



THE BUDGET HIGHLIGHTS

of the

BUDGET STATEMENT AND ECONOMIC POLICY

of the

GOVERNMENT OF GHANA

for the

2016 FINANCIAL YEAR

presented to

PARLIAMENT

on

FRIDAY, 13TH NOVEMBER 2015

by

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Minister for Finance

on the Authority of

HIS EXCELLENCY

PRESIDENT JOHN DRAMANI MAHAMA



THEME: "Consolidating Progress towards a Brighter Medium Term".

Key Highlights of the 2016 Budget

1. THEME: "Consolidating Progress towards a Brighter Medium Term"
The consolidation agenda hinges on Government's commitment to promoting fiscal discipline based on enhanced domestic revenue mobilization, prudent public expenditure management, improved debt management and the implementation of reforms in key areas of the economy.
2. PUBLIC FINANCIAL MANAGEMENT REFORMS
<ul style="list-style-type: none"> The PFM strategy was developed and approved by Cabinet, to further enhance the efficiency, transparency and accountability of the Public Financial Management Systems. A new PFM Bill is being drafted to be passed into law in 2016 to provide a stronger regime for budget planning and formulation, execution and monitoring.
3. FISCAL POLICY
<ul style="list-style-type: none"> Create additional fiscal space for sustainable budget expenditures and enhance efficiency in tax administration, compliance and increase tax revenue.
4. TAX POLICY AND ADMINISTRATION
<ul style="list-style-type: none"> Rollout fully the excise tax stamp project. Implement measures to address revenue leakages Introduce policies to rationalise and streamline the exemption policy. Re-imposition of Excise duty on Cider beer Review of Income Tax and VAT Threshold Bands.
5. NON-TAX REVENUE
<ul style="list-style-type: none"> Wean-off Commissions, Agencies and Authorities into Companies including Driver and Vehicle Licensing Authority (DVLA); Environmental Protection Agency (EPA); and Energy Commission (EC).
6. EXPENDITURE MANAGEMENT INITIATIVES
<ul style="list-style-type: none"> Manage the impact of the compensation bill through payroll management Strengthen the cash management system to include the B-Tracking, e-Travel Card, e-Fuel Card, and the Treasury Single Account.
7. SUSTAINABLE DEBT MANAGEMENT
<ul style="list-style-type: none"> Progress is being made to ensure loan contracted with on-lending agreements by SOEs are recovered. Strengthen public debt management and operations. Limit the use of sovereign guarantees and encourage ring-fencing.
8. INFRASTRUCTURE DEVELOPMENT INITIATIVES
<ul style="list-style-type: none"> Develop a draft National Infrastructure Plan Adoption of a new approach through Public Private Partnerships for infrastructure development Ghana Infrastructure Investment Fund (GIIF)
9. OTHER INITIATIVES
<ul style="list-style-type: none"> Job Creation/ Youth Employment Initiatives: 100,000 youth will be engaged under the Community Improvement Programme. Green House Project: train farmers, youth, women and agricultural graduates in commercial and modern greenhouse vegetable production in the country.



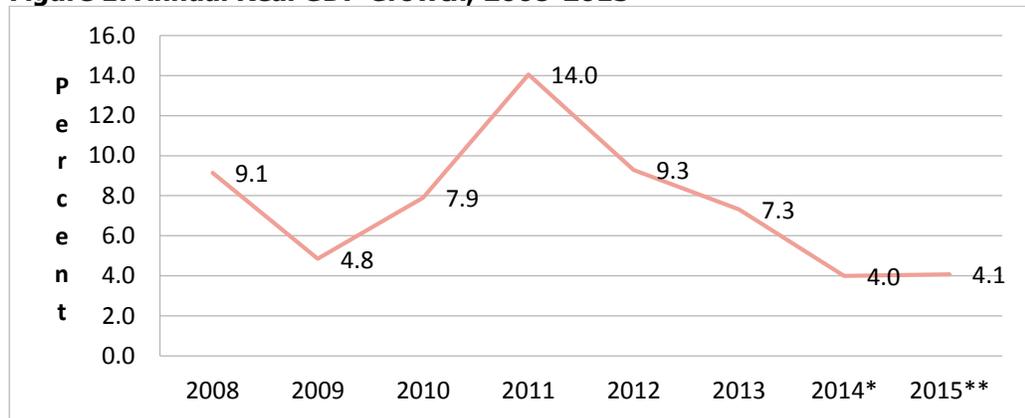
THEME: "Consolidating Progress towards a Brighter Medium Term".

MACROECONOMIC PERFORMANCE FOR 2015

Real Sector

1. Provisional real GDP is expected to grow by 4.1 percent in 2015, representing a slight increase from the revised figure of 4.0 percent recorded in 2014 and the revised 2015 Mid-Year GDP growth target of 3.5 percent.

Figure 1: Annual Real GDP Growth, 2008-2015



Source: Ghana Statistical Service

*Revised

**Provisional

Sectoral Performance

2. Provisional data shows the Industry Sector will be the highest growth performer among the main sectors in 2015, with an expected growth outturn of 9.1 percent.
3. The Services Sector is expected to achieve a growth outturn of 4.7 percent, whilst that of Agriculture is expected to be 0.04 percent. Table I below shows Sector Growth Performances between 2013 -2015.

Table 1: Real Sector Growth Performances (2013 -2015)

Sectors	2013	2014*	2015**
Agriculture	5.7	4.6	0.04
Industry	6.6	0.8	9.1
Services	10.0	5.6	4.7

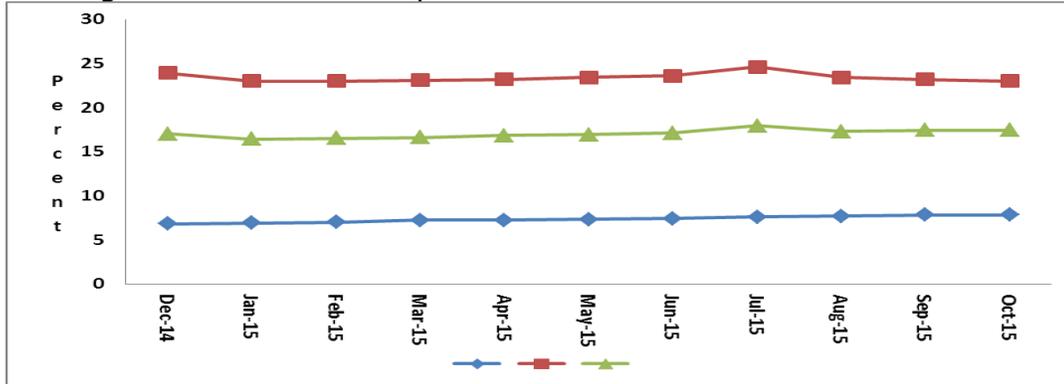


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Inflation

4. Annual inflation increased from 16.4 percent in January 2015 to 16.6 percent in March and to 17.9 percent in July, 2015. It however declined to 17.3 percent in August but rose marginally to 17.4 percent in October, 2015. See Figure 2 below.

Figure 2: Inflation Trends, December 2014-October 2015



Source: Ghana Statistical Service

Monetary Sector Developments

5. **Broad Money Supply (M2+)** grew at 23.3 percent year-on-year in September 2015 compared to a growth of 33.6 percent in September 2014
6. **Credit to Public and Private Sector:** Total outstanding credit to the public and private sectors stood at GH¢28,730.7 million at the end of September 2015. This represents a year-on-year growth in credit of 20.9 per cent in September 2015, compared with a growth of 50.6 percent in September 2014. The private sector accounted for 82.4 per cent of total outstanding credit at the end of the review period.
7. **Interest rates:** The Bank of Ghana Policy Rate was increased from 21 percent in December 2014 to 25.0 percent in September 2015.
 - The Rates on the 91-day T-Bill declined from 25.8 percent in December 2014 to 25.2 percent in September 2015; and
 - The 182-day Bill declined from 26.4 percent in December 2014 to 25.9 percent in September 2015.
8. **Exchange Rate:** Developments in exchange rate over the first nine months showed a general weakness in the Ghana cedi against the major trading partners:
 - The Ghana cedi depreciated cumulatively by 14.8 per cent, 12.6 per cent and 7.8 per cent against the US dollar, the Pound sterling and the Euro in the interbank market, respectively.



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External Sector Development

9. The provisional trade balance for the first nine months of 2015 showed a deficit of US\$2,340.30 million. This is expected to register a end year deficit of US\$3,537.0 (9.8% of GDP) and a current account deficit of US\$2,927.0 (8.1 per cent of GDP).
10. Gross Foreign Assets (GFA) stood at US\$4,521.0 million (2.8 months of imports) at the end of September 2015. This is projected to rise to US\$6,469 million at the end of 2015, sufficient to cover 4.0 months of import of goods and services.

Fiscal Sector Developments for 2015

11. Total revenue and grants for the first three quarters of 2015 amounted to GH¢22,693.3 million, equivalent to 16.9 percent of GDP, against a target of GH¢21,918.4 million, equivalent to 16.3 percent of GDP.
12. Total expenditure, including payments for the clearance of arrears and outstanding commitments for the first three quarters of the year amounted to GH¢29,438.2 million (22.0 percent of GDP) against a target of GH¢29,501.8 million (22.0 percent of GDP).
13. The overall budget balance on cash basis registered a deficit of GH¢6,744.9 million, equivalent to 5.1 percent of GDP. This was against a deficit target of GH¢7,583.4 million, equivalent to 5.7 percent of GDP.
14. Domestic Financing amounted to GH¢4,680.4 million, against a target of GH¢2,905.7 million, while Foreign Financing of the deficit was GH¢2,064.5 million, against a target of GH¢4,677.7 million.
15. Government fiscal position for January to September and outlook for the rest of 2015 are summarized in Table 3.



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Table 3: Summary of Central Government Operations and Financing-2015

Item	2014 (Jan-Sept) Actual Outturn		2015 Revised Budget Estimate		2015 (Jan-Sept) Target		2015 (Jan-Sept) Prov.Outturn		Jan.-Sept. 2015	2015 Proj. Outturn		% Change over Revised Budget Est.	% Change over 2014
	Amt. (GH¢ M)	% of GDP	Amt. (GH¢ M)	% of GDP	Amt. (GH¢ M)	% of GDP	Amt. (GH¢ M)	% of GDP	% Deviation	Amt. (GH¢ M)	% of GDP	%	%
	a	b	c	d	e	f	g	h	i=(g/e)	j	k	l=(j/c)	m=(f/a)
Total Revenue & Grants	17,721.7	15.6	30,526.2	22.8	21,918.4	16.3	22,724.6	17.0	3.7	32,189.2	24.1	5.4	28.2
Total Expenditure & Arrears Clearance	24,951.1	22.0	40,253.6	30.0	29,501.8	22.0	29,469.5	22.1	-0.1	41,931.4	31.5	4.2	18.1
Overall Fiscal Balance	-7,229.4	-6.4	-9,727.4	-7.3	-7,583.4	-5.7	-6,744.9	-5.1	-11.1	-9,742.2	-7.3	0.2	-6.7
Total Financing	7,229.4	6.4	9,727.4	7.3	7,583.4	5.7	6,744.9	5.1	-11.1	9,742.2	7.3	0.2	-6.7
o/w Domestic Financing	1,982.2	1.7	4,978.5	3.7	2,905.7	2.2	4,680.4	3.5	61.1	4,501.1	3.4	-9.6	136.1

Source: Ministry of Finance

Petroleum Receipts

16. GNPC lifted five parcels of crude oil (i.e. the 25th–29th liftings) on behalf of the State between January and September 2015. This involved 4,781,972 barrels of oil, down from 4,824,715 barrels in the corresponding period in 2014.
17. Total petroleum receipts (i.e. proceeds from Jubilee liftings and other petroleum receipts) as at the end of the third quarter of 2015 was US\$341.50 million (GH¢1,243.65 million).

Allocation of 2015 Petroleum Receipts

18. Out of the total petroleum revenue of US\$341.50 million received in the first nine months of 2015,
 - US\$98.30 million was allocated to GNPC (the NOC) as its share of Equity Financing Cost (US\$38.66 million) and Net Carried and Participating Interest (US\$59.64 million).
 - A total of US\$16.60 million (GH¢67.06 million) was transferred into the GPF, of which US\$4.98 million or GH¢20.17 million was transferred to the GHF while US\$11.62 million or GH¢46.89 million was transferred to the GSF.
19. Total ABFA amounted to US\$227.47 million (GHS834.76 million) between January and September 2015, of which US\$39.81 million was transferred to the Ghana Infrastructure Investment Fund (GIIF).



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Utilisation of the 2015 Annual Budget Funding Amount

20. Actual utilisation of ABFA amounted to GHS84.52 million, GHS576.0 million, and GHS353.57 million at the end of the first, second and third quarters of 2015, respectively. Utilisation of the ABFA by the priority areas as shown in **Table 2**.

Table 2: ABFA Utilisation by Priority Area

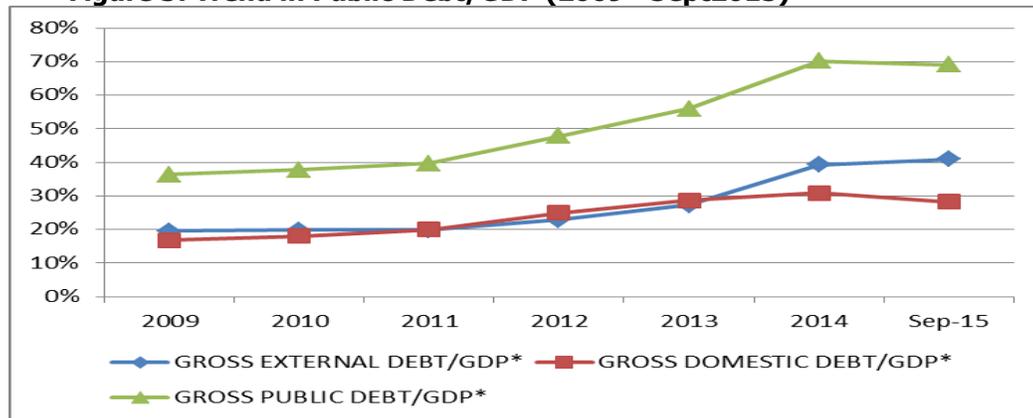
S/N	Priority Area	2015 Revised Budget (GH¢)	Actual Utilisation (GH¢)
1	Expenditure and Amortisation of Loans for Oil and Gas	322,306,372.57	390,517,533.49
2	Road and Other Infrastructure	492,917,039.43	451,586,162.80
3	Agriculture Modernization	30,567,167.50	27,043,457.48
4	Capacity Building (including Oil and Gas)	217,157,581.99	135,948,665.69
5	Total	1,062,948,161.49	1,005,095,819.46

Source: MoF

Developments in Public Debt

21. Provisional debt stock as at September, 2015, stood at GH¢92,161.84 million (US\$24,285.07), made up of GH¢54,488.26 million (US\$14,357.91million) for external debt and GH¢37,673.58 million (\$9,927.16 million) for domestic debt.
22. In terms of GDP, the public debt stood at 69.12 percent at the end of September, 2015 from 70.15 percent in December, 2014 as shown in Figure 3.

Figure 3: Trend in Public Debt/GDP (2009 –Sept2015)





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MACROECONOMIC TARGETS FOR THE MEDIUM-TERM AND 2016

23. Fiscal policy over the medium-term will aim to progressively reduce the fiscal deficit from 5.3 percent of GDP in 2016 to 3.0 percent of GDP by 2018. This reduction will be driven by revenue and expenditure through revenue administration reforms, improved public financial management and expenditure rationalization to enhance the efficiency of public spending, as well as the implementation of new debt management strategies.
24. The following revenue enhancing and expenditure rationalization measures, among others, will be reinforced over the short to medium term to ensure the achievement of the nation's fiscal objectives:
 - The Income Tax Act, 2015 (Act 896) will be fully implemented in January 2016. The new Act which replaces Act 592 seeks to simplify the income tax regime and improve tax compliance, is expected to yield additional revenue equivalent to 0.3 percent of GDP.
 - Realignment of Statutory Funds: To address the increasing rigidities in the budget, Statutory Funds expenditures totaling GH¢564.6 million will be realigned to the central Government budget.
25. Based on the medium term macroeconomic framework, the specific macroeconomic targets to be pursued for the medium term (2016-2018) include the following:
 - An average real GDP (including oil) growth rate of at least 8.2 percent;
 - An average non-oil real GDP growth rate of 6.9 percent;
 - An inflation target of 8 percent with a band of ± 2 percent;
 - An overall Budget Deficit of 3.0 percent by 2018; and
 - Gross International Reserves to cover not less than 4 months of imports.
26. The specific macroeconomic targets for 2016 are as follows:
 - Overall real GDP (including oil) growth of 5.4 percent;
 - Non-oil real GDP growth of 5.2 percent;
 - An end year inflation target of 10.1 percent;
 - Overall budget deficit equivalent to 5.3 percent of GDP; and
 - Gross international reserves of not less than 3 months of import cover.



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Table 4: Summary of Revenue and Grants Estimates for 2016

Item	Including oil			Excluding oil		
	Amount (GHc M)	% of GDP	% of Total Revenue & Grants	Amount (GHc M)	% of GDP	% of Total Revenue & Grants
Total Revenue and Grants	38,038.1	24.0	100.0	36,029.7	24.1	100.0
Domestic Revenue	36,430.2	23.0	95.8	34,421.8	23.0	95.5
Tax Revenue	28,868.5	18.2	75.9	28,310.1	18.9	78.6
Taxes on Income & Property	12,072.0	7.6	31.7	11,513.6	7.7	32.0
Taxes on Domestic Goods & Services	7,434.8	4.7	19.5	11,323.9	7.6	31.4
International Trade Taxes	5,472.6	3.5	14.4	5,620.8	3.8	15.6
Non-Tax Revenue	7,209.7	4.6	19.0	5,759.7	3.9	16.0
Others (Social Contributions)	352.0	0.2	0.9	352.0	0.2	1.0
Grants	1,607.9	1.0	4.2	1,607.9	1.1	4.5

Source: Ministry of Finance

Table 5: Summary of Expenditure Estimates for 2016

Item	Including oil			Excluding oil		
	Amount (GHc M)	% of GDP	% of Total Expenditure & Arrears Clearance	Amount (GHc M)	% of GDP	% of Total Expenditure & Arrears Clearance
Total Expenditure & Arrears Clearance	46,445.7	29.3	100.0	44,567.0	29.8	100.0
Total Expenditure	43,505.1	27.5	93.7	41,626.4	27.8	93.4
Compensation of Employees	14,024.0	8.9	30.2	14,024.0	9.4	31.5
Use of Goods and Services	2,536.8	1.6	5.5	2,234.1	1.5	5.0
Interest Payments	10,490.6	6.6	22.6	10,490.6	7.0	23.5
Subsidies	50.0	0.0	0.1	50.0	0.0	0.1
Grants to Other Government Units	9,651.4	6.1	20.8	9,084.5	6.1	20.4
Capital Expenditure	6,676.9	4.2	14.4	5,667.9	3.8	12.7
Social Benefits	75.4	0.0	0.2	75.4	0.1	0.2
Arrears Clearance and Tax Refunds	2,940.6	1.9	6.3	2,940.6	2.0	6.6

Source: Ministry of Finance

Table 6: Summary of Central Government Finance (2016)

Item	Including oil			Excluding oil		
	Amount (GHc M)	% of GDP	% of Total Financing	Amount (GHcM)	% of GDP	% of Total Financing
Overall Fiscal Balance	-8,407.7	-5.3		-8,537.4	-5.7	
Total Financing	8,407.7	5.3	100.0	8,537.4	5.7	100.0
Foreign	3,398.9	2.1	40.4	3,398.9	2.3	39.8
Domestic	5,441.2	3.4	64.7	5,441.2	3.6	63.7
Other	-432.4	-0.3	-5.1	0.0	0.0	0.0

Source: Ministry of Finance



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POLICY INITIATIVES FOR 2016

27. Update on the status of policy initiatives implemented in the past few years is presented as follows;

Public Financial Management Reforms

28. A comprehensive PFM Strategy with accompanying action plan and results framework has been approved by Cabinet to further enhance the efficiency, transparency and accountability of the Public Financial Management Systems.
29. A new overarching PFM Bill which is currently being drafted is expected to be passed into law in 2016, to provide a stronger regime for budget planning and formulation, execution and monitoring. The law is intended to provide a comprehensive approach to macro-fiscal management, budgeting, treasury and debt management, accounting and reporting of the use of all public resources.

FISCAL POLICY

Tax Policy and Administration

30. The following tax measures was introduced to create additional fiscal space for sustainable budget expenditures:
- Parliament passed the law to increase excise tax rate from 150 percent to 175 percent;
 - GRA insist on importers to quote TIN and tax office quotes at the ports;
 - NHIS Act amended to ensure that transfers to the NHIF conforms to the taxable base of the VAT Act 2013 (ACT 870); and
 - GRA reviewed and harmonized various tax laws. This includes the Income Tax Act, passed in 2015 to complement the Value Added Tax Act, the Customs Act and the Excise Law. The Revenue Administrative Bill is expected to be laid in Parliament in 2016.
31. For 2016 and the medium term, Tax Policy will focus on measures that will ensure tax compliance and improve revenue administration rather than introduce new taxes. These measures include the following:
- moving all processes to an electronic platform and accelerating the shift to a functional form of administration in all tax offices;
 - review the current thresholds for classification of persons as large, medium or small to reflect current trends;
 - establish joint audit/investigation teams to conduct audits and investigations;
 - intensify the monitoring of Free Zones Enterprises by rolling out the Integrated Free Zones Unit in line with the 2nd GRA Strategic Plan 2015 - 2017;
 - implement the Electronic Point of Sale project; and
 - rollout fully the excise tax stamp project;



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Non-Tax Revenue

32. Non-Tax Revenue/Internally Generated Funds (NTR/IGF) performance grew at an annual average rate of 22.7 percent over the past three years. In 2016, the Ministry will continue to implement policy initiatives to further improve performance. Among the new initiatives will be, the
- Wean-off the Driver and Vehicle Licensing Authority (DVLA); Environmental Protection Agency (EPA); Energy Commission (EC); Data Protection Commission (DPC); Gaming Commission (GC); and Securities and Exchange Commission (SEC) and eventually convert them into Companies in accordance with the Statutory Corporation (Conversion to Companies) Act, 1993, (Act 431);

EXPENDITURE MANAGEMENT INITIATIVES

Payroll Management

33. Government will manage the impact of the compensation bill in 2016 by the continuation of the following measures:
- Electronic-Payroll Input Forms (e-Forms);
 - Interfacing Payroll Database with SSNIT Biometric data: Nationwide Pension Payroll Head Count;
 - Enhancing control and oversight; and
 - The progressive roll out of the Human Resource Management Information System (HRMIS).

Cash Management

34. To effectively manage public expenditure and make funds available in a timely manner to meet planned expenditures, a number of Policy initiatives are being undertaken to strengthen the cash management system. These include the B-Tracking, e-Travel Card, e-Fuel Card, and the Treasury Single Account.

Sustainable Debt Management

35. To ensure that Government's financing needs and payment obligations are met at the lowest possible cost over the medium to long term, a debt management strategy was developed to provide a more cost-efficient access to the international and domestic capital markets. Progress made on implementing the strategy includes the following:
- **On-lending and Escrow Arrangements:** Government has made significant progress in ensuring that loans contracted for SOEs and MDAs



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for commercial projects are done with on-lending agreements to ensure recovery;

- **Interest rate Hedging:** The Ministry of Finance will strengthen public debt management policy and operations by implementing the Interest Rate Hedging Policy through swap arrangements to allow for enhanced predictability of debt service;
- **Sovereign Guarantees:** Government will limit the use of Sovereign Guarantees, encourage the ring-fencing of SOE's receivables for debt repayments including utilities payments.

FINANCIAL SECTOR INITIATIVE

36. Financial Sector Initiatives includes:

- **Capital Market Development:** The Ghana Fixed Income Market (GFIM) Governing Committee was established with oversight responsibility of facilitating the secondary trading of fixed income securities through greater efficiency, better price discovery, increased liquidity and greater transparency.
- **Dormant Assets Scheme:** Government in 2016 will revisit the initiative to implementing a dormant asset scheme to improve the tracking of beneficiary owners of dormant account unclaimed dividends, interest payments and insurance benefits to provide for a sound investment of scheme assets.

Infrastructure Development Initiatives

37. Government recognizes infrastructure development as a key ingredient in its development agenda. Over the past three years the following initiatives have been implemented.

- **National Infrastructure Plan:** A draft National Infrastructure Plan has been developed.
- **Public Private Partnerships:** Government has adopted a new approach to financing infrastructure development. A number of PPP projects will be implemented in the course of the year. Feasibility studies have been conducted on at least 18 PPP projects whilst a number of them are at various stages of implementation.

OTHER INITIATIVES

38. **Job Creation/ Youth Employment Initiatives:** Following the passage of the Youth Employment Act, 2015 (Act 887) a total of 100,000 youth will be engaged in six different areas including: Waste and Sanitation; Security Services; Community Teaching Assistant; Community Health Assistant; Youth in



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Afforestation; and Youth in Apparel under the Community Improvement Programme. An additional 1,000 persons with disabilities are expected to be engaged.

39. **Green House Project:** Government will establish Green House capacity building and training centres to train farmers, youth, women and agricultural graduates in commercial, modern greenhouse vegetable production in the country.

SOCIAL PROTECTION/PRIORITY INTERVENTION PROGRAMMES

40. To eradicate extreme poverty, under the LEAP programme, bi-monthly cash grants were disbursed to a total of 116,000 households in 180 Districts across the 10 Regions. Cash grants per head was increased from GH¢36.00 to GH¢44.00.
41. Under the LEAP 1000 project, enrolment of an additional 6,006 beneficiary households was completed in the Northern and Upper East regions, whilst about 382 children in Children's Homes, 12 elderly persons in Elderly Homes, 405 lepers in various Leprosaria and 751 persons in Witches Camps received LEAP grants.
42. In 2016, Government will expand the LEAP to cover over 250,000 beneficiary households and strengthen the institutional arrangements for social protection.

2015 SECTORAL PERFORMANCE AND OUTLOOK FOR 2016

MINISTRY OF FOOD AND AGRICULTURE

43. The Ministry as part of its agricultural modernization and food security programme assembled and sold to farmers, 77 SAME tractors, 49 power tillers, 20 rice threshers, eleven rice reapers and six rice mills with their respective components.
44. In 2016, the Ministry will procure 50 tractors with components to support Agricultural Mechanization Services Enterprise Centres (AMSECs).
45. The Ministry in collaboration with the private sector established 2,500ha of cotton farms with an expected yield of 1,500mt of seed cotton. The Cotton Development Board was also inaugurated to regulate activities in the industry to improve cotton production in the country.
46. In 2015, the Ministry facilitated the production of 16 million doses of ND1-2 vaccines out of a target of 32 million for the control of Newcastle disease in poultry. A total of 5,750,000 doses were also distributed countrywide. Government will continue to produce doses of ND1-2 vaccines to increase the poultry population in 2016.
47. Government in 2015 reviewed upward the producer price of cocoa by 21.74 percent, from GH¢5,520.00 per tonne to GH¢ 6,720.00 per tonne for the 2015/16



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cocoa season. This is accompanied by a bonus of GH¢5.00 per bag of 64kg gross weight. An amount of US\$150,000 has been set aside by COCOBOD to rehabilitate cocoa roads to improve the quality of life and motivate the youth to engage in cocoa farming in the communities.

MINISTRY OF HEALTH

48. In 2015 government continued its investment in health infrastructure in an attempt to improve on healthcare delivery to citizens. Health infrastructure projects embarked on countrywide are at various levels of completion as follows:
- The 600-bed University of Ghana Teaching Hospital - 65 percent;
 - The civil works on 420-bed Ridge Hospital Expansion Project - 60 percent;
 - The Dodowa District Hospital in the Greater Accra region is about 80 percent complete whilst Takoradi European, Fomena, Kumawu, and Abetifi District Hospitals are between 15 and 35 percent complete;
 - The Upper West Regional Hospital which is scheduled to be completed in 2016 is currently 67.56 percent complete; and
 - Phase II of the Tamale Teaching Hospital commenced this year and is expected to increase the bed capacity to 800 when completed.
49. The Tarkwa District Hospital, five Polyclinics Phase III project at Nkrankwanta, Wamfie, Kwatre, Bomaa and Techimantia in the Brong Ahafo Region and Phase II of Bolgatanga Regional Hospital have been completed.
50. Government has also commenced work on the construction and equipping of 10 polyclinics in the Central region (Besease, Gomoa Dawurampong, Biriwa, Etsii Sunkwa, and Esikuma Gyamera, Agona Duakwa, Bimpong Akunfude, Ekumfi Naakwa, Twifo Atimokwa, Gomoa Potsin.), and five polyclinics in Greater Accra (Adentan, Ashaiman, Bortianor, Oduman, Sege) and will continue in 2016.

MINISTRY OF PETROLEUM

51. The Atuabo Gas Infrastructure Project is complete and operational. The plant is currently delivering about 100mmscf/day to thermal plants at Aboadze for power generation. It is also on track to produce Liquefied Petroleum Gas (LPG) of more than 180,000 metric tons per year.
52. In 2016, the installation of FPSO J.E.A Mills and the completion of all subsea installations will pave the way for oil and gas production in the Tweneboa-Enyenra-Ntomme (TEN) Project which will deliver about 60,000 bopd and 60 mmscf of gas daily. First Oil is expected in the third quarter of 2016.
53. The Sankofa Gye Nyame (SGN) Project has been negotiated and concluded. The project has recoverable reserves of 162mmbbls of oil and 1.07 TCF of gas. Two development wells have been drilled as at September. Production of first oil is expected in 2017 and gas in 2018.



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MINISTRY OF POWER

54. As part of measures to address the on-going power supply challenges, government has undertaken the following projects which are at various stage of completion:
- Work on the 220MW Kpone Thermal Power Project is on course and is expected to be commissioned for operations before the end of the year;
 - Installation works are progressing steadily on the 250MW Ameri and 225MW Karpower Projects and are expected to be commissioned before the end of the year;
 - Work on the 110MW TICO expansion is completed and commencement of commercial operations is expected in 2016;
 - Installation works on the 360MW Sunon Asogli expansion project is on-going. The first phase with an installed capacity of 180MW is to be commissioned by the end of the year, whilst the second phase of another 180MW would be completed in 2016; and
 - The Volta River Authority's (VRA) expansion of the existing Siemens plant (49.5MW) by the addition of 38MW is 90 percent complete.
55. In 2015 a total of 272 solar systems were installed in public facilities including schools and community centres located in remote communities. A total of 375 solar systems were also rehabilitated in remote health facilities (CHP compounds) in 23 districts. Government in 2016 will continue its investment in the sector to further address to the power challenges.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

56. Government in 2015 facilitated the completion of a number of projects in the Water Resource, Works and Housing sector which are at various stages of completion;
- The Kpong Water Supply Expansion and rehabilitation works was completed and is currently producing 20 million gallons per day (MGD) of water for the Greater Accra Metropolitan Area (GAMA).
 - Five projects under the Northern Regional Small Towns Water and Sanitation Project (NORST) were completed. These includes; Bunkpurugu – 1, Karaga – 1, Yendi – 2, Tatale-Sanguli – 1 and Nanumba North (Bincheratanga) – 1. Eight other projects were completed and ready for commissioning in Nanumba North (Makayili), Nanumba South (Lungni), Gushegu, Saboba, Kpandai – 2 systems, Chereponi and West Mamprusi Districts.
 - In 2016, Government will continue to work at completing the construction of the water treatment plant at Kumawu and Konongo, and rehabilitation of the Kwahu Ridge Water supply system which is expected to add 8.47MGD of water to the supply system. The construction of water treatment plant in Akim Oda and Akwatia will continue.



THEME: "Consolidating Progress towards a Brighter Medium Term".

- Coastal protection works aimed at protecting the land, preventing further erosion and protecting life and property are at various stages of completion - Aboadze 70 percent, Sakumono 100 percent, Nkontompo 50 percent. In 2016, work will commence on Dansoman, Adjoa-New Takoradi, New Takoradi, Amanful Kumah and Blekusu.
- Phase II of the construction of 368 housing units for the security services is on-going. The construction of 5,000 Affordable Housing Unit at Saglemi-Ningo Prampram is progressing. Phase I of the project consisting of 1,502 housing units commenced and will be completed in 2016.
- The 4,720 government affordable housing units in the Greater Accra, Ashanti, Northern, Upper West and Eastern regions are at various stages of completion. 72 units allocated to the State Housing Company Limited (SHCL) at Borteyman are completed.

MINISTRY OF ROADS AND HIGHWAYS

57. The Ministry continued the rehabilitation, reconstruction and construction of bridges and roads countrywide. A total of 67km and 25km of development works were executed on the trunk and urban road networks, respectively. The progress on some of the projects most of which are expected to be completed in 2016 are as follows:-

Table 7: Status of work on selected roads

Project	2014	2015
Tetteh Quarshie – Madina	96%	96%
Nsawam - Apedwa Road, Kwafokrom - Apedwa	68%	70%
Buipe – Tamale	98%	100%
Fufulso-Sawla	60%	99%
Dodi-Pepesu Nkwanta	58%	88%
Tarkwa Bogoso-Ayamfuri	11%	70%
Agona Junction – Elubo	11%	91%
Ayamfuri – Asawinso	36%	70%
Enchi – Dadieso	53%	57%
Wa – Han	15.2%	46%
Awoshie-Anyaa Road Project	96.9%	99.9%
Anyaa – Pokuase Road Project	90.7%	96%
Burma Camp Roads	77%	86%
Giffard Road	71.8%	99%
Sunyani Road (in Kumasi)	85%	99%
Kansaworodo Bypass	-	77%
Kwame Nkrumah Interchange Phase 1	-	100%
Kwame Nkrumah Interchange Phase 2	-	45%
Bridge over Benya Lagoon at Elmina	-	79%



THEME: "Consolidating Progress towards a Brighter Medium Term".

58. In 2016, about 200km of trunk roads and 40km of urban roads will be constructed. Some of the key roads programmed for construction includes; Nsawam–Apedwa Road, Kwafokrom–Apedwa, Dodi-Pepesu–Nkwanta, Enchi–Dadieso, Kwame Nkrumah Interchange, Kasoa Interchange.
59. The Ministry also undertook routine maintenance works on 7,228km of trunk road, 7,471km of feeder road, and 5,900km of urban road networks. Routine maintenance activities will be undertaken on 11,199km, 22,500km and 10,200km of trunk, feeder and urban road networks, respectively in 2016.

MINISTRY OF EDUCATION

60. Government provided funding for Capitation Grant to pupils in public basic schools and subsidy for the registration of 438,000 candidates for the 2015 Basic Education Certificate Examinations (BECE). Government will continue to implement this policy in 2016.
61. Government distributed school uniforms to 504,070 pupils in selected deprived communities to boost enrolment and retention in basic schools.
62. A total of 1,181 candidates took part in the maiden edition of the BECE resit in March 2015 and were part of the placement into SHS and Technical institutes.
63. In fulfilment of the Constitutional provision of making secondary education progressively free, government launched the Progressively Free Secondary Education Programme at Ekumfi Otum and provided funding for the first term of 2015/16 academic year to absorb the examination and other curricular fees for 320,488 day students in public senior high schools.
64. Government as part of its commitment to construct 200 Community Day Senior High Schools, the construction of 123 schools has commenced in earnest with 100 schools being funded by government and 23 schools by the World Bank. Three schools have been completed at Otum, Bamianko and Nkwanta. Ten additional schools are expected to be completed by the end of the year.
65. Following the passage of the Bill by Parliament for the establishment of the University of Environment and Sustainable Development in the Eastern Region, Construction works for the university will commence in 2016.