



Amendment to
Project Proposal for
GHANA
June 2025

Component: Revenue

Module: RM-II: Revenue Administration



PROJECT SUMMARY

COUNTRY:	Ghana	
LEAD DEPARTMENT:	FAD	
REGION:	AFR	
PLANNED DATES:	FY26-27	
PROJECT MANAGERS:	Eduardo Camino Godinez (Tax Policy, FADT2, Lead) Thabo Letjama (Revenue Administration, FADR2)	
ESTIMATED BUDGET	\$392,824	
BUDGET FOR ENDORSEMENT:	\$392,824	
PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for RM-I: Tax Policy module	January 2025
AMENDMENT 1	Addition of RM-II: Revenue Administration module	June 2025

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ACRONYMS

CD	Capacity development
FAD	IMF's Fiscal Affairs Department
GovTech	Government technology (digitalization of public services)
GRA	Ghana Revenue Authority
ITAS	Integrated tax administration system
MTRS	Medium-term revenue strategy
STX	Short-term expert
VAT	Value-added tax

I. PROJECT AMENDMENT PURPOSE

Country request and relevance/importance

With support of the IMF's Fiscal Affairs Department (FAD), the authorities developed and approved an MTRS in September 2023. The strategy covers the period 2024/25 to 2026/27 and aims to raise revenue from 13 percent in 2024 to 18.7 percent of GDP by FY27. In the 2024 spring and annual meetings, the authorities made a request for support in implementing the medium-term revenue strategy (MTRS) especially with a dedicated focus on enhancing governance, improving compliance of the extractive industries, and improving value-added tax (VAT) performance. Following elections in November 2024, a new government has since come into power and has re-affirmed the need for support in implementing the MTRS and helping support reforms in the Ghana Revenue Authority (GRA). This would help a reform journey that started some years ago but was not completed mainly due to weak political support. Implementation of the MTRS will also help the country to meet its performance targets under the current IMF program and contribute to attainment of Ghana's macroeconomic stability and debt sustainability.

Description of Modules

The revenue administration amendment to the project will focus on enhancing MTRS governance arrangements to ensure successful implementation of the strategy's reform program. It will also focus on assisting the GRA to implement its integrated tax administration system (ITAS) and enhance VAT performance including by use of e-invoicing technology.

The estimated budget for this project is \$392,824 covered within the total budget endorsement request for Ghana of \$820,513 through FY27.

II. BACKGROUND

Macro-fiscal situation

Ghana's macro-fiscal outlook in 2025 reflects cautious optimism amid ongoing reforms. Real GDP growth is projected at 4.0 percent, signaling a modest recovery, while inflation remains high at 17.2 percent, though easing from previous peaks. Public debt remains elevated at around 84 percent of GDP, despite progress in restructuring. The tax-to-GDP ratio is approximately 13 percent, highlighting the need for stronger domestic revenue mobilization. The MTRS, approved in September 2023, aims to

raise tax-to- GDP to 18.7 percent by 2027. Under an IMF Extended Credit Facility, Ghana is pursuing fiscal consolidation and structural reforms to restore macro-fiscal stability and reduce debt vulnerabilities. Key priorities include improving public financial management and protecting social spending. Risks remain from global shocks, debt distress, and inflationary pressures.

Country engagement and alignment to reform priorities

Growth in 2024 was higher than expected, but fiscal performance under the IMF-supported program deteriorated due to slippages and delayed reforms. The new authorities have launched an audit of payables and enacted a 2025 budget targeting a primary surplus of 1½ percent of GDP. The government has adopted several public financial management reforms, including an enhanced fiscal responsibility framework and new rules to tighten expenditure commitments. Ghana remains committed to completing its public debt restructuring and has signed a memorandum of understanding with the Official Creditors Committee under the G20 Common Framework. Successful implementation of the MTRS, which the new government has continued commitment to, remains critical to enhancing revenue performance and helping attain macro-fiscal stability and debt stability.

IMF priority areas / cross-cutting themes

This is a Govtech project, and it is aimed at assisting the authorities to implement an integrated tax administration system and an electronic invoicing system for better management of VAT compliance.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes capacity development (CD) support to Ghana in revenue administration. FAD CD will support improvements within the strategic objectives presented in Table 1.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Revenue	RM-II / Revenue Administration	Strengthened revenue administration management and governance arrangements

A. RM II - Revenue Administration

Scope

The project aims to help the authorities to successfully implement key reforms articulated in the MTRS. It will focus on enhancing the effectiveness of all the governance arrangements-including the steering committee and the MTRS secretariat to ensure a strong oversight and better execution and monitoring of MTRS reform projects. Authorities will be supported in costing the MTRS implementation, encouraged to mobilize and avail adequate resources for MTRS reform projects' implementation, and assisted to better prioritize reform projects. Within the GRA the focus will be on strengthening digitalization by supporting implementation of the ITAS and improving VAT compliance including through implementing an e-invoicing system.

Program Objectives

The program aims to help the authorities to strengthen their capacity for managing reforms. It aims to support the authorities in developing implementation plans, strengthening monitoring and control by the steering committee, and providing dedicated resources to MTRS implementation projects.

Expected Results (outcomes)

Key success indicators for the project include: (i) strengthened capacity of authorities to implement reforms with most reform projects delivered to specifications and set timeframes; (ii) robust reform management methodology adopted and used to implement key MTRS projects; (iii) ITAS system implemented in GRA and adequately supporting domestic taxes operations; and (iv) an e-invoicing system implemented and adopted by all eligible VAT registered taxpayers.

Project proposals typically cover only one to two years of CD activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of this Global Public Finance Partnership (GPFP) project may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

This project aims to advance progress in MTRS implementation. This is an ongoing support area which FAD has been providing technical assistance on since July 2023 starting with development of the MTRS.

B. Delivery Modalities

The CD will comprise a mix of remote and in-person activities. Virtual deliveries will be used to provide efficiencies to in-person support, including pre-engagement meetings and post-follow-up meetings. The following CD activities will be delivered as a package: [delete modalities not relevant to amendment]

- **Headquarters-led (HQ) missions and staff visits** to provide strategic recommendations, conduct regular follow-ups, assess progress, ensure short-term expert (STX) work is aligned to plans, coordinate with other CD providers, and adjust reform implementation plans.
- **Short-term expert (STX)** visits to help implement the recommendations delivered by the HQ missions; a limited number of STXs will be assigned to provide specialized assistance in specific areas of revenue administration and public financial management. The project will seek to use Portuguese-speaking experts.

C. Coordination / Cooperation

Partner	Coordination Type	Coordination Area	Frequency
IMF's second Regional Technical Assistance Center in West Africa (AFW2)	Enhanced internal coordination and coordination of support to GRA.	Revenue Administration support to GRA	Ongoing
Development Partner group in Ghana (a group of all development partners set up to enhance coordination and collaboration)	Sharing of information on CD areas and agreement on approach to collaborate for optimal support to authorities.	MTRS implementation and progress on major reforms in revenue administration.	quarterly

V. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
RM II - Revenue Administration	Climate change instances increasing need for higher public spending	Very High	Support authorities to achieve MTRS revenue goals. Also strengthen risk management to ensure business continuity in case of climate related disasters.
POLITICAL SUPPORT			
RM II - Revenue Administration	Inadequate support and political interference in revenue administration reforms and operations	Very High	Authorities guided on strengthening MTRS high-level sponsorship
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
RM II - Revenue Administration	Frequent changes at GRA executive management	Very High	Government advised to review entire GRA governance and HR regime.
RESOURCE ADEQUACY			
RM II - Revenue Administration	Inadequate resources provided for MTRS reforms	High	Authorities encouraged to cost and prioritize MTRS initiatives.
OTHER RISKS			
RM II - Revenue Administration	Weak governance arrangements for implementation of MTRS	Medium	Authorities encouraged to promote a whole-of-government approach to implementation.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	FY28	FY29	Grand Total
RM-II: Revenue Administration					
HQ led CD mission	1	-	-	-	1
STX visits	1	3	-	-	4
Staff visits	1	1	-	-	2
Workshops (inc. during HQ and remote CD)	-	-	-	-	-
Total	3	4			7

Note: In-person delivery was chosen in all instances because of the need to support a new engagement in Ghana, which is a program country and a country coming out of debt crisis.

Table 3. First Year Workplan

Timing	CD Modality	Proposed Topics of CD
RM II - Revenue Administration		
Q1/FY26	Field-based work	MTRS (tax, customs and policy): MTRS implementation
Q3/FY26	Field-Based work	MTRS: Staff visit
Q4/FY26	Field-Based work	Tax: ITAS

VII. PROGRAM FINANCIALS

Module	FY26	FY27	TOTAL (USD)
Direct Delivery			
RM II - Revenue Administration	\$227,618	\$139,508	\$367,125
Trust Fund Management Fee (7%)	\$15,933	\$9,766	\$25,699
TOTAL	\$243,551	\$149,273	\$392,824

Note: The estimated budget for this project is \$392,824 and endorsement is requested for the full amount through FY27. Endorsement for plans will be requested later as funding for the program is secured and reform plans gain traction.

VIII. TARGETED LOGICAL FRAMEWORK

A. RM-II: Revenue Administration

Objective: Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	
Outcome(s)	Indicator(s)
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Reform management capacity strengthened or in place for reform implementation, including dedicated resources