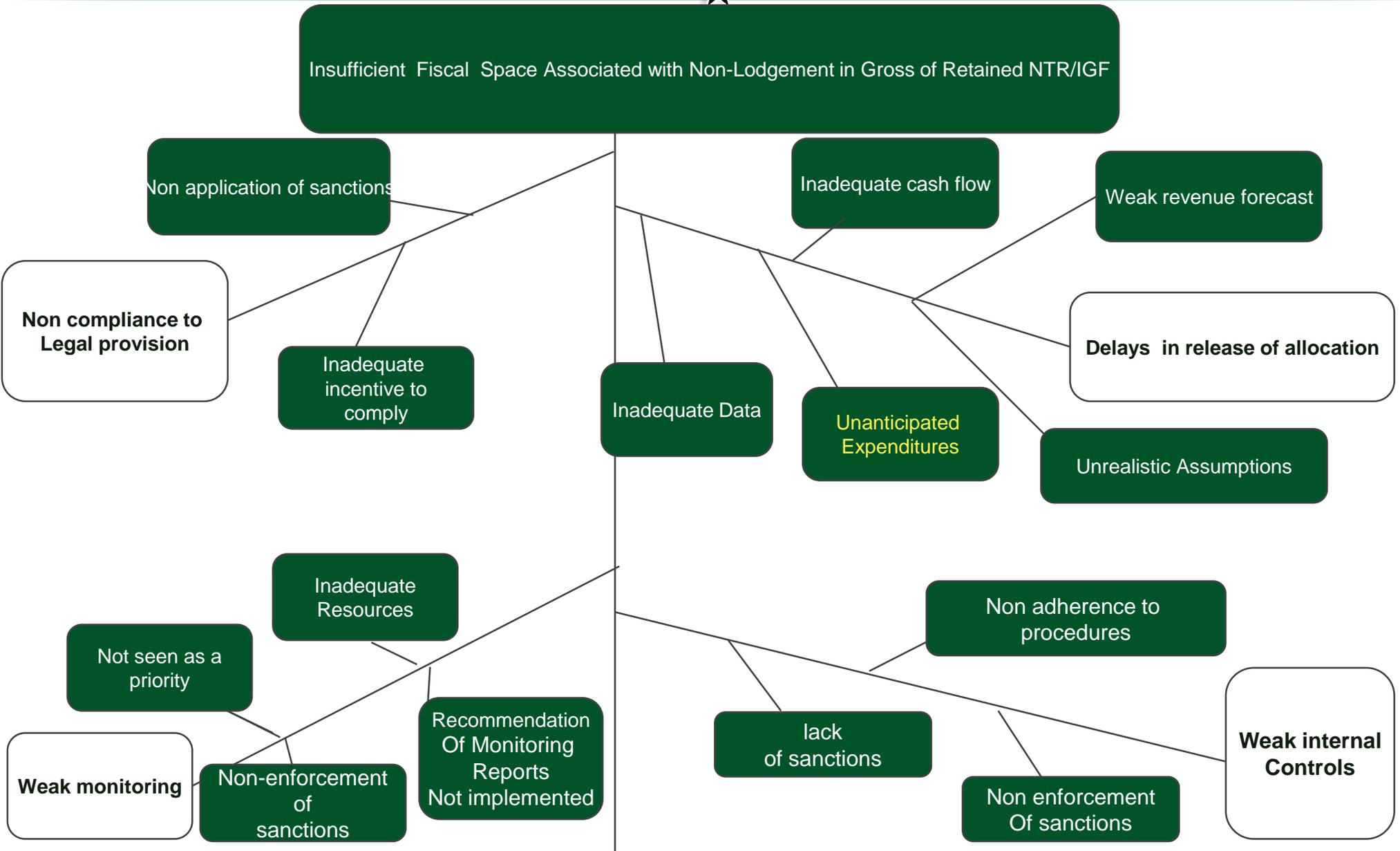
- *“We can no longer continue to make policies for ourselves, in our country, in our region, in our continent on the basis of whatever support the western world or France or the European Union can give us. It will not work, it has not worked and it will not work. Our responsibility is to charter a path which is about how we can develop our nations our selves”*



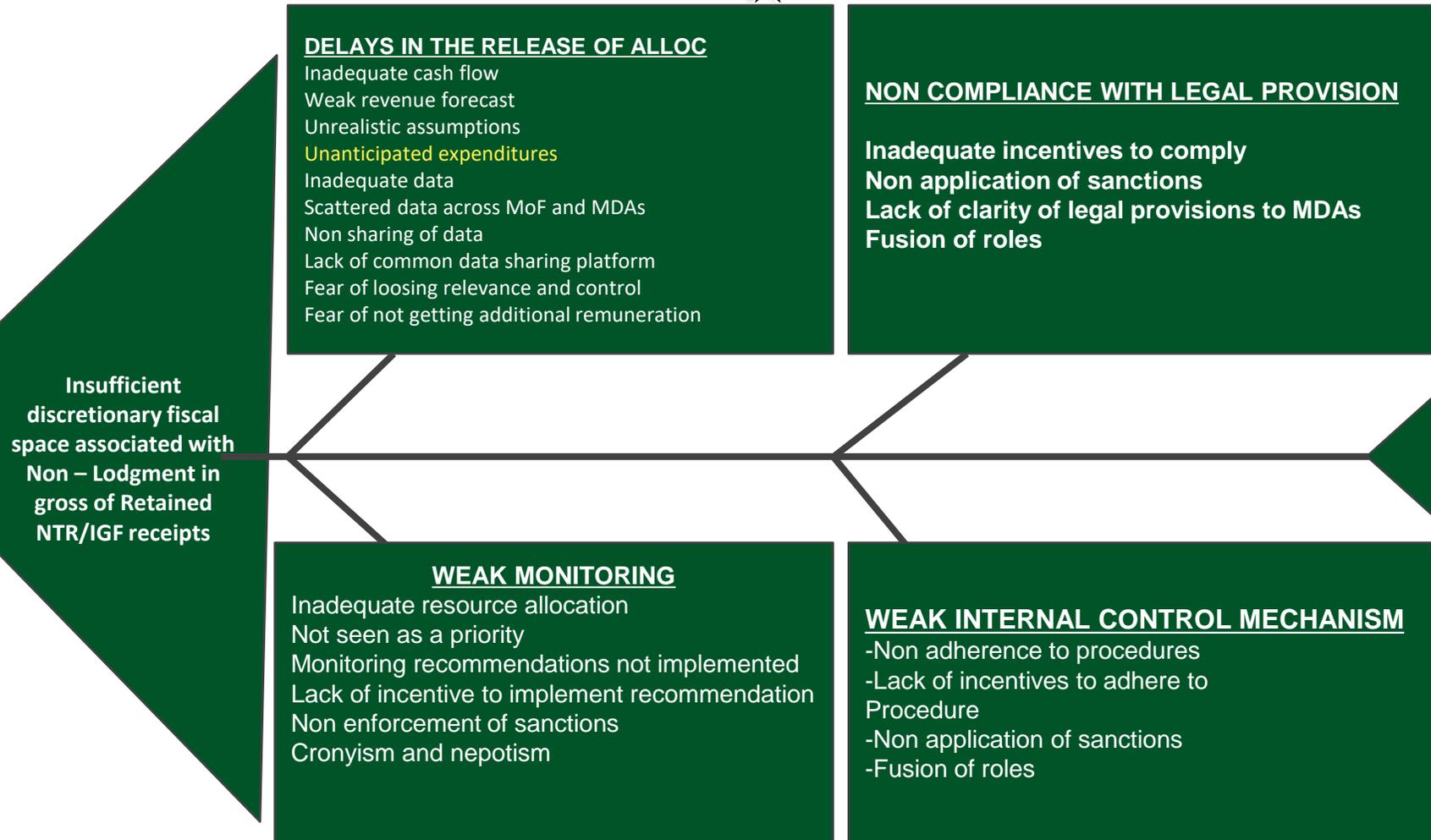


“Insufficient discretionary Fiscal Space associated with Non-Lodgment in Gross of Retained NTR/IGF Receipts”

# FISHBONE ANALYSIS



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# ENTRY POINT ANALYSIS - DELAYS IN THE RELEASE OF ALLOC.



Inadequate cash flow

Weak revenue forecast

Unrealistic assumptions

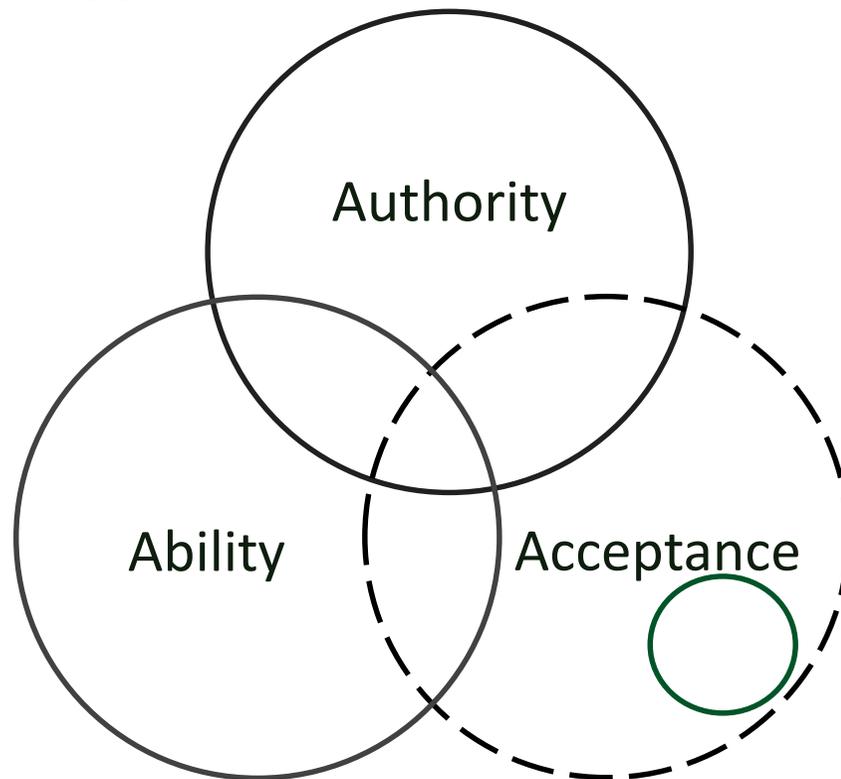
Unanticipated external shock

Unplanned expenditures

Inadequate data

Scattered data across MoF and MDAs

Non sharing of data



Fear of loosing relevance and control

Fear of not getting additional remuneration

Lack of common data sharing platform

# BASIS FOR ENTRY POINT - LACK OF COMMON DATA SHARING PLATFORM



## AUTHORITY

- Minister's quest to improve fiscal projections and budget credibility;
- Minister will approve

## ABILITY

- Available data and systems;
- Enough resources to improve existing systems to accommodate platform;
- Existing capacity to build and manage data and systems;

## ACCEPTANCE

- Numerous stakeholders with varying interest;
- Willingness to accept and own process will be challenged;
- We need data gathering, story lines and engagement with stakeholders to build acceptance

# ENTRY POINT ANALYSIS – WEAK MONITORING



Inadequate resource allocation

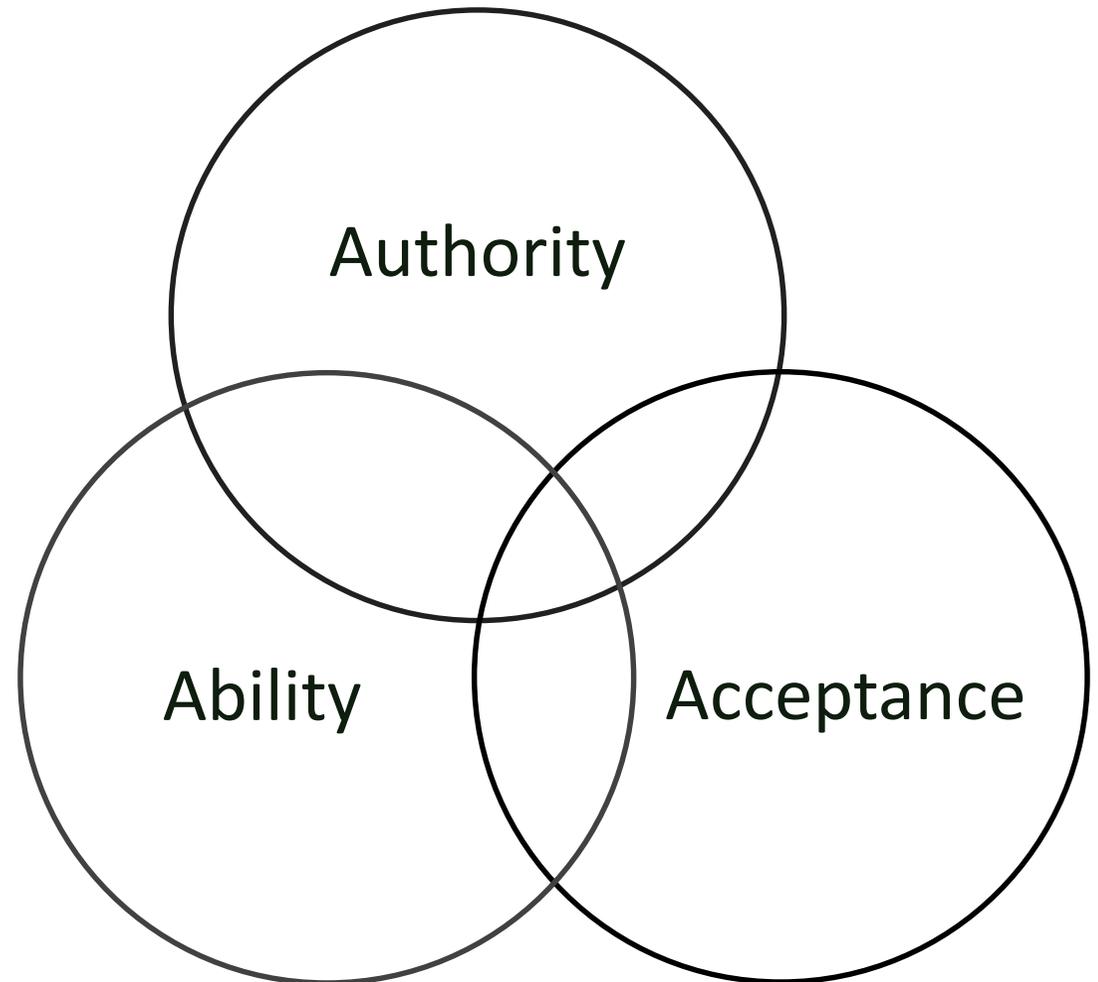
Not seen as a priority

Monitoring recommendations not implemented

Lack of incentive to implement recommendation

**Non enforcement of sanctions**

Cronyism and nepotism





## AUTHORITY

- The financial laws mandate the Minister to sanction
- Quest to enforce fiscal discipline by Hon. Minister

## ABILITY

- Structures in place
- Mandate of the Hon. Minister provided under the PFM law

## ACCEPTANCE

- There is growing concern amongst the citizenry and leadership that we need to enforce our laws

# ENTRY POINT ANALYSIS – NON COMPLIANCE WITH LEGAL PROVISION

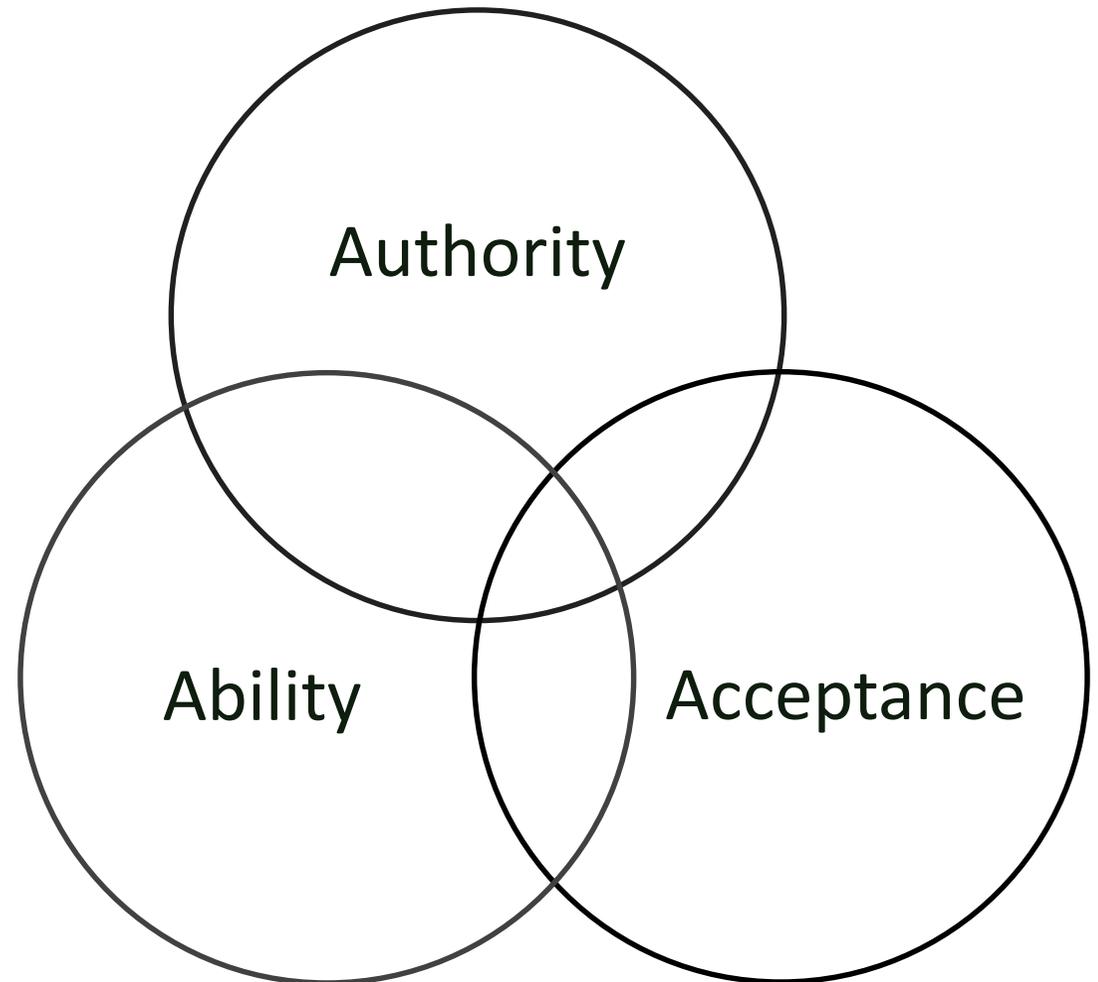


Inadequate incentives to comply

Non application of sanctions

**Lack of clarity of legal provisions  
to MDAs**

Fusion of roles



# BASIS FOR ENTRY POINT – LACK OF CLARITY OF LEGAL PROVISIONS TO MDAs



## AUTHORITY

- Minister's quest to increase discretionary fiscal space;
- Minister will approve

## ABILITY

- Capacity to train and/or sensitize relevant stakeholders;
- Availability of platforms within the budget preparation process to undertake the activities
- Enough resources to undertake the exercise;

## ACCEPTANCE

- Stakeholders will gladly accept as they may not have to commit resources to orient themselves on the legal provisions;
- It will be in the interest of all stakeholders to embrace the training and/or sensitization

# How will the Problem look like solved?



- Improved discretionary fiscal space associated with Non-Lodgment in gross of retained NTR/IGF receipts
  - 70% of all MDAs allowed to retain their IGF will lodge it in gross;
  - 60% of the projected yield (GH¢1.2bn) will be achieved;
  - Improved discretionary fiscal space by GH¢720m

# ACTION POINTS



SRN	Entry Point	Output	Immediate action
1	<b>Lack of Common Data Sharing Platform</b>	<ul style="list-style-type: none"><li>● Relevant stakeholders identified;</li><li>● Draft Concept Paper in place;</li><li>● Stakeholders engagement workshop organised – workshop report;</li><li>● Processes and systems established for creating a Common Data Sharing Platform.</li></ul>	<ul style="list-style-type: none"><li>● Finalize report for presentation;</li><li>● Seek authorization and approval to act;</li><li>● Develop outline of draft Concept Paper</li></ul>

# ACTION POINTS



SRN	Entry Point	Output	Immediate action
2	<b>Non-Enforcement of Sanctions</b>	<ul style="list-style-type: none"><li>• Non compliant officers sanctioned</li></ul>	<ul style="list-style-type: none"><li>• Identify evidence of relevant Audit/PAC Reports recommending punitive and reform actions not applied</li></ul>

# ACTION POINTS

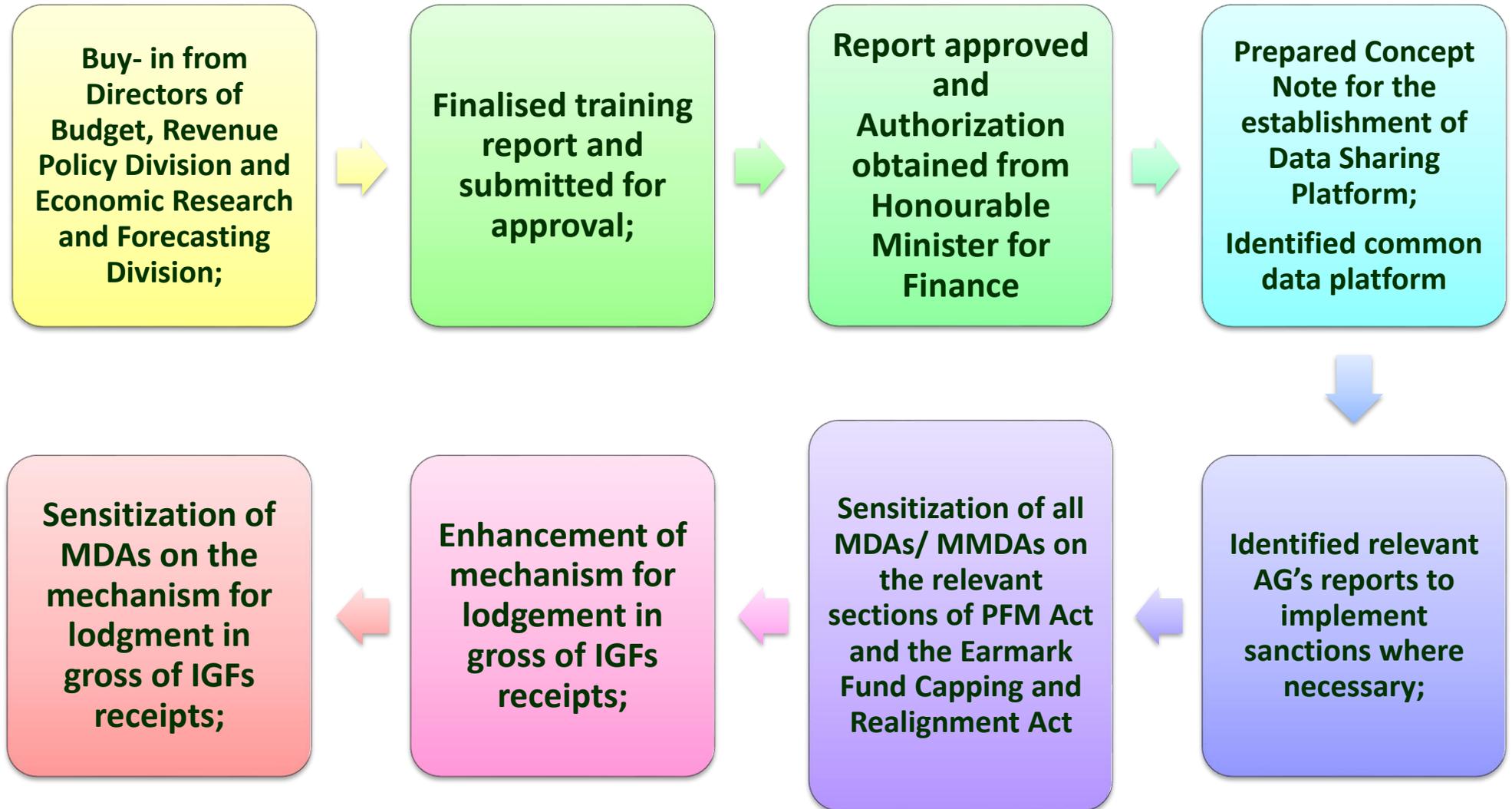


SRN	Entry Point	Output	Immediate action
3	<p><b>Lack of Clarity of Legal Provisions to MDAs</b></p>	<ul style="list-style-type: none"> <li>• Knowledge of implementing officers on the relevant legal provisions enhanced;</li> <li>• Mechanism for lodgment in gross of Retained NTR/IGF receipts by MDAs properly in place and operational</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and outline platforms in the national budget process to implement this activity;</li> <li>• Assemble all relevant regulations governing NTR/IGF mobilisation and management and PFM;</li> <li>• Agree with CAGD, affected MDAs and all relevant stakeholders on modalities for the operationalization of the mechanism for lodgment in gross of Retained NTR/IGF Receipts</li> </ul>



# STATUS OF PLANNED ACTIONS ON ENTRY POINTS

# Key Achievements after framing workshop



# 1. Lack of Clarity of Legal Provisions to MDAs



Output	Planned Action	Status	Performance	Issues/Remarks
<p><b>Knowledge of implementing officers on the relevant legal provisions enhanced.</b></p>	<p>Use the national budget process to sensitize MDAs</p>	<p>MDAs Sensitized.</p>	<p>Achieved</p>	<p>Processes used included;</p> <p>Budget Preparation production Workshops;</p> <p>NTR/IGF Projections Workshops;</p> <p>National/Regional Budget Hearings</p>

# 1. Lack of Clarity of Legal Provisions to MDAs



Output	Planned Action	Status	Performance	Issues/ Remarks
<b>Mechanism for lodgment in gross of Retained NTR/IGF receipts by MDAs is in place and operational.</b>	Ensure consistency of relevant legal provisions on lodgement in gross with proposed mechanism.	Consistency established.	Achieved	

# 1. Lack of Clarity of Legal Provisions to MDAs



Output	Planned Action	Status	performance	Issues/ Remarks
<p><b>Mechanism for lodgment in gross of Retained NTR/IGF receipts by MDAs properly in place and operational.</b></p>	<p>Seek agreement with CAGD, affected MDAs and all relevant stakeholders on modalities for the operationalization of the mechanism.</p>	<p>Agreement reached and mechanism operational.</p>	<p>Achieved</p>	<p>127 MDAs; Only 49 complying; Major MDAs exempted; Delay in implementation; Revised target to 2.5% of 1.2billion Cedis.</p>

## 2. Non- Enforcement of Sanctions



Output	Planned Action	Status	Performance	Issues/ Remarks
<b>Non compliant officers sanctioned</b>	Identify evidence of non-compliance in Audit Reports.	No recommendations of punitive and reforms actions identified.	Partially achieved	Audit reports reviewed (2014 – 2016) did not clearly provide any breaches; Audits in the period did not focus on NTR/IGF.

# 3. Lack of Common Data Sharing Platform



Output	Planned Action	Status	Performance	Issues/ Remarks
<p><b>Common data sharing platform established</b></p>	<ol style="list-style-type: none"> <li>1. Draft a concept paper</li> <li>2. Identify relevant stakeholders</li> <li>3. Organise stakeholder workshop</li> <li>4. Establish platform</li> </ol>	<p>Concept paper developed, stakeholders engaged, platform established</p>	<p>Achieved</p>	<p>GIFMIS Fiscal Framework Module to serve as Platform, however buy-in needs to be strengthened.</p>

# CHALLENGES



- Competing Priorities;
  - From authorizer
  - From team members
- Buy-in from key stakeholders

# KEY LESSONS



- “Ownership” and clear understanding of the problem statement;
- Identification of risks;
- Modification and adjustments;
- Proper team mechanics and team gelling;

# KEY RECOMMENDATIONS/NEXT STEPS



- Further engagement with the Ghana Audit Service;
- Existing electronic monitoring systems are expanded to improve implementation of mechanism for lodgement in gross;
- Regular use of existing budget processes for the sensitization of MDAs continues;
- Follow up should be undertaken to ensure sustainability;
- Collaboration with the CABRI - BSC programme is continued to maintain the current momentum.



- Received and evaluated the team's work plan, cleared / approved it with some enhancement for further action.
- Provided quality assurance and quality control through consultation with a broader stakeholder group
- Motivated the team and secured the needed assistance and approvals to undertake their activities





**THANK YOU**