



2022 BUDGET HIGHLIGHTS

Budget Statement and Economic
Policy of the Government of Ghana for
the 2022 fiscal year

FOREWORD



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Executive Director

The road to recovery for the global economy seems drawn out two years after the Covid19 broke out. A global economic rebound in 2022 has been predicted by many, although there is consensus that recovery may be uneven across countries. There is a genuine fear that recessionary ripples from some countries in the Global North may trickle down to the South in ways that may spark major economic turbulence if the pandemic, and its tentacled fallouts, are not reined in soon.

The Ghanaian economy is one of a few within sub-Saharan Africa that has shown remarkable resilience in the wake of the pandemic as highlighted in the 2022 Budget Statement. However, the Government of Ghana's (GoG) effort to shore up the fortunes of the country within 2021 with a raft of borrowing and private sector development policies announced in last year's budget are yet to generate the much sought-after economic transformation touted by the government. As a result, the business environment and living standards have become strained by low revenues and a debt overhang that may not go away soon.

It is because of this, and the often-touted 'Ghana beyond aid', that we at the Bureau of Market & Social Research believe that the Government's desire to find innovative ways of generating revenue internally is welcome. We expect that working within a conservative and a pro-private sector backdrop, the current government will seek to increase tax revenues by reducing the burden on a few and spreading it across many. The time to explore and deliver effective and efficient taxation is now.

2022 BUDGET HIGHLIGHTS

Digital financial services(DFS) have achieved significant penetration within the country according to statistics available from the National Communications Authority. It is reasonable to deduce that digital financial services have been adopted as much by the informal sector as it has by registered businesses. The GoG's argument that an e-levy – tax on digital transactions - provides an opportunity to draw in many informal businesses into the tax net is also a reasonable one.

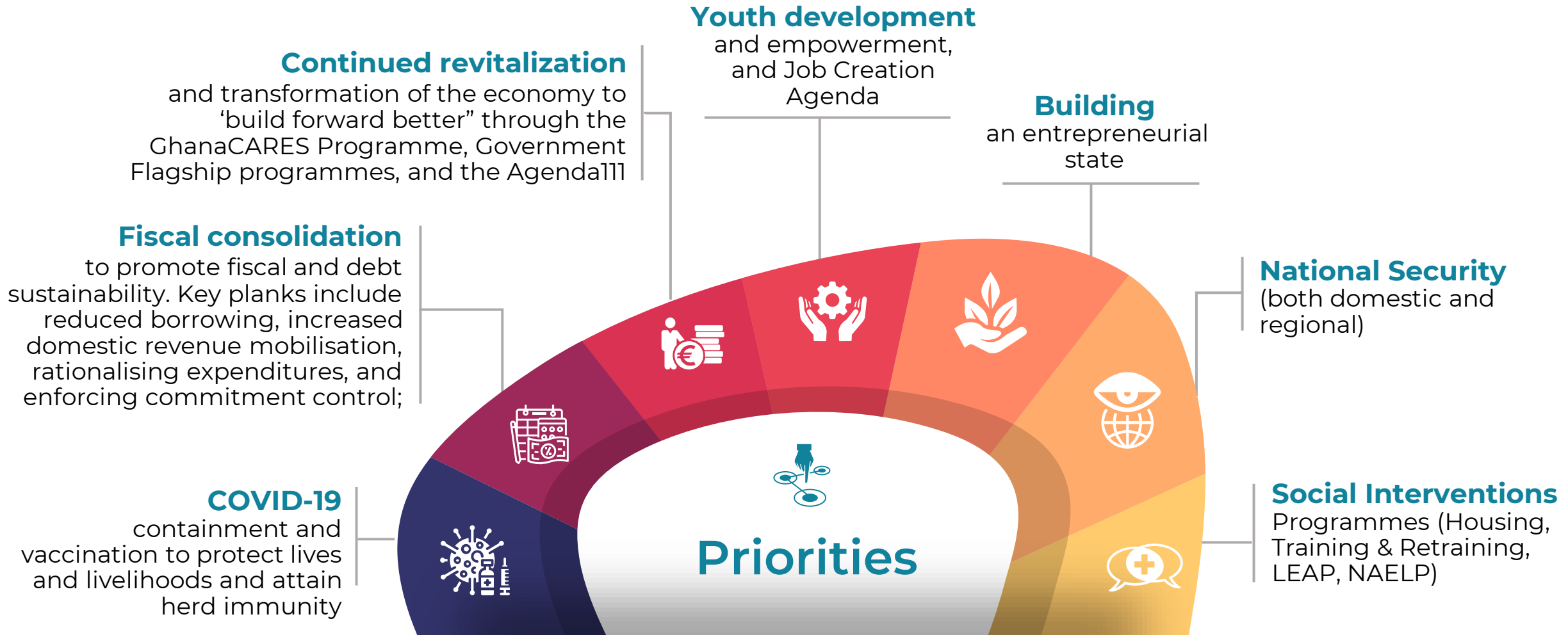
However, what the Budget proposals do not show are the basic mechanics of the implementation that will ensure that the penetration of DFS amongst individual and non-business users are not stalled. It is also important that formally registered businesses who are already meeting existing tax obligations are not encumbered further by the proposed e-levy. Consultations and a rework of GoG's initial proposal may be necessary to ensure that digital financial services tax is focused squarely and efficiently on online businesses operating informally.

New measures in the 2022 Budget such as the YouStart Initiative to stimulate youth employment and entrepreneurship are also not conceptually and strategically grounded. Ghana has much more to achieve on the Sustainable Development Goals (SDGs) and any economic stimulus to young people or the private sector must be integrated properly with other investments in energy, climate, natural resources, agriculture, technology and tourism under a broader impact investment or social entrepreneurship agenda. This Budget and future ones must show greater attempts at consolidation of sectoral efforts into strategy and fewer splintered tactics in response to emerging socio-economic development challenges.

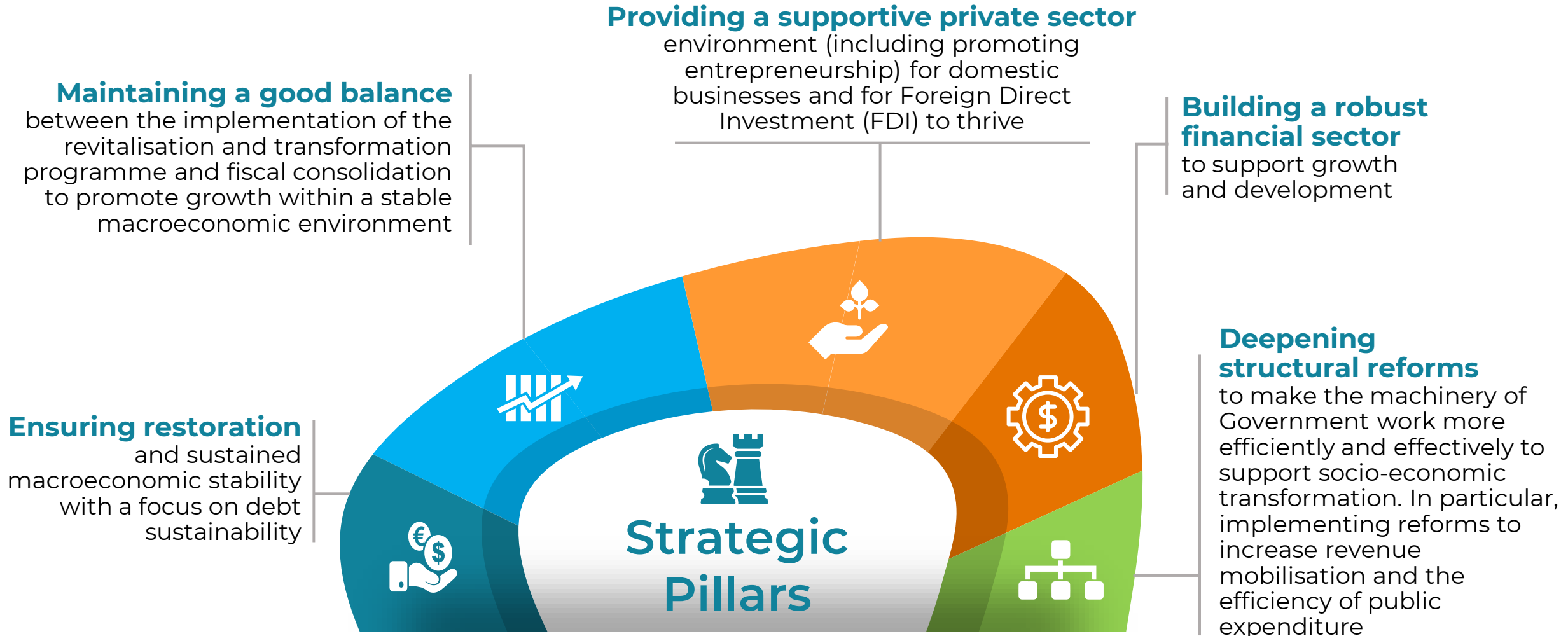
Notwithstanding, the budget is an ambitious and creative one. To the extent that it spurs private sector players on to participate in many of the government's initiatives and proposals - or excites them enough to increase local investments - the opportunities for economic growth in the medium term may be assured.

Priorities and Strategic Pillars

Priorities



Strategic Pillars



Executive Summary

2022 at a Glance

2022 BUDGET HIGHLIGHTS

Executive Summary – 2022 at a Glance



5.6%

Overall GDP
Growth rate



5.9%

Non-oil GDP
Growth rate



7.4%

Fiscal Deficit



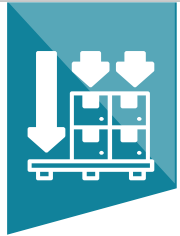
8%

Inflation



0.1%

Primary Deficit



4
months

Gross International
Reserves (months
of import cover)



77.8%
(of GDP)

341,762.70
as at Sept. 2021

Public Debt



25.8%
(of GDP)

128,315

Expenditure



17.9%
(of GDP)

439,381

Revenue

Executive Summary – 2022 at a Glance



TAX INITIATIVES

- Introduction of “Electronic Transaction Levy” or “E-Levy”
- Government to zero rate road tolls
- Implementation of a common platform for property rate administration to enhance property rate collections and its accountability.
- review of government fees and charges to take effect on 1 January 2022.
- Reduction of withholding tax rate on payment for small-scale miners from 3% to 1.5%

EMPLOYMENT

Implementation of the YouStart Initiative

- Execution of the National Unemployment Insurance Scheme (NUIS)



HEALTH

- Implementation of Agenda 111 to take effect
- Local Production of Vaccines



RESOURCE MOBILIZATION AND MANAGEMENT PROGRAMME –

Government has suspended the granting of approval for post-retirement contract appointments, except in cases where the skills of the retiring officer are in short supply and unavoidably needed.



Global Developments and Outlook



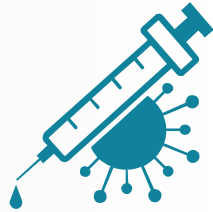
2022 BUDGET HIGHLIGHTS

Global Developments and Outlook



OVER 5 MILLION DEATHS

Death toll from the covid-19 pandemic is rising and currently in excess of 5 million deaths owing to new delta variant.



INCREASE IN ROLLOUT

Vaccine rollout is expected to increase powered by economic activity and stronger financial conditions from advanced economies.



60% VACCINATED

60 percent of population in advanced economies have been vaccinated, with only 4 percent achieved for low-income countries.



5.9% GROWTH

An estimated 5.9% growth in global economy by end-of-year 2021 and expected to decline to 4.9% by end-of-year 2022; according to projection.

Advanced economies

Growth is expected to hit 6% in 2021, reflecting the impact of a new infrastructure bill and a social spending budget equivalent to USD\$4 trillion over a 10-year period

The Euro zone and Japan is expected to grow at 5% and 2.4% in 2021 respectively; reflecting robust recovery powered by the continuous and increasing access to vaccines.

Inflation in advanced economies is projected at 2.8 percent for 2021, up from the 0.7 percent recorded in 2020.



Sub-Saharan Africa

11



The COVID-19 pandemic has thrown about 30 million people into extreme poverty



The sub region is also plagued with high economic inequality, social tensions and political instability



Economic growth in the SSA region is at a slower pace; but is expected to hit 3.7% in 2021 after contracting by 1.7% in 2020. In 2022, the region is projected to grow at 3.8 percent.









Inflation is expected to increase by 0.4 percentage points to 5.5 percent in 2021. Higher food prices have impacted headline inflation expectations in the region. This reflects a poor weather conditions and conflict related supply disruptions.







Annual average inflation in SSA is, nonetheless, projected to decline to 8.6 percent in 2022.

The Economy

Macroeconomic Performance




		2019	2020	2021 - Projected	2021 - Actual
Overall GDP growth rate		6.5	0.4	5.1	3.5*
Non-oil GDP growth rate		5.8	0.9	7.0	4.9*
Inflation		7.9%	10.1%	8.0%	11%
Primary Balance (% of GDP)		(0.8)	(5.3)	(1.7)	(1.9)
Overall Budget Deficit (% of GDP)		4.8	8.6	9.4	7.7
Gross International Reserves (months of import cover)		4.0	4.1	4.0	4.9

Fiscal Performance – Variance (2020 – 2021)




	2020	2021		Variance
	Actual	Target	Actual	
 Total Revenue	55.1 billion	72.5	70.3	26.1%. Total expenditure which is 25.3% of GDP is 1.9% lower than the revised target
 Total Expenditure	100.1 billion	111.6	113.7	The end-September provisional outturn was 15.3% above the GH¢70.3 billion (16.0% of GDP), 2.9% lower than the revised target for the year.
 Fiscal Deficit (% of GDP)	(11.7%)	(7.4%)	(7.7%)	An estimated variance of 3%. A resulting fiscal deficit of GH¢41,297 million (9.4% of GDP).
 Primary Deficit (% of GDP)	(5.3%)	(1.7%)	(1.9%)	The corresponding primary balance was a deficit of GH¢8.5 billion (1.9% of GDP) against the target deficit of GH¢7.4 billion (1.7% of GDP).

Real Sector Developments

Sector Share of GDP

	2019	2020	2021
 Services	47.2	52.8	51.9
 Industry	34.2	28	26.7
 Agriculture	18.5	19.1	21.3

Real Sector Performance

	2019	2020	2021*
 Services	7.6	1.5	7.2
 Industry	6.4	-3.6	-1.3
 Agriculture	4.7	7.4	4.9



The agriculture sector recorded an average growth of 4.9 percent in the first half of 2021 compared with 8.1 percent for the same period in 2020. The Forestry and logging subsector recorded the highest average growth performance of 5.8% in the first half of 2021, representing a significant increase from the average contraction of 8.1 percent recorded in the corresponding period in 2020.

Real Sector Developments

The Industry sector

recorded an average contraction of 1.3% in the first Half of 2021, compared with an average contraction of 3.2% over the same period in 2020.

The Industry subsector with the highest average growth was Water Supply, Sewerage, Waste Management & Remediation Activities (13.6%), followed by Construction (8.1%), Manufacturing (7.0%), and Electricity (4.8%)



The Services sector, in the first half of 2021, recorded an average growth rate of 7.2%, compared with 2.3% in the same period of 2020.



The largest contributor

to the Services output was Information and Communication, followed by Health and Social Work, and Real Estate.



The Hotels and Restaurants subsector, still contracted by an average of 5.4% in the first half of 2021; although an improvement over the 23.9% contraction in the first two quarters of 2020. development has been attributed COVID-19 related restrictions.

Monetary Sector Developments

Inflation and monetary policy rates

8±2 % Inflation



The government focused on steering inflation towards the medium-term target band of 8±2 percent.



Slowdown in Banking sector growth

Consistent with the slowdown in money growth, banking sector credit also showed sluggish pace of growth. The annual growth of outstanding credit slowed to 9% in September 2021 from 14.4% in September 2020, on the back of constrained demand for credit and supply-side risk aversion induced by the COVID-19 pandemic.

Increase in fuel & domestic food prices



Consequently, headline inflation declined sharply from 10.4 percent in December 2020 to 7.5 percent in May 2021. However, inflation picked up to 10.6 percent in September 2021 on account of shocks from domestic fuel price adjustments and increasing domestic food prices arising partly from climate-related factors, input supply bottlenecks, delayed harvests, and world food price increases. Inflation rose further to 11.0 percent in October, driven by non-food inflation mainly on account of price increases in the transport and housing & utility components of the consumer price index (CPI).

MPR Reduction to 13.5%



Bank of Ghana reduced the Monetary Policy Rate (MPR) to 13.5% in May 2021 on account of generally favorable inflation expectations, and as an additional measure to support the incipient recovery of activity from the COVID-19 pandemic.

Stable monetary policy



Monetary policy performance was broadly in line with expectations, with significantly stable exchange rate developments, increased reserves accumulation, and generally low inflation

Slower Growth



Developments in the monetary aggregates in September 2021 showed a slower pace of growth in broad money supply (M2+). This was mainly on account of contraction in Net Foreign Assets (NFA) of the depository corporations' sector.

Decline in Money Market Rates



Money market rates also broadly declined in line with easing inflation expectations and the cut in the monetary policy rate. The 91-day and 182-day Treasury bill rates declined to 12.47 percent and 13.20 percent, respectively in September 2021, from 14.02 percent and 14.12 percent, respectively, in September 2020. Similarly, the rate on the 364-day instrument decreased marginally to 16.12 percent from 16.95 percent over the same comparative period.

Monetary Sector Developments



Growth in bank credit decreased from 14.4% to 9% from December 2020 to December 2021.

The industry solvency position remained robust with a CAR of 19.9% in September 2020, well above the regulatory minimum of 11.5%; reflecting the ability of banks to further deepen intermediation and create credit.



Deposits recorded a robust albeit lower growth of 16.4 percent to GH¢113.8 billion as at end September 2021, relative to the 23.8 percent growth recorded a year earlier.

A marginal increase in the NPL ratio from 15.8% in September 2020 to 16.8% in September 2021



Exchange Rate Development



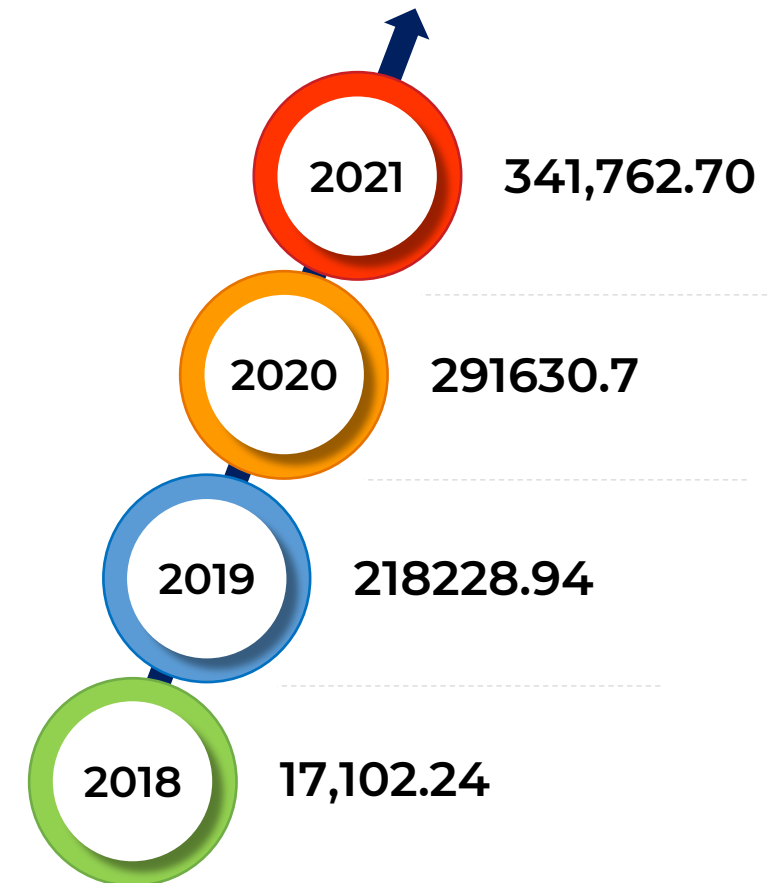
The Ghana Cedi Depreciated

against the US Dollar and the Pound Sterling by 1.79 and 0.80 percent, respectively, but appreciated by 3.16 percent against the Euro in September 2021. These compare with depreciation of 2.97, 0.19 and 7.19 percent for the US Dollar, Pound Sterling, and the Euro, respectively, over the same period in 2020.

Public Debt Development (1)

DEBT TO GDP

	External	Domestic	Total debt	Debt with bailout
2017	66.8	75.8	54.20%	54.20%
2018	86.9	86.2	56.10%	53.00%
2019	105.5	112.7	61.20%	56.20%
2020	149.8	141.8	76.10%	69.70%
2021	178.1	163.7	77.80%	72.00%



Public Debt Development (2)



17.2%
Public debt

Public debt grew by 17.2% from December 2020 to September 2021, due to the fiscal policies implemented during the pandemic to cushion the impact of Covid-19 on the economy



Stable
Rating

Ghana's ratings remained relatively stable in 2021 mainly due to the robust measures initiated by Government in 2020 to address the COVID situation—including a credible fiscal consolidation plan and a steady progress in vaccine rollout which have resulted in a quicker pace of economic rebound.



“B, B3, B-”
Rating

On 22nd June, 2021, Fitch Ratings revised Ghana's Long-Term Foreign Currency Issuer Default Rating (IDR) outlook to negative from stable and affirmed the IDR at “B”. In September 2021, Moody's and S&P affirmed Ghana's ratings at B3 and B-, respectively, and also maintained Ghana's outlook at negative and stable, respectively.

Proposed Tax initiatives



Tax Revenue measures

Revision to the Flat Rate VAT Scheme

Government has decided to extend the zero-rating on supply of locally manufactured textiles for further two years. The VAT Flat Rate of 3 percent on the supply of goods by wholesalers and retailers made local goods with imported substitutes uncompetitive, thus exposing the sector to the risk of contractions. Government intends to correct this anomaly by limiting the Flat Rate to only retailers with annual turnover not exceeding GH¢500,000. All other supply of goods and services will attract the Standard rate.

Import Benchmark Review

Government intends to review the temporal benchmark (discount) policy on imports introduced as a stop-gap measure in 2018.

Relief to small-scale Gold Miners:

Exports of unprocessed gold by small scale miners through official channels has dwindled from over one million six hundred ounces in 2019 to below one hundred thousand ounces as at September 2021. Government in consultation with the stakeholders in the industry has decided to reduce the withholding tax rate for sale of unprocessed gold by small scale miners on whom the incidence of the tax falls from 3 percent to 1.5 percent

Review of Property Rates

Government, through the Ghana Revenue Authority will from January 2022, assist the MMDAs to implement a common platform for property rate administration to enhance Property rate collections and its accountability. To ensure cost recovery by Government in providing the infrastructure for the collection of the Property Rate, a sharing ratio will be agreed with the Assemblies.



Removal of Road Tolls

Government will zero-rate tolls on all public roads and bridges.

Review of Fees and Charges

Government will review fees and charges of MDAs for implementation from 1st January, 2022. The fees and charges will be subject to automatic adjustment consistent with the annual average inflation



Expanding the Tax Net

Introduction of “Electronic Transaction Levy” or “E-Levy” which is a 1.75% levy on all electronic transactions to widen the tax net and rope in the informal sector. All transactions that add up to GH¢100 or less per day (which is approximately GH¢3000 per month) will be tax exempt. The tax which takes effect from 1st February, 2022 will be used to support entrepreneurship, youth employment, cyber security, digital and road infrastructure



Tax Relief and Exemptions



Government intends to review the Tax Exemptions Bill

Resource Mobilisation and Management Programme

Government has suspended the granting of approval for post-retirement contract appointments, except in cases where the skills of the retiring officer are in short supply and unavoidably needed.

Government to conduct a **staff rationalisation** exercise in 2022.

Government to suspend the purchase of vehicles by MDAs and MMDAs except with the express approval of the Chief of Staff based on a preapproved budget provision.



Ghana Integrated Financial Management System (GIFMIS) to be retooled to accommodate a module that will allow potential contractors and suppliers of goods and services to verify and confirm availability of funding for Awards of Contract.

Regulation 11 (a) and (b) of L.I. 2411 to be strictly enforced.



Outlook for 2022 - Sector analysis



Planting for Food & Jobs



The sector's growth is expected to be mainly driven by supportive interventions in the Crops and Fishing sub-sectors, boosted by the "Planting for Food & Jobs" Programme.



Sharp declines in petroleum and gold production



The Industry sector is expected to contract by 0.5 percent in 2021, based on sharp declines in petroleum and gold production. The seemingly negative growth in gold production largely emanates from the use of gold exports to proxy gold production due to lack of data on gold production.



Expected growth performance of 6.5% in 2022



The sub-sector is expected to record an improved growth performance of 6.5 percent in 2022, from the expected contraction of 10.5 percent in 2021, as a result of turnarounds in the production of oil and gas, as well as gold.



Service Sector is expected to be broad



Services Sector performance over the medium-term is expected to be broad based, led by strong average growth performances in Information and Communication (8.6%), Hotels and Restaurants (6.7%), Education (6.3%), and Real Estate (6.0%).

Key Initiatives

GhanaCARES “Obaatan Pa” Programme

The programme built on the initiatives and achievements prior to COVID-19 is made up of two parts: (a) immediate measures taken in 2020 to stabilise the economy; and (b) a revitalisation part comprising measures to be implemented from 2021 to 2023 to ensure quick economic recovery and pursue the Ghana Beyond Aid economic transformation agenda.

The CARES programme has three key thrusts. The first is to support the private sector, particularly in agribusiness, manufacturing, ICT, and digitalisation. The second is to aggressively support entrepreneurship in order to create job opportunities for the growing and increasingly educated youth. The third thrust is to optimise implementation of Government’s transformation agenda for greater results.

Key targeted interventions under the programme in 2022 include the following:



Modernization of agriculture



Promoting Tourism, Arts and Culture



Advancing Technological Capability



Expanding Manufacturing and Export Capacity



Bridging the digital divide and fast-tracking digitalization



Repositioning the Financial Sector



Modernisation of Agriculture and Food import-substitution

Under the GhanaCARES programme, the proposes to conduct the following to ensure an accelerated Agriculture modernization:

- Register additional 3 million farmers to update the ongoing database to improve policy target efficiency.
- Support the development of 9,000ha in rain-fed lowland in rice growing regions for commercial farming
- Support the rehabilitation and expansion of irrigation schemes in rice growing areas to provide 1,000ha of land and produce additional 11,000mt of rice. This is expected to generate about 1,000 direct jobs with 40 percent being the youth

Agriculture (II)

Support the production of soyabean

with early generation seeds of preferred varieties which are high yielding and adaptable to growing ecologies

Support the development of 25,000ha

to produce 50,000Mt of soyabean grains at selected locations in the Northern and Middle Zonal Belts

Continue to support seed development and multiplication of improved tomato breeder seeds by WACCI and CSIR;

Support the multi-locational trials and breeder seed multiplication of improved varieties



Provide support to Akumadan, Tanoso, Subingya, Tono and Vea Irrigation Schemes to put 1,603ha of land under tomato production; and

Provide interest rate subsidy

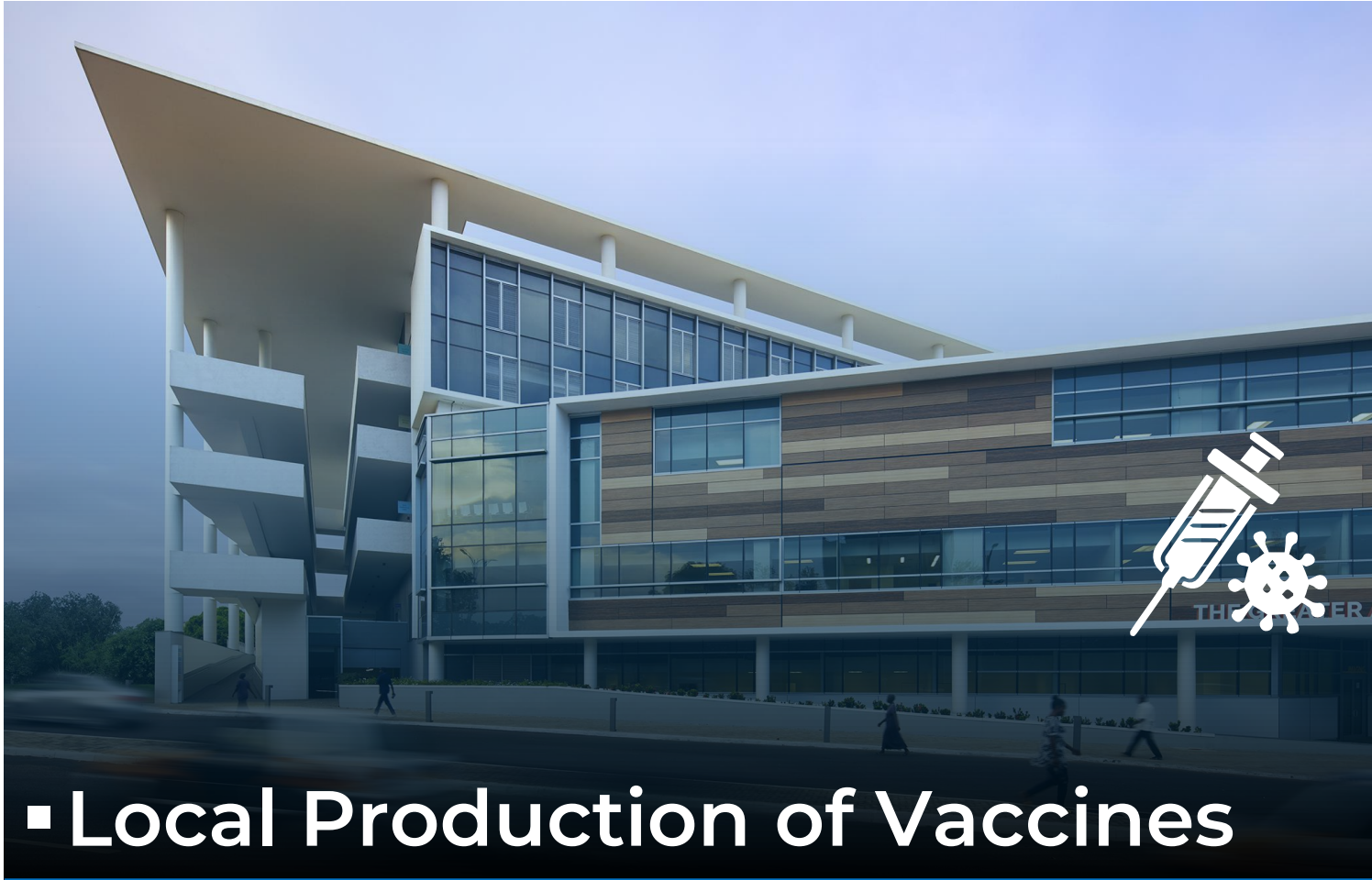
support to certified seed producers to produce 3Mt of certified tomato seeds from the newly developed improved varieties by CRI and WACCI.

Create a Ghana Agricultural Land Information Bank (GhLIB) to provide a reliable and easily accessible land-based information platform to improve and facilitate access to land for commercial farming;

Develop, print, and disseminate investment related leaflets and brochures on priority commodities

Sensitise and engage the youth on the opportunities within the agricultural sector; and

Map-out the agribusiness start-up ecosystem resources and disseminate them to the youth.



Local Production of Vaccines

- A draft **National Vaccine Policy** is being finalized and the establishment of a National Vaccine Institute to coordinate production of vaccines
- Government to begin the implementation of the Agenda-111 programme to boost healthcare infrastructure, improve financial access to healthcare



Financial Sector (1)



Repositioning the Financial Sector

International Financial Services Centre (IFSC) – aim is to position Ghana as the regional headquarters for capital inflows to West Africa.

Transformation of Ghana Amalgamated Trust (GAT) into a Permanent Company - Government in 2022, will leverage the GAT model to create a more resilient institution to hold equity investments in the financial and non-financial sectors.

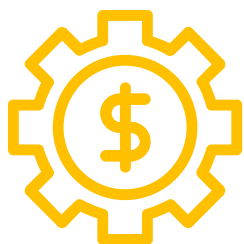
Financial Sector (II)

Development Bank Ghana

and operationalize the Development Bank of Ghana (DBG). Government has committed to capitalising DBG with US\$250 million, of which US\$200 million has already been paid. In addition, through the effort of Government a total financing package of around US\$550 million has been lined up for DBG from development partners. It is expected that DBG will leverage these resources to attract additional local and international capital for private sector growth and job creation.

Domestic Credit Rating Agency (DCRA)

to reduce information asymmetry and promote an improved credit-culture, risk-based lending, and equitable pricing of debt instruments.



Strengthening the Commodity Exchange

(GCX) - the GCX and Venture Capital Trust Fund (VCTF) have jointly set-up an Aggregation and Entrepreneurship Development Fund to provide funding for commodity aggregators to buy produce from smallholder farmers through the GCX; particularly, cocoa and gold on the GCX platform.

Operationalize the Guarantee Fund by the end of first quarter, 2022 to facilitate the payment of proceeds from sale to depositors on the GCX platform to mitigate default on settlement.

Scaling up of Home Ownership Funds - the National Homeownership Fund working in partnership with three universal banks, the Rent to Own Scheme of the Affordable Real Estate Investment Trust, as well as GCB Capital to scale up delivery of affordable housing in Ghana.

Trade and industry (1)



Expanding Manufacturing and Export Capacity

Ghana produces about 30 percent of its pharmaceutical product requirements. Government intervention is required to reduce imports of pharmaceutical products.

Consequently, upgrading existing pharmaceutical companies to Good Manufacturing Practices (GMP) standards, as well as commencing works towards establishing the Bioequivalence Centre (at Noguchi) to support the local pharmaceutical manufacturing industry is a priority. The CARES programme seeks to upgrade at least one existing first tier pharmaceutical manufacturing company to achieve World Health Organisation GMP Standards to enable them enhance export capacity, particularly under AfCFTA.

Trade and industry (II)

The CARES programme

facilitate the provision and upgrade of machinery and equipment for at least 30 Tier-2 local garment manufacturing companies to enable them expand capacity to produce and export. The support will among others target companies with strong production capacity for the local market and potential for export.

Garment Enclave

Industrial Park.

Re-tooling and re-capitalization

some distressed but economically viable iron and steel, wood processing, and textile manufacturing companies.



Acceleration of Business Regulatory

Reforms (including digitisation of operations at the Registrar General's Department and licensing processes at the Ghana Investment Promotion Centre (GIPC), Ghana Free Zone Authority (GFZA), and Ghana Standard Authority (GSA));

Commence a programme to build regional industrial parks linked to technical universities;

Expand domestic procurement of pharmaceuticals and work with industry to facilitate production of Active Pharmaceutical Ingredients (API);

Complete the process of engaging a private sector entity to manage and operationalise the Komenda Sugar Factory

Portfolio shift in favour of SMEs



SME lending increased to 50%

Banks to increase SME lending by 50% from 2022 to 2025; thereby increasing industry SME portfolio from approximately GH¢7.4 billion to approximately GH¢12.3 billion.



GH¢75 million for skill development

Banks to spend a total of GH¢75 million over the next three years on skills development programmes for young graduates and youth entrepreneurs.

Advancing Technological Capability



Job Creation through Industrialisation

The priority of Government is to build the nation's capacity to manufacture machine tools to support industrialisation and entrepreneurs for job creation and transformation.



Supply of agro processing equipment

The programme will supply some basic agro-processing equipment within five years. Additionally, the programme also targets the automobile and mining industries by producing spare-parts and developing sub-contracting capabilities to service the emerging automobile assembly industry in the country.



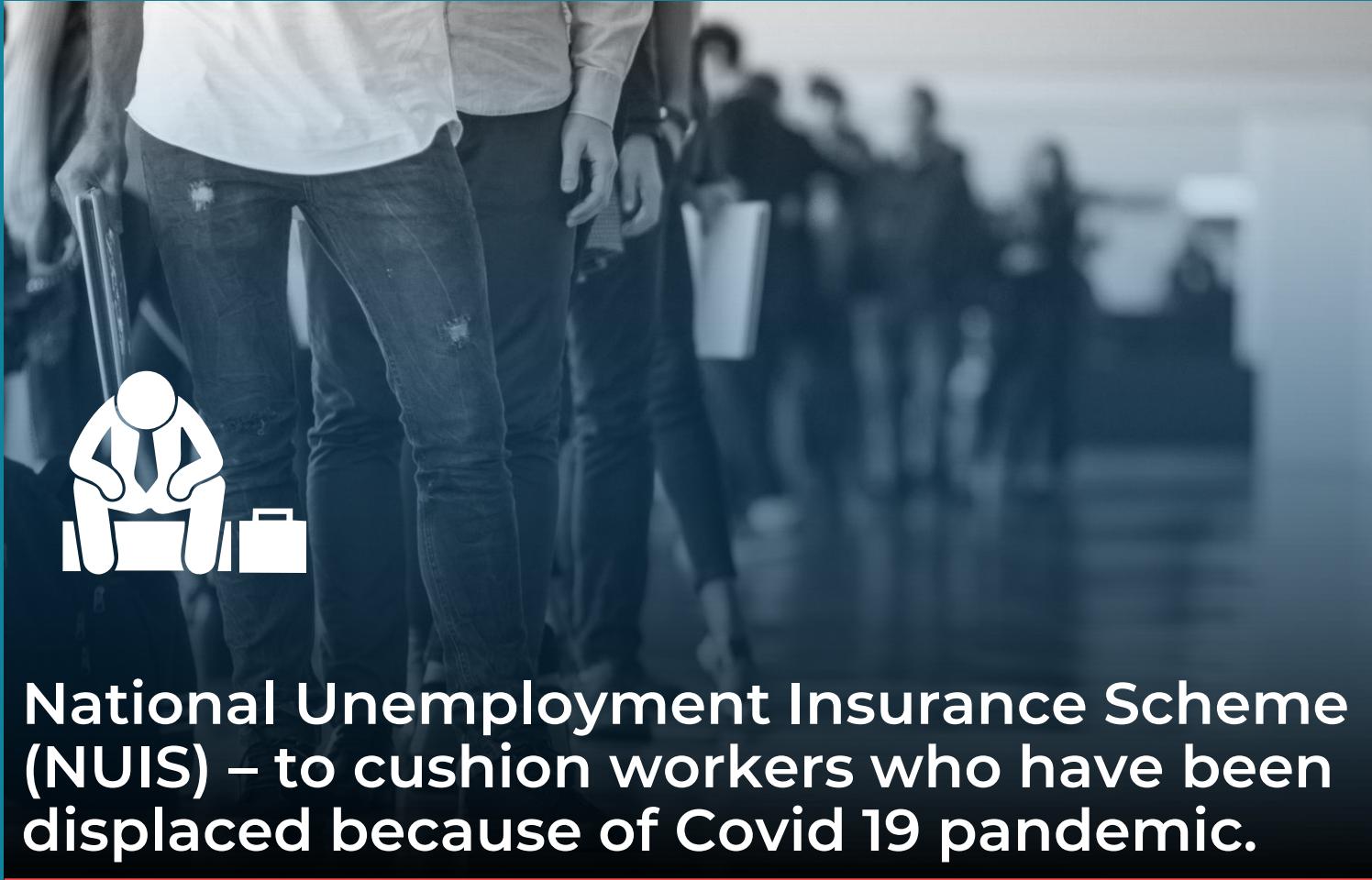
Skills Development Programme - skills development programmes for at least 150,000 young graduates and youth entrepreneurs over the same period.

YouStart Initiative - implement a youth focused intervention to support the youth to develop commercially viable businesses which will in turn create 1.3 million jobs in 3 years under the GhanaCARES programme. The programme is expected to provide:

- Training including skills development, entrepreneurship support and business Advisory service
- Funding Opportunities in terms of access to competitive credits and starter packs
- Enterprise Promotion -



Social Services / Protection



Provision of a training and retraining programme to build the capacity of workers who lost their employment to facilitate re-entry into the job market.

Programme at its pilot stage affect tourism, education and hospitality sector workers.



Energy and natural resources (1)

Climate Action and Sustainable Transition to a Low Carbon Economy –

put in place climate change interventions to leverage the drive towards a green transition in a manner that promotes sustainable growth, financial and fiscal stability, increased employment, and reduced inequality. Ghana's response to climate change will therefore play a key role in achieving our transformation agenda, and medium to long-term national development objectives.



Energy and natural resources (2)

Nationally Determined Contribution –

Ghana has developed 19 policy measures in 10 priority areas to achieve the Nationally Determined Contributions goals in the next decade (2020-2030). Implementation of these policy measures are expected to generate an absolute greenhouse gas emission reduction of 64 MtCO₂e, and create about one million green jobs over the period.

Green Climate Fund (GCF) –

Ghana has submitted 18 proposals to seek funding from the Green Climate Fund (GCF) and co-financiers. Nine proposals were approved, totaling US\$106.9 million. Two key projects approved by the GCF are the Ghana Shea Landscape Emission Reduction Project (GSLERP) and the Affirmative Finance Action for Women in Africa (AFAWA). The GSLERP commenced with an approved amount of US\$30.1 million from the GCF. The project aims to significantly reduce emissions from deforestation on the shea landscape and restore degraded savannah forests as well as improve livelihoods through enhanced ecosystem services.

Energy and natural resources (3)

AFAWA is an on-lending programme that will provide credit lines to local commercial banks. These loans exclusively target Micro, Small and Medium-Sized Enterprises (MSMEs) and farmer-based associations led by women to support low-emissions and climate-resilient agricultural practices.

Government to receive funding from Switzerland to leverage finance and stimulate investment in green friendly projects: Solar Photovoltaic Systems, Landfill Gas, Cook Stoves and Biomass Pellets.

Coalition of Finance Ministers for Climate Action

Carbon Markets - . Government has successfully put in place the critical policies and regulatory arrangements that will enable Ghana to participate in global carbon markets.

Climate Public Expenditure Institutional Review

-Ghana spent an amount of GH¢14.5 billion on various climate change interventions. This constituted an average of 3.94 percent of total expenditure.

Forest Protection

-Ghana is pursuing and implementing an aggressive afforestation programme and projects aimed at restoring lost forest cover.

Energy and natural resources (4)

E-Mobility - Ghana is developing a proposal for the adoption of E-Mobility in the transport sector to address the high levels of Green House Gas (GHG) and air pollution associated with the sector

An amount of GH¢354 million is to be earmarked by MIIF for the Small Scale Mining Incubation Programme over a period of 24 months beginning 1st February 2022 as the initial pilot. Up to 30 percent of the allocation will be earmarked for the provision of equity capital to selected small-scale mining companies under an acceptance criterion which will include strict environmental considerations

The adoption will support Government's effort to provide transport services in an environmentally friendly manner; modernize the existing public urban transportation system, and support Ghana's emission reduction commitment. The expected emission savings from investing in Battery Electric Buses (BEB) will contribute to Ghana's emission reduction commitment in the Nationally Determined Contributions

Minerals Income Investment Fund (MIIF) – establish an incubation programme to develop local capacity in the mining sector and transform wholly Ghanaian owned small scale mining companies into mid-tier and large companies.

Drive Electric Initiative (DEI) for public and private transportation of goods and services.

Renewable Energy – provision of mini-grids as part of the National Electrification Scheme to electrify island communities and off-grid areas. Feasibility studies have been completed for about 100 island and lakeside communities for mini-grid electrification.

National Alternative Employment and Livelihood Programme in Mining Sector

small scale and artisanal miners affected by the government initiative to stop illegal mining activities in Ghana will be provided alternative employment and livelihood opportunities. The programme will be anchored on six initiatives:

- national land reclamation and reforestation,
- agriculture & agro-processing,
- apprenticeship,
- skills training and entrepreneurship,
- responsible, viable and sustainable community mining,
- mine support services,
- community enhancement projects





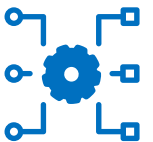
Bridging the digital divide and fast-tracking digitalization

Expand the digital financial platforms, including mobile money and its interoperability with the banking system

Support on-going data integration platforms and electronic information systems with funds to build a durable information infrastructure.

Establish a comprehensive government-wide database and management system for all government digital assets

Government will fast-track efforts to upgrade the kumasi, tamale, sunyani and sekondi-takoradi regional innovation centres to digital centres.



Tourism

Based on the medium-term goals

set out in the national tourism plan, accelerated development of tourism has been prioritised under CARES. This is to ensure investment and development of infrastructure, marketing, and supply-chain links, enhanced capacity of key tourism institutions, and improved coordination with the private sector for job creation and economic expansion.

The interventions

are expected to: increase tourist arrivals in 2021 by 50 percent over the 2020 outcome; and by 2023 increase jobs in the tourism, arts and culture sector by 5 percent and increase the sector's contribution to GDP by 2 percent over the 2019 figure

As part of efforts

to improve the quality of tourism assets in Ghana, parts of the Aburi botanical gardens and the Yaa Asantewaa mausoleum in Ejisu Besease will be upgraded

Design and procure

and construct a heritage village to promote arts and culture.

Transformation of the

Pikworo heritage and slave market, the Salaga slave market, and four targeted beaches.

Commence the sector skills revitalisation programme

to train and certify 10,000 persons by 2023 on specific tourism and hospitality skills, including product knowledge, customer service, digital marketing, and business development.

Other Initiatives

Other initiatives (1)



Zongo Development Fund Programme

Feasibility studies for the development of model senior high schools in zongo communities across the country

The fund is rolling out a plan to train 3,000 zongo youth in various vocational skills and support 1,000 of them with start-up grants, and train 1,000 zongo poultry out-growers out of whom 500 will be supported with startup grants.

The fund is also assessing over 300 business plans from trainees for startup grants and entrepreneurship support to enable them start their own businesses.

Other initiatives (2)



The National Identification Authority

The National Identification Authority enrolled 15,656,160

Ghanaians on the National Identity Register (NIR), out of which 11,648,391 Ghanaians aged 15 years and above were issued with Ghana Cards as at 30th September, 2021. A total of 163,695 foreigners were also enrolled on the NIR and issued with Non-Citizen Identity Cards.

The Authority will continue with the provision of Identity Verification Services for selected stakeholders including SSNIT, NHIA, DVLA, GRA, the banks and telecommunications companies. This consists of both online and Offline verification.

National Development Policy Framework



Government has drafted a new Medium-Term National Development Policy Framework, 2022-2025 as a successor to the current Medium-Term National Development Policy Framework (MTNDPF) — An Agenda for Jobs: Creating Prosperity and Equal Opportunity for All (2018-2021) — to provide the overall framework for medium-term economic recovery and transformation of the country.

Government prepared the GhanaCARES Programme as a direct response to COVID-19 pandemic to revitalise and transform the economy to enable us “build forward better”. Government will continue to support the productive sectors of the economy as well as the vulnerable through the implementation of the GhanaCARES (Obaatanpa) Programme, Government’s key flagship interventions, and targeted social Government prepared the GhanaCARES Programme as a direct response to COVID-19 pandemic to revitalise and transform the economy to enable us “build forward better”. Government will continue to support the productive sectors of the economy as well as the vulnerable through the implementation of the GhanaCARES (Obaatanpa) Programme, Government’s key flagship interventions, and targeted social

Objectives are to:



Build a prosperous country;

Create opportunities for all Ghanaians;

Safeguard the natural environment, including addressing climate change issues and ensure a resilient built environment;

Maintain a stable, united, and safe country;

Build back a resilient and robust country with strengthened adaptive capacity for withstanding national and global threats of different dimensions (including COVID-19);

Improve delivery of development outcomes at all levels.



The broad macroeconomic goals to support the medium-term objectives include:






- Restoration and sustainability of macroeconomic stability with a focus on fiscal and debt sustainability;
- Maintaining a good balance between the implementation of the revitalization and transformation programme and fiscal consolidation to promote growth within a stable macroeconomic environment;
- Providing a supportive private sector environment (including promoting entrepreneurship) for domestic businesses and for FDI to thrive;
- Building a robust financial sector to support growth and development
- Deepening structural reforms to increase revenue mobilization and the efficiency of public expenditures.

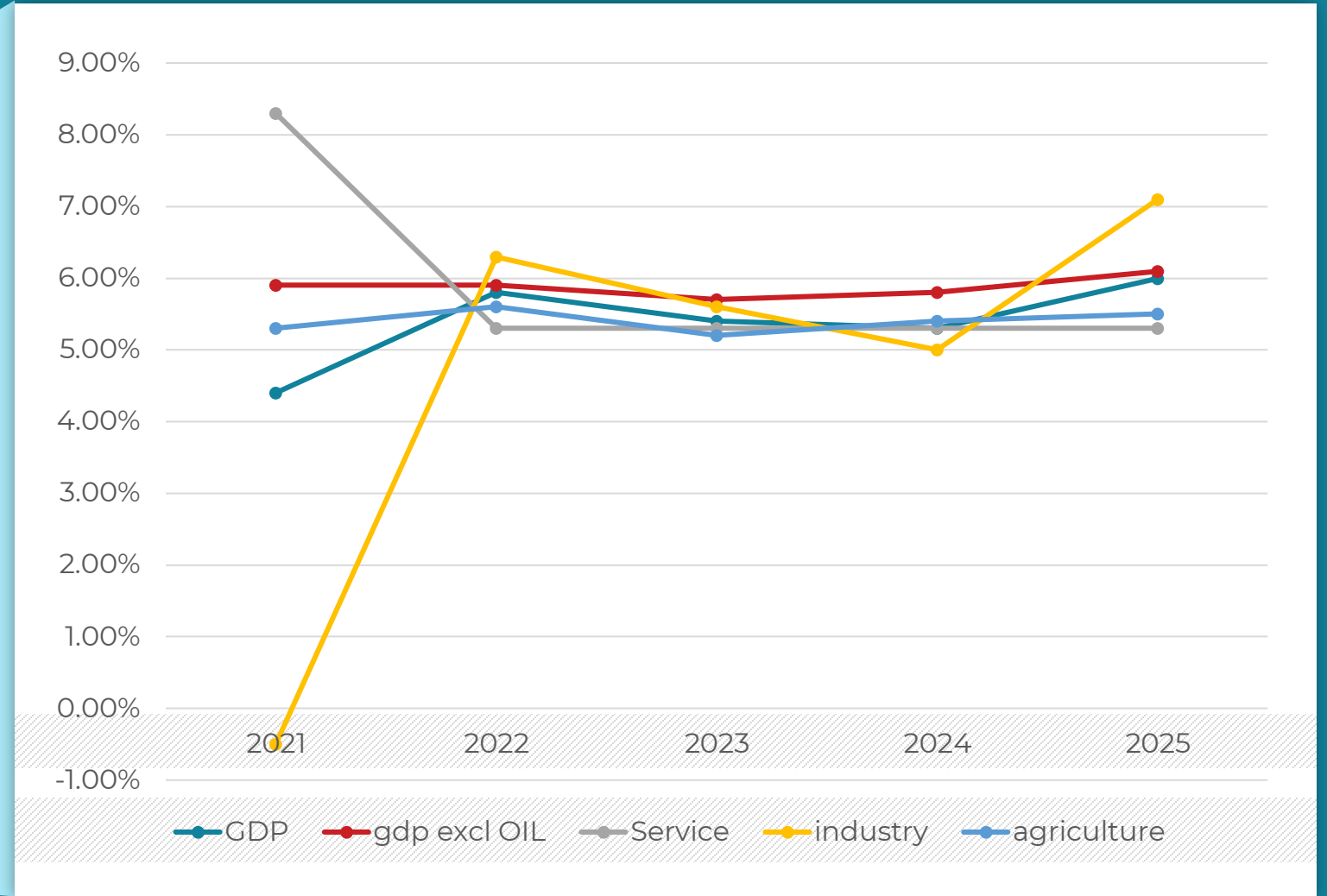
Medium Term Macroeconomic Targets

	2020	2021	2022	2023	2024	2025
	Projected Overturn	Revised Budget				
TOTAL Revenue. & Grants	55,128	72,477	439,381	100,601	112,531	126,275
% of GDP	14	16.50%	17.90%	17.90%	17.70%	17.70%
Total Expenditures (incl. arrears)	100,026	113,750	128,315	135,961	142,820	157,089
% of GDP	26	25.90%	25.80%	24.10%	22.50%	22.10%
Overall Fiscal Balance - Incl. Finsec & IPP Cost	-57,634	-53,379	-39,197	-35,360	-30,288	-30,813
% of GDP	-15.00%	-12.10%	-7.90%	-6.30%	-4.80%	4.30%
Primary Balance - Incl. Finsec & IPP Cost	-33,035	-20,851	-2,142	2,664	8,404	10,497
% of GDP	-8.60%	-4.70%	-0.40%	-0.50%	-1.30%	1.50%
Total Financing	44,898	41,273	39,197	35,360	30,288	30,813
% of GDP	11.70%	9.40%	7.90%	6.30%	4.80%	4.30%
Ominal GDP	383,305	439,381	497,699	563,175	634,443	712,203

Projections

Average (2021-2025)

	5.38% GDP
	5.88% GDP excl OIL
	5.90% Service
	4.70% Industry
	5.40% Agriculture



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