REPUBLIC OF GHANA

Medium-Term Revenue Strategy (MTRS) (2024-2027)

Ministry of Finance
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FOREWORD

Ghana's journey toward fiscal stability and economic prosperity hinges on its capacity to effectively harness domestic resources. Consequently, this Medium-Term Revenue Strategy (MTRS) 2024-2027 details comprehensive revenue measures necessary to meet the Government's medium-term revenue objectives of an 18.7% Revenue-to-GDP ratio by 2027.

Moreover, the reforms embedded in this MTRS are anticipated to be the tipping point for restoring debt sustainability and creating an enabling environment that attracts local and foreign investors to invest in our Economy.

The MTRS is being launched in an uncertain economic environment, as the impact of a confluence of external shocks continues to disrupt economic activity. Within this context, the MTRS forms part of a wide range of structural reforms aiming to build resilience and lay the foundation for stronger and more inclusive growth, as articulated in the Government of Ghana's Post-COVID-19 Programme for Economic Growth (PC-PEG) Strategy.

In line with this, the Ministry of Finance and the Ghana Revenue Authority, together with relevant institutions and stakeholders developed this MTRS to serve as a compass that points Ghana towards a future of sustainable growth, shared opportunities, and equitable prosperity.

Ultimately, the pages that follow are both a testament to the dedication of the Ministry of Finance to put together this strategic framework and a signal of the Government's commitment to restoring Ghana's economic fortunes within the shortest possible time.

Thank you and God bless.

Ken Ofori-Atta
Minister of Finance

ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
API	Application Programming Interface
ATAF	African Tax Administrators Forum
ATI	Addis Tax Initiative
BEPS	Base Erosion and Profit Shirting
BOT	Build, Operate and Transfer
CAGD	Controller and Accountant-General's Department
CaSE	Covered and Specific Entities
CET	Common External Tariff
CGT	Capital Gains Tax
CIT	Corporate Income Tax
CRS	Common Reporting Standards
CSOs	Civil Society Organisations
DTA	Double Taxation Agreement
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EDAIF	Export Development and Agricultural Investment Fund
EFR	Environmental Fiscal Reforms
EIFRL	Extractive Industries Fiscal Regime Law
EoI	Exchange of Infomation
EPA	Economic Partnership Agreement
EPA	Environmental Protection Agency
EU	European Union
eVAT	Electronic VAT
FCDO	Foreign, Commonwealth & Development Office
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GETFUND	Ghana Education Trust Fund
GETFL	Ghana Educational Trust Fund Levy
GIPC	Ghana Investment Promotion Centre
GIFMIS	Ghana Integrated Financial Management Information System
GNRP	Ghana National Revenue Policy
GoG	Government of Ghana
GRA	Ghana Revenue Authority
GRT	Gross Registered Tonnage
HNWIs	High Net Worth Individuals
IAT	Import Adjustment Tax
ICT	Information and Communications Technology
ICUMS	Integrated Customs Management System

IDF	Import Declaration Form
IGF	Internally Generated Funds
IMF	International Monetary Fund
ISO	International Organization for Standardization
IT	Information Technology
ITAS	Integrated Tax Administration System
its	Key Performance Indicators
LEAP	Livelihood Empowerment Against Poverty Programme
LI	Legislative Instrument
MAAC	Mutual Administrative Assistance in Tax Matters
MCAA	Multilateral Competent Authority Agreement
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies
MNEs	Multinational Enterprises
MOF	Ministry of Finance
MOFARI	Ministry of Foreign Affairs and Regional Integration
MOTI	Ministry of Trade and Industry
MoU	Memorandum of Understanding
MTRS	Medium-Term Revenue Strategy
NDPC	National Development Planning Commission
NHIL	National Health Insurance Levy
NTR	Non-Tax Revenue
OECD	Organisation for Economic Cooperation and Development
PAH	Principal Account Holders
PC-PEG	Post-COVID-19 Programme for Economic Growth
PFM	Public Financial Management
PIFMIS	Public Integrated Financial Management Information Systems
REITS	Real Estate Investment Trusts
RTGS	Real-Time Gross Settlement
SIGMAT	Interconnected System for the Management of Goods in Transit
SDGs	Sustainable Development Goals
SFPAs	Sustainable Fisheries Partnership Agreements
SOPs	Standard Operating Procedures
TP	Transfer Pricing
UN	United Nations
VAT	Value-Added Tax
VRPO	VAT Relief Purchase Order
WARFP	West Africa Regional Fisheries Programme
WCO	World Customs Organisation
WHO	World Health Organisation
WTO	World Trade Organisation

EXECUTIVE SUMMARY

Prior to the COVID-19 pandemic, the country was on an upward macroeconomic trajectory, with low inflation rates, growth in the extractives sector that boosted exports and led to trade surpluses, increased levels of employment as well as an improvement in the average life expectancy. These were achieved due to key economic and fiscal policy reforms to improve domestic revenue mobilisation and public financial management, enabled by the digitalisation of systems and public services.

Since the beginning of 2020, Ghana, like the rest of the world, was hit with major external headwinds brought on by the COVID-19 outbreak and its attendant effects like rising inflation and interest rates. These caused significant disruptions to global supply chains and the ongoing Russia-Ukraine war further exacerbated the effects on local economies. Within this period, economic growth has stifled; with credit rating downgrades and tightened domestic financing conditions, increased cost of borrowing, increase in fuel prices and rising inflation rates and depreciation of the local currency. These turbulences prompted the need to reset the economy to accelerate economic transformation beyond pre-pandemic levels.

The MTRS sits within the development frameworks adopted by Ghana on the global, continental, regional and national levels. It is anchored on the Coordinated Programme of Economic and Social Development Policies (2021-2025), the Ghana Beyond Aid agenda Charter & Strategy, and the Ghana National Revenue Policy (GNRP). It further sits within the context of Ghana's Public Financial Management reform, and the Post COVID-19 Programme for Economic Growth (PC-PEG). The broad objective of these reforms underlines the commitments under the United Nations' Sustainable Development Goals (SDGs) Agenda 2030, the African Union Agenda 2063, and the ECOWAS Vision 2050.

The Post-COVID-19 Programme for Economic Growth (PC-PEG) is to restore macroeconomic stability and debt sustainability. An avenue to achieve these objectives is to undertake wholistic reforms to public services delivery and the public financial management system. Embedded in this Strategy are reforms to the revenue system of the country – to raise enough tax and non-tax revenues to support inclusive and sustainable growth.

The MTRS sets out the basis and framework through which the government seeks to undertake these reforms. The adoption of a medium-term approach to the reform is the provision of greater certainty to taxpayers, the public and the government through predictability of future revenue policy direction, thereby improving the determination and prioritization of future actions.

This foremost 2024-2027 MTRS operationalises the Ghana National Revenue Policy (GNRP), with foundational thematic areas that spell out focus areas for aggressively mobilizing domestic revenue. The strategies for the short term (2024) and medium-term (2025-2027) have been carefully developed from a wide range of sources, due care being given to inputs from stakeholders, policy briefs and technical assistance mission reports from Development Partners and case studies from good practice jurisdictions. The government will seek to carry out a number of policy, administrative and legal reforms to ultimately raise the tax-to-GDP ratio to 20% and the non-tax-to-GDP ratio to 4%.

The MTRS has outlined a combined total of 113 policies and administrative actions to be implemented to achieve the required objectives. The table below shows the number of interventions for each thematic area.

Table 1: Number of MTRS Policy Interventions by Thematic Area

Thematic Area	Policy Reforms
Direct Taxes	12
Indirect Taxes	12
International Trade Taxes and Trade Facilitation	5
Domestic Productive Capacity	5
International Taxation	6
Tax Expenditure and Incentives	5
Extractive Industries	1
Environmental Fiscal Reform	6
Non-Tax Revenue	6
Revenue Administration	1
Digitalisation	1
TOTAL	60

Table 2: Number of MTRS Administrative Interventions by Category

Category	Admin Reforms
Tax Policy	12
Non-Tax Revenue	12
Customs Revenue	4
Domestic Tax Revenue	10
IT & Other Support Services	15
TOTAL	**53**

The reform will also include a complete review of existing legislation to consolidate the various amendments in current legislation including any new provisions arising out of the MTRS. The review will include updating and modernising the laws, introducing new provisions resulting from the MTRS and merging the legislations where required.

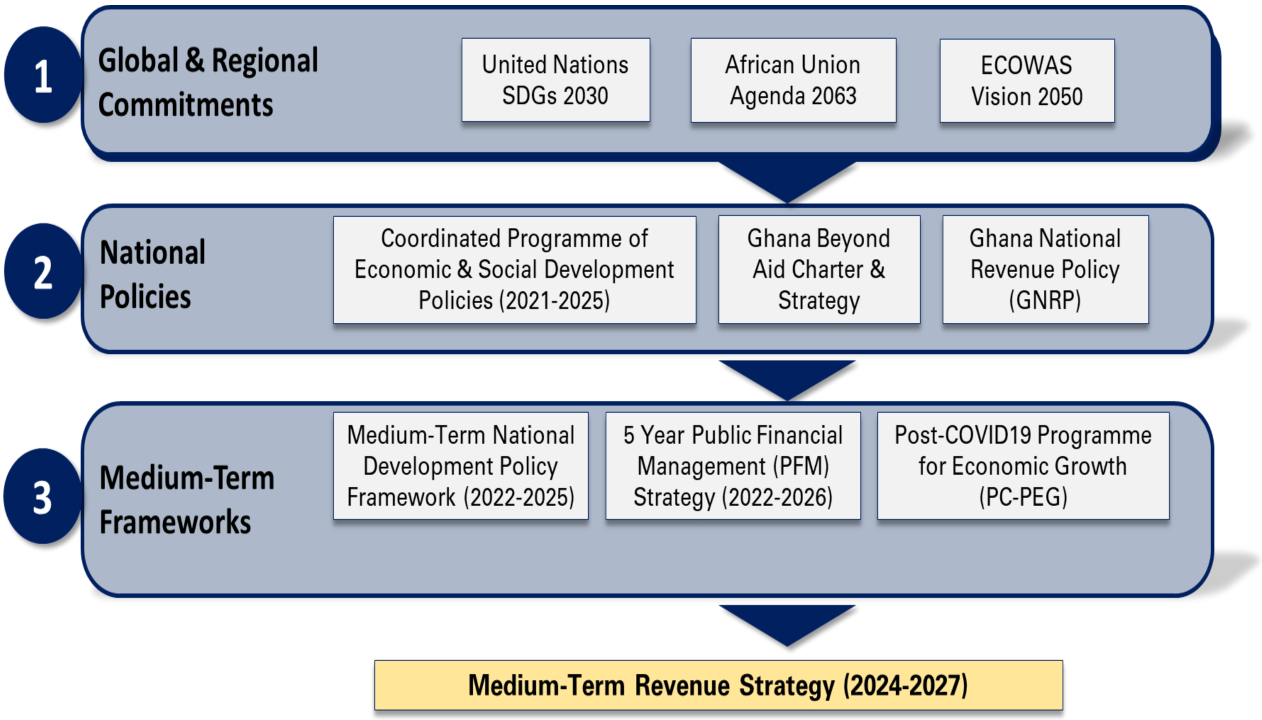
The MTRS will be delivered through the medium-term strategic plans and annual work plans of the Ministry of Finance and the Ghana Revenue Authority, as well as effective collaborations with key Ministries, Departments and Agencies. Appropriate cooperation will also be sought with the country's development partners, as external capacity development support cannot be overlooked in implementing a successful MTRS. Following the first year of implementation, the MTRS will be reviewed in early 2025 to assess progress of implementation and proffer mitigation strategies where necessary.

INTRODUCTION

The Government of Ghana has committed to a medium-term approach to revenue mobilisation with the aim of achieving a Tax-to-GDP ratio target of 18-20 percent and a Non-Tax-to-GDP ratio target of 4 percent, as set out in the 2023 Ghana National Revenue Policy (GNRP). The objective is to reform the revenue system in a way that is conducive to growth, increases revenue productivity while improving efficiency and equitable distribution of the tax burden.

The vision for the transformation of Ghana's revenue system is anchored on the Coordinated Programme of Economic and Social Development Policies (2021-2025), the Ghana Beyond Aid Charter & Strategy, and the GNRP. As a National Medium-Term Framework, the MTRS sits underneath the Medium-Term National Development Policy Framework (2022-2025), the 5-year Public Financial Management (PFM) Strategy (2022-2026) and the PC-PEG and draws its objectives from broader global commitments such as the UN's Sustainable Development Goals (SDGs) Agenda 2030, the African Union Agenda 2063, and the ECOWAS Vision 2050[1].

Figure 1: The MTRS Conceptual Framework



Source: MOF

[1] See Figure 1.

The MTRS operationalises the GNRP and has been prepared following a series of consultations with stakeholders. Several policy and administration reforms have been outlined for the medium-term under eleven (11) thematic areas. These thematic areas will serve as the Government's focus areas for domestic revenue mobilisation over the next four (4) years – 2024 to 2027. More importantly, the initiatives underpinning the MTRS were developed with the view towards restoring greater confidence in the workings of the national revenue mobilisation system.

The MTRS document is structured into eleven sections. The Introductory Section consists of the Economic, Social and Fiscal context of the Strategy as well as the benefits of adopting a medium-term approach to revenue mobilisation. Section Two outlines the objectives of the MTRS, highlighting the estimated revenue targets as well as Government's commitment to this Strategy. Section Three presents the potential to expand domestic revenue mobilisation and the development process for this MTRS.

Section Four details the medium-term goals and an overview with broad interventions for the various thematic areas. Section Five and Six summarise the specific policy and administration reforms, while Section Seven presents the appropriate legal framework reforms necessary to achieve the desired outcomes across the relevant tax and non-tax revenue actors. All consultations and communication needed during the implementation of the Strategy are documented in Section Eight for purposes of inclusivity and ownership. Section Nine also provides some highlights on the processes for updating the MTRS, including the relevant monitoring and evaluation arrangements.

Finally, the role of external capacity development support for the strategy is detailed in Section Ten, with the conclusion presented in Section Eleven.

ECONOMIC, SOCIAL AND FISCAL CONTEXT

Pre-pandemic performance

The immediate years prior to the COVID-19 pandemic saw a significant improvement in Ghana's macroeconomic performance. Economic growth was strong, with GDP increasing by about 7% a year in real terms between 2017 and 2019. After accounting for population growth, this means GDP per person increased by almost 5% a year in real terms (Figure 2). Growth in the extractives sector boosted exports and attracted significant foreign investment. The country moved from having a merchandise trade deficit every year up until 2016, to merchandise trade surpluses of 2-3% of GDP between 2017 and 2019, and foreign direct investment (FDI) averaged 5% of GDP a year over this period (Figure 3). Inflation also reduced from 15.4% in 2016 to 7.9% in 2019, its lowest level in 20 years (Figure 4).

Figure 2: Real GDP per capita & growth

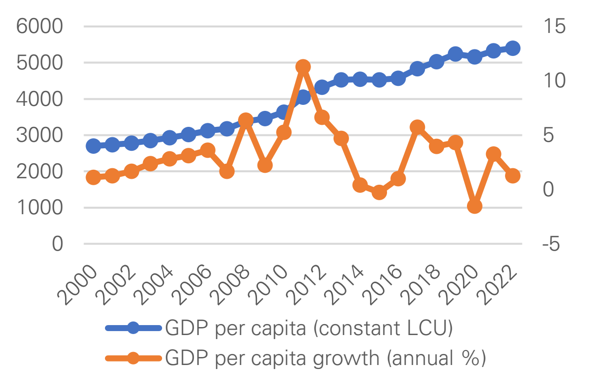
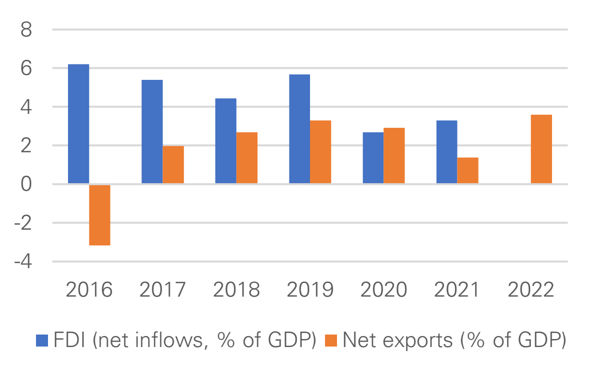


Figure 3: FDI & Net Exports as % of GDP



Source: *World Bank WDI*

The improved macroeconomic environment supported increases in employment. For example, the overall unemployment rate averaged 3% between 2017 and 2019, while that of the youth (aged 15-24) averaged 6%, down from 5% and 10%, respectively in 2016 (Figure 5). The share of employment classed as vulnerable also declined by 3 percentage points over this period.

Figure 4: Annual CPI Inflation (%)

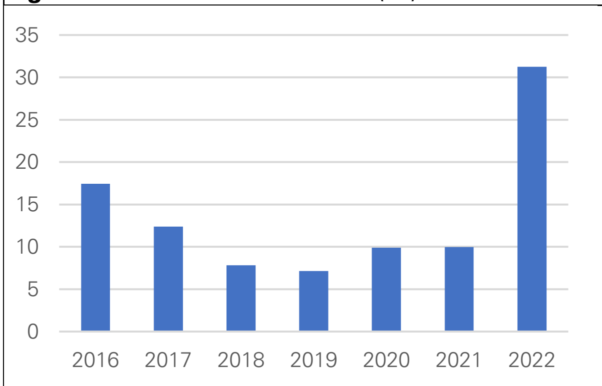
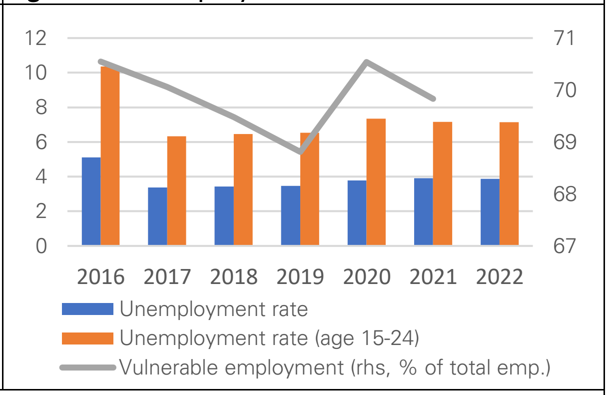


Figure 5: Unemployment trends



Source: *World Bank WDI*

Increases in income and investment in public services and infrastructure enabled by this improved macroeconomic environment and contributed to improvements in key social indicators (Table 1). Infant and maternal mortality both fell by about 9% and 5% respectively between 2016 and 2019, while average life expectancy increased by about 1 year within this 3-year period. The period between 2016 and 2019 also saw continued improvements in access to electricity (from 79.3% to 83.5%), safe drinking water services (from 34.7% to 39.7%), modern cooking fuels (from 22.9% to 27.3%) and the internet (from 28.0% to 45.0%).

Table 3: Selected Social Indicators 2016-2021

	2016	2017	2018	2019	2020	2021
Healthcare						
Maternal mortality ratio (per 1 mil. live births)	25.80	27.40	27.30	24.40	26.30	-
Mortality rate, infant (per 1,000 live births)	37.90	36.70	35.60	34.50	33.50	32.60
Mortality rate, neonatal (per 1,000 live births)	25.80	25.20	24.60	24.00	23.40	22.80
Mortality rate, under-5 (per 1,000 live births)	53.10	51.00	49.10	47.20	45.50	44.00
Life expectancy at birth (years)	63.89	64.01	64.12	64.74	64.11	63.80
Education						
Literacy rate, youth total (% of people ages 15-24)	90.05	91.27	92.49	92.99	93.48	-
Adolescents out of school (% of lower sec. school age)	11.75	12.05	15.53	10.59	7.62	-
Children out of school (% of primary school age)	3.50	2.18	3.62	0.82	5.98	-
School enrolment, primary (% net)	86.38	85.18	84.48	86.16	-	-
School enrolment, secondary (% net)	55.44	55.44	58.26	57.24	-	-
Infrastructure (% of population						
Access to electricity	79.30	79.00	80.40	83.50	85.44	86.30
People using at least basic drinking water services	81.28	82.40	83.53	84.66	85.79	-
People using safely managed drinking water services	34.70	36.34	38.01	39.70	41.41	-
Access to clean fuels and technologies for cooking	22.90	24.40	25.70	27.30	28.70	30.30
People using at least basic sanitation services	19.98	20.90	21.83	22.76	23.70	-
People using safely managed sanitation services	11.47	11.94	12.40	12.87	13.32	-
Individuals using the Internet	28.00	37.88	43.00	45.01	56.68	68.20

Source: World Bank WDI

Economic growth, together with fiscal reforms, also supported an improved fiscal position. Tax revenues increased from 12.1% of GDP in 2016 to 13.6% in 2019, as increases in domestic tax revenues more than offset reductions in revenues from taxes levied on imports. Fiscal deficits averaged 4% of GDP, down from 8% in 2016, and an average of over 5.5% of GDP between 2012 and 2016. This was achieved on the back of a number of key reforms to economic and fiscal policy, including the Fiscal Responsibility Act, 2018 (Act 982) and the Earmarked Funds Capping & Re-alignment Act, 2107 (Act 947) as well as efforts to bolster revenue mobilisation and improve public financial management, together with the digitalisation of systems and services.

The impact of recent shocks

The late 2010s saw improvements in Ghana's economic, social, and fiscal indicators. However, since then, like the rest of the world, Ghana has been hit by major external shocks, like the COVID-19 pandemic, rising global inflation and interest rates, and the ongoing Russia-Ukraine war, which caused significant disruptions to supply chains. These shocks have had an adverse effect on the economy, living standards, and the government's finances, making further improvements in health, education, and infrastructure harder to deliver.

The economy grew by just 0.5% in 2020 in real-terms at the height of the COVID-19 pandemic – which after accounting for population growth, equates to a fall of about 2% per person. Since then, the economy has recovered somewhat, although amid a difficult global economic environment. Growth in GDP has remained lower than pre-pandemic levels, at 5.3% in 2021 and 3% in 2022. The extractives sector has primarily been the driver of much of this growth, with the agriculture and services sectors performing less well. In the case of the services sector, this follows on from a sub-standard trend in productivity performance going back decades.

Rising global interest rates, alongside concerns about fiscal sustainability, have led to an outflow of funds, with international reserves falling to $5.6 billion by the end of 2022, equivalent to about 2.5 months of import; down from $9.1 billion (4.2 months of import) in 2021. As a result, the Cedi has depreciated significantly, with $1 buying over 14 Cedis in early December 2022, compared to around 6 Cedis in December 2021. While government efforts to rebuild confidence in Ghana's economy and public finances have helped stabilise the situation, the $-Cedi exchange rate is still around 11.

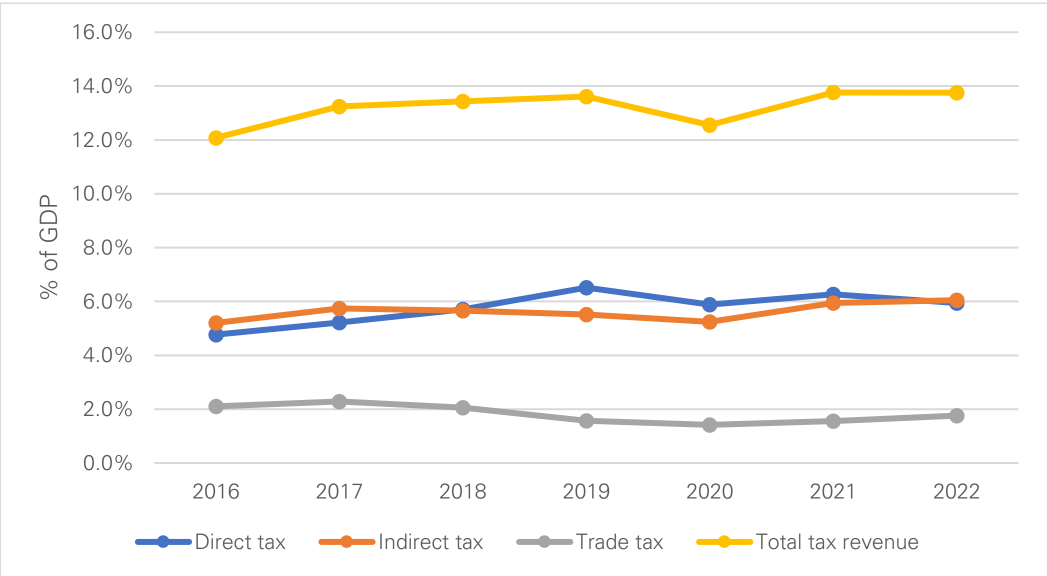
The weaker Cedi, along with increases in energy and food prices following the pandemic and Russia-Ukraine war, have contributed to a spike in annual inflation, which averaged 31% in 2022, and peaked at 54% in December 2022. Increases in interest rates and the stabilisation of the Cedi have seen inflation fall to 43% as at July 2023, though this remains unacceptably high.

The Government has taken a range of actions to support the Ghanaian economy, people, and businesses in the face of these shocks. An unprecedented package of support was provided during the COVID-19 pandemic, and to bolster economic recovery, the Coronavirus Alleviation Programme and Ghana CARES (Obaatanpa) Programme provided vital support to households and businesses during the pandemic – including support with electricity, telecommunications and water costs, the provision of free meals and food packages, and funding and loan guarantees for businesses. The programme also boosted funding for the healthcare sector to enable it to safely respond to the demands of the pandemic and make it more resilient for the future. Nevertheless, both directly and indirectly, the COVID-19 pandemic made it harder to deliver further improvements in education and health, with life expectancy falling by 1 year between 2019 and 2021, undoing much of the progress achieved in the previous 3 years.

As with the rest of the world, the increase in the myriad of interventions to protect lives and livelihoods resulted in an increase in Ghana's fiscal deficit on cash basis to 14.7% of GDP in 2020. The fiscal deficit however improved marginally to 11.3% of GDP and 10.7% of GDP in 2021 and 2022 respectively. Over the same period, the debt-to-GDP ratio increased from 61.2% of GDP in 2019 to 74.4% of GDP in 2020, 76.6% of GDP in 2021 but dipped to 71.2% of GDP in 2022. Higher inflation and interest rates have increased the cost of government borrowing, with the interest rate of 91-day Treasury Bills increasing from 12.5% in December 2021 to 35.5% in December 2022 – although it has since fallen back to around 25%. Debt servicing costs, which already amounted to 10.1% of GDP and almost 81.6% of tax revenues in 2021 have reduced to 8.7% of GDP and 70.4% of tax revenues in 2022.

Tax revenues fell at the height of the pandemic, falling from 12.0% of GDP in 2019 to 11.3% of GDP in 2020, driven by a decline in direct tax revenues, which fell from 6.4% to 6.1% of GDP. Growth in indirect and trade tax revenues saw the tax-to-GDP ratio recover to 12.4% in 2022. However, this remains significantly below the level needed for the financing of development and the sustainability of the country's public finances. It is also lower than the average for both Africa (16% of GDP) and lower middle-income countries (18% of GDP), with the biggest shortfall being for indirect taxes; where the revenues in Ghana amount to 3.6% of GDP, compared to an average of 4.9% in sub-Saharan Africa and an average of 6.8% in lower middle-income countries.

Figure 6: Tax revenues as % of GDP



Source: MoF, GRA, GSS

Plan of Action

Government has instituted several interventions to both strengthen the economy and its public finances,

First, implementation of the Ghana CARES programme is centred on revitalising and transforming the economy, with a focus on supporting the growth and productivity of commercial farming, light manufacturing, engineering, IT, and the digital economy. It is also providing support to the country's housing and construction industries; facilitating infrastructure reforms to improve the investment environment so that Ghana can become a regional economic hub in West Africa and accelerating the roll out of digital government infrastructure and services.

Furthermore, the government's comprehensive PC-PEG programme, supported by the 2023 IMF-ECF programme, focuses on restoring macroeconomic stability by reducing Ghana's fiscal deficit while providing additional support to the most vulnerable people in Ghana through enhancements to existing social programmes. These enhancements include doubling the benefits provided under the LEAP and increasing the funding for the National School Feeding Programme.

Bold steps have already been taken to boost domestic revenues, contributing to a forecast reduction in the fiscal deficit on cash basis to 6.4% of GDP in 2023:

- The 2023 Budget spelt out difficult but vital decisions to increase the rate of VAT, expand the National Fiscal Stabilisation Levy and enact reforms to excise duties that will not only increase revenues but also make them more effective in changing unhealthy behaviours.
- Reforms have also been made to policies that were highly costly to improve their cost-effectiveness. For example, the VAT flat rate scheme for retailers and wholesalers has been restricted to small retail businesses who benefit most from the simplified tax reporting requirements. The benchmark prices discount policy has also been revoked, in order to raise more revenues.
- Improvements are also being made to revenue administration to make it easier for taxpayers to pay their taxes and enhance the ability of the GRA to monitor and ensure compliance. This includes the phased roll-out of e-invoicing, e-filing, and e-payment systems.

On spending, the government plans to onboard all state agencies onto the GIFMIS to monitor the expenditures of MDAs. A comprehensive debt restructuring programme was also initiated to reduce the cost of servicing Ghana's existing debts; helping limit the scale of increases in revenues and reductions in expenditure needed to restore fiscal sustainability.

However, further action is required to achieve the economic and fiscal targets set out in the PC-PEG. Further changes to Ghana's tax policy and administration are therefore required to raise revenues in a way that ensures individuals and businesses pay a fair contribution to the tax system and supports inclusive and sustainable economic growth. Such reforms must be consistent with the need to tackle longstanding challenges (such as low productivity), take advantage of important opportunities (such as the demand for Ghana's natural resources) and the evolving national and regional economic and policy environment (such as efforts to increase African trade integration). Reforms must also avoid over-complicating the tax system, or avoid creating unnecessary economic distortions, both of which would make it harder to generate growth, and risk inequities among taxpayers. This is the task of this MTRS, which sets out a plan for tax and non-tax policy and administration for the next four years and subsequent four-year periods.

Long-term performance

Figure 7: Real GDP per capita & growth

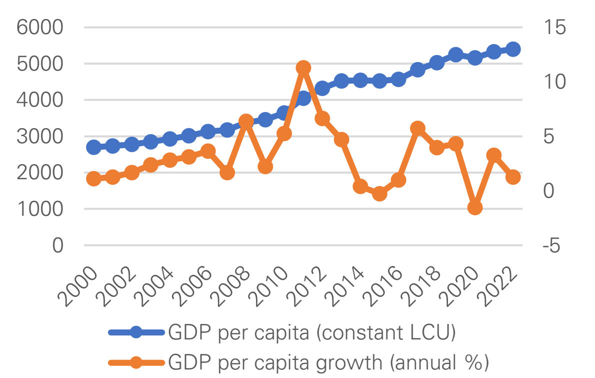


Figure 8: Share of value added as % of GDP

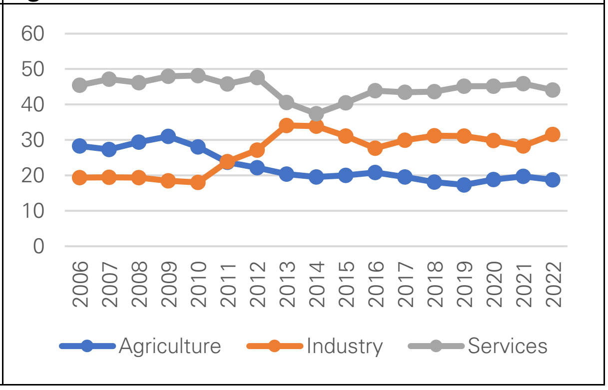


Figure 9: Value added per worker (const. 2015 US$)

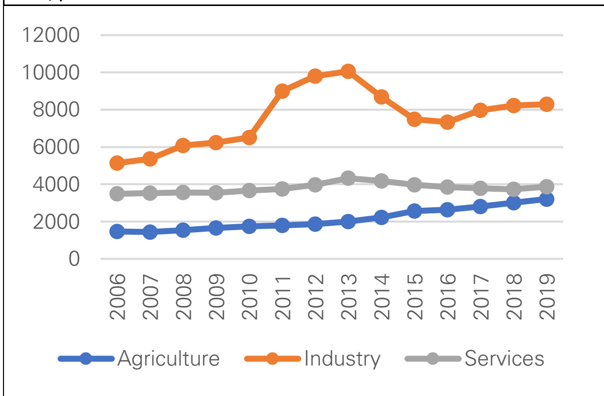


Figure 10: FDI & Net Exports as % of GDP

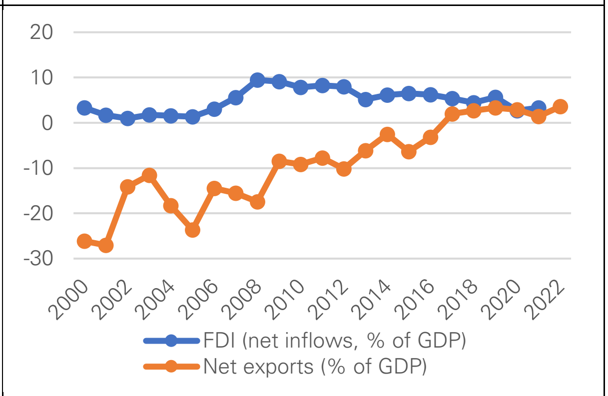


Figure 11: Unemployment rate as % of employment

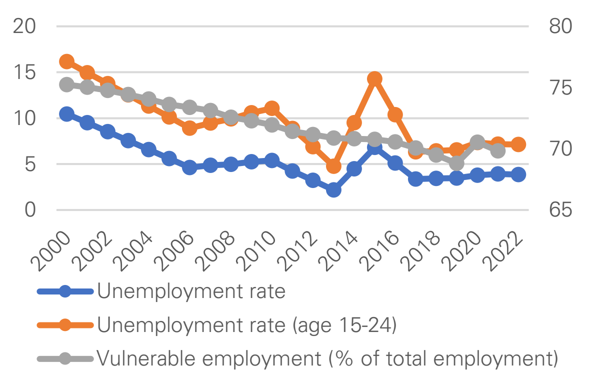


Figure 12: Annual inflation (%)

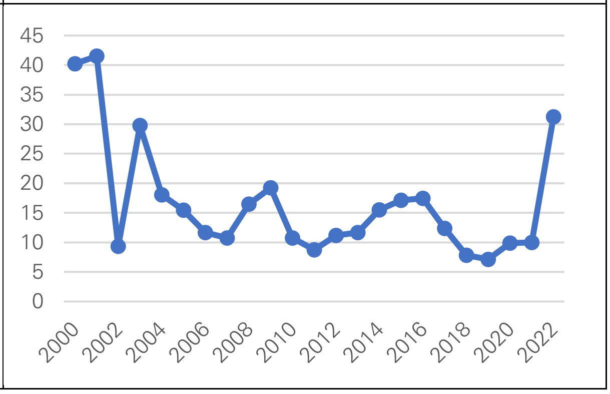


Figure 13: Poverty rate (LHS) & Inequality

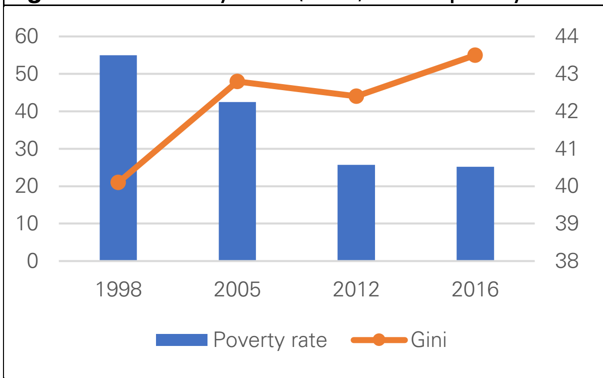


Figure 14: Gov't expenditure as % of GDP

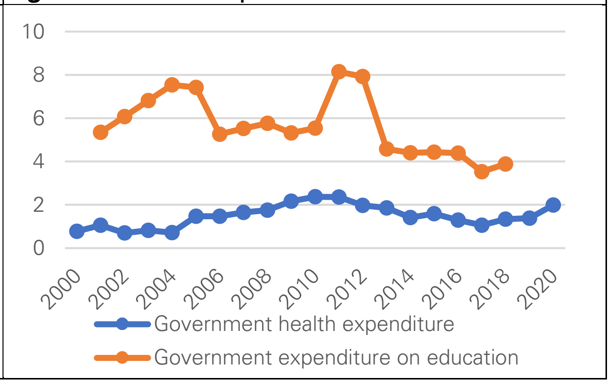


Figure 15: Tax revenue as % of GDP

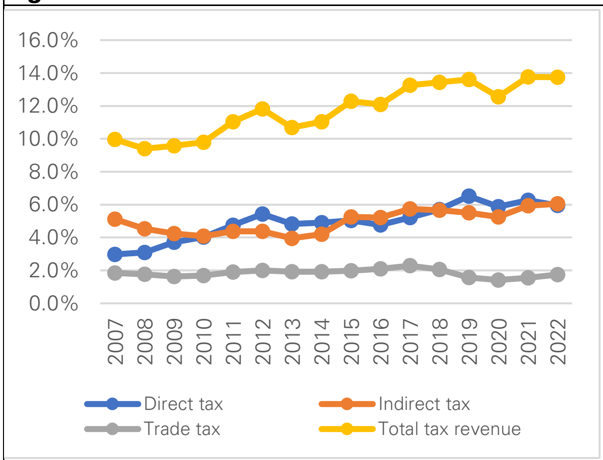
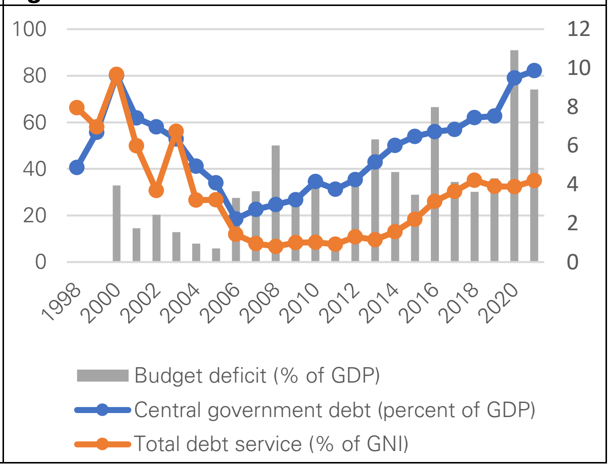


Figure 16: Debt & Deficit trends as % of GDP



ADOPTION OF A MEDIUM-TERM APPROACH TO REVENUE

In this MTRS, the government is adopting a medium-term approach to its revenue policymaking process, as set out in the GNRP. This has a number of important benefits for both taxpayers and the Government which includes:

- Providing greater certainty for both taxpayers and the government. In the case of taxpayers, it will provide greater predictability about the future direction of revenue policy and its implications for their investment decisions. In the case of government, it will enable better forecasts of future revenues, helping balance revenue and spending policies on a multi-year basis;
- Improving the determination and prioritisation of revenue policies. This will allow for broader stakeholder consultation during policymaking and implementation; and
- Ensuring alignment in revenue policy, administration, legal framework, and external capacity support which would be phased to achieve medium and long-term goals.

OBJECTIVES

The main objective for this MTRS, which operationalises the GNRP, is to provide a clear plan for reforming the tax and non-tax systems in order to increase domestic revenue mobilisation to meet medium-term expenditure and debt obligations. The MTRS approach is an opportunity to move from ad-hoc revenue measures and commit to a more comprehensive policy reform process in order to achieve national development.

In many countries, revenue policy and administrative changes have often been driven by short-term considerations. This new approach provides government, citizens and external stakeholders with a clearer picture of potential revenue measures over the medium-term period. It also offers taxpayers, especially businesses, a clear direction of tax policy and administration reforms, thereby reducing uncertainty and boosting confidence to make long-term investments. In relation to non-tax revenue, the MTRS approach will offer efficiency in the delivery of public goods and services.

Successful reform requires continuous commitment and trust among a wide range of stakeholders, and the MTRS approach is structured to achieve this through stakeholder engagements and developing strategies for the medium-term.

REVENUE TARGETS

Over the medium-term, the MTRS seeks to grow tax revenue relative to non-oil GDP from around 13% to approximately 18% - 20%. Non-tax revenue is also expected to grow from 2.2% to 4.0% of GDP within the same period.

Table 3 below shows the estimated additional tax and non-tax revenue targets relative to GDP over the medium-term period:

Table 4: Estimated Revenue Targets (% of GDP)

	Estimated Revenue Targets (% of GDP)			
	FY2024	FY2025	FY2026	FY2027
Tax Revenue Targets	**1.18**	**1.99**	**1.20**	**0.80**
MTRS Policy Reforms	1.08	1.49	0.90	0.61
MTRS Admin Reforms	0.10	0.50	0.30	0.19
Non-Tax Revenue Targets	**0.35**	**0.60**	**0.45**	**0.40**
MTRS Reforms	0.35	0.60	0.45	0.40

Box 1: Statement of Government Commitment

The Government will pursue structural reforms in tax and non-tax policies, revenue administration, and related interventions contained in this document. In doing so, it is committed to an inclusive process of consultation and communication, as well as ensuring that interventions are properly monitored, and lessons learnt for the future.

The Government is committed to using the MTRS as a tool to promote equity and **increase transparency** in revenue administration to stimulate higher levels of public confidence. The significance of a revenue strategy cannot be understated and an MTRS approach will **provide tax certainty** and predictability for businesses and individuals in the short to medium-term, ensuring that the overall goal of increasing domestic revenue to support the Government's growth agenda is achieved.

POTENTIAL TO EXPAND DOMESTIC REVENUE MOBILISATION

Tax revenue is the primary contributor of central government revenue and its potential to grow over the medium term was relevant in the development of the MTRS. At present, the tax system is affected by a high degree of informality and a large share of payments made in cash. However, the Government's digitalisation efforts and the ongoing transformational initiatives at the GRA will soon formalise a large section of the economy and government would be able to realise the needed revenue from the various activities within the country.

In recent years, a growing number of countries have estimated their tax gaps on different tax types. The GRA conducted a VAT gap analysis in 2022 for the period 2013-2020 and estimated a gap of 61%. This means that the actual VAT revenue collected within the period is estimated at 39%. For CIT, the last estimated tax gap, using a representative sample of corporate entities in 2013, was estimated to be 81.5 percent, at least 9.4 percent of GDP in 2013.

These gap analyses on Ghana's two largest contributors of tax revenue highlight the importance of expanding the tax revenue mobilisation efforts and reduce the tax burden which currently lies on the few compliant taxpayers.

Table 4 details the average sectoral contributions to GDP and tax revenue over the period 2016-2020. The table illustrates the differences in tax revenue mobilisation in each sector and highlights how informality can undermine revenue collection, especially in the agriculture and wholesale and retail sectors. However, the table also highlights the substantial tax revenue contributions of sectors which have a high degree of formality and digitalisation which offers encouragement going forward as the economy formalises more broadly.

Table 5: Sectoral Contribution to GDP and Revenue, 2016-2020

Sector	Sub-Sector	Average % contribution to GDP	Average % contribution to tax revenue
Agriculture	Agriculture	20.98%	0.05%
Industry	Mining and Quarrying	19.13%	19.22%
	Manufacturing	11.49%	13.15%
	Electricity, Gas and Air Cond. Supply	1.55%	3.30%
	Water Supply	0.81%	0.06%
	Construction	7.00%	1.21%

Services	Financial and Insurance activities	4.61%	23.13%
	Public Administration and Defence	3.63%	19.48%
	Information and Communication	2.89%	10.96%
	Transport and Storage	7.36%	4.22%
	Wholesale and Retail	15.92%	3.07%
	Other Services	1.12%	1.46%
	Accommodation and Food Service	3.57%	0.41%
	Real Estate	2.58%	0.25%
	Human Health and Social Work activities	2.21%	0.04%

Source: *NDPC, GRA, GSS 2022*

On the back of this, a comprehensive review has been conducted to identify the necessary structural reforms and administration measures needed to improve the tax revenue performance and as a result close the existing gaps. These reforms will serve as a guide for the Government to develop a strategic framework and work plan to implement the medium-term fiscal plan.

With regards to Non-Tax Revenue (NTR), a functional strategic framework has been developed and executed over the years. However, it has been observed, following various monitoring and evaluation exercises including annual audit reports, that a number of existing and emerging issues affecting the growth of NTR have created potential gaps yet to be addressed to achieve the desired medium-to-long-term objectives of NTR. The gaps can be categorised as follows:

i. Legislative and Regulatory Framework

The current legislative framework governing NTR mobilisation is fragmented under the Public Financial Management Act, 2016 (Act 921) and its regulations, the enabling Acts of CaSEs, the Ministries, Departments and Agencies (Retention of Funds) Act, 2007 (Act 735) and the Fees and Charges (Miscellaneous Provisions) Act, 2022 (Act 1080), among others. Additionally, current policy dispensation in relation to the use of retained NTR for the payment of Compensation of Employees related expenses is not consistent with the provisions of Act 735 in that regard. Furthermore, expenditures incurred from retained NTR are often processed outside the GIFMIS and under reported.

With regard to the fees and charges, there is no policy guidelines for the costing and pricing of government services, leading to inconsistencies in the pricing of similar public services across CaSEs.

ii. National Policy on NTR

There is no clear national strategic policy vision for NTR mobilisation and management as manifested in the enabling acts of CaSEs. Manual processes are still largely used across many CaSEs for service delivery and collection of revenue thereof. There is also a noticeable absence of a well-defined strategic planning framework to guide revenue generation efforts across CaSEs.

Addressing these issues require comprehensive reforms and strategic interventions across various sectors.

To ensure effective implementation of the comprehensive reform, the MTRS seeks to increase domestic revenue mobilisation to meet medium-term expenditure and debt obligations, develop a more progressive income tax structure and ensure certainty and equity within the system. The MTRS's aims for the wider economy are to promote investment and domestic production and remove distortions. Furthermore, the MTRS will build capacity to support policy and administrative reforms whilst also developing policies to reflect the administrative capacity. In terms of Government functioning, the MTRS will improve service delivery and compliance and manage public agencies more efficiently and transparently.

DEVELOPMENT OF THE MTRS

The Ministry of Finance adopted a whole-of-government approach in developing the MTRS. Given the inclusion of the MTRS as a structural benchmark under the IMF-supported PC-PEG programme, the development of the MTRS was designed as a project, with specific timelines and milestones, to produce and publish a final document for Cabinet approval by the end of September 2023. Due to earlier efforts in adopting the medium-term approach, relevant documents, technical reports, and case studies from other countries were available to serve as guiding literature to shape the development of the MTRS.

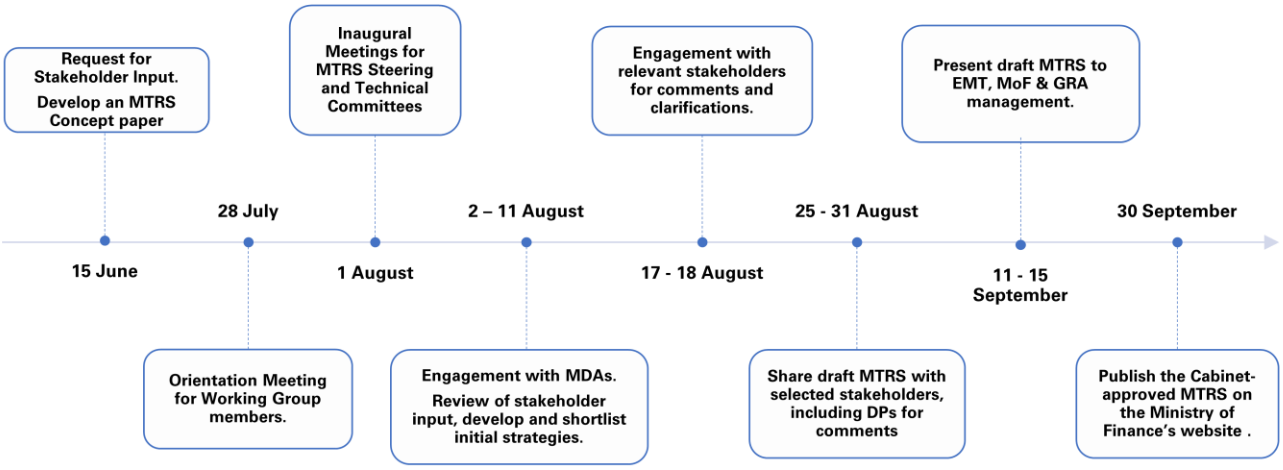
Steering and Technical Committees were established to oversee the development of the MTRS and provide technical expertise in finalising the document respectively. Working Groups were instituted according to the thematic areas to deliver the content of the Strategy, with Coordinators from the Revenue Policy Division of the Ministry and staff of the GRA to lead the efforts of the Working Groups. Also, technical officers with relevant expertise were nominated from various MDAs to join the Working

Groups to discuss key challenges and opportunities within the thematic areas and propose broad solutions, including inputs and proposals from stakeholders.

Following several deliberations at the Working Group level and the Technical Committee level, various inputs and comments from stakeholders were considered at different stages of the development process, as shown in Figure 17, to gain public buy-in, discuss and deliberate on the initial strategies, and seek comments and clarification on some of the strategies. The selected strategies, categorised under policy and administration reforms, were then reviewed, refined, and shortlisted at the Technical Committee level to arrive at the final set of proposals submitted to the Steering Committee for consideration and approval.

Engagements were held with relevant stakeholders, including MDAs, representatives from academia, private sector, trade associations, CSOs and think tanks. Additionally, meetings were held with Development Partners to share details of progress made on the MTRS development. Further stakeholder engagements will be held at the implementation stage of the MTRS.

Figure 17: Timelines for Development of the MTRS



THEMATIC AREAS

The development of specific strategies under the MTRS was prepared using the revenue goals of each thematic area and the overall objectives stipulated in the GNRP. The eleven (11) thematic areas provided under the GNRP are the focus area for domestic revenue mobilisation and key areas that, over the medium-term, can improve the efficiency and structures of the tax and non-tax system in the country.

Under this section, we present the medium-term goals of each thematic area, and a broad overview of the current situation and solutions under the thematic area.

A. Direct Taxes

The medium-term goals for direct taxes are to broaden the tax base to minimise tax avoidance, review and re-design existing legislation for taxation of income derived from online transactions and ensure a progressive tax system.

Overview

Over the last decade, direct taxes have contributed more to total tax revenue than indirect taxes and international trade taxes. Withholding of taxes, such as the Pay-As-You-Earn (PAYE) on employment income and passive income such as dividend and rents, have been an effective mechanism for the collection of income tax over the period.

To date, there has not been an effective mechanism to ensure that persons in the informal sector pay their share of taxes, especially income taxes. There are no simplified tax returns for small and medium enterprises, and the costs of tax compliance for such businesses tend to be onerous.

Several industries and companies – both small and large – within specified sub-sectors have enjoyed concessionary income tax rates since the 1990s and mid-2000s in a bid to promote investment and encourage domestic production. The corresponding economic impact, including increases in exports, foreign exchange reserves, and employment, are however, not equally apparent in these incentivized sub-sectors. Inflation over the years has also significantly compromised the progressivity of the individual tax rates and the disposal income of the average Ghanaian.

The broad solutions to address these gaps to improve the share of direct taxes to total tax revenue include:

i. Broaden the withholding tax regime to cover other tax types to improve identification of taxpayers, collection of taxes, and filing of tax returns, especially incomes earned in the informal sector;

ii. Simplification of returns and review of the current modified taxation regime to minimise tax avoidance and improve voluntary compliance;
iii. Review of concessionary rates to minimise distortions and the impact for tax expenditure add value to the factors that affect the economy;
iv. Review of tax types that do not reflect current market realities, such as stamp duty, income tax stamp and vehicle income tax;
v. Redesign of some policies, such as the electronic transfer levy; and
vi. Introduce new tax handles to tackle income tax matters arising out of the digital economy space.

B. Indirect Taxes

The goal for indirect taxes over the medium-term is to develop strategies that boost production capacity and a system of excises that counter the effects of negative externalities associated with some specified products.

Overview

Value-Added Tax, National Health Insurance Levy (NHIL), Ghana National Educational Trust Fund Levy (GETFL) and taxes on fuel are the main components of indirect taxes in Ghana. The taxes on fuel imposed under the Energy Sector Levies Act, 2015 (Act 899) are earmarked for specific purposes, while the Special Petroleum Tax goes into the main tax revenue pool. The NHIL and GETFL are earmarked to support health and education expenditures respectively. The NHIL and GETFL are on goods and services just as the VAT, however they do not apply the input-output mechanism due to the fact that they are earmarked.

Tax compliance with respect to VAT and the levies is low and to address this, Government has rolled out an electronic invoicing system that will improve revenue mobilisation. The Harmonised Code has been adopted as the nomenclature for description of excisable products for ease of reference on imports and domestic sales.

Globalisation and changes in consumer behaviour have led to various amendments of legislations governing taxes, creating inconsistencies and distortions in the administration of these taxes. Despite Government's efforts in rolling out electronic systems to administer these taxes, some identified distortions may thwart the yielded gains if not corrected over the medium-term.

For example, due to the non-alignment of the VAT Act, 2013 (Act 870) and the Customs Amendment, Act 2016 (Act 923), domestic supply of some commodities is taxed while import tax is not imposed on the same goods when imported into the country. Also, the decoupling of the National Health Insurance Levy (NHIL), Ghana Education Trust Fund (GETFUND), and COVID-19 Levy from the VAT has created a cascading effect on the prices of affected goods and services. A 2022 IMF report recommended the removal of some VAT exemptions considered as either being inefficient or distortionary. Additionally, taxes that apply the specific rate system are not adjusted for inflation on a constant basis, thereby causing a fall in the real value over time. An automatic adjustment formula is required to address the fall in value.

Over the medium term, the policy and administration reforms proposed will see to a streamline of VAT administration and improve the overall share of consumption-based taxes to total tax revenue. The medium-term objective for excise duty is to standardise the application of the duty on excisable products in line with international best practices and recommendations from WHO and ECOWAS. The broad solutions include:

i. Alignment of the exemption provisions in the VAT Act and the Customs Act;
ii. Consider a hybrid system of taxes for excisable products (ad valorem + a specific rate);
iii. Introduce an automatic adjustment formula for specific tax rates;
iv. Review VAT exemptions to make them more efficient and less distortionary;
v. Review the VAT and imposition of the levies to make them more supportive of industry; and
vi. Expand the excise tax regime to cover additional products.

C. International Trade Taxes & Trade Facilitation

This thematic area aims to encourage free trade within the AfCFTA and ECOWAS and reduce tax barriers to cross-border trade and investment.

Overview

Ghana currently belongs to key regional and international groupings and has signed on to various bilateral and multilateral agreements that aim to facilitate trade and investment and economic cooperation. Some of these include the African Continental Free Trade Area (AfCFTA), Economic Partnership Agreement (EPA) with the European Union as well as being a member of Economic Community of West African States (ECOWAS).

The country has also signed onto the World Custom Organisation's (WCO) International Convention on the simplification and harmonization of Customs procedures and is making efforts to align its customs operational procedures and harmonising customs classification.

Customs currently uses the Integrated Customs Management System (ICUMS) to administer international trade taxes and other customs regimes. The introduction of

ICUMS in June 2020 has made the administration of trade taxes, such as import duty, and other import related taxes seamless at the various ports of entry. It has also improved administration of the suspense regimes.

The classification and valuation of goods imported into Ghana are determined by the Customs Technical Services Bureau (CTSB) under the Customs Division of the GRA. Even though the CTSB ensures uniformity in the assessment of duty consistent with the theory of taxation, some declarants and importers assert that the processes and assessments are not transparent. Over the medium-term these processes will be simplified to improve the integrity of the unit.

There are one hundred and five (105) different tariff lines that are used to compute taxes and duty payable when importing goods into the country. Some of these taxes are being reviewed to enhance trade facilitation and reduce any potential barrier to cross-border trade.

Though administration of the suspense regimes has been improved, there are still some leakages that need to be addressed. The minimal supervision in the area of exports affects the integrity of export data available for monitoring and planning as most export documentations are not critically scrutinised. This has made possible the non-adherence to requirements for the repatriation of export proceeds by some exporters. The broad solutions designed to address the challenges include:

i. Review or consolidate tariff lines that contribute to the high cost of doing business at the ports;
ii. Complete roll-out of the Integrated Customs Management System (ICUMS);
iii. Improved integrity of classifications and valuation conducted by the CTSB;
iv. Improve supervision of the suspense regimes;
v. Facilitate the effective implementation of the ECOWAS Common External Tariff (CET); and
vi. Review and reprioritise export procedures and documentations.

D. Domestic Productive Capacity

The goal of the Domestic Productive Capacity theme over the medium-term is to support entrepreneurship and build local productive capacity to compete locally and globally.

Overview

There exists a wide range of incentives that support domestic enterprises. These include incentives for agro-processing and export-oriented enterprises in the Income Tax Act; upfront VAT on raw materials under the VAT Act and concessions for manufacturers in Chapter 98 of the Customs Tariffs. Additional incentives are also available for specific sectors. Local manufacturers of textiles have a zero rate of VAT on supply of local fabrics.

Despite these incentives Ghana's domestic productive capacity is relatively low, resulting in low output and correspondingly low revenue generation. The manufacturing base is dominated by agro-based industries who tend to use obsolete technologies, with little or no linkages among competing and complementary enterprises. As a result, the country depends heavily on imports.

Despite these challenges, there is the opportunity to cultivate a robust domestic productive capacity to promote economic growth and sustainable development. The government's role in establishing an enabling environment for the setup of assembling plants, machinery, and replacement parts is vital for domestic production, complemented by effective policy coordination among companies to reduce the cost of doing business.

Tourism and companies in the export industries have been identified as areas that transcend various sectors within the economy. With the potential to create thousands of jobs and generate significant revenue for government, the tourism and export industries will be heavily engaged over the medium-term to address some of their challenges including inadequate infrastructure, lack of appropriate training, and access to capital for industry participants.

In enhancing domestic production capacity, a range of comprehensive solutions would be employed to grow businesses and support entrepreneurial efforts. The targeted solutions include those outlined below:

i. Review incentives and schemes to support anchor industries and local entrepreneurs;
ii. Strengthen existing initiatives and programmes that promote exports;
iii. Set a minimum level of local content and services required in employment and supply of goods and services for specific industries; and
iv. Develop revenue policies to create synergies among small and large-scale businesses to promote local entrepreneurship.

E. International Taxation

This thematic area seeks to promote international cooperation and coordination to address the challenges of Base Erosion and Profit Shifting (BEPS), minimize tax avoidance and encourage investment in the medium-term.

Overview

Global tax issues require continuous collaboration to address illicit financial flows, base erosion, and profit shifting and other tax avoidance arrangements. Ghana is, therefore, a signatory to several international agreements for international co-operation, including the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAAC), the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (Common Reporting Standard-MCAA) and a number of double taxation agreements. Additionally, Ghana is a member of the Global Forum for Transparency and Exchange of Information for Tax Purposes and the Addis Tax Initiative, The African Tax Administrator's Forum (ATAF) and other regional tax bodies.

The GRA is also implementing the Common Reporting Standard (CRS)[2] and improving data safeguards to obtain information on incomes of residents with offshore financial assets for tax purposes.

Ghana, however, has not yet ratified the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (MCAA CbCR) and is not a member of the Inclusive Framework but has a system of legislation that addresses base erosion and profit shifting, transfer pricing and other anti-avoidance activities.

Though Ghana has signed or is in discussion with other countries to enter into tax treaties, very few of them are with other states in the sub region.

The Government will therefore be carrying out several interventions to enhance international co-operation, intra-regional cohesion, and safeguard national revenues. These include:

i. Monitoring the Two Pillar solution for taxing the digital economy in order to put in mitigating measures;
ii. Enhancing cooperation among tax authorities, through sharing information and expertise;
iii. Introducing legislation for Qualified Domestic Minimum Top-Up Tax converge to create a holistic approach to address evolving international tax complexities;
iv. Fostering global cooperation, to ensure equitable tax practices;
v. Broadening the treaty network with member states in the African Continental Free Trade Area (AfCFTA) and ECOWAS Region;
vi. Reviewing existing Double Taxation Agreements by integrating provisions for information exchange, mutual assistance, and dispute resolution mechanisms;

[2] Transmission of data commenced in 2019 and receipt of information started in 2022.

vii. Ensuring that officials dealing with international tax matters actively engage in international initiatives, while financial support is provided to enhance their skills through sponsored training programmes;

viii. Addressing tax certainty and anti-avoidance provisions through the enactment and enforcement of robust measures to discourage aggressive tax planning and the use of abusive tax structures; and

ix. Develop a whole-of-government-approach to tackling international tax crimes and Illicit Financial Flows.

F. Tax Expenditure & Incentives

The medium-term goal of this thematic area is to focus tax expenditures on interventions that are most effective in supporting government priorities, and an emphasis placed on sector-based incentives rather than entity-specific incentives.

Overview

Ghana's tax expenditures, averaging 1% of GDP (2020-2022), are administered through the Tax Exemptions Act, 2022 (Act 1083), which, enhances transparency by centralizing exemptions within the Ministry of Finance. It supersedes other laws containing tax reliefs except the Income Tax Act, 2015 (Act 896), Excise Duty Act, 2014 (Act 878), and Value Added Tax Act, 2013 (Act 870). Some provisions in the Customs Act which were not transferred to the Exemptions Act were saved.

The Public Financial Management Act, 2016 (Act 921) and the Revenue Administration Act, 2016 (Act 915) both provide for reporting of tax expenditures. Twenty-four (24) tax expenditure lines have been identified and are reported on annually. A repository of expenditures is being constructed to form a basis for the measurement, monitoring, reporting and evaluation of tax expenditures.

Administration of tax expenditures have been automated on ICUMS. Administrative Guidelines to support the implementation of the Exemptions Act have also been developed and posted on the Ministry of Finance website.

Challenges include limited awareness of domestic tax incentives and insufficient data for impact assessments. Climate-related incentives face ambiguity, with the Income Tax Act, 2015 (Act 896), providing a 7-year tax holiday for waste processing which has been skewed towards plastic pollution more than climatic changes. Similar ambiguity affects the incentive regime in the manufacturing sub-sector, which is further complicated by parallel provisions for young entrepreneurs. Solutions lie in raising awareness, clarifying definitions, and improving data collection.

There are issues with the current law on location incentives due to challenges related to geographical/regional demarcations as a result of the creation of the six new regions. The application of location incentive rates is causing administrative inconsistencies, in respect of areas of strong economic activities still benefiting from lower taxes by virtue of their locations. This anomaly would be addressed during the implementation stage of the medium-term revenue strategy.

It is imperative to review existing tax laws to encompass climate-smart investments, fostering environmentally sustainable practices. A major focus should be on the effective implementation of the Exemption Act, 2022 (Act 1083), ensuring transparency and centralization in granting tax exemptions. There is a comprehensive plan to regularly review all tax expenditures and rationalise them. Specific interventions in this thematic area are as follows:

i. Develop Exemption Regulations to regulate concessions and incentives for industry, projects and programmes;
ii. Achieve annual publication of all tax expenditures, including the annual cost of tax expenditures to the fiscus;
iii. Redefine geographical boundaries for the granting of income tax location concessions; and
iv. Regularly review and rationalise all tax expenditures.

G. Extractive Industries

The medium-term goal for this thematic area is to reform the fiscal regime of the extractive sector to both create a stable environment for investors and ensure a fair share of the revenues for Ghana.

Overview

Over the past ten (10) years, direct tax revenue accruing to government from the mineral sector amounted to only 13.4% of total gold produced and exported by large-scale gold mining operators.[3] A similar trend is observed in the petroleum sector. The relatively low tax revenue mobilisation from the extractive sector is driven in part by loopholes in current legislation. For example, Section 49 of the Minerals and Mining Act, 2006 (Act 703) provides for the granting of a Development Agreement based on an investment threshold resulting in the granting of excessive fiscal concessions as well as a fragmented fiscal regime.

Over the medium-term, the Government intends to engage all relevant stakeholders and push for the enactment of an Extractive Industries Fiscal Regime law (EIFRL),

[3] Direct tax revenue consists of PAYE, CIT, and Mineral Royalties collections.

which will consolidate all legal statutes containing any direct fiscal provisions for the extractive sector into a comprehensive single law. Key fiscal provisions in the extractive sector, including CIT rate, royalty rates, and windfall profit tax mechanism, will be standardised in the Act to create a balanced playing field for all investors and enhance fiscal certainty for investors and the government.

H. Environmental Fiscal Reform

The goal of the Environmental Fiscal Reform theme over the medium-term is to develop climate-friendly and environmentally sustainable policies that encourage the adoption of alternative and renewable energy sources and tackle harmful activities, such as those that cause pollution.

Overview

Ghana is already implementing several environmental fiscal policies across different sectors, spanning extractive resource sectors, environmental taxation, and fossil fuel subsidy reforms with varying degrees of success due to development coordination challenges. There is ample scope to review and harmonise the existing instruments to improve the environmental governance regime and outcomes. A number of the proposed EFR measures have significant potential and real impacts, not only regarding fiscal dividends but also the positive environmental, economic, and social benefits.

i. The Ministry of Lands and Natural Resources, in consultation with the Forestry Commission and the office of the Administrator of Stool Lands, must review the stumpage and timber rights fees, royalties to the landowner and charges for the cost of felled timber upwards by a minimum of 5% across all species.

ii. The MLNR, in consultation with the Forestry Commission, MoF, GRA, and MoTI, must review the timber export taxes/fees upwards from 1.5% to 3%.

iii. It is proposed that the scope of the Environmental tax (Plastic tax) be widened to cover other areas where plastics are used. This involves the transformation of the plastic tax to a Plastic product and Packaging Tax, reducing the tax from 10% to a lower rate of 5% and expanding the base to cover other plastics, including Polyethylene terephthalate (PET). High-density polyethene (HDPE), Low-density polyethene (LDPE), Polyvinylchloride (PVC), Polypropylene (PP), Polystyrene (PS) — as well as raw materials (plastic pellets/granules, preformed plastics).

iv. Introduce an Emissions Tax based on international pollution standards on local industries. The Standard Authority, EPA and the Ministry of Environment, Science, Technology, and Innovation should introduce a tax (rate to be determined) on pollution beyond a generally acceptable level on all companies engaged in activities that pollute the environment.

v. To make the manufacturers and importers of plastic products responsible for the product's entire life cycle and especially for the take-back, recycling and final disposal, it is important for the government to design an Extended Producer/Importer Responsibility Scheme for Plastics. Therefore, a legal framework is needed to implement and enforce the Extended Producer/Importer Responsibility programme. There will be the need to consider giving some fiscal incentives (tax concessions, e.g., waiver of the plastic tax) to support this programme. This, among others, will strengthen private sector engagement and social inclusion, job creation across plastic value chains and waste management systems and enhance circular economy business models.

vi. The Ministry of Fisheries and Aquaculture must revise upwards the fees charged for trawlers under the SFPA. Data from the WARFP project indicate that fishing licence fees in Ghana are substantially lower than fees applied by other West African countries, at US$7,000 per year for an industrial trawler of 200 GRT. The original fee was historically low at US$35/GRT/annum and was only revised upwards to US$135/GRT/annum. There is still scope for an upward revision to increase revenues accruing to the State. It is therefore proposed that fees charged can be increased by 10% for trawlers.

I. Non-Tax Revenue

The medium-term goal for non-tax revenue is to strengthen the legal and regulatory framework for non-tax revenues and enforce the framework for improved service delivery and revenue mobilisation and management.

Overview

Non-Tax Revenue (NTR) management was formally institutionalised in 2002 at the Ministry of Finance to coordinate NTR activities of Covered and Specific Entities (CaSEs) and to provide oversight over its mobilisation and management. Whilst some marked improvement has been made, a huge potential for Non-Tax Revenue remains untapped.

NTR contribution as a share of GDP currently stands at 2.2% and about 14% of domestic revenue. The overall objective for the medium term is to grow NTR as a percentage of GDP and as a share of domestic revenue to 4% and 20% respectively. To achieve the desired medium to long term growth of NTR, a set of key legislative, administrative and policy reforms have been proposed. They include:

i. Development of a National NTR Strategic Policy

Aside the overall objective of growth in NTR, the proposed solution seeks to ensure that the national medium term development policy framework recognises and prioritises NTR mobilisation and growth to support national development. The necessary consultations will be held with key stakeholders including the National Development Commission (NDPC) to provide NTR mobilisation as a key feature of the National Medium Term Policy Frameworks as well as the sector medium-term plans of CaSEs.

ii. Introduction of an Overarching NTR Legislation and Amendment of Existing Relevant Laws

This reform proposal seeks to consolidate key NTR legislative provisions under an overarching law and amend relevant existing laws. Overall, this is expected to address gaps in Act 735 on retention, utilisation, and accountability of NTR. This amendment will also provide focus and vision for NTR mobilisation in CaSEs as well as facilitate regular review of fees and charges by providing guidelines for costing and pricing of public services as well as providing criteria for weaning self-financing CaSEs off GoG subvention.

iii. Digitalisation/Enforcement of the Treasury Single Account Policy

This proposal seeks to deepen the digitalisation and use of existing Public Financial Management Information Systems (PFMIS) in pursuit of improvement in revenue collection, accounting, and reporting.

iv. Review of Property Rates

This proposal seeks to review the current property rate system to widen the scope, improve administrative efficiency and increase revenue yield.

J. Revenue Administration

The medium-term goal for revenue administration is to create an enabling environment for an efficient revenue administration system that improves voluntary compliance and supports revenue mobilisation by investing in people and systems.

Overview

Several revenue administration reforms have been implemented since the inception of the Ghana Revenue Authority to improve compliance. These include the review and institution of the Taxpayer Identification Numbering System for easy identification of taxpayers; simplification and electronic filing of returns and the "cashless system" where payments of taxes are made electronically. Additional information is provided to assist taxpayers via the GRA website, online chat, brochures, tax education at the tax office level and a general call centre has been established to assist taxpayer requests and enquiries. The Prosecutions Unit has also been revamped to act as a deterrent to non-compliance.

GRA has a back log of debts outstanding and while some may be uncollectible, others require audits to be identified. There have been attempts to reduce long term debts and debts that may arise from compliance by use of debt forgiveness policy without much success. Current debts may also be piling up and there is no clear policy on managing debt and enhancing compliance.

A new state of the art ICT training centre has been built and is to be equipped for training of staff in ICT productivity tools, tax and customs training using a modular approach. Currently, the manual approach limits the number of persons trained and the consistency and quality of training. The ICT eLearning training modules are being developed and tax and customs training modules are yet to be developed.

The GRA was established and fully rolled out in 2011. There have been several reviews of the Authority and its activities but no consolidated plan for review has been developed. After over a decade of operation and changing economic environment a new modernisation plan is required.

Taxpayers are not fully aware of compliance issues that affect them. A concerted effort is required to engage and educate taxpayers throughout the compliance spectrum – registration, filing, payment and reporting to enhance voluntary compliance.

MDAs business processes are mainly manual and need to be reviewed, streamlined, and formalized for digitization. The administration of NTR in MDAs is cumbersome due to many laws governing the collection of NTR. These need to be streamlined into one administrative law for ease of administration.

Data warehousing and data analytics present the way forward in enhancing compliance. The Datawarehouse project at the GRA will be made robust by signing more MoUs with external stakeholders for data exchange, as well as the rollout of the remaining ICUMS modules and the procurement of ITAS for improved data analytics and compliance actions. The reforms will also ensure that automated systems are integrated for seamless transfer of information (includes the revision and finalization of Chart of Accounts for all Entities) by the use of APIs.

Adoption of ISO 9001 standards for business improvements at GRA will enhance the work experience for staff, service delivery and expectations. Similarly, MDAs will review and improve their business processes in line with digitalization and improved service delivery. Specific interventions include:

i. Conduct comprehensive business process re-engineering for Revenue Policy formulation and Revenue Administration;
ii. Develop the National Revenue Administration reform policy;
iii. Engage and educate taxpayers throughout the compliance spectrum – registration, filing, payment and reporting to enhance voluntary compliance;
iv. Roll out the Ghana.Gov Platform across all covered entities for payment for Government services and other statutory payments including taxes as the Accounts Receivable module of the GIFMIS for improved collection, accounting and reporting of Tax and NTR;
v. Develop an administrative law for NTR to integrate the various laws for effective administration of NTR in all MDAs; and
vi. Develop a Debt Management Reform strategy to focus on current debt and recovery to enhance voluntary compliance while consolidating old debts for management and recovery.

K. Digitalisation

The medium-term goal for this thematic area is to leverage on technology to enhance revenue policy and administration for accelerated revenue mobilisation.

Overview

The GRA has developed and implemented a data warehouse, a fully deployed ICUMS and a robust ITAS to improve data analytics and built a robust risk compliance regime to expand tax net and improve revenue mobilization. GRA Customs Division has several scanners for customs operations, though the scanners outside the Tema Port are not connected to ICUMS. Also, most border entry points lack weighing stations for load statistics and integration with ICUMS. The integration of scanners and weighing station data into ICUMS will improve risk management and compliance. MDAs processes are predominantly manual and require digitalization to include business process improvements as well as the use of GIFMIS for IGF accounting, revenue collection and banking to reduce revenue leakages.

The current network infrastructure of GRA requires improvement with digitization of operations and MDAs require network infrastructure in remote areas to digitize revenue collection. The use of e-learning for the training in basic computer productivity skills should be adopted, while professional tax and customs training should be enhanced with e-learning management systems.

The integration of ICUMS for the SIGMAT project should be expedited to prevent the diversion of transit goods for home consumption leading to loss of revenue. This should include the extension of ICUMS to all the remaining entry & exit ports. Also, adequate infrastructure should be provided for internet connectivity and local area networks to integrate container weighing equipment and existing container scanners onto the ICUMS.

Broad inter-institutional data sharing and integration onto the GRA Data warehouse should be explored by signing MoUs between GRA and other key Government Institutions. The MoUs should be followed up with the actual system integration and data sharing. A comprehensive business process re-engineering should be conducted as a prelude to the provision of an Integrated Tax Administration System (ITAS) for the domestic tax revenue division of the GRA. Specific interventions include:

i. Develop a digitisation master plan for Policy formulation and Revenue Administration;
ii. Establishment of a digital hub for development of in-house solutions; and
iii. Adopt the use E- learning for training in computer productivity skills and usage.

POLICY REFORMS

Out of the broad solutions provided under each Thematic Area, specific strategies and revenue measures that are policy-related are summarised and presented below:

	Revenue Strategy	Impact	Timing
Direct Taxes (12 strategies)			
1.	Develop a simplified mechanism for implementation of the modified taxation scheme for small taxpayers.	+	ST
2.	Implement the minimum chargeable income system.	+	ST
3.	Include Commissioner-General's authorised VAT invoice as evidence of a deductible expense, for income tax purposes.	+	ST
4.	Review the Stamp Duty Act to bring it in line with current economic trends	+	ST
5.	Implement the taxation of Gross Gaming Revenue (GGR) on industry players and the withholding tax on winnings	+	ST
6.	Enhance taxation of income from rents	+	ST
7.	Strengthen the safeguards against profit-shifting mechanisms through excessive interest deductions by tightening the debt-to-equity ratio.	+	ST/MT
8.	Improve the management and administration of withholding taxes	+	ST/MT
9.	Review the concessionary Corporate Income Tax (CIT) rates	+	MT
10.	Implement a progressive personal income tax rate structure	+/-	MT
11.	Redesign the electronic transfer levy for enhanced revenue mobilisation and administrative efficiency	+	ST/MT
12.	Develop a mechanism for increased income taxation of Cross-Border digital services.	+	MT
Indirect Taxes (12 strategies)			
1.	Align excise duty rates such that similar products attract the same rates.	+	ST
2.	Align the exemption and relief provisions in the Customs Tariffs with the VAT Act	+	ST
3.	Review the VAT registration threshold requirement	+	ST
4.	Review VAT exemptions on the supply of residential properties	+	MT
5.	Review VAT-associated levies on taxable supplies to allow input deductibility of the levies.	-	ST/MT
6.	Review VAT exemptions to make them more efficient and less distortionary	+	ST/MT
7.	Review the headline rate of Communication Services Tax (CST)	+	ST
8.	Complete harmonisation of the rate of excise duty on tobacco products with WHO recommendations and ECOWAS protocols.	+	ST/MT

9.	Review excise tax regime and introduce a hybrid tax (ad-valorem and specific taxes) on Spirits, Wines, Sugar-sweetened products, and Beers, adjusting for inflation periodically.	+	MT
10.	Expand the excise tax regimes to cover other products (e.g.: selected cosmetics, weapons, and ammunitions).	+	MT
11.	Develop an automatic adjustment formula for the rates of the Special Petroleum Tax, Energy Sector Levies and Excise Duty.	+	MT
12.	Reduce reliance on wage-based taxes and shift focus to consumption-based taxes.	+	MT
International Trade Taxes & Trade Facilitation (5 strategies)			
1.	Review or consolidate tariff lines that contribute to the high cost of doing business at the ports.	-	ST
2.	Review import duties on vehicle spare parts and other products	+	ST/MT
3.	Improved integrity of classifications and valuation conducted by the CTSB	+	ST
4.	Improve supervision of the suspense regimes		ST/MT
5.	Complete full roll-out of the Integrated Customs Management System (ICUMS)	+	ST/MT
Domestic Productive Capacity (5 strategies)			
1.	Review incentives and schemes to support anchor industries and local entrepreneurs	-	ST
2.	Reduce the reliance and use of imported essential products		ST
3.	Coordinate revenue policies to create synergies among small and large-scale businesses to promote local entrepreneurship		ST
4.	Set a minimum level of local content and services required in employment and supply of goods and services for specific industries.		ST/MT
5.	Strengthen existing initiatives and programmes that promote exports		ST/MT
International Taxation (6 strategies)			
1.	Enhance transfer pricing regulations to include small and medium-sized enterprises (SMEs) and to conduct efficient risk-based audits.		ST
2.	Create a nexus that addresses transfer pricing involving customs duties in international trade and income tax by MNEs		ST
3.	Sign onto the Multilateral Competent Authority Agreement (MCAA) on the Exchange of Country-by-Country Reporting (CbCR)		ST/MT
4.	Expand Regional Treaty network with Member States to support the African Continental Free Trade Agreement (AfCFTA) and ECOWAS Protocols.		ST/MT
5.	Monitor and put in place domestic systems to address the effects of the two-pillar solutions of the OECD Inclusive Framework.		ST/MT
6.	Develop a whole-of-government-approach to tackle international tax crimes and Illicit Financial Flows.		ST/MT
Tax Expenditure and Incentives (5 strategies)			
1.	Redefine geographical boundaries for the granting of income tax location concessions	+	ST

2.	Develop Exemption Regulations to regulate concessions and incentives for industry, projects, and programmes.	-	ST
3.	Achieve annual publication of all tax expenditures, including the annual cost of tax expenditures to the fiscus		ST
4.	Review temporary concessions under the Income Tax Act to encourage employment of graduates from tertiary institutions.	-/+	ST/MT
5.	Regularly review and rationalise all tax expenditures	+	MT
Extractive Industries (1 strategy)			
1.	Introduce a fiscal regime for extractive industries (upstream mining and upstream petroleum operations) with regulations on the fiscal aspects of extractive industry agreements.	+	ST/MT
Environmental Fiscal Reform (6 strategies)			
1.	Review stumpage and timber rights fees upwards by a minimum of 5% across all species.	+	MT
2.	Review upwards timber export taxes and levies from the current rate.	+	MT
3.	Introduce special and export premium levies for high-value timber species facing possible extinction.	+	MT
4.	Convert "Plastic tax" to "Plastic Product and Packaging Tax" and review the headline rate and expand the base to cover other plastics.	+	MT
5.	Introduce an Emissions Tax on pollution by companies engaged in activities that pollute the environment.	+	MT
6.	Revise upwards the fees charged for trawlers under the Sustainable fisheries partnership agreements (SFPA).	+	MT
Non-Tax Revenue (6 strategies)			
1.	Develop a National Non-Tax Revenue (NTR) Strategic Policy.		ST/MT
2.	Regularly review fees and charges to progressively achieve full cost recovery for the provision of services which have private good characteristics in Covered and Specified Entities.		ST/MT
3.	Provide a Policy guide to clarify the NTR mobilisation roles of Covered and Specified Entities in the institutional framework provision under the MTRS.		ST/MT
4.	Modernise and improve the structure of Covered and Specified Entities to enhance revenue mobilisation and management.		ST/MT
5	Develop a National Policy Framework on Public Assets management.		ST/MT
6.	Review the current property rate system to widen the scope, improve administrative efficiency and increase revenue yield		ST/MT
Revenue Administration (1 strategy)			
1.	Development of a National Revenue Administration Reform Policy		ST/MT
Digitalisation (1 strategy)			
1.	Establishment of a digitalisation Master plan for revenue formulation and administration.		ST/MT

ADMINISTRATION REFORMS

To enhance Ghana's domestic revenue mobilisation efforts, some structural administration reforms must be reviewed and/or implemented effectively and efficiently. The administration reforms over the medium-term have been categorised under five (5) sub-headers, which do not necessarily represent, but do relate to, units and divisions at the Ministry of Finance and the Ghana Revenue Authority.

The administration reforms are:

	Tax Policy
1.	Undertake public sensitisation campaigns on Tax Laws.
2.	Implement the ODI Skills and Capacity Assessment Report for Tax Policy Unit (TPU) staff
3.	Implement the recommendations in the Policy Making Process Review Report
4.	Develop and implement Standard operating procedures for the Revenue Policy Division.
5.	Leverage technology and build systems for tax policy formulation and administration.
6.	Establish a library facility with online subscription to serve as a reference and also widen the scope of knowledge for effective research and policy formulation
7.	Develop a Tax Expenditure database and models for effective tax expenditure management (forecasting, reporting, monitoring and evaluation)
8.	Strengthen collaboration on fiscal planning between relevant Divisions at the Ministry.
9.	Develop capacity of TPU and Partner Institutions in tax policy making and translation of policy into legislation
10.	Strengthen capacity of the Independent Tax Appeals Board (ITAB)
11.	Prepare guidelines to address policy-related challenges.
12.	Assist with the development of an EFR Policy and Green Fund Document.

	Non-Tax Revenue (NTR)
1.	Ensure the National Strategic Planning Framework includes specific objectives for mobilisation of NTR by Covered and Specified Entities.
2.	Develop medium-to-long-term milestones for Covered and Specified Entities to improve revenue mobilization, management, and growth.
3.	Engage Covered and Specified Entities to identify/create specialised NTR focal persons/Desk.

4.	Institutionalise periodic reporting regime on NTR Mobilisation for Ministerial/Principal Account Holders (PAH).
5.	Include and prioritise NTR mobilisation as part of KPIs of Ministers and PAH in their annual performance contract.
6.	Make NTR Collection, Accounting and Reporting a Central Audit Thrust Area for both internal and external audits.
7.	Onboard all Covered and Specified Entities mobilising NTR on all identified Public Integrated Financial Management Systems (PIFMIS).
8.	Conduct in-depth investigations into NTR mobilisation and management of Covered and Specified Entities.
9.	Train and support Covered and Specified Entities to prepare costing and pricing manuals for specific sector groups.
10.	Develop a database and Standard Operating Procedures (SOPs) for the review of fees and charges.
11.	Update, harmonise and adopt Chart of Accounts for all revenue reporting.
12.	Expand the mechanism for gross lodgement in bank accounts outside the Central Bank.

	Customs Revenue
1.	Improve integrity of classifications and valuation conducted by the GRA Customs Technical Services Bureau (CTSB)
2.	Facilitate the effective implementation of the ECOWAS Common External Tariff (CET).
3.	Review the suspense regime and its operational procedures and re-define and restructure deficiencies identified.
4.	Review and reprioritise export procedures and documentations.

	Domestic Tax Revenue
1.	Reduce time to file and pay tax and increase risk-based tax audit.
2.	Utilise provisions in the Convention on Mutual Administrative Assistance in Tax Matters and other BEPS frameworks to promote collaboration amongst tax jurisdictions and promote use of voluntary dispute resolution mechanisms.

3.	Create Centre of excellence for specialised audits.
4.	Build local capacity of the GRA Transfer Pricing Unit.
5.	Register out-growers under Excise Tax laws and develop guidelines for administration of the sliding scale.
6.	Eliminate the use of VAT Relief Purchase Orders (VRPOs) and improve the VAT refund system.
7.	Review the VAT withholding regime to ascertain its impact on liquidity challenges for businesses.
8.	Develop an efficient tax expenditure management and reporting system.
9.	Reform the debt management process in GRA.
10.	Ensure compliance with Income Tax and Revenue Administration laws for quasi-government entities.

	IT & Other Support Services (Tax & Non-Tax)
1.	Introduce taxpayer assistance services for tax filing and general tax compliance for the informal sector.
2.	Enhance Client Service Units at GRA Taxpayer Service Centres (TSCs) and Area Offices and re-train staff on customer service and client engagement.
3.	Promote third-party data sharing collaborations with relevant stakeholders.
4.	Implement a single source of Revenue Reporting.
5.	Procure and Implement an Integrated Tax Application System (ITAS).
6.	Develop a Customer Relationship Management (CRM) framework for taxpayers.
7.	Fully deploy all modules of the Integrated Customs Management System (ICUMS).
8.	Ensure availability of staff for enforcement and compliance activities.
9.	Build capacity of GRA staff in basic ICT training and use of internal operational systems.
10.	Integrate systems across specialised departments/units at GRA and train relevant staff in data analytics to enhance effective use of Exchange of Information (EOI) data.
11.	Roll out an electronic system for collecting non-tax revenue in the remote areas of the country.

12.	Roll out the Ghana Integrated Financial Management Information System (GIFMIS) to all MDAs and ensure compliance with directives on processing retained IGF in the system.
13.	Introduce an electronic system in government agencies to increase efficiency in service delivery and provide real time view of the service delivery processes.
14.	Conduct comprehensive business process re-engineering for revenue policy formulation and revenue administration.
15.	Adopt the use of e-learning for the training in computer productivity skills and usage.

LEGAL FRAMEWORK REFORMS

The major existing tax legislations have been in force for more than seven years and have undergone several amendments over that period. Implementation of the legislations has brought to the fore some gaps, conflicts, and inconsistencies in these laws. The implementation of the MTRS will therefore require the review of some of these legislations and the enactment of new ones.

A wholistic legal review will be carried out to consolidate new provisions and the required amendments to the legislations arising out of the MTRS. The review will include updating the laws and merging legislations where required, with a view of modernising the tax laws.

CONSULTATION AND COMMUNICATION PRIOR TO IMPLEMENTATION

The MTRS is a continuous process, with further detailed work yet to be done in designing and implementing specific policy and administrative interventions. Following Cabinet-approval, the MTRS Secretariat will develop an implementation plan for the four-year period of the Strategy. This implementation plan will be drawn out in direct consultation with relevant stakeholders and appropriate communication to affected stakeholders on the immediate and medium-term impact of the policy reforms. The consultation process will follow as such:

(a) consult with stakeholders and relevant experts on the detailed design of policies and administration changes at a time when feedback can meaningfully contribute to policy development. This will entail publishing and disseminating a consultation note with clear questions as well as stakeholder engagement events; and

(b) undertake taxpayer education and engagements beginning 1 to 3 months before implementation.

MTRS IMPLEMENTATION AND REVIEW

Each strategy in the MTRS will be assigned a priority status[4] of either immediate, short term or medium term to guide the development of the implementation plan. A comprehensive communication plan will be developed to ensure that the strategy is disseminated in all the 16 regions across the country to conscientize citizens of the reforms as well as their rights and obligations with respect to the success of the reforms.

The MTRS will be delivered through the development and implementation of the medium-term strategic plans of the Revenue Policy Division (RPD) of the Ministry of Finance and the GRA. The Plans are expected to be completed and approved by the end of December 2023 for implementation from 1st January 2024.

The RPD will set up a desk to coordinate the policy-related initiatives while the Transformation Office of the GRA will be strengthened with the necessary authorisations to implement the administrative initiatives. The MTRS Steering Committee will be maintained to provide oversight during the implementation period. To avoid duplication of efforts and dissipation of resources, the PFM Sector Working Group will be reconstituted to coordinate Development Partner support for the MTRS alongside execute the approved 5-Year Public Financial Management (PFM) Strategy[5].

The Strategy will undergo a first review in the first quarter of 2025 to align with any changes in government policy, as well as a mid-term review in the first quarter of 2026 to assess progress and take mitigation measures where required. It is expected that these reviews will not change the fundamental principles of the MTRS but will rather align the strategies with the economic environment existing at that time. The objective of the reviews will be to ensure that the strategy is having the expected impact and not to vary or change the strategies themselves.

MONITORING AND EVALUATION

The Ministry intends to monitor the strategies enumerated in the MTRS document with the aim of assessing the real performance of the targeted strategy. The MTRS document may be revised, where applicable, to reflect specific circumstances or required change through a consultative process, to ensure its effectiveness and efficiency during implementation within the medium term.

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[4] Immediate is the period up to December 2023; Short-term is more than six months and up to December 2024; medium-term is the period January 2025 to December 2026.

[5] Government has approved a 5-Year Public Financial Management Strategy supported by the World Bank that runs from 2022 to 2026.

A broad monitoring and evaluation framework will be developed to ensure that all policies are assessed against specified targets. The objectives of this framework are: (i) to track the implementation status of the MTRS, (ii) to provide feedback on implementation status in the form of reports to aid Management in decision-making on the initiatives, (iii) to provide the basis for communicating the MTRS implementation status to stakeholders (both internal and external), and (iv) to provide the basis for preparing and submitting annual work plans on the MTRS. The list of proposed key actors/players to be involved in the monitoring and evaluation of the MTRS and their roles is attached as Appendix 2.

THE ROLE OF EXTERNAL CAPACITY DEVELOPMENT AND SUPPORT

Developing an MTRS is crucial for Ghana's economic growth and sustainable development. Along these lines, there is increased recognition of the centrality of developing strong revenue systems and the potential importance of external support in building these systems. Notably, the Addis Ababa Action Agenda (Addis Agenda) posits that "significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical to realizing sustainable development and achieve the Sustainable Development Goals". Specifically, the areas of support required for the successful execution of the MTRS are:

i. Technical Expertise: Ghana's MTRS will benefit from the continued technical expertise of the international organisations and bilateral partners. The IMF, World Bank, OECD, and bilateral donor partners provide technical expertise in revenue mobilisation and management, drawing on cross-country experiences. This is valuable for the entire MTRS development process and implementation.

ii. Training and Skills Development: This MTRS will rely on the continued support of Development Partners in the areas of training and skills development. For instance, the FCDO-funded TaxDev programme currently provides capacity development support to officials of the Tax Policy Unit and the GRA in policy analysis and the development of tools/models for analysing the impact of policy reforms. This gesture is duly acknowledged, and we anticipate more of such support from other development partners in the medium-term. This would help Ghana to develop a skilled workforce capable of effectively designing, implementing, and evaluating revenue strategies.

iii. Institutional Strengthening: Support from external partners assists in strengthening Ghana's revenue institutions. For example, The World Bank's Institutional Capacity Building Programme supports the development of effective revenue collection processes and monitoring systems. Continued support in this area would help improve the country's revenue administration systems and the efficiency of tax collection over the medium-term.

iv. Financial Support: To effectively implement the proposed policy reforms, improve revenue administration, and build capacity of the revenue collecting agencies, Development Partners can assist Ghana by providing financial support through a coordinated MTRS Office, to ensure donor funds are well-utilised during the implementation stage of the MTRS.

CONCLUSION

Ghana's journey towards attainment of the Sustainable Development Goals, fiscal stability, and economic prosperity hinges on the capacity to effectively harness domestic resources. Consequently, the MTRS details comprehensive revenue measures necessary to support attainment of the Goals and Government's medium-term revenue objectives of 18% to 20% Tax-to-GDP ratio and 4% Non-Tax-to-GDP ratio by 2027.

APPENDIX 1: Stakeholder Engagement Matrix

Stage of MTRS Preparation	Name of Institution/Stakeholder	Purpose of Engagement	Method of Engagement
Stage One	▪ African Center for Economic Transformation (ACET) ▪ Ali-Nakyea & Associates ▪ American Chamber of Commerce – Ghana (AmCham) ▪ Association of Ghana Industries (AGI) ▪ Canada Ghana Chamber of Commerce ▪ Chamber of Commerce and Industry France, Ghana ▪ Chartered Institute of Taxation Ghana (CITG) ▪ Deloitte Ghana ▪ EM Tax Advisors ▪ European Chamber of Commerce in Ghana ▪ EY Ghana ▪ Ghana Integrity Initiative ▪ Ghana National Chamber of Commerce and Industry (GNCCI) ▪ Ghana Union of Traders Association (GUTA) ▪ Head of Economics Department- UG, UCC, KNUST, GIMPA, UDS ▪ Institute of Chartered Accountants Ghana (ICAG) ▪ Institute of Statistical, Social and Economic Research (ISSER)	▪ Request for input ▪ Educate stakeholders on the rationale and objectives of the MTRS.	▪ E-mail communication ▪ Face-to-face meetings ▪ Letters ▪ Virtual meetings

	▪ International Growth Centre – Ghana (IGC) ▪ International Monetary Fund (IMF) ▪ KPMG Ghana ▪ Lima Partners ▪ PKF Ghana ▪ PwC Ghana ▪ Tax Justice Coalition ▪ Traders Advocacy Group Ghana (TAGG) ▪ UK-Ghana Chamber of Commerce (UKGCC) ▪ WTS Nobisfields		
Stage Two	▪ Controller And Accountant General Department (CAGD) ▪ Digital.Gov ▪ EY Ghana ▪ Fisheries Commission ▪ Food And Beverages Association of Ghana ▪ Ghana Chamber of Mines ▪ Ghana Free Zones Authority ▪ Ghana Integrated Financial Management Information System (GIFMIS) ▪ Ghana Investment Promotion Centre ▪ Ghana National Petroleum Corporation (GNPC) ▪ Ghana Ports and Harbours Authority	▪ Finalise proposed strategies to be adopted into the MTRS document.	▪ E-mail communication ▪ Face to face meetings ▪ Letters

	▪ Ghana Revenue Authority (GRA) –TP and HNWI Units ▪ Importers & Exporters Association of Ghana ▪ KPMG Ghana ▪ Ministry of Environment Science Technology and Innovation ▪ Ministry Of Health ▪ Ministry Of Tourism Arts and Culture ▪ Ministry Of Transport ▪ National Premix ▪ Pharmaceutical Manufacturing Association Ghana ▪ PKF Ghana ▪ PwC Ghana ▪ Send Ghana ▪ Traders Advocacy Group Ghana		
Stage Three	▪ Broader Public Engagement	Sensitization of stakeholder before budget reading and during implementation	Media announcement, Face-to-face meetings, Virtual meetings

APPENDIX 2: Proposed M&E Key Actors and their Roles

Proposed Key Actors/Players	Proposed Roles
Policy/Technical Committee	▪ Evaluate progress reports on MTRS; ▪ Consider the results of external evaluations of the MTRS; and ▪ Provide recommendations on appropriate actions.
Working Group(s)	▪ Analyse the annual reports and work plans prepared by the MTRS Secretariat over the medium term and submit the resultant revised report to Technical Committee for onward approval consideration; ▪ Monitor implementation of MTRS and related action plans on regular basis; and ▪ Prepare draft progress reports for the Technical Committee's review
MTRS Secretariat	▪ Prepare Quarterly Reports on the strategy implementation status including financial situation of the MTRS; and ▪ Collect and analyse data including preparation and distribution of data/information collection templates.
Collaborative Partners (professional bodies, etc.)	▪ Provide strategic advice on the implementation of MTRS_M&E framework; and ▪ Provide information as required to monitor the indicators in the MTRS logframe for easy collation/compilation by the MTRS Secretariat
Development/Donor Partners	▪ Provide information as required to monitor indicators related to donor aspects of the MTRS for easy collation/compilation by the MTRS Secretariat.