



# CITIZENS' BUDGET 2019

*An Abridged and Simplified Version of the  
2019 Budget Statement and Economic Policy*



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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

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

The 2019 Budget Statement and Economic Policy of the Government and the Citizens’ Budget are available on the internet at:

[www.mofep.gov.gh](http://www.mofep.gov.gh)

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“We have achieved a number of noteworthy successes, including restoring discipline in the management of our public finances, but acknowledge that life is still not easy as it should be. One thing for which I am certain is that, there is hope for better and brighter tomorrow”

- H.E. Nana Addo Dankwa Akufo-Addo

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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

### **MESSAGE FROM THE MINISTER**

This 2019 Budget provides a midterm report on how well the economy has been managed and how we intend to accelerate the programme of growing the economy, protecting the vulnerable, and creating jobs and prosperity for the Ghanaian people over the next financial year.

I am proud to say that the Akufo-Addo government is delivering on its four-year mandate. This is evident in the impressive strides the nation has made in the past 22 months.



On behalf of the President, I thank you all, the citizens of this country, for your patience, perseverance, sacrifices and partnership. We have taken tough decisions to get the country out of pretty rough seas. We still have a long way to go in fulfilling the manifest destiny of Ghana. What is, however, clear is that the nation is moving forward and in the right direction and indeed we are being repaid for “the years the locusts have eaten”.

We are now on course to exit the IMF programme by the end of this year. The programme may have had its critics because of the constraints it imposed. But it was a necessary pill because by 2014, the government then had lost its fiscal discipline and had very little choice but to seek the bailout. We are grateful to the IMF and are determined to maintain a combination of economic discipline and vibrancy that will ensure that we will not have to be rescued in that manner in the future.

The President on his inauguration famously urged the people of Ghana to behave not as spectators but as active citizens. This means that every citizen has the right and responsibility to play an active role in building our nation. The discipline that is required cuts both ways: that, both government and citizens help in the fight against corruption, waste and abuse of our limited resources. That, we all work hard and diligently. That, citizens pay the right taxes and duties and that the state, in turn, ensures that taxpayers' money is used responsibly, equitably and with integrity.

In 2019, Government is pushing more support into key sectors of growth such as the service sector, infrastructural development, agriculture, industry, and entrepreneurship.

As we pursue the President's vision of moving Ghana Beyond Aid, I wish to appeal to the conscience of all citizens to heed to the President's call and assume shared ownership of this important agenda—Ghana Beyond Aid. Let us all be actively involved in the Ghana project and to do so with integrity, hard work, sacrifice and a greater sense of ownership, so that we can get there faster and the rewards of our collective toils shall also be shared equitably. Let us all go forth in a spirit of unity.

God bless us all.

  
**KEN OFORI-ATTA**  
Minister for Finance



## INTRODUCTION

The 2019 Citizens' Budget explains in simple terms how government plans to raise the needed revenues to implement its policies and programmes to help improve the living standards of Ghanaians.

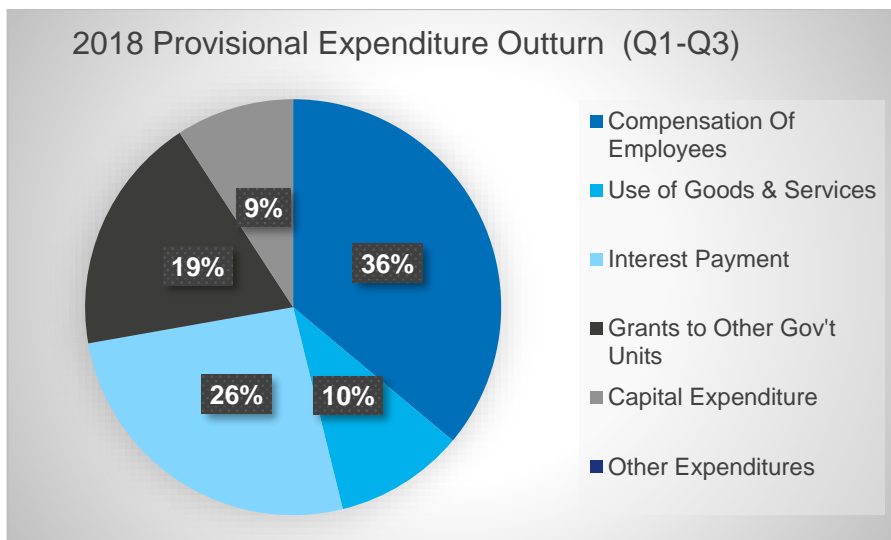
This document focuses on government's achievements in 2018 and what it intends to do in 2019, in the major sectors of the economy including health, education, agriculture and energy.

## OVERALL MACROECONOMIC PERFORMANCE

### 2018 Performance and 2019 Budget

As at the end of September 2018, total revenue and grants amounted to GH¢32,201.4 million against a target of GH¢35,599.1 million. For the same period, total expenditures including outstanding obligations amounted to GH¢41,251.1 million as against a target of GH¢43,379.5 million.

**Figure 1: Expenditure Items and their allocations for 2018 (How Government Spends, GH¢ Millions)**



From the above, it can be observed that Government's largest expenditure item for the period is Compensation of Employees.



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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

### **ASSUMPTIONS UNDERLYING THE 2019 BUDGET (MACROECONOMIC TARGETS)**

The assumptions underlining the 2019 Budget are as follows:

- Overall Real GDP growth of 7.6 percent;
- Non-Oil Real GDP growth of 6.2 percent;
- End-period inflation of 8.0 percent;
- Fiscal deficit of 4.2 percent of GDP;
- Primary surplus of 1.2 percent of GDP; and
- Gross International Reserves to cover not less than 3.5 months of imports of goods and services.

The 2019 budget will ensure prudent fiscal measures, which will set the pace for a favourable investment environment to create jobs and accelerate growth in vital sectors of the economy.

### **REVENUE POLICY MEASURES**

Government’s strategy for revenue mobilization is to continue the agenda of improving revenue performance through the implementation of the following tax policy measures among others in 2019:

**Support to the textile industry:** In order to curtail smuggling and counterfeiting in the textile industry, it is proposed that the tax stamp policy be extended to the textile industry. Government proposes to zero-rate VAT on the supply of locally made textiles for a period of three years.

**Review of the Income Tax Band:** Government to give further relief to Ghanaians, proposes to review this band to impact monthly incomes above GH¢20,000 at a rate of 30 per cent.

**Tax Identification Number:** In 2019, government will begin to apply sanctions to state and private entities that fail to enforce TIN requirements. Additionally, citizens will be required to have a TIN to access social services and benefits provided by the state.

**Deployment of Nation Builder’s Corps (NABCo):** The GRA has been assigned ten thousand officers from the NABCo who will be deployed to identify and register



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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

potential taxpayers and follow up on arrears. The data will be used to update the GRA taxpayer database.

### **Public Spending Measures**

To limit excessive expenditure overruns the following measures will be implemented among others. Government will:

- continue to strengthen commitment control and cash management;
- improve treasury and risk management;
- realign statutory funds to reduce rigidities in budget allocation to fund priority projects.

### **REVENUE AND GRANTS: HOW GOVERNMENT GETS ITS MONEY**

Government gets its monies from domestic and external sources. The domestic revenue comes from taxes, social contributions, non-tax revenue, and other sources. For government to raise enough revenue for development, citizens, companies, and organizations must pay right amount of taxes on time.

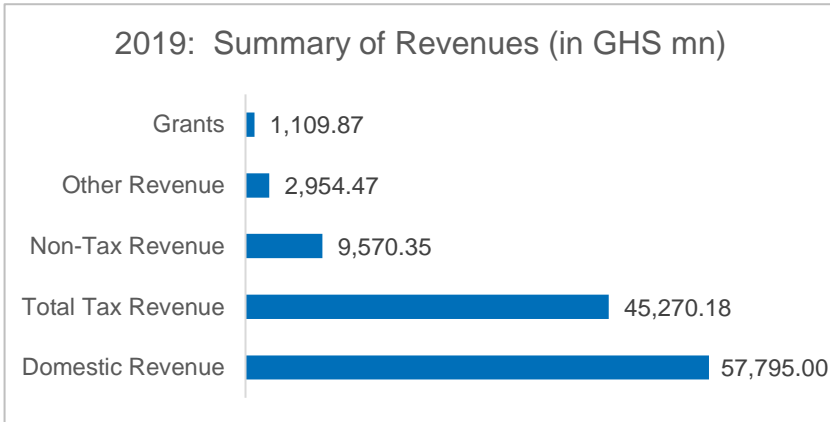
The total revenue and grants projected for 2019 including programmed receipts from petroleum amounts to GH¢58,904.9 million, equivalent to 17.1% of GDP.

Total projected domestic revenue for 2019 is GH¢57,794.9 million. Government projects to receive programme and project grants amounting to GH¢1,109.9 million from its Development Partners. The breakdown is shown in the figure below.



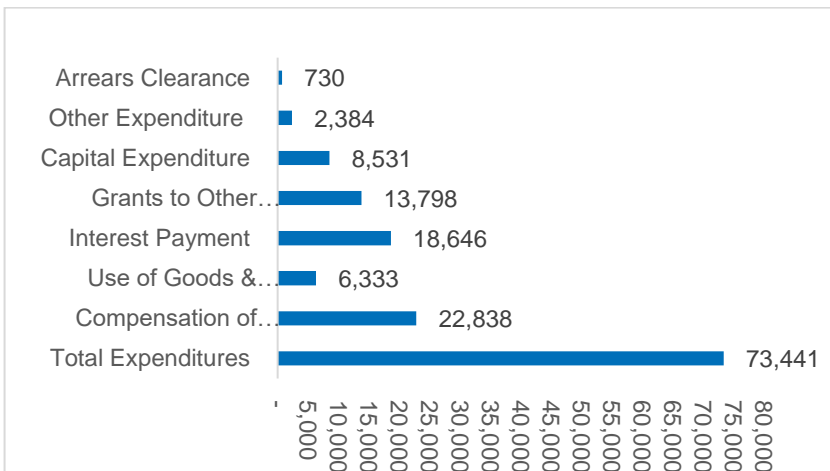
## Theme: “A Stronger Economy for Jobs and Prosperity”

**Figure 2: Summary of 2019 Projected Revenues and Grants**



From the above, it can be observed that taxes form Government's largest source of domestic revenue.

**Figure 3: Expenditure Items and their allocations for 2019  
(How Government Spends, GH¢ Millions)**



From the above, it can be observed that Government's largest expenditure items for 2019 are Compensation of Employees and Interest payments on Government loans.



## GROWING TO FEED THE NATION



Government in 2018, continued to provide the needed inputs to farmers to increase production and create more jobs by undertaking the following:

- continued the Planting for Food and Jobs (PFJs) programme which recorded increases for maize, rice and soya beans. The yields increased by 67 percent, 48 percent and by 150 percent respectively. In anticipation of increased production from the PFJs, five warehouses were rehabilitated at Yendi, Tamale, Wenchi, Sunyani and Kumasi;
- supplied subsidized fertilizers and seeds, comprising 183,000 mt of fertilizers, 7,600 mt of seeds and cassava planting materials to 577,000 farmers;
- recruited 2,700 extension agents, procured and distributed 3,000 motorbikes to extension agents, distributed 216 pickups to Departments of Agriculture in District Assemblies to improve extension service delivery;
- maintained the producer price of cocoa at GH¢7,600.00 per tonne to reduce loss of income to farmers despite the significant decline in world cocoa price;
- established a 6,000 capacity model ranch at Wawase in the Afram Plains to address the persistent conflict between Fulani herdsmen and food crop farmers.



### 2019 PLANTING FOR FOOD AND JOBS

**13,000mt  
Subsidised**

Seeds for priority  
crops

**438,900mt  
Subsidised**

Inorganic fertilizers

**30 New  
Warehouses**

Equipped with seed dryers  
and scales

**200,000  
bundles**

Cassava planting  
materials

**30,000mt  
Subsidised**

organic fertilizers

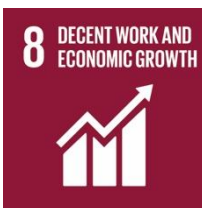
**TOTAL OUTCOME  
1.2million mt**

Additional production of  
cereals and legumes





## FISHERIES



As part of efforts to improve the fisheries sector, Government constructed the Anloga fish landing site to enhance the productivity of fishers in 2018.

### In 2019 Government will:

- construct more landing sites and Phase II of the Anomabo Fisheries College;
- roll out the “Aquaculture for Food and Jobs” (AFJ) flagship programme to complement the ongoing “Planting for Food and Jobs” (PFJ) initiative;
- train 10,200 unemployed youth in modern aquaculture production techniques, and support with inputs such as fish feed, fingerlings, tanks and cages for them to engage in commercial fish farming under the AFJ programme.



**Construct more  
Landing sites**



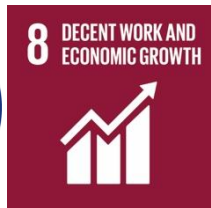
**Aquaculture for  
Food and Jobs**



**Train 10,200  
unemployed youth**



## TRADE AND INDUSTRY



In 2018, government continued to ensure fair trade, job creation and the promotion of inter-regional trade, through the following:



79 Projects Approved under 1D1F and at various stages of implementation

22 in the Greater Accra Region

14 in Eastern Region

13 in Ashanti and 13 Brong Ahafo Regions

8 in Central Region

6 in Northern Region

1 each in the Western, Volta and Upper West Regions

Implementation of the underlisted policy measures to support the Ghanaian trading public against unfair trade practices in the textile sector;

- The Excise Tax Stamps;
- Single Dedicated Entry Corridor for imported textiles products (Tema Port);
- Textile Import Management System to coordinate all imports of textiles;
- incentives to local manufacturers to improve their competitiveness.

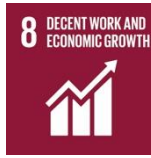
Expansion of Ghana's non-traditional exports through production and distribution of about 2,246,000 smooth cayenne pineapple suckers to 10 out-grower farmer groups.

### In 2019 Government will:

Mobilize an estimated US\$1.0 billion from various funding sources for small, medium and large scale enterprises to accelerate the industrial transformation agenda which includes the 1D1F programme.



## ENERGY



As part of government’s efforts to provide reliable energy for industry and domestic consumption, the following were undertaken in 2018:



### 2018 RELIABLE ENERGY PROJECTS

**340MW**

#### **CenPower**

Project installation works completed

**225kV**

#### **Interconnection**

Project in Bolgatanga-Ouagadougou completed

**122**

#### **Communities**

Connected to national grid under Rural Electrification Programme

**2,000**

#### **Cylinders**

Distributed under RLPG Promotion Programme

**32,800**

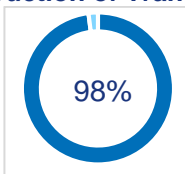
#### **Cook Stoves**

Distributed under RLPG Promotion Programme

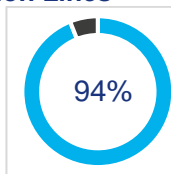
#### **Relocation of the 450MW Karpowership from**

Tema to Sekondi to utilize gas produced from the Sankofa Fields;

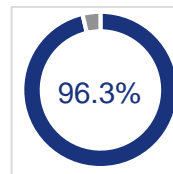
### Construction of Transmission Lines



**Aboadze-Prestea  
330kV**



**Prestea-Kumasi  
330kV**



**Kumasi-Bolgatanga  
330kV**

### In 2019 Government will:

- Complete 147MW (Phase I) Early Power and 192MW Amandi Power Projects.
- Upgrade the following transmission line projects:
  - 161kV Aboadze-Takoradi;
  - 161kV Takoradi-Tarkwa-New Tarkwa-Prestea;
  - 330kV A4BSP (Pokuase) - Nkawkaw-Anwomaso;

### **1,250 Communities**

To be connected to national grid under Rural Electrification Programme

### **60,000 Cook Stoves**

To be distributed under RLPG Promotion Programme



## ROADS



To expand the infrastructure base of the country and ensure free movement of people, goods and services, the following projects were undertaken in 2018;

- maintenance work on 28,125km of trunk roads, 9,182km feeder roads, and 1,437km urban roads;
- completion of re-gravelling, spot improvement and resealing works of 55km, 271km and 64km on the trunk, feeder and urban road networks respectively;
- completion of minor rehabilitation works for upgrading, construction of culverts and drainage structures for 15km trunk roads, 266km feeder roads and 69km urban road networks respectively.

Under the Road and Bridge Construction Programme, projects undertaken include

- Three(3) tier Pokuase interchange under the Accra Urban Transport Project,
- Three(3) tier interchange at Tema Motorway roundabout, Kasoa and Nungua terminals,
- Kumasi facelift projects, including asphalt overlay in Manhyia, Bantama and the road from Anloga Junction to Tech Junction.

### **In 2019 Government will undertake the following:**

- routine maintenance activities on 11,100km, 25,000km and 6,500km of trunk, feeder and urban road networks respectively;
- minor rehabilitation works on 5km of trunk roads, 450km of feeder roads and 60km of urban roads;
- implementation of an electronic tolling of roads to improve revenue generation into the Road Fund.

### **2019 Road And Bridge Maintenance Activities**

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Spot Improvement | Re-gravelling | Resealing  
Asphaltic Overlaying | Partial Reconstruction | Bridge Maintenance

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**55km** Trunk Roads

**500km** Feeder Roads

**400km** Urban Roads

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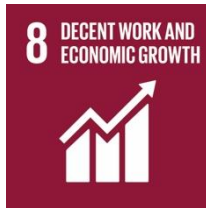


In 2019, ongoing projects will be continued throughout the country and the following key roads will be constructed.

Project	Length (km)
Anwia nkwanta-Obuasi	30
Asphaltic Overlay of Pantang Jn-Ayi Mensah	8
Mampong – Kofiase	14
Adenta – Oyibi	15
Odumase-Seikwa Nkwanta	44
Bediako-Kasapii- Camp 15	45
Wulugu- Wiasi	200
Tamale-Yendi-Tatale	98
Daboya, Buipe & Yapei Bridge	-
Navrongo-Naga	30
Lawra-Han-Tumu	150
Wa-Yaala-Wiasi	160
Kwabeng-Abomosu-Asuom	41.4
Kwabeng-Akropong	20.5
Osiem-Begoro	17
Ankamu-Achiase-Swedru	30
Swedru-Bawjiase-Adeiso	43
Twifo Praso - Asikuma - Dunkwa	55
Benchema-Adwofia	38
Asankragua-Agona-Sefwi Bekwai	55
Jasikan-Dodo Pepesu	56



## TRANSPORTATION



To improve transport services in the country, government undertook the following:

- constructed and rehabilitated ferry landing site facilities along the Volta Lake;
- commenced the Volta Lake Livelihood Development and Blackfly Nuisance Control Programme, to save lives and property, reduce public health impact of onchocerciasis as well as create 3,000 jobs in the Volta Basin;
- rehabilitated the existing 56km narrow gauge line from Kojokrom to Tarkwa through Nsuta corridor and the 70.8km narrow gauge sections of the Eastern Railway Line from Accra to Nsawam and Accra to Tema.

## NATIONAL IDENTIFICATION MANAGEMENT



Government introduced the National Identification System to assist in the delivery of public services such as crime prevention, healthcare, welfare services and disaster management to targeted populations. The card is for both Ghanaian citizens, resident and non-resident, and legally and permanently resident foreign nationals.

The mass registration phase has started in the Greater Accra Region, this will be gradually expanded to the rest of the country in 2019;



**56,359** Public Sector Staff  
registered for Ghana Card

**8,914** Foreign Nationals  
ID cards issued



## SPECIAL DEVELOPMENT INITIATIVES



Government through its policy on Special Development Initiatives provided oversight and strategic policy direction for the implementation of the Infrastructure for Poverty Eradication Programme (IPEP).

### In 2018 Government:

- commenced the allocation of the cedi equivalent of US\$1 million annually to each of the 275 constituencies for investment into local infrastructure development. These projects include One Village One Dam; Agricultural infrastructure (warehouses and markets), One Ambulance per Constituency; “Water for All” Projects and Sanitation;
- Constructed the following IPEP projects which are at various stages of completion:
  - 1,000, 10-Seater Water Closet Institutional/Community Toilets;
  - 1,000 Community-Based Limited Solar Powered Mechanized Water System;
  - 50 Prefabricated Grain Warehouses (1,000 Metric Tonnes); and
  - 570 Small Dams/Dugouts.

### In 2019, Government will:

continue to ensure that the Development Authorities are fully functional in delivering interventions which include:

## 2019 SPECIAL DEVELOPMENT INITIATIVES



### 20 Irrigation Dams

To support all year-round farming



### 15 Warehouses

For storage (grains and cereals)



### 18 Incubation and Business

Centres to be established



### 30 Community Development Centres

To be constructed





## HEALTH - BETTER CARE WHEN YOU NEED IT



**3** GOOD HEALTH  
AND WELL-BEING



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



In an effort to attain SDG Three (3) which is to, “ensure healthy lives and promote well-being for all at all ages”, Government undertook the following:

- completion and commissioning of 10 polyclinics in the Central Region at Bisease, Gomoa Dawuramong, Akunfude, Etsii Sunkwa, Odoben Gyamera, Biriwa, Ekumfi Naakwa, Mankrong, Bimpong Egya, Gomoa Potsin.
- Completion of the Wa Regional Hospital, Nsawkaw District Hospital and Atomic Hospital by end December 2018.

### **In 2019, the following projects will be undertaken:**

- completion of Bekwai, Sawla, Tolon, Somanya, Buipe District Hospitals; and a polyclinic at Bamboi;
- construction of Axim Hospital and rehabilitation of Effia-Nkwanta Emergency, Maternity and Children’s Block.





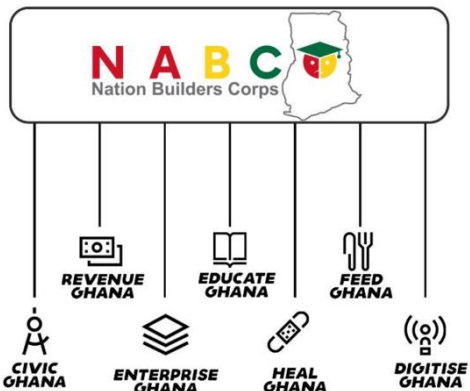
## EMPLOYMENT



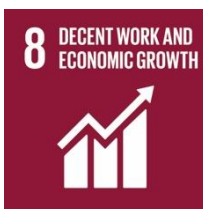
Government is committed to providing decent work for the citizenry and creating a healthy environment for increased productivity. In this respect, in 2018, the Nations Builders' Corps (NABCo) under the various modules recruited, trained and posted 100,000 graduates to various institutions.

**Nation Builders Corps (NABCo) is a Government initiative to address Graduate Unemployment**

**100,000 Graduates Recruited**



## BETTER EDUCATION FOR OUR CHILDREN



To provide equitable and quality education in line with SDG 4, Government:

- trained 200 teachers from 100 basic schools in robotics and engineering science as part of the Basic Science, Technology, Engineering and Mathematics (BSTEM) pilot programme. Following the successful piloting, the programme has been expanded to 38,715 basic schools.
- absorbed 100% of the registration fees of 356,344 registered candidates from public junior high schools as subsidies for the conduct of the 2018 BECE.
- introduced the Double Track School calendar (green and gold) as a temporary measure in 400 schools to meet increasing demand for secondary education.
- recruited 19,650 teaching and non-teaching staff to bridge staff shortfalls at the pre-tertiary level of education.
- recruited and deployed 8,872 teachers to various senior high schools (SHS) for the Double Track System under the Free SHS policy. As a result of the successful implementation of the policy, enrolment at the SHS level has gone up by 36 per cent (from 361,771 to 490,882).
- ensured that an estimated 181,000 students who would have, otherwise, been denied secondary education due to constraints with space, were placed in schools.
- conducted the first licensure examination for approximately 30,000 teachers.

### **In 2019, Government will:**

- complete stalled building projects in the secondary schools to expand capacity.
- roll out the BSTEM programme in 7,000 basic schools nationwide and provide multimedia laboratories and internet connectivity to cover many more schools.
- pay for the BECE Registration for an estimated 382,675 candidates from Public JHS.
- provide continuous professional training to all licensed teachers to upgrade their skills set to discharge their duties effectively.



## CONCLUSION

In 2019, Government will continue to support the service sector, infrastructural development, agriculture, industry, and entrepreneurship. We therefore, call upon you all to be actively involved in the nation building agenda as we put our hands to the plough, so that we can reap the rewards of our collective toils.

God bless our homeland Ghana.



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## Glossary (Budget Terminology)

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**Accountability:** This is when Government is answerable to its citizens by accounting for its activities and disclosing the results of such actions, this may include the responsibility for money or other properties that Government holds in trust.

**Budget:** A budget is a plan that outlines where to get money from and what to spend it on. For instance, a family can draw up a budget which will show how much money is available and how it should be prioritised for spending (for example, rent, utilities and food). If more money is needed, the family would need to consider raising more income, cutting expenses or taking a loan

**Budget deficit:** This occurs when Government expenditure is more than revenue.

**Capital Expenditure:** This is money spent on major infrastructure projects such as roads, schools, hospitals, bridges, transport, water systems, plant and machinery etc.

**Compensation of Employees:** This is made up of salaries and salary-related allowances, social security, gratuities etc. paid to public sector workers.

**Development Partners (DPs):** This refers to countries and/or organizations that partner developing countries to achieve their developmental goals. DPs' can be multilateral, e.g. International Monetary Fund (IMF), World Bank, African Development Bank (AfDB) etc. or bilateral which consists of individual countries like the Germany, United Kingdom, United States of America (USA), etc.

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

**Expenditure Overrun:** This occurs when spending exceeds the Budget that was made.

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

**Grants to other Government Units:** These constitute payments that are required by law such as District Assemblies' Common Fund (DACF), Road Fund, Ghana Education Trust Fund (GETFUND), Petroleum Related Fund, National Health Fund etc.

**Gross Domestic Product (GDP):** This refers to the total value of all goods and services produced in the country over a specific time period.

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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

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**Gross International Reserves:** This measures a country’s foreign currency ability to buy goods and services from foreign countries over a period of time; it also supports the strength of the local currency in relation to others.

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**Inflation:** The rate of increase in general price level of goods and services over a period of time.

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**IPEP:** Infrastructure for Poverty Eradication Programme

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**NABCo:** Nation Builders Corps

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**RLPG:** Rural Liquified Petroleum Gas

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