



# THE BUDGET HIGHLIGHTS

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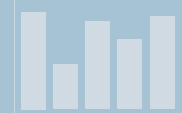
BUDGET STATEMENT AND ECONOMIC POLICY  
OF THE GOVERNMENT OF GHANA FOR THE  
2017 FINANCIAL YEAR

PRESENTED TO PARLIAMENT ON  
THURSDAY 2ND MARCH, 2017 BY

KEN OFORI-ATTA  
(MINISTER FOR FINANCE)



ON THE AUTHORITY OF  
HIS EXCELLENCY NANA ADDO DANKWA AKUFO-ADDO  
(PRESIDENT OF THE REPUBLIC OF GHANA)



**Key Highlights of the 2017 Budget**

<b>THEME: SOWING THE SEEDS FOR GROWTH AND JOBS</b>
<b>MACROECONOMIC PERFORMANCE FOR 2016</b> Overall real GDP 3.6% End-period inflation 15.4% Overall budget deficit on cash basis – 8.7% of GDP, on commitment basis, 10.3% Gross Foreign Reserve (Import Cover) 2.8 Months
<b>2016 Sector Growth Performance</b> Agriculture 3.6% Industry (1.2)% Services 5.9%
<b><i>Exchange Rate Developments - 2016</i></b> Cedi/Dollar depreciation- 9.6% Cedi / Euro depreciation 5.3% Cedi/Pound appreciation 10.0%
<b><i>Interest Rate Development - 2016</i></b> 91- day T-Bills 16.8% 182 – day T-Bills 18.5%
<b>POLICY INITIATIVES</b> <b>Some Tax Incentives</b> <ul style="list-style-type: none"><li>• abolish the 1 percent Special Import Levy;</li><li>• abolish the 17.5 percent VAT/NHIL on financial services;</li><li>• abolish the 17.5 percent VAT/NHIL on selected imported medicines, that are not produced locally;</li><li>• abolish the 17.5 percent VAT/NHIL on domestic airline tickets;</li><li>• abolish the 5 percent VAT/NHIL on Real Estate sales;</li><li>• abolish excise duty on petroleum</li><li>• reduce special petroleum tax rate from 17.5 percent to 15 percent;</li><li>• abolish duty on the importation of spare parts;</li><li>• abolish levies imposed on kayayei by local authorities;</li><li>• reduce National Electrification Scheme Levy from 5 percent to 3 percent;</li><li>• reduce Public Lighting Levy from 5 percent to 2 percent;</li><li>• abolish levies imposed on religious institutions by local authorities;</li></ul>
<b>Other Initiatives</b> <ul style="list-style-type: none"><li>• Under the “One Village One Dam” campaign, small to medium scale irrigation schemes to be identified and rehabilitated.</li><li>• Ministry of Trade to implement the “One District One Factory” initiative to ensure an even spatial spread of industries.</li><li>• Ministry of Education to commence implementation of free secondary education in September for the 2017/18 academic year.</li><li>• 275 constituencies to be allocated the equivalent of US\$1 million annually under the Infrastructure for Poverty Eradication Programme (IPEP)</li></ul>

**MACROECONOMIC PERFORMANCE FOR 2016**

1. Provisional data on the performance of the economy in 2016 show that except for the targets for the Gross Foreign Assets and the Current Account Deficit, most of the programmed macroeconomic targets were missed. Table 1 summarises the programme target and actual for key macroeconomic variables.

**Table 1: key macroeconomic performance**

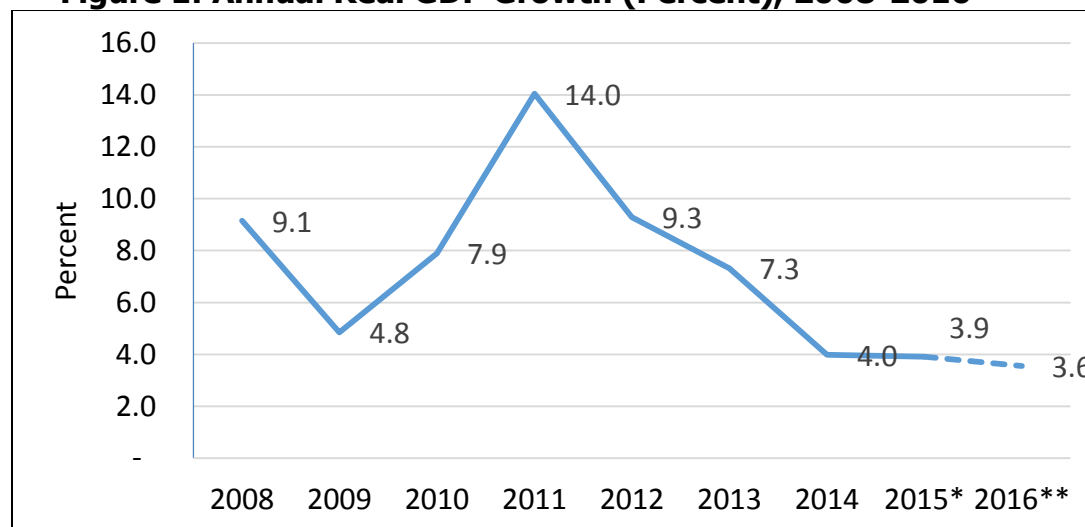
Description	Target*	Actual**
overall real GDP	4.1	3.6
Non-Oil real GDP	4.6	4.6
End-period inflation	10.1	15.4
Overall budget deficit on cash basis as percentage of GDP	5.3	8.7
Budget deficit, excluding discrepancy as percentage of GDP		8.9
Budget deficit On commitment basis as percentage of GDP		10.3
Primary balance	1.2	(1.4)
Current account deficit	7.4	6.5
Gross Foreign Assets (Import Cover)	3.0	3.5

1. Source: GSS/MOF
2. \*Revised \*\* Provisional

**REAL SECTOR PERFORMANCE**

2. Overall provisional GDP growth rate of 3.6 percent is recorded for 2016, with non-oil GDP growing at 4.6 percent, as shown in Figure 1.

**Figure 1: Annual Real GDP Growth (Percent), 2008-2016**



Source: GSS/MOF  
\*Revised \*\*Provisional

**SECTOR GROWTH PERFORMANCE**

- The provisional GDP growth in 2016 is underpinned by a 5.9 percent growth in the Services Sector, 3.6 percent growth in the Agriculture Sector and a negative 1.2 percent growth in the Industry Sector. See table 2 and figure 2 for a summary of historical sector performance and composition of GDP.

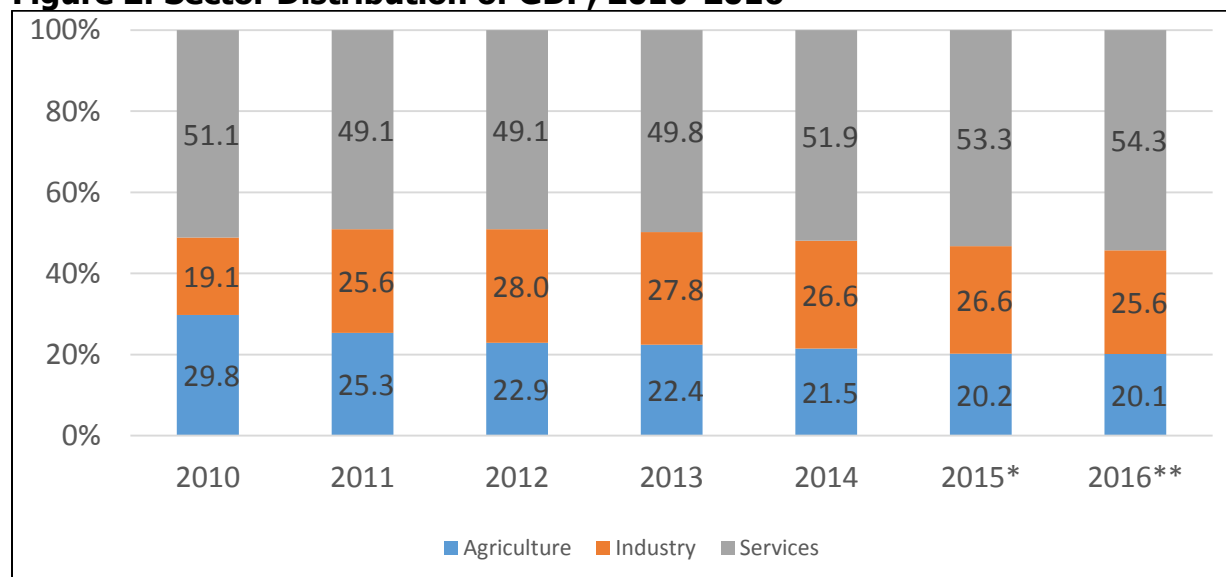
**Table 2: Sector Growth Performance (percent)**

Sector	2014	2015*	2016**
Agriculture	4.6	2.5	3.6
Industry	0.8	1.0	(1.2)
Services	5.6	5.2	5.9

Sources: GSS/MOF

\*Revised \*\*Provisional

**Figure 2: Sector Distribution of GDP, 2010-2016**



Source: GSS/MOF

\*Revised \*\* Provisional

**MONETARY SECTOR PERFORMANCE**

- The Bank of Ghana’s Monetary Policy Committee (MPC) maintained a tight policy stance throughout 2016 with the objective of anchoring inflation expectations and ensuring the stability of the domestic currency. The policy rate was kept at 26 percent and reduced by 50 basis points to 25.5 percent.

## ***THEME: Sowing the Seeds for Growth And Jobs***

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### **Price Developments**

5. Headline inflation increased from 17.7 percent at end-December 2015 and peaked at 19.2 percent in March 2016 and later declined to 15.4 percent in December 2016.

### **Credit developments**

6. Annual growth in total credit to the public and private sector slowed to 17.6 percent in 2016 from 24.9 percent recorded in 2015.
7. Private sector credit growth was 14.4 percent at end 2016, against 24.5 percent recorded in 2015. In real terms, private sector credit contracted by 0.8 percent in 2016, compared with a growth of 5.8 percent recorded in 2015.

### **Money Market Developments**

8. Interest rates in the money market in 2016 reflected mixed trends. Yields on short-term Government securities decreased, while those of medium to long-term GOG bonds increased. This is consistent with Government policy to properly align the yield curve and extend the maturity profile. See Table 3.

**Table 3: Domestic Market Rates**

<b>Instruments</b>	<b>2015</b>	<b>2016</b>
91-Day	23.1	16.8
182-Day	24.4	18.5
1-Year	22.8	21.5
2-Year	23.3	22.5
3-Year	23.5	24.0
5-Year	24.0	24.8
7-Year	19.0	19.0
10-Year		19.0

*Source: BOG*

## **EXTERNAL SECTOR**

9. The trade balance improved from a deficit of US\$3.1bn in 2015 to a deficit of US\$1.7bn in 2016 due to increased exports receipts by 7.2 percent and a decline in imports by 5.3 percent. Consequently, the provisional estimates of the current account deficit improved to US\$2.6bn in 2016 compared with US\$2.8bn in 2015.

### **International Reserves**

10. Gross International Reserves increased by US\$459.01 million to US\$4,862.07 million in 2016. This was sufficient to provide 2.8 months of imports cover, compared with 2.6 at end-December 2015.

**Exchange Rate Developments**

11. The Ghana cedi recorded a cumulative depreciation of 9.6 percent and 5.3 percent against the US dollar and the euro, respectively, but appreciated by 10.0 percent against the pound sterling in the interbank market in 2016.

**FISCAL DEVELOPMENTS IN 2016**

12. Provisional data for 2016 indicate that the envisioned fiscal consolidation was not achieved as seen in Table 4.

**Table 4: Summary of Fiscal Performance**

Description (In million GHC)	2016 Revised Budget		2016 Prov. Outturn		Deviation	Deviation (%)
	Amt.	% of GDP	Amt.	% of GDP		
Total Revenue and Grants	37,889	22.7	33,678	20.0	-4,211	-11.1
Total Expenditure	43,984	26.4	51,125	30.3	7,141	16.2
Overall Fiscal Balance (Commitment)	-6,094	-3.7	-17,447	-10.3	-11,352	186.3
Overall Fiscal Balance (Cash)	-8,408	-5.0	-14,732	-8.7	-6,324	75.2
Total Financing	8,408	5.0	13,145	7.8	4,737	56.3
o/w Domestic (Net)	6,171	3.7	10,185	6.0	4,014	65.0
o/w Petroleum/Sinking & Contingency Funds	-149	-0.1	-874	-0.5	-725	485.0
Primary Fiscal Balance	2,083	1.2	-2,374	-1.4	-4,457	-214.0

Source: MoF

**Revenue Performance**

13. Total Revenue and Grants for the period amounted to GH¢33,678 million, equivalent to 20.0 percent of GDP, against a target GH¢37,889.3 million. See Table 5 for details of revenue performance.

**Table 5: Details of Revenue Performance**

Description (In million GHC)	2016 Revised Budget		2016 Prov. Outturn		Dev't'n.	Dev't'n. (%)
	Amt.	% of GDP	Amt.	% of GDP		
<b>Total Revenue and Grants</b>	<b>37,889</b>	<b>22.7</b>	<b>33,678</b>	<b>20.0</b>	<b>-4,211</b>	<b>-11.1</b>
Tax Revenue	29,129	17.5	25,729	15.2	-3,400	-11.7
o/w Taxes on Income and Property	11,359	6.8	9,107	5.4	-2,252	-19.8
o/w Company Taxes on Oil	42	0.0	42	0.0	0	0.0
o/w Royalties on Oil	306	0.2	176	0.1	-131	-42.7
o/w Taxes on Domestic Goods and Services	12,117	7.3	12,231	7.2	115	0.9
o/w Taxes on International Trade	5,654	3.4	4,390	2.6	-1,263	-22.3
Social contributions	353	0.2	280	0.2	-72	-20.5
Non-tax	6,818	4.1	4,882	2.9	-1,936	-28.4
o/w Royalties on Oil	1,053	0.6	493	0.3	-559	-53.1
Other Revenue (ESLA)	0	0.0	1,646	1.0	1,646	n/a
Grants	1,589	1.0	1,141	0.7	-449	-28.2

Source: MoF

**Expenditure Performance**

14. Total expenditures including outstanding obligations in 2016 amounted to GH¢51,119.1 million, equivalent to 30.3 percent of GDP. See Table 6 for details of expenditure.

**Table 6: Details of Expenditures**

Description (In million GHC)	2016 Revised Budget		2016 Prov. Outturn		Deviation	Deviation (%)
	Amt.	% of GDP	Amt.	% of GDP		
<b>Total Expenditure</b>	<b>43,984</b>	<b>26.4</b>	<b>51,119</b>	<b>30.3</b>	<b>7,135</b>	<b>16.2</b>
Compensation of Employees	13,731	8.2	14,165	8.4	434	3.2
o/w Wages and Salaries	11,723	7.0	12,110	7.2	387	3.3
Use of Goods and Services	2,127	1.3	3,221	1.9	1,094	51.4
Interest Payments	10,490	6.3	10,770	6.4	280	2.7
o/w Domestic Interest	8,317	5.0	8,466	5.0	149	1.8
Subsidies	50	0.0	0	0.0	-50	-100.0
Grants to Other Government Units	10,490	6.3	8,804	5.2	-1,686	-16.1
Social Benefits	75	0.0	0	0.0	-75	-100.0
VAT Refunds	627	0.4	1,445	0.9	818	130.3

**THEME: Sowing the Seeds for Growth And Jobs**

Description (In million GHC)	2016 Revised Budget		2016 Prov. Outturn		Deviation	Deviation (%)
	Amt.	% of GDP	Amt.	% of GDP		
Capital Expenditure	6,393	3.8	7,678	4.6	1,285	20.1
o/w Domestically financed	1,606	1.0	2,049	1.2	443	27.6
o/w Foreign financed	4,788	2.9	5,630	3.3	842	17.6
Other Outstanding Expenditure Claims	0	0.0	5,036	3.0	5,036	n/a

Source: MoF

**Overall Budget Balance and Financing**

15. Based on the provisional outturn for revenue and expenditure for the period, the overall fiscal balance on commitment basis amounted to GH¢17,447 million equivalent to 10.3 percent of GDP. See Table 7 for details of overall balance and financing performance.

**Table 7: Overall Balance and Financing**

Description (In million GHC)	2016 Revised Budget		2016 Prov. Outturn		Deviation	Deviation (%)
	Amt.	% of GDP	Amt.	% of GDP		
Overall Fiscal Balance (Commitment)	-6,094	-3.7	17,447	-10.3	-11,352	186.3
Overall Fiscal Balance (Cash)	-8,408	-5.0	14,732	-8.7	-6,324	75.2
Total Financing	8,408	5.0	13,145	7.8	4,737	56.3
Foreign (Net)	2,237	1.3	2,960	1.8	723	32.3
Domestic (Net)	6,171	3.7	10,185	6.0	4,014	65.0
o/w Petroleum/Sinking & Contingency Funds	-149	-0.1	-874	-0.5	-725	485.0
Primary Fiscal Balance	2,083	1.2	-2,374	-1.4	-4,457	-214.0

Source: MoF

**PETROLEUM RECEIPTS IN 2016**

16. Total petroleum receipts for 2016 recorded US\$247,175 million as compared to the 2016 Budget estimate of US\$348.42 million as shown in Table 8.



**Table 8: Analysis of 2016 Petroleum Receipts**

Item	Budget	Actual	Variance
	A	B	C = B - A
US\$			
Royalties	78,533,594.14	57,851,210.69	(20,682,383.45)
o/w Jubilee Royalties	78,533,594.14	57,851,210.69	(20,682,383.45)
o/w SOPCL Royalties	-	-	-
Carried and Participating Interest	208,475,417.95	149,936,375.74	(58,539,042.21)
Surface Rentals	1,051,277.25	465,029.74	(586,247.51)
Corporate Income Tax	-	29,546,823.00	29,546,823.00
PHF income	-	73,148.74	73,148.74
Gas Royalties	2,462,541.12	379,554.50	(2,082,986.62)
Gas Carried and Participating Interest	57,893,858.88	8,923,251.85	(48,970,607.03)
<b>Total</b>	<b>348,416,689.34</b>	<b>247,175,394.26</b>	<b>(101,241,295.08)</b>

Source: MOF/BOG

17. Total ABFA receipts amounted to GH¢388.85 million, with actual utilisation amounting to GH¢311.12 million, leaving an unutilised balance of GH¢77.73 million. Table 9 provides a summary of utilisation by the priority areas.

**Table 9: 2016 ABFA Utilisation by Priority Area**

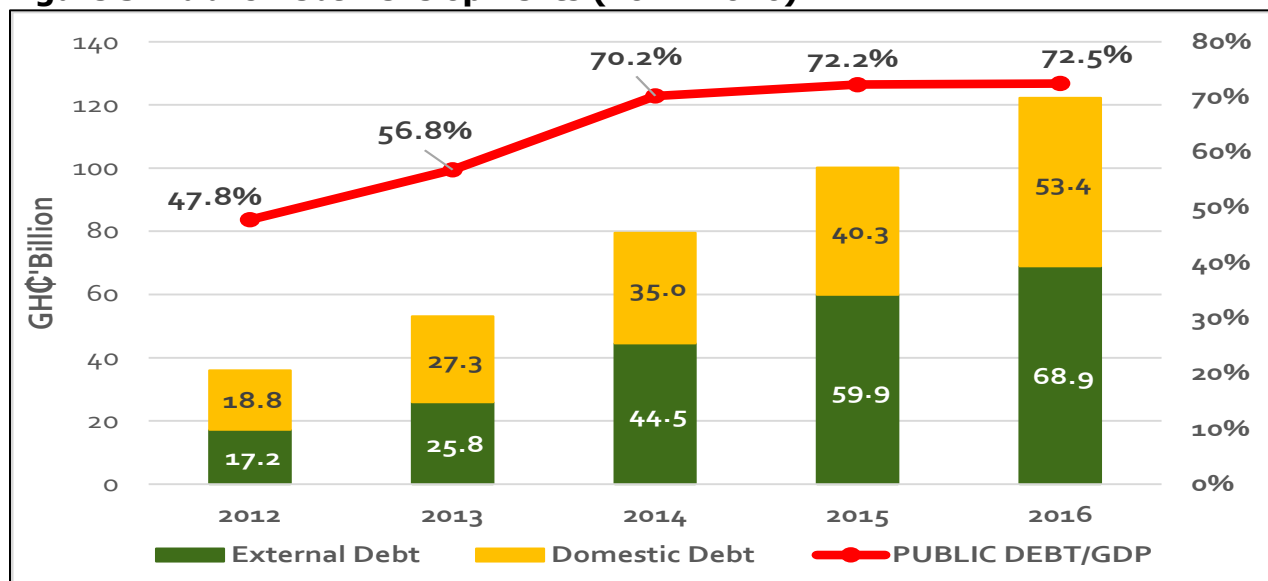
Priority Area	Utilisation (GH¢)
Expenditure and Amortisation of Loans for Oil and Gas Infrastructure	-
Road and Other Infrastructure	199,447,492.13
Agriculture Modernisation	27,671,280.88
Capacity Building (including Oil and Gas)	83,037,283.91
<b>Total Spending in Priority Areas</b>	<b>310,156,056.92</b>
Transfers to the Public Interest and Accountability Committee	967,000.00
<b>Total ABFA Spending</b>	<b>311,123,056.92</b>

Source: MOF

## DEVELOPMENTS IN PUBLIC DEBT

18. Total public debt stock to GDP, increased from 72.2 percent at end-2015 to 72.5 at end-2016. Domestic and external debt stood at 31.7 percent and 40.8 percent of GDP respectively. See Figure 3 for historical trends in debt .

**Figure 3: Public Debt Developments (2012-2016)**



Source: MOF

## ENERGY SECTOR LEVIES

19. Total amount of GH¢3,191.15 million was programmed to be collected as Energy Sector Levies (ESL) for 2016. Actual collections at the end of the year was GH¢3,284.75 million, exceeding the programmed target by GH¢93.60 million or 2.3 percent.

## MACROECONOMIC TARGETS FOR 2017

20. The following are the targets for key macroeconomic variables in 2017
- overall GDP growth rate of 6.3 percent;
  - non-oil GDP growth rate of 4.6 percent;
  - end-year inflation rate of 11.2 percent;
  - average inflation rate of 12.4 percent;
  - overall fiscal deficit of 6.5 percent of GDP;
  - primary surplus of 0.4 percent of GDP; and
  - Gross Foreign Assets to cover at least 3 months of imports of goods and services.

**Table 10: Summary of Revenue and Expenditure for 2017**

<b>SUMMARY OF REVENUE AND EXPENDITURE FOR 2017</b>		
<b>Description</b>	<b>Amount ( In million GHC)</b>	<b>% of GDP</b>
Total Revenue and Grants	44,962	22.1
o/w Tax Revenue	34,382	16.9
Total Expenditure	58,137	28.6
o/w Compensation of Employees	16,006	7.9
Overall Fiscal Balance (Commitment)	-9,433	-4.6
Overall Fiscal Balance (Cash)	-13,176	-6.5
<b>SUMMARY OF FINANCING FOR 2017</b>		
Total Financing	13,176	6.5
Foreign (Net)	-1,317	-0.6
Domestic (Net)	14,493	7.1

Source: MOF

**Macroeconomic targets for the medium-term (2017-2019):**

21. The following are the targets for key macroeconomic variables in medium term
- overall real GDP growth to average of 7.4 percent;
  - real non-oil GDP growth to average 5.6 percent;
  - inflation to be within the target band of  $8 \pm 2$  percent in the 2018-2019 period;
  - overall fiscal deficit to reduce to 3 percent by the end of 2019; and
  - Gross Foreign Assets to cover not less than 3.5 months of import of goods and services in the medium-term.
  - Gross Foreign Assets to cover not less than 3.5 months of import of goods and services in the medium-term.

**Table 11: Real GDP Growth (in %) for the medium-term – 2017 - 2019**

<b>Item</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Average</b>
	<b>Percent</b>			
Agriculture	3.5	4.0	4.2	3.9
Industry	11.2	17.6	8.5	12.5
Services	5.1	7.3	7.4	6.6
<b>Overall GDP (excl. Oil)</b>	<b>4.6</b>	<b>6.0</b>	<b>6.1</b>	<b>5.5</b>
<b>Overall GDP (incl. Oil)</b>	<b>6.3</b>	<b>9.1</b>	<b>6.9</b>	<b>7.4</b>

Source: MOF

**POLICY INITIATIVES**

22. The following policy initiatives will be implemented in the short to medium-term to help improve the business environment, instill fiscal discipline and promote investment in critical sectors of the economy to set the stage for job-creation opportunities, ease hardships and secure a bright future for our families.

**Tax Incentives**

- abolish the 1 percent Special Import Levy;
- abolish the 17.5 percent VAT/NHIL on financial services;
- abolish the 17.5 percent VAT/NHIL on selected imported medicines, that are not produced locally;
- initiate steps to remove import duties on raw materials and machinery for production within the context of the ECOWAS Common External Tariff (CET) Protocol;
- abolish the 17.5 percent VAT/NHIL on domestic airline tickets;
- abolish the 5 percent VAT/NHIL on Real Estate sales;
- abolish excise duty on petroleum;
- reduce special petroleum tax rate from 17.5 percent to 15 percent;
- abolish duty on the importation of spare parts;
- abolish levies imposed on kayayei by local authorities;
- abolish levies imposed on religious institutions by local authorities;
- exempt from taxation, the gains from realization of securities listed on the Ghana Stock Exchange or publicly held securities approved by the Securities and Exchange Commission (SEC);
- reduce National Electrification Scheme Levy from 5 percent to 3 percent;
- reduce Public Lighting Levy from 5 percent to 2 percent;
- replace the 17.5 VAT/NHIL rate with a flat rate of 3 percent for traders; and
- implement tax credits and other incentives for businesses that hire young graduates.

**Banking Sector and Capital Market Development Initiatives**

23. Government will streamline the Energy Sector Levy Act, 2015 (Act 899,) (ESLA) to accommodate existing legacy debts to improve liquidity in the banking system and the private sector.
24. Encourage a capital market local content policy that enjoins companies operating in the energy, oil and gas, financial services, telecommunications, and mining sectors to list a minimum percentage of their shares on the Ghana Stock Exchange within 5 years of commencement of operations.

**Fiscal and Expenditure Control Initiatives**

25. Government will in 2017, establish a Fiscal Council responsible for setting up medium-term fiscal policy anchors to guide fiscal policy as well as monitor compliance and ensure fiscal accountability.
26. To optimize salary administration and deal with the perennial problem of 'ghost workers', government intends to pay public sector wages and salaries using the GhIPPS e-zwich platform as a pass-through filter.

**Other Initiatives**

27. Government will roll out the following initiatives/programme to support SME and industrial sector:
  - National Entrepreneurship and Innovation Plan (NEIP) will be the primary vehicle to provide integrated, support for early-stage (start-ups and small) businesses, focusing on the provision of business development services, business incubators, and funding for youth-owned businesses
  - National Industrial Revitalization Programme will be established to provide technical and financial support to existing companies that are deemed viable but are currently distressed or facing operational challenges.
  - Government will under the Infrastructure for Poverty Eradication Programme (IPEP) direct capital expenditure towards local, constituency-level development. In this regard all the 275 constituencies will be allocated the equivalent of US\$1 million annually.
  - To ensure that IPEP and other local initiatives are implemented in a well-coordinated manner, Government will set up three (3) Development Authorities, namely, Northern Development Authority (NDA), Middle Belt Development Authority (MBA), and Coastal Development Authority (CDA).

**Zongo Development Fund**

28. As part of efforts to develop Zongo communities, government will set up a Zongo Development Fund (ZDF) with seed money of GH¢219.5 million. The Fund will support the provision of critical infrastructure in education and training; health and sanitation; local businesses and centres of culture, as well as improve security in the Zongo communities.

**National Identification Programme**

29. Government has commenced stakeholder consultations to revive and roll-out the National Identification Scheme in 2017. All registered persons will be provided with a Unique Identification Number, and an ID Card free of charge, which will be required to facilitate the efficient delivery of public and private services, including financial services, mobile banking, m-commerce, social safety nets, health insurance, and revenue collection among others.

**National Digital Addressing System**

As part of plans to enhance economic development and growth, Government has commenced stakeholder consultation to develop and implement a National Digital Property Addressing System for the country in 2017 aimed at having digital addresses for parcels of land and properties in the country.

**2016 SECTORAL PERFORMANCE AND OUTLOOK FOR 2017**

**Ministry of Food and Agriculture**

30. The main highlight for the 2017 budget of the Ministry is the “Planting for Food and Jobs” campaign. The campaign is designed to encourage all citizens (both urban and rural) to take up farming as a full or part-time activity. The campaign will involve the production of maize, rice, soybean, sorghum and vegetables. Other crops will be adopted in subsequent years. This will create 750,000 jobs in both direct and indirect employment.
31. Under the “One Village One Dam” campaign, small to medium scale irrigation schemes will be identified and rehabilitated. The Ministry through the Ghana Commercial Agriculture Project (GCAP) will rehabilitate the Torgorme Irrigation Scheme as well as build the capacities of the Water Users Association on the Scheme.
32. Government is committed to the continuation of the mass cocoa spraying exercise under the Cocoa Diseases and Pests Control Programme (CODAPEC) to control cocoa diseases and pests such as black pod and capsids. To ensure its total success, the programme will be streamlined and expanded.

**Ministry of Trade and Industry**

33. Parliament ratified the implementation of the Economic Partnership Agreement (EPA) which was duly signed. In 2017, the Ministry will engage with the EU to agree on the modalities to maximize the benefits and minimize losses to the private sector and rethink our trading strategy with the UK.
34. In order to improve competitiveness of industry domestically and globally, Health and Export Certificates will be issued to cover export from 2017. Locally manufactured products and management systems will also be certified with relevant standards. In addition, accreditation to cover Metrology and Testing laboratories to ISO/IEC 17025:2005 will be issued to ensure that reports are recognized and accepted globally.
35. In 2017, the Ministry will initiate the “One District One Factory” initiative to ensure an even spatial spread of industries. This is intended to promote rapid industrialization at the district level driven by strong linkages to agriculture and

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other natural resource endowments to create job and wealth. It also aims at accelerating economic growth and development in rural communities by facilitating the development of commercially viable, export oriented and import competition business activities at the rural level.

### **Ministry of Energy**

36. A total of 880MW of power capacity was added to the country's installed generation capacity as at year end 2016 to bring the installed capacity to 4,132MW. The Ministry completed 200MW Kpone Thermal Power Project (KTPP); 360MW Asogli Project; 20 MW BXC Solar Project; 250MW Ameri Project and 50MW Trojan. In 2017, Government will continue to increase the installed generation capacity of the country to meet the growing demand for electricity.
37. The year 2016 witnessed implementation of the Petroleum Local Content and Local Participation Regulations, 2013 L.I. 2204 with the industry registering an increase in capital investments, local sourcing and subcontracting. For petroleum downstream service contracts, indigenous Ghanaian service providers were awarded about USD 221million representing 73 percent increase to USD 128million for 2015.
38. In 2017, the Ministry will work with the Jubilee Partners to address the shortfall in oil and gas production resulting from the 2016 damage on the turret bearing on FPSO Kwame Nkrumah and will adopt a three phase approach to convert the FPSO Kwame Nkrumah to a permanently spread-moored. First gas from the TEN field to the Gas Processing Plant (GPP) is expected in the first half of 2017.

### **Ministry of Education**

39. Government continued with the implementation of other Social Intervention Programmes and provided 209,415 school uniforms and 30,000 "Made in Ghana" leather school sandals to pupils in selected deprived communities. In 2017, Government will procure and distribute 250,000 pieces of school uniforms and 40,000 pieces of school sandals to pupils in selected deprived communities.
40. To make basic education truly free and ensure participation by all, Government will introduce the following measures from the first term of the 2017/18 academic year: increase the Capitation Grant by 100 percent from GHS 4.50 to GHS 9.00 per child per annum; introduce equity in Government support to schools by restructuring disbursement of Capitation to introduce equal amounts of Base Grant to be paid to all schools at the beginning of the academic year; disburse 50 percent of total Capitation as Base Grant and the remaining 50 percent on per capita basis.
41. The Ministry of Education will commence implementation of free secondary education in September when the 2017/18 academic year starts. The

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programme will start with first year students in all public Senior High Schools across the country. Free secondary education would imply the absorption of all approved fees currently charged to students in public Senior High Schools. Adequate provisions have been made for the funding of this monumental social intervention programme from the ABFA and other domestic revenue sources.

42. Government will fully restore the payment of teacher trainee allowances, effective September 2017. Provision has been made in the 2017 budget to pay allowances to all 43,570 trainees in the 43 public Colleges of Education.

### **Ministry of Health**

43. Government will continue to deliver its mandate to the people by improving access to quality health care delivery through the National Health Insurance Scheme (NHIS). Government will review and strengthen the NHIS to ensure it is fit for purpose.
44. The Health Sector in 2017 will increase coverage of antenatal care services and delivery by skilled attendants from 2016 targets of 78 percent and 53 percent to 80 percent and 55 percent, respectively. The target for fully immunized children will be maintained at above 90 percent in 2017.
45. Government will re-introduce training allowances for nurses in the next academic year. We are hopeful that this will provide some relief to students in the training institutions.



