



REPUBLIC OF GHANA

## MINISTRY OF FINANCE

# 2024 BUDGET "NKUNIM" SPEECH

15<sup>th</sup> November, 2023



## **I. INTRODUCTION**

1. Right Honourable Speaker, Honourable Members of Parliament, on the authority of His Excellency the President Nana Addo Dankwa Akufo-Addo and pursuant to Article 179 of the 1992 Constitution of the Republic of Ghana and Section 21(3) of the PFM Act 2016 (of ACT 921), I respectfully present to you the Budget Statement and Economic Policy of Government for 2024 Financial Year.
2. Mr. Speaker, I beg to move that this august House approves the Financial Policy of the Government of Ghana for the year ending 31<sup>st</sup> December, 2024.
3. Respectfully, I also submit to this Honourable House the following statutory reports:
  - i. The 2023 Annual Report on the Petroleum Funds, in line with Section 48 of the Petroleum Revenue Management Act, 2011 (Act 815), (as amended); and
  - ii. The 2023 Report on the utilisation of the African Union Levies, pursuant to Section 7 of the African Union Import Levies Act, 2017 (Act 952).
4. Mr. Speaker, this Budget Speech is an abridged version of the 2024 Budget Statement and Economic Policy of Government. We have also developed a more detailed update on sectoral performance in a 'Volume II' document. I request the Hansard Department to kindly capture these documents as the Budget Statement and Economic Policy of Government for the financial year 2024.

### **Immense Gratitude**

5. Mr. Speaker, I stand here today to present the 2024 Budget, which seeks to advance us on the path toward fiscal consolidation, macro stability and growth that began a year ago.
6. Mr. Speaker, I first want to take the opportunity to express immense appreciation to H.E the President for the privilege to present the national Budget on his behalf over the past 7 years. More importantly I want to express my profound gratitude to God for his grace, mercy and favour toward our Nation. Together with the Psalmist, let us say "Bless the Lord, O my soul; And

7. all that is within me, bless His holy name! Bless the Lord, O my soul, And forget not all His benefits" [Psalm 103:1-2].
8. Mr. Speaker, I also wish to express my deep appreciation to you, Right Hon. Speaker, and the Hon. Members for their support over the years. We have not always agreed, but we always eventually find common ground in the interest of the Republic and we should this collaboration.

### **A Difficult Context**

9. Mr. Speaker, almost a year ago on Thursday, 24<sup>th</sup> November, 2022, I presented the 2023 Budget and, as always, gave an honest and forthright update on the economy, highlighting the extent of the challenges facing our country. Indeed, a month before, H.E. the President also pointed out that, never have so many malevolent forces come together, in a perfect storm, to impact our lives so dramatically. Key macroeconomic indicators then, were uninspiring.
10. Against that backdrop, I then presented Government's plan of recovery, focusing on:
  - i. restoring macro-economic stability;
  - ii. coordinating an equitable debt operation programme;
  - iii. ensuring that the vulnerable are well protected;
  - iv. negotiating a strong IMF programme;
  - v. a strong private sector growth agenda; and
  - vi. attracting significant green investments to promote growth.
11. Mr. Speaker, in two (2) out of the last 7 years (2020-2022) the Ghanaian economy has faced challenges. The economy, growing at an average of 7 percent with a single-digit inflation, declining interest rates and a stabilising currency, suffered unforeseen shocks like many other economies. GDP growth slumped from 6.5 percent in 2019 to 0.5 percent in 2020 – as the lockdown and closure of businesses and the ports had a devastating effect on the economy, triggering a cost-of-living crises that has made lives difficult for the Ghanaian people. Though bartered and bruised, we are not broken and our resilience is manifesting.

12. Mr. Speaker we also saw the damaging effects that the economic downturn had on Ghana's already stretched revenues. This was even made worse by the additional expenditures that were required during the covid-19 Pandemic to ensure that life and livelihoods were protected.
13. Mr. Speaker, 2020 was also in an election year. The first ever election in the Fourth Republic with zero donor funding. However, Government's sensitivity to our people was remarkable: No lay-offs in the public service; salaries were dutifully paid over the year; and free water and electricity for the entire population was provided, especially for life-line consumers. Indeed, Entrepreneurship was not ignored as GH¢600 million of CAPBuSS from GEA was effectively deployed.
14. Mr. Speaker, permit me to clarify that the disruption to our macroeconomic path over the last few years was not peculiar to Ghana. The global disruption to supply chains, adjustment to new forms of work, and shifts in demand produced some of the most cataclysmic effects on inflation and growth worldwide. This set-off the worst form of global cost of living crises since World War II.
15. In the US, inflation surged from a low of 1.8 percent in 2019 to 6.5 percent by 2022 and is currently at 3.7 percent. We have seen this reflect in interest rate decisions by the US Federal Reserve and also in benchmark yields. The yield on the 10-year US Treasury instrument is currently at 4.6 percent compared to 1.4 percent two (2) years ago. This is an economy whose currency is the global reserve currency. We see similar trends in the Eurozone and also in the UK. Inflation in the UK was 1.7 percent in 2019 and was recorded at 11.1 percent in October 2022, a 41-year high.

### **Changing The Narrative**

16. Mr. Speaker, in the Mid-Year Review, I informed this House that we had started turning the corner. Today, it is evident that:
  - i. We turned the corner when inflation started declining from 54.1 percent in December 2022 to 35.2 percent in October 2023;
  - ii. We turned the corner when, despite a 1.5 percent projected growth, the economy galloped at a remarkable pace, and clocked an average of 3.2 percent growth in the first two quarters of the year;
  - iii. We turned the corner when the currency, which had been under severe pressure over the past two years, depreciated by a modest 6.4 percent cumulatively from February to date, compared to 53.9 percent over the same period in 2022. The performance of the Cedi is also a reflection of

the fact that confidence is back, revenues have improved, and that the recovery is indeed real and is here to stay;

- iv. We turned the corner when companies started going back to the job markets to hire workers;
  - v. We turned the corner when the International credit rating agencies, which have not been favourable to Ghana in recent years, started being positive about our economy; and
  - vi. We turned the corner when the Banking industry started to record and report a profit-after-tax growth of 43.8 percent (GH¢6.2 billion);
  - vii. We turned the corner when in record time we completed the IMF 1<sup>st</sup> Staff Review of 6 Performance Criteria, 3 Indicative Targets and 3 Structural Benchmarks
17. Our task now and in the medium-term is two-fold: to maintain stability and to keep on growing. We are determined to remain on this course of increased growth, currency stability, and disinflation over the medium-term. Our future growth prospects are certainly brighter. And I am confident that this "Nkunim" Budget will ensure that we boldly walk on a sustainable path toward creating decent jobs and wealth for our people. For with national dedication, the Lord will continue to give us treasures of dark places and hidden riches in secret places.
18. Mr. Speaker, our promise to all stakeholders, in particular to the people of Ghana is that, the Akufo-Addo Government is determined to maintain the discipline, compassion, and creativity required to keep the economy stable and maintain the robust growth.

### **Stability with Growth**

19. Mr. Speaker, today, I accordingly present the 2024 Budget to set out the broad medium-term policy framework underpinning our approach towards recovery and stability with growth. Among other things:
- i. It provides the pathway towards fiscal consolidation and macro stability;
  - ii. It sets out a new debt sustainability path after the excruciating Domestic Debt Operations with after-shocks on the financial sector;
  - iii. It outlines the policy priorities underpinning our 5-year Growth Strategy with focus on selected initiatives over the next 14-months;
  - iv. It comes just after the successful First Review of the 3-year US\$3 billion IMF-ECF Programme where we reached a Staff Level Agreement on Ghana's performance in meeting the 6 Quantitative Performance Criteria,

2 out of 3 Indicative Targets, and 6 out of 7 Structural Benchmarks due at the end of September 2023; and

- v. It deepens our democratic development by prioritising resources for institutions to support the conduct of the 2024 General Elections.
  - vi. It commits to funding existing projects in roads, rural electrification, rural telephony, IPEP and arrears.
20. Mr. Speaker, the 2024 Budget is even more significant because we will cross the **GH¢1 trillion Gross Domestic Product (GDP) mark** for the first time in our economic history. Let me repeat, Mr. Speaker, Ghana's economy under President Akufo-Addo's final year in office is projected to be valued over **GH¢1 trillion in 2024 from the GH¢219.5 billion in 2016.**
21. Mr. Speaker, with such a milestone ahead of us, Government is protecting, at all cost, the foundation for sustained economic expansion. A foundation that has been achieved through the sweat and patience of the Ghanaian people. We pledge to protect this for all our people and especially for private sector growth. And we shall do so by ensuring that the enabling factors are in place and accessible to all. These will include reliable energy supply, stable Cedi, lower inflation and lower interest rate regimes, access to private sector credit, infrastructure provision, food security, national security, and inter-continental market linkages through increasing active platforms such as the AfCFTA.
22. Mr. Speaker, fundamentally, this is a Government that is self-aware, reflective and has been open throughout the process to incorporating citizens feedback in preparing this Budget, and as in previous years, we have prioritised stakeholder consultations. Consequently, we engaged with and obtained valuable inputs from key stakeholders, including investors, traders, academia, organised labour, civil society organisations, bankers, development partners, faith-based organisations, and a cross-section of the leadership and other honourable Members of Parliament.
23. We also launched the Ghana Mutual Prosperity Dialogue on the 2<sup>nd</sup> November, 2023, a new and innovative platform to deepen our collaboration and partnership with the private sector. The platform aims to enhance the long-term competitiveness of Ghana and increase our attractiveness as a hub for businesses on the continent. This will have a standing committee co-chaired by MOTI/MoF and the Private Sector.
24. I want to assure our stakeholders that we have, as much as possible, reflected the proposals and recommendations from these engagements in this Budget.

There is much more to be done with the shared ideas and the Mutual Prosperity Dialogues will be a robust and dynamic platform to inform policy.

### **Akosombo Dam Spillage**

25. Mr. Speaker, in the last few months, we have been witnesses to the devastating impact of the Akosombo Dam spillage. This follows excessive rainfall recorded in several parts of the country. To preserve the structural integrity of the dam, the Volta River Authority commenced controlled spilling on 15<sup>th</sup> September, 2023. This led to the flooding of downstream communities in parts of the Volta, Eastern, and Greater Accra regions. The heavy rainfall also caused flooding upstream of the Akosombo dam, and impacted communities in the Savanna, Oti, and Bono-East Regions.
26. Government through VRA, NADMO, and various agencies under the 13-member high level inter-ministerial committee, (comprising of the Ministries of Energy, Finance, Local Government, Environment, Interior, Health, Sanitation & Water Resources, Defense, Roads & Highways, Education, Information, Health, and Gender) have subsequently provided various forms of support to the impacted communities. This support included food and related items, drinks, mattresses, mosquito nets and coils, clothes, baby food and diapers, sanitary pads, treated water services and storage tanks, solar lamps, sanitation services, restoration of utility services, and some social infrastructure.
27. Mr. Speaker, the visit of the officials of the Ministry of Finance and myself, in collaboration with VRA, to the victims of the Akosombo Dam Spillage in Mepe was truly revealing and sobering. Indeed, we empathise with the families that have been affected and displaced by the spillage. We met victims, townsfolks, children, the chiefs and of course Honourable Okudzeto.
28. Mr. Speaker, Government has budgeted an amount of GH¢220 million to support the relief phase for the communities affected by the Akosombo spillage as well as floods upstream in the Oti, Savannah, and Bono-East Regions.
29. For the restoration phase, Government through the Ministry of Agriculture will allocate additional resources to support the restoration of livelihoods.
30. In addition, the Ministry of Finance, after the visit was quickened to respond. We have requested funding from the World Bank under the IDA Crisis Response Window (CRW) to support the resettlement of the victims, restoration of livelihoods, compensation and reconstruction of infrastructure in the affected communities.

31. Mr. Speaker, we recognise the place of climate policy and financing to help address the long-term effects of climate change on victims of drought, flooding, and other adverse weather events. Accordingly, the Ministry has applied to the Global Shield Against Climate Risk Fund, an initiative launched by President Nana Akufo-Addo and Chancellor Olaf Scholz during the COP 27 in Sham El-Sheikh, to access some financial resources to support communities upstream and downstream of the Akosombo Dam.
32. I convey the sincere appreciation of H.E. The President and the entire Government to all groups and individuals who have empathised with, and supported the affected families. It is in this same spirit that we must continue to be grateful to God that no lives have been lost due to the devastating spillage from the Akosombo Dam.

### **Investing for Transformation**

33. Mr. Speaker, we have worked hard and invested significant resources. And being sure of this knowledge, I can confidently assert that over the past 7 years: **Every sector has been positively impacted. Every household has been positively impacted by our social intervention programmes. And Every region has also been positively impacted.** Indeed, President Akufo-Addo has deepened decentralised development by investing GH¢422.1 million to create and resource six new administrative regions. The most in our history since independence.
34. Consistent with our policy on preferential options for the poor, i.e. leaving no one behind, we have been historic in enhancing social mobility and protected the vulnerable in our society. In this regard, we have since 2017:
- i. Improved access to quality SHS education for about 5.7 million Ghanaians by investing GH¢8.4 billion in the future of our next generation;
  - ii. Increased enrolment and learning outcomes of 3.8 million pupils by investing GH¢3.6 billion in the School Feeding Programmes;
  - iii. Reformed the NHIS to improve and expand health service delivery to 16 million Ghanaians.
  - iv. Supported foundational education of over 6 million pupils by investing GH¢248.5 million as Capitation Grants; and
  - v. Improved the quality of life of about 350,000 Ghanaian households under the LEAP by investing GH¢1.2 billion.
35. Mr. Speaker, we made all these investments into social mobility, not just because it was the right thing to do morally, but also because we believe it is economically essential to uplift and extend opportunities to every Ghanaian



household. We are confident that the record high investments we have made and continue to make over these seven years in preparing our children for a brighter future will significantly transform our society, especially by tackling the root cause of poverty that has afflicted many families from generation to generation. Mr. Speaker, having a child pursuing a university degree is no more a purview for the rich but for all strata of our society.

36. Mr. Speaker, we believe it has been seven years of grace and positive impact. We are determined to do more to boost the capacity of the private sector to expand productivity and create jobs. In the past 7 years, we have:
- i. Invested GH¢32.7 billion to keep the lights on and support the growth of businesses;
  - ii. Invested GH¢25.3 billion to facilitate the repositioning of the financial sector and enhance its ability to assist business operations. To date, the Development Bank Ghana has facilitated GH¢1 billion in competitive financing for the private sector, and GIRSAL continues to mitigate risks in the agriculture sector;
  - iii. Supported 100,000 young graduates to secure workplace experience and employment by investing GH¢2.4 billion in NABCO;
  - iv. Invested GH¢7.1 billion to build road and transport infrastructure to improve connectivity and productivity;
  - v. Invested GH¢541.5 million in 169 1D1F enterprises to scale-up value-addition and provided 140,000 additional jobs; and
  - vi. Created over 2.3 million jobs in the private and public sectors (approximately 900,000 in the private sector and 1.4 million in the public sector).
37. Mr. Speaker, capital spending is equally important to the future of our country, consequently we mobilised and deployed resources to:
- i. Expand the railway network, including connecting Tema to Mpakadan to promote trade on the Eastern Corridor;
  - ii. Construct 12 fish landing sites and two (2) fishing harbours at a cost of GH¢19.5 million to promote the fishery-based livelihoods of our coastal folks;
  - iii. Improve community infrastructure by investing GH¢2.2 billion into over 2,000 projects under the IPEP initiative;
  - iv. Promote inner city development by spending GH¢190.3 million under the Zongo Development Fund; and
  - v. Expanded and improved the road network by investing about GH¢16 billion. Recording the most kilometers of roads and interchanges done in our history.

38. Mr. Speaker, we also invested GH¢1.7 billion in the National Identification Scheme to ensure that 17.5 million eligible Ghanaians acquire security-sensitive ID Cards. This has laid the foundation for a prosperous future where digitalisation provides more convenience, introduces an added layer of efficiency in delivering public services, and enhances our ability to safeguard our national interests.
39. Mr. Speaker, I want to stress at this juncture that GHANA HAS PAID ITS DUES, HAS TURNED THE CORNER, AND GETTING BACK ON TRACK. Despite these successes, we have to do more to reinforce our stability and guarantee decent jobs with good pay for the young people. As such, through the 2024 Budget, we will deliver even more investment across the real sector to place our economy on a firm growth trajectory that will create more jobs, safeguards our climate prospects and deeply entrench Ghana as the seed country for Africa's development renaissance.
40. Mr. Speaker, we will continue to invest in on-going projects, and on the external front, we will conclude negotiations with the Official Creditor Committee to ensure that work on eligible externally funded projects resume.
41. We will, through the Ghana Mutual Prosperity Dialogue, be intentional about collaborating with the private sector and our development partners to support local businesses attract FDI and enhance the economic prospects of our people.
42. Indeed, given the potential to upscale and the multiplier effects that our small and medium-sized businesses possess, Government intends to scale up support to young entrepreneurs and fledgling businesses, with a singular aim to create sustainable jobs across all communities. In this view the Ministry has teamed up with MIDA and in committing GH¢1 billion to ensure that our Enclave project for import substitution is successful.
43. Mr. Speaker, I am happy to announce that YEA is about concluding negotiation with CCI, the business process outsource (BPO) operator in sub-Saharan Africa for the establishment of a call centre that can see the direct creation of 20,000 local jobs for our young graduates. Office space has already been secured. Our goal is to realise Ghana's potential to become a global BPO powerhouse, employing over 250,000 Ghanaians over the next few years. Ultimately, our ambition remains to build an entrepreneurial nation and create an additional minimum of 1 million jobs for the Ghanaian youth over the near-term. We have done this before with 2 million jobs in years, but we must move faster.

44. Mr. Speaker, we are also positioning a generation of Ghanaians to secure our leadership in the global arena. Today, our country hosts the headquarters of the AfCFTA. We also have a privileged position in leading the climate change charge. As the agreed host of the Climate Vulnerable Forum (CVF) Secretariat, we are galvanising the coalition of 68 nations and 1.7 billion people to shape the climate discourse and secure resources for a just energy transition.
45. Mr. Speaker, that is the promise of this Budget. And we will keep our eyes firmly fixed on the future and build lasting prosperity for this and the next generation. Mr. Speaker, as members recall, we came into government in 2017, in a period of despondency and meagre resources of 2 fish and 5 loaves. Today, we can only marvel at how far the Lord has multiplied our resources.
46. I will now proceed to update the House on the macro-fiscal performance of the economy.

## **II. GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK**

47. Mr. Speaker, global economic recovery remains sluggish primarily due to a confluence of setbacks, including the lingering effects of supply-chain disruptions and geopolitical events, and the increasing cost of living across many economic blocs. The disruptions in energy and food prices, and efforts to combat record-high inflation through tightening global monetary policies, have considerably slowed down economic activity globally.
48. According to the International Monetary Fund's October 2023 World Economic Outlook (WEO), global economic growth is anticipated to decelerate from 3.5 percent in 2022 to 3.0 percent in 2023 and, at best, to 2.9 percent in 2024. These projections are noticeably lower than the pre-pandemic historical average of 3.8 percent from 2000 to 2019. Projections of 3.1 percent global growth over the medium-term are the lowest in decades, and the prospects for countries to achieve higher living standards are rather bleak.
49. Mr. Speaker, the IMF's October 2023 Regional Economic Outlook for Sub-Saharan Africa indicates that the contagion effects of developments within the region have resulted in a projected slowdown in the region's growth for the second year in a row to 3.3 percent in 2023, from 4.7 percent in 2021 and 4.0 percent in 2022. The region is, however, expected to recover in 2024, with growth bouncing back to 4.0 percent, propelled by a pickup in four-fifths of the

countries in the region, spearheaded by relatively strong performances in non-resource-intensive countries.

50. Global inflation (CPI-based average annual) is expected to gradually decline because of monetary tightening and declining international commodity prices. Global inflation is projected to fall from its peak of 8.7 percent in 2022 to 6.9 percent in 2023 and further 5.8 percent in 2024.
51. Mr. Speaker, in Sub-Saharan Africa, inflation is decreasing, albeit still at historically high levels. According to recent available data, over 40 percent of countries have consistently witnessed a decline in inflation for at least two months. On average, countries with flexible exchange rate regimes have experienced stronger inflation pressures compared to countries operating fixed exchange regimes. As of July 2023, nearly one-third of the region's economies still had inflation rates in double digits. Inflation in SSA is anticipated to rise from 14.5 percent in 2022 to 15.8 percent in 2023 before it drops to 13.1 percent in 2024.
52. Mr. Speaker, Macroeconomic imbalances are also improving, evidenced by falling inflation in most parts of the region. However, a slowdown in reform efforts, a rise in political insecurity within the region, and external downside risks (including China slowing down) could undermine growth.

### **III. MACROECONOMIC PERFORMANCE FOR JANUARY TO SEPTEMBER 2023**

#### **Overview Of Macroeconomic Performance (Q1-Q3 2023)**

53. Mr. Speaker, please permit me to present macroeconomic performance for the first three (3) quarters of 2023 within the context of the targets that were set in the 2023 Mid-Year Fiscal Policy Review. Before I proceed, it is important I restate the targets we set in the 2023 Mid-Year Fiscal Policy Review. These include:
- i. Overall Real GDP growth of 1.5 percent;
  - ii. Non-Oil Real GDP Growth rate of 1.5 percent;
  - iii. End-period inflation of 31.3 percent;
  - iv. Overall Balance (commitment) of -5.7 percent of GDP;
  - v. Primary Balance (commitment basis) of -0.5 percent of GDP; and
  - vi. Gross International Reserves (Excluding oil funds, encumbered assets, and pledged assets) sufficient to cover at least 0.8 months of imports of goods and services by end-2023.
54. Mr. Speaker, provisional macroeconomic data on the performance of the economy for the period Q1-Q3 2023 demonstrated Government's relentless commitment to keep the corner turned. The IMF rightly described Ghana's recent macroeconomic performance in the first review as "compelling performance". Honorable Members may wish to refer to the IMF's Press Release numbered (PR23/339) and dated 6<sup>th</sup> October, 2023 for this update.
55. As I indicated during the 2023 Mid-Year Fiscal Policy Review, the prompt deployment of strong fiscal and monetary policy measures largely accounts for the continued macroeconomic stability and economic recovery. Growth in 2023 has been more resilient than earlier expected, inflation has been on the decline, the fiscal and external balances have improved, and the exchange rate has stabilised.
56. Mr. Speaker, Government introduced the Gold-For-Oil (G4O) Policy in 2022. The Policy, which leverages the Bank of Ghana's domestic gold purchase programme was intended to provide foreign exchange financing for the importation of petroleum products and help reduce demand for US dollars from the Bulk Import Distribution and Export Companies (BIDECs) who would have otherwise gone to the market to source forex for the importation of petroleum products.

57. Since then, under the gold for reserves programme, the Bank of Ghana has purchased a total amount of 17.89 tons (US\$1,140m) of gold to boost its gold reserves. In addition, under the G40 programme, 23 cargoes (circa 800,000 metric tonnes) of Gasoline and Gasoil, equivalent to 30 percent of national consumption, have so far been imported. The G40 Programme has significantly contributed to the stabilisation of the cedi/dollar exchange rate (GH¢17 in November 2022 to GH¢12 in November 2023 to the dollar) leading to a reduction in the ex-pump price of diesel from GH¢23 per litre to GH¢12 per litre.
58. The plan is to scale up the programme to cover 50 percent of national consumption. These interventions have boosted gross reserves of the Bank of Ghana and helped reduced foreign exchange pressures emanating from BIDECs by reducing their dependance on the foreign exchange interbank market thereby leading to a more stable cedi and ex-pump petroleum prices this year.
59. Mr. Speaker, I will now update the House on the performance of our macroeconomic indicators:
- i. Real GDP growth averaged 3.2 percent in the first half of 2023 compared to 2.9 percent in same period in 2022, signaling a strong rebound. Robust growth in the Services (avg. 6.3%) and Agriculture (avg. 6.2%) sectors were the key drivers. It is instructive to note that the average growth of 3.2 percent for the first two quarters of 2023 is higher than the 2023 revised growth target of 1.5 percent.
  - ii. Price developments indicate that inflation is on a declining path in response to ongoing fiscal consolidation, appropriate tightening of monetary policy, and relative stability in the exchange rate. Headline Inflation declined by 16 percentage points, from 54.1 percent in December, 2022 to 38.1 percent in September, 2023. Core inflation has also declined sharply from 53.2 percent in December 2022 to 39.0 percent in September 2023. Just yesterday, when I was preparing to come here, the Ghana Statistical Service announced that the inflation for October 2023 is 35.2 per cent.
  - iii. The Cedi has stabilised against the US dollar since early 2023 with a year-to-date, cumulative depreciation of 25.7 percent compared to 54.1 percent over the same period in 2022. Specifically, the cedi has only depreciated by 6.4 percent on cumulative basis since February 2023 compared to 53.9 percent over same period in 2022. The stability of the Cedi largely reflects the positive impact from the restoration of economic activity, including robust economic growth, improvement in the current

account position, improvement in forex liquidity following IMF ECF inflows, Bank of Ghana's domestic gold purchase programme, and reduced speculative FX speculative demand as market confidence rebounds.

- iv. Gross International Reserves (GIR) as at September 2023 stood at US\$5.0 billion (2.3 months import cover) compared to US\$6.3 billion (2.7 months of import cover) at end-December, 2022. We are yet to reflect IMF/WB and Cocoa syndication of approximately \$2 billion by year end.
- v. The current account turned positive at 1.1 percent of GDP at end-June 2023, a monumental turnaround from the deficit of 2.1 percent of GDP at end-December 2022. Likewise, the trade balance improved to a surplus of 2.6 percent of GDP as of end-August 2023, from 0.7 percent of GDP surplus at end-December 2022.
- vi. Though interest rates moderated from December 2022 to the first quarter 2023, they picked up again as T-bills remained the key debt instrument in the debt market after the DDEP. For instance, the 91-day Treasury declined from 35.5 percent in December 2022 to 18.5 percent in March 2023, but increased to 29.8 percent as of Monday, 13<sup>th</sup> November, 2023.
- vii. The Overall budget deficit on commitment basis as of end-August 2023 was a deficit of 3.0 percent of GDP, outperforming the targeted deficit of 4.6 percent of GDP. The outturn largely reflects improvement in revenue mobilisation and slower execution of expenditure. The corresponding primary balance on commitment basis was a deficit of 0.7 percent of GDP, also outperforming the target surplus of 0.9 percent of GDP.
- viii. Public debt accumulation has slowed down significantly, as Government continued to consolidate its public finances, and also reflects the impact of the domestic debt exchange programme, and the ongoing external debt restructuring. Total public debt has declined from 73.1 percent of GDP at the end of 2022 to 66.4 percent of GDP as of September, 2023. The completion of external debt restructuring is expected to further improve Ghana's debt situation.

## **Fiscal Developments**

### ***Summary of Fiscal Performance January-August 2023***

60. Mr. Speaker, the 2023 fiscal framework was revised during the 2023 Mid-Year Fiscal Policy Review to reflect updated macro-fiscal developments and align with the fiscal adjustment path under the IMF-supported PC-PEG path.
61. Mr. Speaker, the fiscal performance for the first eight months of the year, using provisional data, shows significant progress toward a stronger fiscal consolidation. More specifically:
- i. Total Revenue and Grants was GH¢79.1 billion (9.3 percent of GDP), 2.8 percent lower than the programmed target of GH¢82.2 billion (9.6 percent of GDP);
  - ii. Total Expenditure (Commitment) was GH¢104.6 billion (12.2 percent of GDP), 14.1 percent lower than the target of GH¢121.8 billion (14.2 percent of GDP);
  - iii. Primary Expenditure (Commitment) was GH¢84.7 billion (9.9 percent of GDP), 6.0 percent lower than the target of GH¢90.1 billion (10.5 percent of GDP);
  - iv. Primary Balance (Commitment) was a deficit of GH¢5.5 billion (0.7 percent of GDP) compared to the target deficit of GH¢7.9 billion (0.9 percent of GDP);
  - v. Overall Fiscal Balance (Commitment) was a deficit of GH¢25.4 billion (3.0 percent of GDP) compared the target deficit of GH¢39.6 billion (4.6 percent of GDP); and
  - vi. Overall Fiscal Balance (Cash) was a deficit of GH¢26.1 billion (3.0 percent of GDP) compared the target deficit of GH¢44.6 billion (5.2 percent of GDP)

## **IV. 2024 AND MEDIUM-TERM OVERALL MACROECONOMIC TARGETS**

62. Mr. Speaker, based on the overall macroeconomic objectives and the medium-term targets, the following macroeconomic targets are set for the 2024 fiscal year:
- i. Overall Real GDP growth of at least 2.8 percent;
  - ii. Non-Oil Real GDP growth of at least 2.1 percent;
  - iii. End-Period inflation rate of 15.0 percent;
  - iv. Primary Balance on Commitment basis of a surplus of 0.5 percent of GDP; and
  - v. Gross International Reserves to cover not less than 3.0 months of imports.

### **Fiscal Sector in 2024 and the Medium Term**



63. Mr. Speaker, the 2024 and medium-Term fiscal framework has been prepared in line with the objectives and policy priorities of our 3-year IMF-Supported PC-PEG. The Primary Balance on commitment basis is the fiscal anchor we are using to assess our fiscal effort. Over the medium-term, we plan to improve the primary balance (commitment) from a deficit of 4.3 percent of GDP in 2022 to a deficit of 0.5 percent of GDP in 2023. The primary balance is expected to improve further to a surplus at 0.5 percent of GDP in 2024 and to 1.5 percent of GDP from 2025 onwards.

#### **Resource Mobilisation for 2024**

64. Mr. Speaker, Total Revenue and Grants is projected at GH¢176.4 billion (16.8 percent of GDP) and is underpinned by permanent revenue measures largely Tax revenue measures amounting to 0.9 percent of GDP.

#### **Resource Allocation for 2024**

65. Total Expenditure (commitment) is projected at GH¢226.7 billion (21.6 percent of GDP). This projection reflects a reduction of 6.1 percentage points of GDP in total expenditures (commitment basis) relative to the outturn in 2022. This large decrease comes from the combination of fiscal consolidation efforts of 4.9 percentage points of GDP, reflecting an adjustment in revenue by 1.0 percentage point and primary expenditure by 4.0 percentage point of GDP. The potential interest rate saving from the ongoing external debt operation will further bolster public finance sustainability.

#### **Budget Balances and Financing Operations for 2024**

66. Mr. Speaker, based on the estimates for Total Revenue & Grants and Total Expenditure (including arrears clearance), the overall Budget balance to be financed is a fiscal deficit of GH¢ 61.9 billion, equivalent to 5.9 percent of GDP. The corresponding Primary balance is a deficit of GH¢5.9 billion, equivalent to 0.6 percent of GDP.

#### **Revenue Measures**

##### ***Property Rates***

67. Mr. Speaker, the Ministry of Finance, acting through the Ghana Revenue Authority (GRA) as per Section 4 of the Ghana Revenue Authority Act, 2009 (Act 791), introduced the property rate reform project. The objective was to develop a unified common platform capable of billing, collecting, and reporting property rates nationwide.

68. The statistics highlight the impact of this initiative. The number of billable properties has seen a substantial increase, with a pre-2023 count of 1.3 million properties escalating to 12.42 million representing an 856 percent surge in properties identified that can now be properly billed. Similarly, the identification of registered persons and entities associated with billable properties has increased by 831 percent, from 186,542 to 15.68 million.
69. Bills are currently available online for properties that have been successfully identified.
70. Despite these achievements, the initiative has encountered some challenges thus making it difficult for the relevant bodies including the Metropolitan, Municipal and District Assemblies to have access to their share of the property rate collections on time.
71. Mr. Speaker, to address these challenges, Government is reviewing the overall structures and processes to determine the optimal way forward. In the interim, Districts will resume collection until these challenges are resolved.

### ***Tax Reliefs***

72. Mr. Speaker, our approach to tax policy since 2017 was to give significant relief to the private sector until expenditure pressures from 2020 required a more aggressive approach. It is important to note that in the short-term, fiscal sustainability requires that we improve our tax ratios significantly otherwise, our long-term competitiveness will be eroded. As we all know, our country's 13 percent tax-to-GDP ratio is far below our peers. Our target is 18-20% and we are on course.
73. In that regard, it is difficult to implement all the structural reforms and tax reliefs needed to immediately lower and/or eliminate certain tax handles. However, I assure this August House, that we have heard, we believe in lower taxes for industry, and we are working at this aggressively with the GRA and to be cemented with the standing committee of the Mutual Prosperity Dialogue.
74. Mr. Speaker, further to the above, the following reliefs have been prioritised for implementation:
  - i. Extend zero rate of VAT on locally manufactured african prints for two (2) more years;
  - ii. Waive import duties on import of electric vehicles for public transportation for a period of 8 years;

- iii. Waive import duties on semi-knocked down and completely knocked down Electric vehicles imported by registered EV assembly companies in Ghana for a period of 8 years;
  - iv. Extend zero rate of VAT on locally assembled vehicles for 2 more years;
  - v. Zero rate VAT on locally produced sanitary pads;
  - vi. Grant import duty waivers for raw materials for the local manufacture of sanitary pads;
  - vii. Grant exemptions on the importation of agricultural machinery equipment and inputs and medical consumables, raw materials for the pharmaceutical industry;
  - viii. A VAT flat rate of 5 percent to replace the 15 percent standard VAT rate on all commercial properties will be introduced to simplify administration.
75. To address the negative externalities of plastic waste and pollution, Government will review and expand the Environmental Excise Duty to cover plastic packaging, and industrial and vehicle emissions.
76. Mr. Speaker, the Stamp Duty Act, 2005 (Act 689) has not been reviewed since its enactment in 2005. To realign the rate with current economic realities, Government, in 2024, will review the rates and fees for stamp duties. The bands subject to ad valorem taxes will be expanded while the specific rates will be reviewed upwards.
77. A simplified tax return will be introduced as a means of promoting voluntary compliance as part of the modified taxation scheme for individuals in the informal sector. This approach will make it easier for taxpayers to fulfil their tax obligations to the State.
78. Mr. Speaker, the Tripartite Committee has concluded negotiations on the National Daily Minimum Wage. The tax-free portion of the Individual Income Tax rates will accordingly be adjusted to take care of the change. Government recognises the constraints our medical personnel face in providing health care for our citizens. With the passage of the Exemptions Act, Government will engage the Ghana Medical Association on waivers for importation of vehicles to ease the transportation burden of our doctors. This policy will enable them to deliver quality and timely healthcare.
79. Mr. Speaker, as a Government, we have always been committed to protecting the quality of life of our people. Total Wages and Salaries for workers has increased from GH¢14.7 billion in 2016 to GH¢37.5. All workers were paid full wages and salaries and on time, even when revenues plummeted during the COVID-19 Pandemic. In the difficult economic challenges, we paid 15 percent

Cost of Living Allowance (COLA) for 6 months in 2022 to cushion 949,122 workers, some 50 percent more than 2016.

## **Expenditure Measures**

### ***Spending Arrears Clearance and Prevention Strategy***

80. Mr. Speaker, as reported in the 2023 Mid-Year Fiscal Policy Review of the 2023 Budget Statement and Economic Policy of Government, a Spending Arrears Clearance and Prevention Strategy was developed and approved by Cabinet for implementation. This is part of the measures to achieve the objective of bringing public finances back on a sustainable path through improved efficiency in public spending.
81. To clear the existing stock of arrears, the Ghana Audit Service has begun the verification and validation of the arrears identified as at end-December 2022 before payments are made.
82. Mr. Speaker, to prevent the accumulation of new arrears, Government has put in place the following measures to enhance commitment controls and prevent the accumulation of arrears.
  - i. Alignment of the quarterly budget allotments with cash flow forecast and tighten the use of allotments as a control on the GIFMIS rather than the budget starting with the 2024 budget.
  - ii. MDAs will be required to revise their cash plans on a quarterly basis to reflect the allotments received over the year and remaining requirements. The Cash plan module on Oracle Hyperion will be reconfigured by December 2023 after completing all stakeholder engagements, in line with the system's functionalities, which will be deployed to the various MDAs. MDAs will be trained on how to use the system to enable them to update their cash plans quarterly. This will ensure that MDAs are able to revise their cash plans within the window provided.
  - iii. Standardize contracts for public works to ensure flexibility in budget execution.

- iv. Review standard tender documents to include clauses that make the award of the contract null and void if not supported by GIFMIS generated PURCHASE ORDER.
  - v. All MDAs will be required to use GHANEPS for all Procurements to enhance transparency and efficiency in the procurement of goods, works, consultancy, non-consultancy, and asset disposal.
  - vi. Improve Budget Execution practices by undertaking the following:
    - a. Approval of MDAs commencement requests to be done within the first quarter of any fiscal year to allow MDAs sufficient time to complete procurement and payment processes before end of year;
    - b. Enforcement of the use of GIFMIS for all transactions to prevent unbudgeted expenditure.
  - vii. Internal Audit Agency to ensure that public officers within covered entities adhere to the legal and regulatory principles governing public financial management in the discharge of their duties.
83. All public officers, particularly Principal Spending Officers of covered entities will be held to the strict application of the specified in Sections 96 to 98 of the PFM Act.
84. In view of this, the Ministry of Finance has established a Compliance Desk as part of the internal audit function of the Ministry. The desk will closely track the tender advertisements from Covered Entities to ensure that they have allotment and are on the GHANEPS. In the event that such Covered Entities are not compliant, the desk will immediately seek explanation and refer such infractions under the PFM to the Attorney-General through the Legal Directorate of the Ministry for advice or penal actions.
85. Mr. Speaker, the Public Financial Management Act, 2016, Act 921, was passed to regulate the financial management of the public sector within a macroeconomic and fiscal framework. This law sets out stringent accounting, audit, and reporting requirements for public funds.
86. As the First Finance Minister to oversee the implementation of this critical law, I can confidently say that this Government has been the most transparent and accountable in our history. Over the past seven years, I have laid before this House, 55 statutory reports to fulfil the provisions of this law. These include:

- i. the Annual Report on the Petroleum Funds; and
  - ii. Report on the Utilisation of the African Union Levies.
87. We have also learnt key lessons from the helpful feedback from our stakeholders. Most of these formed the core of the macro-critical reforms being implemented under IMF-back PC-PEG.
88. Mr. Speaker, as the PC-PEG enters the second year, we plan to assess progress and deepen our collaborations for reforms at a PFM Summit to be organized by April, 2024. We encourage our Development Partners to join us on this journey.

### **Real Sector in 2024 and the Medium Term**

89. In the real sector, we expect Overall Real GDP growth to increase from an expected 2.3 percent in 2023 to 2.8 percent and reach 5 percent by 2027. This yields an average growth rate of 4.3 percent over the 2024-2027 period. Non-Oil Real GDP is projected to slow down from an estimated 2.8 percent in 2023 to 2.1 percent in 2024 and pick up to 5 percent by 2027 giving an average growth rate of 4.1 percent over the 2024-2027 period.

### **Monetary Sector in 2024 and the Medium Term**

90. Mr. Speaker, the Bank of Ghana has maintained the tight monetary policy stance to firm up the disinflation process. Among other measures, the Bank has further raised the monetary policy rate by a cumulative 300 basis points (bps) in the year to September 2023 to 30 percent. In the outlook, monetary policy in 2024 and the medium-term will aim to regain price stability.
91. Inflation is expected to remain within the IMF programme's Monetary Policy Consultation Clause (MPCC) of 29.4 percent, with a symmetric band of 4.0 percent at the end of 2023, an end year target of 15% in 2024 and trend further down to the medium-term target band of  $8\pm 2$  percent by end-December 2025. A tight monetary policy stance, favourable base drifts, relative stability on the foreign exchange market, and a favourable food harvest are expected to outweigh inflationary pressures over the near-term.

### **External Sector in 2024 and the Medium Term**

92. In the outlook, the external sector's performance will largely depend on the conclusion of negotiations with the country's external creditors. Also, the Bank of Ghana's policy thrust will remain focused on increasing external buffers through sustainable means. The exchange rate is expected to remain stable supported by continued progress with the implementation of the IMF-Supported Programme, expected inflows from the cocoa syndication loan, the second tranche of IMF loan, mining inflows, and the BoG's continuation of the

Gold-for-Oil Programme. The main risks to the external outlook include increasing uncertainty about geopolitical tensions and volatility in commodity prices.

## **V. UPDATE ON THE IMPLEMENTATION OF THE IMF-SUPPORTED PC-PEG**

93. Mr. Speaker, the IMF Executive Board approved Ghana's 3-year, US\$3 billion IMF-supported Post Covid-19 for Economic Growth (PC-PEG) on the 17<sup>th</sup> May, 2023 after the Government of Ghana secured a staff level agreement on the Programme in December 2022. The Programme aims to:
- i. restore macroeconomic stability and debt sustainability;
  - ii. build resilience through the implementation of wide-ranging and strong structural reforms in key sectors of the economy; and
  - iii. lay the foundations for stronger and more inclusive and private sector-led growth, while protecting the poor and vulnerable.
94. Mr. Speaker, the IMF-supported PC-PEG is assessed semi-annually by the IMF through an IMF staff review mission followed by final approval by the IMF Executive Board. Disbursements under the Programme are tied to successful completion of each review. The reviews assess our progress towards meeting the Quantitative Performance Criteria (QPCs), Indicative Targets (ITs), and Structural Benchmarks (SBs).
95. Mr. Speaker, Ghana's first review commenced with the IMF fielding a mission to undertake a staff assessment from 25<sup>th</sup> September to 6<sup>th</sup> October 2023. This review covered the assessment of:
- i. six (6) Quantitative Performance Criteria (PCs);
  - ii. one (1) Monetary Policy Consultation Clause (MPCC) for inflation;
  - iii. three (3) Indicative Targets (ITs); and
  - iv. nine (7) Structural Reform Benchmarks (SBs) that were due at the end of September 2023.
96. Mr. Speaker, I am glad to inform this august house that based on the IMF's own assessment (at the staff level) after the first review, Ghana met:
- i. All six (6) of the Quantitative Performance Criteria (QPCs). The QPCs are a floor on net international reserves, ceiling on primary balance on commitment basis, ceiling on contracting non-concessional loan/guarantee, zero collateralized borrowing, and no accumulation of external debt service arrears.

- ii. Two (2) out of the 3 Indicative Targets. The two ITs met are a floor on social spending and a floor on non-oil public revenue. The IT on zero net accumulation of payables was extended largely due to the ongoing negotiations with Energy Sector IPP on legacy debt; and
  - iii. Six (6) out of the seven (7) Structural Benchmarks due end-September 2023. The six SBs met are (a) preparation and publication of arrears clearance and prevention strategy, (b) preparation and publication of financial sector strengthening strategy, (c) preparation and publication a strategy for review of earmarked (statutory) funds, (d) preparation and publication of a medium-term revenue strategy, (e) a strategy for indexation of LEAP benefits and (f) BoG to approve capital building buffer plans for banks. The seventh SB on the preparation and publication of an updated Energy Sector Recovery Plan which was expected to be completed at the end of June 2023 was strategically completed and published on the MoF website in October 2023.
97. Mr. Speaker, the outstanding performance of Ghana during the first (1st) review paved way for Ghana to reach a Staff Level Agreement (SLA) with IMF on the 6<sup>th</sup> October, 2023, a record five (5) months after the Programme was approved in May 2023.
98. Mr. Speaker, on behalf of H.E. Nana Addo Dankwa Akufo-Addo, the President of the Republic of Ghana, permit me to use this occasion to express our sincere gratitude to the Right Hon Speaker, leadership of Parliament, and all members of this august House for the immense role you played in the successful implementation of the IMF-Supported PC-PEG under the first Review.
99. Mr. Speaker, we would also like to appreciate the contributions of key stakeholders including, the Managing Director, Management and staff of the IMF, The World Bank, the AfDB, and development partners who played diverse roles in this journey. Mr. Speaker, we are equally grateful to the Council of State, CSOs, Labour Unions, Employers Associations, AGI, FBOs, Think-tanks and Research institutions, and all other stakeholders who played various roles in the process. Let me note Labour's remarkable composure and historic agreement yesterday to ensure that our discussion with the Fund was not derailed. Thank you



## **VI. GROWTH STRATEGY**

100. Mr. Speaker, the fiscal incentives and reliefs I announced previously are in line with Government's 5-year Growth Strategy, which was approved by Cabinet in August 2023. This is to stimulate and sustain economic growth even as we restore macroeconomic stability under the IMF-backed PC-PEG.
101. The first phase, which is a 14-month programme, essentially focuses on scaling-up prioritised existing programmes and attracting Private Sector Investments to deliver rapid results without significant demands on budgetary resources.
102. Mr. Speaker, the Growth Strategy prioritises key sectors of the economy, including Agriculture, agri-business and aquaculture, trade, industry and export promotion, tourism, as well as digitisation and technology.
103. The recently launched 'Ghana Mutual Prosperity Dialogue' will support this path of growth. A permanent Steering and Technical Committee, co-led by the Ministries of Finance as well as Trade and Industry and the private sector and supported by our Development Partners, is being set up to drive this collaboration for growth.
104. Mr. Speaker, last year, I discussed the enormous impact of the food imports bill on exchange rate volatility and inflation. I made clear how unsustainable the imports are and the need to change course.
105. The Growth Strategy therefore supports the implementation of interventions that increases our capacity to produce, deepen value-chains, facilitate and modernise storage facilities and increase the shelf-life of products. These improvements are expected to help support exports, build forex exchange buffers and reduce inflation.

### **Improving Agriculture Production and Productivity**

#### ***Planting for Food and Job (PfJ) 2.0***

106. In seeking to change course in the Agriculture sector, the President in August, 2023 launched the Planting for Food and Jobs (PfJ) 2.0. By design, the PfJ 2.0 places greater emphasis on value chain approaches and focuses on strengthening linkages between actors along eligible agricultural commodity

value chains – broadly categorised into grains, roots and tuber, vegetables and poultry.

107. The PfJ has a special focus on poultry to address the heavy reliance on imports. Accordingly, Fifteen (15) anchor farmers and 500 out-growers in 5 regions (Ashanti, Greater Accra, Bono, Bono East and Eastern regions) will be selected to produce 65,000 MT of broilers in 2024.
108. Mr. Speaker, the significant shortfall between demand and domestic production of vegetables requires urgent action, especially considering the impact of the recent supply disruptions from the Sahelian region.
109. The engagements with Onion Producers and Importers prior to this 2024 Budget revealed the importance of developing an 'Onion Index' to track the production, distribution, and consumption of the commodity. It emerged during these engagements that in 2022, demand for onions was 314,337 MT, while the local production was 178,492 MT. In addition, the national demand for tomatoes in 2022 was estimated to be 1,257,348 MT, while local production stood at 468,280 MT. These are two prominent vegetables in the Ghanaian household.
110. Mr. Speaker, PfJ 2.0, therefore, seeks to improve supply and utilisation of high-quality inputs, facilitate credit guarantees for Aggregators to procure improved seeds, fertilizers, and pesticides and supply them on zero-interest credit terms to vegetable farmers in the immediate and short-term.
111. Furthermore, the condition and capacity of existing warehouses will be improved to enhance the condition and capacity in storing bumper harvest and maintaining price stability.
112. Mr. Speaker, the Growth Strategy also aims to boost fish production, mostly through increased focus on oceanic and inland earthen ponds. The goal is to support fishermen, fish farmers, and fish processors in our coastal regions. The interventions planned in this sub-sector include direct support for production, distribution, and storage of fish as well as producing and supplying over 110,700,000 litres of Premix fuel using gasoline and condensate.

## ***Economic Enclave Projects***

113. Mr. Speaker, we are complementing the Planting for Jobs (PfJ) 2.0 strategy by also increasing support to private commercial agriculture under the Economic Enclaves Project (EEP).
114. Towards this, priority has been given to securing and developing lands to offer security of tenure for large scale agricultural investments. The focus on large scale commercial agriculture is to harness the benefits of scale and scope of economies, promote the adoption of technology for efficiency and standardisation as well as support price stabilisation efforts.
115. As of December 2022, three enclaves in Kasunya (Greater Accra), Kumawu (Ashanti) and Banda (Oti Region) were operational. Five (5) other enclaves are planned in 2024 to promote value addition, integration, and deepening aggregation and value chain systems to serve as economic 'growth poles'.
116. The three operational EEPs will lead to production of 160,000mt of rice by the end of 2024 over 110,000 acres of land in cultivation for the key staples. Private sector actors investing on EEP will provide employment for the youths, with a target of, at least, 5,000 jobs
117. Already, ten private sector actors have responded to the expression of interest to predominantly act as anchor farmers on the developed lands. Government will also pursue the interest expressed by other international private sector operators to unlock investment and technology for the Economic Enclave Projects. We are also using the EEP to leverage catalytic financing from key partners including MasterCard and the African Development Bank.
118. To implement the Economic Enclaves at scale and speed, GHC 1 Billion has been allocated to Millennium Development Authority (MiDA) to complement the PFJ II. This funding will be dedicated to providing critical infrastructure, including irrigation, canals, as well as clearing and developing land for private Sector actors in the EEP. Other key interventions under the GhanaCARES programme such as the completion of Foundry will benefit from this funding. MiDA has a remarkable record from the implementing two Compacts under the Millennium Challenge Corporation, one of which was agriculture and agribusiness. They continue to demonstrate experience and ingenuity that will accelerate the delivery of the growth poles to transform agriculture in this country.

## **Digitisation**

119. Mr. Speaker, the Digital Youth Village (DYV) is a key initiative of the Ministry of Communications and Digitalisation and University of Ghana to promote digital entrepreneurship among the youth and serve as a bridge between academia and industry. To date, the DYV project has completed the design, land allocation, site clearance as well as securing an architect. Phase 1 of the DYV project is expected to be completed before end-December 2024.

### **Trade, Industry and Export**

120. Mr. Speaker, key operations under 1D1F, Free Zones, Export Promotion, Strategic anchor Industries and Business Regulatory Reforms have been prioritised under the growth strategy. Altogether, earnings from Non-Traditional Exports are expected to increase to US\$4 billion (2023) and US\$4.8 billion (2024), from US\$3.51 billion (2022). 271 licensed Free Zone Companies are expected to increase earnings to US\$2.19 billion in 2024), compared to earnings of US\$1.8 billion from 207 licensed Free Zone Companies in 2022.

### **Tourism**

121. Mr. Speaker, Ghana remains the preferred tourist destination in the sub-region. The steady stream of domestic and international tourists also requires dedicated spaces in cities to drive a Night Economy and tourism.
122. As we promote 'December in GH' initiatives, we will also work towards enhancing security and the lighting infrastructure. A Task Force, comprising Public regulators and Private sector actors, has already been established to drive the Night Economy initiative under a public private partnership arrangement.

### **YouStart Programme**

123. Mr. Speaker, on 14th November, 2022, (Exactly a year ago), Government launch the YouStart Initiative as a direct response to the employment challenge facing our country. Through this initiative, Government seek to create an Entrepreneurial Nation by providing training, competitive funding, access to market and technology to our youth. This is to cause a cultural shift and guide your teeming youth into entrepreneurship by assisting them start, build and grow their own businesses.
124. Mr. Speaker, a year on, the preparatory works have been completed. The three components of the Initiative, YouStart District Entrepreneurship Program (DEP), Commercial Program (CP) and the YouStart Grace program- have also been developed and piloted successfully. On 20th September, 2022, Government signed a Memorandum of Understanding with 11 Banks and the

Ghana Association of Banker to support entrepreneurs gain access to capital to enhance their businesses. The Ghana Association of Banks have worked with us to train the Participating Financial Institutions on the program and have completed the design of a technology platform to receive applications. The National Banking College has also been engaged under the programme to train beneficiaries on behalf of the participating banks.

125. Mr. Speaker, the Ghana Enterprises Agency (GEA) and the National Entrepreneurship and Innovation Programme (NEIP) has been brought together as a cohesive unit to co-lead the District Entrepreneurship component of the YouStart.
126. Mr. Speaker, as October, 2023, a total of 23,695 beneficiaries comprising 5,183 males and 18,512 females had completed the Basic Level training by the GEA under the YouStart Jobs and Skills project. Out of this number, 7,975 comprising 2,474 males and 5,501 females progressed and completed the Intermediate Level training, with 4,514 beneficiaries comprising 1,679 males and 2,835 females also progressing to the Advance Level. GEA has commenced disbursement of grants to beneficiaries who have completed the Intermediate and Advanced Levels. Evaluation of the grant proposals is currently ongoing. It is expected that at least 5,000 of the 1st batch of beneficiaries would be supported with startup grants. The NEIP has also trained a total of 2,000 beneficiaries under the Government of Ghana sponsored YouStart DEP.
127. Mr. Speaker, all is set to accelerate the implementation of YouStart in the 2024. We are working with our partners, the World Bank, to secure a financing worth US\$150million. On our own, we are committing GHS 200 million to ensure that more young persons are supported into entrepreneurship.

### **Ghana Integrated Aluminium Development Corporation (GIADEC)**

128. Mr. Speaker, the Ghana Integrated Aluminium Development Corporation (GIADEC), through their strategic partners, has completed the Mineral Resource Estimate (MRE) Report that has been prepared in line with Joint Ore Reserves Committee (JORC) standards. The results of the report indicate significant bauxite quantities making the project a commercially viable one.
129. In 2024, the corporation along with their partners will undertake the drilling and MRE for Project 3 and commence Valco retrofit and Project 2 mine development.
130. Mr. Speaker, the Ghana Integrated Iron & Steel Development Corporation (GIISDEC) has completed a strategic conceptual layout to guide growth,

promotion, and development of the integrated iron and the steel industry. The Master plan has been reviewed and given a seal of approval by KPMG and ready for the industry.

131. Mr. Speaker, to ensure that various mineral discoveries and inferred deposits of iron ore are commercially viable, a high-level Mineral Resource study has been commissioned by GIISDEC working with its Private Partners. This capital-intensive activity has been offloaded to Ghanaian Private Partners to produce a standard Bankable report at no cost to Government of Ghana.
132. This is to ensure that the Integrated Iron and Steel Industry (IISI) is not faced with the continuous decline of domestic production and processing of metallic minerals and the associated dependence on foreign supplies for our needs.

### **Enabling Growth**

133. Mr. Speaker, key interventions to improve the business environment include:
  - i. Enacting the Business Regulatory Reform Bill to enhance the quality and transparency of regulatory administration and establish a predictable regulatory environment;
  - ii. Crowding-in private sector financing of \$20 billion through Foreign Direct Investments and enhanced Public-Private dialogues and Partnerships as well a more coordinated and aggressive promotion of Foreign Direct Investments; and
  - iii. Amendments to the GIPC Act has been completed and submitted to Parliament.
134. Mr. Speaker, the Growth Strategy sets ambitious targets for easing access of the domestic private sector, including medium and long-term finance at competitive rates. Government will leverage the plans of the Development Bank of Ghana (DBG), GIRSAL, the Venture Capital Trust Fund (VCTF), and the Ghana Investment Infrastructure Fund (GIIF) to provide loans, partial guarantees and venture capital to private entities with transformational and strategic projects in Agriculture, Technology and Industry.
135. Mr. Speaker, Government intends to achieve its objectives through following channels:
  - i. DBG: to increase the lending volume of the Development Bank, Ghana (DBG) to GH¢2 billion, focused on medium and long-term lending for commercially viable private sector projects. DBG will also provide partial guarantees to reduce risk and attract more investment from the private sector into manufacturing, ICT, and high-value services. Government will

in addition support DBG fundraising of an additional \$1 billion in 2024 and 2025.

- ii. GIRSAL: Provide GH¢350 million partial risks guarantees to leverage private sector participation in the agricultural sector and agri-business. Relying on the GH¢350 million guarantee, banks will be able to provide around GH¢700 million to the agricultural sector and agri-business. GIRSAL guarantees help reduce banks' risk perception of the agricultural sector and encourage them to increase lending at slightly lower rates and longer tenor.
  - iii. IFC: Government will pursue the negotiations for \$500 million of financing from the World Bank's IFC, a partner in the Ghana Mutual Prosperity Dialogue.
  - iv. Recapitalisation of Banks: Government and World Bank will recapitalise the Banks through the Ghana Financial Stability Fund and Financial Sector with over GH¢10 billion to enable aggressive financing of private sector businesses.
136. Furthermore, the Venture Capital Trust Fund would commit an additional US\$13 million. This follows the US\$11 million the VCTF committed in 2023.

## **VII. GHANA'S DEBT RESTRUCTURING PROGRAMME**

137. Mr. Speaker, debt sustainability concerns remain high, especially across emerging economies. The International Monetary Fund (IMF) indicates that in 2020 - at the peak of the pandemic - the stock of global public debt as a share of global GDP was 258 percent. Moreover, as of 2022, the stock of public debt was 238 percent, 9 percentage points higher than in 2019.
138. To return to a path of debt sustainability, from a Debt to GDP ratio of 89%, Ghana, in December 2022, commenced a difficult but necessary restructuring programme covering both domestic and external debt. The goal is to achieve a 55% Debt to GDP ratio and 18% Revenue to GDP ratio over the medium term.
139. Mr. Speaker, Ghana completed the first phase of the DDEP in February 2023, where circa GH¢82,994.51 million of old domestic notes and bonds were exchanged for new bonds. These new bonds have longer maturities and average coupon of about 9.1 percent, achieving a participation rate of about 84.9 percent.
140. In September 2023, an administrative reopening of the first phase was done, of which GH¢4,013.65 million was tendered. The total exchanged amount was GH¢87,008.16 million, with a participation rate of 90.7 percent. Mr. Speaker, the second phase was launched in July 2023 and settled in September 2023.
141. Mr. Speaker, the DDEP has positively affected our domestic debt portfolio's costs and risk indicators. The weighted average interest rate for instance, reduced from 21.2 percent at end-December 2022 to 12.7 percent at end-September 2023. Additionally, the Average Time to Maturity (ATM) improved from 2.7 years at end-December 2022 to 6.2 years at end-September 2023. On the total debt portfolio, the ATM improved from 8.4 years at end-December 2022 to 9.3 years at end-September 2023.
142. We anticipate that the completion of the external debt restructuring will improve our debt trajectory, even more, to enable us reach our target landing zone of 55 percent debt to GDP in present value terms by 2028.
143. Mr. Speaker, the external debt restructuring parameters comprise bilateral and commercial debt (including Eurobonds). Consequently, on 13th December 2022, Ghana formally requested a debt treatment under the G20 Common Framework for Debt Service Suspension Initiative (CF-DSSI).



144. Ghana's bilateral creditors, subsequently established the Official Creditor Committee (OCC) on 12th May 2023, under the auspices of the Paris Club to restructure the bilateral debt. Government, has already shared illustrative scenarios with the OCC, which is co-chaired by France and China.
145. An agreement in principle on the restructuring parameters is expected to be reached in the coming week. This will be formalised in an MOU between the Government and the OCC.
146. Mr. Speaker, on our commercial debt (Eurobonds), we have received illustrative proposals on the debt treatment scenarios from the two bondholder groups. We are currently reviewing the illustrative proposals and expect to converge towards a solution in compliance with the comparability of treatment principle. We outlined broad parameters in our investor presentation of a haircut between 20% and 40%, a maximum 5% interest rate and maturity not to exceed 20 years.
147. It is envisaged that, in the coming weeks, extensive negotiations with both groups will commence and ensure we achieve the targets set under the IMF/World Bank Debt Sustainability Framework. We are hopeful of a year-end resolution.
148. Mr. Speaker, the Financial Sector Strengthening Strategy (FSSS), which was developed to mitigate the impact of the GoG debt operation on the financial sector, provides for the design of the Ghana Financial Stability Fund (GFSF) as a programme in the Ministry of Finance. It also aims to address outstanding legacy issues following the 2017-2019 financial sector clean-up.
149. This Fund offers a solvency window consisting of two distinct sub-funds – namely a US\$250 million World Bank supported sub-fund targeted at qualifying banks and SDIs; and a cedi equivalent of US\$500 million GoG-funded sub-fund that will help to recapitalise state-owned financial institutions as well as potentially support other indigenously-controlled financial institutions to improve their post-DDEP solvency.
150. Mr. Speaker, in addition, a provision of GH¢4 billion has been made in the 2024 Budget to address National Investment Bank (NIB), distressed SDIs, and other outstanding legacy challenges in the financial sector. Notwithstanding the ongoing litigation commenced by shareholders Blackshield Capital Management Limited (formerly Gold Coast Securities Limited), the SEC will continue engage the Official Liquidator and clients of the defunct Blackshield to reach a

consensus on a framework for a bailout intervention and an amicable resolution of the impasse.

## **VIII. SECTORAL PERFORMANCE**

151. Mr. Speaker, in the 2024 Budget, Government will build on the significant investments that have been made to date, and promote its key interventions covering social spending, infrastructure, governance, security and climate change.

### **Social Spending**

#### ***Free SHS and TVET***

152. Mr. Speaker, the Government's flagship Free Senior High School and TVET Programme continues to create and expand access to secondary education in the country. In a generation's time, when we have a more educated population which sustains social mobility and cohesion, we will appreciate the significance of these decisions and investments.

153. In the year under review, we continued to support a total of 448,000 first year SHS students; bringing the total beneficiaries for the 2022/2023 academic year to 1.3 million students. In 2024, the implementation of this transformative initiative will continue.

#### ***Capitation Grant***

154. Mr. Speaker, Government continues to ease the financial burden on parents and guardians in the access and provision of quality basic education. To this end, we provided feeding grants for 7,500 students in Special Schools and capitation grants to all public basic schools across the country.

155. Additionally, the registration fees of over 471,000 prospective candidates from public JHS for the BECE were paid to guarantee that all candidates will sit for the examination. Government will continue to provide opportunities for quality basic education through the capitation grant in 2024.

#### ***Livelihood Empowerment Against Poverty (LEAP)***

156. Mr. Speaker, support for beneficiaries of the Livelihood Empowerment Against Poverty (LEAP) programme was sustained in 2023. Government invested about GH¢298 million to support 350,000 extremely poor households. In 2024, the Programme will improve the financing by 50% and will continue to provide meals to more schools to enhance basic school enrollment.

#### ***National Health Insurance Scheme (NHIS)***

157. The National Health Insurance Scheme (NHIS) witnessed an expansion in coverage, with 16 million active members as at September 2023 - representing 80 percent of the targeted population of 20 million. Efforts to integrate the Ghana Card into the enrollment system are progressing steadily.

### ***School Feeding***

158. Mr. Speaker, under the School Feeding Programme, Government invested over GH¢740 million to feed 3.8 million pupils, one hot meal a day in over 10,000 public basic schools. In 2024, the Programme will continue to provide meals to enhance basic school enrollment.

### **Infrastructure**

159. Mr. Speaker, our programme to improve accessibility and connectivity, as well as safety along roads continues to be prioritised. We will conclude negotiations with the Official Creditor Committee to ensure that work on eligible externally funded projects resume.
160. However, the following projects are ongoing and are at various stages of Completion:
- i. Kumasi Lake Road and Drainage Extension project is completed;
  - ii. Reconstruction of Bechem-Techimantia-Akomadan road - is 71 percent complete;
  - iii. Construction of the Flyover on the Accra-Tema Motorway from the Flowerpot roundabout - is 60 percent complete.
  - iv. Phase 2 of the Tema Motorway Roundabout (including construction of the 3<sup>rd</sup> tier of the interchange) - is 56 percent complete
  - v. Construction of 4 major by-passes at Osino, Anyinam, Enyiresi and Konongo along the Accra-Kumasi Highway commenced in 2023 and are at various stages of completion.
  - vi. Reconstruction of Agona Nkwanta-Tarkwa road - is 44 percent complete
  - vii. Dualization of Ho Main Roads (Sokode-Gborgame-Civic Centre) and Traffic Management Works(10.5km) - 100 percent
  - viii. Selected Roads in Sekondi and Takoradi Phase 1 - is 28 percent completed;
  - ix. Dualization of Nsawam-Ofankor road (including widening of the road to 10-lanes with a 6-lane expressway and 4 – lane service road with interchanges at Amasaman, Pobiman, Medie and Nsawam Junction) - is 30 percent completed;
  - x. Construction of a 4-tier interchange at Suame in the Ashanti Region - has commenced;

161. Mr. Speaker, the following projects under the Master Project Support Agreement (MPSA) with Sinohydro Corporation Limited have been completed:
- i. Tamale Interchange Project (100 percent);
  - ii. Western Region and Cape Coast Inner City Roads- 32.19km (100 percent);
  - iii. Construction of Hohoe-Jasikan–Dodi-Pepesu - 66.4km (100 percent);
  - iv. Upgrading of Selected Feeder Roads in Ashanti and Western Regions - 68km (100 percent);
162. However, the following are at various stages of completion:
- i. Sunyani Inner City Roads (39km) - 81 percent completed;
  - ii. Construction of Sunyani and Berekum Inner City Roads (39km) - 81 percent complete; and
  - iii. PTC roundabout interchange project, Takoradi - 80 percent complete.
163. Mr. Speaker, in addition, the preparation for the reconstruction of the Accra-Tema Motorway under the Road Sector’s Public Private Partnerships (PPP) with GIIF is on course. The Concession Agreement and draft Engineering Procurement and Construction (EPC) agreement have been approved by Cabinet and will be submitted to Parliament for approval shortly.
164. Mr. Speaker, Government infrastructure programme will also be anchored on a strong private sector collaboration. To this end, Government will continue to pursue the Mining Sector Roads rehabilitation projects to improve the road network in mining communities.
165. Government will begin the formalisation of the agreements with the Mining companies and mining related industries to fund and commence the rehabilitation of Roads in the Mining Enclaves in 2024. Selected communities include Takoradi Agona Nkwanta, Tarkwa Dualisation and Tarkwa township, Prestea Bogoso and Bogoso township, Dunkwa Obuasi, Obuasi township, Ahwia Nkwanta, Manso Nkran, and Konongo.
166. Mr. Speaker, to promote trade and transit from the Tema Port, the capacity of the Tema Hospital Road will be improved under PPP arrangements. Accordingly, Government has developed a deed of transfer to be executed.
167. Mr. Speaker, Government has renegotiated the contract terms of the La General Hospital Project and will now be funded through the national budget. The contractor is expected back on site next week to complete a significant amount of work by 2024.

### ***One District, One Factory***

168. Mr. Speaker, in accordance with Government's strong commitment to industrialisation, a total of 169 One District, One Factory (1D1F) projects are currently operational, leading to a total employment of 169,870. An additional 152 factories are currently under construction and expected to be fully operational in 2024 and 2025. These industries are expected to increase value-addition and support our efforts to reset the economy.

### ***Enterprise Development***

169. Mr. Speaker, in 2023, Ghana Free Zones Authority successfully licensed 29 Free Zones companies, with capital investment of \$180 million and created 2,500 jobs. In 2024, it is projected that Free Zones companies will generate an estimated US\$192 million in capital investments.

170. In line with Government's commitment to support Micro, Small and Medium Enterprises (MSMEs), through the Ghana Enterprises Agency (GEA), 140,562 enterprises - including 100,211 women-owned enterprises - were provided with training and business development services. 2,055 informal sector operators were also assisted to formalise their operations by registering with the Office of the Registrar of Companies.

### ***Transport***

171. Mr. Speaker, to improve connectivity within the sub-region and facilitate tourism, the upgrading of the Tamale Airport has been completed. To complement this effort and facilitate trade through Ghana's transit corridor, the construction of the Boankra Integrated Logistics Terminal (BILT) is being executed and is about 54 percent complete.

172. Following the approval of Ghana's Energy Transition Investment Plan, Government has commenced the development of a National Electric Vehicle Policy as part of efforts to create an enabling environment for the uptake of electric vehicles.

### ***Housing***

173. Mr. Speaker, Government rolled out the National Rental Assistance Scheme in February 2023 to ease the burden of huge rent advance payments by prospective tenants. From February to October 2023, the Scheme disbursed about GH¢13.8million to cover the payment of rent advance for 1,105 individuals in the Greater Accra, Ashanti, Northern, Eastern, Bono East and Western Regions.

174. Mr. Speaker, Government continued works on Phase III of the Security Services Housing Programme, involving the construction of 320 units for the Ghana Police Service at the Ghana National Police Training School, Tesano. The overall progress of work stands at 95 percent.

175. In addition, work commenced on the first phase of the Revised National Affordable Housing Programme at Pokuase, to construct 8,000 housing units. In 2024, Government will commence work on the National Affordable Housing Project at Dedesua in the Ashanti Region.

### ***Infrastructure for Poverty Eradication Programme (IPEP)***

176. Mr. Speaker, under the Infrastructure for Poverty Eradication Programme, Government continues to embark on strategic investments across our communities nationwide in line with the fiscal consolidation plan. Through the Development Authorities, over 340 projects were completed in 2023 and accordingly handed over to the beneficiary communities.

### ***Rural Telephony***

177. Mr. Speaker, Government constructed a total of 1,010 rural telephony sites under the Rural Telephony and Digital Inclusion Project, to provide voice signals in underserved and unserved communities. This has benefitted about 1,353 rural communities who can now make calls via their mobile phones, thereby enhancing social and economic activities in those communities.

178. In 2024, the remaining 1,006 sites will be built and integrated, and activate all 2,016 sites for voice and data services to ensure reliable, affordable, and secured broadband infrastructure under this initiative.

### ***Rural Electrification***

179. Mr. Speaker, in line with the goal to achieve universal access to electricity by 2024, a total of 189 communities have been connected to the national grid, with 211 communities at various stages of completion. The national electricity access is estimated at 88.85 percent as at third quarter, 2023, and our goal is to exceed a 90% mark by year end 2024.

### ***Communications and Digitalisation***

180. Mr. Speaker, under the Girls in ICT initiative, 2,000 girls and 200 ICT Teachers in the Savannah and Northern Regions were trained. Additionally, a total of 287 laptops were presented to the best performing students and teachers in both the Savanna and Northern Regions. In 2024, 3,000 girls and 300 ICT teachers will be trained in the Ashanti, Greater Accra, and Volta Regions. Government,

Mr. Speaker, continues to seek resources for a one laptop per child programme in order to create a tech-savvy population.

181. Mr. Speaker, the Ghana.gov platform deployed in 2020 has onboarded 1,541 MDAs, MMDAs, and State-Owned Enterprises (SOEs) with 130 of these entities actively utilizing the platform for various functions, including processing payments. This has yielded a total revenue of over GH¢164 billion since its inception. In 2024, NITA will enroll government agencies responsible for revenue collection onto the platform. In addition, a "Citizens' App" will be integrated into the platform, to enrich Citizen-to-Government engagement and allow persons with disability to access the platform to foster inclusiveness.

### ***Coastal Protection / Drainage / Flood Control***

182. Mr. Speaker, Government continued with the coastal protection works to protect coastal settlements against beach erosion and flooding while protecting lives, livelihoods and properties from tidal wave erosion. Accordingly, the Dansoman, Anomabu and Elmina (Phase III) coastal protection projects are currently at 97 percent, 75 percent and 96 percent respectively. Other projects include Cape Coast (80 percent), Dixcove (40 percent), Komenda (98 percent), Aboadze Phase II (61 percent) and Ningo-Prampram (50 percent).
183. Government continued drainage improvement works to mitigate the disaster risks associated with flooding in various parts of the country, while minimising the economic losses that are associated with the floods. In 2024, work will continue on uncompleted projects under the National Flood Control Programme.

### **Governance**

184. Mr. Speaker, the new Conduct of Public Officers Act seeks to address current weaknesses in the asset declaration system. The new Act will introduce provisions that ensure public officers submit their declaration in time and that an effective verification system is in place. The draft Bill is under consideration by Cabinet and will be submitted to Parliament subsequently.
185. Government is also committed to ensuring the implementation of the second phase of the National Anti-Corruption Action Plan (NACAP) to foster public accountability and transparency.

### **Security**

186. Mr. Speaker, Government will continue to resource the Ghana Armed Forces to collaborate with other Security Services in the following operations: COWLEG, CALM LIFE, HALT, GONGGONG to provide security to society, check illegal



logging and mining to control environmental degradation. In addition, the establishment of 10 Mechanized Battalion at Wa, 11 Mechanized Battalion at Bawku, 3 Field Workshop and 3 Mechanical Transport Company under operation CONQUERED FIST have improved security and neutralized threats of terrorism from the Northern Border.

187. Mr. Speaker, the establishment of 15 Forward Operating Bases (FOBs) along the Northern Borders of the country to prevent cross border crimes and terrorist infiltration are progressing steadily. In addition, the FOB at Ezinlibo in the Western Region is 55 percent complete and forms part of the national strategic programme to protect the country's oil and gas fields.
188. Mr. Speaker, on internal security, the Ghana Police Service sustained and enhanced its peace-building efforts in conflict zones such as Yendi, Tamale, Wa, Chereponi, Bawku, Alavanyo, Nkonya, Ejura, and Akropong-Akuapem. The Police Service improving Community Watch Programme with professional motorbike riders has elevated the sense of security and the country.
189. The Service received 100 Toyota Hilux Pick-ups, 6 Armoured Personnel Carriers (APC), and 600 Motor Bikes to augment the fleet of the Formed Police, Visibility, and Motorbike Patrol Units to enhance their work.
190. Mr. Speaker, the Ghana Immigration Service conducted day and night patrols along the borders to secure the country against irregular migration flows and migration-related crimes. The Service also conducted 5,901 inspections at various locations, such as companies, hotels, residential sites, and educational institutions, to ensure compliance with immigration laws.

### **Independent Power Producers**

191. Government has continued to engage key operational Independent Power Producers (IPPs) in positive and constructive bilateral negotiations. Engagements have centered on the sustainability of Ghana's energy sector, as well as the restructuring of legacy IPPs debt and power purchase agreements (PPAs); future-proofing timely payments to IPPs going forward; and the implementation of critically needed energy sector reforms. Government aims to finalise commercial agreements with key IPPs in the coming weeks.
192. Mr. Speaker, Government remains mindful and appreciative of the continuing commitment on the part of IPPs not only to supporting Ghana's power sector but also to collaborating with Government and the Electricity Company of Ghana to achieve a sustainable future for the sector, while shoring up Ghana's reputation as a compelling investment destination.

## **Climate Change**

193. Mr. Speaker, Ghana has been at the forefront of advocacy for a fit-for-climate global financial architecture whilst expanding its engagements to mobilising climate financing.
194. At the 2023 IMF/World Bank Group Annual Meetings, Ghana secured critical financing support for its climate adaptation and mitigation measures. This includes:
- i. US\$54.5 million to establish the Ghana Shea Landscape Emission Reduction Project (GSLERP) in partnership with the Green Climate Fund.
  - ii. \$4.8 million successfully earned by reducing nearly 1 million tons of carbon emissions through forest conservation and degradation prevention. We expect to earn up to \$45 million by the end of 2024.
  - iii. Additionally, Government has signed 6 MOUs/agreements with Switzerland, Singapore, Sweden, South Korea, as well as some public and private entities in line with Article 6 of the Paris Agreement.
195. To leverage the mobilisation of climate finance resources and maximize its usage, the Ministry of Finance is setting up a Climate Financing Division. This is to improve coordination at the national level and hasten Ghana's growth towards climate resilience. Additionally, it will facilitate the fulfilment of Ghana's international commitments by effectively implementing Ghana's Nationally Determined Contributions.
196. Mr. Speaker, our leadership as Chair of both the Climate Vulnerable Forum (CVF) and the Vulnerable Twenty Group (V20) is a prime example, directed by our Ministries of Finance, Environment, Science Technology and Innovation, and Foreign Affairs.
197. Under Ghana's tenure, we've not only raised our global standing in climate discussions but also championed the interests of climate-vulnerable nations. President Nana Addo Dankwa Akufo-Addo leads the CVF, with Hon Ken Ofori-Atta chairing the V20 Finance Ministers.
198. Since 2021, under Ghana's direction, the CVF and V20 have driven a forward-thinking agenda to counter climate change threats. We've led pivotal talks, advocating for enhanced climate finance and firmer commitments from developed nations. This effort extends to supporting vulnerable countries through climate prosperity plans and the Accra-Marrakech agenda.

199. Crucially, Ghana has been instrumental in pushing for reforms in the global financial system to make it more conducive to climate-resilient growth and sustainable development. Our leadership in this area is evident in advocating for long-term reforms and presenting actionable steps, in line with the objectives of the Accra-Marrakech agenda and the Bridgetown Initiative 2.0 proposed by Prime Minister Mia Mottley of Barbados.
  
200. Ghana's leadership in advocating for a reformed global financial system underscores our commitment to fostering a future where climate-resilient growth and sustainable development are at the forefront. By championing the needs of developing countries in the face of climate change, we aim to pave the way for a world where our nations not only survive but thrive. This vision for climate resilience is more than an environmental imperative; it is a pathway to enduring prosperity and stability for developing countries globally, ensuring that we are equipped to face climate challenges while progressing towards a sustainable, prosperous future.

## **IX. CONCLUSION**

201. Mr. Speaker, today, I have highlighted our collective achievements as a nation to this august House. I have also demonstrated how our investments over the last seven years have positively impacted individuals, households, businesses, and communities.
202. We have a safer country. We have a more physically and digitally connected society. We have a more educated and skilled population. Through our policy approach, the foundation for a country has been laid where: Ingenuity is being encouraged; Innovation is supported; Public service is valued; Responsibility is shared; Prosperity is shared; and Accountability for the custodianship of public resources is prioritised.
203. Mr. Speaker, this is a marked change from when I first stood before this House on 2<sup>nd</sup> March, 2017. At the time, 'dumsor' had decimated the incomes of businesses and households. The financial sector was weak and near collapse. Trained nurses had stayed home for years without employment. NHIS was in arrears for over a year. A sizable number of Ghanaians were unable to access Senior High School education. Above all, our economic prospects had dimmed considerably. I referred then to the biblical story of five loaves and two fishes to illustrate the approach in turning the economy around.
204. Mr. Speaker, I stood here in March 2017 and asked that the country's paltry 2 fishes and 5 loaves be multiplied. Indeed, as the young boy gave all he had to the multitude, so have we and the Lord, in response, has blessed our nation, and this we should not forget.
- i. From a nominal GDP of GH¢262 billion in 2017 to GH¢1 trillion in 2024
  - ii. Invested in the future of our children under the free SHS programme with 1,261,495 students having access to secondary education.
  - iii. Supported the poor and vulnerable through an enhanced LEAP programme by increasing the number of beneficiary households from 212,545 in 2017 to 350,000 households in 2023 with the aim of further increasing this to 450,000 over the medium term.
  - iv. Invested in providing one hot nutritious meal per day to 3,260,468 pupils in our basic schools and provided a study income stream for 32,496 caterers.
  - v. Invested the most in the construction, rehabilitation and upgrading of major road networks across the country.
  - vi. Supported small businesses with GH¢750 million during the COVID-19 pandemic through the CAP-Buss programme and other interventions.

- vii. Invested in making sure that all public workers were paid every month during the COVID pandemic including the teachers who were paid for all the nine months when the academic calendar was disrupted.
- viii. Invested to strategically establish over 160 factories across all districts under the 1D1F programme
- ix. Investing in the expansion of health infrastructure in every district under the agenda 111 initiative

205. Mr. Speaker, let me take this opportunity to recognize the strong partnership that has co-existed between the Government and organised labour. I also want to use this occasion to thank the leadership of organized labour for their positive cooperation since 2017. Yesterday, 14th November, 2023, we successfully concluded negotiations for the 2024 Single Spine Salary Structure the base pay which culminated in a 23 percent increase in the base pay on the Single Spine Salary Structure (SSSS) across board from January to June 2024, and a readjustment to 25 percent from July 2024 to December 2024. This wouldn't have been possible without the cooperation of our Labour Unions.

206. Since then, we have stayed focused and implemented our plans. However, it has not been smooth sailing. There have been ebbs and flows. We have faced severe headwinds since March 2020. The economy has faced multiple shocks. We have not created enough jobs and food inflation remains high, creating hardship and we are committed to tackling this. However, we are re-anchoring our path, using the PC-PEG as our compass... our true North.

207. Mr. Speaker, backed by the PC-PEG, the 2023 Budget sought to restore and sustain macroeconomic stability. With hard work and the grace of God, we are on a path of stability and growth. Thankfully, a sense of a "new beginning" has taken hold.

208. Despite our remarkable progress in the last ten months, risks abound. In October, 2023, the IMF reported that global recovery remains slow, with little margin for errors. The Kenyan Finance Minister also noted in September, 2023 that "*All low and middle-income countries are walking a tightrope given the current economic constraints globally*".

209. Mr. Speaker, we are aware of these pressures and risks. So far, the implementation of the Government's PC-PEG, which addresses these pressures, is delivering the immediate intended results. We have successfully concluded the Domestic Debt Operations and are making steady progress on external debt restructuring. We are implementing the new Growth Strategy, which prioritises

the completion of key transformative interventions to improve the quality of life and welfare of our people.

210. Mr. Speaker, for our future, large public spending and deficits cannot remain embedded in our policy framework. So after achieving macroeconomic stability, the gains will be anchored on enhanced fiscal responsibility rules. The IMF is already working with us to strengthen these rules in order to maintain macroeconomic stability and implement structural reforms needed to sustain the country on a strong path of economic growth and transformation.
211. To achieve a sustainable recovery, we must deepen our reforms:
- i. Promote private sector investment and entrepreneurship. This is why in this budget the DBG has committed about GH¢2b in private sector lending. The YouStart initiative will also commit to channel GH¢200m to our SMEs through GEA, NEIP and our commercial banks.
  - ii. Coordinate with the Bank of Ghana to bring down interest rates to single digits in the next 24 months as the inflation path improves.
  - iii. Protect the financial system and enable stronger institutions. This is why under the IMF supported program we have committed 2.6% of GDP to be deployed in phases to further strengthen the financial system and ensuring confidence. This is critical in sustaining the recovery and ensuring that both short term funding for operations and long term capital investment by the private sector are supported. In the Mid-year we committed US\$750m equivalent under Ghana Financial Stability Fund, and are making provision for an additional GH¢4 billion to address legacy issues in the financial sector.
212. Mr. Speaker, the 2024 Budget has been developed to:
- i. Ensure the accelerated implementation of the PC-PEG and safeguard the recent macroeconomic gains;
  - ii. Expand investments in the real sector to implement the new Growth Strategy and chart a new course;
  - iii. Consolidate and complete on-going infrastructural projects to improve productivity and welfare; and
  - iv. Mobilise climate finance to enable us build resilience and promote Climate-sensitive growth
213. The policy initiatives outlined in this Budget will also ensure Ghana remains attractive for domestic and foreign investors. The feedback from our extensive engagements with key stakeholders has informed our policy choices.

214. Mr. Speaker, we have launched the Ghana Mutual Prosperity Dialogues so that Government can work with the private sector to craft solutions that will ensure that the nation will realise a thriving and resilient economy. Crucially, we will invest in local businesses to catalyse a new wave of growth and employment that is sustainable, inclusive and impactful.
215. More importantly, the various components of the Government-owned financial ecosystem such as DBG, GCB, CBG, GIRSA, GCX, GIIF, Venture Capital Trust Fund, GEA, NEIP, YEA, GEPA will be strengthened to enable us to address the concerns of the private sector in respect of access to credit, access to skills, labour, and raw materials.
216. Mr. Speaker, we do this knowing that the key to our prosperity is not handing out free goods and services to our underprivileged folks. Rather, it is by providing skills and finance to enable people to generate income and jobs.
217. Mr. Speaker, we continue to optimise our tourism infrastructure investments to advance our economic progress. The improvements in key tourist sites have been complemented by aggressive marketing to reposition Ghana. Next month, as in recent years, our country will expect an increase in tourists seeking to patronise the 'DECEMBER IN GH' event. This follows the successful 'Year of Return' and 'Beyond the Return' programmes launched by the President in 2019 and 2021 respectively. Our investments in CCTVs on our roads, and provision of increased logistics for the security services will continue to support these events and make them memorable.
218. These investments would also facilitate the hosting of the 13<sup>th</sup> All Africa Games in Accra, from 8<sup>th</sup> to 23<sup>rd</sup> March, 2024. The occasion will spotlight Ghana as a leading sporting venue in Africa and highlight our organisational capital for sporting events in the future.
219. In addition, Ghana has strategically positioned itself to mobilise climate financing, and champion a fit-for-climate global financial architecture as Chair of the Climate Vulnerable Forum and the Vulnerable Twenty Group (V20). The vehicles being explored include-
- i. Sustainable Use of Natural Resources and Energy Finance (SUNREF) in Ghana;
  - ii. Climafintrack climate financing tracking tool;
  - iii. Sustainable Financing Framework;
  - iv. Digitisation of Payments in the Cocoa Supply Chain;
  - v. Environmental and Fiscal Reform; and

vi. Engagements with the Green Climate Fund.

220. Mr. Speaker, a new and exciting opportunity is Ghana's newfound wealth in lithium and graphite, which will be extracted in line with the Green Minerals Policy, to support our energy transition.
221. On 19<sup>th</sup> October, 2023, Government granted its first concession for the mining of lithium, which is guaranteed to be a major contributor to Ghana's GDP from 2025. On the Atlantic Lithium mining project, which is projected to produce some 360,000 tonnes of lithium a year, Government has negotiated a 10 percent royalty and a record-high 13 percent free carried interest for the State. The company will also pay one percent of its revenue and another one percent for the Growth and Stabilisation Levy.
222. Mr. Speaker, in addition, the Minerals Income Investment Fund, has acquired a 6 percent contributing interest in Atlantic Lithium's Ghana Portfolio. This will lead us to a new negotiation posture for future extractive industry investments.
223. Mr. Speaker, in line with Government localisation policy, Atlantic Lithium would list on the Ghana Stock Exchange to further enhance and deepen local participation. Also, a study to assess the economic benefits of the downstream conversion of lithium in Ghana, including the local use of feldspar and kaolin for ceramics and other products, has commenced and the findings will be submitted to Government by end of February 2024.
224. Mr. Speaker, we are in a better place than we were before. The nation has been positively impacted and positioned to harness its prospects. We must move forward courageously. For as **2 Timothy 1:7** counsels, "God has not given us the spirit of fear; but of courage, and of love, and of a sound mind".
225. It is in this same vein of courage and power, that we have forged a path of resilience since 2017. It is important to recall that despite the 'poly-crises' since March 2020, we have, together, taken a GDP of **GH¢219.5 billion** in 2016 and almost quadrupled it. We are crossing the **GH¢1 Trillion GDP mark** this year.
226. A key lesson from this leap since 2017 is for us to eschew unfounded pessimism. We have shown that **it is possible**. We should be collectively proud of ourselves and the can-do-spirit of our people. We have proven that **a lot more is possible**, if we stay the course and believe in a future of immense possibilities.



227. To realise our common aspiration, Mr. Speaker, we must continue to speak in our language. This is Ghana: A nation united in diversity. A resilient nation on the path to manifest destiny. Every opportunity to safeguard our progress must be protected by adherence to the exhortation of Genesis 11:6.
228. Mr. Speaker, I present to you the "**NKUNIM**" Budget. A people with a manifest destiny for greatness. We are resilient and we shall prevail, because the Battle is still the Lords.
229. God bless our homeland Ghana and make us steadfast to build together a nation strong in Unity.
230. Mr. Speaker, I so move.