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NETWORK FOR WOMEN'S  
RIGHTS IN GHANA (NETRIGHT)

# POLICY BRIEF

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



### Abstract

Illicit financial flows (IFFs) and Ghana's rising debt burden are undermining the country's fiscal stability, constraining public investment, and deepening gender inequality. Annual IFFs estimated at 5.5% to 9.9% of GDP erode revenues at a scale comparable to one-third of total government spending, tightening fiscal space and worsening reliance on external borrowing. The resulting debt-servicing pressures crowd out investments in education, health, and social protection, sectors critical for

advancing women's rights. Underfunded public services disproportionately affect women and marginalised groups, increasing unpaid care burdens and reducing access to essential services. Although women contribute minimally to generating IFFs, they bear the greatest social costs while remaining underrepresented in financial governance. This brief analyses the scale and drivers of IFFs, their links to debt and public service delivery, and the gendered implications of austerity. It presents strategic reforms to strengthen fiscal governance, recover lost revenues, and promote equitable, gender-responsive development.

## Key Message

1. Illicit Financial Flows are a major structural drain on Ghana's economy, weakening revenue mobilization and deepening the country's debt dependence. Annual IFFs are equivalent to 5.5%–9.9% of GDP, eroding public finances at a scale comparable to 30% of the government's annual spending, severely constraining national development and gender rights allocation.
2. Rising debt servicing crowds out essential public investments, undermining education, health, and social protection. Between 2018 and 2025, interest payments alone dwarfed expenditure on key social ministries; this fiscal squeeze compromises service quality and obstructs sustainable development progress.
3. Underfunded public services disproportionately harm women, children, persons with disability, and other marginalised groups. Ghana's failure to meet global benchmarks in education, health, and social protection financing reduces access to essential services and reinforces gender inequality.
4. IFFs and debt-induced austerity exacerbate gender inequality, even though women contribute little to generating illicit flows. Women absorb the social costs, from reduced service access to heightened vulnerability, yet remain underrepresented in financial governance and anti-corruption institutions.

## Introduction

Illicit financial flows (IFFs) undermine the capacity of states to mobilize domestic resources for inclusive public investment (ActionAid, 2023; One Data, 2025). In Africa, over 3.7% of GDP is attributed to IFFs, which is more than official development assistance to the continent (UNCTAD, 2020a). IFFs increase public debts, and when combined with poor public service delivery, undermine public investment for gender rights. In Ghana, investments in gender rights continue to be limited in the face of rising public debt pressures driven significantly by illicit financial flows through corruption and

other means. As of the end of 2024, Ghana's public debt-to-GDP ratio declined to 70.5% due to the financial haircut on Eurobonds (World Bank, 2025). 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 affect the allocations to gender-focused ministries linked to sectors like education, health, and social protection. We set out to i) 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, ii) assess the implications of IFFs and debt on the delivery and quality of public services, with a focus on health, education, and social protection, iii) analyze the gendered impacts of IFFs and debt-related austerity measures, highlighting how women, girls, and marginalized groups are disproportionately affected, and iv) estimate the current IFF estimate for Ghana, for the overall annualized flow up to 2024

## What is the Scale of Illicit Financial Flows in Ghana?

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.

We first estimate the scale of illicit financial flows in Ghana, considering the period up to 2024. Common reference to IFF has been on the Africa level statistics, and national level figures have either focused on an aspect of IFF, like corruption, or trade-misinvoicing. But, if it cannot be measured, it cannot be managed. Understanding overall estimates

and the figures based on the types of IFF is paramount for effective policy reform and advocacy.

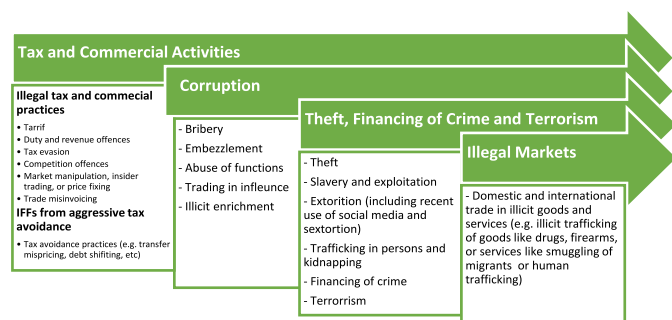


Figure 1. Types and Sources of IFFs

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

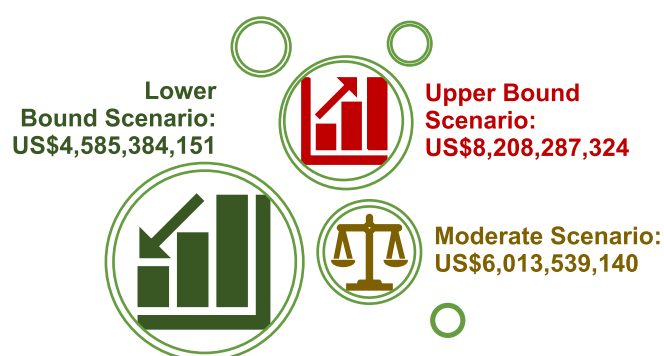


Figure 2. Annual Estimate of IFF under Lower, Moderate, and Upper Bound Scenarios

Source: Authors' Estimation, 2025

Our estimate is based on the taxonomy of 4 types of IFF as presented in Figure 1. Under 3 different scenarios, we estimate that over the period, IFF in Ghana was US\$4.59 billion (lower bound), US\$6.01 billion (moderate), and US\$8.21 billion (upper bound). This represents about 5.54% (lower bound), 7.26% (moderate), or 9.91% (upper bound) of GDP. Among these, corruption-related IFF accounts for about 53% while tax and commercial activities account for 41% as presented in Table 1.

Table 1. Estimate of IFF as a Percentage of GDP

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

Source: Authors' Estimation, 2025

## How does the estimate compare with actual government spending?

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.

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.

## Public Debt and Public Service Delivery

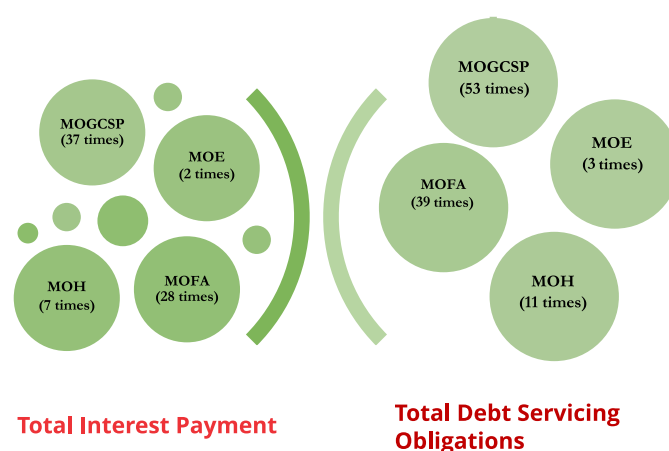
Illicit financial flows divert funds that should otherwise be used for public investments. For Ghana, most financial flows take from the public purse, which directly increases the public debt burden. More critically, this affects the progress towards gender rights as investments in public service delivery have a disproportional effect on women and other vulnerable groups like persons with disabilities.

In Ghana, we found that other 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.

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, although 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 sector 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 World Health Organization'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 International Labor Organization's 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 approximately 53 times the expenditure of the Ministry of Gender, Children, and Social Protection, three 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.

## What is the Gendered Perspective that Must Be Promoted?

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, including healthcare, education, social protection, and safe infrastructure, making them especially vulnerable to gaps in service provision (UNICEF, 2024a, 2024b, 2024c). For instance, delays in antenatal care at district hospitals, inadequate Community-based Health Planning and Services (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 value-added tax (VAT) increases, disproportionately burden women operating small-scale retail and informal sector businesses, reducing their disposable income and limiting their economic autonomy. 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-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.

Thus, we argued that gender rights 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, norm-setting, institutional frameworks, capacity building and data, evaluations, and accountability.

## Policy 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 2**.

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 2. Strategic Recommendations

Recommendations	Specific Actions
Integrate a Gender Lens into All IFF and Fiscal Policy Measures	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Prioritize gender-responsive budgeting across key sectors, particularly health, education, and social protection—to ensure resources reach the most vulnerable, especially women and girls.</li> <li>• Promote the role of women in financial oversight by increasing female representation in tax authorities, anti-corruption bodies, and economic policymaking spaces.</li> <li>• 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.</li> </ul>
Strengthen Norm-Setting and Legal Frameworks to Combat IFFs and Deepen Fiscal Justice	<p><i>At the national level:</i></p> <ul style="list-style-type: none"> <li>• Review and reform Ghana’s tax system to make it more progressive and eliminate harmful tax exemptions, corporate subsidies, and loopholes that facilitate IFFs.</li> <li>• Adopt country-by-country reporting requirements for multinational corporations operating in Ghana to enhance tax transparency and prevent transfer pricing abuses.</li> <li>• Ban or strictly regulate investor-state dispute settlement (ISDS) clauses that limit Ghana’s fiscal policy space and ability to regulate capital flows.</li> <li>• Repeal or amend legal provisions that enable shell companies, anonymous property ownership, or undisclosed beneficial ownership.</li> </ul> <p><i>At the global level:</i></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Advocate for a binding international framework to hold multinational enterprises accountable to human rights, gender equality, and anti-money laundering standards.</li> </ul>
Reform Public Institutions and Strengthen Inter-agency Coordination	<ul style="list-style-type: none"> <li>• Expand the mandate and resources of the Ghana Revenue Authority (GRA), Financial Intelligence Centre, Auditor General’s Office, and Economic and Organised Crime (EOCO) to detect, prevent, and prosecute IFF-related activities.</li> <li>• Develop a national coordination mechanism that brings together tax authorities, central bank, financial intelligence units, customs, women’s ministries, and anti-human trafficking prosecutors.</li> <li>• Establish clear accountability mechanisms to prevent “revolving doors” between public officials and private interests that enable policy capture or regulatory evasion.</li> </ul>

	<ul style="list-style-type: none"> <li>• Promote public sector reform through a four-stage framework, rationalization, reengineering, digitalization, and delivery, to improve service delivery and close corruption gaps.</li> <li>• Institutionalize performance-based management across the public sector by introducing clear, measurable Key Performance Indicators for directors and frontline managers, linked to quarterly performance reviews, budget releases, and contract renewal. KPIs should track service accessibility, equity, timeliness, and digital system adoption to ensure that modernization reforms translate into improved outcomes for citizens, especially women and vulnerable groups.</li> </ul>
Build Technical and Institutional Capacity Across Public and Regulatory Institutions	<ul style="list-style-type: none"> <li>• Invest in the recruitment, training, and fair remuneration of public officers involved in tax administration, anti-corruption enforcement, judiciary, and investigative journalism.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Improve Data Systems, Monitoring, and Accountability for Financial Transparency	<ul style="list-style-type: none"> <li>• Develop national methodologies for collecting disaggregated data on IFFs, tax avoidance, public spending efficiency, and the gendered impacts of fiscal policy.</li> <li>• Conduct mandatory human rights and gender impact assessments of all trade, tax, and public investment decisions, ensuring these assessments inform future policies.</li> <li>• Facilitate collaboration between the Ghana Statistical Service, GRA, Ministry of Finance, and Ministry of Gender to ensure integrated and transparent data systems.</li> <li>• Ensure public access to financial, fiscal, beneficial ownership, and impact assessment data, and institutionalize periodic public expenditure reviews and audit reports.</li> </ul>
Link IFF Response with Public Service Financing and Poverty Reduction	<ul style="list-style-type: none"> <li>• Prioritize the fight against IFFs as a central pillar of domestic resource mobilization, reducing dependence on external borrowing and alleviating Ghana's debt burden.</li> <li>• 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).</li> <li>• Institutionalize mechanisms that ensure transparency in the use of recovered assets, including participatory oversight by civil society and women's groups.</li> <li>• Promote fiscal discipline and targeted investment in infrastructure and social services that directly benefit poor and marginalized communities, particularly women and girls.</li> </ul>

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