

**Launch and Presentation of the 2020 SDGs Budget Report
May 27, 2021 (2pm – 4pm)**

**Keynote Address
The Hon. Ken Ofori-Atta, Minister for Finance**

Greetings Ladies and Gentlemen; and welcome once again to the Launch and Presentation of the 2020 SDGs Budget Report.

With less than 9 years to 2030 - the deadline for realizing the Sustainable Development Goals - the government of Ghana concurs with the United Nations on the need for accelerated action to enable us to realise these ambitious yet critical objectives that we have set for ourselves in the Sustainable Development Goals. The Pandemic has exacerbated the challenges of achieving the Global and Country level SDG Goals – but we cannot despair.

Reasons for developing the SDGs Budget Report

In 2018 when the SDGs Baseline Report was launched, we recognized the challenges that countries were facing with accessing critical financing for the implementation of the SDGs; aligning our domestic budget to the SDGs was the first step towards optimizing our current financial resources for Agenda 2030; and how this process could place government in a better position to encourage the injection of more private capital in the implementation of the SDGs.

Observations from the 2019 and 2020 SDGs Budget Report

After the development of the Ghana 2018 SDGs Baseline Budget Report, the Ministry of Finance developed an automated system to generate reports on budget allocations and expenditures towards SDGs targets and goals in all the Metropolitan, Municipal and District Assemblies, as well as for all Ministries, Departments and Agencies. The new tracking system was developed after new codes were implemented in the national Chart of Account.

By aggregating the information at the target level, total allocations and expenditures at goal level could be tracked – For example, according to the 2019 and 2020 report, Goal 17 (Partnership for the Goals) had the most funding allocated to it - GHs32,082,685,522 in 2019 and GHs34,877,466,156 in 2020, meanwhile Goal 5 (Gender Equality) received 26,191,056 in 2019 and 65,012,082 in 2020, the least to be allocated to a goal at the national level.

Total spending on the SDGs by Government through MDAs came to 31,448,312,790 in 2019 and 35,774,648,335 in 2020; and Rankings by regions also revealed that in both years Greater Accra, Ashanti Region, Northern Region and Eastern Region were among the regions to receive the most funds for the SDGs.

Having the opportunity to view our spending on the SDGs in such an organised transparent manner, annually – enables Government, Private Sector, Developing Partners and our Civil Society Partners to engage in a more constructive manner when it comes to the financing of the Sustainable Development Goals – The SDGs Budgeting Information (i) provides both Private Sector and Multilateral Development Partners the opportunity to determine which goals require more attention, or the MDAs

& MMDAs that require financial or technical assistance in working towards the achievement of the Goals.

(ii) It also provides the Government the opportunity to adjust its allocations to ensure the equitable distribution of resources across MDAs & and MMDAs.

(iii) provides insight into resource distribution at the local level – such as which Assemblies are receiving the most or least in funding towards the implementation of the SDGs locally.

Impact of COVID-19 on the SDGs...the SDGs Financing Gap

Since the launch of the baseline report we have published 2 more reports, with the 2020 SDGs Budget Report being the most recent. We all know, that in 2020 the devastating effects of the Covid-19 pandemic set us back, significantly, in the progress we had made towards the SDGs – At the time when Ghana was reporting its progress during the UN's Voluntary National Review in 2019, we reported progress in the following areas: economic growth, education and job creation. Since the world got ravaged by the COVID-19 pandemic, those same areas have reported the following deterioration: decline in GDP growth from a projected 6.8 percent to 0.4 percent, increasing inequality in access to education, and job losses, especially in the hospitality sector. In 2021, we recognize that the pandemic is not a passing frigate but at least a 3-year ice age; and that the full impact of the pandemic on our populations, our societies, and our economies is not over. But we must remain hopeful and work with Data, thus Ghana's tracking system.

For the first time in 25 years, African economies are in recession, with rising deficits, soaring expenditures in response to the pressing needs of the crisis and plummeting revenues. The pandemic now threatens to push an estimated 39 million Africans into extreme poverty. A lost decade stares us in the face.

To recover from the pandemic, Africa still needs to close a financing gap of around US\$425 billion in the next three years, ramp up vaccine rollouts, build the organizational capital of the private sector, and invest in long-term and climate-conscious sustainable development. Urgent Investments in sustainable and technology-enhanced agriculture, renewable energy and transport, digitalization, biodiversity, and human capital development are an absolute necessity for our recovery.

So we can no longer talk about the Decade of Action without talking about the impact of COVID-19; and the need to ensure that we recalibrate our economies to leapfrog towards the agreed deadline. As at the end of 2019, before the COVID-19 pandemic, the SDGs financing gap in developing countries stood at \$2.5 trillion; and about 10 months into the pandemic the financing gap had widened by 70%, according to the OECD, and stood at \$ 4.2 trillion.

Ghana CARES Obaatanpa Programme

It is for this reason that the Government of Ghana launched the GHC100 Billion Ghana CARES Obaatanpa Programme - a Covid-19 Alleviation and Revitalisation Programme intended to jumpstart the Ghanaian economy through industrialisation, digitalisation and enterprise development whilst working with the Private Sector to inject more private capital into the economy. Government will also be taking this

opportunity to accelerate our transition to a low carbon economy by collaborating with the Private Sector to re-energize our activities and programmes to ensure that we exploit the opportunities in low carbon growth¹.

Our ambitious GHS 100 billion Ghana CARES programme outlines various policy initiatives that align national incentives towards accelerating our recovery and structural transformation. Under the "Phase 1: Stabilisation Phase" (July-Dec 2020), the government spent about GHS 8.1 billion (15.1% of Domestic Revenues) to preserve livelihoods. Phase 2, "Revitalisation and Transformation" (2021-2023), has a strong focus on industrialization, intra-African trade, and digitalisation. These focus areas will drive the Economic Recovery Plan over the next 3-years and provide the fiscal stimulus for economic revitalisation to Build Back Better and Greener. As a result, we expect to record average GDP growth of 5% over the medium term.

The government has, as part of the Recovery programme, launched and operationalised the GH¢750 million Coronavirus Alleviation Programme - Business Support Scheme (CAP-BuSS) to mitigate the impact of the pandemic on several Micro, Small and Medium-Sized Enterprises (MSMEs). This was done through the National Board for Small Scale Industries (NBSSI) which collaborated with over eighty (80) Business Associations, and key participating Financial Institutions (PFI's) to facilitate timely disbursement of the funds.

As at December 2020, about GH¢412.88 million had been disbursed to support 277,511 businesses of which 69% were female-owned. The scheme has saved over 650,000 MSME jobs and enhanced financial inclusion since close to 60% of beneficiaries secured bank accounts for participating in the scheme.

The policy and regulatory measures rolled out by the Bank of Ghana during the pandemic included the provision of GH¢7 billion worth of support to borrowers (between March and June 2020). This enhanced liquidity in the banking sector, preserved capital buffers, and offered relief to customers. These measures also enabled banks and specialised deposit-taking institutions to provide support to critical sectors of the economy to mitigate the crippling effects of the pandemic.

The Integrated National Financing Frameworks (INFF)

In order to accelerate action towards Agenda 2030, our approach towards financing for development needs to be revolutionary. The Integrated National Financing Frameworks (INFF), introduced by the United Nations, is one of the innovative initiatives that map the landscape for financing sustainable development at country-level; and lay out a financing strategy to implement targeted policies and reforms in order to achieve the SDGs.

Ghana's fiscal decentralization drive and the changing development finance landscape informed our decision to adopt a bottom-up approach to deliver on the INFF and thus Ghana has developed the **Integrated Assembly Financing Frameworks (IAFFs)** to operationalise the INFF. We are proud of the progress we have made with this initiative, particularly as regards the pilots being run in the (5) selected Assemblies.

¹ Research from the Global Commission on the Economy and Climate finds that bold climate action could deliver at least \$26 trillion in economic benefits through 2030

The Assembly-led financing frameworks are expected to provide opportunities that will bring current financing sources together for better alignment with planning and financing. Also, the IAFFs identify new and innovative financing solutions reflective of the district level comprehensive financing strategies. Additionally, the IAFF would support Government efforts for transformation at the Local Assembly level through initiatives such as the One-District-One-Factory, One-Village-One-Dam, and Planting for Food and Jobs among others.

Moving forward, the IAFFs would be instrumental in delivering the 'Ghana CARES Programme' at the Assembly level. With our goal to deliver GHC100 Billion in 3 years, we see the strengthened capacity of the Assemblies and the advancement of initiatives such as the Diaspora Fund, the SDGs Investor Maps and SDGs Investment Fair as great opportunities to mobilize both public and private funds and investments for development at the local level.

Conclusion and Launch of Report

The Ministry of Finance will continue to work with the Ghana Statistical Service and the National Development Planning Commission to consolidate the data necessary for providing a more comprehensive view of (i) the resources available on the government side for financing the SDGs, (ii) how much our Development Partners have contributed, and (iii) the opportunities available for private sector financing at the various level of governments - national, regional and district level.

As I conclude, I would like to thank the team that put together the 2020 SDGs Budget Report; and would like to encourage our Development Partners and Stakeholders to consider it a critical tool for catalysing sustainable financing for Agenda 2030 in Ghana.

On this note, it is my privilege to declare the 2020 SDGs Budget Report duly launched.

God Bless our Homeland Ghana.