

GHANA'S PERFORMANCE ON THE CPI – 2020

Prepared for the Executive Secretary, GACC

1.0 Corruption Perception Index Score 2020

The Corruption Perception Index (CPI) scores countries on how corrupt their public sectors are seen to be. The CPI captures the informed views of analysts, business people and experts in countries around the world.

Ghana's score on the CPI has been dropping since it achieved its highest score of 48/100 in 2014. Below is a graphic presentation of Ghana's CPI score from 2012 to 2020.

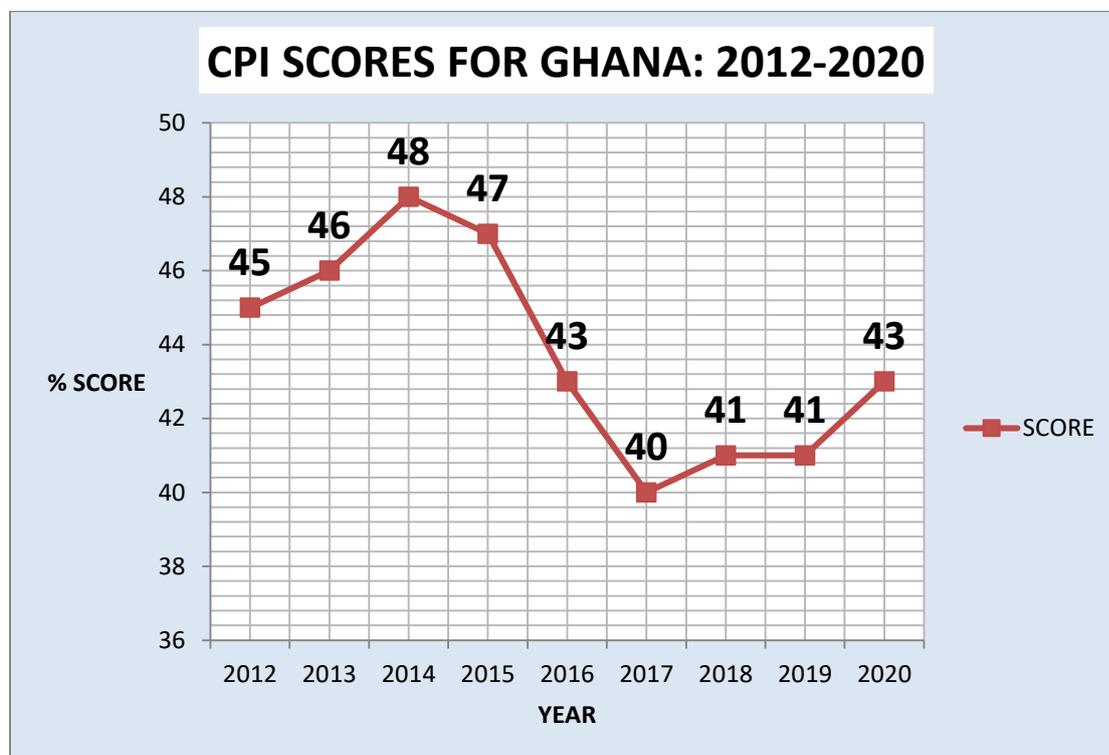


Figure 1: Ghana's CPI score; 2012-2020

The 2020 score of 43/100 means that Ghana's performance on the CPI has gained two points from the previous year (2019 - 41/100). This would imply some marginal reduction in the perceptions of corruption in Ghana over the last year. Ghana's score is above the Sub-Saharan Africa average of 32/100 and equal to the global average score of 43/100. In Africa, Ghana is 12th but 10th in Sub-Saharan Africa. These scores rank Ghana 75/100 worldwide and 10/49.

2.0 The Change in Score

Ghana's CPI scores are computed from 9 of the 13 sources used globally. The table below describes Ghana's sources in terms of their general focus and their sectional focus on corruption and

governance issues. It is also important to note that note all of these sources release reports annually. Where there is no new report for a year under study, the previous year’s score is repeated.

2.1 The Data Sources

CPI is computed as an average score of a number of data sources. The sources of Ghana are captured below:

Table 1: Data sources and their descriptions for Ghana’s CPI

s/n	DATA SOURCE	DESCRIPTION
1.	African Development Bank (AfDB) Country Policy and Institutional Assessment	<p>The Country Policy and Institutional Assessment (CPIA) of the African Development Bank (AfDB) is a diagnostic tool that assesses every two years the quality of policies and the performance of institutional frameworks in the 54 African countries.</p> <p>The CPIA is carried out by a group of country economists with vast experience in policy analysis. The knowledge of these experts is complemented with that of local contacts that provide both quantitative and qualitative insights. Peer discussions are also used to monitor the quality of the findings.</p> <p>Corruption Question(s) Experts are asked to assess: Transparency, Accountability and Corruption in the Public Sector. “This criterion assesses the extent to which the executive can be held accountable for its use of funds and the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for the use of resources, administrative decisions, and results obtained. Both levels of accountability are enhanced by transparency in decision making, public audit institutions, access to relevant and timely information, and public and media scrutiny. A high degree of accountability and transparency discourages corruption, or the abuse of public office for private gain. National and sub-national governments should be appropriately weighted.</p> <p>Each of three dimensions should be rated separately: (a) the accountability of the executive to oversight institutions and of public employees for their performance; (b) access of civil society to information on public affairs; and (c) state capture by narrow vested interests.”</p> <p>Scores The rating scale ranges from 1 (very weak for two or more years) to 6 (very strong for three or more years) and allows for half point intermediate scores (e.g.3.5). The score is an aggregate of the three dimensions of corruption across national and sub-national government institutions in the country.</p>
2	Bertelsmann Foundation Transformation Index	<p>The Bertelsmann Stiftung’s Transformation Index (BTI) analyzes and evaluates whether and how developing countries and countries in transition are steering social change toward democracy and a market economy.</p> <p>Assessments are provided by two experts per country. Country assessments consist of two sections: the written assessment of the state of transformation and management performance in a country (country report) and the numerical assessment of the state of transformation and management performance (country ratings). Scores are given by a country expert, which are then reviewed blind by a second country expert who also provides a second independent rating of the country. These scores by</p>

		<p>experts are then verified and discussed by regional coordinators to ensure intra and inter-regional comparability in ratings. In addition, BF has also instituted an extra layer of verification to ensure the scores provided match the qualitative descriptions for each country.</p> <p>Corruption Question(s) Experts are asked to assess: “To what extent are public officeholders who abuse their positions prosecuted or penalized?” Assessments range from: a low of 1, where 'Officeholders who break the law and engage in corruption can do so without fear of legal consequences or adverse publicity' to a high of 10, where 'Officeholders who break the law and engage in corruption are prosecuted rigorously under established laws and always attract adverse publicity.' “To what extent does the government successfully contain corruption?” Assessments range from: from a low of 1, where 'The government fails to contain corruption, and there are no integrity mechanisms in place to a high of 10, where 'The government is successful in containing corruption, and all integrity mechanisms are in place and effective.'</p> <p>Scores Scores are assigned on a scale of 1-10 with 10 being the lowest level of corruption and 1 being the highest. The score for each country is an average of the two questions</p>
3	Economist Intelligence Unit Country Risk Service	<p>The Economist Intelligence Unit (EIU), an Economist Group business, produces the Country Risk Service with Country Risk Ratings. These risk levels are designed to quantitatively assess the risk (including corruption) of doing business in a specific country. This assessment is particularly important to commercial bankers, institutional investors, and corporate executives who have or are considering direct foreign investment in a particular country.</p> <p>The EIU relies on teams of experts based primarily in London (but also in New York, Hong Kong, Beijing and Shanghai) who are supported by a global network of in-country specialists. Each country analyst covers a maximum of two or three countries/territories. The economic and political reports produced by EIU analysts are subjected to a rigorous review process before publication.</p> <p>Corruption Question(s) Specific guiding questions include:</p> <p>Are there clear procedures and accountability governing the allocation and use of public funds? Are public funds misappropriated by ministers/public officials for private or party political purposes? Are there special funds for which there is no accountability? Are there general abuses of public resources? Is there a professional civil service or are large numbers of officials directly appointed by the government? Is there an independent body auditing the management of public finances? Is there an independent judiciary with the power to try ministers/public officials for abuses? Is there a tradition of a payment of bribes to secure contracts and gain favours?</p> <p>Scores Scores are given as integers on a scale from 0 (very low incidence of corruption) to 4 (very high incidence of corruption).</p>
4	Global Insight Country Risk Ratings	Global Insight Country Risk Ratings are designed specifically for country and credit risk analysts, this service provides access to macroeconomic forecasts, country and sovereign

		<p>risk ratings, and integrated daily intelligence for more than 200 countries. Dedicated risk dashboards and update automation software enable efficient and accurate risk</p> <p>The assessments are made by over 100 in-house country specialists, who also draw on the expert opinions of in-country freelancers, clients and other contacts. The ratings reflect IHS Global Insights expert perceptions of the comparative level of the problem in each country/territory. The ratings assess the broad range of corruption, from petty bribe-paying to higher-level political corruption and the scores assigned to each country are based on a qualitative assessment of corruption in each country/territory.</p> <p>Corruption Question(s) Experts are asked to assess: The risk that individuals/companies will face bribery or other corrupt practices to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork. This threatens a company's ability to operate in a country, or opens it up to legal or regulatory penalties and reputational damage.</p> <p>Scores The ratings range from a minimum of 1.0 (maximum corruption) to 5.0 (minimum corruption) and allow for half-point intermediate scores (e.g. 3.5). quantification.</p>
5	The Political Risk Service International Country Risk Guide	<p>International Country Risk Guide is one of the world's best commercial sources of country risk analysis and ratings, examining such country-specific elements as currency risk, political leadership, the military and religion in politics, and corruption.</p> <p>ICRG staff collect political information and convert it to risk points on the basis of a consistent pattern of evaluation. Political risk assessments and other political information form the basis of ICRG risk ratings. It is therefore possible for the user to check through the information and data so as to assess the ratings against their own assessments, or against some other risk ratings system.</p> <p>Corruption Question(s) This is an assessment of corruption within the political system. The most common form of corruption met directly by businesses is financial corruption in the form of demands for special payments and bribes connected with import and export licenses, exchange controls, tax assessments, police protection, or loans. The measure is most concerned with actual or potential corruption in the form of excessive patronage, nepotism, job reservations, exchange of favours, secret party funding, and suspiciously close ties between politics and business.</p> <p>Scores The corruption scores are given on a scale of 0 (highest potential risk) to 6 (lowest potential risk).</p>
6	World Bank Country Policy and Institutional Assessment	<p>The World Bank's Country Policy and Institutional Assessment (CPIA) assess the conduciveness of a country's policy and institutional framework to poverty reduction, sustainable growth, and the effective use of development assistance.</p> <p>Corruption Question(s) Experts are asked to assess: Transparency, Accountability and Corruption in the Public Sector. "This criterion assesses the extent to which the executive can be held accountable for its use of funds and the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for the use of resources, administrative decisions, and results obtained. Both levels of accountability are enhanced by transparency in decision making, public audit institutions, access to relevant and timely information, and public and media scrutiny. A high degree of accountability and transparency discourages corruption, or the abuse of public office for private gain. Each of three dimensions should be rated separately:</p>

		<p>(a) accountability of the executive to oversight institutions and of public employees for their performance; (b) access of civil society to information on public affairs; and (c) state capture by narrow vested interests.”</p> <p>Scores The rating scale ranges from 1 (low levels of transparency) to 6 (high levels of transparency) and allows for half-point intermediate scores (eg. 3.5). The score is an aggregate of the three dimensions of corruption across national and sub-national government institutions in the country/territory.</p>
7	World Economic Forum Executive Opinion Survey	<p>This data source is termed the Voice of the Business Community. The Executive Opinion Survey has been a key ingredient of the <i>Global Competitiveness Report</i> series. The Survey provides a yearly evaluation of critical aspects of competitiveness for which statistical data is missing because it is either impossible or extremely difficult to measure on a global scale. The aim of the Survey is to capture reality as best as possible, and business leaders are arguably the best positioned to assess these aspects. To be explicit, corruption and business competitiveness have a negative correlation. When corruption is high, business competitiveness is low.</p> <p>Corruption Question(s)</p> <p>Survey respondents were asked: (On a scale of 1 - 7 where 1 means very common and 7 means never) “In your country, how common is it for firms to make undocumented extra payments or bribes connected with the following”:</p> <ul style="list-style-type: none"> a) Imports and exports; b) Public Utilities; c) Annual Tax Payments; d) Awarding of public contracts and licenses; e) Obtaining favourable judicial decisions. <p>(on a scale of 1 - 7 where 1 means very common and 7 means never) “In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?”</p> <p>Scores Each question is scored by respondents on a scale of 1 - 7. The results of the two questions were then averaged across all respondents to give a score per country/territory.</p>
8	World Justice Project Rule of Law Index Expert Survey	<p>The WJP Rule of Law Index measures rule of law adherence in 113 countries and jurisdictions worldwide based on more than 110,000 household and 3,000 expert surveys. Featuring primary data, the <i>WJP Rule of Law Index</i> measures countries’ rule of law performance across eight factors: Constraints on Government Powers, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, and Criminal Justice.</p> <p>The Index’s rankings and scores are the product of a rigorous data collection and aggregation process. Data comes from a global poll of the general public and detailed questionnaires administered to local experts. To date, over 2,000 experts and 66,000 other individuals from around the world have participated in this project.</p> <p>Corruption Question(s) A total of 68 questions are asked of experts and respondents from the general population (53 and 15 targeted to each group respectively) on the extent to which government officials use public office for private gain. These questions touch on a variety of sectors</p>

		<p>within government including the public health system, regulatory agencies, the police, and the courts. Individual questions are aggregated into four sub-indices:</p> <ul style="list-style-type: none"> • Government officials in the executive branch do not use public office for private gain • Government officials in the judicial branch do not use public office for private gain • Government officials in the police and the military do not use public office for private gain • Government officials in the legislature do not use public office for private gain <p>Scores Scores are given on a continuous scale between from a low of 0 to a high of 1.</p>
9	Varieties of Democracy Project	<p>Varieties of Democracy (V-Dem) is a new approach to conceptualizing and measuring democracy. V-Dem provides a multidimensional and disaggregated dataset that reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections. The V-Dem project distinguishes between five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian, and collects data to measure these principles.</p> <p>Corruption Question(s) Question: How pervasive is political corruption? The directionality of the V-Dem corruption index runs from less corrupt to more corrupt (unlike the other V-Dem variables that generally run from less democratic to more democratic situation). The corruption index includes measures of six distinct types of corruption that cover both different areas and levels of the polity realm, distinguishing between executive, legislative and judicial corruption. Within the executive realm, the measures also distinguish between corruption mostly pertaining to bribery and corruption due to embezzlement. Finally, they differentiate between corruption in the highest echelons of the executive (at the level of the rulers/cabinet) on the one hand, and in the public sector at large on the other. The measures thus tap into several distinguished types of corruption: both ‘petty’ and ‘grand’; both bribery and theft; both corruption aimed and influencing law making and that affecting implementation. Aggregation: The index is arrived at by taking the average of (a) public sector corruption index (b) executive corruption index (c) the indicator for legislative corruption and (d) the indicator for judicial corruption. In other words, these four different government spheres are weighted equally in the resulting index.</p> <p>Scores Scores are given on a continuous scale between a low of 0 to a high of 1.</p>

2.2 Current Year-on-Year Analysis

Ghana’s score in 2020 was aggregated from 9 data sources¹, just like 2019. This makes it possible to analyse in which areas gains were made, and where Ghana slipped leading to an average score of 43/100.

Table 2: Ghana’s CPI data sources score for 2017 - 2020

¹ Data sources are: World Bank Country Policy and Institutional Assessment, World Economic Forum Executive Opinion Survey, Global Insight Country Risk Ratings, Bertelsmann Foundation Transformation Index, ADB Country Policy and Institutional Assessment, World Justice Project Rule of Law Index Expert Survey, The Political Risk Service International Country Risk Guide, Varieties of Democracy Project and Economist Intelligence Unit Country Risk Service.

s/n	DATA SOURCE	2017 SCORE	2018 SCORE	2019 SCORE	2020 SCORE	CHANGE IN SCORE (2019-2020)
1	African Development Bank (AfDB) Country Policy and Institutional Assessment	47	47	47	47	0
2	Bertelsmann Foundation Transformation Index	41	41	41	41	0
3	Economist Intelligence Unit Country Risk Service	55	55	55	55	0
4	Global Insight Country Risk Ratings	35	35	35	47	+12
5	The Political Risk Service International Country Risk Guide	47	45	50	50	0
6	World Bank Country Policy and Institutional Assessment	35	43	43	43	0
7	World Economic Forum Executive Opinion Survey	35	37	30	30	0
8	World Justice Project Rule of Law Index Expert Survey	36	36	36	34	-2
9	Varieties of Democracy Project	33	30	33	38	+5
AVERAGE		40	41	41	43	

From table 2 above, it could be observed that the score for Ghana has not changed from 2019 to 2020 for 6 out of the 9 sources. This is probably because the assessment of these sources of the governance climate has not changed. It may also be due to the fact that some sources do not produce their reports annually, so their last score for Ghana is repeated. With the remaining three sources, Ghana's performance in 2020 for the Global Insight Country Risk Ratings and Varieties of Democracy Project increased over the 2019 score by +12 and +5, respectively. However, Ghana lost 2 points (-2) on the World Justice Project Rule of Law Index Expert Survey.

The Global Insight Country Risk Ratings are designed specifically for country and credit risk analysts. This service provides access to macroeconomic forecasts, country and sovereign risk ratings, and integrated daily intelligence for more than 200 countries. Experts are however also asked to assess the risk that individuals/companies will face bribery or other corrupt practices to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork. This threatens a company's ability to operate in a country, or opens it up to legal or regulatory penalties and reputational damage. The +12 point increase does imply that this source seems some improvement in this area in 2020.

The Varieties of Democracy (V-Dem) source is conceptualizes and measures democracy. V-Dem provides a multidimensional and disaggregated dataset that reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections. The V-Dem project distinguishes between five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian, and collects data to measure these principles. V-Dem experts attempt to determine the pervasiveness of corruption. The corruption index is arrived at by taking the average of

(a) public sector corruption index (b) executive corruption index (c) the indicator for legislative corruption and (d) the indicator for judicial corruption. In other words, these four different government spheres are weighted equally in the resulting index. For 2020, Ghana made a +5 point gain in this area.

The final source that shows a difference from 2019 is the World Justice Project Rule of Law Index Expert Survey. The WJP Rule of Law Index measures rule of law adherence in 113 countries and jurisdictions worldwide. The Index takes stock of performance across eight factors: Constraints on Government Powers, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, and Criminal Justice. The question on corruption assesses the extent to which government officials use public office for private gain. These questions touch on a variety of sectors within government including the public health system, regulatory agencies, the police, and the courts. Ghana slipped by 2 points (-2) on this index.

Clearly from the above, the gains made by Ghana on the Global Insight Country Risk Ratings (+12) and Varieties of Democracy index (+5) was more than enough to offset the -2 point loss on the World Justice Project Rule of Law Index Expert Survey.

3.0 The Highlighted Issues

3.1 Corruption and Emergency Responses

The 2020 CPI focuses on the relationship between corruption and emergency responses. The threat of the COVID-19 pandemic is exacerbated by corruption. According to Transparency International (T.I), the 2020 CPI reveals that persistent corruption is undermining health care systems, contributing to eroding democracy and the COVID-19 pandemic. Delia Rubio, the Chair of TI, says that COVID-19 is not just a health crisis, it is also a corruption crisis that we are failing to manage. Rubio's words refer to the corruption that is concomitant to government expenditure towards containing the pandemic – inflated cost of items, conflict of interest in awarding contracts to one's own company or that of relatives and friends, etc.

3.2 Corruption and Health Care

The CPI reports that 80% of the countries that have significantly improved their CPI scores since 2012 also have the percentage of their health expenditure to GDP above 5%. Apparently the 9 African countries that performed better than Ghana on the CPI also spend higher on health (4 - 9.5% of GDP) compared to Ghana's (3.9% of GDP).

While this correlation is quite interesting, it does not say anything about health outcomes relative to the higher spend in the sector. Assuming that the health outcomes in these countries are also better, then one would have to note that investment in health is not just in the areas of goods and services, it is also about the structures and people. Increasing the salary and remuneration package of health works is likely to make them less susceptible to engage in corruption. Higher investment in the inspectorate and



monitoring and evaluation divisions of health is also likely to ensure that health goods and services reach their destinations, and the citizens' access is increased.

4.0 The Next Steps for Ghana

The Press Release by Ghana Integrity Initiative (GII), the local chapter of Transparency International, emphasizes 6 issues in order to reduce corruption, especially in the midst of a pandemic. These include:

1. **Strengthen Oversight Institutions** in order to ensure that resources (including COVID-19 items) reach the most in need.
2. **Enforce procurement rules**, including the emergency procurement guideline released by the Public Procurement Authority at the height of the pandemic in Ghana.
3. **Ensure open and transparent contracting** to identify conflict of interest and ensure fair pricing.
4. **Publish relevant data and guarantee access to information** on inter alia, COVID-19 expenditure
5. **Speed up digitization of the economy** to facilitate transparent delivery of services
6. *Defend democracy and promote civic space and rights* to create an enabling environment for holding government accountable.

5.0 Improving CPI Scores

Despite the two point gain made by Ghana in 2020, the scores over the last 8 years remain below 50%. Other African countries such as Seychelles, Botswana, Rwanda and Cape Verde are scoring higher than 50%, an indication of reduced corruption.

Ghana has not been performing well on the CPI since the baseline year – 2012. Almost all the sources from which Ghana's CPI is computed have assigned scores that are either consistent over the period or decreased over time. 2014 is often hailed as Ghana's best year – the nation having an all time score of 48/100 in that year. Ghana's relatively high score in 2014 was due to the fact that one source, Transparency International's Bribe Payers Survey, was excluded from the data sources for that year and subsequently. The Bribe Payers Survey is one of the sources that had consistently scored Ghana very low (28/100), indicating a persistent culture of bribery. The removal of this source meant that Ghana's average score increased. Thus, the seemingly good performance in 2014 was due to the exclusion of a data source where Ghana scored poorly rather than an improving anti-corruption climate in Ghana in the year 2014. Since then, the nation's CPI score has continuously decreased.

It is imperative to engage the criteria used by these sources in order to understand Ghana's performance. While the criteria used by these sources vary, there is convergence on a number of them. The top two criteria common to the sources are:



1. Bribes and undocumented payments in relation to obtaining licenses, permits, contracts and accessing public services
2. Accountability by public office holders for the use of resources, administrative decisions and results obtained; including accountability through asset declaration, conflict of interest declarations and adherence to codes of conduct

The first criterion, bribery and other undocumented payments in accessing licenses, permits, contracts and accessing public services, is the most common criterion to the data sources (7 out of 9 sources). Ghana's overall declining score over the last three years attests to the prevalence of bribery and other illegal payments in accessing documents and services from public offices. Public officials continue to use their positions for private gain by either actively demanding for bribes and other unapproved payments or delaying service until frustrated citizens offer them these payments.

Accessing public services remains an opaque procedure in most instances, where only the public officer is aware of the steps and the official administrative charge at each stage. In tackling this issue, it is important to have public services publish the protocol for accessing all their services and the fee for each service. It is also essential that the turnaround time for each service is published and public officers are held accountable to delivering within the stated time.

The second major issue is Accountability by public office holders for the use of resources, administrative decisions and results obtained; including accountability through asset declaration, conflict of interest declarations and adherence to codes of conduct. We live in a country where some public officers still simply do not get the fact that they are stewards that are employed by the people of Ghana, resourced by the people of Ghana and must therefore be accountable to the people of Ghana ultimately.

Another issue we need to deal with is asset declaration. Our current asset declaration laws do not prescribe verification, publication and explicit sanctions –yet, these are the very elements of a potent asset declaration regime. This is why the Auditor General must be supported to pursue a comprehensive asset declaration programme. The sections dealing with asset declaration in the Conduct of Public Officers Bill that was in the last Parliament did portend for a stronger asset declarations regime. This Bill also addressed conflict of interest matters.

The onus of the changes required to reduce corruption must not be placed on the Presidency and political appointees alone. The institutions of state and their leadership ought to take responsibility. We must demand change from the structures already put in place to deliver and their leadership. The issues that have stagnated Ghana's CPI score in the 40s go beyond partisan efforts, or a lack thereof. The ubiquitous culture of bribery, the negligent and sometimes passive attitude of public officers regarding the public purse, inefficiency in the management of public resources and failure to demand accountability have become the poisonous cocktail that breeds corruption.