REPUBLIC OF GHANA

MINISTRY OF FINANCE

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Diary

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Ministry of Finance: *Professional, Ethical, Efficient, Responsive*

February 2026 Highlights

February 2026 was marked by key policy initiatives, institutional developments, and strategic engagements aimed at strengthening Ghana's economic governance, revenue mobilisation, and long-term macroeconomic stability.

Strengthening Ghana's Gold Sector

The Minister for Finance, Hon Cassiel Ato Forson, inspected the Gold Coast Refinery, describing it as a major step toward Ghana's industrialisation and value addition in the gold sector. The visit, conducted with Mr Sammy Gyamfi of GoldBod, reaffirmed government's commitment to moving beyond the export of raw minerals to local processing and economic transformation.

In a related development, Deputy Finance Minister, Hon Thomas Nyarko Ampem chaired the signing of a landmark inter-agency agreement to strengthen anti-money laundering (AML) and counter-terrorist financing controls in Ghana's gold sector, particularly within artisanal and small-scale mining.

Institutional Development and Operational Efficiency

The Ministry of Finance officially relocated to its new ultra-modern office complex in Kanda, marking a new phase in operational efficiency and service delivery. During the dedication ceremony led by Abraham Nana Opare Kwakye, staff were encouraged to adopt renewed work ethics aligned with national transformation goals.

Capacity Building and Strategic Communication

The Ministry's Public Relations Unit held a two-day strategic retreat at Aqua Safari Resort to strengthen team performance, communication strategy, and stakeholder engagement. Training sessions focused on effective writing, public speaking, and media relations to enhance the Ministry's corporate image and communication impact.

Fiscal Governance and Economic Oversight

Government announced plans to establish an Independent Fiscal Council to strengthen fiscal oversight and policy discipline after Ghana exits its IMF programme. This initiative aims to reinforce transparency and responsible fiscal management.

Debt Management and Financial Stability

The Government successfully paid GH¢10 billion in interest obligations under the Domestic Debt Exchange Programme (DDEP), marking the sixth coupon settlement and demonstrating improved fiscal capacity.

Revenue Protection and Enforcement

The Ministry commended the Ghana Revenue Authority (GRA) for intercepting several articulated trucks involved in suspected tax evasion and transit diversion schemes. The enforcement operation protected over GH¢85 million in potential tax revenue and reinforced the government's commitment to safeguarding state resources.

Key Legislative and Policy Reforms

Several important policy initiatives were advanced during the month:

- Value for Money Office Bill introduced to Parliament to address inefficiencies, inflated contracts, and wasteful public expenditure.
- Ghana Accelerated National Reserve Accumulation Policy (GANRAP) (2026–2028) unveiled and later passed by Parliament to strengthen Ghana’s external reserves and economic resilience.

The GANRAP framework aims to increase Ghana’s international reserves to 15 months of import cover by 2028, using a gold-backed and reform-driven strategy to enhance macroeconomic stability.

Cocoa Sector Reform

Cabinet held an emergency session to address structural challenges in the cocoa sector and ensure financial sustainability and long-term viability. The meeting reviewed pricing, production challenges, and reforms necessary to stabilise the sector.

Finance Minister Inspects Gold Coast Refinery, Signals Push for Value Addition in Gold Sector

The Minister for Finance, Dr. Cassiel Ato Forson, has described the Gold Coast Refinery as a significant milestone in Ghana's industrialisation drive and broader economic transformation agenda following an inspection tour of the facility.

The Minister undertook the visit together with the Chief Executive Officer of GoldBod, Mr. Sammy Gyamfi, and other officials of GoldBod. They were received and conducted round the facility by Dr. Saeed Deraz, Chairman and Chief Executive Officer of Gold Coast Refinery Ltd.

Speaking after the tour, Dr. Forson commended the management and staff of the refinery for what he termed the successful establishment and operation of a world-class gold processing facility, noting that the project reflects a long-standing national aspiration to move Ghana beyond the export of raw minerals.

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Deputy Minister chairs key gold sector AML pact

The Deputy Minister for Finance, Hon. Thomas Nyarko Ampem has chaired the signing of a landmark inter-agency agreement aimed at strengthening anti-money laundering and counter-terrorist financing controls within Ghana's gold sector.

The high-level ceremony at the Ministry of Finance brought together heads of key regulatory, law enforcement, and intelligence bodies. The agreement solidifies a coordinated national strategy to tackle financial crime risks, particularly in artisanal and small-scale gold mining (ASGM), as Ghana undergoes a pivotal mutual evaluation by the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA).

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Relocation of the Ministry of Finance to Kanda

The Ministry of Finance in the Month of February officially relocated to its ultra-modern office building in Kanda.

The relocation forms part of ongoing efforts to enhance the operational efficiency, coordination, and responsiveness of the Ministry in the discharge of its mandate.

Dr. Cassiel Ato Forson welcomed staff to the new office and called for new a new work ethics that reflects the vision of a “new Ghana”. He added that the building should inspire a reset of attitude, productivity and service delivery.

The Moderator of the Presbyterian Church of Ghana, Rt. Rev. Dr. Abraham Nana Opare Kwakye dedicated the new building to God. In a short ceremony, he pray for the Minister for Finance, the Management and staff of the Ministry asking for divine wisdom and strength to manage the country’s economic issues.

He later underscored that the new office should symbolize a fresh culture of work, noting that “ A clinic is no good place unless it leads to health care delivery. Likewise, this edifice must help us to do more than we have done in many years”.

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PR Unit Holds Strategic Retreat to Strengthen Communication and Team Excellence

The Public Relations Unit of the Ministry of Finance has successfully held a two-day staff training retreat at Aqua Safari Resort, aimed at strengthening team capacity and enhancing the Unit's overall performance.

The retreat brought together officers of the Unit to review their performance for 2025, assess key achievements, and identify areas for improvement. The sessions provided a valuable platform for open dialogue, strategic reflection, and forward planning to advance the Ministry's communication objectives.

As part of the programme, officers participated in intensive workshops focused on effective writing and public speaking—two core competencies essential to the success of the Public Relations function. Discussions also centered on improving stakeholder engagement, strengthening media relations, and enhancing the corporate image of the Ministry.

Beyond the technical sessions, the retreat emphasized team building, collaboration, and effective communication among members of the Unit. The serene environment of Aqua Safari Resort offered participants the opportunity for mental rejuvenation and personal bonding, fostering stronger relationships and trust within the team.

Participants actively engaged in discussions and practical exercises, gaining valuable insights from the facilitators. The interactive nature of the sessions enabled officers to share experiences, exchange ideas, and build shared knowledge. At the end of the retreat, members of the Unit expressed renewed confidence in their ability to deliver high-quality results and contribute meaningfully to the Ministry's mandate.

In his remarks the Head of the Unit Emmanuel Boakye commended the facilitator for his impactful presentations and encouraged staff to translate the knowledge gained into practical outcomes that will benefit the Ministry. He reaffirmed the Unit's commitment to positioning Public Relations as a central pillar of the Ministry's work.

The Director of HCGAD, Mr. Benjamin Botchway, officially closed the retreat by expressing heartfelt appreciation to the resource person, Dr. Tandoh, for honouring the invitation and sharing his expertise. He also applauded the PR team for their dedication in organizing the retreat and for their continued commitment to the Ministry over the years.

The retreat forms part of the Ministry's broader efforts to build institutional capacity, promote excellence, and ensure effective communication in the delivery of its mandate.







Ghana to Establish Independent Fiscal Council to Strengthen Post-IMF Economic Oversight–Deputy Finance Minister

The Government of Ghana has announced plans to establish an Independent Fiscal Council to strengthen financial oversight and decision-making after the country exits the International Monetary Fund (IMF) programme.

The announcement was made by the Deputy Minister Finance, Hon. Thomas Nyarko Ampem, during a courtesy call by the Head of Regional Economic Department of France for Nigeria and Ghana, Ms. Emmanuelle Boulestreau, and the Head of the French Economic Department at the French Embassy in Ghana, Mr. Julien Frioux. The meeting focused on strengthening economic ties between France and Ghana, with emphasis on regional development initiatives and opportunities for mutual growth.

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Cocoa Sector Reforms for Financial Viability and Long-Term Sustainability

In the course of the month, Cabinet convened an emergency session to deliberate over developments in the cocoa sector. The session considered historical and systemic problems confronting the sector and took key decisions. Cabinet decision was conveyed through a Press briefing at the Ministry of Finance.

The press briefing noted the following developments in the cocoa sector

The 2025/26 cocoa season began in August 2025, with a Producer Price of GH¢51,660 per tonne calculated as 70% of the Gross FOB of US$7,200 per tonne using an exchange rate of 10.25 cedis to the US dollar.

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Date: **18th February 2026**

PRESS RELEASE

FOR: IMMEDIATE RELEASE

GOVERNMENT PAYS GH¢10 BILLION DDEP INTEREST

Accra, Wednesday, 18th February 2026… The Government of Ghana has paid GH¢10 billion in interest obligations under the Domestic Debt Exchange Programme (DDEP).

This payment marks the sixth coupon settlement under the programme and represents the second full cash payment without any Payment-In-Kind component, reflecting strengthened fiscal capacity and solvency.

The settlement covers cedi-denominated DDEP coupon obligations in line with the restructuring memorandum and Government's broader debt management and fiscal consolidation strategy.

The timely payment sends a strong positive signal to domestic and international investors, reinforces market confidence, and is expected to support Ghana's credit outlook while enhancing stability within the financial sector, including banks and pension funds.

Government remains fully committed to meeting future DDEP obligations, supported by strong buffers, improving macroeconomic fundamentals, declining inflation, lower interest rates, and a stable Cedi. **END**

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Deputy Finance Minister Commends GRA for Intercepting 12 Articulated Trucks; Over GH¢85m in Taxes at Stake

The Deputy Minister for Finance, Thomas Nyarko Ampem, has congratulated the Customs Division of the Ghana Revenue Authority (GRA) for intercepting 12 articulated trucks in a major enforcement operation along the Dawhenya–Tema Road, describing the action as a decisive step in protecting state revenue.

The operation, carried out between 10:00 p.m. and 5:00 a.m., was led by the Deputy Commissioner, Operations, with support from the Chief Revenue Officer, Preventive (Tema Collection), the Revenue Mobilisation Taskforce of National Security, and enforcement officers from both the Tema Collection and Customs Headquarters.

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Interception of Transit Articulated Trucks Declared for Niger

The Minister for Finance, Dr. Cassiel Ato Forson, in the course of the month visited the Akanu and Aflao border posts, following the interception of articulated trucks suspected to be involved in a transit diversion scheme.

On 18 February 2026, the Ghana Revenue Authority (GRA), through its customs division, intercepted eighteen articulated trucks declared as goods in transit to Niger. Intelligence and field surveillance established that the trucks were moving without the mandatory Customs Human Escorts required for such consignments.

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Finance Minister Lays Value for Money Office Bill Before Parliament

The Minister for Finance, Dr. Cassiel Ato Forson, has laid before Parliament the Value for Money Office Bill, describing it as a decisive step to tackle chronic inefficiencies in Ghana's public financial management system.

Presenting the Bill on the floor of the House, Dr. Forson said the proposed legislation is aimed at addressing persistent challenges including inflated contracts, abandoned projects, cost overruns and wasteful public expenditure.

According to the Minister, the Bill seeks to institutionalize a comprehensive value for money framework to ensure that every cedi spent by Government delivers maximum benefit to citizens in terms of economy, efficiency, effectiveness, equity and sustainability.

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Finance Minister unveils Ghana’s first Comprehensive National Policy Designed to Build External Reserves and Safeguard the Nation’s Future

The Minister for Finance, Dr. Cassiel Ato Forson, has unveiled Ghana’s first-ever comprehensive national policy specifically designed to deliberately and sustainably build the country’s external reserves and secure long-term macroeconomic stability.

Presenting the Ghana Accelerated National Reserve Accumulation Policy (GANRAP) (2026–2028) to Parliament, the Minister described the initiative as a historic and strategic shift in how Ghana manages its external buffers, moving away from costly borrowing and short-term reserve-building measures toward a structured, gold-backed and reform-driven accumulation framework.

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Parliament Passes Ghana’s First Accelerated National Reserve Accumulation Policy

Ghana’s Parliament has passed the Ghana Accelerated National Reserve Accumulation Policy (GANRAP), the country’s first comprehensive national framework specifically designed to accelerate the build-up of external reserves and safeguard long-term economic stability.

Announcing the development in a Facebook post, Finance Minister Dr. Cassiel Ato Forson described the policy as a deliberate and strategic intervention to strengthen Ghana’s financial buffers and protect the economy against future shocks.

According to the Minister, GANRAP sets out a clear and measurable road map to raise Ghana’s international reserves to the equivalent of 15 months of import cover by 2028.

The target is aimed at significantly strengthening the country’s external position, improving macroeconomic stability, boosting investor confidence and enhancing exchange rate resilience.

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Theory, Practice, and PDFI Institutional Design: Case of Proposed Women Development Bank, Ghana (WDB)

Introduction

Ghana stands at a critical stage in its economic development path. The proposed establishment of a Women Development Bank represents a bold policy initiative aimed at addressing persistent financing gaps that have constrained the growth potential of women-led entrepreneurship. This paper examines the institutional design considerations for this proposed bank, drawing on theoretical frameworks and practical lessons from Ghana's experience with public development financing institutions (PDFIs).

The financing gap facing women entrepreneurs in Ghana is substantial. Women entrepreneurs across Africa face an estimated $42 billion financing gap for formal women-led SMEs, with Ghanaian women owning between 40-50% of MSMEs yet accessing only a fraction of available credit. Female youth entrepreneurs face similar constraints, compounded by lack of collateral and credit history. Previous initiatives such as the National Entrepreneurship and Innovation Programme (NEIP) and the Youth Employment Agency (YEA) have attempted to address these gaps but have also underscored the need for a comprehensive institutional approach.

Theoretical Foundation: The New Structural Economics (NSE) Perspective

New Structural Economics provides a compelling theoretical lens for evaluating the suitability of this proposed public development financing institution. The NSE emphasizes that financial institutions must align with a country's endowment structure and stage of development (Lin et al., 2024). Ghana, as a lower-middle-income economy, is characterized by abundant labor and limited capital, creating comparative advantages in labor-intensive sectors such as agribusiness, light manufacturing, creative industries, and services. Women and youth entrepreneurs are disproportionately concentrated in these sectors, making them natural beneficiaries of targeted financing.

The question becomes whether a specialized women-targeted public development financing institution represents an appropriate financial structure response. Traditional NSE thinking focuses on sectoral alignment, but women and youth entrepreneurs in Ghana are concentrated precisely in those labor-intensive sectors where the country holds comparative advantage. Moreover, the market failures they face, like inadequate collateral, information asymmetries, gender and age biases in lending, are all distinct from broader sectoral financing challenges and justify targeted intervention.

However, NSE also warns against blindly replicating institutional designs from advanced economies. Germany's KfW, often cited as a model second-tier public development financing institution, operates in a fundamentally different context with deep capital markets, robust private banking systems, and strong institutional frameworks. Ghana must design an institution fitted to its specific circumstances rather than importing wholesale models that may prove incompatible.

Learning from Ghana's Development Banking History

Ghana's history with public development financing institutions offers key lessons. The National Investment Bank and Agricultural Development Bank both began with clear developmental mandates but gradually transformed into universal banks, abandoning their original mandates. The Bank for Housing and Construction failed. These failures share common threads: political interference in lending decisions, poor governance by politically appointed boards lacking requisite expertise, mission drift toward profit maximization, and unclear funding sources, creating dependence on government budgetary allocations (World Bank, 2016; Dodoo-Amoo E.N.A.O, 2024).

The recently established Development Bank Ghana (DBG) attempted to address these failures through its institutional design. Operating as a second-tier wholesale lender, DBG avoids direct lending to eliminate opportunities for political direction of individual loans. Its governance structure emphasizes independent directors, professional management, and transparent accountability frameworks. However, DBG's wholesale lender-only approach has revealed limitations: high intermediation costs as participating financial institutions add substantial spreads, limited reach to truly underserved segments as banks select less risky borrowers, and a disconnect from end users, limiting the bank's ability to develop appropriate products.

The First-Tier versus Second-Tier Question: Empirical and Institutional Considerations

The operational model choice for the proposed Women Development Bank (WDB) carries profound implications for its effectiveness, sustainability, and resilience against political and market pressures. Ghana's experience with public development financing institutions (PDFIs) provides critical insights into the trade-offs between first-tier and second-tier operations.

First-tier operations, which involve direct lending to entrepreneurs, offer several advantages. Direct relationships enable a deeper understanding of client needs and facilitate the development of specialized financial products. Borrowers benefit from lower intermediation costs, while the institution gains valuable market intelligence to inform product innovation. Technical assistance can be tightly integrated with lending, ensuring that financial support is complemented by capacity building interventions.

However, Ghana's earlier PDFIs demonstrate the risks inherent in first-tier models. High operational costs from branch networks and staffing, greater exposure to political interference in individual lending decisions, and elevated default risks from direct exposure all contributed to institutional failures. Moreover, first-tier PDFIs often drifted into unfair competition with commercial banks, especially when offering subsidized rates alongside deposit-taking functions, undermining their developmental mandate.

Second-tier operations, in contrast, rely on wholesale lending through participating financial institutions (PFIs). This model reduces operational costs, minimizes opportunities for political interference, leverages existing financial infrastructure, and transfers credit risk to intermediaries. Yet, second-tier lending introduces its own challenges: additional intermediation fees increase costs to end users, distance from beneficiaries limits product development intelligence, and profit-seeking intermediaries may dilute the developmental focus.

Empirical Evidence from Regression Analysis

To empirically assess these trade-offs and move the analysis, results, and findings from just being opinions of respondents, a logistic regression model was employed to estimate the determinants of shifting between first-tier and second-tier operations. The dataset underpinning this analysis was drawn from a survey of 119 stakeholders from diverse backgrounds covering SMEs, associations, regulators, financial institutions, government agencies, and development partners (Dodoo-Amoo E.N.A.O,2024). Data collection combined self-administered questionnaires, key informant interviews, and document analysis, ensuring both quantitative rigor and qualitative depth. This mixed-methods approach provided firsthand insights into how political interference, unfair competition, and governance structures shape institutional design choices.

The regression equation was set as below:

$$logit\ (p\ (Y=1)) = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + contolvari + \epsilon\ (1)$$

where Y represents the binary outcome, where Y=1 indicates second tier and Y=0 indicates first tier.

$X1$ denotes the undue political interference factor influencing Y

$X2$ denotes the unfair competition factor influencing Y

$X3$ captures the undue political intervention factor influencing Y.

$contolvari$ are additional factors considered in the model to account for potential confounding effects on Y, including nature of institution, experience, industry dummy.

The descriptive statistics of the variables employed in the regression analysis are summarized below:

Variables	Measurement	Description	Obs	Mean	Std. Dev. -	0	1
Y	Dummy	Tier shift	119	-			
x1	Ordinal	Key challenges Political interference	117	3.880	1.197	1	5
x2	Ordinal	Political intervention	119	3.664	1.209	1	5
x3	Ordinal	Unfair competition	119	3.622	1.228	1	5
control1	Nominal	Nature of institution	118	-	-	1	2
control2	Ordinal	Experience	118	-	-	1	4
control3	Nominal	Category Industry	113	-	-	1	25

Authors Findings

Regression Results

Table 2: Binary Logistic Regression Results — Determinants of Operational Model Preference

Variable	Coeff. (β)	Std. Error	z-Stat.	p-Value	Odds Ratio (95% CI)
Political Interference (X1)	0.312	0.241	1.367	0.171	0.895 – 2.091
Political Intervention (X2)	**0.587****	0.213	2.756	0.006	1.241 – 3.428
Unfair Competition (X3)	**0.541****	0.198	2.732	0.006	1.184 – 3.102
Institutional Type (Control)	−0.214	0.176	−1.216	0.224	0.621 – 1.198
Professional Experience (Control)	0.183	0.147	1.245	0.213	0.891 – 1.671
Constant (β0)	**−1.842****	0.614	−3.000	0.003	—

Note: ** $p < 0.01$. Dependent variable: Y = 1 (Second-Tier/Wholesale preference), Y = 0 (First-Tier/Retail preference). Model fit: Log-Likelihood = –58.34; McFadden Pseudo-R^2 = 0.187; Nagelkerke R^2 = 0.261; Hosmer-Lemeshow χ^2 = 6.82 (df = 8, p = 0.556). N = 113 (listwise deletion). Model χ^2 = 27.41 (df = 5, $p < 0.001$).

Source: Authors' analysis (2024).

The binary logistic regression model yielded a statistically significant overall fit (Model $\chi^2 = 27.41$, df = 5, $p < 0.001$). The McFadden Pseudo-R^2 of 0.187 and Nagelkerke R^2 of 0.261 indicate that the model accounts for approximately 19–26 per cent of the variance in institutional design preference. The Hosmer-Lemeshow goodness-of-fit test returned a non-significant result ($\chi^2 = 6.82$, $p = 0.556$), confirming adequate model calibration.

Political Intervention (X2) emerged as the strongest and most statistically significant predictor of second-tier model preference ($\beta = 0.587$, OR = 1.799, $p = 0.006$). A one-unit increase in perceived political intervention risk raises the predicted probability of second-tier preference by 13.4 percentage points (marginal effect = 0.134). This confirms that concerns about broader structural political vulnerability — not merely isolated acts of interference — are the dominant driver of stakeholder preference for wholesale lending structures.

Unfair Competition (X3) constitutes the second significant determinant ($\beta = 0.541$, OR = 1.718, $p = 0.006$). The associated marginal effect of 0.123 implies that a one-unit increase in perceived competitive distortion risk raises the probability of second-tier preference by 12.3 percentage points. This reflects the concern among commercial financial institution respondents that a first-tier WDB could crowd out private sector lending rather than catalyse complementary credit provision.

Political Interference (X1) did not reach conventional significance thresholds ($\beta = 0.312$, $p = 0.171$), though its direction is consistent with the other governance risk variables. This distinction between direct interference and broader political intervention is substantively important: stakeholders appear more concerned about structural institutional vulnerability than about discrete credit allocation interference events that internal controls might guard against.

Average Marginal Effects

Table 3: Average Marginal Effects — Operational Model Preference

Variable	Marginal Effect (dy/dx)	Std. Error	p-Value	Inference
Political Interference (X1)	0.071	0.055	0.171	Not significant
Political Intervention (X2)	**0.134****	0.048	0.006	Significant ($p < 0.01$)
Unfair Competition (X3)	**0.123****	0.045	0.006	Significant ($p < 0.01$)

Note: ** p < 0.01. Marginal effects evaluated at sample means. dy/dx represents the change in predicted probability of second-tier preference associated with a one-unit increase in the predictor.

Source: Authors' analysis (2024).

Summary of key results: Political intervention (β = 0.587, marginal effect = +13.4 pp) and unfair competition (β = 0.541, marginal effect = +12.3 pp) are statistically significant at the 1 per cent level. Political interference (β = 0.312, $p = 0.171$) is directionally consistent but not statistically significant. Neither a pure first-tier nor a pure second-tier architecture is empirically optimal; a hybrid model is the evidence-based prescription.

The regression results demonstrated that **political intervention and unfair competition were statistically significant predictors of preference for second-tier operations.** Political interference also influenced tier choice, though with mixed significance across models.

These findings reinforce the argument that political capture and unfair competition strongly predict preference for wholesale lending arrangements. For the proposed Women Development Bank, this suggests that while first-tier engagement may be valuable for targeted interventions, the broader institutional design must lean toward second-tier operations to safeguard independence and sustainability.

Toward a Hybrid Institutional Design

Given these trade-offs, a hybrid model emerges as the most appropriate design for Ghana's context. Such a model would combine predominantly second-tier wholesale lending with strategic first-tier direct engagement and dedicated technical assistance programming. The second-tier component would leverage existing banking infrastructure, maintain competitive dynamics, and reduce political interference risks. Participating financial institutions would be selected through competitive processes with clear performance criteria, offering wholesale lines of credit with maximum spread caps to control end user costs.

The first-tier component would be narrowly focused on specific gaps: pilot programs for innovative business models not yet understood by commercial banks, direct financing for proven larger enterprises seeking expansion beyond commercial bank comfort zones, and geographic areas lacking adequate participating financial institution presence. Critically, this first-tier component must include strict safeguards: absolutely no deposit-taking to prevent mission drift toward universal banking, minimal physical infrastructure, regular review of first-tier portfolio to identify graduation opportunities to second-tier delivery.

The technical assistance component addresses the reality that finance alone proves insufficient. Business development services, financial literacy training, mentorship programs, and market linkage facilitation should be delivered through partnerships with specialized organizations rather than entirely in house. This approach leverages existing expertise while maintaining cost efficiency.

Critical Governance and Operational Elements

Success demands robust governance architecture. The board should comprise at least nine directors with a clear majority being independent of government. Competitive, transparent selection processes must replace political appointment. Fixed terms with performance evaluation create accountability without political vulnerability. Specialized committees covering audit, risk, development impact, and governance ensure focused oversight.

Professional management insulated from political pressure requires careful design. The CEO should be selected through international competitive search by the board, not appointed by government. Performance evaluation must balance development metrics and financial sustainability equally. Compensation should link to both dimensions, avoiding sole focus on either profitability or impact metrics.

Funding structure determines long-term viability. Initial government equity should be substantial but gradually reduced to minority position over time, bringing private capital discipline while maintaining public purpose. Development partner concessional loans at long tenors provide patient capital during the institution-building phase.

Policy Recommendations

First, establish the bank under a clear legal framework with explicit safeguards against mandate drift, political interference, and unfair competition. The Development Finance Institutions Act 2020 (Act 1032) provides a foundation, but specific enabling legislation should detail governance requirements, operational boundaries, and review mechanisms.

Second, adopt the hybrid operational model with explicit boundaries. Second-tier operations should utilize competitive auctions for wholesale funding allocation, creating market discipline and minimizing subsidy dependence. First-tier operations must remain narrowly focused with sunset provisions for programs that achieve market development objectives.

Third, integrate comprehensive technical assistance from inception, delivered through partnerships and cost-sharing models to ensure efficiency and client commitment.

Fourth, implement independent monitoring and evaluation reporting directly to the board development impact committee. Balanced scorecards tracking both financial sustainability and development outcomes prevent drift toward either pure commercialization or unsustainable subsidy dependence.

Fifth, plan ownership diversification should be explicitly stated from the outset. The government majority should decrease to a minority position within a decade, bringing institutional investors, development financing institutions, and potentially women and youth business associations as shareholders.

Conclusion

The proposed Women Development Bank (WDB) addresses significant market failures that constrain Ghana’s economic potential. Past experiences with public development financing institutions highlight the dangers of political interference, mandate drift, and unsustainable funding. Neither pure first-tier nor pure second-tier models adequately fit Ghana’s context. Instead, a hybrid approach balancing efficiency, impact, and sustainability offers the most promising path forward. With strong governance, clear operational boundaries, and integrated technical assistance, the Women Development Bank could become a transformative institution for women entrepreneurs and contribute meaningfully to Ghana’s broader development path.

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