



Republic of Ghana



# CITIZENS' BUDGET -2018-

AN ABRIDGED AND SIMPLIFIED VERSION OF THE 2018 BUDGET  
STATEMENT AND ECONOMIC POLICY



ON THE AUTHORITY OF HIS EXCELLENCY NANA  
ADDU DANKWA AKUFO-ADDU  
PRESIDENT OF THE REPUBLIC OF GHANA



***Theme: "Putting Ghana Back to Work"***

**Contact information for follow-up by citizens**

The 2018 Budget Statement and Economic Policy of the Government and the Citizens'

Budget are available on the internet at:

[www.mofep.gov.gh](http://www.mofep.gov.gh)

For copies of the Statement, please contact the Public Relations Office of the Ministry of Finance:

**Public Relations Office  
New Building**

**Ground Floor**

**Room 001 or 003  
P. O. Box MB 40**

**Accra - Ghana**

Email: [info@mofep.gov.gh](mailto:info@mofep.gov.gh)

**Theme: "Putting Ghana Back to Work"**

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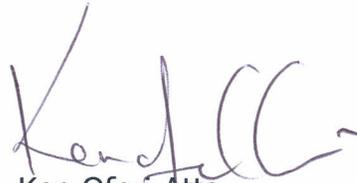
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## ***Theme: "Putting Ghana Back to Work"***

### **FOREWORD**

- I. The 2017 Budget provided a clear roadmap of how Government plans to transform our economy into a full-fledged middle income country, and fulfil the promises that were made to the people of Ghana.
- II. Over the past months (10) a lot has been done to stabilize the economy and we remain committed to sustaining the gains made so far. We sowed the seeds for growth and jobs because this Administration places high value on improving the well-being of Ghanaians.
- III. After months of hard work, Government:
  - Rolled out the free SHS Programme to ensure equal opportunities for all;
  - Rolled-out the National Digital Addressing System to provide unique addresses for all properties in Ghana;
  - Launched the National Identification Scheme;
  - Restored the teachers and nurses' training allowances; and
  - Confronted the galamsey menace
- IV. In the 2018 Budget, we will place special emphasis on propagating an entrepreneurial culture through the National Entrepreneurship Innovation Programme (NEIP) especially among young Ghanaians under the age of 35. We will focus on investing in strategic infrastructure, industrialization, agriculture and agribusiness, job creation and entrepreneurship and innovation. We will expand the initiatives we began in 2017 and initiate new ones which will make Ghana work again as depicted in the budget theme "*Putting Ghana back to work*".
- V. The 2018 Budget also reflects how Ghana is implementing the Sustainable Development Goals (SDGs) in the various sectors to ensure the attainment of inclusive and sustainable growth. This budget, like the SDGs, focuses on the people, building partnership, prosperity and peace on a safe planet.
- VI. To ensure the realization of the Budget theme and establish Ghana as a place of opportunities, I entreat you, my fellow good citizens of Ghana, to share in the President's vision of creating "an optimistic self-confident and prosperous nation through creative exploitation of our human and natural resources and operating within a democratic, open and fair society in which mutual trust and economic opportunities exist for all", - A Ghana Beyond Aid!
- VII. I sincerely appreciate the invaluable contributions of all Ghanaians, the Private Sector, our Traditional Authorities, Development Partners, Faith-Based Organizations and Civil Society towards the transformation of Mother Ghana and I look forward to working with you.
- VIII. God Bless you all.

  
Ken Ofori-Atta  
Minister for Finance

**SECTION ONE: INTRODUCTION**

**What is a National Budget?**

1. A National budget is a plan that outlines where Government will get money from and how it intends to spend. In Ghana, the Minister for Finance, on behalf of the President, is required by law to prepare and submit to Parliament a budget annually. The National Budget covers a period of one year from 1<sup>st</sup> January to 31<sup>st</sup> December, referred to as the Financial Year.
2. The 2018 Budget also reflects how Ghana is implementing the United Nations (UN) Sustainable Development Goals (SDGs) at various sectors. On September 25<sup>th</sup> 2015, countries around the world adopted a set of goals to protect the planet, ensure prosperity for all people, promote peace and partnerships as part of a new sustainable development agenda.
3. The Sustainable Development Goals (SDGs) are 17 in all. Each goal has specific targets and indicators to be achieved over the next 15 years (2015-2030). For these goals to be achieved, everyone needs to do their part: Governments, the private sector, civil society and people like you. This Citizens' Budget shows what Government will do to implement the SDGs. The goals have been attached to this document for the information of the general public.

**What is a Citizens' Budget?**

4. A Citizens Budget explains the contents of the national budget in a simplified language. It is a guide for the general public and it ensures that Ghanaians, at all levels have a better understanding of the contents of the budget.

**The Budget Process**

5. The 1992 Constitution (Article 179 (1)) requires the President to present the budget to Parliament at least a month before the end of the financial year. The Minister for Finance presents the Budgets on behalf of the President. The Budget goes through four (4) main stages: preparation, approval, execution and monitoring, audit and evaluation as depicted in figure 1 below:

**Figure 1: The Budget Cycle**



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6. The Ministry of Finance requests inputs from Ministries, Departments and Agencies (MDAs) and the general public and afterwards holds consultations with them on what should go into the Budget. The Ministry of Finance (MoF) then supports all MDAs of Government to review their draft Budgets to ensure that their activities are in line with the national development policy.
7. The draft document is submitted to Cabinet for approval. The Minister for Finance presents the final document to Parliament, which is then considered, debated, approved, and passed into the Law as the Appropriation Act.
8. Ministry of Finance subsequently releases funds to the MDAs upon request, to implement their planned programmes and activities based on the approved budget. MDAs' activities are monitored, financial reports are audited and evaluated to ensure efficient and effective utilization of public funds.

### **ASSUMPTIONS UNDERLYING THE 2018 BUDGET (MACROECONOMIC TARGETS)**

9. The assumptions underlining the 2018 Budget are as follows:
  - Overall GDP growth rate of 6.8 percent;
  - Non-oil GDP growth rate of 5.4 percent;
  - End period inflation rate of 8.9 percent;
  - Average inflation rate of 9.8 percent;
  - Fiscal deficit of 4.5 percent GDP;
  - Primary balance (surplus) of 1.6 percent of GDP; and
  - Gross Foreign Assets to cover at least 3.5 months of imports of goods and services

### **Revenue Generation Measures**

10. To enhance revenue generation activities in 2018, Government will among other measures;
  - make concrete changes in the tax policy framework, especially in tax exemptions
  - review the Suspense regimes to improve tax compliance;
  - implement the Excise Tax Stamp policy;
  - extend the requirement of producing Tax Clearance Certificates to large private sector contracts;
  - improve Property Rate collection; and
  - partially monetization of Ghana's Gold Royalties

### **Expenditure Management Measures**

11. To limit budget overruns, the following measures will be implemented.
  - comprehensive review of pay systems;
  - rationalization and standardization of the remuneration of Chief Executive Officers (CEOs) and Boards of State Owned Enterprises (SOEs);
  - general policy measures on payroll;
  - rationalization of administrative cost of public institutions;
  - leasing of Office Equipment and Motor Vehicles; and

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- rationalize Government Travels by introducing the use of corporate travel tool to consolidate official travel

**REVENUE AND GRANTS: HOW GOVERNMENT GETS ITS MONEY**

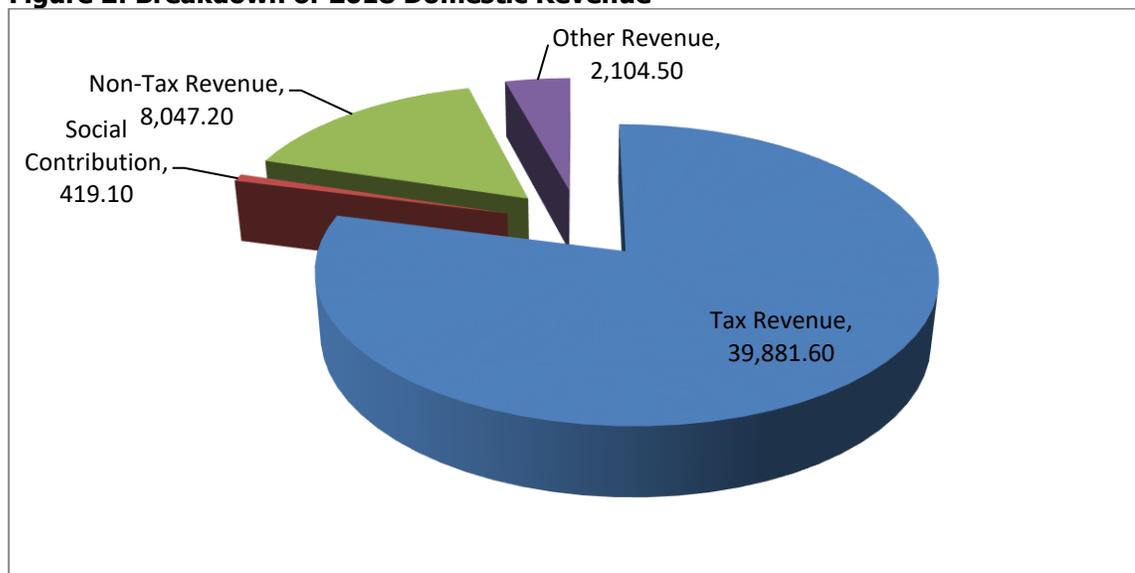
- Government gets its monies from two sources; these are Domestic Revenue and Grants. The domestic revenue is made up of tax revenue, social contributions, non-tax revenue, and other revenues. The ability of Government to raise enough revenue to spend on critical items depends on the timely payment of the right amount of taxes by citizens, companies, and organizations.
- Total Revenue and Grants up to September 2017, amounted to GH¢28,429.20 million, which was equivalent to 14.1 percent of GDP. The details are shown in the table below.

**Table 1: Breakdown of 2017 Revenues and Grants**

| Revenue type                  | 2017             |                  |                   |
|-------------------------------|------------------|------------------|-------------------|
|                               | Original Budget  | Revised Budget   | Outturn (Jan-Sep) |
| <b>Total Revue and Grants</b> | <b>44,961.63</b> | <b>43,096.66</b> | <b>28,429.20</b>  |
| <b>Domestic Revenue</b>       | <b>43,430.11</b> | <b>41,565.14</b> | <b>27,481.10</b>  |
| Tax Revenue                   | 34,382.05        | 33,017.08        | 22,135.60         |
| Social Contribution           | 296.33           | 296.33           | 296.20            |
| Non-Tax Revenue               | 6,670.04         | 6,170.04         | 3,832.70          |
| Other Revenue                 | 2,081.69         | 2,081.69         | 1,216.60          |
| <b>Grants</b>                 | <b>1,531.52</b>  | <b>1,531.52</b>  | <b>948.10</b>     |

- The total revenue and grants for 2018 is estimated at GH¢51,039.10 million equivalent to 21.1 percent of GDP. This is made up of domestic revenues of GH¢50,452.40 million and grants of GH¢586.80 million. The breakdown of the domestic revenue is shown in figure 1.

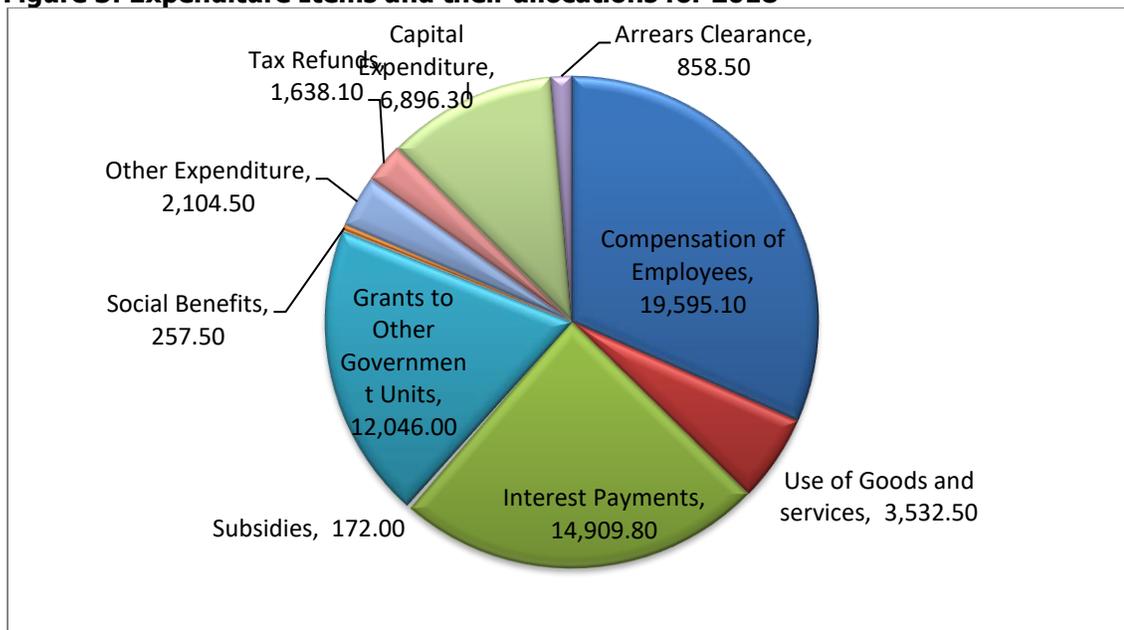
**Figure 2: Breakdown of 2018 Domestic Revenue**



**EXPENDITURE: HOW GOVERNMENT SPENDS**

15. Government expenditure refers to how it intends to spend on planned programmes and activities in a financial year.
16. Total Expenditure including arrears clearance as at September 2017, was GH¢37,705.00 million. This represents 18.7 percent of GDP, against a budget of GH¢41,036.20 million. In 2018, an amount of GH¢62,010.30 million representing 25.7 percent of GDP has been estimated as expenditure for the year.
17. It can be observed that the Total Revenue and Grants of GH¢51,039.10 million will not be enough to pay for the estimated expenditure of GH¢62,010.30 million. As a result, Government will borrow GH¢10,971.10 million to make up for the shortfall in revenue. Figure 3 shows the various expenditure items and their allocations in 2018.

**Figure 3: Expenditure Items and their allocations for 2018**



18. It can be observed that Government’s largest expenditure items are Compensation of Employees and Interest payments on Government debt.

**Oil Receipts and Expenditure Allocation**

19. In 2017, a total of 5,795,014 barrels of crude oil was lifted from our oil fields. This amounted to US\$339.32 million, equivalent to GH¢1,451.39 million.
20. The total petroleum receipt from the oil operations for the period was US\$362.58 million, equivalent to GH¢1,552.13million. Out of this amount, US\$127.09 million which equals to GH¢546.31 million was used to support the 2017 Budget (Annual Budget Funding Amount, (ABFA)).

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21. For the 2018 financial year, the total petroleum receipt is expected to be US\$669.41 million. Out of this amount, US\$235.10 million will be used to support the 2018 Budget (ABFA).

### **2017 SECTORAL PERFORMANCE AND OUTLOOK FOR 2018**

22. In 2017, Government undertook a number of activities to stabilize the economy in a sustainable manner while increasing growth, creating prosperity and jobs for all as indicated in the SDG eight (8). Some major programmes are detailed below;

#### **Energy**

23. To ensure access to affordable, reliable, sustainable and modern energy for all as stated in SDG seven (7), Government in 2017 did the following:
- added 445MW of power capacity to the country's installed generation capacity, bringing the total installed capacity from 4,132 MW to 4,577MW in 2017;
  - sold 52,191 portable solar lanterns (with phone charging functionality) to poor off-grid rural households at 70 percent subsidy;
  - completed five (5) mini-grids in Ada East District (Pediatorkope), Krachi East (Kudorkope), Krachi West (Aglakope), and Sene East District (Atigagome and Wayokope);
  - distributed 17,000 cylinders, stoves and accessories under the Rural LPG Promotion Programme (RLPGPP);
  - connected 289 communities to the national grid;
  - continued with the Transmission System Reinforcement Project to improve operational reliability, security and control among others. Key among these include:
    - Kpando-Kadjebi 161kV Transmission Line was completed
    - The Aboadze-Prestea 330kV Transmission Line is about 70% complete
    - The Prestea-Kumasi 330kV Transmission Line is about 70% complete
    - The Kumasi-Bolgatanga 330kV Transmission Line is about 50% complete
24. To meet the growing demand for electricity, Government in 2018 will:
- increase the installed generation capacity by about 484MW (Cenpower, 340MW; Early Power Phase 1; 144MW);
  - continue works on the Kumasi-Bolgatanga 330kV Transmission Line and complete Aboadze-Prestea 330kV and Prestea-Kumasi 330kV Transmission Lines;
  - connect 1,796 communities to the national grid and commence the construction of three additional mini-grids in the Ada East District under the mini grid project;



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- supply 69,250 150W LED Streetlights complete with fixtures, and distribute 300,000 Timer Switches to help users of deep freezers to cut down cost of energy consumption;
- commence gas production from the Sankofa Gye Nyame field in the second quarter of 2018;
- distribute 12million LED Lamps as part of energy conservation under a cost recovery programme;
- launch a Technical and Vocational Education and Training (TVET) programme to train and develop technicians required in the Oil and Gas industry;
- embark on MDAs Solar Rooftop Programme to reduce Government's expenditure on utilities; and
- procure and distribute 50,000 solar lanterns for poor off-grid rural households; and
- distribute 12 million LED Lamps as part of energy conservation under a cost recovery programme.

25. In 2018 Government intends to allocate an amount of GH¢914.40 million to implement the activities in this sector.

### **Transport Sector**

26. As part of Government effort to improve the transport sector, the following programmes and projects were implemented in 2017;

- introduced paperless transaction at the ports and the implementation has significantly reduced transaction time and increased revenue;
- continued with the expansion of Tema and Takoradi Ports to enable them take bigger vessels and improve vessel turn-around time;
- continued the construction of a new terminal (Terminal 3) at Kotoka International Airport (KIA) which is expected to handle up to 5 million passengers per annum
- completed about 87 percent of the first phase of the Ho Airport;
- completed the rehabilitation works on the Wa Aerodrome including the conversion of a building to serve as a terminal building;
- Completed 10.1km double track and 4.5km single track lines of sub-urban railway line from Sekondi to Takoradi via Kojokrom, leading to the re-introduction of rail passenger services;
- commenced work on the 85km railway line from the Tema Port to link the Volta Lake via the Akosombo Port;



27. In 2018, Government will:
- continue works for the development of the Western Line (Kojokrom-Kumasi with branch lines to Dunkwa-Awaso-Nyinahin) and continue the construction of the Tema – Akosombo rail line;

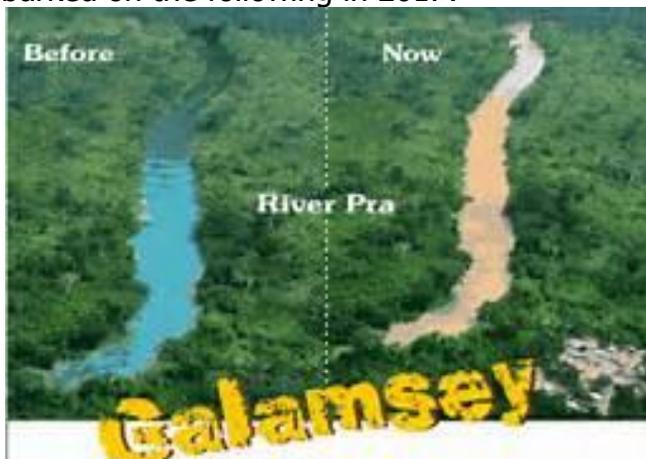
## Theme: "Putting Ghana Back to Work"

- complete the KIA Terminal 3 and the Ho Airport;
- commence the construction of a new terminal building, extension of the existing runway and other ancillary facilities at the Kumasi Airport;
- commence works on Phase II of the Tamale Airport which involves the construction of a modern airport terminal building with approximately 5000m<sup>2</sup> Hajj Terminal, access road, Air Traffic Control Tower, Fire Station and other ancillary facilities.

### Sanitation and Water Resources

28. To improve upon sanitation and ensure quality supply of water for all in line with SDG Six (6), Government embarked on the following in 2017:

- the campaign (Operation Vanguard) against illegal mining (Galamsey) resulted in improvements in water quality according to data available;



- commissioned the Wa Water Supply Project and completed the Cape Coast Water Supply Project, Essakyir Water Supply Project - Addendum 1, Akim Oda, Akwatia and Winneba Water Supply Project;
- the Phase 1 and 2 of the Sustainable Rural Water and Sanitation Project (Five District Water Supply Scheme) was completed as well as the Akrokeri Water Project in the Ashanti Region; and
- cleared six (6) unauthorized refuse dump sites in the Accra Metropolis.

29. In 2018, Government will undertake the following activities:

- Phase 2 of the Sustainable Rural Water Supply Project, which will include the construction of about 50 small town water pipe schemes and over 300 boreholes.;



- Undertake expansion works on Phase 2 of the Kpong Water Supply Expansion, Aqua Africa, Yendi, Damongo, Tamale, Sunyani, Sekondi-Takoradi, Essiama and Navrongo Water Supply Projects; and
- provision of 200,000 household toilets and 20,000 Institutional latrines through the 'Toilet for All' agenda to reduce open defecation.

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30. In 2018 Government intends to allocate an amount of GH¢183.63 million to implement the activities in this sector.

### Education

31. To provide equitable access and quality education to enable all Ghanaians contribute effectively to the development and growth of the country as in SDG Four (4), Government undertook the following programmes and projects:

- released funds for the payment of all outstanding Capitation Grant related expenses and increased the grant by 100 percent from GH¢4.50 per capita to GH¢9.00;
- absorbed 70 percent of the 2017 BECE registration fees as subsidies for all registered candidates in both public and private JHSs;
- Complementary Basic Education (CBE) programme provided access to 182,652 out-of-school children over the last four-years (2013/14-2016/17). The CBE recorded a cumulative completion rate of 67 percent of which 92 percent have transitioned to the formal school system;
- commenced work on the rehabilitation and reconstruction of 76 dilapidated school structures and 80 kindergarten blocks for primary schools;
- commenced the implementation of the Free SHS Programme in September by absorbing all fees approved by GES Council for 353,053 first year students and also released subsidy for continuing students in Senior High Schools;



- supplied the full complement of core textbooks, supplementary readers, and core English Literature books to all first year SHS students;
- Under the Secondary Education Improvement Programme (SEIP), constructed 23 new senior high schools which is 86 percent complete, whilst 46 out of 50 being upgraded were completed and handed over and provided scholarships to a total of 10,027 students in the beneficiary schools; and
- restored the Teacher Trainee Allowance covering over 49,000 teacher trainees in 41 public Colleges of Education for the 2017/18 academic year.

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32. In 2018, Government will:
- extend the payment of Capitation Grant to cover all public Special Schools and provide textbooks and other Teaching and Learning Materials;
  - expand the Complementary Basic Education programme to 14 more districts to benefit an estimated 40,000 out-of-school children. As part of preparation for the GES to take over the project after its completion in 2018, the GES is piloting the CBE in 20 districts.
  - provide 25.2 million pieces of assorted exercise books to public basic schools;
  - facilitate the rehabilitation of 50 school structures and construction of additional 200 KG blocks;
  - continue the implementation of the Free SHS with the second cohort of beneficiaries and additional infrastructural facilities will be provided to accommodate the increasing enrolment numbers;
  - 52,000 Teacher Trainees will benefit from the Teacher Trainee allowance for the 2017/18 academic year; and
  - absorb 100 percent BECE registration fees for registered candidates from only public Junior High Schools.
33. In 2018, Government intends to allocate an amount of GH¢9,258.84 million to implement the activities in this sector.

### **Health**

34. To ensure a healthy population and work towards the attainment of SDG Three (3) which is to, "ensure healthy lives and promote well-being for all at all ages", Government undertook the following activities in 2017:
- paid GHS0.6bn out of the total indebtedness to the National Health Insurance Scheme (NHIS). This has improved funding and smooth running of hospitals;
  - In the area of Health infrastructure, the following were achieved:
    - completed the construction of classroom blocks for Health training institutions at Sampa, Asankragua, Pantang and Korle-Bu Critical Care and Peri-operative;
    - four District Hospitals are at various stages of completion. These include Kumawu 60%, Fomena 72%, Abetifi 35%, Takoradi European Hospital 50%, and staff residential apartments is about 89% complete; Civil works on Second phase of the Tamale Teaching Hospital commenced and at about 55% complete;
    - construction of 10 Polyclinics at Bisease, Gomoa Dawurampong, Binpong Egya, Ekumfi Nakwa, Etsii Sunkwa, Biriwa, Akunfude, Jamra Mankrong and Potsin; all in the Central Region, currently the overall progress stands 63%; and
    - construction of five Polyclinics at Oduman, Sege, Bortianor, Ashaiman and Adenta; in the Greater Accra Region. Current overall progress also stands at 25%.

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- restored the Health Trainee Allowance covering 54,840 trainees from 77 Public Health Training Institutions across the country;
- reduced malaria fatality rate from 0.36 percent to 0.22 percent, increased the number of antenatal visits from 9,658 to 10,101, and reduced the number of institutional maternal deaths per 100,000 live births from 167.5 to 149.7.
- deployed Mental Health Nurses to the community level levels with the objective of decongesting the national psychiatric hospitals;
- approved the recruitment of 15,667 staff, comprising 11,573 nurses, 247 doctors, 1,883 support staff, 938 allied health staff and 14 physician assistants resulting in significant increase in the number of functional CHPS Zones among others; and
- passed the legislative instrument on Tobacco Control Regulations, 2016 (L.I 2247) and expanded the list of pharmaceutical products reserved for local manufacturers.



35. In 2018, Government will

- continue to address challenges in the supply of vaccines and develop a clear sustainable plan for vaccines and antiretroviral medicines;
- undertake a comprehensive study to explore the possibility of granting financial autonomy to wean off some selected agencies of the Ministry;
- continue the construction of all on-going health facilities; and
- continue the construction of 10 polyclinics whose overall progress stands at 63 percent, at Bisease, Gomoa Dawuramong, Binpong Egya, Ekumfi Nakwa, Etsii Sunkwa, Biriwa, Akunfude, Jamra Mankrong and Potsin.



36. In 2018 government intends to allocate an amount of GH¢4,422.25 million to implement the activities in this sector.

### **Agriculture**

37. To improve food security and promote sustainable agriculture as indicated in SDG Two (2) as well as create jobs, especially for the teeming youth, Government in 2017:

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- launched the 'Planting for Food and Jobs Programme', 201,000 farmers were registered across the country; 2,160 university graduates and 1,070 youth were recruited. A total of 121,000mt and 4,454.98mt of subsidised fertilizers and seeds of maize, rice, sorghum, soybean and vegetables were distributed to beneficiary farmers, respectively;



- distributed 220 tractors and accessories comprising of 141 maize shellers and 77 Multi-crop threshers to farmers and service providers;

- managed and kept under control the Fall Army Worm (FAW) invasion and recovered 123,232ha of farm lands;



- supported 70 livestock farmers with 350 superior breeds of small ruminants in the Eastern and Central regions; and vaccinated 430,000 small ruminants and 335,000 cattle against Pest des Petite Ruminants (PPR) and Contagious Bovine Pleuro Pneumonia (CBPP) respectively;

- identified 192 small dams and dugouts in 64 districts for development under the 'One-Village-One Dam' initiative especially in Northern Ghana;



- maintained the producer price of cocoa at GH¢7,600 per tonne, in order to minimise the harsh effects the drastic decline in international cocoa prices could have had on the earnings of our cocoa farmers;

- embarked on a campaign of promoting the consumption of cocoa, both domestically and internationally, and modified incentives to increase processing of cocoa to add value and create jobs as part of measures to promote job creation through industrialization; and

- redesigned the cocoa diseases and pests control programme (CODAPEP) in order to have the maximum impact on productivity and farmers' income.

38. Government intends to undertake the following programmes in 2018:

- register 500,000 farmers and recruit 2,700 extension agents to support the Planting for Food and Jobs Programme;
- supply a total of 413,323mt of fertiliser, 24,898mt of seeds farming equipment to farmers;

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- construct 50 small dams, dugout, and complete phase I of the Tamne, Kornorkle and Uasi Irrigation schemes;
- develop 30 pumping schemes and 100 boreholes and conduct feasibility studies for water transmission lines in Northern Ghana;
- produce 26 million doses of various vaccines (ND1-2, La Sota etc.) for poultry and PPR vaccines for small ruminants;
- support 2,000 livestock farmers in all 10 regions with 70,000 small ruminants (Sheep and Goats);
- rehabilitate 140 existing warehouses, construct 18 new ones, and equip them with seed cleaners, dryers and weighing scales;
- build a strategic stock of insecticides and other logistics to ensure ready availability of chemicals during outbreaks of diseases as well as intensification of monitoring and surveillance;
- support the private sector with extension services to boost aggregate aquaculture production from 58,880mt to over 73,220mt; and
- introduce solar-powered pump irrigation on cocoa farms in the 2017/18 cocoa season through public-private partnership.



39. In 2018, Government intends to allocate an amount of GH¢598.62 million to implement the activities in this sector.

### **Trade and Industry**

40. To help businesses expand, create jobs, and promote the growth of entrepreneurial opportunities in compliance to SDGs Eight (8) and Nine (9), Government undertook the following activities in 2017:
- trained about 660 apprentices and manufactured over 900 agro and non-agro equipment, with about 820 being used in the sanitation and waste management; and
  - signed a lease agreement for 105 acres of land for the construction of a cement factory to support the provision of infrastructure.
41. In 2018, Government will;
- continue to train craftsmen and apprentices as well as manufacture agro-processing equipment; and
  - implement initiatives to improve the competitiveness of Ghana's industrial and private sectors under these targets;
    - establish and operate 100 factories in 100 districts across the country;
    - revive 80 distressed local companies through the provision of stimulus packages;
    - establish industrial parks in Ashanti, Western and Northern Regions; and
    - develop a petro-chemical industry in the Western Region

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42. In 2018, Government intends to allocate an amount of GH¢418.54 million to implement the activities in this sector.

### **Lands and Natural Resources**

43. To ensure sustainable management and utilization of the nation's natural resources for socio-economic growth and development in line with SDG 15, Government in 2017 undertook the following in 2017:

- a total of 450,000 oil palm seedlings were produced out of which 440,250 were distributed for planting and about 7,337.50 acres of oil palm plantation was established, creating about 7,500 direct jobs to reduce the menace of environmental degradation and unemployment in mining communities;
- 450ha of degraded landscape including mining sites, illegal farms in Forest Reserves, and enrichment planting were restored under the Forest and Wildlife Development and Management Programme; and
- 6,300ha of Forest plantations were established and 2,458.75ha of existing plantations maintained.



44. In 2018, Government will increase the number of jobs created under the alternative livelihood project in mining communities from 7,500 to 10,000 and establish 30,000ha of forest plantation throughout the country. This is expected to create 15,000 jobs for the youth and also contribute to food production.
45. In 2018 government intends to allocate an amount of GH¢347.34 million to implement the activities in this sector.

### **Works and Housing**

46. To ensure sustainable management of drainage works, coastal protection works and affordable housing which cuts across a number of the SDGs, Government undertook the following activities:
- completed the Aboadze and Nkontompo coastal protection works, while work at Adjoa, Blekusu, New Takoradi/Elmina Phase II and Dansoman are at various stages of completion;
  - continue with the drainage improvement projects to solve the perennial flooding and erosion at flood prone areas including Akora River Drainage Project at Agona Swedru, Sakaman, Ejura, Tapa and Goaso;
  - the Ghana Police Service was allocated 216 of the affordable housing at Kpone for completion, whilst the Affordable Housing Projects at Borteyman-Greater Accra and Asokore-Mampong, Kumasi were also handed over to SSNIT for completion; and
  - 1,502 housing units (first phase) at Saglemi–Old Ningo out of the 5,000 housing units is 75 percent complete.

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47. In 2018, Government will:
- commence the construction of Sea Defence Projects at Axim, Cape Coast, Ningo-Prampram, Shama and Mensa Guinea in Accra;
  - construct various reinforced concrete drains in Abuakwa South, Tano North, Subin, Effiduase in Sekyere East District, Okaikoi Central, Asutifi, Hwidiem, Tafo, Tamale, Ofoase-Korkorben, Odorkor, Bodi, Boanim, Dwinase, Asankragua, Nkrankwanta, among others; and
  - execute about 10,000 housing units of various types in all regional capitals.
48. In 2018 government intends to allocate an amount of GH¢91.48 million to implement the activities in this sector.

**Roads and Highways**

49. In order to develop and maintain the road infrastructure as indicated in sections of SDG Nine (9), Government undertook the following projects in 2017:
- Routine maintenance on 10,250km of the trunk road network, 10,679km on the feeder road network, and 7,000km on the urban road network;
  - progress of work on the rehabilitation, reconstruction, and construction of bridges are at various levels of completion as shown below;

**Table 2: Status of Bridge and Road Construction**

| <b>PROJECT</b>                           | <b>2016</b> | <b>2017</b> |
|--|-------------|-------------|
| Nsawam - Apedwa Road, Kwafokrom – Apedwa | 77%         | 87%         |
| Tarkwa Bogoso-Ayamfuri                   | 96%         | 100%        |
| Agona Junction – Elubo                   | 98%         | 100%        |
| Ayamfuri – Asawinso                      | 92%         | 97%         |
| Wa – Han                                 | 58%         | 74%         |
| Kansaworodo Bypass Phase 3               | 0%          | 30%         |
| Kasoa Interchange and Ancillary Works    | 58%         | 100%        |
| Dualisation of Ho Main Road              | 0%          | 21%         |
| Construction of Ho Bypass                | 9%          | 67%         |
| Bolgatanga-Bawku-Polmakom                | 0%          | 13%         |
| Nkwanta-Oti Damanko (Km0 -50)            | 35%         | 39%         |
| Nkwanta-Oti Damanko (Km50-62.3)          | 13%         | 35%         |
| Berekum-Seikwa                           | 81%         | 88%         |

50. In 2018, works will continue on the following projects:
- routine maintenance activities on trunk, feeder and urban road networks, respectively;
  - construction of 56km trunk roads, 30km urban roads and a bridge on the Volta River at Volivo. Key amongst the roads projects are; Nsawam - Apedwa road (Kwafokrom–Apedwa road), Tamale–Yendi road, Bolgatanga–Bawku–Polmakom, Nkwanta-Oti Damanko road, Oti Damanko-Nakpanduri road,

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Berekum–Seikwa road, Enchi-Dadieso road, Dualisation of Ho Main roads, Ho Bypass, Pokuase Interchange, Kumasi roads and Drainage Extension Project.

51. In 2018 government intends to allocate an amount of GH¢532.69 million to implement the activities in this sector.

### **Employment**

52. As part of Government's efforts to create jobs for the youth, as stated in SDGs One (1) and Eight (8), the following activities and programmes were carried out:

- engaged a total of 107,115 young persons under the Youth Employment Agency (YEA) modules, comprising of 62,115 person under the YEA modules and 45,000 Youth in Sanitation module being implemented by the MMDAs;
- facilitated the placement of 16,238 jobseekers who registered with Public Employment Centres (PECs) and Private Employment Agencies (PEAs). About 90 percent of persons placed by the PEAs were linked to international migration jobs before the ban against foreign recruitment; and
- trained 7,639 youth in various vocational trades and management development and productivity programmes, and also tested 35,051 vocational skills, registered 1,057 master craft persons, 2,007 apprentices and accredited 170 Master Craft persons.



53. In 2018, the following activities will be undertaken:
- increase the YEA enrolment levels from 62,115 to 120,000;
  - train 8,000 persons in various vocational trades and 1,400 persons in managerial and productivity enhancement skills, and also test and certify 45,000 vocational skills candidates; and
  - conduct 350 establishment inspections and place 4,000 job seekers in gainful employment, as well as resolve at least 90 percent of all reported labour complaints.
54. In 2018, Government intends to allocate an amount of GH¢388.62 million to implement the activities in this sector.

### **Social Protection**

55. As part of efforts to tackle extreme poverty, in line with SDGs Five (5) and One (1), Government in 2017 undertook the following activities among others:
- organised medical outreach for 500 kayayeei in Ashanti Region to meet their health needs and trained an additional 400 to improve their livelihood and pre-employment skills;
  - registered 248 day care centres, issued 362 certificates to existing ones, provided 184 children in difficult situations and 279 People With Disabilities (PWDs) with family welfare services and employable skills, respectively,
  - conducted five bi-monthly LEAP Grant payments;

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- rescued 148 human trafficking victims (consisting of 139 children and nine (9) adults) who are currently receiving care and protection in various shelters; and
- provided one meal per school day to 1,677,322 pupils under the Ghana School Feeding Programme nationwide.

56. In 2018, Government will perform the following activities:
- sensitisation and awareness creation programmes will be undertaken to ensure peace before, during and after the District Assembly Elections in 2018;
  - build the capacity of women to effectively mediate in conflict situations for amicable solutions;
  - continue to support family integration, training in employable skills, as well as ensure that Day Care Centres conform to the standards set for their operations; and
  - continue with the implementation of the School Feeding Programme;
57. In 2018 government intends to allocate an amount of GH¢61.38 million to implement the activities in this sector.

### **POLICY INITIATIVES: WHAT GOVERNMENT IS PLANNING TO DO**

58. In an effort to transform the economy and to create wealth and jobs, a number of policy measures were introduced in 2017. The following were implemented in 2017:
- abolished some taxes including the following:
    - one percent Special Import Levy imposed on imported raw materials and machinery;
    - excise duty on petroleum;
    - import duty on specified vehicle spare parts;
    - 5.0 percent VAT/NHIL on Real Estate sales;
    - 17.5 percent VAT/NHIL on selected imported medicines not produced locally; and
  - levies imposed on 'kayayei' by local authorities;
  - replacement of 17.5 percent standard VAT rate with a 3 percent flat VAT/NHIL rate for supplies by retailers and wholesalers.
  - Parliament passed the Law establishing the Zongo Development Fund;
  - One District, One Factory policy was launched by H.E. the President on 25th August, 2017 and Government completed technical, financial and commercial viability analysis of 462 proposals out of which 191 covering 102 Districts were selected for implementation. This is envisaged to generate about 250,000 direct and indirect jobs.



59. In 2018, Government will implement the following measures, among others, to improve the standard of living of Ghanaians:

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- reduce electricity tariff in 2018 in an effort geared towards "keeping the lights on" at affordable rates to consumers.
- improve revenue from lotteries although VAT on stakes and withholding tax on lotto winnings will be removed;
- embark on an MDA Solar Rooftop Programme dubbed "**Government goes Solar**" to reduce Government's expenditure on utilities;
- develop postal codes to feed into the National Identification System. About 4,000 National Service Personnel will be engaged to emboss digital addresses on all landed properties nationwide;
- work with GET FUND to set up an Education Fund to enable Ghanaians make voluntary contributions to support education;
- adopt leasing as the main vehicle for financing the acquisition and use of government assets as part of efforts to reduce cost in the public sector;
- establish the Nation Builders Corps (NBC) to create jobs;



60. The '**Akufo Addo Programme for Economic Transformation (AAPET)** will:
- invest in the entire agricultural and agribusiness value chain, which will create new businesses and job opportunities in the sector; and
  - provide tax incentives for young entrepreneurs of age 35 and below who start their own business.

### CONCLUSION

61. The 2018 Budget sets the platform for transforming the economy which will be anchored on the five key priority pillars: agriculture; infrastructure; industrialization; job creation; entrepreneurship and innovation. It will also deliver on critical social services in education, health, water and sanitation. This Budget presents opportunities for all Ghanaians, and indeed all for people who reside within the borders of this country during the course of the year.
62. Finally, the budget provides for a strengthening of our relationships towards the achievement of collective developmental goals. Let us all resolve to keep hope alive because "where there is hope, there will always be a way".

## **GLOSSARY (BUDGET TERMINOLOGY)**

**Accountability:** This is when Government is answerable to its citizens by accounting for its activities and disclosing the results of such actions, this may include the responsibility for money or other properties that Government holds in trust.

**Budget:** A budget is a plan that outlines where to get money from and what to spend it on. For instance a family can draw up a budget which will show how much money is available and how it should be prioritised for spending (for example, rent, utilities and food). If more money is needed, the family would need to consider raising more income, cutting expenses or taking a loan

**Budget deficit:** This occurs when Government expenditure is more than revenue.

**Capital Expenditure:** This is money spent on major infrastructure projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery etc.

**Compensation of Employees:** This is made up of salaries and salary-related allowances, social security, gratuities etc. paid to public sector workers.

**Development Partners (DPs):** This refers to countries and/or organizations that partner developing countries to achieve their developmental goals. DPs' can be multilateral, e.g. International Monetary Fund (IMF), World Bank, African Development Bank (AfDB) etc. or bilateral which consists of individual countries like the Germany, United Kingdom, , United States of America (USA), etc.

**End Year Inflation:** The level of inflation in December of a year in consideration.

**Expenditure Overrun:** This occurs when spending exceeds the Budget that was made.

**Grants:** These are types of financial assistance given to Government by development partners and does not have to be paid back.

**Grants to other Government Units:** These constitute payments that are required by law such as District Assemblies' Common Fund (DACF), Road Fund, Ghana Education Trust Fund (GETFUND), Petroleum Related Fund, National Health Fund etc.

**Gross Domestic Product (GDP):** This refers to the total value of all goods and services produced in the country over a specific time period.

**Gross International Reserves:** This measures a country's foreign currency ability to buy goods and services from foreign countries over a period of time; it also supports the strength of the local currency in relation to others.

**Inflation:** The rate of increase in general price level of goods and services over a period of time.

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**Interest Payments:** Amount of money that is paid on the loans lent to Government.

**Loan Repayment:** These are monies paid to countries, banks and other financial institutions who have lent money to Government for development projects. These lenders could be from within or outside the country.

**Macroeconomic targets:** These are measurements used to assess the performance of the economy. Examples include economic growth, inflation, changes in the level of employment, trade performance with other countries, relative success or failure of government economic policies and the decisions made by the Bank of Ghana which affects money demand and supply in the economy.

**Non-Oil Real GDP:** Is the total output in the economy that excludes the activities in the oil sector which takes into account the level of inflation.

**Non Tax Revenue:** Government revenue not generated from taxes, examples are fees for granting permit or licenses, user fees and other charges.

**Other Expenditure:** These are made payments made using the proceeds of the Energy Sector Levies

**Other Revenue:** Levies (known as the Energy Sector Levies) placed on petroleum products.

**Other Revenue:** these are made of the Energy Sector Levies placed on petroleum products

**Projected Growth Rate:** How the Ghanaian economy will grow in a year.

**Public-Private Partnership (PPP):** This is the coming together of a Government and a private party to implement a project or provide a service which is traditionally performed by Government.

**Revenue:** This is the total amount of money that Government receives for its activities from both domestic and external sources.

**Social Benefits:** Government pays subsidies to utility companies and on petroleum products on behalf of the public.

**Social Contributions:** contributions of 2.5 percent of the Social Security and National Insurance Trust (SSNIT) to the National Health Insurance Scheme.

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**Subsidy:** This is a financial relief given by government to citizens to reduce the burden on them.

**Transparency:** This is when Government provides adequate and timely information for its citizens about what it is doing.

**Use of Goods and Services:** Amount of money that Government pays for running its operations and for delivering services to the public.

**Outstanding Obligations:** The outstanding obligations comprise MDA commitments with the Ministry of Finance as well as outstanding 2016 payments to Statutory Funds.

**Value Added Tax (VAT):** The tax levied as value is added to goods and services at each stage of production.

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