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Iustum Center for
Democracy and Governance

LBG

COMMUNIQUÉ AND POLICY RECOMMENDATIONS

of the
ICEDEG Africa Policy Dialogue Roundtable
on Ghana's 2026 Mid-Year Budget Review

THEME:

Economic Confidence and Fiscal Expectations:
Stakeholder Perspectives Ahead of
Ghana's 2026 Mid-Year Budget Review

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1. EXECUTIVE SUMMARY

As the presentation of the 2026 Mid-Year Budget Review approaches, there is growing interest in understanding how recent economic developments have shaped the expectations and confidence of consumers, businesses, and economic stakeholders. While the country has recorded notable gains in macroeconomic stability, concerns remain regarding the cost of living, employment opportunities, business sustainability, disbursements to statutory funds, and the extent to which macroeconomic improvements are translating into tangible benefits for households and enterprises.

The **ICEDEG Africa Maiden Policy Dialogue Roundtable 2026** therefore served as a critical platform to assess Ghana's 2026 budget performance ahead of the mid-year budget review, focusing on the stark **"Two Ghanas" paradox** that highlights a widening disconnect between stabilized, positive macroeconomic indicators on paper and the high-cost microeconomic realities. Participants concluded that Ghana must reconsider some restrictive cost-cutting and stabilization policies and move toward aggressive, practical production, value addition, and inclusive structural reforms going into the second half of the year and towards preparation of the 2027 budget.

Key recommendations included ***issuing Diaspora Bonds that target specific district level infrastructural developments*** and initiatives; establishing a ***dedicated Climate Budgeting Line***; ***directing capital towards retooling localised agricultural engineering units*** so raw goods can be processed on-site; and ***reviewing taxes and prohibitions on media advertising*** to improve the financial sustainability of the media.

Other recommendations include ***guaranteeing timely and expanded allocations to critical social safety lines*** and ensuring prompt disbursement from the Accountant General's department; streamlining customs administration and tax regimes to lower production costs and incentivizing informal businesses to aggregate into structured cooperatives, allowing them to scale up and utilize state infrastructure equitably.

2. BACKGROUND

In line with its commitment to fostering informed public discourse and contributing to sound economic policy dialogue, ICEDEG Africa held a high-level Policy Dialogue Roundtable on Friday, 19th June, 2026, ahead of the presentation and review of the Mid-Year Budget to assess stakeholder perceptions of the economy. The Dialogue examined the impact of recent macroeconomic developments on households, businesses, and the broader economy, with particular attention to imports and exports, the energy sector, and the effects on consumers; gathered stakeholder expectations regarding the 2026 Mid-Year Budget Review and government policy priorities, with a focus on budgetary allocations and the actual disbursement of funds to statutory bodies; and facilitated constructive dialogue on current economic conditions and fiscal management, including their effects on households and the concerns of the Ghanaian diaspora, particularly regarding remittances and investment flows.

Approximately 30 to 50 participants drawn from Business and Industry Associations, Consumer Advocacy Groups, Trade Unions, Financial and Economic Analysts, Academia, Civil Society Organisations, and Media Practitioners participated in the dialogue.

3. KEY THEMATIC DISCUSSION

1. Macroeconomics & The "Two Ghanas" Paradox

- **The Macro-Level "First Ghana":** The economy exhibits stabilized macro data, including a drop in inflation, a decrease in national debt, and a strengthened Ghanaian Cedi backed by about six months of import cover.
- **The Micro-Level "Second Ghana":** Despite these positive numbers, the cold reality in local markets reveals persistently high commodity prices and business production costs, undermining intended relief on the cost of living.
- **The Structural Bottleneck:** The gap highlights a system of prioritized short-term economic stabilization over long-term production, trapping the nation in an economy that appears successful on paper but is unable to deliver real prosperity.

2. Energy Policy, Climate Finance & Sustainability

- **Energy Poverty:** Ghana's ongoing reliance on imported fossil fuels (specifically gas via the West African Gas Pipeline) drains foreign exchange and drives up electricity costs for local consumers.
- **Untapped Domestic Potential:** The country possesses massive, unexploited solar potential that could easily convert costly energy imports into locally produced, sustainable power.
- **Decentralized Transition:** The rhetoric on green transition frameworks, instead of practical, empirical steps managed directly at the district level, undermines Ghana's decentralized transition.

3. Trade, Infrastructure & SME Support

- **Prohibitive Business Costs:** Prevailing taxes and port duties keep operational pressures high for entrepreneurs, which simultaneously increases the cost of local goods and incentivizes smuggling.
- **Capital Access Deficit:** Local manufacturing and young entrepreneurs face crippling barriers to growth due to a high-interest lending environment.
- **The Informal Sector Challenge:** A large volume of untracked informal economic transactions leads to severe tax revenue leakage, denies workers social security protections, and prevents small businesses from achieving the economies of scale needed to compete globally.

4. Diaspora Contributions & Capital Mobilization

- **Macro Criticality:** Remittances serve as an indispensable pillar for foreign exchange, accounting for roughly 6% of national GDP and pumping over $4 billion into the economy annually.
- **Underutilized Channels:** Remittance channels are currently untaxed by the government, creating a strategic leverage point to negotiate a reduction in hidden transfer fees and exchange rate markups.
- **Community-Led Investment:** There is an immediate opportunity to formalize and channel diaspora capital away from consumption and directly into local, community-level infrastructure projects.

5. Governance, Media & Human Rights

- **Statutory Underfunding:** Critical institutions suffer from severe implementation gaps and late disbursements. For example, the **Human Trafficking Fund** has a 1 million GHS allocation but lacks the required resource mobilization to effectively cover victim shelter, healthcare, and law enforcement.
- **Media Independence and Democracy:** True freedom of the press is deeply intertwined with the economic liberation of individual journalists. Low personal income levels compromise the quality of journalism and undermine democratic accountability.
- **Regulatory Oversight:** Inadequate funding for the *National Media Commission (NMC)* and a lack of decentralized regional infrastructure undermine the commission's efforts to conduct effective countrywide monitoring and regulatory compliance.

4. SUGGESTED SOLUTIONS BY PARTICIPANTS

- **Climate Budget:** There is an urgent need to implement a dedicated national climate budget to institutionalize green transition initiatives and deploy community solar microgrids to combat energy poverty.
- **Targeted Diaspora Bonds:** The government must consider issuing a targeted diaspora bond to focus on community-level infrastructural development and initiatives.
- **Port and Trade Duties:** Streamlining customs administration and tax regimes to lower production costs could shield consumers from inflated prices and eliminate the financial incentive for smuggling.
- **Collaboration:** Broadening the tax base and protecting workers by incentivizing informal businesses to collaborate in structured cooperatives, allowing them to scale up and utilize state infrastructure equitably.

5. RECOMMENDATIONS

Based on the dialogue, the following recommendations are made;

1. **Diaspora Investment Bond:** Introduce structured diaspora investment bonds for Ghanaians in the diaspora, targeting specific community-level infrastructural projects and development initiatives.
2. **Dedicated Climate Budgeting Line:** Formally integrate a green finance framework within national and district-level budget allocations to fund localized, renewable energy projects.
3. **Statutory Fund Disbursements:** Guarantee timely and expanded allocations to critical social safety lines, such as the **Human Trafficking Fund,** and ensure prompt disbursement from the Controller and Accountant General's Department.
4. **Agricultural Engineering and Scaling Parks:** Direct capital to retooling localized agricultural engineering units so farmers can process raw goods (e.g., palm fruits to palm oil) on-site, and legally bind the placement of agro-industrial parks to designated high-yielding agricultural zones.
5. **Media Support:** Increase funding to the NMC explicitly to establish operational regional offices, ensuring localized regulatory monitoring and boosting the economic tools available to protect journalistic independence, while reviewing taxes and prohibitions on media advertising to improve the economy of the media.

6. CONCLUSION

The mid-year budget review comes at a critical time in the lives of Ghanaians, when the country is experiencing relative macroeconomic stability. However, this stability is not translating into tangible improvements at the microeconomic level, highlighting a 'two-Ghana' paradox driven by structural gaps and an economic system that prioritises short-term macroeconomic stabilisation over long-term productive growth. This underscores the urgent need for structural reforms to deliver micro-level prosperity and sustainable change.

7. ABOUT ICEDEG AFRICA

ICEDEG-Africa (Iustum Center for Democracy and Governance) is a non-profit Policy, Democracy, and Governance Think Tank dedicated to advancing democratic values, promoting good governance, advancing protection for consumers and institutional compliance and supporting evidence-based policymaking across Africa. Incorporated under the laws of Ghana, the organization works to strengthen democratic institutions, foster citizen participation, enhance accountability and transparency, and contribute to the development of effective public policies. Through research, policy advocacy, stakeholder engagement, and capacity-building initiatives, ICEDEG-Africa seeks to drive sustainable development, protect consumer interests, and support the creation of inclusive societies where democratic principles and good governance thrive. The organization is committed to shaping policy discourse and empowering institutions and citizens to build a more just, transparent, and prosperous Africa.

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