



MINISTRY OF FINANCE

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PRESS RELEASE

FOR: IMMEDIATE RELEASE

GHANA REACHES AGREEMENT WITH OFFICIAL CREDITORS ON DEBT TREATMENT UNDER THE G20 COMMON FRAMEWORK

Accra, Ghana, 12th January, 2024... The Government of the Republic of Ghana announces that it has reached an agreement with its Official Creditors under the G20 Common Framework, on a comprehensive Debt Treatment Beyond the Debt Service Suspension Initiative. Following the successful completion of the Domestic Debt Exchange Programme (DDEP) in 2023, this development constitutes a significant positive step towards restoring Ghana's long-term debt sustainability.

2. The Government of Ghana commends the support and cooperation of its Official Creditors in reaching this agreement, which demonstrates a mutual commitment to restoring debt sustainability in line with the International Monetary Fund (IMF) programme targets. The Government is confident that this debt treatment, which entails significant flow relief during the programme period, will allow for the allocation of additional financial resources towards critical public investments, particularly in healthcare, education, and infrastructure development.

3. The terms of the agreed debt treatment are expected to be formalised in a Memorandum of Understanding between Ghana and Official Creditors, which will then be implemented through bilateral agreements with each member of the Official Creditor Committee. The Government of Ghana looks forward to further engaging with the Official Creditors to ensure prompt implementation of the agreed terms.

4. This agreement with the Official Creditors paves the way for IMF Executive Board approval of the first review of the Fund-supported programme, allowing for the next tranche of IMF financing of US\$600 million to be disbursed. The IMF Board Approval should also trigger World Bank Board consideration of US\$300 million Development Policy Operation (DPO) financing. In addition, the World Bank is expected to support the Ghana Financial Stability Fund with US\$250 million to help address the impact of the Domestic Debt Exchange Programme (DDEP) on the financial sector. These disbursements are key for Ghana's economic recovery and ambitious reform agenda.

5. Ghana has indeed turned the corner, as evidenced by the:
- i. Decline in inflation to 23.2% in December 2023 from 54.2% in December 2022;
 - ii. Relative strong performance of the Ghana cedi which reported a marginal depreciation of 7.2% between February and December 2023, compared to 28.4% during the same period in 2022;
 - iii. Overall real GDP growth of 2.8% for the first three quarters of 2023, higher than the 2023 initial GDP growth target of 1.5%.

6. Today's agreement with Official Creditors will support ongoing engagements with Ghana's commercial creditors, including bondholders. The Government of Ghana remains committed to reaching an agreement with its commercial creditors as soon as possible and takes this opportunity to thank all stakeholders. The Ministry of Finance hereby reiterates its commitment to restoring Ghana's long-term debt sustainability and strengthening macroeconomic stability. **END**

A handwritten signature in black ink, appearing to be 'Ansa', with a stylized flourish extending to the right.

**ISSUED BY THE PUBLIC RELATIONS UNIT
MINISTRY OF FINANCE**

THE NEWS EDITOR