



Republic of Ghana

# 2016 CITIZENS' BUDGET

AN ABRIDGED AND SIMPLIFIED VERSION OF THE 2016 BUDGET  
STATEMENT AND ECONOMIC POLICY



MINISTRY OF FINANCE

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

The 2016 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 002 or 004  
P. O. Box MB 40  
Accra - Ghana**

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

## CONTENT

FOREWORD .....	v
1 INTRODUCTION .....	1
1.1 What is a Citizens' Budget .....	1
1.2 Why the Citizens' Budget.....	1
1.3 What is a National Budget .....	1
1.4 The Budget Process .....	1
2 ASSUMPTIONS UNDERLYING THE BUDGET (MACROECONOMIC TARGETS).....	3
2.1 Revenue Generation Measures.....	3
2.2 Expenditure Management Measures.....	3
3 REVENUES .....	3
3.1 Domestic Revenue .....	4
3.2 External Revenue.....	4
4 EXPENDITURE .....	5
5 SECTOR PERFORMANCE AND OUTLOOK .....	6
5.1 Power and Petroleum.....	6
5.2 Roads and Highways.....	7
5.3 Water and Sanitation .....	8
5.4 Education .....	9
5.5 Health.....	11
5.6 Agriculture .....	12
5.7 Microfinance and Small Loans Centre (MASLOC) .....	13
5.8 Social Development Programmes.....	14
5.9 Housing .....	15
5.10 Trade and Industry .....	16
5.11 Employment.....	17
6 POLICY INITIATIVES.....	17
7 CONCLUSION .....	18
8 GLOSSARY (BUDGET TERMINOLOGY) .....	19

**LIST OF FIGURES**

Figure 1: Budget Cycle .....1  
Figure 2: Domestic Revenue (GH¢ million).....4  
Figure 3: 2016 Budgeted Expenditure .....5  
Figure 4: Extension of Electricity Grid to the Keta Sea Defence Resettlement Project.....7  
Figure 5: Rehabilitation of the Anyinam-Konongo Road-Nkawkaw bypass.....8  
Figure 6: Kpong Water Expansion Project and the Teshie Nungua Water Desalination  
Plant .....9  
Figure 7: SHS Classroom Block at Bamiankor in the Western Region .....10  
Figure 8: 420-Bed Ridge Hospital Expansion Project.....11  
Figure 9: Agricultural Equipment worth US\$ 3.3 million distributed to Rice Farmers in  
Volta, Greater Accra, Ashanti, Upper East, and Northern regions.....13  
Figure 10: MASCLC supports farmers with tri-cycles.....14  
Figure 11: Hon. Minster at the launch of the 'EBAN' Elderly Card .....15  
Figure 12: 5000 Affordable Housing Unit at Saglemi and 368 Housing Units for the  
Security Services.....16

## **FOREWORD**

It is without doubt that 2015 has been a very eventful year. A year in which both Government and citizens had to rise above the challenges of natural disasters and global economy shocks to achieve desired results. Though the economy faced several challenges including the energy crisis, high inflation and depreciation of the cedi, Government remained committed to the "Transformational Agenda" of, securing a bright medium term prospect for every citizen.

The Government in its quest to secure a BETTER GHANA continues to uphold the very important tenets of transparency, accountability and citizens' participation. In this vein, the 2016 Citizen's Budget (CB) has been designed to help Ghanaians at all levels have a better understanding of the contents of the 2016 Budget Statement and Economic Policy.

The Government is very grateful to every citizen for the tolerance and patience accorded it, as it strives to deliver on the better Ghana agenda. We are also thankful to all who have contributed to the preparation of the 2016 Budget. We cannot overstate the immeasurable contributions of Civil Society Organisations, our Development Partners, the private sector and the general public towards the achievement of the better Ghana agenda.

Government hopes that the 2016 Citizens' Budget will give opportunity to the good people of Ghana to exercise their democratic rights by demanding accountability and prudent management of state resources, which government holds in trust for economic development.



**SETH E. TERKPER**

**HONOURABLE MINISTER FOR FINANCE**

## 1 INTRODUCTION

### 1.1 What is a Citizens' Budget

The Citizens' Budget is a summary of the national budget which is written in simple language on how government plans to raise revenue to pay for its activities and how it plans to allocate these resources to achieve the national development goals.

### 1.2 Why the Citizens' Budget

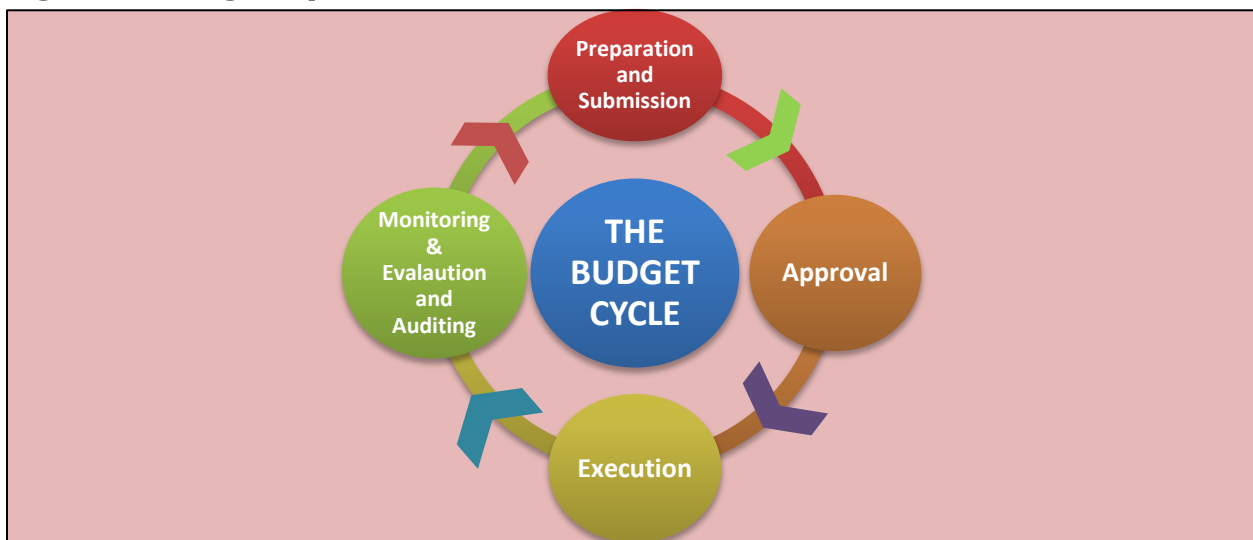
The purpose of the Citizens' Budget is to inform all citizens in a very simplified manner on how the government makes efficient and effective use of the available resources entrusted to it. It is also aimed at enabling active participation of citizens at all levels to hold government responsible.

### 1.3 What is a National Budget

A national budget is an official budget of a country which states how the government plans to raise revenue for its activities and how this revenue will be allocated over a particular period of time. In Ghana, the Minister of Finance on behalf of the President of Ghana prepares and presents the national budget to Parliament for discussion and approval. This is often done annually, at least, a month before the next financial year which starts from 1st January and ends on 31st December each year.

### 1.4 The Budget Process

**Figure 1: Budget Cycle**



In Ghana the Budget undergoes four main stages from preparation through to monitoring and audit. The various stages of the budget process are collectively known as the budget cycle which is a continuous process that takes place from one year to the other. The budget cycle is shown in the figure above.

**Preparation and Submission Stage:** A number of activities go into the preparation of the budget before it is finally read in Parliament by the Honorable Minister of Finance. This stage involves the determination and review of economic targets for the upcoming year by the Ministry of Finance (MoF). The Ministry also requests proposals from the general public on what they wish to be included in the budget. This is done through the placement of adverts in the newspapers. MoF also holds discussions with major stakeholders such as the Trade Union Congress, Civil Society Organisations, traders, importers, exporters, academia etc.

The Ministry of Finance assists all Ministries, Departments and Agencies (MDAs) of Government to review their policies and draft budgets to ensure that their activities fall within the budget ceilings and are also in line with the national development policy. The collated draft budget is then sent to Cabinet for approval. MoF then finalizes the Budget Statement after which the Minister of Finance, acting on behalf of the President of Ghana, presents the budget to Parliament, usually in November.

**Approval Stage:** Parliament debates the budget after it is presented by the Minister. If there are issues, the Ministry of Finance is called to address them. When Parliament is satisfied that all the issues have been addressed, it gives approval of the budget by passing it into law called the Appropriations Act. It is thereafter signed by the President which gives MDAs and other Government Institutions permission to spend.

**Implementation stage:** This stage begins in January after the approval from the President. MDAs submit their work plans and procurement plans to MoF. Funds are released upon request by the MDAs using an electronic system called the Ghana Integrated Financial Management Information System (GIFMIS), to implement their programmed activities in accordance with the approved budget.

**Monitoring & Evaluation and Audit stage:** This stage involves the regular monitoring of Ministries, Department and Agencies' activities in accordance with the programmes, projects and policies stated in the budget to ensure that these are achieved. It also involves examining the financial reports and activities of the MDAs to ensure that they spent within the budget and that all monies were used for the purposes for which they are given.

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

To ensure a stable growing economy and better lives for every citizen in this country, Government estimates that:

- overall Real GDP (including oil) growth will be 5.4 percent;
- non-oil real GDP growth will be 5.2 percent;
- end-year inflation will be 10.1 percent;
- overall budget deficit will be equivalent to 5.3 percent of GDP; and
- Gross International Reserves will not be less than 3 months of import cover of goods and services.

### **2.1 Revenue Generation Measures**

To enhance revenue generation for activities in 2016, government will among other measures;

- move all manual processes to a digital and faster system of administration in all tax offices;
- review income tax classifications to reflect current trends;
- rollout the excise tax stamp project; and
- implement measures to address revenue losses.

### **2.2 Expenditure Management Measures**

Government will implement a number of electronic transaction systems to ensure that public spending is efficiently managed. This includes:

- an electronic -Travel Card which will be used by officials who travel outside the country on assignments to ensure an effective management of funds advanced to them;
- an electronic fuel card to manage fuel allocation to government officials;
- development of a Treasury Single Account (TSA) Strategy to consolidate, unify government bank accounts and improve the use of cash resources; and
- replacement of the manual payroll input forms with Electronic Input Forms to provide a speedy processing of public servants entitlements.

## **3 REVENUES**

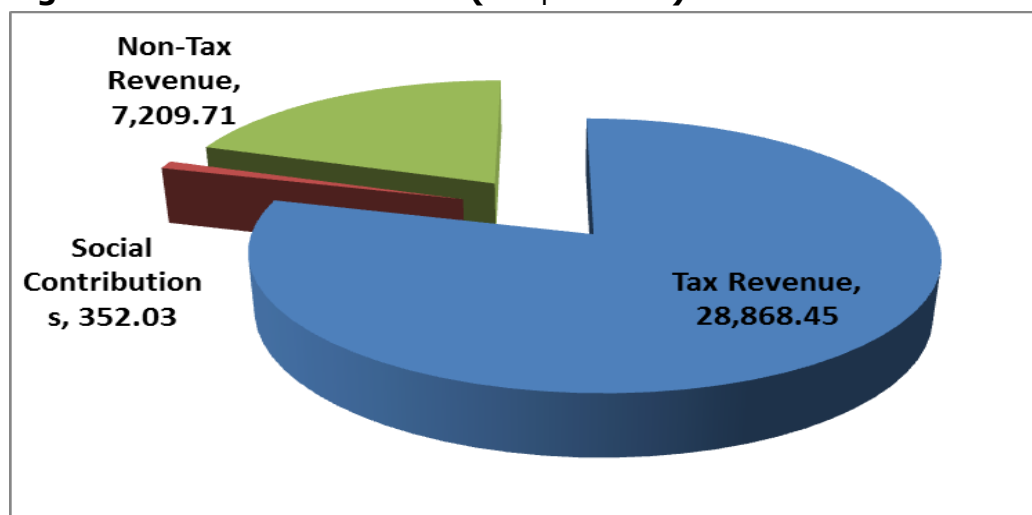
Ghana's total revenue for 2016 is expected to amount to GH¢38,038.05 million. Government will obtain this from both domestic and external sources.



### 3.1 Domestic Revenue

Domestic revenue refers to all monies collected within Ghana and it is made up of taxes and duties paid by Ghanaians and persons living in or outside Ghana that trade and do business in Ghana. It also includes non-tax revenue such as fees, fines, dividends etc. In 2016, the expected total domestic revenue is about GH¢ 37,079.6 million. The breakdown is shown in the figure below.

**Figure 2: Domestic Revenue (GH¢ million)**



### 3.2 External Revenue

This is money that the Government receives from outside the country usually from Development Partners in the form of grants. The total external revenue for the 2016 Budget is expected to be GH1,607.87 million.

However, Government is usually unable to raise the needed monies to implement its planned activities for the year and therefore borrows to add to the money it receives from both domestic and external revenue sources. The table below shows the revenue target for 2016.

**Table 1: Total Revenue (Including Grants)**

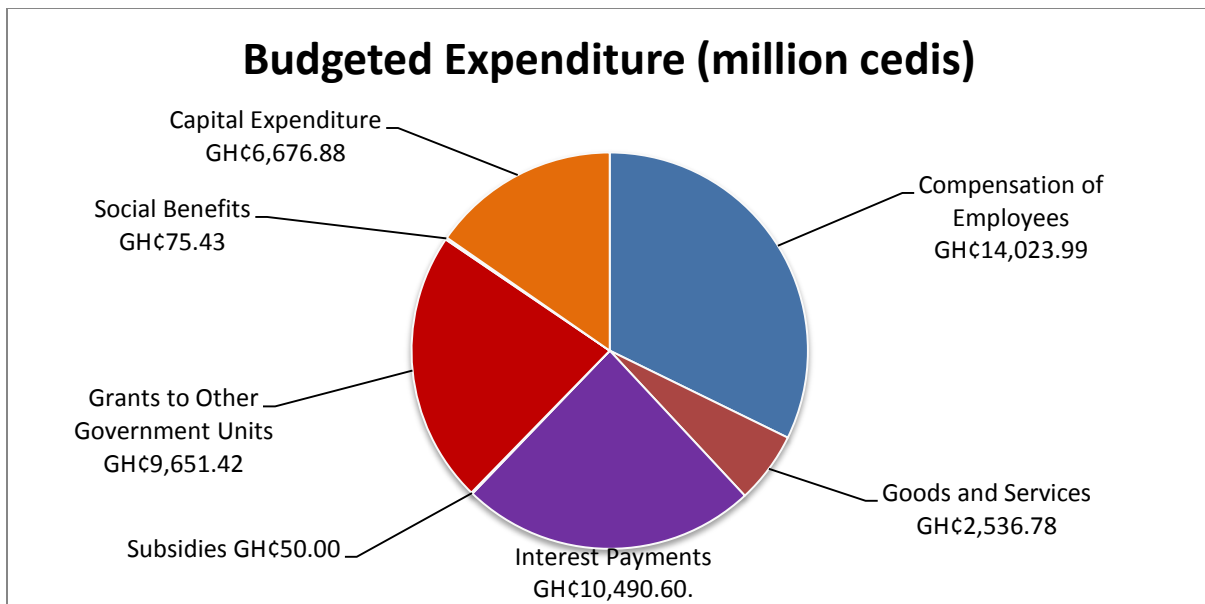
Source	2015		2016
	Revised Budget	Amount Collected	Budget
Domestic	28,524,461,136	21,216,764,959	36,430,187,242
External (Grants)	2,001,764,510	1,507,880,748	1,607,865,766
<b>Total</b>	<b>30,526,225,646</b>	<b>22,724,645,707</b>	<b>38,038,053,009</b>

## 4 EXPENDITURE

The more Government is able to raise money, the more it is able to spend. If citizens, companies and organizations pay the right amount of taxes at the right time, Government can raise enough revenue from within to spend. Government will however ensure that it does not spend more than the amount it expects to raise.

The chart below shows how much Government expects to spend on each of its expenditure items in 2016 (GH¢43,505.103 million). One can see from the picture that the Government's largest expenditure item is Compensation of Employees, followed by Interest payments on loans that the government has contracted. Total budgeted expenditure amounts to.

**Figure 3: 2016 Budgeted Expenditure**



Government spending covers the following:

- **Compensation of Employees:** This is made up of salaries and salary-related allowances, social security, gratuities etc. paid to public sector workers.
- **Use of Goods and Services:** Amount of money that Government spends for running its operations and for delivering services to the public.
- **Capital Expenditure:** This is money spent on major infrastructure projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery etc.

- **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.
- **Interest Payments:** Amount of money that is paid as a charge on the loans lent to Government.
- **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.
- **Social Benefits:** Government pays subsidies to utility companies and on petroleum products on behalf of the public.
- **Deficit:** For 2016, Government total revenue will be GH¢38,038.05 million and spend an amount of GH¢43,505.10 million leaving a shortfall of GH¢5,467.10 which will be finance from loans.

## 5 SECTOR PERFORMANCE AND OUTLOOK

In 2015 Government undertook a number of activities towards the development of the country. As part of efforts to improve public services delivery in respect of goods and services and capital expenditure, government intends to spend its revenue through various sectors of the economy. Some of these sectors include:

### 5.1 Power and Petroleum

In an effort to address the power supply challenges of the country ('dumsor'), Government in 2015 undertook a number of measures including the following:

- Completed:
  - expansion works on the 110 MW TICO Project and first half of Sunon Asogli 360MW phase two project;
  - mechanical works on the 220MW Kpone thermal power;
  - 50 percent of works on the 161KV Kpando- Kedjebi line; and
  - About 90 percent of the 38MW of VRA Siemens Plant;
- Installation works on the 250MW Ameri and 225MW Karpower projects and are expected to be commissioned at the end of the year;
- Connection of 550 communities to the national grid;

- Distribution of 41,000 solar lanterns at subsidized rates to off-grid communities; and
- Distribution of 20,000 cylinders and cook stoves in six districts,

**Figure 4: Extension of Electricity Grid to the Keta Sea Defence Resettlement Project**



To promote efficient energy supply and in an effort to end 'dumsor', Government in 2016 will:

- Distribute additional 50,000 cylinders and cook stoves in 25 communities;
- Complete second half of the 360MW Asogli power project;
- Connect 1,500 communities to the national grid in line with the goal to achieve universal access to electricity by 2020; and
- Construct seven primary sub-stations at selected sites of the NEDCo operational areas.

In 2016 government intends to allocate an amount of GH¢ 924.57 million to implement the activities in this sector.

## **5.2 Roads and Highways**

Government is continuing its efforts to provide the desired infrastructure in the road sector. As part of these measures, in 2015:

- Routine maintenance was undertaken on 4,819km of the trunk road network; 5,063 on the feeder road network; and 5,200km on the urban road network. Also periodic maintenance works were carried out on 9.4km of trunk, 252km of feeder and 2,400km of urban road networks. Minor rehabilitation works were

carried on; 10km of the trunk, 323km of feeder and 70km of urban road networks;

- Completed works on the Kwame Nkrumah Interchange Phase I;

**Figure 5: Rehabilitation of the Anyinam-Konongo Road-Nkawkaw bypass**



In 2016, Government will among others carry out:

- routine maintenance activities on 11,199km of trunk roads, 22,500km of feeder roads and 10,200km of urban road networks;
- periodic maintenance on 450km of trunk roads, 1,000km of feeder roads and 4,200km of urban roads;
- minor rehabilitation works on the, Kpone-Katamanso and Golf City Area, Sawla-Wa, Kasoa By-pass, Winneba-Sankor-Akotsi, and Dalive-Agortaga roads; and
- construction of about 200km of trunk roads and 40km of urban roads on the Nsawam-Apedwa, Kwafokrom – Apedwa, Enchi – Dadieso roads.

In 2016 government intends to allocate an amount of GH¢624.62 million to implement the activities in this sector.

### **5.3 Water and Sanitation**

To address the persistent water and sanitation problems, the following projects were undertaken in 2015:

- completed the expansion and rehabilitation of the Kpong Water Supply and handed over to Ghana Water Company Limited; this project is currently producing 20 million gallons per day (MGD) of water into the Greater Accra Metropolitan Area;

- completed the Nsawam Water Supply Expansion Project and is currently being test run;
- drilled 1,068 boreholes in Central, Western, Northern, Upper East and Upper West Regions and completed 385 institutional latrines;
- provided access to a total of 70,000 improved household toilet facilities in seven regions under the Community Led Total Sanitation (CLTS) programme and provided 12,503 improved latrines; and
- installed a sewage dewatering plant at Korle-Gonno to reduce the amount of sewage that is discharged into the sea;

**Figure 6: Kpong Water Expansion Project and the Teshie Nungua Water Desalination Plant**



In 2016, Government will:

- continue to implement the Rainwater Harvesting Strategy;
- complete the construction of a water treatment plant at Kumawu and Konongo and complete rehabilitation works on the Kwahu Ridge Water supply system;
- complete the construction of water treatment plant to add 3.3 million gallons per day of water to the Upper West water supply system; and
- construct two modern Anaerobic Digester Treatment facilities and four treatment and disposal sites for solid waste to address the sanitation challenges.

## 5.4 Education

As part of efforts to provide equitable access and quality education to all Ghanaians, the following initiatives were undertaken in 2015:

- distributed a total of 504,070 school uniforms to pupils in selected deprived communities;

- completed three SHS projects in Otuam, Bamianko and Nkwanta whilst 10 others are expected to be completed by the end of the year;
- provided grants to 55,000 girls in 75 deprived districts at JHS level to bridge the gender gap;
- awarded scholarships to the first batch of 2,300 SHS students under the Scholarship component of the Secondary Education Improvement Project (SEIP);
- provided funding for the first term of the 2015/2016 academic year to about 320,488 day students in public Senior High under the Progressively Free Senior High School initiative; and
- completed the construction of a Hostel Block and a Staff Quarters for the University of Health and Allied Sciences.

**Figure 7: SHS Classroom Block at Bamiankor in the Western Region**



In 2016, Government will:

- provide Capitation Grant and subsidy for registration of 451,000 BECE candidates in both public and private institutions;
- provide subsidy for 745,864 SHS and 31,921 TVET students;
- fund the implementation of progressively free SHS for the 2016/17 academic year;
- provide feeding grant for 7,000 pupils in special schools;
- expand the trainer of trainers programme to include chief apprentices in the informal sector; and

- expand the Student Loan Scheme to cover 89 Public Nursing Institutions with an estimated 55,000 students.

In 2016 government intends to allocate an amount of GH¢6,532.35 million to implement the activities in this sector.

## 5.5 Health

**Figure 8: 420-Bed Ridge Hospital Expansion Project**



In 2015, Government continued the following infrastructure projects to expand access to health care in all parts of the country:

- the 600-bed University of Ghana Teaching Hospital which is 65 percent complete;
- the civil works on 420-bed Ridge Hospital Expansion Project which is 60 percent complete;
- the Dodowa District Hospital in the Greater Accra region which is also about 80 percent complete whilst Fomena, Kumawu, Abetifi and Takoradi European District Hospitals are between 15 and 35 percent complete; and
- the Upper West Regional Hospital is 67.56 percent complete;

The Government also established new ambulance stations at Ashaiman, Atoabo Gas, Akyem Tafo and Kpone and registered new members under the NHIA, bringing active membership to 10.14 million;

In 2016, Government will:



- complete the Upper West Regional Hospital;
- construct 250 CHPS compounds;
- establish additional 240 ambulance stations thus increasing the number to 370 across the country; and
- continue the construction and equipping of 15 polyclinics in the Central and Greater Accra regions;

In 2016 government intends to allocate an amount of GH¢3,368.76 million to implement the activities in this sector.

## **5.6 Agriculture**

To promote sustainable agriculture for improved yield and food security, Government in 2015:

- subsidized the sale of 77 tractors, 49 power tillers, 20 rice threshers, 11 rice reapers and 6 rice mills to rice farmers in the Volta, Greater Accra, Ashanti, Upper East, and Northern regions to boost local rice production;
- distributed 200 metric tonnes of improved rice seed to 10,000 farmers in the Volta, Northern, Upper East and Upper West regions to increase productivity;
- procured and distributed 90,000 metric tonnes, out of a target of 180,000 metric tonnes of fertilizer to farmers countrywide;
- completed the construction and rehabilitation of 66 dams and dugouts for crop production and livestock watering; also provided a 20 hectares irrigation infrastructure (94% complete) in selected zones of Yendi, Bawku and Wa for farming;
- procured and distributed superior breeds of 650 sheep and 450 goats to 90 farmers in the Central, Western and Eastern regions.
- established 2,500 hectares of cotton farms with an expected yield of 1,500 metric tonnes of seed cotton;
- produced 16 million doses of ND1-2 vaccines out of a target of 32 million for the control of Newcastle disease in poultry and distributed a total of 5,750,000 doses countrywide;
- destroyed a total of 37,143 birds in 18 affected farms in three regions to manage Avian Influenza outbreak also disinfected affected farms and have made plans to compensate farmers;
- increased the producer price from GH¢5,520.00 per tonne to GH¢ 6,720.00 per tonne for the 2015/16 cocoa season and gave a bonus of GH¢5.00 per bag of 64kg gross weight; and

**Figure 9: Agricultural Equipment worth US\$ 3.3 million distributed to Rice Farmers in Volta, Greater Accra, Ashanti, Upper East, and Northern regions**



In 2016, Government will:

- acquire 50 tractors with components to support Agricultural Mechanization Services Enterprise Centres (AMSECs);
- subsidize inputs (maize, vaccines and drugs) to commercial poultry (broiler) farmers to produce 45,000 metric tonnes of poultry meat to boost local production and support 1,500 farmers in five regions with 30,000 brooded cockerels; and
- increase productivity of small ruminants in the Eastern, Central and Western regions, by supporting 90 farmers with 450 animals of superior breed quality.

In 2016 government intends to allocate an amount of GH¢501.50 million to implement the activities in this sector.

### **5.7 Microfinance and Small Loans Centre (MASLOC)**

Government disbursed 362 personal loans, 5,192 group loans whilst five companies benefited from the hiring of 20 new vehicles and 965 tricycles, leading to the creation of 985 new jobs.

**Figure 10: MASLOC supports farmers with tri-cycles**



## **5.8 Social Development Programmes**

To eliminate extreme poverty and improve the livelihood of the socially excluded and the vulnerable, Government in 2015:

- expanded the LEAP to cover 116,000 beneficiaries in 180 districts in all the 10 Regions;
- provided shelter, care, counseling and education for 648 orphans and vulnerable children and trained 70 managers of Residential Homes for children,
- disbursed an amount of GH¢3.9 million to support 10,274 households affected by the June 3 flood disaster and also donated relief items to 1,000 victims of the floods in Keta, Osu and Kumasi;
- provided one hot and adequately nutritious meal to 1,693,698 pupils in 4,881 schools per each school day and this has reduced the school dropout rate in the beneficiary schools; and
- launched the "EBAN" welfare card for the elderly persons to allow them board Metro Mass Transit buses nationwide at a 50 percent reduction.

In 2016 Government will:

- expand the implementation of the LEAP to cover over 250,000 beneficiary households; and
- expand the school feeding programme to cover 3,000,000 pupils nationwide.

**Figure 11: Hon. Minster at the launch of the 'EBAN' Elderly Card**



In 2016 government intends to allocate an amount of GH¢49.52 million to implement the activities in this sector.

## **5.9 Housing**

To provide a decent, safe and affordable housing to the citizenry, the following activities were undertaken in 2015:

- continued work on the construction of 5,000 Affordable Housing Unit at Saglemi-Ningo Prampram and Sample showroom completed for exhibition;
- continued the construction of 368 housing units for the security services; and
- completed 72 affordable housing units at Borteyeman.

In 2016 Government will:

- continue works on the construction of 1,502 Housing Units being the Phase I of the 5,000 Affordable Housing Project at Saglemi-Ningo Prampram; and
- begin the construction of the 100 housing units for rural and peri-urban households using improved locally manufactured building materials.

**Figure 12: 5000 Affordable Housing Unit at Saglemi and 368 Housing Units for the Security Services**



### **5.10 Trade and Industry**

To make Ghana a major manufacturing, value added, competitive and export-oriented economy and thus contribute to sustainable economic growth, Government in 2015:

- trained 114 vulnerable women and men in various food processing and other income generating activities;
- manufactured various agro-processing equipment and spare parts for both local and West African markets to support the activities of Small and Medium Scale Enterprises (SMEs);
- deployed Phase 2 of the web-based Cargo Clearance System, to make declaration submission efficient and timely; and
- assisted 18 manufacturing companies to obtain approval for 21 products to be exported to the West African sub-region.

In 2016 Government will:

- pass a consumer protection law to enhance confidence and strengthen buyer position in the marketplace;
- establish 95 new Business Advisory Centres (BACs) and train about 35,000 rural poor people at the district level in community-based income generating activities;
- start operations at the Komenda Sugar Factory; and
- establish another sugar factory in Savelugu in the Northern Region.

In 2016 government intends to allocate an amount of GH¢259.36 million to implement the activities in this sector.

### **5.11 Employment**

In 2015, the Skills Development Agencies (MDPI, NVTI, ICCES and OIC-G) trained 15,051 youth in various vocational trades. In addition, 2,425 master-craft persons were trained. To enhance productivity, 377 employees in both the private and public sectors were trained in management development skills.

Also, Government engaged 47,000 youth under the various modules of the Youth Employment Authority.

In 2016 Government will:

- create 145,000 jobs under the Youth Employment Authority modules; and
- train 15,453 youth in technical and vocational skills, organize testing and certification for 43,320 candidates in vocational skills, ICT and secretary-ship to meet emerging trends.

In 2016 government intends to allocate an amount of GH¢47.93 million to implement the activities in this sector.

## **6 POLICY INITIATIVES**

- To provide tax relief to the minimum wage earners, the existing minimum income which is exempted from income tax will be increased from GH¢1,584 to GH¢2,592.
- The draft PPP law which will enable Government to provide better infrastructure and services to its people is currently being reviewed by the Attorney General's Department and will be submitted to Parliament for approval.
- Government will continue the investments in the energy and power sectors to boost power supply
- Government will undertake a nationwide pension head count to confirm the information on pension to ensure credible payroll database.
- Government is fully committed to addressing the power sector challenges and has therefore taken an important first step towards resolution of the problem, by authorizing Ministry for Finance, Power, and the Public Utilities Regulatory Commission (PURC) to seek proposals for funding structure to put the sector on a sound financial footing.

## **7 CONCLUSION**

In spite of a number of challenges facing our economy, Government has taken measures that will among others:

- improve upon our road, rail and aviation networks;
- expand access to portable water throughout the country;
- provide quality and affordable housing;
- improve health service delivery;
- improve access to education;
- expand and upgrade power generation transmission and distribution networks to address the perennial supply challenges; and
- expand the LEAP to cover over 190,000 households.

Government will need the support of the good people of Ghana as we strive towards providing a better Ghana for us all.

We believe this budget provides another opportunity for all of us to work hand in hand to achieve the objectives set for ourselves.

## 8 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.

**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), Institute of Fiscal Policy etc.

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

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

**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.

**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.

**Prioritisation:** Arrangement in order of importance.

**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 excluding amounts received from loans.

**Sewage Dewatering Plant:** these are treatment plants which break down organic matter such as animal or food waste to produce biogas and bio-fertiliser. This process happens in the absence of oxygen.

**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.

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