

**SPEECH**

**13-11-2019**

## **INTRODUCTION**

1. Right Honourable Speaker, Honourable Members of Parliament, on the authority of His Excellency the President Nana Addo Dankwa Akufo-Addo, I beg to move that this august House approves the Financial Policy of the Government of Ghana for the year ending 31st December, 2020.
2. Mr. Speaker, on the authority of His Excellency the President, and in keeping with the requirement of Article 179 of the 1992 Constitution of the Republic of Ghana, and Section 21(3) of the PFM Act 2016 (ACT 921), may I respectfully present the Budget Statement and Economic Policies of Government for 2020 to this Honourable House.
3. I also submit before this august House, the 2019 Annual Report on the Petroleum Funds, in accordance with Section

48 of the Petroleum Revenue Management Act, 2011 (Act 815), as amended, and a Report on the African Union 0.2 percent Import Levy.

4. Mr. Speaker, this statement is an abridged version of the Budget Statement and Economic Policy of the Government of Ghana for the 2020 Financial Year. I would like to request the Hansard Department to capture the entire Budget Statement and Economic Policy.

5. Mr. Speaker, in substance, 2019 has been a very good year for Ghana. This is the year that one can confidently say that God's blessing of the hard work is beginning to manifest, putting us on a positive trajectory for a proper lift. I say so because:

- i. We have won some painful but necessary battles for God and country;

- ii. We have quietly but incontestably achieved significant structural changes for the economy;
- iii. We have stabilized greatly the macro-economic turbulence that was all too regular a feature in the management of the national economy;
- iv. We have delivered on our flagship programmes;
- v. Mr. Speaker, the gains made so far are significant.

6. It is proper to put this budget into perspective to understand how far we have come. On Thursday, 2<sup>nd</sup> March 2017, I had the honour and privilege to present the first budget of President Akufo-Addo to this House. At that time, as you may recall, the economy was in a very bad shape, suffocating under a mixed weight of debts, arrears, very high cost of living, high youth unemployment and the worst growth rate since 1994. Moreover:-

- i. Growth in agriculture was declining;
- ii. Industry growth was in the negative;

- iii. Interest rates were high;
- iv. The banking system was weak;
- v. Unemployment was rising; and
- vi. Businesses and households were working mainly to pay off their utility bills.

7. Mr. Speaker, the poor state of public finances, weak policy implementation and lack of policy credibility resulted in Ghana requesting an IMF bailout in August 2014. The economic model being practised at the time was a simple, unexamined formula of tax, borrow and spend without a focus on production. The previous government resorted to some draconian fiscal measures; notably the increase in the tax burden on many items and activities, including condoms, cutlasses as well as 'kayayie'.

8. Mr. Speaker, a freeze was imposed on the public sector from employing people. There were cuts to a number of

areas of spending, most notably were cuts to research allowances for lecturers, nursing training, and teacher training allowances. Yet, the government then was awarding billions of cedis worth of contracts without knowing about how to pay for them. It was a case of living for today and leaving tomorrow to take care of itself.

9. President Akufo-Addo's maiden State of the Nation Address captured the situation and his Government's attitude towards it succinctly: "Too much time, energy and resources were spent in the past, in my view, without a deliberate, conscious assessment of their impact on jobs, and whether or not we were spending wisely to improve the lives of the people, communities and businesses. But, I was not elected by the overwhelming majority of the Ghanaian people to complain. I was elected to get things done. I was elected to fix what is broken and my government and I are determined to do just that."

10. Mr. Speaker, that is exactly what we have done within the last three years. The President had set out his vision and programmes in clear language in his maiden address. He said this within the context of an economy that was seriously challenged; the full extent of which we were yet to discover. And yet, by January 2017, the nation was hopeful because change had come. In the 2017 Budget, we illustrated the NPP Government's expectations, aspirations and hope for Ghana's future, using the miracle of Jesus when he fed 5,000 people with 5 loaves of bread and two fish. We also declared that the budget was going to "sow the seeds for growth and jobs".

11. Quite apart from the fragile structural policy and worsening macro-fiscal situation passed on to us, this Government had to also address serious contractual commitments. The exorbitant energy bill from expensive, difficult-to-explain

'take or pay' of Power Purchase Agreements; a pile up of unpaid arrears and outstanding commitments, mostly accrued from contracts awarded without the slightest care for the public purse.

12. Mr. Speaker, if you add the cost of cleaning the financial sector challenges to the long list of legacy bills that the Akufo-Addo government had to settle, the cost to the Ghanaian tax payer is around GH¢33 billion.

13. Mr. Speaker exactly 2 years, 8 months and 12 days later, I stand before you to declare that indeed God has been gracious. His favour has shone on our nation and it is because, in my humble view, we, their new leaders, choose to serve His people rightly and sincerely.

14. Mr. Speaker, thankfully, we came in with a plan, stayed focused, kept our discipline, kept our promises and



managed to strike a balance between maintaining fiscal discipline and supporting businesses and households with tax reliefs, yes, we dared to abolish all manner of nuisance taxes. Despite the limited resources at our disposal, we implemented our plan which included the introduction of stimulus packages for some viable but struggling businesses; increasing spending significantly on social services, and implemented our flagship programmes.

15. Prof K A Busia said, “The concept of poverty... should be seen not only in terms of cash or the scarcity or underdevelopment of material resources but also in human conditions, in disease, ignorance, lack of training, and education [and[... [t]he first essential requirement for progress is the development of the human being.” That is why, Mr. Speaker, President Akufo-Addo would never shy away from the responsibility of investing to prepare our children for their own future.

16. As a result of us introducing the necessary combination of focus, discipline, integrity, creativity, compassion and competence, in just 32 months in office, Mr. Speaker, the Lord has blessed our efforts. The economy has seen a miraculous turnaround, moving now in the right direction.

I speak to the data, Mr. Speaker:

- i. Economic growth rate has doubled under President Akufo-Addo, rebounding strongly from 3.4 percent in 2016 (the lowest GDP growth rate since 1994); averaging 7%;
- ii. Inflation rate has fallen from 15.4 percent in December 2016 to 7.6 percent (new series) in September 2019, registering the lowest rate in 27 years; which makes 2019 the year with the slowest ever rise in the prices of goods and service in Ghana in the entire history of the Fourth Republic— Yes, Mr.

Speaker, 2019 has been good for Ghana because when inflation slows down everybody benefits;

- iii. The banking sector is on the rise again, recording by mid-year, a year-on-year after tax profit of GH¢1.67 billion, or 36 per cent, in 2019. This is good for Ghana because when the banks are strong the economy is strong;
- iv. The 91-day treasury bill rate fell steadily from nearly 17 percent in December 2016 and now stands at 14.7 percent. This is good for Ghana because when the cost of borrowing is low businesses expand, jobs are created and spending rises;
- v. We have reduced the fiscal deficit, which on cash and commitment basis was below 5% this year, at 4.5 percent at the end of the third quarter of 2019;
- vi. On the external front, the trade deficit has improved from US\$1.8 billion in 2016 to a surplus of US\$2.6 billion in August 2019. This is good for Ghana as it

helps to keep our currency stable and our economy strong;

17. Today, we can be proud of ourselves for the progress we have made together as Ghanaians. This competent Government came into office with a plan. And, we are delivering according to plan. In the President, the people of Ghana are clear on what they voted for: leadership. Strong, assured, decisive, intelligent, focused and compassionate leadership. Election after election, he has been consistent with his vision, focused on his priorities, and unwavering on the path to getting us there. Not even two defeats could shake him away from his convictions.
18. Mr. Speaker, I am proud to stand here and declare that the President has redeemed virtually all the pledges he made to the people of Ghana.
19. Mr. Speaker, the numbers, indeed, don't lie and I have some numbers that make interesting reading:

- i. 1.2 million Ghanaian students would have had access to secondary education by 2020, justifying the spending of Gh¢2.2billion. It is gratifying to note that the first cohort of students under the programme numbering about 362,000 are due to graduate in 2020.
  - ii. 1.9 million people have directly benefited from the Planting for Food and Job programme;
  - iii. 97,373 graduates have been given an opportunity under NABCO to better position them for future jobs;
  - iv. 83,000 Ghanaians have been recruited under the Forest Plantation Programme to help restore our environment;
  - v. A further 138,026 Ghanaians have been recruited under various programmes to support public sector delivery;
  - vi. 55,000 nurses have been recruited to enhance healthcare delivery;
  - vii. 3.6 million Ghanaians have been registered under the national ID programmes;
  - viii. 1,000 sanitary facilities are under construction to address open defecation;
  - ix. 49,000 trainee nurses have been paid Gh¢468 million in allowances;
  - x. 48,000 teacher trainees have also been paid Gh¢532 million in allowances;
20. Mr. Speaker, to support Industry and Entrepreneurship;

- i. 181 companies have benefited from support under the 1D1F programme;
- ii. 12,000 start-up businesses have received training support under the Government Entrepreneurship Programme;
- iii. 80 business incubation hubs have been set up across the country to build the capacity of entrepreneurs;
- iv. 20,000 students have been trained under the Student Entrepreneurship Initiative;
- v. 100 disabled women have been empowered to start businesses;
- vi. Dagbon is finally at peace!

21. Mr. Speaker, in fulfilment of our promise, IPEP has delivered the following:

- i. 307 Ambulances have been procured for distribution to each constituency and all regional and teaching hospitals to enhance healthcare;
- ii. 200 dams have been completed, and an additional 360 are dams under construction;
- iii. 50 prefabricated grain warehouses have been constructed to reduce post-harvest losses; and
- iv. 50 rural markets are under construction to enhance trade within our local assemblies.

22. Mr. Speaker, I wish to take this opportunity to express my sincere gratitude to you and Honourable Members, for the wise counsel, support, activism, opposition and cooperation that you have given to the Executive since 2017. Dare I say, our friends on the other side of this House have proven to be very vocal Opposition.
23. Mr. Speaker, our macroeconomic achievements have not gone unnoticed. Our discipline and determination to stay focused has been recognized by our global partners namely the UN, World bank and IMF to mention a few.
24. Mr. Speaker, this is manifested by:
- i. the President selected as the co-Chair of the SDG Advcoates;
  - ii. Ghana represented by the Minister of Finance as the Chairperson of the Development Committee of the World Bank; and
  - iii. Ghana represented by the Governor of the Bank of Ghana appointed as the incoming Chair of the Board of Governors of the Bretton Woods Institutions

25. Mr. Speaker, the budget I will be presenting today is critical in various respects:

- i. First, it is an election year budget and we know the history of such budgets;
- ii. Second, it is the first, since 2015, to be done without an IMF programme because of our successful completion of the derailed IMF programme last April; and
- iii. Third, it is the first election year budget to be prepared under the Fiscal Responsibility Act (2018), which places a 5 per cent cap on fiscal deficit in any given year;

26. Mr. Speaker, in 2020, Government will make a strong push on the under-listed priorities in order to consolidate the gains achieved within the last three years and to drive our economic transformation forward in line with the



President's Consolidated Programme and the Ghana Beyond Aid vision:

- i. **Domestic Revenue Mobilization:** We will take radical policy and institutional reforms towards raising our tax-to-GDP ratio over the medium term from under 13 percent currently to around 20 percent. The focus will be on efficiency and base-broadening rather than imposing new taxes on our people and businesses. This way, we can raise our domestic contribution to our ambitious transformation agenda, in line with the Ghana Beyond Aid vision;
- ii. **Business Regulatory Reforms:** A 3-year reform initiative, coordinated by the Ministry of Trade and Industry, will be implemented to make Ghana one of the most transparently and efficiently regulated business environments in Africa. This will empower our local businesses and also help us realise our

ambition of making Ghana the Gateway to Business in West Africa;

iii. **Intensified Drive for FDI:** We need higher amounts of external private capital to complement Government resources in driving our transformation. So, we will aggressively go after Foreign Direct Investment (FDI). To this end, GIPC will be better resourced with human and financial capital. In addition, Government has establish an Inter-Ministerial Committee to provide coordinated policy guidance and support to the FDI drive;

iv. **Enhanced Financial Support to Local Enterprises:** Government will deploy early in 2020 a number of initiative to enhance the access of our business to finance, including medium and long-term capital. These include the new National Development Bank, the Ghana Incentives-based Risk Sharing System for Agricultural Lending

(GIRSAL), the Ghana Commodity Exchange, and a strengthened Venture Capital Trust Fund;

- v. **International Financial Services Centre.** Work is progressing steadily on preparations to realise Government vision of establishing Ghana as a regional financial services centre in West Africa. The Concept Note has been approved by Government and work is ongoing to draft an International Financial Services (IFS) Bill for broader stakeholder consultations;
- vi. **Digitization:** We aim to use digitization to transform our development path in line with the global realities of the 4<sup>th</sup> Industrial Revolution. We will continue the impressive achievements made over the last three years in using digitization to improve government services and make it more accessible to Ghanaians. We will also intensify

efforts to support the development of Fintech and the knowledge economy in Ghana;

- vii. **Accelerated Infrastructure Development:** We will accelerate financing for infrastructure by actively leveraging innovative sources of finance. To this end, we are strengthening the capacity the Ghana Infrastructure Investment Fund (GIIF) to tap into global financial markets, including blended finance and sovereign wealth funds. Supporting private sector development;
- viii. **Science and Technology:** The foundation for industrialization is science and technology. Government has therefore resolved to complement our advances in human capital in the education sector with a focused push to develop our national technological capability. To this end, Government, through the Ministry of Science, Environment, Technology and Innovation (MESTI) will establish

the Ghana Design and Manufacturing Centre (GDMC). A center of excellence in design, manufacturing and technology commercialization, GDMC will facilitate the incubation of new technological industries and serve as a resource for national research institutions and private industry.

ix. **Private Sector:** Mr. Speaker, the private sector remains the key to jobs and transformation of our economy. We have had meaningful discussions, and MoTI has established the Public Private Dialogue series, to ensure a coordinated strategy for transformation.

27. Mr. Speaker, 2020 is an election year. I would like to take this opportunity to inform this august House on behalf of the President that all the needed resources required shall be marshalled for the Electoral Commission to ensure that we have credible, free and fair elections. Ghana remains

one of the most stable and peaceful countries in the world and we intend to maintain it that way.

28. In spite of the year being an election year, Mr. Speaker, let me repeat that President Akufo-Addo and his Government will ensure that the perennial excessive spending during such periods, will not happen in 2020. We shall work within the 2020 appropriated resource envelop and adhere to the Fiscal Responsibility Act to maintain fiscal discipline. We will do so, not because we are complacent of our chances. No. We will do so because the nation needs it and we are not prepared to throw away all the sacrifices and gains the people and their Government have made in the last three years. We shall consolidate our macroeconomic gains and offer businesses and households the predictability and stability that they need to manage their lives.

29. Mr. Speaker, Ghana has developed an integrated institutional framework for the implementation of the SDGs,

from the national to the sub-national levels. The SDGs have been embedded in the President's Coordinated Programme for Economic and Social Development Policies, national policies and objectives of the Government's flagship programmes.

30. Mr. Speaker, this systematic approach has made it possible for Ghana to be the first country in the world to incorporate the SDGs into our national Chart of Accounts, allowing us to track spending towards the SDGs targets.

## **THE MACROECONOMY**

31. Mr. Speaker, for the last two years (2018 and 2019), Ghana has been amongst the fastest growing economies in the world! Ghana's recent growth has not been primarily driven by oil, it has been more broad-based. In fact, Non-oil GDP has increased from 4.6% in 2016 to 6.5% in 2018 and is projected to reach 6.0% in 2019 and 6.7% in 2020, respectively, reflecting the impact of our flagship programmes.
32. Mr. Speaker, the increased economic growth has been the result of increased agricultural and industrial output. As a result of the successful Planting for Food and Jobs Program, agricultural GDP growth has increased from 2.9 percent in 2016 to 4.8 percent in 2018 and projected to reach 6.4 percent in 2019. It is heartening to note that unlike in the past, Ghana has not had to import maize for food consumption in the last two years. Industry has also seen a recovery with industry growth increasing from 4.3 percent



in 2016 to 10.6 percent in 2018, and projected to grow by 8.8 percent in 2019. This is real change.

33. Mr. Speaker, the restoration and sustainability of macroeconomic stability has been a cornerstone of the economic policy of President Akufo-Addo's government. Without macroeconomic stability, all the goals that we have set for ourselves as a country will not be achieved. As a demonstration of our commitment to macroeconomic stability, we have pursued a policy of fiscal discipline which we have supported with the passage of the Fiscal Responsibility Act, 2018 (Act 982) (that limits the fiscal deficit in any year to 5% of GDP) and the establishment of a Fiscal Council.

34. Mr. Speaker, the fiscal deficit (on cash basis) has significantly fallen from 6.5% of GDP in 2016 to 4.5% of GDP in September 2019. For the first time in a decade, Ghana recorded primary surpluses (that is our tax revenues

exceeded all government spending—excluding debt service payments) for two years in a row. That is real change!

35. Economic management under the Fourth Republic, with the exception of 2004, has tended to follow a pattern of political business cycle where election years have been characterised by fiscal indiscipline. We have witnessed various governments spending excessively to finance off-budget expenditures that led to major fiscal slippages, as in the case of 2016, when the then Government recorded a fiscal deficit of 6.5 percent against its own target of 3.9 percent. Therefore, the decision of the President to impose on himself, a binding legislative constraint, with accompanying sanctions for me as the Finance Minister, I believe this a clear manifestation of our commitment to fiscal discipline. We pledge to Ghanaians that we will not derail this economy that we have worked so hard to fix. This is real change!

## **Fiscal Performance for 2019**

36. Mr. Speaker, Government remains committed to safeguarding the macro-fiscal gains that we have achieved over the last three years in the management of the nation's public finances. The implementation of the Fiscal Responsibility Act, the establishment and operationalisation of the Fiscal Responsibility Advisory and Financial Stability Councils, have complemented several other institutional and structural reforms to strengthen fiscal discipline and ensure irreversibility of policies.
37. Mr. Speaker, over the first nine months of the 2019 fiscal year, provisional fiscal data indicates that the fiscal deficit arising from Government's fiscal operations was 4.5 percent of GDP on cash basis. This compares to a deficit target of 4.1 percent of GDP for the period. The higher-than-programmed fiscal deficit resulted mainly from revenue underperformance. Although expenditures were also below

target, the expenditure execution rate was higher than revenue execution rate.

38. Mr. Speaker, Total Revenue and Grants for the period, amounted to GH¢36.3 billion (10.5% of GDP). The outturn represents a per annum growth of 9.2 percent despite a 13.6 percent shortfall relative to the target of GH¢42.0 billion (12.1 percent of GDP).
39. Mr. Speaker, the general underperformance of tax revenue mainly stems from shortfalls in International Trade taxes and on Income and Property taxes. The shortfall in international trade taxes, which consist of Import Duty and Levies, External VAT, and Customs National Health and GETFund levies, resulted from lower import volumes, high admittance of imported goods into the zero-rated and/or tax-exempt import brackets and the lower tariff bands, up to the 10 percent tariff levels.

40. Total Expenditure including arrears clearance amounted to GH¢51.9 billion (15.1% of GDP) compared to the target of GH¢56.1 billion (16.2 percent of GDP). Except for Interest Payments, all expenditure line items were contained within their respective targets.
41. Mr. Speaker, following Government's fiscal operations, the overall fiscal balance on cash basis resulted in a deficit of GH¢15.7 billion (equivalent to 4.5 percent of GDP) against the target of GH¢14.2 billion (or 4.1 percent of GDP). The higher-than-programmed financing (especially from domestic sources) stems mainly from the frontloading of financing requirements to meet Government expenditures and other debt service obligations, including for the settlement of uncovered Government auctions following substantial revenue shortfalls.
42. Mr. Speaker, the Primary Balance for the period was a deficit of GH¢916 million (0.3% of GDP) against the

targeted Primary Surplus of GH¢201.7 million (0.1% of GDP).

### **Outlook for End-year 2019**

43. Mr. Speaker, based on the provisional fiscal outturn for the first nine months of the year, revised projection for the year resulted in Total Revenue and Grants of GH¢54.6 billion (15.8% of GDP). This projection represents a 7.4 percent shortfall relative to the 2019 revised annual budget target of GH¢58.9 billion (17.0% of GDP).
  
44. Although available data supports the fact that revenue mobilisation is most robust in the last quarter of every year, it is prudent to remain conservative with the revenue projections in order to avoid excess spending in the last quarter.
  
45. Mr. Speaker, consequently, discretionary expenditures will be adjusted accordingly to ensure that the fiscal deficit

target is not compromised and remains within the Fiscal Responsibility Rule target of not more than 5 percent of GDP. Specifically, the fiscal deficit is projected to reach about 4.7 percent of GDP with a Primary Surplus of about 0.9 percent of GDP.

46. Mr. Speaker, total public debt has increased from GHC122.3 billion in 2016 to GHC208.6 billion (including the cost of the banking sector clean-up) at the end of September 2019. However, the strong fiscal adjustment and better debt management has meant that the rate of debt accumulation (excluding the banking sector clean-up) of 14.3 percent, is the second lowest in the last decade. The debt to GDP ratio increased from 56.9 percent in 2016 to 57.5 percent at the end of September 2019, excluding the financial sector bailout. Including the financial sector bailout and energy payments, the debt to GDP ratio was 60.55 as at end September 2019.

47. Mr. Speaker, we promised to move the economic policy away from one focused on taxation to one focused on production and we have done just that over the last three year. I would like to note that:

- i. Import duties were reduced by 50% from April 2019;
- ii. The 1% Special import levy was abolished;
- iii. Excise duty on petroleum was abolished;
- iv. 17.5% VAT on financial services was abolished;
- v. 17.5% VAT on selected important medicines was abolished;
- vi. 17.5% VAT on Real Estate Sales was abolished;
- vii. 17.5% VAT on domestic airline tickets was abolished;
- viii. Abolished import duty on the importation of spare parts;



- ix. Abolished taxation of gains from the realisation of securities listed on the Ghana Stock Exchange and publicly held securities approved by the SEC;
- x. Abolished levies imposed on Kayayei; and
- xi. Reduced Electricity tariffs.

48. Notwithstanding the fact that the Communications Service Tax was recently increased from 6% to 9%, the overall direction regarding the burden of taxation on Ghanaians has been overwhelmingly downward in the last three years.

49. Mr. Speaker, inflation has declined from 15.4% in 2016 to 7.6% (new series) as at September 2019. Indeed, inflation has been in single digits since April 2018 (i.e. for the last 18 months) and is at its lowest rate in 27 years. That is real change.

50. Mr. Speaker, in line with the decline in inflation, interest rates have also been on a downward trend, with average bank lending rates falling significantly from 31.7% in 2016 to 24% by September 2019.
51. Mr. Speaker, lending rates are still high. Improvements in macroeconomic environments alone will not bring interest rates down. There are many other structural factors in our financial system that are causing high interest rates. In addition to sustaining macroeconomic stability, Government is actively working to remove these structural bottlenecks to support lower interest rates.
52. Mr. Speaker, it was clear after taking office that we had inherited a financial system tottering on the edge of collapse, which was known to the previous Government but was negligently left unaddressed. The new leadership of the Bank of Ghana therefore moved decisively to restore

soundness and stability to the financial system. For Banks, Savings and Loans and Microfinance companies, 4.6 million depositors were at risk of losing their entire savings. The Bank of Ghana undertook a number of reforms including increases in minimum capital requirement, revocation of the licenses of insolvent banks resulted in the consolidation of banks from 34 to 23 by the end of December 2018. Consequently, we now have a banking sector that is well-capitalized, liquid, and well-positioned to improve the flow of funds in the economy and to drive private-sector-led growth and development.

53. This unexpected fiscal cost of the clean-up has thus far cost the tax payer over GHC13 billion in order to save the deposits of bank, savings and loan and microfinance companies. It has also led to an unplanned one-time increase in Ghana's debt stock.

54. Mr. Speaker, Ghana's external payments position has strengthened. For the first time in over two decades, the trade balance (the difference between what we export and what we import) recorded a surplus in 2017, and even larger surplus in 2018 largely because of increased exports. The positive trade balance has resulted in a significant narrowing of the current account deficit as a percent of GDP. This is real change!

55. The stronger external position has resulted in an accumulation of foreign exchange reserves, which have increased from \$6.1 billion in 2016 (3.5 months of import cover) to \$8.2 billion in September 2019 (4.3 months of import cover). This is real change.

56. Mr. Speaker, the strong macroeconomic fundamentals posted by the economy has also resulted in a significant decline in the rate of depreciation of the cedi. The data

shows that the annual depreciation of the cedi to the US dollar between 2017 and 2019 has been the slowest since 2012. Before we assumed office, the cedi depreciated by 14.5% in 2013, 31.2% in 2014, 15.7% in 2015 and 9.7% in 2016 (an annual average of 17.7%). Since 2017 however, the cedi has depreciated by an average of 7.8%. This is real change!

57. Mr. Speaker, we should recall that the weak fundamentals of the economy meant that the NDC government had to end up seeking a bailout from the IMF in 2015! The difference today is stark and glaring. Under our competent economic management, the fundamentals have strengthened, and Ghana successfully exited the IMF program. This is real change!

58. Mr. Speaker, indeed the strength of Ghana's fundamentals was confirmed on March 16, 2019 by Standard and Poor's

(S&P) Global which affirmed Ghana's sovereign rating as B with a stable outlook after upgrading Ghana's sovereign credit rating from B- to B with a stable outlook last year. This was the first upgrade by S&P for Ghana in 10 years! This is real change!

59. Mr. Speaker, with stronger finances, Government also transferred some GH¢3.1 billion of Tier 2 pension funds into the custodial accounts of the pension schemes of the labour unions, funds that had been outstanding since 2013. That is real change.

60. Mr. Speaker, we have also established the National Entrepreneurship and Innovation Programme, under which 3,000 start-ups and small businesses have benefitted from a special government business support programme with beneficiaries receiving between GH¢10,000 and GH¢100,000 each, at a special interest rate of 10%. That is real change.

## **2020 AND MEDIUM-TERM MACROECONOMIC TARGETS**

61. Mr. Speaker, I now turn to the medium term macroeconomic targets.

62. Following our significant progress in restoring macroeconomic stability over the past 32 months, we will continue to implement policies and programmes to ensure the fulfilment of our promises to our people. The following macroeconomic targets are set for the medium term (2020-2023):

- i. Overall Real GDP growth to average 5.7 percent for the period;
- ii. Non-Oil Real GDP to grow at an average of 5.9 percent for the period;
- iii. Inflation to be within the target band of  $8\pm 2$  percent;

- iv. Overall fiscal deficit to remain within the Fiscal Responsibility Act Threshold of not more than 5 percent of GDP;
- v. The primary balance to be in a surplus; and
- vi. Gross International Reserves to cover at least 3.5 months of imports of goods and services.

63. Mr. Speaker, based on the overall macroeconomic objective of “Consolidating the Gains for Growth, Jobs, and Security”, the following specific macroeconomic targets have been set for the 2020 fiscal year:

- i. Overall Real GDP growth of 6.8 percent;
- ii. Non-Oil Real GDP growth of 6.7 percent;
- iii. End-period inflation of 8.0 percent;
- iv. Fiscal deficit of 4.7 percent of GDP;
- v. Primary surplus of 0.8 percent of GDP; and
- vi. Gross International Reserves to cover not less than 3.5 months of imports of goods and services.



64. Mr. Speaker, to further strengthen our commitment to maintaining fiscal discipline, the focus of fiscal policy in 2020 is to ensure that the fiscal deficit, which remains the principal fiscal anchor is reduced to low and sustainable levels, enough to reduce the overall public debt burden and create the needed fiscal space over the medium-term.

### **Resource Mobilization for 2020**

65. Mr. Speaker, Total Revenue and Grants for 2020 is projected at GH¢67.1 billion (16.9% of GDP), up from a projected outturn for 2019 of GH¢54.6 billion (15.8% of GDP). Domestic Revenue is estimated at GH¢65.8 billion, representing an annual growth of 22.5 percent over the projected outturn for 2019. Grants disbursement from Development Partners is estimated at GH¢1.2 billion (0.3% of GDP) and a nominal growth of 48.8 percent over the projected outturn of GH¢833.2 million in 2019.

## **Resource Allocation for 2020**

66. Mr. Speaker, Total Expenditure (including clearance of Arrears) is projected at GH¢85.9 billion (21.6% of GDP) in 2020. The expenditure estimate for 2020 represents a growth of 21.2 percent above the projected outturn for 2019.
67. Mr. Speaker, wages and salaries are projected at GH¢22.9 billion and constitute 26.7 percent of the Total Expenditure (including Arrears clearance). Use of Goods and Services is also projected at GH¢8.3 billion (2.1% of GDP) and 9.7 percent of the Total Expenditure (incl. Arrears clearance). Interest Payments on public debt is projected at GH¢21.7 billion (5.4% of GDP).
68. Mr. Speaker, government will continue with the implementation of the Earmarked Funds Capping and Realignment Act to reduce budget rigidities and create

fiscal space to fund growth-enhancing expenditures. Consequently, transfers to Statutory Funds as well as all other earmarked funds are estimated at GH¢15.6 billion (3.9% of GDP) in 2020, representing 19.6 percent growth over the projected outturn for 2019.

69. Mr. Speaker, capital Expenditure is projected at GH¢9.3 billion (2.3% of GDP), representing 53.5 percent increase over the 2019 projected outturn. Of this amount, Domestic Financed Capital Expenditure is estimated at GH¢3.8 billion (0.9% of GDP), while Foreign Financed Capital Expenditure is estimated at GH¢5.5 billion (1.4% of GDP), to be funded by a combination of Project Grants and Loans.

### **Budget balances and financing operations for 2020**

70. Mr. Speaker, based on the estimates for Total Revenue & Grants and Total Expenditure, the 2020 fiscal operations will result in a cash deficit of GH¢18.9 billion, equivalent to 4.7 percent of GDP. Mr. Speaker, financing of the fiscal deficit from domestic sources will amount to GH¢8.3 billion

(2.0% of GDP) while foreign financing of the deficit will amount to GH¢10.6 billion (2.7% of GDP) and will include a planned international capital market programme to raise up to US\$3 billion, of which, US\$2.0billion will support the implementation of the 2020 budget as well as for domestic liability management. Mr. Speaker, Primary Surplus equivalent to 0.7 percent of GDP (GH¢3.0 billion) is estimated for 2020.

### **Petroleum revenue for 2020**

71. Mr. Speaker, the total petroleum revenue for 2020 is projected at US\$1,150.84 million. In line with the PRMA, we would like to propose the allocation of the petroleum revenue as follows:

- i. Allocate US\$332.16 million to GNPC for its Equity Financing Cost (US\$218.10 million) and share of the net Carried and Participating Interest (US\$114.02 million);
- ii. Allocate 70 percent of the Benchmark Revenue of US\$818.68 million (i.e. US\$573.08 million) to ABFA;

- iii. Allocate 30 percent of the Benchmark revenue (i.e. US\$245.60 million) to the Ghana Petroleum Funds; and
- iv. Allocate US\$171.92 million of the Ghana Petroleum Funds amount to the Ghana Stabilisation Fund and US\$73.68 million to the Ghana Heritage Fund.

### **Capping the Ghana Stabilisation Fund**

72. Mr. Speaker, the Government will maintain the cap on the Ghana Stabilisation Fund at US\$300 million, in line with Section 23(3) of the PRMA.

### **Revenue Measures**

73. Mr. Speaker, Government shall continue to provide the necessary support to the Ghana Revenue Authority (GRA) in their ongoing reforms for 2020 and the medium term to optimize revenue collection. The full year yield from the 2019 midyear revenue measures are expected to be robust in 2020 to complement tax compliance efforts. Government

will pursue the following revenue measures, among others, to boost domestic revenue:

- i. Government shall renew and extend the National Fiscal Stabilisation Levy and Special Import Levies (SIL) for five years (5) to support the Budget; and
- ii. In line with Government policy, the personal income tax band will be adjusted and the necessary Parliamentary approval sought to ensure that the 12 percent minimum wage increase for 2020 is tax-exempt.
- iii. Personal Reliefs such as marriage relief, child education relief and old age relief which were last adjusted in 2015 will also be reviewed upwards, consistent with government commitment to support families.

74. To address the challenges of revenue mobilisation, Government will restructure the tax system and develop a comprehensive revenue policy and strategy.
75. The Ghana Revenue Authority (GRA) occupies a critical position in the economy and is responsible for approximately 70 percent of domestic revenues. After 10 years of integration, Government is ready to carry out the next generation of reforms in revenue administration. A transformation program centred around the three main themes of People, Technology, and Service will be structured with the new leadership of the GRA to create a 'NEW GRA' that will reflect the very best of efficiency and productivity.

***Compliance Measures for the Petroleum Downstream Sector***

76. Mr. speaker, over the years we have experienced under-reporting, diversion and dilution of fuel products and general non-compliance in the petroleum downstream

sector. This causes Government to lose considerable revenue. In the year ahead the spotlight will be turned on the sector to address these irregularities and indiscipline that have become characteristic of this industry. The envisaged actions include:

- i. Providing additional powers to the relevant institutions and enhancing punitive sanctions to check the abuses;
- ii. Revoking the licenses of recalcitrant players in the industry and prosecuting directors and key personnel of such entities;
- iii. Automating all processes in the sector to reduce human interventions and provide transparency; and
- iv. instituting stricter monitoring controls.

## **Energy sector**

### **Update on excess capacity challenges in the energy sector**



77. Mr. Speaker, as part of the Mid-Year Fiscal Policy Review, Government announced its intention to rationalize commercial agreements in Ghana's energy sector – including, reassessing all take-or-pay contracts and imposing a moratorium on the signing of new agreements in the energy sector – with a view to establishing a managed transition to overcome the unsustainable excess supply situation that continues to pose a grave risk to the country's economic progress.

78. Consequently, the Ministry of Finance and the Ministry of Energy, on 26 August 2019, hosted Ghana's Independent Power Producers and Gas Suppliers at a stakeholder forum, during which Government reiterated the urgent need for these energy sector interventions and outlined Government's intended approach to implementing them.

79. As well, Government invited our IPPs and Gas Suppliers to partner and collaborate with Government in this crucial exercise, as Government seeks a thoughtful and managed transition from the onerous Take-or-Pay paradigm towards a balanced contractual relationship capable of delivering fair, enduring energy solutions that reflect reality and offer long-term sustainability for Power Purchase Agreements (PPAs) and Gas Supply Agreements (GSAs) in Ghana.
80. Subsequently, on 28 October 2019, Government inaugurated a Steering Committee under the Energy Sector Recovery Task Force, whose purpose it is to take responsibility for the collaborative, bilateral consultation process between Government and each Independent Power Producer (IPP) and Gas Supplier (GS), designed to help Government and its energy sector partners achieve a managed transition towards more balanced, long-term relationships and sustainable energy partnerships.

81. Mr. Speaker, this collaborative, bilateral consultation process, which has, so far, been welcomed by the investor community, will provide a forum for stakeholders to contribute to Ghana's energy strategy, which is fundamental to the country's industrialization and sustainable growth.

82. In this regard, Mr. Speaker, I am pleased to inform this august house that Government Negotiating Teams have been constituted and are now close to completing the first round of bilateral consultation meetings with several IPPs, as well as project sponsors. Significantly, Government views these collaborative, bilateral consultations as an essential exercise, which not only limits downside risks to investors over the medium to long term, but also demonstrates Government's full commitment to progressively restoring confidence in the energy sector as

well as across other key sectors in our rapidly growing economy.

83. Mr. Speaker, it is also worth highlighting, that in line with these energy sector interventions and to ensure the success of the bilateral consultation process, Government, in line with the decision taken in the July Mid-Year Review, has formally instructed sector Ministries, Departments and Agencies (MDAs) as follows:

- i. to suspend with immediate effect all ongoing negotiations on PPAs, and GSAs, LNG Sale and Purchase Agreements (LNG SPAs), or any other long term Take-or-Pay contracts for power or gas (Long Term Take-or-Pay Contracts) until further notice;
- ii. that Government has placed a complete moratorium on the signing of new PPAs, GSAs, and Put-Call Option Agreements (PCOAs), and hereby instructs ECG, GNPC, GNGC, and VRA to abstain from entering into any new

PPAs, GSAs, LNG SPAs, Long Term Take or Pay Contracts and PCOAs until further notice;

- iii. that all future PPAs, and GSAs, LNG SPAs and Long Term Take or Pay Contracts shall be subject to competitive and transparent procurement procedures, and Government will, henceforth, not entertain or accept any unsolicited proposals.

84. Government intends to enforce these interventions and expects strict compliance by all affected MDAs and potential investors. In this regard, Government will notify MDAs on a case by case basis, of any applicable exceptions with regard to the objectives of the Energy Sector Recovery Programme (ESRP), a roadmap jointly developed by the Government of Ghana and the World Bank, which delineates immediate, near-term, and medium-term actions needed to achieve Government's aim of bringing the sector into balance in the medium- term.

85. Mr. Speaker, we expect this to be a gradual but challenging process with many potential complexities however, Government remains undeterred and will spare no effort to ensure that it is fully prepared financially, organizationally and with the requisite technical wherewithal to confront these challenges head-on.
86. Additionally, as part of the rationalization process, the Karpowership has been relocated to the Western Region and retrofitted to use gas, instead of HFO. Karpowership will thus become the key off-taker for the take or pay Sankofa gas. This will generate substantial savings for Government.
87. Indeed, unlike in the past, this Government recognizes that a focused, disciplined and coordinated approach is required to resolve the substantial challenges in the energy sector.
88. In this regard, Government aims, through this consultation process, to, among other things, create a standardized, sustainable framework for future PPA and GSA contracting,

which all new IPPs and Gas Suppliers who wish to participate in Ghana's energy sector will be required to adopt in the future.

89. Truly, Mr. Speaker, the staggering costs and negative macro-fiscal impact of Ghana's excess power and gas supply problem, necessitates the full force and uninterrupted focus of Government in the execution of this all-important exercise. And Mr. Speaker, this is precisely what we intend to do.

90. Mr. Speaker, as we all know, on July 30, 2019, Government suspended the Power Distribution Service (PDS) concession, following Government's detection of fundamental and material breaches of PDS's obligations in the provision of payment securities for the transaction and related matters. After further investigations and extensive consultations with relevant stakeholders, Government, on

October 19, 2019 announced its decision to terminate the PDS concession.

91. Regardless, Government is fully committed to private sector participation in ECG and is focused on moving forward with urgency to find a suitable replacement for the PDS arrangements. Moreover, we are prepared to review the transaction structure and indeed, recognize the need to improve significantly the management of ECG, by bringing in world-class private sector expertise and attracting adequate private capital.
92. Mr. Speaker, considering ECG's current distribution systems losses of 24% – comprising 13% commercial and 11% technical losses – Government is truly motivated by the urgent need to reduce these losses and improve service quality through the effective deployment of modern technology and world-class technical expertise, with a view to creating a financially viable power distribution sector that



is sufficiently equipped to meet the current and future needs of Ghanaian households and businesses.

93. Mr. Speaker, as we crystalize plans for the future of ECG, Government is also enthused by the critical need to ensure the transfer of skills with a view to building local capacity as well as introducing international best practices to enhance the operational, technical, commercial and financial wherewithal of our national electricity distribution utility.

94. Against this backdrop, Mr. Speaker, I am pleased to announce that Government intends to initiate an accelerated tender process to select a new private partner for ECG in the coming months. It is indeed Government's intention to make relevant adjustments to enhance the existing bid documents and tailor the process to optimize the selection from companies having a track record of managing and operating a comparable utility, so as to

achieve a fair, transparent and expeditious closure of the transaction.

95. Mr. Speaker, we cannot overstate the importance of learning from past mistakes if we are to make sound decisions going forward. However, we have no doubt that a well-executed partnership between ECG and the “right” technical and financial partners, will certainly improve our distribution capabilities and enhance end-user experiences.
96. In this regard, heightened scrutiny will be brought to bear in the design and implementation of the financial and technical evaluation criteria to ensure that interested bidders not only have credibility and extensive experience in operating and managing a comparable electricity utility, but also possess the financial wherewithal to make the requisite investments in ECG to achieve significant reductions in technical and commercial losses, as well as drive operational efficiency to deliver sustained service reliability for the benefit of all Ghanaians.

97. Mr. Speaker, while restoring private sector participation in the management, operation and financing of the required investments in ECG's distribution assets, Government will make every effort to avoid the pitfalls that the PDS concession encountered and institute broad Ghanaian institutional participation, as well as democratize local equity participation, with an eventual listing on the Ghana Stock Exchange.
98. Indeed Mr. Speaker, let me be clear, that the decisions we take in respect of this transaction, will continue to affirm our time-honoured reputation as a business-friendly nation that respects the rule of law, and expects to remain an attractive destination for Foreign Direct Investment.
99. Mr. Speaker, while on the subject, Ghana remains committed to its relationship with the Millennium Challenge Corporation (MCC). Indeed, Government fully respects and is committed to the essential principles underlying the relationship between the MCC and the Government of

Ghana, as well as the overall bilateral relationship between Ghana and the United States

100. Moreover, Government remains committed to the energy sector reforms, as envisioned under both the MCC Compact and the Energy Sector Recovery Program (ESRP), developed with the support of the World Bank.

### **Financial Services**

101. Mr. Speaker, following the successful completion of reforms in the banking sector which begun in August 2017 and ended in January 2019, we now have a more resilient sector, well positioned to support the economic growth agenda of the government. Banks are beginning to refocus on their core mandate of financial intermediation based on their strong capital base after the recent completion of the recapitalization exercise.

102. A well-capitalized, solvent, liquid, and profitable, and resilient banking sector has emerged with improved financial soundness indicators in line with expectations. Even with fewer banks, asset growth within the banking sector in 2019 continues to be robust, underpinned by sustained growth in deposits and higher capital levels while credit has continued to recover compared to the same period last year.

103. Mr. Speaker, at the start of the reforms in August 2017, total assets were GH¢89.1 billion for a sector that had 36 banks, and two years after the reform process started, total assets have increased to GH¢115.2 billion at end August 2019 with only 23 banks. In the same direction, total deposits have improved from GH¢55.7 billion to GH¢76.0 billion over the same comparative period, reflecting a stronger deposit base owing to more trust and confidence in the banking sector with fewer but stronger banks.

104. Banks' profitability has also been greatly enhanced with a significant pick-up in profit after tax in 2019 compared to the previous year. The sector's solvency remains strong, with the Capital Adequacy Ratio, even under the more stringent capital requirement directive under the Base II/III framework, well above the new regulatory minimum of 13 percent.

105. Mr. Speaker, similar to the banking sector and prior to the reforms, the specialized deposit-taking institutions (SDI) sector was plagued with acute liquidity and insolvency challenges. Their continued existence posed severe risks to the stability of the financial system and to depositors. As a result, in two separate clean up exercises the licenses of these insolvent institutions were revoked in order to curtail a spill over of these weaknesses to other sectors of the financial industry.

106. Mr. Speaker, insolvent specialized deposit institutions comprising of 23 savings and loans and finance house

companies, and 347 microfinance companies and Non-Bank Financial Institutions comprising of 39 micro credit companies, one dormant leasing company and one dormant remittance company were also resolved in May and August 2019 respectively to safeguard the financial system against potential contagion and weaknesses in the SDI sector which threatened to erode the gains made in the banking sector.

107. It is important to note that although the clean-up exercises were completed quite recently there are already indications of improved performance within the SDI sector evidenced by improved capital positions, profitability, management efficiency and liquidity within the sector.

108. The completion of reforms within the Banks and SDIs Industry in August 2019 was timely and paved way for the operationalization of the Ghana Deposit Protection scheme in December 2019. The scheme will protect the national budget from costs arising from banking sector failure, if that

were even to happen in the future, and ensure that going forward all depositor's funds are insured against bank and SDI failures. This scheme, supplemented by effective regulation and supervision by the Bank of Ghana, and the work of the Financial Stability Council, will go a long way to make our financial system more resilient and supportive of our efforts to foster inclusive socio-economic growth.

109. The central bank will continue to pursue policies and strengthen supervision to ensure that the banking sector remains well-capitalised, solvent, liquid and profitable and to also ensure that significant gains recorded in the aftermath of the reforms and recapitalization exercise are locked-in. Credit risk management practices and loan recovery efforts will be stepped up to minimize overall risks in the banking sector.



## **Developments in the Fund Management Industry**

110. Mr. Speaker, over the past two years, the management of the Securities and Exchange Commission has worked on various reforms and appraised the state of operators in the industry. In line with the powers vested in the Commission under Act 929 sections 3 and 122, the Commission revoked the licenses of 53 fund management companies on Friday, 8th November, 2019. Of these firms, 21 had ceased operations, with the remaining 32 in various states of distress and/or regulatory non-compliance before the revocations.

111. Through this firm and decisive intervention, the Commission will preserve the investments of over 77,000 retail investors and over 4,700 institutional investors. The investment portfolios of the affected firms amounted to GH¢8 billion, of which GH¢2.4 billion (30%) was invested in treasury bills, banks and listed equities. The actions affected 249 licensed representatives.

112. This exercise seeks to protect investors, restore transparency and introduce greater accountability while instilling higher ethical standards through improvement of the licensing and supervisory framework.

### **Fiscal Impact of Financial Sector Clean Up**

113. Mr. Speaker, the intervention by Government to save depositors and investors whose funds were locked up with failed financial institutions has been very costly.

114. In 2017 and 2018, Government spent a total GH¢11.7 billion to safeguard the deposits held by universal banks that were resolved by Bank of Ghana, and to set up the Consolidated Bank Ghana (CBG) Limited. These amounts were mainly through the issuance of government debt to both GCB Bank and CBG.

115. This year, Government had to again intervene to provide relief to depositors when the Bank of Ghana revoked the licenses of 347 Micro Finance Institutions, 15 Savings &

Loans and 8 Finance Houses. The total bailout cost estimate for this exercise was GH¢2.4 billion.

116. Mr. Speaker, the Securities and Exchange Commission also revoked the licenses of 53 Asset Management Companies that were distressed, with an estimated fiscal cost to protect investors of GH¢1.5 billion.

117. In addition, Government also provided bridge funding of up to GH¢800 million for Ghana Amalgamated Trust (GAT) to enable it invest in four (4) indigenous banks that were struggling to meet the minimum capital requirement GH¢400 million.

118. Mr. Speaker, these interventions were timely to ensure that we safeguard the financial system, provided relief to many families and businesses, as well as to protect jobs and local interest in the financial system.

119. Mr. Speaker, it is important to state that Government has not under any circumstances intentionally collapsed any financial institution. These institutions were insolvent

and/or distressed as a result of their own actions, and their respective regulators stepped in to intervene and to save over 4m depositors and investors. Our commitment is to ensure that we provide relief to many of the victims. The total estimated cost for our fiscal intervention, excluding interest payments, from 2017 to 2019 is estimated at GHS16.4 billion, about 5% of GDP.

120. Mr. Speaker, we acknowledge the pain and distress that has befallen depositors and investors, including pensioners, market women, churches who placed their confidence in these financial institutions. The on-going prosecutions will ensure that all those culpable as well as the negligent officials of the regulators will face justice as soon as possible. With this clean-up, the financial sector is now sanitized and public should have confidence in the sector.

## **Ghana Amalgamated Trust (GAT)**

121. Mr. Speaker, the Ghana Amalgamated Trust (GAT) Plc was set up in December 2018 as an urgent policy response to help support five (5) indigenous banks, Agricultural Development Bank (ADB), OmniBSIC, Prudential Bank, Universal Merchant Bank and National Investment Bank (NIB) as they were unable to raise equity to meet Bank of Ghana's new mandatory minimum capital of GH¢400 million by 31st December, 2018.

122. All the insolvent banks whose licenses were revoked by BoG, were indigenous banks which had a contagious effect on the remaining indigenous banks; making it hard for them to raise additional capital. To ensure that indigenous sponsorship in the banking industry is protected, and over 5,400 direct jobs and 12,000 indirect jobs are kept, the Government set-up GAT and announced a major intervention to provide a sovereign guarantee of up to GH¢2 billion to GAT as a backstop to encourage investors

to support our local banks. Government successfully got the approval from Parliament to issue a Sovereign Guarantee for GAT to enable it issue bonds, and invest equity in the participating banks.

123. Mr. Speaker, the process was, however, affected by a legal suit challenging the debt instrument to be issued by GAT for equity investment in the participating banks. In response, the legal advisors, Bank of Ghana, Securities and Exchange Commission, and the NPRA advised the following to enable a successful capitalization of the banks to meet the social objectives of the Government.

- i. Replacement of the original bond framework for GAT with a preference share framework for investors;
- ii. Initial bridge capitalization of GH¢800 million by Government to enable GAT invest in the first four banks (ADB, OmniBSIC, PBL & UMB); and
- iii. A subsequent raising of an amount of up to GH¢800 million from investors backed by a Put Call Option

Agreement (PCOA) from Government to enable GAT proceed with the original structure as planned but via preference shares.

124. Accordingly, Parliament is therefore requested to approve the GH¢800 million initial capitalization of GAT for its investment in the 4 participating banks, under the new structure and the PCOA. The PCOA will replace the Sovereign Guarantee that was previously approved for the banks.

### **National Investment Bank (NIB)**

125. Mr. Speaker, Government took a decision to deal with NIB separately from the other 4 participating banks because of its unique challenge and the fact that it was 100% owned by the state. Over the past months, Government has worked to strengthen the management, ensure regulatory compliance and beef up the financial reporting framework

of the bank to enable it participate more effectively under the GAT programme.

126. The Bank also took steps to engage new auditors, and make current their financial statements. Additionally, to address severe liquidity challenges, Government in October 2019, entered into a swap arrangement with NIB with respect to its Nestle Shares, giving NIB GH¢500 million of new liquidity for the Nestle Shares. The final assessment of the bank, however, showed a much wider capital shortfall of GHS2.2b as at the end of 2018, which it will need to raise to enable it meet the new Bank of Ghana minimum capital requirement.

127. NIB, under the GAT initiative, has also developed a new strategy that will transform it into a specialised bank. Going forward, NIB shall focus on promoting industrialization by deploying the right products and services to finance industry across the country and in line with national development priorities.



128. In this regard, Parliament is requested to approve a GHS2.2 billion Put Call Option Agreement (PCOA) from Government to GAT to enable it raise the required funding for NIB via preference shares. This will replace the Government Guarantee to GAT that was previously approved.

### **Consolidated Bank Ghana Limited (CBG)**

129. Mr. Speaker, Consolidated Bank Ghana (CBG) which was formed as a bridge bank to assumed the good assets of the 7 defunct local banks in August 2018 has made considerable process in term of paying depositors whose monies were locked up with these institutions and still maintaining most of them as clients.

130. The progress made by CBG, the jobs retained as well as the re-hiring of some of the staff of the now defunct banks that were out of the jobs, attest to the hard work the BOG, the Receivers and all stakeholders in the banking sector clean-

up process to ensure that the resolution of the crisis was as smooth as possible. We are confident that over the next months, the financial sector which is now on a sounder footing will expand considerably and new jobs will be created.

131. With the progress made by CBG, the bank has requested that Government consider and approve for its articles of incorporation to be amended to convert it into a normal universal bank and not a bridge bank. Government has recognised the need to strengthen CBG and protect the jobs at this bank and has therefore given the go ahead for CBG to undertake the needed regulatory process with the Bank of Ghana for it to be regularised.

### **Changing the Environment for Private Sector Credit Delivery**

132. Mr. Speaker, Government has worked very hard to reverse the deteriorating macroeconomic environment it inherited, reduced inflation and interest rates, stabilised the exchange

rate, restored sanity in the financial sector, and undertook large scale social intervention programs in education, smallholder agricultural initiatives such as planting and rearing for food and jobs, among others which are prerequisites for private sector led growth and job creation.

133. Mr. Speaker, from 2020 Government will begin major interventions to boost private sector credit to support all segments of the business community. In 2019, Government engaged many stakeholders with respect to access to credit for the private sector. Experts went across the length and breadth of the country to meet with SMEs and artisans, proprietors and associations to get a better understanding of the challenges they face in accessing credit, while the Ministry also engaged the AGI, Banker's Association, among others prior to this year's budget. Through evidence-based research and field engagements with over forty (40) business associations, credit needs of micro, small and medium enterprises in the country, Government is ready to

take advantage of the macro gains, and enhanced social cohesion through our social intervention initiatives to focus on private sector growth, home ownership and infrastructure development, including toll roads. The key institutions to anchor this shift will be the National Development Bank (NDB) and the Ghana Infrastructure Investment Fund (GIIF).

134. In this regard, the following initiatives will be undertaken in 2020:

i. **Establishment of Enterprise Credit Scheme**

**(ECS)** Mr. Speaker, we will like to emphasize that the ultimate solution to the job creation lies with the private sector. The Private sector in Ghana continues to borrow at over 25%, while their competitors elsewhere are borrowing at least that 5%. One way to support them is to ensure a reasonable level of lending rates.

ii. Mr. Speaker, Government is therefore working together with the Banking Community to launch a GHS2 billion credit and guarantee scheme in 2020. This initiative will be structured to incentivise banks to lend to private sector at discounted lending rates. The scheme which will start in the first quarter of 2020 will be targeted at specific industries such as agri-business, manufacturing, hospitality and tourism and the tech-sector amongst others.

iii. **Promotion of micro businesses and household lending.** Government will partner with Fintech companies, local Banks and mobile money operators to deliver micro credit to Ghanaian businesses and individuals. This intervention is expected to deliver quick loans on favourable terms using technology driven platforms to do the credit assessment. This initiative is in line with Government's digitization

agenda and offers an opportunity for MSMEs to apply for loans on their mobile phones with minimal human intervention. The initiative will go live by Q1 2020. The benefits of this intervention includes the provision of needed micro capital for business expansion and capital expenditures. It will also support the working capital needs of small Ghanaian businesses. Our market women will be able to access credit using their mobile money wallets to stock up goods in order to sell more. The initiative is expected to increase productivity and profitability as well as contribute to job creation. This is in direct response to our findings from the nationwide survey.

iv. **Support for Long Term Institutional Investors.**

To encourage the establishment of Private Equity, Venture Capital and Mutual Funds, which will improve the ecosystem for start-ups, the current application of

VAT on management fees for these funds will be abolished; as this discourages institutional and angel investors, both local and foreign, from investing in such critical funds for private sector growth. This will improve the accumulation of long term funds in the economy to support growth and jobs.

### **National Development Bank**

135. Mr. Speaker feasibility study for the establishment of the National Development Bank specifying the rationale, mandate, business model, legal and regulatory framework, ownership, governance and sustainability of the Bank has been completed.

136. Government is working with the World Bank and other development partners to capitalize the bank in 2020 for it to commence operations. The National Development Bank as envisioned will refinance credit to industry and agriculture as a wholesale bank; and also provide

guarantee instruments to encourage universal banks to lend to these specific sectors of the economy.

137. The National Development Bank (NDB) will be an independent institution with strong corporate governance framework; and would be globally rated to enable it leverage foreign private capital for industrial and agriculture development in the country. The Government will also provide periodic dedicated funds for intervention in key areas of the economy such as large scale agro processing, housing, through various schemes and funds as needed for economic and social development and jobs.

138. It is expected that the National Development Bank will provide cheaper and long term funding for the growth and expansion of key companies operating in the agriculture and industry sectors. The development bank will also lend through specialized banks to key anchor industries at the Metropolitan, Metropolis and District Assemblies level to support the Governments IDIF initiative



139. Mr. Speaker, the implementation of the Free Senior High School (SHS) policy, which provides opportunities for Ghanaian youth to gain access to secondary education has recorded significant enrolment numbers since its inception. The total number of beneficiaries for the two cohorts has almost doubled from about 400,000 students in 2017 to 794,899 students at the end of the 2018/19 academic year, and it is projected to increase to 1,264,071 in 2020.

140. Mr. Speaker, Government will continue to invest in the education sector by providing adequate infrastructure, improving appropriate regulatory systems and incessantly building the capacity of teachers across the country to enhance quality human capacity development. We will fast track the construction of about 962 structures, including classroom blocks, dormitories and auxiliary facilities in Secondary Schools across the country to ease congestion in our schools.

- i. Our other focus, is on the expansion and upgrading of public tertiary institutions to absorb the high growth in student numbers. True to our commitment to prioritising technical education, this week work has begun on the most comprehensive expansion and retooling exercise ever undertaken in this country's history involving technical institutions. The previous government had negotiated a contract with AVIC International Holdings, which we took over and completely renegotiated to gain greater value for money, getting more for even less money. The contract is to build state-of-the-art training workshops for 15 institutions and a technical examination unit, equipped with sets of laboratory equipment for Electrical and Electronic laboratory, Mechanical engineering laboratory, Civil engineering laboratory; Automotive repair engineering laboratory and Welding equipment laboratory.

ii. Mr Speaker, in line with our commitment to giving value for money, I am happy to announce that the contract sum has dropped from \$119,101,946.00 to \$105 million, representing a savings of \$14 million. Furthermore, our renegotiations have led to the number of polytechnics to benefit increasing from five (5) to ten (10) Technical Universities/Polytechnics. Again, the number of Technical Institutes to benefit has gone up from ten (10) to thirteen (13). The completion time has also been shortened from 36 months to 30 months and we have added 3 years extra to the 2 years after sale service support and warranty originally negotiated by the NDC.

141. Mr. Speaker, when the NPP Government assumed the administration of our beloved country, one of the biggest surprises we faced as government was the dire status of the financial sector. The banking sector was in total disarray while the specialised deposit taking institutions and asset companies were virtually grinding to a halt. Consequently,

the government had to employ great tact to carefully model a new path for the sector, starting with the banking sector. Today, I am proud to announce to this august House that, we have made significant strides with the banking clean-up process that we started in 2017.

142. We have so far spent close to GH¢13 billion to provide various bailouts to the financial sector. In addition, government has successfully restructured the fundraising model for the Ghana Amalgamated Trust (GAT) initiative set up to support solvent and well-run indigenous banks to meet BOG's minimum capital requirement of GH¢400 million. GAT has already committed funds from pension funds and other investors, through a bond programme, with proceeds of up to GH¢2.0 billion, which was used for equity investment in eligible indigenous banks, as determined by the investors. To date four banks have received support from GAT.

143. Mr. Speaker, we have also made significant progress with the establishment and operationalisation of the National Development Bank (NDB). We have secured US\$250.0 million from the World Bank as initial capitalization to kick-start the operations of the NDB and an interim board was set-up. In view of the high level of interest generated, other Donors such as DFID, KFW, AfDB are expected to provide additional capitalization for the Bank once it becomes operational in 2020.

144. Mr. Speaker, the Nation Builders Corp (NABCO) and the Planting for Food and Jobs programmes have both been very successful in generating employment and contributing to improved livelihoods for many Ghanaians. Government employed and placed about 97,373 graduates under the Seven Modules of NABCO, across the country. The PFJ programme has also contributed significantly to the 2019-year crop yield, with maize yield increasing by 29.2 percent (2,306,380mt), rice by 53.8 percent (769,400mt), sorghum

by 13.3 percent (316,240mt) and soya beans by 67.6 percent (176,670mt).

145. Mr. Speaker, given the significant contributions of the various government flagship programmes to job creation and livelihood improvement, Government will continue to invest in sectors that seek to provide support for the poor and the vulnerable in order to improve the lives of our people. As such, the delivery of priority infrastructure projects under the Infrastructure for Poverty Eradication Programme (IPEP) will be fast tracked in 2020. We will continue to deliver projects such as rural markets, community clinics, toilet facilities, community potable water systems and classroom blocks, to improve the living standards of our people.

146. Mr. Speaker, I will now present this august House with Government's detailed programmes and projects under the 2020 budget. These are designed to consolidate the gains we have made over the last three years.

## **BEYOND MACROECONOMIC STABILITY: INCLUSIVE TRANSFORMATION**

147. Mr Speaker, clearly we have achieved a lot in the last 3 years. In 2020, we will continue with the implementation of all our 16 flagship programmes in order to transform the lives of Ghanaians. These are a few highlights of our programme for 2020.

148. Mr Speaker the first batch of the free SHS students will be graduating in 2020. Government has released funds to pay for the WASSCE examination fees. We are confident that as a result of the academic intervention programmes we have rolled up, the success rate will be high to prove the sceptics wrong. The graduates will be ready to enter our tertiary institutions as well as join other internships programmes on our Business Development programmes to enable them start their own businesses.

149. In 2020, government will continue with the payment of allowances to a projected number of 54,108 teacher trainees in all public colleges of education and 49,000 nursing trainees in public health training institutions.

150. Mr. Speaker, under the Agric modernization programme government will continue to supply organic and inorganic fertilizers and improved seeds to about 1.2 million farmers. The seeds and fertilizer interventions are expected to significantly increase the production of maize, rice, soya, sorghum, cowpea, groundnut, cassava, sweet potato and assorted vegetables. In addition, government will continue to maintain surveillance to keep pest under control to ensure food security and provide enhanced extension services to farmers to further improve adoption of new technologies and increase on-farm productivity

151. In 2020, government will continue to provide agricultural machinery and equipment including simple hand-held farm equipment to improve small scale farmers' access to



agricultural mechanization services. Government will also complete the importation of assorted agricultural machinery for the establishment of Agriculture Mechanization Service Centres (AMSECs).

152. Mr. Speaker in 2020, government will focus on identifying and supporting private sector business operators in the remaining 150 districts to expand the IDIF programme to districts where no promoter has shown interest as of now.

### **Infrastructure for Poverty Eradication Programme (IPEP)**

153. Mr. Speaker, to accelerate the delivery of basic infrastructure needs of each constituency, a number of varying infrastructure projects such as culverts, small bridges, community centres, police posts, classroom blocks, markets, among others will commence in 2020. These basic infrastructural facilities will help to improve the lives of the rural and peri-urban population.

154. The government has made adequate allocation to begin construction of a dam to hold spillage from the Bagre Dam.

This project when completed will permanently end the annual flooding in the northern part of Ghana as a result of spillage of Bagre dam in Burkina Faso.

155. The National Entrepreneurship and Innovation Programme, under the Green Business Initiative which is being implemented by the National Entrepreneurship and Innovation Programme (NEIP), will train 15,000 entrepreneurs out of which 4,000 will be financially supported under the Presidential Business Support Programme.

156. 46 additional greenhouse domes will be built and 2,000 young graduates will be trained in green house technology. In addition, the Youth in Industry Initiative will also be rolled out to benefit over 40,000 interns.

### **Security**

157. Mr Speaker, in order to ensure the country enjoys peace especially before and after the 2020 elections the Ghana Police Service will commence the construction of 70

prefabricated operational centres to improve community policing and provide additional accommodation, operational vehicles, equipment and other logistics/facilities, to ensure efficient service delivery

158. The police service will intensify activities to minimize the incidence of crime particularly, violent crimes, through increase in frontline Police and intelligence gathering, increase day and night patrols on major highways, commercial and residential suburbs of cities across the country and will intensify public awareness and education on crime prevention.

### **Government-FBO Collaboration**

159. Mr. Speaker, Faith-Based Organisations (FBOs) are key partners of government in national development. They significantly influence areas including education, health, social justice and the preservation of morality and ethics. With access to nationwide networks and a proven track

record, FBOs are well positioned to inform policy development and expedite the delivery of social infrastructure and services. Successful discussions were held with the community of faith towards a comprehensive social partnership framework to realise holistic governance and carve out a values-based national identity.

160. The collaboration will uphold foundational laws and address mutual concerns – including attitudinal change; tackling corruption; social protection for the vulnerable; civic education; tax sensitisation; resource management and skills development; entrepreneurship and creativity; and a national dialogue on values and ethics.

161. A Memorandum of Understanding (MoU) has been prepared to this effect with inputs from FBOs, and the Collaboration is set to be launched before the end of the year.

## **National Cathedral of Ghana**

162. Mr. Speaker, the interdenominational National Cathedral that will be located in the heart of the capital, stands to help unify the Christian community as a place of worship and promote the national conversation on the role of faith in building Ghana. With the participation of various churches in the administration of the Cathedral, collective ownership of the project by the churches is envisioned.
163. The Board of Trustees and the Secretariat have been established, and preparatory works for the construction of the Cathedral have begun. Procurement processes to select a contractor are expected to conclude by the end of the year and construction is expected to begin in March, 2020.
164. As part of government quest to reduce regional disparities and bring service closer to the people government will complete the following projects in 2020:

- i. Regional Hospital in Kumasi and 4 No. District Hospitals with Staff Housing at Twifo-Praso, Konongo-Odumasi, Tapa and Nsawkaw;
- ii. Bekwai District Hospital;
- iii. Upper East (Bolgatanga) Regional Hospital; and
- iv. Greater Accra Regional Hospital, Ridge (Phase II).

165. Mr. Speaker, the construction of the following facilities will continue:

- i. 80 percent completion on the Construction of 5 District Hospitals in Sawla, Tolon, Somanya, Buipe and Wheta and a Polyclinic In Bamboi;
- ii. 40 percent Completion of Maternity and Children's Block at Komfo Anokye Teaching Hospital in the Ashanti Region;
- iii. 35 percent completion on the Construction of One District Hospital and Five Polyclinics in Western Region

at Akontombra, Bogoso, Wassa Dunkwa, Mpoho, Elubo and Nsuaem;

- iv. 60 percent completion of the expansion and equipping of four selected facilities at Aburi, Kibi, Atibie and Mampong.

166. Work will also commence the following projects in 2020:

- i. Construction of Koforidua Regional Hospital and achieve 30 percent completion;
- ii. Construction of University of Ghana Teaching Hospital (Phase II);
- iii. Construction of Maternity Block at Korle-Bu Teaching Hospital;
- iv. Reconstruction of Tema Regional Hospital;
- v. Reconstruction of the Central Medical Store;
- vi. Rehabilitation and expansion of Shama and La General Polyclinics and achieve 30 percent completion;

- vii. Refurbishment of Surgical Block at Korle-Bu Teaching Hospital;
- viii. Construction of Urology and Nephrology Centre at Korle-Bu Teaching Hospital;
- ix. Construction of Western Regional Hospital at Sekondi-Takoradi;
- x. Construction of 4 No. 60 bed District Hospital at Atebubu, Sampa and Sandema;
- xi. Construction of 10 No. 40-Bed Hospitals in Ashanti and Eastern Regions; and
- xii. Construction of New District Hospitals at Obuasi and Trauma Hospital at Anyinam.

167. In 2020, the Drone project will be rolled out nationwide to ensure that essential service such as blood and medical products delivery are extended to deprived areas of the country



## **Transforming Ghana Beyond Aid**

168. Mr. Speaker, building on the progress we have made so far, including on the flagship programmes, government will continue to take deliberate and strategic steps to accelerate Ghana's economic transformation. Our goal, consistent with the medium-term aspirations of the Coordinated Programme, is to use our resources creatively and efficiently to build "... a prosperous and self-confident Ghana that is in charge of her economic destiny; a transformed Ghana that is prosperous enough to be beyond needing aid, and that engages competitively with the rest of the world through trade and investment."

169. Mr. Speaker, under the Ghana Beyond Aid agenda, we aim for an accelerated economic transformation based on rapid and inclusive growth that will double our per capita income over a ten-year period.

170. Mr. Speaker, the accelerated transformation we seek cannot be realised if we do business as usual. We must increase government capacity to finance and manage the ambitious agenda that we have set for ourselves and also radically improve the environment for the private sector, both domestic and foreign, to invest and do business in our country.

171. Mr. Speaker we need to significantly increase domestic revenues in order to raise our own contribution to financing our ambitious development agenda under Ghana Beyond Aid without over-burdening our citizens with additional taxes. Currently, Ghana's tax-to-GDP ratio of 12.9 percent (in 2018) is below that average of our middle-income country peers of 18 to 20 percent. Government has developed a strategy to begin to address this situation, including:

- i. expanding the tax net through digitisation to improve identification of tax payers and efficient collection of both tax and non-tax sources of revenue;
- ii. transforming and strengthening the capacity of Ghana Revenue Authority (GRA) to an organization that combines efficient revenue collection with excellent customer orientation to efficiently collect and report non-tax revenues.

172. Mr. Speaker, the higher public investments in human capital and infrastructure that increased domestic revenue will help us finance are just the building blocks. The actual building of a transformed economy will have to be constructed by the private sector, because my Government believes in the primacy of the private sector. But we are the first to recognize that for the private sector, both domestic and foreign, to invest and sustain their investments in the Ghanaian economy, there is the need to improve the

business environment, and we will continue to work on this and offer the critical support needed for the private sector to survive and thrive.

173. Mr. Speaker, to this end, Government has introduced a Business Regulatory Reform Programme, which is a 3-year initiative coordinated by the Ministry of Trade and Industry, and implemented in partnership with other stakeholders, aimed at improving the business atmosphere in the country. The Programme will help Ghana to have one of the most transparently and efficiently regulated business environments in Africa.

174. Mr. Speaker, to complement all the efforts we are undertaking to make Ghana a much friendlier place for our business men and women, we also plan on an aggressive agenda to attract Foreign Direct Investment (FDI), We need significant FDI to supplement the resources from Government and our on domestic investors.

175. Mr. Speaker, Foreign Direct Investment (FDI) has become an important component of economic growth globally. Accordingly, almost all nations compete to attract and retain FDI because of their potential to add value to the local economy.

176. Mr. Speaker, according to the BoG and BoP records, FDI flows into Ghana from 2016 – 2018 averaged \$2.9 billion a year. As a percentage of GDP this equates to around 5.%. I have no doubt that Ghana is well positioned to become the number one destination for FDI flows in the medium to long term for a host of reasons including its location, literacy rate, English language, rule of law, strong macro-economic fundamentals, stable and peaceful democracy, warm climate and warm hospitality. Added to this is the choice of Ghana to host the Secretariat of the AfCFTA.

177. Mr. Speaker, as such, we are putting together a comprehensive strategy to harness and attract FDI to help accelerate growth. We believe that if we can double FDI

every year for the next ten years, it shall translate into increase in GDP growth of over our current GDP projections of approximately 6% annually over the medium term.

178. Mr. Speaker, I am happy to announce that Cabinet has approved the formation of an inter-ministerial committee to provide policy guidance for the FDI agenda. The mandate of this committee shall be to put in place a comprehensive strategy and plan of execution on attracting FDI flows going forward as well as identify and package all the various initiatives and policies that are already in place that help make Ghana an attractive place to do business and hence to attract FDI flows.

179. Mr Speaker, in addition, Ghana Investment Promotion Centre (GIPC) Bill will be amended to align it with international best practice, and GIPC will be restructured and better resourced with human and financial capital.

180. Mr. Speaker, infact we are already beginning to leverage our advantages to generate a lot of interest in Ghana from global multinational companies. We have so far attracted investments and commercial interests from global automotive companies, including Toyota, Volkswagen, Nissan, Renault, Hyundai, Sinotruck, and Suzuki.

181. Mr. Speaker, we have also built strategic partnerships that we can leverage to attract FDI. These include: Africa Investment Forum (AIF), Compact with Africa, the US "Prosper Africa", UK-Ghana Business Council, EU-Africa Business, China's FOCAC, Japan's TICAD, Korea's KOAFEC, the Asian Infrastructue Investment Bank (AIIB), and Singapore, among others.

182. Mr. Speaker, all these measures on the business regulatory environment and the FDI agenda are part of a broader and ambitious strategy to make Ghana a gateway to business in West Africa and Africa in general; a business, financial, and logistics hub in the region.

## **Digitization Innovations and Policy Priorities**

183. Mr. Speaker, for Government, one of the cardinal principles in our economic transformation is to leverage technology wherever possible to innovate. There is no doubt that Government, in partnership with the private sector, is on the right path towards digitizing government services to expedite delivery of services, improve the lives of citizens, and promote a supportive business environment.

184. We have therefore since 2017 sought to formalize the Ghanaian society by leveraging technology and digitization to improve administrative systems and increase transparency. Leveraging technology improves efficiency, limits human interactions, and improves traceability of transactions. Government has successfully implemented a number of transformational initiatives at the heart of which is the National Identification system. Mr. Speaker, please permit me to list some of the transformational digital



initiatives that we have been pursuing in the digitalization space:

- i. The introduction of National ID Cards is a game changer. When completed, it will form the basis of an integrated database with Passports, Tax Identification Numbers, Drivers' Licenses and Pensions data.
- ii. On Digital Property Addressing, the process of tagging all 4 million houses with digital addresses is on-going. A biometric national identity and a digital address uniquely establish personal and immovable property identity;
- iii. Introduction of a paperless port system has eliminated the multiple layers of clearing agents, reduced the time to clear goods at the ports, and increased revenue mobilization;
- iv. Drivers licenses and vehicle registration have been digitized.

- v. Mobile money payments interoperability has been implemented. We now have what we call Triangular Financial Inclusion anchored on three main payment platforms – bank accounts, mobile wallets, and e-zwich cards. This is a major step to financial inclusion and movement towards cashless payments for government services. With this payments architecture in place, we are moving next to make all payments for government services and government transfers to persons and businesses to go cashless by June 2020.
- vi. Registrar General’s Department has been digitized. The automation of the application for Business Operating Permits has removed the complexities of the process;
- vii. Passport applications are online and together with the National ID cards, are eliminating the falsification of records and multiple identities.

- viii. Renewal of NHIS registration via mobile phone has been a phenomenal innovation, eliminating the need for queues, delays and bribery, and also increasing access to health care by those who need the services most.
- ix. Drones and Decentralized Delivery of Health Services: Ghana has joined Rwanda in using drones to deliver critical medical products, blood products, medical cargo, emergency vaccines, lifesaving and essential medicines on demand to every part of the country, regardless of road infrastructure. No hospital or clinic is too remote in the delivery of health services.
- x. Land Digitization with block-chain technology: Disputes on land ownership are prevalent and discourage investments due to multiple sales, poor record-keeping and missing records despite all the efforts (time and money) at land reforms. The digitization of land registry with the use of block-chain

technology is intended to deal comprehensively with the problem.

185. These innovations are intended to improve the overall platform and the ways and means by which citizens, businesses and the public sector conduct their activities – Citizen to Citizen (C2C), Business to Citizen (B2C), Government to Citizen (G2C), and vice versa.

186. Mr. Speaker, there are substantial benefits in all these measures for good governance and for sound management of the economy, in all aspects of decision-making and planning. These innovations help in better targeting the delivery of public services whether it is in education, health and other social services in line with the three fundamental SDGs (#1 to reduce poverty, #2 to eliminate hunger, and #3 to ensure the good health and well-being of citizens).

187. Building these types of information infrastructure will also help expand the tax base of the economy to improve domestic resource mobilization (DRM), a key pillar in the

Ghana Beyond Aid agenda. Individual income earners, property owners, and businesses must pay their fair share of taxes.

188. For businesses, these digitization innovations are mitigating all kinds of risk of doing business, including, the risk of lending, and reducing transactions costs in so many areas of commerce. It is easier now to develop a credit reference bureau and a mortgage market.

189. Mr. Speaker, soon, our national life will be infused with current technology spanning National Identification System, Digital Postal Address System, Paperless Port Systems, E-banking Systems, linked Passport and Driving License Systems, pensions and insurance data, digitized land registry and Mobile Money Interoperability System, among others.

190. We have set a digitization agenda to improve the efficiency of many government agencies – how to access public services, how to deliver them, how to pay for them where

there is a charge - and ultimately help eliminate the temptation to corrupt simple processes and procedures in the delivery of public services that are meant to improve the quality of life of the citizens.

191. These are initiatives with potential big long-term gains. By leveraging technology to improve transparency and accountability in administrative systems, we are completing in short order what many years of administrative reforms had not been able to accomplish in the fight against day to day incidence of corruption and the bottlenecks in public administration that citizens, businesses face in their everyday activities.

192. Mr. Speaker, this is the way to go for Ghana if we are to catch up with the rest of the developed world in the 4th Industrial Revolution. Ghana is ready and pushing hard on this path. Ultimately, our goal is to become a leading hub for ICT innovation in Africa.

193. Mr. Speaker, in pursuant of this, Government will set up a National Digital Strategy Team under the overall oversight of the Presidency who will bring together local technology firms and experts, and with professional and financial support from the Ministry of Communications, Ministry of Finance and the Ghana Investment Promotion Center, to elevate the profile and reach of our digitisation strategy across the region to unlock the unexplored economic value of the sector.

### **Entrepreneurship**

194. Mr. Speaker, government will accelerate entrepreneurship and MSME growth to support economic dynamism and job creation. In addition to the business regulatory streamlining and the financial sector innovations that will help SMEs, enhanced support to SMEs and MSMEs will be achieved through strengthening and rationalizing government's main entrepreneurship and enterprise support programmes such

NBSSI and NEIP. In addition, government will facilitate linkages between domestic entrepreneurs and FDI firms to join global value chains.

195. Skills Development Recent studies conducted by the World Bank Group (WBG) indicates that 200 million people worldwide, disproportionately youth, are unemployed and looking for jobs, 600 million new jobs are needed globally over the next 15 years to keep employment rates stable, and 1 billion young people will enter the labor market between 2015 and 2030. The creation of jobs and connecting to markets, as well as building capabilities and connecting workers to jobs are the policy drivers for our TVET strategy.

196. Mr. Speaker, our industrialization drive through the ten (10) point Agenda for Industrial transformation for rapid growth, cannot be supported due to inadequate skills locally. Hence, our focus and emphasis on TVET and skills development through our free SHS and TVET flagship programmes. We



are supporting skills development (TVET) to ensure employability to help drive the economic transformation agenda.

197. Mr. Speaker, Government will, over the medium term, establish 32 new state-of-the-art TVET institutions across the country to address the infrastructure deficit to expand access and increase enrolment, as well as improve on capacity to run programmes that will culminate in equipping learners with skills that meets the needs of industry.

### **Accelerated Infrastructure Development**

198. Mr. Speaker, infrastructure development is a long-term commitment which requires long-term financing.

199. We will aggressively pursue blended financing arrangements, leveraging funds from various sources including our development partners, philanthropists and private sector actors to finance mega infrastructure projects such as:

- i. Seaport and Airport to position Ghana as a regional logistics hub;
- ii. Road network in the country
- iii. Metro and light rail transit systems in Accra and Kumasi.

200. Over the last 30 years, the world has witnessed the breathtaking rise of sovereign wealth funds in Asia and Middle-East and their contributions to national development. Ghana has a unique opportunity, with the expected increase in oil production to reap rewards from its endowment of natural resources. A well-capitalised, actively managed savings funds, like Ghana Petroleum Funds (GPFs) and Ghana Infrastructure Investment Fund (GIIF) are instruments to support.

### **Science and Technology Development**

201. Mr. Speaker, the foundation for industrialization is science and technology. Technological capability is the differentiator between developed and undeveloped

countries. Government has therefore resolved that we must complement our advances in human capital in the education sector with a focused push to develop our national technological capability.

202. Mr. Speaker, towards this objective, Government, through the Ministry of Science, Environment, Technology and Innovation (MESTI) will establish the Ghana Design and Manufacturing Centre (GDMC). A center of excellence in design, manufacturing and technology commercialization, GDMC will be a place for Design-for-Manufacturing and Assembly, and for manufacturing skills. The Centre will also facilitate the incubation of new technological industries and serve as a resource for national research institutions and private industry.

## **Public Service Delivery**

203. To achieve the delivery of these reforms and initiatives, government will also improve the efficiency of the public service delivery by strengthening the automation of administrative services, enhance capacity for service delivery and support for digitization of Government's operations including digital record-keeping and archiving.

## **BEYOND MACROECONOMIC STABILITY – INCLUSIVE TRANSFORMATION**

204. Mr. Speaker, while macroeconomic stability is important, we are cognisant that it must ultimately translate into the well-being of Ghanaians in their everyday living: safe drinking water, good roads, jobs, access to good healthcare, stable and affordable electricity, and good education among others.

205. Mr. Speaker, H.E. President Akufo-Addo promised to provide relief to Ghanaians from the suffering that engulfed the country under the last NDC government. Indeed, the many social interventions that have been implemented over the last three years along with jobs created have brought relief to many Ghanaians. Mr. Speaker:

- i. many parents were suffering because they could not afford to pay school fees for their children to attend

senior high school.– thankfully Free SHS is here and has provided relief to them;

- ii. Also, thousands of BECE candidates could not register because of high registration fees – thankfully we paid the registration fees for them and provided them relief;
- iii. We have also abolished fees for post graduate medical training in Ghana;
- iv. hundreds of young people could not live up to their dreams of becoming a trained teacher or nurse – thankfully we have restored teacher and nursing trainee allowances;
- v. thousands of young children could either drop out of school as a result of hunger or go to school malnourished – thankfully we doubled the capitation grant;

- vi. tens of thousands of our young graduates from the technical universities and universities could not realize their life dreams as employed graduates – thankfully we have NABCO which has employed 100,000 graduates across every constituency in Ghana;
- vii. To reduce the suffering of the unemployed generally, we have recruited over 350,000 people in the public sector in the last three years including teachers, security services, nurses, NABCO, Forestry, etc.;
- viii. thousands of farmers could not access fertilizers and seeds to improve their farming – thankfully we have Planting for Foods and Jobs which has provided a 50% subsidy on the price of fertilizer, which Mr. Speaker, is accessible;
- ix. thousands of aged and vulnerable adults with no work and no income – thankfully we have expanded the Livelihood Empowerment Against Poverty (LEAP) programme by 150,000 people;

- x. Many children went hungry at school and thankfully we have expanded the school feeding programme by 500,000 children.
- xi. thousands of our soldiers deployed for peace keeping were not going to have the kind of motivation they need to execute their job – and thankfully we have increased the peace keeping allowance from \$31 to \$35 per day;
- xii. tens and thousands of businesses and individuals were going to be taxed out of business with nuisance taxes – thankfully we abolished and reduced as many as 15 such taxes;
- xiii. While the average annual increase in electricity tariffs between 2010 and 2015 was 45%, there has been a net reduction of electricity tariffs by at least between 5-10% for households and businesses since 2016.



- xiv. thousands of Persons With Disability (PWD) have had their allocation from the District Assemblies Common Fund (DACF) increased by 50%;
- xv. We have also ensured the implementation of our pledge of employing 50% of the persons who manage the country's toll booths from amongst Persons with Disabilities;
- xvi. To address the problem of a lack of ambulances in many parts of the country we have procured 307 well-equipped ambulances for the National ambulance service under the one constituency one ambulance initiative. By next month, all 275 constituencies will each have a functioning ambulance. This will increase the ambulances from 54 to 361, over 500% increase.

206. Mr. Speaker, most of these initiatives and social interventions have put monies either directly or indirectly into the pockets of many Ghanaians.

207. Mr. Speaker, from 2017 to date, these interventions by Government have put at least GH¢ 12.2 billion in the pockets of Ghanaians.

Specifically,

- i. Free SHS has saved parents a total of GH¢1.8 billion with the last three years and that is money in their pockets;
- ii. Planting for Food and Jobs has saved farmers a total of GH¢844 million over the last three years for subsidized fertilizer and this is money in their pockets;
- iii. a total of GH¢ 357 million have been put into the pockets of Teacher trainees within the last three years in the form of allowances;
- iv. a total of GH¢ 336 million have been put into the pockets of Nursing trainee within the last three years in the form of allowance;

- v. Subsidy for the BECE registration fee has saved parents a total of GHc65 million over the last two years and that is money in their pockets;
- vi. The electricity tariff reductions effected by the PURC effective March 15, 2018 resulted in savings of GH¢ 1.8 billion for a year for residential and non-residential customers and this is money in their pockets;
- vii. The reduction and abolition of taxes (including the 50% reduction in import duty) has saved taxpayers a total of GHC4.1 billion over the last three years and that is money in their pockets;
- viii. The over 350,000 jobs that have been created in the public sector (including the 100,000 NABCO graduates) has provided total earnings to them of GH¢ 2.9 billion and that is money in their pockets.

208. Mr. Speaker the question that should be asked is: what social interventions did the NDC implement in their 8 years in office to reduce the suffering of Ghanaians?
209. Mr. Speaker, we should also not forget that government has through the financial sector clean-up, saved the deposits of 4.6 million depositors who would otherwise have lost their deposits;
210. Mr. Speaker, Ghana and Cote d'Ivoire (who together produce 67% of the world's cocoa) have agreed on a framework for setting floor prices for cocoa. This is a game changer in the cocoa industry and will result in a major transformation in the fortunes of the cocoa farmer from October 2020 as they will receive higher prices for their cocoa through the Living Income Differential;
211. Mr. Speaker, furthermore, the Government of Nana Akufo-Addo campaigned on building a more inclusive society where every community has equal opportunity in getting access to basic infrastructure and services like water,

toilets, markets, education and health. This is the rationale behind the launching of the Infrastructure for Poverty Eradication Programme (IPEP) initiative.

212. Mr. Speaker, the results of the last three years are impressive, with thousands of projects (some completed and some ongoing) across the 275 constituencies. These projects are in areas such as water systems and boreholes, toilets, markets, schools, health facilities, markets, etc.

213. Construction of 80 thousand-metric ton warehouses in collaboration with the Ministry of Agriculture. These warehouses are equipped with dryers, laboratories and solar powered under the "One-District-One-Warehouse Initiative."

214. Mr. Speaker, so far, we have constructed 200 out of 560 small earth dams in the five northern regions, in fulfilment of the "One Village One Dam promise.

215. Mr. Speaker I am happy to announce that preparations are now complete and the construction of the first 600-bed kayayei hostel will commence in Agbogbloshie next month to provide accommodation and skills training to these vulnerable young women.

216. Mr. Speaker, to address the exclusion of inner city and Zongo communities, President Nana Akufo-Addo established a Ministry of Inner City and Zongo Development as well as the Zongo Development Fund. Many projects and interventions have been made in over the last two years (some completed and others ongoing). The projects cover provision of toilets, drains, Astro turfs and green parks, street lighting, Implementation of Zongo Coders project (software training), etc.

## **Agriculture Modernisation**

217. Mr. Speaker in 2017 when the NPP government assumed office, growth in the agriculture sector had declined dramatically. The government's agriculture modernisation programme was therefore aimed at improving production efficiency, achieving food security, and profitability for our farmers, and significantly increasing agricultural productivity as the basis for industrialization, job creation and export.

218. We promised to increase subsidies on retail prices of seeds, fertilizers and other agrochemicals, focus on developing irrigation schemes, facilitate the provision of community owned and managed small-scale irrigation facilities across the country, especially in northern Ghana, through the policy of "One Village, One Dam", and improve the ratio of extension officer to farmers.

219. Over the last three years, significant progress has been made in the agricultural modernization programme. We have delivered this agenda through our key flagship initiative, Planting for Food and Jobs (PFJ) under the following modules; Food Crop Production; Planting for Export and Rural Development (PERD); Rearing for Food and Jobs (RFJ); Greenhouse Technology Development as well as Mechanization for Food and Jobs.

220. Mr. Speaker, under the Food Crop Production module sixteen selected commodities are being promoted. They include maize, rice, sorghum, soybean, plantain, vegetables and Orange Flesh Sweet Potato. Between 2017 and 2018, a total subsidy in the form of 12,000MT of organic and 821,778MT of blended inorganic fertilizers as well as 24,000 MT of improved seeds valued at GHS0.6 billion was provided to about 1.9 million farmers.



## **INDUSTRIALIZATION**

221. Mr. Speaker, Government's industrial development agenda is anchored on the One District One Factory (1D1F) initiative, a programme designed to support the private sector to establish at least one (1) industrial enterprise in each of the 260 Districts of the country to add value to their natural resource endowments. Much has been achieved since the inception of the programme in 2017.

222. Mr. Speaker, significant progress has been made towards the achievement of the set target. To date 181 projects are at various levels of implementation spread over 110 districts across the 16 regions. Fifty-eight (58) out of the number are in operation, 26 Projects are under construction, whilst 97 projects are ready to commence implementation by the end of 2019.

223. Mr. Speaker, as a result of the intervention by government, in 2018 this august house approved the following tax incentives to the private sector business promoters:

- i. 5-years corporate tax holiday for 1D1F companies
- ii. Exemption from import duties, taxes and levies on equipment, machinery, and parts
- iii. Exemptions from payment of duties and levies on raw materials. This is real change.

224. Mr. Speaker, beyond 1D1F, the Strategic Anchor Industries Initiative is one of the key components of our Industrial Transformation Plan to diversify and transform the economy by creating new pillars of growth and expansion in the industrial sector. The key strategic industries under the initiative are: petrochemical, integrated aluminium and bauxite, iron and steel, vehicle assembly and automotive industry, garments and textiles, pharmaceuticals, vegetable oils and fats (in particular oil palm), industrial starch from cassava, industrial chemicals based on industrial salt, machinery and equipment manufacturing.

## **DIGITIZATION**

225. Mr. Speaker, Ghana's digital transformation agenda is to transform our development path in line with the global realities of the 4th Industrial Revolution. Whether it is in agriculture, medicine, education, banking and finance, policing and security, or in how we govern ourselves, our children and our future cannot fall behind in the 4th industrial revolution driven by technology.

226. Mr. Speaker, our society continues to be largely informal. In such an environment, access public services can be difficult, and in most cases depends on who you know. In a well-functioning society, citizens don't need to know someone or pay someone to get a passport, driving license and even access to water and electricity. We cannot build a fair and equitable society that runs on engines of bribes, "goro boys" and "land guards". For banks, lending rates are high partly because of the high information problems in establishing identity, and in verifying ownership of

property. All these have to change if we are aspiring to become a modern middle income country.

227. Mr. Speaker, with digitization, we are introducing new and more efficient ways of doing things. We are changing the way things are done in the affected institutions for the benefit of ordinary Ghanaians. Here is a list of the reforms we have undertaken in the digitization and formalization process.

228. Mr. Speaker, the introduction of National ID Cards is a game changer despite its teething challenges. It will provide every Ghanaian and resident of Ghana a unique ID number that will be integrated across all databases (Taxes, Passport, Drivers Licence, National health insurance, Banking, Courts, etc.). The process of issuing National ID cards will be completed for all above the age 15 years in the first quarter of 2020.

229. A world class Digital Property Addressing system has been implemented and there is no location in Ghana without a

digital address. The process of tagging all 4 million houses with digital addresses is currently being undertaken by NABCO recruits across all districts in Ghana. The exercise should be completed in six months.

230. Government has also initiated the process of digitizing all land records in the context of a new base map survey of Ghana (which was last undertaken over 40 years ago). This will be done with technical support of Ordnance Survey of the UK.

231. Mr. Speaker, we have introduced mobile money payments interoperability between different telcos as well as between mobile wallets and bank accounts has been implemented. This is a major step to financial inclusion and movement towards cashless payments for government services from next year. The interoperability between mobile wallets and bank accounts that we have implemented in Ghana is the first of its kind in Africa and practically provides all 34.5

million mobile money account holders a branchless bank account. This is real change.

232. Mr. Speaker, the National ID Card, Digital Addressing, Mobile money interoperability and the digitization of our land records will prove to be key in developing a mortgage market, introducing a credit reference agency and reducing lending rates. This is real change.

233. Mr. Speaker, we have also introduced Digital Drivers licenses and digital vehicle registration. Indeed, the DVLA is now been transformed into a world class institution and the goro boys have been virtually eliminated. That is real change.

234. Mr. Speaker, passport applications are now online, and passport duration has increased from 5 to 10 years. Again the goro boys have also been eliminated in the process of passport applications. That is real change.

235. Mr. Speaker, Renewal of NHIS registration via mobile phone has been introduced. It is a phenomenal innovation with

thousands of renewals every week. The goro boys have also been eliminated in the process of renewing NHIS registrations. That is real change.

236. Mr. Speaker, our hospital processes are also being automated for efficiency. Following a successful pilot of 24 hospitals in the central region, Korle Bu teaching hospital, 37 military hospital, Ridge hospital, Koforidua hospital and others are being automated and work on the others are progressing steadily.

237. Mr. Speaker, the process of registering a business has also been simplified and digitized. To register a business, instead of filling four separate forms to start a business, only one form is now required. The Registrar General has merged all four starting-a-business application forms: TIN application, SSNIT application, Business Operating Permit application and Business Registration forms.

238. Mr. Speaker, digitization has also been introduced in the courts through the implementation of an electronic justice system that allows the automated serving of court process with speed and ease. Court documents will now be easy to find and track, and there will be no duplication of the same case being heard in different court rooms by different judges. This is a game changer in the delivery of justice in Ghana. This is real change.

239. Mr. Speaker, the introduction of Paperless Port system has reduced the time to clear goods at the ports to less than 48 hours. The infamous long room has been abolished and the process of clearing goods has been streamlined. This is real change.

240. Mr. Speaker, we have introduced drones to get delivery of critical medicines and blood to hospitals and clinics in hard to reach areas. By the end of December this year Ghana will have four distribution centres and is currently the largest medical drone delivery service in the world. We have



leapfrogged some of the most advanced countries in the use of drone technology to deliver medicines. The project is saving lives everyday and once again we have proven the naysayers and doom mongers wrong. This is real change.

241. Mr. Speaker, the digitization of Police information systems has resulted in the deployment of 1000 cameras across the country with a central monitoring centre in Accra as well as digitized call centres in Kumasi and Tamale. Together, the Accra, Kumasi and Tamale centres monitor all the 16 regions. This is real change.

242. Mr. Speaker, the establishment of the Ghana Commodity Exchange (GCX), an ultra-modern trading system linked to warehouses located across the country, is to connect markets, and expand marketing and farm gate opportunities for buyers and sellers of agricultural produce. This is real change.

243. Mr Speaker, for the first time ever, through the collaborative efforts of different agencies, (particularly the BRRI of CSIR) Government launched a comprehensive Building Code for Ghana in 2018 which is available online at the Ghana Standards Authority website. This will enhance standardization, quality and reduce costs.

### **Governance**

244. Mr. Speaker to deepen and decentralize governance and enhance peace:

- i. We have created six new regions;
- ii. We are proceeding with a referendum to elect MMDCEs;
- iii. We have settled the long running chieftaincy dispute in Dagbon;
- iv. We have appointed a Special Prosecutor for corruption ; and

- v. We have passed into law, the Right to Information (RTI) Bill which has been on the radar for the last 20 years.

## **ROADS**

245. Mr. Speaker, any objective observer will agree that this is a remarkable set of achievements in just under three years. However, there is still a lot more to be done. Today the cry everywhere in Ghana is about the poor state of our roads. It is an unprecedented cry and it makes you wonder where all the roads in the NDC's Green Book are.
246. Mr. Speaker, this is why we are going to focus more on fixing our roads across the country in 2020 and beyond. To get the road sector moving and contractors back to work, government will pay 80% of all contractors.
247. Mr. Speaker we have identified critical roads across each of the 16 regions and construction would begin on all these critical roads soon.

248. Cocobod has also secured funds to continue with ongoing and new cocoa roads. Work on these roads will also commence soon.

249. As part of our new initiative to complement the traditional execution of road projects, we have launched the Accelerated Community Road Improvement Initiative. Just this month, the Ministry of Finance released funds to the 48 Engineers Regiment of the Ghana Armed Forces, who are busy working on some roads in communities in Greater Accra.

250. Mr. Speaker, the first phase of the Sinohydro arrangement, is finally taking off. We have also been able to mobilize the financing for over 150 roads nation-wide.

251. Mr. Speaker, Ghanaians want action on our roads, not words or plans or Green Book claims about what has been done. We intend to swing into action and let our work do the talking for us.

252. Mr. Speaker with this large number of roads to be constructed, the year 2020 can aptly be described as "The Year of Roads" along with a focus on all our flagship programmes.

## ***SECTION FIVE: CONCLUSION***

253. Mr. Speaker, it is clear from the foregoing that the government of Nana Addo Dankwa Akufo-Addo has worked hard over the last three years to deliver a substantial number of remarkable achievements which we are going to consolidate going forward.

254. By way of summary and emphasis, I would like to mention some these achievements:

255. Mr. Speaker, in the last 32 months:

- 1) We have doubled the rate of economic growth to make Ghana one of the fastest growing economies in the world;
- 2) We have expanded food production to make Ghana self-sufficient in maize production through planting for food and jobs;
- 3) We have also introduced and implemented Rearing for Food and Jobs to develop the livestock industry;
- 4) Together with Cote d'Ivoire we have reached a landmark agreement to have a floor price for cocoa from next season;
- 5) We have passed a Fiscal Responsibility Act to entrench fiscal discipline;

- 6) We have reduced the fiscal deficit;
- 7) We have established a Fiscal Council;
- 8) We have issued a Eurobond with the Longest tenor, Largest issuance, Least cost and Largest over subscription;
- 9) We have reduced the rate of debt accumulation;
- 10) We have reduced the overall tax burden on Ghanaians;
- 11) We have reduced electricity prices;
- 12) We have reduced benchmark values by 50%;
- 13) We have reduced inflation to its lowest in 27years;
- 14) We have reduced bank lending rates;
- 15) We have cleaned up the mess we inherited in the financial sector;
- 16) We have saved the deposits of some 4.6 million depositors;
- 17) We have established a Financial Stability Council;
- 18) We have attained a trade surplus for the first time in over twenty years;
- 19) We have reduced our current account deficit;
- 20) We have increased Ghana's import cover with larger foreign exchange reserves;
- 21) We have reduced the rate of depreciation of the cedi;

- 22) Under our watch, Ghana has become the top destination for foreign direct investment in West Africa;
- 23) We successfully exited the IMF program that we inherited from the NDC;
- 24) We have improved Ghana's sovereign credit ratings with the first ratings upgrade in more than a decade;
- 25) We have doubled the capitation grant;
- 26) We have expanded the school feeding program;
- 27) We have expanded LEAP;
- 28) We have established the Nation Builders Corps and recruited 100,000 graduates;
- 29) We have recruited over 350,000 people into the public service;
- 30) We have purchased 567 vehicles, three helicopters for the police;
- 31) We have launched a nation-wide emergency 112 number for the police, fire and ambulance services;
- 32) We have implemented a new basic curriculum from kindergarten to primary six with a focus on reading, writing, arithmetic and creativity (the 4Rs);
- 33) We have redefined basic education to include senior high school and technical schools;
- 34) We are absorbing the cost of WASSCE registration fees for students;



- 35) We have restored teacher training allowances;
- 36) We have introduced new reforms to allow Teacher trainees to now be awarded degrees rather than diplomas after graduation;
- 37) We have restored nursing training allowances;
- 38) We have introduced drones to deliver medical supplies;
- 39) We have procured ambulances for all 275 constituencies;
- 40) We have cleared the NHIS arrears that we inherited and have revived the collapsing NHIS;
- 41) We have paid the outstanding contributions to pension funds that we inherited;
- 42) We are constructing 10 youth resource centres across ten regions;
- 43) We have established 75 Greenhouses at Dawhenya to enhance vegetable production. This is the largest in West Africa;
- 44) Through our Private-Public Partnership with NOVARTIS, Government is offering the drug hydroxyurea to relieve the pain and suffering of sickle cell patients in Ghana. This is the first such initiative in Africa;
- 45) We have increased the DACF to persons with disabilities by 50%;
- 46) We have employed persons with disabilities to man 50% of all our toll booths;

- 47) We have established the first government adult shelter to support victims of human trafficking. There is one for victims of domestic abuse but this is the first ever shelter dedicated to victims of human trafficking;
- 48) We have connected 400 rural communities to the telephone network in the last 3 years;
- 49) We have increased Peacekeeping allowances from \$31 to \$35 per day;
- 50) We have established and implemented the National Entrepreneurship and Innovation Program (NEIP) with over 10,000 beneficiaries;
- 51) We have established the Students Entrepreneurship Initiative (SEI) to inculcate the spirit of entrepreneurship in students from the high school level;
- 52) We have established the Zongo Development Fund and we are providing infrastructure to Zongo communities;
- 53) We have brought transparency into the allocation of oil blocs;
- 54) We have established and funded the Office of the Special Prosecutor;
- 55) We have passed the Right to Information Act;
- 56) We have created 6 new regions;
- 57) Ghana has been selected to host the secretariat of the African Continental Free Trade Agreement;
- 58) We have established three Development Authorities (Northern, Middle Belt and Coastal) which

have started implementing the Infrastructure for Poverty Eradication Program (IPEP);

59) Construction of 80 thousand-metric ton warehouses under the "One District One Warehouse Initiative.";

60) Construction so far of 300 out of 560 small earth dams in the five northern regions, in fulfilment of the "One Village One Dam" promise;

61) We are implementing the one district one factory policy

62) We have waged a war against illegal mining to protect our water bodies and have now introduced a community-based mining regime for small scale miners;

63) We are implementing the National ID Card;

64) We have implemented the Digital Address System;

65) We have implemented mobile money interoperability;

66) We have made it possible for anyone with a mobile money account to have basic banking services;

67) We are digitizing the land registry;

68) We have introduced digital drivers' licences;

69) We have introduced online applications for passports;

70) We have introduced online renewal of NHIS registrations through the mobile phone;

- 71) We have launched an online platform (iTAPs) for the filing of taxes;
- 72) Our hospital processes are also being automated for efficiency;
- 73) We have implemented online business registration at the Registrar Generals Department;
- 74) We have implemented an e-justice program at the courts;
- 75) We have implemented e-procurement at the Public Procurement Authority;
- 76) We have implemented paperless ports;
- 77) We have established a Ghana Commodities Exchange;
- 78) We are on course to establish an integrated Bauxite and Aluminium Industry;
- 79) We are on course to establish a vibrant domestic automotive industry;
- 80) We have completed preparations to commence the construction of the Pwalugu Dam by the end of November this year for irrigation, flood control and electricity;
- 81) The Accra-Tema Railway line is now in operation and the Kojokrom-Tarkwa and Achimota-Nsawam lines have also been rehabilitated;
- 82) We launched the "Year of Return" to mark the 400<sup>th</sup> anniversary of the first slaves taken from Africa to the Americas. It has resulted in increased tourism;

- 83) We are constructing a Dry Bulk Jetty as well as a multipurpose container terminal at Takoradi Port;
- 84) We are starting the construction of 10 fish landing sites at Teshie, Axim, Dixcove, Elmina, Winneba, Mumford, Senya-Breku, Fetteh-Gomah, Moree, and Keta;
- 85) We have completed the reverse flow project to move gas from the West to the East of Ghana;
- 86) The construction of Tamale Airport Phase 2 has started;
- 87) Tamale Interchange is being constructed;
- 88) Pokuase Interchange is being constructed;
- 89) Tema Motorway Interchange is being constructed;
- 90) Obetsebi Lamptey Interchange is being constructed;
- 91) We have commenced airline operations to Wa;
- 92) We have revived Anglo-gold Ashanti, and put more people to work;
- 93) We have commenced the journey to build a National Cathedral;
- 94) We have established the Social Partnership Framework with Employers and Labour as well as Faith-Based Organisations;
- 95) We have launched a comprehensive building Code for Ghana for the first time, and last but not least;and

96) Mr. Speaker, we have implemented Free Senior High school education for all Ghanaians.

256. As we can all testify, the last three years has been remarkable and we are grateful to God and the good citizens of Ghana for what we have achieved. Going forward, we will consolidate the gains made and pursue our transformation agenda, so help us God.

257. This, Mr Speaker, as we push on, in the knowledge that Ghanaians will know that we mean well, we do well and that, by the Grace of the Almighty, we shall all proclaim with one loud voice in melodic unison that: 'ONE GOOD TERM WILL DESERVE ANOTHER.' 'ONE GOOD TERM WILL DESERVE ANOTHER.'

258. He has indeed laid the foundation for our country and His hands will complete it. The way forward requires bold and courageous leadership and this Government has exhibited such mettle: The free SHS programme, the banking reform, the renegotiation of the energy sector, the new Ghana-

Ivory Coast declared floor price and living income differential of \$400 per tonne, the termination of the PDS contract and the Financial Responsibility Act.

259. But fellow Ghanaians, we must go forward together. Let us break disunity and poverty with a rod of iron. Let us go forth with a Spirit of power, love and self-discipline.

260. This 2020 budget assures us of a stable and peaceful year in which there are no new taxes, our roads will be built, we shall strengthen partnerships with Labour, Employers and Faith-Based Organisations, lending rates will come down, the National Development Bank and the Enterprise Credit Scheme will finance industry, businesses, mortgages and entrepreneurs. We shall indeed consolidate the Gains for Growth, Jobs and Prosperity for all our people. Let us rise and build together!!

261. Mr. Speaker, I submit to you the Nkosuo and Nkabom Budget.

262. God Bless us all and God Bless our homeland, Ghana.

263. Right Honourable Speaker, I so move.