

Sustainable Financing FRAMEWORK





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Introduction

The Sustainable Development Goals (SDGs) are a collection of 17 interlinked goals designed to end poverty, protect the planet, and ensure a sustainable future for everyone. In 2017, the SDGs were made actionable by a United Nations Resolution adopted by the General Assembly. The resolution identified specific targets for each goal, (169 in total), along with indicators to measure progress, and set 2030 as the date for achievement.

Since their adoption, the Government and people of Ghana have taken up the challenge of the SDGs, and have incorporated the goals into the national development plans and budget. Flagship programmes, such as the Free Senior High School education policy, “One District, One Factory” initiative, and the “Planting for Food and Jobs” programme are fundamentally about achieving the SDGs.

Additionally, Ghana has established a robust national architecture to support the implementation of the Goals. This includes a High-Level Inter-Ministerial Committee charged with the responsibility of providing leadership and strategic oversight of the implementation process.

Ghana’s approach to implementation involves all stakeholders, and the Government recognizes that the cost associated with financing the SDGs can only be met with a significant boost in private capital. In this context, the Government has decided to incorporate sovereign Sustainable Financing instruments into its capital markets programme.

With this Sustainable Financing Framework, Ghana is also charting new territory by creating an integrated framework that enables the Government to issue instruments in either a use-of-proceeds format or sustainability-linked format.

Significant Progress towards Economic Transformation

Ghana successfully concluded its four-year Extended Credit Facility (ECF) supported programme under the International Monetary Fund (IMF) in April 2019; and has, since 2017, made significant progress towards the attainment of macroeconomic stability following the implementation of sound initiatives and policies that have spurred economic growth and job creation.

- However, the outbreak of the Covid-19 pandemic, had significant impact on the macroeconomic gains attained over the past years. These include the erosion of an averaging GDP growth of 7.0 percent over the past 3 years to 0.4 percent in 2020. Economic activities, notwithstanding, is expected to pick up in 2021 following the gradual easing of the Covid-19 restrictions, the steady rollout of the vaccination programme as well as the Ghana Covid-19 Alleviation, Revitalisation and Enterprise Support Programme (CARES). For 2021, GDP growth is expected to rebound to 5.1 percent.
- The measures that were instituted by Government to mitigate the impact of the pandemic on lives and livelihood further affected the fiscal deficit which widened to 11.7 percent in 2020 after consistently remaining below the Fiscal Responsibility Act (FRA) threshold of 5 percent for three consecutive years. The implementation of the 2021 fiscal measures and the Ghana CARES Programme are expected to revitalize the economy and eventually restore growth to the pre-Covid-19 levels and return the fiscal path to within the FRA threshold (5% deficit and positive primary balance) by 2024.
- Ghana has begun to record some positive gains in 2021 as witnessed in the strong pickup by high frequency economic indicators. The Composite Index of Economic Activity (CIEA) registered a strong annual growth of 20.0 percent in July 2021, compared to a growth of 3.9 percent same period in 2020. Inflation has now returned to the pre-pandemic levels and is within the threshold target of 8 percent \pm 2 percent. Prior to the recent increase to 9.7 percent in August, Inflation had declined sharply from 10.3 percent in February 2021 to 7.5 percent in May 2021 mainly due to the monetary stance and base drift effects.
- Gross International Reserves as at end August, 2021 stood at US\$11.44 billion which translates to an unprecedented 5.2 months of imports cover for goods and services. The reserve level compares favourably with a stock position of US\$8.62 billion (equivalent to 4.0 months of import cover) as at end December 2020.
- More so, from the beginning of the year to September 2021, the Ghana Cedi has seen a cumulative depreciation of 1.7 percent against the US dollar, compared to a depreciation of 3.9 percent same period in 2020.
- To consolidate these gains, Ghana has institutionalized structural reforms, which are expected to positively impact on growth and development over the medium-to-long term. These include the passage of the following laws:
 - Fiscal Responsibility Act, 2018 (Act 982) – provides for fiscal responsibility rules to ensure macroeconomic stability and debt sustainability. By so doing, it caps the Fiscal Deficit at 5% of GDP and protects the Primary Balance
 - Public Financial Management Regulations, 2019 (L.I. 2378) – provides regulations in consultation with the Public Procurement Authority for the effective implementation of the Public Financial Management Act 2016 (Act 921)
 - State Interest and Governance Authority Act, 2019 (Act 990) – to establish the State Interests and Governance Authority, to oversee and administer the State interests in state-owned enterprises, joint venture companies and other State entities and for more effective governance.

- Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) – provides for the preparation, evaluation and execution of investment projects; standard framework for project identification and planning, implementation, and reporting; enhance transparency, accountability and prudent use of public resources
- Public Private Partnership Act, 2020 (Act 1039) – provides for the development, implementation and regulation of public private partnership arrangements between contracting authorities and private parties for the provision of infrastructure and services among others.

Ghana’s Environmental Commitments and the Transformation Agenda (Ghana Beyond Aid)

- Ghana Beyond Aid is a national transformation agenda comprising of a vision for transforming the Ghanaian economy, which is based mainly on the production and exports of raw materials, to an economy based on manufacturing and high value addition services.
- Ghana’s development strategy seeks to broaden the economic base, increase the resilience of the economy to external shocks, and make growth more sustainable and inclusive. This strategy has been built on the Coordinated Programme of Economic and Social Development Policies (“CPESDP”) 2017-20241 and its associated Medium- Term Development Plan, which are in turn aligned with the UN SDGs (Agenda 2030) and the African Union Agenda 2063.
- Ghana COVID-19 Alleviation and Revitalisation of Enterprises Support (CARES) “Obaatampa” Programme is the Government’s response to the debilitating socio-economic effects of the COVID-19 pandemic. The Programme is a GH¢100 billion² post COVID revitalisation programme, which is expected to stimulate economic transformation while implementing social interventions intended to save lives and livelihoods during the recovery period. The programme is in two phases: the Stabilization Phase that ran from July 2020 to December 2020 and involved a temporary reduction in the cost of basic services, provided food for the vulnerable during lockdown, supported SMEs and strengthened the health system.
- The second phase, the Revitalization Phase from 2021-2023 focuses on ensuring food security; providing support for businesses and workers by facilitating access to funding; supporting the development of a digital economy; developing Ghana’s housing and construction industry and optimizing the implementation of Government Flagships and Key Programmes.
- Ghana has demonstrated strong leadership on climate action with the support of international partners like UNDP and other private sector partners and will continue to demonstrate its leadership in the fight against climate change. A review of Ghana’s Nationally Determined Contributions (GH-NDCs) to include the built environment, agriculture and industrial sectors will be necessary to increase Ghana’s climate ambition under the Paris Agreement. Other sectors such as the Waste and the Forestry sub sectors will also play a critical role.

¹ <http://www.mop.gov.gh/wp-content/uploads/2018/04/Coordinated-Programme-Of-Economic-And-Social-Development-Policies.pdf>

² Government to fund 30% of the programme and Private Sector 70%

Ghana's Social Initiatives and Programmes

- **Free Senior High School (SHS) Policy:** According to **Article 25 1b** of the 1992 Constitution, “Secondary education in its different forms including technical and vocational education, shall be made generally available and accessible to all by every appropriate means, and in particular, by the progressive introduction of **free** education.” In the 2017/2018 academic year, the Government of Ghana commenced the implementation of the Free Senior High School policy with the objective to ensure that at least every eligible person in the country has access to free quality education to senior high level.
- The Policy is anchored by pillars including the removal of cost barriers through absorption of fees approved by the Ghana Education Service Council, expansion of physical school infrastructure, improvement in quality and equity as well as ensuring 30% placement in elite SHS for students from public Junior High Schools (JHS).
- Furthermore, the Free SHS Policy has been enshrined in Ghana's Education Strategic Plan (ESP) 2018 – 2030, which is closely aligned to Ghana's Medium Term National Development Policy Framework (MTNDPF), the SDGs (especially SDG 4 – Education), and the Africa Union educational goals and objectives. The ESP also lays out core KPIs and targets for each sub-sector including Basic education, Secondary education, Technical and vocational education and training (TVET) and Tertiary education up to 2029/2030 academic year.

Purpose

- This Sustainable Financing Framework has been developed to demonstrate how the Government of Ghana, through the Ministry of Finance, will periodically screen the strategies developed by the various Ministries, Departments and Agencies (MDAs) for programmes and projects with green and/or social credentials that will be funded from the National Budget. These programmes and projects will form the basis for issuances of Green, Social or Sustainability Financing transactions to (re)finance new or existing expenditures that have been identified in accordance with this Sustainability Financing Framework which is consistent with the International Capital Market Association (ICMA) Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP), and Sustainability Bond Guidelines 2021 (SBG) as well as the LMA and APLMA Green Loan Principles 2021 (GLP), Social Loan Principles 2021 (SLP).
- The Sustainable Financing Framework also aligns with the Sustainability-Linked Bond Principles 2020 (SLBP) and the Sustainability-Linked Loan Principles 2019 (SLLP) and provides the basis for the issuance of Sustainability-Linked Financing.
- The issuance of Sustainable Financing instruments that combines the features of the use of proceeds and sustainability-linked approaches is also possible under this framework.

Sustainable Financing Framework

Green, Social and/or Sustainability Financing

The Government of Ghana, through an inter-ministerial working group, has developed a framework under which it plans to select and finance and/or re-finance Eligible Expenditures in the various MDAs through the issuance of Green, Social and/or Sustainability Financing Instruments.

The GBP, SBP, SBG, as well as the LMA and APLMA, GLP, and SLP are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the Green, Social and Sustainability Financing. In line with the GBP, SBP, SBG as well as LMA and APLMA, GLP and SLP, Ghana's Sustainable Financing Framework consists of the following key components:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting and
- External review

Use of Proceeds



Ghana has established this Framework to issue 3 types of Sustainable Financing Instruments:

- Green instruments, including Green Bonds and Green Loans, where the proceeds will be exclusively used to finance and/or refinance eligible expenditures falling within the Eligible Green Categories.
- Social instruments, including Social Bonds and Social Loans, where the proceeds will be exclusively used to finance and/or refinance eligible expenditures falling within the Eligible Social Categories.
- Sustainability instruments, including Sustainability Bonds, where the proceeds will be exclusively used to finance and/or refinance eligible expenditures falling within both the Eligible Green and Social Categories.





Eligible Green and Social Expenditures could include investment expenditures, fiscal expenditures (tax forgone/exemptions), subsidies and operating expenditures as well as any other spend deployed to meet the Government of Ghana's climate, environmental and social policies. Expenditures from budgets older than three calendar years prior to the issuance of any Sustainable Financing Instruments will not be eligible. For the avoidance of doubt, expenditures already financed via external dedicated funding sources will not be eligible under this framework in order to avoid any double counting.

Eligible Green Categories




Eligible Green Expenditures must fall into at least one of the following eligible categories defined below:

Category	SDG Contribution	Examples
Renewable Energy	 	<p>Renewable Energy: expenditures contributing to the development of renewable energy technology with the aim of promoting energy transition and intended to support the achievement of Ghana's NDC (GH-NDC) target to scale up renewable energy penetration by 10% by 2030. Eligible Expenditures may contribute to the climate change mitigation environmental objective.</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Investments in renewable energy including solar, wind, small scale and mini hydro (hydropower under 25 MW or if above 25MW, only projects which have either a lifecycle carbon intensity below 200g CO₂/kW) and the rehabilitation and maintenance of existing hydro facilities as well as tidal and geothermal (<100gCO₂/kWh) • Investments in biomass power generation (<100gCO₂/kWh and sustainable feedstock only³) • Investments in transmission and storage infrastructure dedicated to renewable energy (batteries, hydrogen, capacitors etc.) • Provision of renewable energy-based decentralized electrification options (in 1,000 off-grid communities) • R&D for renewable energy technologies including support schemes • Training programmes to increase technical knowledge in renewable energy installations and other related vocational education related to renewable energy • Support for Independent Power Producers (IPPs) who propose to develop electricity from renewable energy sources via Provisional Wholesale Electricity Supply Licenses (including tax incentives)

³ Sustainable feedstock includes waste products from forestry and sawmill operations such as wood offcut, municipal solid waste (primarily food waste), and waste from palm oil processing.

Energy Efficiency	 	<p>Energy Efficiency: expenditures fostering improved energy efficiency in buildings, public spaces and industry processes, and intended to support the achievement of GH-NDC targets to i) double energy efficiency improvement to 20% by 2030 in power plants and industrial facilities as well as ii) promote energy efficient rural household lighting. Eligible Expenditures may contribute to the climate change mitigation environmental objective.</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Investments in equipment, systems, services and improving of industry processes that result in increased energy efficiency⁴ • Public Lighting Improvements (LED street lighting) and the promotion of energy efficient rural household lighting • Development and deployment of smart grids and smart meters • Energy efficiency programmes for governmental, commercial and residential buildings (including development of locally-appropriate energy labels, awareness and capacity building)
Pollution Prevention and Control	 	<p>Pollution Prevention and Control: expenditures related to waste management projects supporting the transition to a circular economy. Associated GH-NDCs: i) adopt alternative urban solid waste management and ii) Green Cooling Africa Initiative including abatement of fluorinated gases from stationary air-conditioners. Eligible Expenditures may contribute to environmental objectives such as climate change mitigation, transition to a circular economy and pollution prevention and control.</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Waste prevention, treatment, management and recycling projects (including provision of transfer stations to aid waste collection) • Establishment of waste sorting centres • Deployment of waste bins to ensure proper disposal of refuse along the major and principal streets by pedestrians and other road users • Construction, expansion and maintenance of waste treatment facilities (including composting plants) • Investments in waste to energy projects (100gCO₂/MWh) (for example conversion of municipal solid waste to energy) • Rehabilitation of landfill areas, decommissioning and re-engineering of existing landfill sites (including construction and operation of landfills with 50% methane capture) • Development of pollution monitoring, control and treatment systems for air quality improvement

⁴ Expenditures could include energy efficient appliances such as LED lighting and power correction devices to improve energy efficiency up to 20%.

<p>Environmentally Sustainable Management of Living Natural Resources and Land Use & Terrestrial and Aquatic Biodiversity Conservation</p>	  	<p>Environmentally Sustainable Management of Living Natural Resources and Land Use & Terrestrial and Aquatic Biodiversity Conservation: <i>expenditures promoting proper care in land use, biodiversity preservation and protected marine areas, and with the aim of contributing to the achievement of Ghana’s NDC (GH-NDC) targets to build agricultural resilience in climate-vulnerable landscapes, value addition-based utilization of forest resources and promote sustainable utilisation of forest resources through REDD+. Eligible Expenditures may contribute to environmental objectives such as climate change mitigation, climate change adaptation, protection and restoration of biodiversity and ecosystems, sustainable use and protection of water and marine resources.</i></p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Investments in sustainable agriculture management including support to sustainable fisheries (short and close-to shore fishing⁵), organic farming and reduced use of pesticides⁶, R&D on climate resilient seeds⁷, and energy efficiency in agriculture (for example energy saving irrigation technologies), as well as support via alliances or certifications such as the Africa-EU Innovation Alliance for Water and Climate, Timber certification among others⁸ • Development of sustainable technologies in agriculture such as ecological pest management, seed and grain storage, community-based extension model aligned with National Climate-Smart Agriculture Action Plan and the Planting for Food and Jobs programme • Spend on adopting climate- smart technologies in livestock and fish production (Climate-Smart Agriculture Investment Plan (CSAIP)⁹) and installation of post-harvest storage and food processing facilities • Sustainable management of land (for example soil remediation, restoration and ongoing maintenance of conservation areas and national parks including rehabilitation and restoration of mining- degraded land, tree planting and wildlife care) • Research on biodiversity protection and training programmes for the public to enhance awareness, knowledge and importance of biodiversity conservation • Afforestation and reforestation programmes such as the National Afforestation Programme to deploy integrated forest management and increase forest and seedling plantation • Protection, restoration and surveillance of coastal and marine environments including management and protection of watersheds
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⁵ Fishing methods such as trawlers and long-liners are excluded

⁶ In line with the Plant Protection and Regulatory Services Divisions (PPRSD)’s approach to improve the environmental performance of the farming sector through improved agronomic practices, including the use of bio-controls and natural pesticides, the use of natural enemies to control pests, the procurement of bio-rational pesticides to control Fall Armyworm.



⁷ Research by The Council for Scientific and Industrial Research (Crops Research Institute) <https://www.csi.org.gh/index.php/research-institutes> and public universities

⁸ Africa-EU Innovation Alliance for Water and Climate (AfriAlliance) <https://afrialliance.org/>; Ghana Timber Certification https://www.ghanatimber.org/certification_details.php?id=12

⁹ Climate-Smart Agriculture (CSA) addresses agricultural vulnerabilities to climate change by bolstering productivity, enhancing resilience (adaptation) and implementing mitigation measures. The CSAIP includes two national-scale investments and seven regional climate-smart crop and animal investments. The national investments are designed to provide information, capacity building, infrastructure, and national-level services to enable CSA to be practiced across Ghana. The seven regional investments are focused on productivity, adaptation, resilience and reducing the GHG emissions of specific crops and animals in certain regions of the county by introducing climate-smart practices into different investments. <https://documents1.worldbank.org/curated/en/300161592374973849/pdf/Climate-Smart-Agriculture-Investment-Plan-for-Ghana.pdf>

<p>Sustainable Water and Wastewater Management</p>		<p>Sustainable Water and Wastewater Management: <i>expenditures promoting sustainable water and wastewater management to guarantee water supply and intended to support the achievement of Ghana’s NDC to create a national integrated water resources management. Eligible Expenditures may contribute to environmental objectives such as climate change mitigation and sustainable use and protection of water and marine resources.</i></p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Water treatment, transport and cleaning of wastewater and the disposal of sewage sludge • Provision and maintenance of sustainable water infrastructure for clean and/or drinking water including water quality investments • Improvements in equipment and other technologies that result in the reduction of water consumption • Integrated water resources management (Urban water supply investments and rural water infrastructure plan developed and implementation started)
<p>Clean Transportation</p>	 	<p>Clean Transportation: <i>expenditures promoting public transport and supporting development, construction and/or maintenance of low carbon public transport. Associated GH-NDC target: scale up sustainable mass transportation. Eligible Expenditures may contribute to the climate change mitigation environmental objective.</i></p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Development, expansion, improvement, maintenance and management of low-carbon modes of transportation including railway systems and carriages waterways, non-motorised transport infrastructure (cycling tracks, bike storage). This includes: ground preparation, stations, signalling equipment, network interfaces including passenger access, facilities required for the safe and efficient operation of the network, utilities and other enabling infrastructure. • Incentives that promote the shift towards public transportation (such as assigning designated passenger bus lanes) and upgrades to higher climate resilient design standards (for example Bus Rapid Transit (BRT) systems) • Support for electric public transportation including electrified metro lines, electric buses and related infrastructure
<p>Climate Change Adaptation</p>		<p>Climate Change Adaptation: <i>expenditures contributing to resilience towards physical climate risks and promoting resilience and resumption of economic activities in case of extreme events. Related GH-NDC goals include early warning and disaster prevention, and conduct nationwide resilient infrastructure planning. Eligible Expenditures may contribute to the climate change adaptation environmental objective.</i></p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Improvement in the resilience to climate change and other natural disasters, including flood risk management • Expand and modernize current synoptic weather stations and increase the number of stations for efficient weather information management • Development of climate change extreme weather events observation systems and research and development on adaptation systems and infrastructure





Green Buildings	 	<p>Green Buildings: <i>expenditures contributing to construction and acquisition of energy efficient public buildings as well as renovation of existing government buildings and intended to support Ghana’s NDC to develop city-wide resilient infrastructure planning. Eligible Expenditures may contribute to the climate change mitigation environmental objective.</i></p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none">• New construction of government buildings and renovation / retrofitting of existing government buildings to a recognised green building certification standard e.g. LEED, BREEAM, IFC EDGE or locally-appropriate green building standards¹⁰
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¹⁰ Ghana has adopted the Ghana Building Code GS1207 of 2018, that addresses requirements for energy efficiency and sustainability as well as for green buildings. Additionally, in Ghana, the Green Star Performance and IFC EDGE Certification standard have been used to certify buildings. The Ghana Green Building Council, together with GIZ, is developing a comprehensive certification for Ghana.



Eligible Social Categories





Eligible Social Expenditures including COVID-related spend¹¹ must fall into at least one of the following eligible categories defined below:

Category	SDG Contribution	Examples
Access to Essential Services	 	<p>Education and Vocational Training: <i>expenditures relating to provision of essential education infrastructure and services for all.</i></p> <p><i>Target Population:</i></p> <p>General Population</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Construction, extension, equipment, maintenance and improvement of public education facilities including nursery schools, basic and higher education as well as universities, technical and vocational training (including expansion of physical infrastructure by building new schools and STEAM (STEM + Arts) centres) • Free Senior High School (SHS) Programme to ensure free quality education to senior high school level through absorption of school fees, expansion of school infrastructure through the Secondary Education Improvement Project, and quality enhancement programmes such as improving access to teaching and learning materials • Improving quality and access to educational infrastructure and equipment (such as via the 2018-2030 Education Strategic Plan, making Colleges of Education freely accessible and train teachers for provision of quality education by restoring payment of teacher trainee allowances • Dissemination and promotion of information and research including grants • Public and national libraries • School transportation services for underserved and vulnerable youth <p>Healthcare: <i>expenditures relating to the provision of healthcare infrastructure and services as well as the promotion of public well-being and healthy habits for all.</i></p> <p><i>Target Population:</i></p> <p>General Population</p>



¹¹ COVID-related spend is defined as new and existing disbursements that address direct and indirect challenges of COVID-19 pandemic with disbursements made between March 11, 2020, which is the date the World Health Organization declared COVID-19 a global pandemic



		<p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Construction, expansion, rehabilitation, equipping, operation and maintenance of public healthcare facilities including hospitals, health centres as well as primary care (including construction and maintenance of new hospitals as well as purchase of hospital equipment, supplies and staffing) • Improving quality and access to healthcare facilities and services (such as training allowances for student nurses) • Subsidies to ensure health coverage of vulnerable people including elderly, persons with disabilities, low-income households • Vaccination programmes • Strengthen climate related disease surveillance in vulnerable communities • Development of a healthcare network with both preventive and curative functions associated with declared states of emergency stemming from health events, including pandemics (i.e. COVID-19). Examples of expenditures considered include: <ul style="list-style-type: none"> - Emergency measures to face sanitary crisis such as the COVID-19 pandemic and manage and contain the spread of the virus (e.g. expenditures under the Coronavirus Alleviation Programme (CAP) and the National Emergency Preparedness and Response Plan (EPRP) - Construction of new regional hospitals, district hospitals and other health facilities (e.g. Agenda 111) - Strengthening of the national capacity for surveillance, diagnosis and case management e.g. via enhancement of testing facilities and provision of relevant logistics by procuring Personal Protective Equipment (PPEs) consisting of hospital scrubs, medical gowns and caps, face masks to frontline health workers and schools - Programmes aimed at supporting people whose income is strongly affected by socioeconomic crises (i.e. pandemics) such as protection of workers who were laid off (including training, re-training, apprenticeship and job search support) and facilitate retaining under the National Unemployment Insurance Scheme (job retention) - Provision of PPEs and other sanitation items to schools, students, teaching and non-teaching staff (e.g. fumigation and disinfection of Senior High Schools, absorption of WASSCE examination fees)
<p>Socioeconomic Advancement and Empowerment</p>	 	<p>Socioeconomic Advancement and Empowerment: <i>expenditures relating to the reduction of socioeconomic inequalities and promotion of socioeconomic inclusion, advancement and empowerment of disadvantaged populations.</i></p>

		<p><i>Target Population:</i></p> <p>Population living below the national poverty line, women, elderly people, persons with disability and children</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Programmes to support the elderly or people with special needs in vulnerable situations such as solidarity pension programmes for elderly and people with disabilities, social rehabilitation programmes for vulnerable youth, programmes to support athletes and support sport practice for people with physical disabilities • Programmes to promote diversity and women empowerment such as via Girls in ICT programme, Presidential Empowerment for Women Entrepreneurs with Disability (PEWED) programme, 50 Million Women Speak Platform (50MWSP) • Programmes to support low-middle income families for example the Livelihood Empowerment Against Poverty Programme (LEAP) to households • Programmes to support the community through job creation such as income opportunities for vulnerable people via the Complementary Livelihood Asset Support Scheme (CLASS) under the Ghana Productive Safety Net Project • Subsidies to non-profit organisations operating in the field of social promotion programs, projects and actions • Operationalize Domestic/Sexual and Gender-Based Violence (DV/SGBC) Rapid Response Centres and train people to respond to issues of Gender-Based Violence and Workplace Violence
<p>Affordable Basic Infrastructure</p>	   	<p>Affordable Basic Infrastructure: <i>expenditures relating to the provision of essential infrastructure and services to all such as clean drinking water, sanitation, transport and energy.</i></p> <p><i>Target Population:</i></p> <p>General population in particular the underserved and unconnected areas¹²</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Projects to increase capacity and improve access to clean water including production and storage of drinking water. For example through the Sanitation and Water Project or the Infrastructure for Poverty Eradication Programme (IPEP) • Projects focusing on provision and expanding access to sanitation including increasing wastewater treatment and access to stand-alone sanitation

¹² Underserved and unconnected areas refer to those for whom the level of service is below the national minimum threshold for the various basic services. For water supply, the minimum requirement is “access to an improved drinking water source with a collection time of less than 30 minutes for a round trip”. Regarding sanitation the threshold would mean access to improved sanitation facilities that are shared between two or more households. Access to electricity would enable population, in particular located in rural areas, to be connected to the grid. Access to transportation would focus on communities and areas that lack connectivity or lack access to key social infrastructure (such as healthcare, schools)


		<ul style="list-style-type: none"> • Development of electricity transmission and distribution infrastructure to enable population located in rural areas to be connected to the grid • Development, extension, maintenance or improvement of telecom network and related infrastructure to create mobile coverage or to provide internet access in areas at risk of digital exclusion • Development, extension, maintenance or improvement of rural roads and promotion of public transport focusing on areas that lack connectivity or lack access to key social infrastructure (such as healthcare, schools)
Affordable Housing		<p>Affordable Housing: <i>expenditures relating to the development and access to affordable housing for all.</i></p> <p><i>Target Population:</i></p> <p>Low-middle income population¹³</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Financing for low to middle-income or vulnerable households for the acquisition, repair, enlargement, improvement and refurbishment of housing for example through the National Housing and Mortgage Fund (NHMF)¹⁴ • Extending social and affordable housing supply, for example by investment in public private funds intended to create social housing for low to middle-income population • Improving the quality and access to social and affordable housing facilities
Employment Generation		<p>Employment Generation: <i>expenditures relating to the support and promotion of stable employment creation and preservation including through the support of the MSME sector as well as the integration of people with disabilities into the labour market.</i></p> <p><i>Target Population:</i></p> <p>MSMEs¹⁵, youth and people with disabilities</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Programmes supporting the professional insertion of youth and people with disabilities

¹³ Low-income population refers to those in the bottom 2 income quintiles, while middle-income are those in the middle quintile.

¹⁴ The NHMF is a rent-to-own scheme that will allow public sector workers to rent decent and affordable homes for 15 - 20 years after which they pay a residual value and own the property. The majority of public sector workers in Ghana fall within the low to medium income level. Affordability is dependent on the salaries of individual workers and by extension the cost of the house, the rate of mortgage and the tenor of the facility.

¹⁵ According to the National Board for Small Scale Industries (NBSSI), Micro, Small and Medium Enterprises (MSMEs) are defined as follows – micro enterprises: 1–5 employees, with a turnover ≥ \$25,000, and assets of \$25,000; small: 6–30 employees, with a turnover ≥ \$25,001 - \$1,000,000 and assets of \$25,001 - \$1,000,000; and medium: 31–100 employees, with a turnover ≥ \$1,000,001 - \$3,000,000 and assets of \$1,000,001 - \$3,000,000.



		<ul style="list-style-type: none"> • Schemes of reinsertion of the unemployed for example for jobless but educated young adults through the Nation Builders Corps (NABCo) initiative • Job creation policies to curb prevalence of poverty like One District One Factory, Planting for Food and Jobs (PFJ), and the Infrastructure for Poverty Eradication Programme (IPEP) • Employment generation and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises <p>MSME Financing</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Promoting entrepreneurship among the youth through training, coaching and mentoring initiatives under the National Entrepreneurship Innovation Programme (NEIP) • Government Entrepreneurship Programme that supports start-up businesses • Loans and other financial support for MSMEs that face financial stress due to socioeconomic crises (for example via stimulus package under the Coronavirus Alleviation Programme for Businesses or via the CAP Business Support Scheme (CAP BuSS))
<p>Food Security and Sustainable Food Systems</p>		<p>Food Security and Sustainable Food Systems: <i>expenditures relating to the provision and access to healthy, sufficient and nutritious food as well as resilient agricultural practices and improved productivity of small-scale producers.</i></p> <p><i>Target Population:</i></p> <p>General population including the low-middle income population and most vulnerable groups (such as, but not limited to, homeless households, teenage mothers)</p> <p><i>Examples of eligible budget expenses:</i></p> <ul style="list-style-type: none"> • Programmes and initiatives dedicated to agricultural transformation aiming at ensuring food security including activities in the National Agricultural Investment Plan • Planting for Food and Jobs (PFJ) programme to ensure timely and adequate availability of selected food crops through improved productivity and provide job opportunities for the growing unemployed youth • Investments in agriculture sector to spur agricultural modernisation and complementing the Planting for Food and Jobs and the Rearing for Food and Jobs (PFJ/RFJ) initiatives with a targeted programme to support commercial farming • Training graduates in the use of greenhouse technology • Production subsidies to small and medium farmers for basic food products aiming at ensuring food security • Programmes to ensure access to healthy and nutritious food services for vulnerable population including school food initiatives i.e. School Feeding Programme

Exclusion Criteria

Eligible expenditures exclude:

- Expenditures falling within the following sectorial exclusions:
 - Nuclear power generation,
 - Fossil fuel production and fossil fuel power generation,
 - Rail infrastructure dedicated for transportation of fossil fuels,
 - Production or trade in weapons and munitions,
 - Production of alcoholic beverages,
 - Production or trade in tobacco,
 - Gambling, casinos and equivalent enterprises,
 - Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans.
 - Activities/projects associated with child labour/forced labour or that violate indigenous rights

Process for Project Evaluation and Selection

- The Government of Ghana, through the Inter-Ministerial Working Group and a team of Advisors will review the various Ministries, Departments and Agencies (MDAs) strategies for programmes and projects that are consistent with the expectations of the GBP, SBP, SBG, GLP and SLP. These programmes and projects will be communicated to the Ministry of Finance (MoF) for inclusion in the expenditures that will be funded through Green, Social and/or Sustainability Financing instruments.
- The Inter-Ministerial Working Group will include representatives from the following ministries:
 1. Ministry of Finance;
 2. Ministry of Health;
 3. Ministry of Education;
 4. Ministry of Lands and Natural Resources
 5. Ministry of Energy;
 6. Ministry of Gender, Children and Social Protection;
 7. Ministry of Sanitation and Water Resources;
 8. Ministry of Environment Science, Technology and Innovation;
 9. Ministry of Foreign Affairs and Regional Integration.

As well as representatives from the following institutions:

10. National Development Planning Commission
11. Ghana Statistical Service

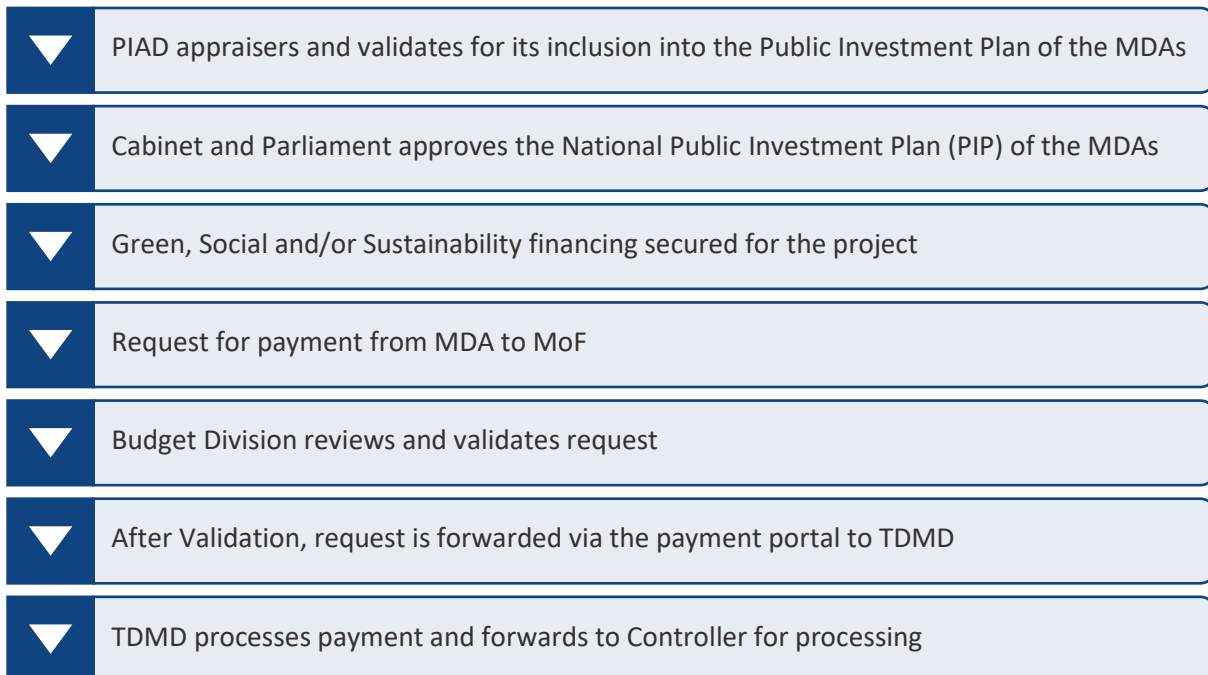
12. Forestry Commission

13. Environmental Protection Agency

The MoF will approve expenditures that are consistent with the definition of the Eligible Green or Social Expenditures and are also under the annual budget of the MDAs and the National Budget submitted by the Minister for Finance and approved by the Parliament.

Steps

- Public Investment & Assets Division (PIAD) appraises and validates for the project’s inclusion into the Public Investment Plan (PIP) of the MDA as enshrined in Regulation 27 of the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411)
- Cabinet and Parliament approves the National Public Investment Plan (PIP) of the MDA as part of the annual budget process
- The project is reviewed and approved by the Inter-Ministerial Working Group and Advisors, and will be communicated to MoF
- Green, Social and/or Sustainability financing secured for the project
- Request for payment from MDA to MoF
- Budget Division within the MoF reviews and validates request
- After Validation, request is forwarded via the payment portal to the Treasury and Debt Management Division (TDMD)
- TDMD processes payment and forwards to Controller for processing



Management of Proceeds

So long as the Green, Social and/or Sustainability Financing instrument remains outstanding, the balance of the tracked proceeds will be periodically adjusted to match allocations to Eligible Green and/or Social Expenditures made during that period. Ghana intends to allocate the proceeds of all Green, Social and/or Sustainability Financing to Eligible Expenditures within three budget years from the date the relevant Financing is raised. Further details of the Management of Proceeds process are described below.

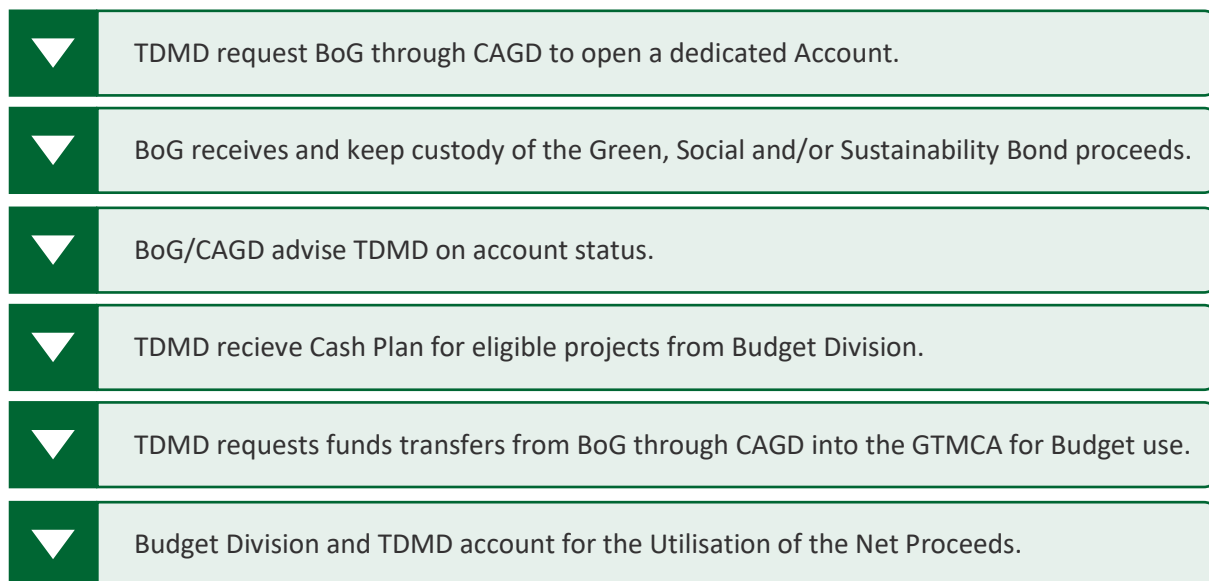
- An amount equivalent to the net proceeds from the Government of Ghana issued Green, Social and/or Sustainability Financing will be earmarked to a dedicated Financing Proceeds Account, in an appropriate manner and attested to by a formal internal process linked to the Government of Ghana’s lending and investment operations to expenditures.
- The Treasury and Debt Management (TDMD) of the Ministry of Finance shall request the Controller and Accountant General (CAGD) to open a dedicated Account to receive the proceeds from the Green, Social and/or Sustainability Financing programme. All payments under the programme shall follow the approved payment procedures using the Ghana Integrated Financial Management Information System (GIFMIS).
- The proceeds from the Green, Social and/or Sustainability Financing Programme will be applied to identified programmes or projects approved by Parliament in the Appropriation Act¹⁶. The Budget Division, within the MoF, and TDMD will provide oversight responsibility over the Use of Proceeds under the Programme.
- The Budget Division, upon approval of the Budget Appropriation¹⁷, will inform the TDMD of the Cash Plan for specific Eligible Green and/or Social Expenditures and the allotments for that fiscal year. The information in the Cash Plan should include the implementing MDA as well as the details of the relevant Green and /or Social Expenditures. In line with the Public Financial Management Act, 2016 (Act 921), the Budget Division will authorise and account for all expenses made under the Programme, as well as submit periodic reports.
- Payments shall be processed by the beneficiary MDAs through the Budget Division and the Controller and Accountant General’s office will effect the payment instruction from this dedicated Account into the Sub-CF (Consolidated Fund) of the beneficiary MDAs for utilisation.

The management and tracking of expenditures on Eligible Green and/or Social Expenditures will be done by the Ministry of Finance.

- Bond Proceeds Management Flow Chart:

¹⁶ According to Ghana’s PFM Act, 2016 (Act 921): “Appropriation” means an authorization made under an Appropriation Act permitting withdrawal out of the Consolidated Fund or any other public fund . “Appropriation Act” means an Act passed in accordance with article 179 of the Constitution, which authorizes withdrawal out of the Consolidated Fund or any other public funds for a financial year.

¹⁷ The Budget Appropriation is a spending bill seeking legal authorization from Parliament to implement the annual Budget. According to Ghana’s PFM Act, 2016 (Act 921), Section 21(6), “The Minister shall present the annual budget accompanied with (a) the Appropriation Bill and any other Bill that is required to implement the annual budget.”



Acronyms:

BoG	- Bank of Ghana
CAGD	- Controller and Accountant General's Department
GTMCA	- Government Treasury Main Cash Account
TDMD	- Treasury and Debt Management Division











- Any balance of issuance proceeds not allocated to eligible Green and/or Social Expenditures will be held in accordance with the MoF's Cash Management and liquidity management policy, and may temporarily be used to repay outstanding indebtedness.
- Any instance of misapplication or diversion of funds would result in a stop on further disbursement of funds from the Ministry of Finance to the MDA until the issue is resolved. At the end of the fiscal year, any unutilized funds will be rolled over to the next year in accordance with the New Public Financial Management Act, 2016 (PFMA) law and as long as the project is still under implementation.
- Payment of principal and interest of the Notes will be made from the consolidated funds and any other designated accounts and will not be directly linked to the performance of the eligible Green and/or Social Expenditures.








Reporting

- The Ministry of Finance will report annually, until full allocation, on amounts equal to the net proceeds of the Green, Social and/or Sustainability Financing instruments issued, to investors.
- The allocation and impact report will cover a list of projects and expenditures, allocation and measurement of key impact metrics.
- Implementing MDAs are to submit Quarterly implementation reports to the Inter-Ministerial Working Group. The Inter-Ministerial Working Group is to ensure that the projects are implemented in line with the objective of achieving Ghana's Nationally Determined Contributions and the Sustainable Development Goals. The Inter-Ministerial Working Group will provide summaries of the reports submitted by the implementing MDAs to the Minister for Finance.

- The allocation report will contain information such as:
 - Aggregate amount allocated to the various Eligible Expenditures
 - Remaining balance of funds which have not yet been utilized
 - Share of allocation of proceeds to refinancing existing Eligible Green and/or Social Expenditures versus financing for new and future Eligible Green and/or Social Expenditures
 - Examples of Green and/or Social Expenditures from each Eligible Category (subject to confidentiality disclosures)
 - Within its allocation & impact report, when relevant and feasible, Ghana will report on several impact metrics in aggregate at the eligible category level for Ghana's Green, Social and/or Sustainability Financing. The table below summarizes examples of impact indicators that could be disclosed
- Furthermore, an independent party will confirm that the use of proceeds of the Green, Social and/or Sustainability Financing issuance conforms to this Sustainable Financing Framework. The Ministry of Finance of Ghana will provide the periodic report on the account and the use of proceeds.
- The Ministry of Finance (TDMD) will coordinate the report on the environmental and social impacts (as relevant) resulting from each Green and/or Social Expenditure allocated to from the respective Green, Social and/or Sustainability Financing instrument.

Examples of relevant impact metrics could include:

Category	Examples of Possible Social and Economic Impact Metrics	Examples of Possible Environmental Impact Metrics	SDG Linkage	Impact Metrics Collected and Reviewed by
Renewable Energy	<ul style="list-style-type: none"> Jobs created / supported / retained Savings incurred Locations of facilities People trained 	<ul style="list-style-type: none"> Total of renewable energy generated (MW/GW) Total GHG emissions reduced/avoided through the project (tCO₂eq) Renewable energy capacity connected to the grid (MW) 	 	Energy Commission
Energy Efficiency	<ul style="list-style-type: none"> Jobs created / supported / retained Savings incurred Locations of facilities Number of people benefitted 	<ul style="list-style-type: none"> Energy savings (MW/GW) Total GHG emissions reduced/avoided through the project (tCO₂eq) 	 	Energy Commission
Pollution Prevention and Control	<ul style="list-style-type: none"> Number of people or % of households with access to waste collection under the project Urban localities with improved regular waste collection service Number of people or % of households provided with improved municipal waste treatment or disposal services 	<ul style="list-style-type: none"> Waste that is prevented, minimised, reused or recycled before and after the project (% of total waste and/or in tonnes) Energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities (MW/GW) Energy recovered from waste (MW/GW) Amount of waste that is separated and/or collected and treated or disposed of (tonnes of waste) Waste diversion rate (ability to divert waste from facility without burning it) 	 	EPA
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Jobs created / supported / retained Locations of facilities 	<ul style="list-style-type: none"> Forest planted/preserved (m²/acres/hectares) Number of trees and species of plants planted 	  	Forestry Commission
Terrestrial and Aquatic Biodiversity Conservation &	<ul style="list-style-type: none"> Improvement of income of local populations in percentage Number of people with access to clean drinking 	<ul style="list-style-type: none"> Forest Area as a proportion of total land area Number of forestry personnel trained in biodiversity conservation 		Forestry Commission

<p>Sustainable Water and Wastewater Management</p>	<p>water through infrastructure supporting sustainable and efficient water use</p> <ul style="list-style-type: none"> • Number of people with access to improved sanitation facilities under the project • Area covered by sustainable land and water resources management practices 	<ul style="list-style-type: none"> • Number of trees and species of plants planted • Absolute (gross) water use before and after the project (m³, reduction in water use in %) • Absolute amount of wastewater treated, reused or avoided (m³, or as %) • Sludge that is treated and disposed of / reused 	 	
<p>Clean Transportation</p>	<ul style="list-style-type: none"> • Jobs created / supported / retained • Taxes Generated • Savings incurred • Locations of facilities • Reduction in congestion 	<ul style="list-style-type: none"> • Total GHG emissions reduced/avoided through the project (tCO₂eq) • Length (kilometres) of new or improved train lines / dedicated bus lanes • Average time spent in traffic in major cities 	 	
<p>Climate Change Adaptation</p>	<ul style="list-style-type: none"> • Number of people and/or enterprises (e.g. companies or farms) benefitting from measures to mitigate the consequences of floods and droughts • Reduction in number of operating days lost to floods 	<ul style="list-style-type: none"> • Reduction in flood damage costs • Reduction in number of operating days lost to floods • Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) (m³) • Reduction in land-loss from inundation and/or coastal erosion (km²) • Increase in agricultural land using more drought resistant crops (hectares) 		<p>NADMO</p>
<p>Green Buildings</p>	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Green Building certification level • Energy use reduced/avoided vs. local baseline/building code (%) • Total GHG emissions reduced/avoided through the project (tCO₂eq) vs local baseline • Energy efficiency from installation of project (kWh) vs. baseline / previous equipment 	 	<p>EPA</p>



Category	Examples of Possible Social Impact Metrics	SDG Linkage
Access to Essential Services	<ul style="list-style-type: none"> • Completion rate in Senior High Schools (SHS) • Number of (vulnerable) beneficiaries students (enrolment rate) • Number of education facilities and/or initiatives benefiting from the eligible expenditures • Number of teachers trained • Number of hospital beds per capita • Number of patients benefiting from the eligible expenditures • % population with inability to access medical care 	 
Socioeconomic Advancement	<ul style="list-style-type: none"> • Number of jobs created/retained 	 
Affordable Basic Infrastructure	<ul style="list-style-type: none"> • Number of people provided with adequate and equitable sanitation / clean water • Number of water infrastructure projects built • Number of people provided access to clean and affordable energy • Number of new household power connections 	   
Affordable Housing	<ul style="list-style-type: none"> • Number of individuals benefiting from affordable housing • Number of affordable buildings or dwellings constructed or renovated • Affordable dwellings constructed or renovated (m2) 	
Employment Generation	<ul style="list-style-type: none"> • Number of jobs created / supported / retained and split per region when available • Number of financed MSMEs • Number of MSME loans • Average amount of the MSME loan 	
Food Security	<ul style="list-style-type: none"> • Number of people benefiting from the eligible expenditures • Share of target population with adequate food supply • Number of farmers benefiting from the eligible expenditures Hectares of land cultivated, which use has improved, i.e. replanted, reforested, landscaped • Number of people benefiting from agricultural projects and using improved farming technology 	

In addition, the report will include a number of case studies to highlight the qualitative impacts of some of Ghana’s Green or Social Expenditures allocated to.

- The reporting will be made public via annual updates on the official Ministry of Finance website: <https://www.mofep.gov.gh>

External Review

This Government of Ghana’s Sustainable Financing Framework has been reviewed by Sustainalytics in the form of a Second Party Opinion.

The objective of the Second Party Opinion is to provide an independent assessment on the alignment of the Sustainable Financing Framework with the ICMA's GBP, SBP and SBG and LMA and APLMA's GLP and SLP and attest to the positive impact of the respective Eligible Green and/or Social Expenditures.

The Second Party Opinion is published on the website of the Ministry of Finance

<https://www.mofep.gov.gh>

External Audit

An external auditor will verify on an annual basis, until full allocation of the net proceeds of the Green, Social and/or Sustainability Financing issued under this Framework, that Government of Ghana duly applied the defined procedures of approval of the Ministry of Finance; and that an amount equal to the net proceeds of Green, Social and/or Sustainability Financing has been allocated to Eligible Green and/or Social Expenditures, as defined in this Sustainable Financing Framework.

Sustainability-Linked Financing

Rationale for establishing a Sustainability-Linked Finance Framework (SLFF)

The Government of Ghana has set up a Sustainability-Linked Finance Framework within the broader **Sustainable Financing Framework** to further evidence its ambitions towards sustainability financing.

This SLFF has been developed to demonstrate how the Government of Ghana, through the Ministry of Finance, will further entrench its commitment toward achieving specified environmental and/or social objectives under key targeted flagship policy initiatives of the government. The achievement of the targets under this framework will support Ghana's journey toward achieving the Sustainable Development Goals (SDGs) and Africa's Agenda 2063. The Framework will manifest Ghana's commitment toward deploying its National Budget to achieve measurable environmental and social outcomes in priority areas.

Sustainability-Linked Finance Framework

The Government of Ghana's Sustainability-Linked Finance Framework is aligned with the recommendations of the Sustainability-Linked Bond Principles (SLBP), published by the International Capital Markets Association (ICMA) in June 2020¹⁸ and Sustainability-Linked Loan Principles (SLLP)¹⁹. The Government of Ghana may use this Sustainability-Linked Finance Framework to issue debt securities including Sustainability-Linked Bonds (SLB) and Sustainability-Linked Loans (SLL).

The five core components of the SLBP/SLLP addressed in this SLFF are:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond characteristics
4. Reporting
5. Verification

¹⁸ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

¹⁹ <https://www.lma.eu.com/documents-guidelines/documents/category/green-sustainable-finance#sustainability-linked-loan-principles140>

Selection of Key Performance Indicators (KPIs)

1. Education



Ministry of Education
REPUBLIC OF GHANA

The Government of Ghana, through the Ministry of Education has laid out key priority interventions to ensure that education is made free, from primary to secondary, to afford more children in Ghana the opportunity to access quality education. **Under its Education Strategic Plan 2018-2030, Ghana has stated its ambition to improve the quality of education for all²⁰.** Every sub-sector of the education system has a strategic goal, which is based on policy objectives including improved equitable access to and participation in inclusive education at all levels.

Specifically, the strategic goal for secondary education is **improved equitable access to, and participation in, quality Senior High School (SHS) Education.** Secondary education development is key to creating a well-educated workforce that is ready to contribute to Ghana's development and to harness the growing youth population, in light of the demographic transition the country is currently experiencing. In particular, expanding equitable access to quality SHS is crucial for sustaining and strengthening Ghana's position as a middle-income country.

In September 2017, the MOE achieved a major milestone with the implementation of the Free Senior High School program with the objective of ensuring at least every eligible person in the country has access to free education to the senior high level. The policy is anchored on the following pillars: removal of cost barriers through the absorption of fees approved by the Ghana Education Service Council; expansion of physical school infrastructure and facilities to accommodate the expected increase in enrolment; improving quality through provision of core text books and supplementary reading, teacher rationalisation and deployment; and improving competitiveness of Ghanaian students to match the best in the world.

The introduction of Free SHS is a significant reform which is expected to address the access and equity challenges in the sector, in particular the costs of SHS to households, which has been identified as a key barrier to attendance and enrolment. In addition, the Free SHS policy has made progress in opening up access to elite SHS schools by ensuring that 30% of placement in SHS are reserved for those from public Junior High School (JHS). In recent years, there have also been efforts to expand school infrastructure to accommodate growing enrolment in SHS, including through the Secondary Education Improvement Project (SEIP). Furthermore, the Free SHS policy has introduced a unique student ID, allowing the MOE to track students from their Basic Education Certification Examination (BECE) at the end of JHS through SHS enrolment and to West African Senior Secondary Certification Examination (WASSCE) for the first time. **This enhanced tracking will further allow Ghana to assess and measure the outcomes of the free SHS policy.**

The Education Strategic Plan puts Ghana on the road towards meeting the UN SDGs. Specifically, the key education policies will allow Ghana to achieve **SDG 4.1: "By 2030, ensure that all girls and boys complete free equitable and quality primary and secondary education leading to relevant and effective learning outcomes."**

²⁰ <https://www.globalpartnership.org/sites/default/files/2019-05-education-strategic-plan-2018-2030.pdf>

KPI 1: Completion Rate in Senior High Schools

The completion rate describes percentage of a cohort of children or young people aged 3-5 years above the intended age for the last grade of each level of education who have completed that grade. *The completion rate is a universally defined indicator from the Demographic and Health Survey (DHS) programme, which enhances comparability among countries.*²¹

Definition	Percentage of a cohort of children or young people aged 3-5 years above the intended age for the last grade of each level of education who have completed that grade.
Units	Percentage
Scope	<ul style="list-style-type: none"> The intended age for the last grade of each level of education is the age at which pupils would enter the grade if they had started school at the official primary entrance age, had studied full-time and had progressed without repeating or skipping a grade. The intended age for the last grade of SHS education is 17-years. In this case, 20-22 (3-5 years above the intended age) would be the reference age group for the calculation of the SHS completion rate. The denominator will utilize single age estimates for ages 20-22, using the 2010 population census as base. From 2021 onwards, estimates based on the 2021 population census will be utilized.
Method	<p>The number of persons in the relevant age group who have completed the last grade of a given level of education is divided by the total population (in the survey sample) of the same age group.</p> <p>Formula:</p> $CR_n = \frac{P_{C_n, AG_{a+3t5}}}{P_{AG_{a+3t5}}}$ <p>where:</p> <p>CR_n = completion rate for level n of education</p> <p>$P_{C_n, Age_{a+3t5}}$ = population aged 3 to 5 years above the official entrance age a into the last grade of level n of education who completed level n</p> <p>$P_{Age_{a+3t5}}$ = population aged 3 to 5 years above the official entrance age a into the last grade of level n of education</p> <p>n = ISCED level 1 (primary education), 2 (lower secondary education), or 3 (upper secondary education)</p>

Rationale: The indicator is explicitly referenced in the text of SDG 4.1: ‘ensure that all girls and boys complete [...] primary and secondary education’. The completion rate is also a strong corollary to the Free SHS programme, which focuses on improving access to SHS education and decreasing attrition. With the

²¹ <http://uis.unesco.org/en/glossary-term/completion-rate-primary-education-lower-secondary-education-upper-secondary-education#:~:text=A%20completion%20rate%20at%20or,the%20given%20level%20of%20education>. The completion rate at or near 100% indicates that most or all children and adolescents have completed a level of education by the time they are 3 to 5 years older than the official age of entry into the last grade of the given level of education

Free SHS Programme, the MOE seeks to absorb all fees paid at the SHS level, and additionally to expand physical infrastructure, improve quality, and promote skill development and equity. The Free SHS programme is expected to increase enrolment, and reduce the attrition and repetition rate, the programme also ensures that students do not drop out of school due to seasonal work, family responsibilities, or lack of fees. As such, the completion rate holistically captures the intended outcomes of the Free SHS policy, i.e. completion of secondary education.

2. Healthcare



Healthcare Systems in Ghana are administered by the Ministry of Health based on an agency model, comprising service delivery, regulatory, training and finance agencies. The healthcare system has five levels of providers: the community level – Functional Community-based Health Planning Services (CHPS) Compounds - the first level of primary care, health centres and clinics, district hospitals, regional hospitals and tertiary hospitals.

Ghana is working towards achieving Universal Health Coverage by 2030. Universal Health Coverage is defined in Ghana as: All people in Ghana having timely access to high quality health services, irrespective of their ability to pay at the point of use. Ghana has on average spent about 6% of its GDP on healthcare infrastructure, but there remain areas of improvement, particularly in rural areas that often have limited access to modern healthcare services.²²

The intent to improve the quality of care in the health system of the country led to the development and launch of a 5-year National Healthcare Quality Strategy (2017-2021)²³. The aim of this strategy is to continuously improve the health and well-being of Ghanaians through the development of a better coordinated health system that places patients and communities at the centre of quality care. The main goals of the Strategy are as follows:

- a. Continuously improve health outcomes in the population.
- b. Develop a coordinated healthcare quality system in the areas of quality planning, quality control, and quality improvement – including improved use of data for evidence-based decision-making; and
- c. Improve client experience by being responsive to the health needs and aspirations of the patient and the community

Furthermore, the Universal Health Coverage (UHC) roadmap emphasises investments in quality, reliable, sustainable and resilient health infrastructure, such as the expansion of Community Based Health Planning Services compounds, the upgrade of existing hospital facilities, construction and equipping of new health infrastructure.

In response to the gaps exposed by the COVID-19 pandemic, the Government has introduced Agenda 111 which includes the construction of new regional, district hospitals, infectious disease centres and other health facilities. The purpose is to expand the country's health infrastructure to improve access to healthcare and ensure emergency-preparedness for pandemic or infectious diseases. Agenda 111 falls

²² <https://www.trade.gov/country-commercial-guides/ghana-healthcare#:~:text=Most%20healthcare%20is%20provided%20by,regional%20hospitals%20and%20tertiary%20hospitals.>

²³ <https://www.moh.gov.gh/wp-content/uploads/2017/06/National20Quality20Strategy20Ghana.pdf>

under the strategy to “increase availability and use of appropriate health technology / infrastructure” under Ghana’s Revised National Health Policy (2020)²⁴.

KPI 2: (Hospital Access) Hospital beds per capita

The number of hospital beds per 10,000 population, relative to a maximum threshold of 18 per 10,000 population is a strong indicator for the extent of Ghana’s healthcare infrastructure and preparedness of its healthcare system to deal with emergencies.

Definition	<i>Hospital beds per capita, relative to a maximum threshold of 18 per 10,000 population</i>
Numerator	<i>Number of hospital beds (including labor and delivery beds), obtained from the Holistic Assessment Report of the Ghana Health Sector</i>
Denominator	<i>Total population (estimates based on 2010 population census until 2020, and estimates based on the 2021 population census from 2021 onwards)</i>
Method	<i>The indicator is computed relative to a threshold value of 18 hospital beds per 10,000 population.²⁵ The numerator is divided by the denominator and multiplied by 10,000.</i>

Calibration of Sustainability Performance Targets (SPTs)

SPT 1: Increase the Completion Rate in Senior High Schools to at least 75% by 2030

Overall, the Completion Rate in Senior High Schools has experienced modest growth over the past few years, with the implementation of the Free SHS policy. It has grown from 48% in the 2016/2017 academic year, to 64.1% in the 2019/2020 academic year, exhibiting a growth of 5.4% per annum on average.

Baseline: 2017/2018 year

Sustainability Performance Target #1 Observation Dates: December 31st, 2030²⁶

Alignment with Ghana’s Education Strategic Plan: SPT #1 is aligned with Ghana’s Education Strategic Plan to achieve improved equitable access to, and participation in, quality Senior High School (SHS) Education.

	2016/2017	2017/2018 (Baseline)	2018/2019	2019/2020	2029/2030 (Target)
Completion Rate in SHS (%)	48.0	52.5	55.9	64.1	75

²⁴ https://www.moh.gov.gh/wp-content/uploads/2020/07/NHP_12.07.2020.pdf-13072020-FINAL.pdf

²⁵ https://www.who.int/docs/default-source/documents/metadata-v11-final-16july.pdf?sfvrsn=c3021a38_1&download=true

²⁶ Due to the impact of COVID-19, the academic year has been shifted to fall between January to December for three years. We expect this to revert back to the original academic calendar between September and June by the Target Observation Date

Increase in Completion Rate (Percentage Points)	-	4.5	3.4	8.2	<i>Average annual from baseline: [1.1]</i>
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SPT 2: (Hospital Access) Increase Hospital beds per capita (relative to a maximum threshold of 18 per 10,000 population) to 14 by 2030

Baseline: 2020

Sustainability Performance Target #1 Observation Dates: December 31st, 2030

Alignment with National Health Policy: The increase in hospital beds per capita will be a direct outcome of the Agenda 111, by increasing the number of hospital beds (numerator). Furthermore, the increase in hospital beds will fall under the strategy to “increase availability and use of appropriate health technology / infrastructure” under Ghana’s Revised National Health Policy (2020), which includes Agenda 111.

	2017	2018	2019	2020 (Baseline)	2030 (Target)
Hospital beds per capita (relative to maximum threshold of 18 per 10,000 population)	9.68	10.05	9.98	9.07	14
Percentage Increase in Hospital beds per capita (per 10,000 population)	-	3.8	-0.7	-9.11	5.4% per annum ²⁷

Strategy to achieve SPTs 1 and 2

Ghana’s 2020 SDG budget report lays out an overview of its resource allocation towards achieving the SDGs.²⁸ This was Ghana’s third publication of its SDG budget, which demonstrates a strong track record of allocating resources toward achieving the SDGs, as well as improvements in its ability to track budget allocations across Ministries, Departments and Agencies (MDAs), as well as Metropolitan, Municipal and District Assemblies (MMDAs).

- **SDG 4 (Education):** In 2020, GH¢ 5.4 billion was allocated at the MDA level, while GH¢ 403 million was apportioned for the MMDAs under SDG4.
- **SDG 3 (Healthcare):** In 2020, the entire budget allocated to SDG3 for 2020 amounted to GH¢4.3 billion, which increased from GH¢4.1 billion in 2019. Out of the total budget, GH¢ 4.1 billion was allocated for national level programmes whilst GH¢ 255.2 million was apportioned for the district level programmes

Furthermore, under its Education Strategic Plan, the Ministry of Education lays out the projected costs under the Plan from 2018-2030. It has identified that costs in the SHS sector exhibit an average annual growth rate of 4.2% in cost based on projected policies, and take up 26-32% of total education costs

²⁷ This is calculated on a straight-line basis

²⁸ <https://www.mofep.gov.gh/news-and-events/2021-03-11/ghanas-2020-sdgs-budget-report#:~:text=The%202020%20SDGs%20Budget%20Report,the%20Global%20Goals%20as%20expected.>

between 2018 and 2030. While, there is a funding gap ranging from 0.8% to 10.1% over the Medium Term Expenditure Framework (MTEF) budget allocation to education over the same period, the MOE aims to achieve by identifying additional funding, and access to various funds.

Potential barriers that may impact the achievement of the SPTs

SPT 2: Potential Barriers:

The main challenge is inequity in the distribution of hospitals and hospital beds across the country. Although the Agenda 111 seeks to address this challenge, the following issues could impede the attainment of SPT2:

- Potentially, the project could face the challenge of inadequate funding due to the source of funding, which is the Annual Budget funding Amount (ABfA) that is a function of oil revenues, determined not only by volumes but also price. As a mitigating measure, a more reliable source of funding is being procured through ECA loans for the seven regional hospitals, and additional budgetary allocations made from different (non-oil) budget lines to support the district hospitals.
- Land acquisition for construction of these hospitals has been a challenge. While its been relatively easy to access land in the rural communities, access to land in the urban areas has been difficult. As a mitigating measure, the Agenda 111 project team is working with the Ministry of Local Government and Rural Development to obtain lands

Bond Characteristics

Ghana will assign structural and/or financial implications to the non-achievement of the SPT in the legal documentation of any Sustainability-Linked Financing. These implications could include, but are not limited to, a coupon step-up or increased redemption fee. Any structural and/or structural characteristics will be commensurate and meaningful relative to the original financing's financial characteristics.

The exact mechanism and impacts of the achievement or failure to reach the pre-defined SPTs will be detailed for each financing instrument at the legal documentation where relevant. Where relevant, Ghana may include potential exceptional events that could substantially impact the calculation of the KPI and SPT in the legal documentation of the Sustainability-linked financing.

The Issuer will notify the investors of the achievement or not of the SPT as soon as possible (as defined in the instrument's terms and conditions). If, for any reason, the KPI cannot be calculated, observed or reported in a timely and satisfactory manner (as defined in the instrument's documentation), the defined bond characteristic change will be triggered as if the target was not met (with effective dates aligned with the original SPT).]

Reporting

Annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to potential adjustments, such as a coupon step-up or premium payment of an instrument issued under the SLFF, the Government of Ghana will publish and keep readily available and easily accessible on the Ministry of Finance's website <https://mofep.gov.gh>.

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant

- a verification assurance report (“Limited Assurance”) relative to the SPT outlining the performance of the KPI against the SPT; and any other relevant information which may enable investors to monitor the progress of the selected KPI.

Information may also include when feasible and possible:

- a qualitative or quantitative explanation of the contribution of the main factors, the evolution of the performance/KPI on an annual basis;
- where suitable data is available, an illustration of the positive sustainability impacts of the performance improvement; and/or
- any re-assessments of KPIs and/or restatement of the SPT and/or adjustments of baselines or KPI scope, where applicable (e.g. in case of extreme events)

Verification

Annually, and in any case for any date/ period relevant for assessing the KPI performance against the SPT leading to a potential financial adjustment, such as a step-up coupon or a premium payment on the instrument, until after the KPI trigger event of a bond has been reached, Ghana will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider.

The Assurance Provider means Auditor / verifier, or any such other qualified provider of third party assurance or attestation services appointed by Ghana, who will provide a verification assurance report in the form of a “Limited Assurance”. The verification of the performance of the KPI, along with the Assurance Provider’s verification report, will be made publicly available on the Ministry of Finance’s website <https://mofep.gov.gh>.

External Review

This Government of Ghana Sustainability-Linked Financing Framework has been reviewed by Sustainalytics in the form of a Second Party Opinion. The objective of the Second Party Opinion is to provide an independent assessment of the Sustainability-Linked Financing Framework’s transparency and governance as well as its alignment with the Sustainability-linked Bond Principles 2020, published by ICMA, and Sustainability-Linked Loan Principles (SLLP).

The Second Party Opinion is published on the website of the Ministry of Finance <https://mofep.gov.gh>.