

AFRICA RISK CONSULTING

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Accra-based Global InfoAnalytics' latest political polling report finds former president and opposition National Democratic Congress (NDC) presidential candidate John Mahama (2012-2017) is leading vice president and ruling New Patriotic Party's (NPP) candidate Mahamudu Bawumia by 54.3% to 34.6%. Further undermining the ruling NPP's efforts to rapidly turn the economy around, Ghana confirms on 15 April it failed to secure a debt restructuring agreement with its bondholders. Although the IMF opposed Ghana's debt restructuring proposal, an IMF team recommends that the country receive its next tranche payment under its Extended Credit Facility (ECF) arrangement. Two people are killed in clashes between security forces and festival goers on 12 April, the latest incident highlighting Ghana's military's tendency towards using excessive force.

Mahama maintains his lead in latest opinion poll

Accra-based research firm **Global InfoAnalytics** released its latest political polling report on 8 April, indicating that former president **John Mahama** (2012-2017) of the opposition **National Democratic Congress (NDC)** has maintained his lead ahead of the ruling **New Patriotic Party (NPP)** presidential candidate, vice president **Mahamudu Bawumia**.¹ According to the report, 54.3% of likely voters responded that they were supporting Mahama compared to 34.6% who backed Bawumia. Former trade minister and leader of the **Movement for Change (MFC)** opposition party, **Alan Kyerematen**, polled third with 7.5% of likely voters. Mahama has extended his polling lead slightly as Global InfoAnalytics' December report found he had 53.4% of support (see *ARC Briefing Ghana Jan 2024*).

Notably, Bawumia's polled support has measurably increased from 29.6% in December to 34.6% in April. This is likely the result of him being more established as the NPP's flagbearer – he only won the ruling party's primary in November. Bawumia has significant ground to recover if he is to have a viable shot at winning the 9 December presidential election. As it stands, the NPP will also likely lose control of the legislature in the 9 December election as well. This is largely due to prevailing negative perceptions of the NPP and the incumbent government.

The ruling party has been blamed for Ghana's recent economic crisis and persistent economic difficulties. The Global InfoAnalytics survey also found that 65% of respondents believed that Ghana was going in the wrong direction and 62% disapproved of President **Nana Akufo-Addo's** (2017-present) leadership. These are strong political headwinds that the NPP is facing while Bawumia is continuing to struggle to distance himself from Akufo-Addo's administration.

Naturally, Bawumia and the NPP have sought to downplay the survey's findings. Bawumia's campaign director **Dennis Miracles Aboagye** dismissed the poll as incomplete and claimed it did not truly reflect the prevailing sentiment on the ground.² However, Global InfoAnalytics is not the only polling firm to find that Mahama appears to have a commanding lead in the presidential election race. In recent months, a survey conducted by the Accra-based **Data Insights Group** and the **United States-**headquartered **Fitch Solutions** has found Mahama to have a similar polling lead.³

¹ Global InfoAnalytics, 8 Apr 2024

² GhanaWeb, 10 Apr 2024

³ GhanaWeb, 6 Apr 2024

Bawumia's campaign is also being hurt by the presence of Kyerematen in the presidential campaign. Kyerematen is an erstwhile senior NPP figure who split from the ruling party after he finished third in the NPP's **Special Delegates Election (SDE)** in August 2023.⁴ He has since formed the MFC to contest the upcoming elections. Accordingly, the majority of Kyerematen's supporters are former NPP voters who followed the former minister out of the ruling party and weakened the NPP's support base.

Kyerematen's negative impact on the NPP's campaign will likely worsen in the coming months. The MFC is in talks with the **National Interest Movement (NIM)** and several other smaller political parties about forming a coalition.⁵ Such an alliance would likely be led by Kyerematen and could create the impression of a stronger electoral force which could attract other disenchanted NPP supporters. This could worsen if NPP supporters believe that Bawumia is set to lose anyway and, as such, opt not to vote at all. Bawumia is unlikely to close the gap between himself and Mahama unless a major shift in voter perceptions takes place, which could only occur if there was a fundamental change in Ghana's economic conditions. This kind of substantive economic shift is highly unlikely without Ghana first securing a far-reaching debt restructuring agreement with its external creditors. An outcome which appears unlikely in the short term after the country failed to reach an agreement with its bondholders in April (see below).⁶

Ghana fails to secure debt restructuring agreement

Ghana's government revealed on 15 April that it had failed to reach an agreement with two bondholder groups to restructure \$13 billion worth of **Eurobonds**. Ghana had been in talks with these two groups since 16 March. It briefly appeared as if a deal could be reached but that agreement eventually failed after the **International Money Fund (IMF)** declared that the deal did not go far enough in reducing Ghana's debt to sustainable levels.⁷ Ghana is under pressure to cut \$10.5 billion from its external debt repayments and interest costs between now and 2026.⁸

The IMF further warned that the proposed restructuring deal would breach the terms of Ghana's **Extended Credit Facility (ECF)** arrangement with the IMF. Ghana is highly dependent on this \$3 billion bailout and as such cannot afford to breach the conditions and risk the IMF refusing to authorise the regular tranche payments.

This setback will mean that Ghana will need to come up with a new debt restructuring offer that it can sell to its creditors. The country may be forced to agree to use a so-called state-contingent debt instrument. Under such a proposal, Ghana's debt repayments would increase if the country's economy outperforms agreed metrics. This has been suggested by some of the country's creditors as a means of bridging the positions between the two sides. Ghana is currently opposed to such an agreement as it would undercut some of the benefits from better-than-expected growth or a future commodity boom. It would also be politically unpopular and open the NPP to accusations that it sold out Ghana's future. However, such a solution could bring the country the immediate relief that it urgently needs.

... as IMF team recommends ECF tranche payment

Although the IMF did not support Ghana's debt restructuring proposal, the IMF team which conducted an in-country assessment between 2 and 12 April did recommend that a tranche payment of \$360m be disbursed under the ECF arrangement.⁹ This recommendation has been submitted to the IMF board for approval, but the board rarely does not follow staff recommendations.

The IMF team found that Ghana's performance under the ECF programme has been generally strong and that the country met most of the set quantitative objectives and key reform benchmarks. In particular, the IMF approved of Ghana's progress in pursuing fiscal consolidation - the government

⁴ GNA, 26 Aug 2023

⁵ GNA, 5 Apr 2024

⁶ CNBC Africa, 15 Apr 2024

⁷ Financial Times, 15 Apr 2024

⁸ CNBC Africa, 15 Apr 2024

⁹ IMF, 13 April 2024

has kept spending within budget limits and noted that it is on track to achieve a fiscal primary surplus of 0.5% of GDP in 2024. The IMF team also commended Ghana for meeting its non-oil revenue mobilisation target and its continued progress in implementing the wide-ranging recommended structural reforms to bolster domestic revenues, strengthen public financial and debt management, and enhance transparency.

However, the IMF did urge Ghana to continue to pursue its debt restructuring agreements with its external credits and noted that the country still needs to reach an agreement on a memorandum of understanding (MoU) for the \$5.4 billion debt restructuring agreement it reached in principle with its official bilateral creditors in January (*See ARC Briefing Ghana Feb 2024*).

The government will welcome the anticipated disbursement of the \$360m in support from the ECF as these funds will help finance its budget as well as support the ongoing structural reform programme. Ghana's generally strong progress in implementing the IMF-recommended reform programme has increased the possibility that the IMF will release the next tranche payment following its next review of the ECF arrangement with Ghana which is expected to take place in July.

Fatal clashes between security forces and festivalgoers in Tema

At least two people were killed in clashes between naval security forces and festival goers in **Tema (Greater Accra Region)** on 12 April.¹⁰ The incident occurred when a crowd of festivalgoers attacked a vehicle belonging to the **Ghana Navy** leading to at least three injuries. Security forces subsequently apprehended three of these individuals for disorderly conduct and detained them at the base. However, a crowd of festivalgoers then attacked the naval base throwing stones and demanding the release of the three detainees. In response, security forces opened fire on the crowd killing two people.

The **Ghana Armed Forces (GAF)** has defended this action saying it was needed to protect sensitive equipment at the base and that the GAF will defend its bases from any form of assault.¹¹ However, in reality, this incident is reflective of the GAF's poor training in crowd control and dealing with civilians - GAF forces have frequently been known to resort to disproportionate force, including lethal force, when dealing with protestors or mobs.

Indicative of this, in **Karaga (Northern Region)** one person was killed and three others injured when security forces used excessive force to disperse an unauthorised gathering on 25 March. The military then ordered a dusk-to-dawn curfew in the town as to avoid further clashes as local tensions were elevated following the incident.

The GAF's tendency to use excessive force is concerning, especially given the extent to which the military is deployed domestically. Ghana uses its military to address most security concerns including intercommunal disputes. Such matters are arguably better suited to police officers who have had training in policing civilians rather than soldiers. However, Ghana's police service lacks the capacity to manage all the various intercommunal disputes and border security concerns that Ghana faces, hence the reliance on the GAF.

¹⁰ 3News, 13 Apr 2024

¹¹ GNA, 14 Apr 2024

Planner

13-15 May **Accra (Ghana)** 3i Africa Summit

9 Dec 2024 **(Ghana)** General election

Chronology

15 Apr 2024 **Lagos (Nigeria)** *GNA*. Former president **John Mahama** (2012-2017) is awarded the **African Advancement Award for Exemplary Leadership** at the **Africa Heritage Awards** in Lagos;

15 Apr 2024 **Accra (Ghana)** *Citi Newsroom*. **Alan Kyerematen**, a former minister and leader of the **Movement for Change (MFC)** opposition party, pledges to cut taxes should he be elected president;

15 Apr 2024 **Accra (Ghana)** *Citi Newsroom*. The government proposes taxing the foreign income of resident Ghanaians in an effort to boost revenue collection after it dropped plans to impose value-added tax (VAT) on electricity purchases;

13 Apr 2024 **Accra (Ghana)** *GNA*. **Ukraine** opens an embassy in Ghana strengthening bilateral ties;

13 Apr 2024 **Accra (Ghana)** *3News*. The **Transport Operators of Ghana** and the **Concerned Drivers Association of Ghana** increase their fares by between 15% and 20% in response to the recent increase in fuel costs;

11 Apr 2024 **Accra (Ghana)** *Peace FM*. Vice president and **New Patriotic Party (NPP)** presidential candidate, **Mahamudu Bawumia** publicly affirms his opposition to same-sex relations;

10 Apr 2024 **Accra (Ghana)** *News Ghana*. The **Ghana Statistical Service** reveals that inflation increased to 25.8% year-on-year in March from 23.2% in February, reaching a four-month high;

10 Apr 2024 **Accra (Ghana)** *Ghanaweb*. The government launches its new **Performance Tracker** programme aimed at monitoring the implementation of state projects across the country;

9 Apr 2024 **Accra (Ghana)** *The Herald Ghana*. The **Electoral Commission** announces that the **Ejisu (Ashanti Region)** by-election will take place on 30 Apr but will not be contested by the opposition **National Democratic Congress (NDC)**;

9 Apr 2024 **Accra (Ghana)** *GhanaWeb*. President **Nana Akufo-Addo** hosts **Guinea-Bissau's** President **Umaro Sissoco Embaló** in Accra during which the two leaders commit to establishing a permanent bilateral commission;

9 Apr 2024 **Accra (Ghana)** *Ghana Web*. **Ghana Cocoa Board (COCOBOD)** public relations officer **Fiifi Bofo**, in response to allegations that COCOBOD has shortchanged cocoa farmers, says that Ghana's cocoa farmers earn more than their **Ivorian** counterparts and that COCOBOD is paying producers a better price;

8 Apr 2024 **London (United Kingdom)** *Ghanaian Times*. United Kingdom-based **World Economics Research** ranks Ghana as the best-performing country and the fifth best in **Africa** on the **World Economics Governance Index**;

8 Apr 2024 **Accra (Ghana)** *Modern Ghana*. Six civil society organisations threaten to stage protests unless the government approves over \$40m worth of essential medicine and other medical treatments currently held up at **Tema Port**;

- 5 Apr 2024 **Accra (Ghana)** *Ghanaian Times*. President **Nana Akufo-Addo** hosts **Italian** President **Sergio Mattarella** at **Jubilee House** during which they discussed several issues including **West Africa's** security challenges;
- 3 Apr 2024 **Accra (Ghana)** *Ghana Today*. President **Nana Akufo-Addo** appoints deputy trade minister **Stephen Amoah** as the new deputy minister of finance;
- 3 Apr 2024 **Accra (Ghana)** *Reuters*. **Ghana Cocoa Board (COCOBOD)** announces that it will raise the farmgate price paid to cocoa farmers by up to 50% to help share profits resulting from higher global prices and discourage the illicit trade in the commodity;
- 2 Apr 2024 **Accra (Ghana)** *Ghanaian Times*. Ghana and **Kenya** establish a **Permanent Joint Commission for Cooperation (PJCC)** in a move that will enhance bilateral relations between the two countries during a visit by Kenyan President **William Ruto**;
- 1 Apr 2024 **Accra (Ghana)** *GNA*. The opposition **Progressive People's Party (PPP)** opens nominations for its presidential primaries;
- 30 Mar 2024 **Accra (Ghana)** *3news*. Vice president **Mahamudu Bawumia** leads hundreds of NPP supporters in a campaign rally in **Kwahu Mpraeso, Eastern region**;
- 28 Mar 2024 **Accra (Ghana)** *3news*. President **Nana Akudo-Addo** congratulates **Bassirou Diomaye Faye** on his election as the new president of **Senegal**;
- 27 Mar 2024 **Accra (Ghana)** *GNA*. Ghana and **Malawi** reach a visa waiver agreement for travel up to 90 days;
- 27 Mar 2024 **Accra (Ghana)** *3news*. **World Bank** provides the **Bank of Ghana (BoG)** (central bank) with \$300m in budgetary support;
- 27 Mar 2024 **Accra (Ghana)** *My Joy Online*. President **Nana Akudo-Addo** dissolves the **Ghana Revenue Authority (GRA)** board;
- 25 Mar 2024 **Accra (Ghana)** *Moneyweb*. The **Bank of Ghana (BoG)** (central bank) maintains its benchmark interest rate at 29%;
- 23 Mar 2024 **Suma (Ghana)** *Ghanaian Times*. Speaker of parliament **Alban Sumana Kingsford Bagbin** reiterates his support for the anti-LGBTQI **Proper Human Sexual Rights and Ghanaian Family Values Bill** which was passed in February but is yet to be promulgated into law;
- 21 Mar 2024 **Accra (Ghana)** *Graphic*. The opposition **National Democratic Congress (NDC)** threatens to initiate impeachment proceedings against President **Nana Akudo-Addo** over his failure to sign the anti-LGBTQI **Proper Human Sexual Rights and Ghanaian Family Values Bill**;
- 21 Mar 2024 **Accra (Ghana)** *France24*. Parliament speaker **Alban Sumana Kingsford Bagbin** halts the approval of new ministers reportedly over a standoff with President **Nana Akufo-Addo** and his delay in signing off on the controversial anti-LGBTQI **Proper Human Sexual Rights and Ghanaian Family Values Bill** passed in February;
- 20 Mar 2024 **Accra (Ghana)** *3News*. The **Ghana Health Service** reveals that at least 10 people have died in a meningitis outbreak in **Upper West Region**;
- 20 Mar 2024 **Accra (Ghana)** *3News*. Government statistician, **Samuel Annim**, reveals that Ghana's economy grew by 2.9% of GDP in 2023 down from 3.8% in 2022.

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