February 10 - 11, 2015
La Palm Royal Beach Hotel
Accra, Ghana

- Agenda
- Summary of Background Papers
In March 2014, the African Center for Economic Transformation (ACET) published its first African Transformation Report, kicking off a timely conversation among business leaders, economists, and policymakers on how African countries can build on their recent growth to transform their economies. The report advanced a view of economic transformation as “Growth with DEPTH.” That is, growth with:

- Diversified production
- Export competitiveness
- Productivity increases in firms, on farms, and in government offices
- Technology upgrading from low to medium and high technology
- Human well-being, led by higher incomes and better jobs in the formal sectors

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It is opportune that the NDPC has recently published its Agenda for Transformation, a program setting out policies, programs, and strategies for economic and social transformation of the country. In support of the NDPC’s role, ACET completed an organizational and functional review of the NDPC in 2012. ACET is also a member of a recently established Implementation Advisory Group monitoring the implementation of the Senchi Consensus. This forum aims to provide an opportunity for stakeholders—including government, parliament, civil society, the private sector, and development partners—to discuss the challenges and prospects for economic transformation in Ghana. It will also offer perspectives from the experiences of other African countries.
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# PROGRAM OVERVIEW

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08:30 – 09:00  REGISTRATION AND LIGHT BREAKFAST
09:00 – 10:00  OPENING SESSION
In the opening session, Dr. K.Y. Amoako, Founder and President of ACET, and former Executive Secretary of the UN Economic Commission for Africa, will share his perspective on Africa's economic transformation as a backdrop to the forum's deliberations and outcomes. Dr. Kwesi Botchwey, Chairman of NDPC, will discuss plans to revitalize the NDPC to play a more pivotal role in socioeconomic development and transformation in Ghana.

- **Chair:** Mr. Tony Oteng-Gyasi, CEO, Tropical Cable and Conductor, and former President of the Association of Ghana Industries

10:00 – 10:15  COFFEE BREAK
PLenary Session 1

Agenda for Transformation:
Perspectives from African Countries

In discussing Ghana’s transformation, benchmarking against other African countries is helpful. Ethiopia, Kenya, Mauritius, and Rwanda are noted for their leadership in certain aspects of transformation, and are making significant strides. In this peer-to-peer exchange, senior officials from these countries will share their countries’ progresses and challenges in a number of areas, including setting a national vision and strategy, state-private sector collaboration, providing a business-friendly environment, and coordination and institutional oversight.

- **Chair:** Mr. Tito Mboweni, Former Governor, South African Reserve Bank; and Former Chairman of AngloGold Ashanti Ltd.

- **Speakers:**
  - Ghana: Dr. Nii Moi Thompson, Director General, NDPC
  - Ethiopia: Mr. Getachew Adem, Deputy Commissioner, National Planning Commission
  - Kenya: Dr. Julius Muia, Executive Secretary, National Economic and Social Council
  - Mauritius: Prof. Ramesh Durbarry, Professor in Tourism and Deputy Director, Academic and Partnerships, Amity Institute of Higher Education
  - Rwanda: Dr. Uzziel Ndagijimana, Minister of State, Ministry of Finance

Lunch
**D A Y 1**

13:30 - 16:45  **BREAKOUT SESSIONS**

The breakout sessions will focus on six themes identified in the African Transformation Report as critical areas that need addressing in order for African countries to achieve economic transformation. For each theme, ACET has commissioned a background study on the opportunities, key challenges, and possible actions and strategies for Ghana. A member of a research team of Ghanaian experts will present each theme, a discussant will react to the presentation, and then the floor will be open for general discussion and recommendations. There will be two breakout sessions consisting of three concurrent thematic discussions. Each participant will be encouraged to choose one in each session.

13:30 - 15:00  **Breakout Session I**

A) **Skills**

This session will address how to match the skills of the workforce with the needs of business. Sub-topics will include the state of technical and vocational education and training in Ghana, innovations in training required to equip high school and university graduates with necessary skills, and the role of both the private and public sectors in bringing about transformational changes.

- **Chair:** Prof. Joshua Alabi, Associate Professor of Management and Leadership Dean, School of Graduate Studies, UPSA
- **Presenter:** Dr. William Baah Boateng, Senior Lecturer, Department of Economics, University of Ghana
- **Discussant:** Mr. Lars Jøker, Team Leader, Business & Green Growth, DANIDA
B) Exports
This session will explore the critical elements of Ghana's export promotion strategy, prospects for export expansion, major challenges that Ghanaian exporters face, and the country's export promotion institutional infrastructure, including how it is working and how it can be strengthened.

- **Chair:** Dr. Baffour Osei, CEO, Export Development and Agricultural Investment Fund
- **Presenter:** Dr. Eric Osei-Assibey, Senior Lecturer, Department of Economics, University of Ghana
- **Discussant:** Mr. Tony Sikpa, President, Federation of Association of Ghanaian Exporters (FAGE)

C) Tourism
This discussion will examine trends in tourism development in Ghana, including successes and failures, the role of private sector investment, and types of public sector partnerships that can give rise to a thriving tourism industry.

- **Chair:** Mrs. Mawuena Trebarh, CEO, Ghana Investment Promotion Center (GIPC)
- **Presenter:** Mr. William Frimpong Bonsu, Senior Lecturer, Methodist University College
- **Discussant:** Ms. Mona Boyd, CEO, Land Tours and Avis Ghana

15:00 – 15:15 **COCOA BREAK**
15:15 – 16:45  **Breakout Session II**

**A) Light Manufacturing**
This session asks if there is sufficient scope for Ghana to take advantage of component assembly, garments, and other simple labor-intensive products as a stepping stone to increased manufacturing exports. The discussion will also situate manufacturing firmly at the center of Ghana's industrialization potential and solicit innovative approaches to expanding the sector.

- **Chair:** Mr. Nana Owusu-Afari, CEO, Afariwaa Group of Companies; Former President, AGI
- **Presenter:** Dr. Kofi Nti, Former Dean, University of Ghana Business School
- **Discussant:** Mr. Kofi Smith, Senior Advisor to the Minister, Ministry of Trade and Industry

**B) Energy**
Given the catalytic role that energy—power in particular—plays in all sectors of the economy, this section will discuss Ghana's energy crisis, present options for addressing it, and focus on how long-term planning can improve the quality and consistency of energy supply.

- **Chair:** Dr. Mohammed Amin Adam, Executive Director, Africa Center for Energy Policy
- **Presenter:** Dr. Joe Asamoah, Director, EnerWise Africa
- **Discussant:** Mr. Sunil Mathrani, Senior Energy Economist, World Bank
C) Local Content (Natural Resources)

Given the relative newness of Ghana's oil and gas sector as compared to mining, this section explores the progress in local content and value addition in Ghana overall and the role of the various policies and stakeholders in contributing (or detracting) from this.

- **Chair:** Mr. Moses Asaga (TBC), CEO National Petroleum Authority (NPA)
- **Presenters:** Dr. Toni Aubynn, CEO, Minerals Commission
- **Discussant:** Ms. Afua Amissah, Coordinator - Local Content, Ministry of Petroleum

17:00 – 18:30 **COCKTAIL RECEPTION**
09:00 – 09:45  PLENARY SESSION 2
Keynote Address:
Can Africa Become the Manufacturing Floor?
Ms. Helen Hai is a UNIDO Goodwill Ambassador, CEO of the Made in Africa Initiative, and advisor to the governments of Ethiopia, Rwanda, and Senegal for investment promotion and industrialization. Ms. Hai led the establishment of Huajian shoe factory in Ethiopia, which began exporting to the United States in just three months and employs more than 3,000 Ethiopians after two years of operation. In this keynote address, she will share insights on how to expand manufacturing in Africa.
• Chair: Mr. Kwame Pianim, Chairman, Airtel and Chairman, Ghana International School

09:45 – 11:15  PLENARY SESSION 3
Breakout Session Presentations and Q&A
In this session, the chairpersons of each breakout session will present key insights and recommendations for priority actions for implementation in the next two to three years. The co-chairs will synthesize the session reports to inform the ministerial roundtable.
• Co-chair: Dr. Nii Moi Thompson, Director General, NDPC
• Co-chair: Dr. Yaw Ansu, Chief Economist, ACET

11:15 – 11:30  COFFEE BREAK
11:30 – 13:00  PLENARY SESSION 4
Ministerial Round Table: Implementing Ghana's Transformation Agenda
The climax of the forum will be the ministerial roundtable. The forum's endgame is to feed into Ghana's long-term plans as well as to spur concrete actions in the short term. Thus, the ministerial roundtable will be a direct channel for sector ministers to receive insights directly and to engage with the audience on how to move forward with them.

- **Moderator:** Mr. David Ampofo, CEO, Channel Two Communications

13:00 – 13:30  CLOSING & WAY FORWARD
- Dr. Kwesi Botchwey, Chairman, NDPC
- Dr. K.Y. Amoako, Founder and President, ACET

13:30 – 15:00  LUNCH
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- **Moderator:**
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Local content and value addition strategy is one of the methods resource-rich countries are adopting to increase the benefits from resource extraction to their economies, beyond securing optimal rents (royalties, taxes, shares, and other revenues). The goal is to promote linkages with other sectors of the economy through four main pillars: local employment opportunities, in-country spending and procurement of local goods and services, technology and skills transfer, and local participation through equity and management. Value addition promotes further opportunities for processing of the extracted resource. The theory is simple and laudable; the challenge is in the practice. Is Ghana getting it right?

The results are mixed. In the mining sector, Ghana, long Africa’s second largest producer of gold, operated on a scale sufficient to increase the development of the local supply chain. The fact that it has not is more a failure of strategic development policy than the lack of opportunities. Local content has also suffered from quality and standards shortfalls of local companies, poor competitiveness, limited access to finance for start-ups, and unreliable power. Current efforts may not be enough to create significant backward linkages. Can Ghana increase the opportunities for value addition in its gold and diamond industries?

In the oil and gas sector, the range of government actions to promote local content has been more satisfactory, though it may be too early to tell. However, there remains a lot to be done. Ghana may be doing well in employment of local workers, but less so with service contracts, procurement of local goods, and local equity and management, and is definitely falling short in technology transfer. The problems lie in the limited capacity and high costs of local companies, insufficient financial support, inadequate standards of certification, and inability of contractors to meet high industry standards. The prospects depend on how the industry, local businesses, and state institutions work together to overcome the obstacles facing local content opportunities.
Tourism is a significant contributor to economic growth and development in Ghana. It is a major source of foreign exchange, employment and government revenues. In 2013, the direct contribution of the Travel & Tour industry to Ghana's GDP was US$1.34 billion, representing 2.8% of GDP. The number of jobs directly supported by tourism was 124,000 and Travel & Tour investment amounted to US$303 million in 2013. Ghana's tourism industry development indicators have increased over the years. International tourist receipts increased from US$970 million in 2008 to US$1,068 in 2013. The number of annual international visitors to Ghana is now roughly 950,000 and is expected to grow to 1.5 million by 2024.

The potential for tourism growth in Ghana is huge. The country possesses considerable and diverse tourism assets that can be leveraged with tourism support services, infrastructure, marketing and Ghanaian hospitality to accelerate tourism growth and employment. There are opportunities for the development of ecotourism, cultural and heritage tourism, conference and business tourism, leisure tourism and beach resort tourism in Ghana. However, when compared to other countries in Africa, such as Kenya and Senegal, Ghana ranks lowest on selected tourism development indicators.

There are many issues and challenges facing tourism in Ghana. The key ones identified in the report are: 1) limited understanding of tourism as a tool for economic development; 2) inadequate investment in the tourism sector; 3) poor infrastructure and tourism support services; 4) Ghana as a high cost tourism destination; and 5) lack of professionalism and poor service quality in the tourism industry. The report proposes solutions to address these challenges and help position tourism as a pathway for economic growth and structural transformation in Ghana.
The availability of sufficient quality human resources is a major prerequisite for economic transformation of a country. The level of education and skills of the Ghanaian labor force is very low, with only 1 of 5 in the working-age population having second cycle education and skills training or better. Some employers and industry practitioners often question the quality and relevance of human resources produced by education and training institutions in the country. Indeed, while the annual supply of human resources into the Ghanaian labor market generally exceeds the job creation ability of the country, in terms of skill level, the country continues to experience shortages of the high, semi, and specialized (i.e. vocational and technical) skills required to put the country on the path of economic transformation.

There are also shortages of skills in the area of science, engineering, technology, and health, while tertiary institutions continue to churn out graduates in humanities in excess of the ability of the economy to absorb these skills. The current methods of teaching and skill training—which focus on examination and certification with little or no emphasis on practical orientation, case studies, and problem solving attitude—tend to produce skills that are not creative and that lack the ability to solve work problems. The non-involvement of industry in the human capital development process, poor quality of school infrastructure and learning tools, poorly motivated teachers and supervision, and low State commitment to the promotion of technical and vocational skills training are some of the other challenges confronting human capital development in the country.
To put Ghana on the path of economic transformation requires a number of policy actions and programs to reverse the declining trend in the quality and relevance of human resources. Addressing skill mismatches by bridging the gap between industry and training/academic institutions, promotion of technical and vocational training, tightening supervision and provision of quality infrastructure and teaching aid and incentives for teacher motivation, and a shift from examination- and certification-based training to a practical-oriented and problem-solving approach to training are some of the suggested actions that could help address quality human resource challenge in the country. Finally, a comprehensive review of the country's education system, devoid of partisan politics, to cover duration and curricula and make it relevant to needs of the economy, is key to producing relevant human resources for the country.
Light manufacturing has the potential to transform Ghana's economy, diversifying the production and export base while increasing employment, incomes, and export earnings. This report presents a diagnostic study of the light manufacturing sector in Ghana, highlighting issues and challenges that should be addressed and proposing some solutions.

The share of manufacturing in Ghana's GDP has decreased from 10.2% in 2006 to 5.8% in 2013. Manufacturing Value Added in 2013 amounted to US$2,703 million, of which 30% was food and beverage, 19% was paper and paper products, and 13% was chemicals and chemical products. Manufacturing firms report a shortage of critical skills in mechanical and electrical engineering, quality control, and information technology. Manufacturing firms in Ghana are domestic oriented and lag behind their comparators in Kenya and Vietnam on selected indicators of export orientation. The business environment in Ghana has been particularly challenging for manufacturers in the last few years due to a persistent energy crisis and macroeconomic instability.

Areas that could drive light manufacturing in Ghana include cocoa processing, food and agro-processing, textiles and garments, and pharmaceuticals. Emerging and ongoing initiatives that may have significant impact on the manufacturing sector include the development of value chains for some local raw materials; emergence of EDAIF as a source of funding for agriculture and agro-processing; impending implementation of G-CAP to ensure that goods imported into Ghana meet certain standards; and waiver of minimum capital requirements for foreign investors entering the manufacturing sector.
Five key issues and challenges facing the manufacturing sector are:
1) competition from imported goods;
2) excessive taxes, levies, and fees;
3) energy crisis and utility pricing;
4) lack of funding and high interest rates; and
5) lack of government commitment to manufacturing.

The report proposes some solutions to address the issues and to help stimulate discussion.
The 2014 African Transformation Report identified export competitiveness as one of the key pillars needed to transform African economies, and, specifically, Ghana's economy. There is, therefore, an urgent need to take a holistic view of the policies, regulations, and practices needed, with buy-in from all stakeholders, to create a mutually reinforcing framework that fosters export competitiveness and a business-friendly environment in Ghana. This will not only lead to the complete overhaul and diversification of the entire export sector value chain, but also will strategically position the country to take full advantage of the various free-trade agreements being negotiated—such as the ECOWAS trade agreement, Economic Partnership Agreement (with the EU) and the African Growth and Opportunity Act (with the US)—in order for Ghana to become a leading export country in West Africa. In this report, we examine recent developments in the export sector, Ghana's exports potential, the legal and regulatory environment for exports, key issues and challenges, and recommendations.
Growing demographic needs, increased urbanization and rural electrification, increasing technology penetration, and the pressure to transform into a middle-income country have led to a rapid rise in energy demand in the past two decades in Ghana. But supply lags behind, and has become a major constraint to growth and improvements in living standards. While Ghana has committed itself to universal access to electricity by 2020, the real challenge is in reaching the capacity to meet this goal; and most importantly, ensuring that supply is adequate and reliable.

This paper addresses the question: Why is Ghana still burdened with periodic energy crises? Some of the problems that have besieged the supply side include: poor policies and poor management, inappropriate pricing and tariff setting, poor revenue collection, poor institutional coordination, and weak governance and regulatory framework. What are the progressive steps that must be taken if Ghana is to set up an energy sector platform that would enable deep-seated transformation? And is the creation of a power ministry the panacea? This paper throws light on these questions and, going forward, highlights a number of issues for consideration, including: (a) the nature of ownership structures that seem to have put higher priority on political objectives than on financial sustainability and efficient operations; (b) the weak governance and regulatory mechanisms of the power sector; (c) under pricing, incomplete collections, and lower power tariffs; (d) inadequate financing, inadequate investments, and insufficient upgrading of power-sector infrastructure; and (e) the lack of a blueprint in addition to the dearth of long-term and sustainable planning in the energy sector.
Ghana Transformation Forum
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