

**Appendix 4a: Ghana : Medium Term Expenditure Framework - 2005-2009**  
**Total Payments (in billion cedis)**

|  | 2005<br>Prov.   | 2005<br>Prov.    | 2006<br>Prog    | 2006<br>Prov.    | 2006<br>Budget  | 2006<br>Proj     | 2007<br>Budget  | 2008<br>Proj.   | 2009<br>proj.   |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|
|  | Outturn         | Outturn<br>Q1-Q3 | Q1-Q3           | Outturn<br>Q1-Q3 | Estimate        | Outturn<br>Q1-Q4 | Estimate        | Indicative      | Indicative      |
| <b>Total Payments</b>  | <b>34,227.2</b> | <b>23,723.7</b>  | <b>31,549.3</b> | <b>31,929.7</b>  | <b>43,468.2</b> | <b>41,357.2</b>  | <b>54,315.9</b> | <b>64,258.8</b> | <b>73,500.3</b> |
| <b>Statutory Payments</b>  | <b>11,127.2</b> | <b>7,644.0</b>   | <b>9,478.7</b>  | <b>8,165.1</b>   | <b>13,993.2</b> | <b>13,006.5</b>  | <b>14,818.1</b> | <b>16,887.0</b> | <b>19,308.8</b> |
| <b>External Debt Service</b>   | <b>2,949.5</b>  | <b>2,183.9</b>   | <b>3,259.5</b>  | <b>2,402.6</b>   | <b>4,537.4</b>  | <b>3,881.6</b>   | <b>3,392.3</b>  | <b>3,637.1</b>  | <b>3,863.6</b>  |
| Principal 1/   | <b>2,098.3</b>  | 1,536.6          | 2,503.6         | 1,814.0          | 3,473.1         | 3,023.1          | 2,249.4         | 2,608.5         | 3,040.7         |
| Interest   | <b>851.3</b>    | 647.3            | 756.0           | 588.6            | 1,064.3         | 858.6            | 1,142.9         | 1,028.6         | 822.9           |
| <b>Domestic Interest</b>   | <b>2,689.2</b>  | <b>1,915.4</b>   | <b>1,559.5</b>  | <b>1,944.8</b>   | <b>2,426.8</b>  | <b>2,426.8</b>   | <b>2,505.2</b>  | <b>2,905.2</b>  | <b>3,386.5</b>  |
| <b>District Assemblies Common Fund</b>                                     | <b>938.9</b>    | <b>701.9</b>     | <b>709.6</b>    | <b>784.9</b>     | <b>1,204.3</b>  | <b>1,046.1</b>   | <b>1,626.7</b>  | <b>1,886.3</b>  | <b>2,198.9</b>  |
| <b>Transfers to Households</b>   | <b>2,602.2</b>  | <b>1,508.3</b>   | <b>2,375.5</b>  | <b>1,638.4</b>   | <b>3,340.6</b>  | <b>3,471.7</b>   | <b>4,374.7</b>  | <b>5,073.1</b>  | <b>5,913.7</b>  |
| Pensions   | <b>659.3</b>    | 426.1            | 495.3           | 652.2            | 705.9           | 841.2            | 1,051.6         | 1,219.4         | 1,421.5         |
| Gratuities   | <b>327.5</b>    | 235.1            | 269.3           | 329.7            | 409.4           | 409.4            | 511.8           | 593.4           | 691.8           |
| Social Security  | <b>630.9</b>    | 444.7            | 514.3           | 656.4            | 711.6           | 852.7            | 987.5           | 1,145.2         | 1,334.9         |
| National Health Fund (NHF)   | <b>984.5</b>    | 402.4            | 1,096.5         | 0.0              | 1,513.7         | 1,368.4          | 1,823.9         | 2,115.1         | 2,465.5         |
| <b>Education Trust Fund</b>  | <b>980.2</b>    | <b>627.8</b>     | <b>760.9</b>    | <b>589.3</b>     | <b>1,386.3</b>  | <b>1,082.4</b>   | <b>1,775.2</b>  | <b>2,058.6</b>  | <b>2,399.7</b>  |
| <b>Road Fund</b>   | <b>926.9</b>    | <b>673.3</b>     | <b>792.3</b>    | <b>783.2</b>     | <b>1,068.9</b>  | <b>1,068.9</b>   | <b>1,113.8</b>  | <b>1,291.6</b>  | <b>1,505.6</b>  |
| <b>Petroleum-related Fund</b>  | <b>40.4</b>     | <b>33.4</b>      | <b>21.4</b>     | <b>21.9</b>      | <b>28.9</b>     | <b>28.9</b>      | <b>30.2</b>     | <b>35.0</b>     | <b>40.8</b>     |
| <b>Discretionary Payments</b>  | <b>23,100.0</b> | <b>16,079.6</b>  | <b>22,070.5</b> | <b>23,764.5</b>  | <b>29,475.0</b> | <b>28,350.7</b>  | <b>39,497.8</b> | <b>47,371.8</b> | <b>54,191.5</b> |
| <b>Personal Emoluments (MDAs- Item 1)</b>                                  | <b>8,243.5</b>  | <b>5,778.8</b>   | <b>7,588.0</b>  | <b>8,422.5</b>   | <b>9,990.0</b>  | <b>10,972.5</b>  | <b>13,167.0</b> | <b>15,142.1</b> | <b>17,413.4</b> |
| <b>Administration (MDAs- Item 2)</b>                                       | <b>2,155.7</b>  | <b>1,628.4</b>   | <b>2,258.0</b>  | <b>2,163.5</b>   | <b>2,233.5</b>  | <b>2,186.8</b>   | <b>3,139.8</b>  | <b>4,824.1</b>  | <b>5,623.4</b>  |
| <b>Service (MDAs- Item 3)</b>  | <b>949.2</b>    | <b>716.7</b>     | <b>0.0</b>      | <b>873.0</b>     | <b>1,234.5</b>  | <b>808.8</b>     | <b>1,020.1</b>  | <b>0.0</b>      | <b>0.0</b>      |
| <b>Domestic Investment (Item 4) (Excl. Statutory Funds)</b>                | <b>821.7</b>    | <b>596.9</b>     | <b>1,344.9</b>  | <b>1,081.6</b>   | <b>3,681.9</b>  | <b>1,384.8</b>   | <b>2,598.9</b>  | <b>6,382.8</b>  | <b>7,440.4</b>  |
| <b>Net Lending</b>   | <b>72.8</b>     | <b>91.9</b>      | <b>29.6</b>     | <b>6.3</b>       | <b>39.5</b>     | <b>-87.6</b>     | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      |
| New Loans  | <b>96.8</b>     | 94.0             | 29.6            | 13.8             | 39.5            | 39.5             | 0.0             | 0.0             | 0.0             |
| Loan Recoveries  | <b>-23.9</b>    | -2.2             | 0.0             | -7.5             | 0.0             | -127.1           | 0.0             | 0.0             | 0.0             |
| <b>Foreign-financed Investment (Item 4)</b>                                | <b>5,946.1</b>  | <b>4,947.6</b>   | <b>4,699.6</b>  | <b>3,810.5</b>   | <b>8,062.7</b>  | <b>6,832.4</b>   | <b>8,966.3</b>  | <b>10,397.7</b> | <b>11,479.6</b> |
| <b>Strategic Oil Stocks</b>  | <b>0.0</b>      | <b>0.0</b>       | <b>0.0</b>      | <b>0.0</b>       | <b>145.0</b>    | <b>145.0</b>     | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      |
| <b>VAT refunds</b>   | <b>116.6</b>    | <b>80.7</b>      | <b>54.9</b>     | <b>87.9</b>      | <b>100.0</b>    | <b>100.0</b>     | <b>126.2</b>    | <b>145.4</b>    | <b>168.6</b>    |
| <b>Outstanding Commitments</b>   | <b>1,114.4</b>  | <b>948.0</b>     | <b>260.2</b>    | <b>250.4</b>     | <b>347.0</b>    | <b>351.3</b>     | <b>562.0</b>    | <b>0.0</b>      | <b>0.0</b>      |
| Roads  | <b>99.2</b>     | 87.8             | 75.0            | 96.1             | 100.0           | 100.0            | 165.0           | 0.0             | 0.0             |
| Non-roads  | <b>1,015.2</b>  | 860.2            | 185.3           | 154.3            | 247.0           | 251.3            | 397.0           | 0.0             | 0.0             |
| <b>Utility Price Subsidies</b>   | <b>412.0</b>    | <b>412.0</b>     | <b>75.0</b>     | <b>997.5</b>     | <b>805.0</b>    | <b>1,311.2</b>   | <b>116.2</b>    | <b>134.8</b>    | <b>157.1</b>    |
| o/w TOR's Under-recovery   | <b>412.0</b>    | 412.0            | 0.0             | 594.5            | 805.0           | 594.5            | 14,037.8        | 13,880.7        | 13,880.7        |
| <b>Other Transfers</b>   | <b>318.2</b>    | <b>255.5</b>     | <b>200.7</b>    | <b>192.8</b>     | <b>350.0</b>    | <b>350.0</b>     | <b>5,919.7</b>  | <b>6,848.8</b>  | <b>7,967.0</b>  |
| Retention of Internally-generated funds (IGFs)                             |                 | 0.0              | 0.0             | 0.0              | 0.0             | 0.0              | 2,233.9         | 2,590.5         | 3,019.8         |
| Safety net for petroleum deregulation                                      | <b>272.8</b>    | 210.1            | 200.7           | 192.8            | 250.0           | 250.0            | 190.5           | 221.0           | 257.6           |
| Lifeline consumers of electricity  | <b>0.0</b>      | 0.0              | 0.0             | 0.0              | 100.0           | 100.0            | 100.0           | 100.0           | 100.0           |
| Tax Expenditure (Exemptions)   |                 | 0.0              | 0.0             | 0.0              | 0.0             | 0.0              | 3,395.2         | 3,937.3         | 4,589.6         |
| <b>HIPC-financed Expenditure</b>   | <b>1,946.6</b>  | <b>1,435.9</b>   | <b>1,521.8</b>  | <b>1,324.3</b>   | <b>1,822.1</b>  | <b>1,822.1</b>   | <b>1,768.7</b>  | <b>2,563.9</b>  | <b>2,988.7</b>  |
| <b>MDRI-financed Expenditure</b>   |                 | <b>0.0</b>       | <b>983.5</b>    | <b>580.4</b>     | <b>0.0</b>      | <b>1,509.4</b>   | <b>1,598.7</b>  | <b>556.3</b>    | <b>598.2</b>    |
| <b>Divestiture Liabilities</b>   | <b>0.0</b>      | <b>0.0</b>       | <b>0.0</b>      | <b>0.0</b>       | <b>0.0</b>      | <b>0.0</b>       | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      |
| <b>Repayment of Domestic Debt</b>  | <b>1,574.4</b>  | <b>969.9</b>     | <b>1,178.4</b>  | <b>3,014.1</b>   | <b>0.0</b>      | <b>0.0</b>       | <b>510.9</b>    | <b>376.0</b>    | <b>355.2</b>    |
| Banking  | <b>0.0</b>      | 969.9            | 1,178.4         | 2,909.0          | 0.0             | -74.6            | 510.9           | 188.0           | 177.6           |
| Non- bank  | <b>0.0</b>      | 0.0              | 0.0             | 105.1            | 0.0             | 74.6             | 0.0             | 188.0           | 177.6           |
| o/w Reduction due to HIPC-fin'd debt buyback                               | <b>0.0</b>      | 0.0              | 132.4           | 0.0              | 455.5           | 200.7            | 442.2           | 0.0             | 0.0             |
| <b>Redemption of Deferred Interest Payments on Inflation-indexed Bonds</b> | <b>98.5</b>     | <b>116.8</b>     | <b>86.2</b>     | <b>71.0</b>      | <b>86.2</b>     | <b>86.2</b>      | <b>3.1</b>      | <b>0.0</b>      | <b>0.0</b>      |
| <b>Discrepancy</b>   | <b>-669.8</b>   | <b>40.3</b>      | <b>1,789.5</b>  | <b>888.5</b>     | <b>577.6</b>    | <b>577.6</b>     | <b>0.0</b>      | <b>0.0</b>      | <b>0.0</b>      |

**Memo Items**

\* In 2007, other transfers include retained Internally Generated Funds (IGFs) of ₵2,233.9 billion and tax exemptions of ₵3,395.2 billion.

**Total Receipts** and **Total Payments** are now reported on gross basis and, thus, adjusted by the same margins, accounting for the reclassification of **Net Domestic Financing** and **Net Savings due to Inflation-indexed Bonds**. All other classifications under **Receipt**

**Appendix Table 4b : Ghana: Medium Term Expenditure Framework - 2005-2009**  
**Total Receipts (in billion cedis)**

|  | 2005<br>Prov'rov. Outturn<br>Outturn | 2005<br>Outturn<br>Q1-Q3 | 2006<br>Prog<br>Q1-Q3 | 2006<br>Prov. Outturn<br>Q1-Q3 | 2006<br>Budget<br>Estimate | 2006<br>Proj Outturn<br>Q1-Q4 | 2007<br>Budget<br>Estimate | 2008<br>Proj.<br>Indicative | 2009<br>proj.<br>Indicative |
|--|--------------------------------------|--------------------------|-----------------------|--------------------------------|----------------------------|-------------------------------|----------------------------|-----------------------------|-----------------------------|
| 11/16/2006 22:53   |                                      |                          |                       |                                |                            |                               |                            |                             |                             |
| <b>Total receipts</b>  | <b>34,227.2</b>                      | <b>23,723.7</b>          | <b>31,549.0</b>       | <b>31,929.7</b>                | <b>43,468.2</b>            | <b>41,357.1</b>               | <b>54,315.9</b>            | <b>64,258.8</b>             | <b>73,500.3</b>             |
| <b>Total Revenue (domestic tax and non-tax)</b>              | <b>28,256.4</b>                      | <b>15,235.1</b>          | <b>17,963.6</b>       | <b>16,696.3</b>                | <b>26,438.8</b>            | <b>25,421.5</b>               | <b>37,532.2</b>            | <b>43,523.9</b>             | <b>50,735.4</b>             |
| <b>Grants</b>  | <b>5,100.2</b>                       | <b>4,159.0</b>           | <b>5,926.4</b>        | <b>5,268.7</b>                 | <b>7,696.8</b>             | <b>7,228.6</b>                | <b>8,945.1</b>             | <b>9,075.6</b>              | <b>10,529.0</b>             |
| Project  | 2,866.0                              | 2,473.8                  | 1,943.0               | 1,769.4                        | 2,999.7                    | 2,669.4                       | 4,447.7                    | 5,157.7                     | 6,012.3                     |
| Programme  | 1,272.6                              | 1,009.0                  | 1,389.4               | 1,144.9                        | 1,388.0                    | 1,253.0                       | 1,535.1                    | 1,780.2                     | 2,075.1                     |
| HIPC Assistance  | 961.5                                | 676.2                    | 767.6                 | 527.9                          | 1,205.4                    | 1,205.4                       | 1,363.7                    | 1,581.4                     | 1,843.4                     |
| Multilateral Debt Relief Initiative (MDRI)                   | 0.0                                  | 0.0                      | 1,826.4               | 1,826.4                        | 2,103.6                    | 2,100.8                       | 1,598.7                    | 556.3                       | 598.2                       |
| International Monetary Fund                                  | 0.0                                  | 0.0                      | 1,826.4               | 1,826.4                        | 1,829.2                    | 1,826.4                       | 1,083.3                    | 0.0                         | 0.0                         |
| World Bank   | 0.0                                  | 0.0                      | 0.0                   | 0.0                            | 219.5                      | 219.5                         | 460.4                      | 499.2                       | 537.8                       |
| African Development Bank                                     | 0.0                                  | 0.0                      | 0.0                   | 0.0                            | 54.9                       | 54.9                          | 54.9                       | 57.1                        | 60.4                        |
| <b>Loans</b>   | <b>4,544.6</b>                       | <b>3,652.5</b>           | <b>4,395.6</b>        | <b>3,352.0</b>                 | <b>6,700.4</b>             | <b>5,759.3</b>                | <b>5,988.4</b>             | <b>6,799.2</b>              | <b>7,048.8</b>              |
| Project Loans  | 3,080.0                              | 2,473.8                  | 2,756.6               | 2,041.1                        | 5,063.0                    | 4,163.0                       | 4,518.6                    | 5,239.9                     | 5,467.2                     |
| Programme Loans  | 1,464.6                              | 1,178.6                  | 1,639.0               | 1,310.9                        | 1,637.5                    | 1,596.3                       | 1,469.9                    | 1,559.2                     | 1,581.6                     |
| <b>Divestiture Receipts</b>                                  | <b>232.7</b>                         | <b>3.0</b>               | <b>6.0</b>            | <b>6.0</b>                     | <b>673.4</b>               | <b>6.0</b>                    | <b>673.4</b>               | <b>0.0</b>                  | <b>0.0</b>                  |
| <b>Domestic Financing (Borrowing)</b>                        | <b>0.0</b>                           | <b>0.0</b>               | <b>0.0</b>            | <b>5,860.7</b>                 | <b>0.0</b>                 | <b>1,197.9</b>                | <b>0.0</b>                 | <b>0.0</b>                  | <b>0.0</b>                  |
| <b>Deferred Interest Payments on Inflation-indexed Bonds</b> | <b>0.0</b>                           | <b>0.0</b>               | <b>10.8</b>           | <b>0.0</b>                     | <b>14.8</b>                | <b>14.8</b>                   | <b>0.0</b>                 | <b>0.0</b>                  | <b>0.0</b>                  |
| <b>Exceptional Financing (HIPC Debt Relief)</b>              | <b>1,193.5</b>                       | <b>674.1</b>             | <b>1,198.1</b>        | <b>746.1</b>                   | <b>1,729.1</b>             | <b>1,729.1</b>                | <b>1,176.7</b>             | <b>4,860.1</b>              | <b>5,187.1</b>              |
| <b>Memo items</b>  |                                      |                          |                       |                                |                            |                               |                            |                             |                             |
| <b>Overall Cash Balance (including Divestiture)</b>          | <b>-1,966.9</b>                      | <b>-3,643.0</b>          | <b>-3,885.0</b>       | <b>-5,059.5</b>                | <b>-5,100.0</b>            | <b>-5,591.8</b>               | <b>-4,401.8</b>            | <b>-8,674.8</b>             | <b>-8,840.0</b>             |
| percent of GDP   | -2.0                                 | -3.8                     | -3.5                  | -4.4                           | -4.5                       | -4.9                          | -3.2                       | -5.4                        | -4.8                        |
| <b>Domestic Revenue</b>                                      | <b>23,156.2</b>                      | <b>15,235.1</b>          | <b>17,963.6</b>       | <b>16,696.3</b>                | <b>26,438.8</b>            | <b>25,421.5</b>               | <b>37,532.2</b>            | <b>43,523.9</b>             | <b>50,735.4</b>             |
| percent of GDP   | 23.9                                 | 15.7                     | 16.0                  | 14.5                           | 23.5                       | 22.1                          | 27.3                       | 27.3                        | 27.3                        |
| <b>Domestic Primary Expenditure</b>                          | <b>19,855.0</b>                      | <b>14,581.8</b>          | <b>20,505.7</b>       | <b>20,436.2</b>                | <b>28,008.1</b>            | <b>27,778.7</b>               | <b>38,376.1</b>            | <b>46,942.9</b>             | <b>54,415.4</b>             |
| percent of GDP   | 20.5                                 | 15.0                     | 18.3                  | 17.8                           | 24.9                       | 24.2                          | 27.9                       | 29.4                        | 29.3                        |
| <b>Domestic Primary Balance</b>                              | <b>3,301.2</b>                       | <b>653.3</b>             | <b>-2,542.1</b>       | <b>-3,739.9</b>                | <b>-1,569.3</b>            | <b>-2,357.2</b>               | <b>-843.9</b>              | <b>-3,419.0</b>             | <b>-3,680.1</b>             |
| percent of GDP   | 3.4                                  | 0.7                      | -2.3                  | -3.3                           | -1.4                       | -2.1                          | -0.6                       | -2.1                        | -2.0                        |
| <b>Nominal GDP (billion cedis)</b>                           | <b>97,018.0</b>                      | <b>97,018.0</b>          | <b>112,320.3</b>      | <b>114,903.2</b>               | <b>112,320.3</b>           | <b>114,903.2</b>              | <b>137,603.2</b>           | <b>159,570.5</b>            | <b>186,009.8</b>            |