



**TAX JUSTICE
NETWORK
AFRICA**

Illicit Financial Flows, Public Debt, Public Financing, Public Services, and Gender Equality in Ghana

October 2025





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Network for Women's Rights in Ghana (NETRIGHT)

Consultant:

**Godfred A. Bokpin, PhD Economist and
Professor of Finance, University of Ghana**

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Page Design and Printing
Sundel Services, Accra Ghana
E-mail : wilsundel@yahoo.com
Telephone : +233-20-7703816

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EXECUTIVE SUMMARY

Illicit Financial Flows (IFFs), rising public debt, and weakened public service delivery are interlinked structural challenges that continue to undermine Ghana's development ambitions, particularly the achievement of the Sustainable Development Goals (SDGs). This study explores the critical nexus between IFFs, debt burden, public service quality, and gender inequality in Ghana, providing a multidimensional analysis that integrates economic, institutional, and social justice perspectives.

Using a combination of secondary data, policy reports, and scholarly literature, the study addresses three core objectives: (i) to assess the linkages between IFFs and Ghana's debt burden; (ii) to evaluate the effects of IFFs and debt on public service delivery, especially in education, health, and social protection; and (iii) to analyze how these dynamics disproportionately affect women, girls, and marginalized groups.

The findings reveal that IFFs, arising from tax avoidance, corruption, smuggling, and illicit commercial practices, significantly erode Ghana's revenue base, drain foreign exchange reserves, and contribute to unsustainable debt. Concurrently, debt servicing costs, exchange rate vulnerabilities, and persistent budget deficits reduce the fiscal space available for investment in essential public services. This fiscal pressure contributes to the underfunding of education, health, and social protection, sectors that are critical to inclusive development and gender equality.

The study also shows that Ghana consistently falls short of meeting international expenditure benchmarks: it allocates less than the Incheon Declaration's target of 15% of total public expenditure to education, underperforms against the Abuja Declaration's 15% target for health, and remains well below the 2.4% of GDP social protection target recommended by the ILO.

Between 2018 and 2025, Ghana's total interest payments were equivalent to approximately 37 times the cumulative expenditure allocated to the

Ministry of Gender, Children and Social Protection, 2 times that of the Ministry of Education, 7 times that of the Ministry of Health, and 28 times that of the Ministry of Food and Agriculture. Similarly, over the same period, total debt servicing obligations amounted to about 53 times the expenditure of the Ministry of Gender, Children and Social Protection, 3 times that of the Ministry of Education, 11 times that of the Ministry of Health, and 39 times that of the Ministry of Food and Agriculture. These shortfalls are especially detrimental to women and girls, who are more reliant on public services and more vulnerable to the consequences of austerity and inequality.

Again, the study emphasizes the need for a gendered lens in the fight against IFFs. While men dominate the generation of illicit flows, women are often the most impacted by their consequences, facing heightened risks of exploitation, reduced access to services, and increased unpaid care burdens. Importantly, women also have a critical role to play in combating IFFs, both as actors within institutions and as beneficiaries of more inclusive policies.

Furthermore, IFFs represent a significant challenge to Ghana's economic and social development, with annual estimates ranging from US\$6.01 billion to US\$8.21 billion (5.5%–9.9% of GDP). The main contributors are tax and commercial activities and corruption, while theft, financing of crime and terrorism, and illegal markets also pose notable risks. These flows erode revenue, increase debt pressures, and limit the government's ability to fund critical public services in education, health, and social protection—areas that are vital for gender equality and the achievement of the SDGs. Illicit financial flows from Ghana are alarmingly large, equivalent to about 23 times the combined budgets of major social ministries. A single year's IFF could finance these ministries for nearly two decades, highlighting the critical development costs of unchecked financial leakages. The annual IFF alone is approximately 24% (lower bound), 31% (moderate), or 43% (upper bound) of the government's spending for a fiscal year.

To respond to these intersecting challenges, the study proposes a comprehensive, gender-responsive reform agenda. Key recommendations include:

- i. *Integrate a Gender Lens into Fiscal and Anti-IFF Policy:* Ghana should mainstream gender across all tax, budgeting, and anti-corruption efforts. This includes adopting gender-responsive budgeting, promoting women's participation in financial governance, and supporting women-led civil society organizations in budget monitoring and fiscal accountability.
- ii. *Reform Legal and Normative Frameworks for Fiscal Justice:* At the national level, Ghana must reform its tax system to be more progressive, eliminate harmful tax exemptions, and mandate country-by-country reporting for multinational corporations. Internationally, Ghana should advocate for fairer global tax rules through a UN-led tax body and support a binding framework to hold multinationals accountable to human rights, gender, and anti-money laundering standards.
- iii. *Strengthen Public Institutions and Inter-Agency Coordination:* Critical institutions such as the Ghana Revenue Authority, Financial Intelligence Centre, and Auditor General's Office should be resourced and empowered to detect and address IFFs. A national coordination mechanism must be established to enhance collaboration between tax, financial, gender, and anti-trafficking authorities. Public sector reforms focused on efficiency, accountability, and digitization are also essential.
- iv. *Build Technical and Institutional Capacity:* Ghana must invest in the training, fair remuneration, and empowerment of public officers involved in tax and financial governance. Gender and IFF-related modules should be integrated into civil service training, and the country should leverage South-South cooperation and ODA to enhance its technical capabilities.
- v. *Improve Data, Monitoring, and Accountability Systems:* Robust data systems are critical. Ghana should develop methodologies to track IFFs, tax equity, and the gendered impacts of fiscal policy. Human rights and gender impact assessments should be made mandatory for fiscal policies, and transparency should be ensured through public access to financial and audit data.
- vi. *Link Anti-IFF Efforts to Public Service Financing and Poverty Reduction:* Combating IFFs should be a core pillar of domestic resource mobilization. Recovered funds must be reinvested in underfunded

sectors like health, education, and social protection, with civil society oversight to ensure accountability. This approach can significantly reduce Ghana's debt burden and improve outcomes for women, children, and marginalized communities.

Ultimately, the study concludes that tackling IFFs is not only a matter of economic urgency but a social justice imperative. Reducing IFFs and unsustainable debt will expand Ghana's fiscal capacity to invest in quality public services and poverty reduction. By embedding gender equality into policy design and implementation, Ghana can advance a more just, inclusive, and resilient development path for all.

LIST OF ABBREVIATIONS

ABFA	Annual Budget Funding Amount
AMWA	Akina Mama wa Afrika
BEPS	Base Erosion and Profit Shifting
BoG	Bank of Ghana
CEO	Chief Executive Officer
CHPS	Community-Based Health Planning and Services
CHRAJ	Commission on Human Rights and Administrative Justice
COCOBOD	Ghana Cocoa Board
COVID	Coronavirus Disease
CWSA	Community Water and Sanitation Agency
DAWN	Development Alternatives with Women for a New Era
ECG	Electricity Company of Ghana
EFI	Equitable Growth, Finance, and Institutions
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FDI	Foreign Direct Investment
FIC	Financial Intelligence Centre (Ghana)
FinCEN	Financial Crime and Enforcement Network
GDP	Gross Domestic Product
GES	Ghana Education Service
GHANEPS	Ghana Electronic Procurement System
GHS /GH¢ /GH₵	Ghana Cedi
GIFMIS	Ghana Integrated Financial Management Information System
GIIF	Ghana Infrastructure Investment Fund
GRA	Ghana Revenue Authority
GSFP	Ghana School Feeding Programme
GWCL	Ghana Water Company Limited
HIPC	Heavily Indebted Poor Countries
ICCS	International Classification of Crime for Statistical Purposes
ID	Identification
IFF	Illicit Financial Flows

ILO	International Labour Organization
IMF	International Monetary Fund
ISDS	Investor-State Dispute Settlement
KPI	Key Performance Indicator
LEAP Programme	Livelihood Empowerment Against Poverty
MDRI	Multilateral Debt Relief Initiative
MOF	Ministry of Finance (Ghana)
MOFA	Ministry of Food and Agriculture
MOGCSP	Ministry of Gender, Children, and Social Protection
MVTS	Money Value Transfer Systems
NCCE	National Commission for Civic Education
NETRIGHT	Network for Women's Rights in Ghana
NHIS	National Health Insurance Scheme
NIA	National Identification Authority
ODA	Official (Overseas) Development Assistance
OECD Development	Organization for Economic Co-operation and Development
OSP	Office of the Special Prosecutor
PCM	Partner Country Method
PEPs	Politically Exposed Persons
PFM	Price Filter Method
PIAC	Public Interest and Accountability Committee
PPA	Public Procurement Authority
PPP	Purchasing Power Parity
SCUT	Scaling Up Tax Justice
SDG	Sustainable Development Goal
SERVQUAL	Service Quality (model for measuring service quality gaps)
SHS	Senior High School
SSNIT	Social Security and National Insurance Trust
TF	Terrorist Financing
TJNA	Tax Justice Network Africa
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UHC	Universal Health Coverage
UK	United Kingdom

UN	United Nations
UNCTAD Development	United Nations (Conference on) Trade and
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
US	United States
US\$	United States Dollar
USAID	United States Agency for International Development
VAT	Value Added Tax
VRA	Volta River Authority
WHO	World Health Organization

1.0 INTRODUCTION

In this section, we set the background for the study on illicit financial flows, public debt, public financing, public services, and gender equality in Ghana.

1.1 Background

Illicit financial flows (IFFs) and unsustainable debt have become major structural barriers to sustainable development, undermining the capacity of states to mobilize domestic resources for inclusive public investment (ActionAid, 2023; One Data, 2025). In Africa, over US\$88.6 billion is lost annually through IFFs, representing 3.7% of the continental gross domestic product (GDP), an amount that eclipses official development assistance to the continent (UNCTAD, 2020a). These flows, driven by trade misinvoicing, aggressive tax avoidance, and corruption, erode public revenues and widen fiscal deficits. The Sustainable Development Goals (SDGs), particularly Goal 16 (Target 16.4) and Goal 17, acknowledge these challenges and call for reduced IFFs and stronger domestic resource mobilization to finance development (UNCTAD, 2025).

The impact of IFFs is compounded by rising public debt, especially in low- and middle-income countries. Across sub-Saharan Africa, more than half of low-income countries are currently in or at high risk of debt distress (One Data, 2025; UNCTAD, 2020b). Debt servicing costs have become the fastest-growing budget item, often exceeding expenditures on critical sectors like health, education, and social protection. These fiscal pressures have been exacerbated by austerity measures linked to debt restructuring, which typically involve cuts to public spending and a shift towards regressive taxation. Such policies disproportionately affect women and marginalized groups, who rely more heavily on public services and are more vulnerable to the economic and social consequences of reduced state investment.

Ghana presents a pertinent case of these dynamics. As of the end of 2024, Ghana's public debt-to-GDP ratio declined to 70.5% due to the haircut on Eurobonds (World Bank, 2025). This is despite ongoing restructuring under an IMF-supported programme. Interest payments alone consume close to half of tax revenues, severely constraining fiscal space for development.

With a tax-to-GDP ratio of just 13-14%, well below regional and global benchmarks, Ghana's domestic revenue base remains limited (OECD, ATAF, & AUC, 2024). Revenue leakages further exacerbate the situation through IFFs, tax avoidance, and under-taxation in sectors such as mining, oil, and gas, areas with significant multinational corporate activity.

These constraints have tangible implications for public service delivery and gender equality. Budgets for education, health, and social protection have been squeezed, resulting in deteriorating infrastructure, staff shortages, and unmet service demand. Women, in particular, face a double burden: they are overrepresented in low-income and informal employment and perform a disproportionate share of unpaid care work. When public services are underfunded, the burden shifts onto households, reinforcing gender inequalities and undermining women's economic agency. Additionally, regressive taxation measures such as value added tax (VAT) increases further burden poor and working-class women, limiting their access to basic goods and services (Iddrisu, Phillips, Chackson, & Blanchard, 2023).

In this context, the current study, led by NETRIGHT under the Scaling Up Tax Justice (SCUT III) project of the Tax Justice Network Africa (TJNA), explores the intersection between IFFs, debt, public financing, and gender equality in Ghana (NETRIGHT, 2022). It assesses how debt servicing and illicit outflows constrain public spending, particularly in sectors vital to social wellbeing. The study generates evidence and practical recommendations to inform national advocacy efforts and policy dialogues aimed at promoting equitable fiscal governance. Ultimately, it supports the design of fiscal policies that expand social investment, strengthen gender equality, and uphold the rights of marginalized populations.

1.2 Objectives and Scope of Assignment

The objectives of the study include:

1. To examine the linkages between illicit financial flows (IFFs) and Ghana's debt burden, and how these dynamics affect the country's capacity for sustainable public financing.

2. To assess the implications of IFFs and debt on the delivery and quality of public services, with a focus on health, education, and social protection.
3. To analyze the gendered impacts of IFFs and debt-related austerity measures, highlighting how women, girls, and marginalized groups are disproportionately affected.
4. To estimate the current IFF estimate for Ghana, for the overall annualized flow up to 2024

1.3 Contributions and Value of Report

This report offers a timely and strategic opportunity to contribute to national and regional debates on equitable fiscal governance by generating evidence on the intersection of illicit financial flows (IFFs), public debt, and gender equality in Ghana. By highlighting how IFFs and unsustainable debt undermine domestic resource mobilization and limit fiscal space for public investment, the study provides valuable insights into the systemic barriers that hinder inclusive development. It also offers a macro-level understanding of how fiscal challenges translate into real-world impacts on public service delivery, particularly for marginalized groups who rely most on state support.

One of the core contributions of the assignment lies in its explicit focus on the gendered implications of fiscal policy and economic governance. By integrating a gender lens into the analysis of IFFs and debt, the study helps surface the often-overlooked ways in which women, girls, and vulnerable populations are disproportionately affected by austerity measures, reduced public spending, and regressive taxation. This intersectional approach strengthens the evidence base for gender-responsive budgeting and fiscal reform, reinforcing the argument that achieving gender equality requires structural transformation in how public resources are raised and allocated.

Finally, the report adds practical value to ongoing advocacy and policy engagement efforts by producing actionable outputs. These resources will support civil society organisations, women's rights advocates, and policymakers in pushing for reforms that prioritize equity, transparency, and social justice. It will also foster collaborative dialogue, helping to build

consensus around progressive policy alternatives that can expand fiscal space and protect essential public investments.

1.4 Structure of Report

The report is organized as follows. The next section discusses the methodology used for the report, while Section 3 addresses the first research objective to study illicit financial flows and Ghana's debt burden. Section 4 discusses the impact of IFFs and debt on the delivery and quality of public services in Ghana. The next section addresses the third research question on gendered impacts of IFFs and debt-related austerity measures. Section 6 conducts an estimate of the annual IFF in Ghana and how it compares with both GDP and annual budget spending. The final section concludes and provides recommendations.

2.0 METHODOLOGY

In this section, we discuss briefly the data, analytical framework, and research approaches used to address the objectives of the study. We also provide a broad review of the key stakeholders, which underpinned data gathering and overall analysis.

2.1 Data and Sources

We source multiple data sources from primary, secondary, and tertiary sources, akin to data gathering for public policy analysis (**Table 1**). There are two levels of data gathering: first, to explore broader global or regional data with comparative statistics to enable a comparison between Ghana and other countries. Also, we explore data specific to Ghana with disparities depending on different demographic groupings or factors.

Table 1. Data and Sources

Data	Types
Primary	<ul style="list-style-type: none"> - Online Interviews (Key Informant Interviews)¹ - Observations - Administrative Data (raw, unpublished)
Secondary	<ul style="list-style-type: none"> - Academic Journal Articles - Government Reports - NGO/Think Tank Reports - Policy Briefs - Evaluation Reports - Media Articles
Tertiary	<ul style="list-style-type: none"> - Statistical Compendiums (e.g. World Bank, IMF, UNDP) - Indexes (e.g. Global Economic Indicator, etc.) - Databases (e.g. IMF, UN, UNICEF data) - Literature Reviews

Source: Authors' conceptualization

2.2 Analytical Framework

The analytical framework for this study integrates macroeconomic, fiscal, and gender analyses to examine the interplay between illicit financial flows (IFFs), public debt, and public service delivery in Ghana. At its core, the framework adopts a systems-oriented approach to assess how IFFs and debt servicing obligations impact fiscal space, defined as the government's capacity to allocate resources toward essential services. This involves quantitative analysis of Ghana's debt stock, composition, and servicing trends alongside estimates of IFFs and revenue losses, drawing from secondary data sources such as national budgets, IMF reports, and tax justice literature. The analysis further explores how fiscal pressures manifest in public expenditure patterns, particularly in health, education, and social protection.

¹ From online sources

Complementing the fiscal analysis is a political economy lens, which helps to uncover the structural drivers and governance gaps that enable IFFs and unsustainable borrowing (**Figure 1**). This includes examining policy choices, institutional weaknesses, global tax governance dynamics, and the role of powerful domestic and international actors in shaping fiscal priorities. The framework also considers the impact of conditionalities tied to debt restructuring agreements and their implications for national ownership of development policy. By situating Ghana's experience within broader continental and global trends, the study contextualized the country's fiscal challenges and identified feasible policy alternatives.



Figure 1. Analytical Framework/Approaches

Source: Authors' conceptualization

A central pillar of the framework is the incorporation of a gender-responsive and equity-focused analysis. This involves assessing the differentiated impacts of fiscal constraints on women, men, and marginalized communities, using a combination of gender budgeting tools, stakeholder consultations, and case examples. The framework explores how reductions in public spending affect access to essential services, redistribute unpaid care burdens, and exacerbate gender inequalities. It also assesses the extent to which current tax and fiscal policies are aligned with national

commitments to gender equality. This multi-layered approach ensures that the analysis not only identifies problems but also contributes to transformative policy solutions that prioritize social justice and inclusive development.

2.3 Stakeholder Mapping

The stakeholder mapping for this assignment focuses primarily on national stakeholders in Ghana, recognizing their critical role in shaping, implementing, and responding to fiscal and economic policies related to illicit financial flows (IFFs), public debt, and gender-responsive public financing (**Figure 2**). Key actors include government institutions such as the Ministry of Finance, Ghana Revenue Authority, Bank of Ghana, Parliamentary Committees on Finance and Gender, and relevant local government authorities involved in budgeting and service delivery. These institutions will provide essential insights into the policy and administrative frameworks governing debt, taxation, and public expenditure.

Engagement will also extend to a broad range of civil society and non-state actors, including women's rights organisations, labour unions, tax justice coalitions, research institutions, social justice advocates, and community-based organisations working on health, education, and social protection. These stakeholders offer on-the-ground perspectives and lived experiences of how debt and fiscal decisions affect various segments of the population, especially women and marginalized groups. Their input will be central to validating findings, identifying gaps in current policy approaches, and shaping practical, equity-focused recommendations.



Figure 2. Key Stakeholders

Source: Authors' conceptualization

While the emphasis will remain on domestic actors, the study will also review relevant policy documents and reports from international institutions such as the IMF, World Bank, and African Development Bank, particularly in relation to debt restructuring, fiscal conditionalities, and governance benchmarks. However, these entities will not be the focus of direct engagement. Instead, their influence will be examined through a local lens, assessing how their policies and frameworks are interpreted, implemented, and experienced within the Ghanaian context.

3.0 ILLICIT FINANCIAL FLOWS, AND GHANA'S DEBT BURDEN

In this section, we discuss the concept of IFF and public debt burden in Ghana, as well as the nexus in undermining development impact.

3.1 Overview of Illicit Financial Flows

Illicit financial flows (IFFs) encompass the movement of money that is illegally earned, its transfer, and its usage within and across borders. There are various types and sources of IFFs, which differ by country and over time.

There are also various methods of IFF, and different countries serve as destinations for these financial flows. There are also different drivers of IFFs. It is important to differentiate illicit financial flows from capital flight, which is the rapid outflow of large sums of money from the economy due to macroeconomic instability, political turmoil, and unfavorable government policies. Though these outflows can weaken the currency market of a country, erode its tax base, and undermine investment and economic growth, capital flights can be either legal (i.e., a foreign investor repatriating funds) or illegal (i.e., the case of illicit financial flows, which is our focus).

3.1.1 Types and Sources of IFF

Four main categories of activities can lead to IFFs (**Figure 3**), which include: i) tax and commercial IFFs, ii) IFFs from corruption, iii) theft-type activities and financial crime and terrorism, and iv) IFFs from illegal markets (UNCTAD and UNODC, 2020). Tax and commercial practices by multinational companies and large companies might be licit, though they become illicit when they are aggressive or illegal. The other categories are outright illegal.

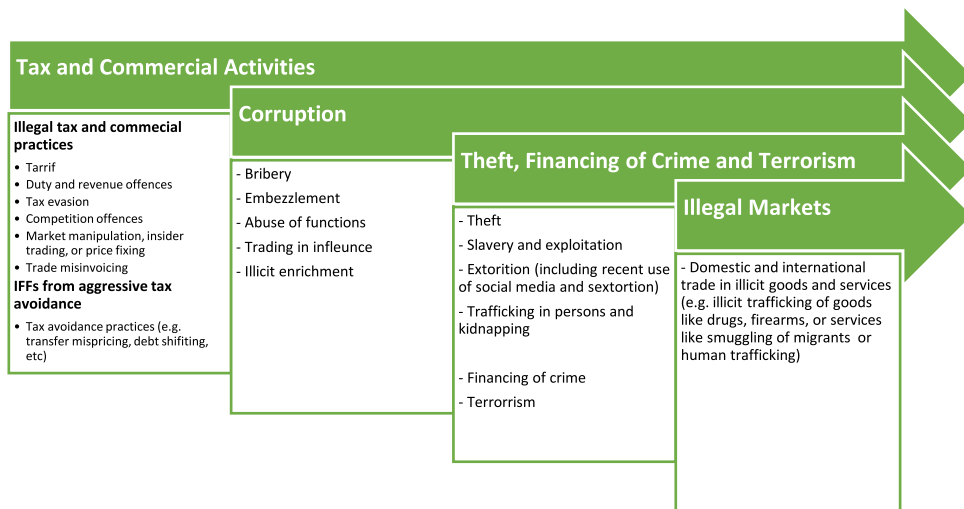


Figure 3. Types and Sources of IFFs

Source: Authors Compilation from (UNCTAD and UNODC, 2020) and Transparency International (2024)

First of all, **tax and commercial practices** of businesses and individuals fall into the IFF zone when the objective is to conceal revenues and reduce tax burdens through evading controls and regulations, especially in an aggressive manner. These can be evident in two situations:

- i. *Illegal tax and commercial IFFs*: They include illegal practices like tariffs, duties, and revenue offences, or trade mis-invoicing, tax evasion, competition offences, and market manipulation (UNODC, 2015). These activities are usually part of the “shadow economy”, “underground economy”, or informal economy, which generates IFFs. They are not easily observable (UNCTAD and UNODC, 2020).
- ii. *IFFs from aggressive tax avoidance*: They are part of economic activities and could be misconstrued to be licit, but due to their aggressive nature, they are illegal. This can be evidenced by manipulation of transfer pricing, debt shifting, relocation of intellectual property, tax deferral, tax treaty shopping, the use of hybrid instruments, changes in corporate structure or economic residence, among others (Transparency International, 2024). Base erosion and profit shifting (BEPS), through interest payments, strategic activities deliberately shift profits to low tax jurisdictions (OECD, 2013).

The second category of IFFs is through **corruption**. Corruption is the abuse of entrusted power for private gain. According to the International Classification of Crime for Statistical Purposes (ICCS) (UNODC, 2015), corruption encompasses bribery, embezzlement, trading in influence, abuse of functions, and illicit enrichment, among others. Corruption happens in both the public sector and private sector, though the former is usually covered in corruption discussions (IMANI, 2022). Public office holders may act solely or in conjunction with private actors in engaging in corruption, and in developing countries, this is usually evidenced through phantom projects, procurement contracts, and licensing offences, among others.

Thirdly, IFFs from **theft-type activities, exploitation, and financing of crime and terrorism** is another category. These include forced and/or voluntary transfer of economic resources between actors, usually without a mutual agreement. These include theft, slavery and exploitation, extortion,

trafficking in persons, and kidnapping. In some cases, these activities form a part of a group that engages in them as part of an organized crime syndicate, which engages in them for money or profit. Also, financing of criminal activities and terrorism form part of IFF.

The last category of IFFs is from **illegal markets** that trade in illicit goods or services. This could be a trade that emanates domestically but eventually crosses borders, and is usually in goods such as drugs and firearms, or services like the smuggling of children or migrants.

3.1.2 IFF Methods

There are broadly 5 different methods through which IFFs are moved. These movements are usually done as part of the illicit activity, or as a means to move the money to a jurisdiction where the actors have some form of secrecy, or an insurance policy against political instability at home.

According to the FATF (2006), there are three main methods through which criminal and terrorist organisations move IFFs. These include the financial system, the physical movement of cash, and the physical movement of goods through the trade system. Other methods included informal value transfer systems like hawala, and virtual assets like cryptocurrencies.

In recent times, this has changed significantly with the expansion of new methods, usually due to the influx of tech-based payment platforms. Thus, FATF (2025) developed a new classification system that included eleven different methods of IFF. These include: i) Cash, ii) Money Value Transfer Systems (MVTs), iii) E-Money, iv) Abuse of Traditional Financial Services, v) Abuse of digital platforms, vi) Virtual assets and virtual asset service providers, vii) Exploitation, trade and trafficking of natural resources, viii) Criminal activities, ix) Legally generated revenue, x) Abuse of legal entities, and xi) In-kind. For brevity, we provide the full list and its examples in **Figure 4**.

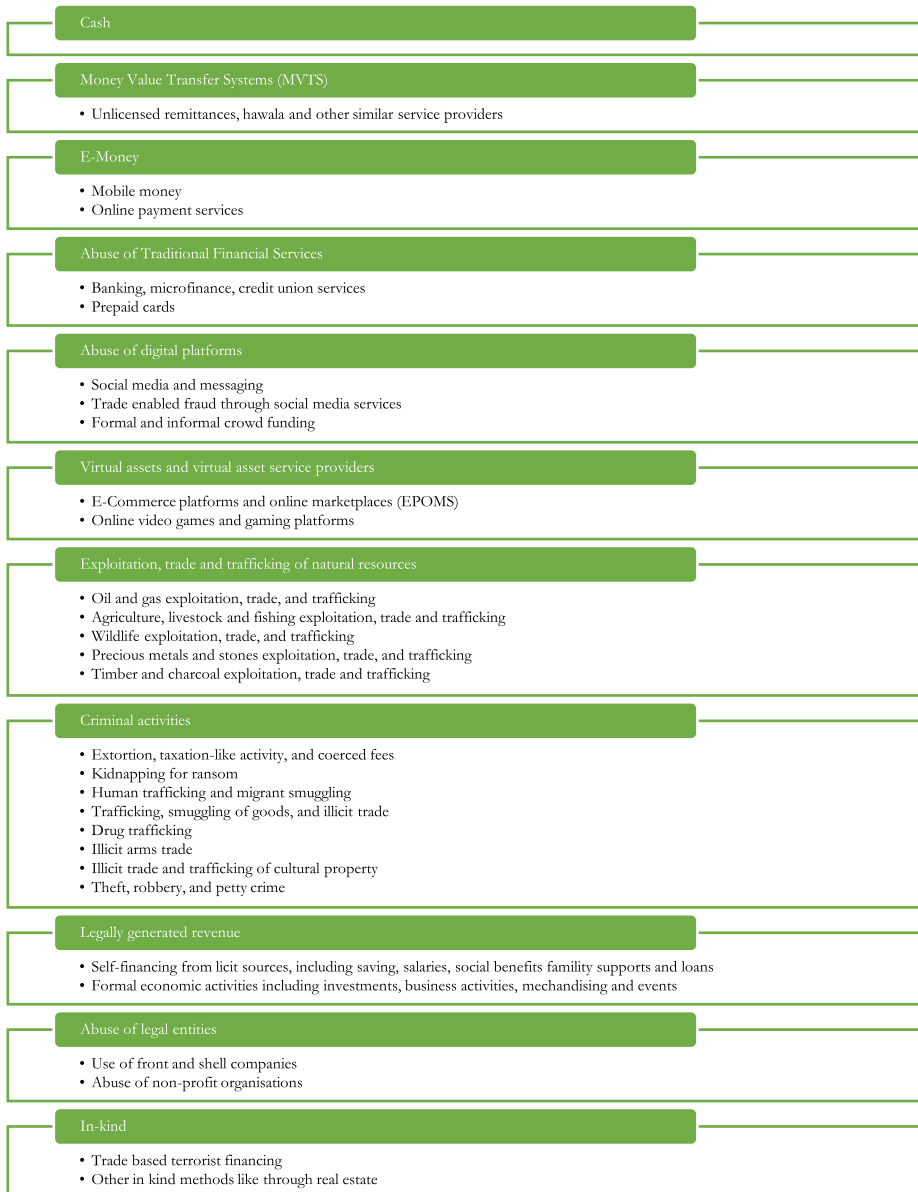


Figure 4. Eleven Methods of IFF

Source: Author's conceptualization based on FATF, (2025)

Generally, cash continues to dominate as the main method through which IFFs are moved. However, the funds are sometimes saved as part of a different method and transferred into cash as and when needed. Where the financial systems is easy to be undermined or have loopholes, the criminal actors undermine and use the banking system, or in recent times, the tech-based platforms continue to increase in usage.

3.1.3 Drivers and Destinations of IFF

The drivers of IFF are underpinned by the institutional settings of a country, its regulatory environment, its natural resource endowment, and the political risk exposure (**Figure 5**).

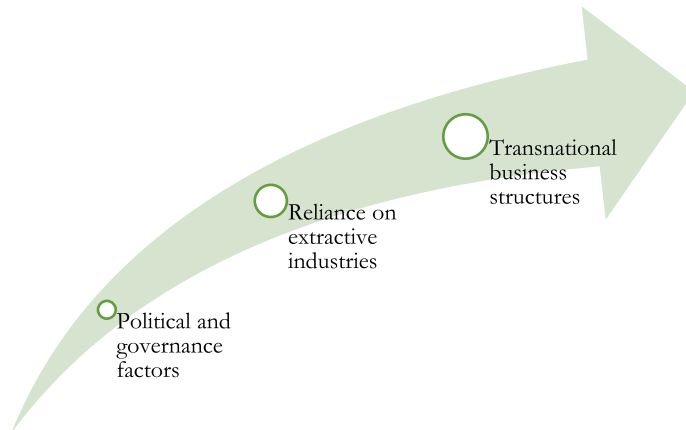


Figure 5. Drivers of IFF

Source: Author's conceptualization

The three key drivers of IFF are i) political and governance factors, iii) reliance on extractive industries, and iii) transnational business structures (Transparency International, 2024).

Political and governance factors create enabling environments for IFFs by weakening oversight, regulatory institutions, and legal enforcement mechanisms. In contexts where corruption is systemic, politically exposed persons (PEPs) and powerful elites may exploit their positions to siphon public resources or engage in illicit transactions with impunity. Weak judicial independence and limited transparency in public procurement further compound the issue. In fragile or conflict-affected states, the absence of a

robust rule of law facilitates criminal networks' ability to operate with minimal accountability, often in collusion with public officials.

Reliance on extractive industries, such as oil, gas, and minerals, exacerbates IFFs due to the high-value nature of these resources and the complexity of their supply chains. These industries often operate in remote areas with limited state presence, making them vulnerable to exploitation by armed groups, corrupt officials, and multinational corporations. Revenue generated from extraction is frequently mismanaged or diverted offshore through under-invoicing, misreporting of production volumes, and secretive contracts. The lack of transparency in commodity trading and the use of intermediaries make it difficult to trace financial flows, facilitating tax evasion and capital flight.

Transnational business structures enable illicit flows through the strategic use of shell companies, offshore jurisdictions, and complex corporate ownership arrangements. Multinational corporations may exploit legal loopholes to shift profits to low-tax or no-tax jurisdictions, undermining domestic revenue mobilization in resource-rich countries. These structures obscure the identity of beneficial owners, allowing criminals and corrupt actors to launder proceeds from illegal activities with minimal detection. The global financial system's uneven regulation and the lack of automatic information exchange between jurisdictions further hinder efforts to detect and prevent cross-border IFFs.

Table 2. Trading Partner Most Responsible for Vulnerability to IFFs

Country	Trading Partner Most Responsible for Vulnerability to IFFs	Most Vulnerable Channel to IFFs
Congo	Germany, USA, France	
Côte d'Ivoire	Luxembourg, Mauritius, France	
Ethiopia	Switzerland, UAE, India	
Ghana	Switzerland, India, United Arab Emirates (UAE) (especially via gold exports)	Outward trade (particularly gold exports)

Country	Trading Partner Most Responsible for Vulnerability to IFFs	Most Vulnerable Channel to IFFs
Kenya	Tanzania, UAE, Rwanda	Outward trade (electronics)
Mauritius	UAE, Kenya, China	Outward trade (electronics)
Morocco	UAE, France, Spain	Inward FDI
Nigeria	UAE, Belgium, Germany	Outward trade (stone)
South Africa	Saudi Arabia, Nigeria, Angola	Inward trade (minerals)
Zambia	UAE, South Africa, Tanzania	Outward trade (electronics)

Source: Modified by author; based on Transparency International (2024) and Tax Justice Network

Recent studies suggest that while the most frequent destinations for illicit financial flows (IFFs) from Africa have traditionally included large, developed economies with historical (sometimes colonial) and commercial ties to source countries, there has been a notable shift towards emerging economies in Asia and the Middle East, particularly China, Singapore, Hong Kong, and the United Arab Emirates (UAE). For instance, illicit flows to China have risen in parallel with increased trade since 2000, while flows to the US have remained relatively constant (Madden, Signé, and Sow, 2020). This shift is driven by several factors: proactive efforts by these jurisdictions to attract global capital, high-quality financial and legal services, weaker corporate and financial regulation, high levels of secrecy, and stable political environments. Although it is difficult to identify precise destinations of IFFs from the nine African countries studied, patterns of trade and investment with low-transparency jurisdictions provide important indicators. The Tax Justice Network as presented in **Table 2**, notes that common destinations of foreign direct investment (FDI) from these countries include European states (France, Italy, Switzerland, Luxembourg, and the UK) and key Asian financial hubs, especially China, Singapore, and Hong Kong (Transparency International, 2024).

The IFF Tracker also highlights specific vulnerabilities by country, identifying key trading partners and channels through which IFFs most likely occur. More broadly, countries like Kenya and Mauritius also emerge as regional hubs for illicit flows. Kenya's real estate and financial systems have facilitated illicit fund movements from conflict-affected states like South Sudan, while Mauritius, due to its robust banking sector and strong investment protections, is a major FDI destination from several African countries, including Congo, Côte d'Ivoire, Kenya, Morocco, and Nigeria. While much of this investment may be legitimate, the lack of transparency raises concerns about the potential use of these jurisdictions as conduits or safe havens for illicit funds.

Interestingly, most studies on IFF tend to rarely cover Ghana, probably because of the relatively strong democratic pedigree and the relatively stable political systems (Madden, Signé, and Sow, 2020). Notwithstanding, IFF is a critical issue which continues to affect the economic development of Ghana and needed to be addressed. For example, Ghana is particularly vulnerable through outward trade in gold, with Switzerland, India, and the UAE identified as the trading partners most responsible for this exposure (**Table 2**). These vulnerabilities reflect long-standing issues such as under-invoicing, misreporting of export values, and opaque supply chains in Ghana's high-value gold sector. Other issues like the illegal activities propagated by Chinese nationals, like illegal mining, which causes large-scale water pollution, and the criminal cutting and export of rosewoods have been conducted in organized manners, which makes them IFF issues. Besides, there is an increasing number of anecdotal evidence and suspicion regarding investments in the real estate sector, which some prominent investors and financial analysts are describing as probably having IFF links (MyJoyOnline, 2025). For example, there is an increasing number of high-value real estate investments in prime locations in cities in Ghana that are sometimes completed without being used. Under a bank-based real estate investment contract, the banks will have set in, or some efforts will have been made to put the assets to use.

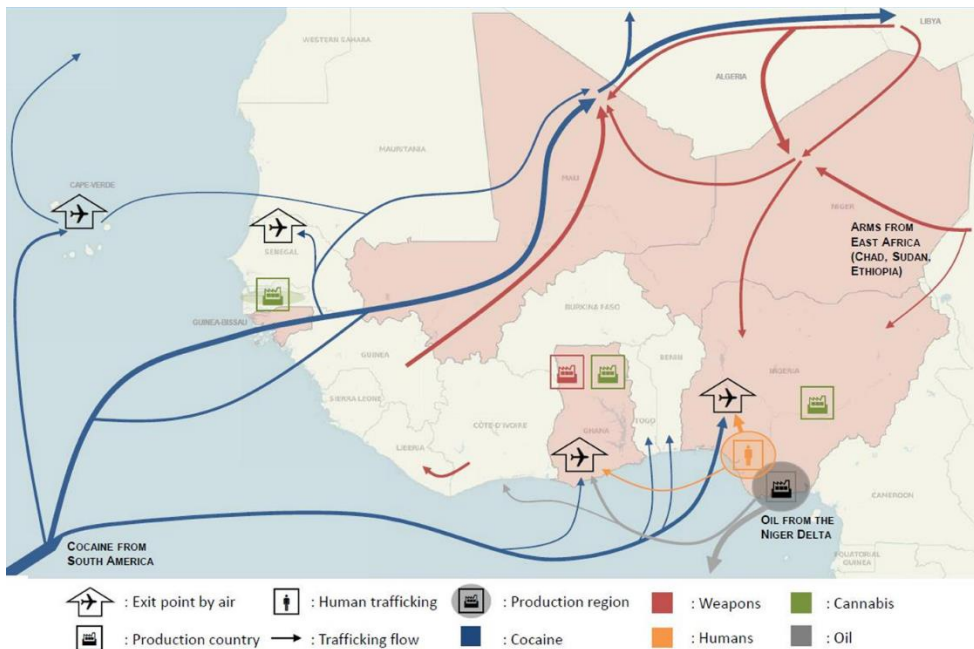


Figure 6. Trafficking flows in West Africa
Source: World Bank, (2015b)

While Ghana does not serve as the primary trafficking hub in West Africa, it remains embedded within a broader regional trafficking architecture that facilitates the movement of illicit goods, persons, and financial flows (**Figure 6**). Situated within the Gulf of Guinea hub, Ghana's strategic location, relatively strong infrastructure, and access to international air corridors make it a key transit and logistical node, particularly for drug couriers and human trafficking syndicates operating across borders. Though maritime cocaine shipments and large-scale arms flows are more concentrated in countries like Guinea-Bissau and Nigeria, Ghana has emerged as a critical conduit for less overt forms of trafficking, including the movement of trafficked persons under the guise of labor migration. These dynamics are symptomatic of wider governance and institutional weaknesses that allow transnational criminal networks to exploit gaps in enforcement, regulatory coordination, and cross-border oversight, conditions which also facilitate illicit financial flows tied to extractive industries and informal economies.

A particularly acute manifestation of trafficking in Ghana relates to the exploitation of children and women in both labor and forced begging syndicates. Reports of organized networks coercing children, often from impoverished northern communities, into street begging and hazardous labor (notably in mining and fishing sectors) underscore the intersection of trafficking with broader socioeconomic vulnerabilities (AdomOnline, 2025). These activities are not only violations of human rights but are also linked to underground economies that facilitate money laundering and cash-based IFFs. Women and girls, who are disproportionately affected by austerity-driven public service cuts and systemic gender inequalities, face heightened risks of exploitation in these informal networks. The inability of public institutions to regulate informal labor, enforce child protection laws, and track financial transactions exacerbates these challenges. Consequently, the persistence of trafficking-related practices within Ghana, though more covert than in neighboring hotspots, reflects the deeper structural enablers of IFFs and underscores the urgent need for integrated approaches that address gendered vulnerabilities, governance deficits, and illicit economies simultaneously.

3.2 Evidence of /Exposures to IFFs in Ghana

In this section, we present a brief overview of key evidence of illicit financial flows (IFFs) in Ghana. To provide a broad understanding of the issue and the country's exposure to IFF risks, we highlight recent events and cases. While some of these are still under judicial review and may not yet be legally conclusive, they offer important insights into the patterns and vulnerabilities that enable IFFs in Ghana. Despite high risks of IFF in key sectors of the economy, like oil and gas sector, and other high investment sectors, the following key areas are particularly where IFF exposures are high in Ghana.

Gold and Mining Sector-Related IFFs: Illicit financial flows (IFFs) in Ghana's gold and mining sector primarily occur through supply-side leakages, illegal artisanal mining (commonly referred to as *galamsey*), and opaque financing of mining machinery (ISODEC, 2025). These operations are often backed by politically exposed persons (PEPs) or foreign actors, particularly Chinese nationals, who hide their involvement behind corporate structures. Despite

the introduction of beneficial ownership regulations, enforcement remains weak, allowing these actors to operate with impunity. Galamsey activities are not only economically damaging but also environmentally destructive, leading to increasing public calls for it to be classified as a criminal offense due to its long-term costs to the nation. Moreover, discrepancies between declared gold export values from Ghana and the higher import values recorded in destination countries point to widespread under-invoicing and smuggling, resulting in significant revenue losses.

Forestry Sector and Illegal Logging (Rosewood Trafficking): IFFs in Ghana's forestry sector are heavily linked to illegal logging and the underreporting of timber exports. Rosewood, an endangered species, has been the focus of illegal trade largely driven by Chinese syndicates. These networks operate in a coordinated manner, often with the protection of influential political actors. A prominent example is Aisha Huang, a Chinese national previously deported for illegal mining and logging activities, who later returned to Ghana and resumed operations, highlighting the complicity or weakness of enforcement systems. This case demonstrates how organized networks can exploit governance gaps to fuel illicit trade and bypass regulatory frameworks.

Counterfeit Medicines and Illicit Drugs: The trafficking of cocaine and the rising influx of counterfeit medicines and opioids represent serious and growing threats, especially to the youth. While cocaine trafficking continues to present IFF risks through smuggling and laundering of drug proceeds, the proliferation of falsified and substandard pharmaceuticals in both formal and informal markets is becoming increasingly dominant. These activities endanger public health and create illicit revenue streams that are laundered through local businesses or transferred offshore, evading taxation and regulatory scrutiny.

Public Procurement Breaches: Public procurement remains a significant avenue for financial misconduct. While some high-profile cases involving the political elite are still under judicial review, existing evidence suggests systemic misuse of public funds and deliberate circumvention of procurement laws. Funds have been channeled through opaque contracts and shell-like firms, raising serious concerns about accountability. Though

final judgments are pending, the patterns observed highlight the need for greater oversight, transparency, and political will to tackle procurement-related IFFs.

Shell-like Companies and Beneficial Ownership Concerns: The controversial Agyapa Royalties deal exemplifies how shell-like companies can be used to facilitate IFFs (Citinewsroom, 2024; Transparency International, 2023).² Civil society organizations raised alarms over the potential diversion of public resources into private hands through offshore structures in low-transparency jurisdictions. In addition, many companies registered with the Registrar General's Department operate in ways that are inconsistent with their declared purposes. These discrepancies raise red flags about the misuse of corporate entities to conceal illicit activities or reallocate public funds.

Internet Fraud and Money Laundering: Internet-based scams and related money laundering activities are on the rise in Ghana. Recent arrests, including by the FBI, have uncovered complex schemes involving the transfer of illicit funds between Africa and Western countries (DOJ, 2025). While these scams often originate from foreign targets, some of the laundered proceeds are believed to be re-exported or used to acquire local assets, creating new IFF channels. Moreover, such schemes may involve the theft of local resources, compounding the damage to the domestic economy.

3.3 Public Debt Burden in Ghana: Trends and Drivers

Ghana's public debt dynamics have been shaped by years of fiscal imbalances, energy sector arrears, and exchange rate depreciation that accumulated through 2023. The effect of the HIPC initiative is evident in the reduction of pre-2006 public debt in Ghana, leading to the lowest debt-to-GDP ratio recorded in 2006. Since then, the debt levels have been increasing over time. For instance, debt levels increased significantly, leading to the highest level of over 80% of GDP, resulting in a debt default (**Figure 7**). The

² Even though the Agyapa mineral royalties deal was eventually suspended (indefinitely), public funds of over \$12 million were used, funds which could have been used to support real economic activities or social protection efforts.

high cost of domestic borrowing, short maturities, and foreign exchange exposures compounded refinancing risks. Even with the extensive debt restructuring in 2024, as evident in **Table 3**, Ghana entered 2025 with a heavy debt service burden, limiting fiscal space for social investment and growth-enhancing expenditures (Ministry of Finance, 2025b).

Table 3. Public Debt Statistics for Ghana, January to August 2025

MEMORANDUM ITEMS	JAN - 2025	FEB - 2025	MAR - 2025	AP - 2025	MAY - 2025	JUNE - 2025	JULY - 2025	AUG - 2025
REVISED NOMINAL GDP (GH¢'MIL)	1,400,006.09	1,400,006.09	1,400,006.09	1,400,006.09	1,400,006.09	1,400,006.09	1,400,006.09	1,400,006.09
CENTRAL GOVERNMENT (CG)								
DEBT								
TOTAL CG EXTERNAL DEBT INCL. GUARANTEES (GH¢'MIL)	432,040.00	440,109.03	442,513.69	408,037.08	296,469.30	300,278.09	305,025.24	333,261.62
TOTAL CG DOMESTIC DEBT (GH¢'MIL)	320,079.93	328,035.97	326,903.12	322,295.40	315,630.33	312,681.12	323,746.09	322,629.41
TOTAL CG DEBT (GH¢'MIL)	752,119.92	768,145.01	769,416.81	730,332.48	612,099.63	612,959.21	628,771.33	655,891.03
GROSS CG EXTERNAL DEBT/GDP	30.86%	31.44%	31.61%	29.15%	21.18%	21.45%	21.79%	23.80%
GROSS CG DOMESTIC DEBT/GDP	22.86%	23.43%	23.35%	23.02%	22.54%	22.33%	23.12%	23.04%
GROSS TOTAL CG DEBT/GDP	53.72%	54.87%	54.96%	52.17%	43.72%	43.78%	44.91%	46.85%
NON-GUARANTEED DEBT FROM PUBLIC CORPORATIONS								
EXTERNAL NON-GUARANTEED DEBT FROM PUBLIC CORPORATIONS	4,024.05	4,084.54	3,991.31	3,636.64	2,331.94	2,276.87	2,258.80	2,452.40
<i>COCOBOD EXTERNAL NON-GUARANTEED DEBT</i>	<i>1,845.98</i>	<i>1,873.73</i>	<i>1,873.73</i>	<i>1,707.23</i>	<i>930.22</i>	<i>932.95</i>	<i>950.14</i>	<i>1,031.57</i>
<i>GIIF EXTERNAL NON-GUARANTEED DEBT</i>	<i>1,443.30</i>	<i>1,464.99</i>	<i>1,464.99</i>	<i>1,334.81</i>	<i>969.74</i>	<i>972.58</i>	<i>930.47</i>	<i>1,010.22</i>
<i>VRA EXTERNAL NON-GUARANTEED DEBT</i>	<i>734.77</i>	<i>745.81</i>	<i>652.59</i>	<i>594.60</i>	<i>431.97</i>	<i>371.35</i>	<i>378.19</i>	<i>410.61</i>
DOMESTIC NON-GUARANTEED DEBT FROM PUBLIC CORPORATIONS	9,237.71	9,237.71	9,237.71	9,237.71	9,237.71	9,237.71	9,237.71	9,237.71

<i>COCOBOD DOMESTIC NON-GUARANTEED DEBT</i>	8,717.73	8,717.73	8,717.73	8,717.73	8,717.73	8,717.73	8,717.73	8,717.73
<i>ECG DOMESTIC NON-GUARANTEED DEBT</i>	519.98	519.98	519.98	519.98	519.98	519.98	519.98	519.98
TOTAL NON-GUARANTEED DEBT FROM PUBLIC CORPORATIONS	13,261.76	13,322.25	13,229.02	12,874.35	11,569.65	11,514.58	11,496.51	11,690.11
PUBLIC SECTOR DEBT								
TOTAL PUBLIC EXTERNAL DEBT	433,885.98	441,982.76	444,387.42	409,744.31	297,399.52	302,554.96	307,284.04	335,714.02
TOTAL PUBLIC DOMESTIC DEBT	328,797.66	336,753.70	335,620.85	331,013.13	324,348.07	321,918.83	332,983.80	331,867.13
TOTAL PUBLIC DEBT	762,683.64	778,736.47	780,008.28	740,757.45	621,747.59	624,473.79	640,267.85	667,581.15
TOTAL PUBLIC DEBT/GDP	54.48%	55.62%	55.71%	52.91%	44.41%	44.61%	45.73%	47.68%
TRADEABLE INSTRUMENTS	98%	98%	98%	98%	98%	98%	99%	98%
NON-TRADEABLE INSTRUMENTS	2%	2%	2%	2%	2%	2%	1%	2%

Source: Ministry of Finance, (2025a)

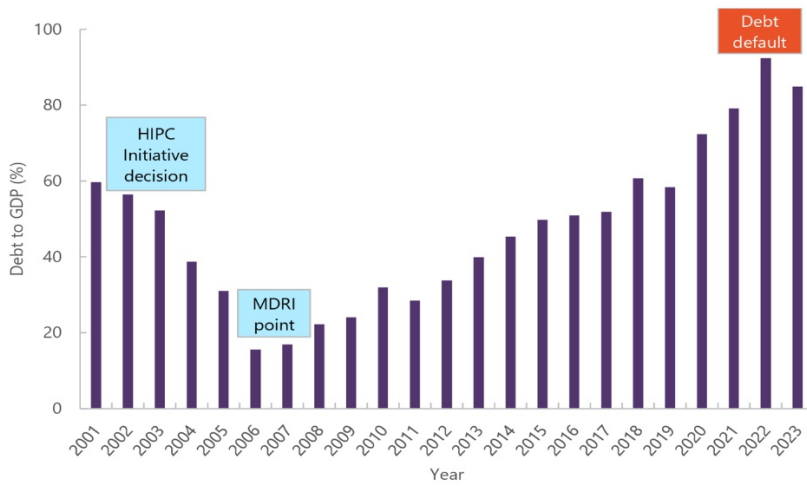


Figure 7. Ghana's Government Debt as Share of GDP, 2001–22

Sources: International Monetary Fund, 2023b, and World Bank, (2024)

Note: HIPC = Heavily Indebted Poor Countries; MDRI = Multilateral Debt Relief Initiative.

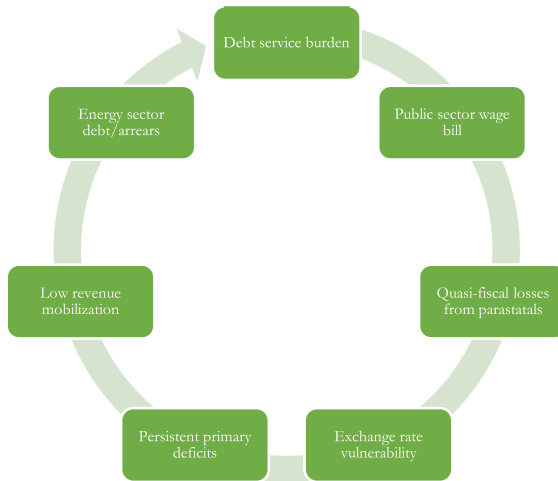


Figure 8. Drivers of the Public Sector Debt in Ghana

Source: Author's conceptualization

Structural weaknesses such as low revenue mobilization, public sector wage bill rigidities, energy sector debt, persistent primary deficits, and quasi-fiscal

losses from state-owned enterprises have historically driven Ghana's debt trajectory (**Figure 8**). The reliance on short-term Treasury instruments, which accounted for nearly 35.9% of marketable domestic debt in 2024, sustained liquidity pressures and elevated interest costs (Ministry of Finance, 2025b). External debt vulnerabilities also remained high, given Ghana's exposure to global market volatility and currency depreciation which was very high under the previous government. Despite these challenges, the debt restructuring delivered significant relief by reducing the average external interest rate and extending maturities, contributing to a decline in the overall debt-to-GDP ratio.



Figure 9. Public Debt Stock by Source (Provisional), Q2-2024 to Q2-2025 (in GH¢ Billions)
Source: Ministry of Finance, (2025d)

Since January 2025, the Mahama administration has intensified fiscal consolidation and liability management under the IMF-supported programme, delivering measurable gains. Public debt levels decreased from 63.4% in the second quarter of 2024 to 43.7% in the second quarter of 2025. The latest data presented in **Figure 9** shows a sustained reduction in Ghana's total public debt from GH¢744.85 billion in the second quarter of

2024 to GH¢612.96 billion in the second quarter of 2025, a historic nominal decline over only a few quarters. The debt-to-GDP ratio fell sharply from 63.4% in the second quarter of 2024 to 43.7% in the second quarter of 2025, reflecting strong fiscal discipline, improved external inflows, and continued debt optimization. External public debt fell from GH¢454.85 billion in the second quarter of 2025 to GH¢300.28 billion in the second quarter of 2025, while domestic debt eased from GH¢298.99 billion to GH¢312.68 billion over the same period, signalling the administration's commitment to restoring macro-fiscal balance and credibility in financial markets.

These early gains, supported by the IMF's Extended Credit Facility but even more because of the prudent stance of the new government, mark a decisive turning point in Ghana's debt sustainability efforts. Improved investor confidence, narrowing spreads in secondary markets, and the rebound in foreign reserves to over four months of import cover reflect growing macroeconomic stability. Yet, critical tasks remain: broadening the tax base, managing contingent liabilities from state-owned enterprises, and diversifying the export base to buffer external shocks. If the current prudential stance is maintained, Ghana could consolidate its debt-to-GDP ratio below 50% through 2026, an unprecedented achievement in the post-COVID era that would restore fiscal sovereignty and lay the foundation for sustainable, inclusive growth.

3.4 Public Debt Servicing

Public debt servicing continues to receive significant attention. Currently, Ghana is relying almost entirely on domestic borrowing to refinance debt, with external financing constrained, and debt servicing obligations consuming more than all new inflows, a clear indicator of fiscal fragility and dependence on short-term domestic instruments.

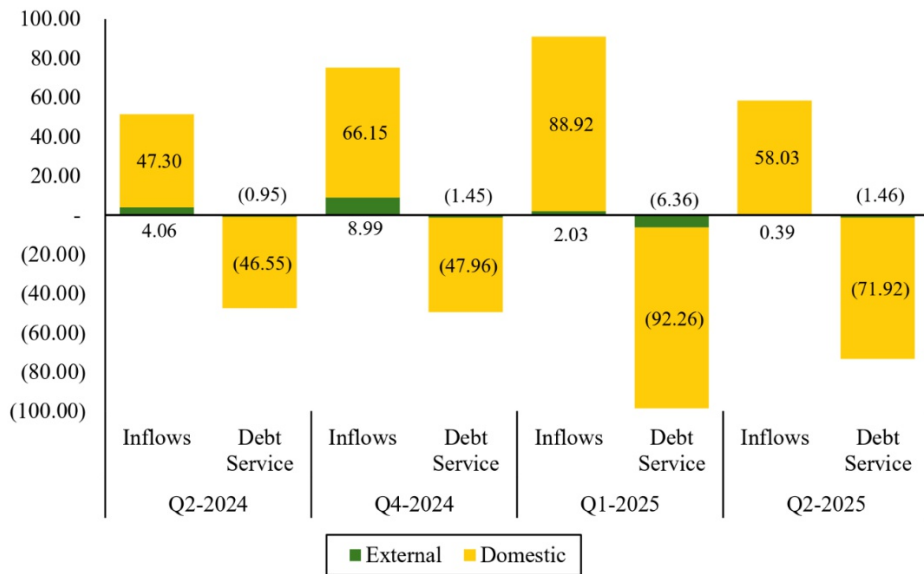


Figure 10. Total Inflows & Debt Service Cost, Q2-2024 to Q2-2025 in GH¢ Billions
Source: Ministry of Finance, (2025d)

In **Figure 10**, we present the recent statistics on total inflows and debt service cost from the second quarter of 2024 to the second quarter of 2025. The total inflows are all the funds received by the government during the period, while the debt service cost is the payments made to service existing debts (i.e., pay the interest and principal on loans). As evident, gross inflows for the second quarter of 2025 amounted to GH¢58.43 billion, comprising external loan disbursements of GH¢0.39 billion and gross domestic issuances of GH¢58.03 billion. During the same period, total debt service payments reached GH¢73.38 billion, consisting of external debt service of GH¢1.46 billion and domestic debt service of GH¢71.92 billion.

Ghana's debt service-to-inflow ratio in the second quarter of 2025 is over 125% ($73.38 / 58.43$), meaning even all new borrowing and inflows could not fully cover maturing obligations. This points to fiscal stress, where the state is trapped in a domestic debt rollover cycle, borrowing heavily³ just to service previous debt rather than fund new development and support inclusive growth for vulnerable groups like women. It also suggests limited

³ In this case, borrowing within the domestic market, through treasury bills.

fiscal space for infrastructure, social programs, or productive investments. Heavy domestic borrowing could further crowd out private sector credit, raise interest rates, and weaken macroeconomic stability. The government has to balance the short-term focus on servicing the debt with other long-term investment-based objectives, especially on protecting gender rights.

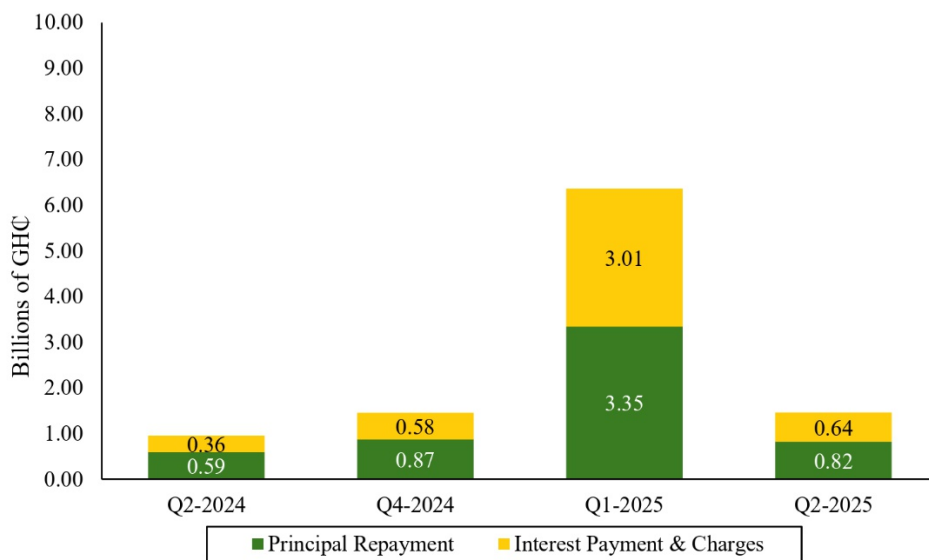


Figure 11. External Debt Service (Provisional), Q4-2023 to Q4-2024
Source: Ministry of Finance, 2025d

Total external debt service payments on central government debt amounted to GH¢1.46 billion in the second quarter of 2025 (**Figure 11**). This comprised principal repayments of GH¢0.82 billion and interest and other charges totaling GH¢0.64 billion. The figure represents a 77.0 percent quarter-on-quarter decline from GH¢6.34 billion recorded in the first quarter of 2025, reflecting temporary relief from deferred external obligations under ongoing restructuring arrangements. However, compared with the GH¢0.95 billion recorded in the second quarter of 2024, the 2025 outturn reflects a significant year-on-year increase, driven mainly by maturing multilateral debt facilities falling due during the period.

The decline in external debt service in the second quarter of 2025 provides short-term fiscal relief but masks deeper structural challenges in Ghana's

debt dynamics and public finance management. The country's reliance on domestic borrowing to service debt, combined with constrained external inflows, continues to crowd out social sector spending and limit fiscal space for health, education, and social protection.

While the decline in external debt service in the second quarter of 2025 eases immediate liquidity pressures, Ghana's fiscal position remains precarious. Without reforms to curb illicit financial flows, enhance revenue efficiency, and reorient expenditure toward inclusive social investments, the country risks entrenching a debt-dependent model that undermines both macroeconomic stability and equitable development outcomes.

Table 4. Public Debt Servicing Trends in Ghana, 2008 to June (Provisional) 2025 (in Billions)

Year	Total Public Debt	Domestic Debt	External Debt	Interest Payments	Debt Servicing	% of GDP
2008	GH¢9.80	GH¢4.90	GH¢4.90	GH¢0.70	GH¢1.10	32.30%
2009	GH¢12.20	GH¢5.80	GH¢6.40	GH¢1.00	GH¢1.60	36.20%
2010	GH¢18.00	GH¢8.30	GH¢9.70	GH¢1.50	GH¢2.30	40.10%
2011	GH¢24.00	GH¢11.80	GH¢12.20	GH¢2.40	GH¢3.50	42.60%
2012	GH¢35.10	GH¢18.50	GH¢16.60	GH¢3.60	GH¢5.40	47.80%
2013	GH¢53.40	GH¢26.70	GH¢26.70	GH¢5.60	GH¢8.10	57.20%
2014	GH¢76.10	GH¢34.60	GH¢41.50	GH¢7.10	GH¢11.90	70.20%
2015	GH¢100.20	GH¢40.50	GH¢59.70	GH¢9.70	GH¢12.80	72.20%
2016	GH¢122.60	GH¢53.40	GH¢69.20	GH¢11.70	GH¢15.40	73.40%
2017	GH¢142.50	GH¢66.80	GH¢75.70	GH¢13.30	GH¢18.80	69.20%
2018	GH¢173.10	GH¢86.80	GH¢86.30	GH¢15.80	GH¢23.80	63.20%
2019	GH¢218.20	GH¢112.70	GH¢105.50	GH¢19.70	GH¢29.30	62.90%
2020	GH¢291.60	GH¢149.80	GH¢141.80	GH¢24.50	GH¢35.20	76.10%
2021	GH¢351.80	GH¢181.80	GH¢170.00	GH¢35.10	GH¢46.80	80.80%
2022	GH¢467.40	GH¢190.20	GH¢277.20	GH¢44.00	GH¢58.70	88.10%
2023	GH¢569.30	GH¢226.20	GH¢343.10	GH¢45.50	GH¢65.20	85.50%
2024	GH¢626.10	GH¢259.70	GH¢366.40	GH¢46.00	GH¢72.70	81.90%
2025	GH¢769.40	GH¢326.90	GH¢442.50	GH¢64.20	GH¢85.00	55.00%

Source: Ghana Public Debt Tracker; Economic Governance Platform (2025)

In **Table 4**, we also present some of the public debt statistics showing the decreasing debt levels. The proposed 24-hour economy policy, which is aimed at extending productive and service activities beyond traditional working hours, has the potential to reshape Ghana's fiscal and debt landscape if strategically implemented. By stimulating continuous economic

activity, expanding employment opportunities, and deepening tax bases, the initiative could generate additional fiscal resources to support health, education, and social protection, while reducing dependence on borrowing. But this is not given; it depends on the proper and effective implementation, which can increase GDP while reducing the debt servicing pressure.

The interest coverage ratio helps assess the number of times interest payments can be covered by another expenditure or revenue metric. In this case, we assess the ratio of the debt obligations to the total expenditure allocated to four key ministries: i) Ministry of Gender, Children and Social Protection, ii) Ministry of Education, iii) Ministry of Health, and iv) Ministry of Food and Agriculture. As presented in **Table 5**, interest payments, or total debt service payments, are multiple times of the allocations made to each of the ministries (see also **Figure 12**). The total interest payment only covers the interest charged on the public debt, while the total debt servicing obligations cover both the interest payments and the principal payments for the period.

Table 5. Interest Coverage Ratios for Key Social Impact Ministries

Item	2018	2019	2020	2021	2022	2023	2024	2025
Total Interest Payments	15,800	19,700	24,500	35,100	44,000	45,500	46,000	64,200
Total Debt Servicing Obligations	23,800	29,300	35,200	46,800	58,700	65,200	72,700	85,000
Ministry of Gender, Children and Social Protection	738	594	713	530	1,143	877	1,472	2,891
<i>Ratio of Interest Payments to Budget - MOGCSP</i>	21.4	33.2	34.3	66.2	38.5	51.9	31.2	22.2
<i>Ratio of Debt Servicing to Budget - MOGCSP</i>	32.2	49.3	49.3	88.3	51.3	74.3	49.4	29.4
Ministry of Education	11,849	14,375	15,563	13,263	13,632	19,311	33,621	31,772
<i>Ratio of Interest Payments to Budget - MOE</i>	1.3	1.4	1.6	2.6	3.2	2.4	1.4	2.0
<i>Ratio of Debt Servicing to Budget - MOE</i>	2.0	2.0	2.3	3.5	4.3	3.4	2.2	2.7
Ministry of Health	4,550	3,727	860	10,826	6,509	9,573	14,932	17,817
<i>Ratio of Interest Payments to Budget - MOH</i>	3.5	5.3	28.5	3.2	6.8	4.8	3.1	3.6
<i>Ratio of Debt Servicing to Budget - MOH</i>	5.2	7.9	40.9	4.3	9.0	6.8	4.9	4.8
Ministry of Food and Agriculture	834	973	1,114	1,433	712	1,459	2,348	2,905
<i>Ratio of Interest Payments to Budget - MOFA</i>	18.9	20.2	22.0	24.5	61.8	31.2	19.6	22.1
<i>Ratio of Debt Servicing to Budget - MOFA</i>	28.5	30.1	31.6	32.7	82.5	44.7	31.0	29.3

Note: All monetary values for the Ministries and payment obligations are expressed in Ghanaian Cedis (GHS) millions. The ratios represent coverage indicators, showing how many times each ministry's budget could cover the corresponding interest payment or debt servicing amount.

Source: Authors' calculations based on Ministry of Finance data and Ghana Public Debt Tracker

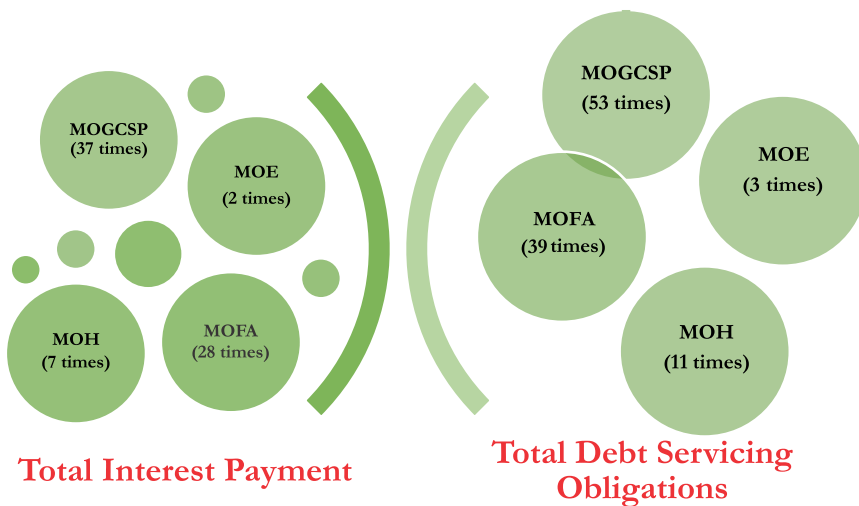


Figure 12. Interest Coverage Ratios
Source: Author's conceptualization

Over the period 2018 to 2025, total interest payments are 37 times the expenditure to the Ministry of Gender, Children and Social Protection, 2 times the expenditure to the Ministry of Education, 7 times the expenditure to the Ministry of Health, and 28 times the expenditure to the Ministry of Food and Agriculture.

Also, over the period 2018 to 2025, total debt servicing obligations are 53 times the expenditure to the Ministry of Gender, Children and Social Protection, 3 times the expenditure to the Ministry of Education, 11 times the expenditure to the Ministry of Health, and 39 times the expenditure to the Ministry of Food and Agriculture.

3.5 IFF and Debt Burden Nexus

Both Illicit Financial Flows (IFFs) and the public debt burden act as compounding sources of distortions within Ghana's fiscal ecosystem, creating a cycle that undermines sustainable economic development (**Figure 13**). IFFs, which include the illegal transfer of funds across borders, fundamentally erode the domestic revenue base. This erosion reduces the government's fiscal capacity to fund essential development projects, forcing increased reliance on external borrowing. Consequently, the need for additional debt raises financing costs and reduces the development impact of borrowed resources, as a larger share of revenue is diverted to debt servicing rather than productive investment.

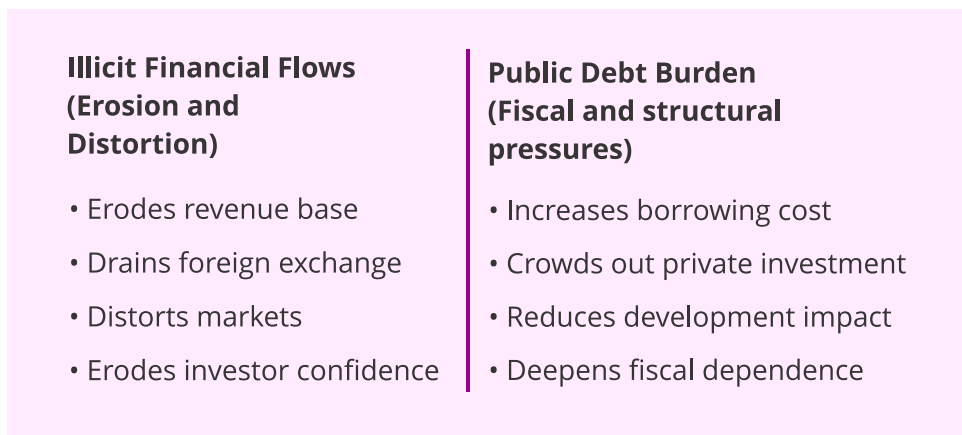


Figure 13. IFF and Public Debt Burden Nexus
Source: Author's conceptualization

Beyond the direct fiscal implications, IFFs also generate market distortions. Funds that leave the country illicitly drain foreign exchange reserves, increasing currency volatility and raising perceived country risk. This undermines investor confidence, discourages both domestic and foreign investment, and weakens the overall investment climate. Even when IFFs remain within private hands, they distort competitive dynamics by giving illicit actors an undue advantage, which further disrupts efficient market

functioning and reduces the quality of the economic environment for law-abiding participants.

The public debt burden, in turn, exacerbates these distortions. High levels of debt increase the government's borrowing costs, limit fiscal space, and crowd out private investment by absorbing capital that could otherwise be channeled into productive sectors. Heavy debt servicing obligations also reduce the development impact of public spending, constraining investments in infrastructure, health, and education. Over time, this deepens fiscal dependence on external creditors and reduces the government's ability to respond effectively to economic shocks, perpetuating the very conditions that encourage IFFs. Together, IFFs and the public debt burden create a mutually reinforcing cycle that hampers fiscal stability, deters investment, and limits Ghana's capacity for inclusive economic growth.

4.0 IFFs AND DEBT ON PUBLIC SERVICES DELIVERY AND QUALITY

In this section, we discuss public services delivery and its quality in Ghana. We then linked it to IFF and public debt burden. Further, the section discusses the budgetary allocations to key ministries like education, health, and social protection, discussing the connection to both IFF and the public debt burden.

4.1 Overview of Public Services Delivery and Quality in Ghana

Public service is any service that is meant to address the needs of aggregate members of a country, either solely through public sector agencies or a collaboration with the private sector, civil society organisations, or even the media. Thus, public service delivery is the process by which the government and public sector agencies provide these services to the citizenry. In the current complex political and socio-economic environment, many different public services are delivered to the public, including: education, electricity, water, health, courts, military, policing, mail⁴, environmental protection,

⁴ Which is nationally under the Ghana Post. <https://www.ghanapost.com.gh/>

public library, public utilities and their regulation, public transportation, waste management, infrastructure, Telecommunications and its regulation, public broadcasting, emergency services like disaster management or fire service, public parks, and social services among others.

Generally, government ministries, departments, and agencies are structured to cover the various public services that the country delivers to its citizenry. Like private sector service delivery, **public service delivery** encompasses several key components and principles designed to ensure that services are delivered efficiently, effectively, and responsively. Thus, it is underpinned by principles that include:

- *Customer (Citizen) Focus:* Just as the private sector prioritizes customer satisfaction, public service delivery is designed to meet the needs and expectations of citizens and other stakeholders. Emphasis is placed on ensuring that services are accessible, transparent, and responsive to the public.
- *Efficiency and Effectiveness:* Public services should be delivered in a cost-effective manner, using available resources wisely to achieve the best possible outcomes. There is a strong focus on measuring performance and managing services based on results.
- *Accountability and Transparency:* Public service delivery is accountable to both the general public and elected officials. All decisions and expenditures must be transparent, and systems should be in place to provide feedback and allow for redress where necessary.
- *Equity and Fairness:* Unlike the private sector, which may prioritize profit and focus on specific market segments, public service delivery must ensure fair and equal access for everyone, regardless of income level, geographic location, or social background.
- *Standards and Quality:* Public services are expected to meet defined quality standards and be continuously improved based on public feedback and thorough evaluation. Tools such as benchmarking and service charters are often used to set and communicate service expectations.
- *Innovation and Technology Use:* Both the public and private sectors increasingly rely on technology and innovation to improve service

delivery. Examples include the use of e-government platforms and mobile services to enhance access and efficiency.

- *Human Resources and Capacity Building:* Like the private sector, the public sector depends on skilled personnel, strong leadership, and continuous training to ensure that services are delivered effectively and with high quality.
- *Policy and Regulatory Frameworks:* Public service delivery operates within established legal and policy frameworks, which determine what services are provided, how they are structured, and how they are regulated.

The notable public service delivery examples in Ghana include:

- The *Ministry of Finance* which manages public debt, prepares the national budget, and formulates policies to ensure sustainable economic growth and debt sustainability.
- The *Ministry of Gender, Children, and Social Protection (MOGCSP)* which formulates and implements social protection policies aimed at reducing poverty, promoting gender equality, and safeguarding the welfare of vulnerable populations, including children, the elderly, and persons with disabilities.
- The *Bank of Ghana (BoG)* which regulates the financial sector, supervises banks and forex bureaus, and works to prevent illicit financial flows through the enforcement of anti-money laundering regulations.
- The *Financial Intelligence Centre (FIC)* which collects and analyzes suspicious financial transactions to combat money laundering, terrorism financing, and other illicit financial flows.
- The *Public Procurement Authority (PPA)* which regulates and monitors public procurement to reduce corruption, ensure value for money, and prevent financial leakages.
- The Audit Service of Ghana audits public sector accounts to ensure accountability, transparency, and proper use of public funds.
- *The Office of the Special Prosecutor (OSP)* which investigates and prosecutes cases of corruption and corruption-related offences, including illicit enrichment and misappropriation of public funds.

- The *Commission on Human Rights and Administrative Justice (CHRAJ)* which addresses issues of corruption, abuse of power, and poor service delivery in the public sector.
- The *Public Interest and Accountability Committee (PIAC)* which monitors the use of petroleum revenues to ensure transparency and prevent mismanagement of oil and gas resources.
- The *Registrar-General's Department* which facilitates company registration and compliance to help reduce shell companies and anonymous ownership linked to illicit financial activities.
- The *Ghana Integrated Financial Management Information System (GIFMIS)* which helps manage public finances by tracking government revenue, expenditure, and budgeting processes digitally for improved accountability.
- The *National Health Insurance Scheme (NHIS)* which provides affordable healthcare services to Ghanaians through a nationwide insurance program.
- The *Free Senior High School (Free SHS) Policy* which offers free secondary education to all eligible students to promote access and equity in education.
- The *Ghana School Feeding Programme (GSFP)* which provides one nutritious meal per school day to children in public primary schools to boost attendance and improve nutrition.
- The *Livelihood Empowerment Against Poverty (LEAP) Programme* which delivers cash transfers to extremely poor and vulnerable households to reduce poverty.
- The *Ghana Education Service (GES)* which administers basic and secondary education across the country, including teacher recruitment and curriculum development.
- The *Ghana Water Company Limited (GWCL)* which supplies clean and safe drinking water to urban areas and improves water infrastructure.
- The *Community Water and Sanitation Agency (CWSA)* which provides rural communities with access to safe water and improved sanitation services.
- The *National Identification Authority (NIA)* which issues biometric national ID cards (Ghana Card) to citizens and residents to enhance identification and access to services.

- The *Ghana Revenue Authority (GRA)* which offers digital platforms for filing and paying taxes to improve efficiency and taxpayer compliance.
- The *Births and Deaths Registry* which provides online services for registering births and deaths to ensure timely and accurate civil documentation.
- The *Ghana Electronic Procurement System (GHANEPS)* which ensures transparency and accountability in public procurement through an e-procurement platform.
- The *National Ambulance Service* which delivers emergency medical response and pre-hospital care across the country.
- The *National Commission for Civic Education (NCCE)* which educates citizens on their rights and responsibilities to promote civic participation and democracy.
- The *Forestry Commission* which manages forest resources and leads environmental initiatives like tree planting and afforestation.

Public service quality refers to the degree to which public services meet the needs, expectations, and standards of the citizens who use them. It is a measure of how effectively, efficiently, fairly, and reliably services provided by government institutions or public agencies are delivered. Citing the service quality (SERVQUAL) model, public service quality tends to focus on how citizens assess the reliability, assurance, tangibles, empathy, and responsiveness of government services.

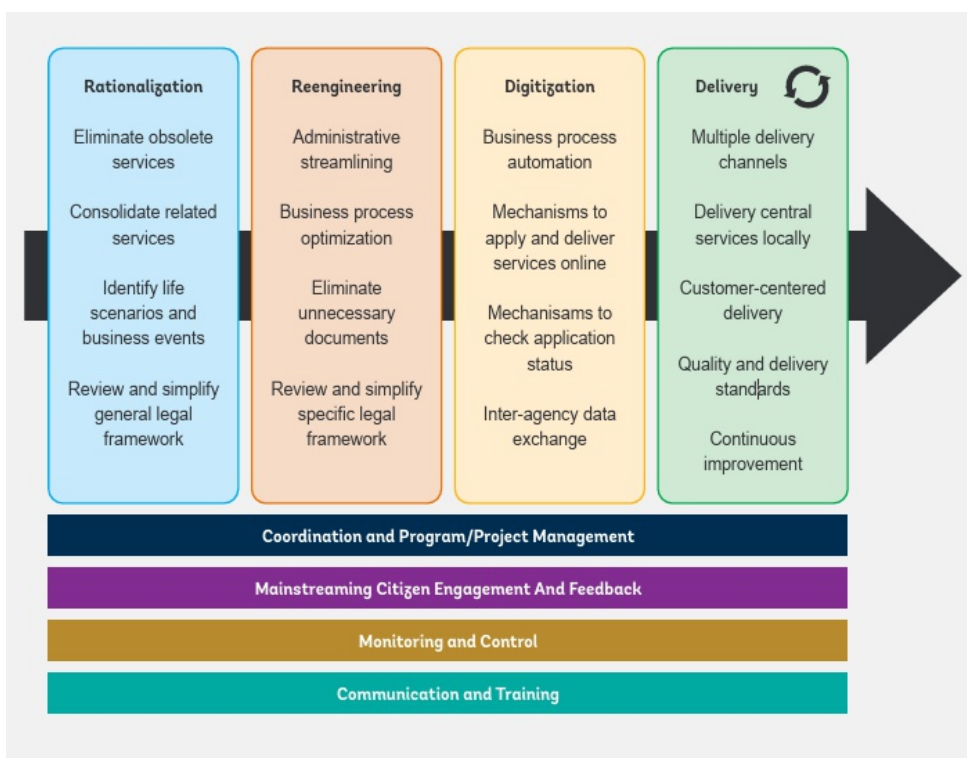


Figure 14. Four Stages of Public Service Modernization

Source: World Bank, (2022)

Given the influx of technology in all aspects of life, the public sector has also been characterized by reforms to modernize public service. As presented in **Figure 14**, the World Bank argued that there are four stages of public service modernization, which include rationalization, reengineering, digitization, and delivery. Each of these stages aligns with key modernization principles, efficiency, inclusivity, and quality, and highlights that digital transformation is not solely about technology, but about rethinking how government serves its people.

Rationalization: This stage focuses on the planning and design of service reform. It involves reviewing existing services to identify redundancies, gaps, or inefficiencies. Governments assess which services should be prioritized, what legal and policy changes are required, and how institutional responsibilities are currently structured. Rationalization lays the foundation

for all subsequent reform efforts by setting strategic direction and reform objectives.

Reengineering: At this stage, the focus shifts to efficiency and process optimization. Public sector institutions are encouraged to streamline workflows, simplify procedures, and eliminate unnecessary documentation and bureaucratic bottlenecks. Business process reengineering ensures that services are not just digitized in their existing form but are first improved to function more efficiently. This stage is particularly important to reduce transaction costs and waiting times for citizens.

Digitization: This stage involves applying digital technologies to support service delivery. It includes automation of processes, integration of service delivery platforms, and interoperability of government systems. The aim is to enable real-time data exchange, reduce manual interventions, and enhance user convenience. Initiatives like the Ghana Integrated Financial Management Information System (GIFMIS), the Ghana Electronic Procurement System (GHANEPS), and the National Identification Authority's Ghana Card are examples of digitization in the Ghanaian context.

Delivery: The final stage emphasizes quality, inclusivity, and continuous improvement. It focuses on how services are delivered to users, ensuring interfaces are user-friendly, access is equitable, and services meet quality standards. Importantly, delivery is not an endpoint; modern public service systems must incorporate mechanisms for citizen feedback, performance monitoring, and iterative improvements based on usage data and satisfaction levels.

To support these four stages, several cross-cutting activities are necessary to ensure reforms are successful and sustainable:

- i. *Coordination and Project Management:* A central barrier and facilitator of integrated service delivery, coordination ensures that ministries and agencies work together, data is shared appropriately, and accountability is maintained. A whole-of-government approach reduces fragmentation and promotes consistency.
- ii. *Citizen Engagement and Feedback:* Involving citizens in the design and evaluation of public services ensures that reforms are responsive to

- actual needs. Co-creation, participatory design, and real-time feedback mechanisms help improve service relevance and uptake.
- iii. *Monitoring and Control:* Tracking service performance and compliance with standards enables the government to assess the effectiveness of reforms, enforce accountability, and make data-informed adjustments.
 - iv. *Communication and Training:* For reforms to be adopted, stakeholders, including government staff and the public, must be well-informed. Communication builds buy-in and transparency, while training develops the technical and institutional capacity necessary to implement and sustain reforms.

Effective public service modernization also requires a strong institutional and governance framework. This includes the establishment of inter-institutional mechanisms capable of coordinating reforms across sectors, pushing necessary legal and policy updates, and supporting capacity development. Such frameworks help prevent siloed implementation and support both short-term successes and long-term transformation. Effective public service delivery hinges not only on modernization but also on consistently meeting high-quality standards that reflect citizens' needs and expectations. Quality public services are reliable, accessible, equitable, and responsive, ensuring all citizens receive fair treatment regardless of their background.

Effective and efficient public service delivery strengthens inclusion by ensuring that modernization efforts translate into tangible improvements for the most vulnerable groups—girls, women, low-income households, persons with disabilities, and residents of remote communities. When services are rationalized, reengineered, digitized, and delivered with a clear commitment to equity, governments reduce long-standing barriers that disproportionately affect these populations. Streamlined processes, simplified requirements, and interoperable systems lower the administrative burden placed on citizens who often face the highest transaction costs. In this way, modernization becomes not only a technical upgrade but also a mechanism for addressing structural inequalities in access to health, education, social protection, and justice services.

Moreover, inclusive public service delivery requires that technology-enabled reforms be combined with deliberate institutional strategies that prioritize fairness, accessibility, and responsiveness. Citizen engagement, targeted communication, and continuous performance monitoring help ensure that reforms do not leave behind those with limited digital access, mobility constraints, or low literacy levels. When feedback from vulnerable groups shapes service design, governments can identify gaps early and adjust delivery models to protect those at greatest risk of exclusion. Ultimately, efficient and inclusive service delivery enhances social cohesion, strengthens trust in state institutions, and expands the developmental impact of public sector modernization.

In Ghana, issues like this can be addressed if public sector entities adopt trackable key performance indicators (KPIs) that assess management and frontline employees at all levels, monitored at least quarterly. When a pregnant woman visits a district hospital, KPIs should measure the average waiting time for antenatal services, the availability of essential drugs, and the responsiveness of referral systems. In many facilities, delays arise because manual triage systems, paper-based records, and understaffed units create bottlenecks—problems that disproportionately affect women who often travel long distances and bear the highest opportunity costs. Integrating digital queue management, electronic health records, and GIS-enabled ambulance coordination would directly reduce these burdens and ensure that women receive timely, high-quality care.

Similarly, the effectiveness of social protection and administrative services can be measured using clear delivery benchmarks. For example, enrollment in the National Health Insurance Scheme (NHIS), issuance of the Ghana Card, and access to LEAP payments remain more difficult for rural residents, persons with disabilities, and women with low literacy levels because of limited digital access and inconsistent frontline support. KPIs should track processing times at district offices (and also regional offices), error rates in registration, accessibility of service centers, and compliance with disability-friendly standards. When a low-income woman attempts to register for NHIS renewal, or when a person with a disability applies for a Ghana Card, their ability to complete the process without repeated visits, informal fees, or network failures is a direct test of service inclusiveness. Embedding these

performance metrics within institutional monitoring frameworks would ensure that modernization reforms not only digitize processes but also deliver measurable improvements for Ghana’s most vulnerable citizens.

4.2 Public Service Delivery and Quality and Its Nexus with Illicit Financial Flows

We start with the comparison of African countries and their performance according to the Public Services Indicator (The Global Economy Project, 2025). The Public services indicator refers to the presence of basic state functions that serve the people. This may include the provision of essential services, such as health, education, water and sanitation, transport infrastructure, electricity and power, and internet and connectivity. On the other hand, it may include the state’s ability to protect its citizens, such as from terrorism and violence, through perceived effective policing. The higher the value of the indicator, the worse the public services in the country.

Figure 15 presents a comparison of African countries based on the Public Services Indicator (2024), which measures the extent to which basic state functions are delivered effectively to the population. These services include access to healthcare, education, water and sanitation, electricity, transport infrastructure, and security. A higher score on the indicator reflects poorer public service delivery and, therefore, lower performance.

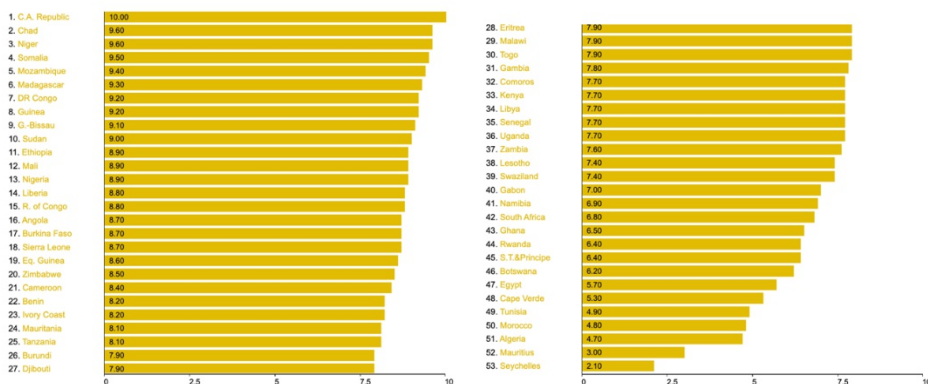


Figure 15. Public services indicator among African Countries, 2024
Source: The Global Economy Project

From the figure, countries like the Seychelles, Mauritius, and Botswana score the lowest on the index, indicating relatively better public service delivery. These countries are generally recognized for stronger institutional capacity, better infrastructure, and more consistent service quality. In contrast, countries such as South Sudan, Somalia, and the Central African Republic show the highest scores, highlighting significant deficiencies in public service provision, likely due to factors such as conflict, weak governance, and underinvestment in essential services.

Ghana appears in the middle range, suggesting moderate performance. This implies that while some services, such as education and healthcare, are accessible, there is still considerable room for improvement, especially in areas like efficiency, reliability, and inclusivity.

The figure underscores the importance of targeted public sector reforms and modernization, particularly in countries with higher scores, to strengthen service delivery systems, ensure equitable access, and build citizen trust in state institutions.

Through what channel does public service delivery and quality intersect the illicit financial flow? As we discussed earlier, there are four key types of IFFs: i) Tax and Commercial Activities, ii) Corruption, iii) Theft, Financing of Crime and Terrorism, and iv) Illegal Markets.

First of all, poor public service delivery often reflects inadequate tax collection systems, under-resourced regulatory bodies, and ineffective oversight of cross-border commercial transactions. These weaknesses directly facilitate:

- *Tax evasion and trade misinvoicing:* When customs and tax authorities lack digitized systems or trained staff, they fail to detect under-invoicing, over-invoicing (For a review of some estimates of trade misinvoicing in Ghana, refer to Global Financial Integrity, 2014), or false declarations used to shift profits or avoid taxes.
- *Transfer mispricing and aggressive tax avoidance:* Public institutions with low technical capacity struggle to regulate multinational corporations that exploit legal gaps to minimize tax obligations.

- *Tariff and duty offences:* Weak enforcement of import/export regulations, often linked to poor logistics and underfunded border services, leads to substantial revenue losses.

The political and governance driver is central here, when public services like tax systems, customs, and revenue authorities are poorly resourced, political elites or private actors can manipulate them, enabling commercial IFFs to continue unchecked.

Secondly, corruption is both a driver and a consequence of poor public service quality. Public servants who lack oversight or adequate pay may engage in:

- *Bribery and embezzlement:* Funds meant for roads, hospitals, or schools are siphoned off, leaving services underdeveloped and citizens underserved.
- *Illicit enrichment and abuse of function:* Officials may use their roles to illegally accumulate wealth or award contracts to cronies through manipulated procurement systems.
- *Trading in influence:* Political interference in service delivery, such as biased resource allocation or appointment of unqualified officials, undermines service quality and institutional integrity.

This links directly to the political and governance driver again, where low-quality public services are often symptoms of entrenched corruption, and the diversion of public funds feeds IFFs.

Thirdly, when public services like policing, justice systems, or civil registries are underdeveloped, it creates space for:

- *Theft and exploitation:* Weak institutions and poor oversight enable large-scale theft of public funds or natural resources. This is particularly relevant in resource-rich countries, where extractive revenues can be diverted through corrupt licensing or revenue manipulation.
- *Human trafficking and extortion:* Weak public services (e.g. lack of education or job opportunities) can push vulnerable populations

into exploitative situations, while poor law enforcement services fail to prevent or prosecute these crimes.

- *Terrorism financing:* In regions with weak state presence and underfunded security services, terrorist groups can exploit local grievances, especially where public services like education or healthcare are lacking, and fund their operations through illicit means.

This is most directly linked to the reliance on extractive industries and governance gaps, as poorly delivered services in marginalized regions create conditions for criminal activity and terrorism to thrive.

Fourthly, low-quality public services, especially in border control, law enforcement, and regulation, enable the growth of:

- Illicit trade in goods and services, such as drugs, arms, counterfeit products, and smuggling. When state institutions cannot adequately police markets or borders, illegal networks flourish.
- Human trafficking and migrant smuggling, often driven by poor socio-economic conditions and a lack of basic public services like employment support, social welfare, or education.
- Public service gaps also mean limited surveillance, poor data collection, and weak inter-agency collaboration, all of which enable underground markets to operate with impunity.

This intersects with transnational business structures and corruption, where global supply chains and weak enforcement allow illegal markets to generate profits that are laundered or shifted abroad through IFF channels.

4.3 Public Service Delivery, Public Debt Burden, and IFF Nexus

Illicit financial flows (IFFs) significantly undermine the capacity of governments to deliver quality public services, especially in critical sectors like health, education, and social protection. When substantial revenues are lost through tax evasion, embezzlement, trade misinvoicing, and other IFF-related activities, public budgets shrink, leaving fewer resources available for service provision. This not only limits investment in infrastructure,

personnel, and supplies but also erodes public trust in state institutions. In the health sector, for example, IFFs can result in underfunded hospitals, medicine shortages, and weak emergency preparedness. In education, they contribute to inadequate teacher training, overcrowded classrooms, and poor learning outcomes. Similarly, weakened social protection systems fail to reach vulnerable populations, deepening poverty and inequality.

The problem is compounded by the growing public debt burdens many developing countries face. To compensate for revenue losses linked to IFFs, governments often resort to borrowing, both domestically and externally; to finance basic service delivery. However, as debt service obligations rise, a larger share of national budgets is diverted away from essential public services to repay loans, some of which may have been contracted under opaque or corrupt circumstances. This fiscal squeeze limits the state's ability to expand coverage, improve service quality, or respond to emergencies. Moreover, in countries with weak governance and low accountability, debt-financed spending is more susceptible to inefficiencies and misuse, feeding back into the IFF cycle and further undermining long-term development outcomes.

The nexus between IFFs, public debt, and service delivery reflects deeper structural issues of governance, institutional capacity, and accountability. Poor-quality public services are not just consequences but also enablers of IFFs and poor debt management, as weak oversight, inadequate digital infrastructure, and corruption create fertile ground for revenue leakages. Addressing this nexus requires a dual approach: curbing IFFs through stronger tax administration, financial transparency, and anti-corruption measures, while ensuring that debt is contracted and managed transparently, with clear links to service delivery outcomes. Only by protecting public resources and using them efficiently can governments improve service quality, restore fiscal space, and promote inclusive and sustainable development.

4.4 Trends in Budget Finance for Education, Health, and Social Protection in Ghana

Economic inequality continues to be a critical problem that affects the Ghanaian population. Despite policy efforts to address economic growth and its inequality, there have been increasing rates of poverty in the country (**Figure 16**). The share of the population that faces poverty continues to decline, and positive rate projections require a lot of policy effort to be actualized. Thus, the government complements its public service delivery with a focus on budget financing for education, health, and social protection. Besides the government's internal revenue sources, Official Development Assistance also usually focuses on supporting the education, health, and social protection sectors in Ghana. For instance, basic health is the second leading item that official development assistance supports in Ghana, covering 9% of the total share of commitment (**Table 6**). In recent years, support from the United States via the United States Agency for International Development (USAID) has significantly declined, largely due to the policies implemented during the Trump administration.

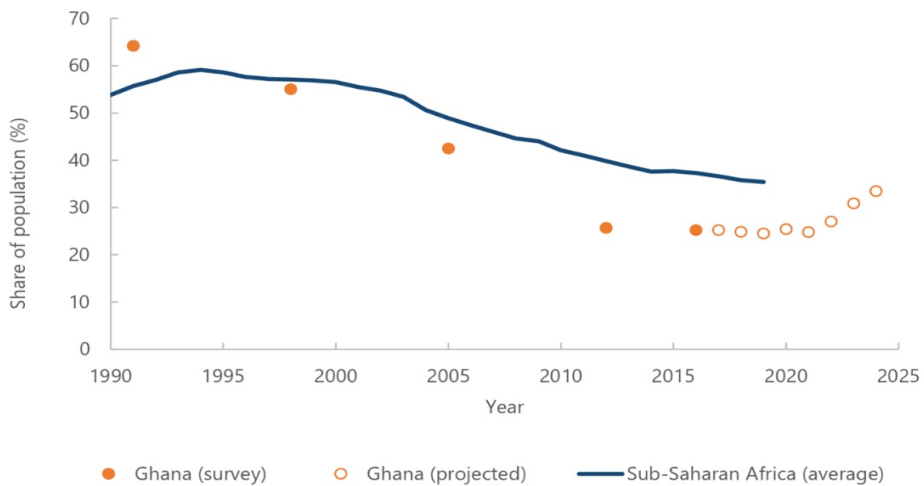


Figure 16. Ghana's Poverty Rate Based on the International Poverty Line, 1990–2025
Sources: World Bank, 2024 (projected values for Ghana); World Development Indicators database (actual values for Ghana and Sub-Saharan Africa).
Note: PPP = purchasing power parity; (US\$2.15 per day, 2017 PPP)

However, challenges remain in ensuring that these investments translate into equitable outcomes for all segments of the population. Disparities in access to quality education and healthcare between urban and rural areas persist, limiting opportunities for upward mobility among the most vulnerable groups. Additionally, inefficiencies in the allocation and utilization of public funds often undermine the impact of social protection programs. To effectively combat inequality, it is crucial for the government to strengthen institutional accountability, enhance transparency in budget execution, and implement targeted interventions that prioritize marginalized communities.

Table 6. Top 10 Sectors in Ghana by ODA Commitment, 2013–21

No.	Sector Category	Commitment Amount (US\$, millions)	Share of Total Commitment (%)
1	General budget support	2,053	13%
2	Basic health	1,524	9%
3	Banking and financial services	1,349	8%
4	Agriculture	1,336	8%
5	Government and civil society, general	1,272	8%
6	Transport and storage	1,031	6%
7	Energy distribution	863	5%
8	Water supply and sanitation	858	5%
9	Other social infrastructure and services	697	4%
10	Other multisector	610	4%

Source: Independent Evaluation Group, based on the Organisation for Economic Co-operation and Development's Creditor Reporting System database (accessed October 2, 2023); World Bank, (2024).

Note: Sectors are based on the Creditor Reporting System three-digit purpose code.

4.4.1 Education

Education is central to Ghana’s development agenda, serving as a key driver of social progress, economic empowerment, and long-term national growth. The country has introduced several policy initiatives aimed at improving access to education and promoting inclusive learning opportunities across all levels. While these efforts have led to notable gains in enrolment and participation, challenges remain in ensuring consistent quality and equitable access. Many schools continue to struggle with inadequate infrastructure, limited teaching resources, and regional disparities in performance (World Bank, 2024). As presented in **Figure 17**, the share of investment in the education sector continues to reduce over time. These issues are particularly pronounced in rural areas and among vulnerable groups, including girls and children from low-income households. Addressing these challenges requires not only strong policy frameworks but also sustained and adequate financing.

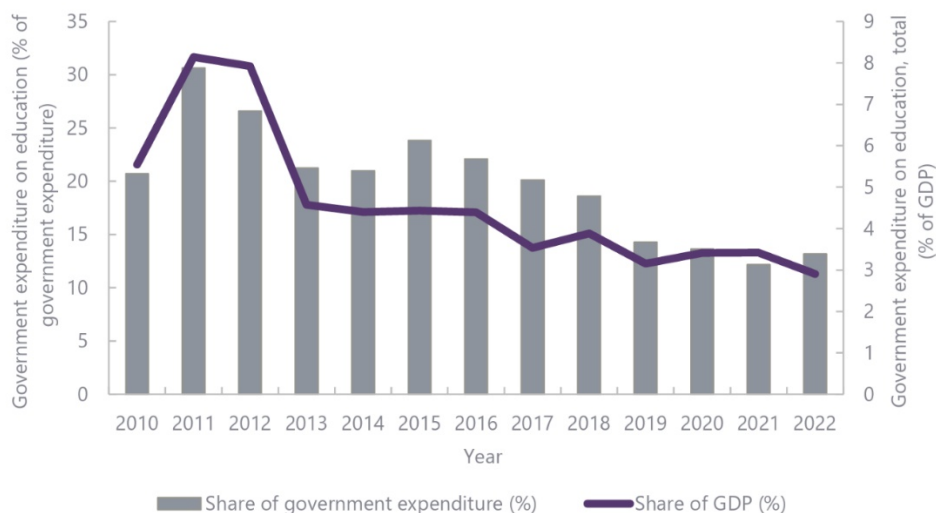


Figure 17. Education Spending in Ghana as a Share of Total Public Spending and GDP
Sources: Ghana Ministry of Education 2011–19, 2022; World Bank 2022b; World Development Indicators database; World Bank, (2024).

The ability of the government to deliver on its education commitments is closely tied to how national resources are allocated and managed. In recent years, concerns have grown about the adequacy and efficiency of public spending on education in the context of broader fiscal pressures. As debt obligations increase and illicit financial flows continue to erode the national revenue base, the fiscal space available for education investment has become increasingly constrained. This section focuses on Ghana's education budget and trends in public spending, analyzing how limited funding impacts the delivery of quality education. It also considers the implications of these constraints for equity and inclusion, especially for those already disadvantaged within the education system.

Ghana is a signatory to the Incheon Declaration, which recommends allocating 15%–20% of total government expenditure or 4%–6% of GDP to public education. However, the country's public investment in education continues to be below the target, as presented in **Figure 18**. In the education section, the government's expenditure on education as a percentage of total government expenditure continues to decline. The budget allocations to education since 2020 are below the low and upper bounds of the Incheon Declaration, which requires at least 15%. For instance, in 2023 and 2024, the percentage of the education budget to total government expenditure in Ghana was 10.9% and 12.7% respectively.

In addition, the share of the expenditure on education as a percentage of GDP has declined over the period 2010 to 2024. The country's performance is below the 4% of GDP lower bound under the Incheon Declaration. For instance, in 2019, the government investment in education was 3.27% of GDP, which has declined to 3.12% in 2024.

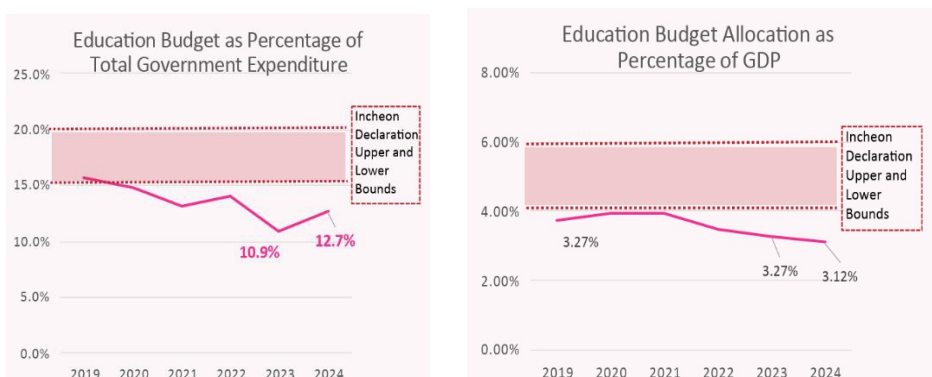


Figure 18. Education Budget as a Percentage of Total Government Expenditure and GDP
Source: MOF Budget Statements 2019-2024, and UNICEF, (2024a)

Ghana has demonstrated a strong policy commitment to expanding access to education and improving skills development, with noticeable progress in enrolment and gender parity at various levels of the education system (World Bank, 2024). Reforms such as the inclusion of early childhood education, the introduction of free senior high school and Technical and Vocational Education and Training (TVET), and the establishment of learning assessment frameworks reflect the government's ambition to improve both access and quality. However, the sector continues to face persistent challenges, particularly in learning outcomes and alignment with labor market needs. Despite high enrolment rates, student achievement remains low, with wide disparities in proficiency across regions and subjects. This learning crisis is compounded by a mismatch between education outputs and the skills demanded by employers, highlighting the need for a stronger focus on practical, digital, and socioemotional skills. While public spending on education has remained relatively robust and aligned with international benchmarks, much of the funding is concentrated on salaries, leaving limited space for investments in infrastructure, learning materials, and quality enhancement initiatives. Going forward, addressing the quality of education, strengthening the relevance of training programs, and ensuring more equitable allocation of resources will be critical to unlocking the full potential of Ghana's human capital.

4.4.2 Health

Health is a foundational element of human development and a critical determinant of national productivity and well-being. In Ghana, efforts to strengthen the health sector have included policies aimed at improving access to basic healthcare services, expanding health infrastructure, and enhancing workforce capacity. Despite these efforts, the sector continues to face systemic challenges that affect the availability, accessibility, and quality of care. Rural-urban disparities, shortages of trained health professionals, inadequate facilities, and limited access to essential medicines are persistent issues. These challenges disproportionately affect poor and marginalized populations, including women, children, and people living in remote communities, further entrenching health inequalities.

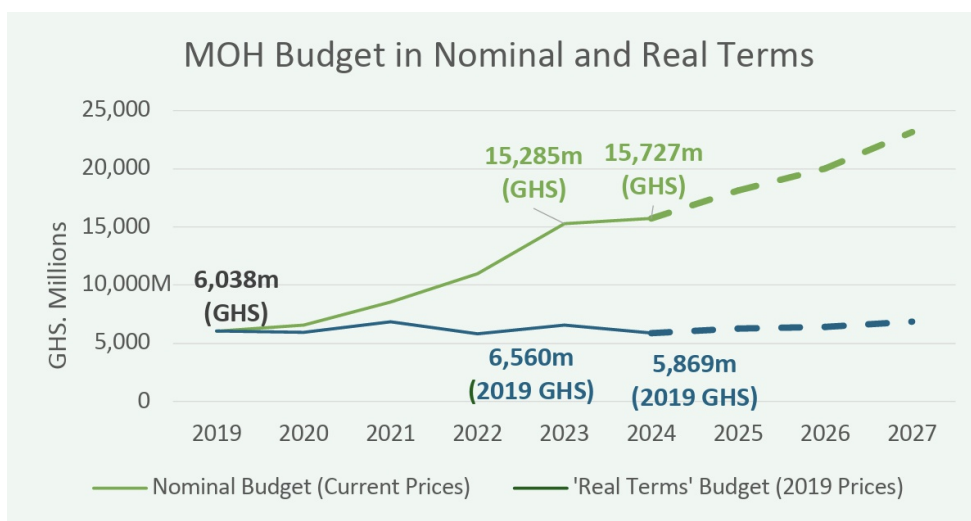


Figure 19. MOH Budget Allocation 2019-2024

Source: MOF Budget Statements 2019-2024; Price data from IMF World Economic Outlook; UNICEF, (2024b)

The effectiveness of the health system is closely linked to the level of public investment it receives. Ghana's ability to expand and improve health services is increasingly constrained by fiscal pressures, particularly those arising from growing debt obligations and the loss of public funds through illicit financial flows. These pressures have made it difficult to adequately

fund critical areas such as primary healthcare, maternal and child health services, and disease prevention initiatives. This section explores the dynamics of public spending on health in Ghana, with a focus on how financial constraints limit service delivery and compromise equity. It also examines the broader implications of underfunding for public health outcomes and the achievement of universal health coverage.

The government's budget allocation to the health sector has continued to dwindle in recent times (**Figure 19**). While the allocations to the sector in nominal terms have increased over time to about GHS15.7 billion, the real value, which considers the inflationary effects, shows a decline in this allocation trend.

The Abuja Declaration, which Ghana is a signatory to, requires the country to commit 15% of its total budget to the health sector (**Figure 20**). However, the country's budget allocations hardly fall below even half of the 15%. In 2019, Ghana's total health budget was 7.9% of the total government budget, and this has declined to 6.3% in 2024. Projections based on budget outlooks show that up to 2027, there is no clear sign that the government will meet the 15% target.

When healthcare investment falls short, the consequences are far-reaching. People endure avoidable suffering, while the health system becomes less efficient, forced to rely on expensive curative treatments for conditions that could have been prevented. This not only places a strain on resources but also jeopardizes the sustainability of the National Health Insurance Scheme. Moreover, inadequate health services can slow national progress by limiting individuals' ability to live healthy, productive lives and contribute fully to society.

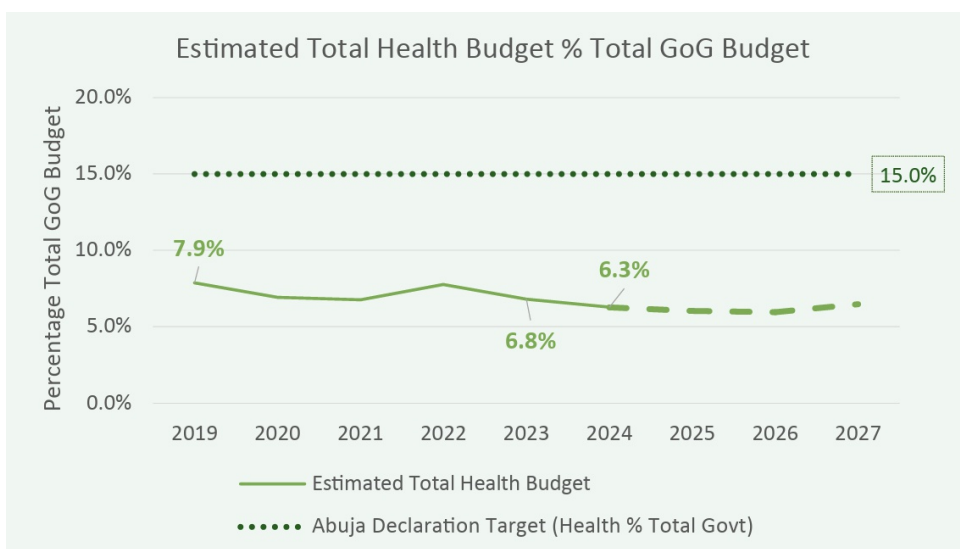


Figure 20. Health Budget as a percentage of the total Government Budget

Source: Ministry of Finance (MOF) Budget Statements 2019-2024; African Union Abuja Declaration 2001; UNICEF, (2024b)

The World Health Organization (WHO) which Ghana is a member of requires that a country's commitment to the health sector is at least 5% of the GDP to achieve Universal Health Coverage (UHC) (CSEM, 2019). However, Ghana's health budget continues to fall short of this target (**Figure 21**). For instance, in 2019, the country committed 1.74% of GDP to the health sector, while this has reduced to 1.55% in 2024. Projections up to 2027 show that the country will not have any tangible increment towards achieving the 5% of the GDP as specified by the WHO international target.

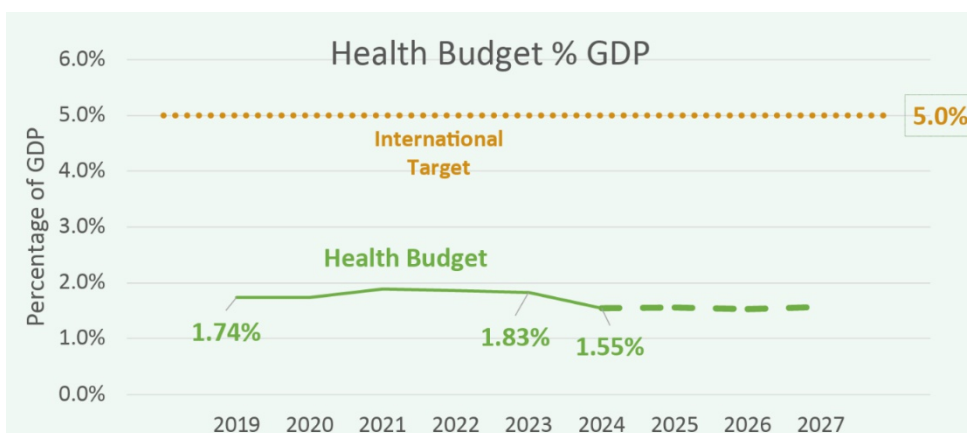


Figure 21. Health Budget as a percentage of GDP

Source: MOF Budget Statements 2019-2024; WHO International target; UNICEF, (2024b)

At the current pace, Ghana is unlikely to meet its Sustainable Development Goal (SDG) targets for reducing maternal, neonatal, infant, and child mortality by 2030 (UNICEF, 2024b). To change course, urgent and sustained investments are needed in key areas of the health sector. Strengthening vaccine financing is critical to safeguarding routine immunization and preventing service disruptions that could lead to the resurgence of preventable diseases. At the same time, greater commitment to maternal and neonatal health is essential, ensuring that lifesaving services are well-funded, accessible, and of high quality. Equally important is the need to prioritize primary healthcare by increasing government allocations for operational (non-salary) expenses at the community level. A stronger, better-resourced primary healthcare system will improve early intervention, reduce preventable deaths, and lay the foundation for long-term health system sustainability. Without bold action in these areas, Ghana risks falling short of its health-related SDG goals and compromising the broader development potential of its population.

4.4.3 Social Protection

Social protection plays a vital role in reducing poverty, promoting social inclusion, and protecting vulnerable populations from economic shocks. In Ghana, various programmes such as cash transfers, school feeding, and

health insurance subsidies have been implemented to cushion the most disadvantaged groups. These interventions are especially important for informal sector workers, persons with disabilities, elderly citizens, and households living below the poverty line. While the policy framework for social protection has evolved over the years, implementation gaps, limited coverage, and irregular benefit payments continue to undermine the system's effectiveness. Many eligible individuals remain excluded, and those who do benefit often receive insufficient support to meaningfully improve their living conditions.

The sustainability and expansion of social protection programmes depend heavily on stable and predictable public financing. However, Ghana's fiscal space for social spending is increasingly under strain due to rising debt service obligations and revenue losses driven by illicit financial flows. These constraints limit the government's ability to scale up existing programmes or introduce new ones to address emerging vulnerabilities. This section examines public spending on social protection in Ghana, highlighting how underfunding and policy trade-offs weaken the state's ability to protect its most at-risk citizens. It also considers the long-term implications of these funding gaps for social cohesion, resilience, and inclusive development.

First of all, the budgetary allocations to the Ministry of Gender, Children, and Social Protection (MOGCSP) provide operational and program support on social protection issues in Ghana. The government has, until recently, aimed at increasing allocations to the Ministry, and if the government commits to its medium-term expenditure framework, there is the potential to further increase these allocations. This is very relevant given the recent increase in poverty levels and incidence across the country. For instance, as presented in **Figure 22**, the budget allocation to the MOGCSP as a share of total government expenditure was 0.65% but this increased to 0.92% in 2024. There is potential that this could increase to about 3% of total government expenditure by 2027, if the medium-term framework is followed.

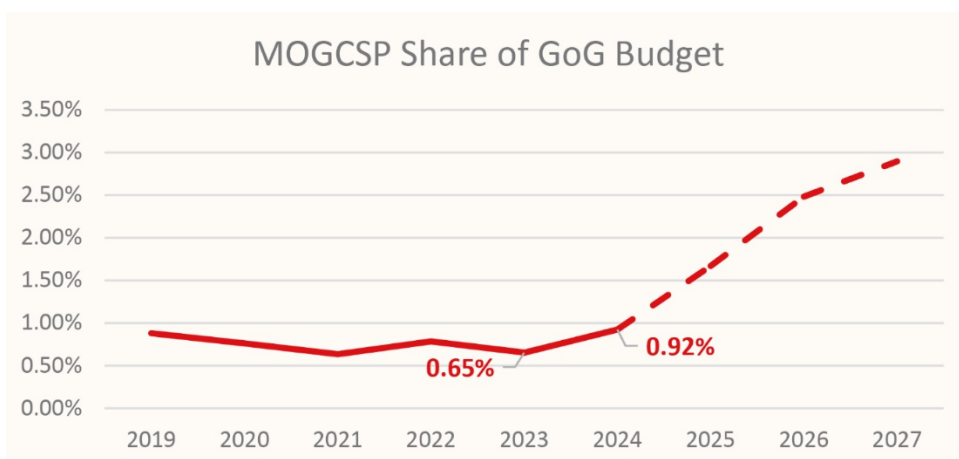


Figure 22. MOGCSP Budget Share of GoG Budget
Source: UNICEF, (2024c)

In the same vein, the MOGCSP budget as a proportion of GDP has increased from 0.17% in 2023 to 0.23% in 2024, with the potential of an increase to about 7% by 2027 (**Figure 23**). The recent increases in the MOGCSP’s budget are not merely a reflection of shifting priorities within a constrained fiscal space, but a strategic response to deepening socio-economic challenges. With poverty and extreme poverty levels on the rise, and projections pointing to further increases over the next three years, the government’s commitment to scaling up social protection is both timely and essential. The upward trend in budget allocations, both as a share of total government expenditure and of GDP, signals a recognition that investing in social protection is not just a social imperative, but a foundation for long-term national development. By prioritizing the welfare of vulnerable populations, particularly children, the government is laying the groundwork for a more equitable and resilient future.

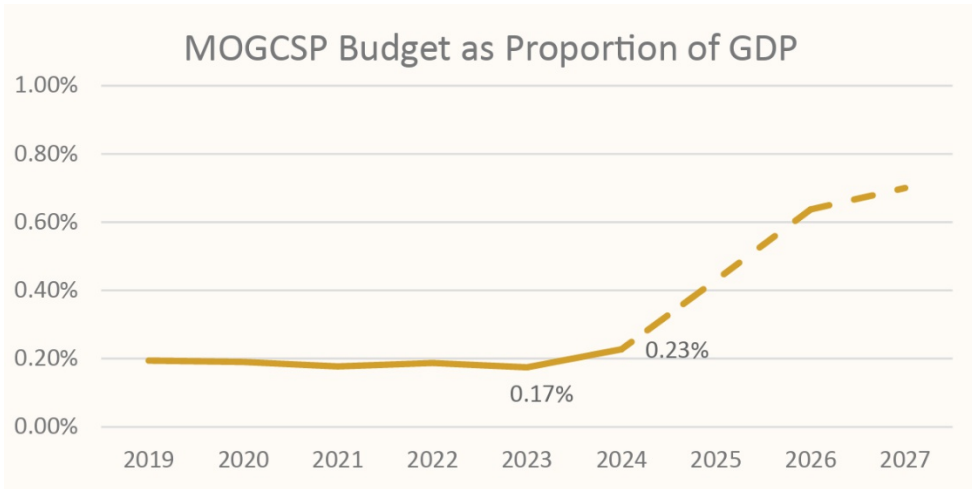


Figure 23. MOGCSP Budget as Proportion of GDP
Source: UNICEF, (2024c)

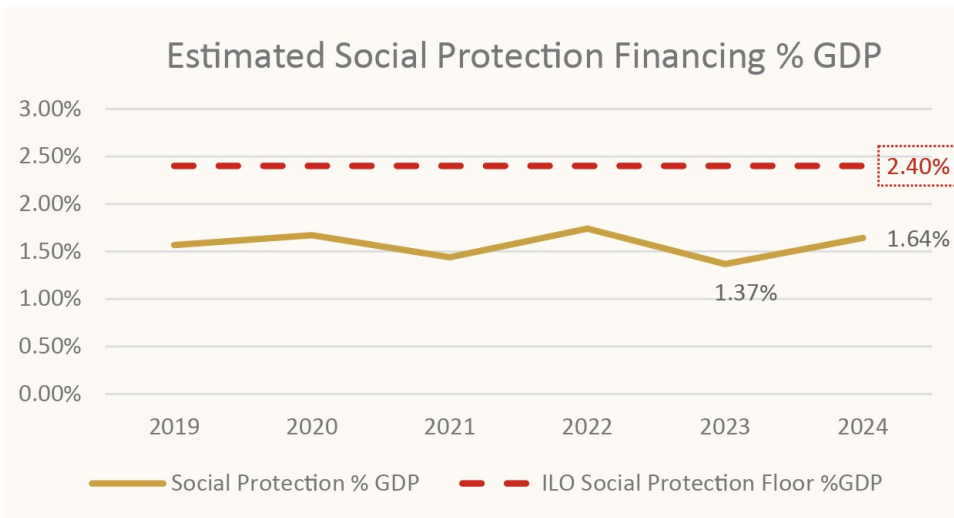


Figure 24. Estimated Social Protection Financing as a percentage of GDP
Source: UNICEF, (2024c)

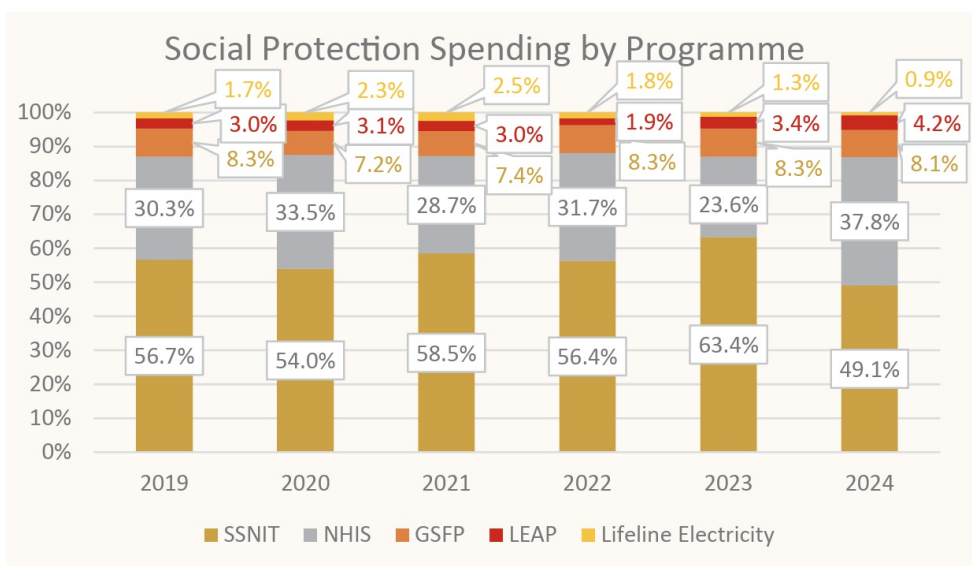


Figure 25. Social Protection Spending by Component
Source: UNICEF, (2024c)

On the other hand, a holistic view of the commitment of the government to social protection, matched against international standards, shows the country is lagging. For instance, as presented in **Figure 24**, the International Labour Organization (ILO) Social Protection Floor, of which Ghana is a member of the ILO, requires the country to commit at least 2.4% of GDP to social protection. But social protection financing has been below this target, with only 1.37% and 1.64% recorded in 2023 and 2024, respectively.

In **Figure 25**, we present the key spending programmes on social protection, which include Ghana's social protection landscape is anchored by key programmes such as the Social Security and National Insurance Trust (SSNIT), the National Health Insurance Scheme (NHIS), the Ghana School Feeding Programme (GSFP), and the Livelihood Empowerment Against Poverty (LEAP), and Lifeline Electricity. These recent increases in social protection budgets are mainly because of a surge in Livelihood Empowerment Against Poverty (LEAP) and the National Health Insurance Scheme (NHIS) funding. Notably, for the first time, over half of the social

protection financing was dedicated to universal social protection and pro-poor targeted programs (UNICEF, 2024c).

4.5 Implications of IFF, Public Debt Burden, and Poor Public Service

Illicit financial flows (IFFs) significantly undermine Ghana’s domestic revenue mobilization by siphoning off resources that could otherwise fund essential public services. Ghana loses millions of dollars annually through tax evasion, trade misinvoicing, and corrupt financial practices, particularly in the extractive and high-value commodity sectors. These losses directly weaken the government’s fiscal capacity to invest in critical sectors like education, health, and social protection. For example, when tax revenues are drained through IFFs, government funding for schools, hospitals, and cash transfer programmes becomes limited, stalling progress toward equitable and inclusive development. For instance, the Annual Budget Funding Amount (ABFA) in the petroleum sector is directed into the Consolidated Fund for use in funding development projects. This is used to fund projects on infrastructure development, education and health infrastructure, agriculture and fisheries, as well as industrialization. Under the current government, this has been realigned to support the “Big Push” infrastructure drive (Ministry of Finance, 2025c).

Table 7. Negative Implications on Education, Health, and Social Protection

Sector	Impact of Illicit Financial Flows (IFFs)	Impact of Public Debt Burden	Effect on Service Delivery	Effect on Service Quality
Education	Loss of tax revenue reduces funding for infrastructure, teachers, and learning materials	Debt servicing limits new investments in schools and teacher recruitment	Inadequate classrooms, lack of teaching materials, delays in school feeding	Poor learning outcomes, teacher shortages, overcrowded schools
Health	Reduced health budget due to IFF-related	Limited resources for medicine	Delays in NHIS reimbursements, drug shortages,	Declining trust in public healthcare,

	revenue loss affects NHIS and public health programmes	procurement, facility upgrades, and staffing	understaffed clinics	preventable deaths, service inequity
Social Protection	Less funding for LEAP, GSFP, and disability support	Social programmes face cuts during fiscal tightening	Irregular cash transfers, limited programme coverage	Beneficiaries remain vulnerable, reduced impact of interventions

Source: Authors' conceptualization

In response to these revenue shortfalls, Ghana has increasingly relied on public borrowing to finance its budget. However, the growing debt burden and associated servicing costs are now consuming a large share of public expenditure, further shrinking the space for social sector investment. In education, this translates into overcrowded classrooms, underpaid teachers, and poor infrastructure. In the health sector, the impact is felt in under-resourced health facilities, delayed NHIS reimbursements, and shortages of essential medicines. Social protection programmes such as LEAP and the School Feeding Programme suffer from delayed or inadequate disbursements, limiting their reach and effectiveness. The cycle of borrowing to fill fiscal gaps caused by IFFs ultimately reinforces systemic underinvestment in the services that matter most to citizens.

The combined effect of IFFs and debt-related constraints is not only a reduction in the delivery of public services but also a decline in their quality (**Table 7**). Public confidence erodes when services are unreliable, unequal, or inaccessible, especially for vulnerable populations. Poor service quality in schools results in low learning outcomes; in health, it means avoidable morbidity and mortality; and in social protection, it fails to lift households out of poverty. This undermines human capital development and threatens long-term national development. Addressing these challenges requires a two-pronged strategy: curbing IFFs through stronger enforcement, transparency, and tax reforms, while ensuring that debt management prioritizes investment in people through sustained improvements in public service delivery and quality.

5.0 GENDERED IMPACTS OF IFFs AND DEBT-RELATED AUSTERITY

In this section, we examine the gendered perspective on IFF, which is usually ignored in broad studies on the subject. We discuss how women may be involved in IFF, how they are affected by it, and how they can contribute to fighting it. We also discuss some political actions that are relevant to addressing the challenges of IFF globally and at the national level.

5.1 A Gendered Perspective

Gender dynamics have received little attention in the international analyses of IFF. Thus, most reports give little attention to the different ways that women are affected by IFF, despite the relatively more dire impact it has in the development of children and women. For instance, searches in various reports on the appearance of gender-based terminologies continue to show few hits. In its recent report on IFF, FATF (2025), dedicated a single page out of 132 pages to arguing that there is a gender perspective that needs to be considered.

This oversight has significant implications, as gender-blind or gender-biased assessments can obscure real illicit financing risks and inadvertently facilitate the exploitation of women in illicit financial schemes. For example, in the absence of gender-sensitive profiling, women and girls may be subject to fewer border controls, making them prime targets for use as cash couriers or facilitators in financial transactions linked to criminal or terrorist networks. Evidence from other regions, such as South-East Asia and the Middle East, shows that terrorist actors deliberately leverage perceived gender stereotypes by using female identities to obscure transactions or by recruiting women into logistical and financial roles. In contexts where formal financial access is limited for women, such as parts of Africa and the Middle East, reliance on informal remittance channels and mobile money increases their vulnerability to unknowingly becoming conduits for TF or other IFF-related activities. Moreover, the lack of proportionate regulation of new financial technologies, such as virtual assets and crowdfunding platforms, further exposes women to exploitation while simultaneously limiting their legitimate financial inclusion. Even counter-financing of terrorism measures that appear gender-neutral, such as restrictions on non-profit organizations

or the freezing of assets, can have disproportionate effects on women, especially those whose financial agency is tied to male relatives. These dynamics underline the urgency of integrating gender-responsive frameworks into IFF and TF analyses, particularly in Ghana, where austerity measures and revenue leakages already undermine social protections and deepen the socioeconomic vulnerabilities of women and girls.

5.2 Gendered Impacts of Illicit Financial Flows

The gendered impacts of IFF have received little attention in the academic and policy literature (U4 and Transparency International, 2019; Akina Mama wa Afrika, 2020). Yet, actual IFF activities either impact women or have women as participants. Thus, there is a need to consider this gendered impact, given the more aggravating effect of development lag on women compared to men, in general.

Starting from a general risk exposure perspective, though there are no clear statistics on women's involvement in IFF, there is anecdotal evidence that shows their involvement. Women are increasingly involved in various IFF-linked criminal activities, particularly human trafficking, where they serve in roles either as facilitators or beyond support (e.g., recruiters, handlers, financiers, and operational leaders). Women are sometimes used strategically by criminal networks (e.g., as couriers or front names) because they are perceived to attract less suspicion at borders or in financial transactions. This has been evident in arrests made regarding contrabands, for instance. Also, political corruption cases in recent times include women as key culprits or, in some cases, the wives of suspects being key channels for the criminal activities. For instance, names of women appear in the Panama papers, the FinCEN files, the Pandora papers, or the West Africa leaks. Thus, though homosocial capital makes men common perpetrators in IFF cases, women continue to play increasing roles in these activities.

On the other hand, women are the most affected by IFF. Illicit financial flows divert critical resources away from essential public services such as healthcare, education, and social protection, sectors that disproportionately impact women when underfunded. In regions where IFFs undermine governance and economic stability, women often bear the brunt of poverty,

limited access to justice, and increased vulnerability to exploitation. Moreover, women and girls are frequently victims in trafficking networks fueled by illicit profits, with devastating consequences for their rights, safety, and well-being. Therefore, while women may be complicit in some aspects of IFF, they remain among the most vulnerable to its broader socio-economic harms, underscoring the need for gender-sensitive approaches in combating illicit financial flows.

Again, women have a key role in fighting against IFF. While limited research exists on the specific role women can play in curbing illicit financial flows (IFFs), studies on women's involvement in anti-corruption efforts offer valuable insights (U4 and Transparency International, 2019). Over the past few decades, evidence from various regions suggests that higher levels of female participation in politics are associated with lower levels of corruption. Women in political office often prioritize policies related to social welfare, particularly those affecting women and children, areas disproportionately impacted by corruption. As such, their involvement tends to improve public service delivery and monitoring, thereby reducing opportunities for corrupt practices. Moreover, women are generally more reliant on functioning public institutions and may therefore view corruption as a more direct threat, making them more likely to support anti-corruption initiatives. Since many forms of corruption rely on entrenched, male-dominated patronage and clientelist networks, increasing women's political representation could disrupt these power structures. Women's historical exclusion from such networks often positions them as external critics of corrupt behavior, although there is a risk that inclusion over time may lead to their co-optation. Beyond politics, research also indicates that firms led by female CEOs are less prone to corruption and that women's organizations and grassroots groups can be strong allies in promoting transparency, accountability, and good governance.⁵ Encouraging women's participation in governance and anti-corruption efforts is thus not only a strategy for tackling IFFs but also a means of advancing gender equality.

In their report, Grondona, Bidegain Ponte, and Rodriguez Enriquez, (2016) noted that IFFs undermine the possibility of closing the financing gaps for

⁵ It is worth noting that these studies usually provide evidence of association not causation in the true scientific sense of causal research.

gender equality and women’s rights. It also hurts vertical equity and the progressiveness of tax systems that affect women disproportionately. They also noted that women trafficking is a key source of IFF.

Two links between IFF and gender equality: i) restriction on the state’s ability to allocate resources to policies that could narrow gender gaps, ii) Trafficking of women workers (e.g., for domestic or industrial work, work in the entertainment industry, or sex work) violates basic human rights of women (Figure 26).

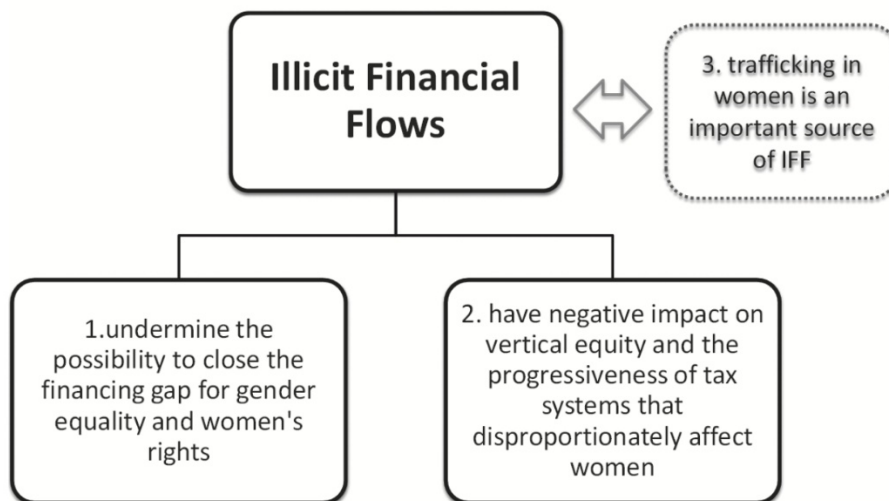


Figure 26. IFF and Gender Justice Nexus

Source: Grondona, Bidegain Ponte, and Rodriguez Enriquez, (2016)

Tax evasion and avoidance by corporations and wealthy individuals erode national revenues, undermining governments’ capacity to fund essential public services such as education, healthcare, childcare, and public transport. Since women are disproportionately reliant on these services, due to lower incomes, higher care responsibilities, and overrepresentation in informal and low-paid work, budget shortfalls caused by IFFs exacerbate existing gender inequalities. When states cut social spending, women often

fill the gap through unpaid care work, further entrenching their economic disadvantage. Moreover, to compensate for lost revenues, governments may shift to more regressive taxation, such as indirect taxes or higher rates on small businesses, both of which disproportionately impact women, especially those at the lower end of the income spectrum or running small enterprises.

Trafficking in women for purposes such as domestic servitude, informal industrial labor, entertainment, or sex work is a grave violation of human rights and a major generator of illicit financial flows. The money generated from trafficking is often funneled through complex economic networks, aided by professionals such as lawyers, accountants, and financial institutions, who also facilitate corporate tax dodging. The same financial secrecy tools and offshore structures that enable corporate IFFs also allow traffickers to launder proceeds from exploitation. Furthermore, the lack of state resources, exacerbated by IFFs, reduces the capacity to implement protective policies and social programs that could prevent trafficking in the first place. In this way, trafficking is both a consequence of systemic gender inequalities and a driver of further financial injustice, forming a vicious cycle of exploitation and impunity.

Four areas of political action presented in **Figure 27** can be implemented to address the effects of IFF on women (Grondona, Bidegain Ponte, & Rodriguez Enriquez, 2016; DAWN, 2018). These include: i) *norm setting* for progressive taxation, standards to protect whistleblowers or witnesses, international standards to sanction global enablers or facilitators, as well as reform of the international financial architecture towards compliance; ii) revision of *institutional frameworks* by establishing a UN inter-governmental tax body with expertise on addressing gender rights, and at the local levels, strengthening local tax authorities to compact IFF of all forms; iii) *capacity building* on gender rights tied to all forms of IFF; and iv) *data, evaluation, and accountability* systems to comprehensively measure and manage IFF issues.

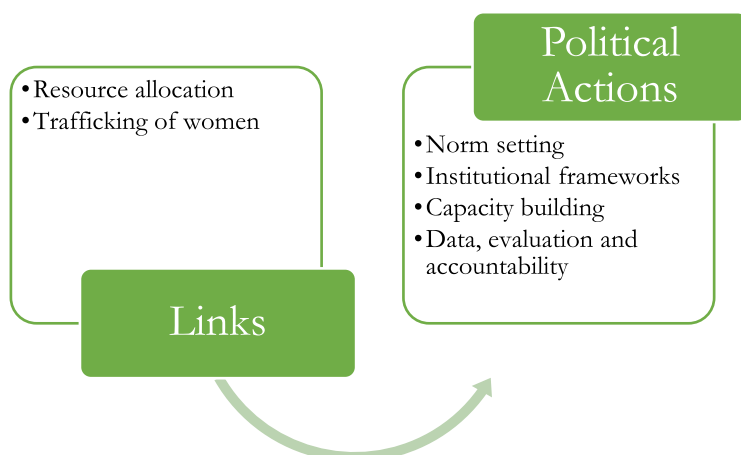


Figure 27. Links between IFF and Gender Equality and Political Actions Needed
 Source: Authors' conceptualization

Effective norm-setting is essential to curbing illicit financial flows (IFFs) and promoting gender equality, human rights, and economic justice, requiring coordinated action at both the global and national levels. Globally, all financial and tax treaties, policies, and agreements must be reviewed for compliance with international human rights, gender, labour, and anti-money-laundering standards. This includes shifting towards the source principle of taxation, ensuring automatic and transparent exchange of financial information, and developing legally binding instruments to hold multinational corporations and financial enablers accountable, especially banks, law firms, secrecy jurisdictions, and complicit state actors. International standards should also be established to protect whistleblowers and defenders of tax and human rights, as well as to harmonize legal frameworks for protecting trafficked persons, particularly women. At the national level, countries must expand the political and legal space for progressive taxation that is free from gender bias, eliminate harmful tax incentives and subsidies for corporations, and strengthen financial regulations to detect and deter IFFs. National governments should also mandate country-by-country reporting for corporations and reform tax laws to prevent cross-border spillovers and manipulation, ensuring that states

retain the sovereign ability to regulate capital flows and uphold social justice.

A robust and inclusive institutional framework is critical for tackling illicit financial flows (IFFs) and advancing gender equality and human rights within the global financial system. At the core of this effort should be the establishment of a United Nations intergovernmental tax body with universal membership and equal voting rights, adequately resourced and equipped with gender expertise. This body should be mandated to review tax policies at national, regional, and global levels through the lens of gender equality and human rights obligations. To complement this, international and regional mechanisms must promote a shift from harmful tax competition to fair and transparent tax cooperation. At the national level, it is essential to strengthen the independence, mandate, and resources of tax authorities while preventing conflicts of interest, such as revolving doors between the private and public sectors, that foster corruption and elite capture. Finally, eliminating IFFs and related abuses requires systematic coordination among financial intelligence units, tax administrations, central banks, customs agencies, gender equality institutions, and anti-trafficking prosecutors to ensure integrated, gender-responsive financial governance.

Building strong capacity is essential at both the global and national levels to effectively combat illicit financial flows (IFFs) and promote good governance. Globally, capacity-building programs should be designed and implemented as part of international cooperation, supported by untied, additional, and predictable official development assistance, as well as through South-South cooperation. These efforts must focus on strengthening the technical skills and resources of tax authorities worldwide to ensure effective enforcement and transparency. At the national level, states need independent, well-equipped, and adequately compensated officers tasked with fighting corruption, tax evasion, and managing mutual legal assistance requests. Additionally, a properly functioning and independent judicial system is crucial to uphold the rule of law and ensure accountability in addressing IFFs. Together, these capacity-building measures create the foundation for sustained progress in financial integrity and social justice.

Effective data collection, evaluation, and accountability mechanisms are vital at both global and national levels to address illicit financial flows (IFFs) and their gendered impacts. Globally, it is necessary to design and harmonize comprehensive cross-border methodologies that enable the collection and analysis of comparable data on tax evasion, avoidance, gender biases in tax systems, and the connections between human trafficking and IFFs. Multi-jurisdictional research should be conducted to understand the spillover effects of tax policies and to carry out periodic assessments of global tax evasion's impact on gender equality. Public access to financial, fiscal, beneficial ownership, and human rights assessment data must be ensured to promote transparency and accountability.

At the national level, Ghana should develop rigorous methodologies for data collection and analysis on similar issues, fostering collaboration between tax authorities, national statistics offices, and gender equality institutions. Mandatory ex ante and periodic human rights and gender equality impact assessments of all trade, investment, and tax policies should be standard practice. Additionally, research linking money laundering methods with human trafficking is essential to connect financial crimes with their underlying human rights abuses. Ensuring public access to relevant financial and human rights data remains a key element in strengthening oversight and promoting justice.

5.3 The Ghanaian Gender Right Experience

Ghana's experience with gender rights is deeply intertwined with its fiscal landscape, public service delivery, and exposure to illicit financial flows. Women in Ghana disproportionately rely on public services such as healthcare, education, social protection, and safe infrastructure, making them especially sensitive to gaps in service provision (UNICEF, 2024a; 2024b; 2024c). For instance, delays in antenatal care at district hospitals, inadequate CHPS compounds in rural areas, and interruptions in school feeding programs disproportionately affect women and girls, who bear both direct and indirect costs of underfunded services. These service gaps are exacerbated by fiscal constraints stemming from revenue leakages, trade misinvoicing, and other IFFs, which divert resources away from programs critical to promoting gender equality.

Debt-related austerity has further constrained the state's ability to uphold women's rights. The 2022–2023 debt crisis, for example, forced Ghana to adopt stringent fiscal measures, including public sector hiring freezes, cuts in discretionary social spending, and adjustments to subsidy programs (World Bank, 2024). Other impacts included skyrocketing inflation rates and high lending rates, which also affect the real wages and economic activities of women. Women dominate low-paid public sector roles in teaching, nursing, and social work and are disproportionately affected by wage containment and limited opportunities for career progression. Additionally, consumption-based fiscal measures, such as VAT increases, disproportionately burden women operating small-scale retail and informal sector businesses, reducing their disposable income and limiting their economic autonomy.⁶

Illicit financial flows compound these challenges by weakening the government's capacity to fund gender-responsive policies. In Ghana, corruption, gold and cocoa smuggling, procurement fraud, and underreported corporate taxes siphon billions of cedis from the state annually. These lost revenues limit the budget for essential services like maternal health, safe water, social protection transfers under LEAP, and public transport that women rely on. Moreover, women are often strategically targeted or exploited within illicit networks, for instance, as couriers in gold smuggling chains or as trafficked workers, demonstrating the dual role of women as both vulnerable to and implicated in IFF-linked activities.

Despite these challenges, women play a critical role in advancing transparency, accountability, and gender rights in Ghana. Female participation in local governance, civil society organizations, and anti-corruption initiatives has been linked to improved monitoring of public resources, particularly in sectors affecting women and children. Grassroots women's groups and advocacy organizations contribute to exposing irregularities, promoting social accountability, and ensuring that policy reforms—including digitalization of services address the needs of vulnerable populations. Strengthening women's representation in decision-

⁶ In late 2025, the government made changes to the VAT rate that reduced it from 21.9% to 20%.

making, equipping institutions with gender-responsive tools, and embedding accountability mechanisms are essential steps to mitigate the gendered impacts of IFFs, debt-related austerity, and weak public service delivery in Ghana.

6.0 ESTIMATE OF ILLICIT FINANCIAL FLOW IN GHANA

In this section, we discuss our estimate of the IFF estimate for Ghana up to the end of the 2024 fiscal year.

6.1 IFF Estimate for Ghana

Estimation of IFF has been a critical issue within the international development space, especially in recent times. This is because mitigation of IFF is underpinned by the ability to measure it properly; if it cannot be measured, it cannot be managed.

Despite various methodologies and approaches, such as the Mirror-trade or trade misinvoicing method (GFI, 2019), and the residual (broad) method, for estimating IFF, concerns have been raised that these methods either overestimate or underestimate the problem. This can include using the Partner Country Method (PCM) and/or the Price Filter Method (PFM).

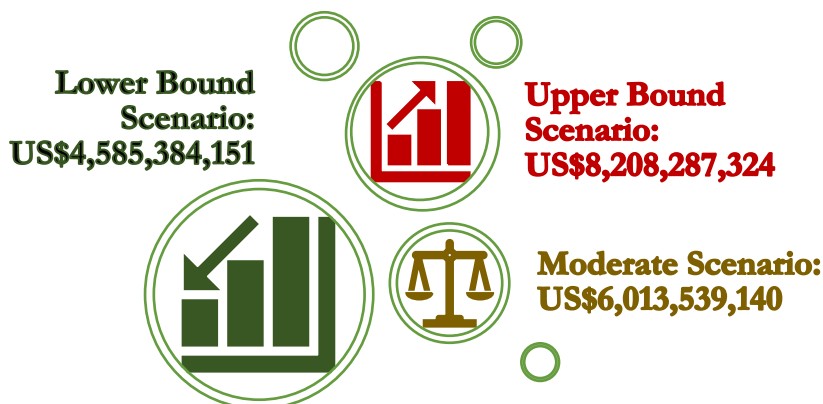


Figure 28. Annual Estimate of IFF under Lower, Moderate, and Upper Bound Scenarios
Source: Authors' Estimation, 2025

Above all, the most critical challenge that analysts face is the limited data especially in the African context, as a primary data-based estimation will require data access from the Customs institution, the banking sector, the statistical service and collaboration with data generating entities while complementing them with resources from IMF's International Trade in Goods (by partner country) database, World Integrated Trade Solution and Comtrade platforms (IMF, 2025; World Bank, 2025; UN, 2025; UNCTAD, 2023). Currently that data is still not easily accessible, and current multilateral and analytical collaborations tend to focus on estimating just a portion of IFF. For example, in Ghana, it was estimated that trade misinvoicing alone is valued at \$8.4 billion between 2000 to 2012 for only trade with the US and Europe. This estimate focuses on only a part of IFF, for a time period, and excludes other continents like Asia, other North American countries, South America, Antarctica, other African countries, and Australia.

Our estimate uses a combination of previous estimates, research estimates on growth rates, and economic data to calibrate and estimate an overall IFF that considers the four types of IFF, namely i) tax and commercial activities, ii) corruption, iii) theft, financing of crime and terrorism, and iv) illegal markets. To account for uncertainty and variation in available data, we provide three scenarios: a lower bound, reflecting conservative assumptions; a moderate scenario, representing our central estimate; and an upper bound, reflecting a more aggressive or high-end estimate of potential IFFs. This scenario-based framework ensures that our results are robust and informative for policymakers and stakeholders seeking to understand the scale and implications of IFFs. Our estimate incorporates both recorded financial events and informal information spanning the years up to 2024. This provides a baseline assessment to support evidence-based policy advocacy, with the ultimate goal of gradually reducing the magnitude of illicit financial flows.

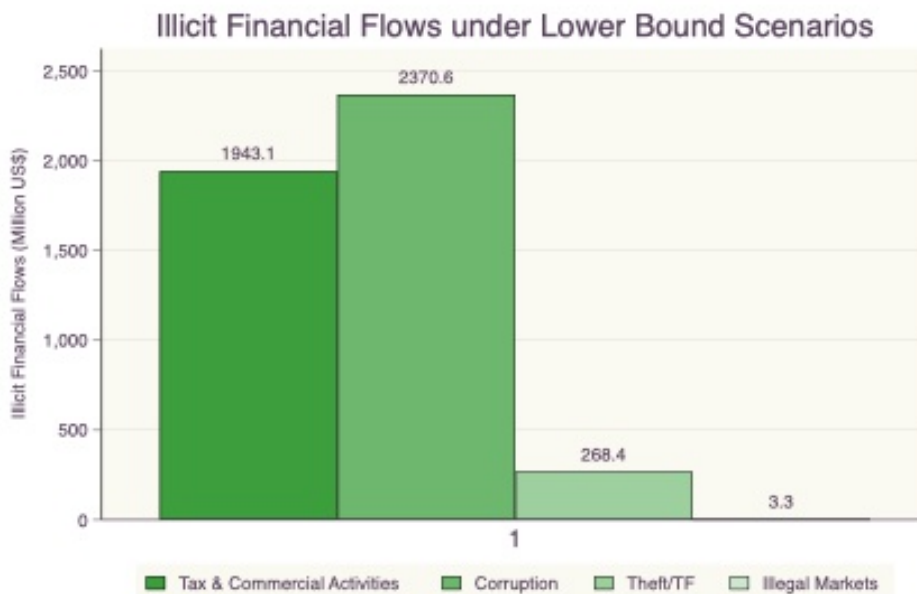


Figure 29. IFF in Ghana, Lower Bound Scenario
 Source: Authors' Estimation, 2025

The estimated Illicit Financial Flows (IFFs) presented in **Figures 28, 29, 30, and 31** highlight the substantial scale and composition of illicit economic activity in Ghana, reinforcing the broader fiscal and social challenges identified in this study. Across all scenarios—lower bound, moderate, and upper bound—IFFs represent a significant drain on the country's revenue base, exacerbating the government's debt burden and constraining the resources available for essential public services.

As presented in **Figure 28**, up to 2024, the annual IFF flows range from US\$4.6 billion (lower bound), US\$6.01 billion (moderate), to US\$8.2 billion (upper bound).

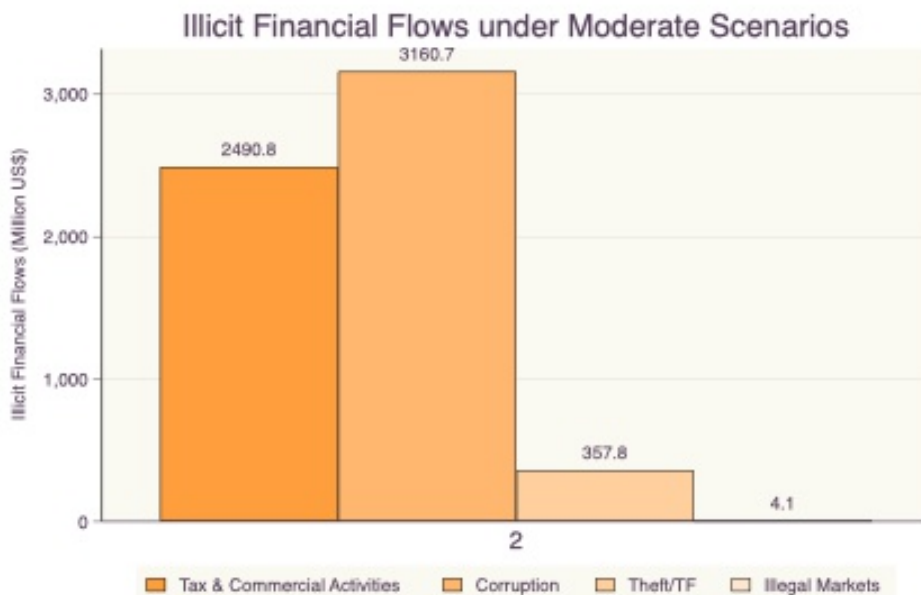


Figure 30. IFF in Ghana, Moderate Scenario
 Source: Authors' Estimation, 2025

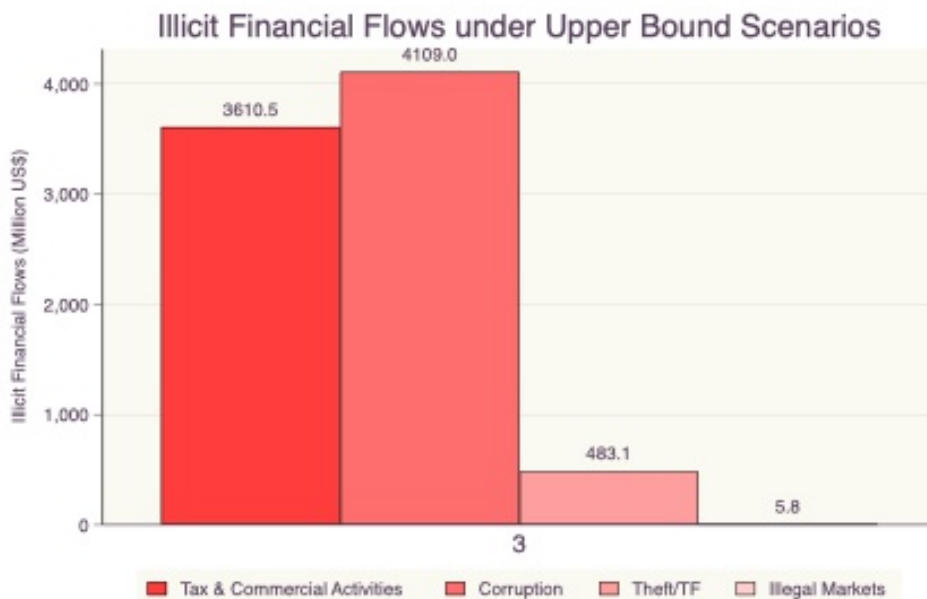


Figure 31. IFF in Ghana, Upper Bound Scenario

Source: Authors' Estimation, 2025

Tax and commercial activities remain the second largest contributors to IFFs, with flows ranging from approximately US\$1.94 billion (lower bound), US\$2.49 billion (moderate), to US\$3.61 billion (upper bound). As presented in **Table 8**, trade misinvoicing, tariffs, and duty offences dominate this category, underscoring persistent weaknesses in customs administration and enforcement. While smaller in absolute terms, practices such as transfer mispricing, tax evasion, and aggressive tax avoidance still represent non-negligible losses, highlighting gaps in regulatory oversight and corporate compliance.

Table 8. Disaggregation of IFF from Taxes and Commercial Activities (in \$)

Type of IFF	Lower Bound	Moderate	Upper Bound
Tax and Commercial Activities			
	1,943,147,835	2,490,833,485	3,610,464,544
Trade Misinvoicing, Tariff, and Duty and Revenue Offences	1,216,241,943	1,520,302,429	2,204,438,522

Transfer Mispricing	10,436,580	14,909,400	20,127,690
Tax Evasion, Illegal tax and commercial practices, and IFFs from aggressive tax avoidance	715,481,592	953,975,456	1,383,264,412
Debt Shifting, Competition Offences, and Market Manipulation, Insider Trading, or Price Fixing	987,720	1,646,200	2,633,920

Source: Authors' Estimation, 2025

Corruption emerges as the largest and critical driver, with flows estimated at approximately US\$2.37 billion (lower bound), US\$3.16 billion (moderate), to US\$4.11 billion (upper bound). These figures indicate systemic governance challenges that enable the diversion of public resources, directly impacting fiscal space for public investment.

Similarly, theft, financing of crime, and terrorism-related flows are estimated at approximately US\$268 million (lower bound), US\$358 million (moderate), to US\$483 million (upper bound). Also, illegal market-related flows are estimated at approximately US\$3.31 million (lower bound), US\$4.14 million (moderate), to US\$5.80 billion (upper bound). Although smaller in magnitude, these additional types of IFF pose significant social risks, particularly affecting vulnerable populations and undermining inclusive development outcomes.

Table 9. Estimate of IFF as a Percentage of GDP

Type of IFF	Lower Bound	Moderate	Upper Bound
Tax and Commercial Activities	2.346%	3.007%	4.359%
Corruption	2.862%	3.816%	4.961%
Theft, Financing of Crime and Terrorism	0.324%	0.432%	0.583%
Illegal Markets	0.004%	0.005%	0.007%
Total IFF	5.54%	7.26%	9.91%

Source: Authors' Estimation, 2025

The aggregated IFF-to-GDP ratio ranges from 5.54% (lower bound), 7.26% (moderate) to 9.91% (upper bound), demonstrating the material impact of

illicit flows on the Ghanaian economy (see **Table 9**). Such leakage constrains the government’s capacity to service debt sustainably and fund critical sectors like education, health, and social protection—sectors that are crucial for advancing gender equality and achieving the SDGs.

How does the estimate compare with actual government spending? As presented in **Table 10**, Ghana’s annual illicit financial flows (IFFs) are alarmingly high—equivalent to approximately 638 times the budget allocation to the Ministry of Gender, Children and Social Protection (MOGCSP), 36 times that of the Ministry of Education (MOE), 85 times that of the Ministry of Health (MOH), and 468 times that of the Ministry of Food and Agriculture (MOFA). On average, the annual IFFs are 23 times the combined average budgetary allocations of these four ministries. This implies that a single year’s IFF could finance all four ministries for nearly two decades, assuming current budget levels remain constant.

Table 10. IFF to Budget Coverage Ratio for 4 Key Ministries

Item	Average Budget Spend (\$)	IFF-to-Budget Coverage Ratio
Ministry of Gender, Children & Social Protection	129,818,901	638
Ministry of Education	2,297,221,470	36
Ministry of Health	971,537,655	85
Ministry of Food and Agriculture	176,817,025	468
Total Budget Allocation for the 4 Ministries	3,575,395,052	23

Source: Authors’ Estimation, 2025

Additionally, as presented in **Figure 32**, annual IFF alone is approximately 24% (lower bound), 31% (moderate), or 43% (upper bound) of the government’s spending for a fiscal year.

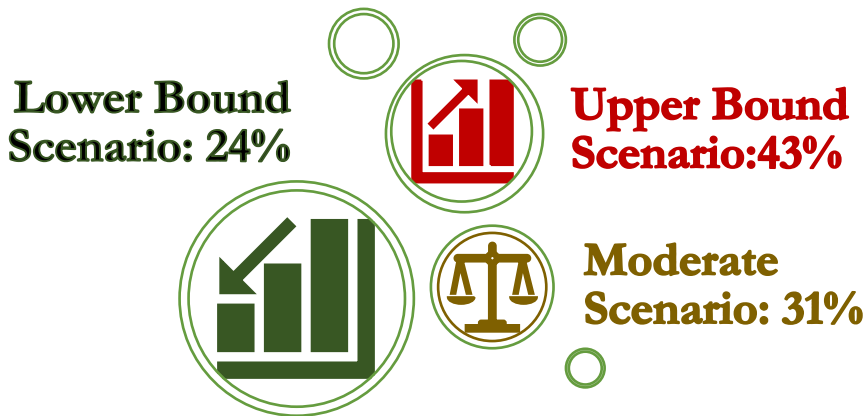


Figure 32. IFF as a Percentage of Total Government Budget in a Fiscal Year
 Source: Authors' Estimation, 2025

These estimates underscore the urgent need for comprehensive, multi-dimensional policy interventions. Reducing IFFs could improve fiscal space, alleviate debt pressures, and enhance public service delivery, particularly for women, children, and marginalized groups disproportionately affected by underfunded services. Policy priorities include strengthening tax administration, enhancing anti-corruption measures, improving inter-agency coordination, and adopting gender-responsive fiscal policies. By framing the fight against IFFs within a gendered, social justice lens, Ghana can not only recover lost revenues but also promote equitable and sustainable development outcomes.

7.0 CONCLUSIONS AND RECOMMENDATIONS

In this section, we conclude the study. It also provides recommendations that are needed for action in addressing the key challenges that permeate policies in Ghana when it comes to IFF, public debt burden, public service delivery and quality, as well as their link with gender equality.

7.1 Conclusions

IFFs and unsustainable public debts are structural barriers that undermine resource mobilization to pursue the Sustainable Development Goals. In developing countries like Ghana, the public service has a key role in providing services to support the education, health and social sector as a means to mitigate poverty incidence and ensure inclusive growth. Yet, the lack of a gendered approach to public policy in developing countries like Ghana undermines the needed attention, understanding, and policy effect needed to undo the negative impacts of IFF, debt burdens, and the economic effects on marginalized groups. This study sets out to contribute to the policy literature by addressing 3 key objectives:

1. To examine the linkages between illicit financial flows (IFFs) and Ghana's debt burden, and how these dynamics affect the country's capacity for sustainable public financing.
2. To assess the implications of IFFs and debt on the delivery and quality of public services, with a focus on health, education, and social protection.
3. To analyze the gendered impacts of IFFs and debt-related austerity measures, highlighting how women, girls, and marginalized groups are disproportionately affected.
4. To estimate the current IFF estimate for Ghana, for the overall annualized flow up to 2024

Using a combination of secondary data sources, technical and policy reports, and scholarly studies, this study provides new insights into the usually ignored dimension of IFF.

Firstly, the study discussed the concept of IFF, its definition, focusing on the illicit nature, and the fact that some commercial activities can become illicit

when they are carried out aggressively. We argued that there are different types and sources of IFF, with four key types which are: i) tax and commercial activities, ii) corruption, iii) theft, financing of crime and terrorism, and iv) illegal markets. In the current tech-driven economy, even in developing countries, there are about 12 different methods through which IFF occurs. Though cash continues to dominate this because of its limited audit trail, other tech-based approaches, like the use of cryptocurrencies, are on the rise. There are three key drivers of IFF, which are closely linked to the political economy of the countries. These include: i) political and governance factors, ii) reliance on extractive industries, and iii) existence of transnational business structures. Ghana's strong democratic credentials provide political stability, but persistent economic volatility and weak public institutions continue to create the structural conditions that enable illicit financial flows through the channels discussed above. Ghana is not usually classed among the top countries in Africa for IFF, but issues like illegal mining (i.e., *'galamsey'*), rise in counterfeit and illicit use of drugs, and continued concerns about the transport of contrabands show that it is still a key issue that needs policy attention. Also, the cocoa sector has been criticized on child labour issues, and concerns about child street begging syndicates are still emerging issues. We further explore the key sectors in Ghana in which IFF exposures are high, including the resource-rich sectors like mining and forestry, illicit drugs, public procurement breaches, and internet fraud activities.

Besides, we discuss the public debt burden that Ghana currently faces and the nexus with IFF. In Ghana, we found that key drivers of debt include debt servicing costs, the public sector wage bill, quasi-fiscal losses from state-owned enterprises, exchange rate vulnerabilities, persistent primary deficits, low revenue mobilization, and energy sector debts or arrears. A vivid example of the vulnerability from foreign exchange mismanagement was evident when, for the first time in 2025, the country again had strong control in directing the target for foreign exchange. In a cosmetic fashion, the debt levels reduce as the cedi appreciates, given the high volume of the public debt that is denominated in foreign currencies. We argued that IFFs erode the revenue base, drain foreign exchange, distort markets, and erode investor confidence. On the other hand, public debt burden increases borrowing cost, crowds out private investment, reduces development impact, and deepens fiscal dependence.

Secondly, the report examines the public service delivery and quality in Ghana, as well as the connection with both IFF and public debt. Ghana's public service delivery is moderate when compared with other African countries, but there is more room for improvement. There are myriad public services that are managed under the government machinery. In the current context, a modernized reform of the public service is relevant to improving service delivery and quality. Thus, we discussed a four-stage framework for public service mechanization, which includes rationalization, reengineering, digitalization, and delivery. We argued that weaknesses in the public service, its delivery, and quality will further create the grounds for IFFs and worsening of the debt burden. Weak public service delivery disproportionately affects women, who rely more heavily on public health, education, and social protection systems; systemic gaps therefore amplify gendered barriers to economic participation. As inefficiencies fuel illicit financial flows and heighten the public debt burden, the resulting fiscal constraints further limit gender-responsive investments, entrenching existing inequalities.

Poverty levels in Ghana continue to worsen despite the fact that good public management decisions starting from 2025 by the government could overturn this if it is continued. Thus, we focus on 3 key sectors of the economy: education, health, and social protection, which are key to resource redistribution and socio-economic inclusion. We show evidence that the budget financing for the education section continues to fall below international targets like the Incheon Declaration, which requires a lower bound of 15% of total expenditure and 4% of GDP for the education sector. In the health sector, the country continues to fall below the 15% of total budget allocation to the health sector as required under the Abuja Declaration. Moreover, the 5% of GDP required under the WHO's international target continues to be unmet, and even the projection to 2027 shows that it does not have any potential to be increased at any moment from now. Social protection financing is below the 2.4% of GDP required under the ILO social protection target.

Between 2018 and 2025, Ghana's total interest payments were equivalent to approximately 37 times the cumulative expenditure allocated to the Ministry of Gender, Children and Social Protection, 2 times that of the

Ministry of Education, 7 times that of the Ministry of Health, and 28 times that of the Ministry of Food and Agriculture. Similarly, over the same period, total debt servicing obligations amounted to about 53 times the expenditure of the Ministry of Gender, Children and Social Protection, 3 times that of the Ministry of Education, 11 times that of the Ministry of Health, and 39 times that of the Ministry of Food and Agriculture. Given these limited budget commitments, the concern for fighting IFF is even more critical because doing so will increase the revenue base of the government, reduce the poverty effects due to resource embezzlement, therefore reducing the need for commitment towards social safety nets, but also properly provide for the remainder of the people who need the social safety nets.

Additionally, we focus on the usually relegated issue of providing a gendered view of IFF. Thus, we argued must be a critical issue considered at the global, regional, and national levels to be able to address the issues head-on. We argued that women engage in IFF, though not at levels compared to men, women are the most affected by IFF, and women have key roles to play in fighting against IFF. We also discuss four key policy actions needed to promote the gendered perspective of IFF: namely, a norm-setting, institutional frameworks, capacity building and data, evaluations, and accountability.

Finally, the analysis of IFFs in Ghana highlights the substantial economic and social costs associated with these illicit activities. Across all scenarios—lower bound, moderate, and upper bound—IFFs are estimated to range from US\$4.59 billion to US\$8.21 billion annually, equivalent to 5.54% to 9.91% of GDP. Tax and commercial activities and corruption remain the dominant drivers, underscoring persistent weaknesses in customs administration, regulatory oversight, and governance institutions. Other forms of IFF, including theft, financing of crime and terrorism, and illegal markets, although smaller in absolute terms, pose significant social and developmental risks. These flows directly erode the government’s revenue base, exacerbating the debt burden and constraining fiscal space for essential public services.

Ghana’s annual illicit financial flows are substantially higher than key social sector budgets—averaging 23 times the combined allocations of the

Ministries of Gender, Education, Health, and Agriculture. This scale of loss underscores the urgent need for stronger fiscal governance and coordinated anti-IFF measures. The annual IFF alone is approximately 24% (lower bound), 31% (moderate), or 43% (upper bound) of the government's spending for a fiscal year.

The scenario-based framework adopted in this study—incorporating both formal financial data and informal information up to 2024—provides a robust baseline for evidence-based policy advocacy. Addressing IFFs requires multi-dimensional interventions, including strengthening tax administration, enhancing anti-corruption measures, improving inter-agency coordination, and embedding a gender-responsive lens across fiscal policies. By curbing illicit flows, Ghana can expand fiscal capacity, reduce debt vulnerabilities, and ensure that public service delivery better meets the needs of all citizens, particularly the most vulnerable.

7.2 Recommendations

Against this backdrop, we recommend actions to address the need to include a gendered perspective in addressing the problems of IFF, public debt burden, and public service. Addressing the challenges of IFF will ease the pressure on public debt, and this will create the fiscal room for financing the education, health, and social protection sectors, which will eventually reduce poverty incidence. To address the interrelated challenges of illicit financial flows (IFFs), public debt burden, and declining quality of public service delivery, while ensuring gender-sensitive and inclusive development, we recommend the following strategic actions as presented in **Table 11**.

Ghana stands at a critical crossroads in its development path. Effectively addressing IFFs and the public debt crisis, while improving public service delivery, requires a comprehensive, gender-responsive, and coordinated policy response. By implementing these recommendations, Ghana can reclaim lost revenues, reduce poverty, invest in inclusive growth, and uphold the rights and dignity of all citizens, particularly women and marginalized groups.

Table 11. Strategic Recommendations

Recommendations	Specific Actions
<p>Integrate a Gender Lens into All IFF and Fiscal Policy Measures</p>	<ul style="list-style-type: none"> • Mainstream gender into national tax and anti-corruption policies by identifying and addressing both direct and indirect gender biases in taxation, budgeting, and fiscal policy. • Prioritize gender-responsive budgeting across key sectors, particularly health, education, and social protection—to ensure resources reach the most vulnerable, especially women and girls. • Promote the role of women in financial oversight by increasing female representation in tax authorities, anti-corruption bodies, and economic policymaking spaces. • Build capacity of women-led civil society organizations and women in the public service to contribute meaningfully to fiscal governance, anti-IFF monitoring, and budget tracking efforts.
<p>Strengthen Norm-Setting and Legal Frameworks to Combat IFFs and Deepen Fiscal Justice</p>	<p><i>At the national level:</i></p> <ul style="list-style-type: none"> • Review and reform Ghana’s tax system to make it more progressive and eliminate harmful tax exemptions, corporate subsidies, and loopholes that facilitate IFFs. • Adopt country-by-country reporting requirements for multinational corporations operating in Ghana to enhance tax transparency and prevent transfer pricing abuses. • Ban or strictly regulate investor-state dispute settlement (ISDS) clauses that limit Ghana’s fiscal policy space and ability to regulate capital flows. • Repeal or amend legal provisions that enable shell companies, anonymous property ownership, or undisclosed beneficial ownership. <p><i>At the global level:</i></p>

	<ul style="list-style-type: none"> • Support the establishment of a UN-led intergovernmental tax body with universal membership to ensure fair global tax rules, especially those aligned with the source principle of taxation. • Advocate for a binding international framework to hold multinational enterprises accountable to human rights, gender equality, and anti-money laundering standards.
<p>Reform Public Institutions and Strengthen Inter-agency Coordination</p>	<ul style="list-style-type: none"> • Expand the mandate and resources of the Ghana Revenue Authority (GRA), Financial Intelligence Centre, Auditor General’s Office, and EOCO to detect, prevent, and prosecute IFF-related activities. • Develop a national coordination mechanism that brings together tax authorities, central bank, financial intelligence units, customs, women’s ministries, and anti-human trafficking prosecutors. • Establish clear accountability mechanisms to prevent “revolving doors” between public officials and private interests that enable policy capture or regulatory evasion. • Promote public sector reform through a four-stage framework, rationalization, reengineering, digitalization, and delivery, to improve service delivery and close corruption gaps. • Institutionalize performance-based management across the public sector by introducing clear, measurable KPIs for directors and frontline managers, linked to quarterly performance reviews, budget releases, and contract renewal. KPIs should track service accessibility, equity, timeliness, and digital

	<p>system adoption to ensure that modernization reforms translate into improved outcomes for citizens, especially women and vulnerable groups.</p>
<p>Build Technical and Institutional Capacity Across Public and Regulatory Institutions</p>	<ul style="list-style-type: none"> • Invest in the recruitment, training, and fair remuneration of public officers involved in tax administration, anti-corruption enforcement, judiciary, and investigative journalism. • Integrate modules on gender, IFFs, and financial accountability into training curricula for civil servants, especially within the GRA, Public Accounts Committee, and Ministry of Finance. • Request targeted technical assistance and capacity-building support through South-South cooperation and Official Development Assistance (ODA) to enhance domestic resource mobilization and compliance mechanisms.
<p>Improve Data Systems, Monitoring, and Accountability for Financial Transparency</p>	<ul style="list-style-type: none"> • Develop national methodologies for collecting disaggregated data on IFFs, tax avoidance, public spending efficiency, and the gendered impacts of fiscal policy. • Conduct mandatory human rights and gender impact assessments of all trade, tax, and public investment decisions, ensuring these assessments inform future policies. • Facilitate collaboration between the Ghana Statistical Service, GRA, Ministry of Finance, and Ministry of Gender to ensure integrated and transparent data systems. • Ensure public access to financial, fiscal, beneficial ownership, and impact assessment

	<p>data, and institutionalize periodic public expenditure reviews and audit reports.</p>
<p>Link IFF Response with Public Service Financing and Poverty Reduction</p>	<ul style="list-style-type: none"> • Prioritize the fight against IFFs as a central pillar of domestic resource mobilization, reducing dependence on external borrowing and alleviating Ghana’s debt burden. • Channel recovered funds from anti-IFF enforcement into priority sectors such as education, health, and social protection to close funding gaps and meet international commitments (e.g., Incheon, Abuja, ILO standards). • Institutionalize mechanisms that ensure transparency in the use of recovered assets, including participatory oversight by civil society and women’s groups. • Promote fiscal discipline and targeted investment in infrastructure and social services that directly benefit poor and marginalized communities, particularly women and girls.

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Network for Women's Rights in Ghana (NETRIGHT)

9 Asmara Street, East-Legon

P. O. Box AN 19452, Accra-North

Tel: +233 302 511 189/500419/503669

Cell: +233 256 617 888/+233 207 405 489

Email: info@netrightghana.org

Website: www.netrightghana.org

 @NETRIGHT-Ghana  netright_gh  @NETRIGHT  NETRIGHT Ghana