



REPUBLIC OF GHANA

**SUPPLEMENTARY ESTIMATES
ON THE BUDGET STATEMENT
AND
ECONOMIC POLICY**

of the

GOVERNMENT OF GHANA

for the

2007 FINANCIAL YEAR

presented to

PARLIAMENT

on

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by

**Kwadwo Baah-Wiredu, M.P.
MINISTER OF FINANCE AND ECONOMIC PLANNING**

on the authority of

**His Excellency John Agyekum Kufuor
PRESIDENT OF THE REPUBLIC OF GHANA**

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2007 SUPPLEMENTARY ESTIMATES

SECTION ONE

INTRODUCTION

1. Mr. Speaker, since the 2007 Budget was approved by this House, there have been significant developments in the economy, especially on the energy front. As a result of the current situation and the urgent need for the crisis to be resolved quickly, it has become necessary for Government to readjust to ensure that the adverse developments in the energy sector do not derail our macroeconomic programme for the year.
2. Consequently, Mr. Speaker, additional resources are required in the immediate and short term for the provision and operation of emergency plants as well as for capital investment for the generation, transmission and distribution of power by ECG and VRA over the medium term.
3. Mr. Speaker, it has also become imperative that further adjustments are made to the fiscal programme such that our international obligations, including UN peace keeping operations and the hosting of the CAN 2008 tournament are adequately funded.

SECTION TWO

SUPPLEMENTARY ESTIMATE

Introduction

4. Mr. Speaker, the aim of this Supplementary Estimate is to seek Parliamentary approval to commit more resources to primarily address the energy situation but for which the amount of moneys approved under the 2007 Appropriation Act, have been found to be grossly insufficient.
5. Mr. Speaker, in this regard, we are seeking the approval of this august House, to appropriate additional resources to resolve the energy crisis, and also meet our other obligations as outlined, in the section that follows, in line with **Article 179 (8) of the Constitution.**

PAYMENTS

6. Mr. Speaker, we are requesting approval for a total amount of **Gh¢827,386,500 (¢8,273.9 billion)** as supplementary expenditures for energy, roads and some international obligations which were not fully anticipated under the Budget presented in November 2006 to this august House.
7. Mr. Speaker, as part of Government's effort to resolve the energy crisis and also to ensure reliable and sustainable supply of power in the country, it is being proposed that a total amount of Gh¢703,039,100 (¢7,030.4 billion) be allocated to the Ministry of Energy for their activities.
8. With these proposed investment undertaken by Government, it is hoped that the Public Utilities Regulatory Commission (PURC) will accelerate its review of the full cost recovery process to assure the commercial viability of ECG and VRA, as well as increased private sector participation in the energy sector.

9. Mr. Speaker, the development of our road infrastructure is key to our growth agenda. Government, therefore, proposes the allocation of an additional amount of Gh¢30,571,230 (¢305.7billion) for the financing of various road infrastructure projects.
10. Other expenditures comprising some international obligations, rehabilitation of the Kumasi, Takoradi and Tamale airports, and hosting of the CAN 2008, among others, for which approval is being sought, amount to Gh¢93,776,170 (¢937.8 billion)
11. Mr. Speaker, for the sake of clarity, the expenditure items have been divided into two – those that will be funded from the international capital market borrowing and those to be funded from divestiture receipts and additional non-tax revenue.
12. Mr. Speaker, the details of the proposed expenditures are indicated below.

Funding from the International Capital Markets

a) Energy

13. Mr. Speaker, the amount allocated to the Ministry of Energy will be used to finance various investment activities of the Volta River Authority (VRA) and the Electricity Company of Ghana (ECG); including an upfront commitment by the Government of Ghana for the construction of the Bui Hydro Dam and the purchase of shares in TAQA. The details are as follows:

i) VRA investments	Gh¢188,849,800;
ii) ECG investments	Gh¢ 60,768,500;
iii) Upfront payment for the Bui dam	Gh¢ 56,094,000;
iv) Purchase of shares in TAQA	Gh¢ 28,047,000.

b) Road Infrastructure

Mobilisation for Nsawam-Apedwa dualisation - Gh¢ 13,556,050;

c) Expenses on capital market borrowing - Gh¢ 3,272,150

Expenditure from Divestiture and non-tax Receipts

a) Energy

14. Mr. Speaker, a number of emergency power plants have been installed to ameliorate the current energy situation. For the emergency power plants to function effectively there is the need for Government to purchase crude oil to run them. In this regard, it is proposed to keep in a reserve fund for the purchase of crude oil.
15. Mr. Speaker, the West African Gas Pipeline is expected to come on stream before the year ends. A necessary prior condition for the VRA to offtake the gas is that an escrow account to cover 3 months supply of gas from the pipeline to VRA is expected to be created. This amount will also be put in the reserve fund.
16. The total amount to be put in the reserve fund is Gh¢287,014,300 with the following breakdown:

i) Purchase of Crude Oil for VRA	Gh¢104,708,800
ii) Purchase of crude oil for emergency plants	Gh¢140,235,000
iii) <u>Escrow for the purchase of gas from the WAGP</u>	<u>Gh¢ 42,070,500</u>
Total	Gh¢287,014,300

Other investments to be funded from divestiture receipts in the energy sector are as follows:

i) VRA investments	Gh¢37,396,000
ii) ECG investments	Gh¢27,112,100
iii) <u>Subsidies to VRA (for VALCO and NED)</u>	<u>Gh¢17,757,400</u>
Sub-total	Gh¢82,265,500

b) Road Infrastructure **Gh¢18,698,000**

c) Hosting of CAN 2008

Gh¢ 23,365,000

17. Mr. Speaker, our preparations to host the CAN 2008 football tournament in 2008, has all this while focused on the provision of the required physical infrastructure. There are, however, some important recurrent expenditures that need to be incurred. Government is, therefore, proposing that an amount of Gh¢23,365,000 (¢233.7 billion) be allocated to the Ministry of Education, Science and Sports for the financing of these recurrent expenditures to ensure the successful hosting of the tournament.

d) Kumasi, Takoradi and Tamale Airports

Gh¢ 37,396,000

18. Mr. Speaker, as part of our preparation towards the hosting of the CAN 2008 football tournament, it has become necessary to rehabilitate the Kumasi, Takoradi and Tamale airports, given their current deplorable state. Government proposes that an amount of Gh¢37,396,000 (¢374 billion) be allocated to the Ministry of Aviation for the funding of these activities.

e) AU and AGOA

Gh¢9,535,980

19. Mr. Speaker, our dear nation was privileged to host the 9th African Union (AU) Summit and the African Growth and Opportunities Act (AGOA) Conference this year. In anticipation of the expected inflows execution of some Government programmes were delayed to enable us prepare and host these two meetings successfully. An amount of Gh¢9,535,980 (¢95.4 billion) is needed to pay for the preparation and the hosting of these two international meetings.

f) Headquarters of WACB

Gh¢6,544,300

20. Mr. Speaker, Ghana is honoured to host the headquarters of the West African Central Bank (WACB) in 2009. We are, therefore, obliged to provide office accommodation for the bank. An amount of Gh¢6,544,300 (¢65.4 billion) is being proposed to be used for the construction of a headquarters building for the WACB.

g) UN Peace Keeping Operations
Gh¢11,979,920

21. Mr. Speaker, in support of its international obligations, it is proposed that the Ministry of Defence be allocated an amount of Gh¢11,979,920 (¢119.8 billion) to cater for extended UN Peace Keeping operations.
22. Mr. Speaker, the details of the expenditure items are outlined in Appendix Table 1.

RECEIPTS

23. Mr. Speaker, the main sources of revenue to fund the additional expenditures are inflows from the divestiture of Ghana Telecom (GT) and WESTEL, as well as proceeds from the issue of sovereign bond on the International Capital Markets.
24. Mr. Speaker, the total amount of receipts to support the supplementary expenditure estimate is **GH¢827,386,500 (¢8,273.9 billion)**.

a) CAN 2008 and Ghana @ 50

25. An additional non-tax revenue of Gh¢9,349,000 (¢93.5 billion) is expected from the CAN 2008 and Ghana @ 50 proceeds for 2007.

b) Divestiture Receipts

26. Mr. Speaker, we are expecting an additional amount of Gh¢467,450,000 (¢4,674.5 billion) from divestiture through the sale of shares in Ghana Telecom and WESTEL.

c) Borrowing from the International Capital Markets

27. Mr. Speaker, when the Budget Statement and Economic Policies of Government was submitted to this august House in November 2006, we signaled Government's intention to access funds from the International Capital Markets. Preparations for the issue of the sovereign bond are far advanced and we expect the issue to be effected during the third quarter of the year.

28. Mr. Speaker, the total amount expected to be borrowed from the International Capital Markets is up to US\$750 million (Gh¢701.2 million) to finance specific projects in the energy and road sectors. Out of this amount, US\$375 (Gh¢350.6 million) will be utilized in 2007, and the rest will be provided for in the 2008 Budget, expected to be presented to Parliament in November this year.
29. Mr. Speaker, the resolution seeking parliamentary approval to borrow from the International Capital Markets has been laid before this House already.

Overall Budget Deficit

30. Mr. Speaker, considering the revised payments and receipts, the overall fiscal deficit including divestiture receipts is projected at 5.7 percent of GDP, while the domestic primary balance is projected to be a deficit equivalent to 6.5 percent of GDP. The domestic debt to GDP ratio which is projected at 10.2 percent, is consistent with Government's fiscal objective of sustaining the stock of domestic debt.
31. Mr. Speaker, the details of the receipts and payments with the revised budget tables are indicated in Appendix Tables 2 and 3 of this supplementary estimate.

SECTION THREE

CONCLUSION

32. Mr. Speaker, the Appropriation Bill covering this Supplementary Estimate will be submitted to this house in conformity with Article 179 (9) of the Constitution of Ghana which states that:

'Where in the case of a financial year, a supplementary estimate has been approved by Parliament in accordance with clause (8) of this article, a supplementary Appropriation Bill shall be introduced into Parliament in the financial year next following the financial year to which the estimates relates, providing for the appropriation of the sum so approved for the purposes specified in that estimate.'

33. Mr. Speaker, I am, hereby, requesting this august House to approve the supplementary estimate of **Gh¢827,386,500 (¢8,291.5 billion)** as laid earlier in the day, in conformity with Article 179 (8) of the Constitution and Standing Order 143 of this House.
34. Mr. Speaker, I beg to move.

APPENDIX TABLE 1: SUPPLEMENTARY ESTIMATES FOR 2007 (million Cedis)

PROJECTED ADDITIONAL RECEIPTS	AMOUNT (million cedis)	PROJECTED ADDITIONAL PAYMENTS	AMOUNT (million cedis)
Total	8,273,865	Total	8,273,865
Non-Tax Revenue	93,490	Capital Market Funding	3,505,875
Ghana @ 50 (US\$5m)	46,745	Investment for VRA (US\$202m)	1,888,498
CAN 2008 (US\$5m)	46,745	Investment for ECG (US\$65m)	607,685
Divestiture(US\$500m)	4,674,500	Upfront payment for Bui Dam (US\$60m)	560,940
Capital Market Borrowing(US\$375m)	3,505,875	Roads (US\$12.7m)	135,561
		Purchase of shares in TAQA (US\$30m)	280,470
		Fees and expenses related to Capital Market Borrowing	32,722
		Divestiture and Non-Tax Funding	4,767,990
		CAN 2008(US\$25m)	233,650
		AU & AGOA Meetings(US\$10.2m)	95,360
		Subsidies to VRA (for VALCO & NED) (US\$19m)	177,574
		Reserve Fund	2,870,143
		Purchase of crude oil for VRA (US\$112m)	1,047,088
		Purchase of crude oil for emergency plant (US\$150m)	1,402,350
		Escrow for the purchase of gas from WAGP	420,705
		Investment for VRA (US\$40m)	373,960
		Investment for ECG (US\$29m)	271,121
		Roads (US\$20m)	186,980
		Ministry of Defence UN Peacekeeping (US\$12.81m)	119,799
		Building for West African Central Bank (US\$7m)	65,443
		Rehabilitation of Kumasi, Takoradi & Tamale airports (US\$40m)	373,960

APPENDIX TABLE 1: SUPPLEMENTARY ESTIMATES FOR 2007 (Ghana Cedis)

PROJECTED ADDITIONAL RECEIPTS	AMOUNT (Ghana cedis)	PROJECTED ADDITIONAL PAYMENTS	AMOUNT (Ghana cedis)
Total	827,386,500	Total	827,386,500
Non-Tax Revenue	9,349,000	Capital Market Funding	350,587,500
Ghana @ 50 (US\$5m)	4,674,500	Investment for VRA (US\$202m)	188,849,800
CAN 2008 (US\$5m)	4,674,500	Investment for ECG (US\$65m)	60,768,500
Divestiture(US\$500m)	467,450,000	Upfront payment for Bui Dam (US\$60m)	56,094,000
Capital Market Borrowing(US\$375m)	350,587,500	Roads (US\$12.7m)	13,556,050
		Purchase of shares in TAQA (US\$30m)	28,047,000
		Fees and expenses related to Capital Market Borrowing	3,272,150
		Divestiture and Non-Tax Funding	476,799,000
		CAN 2008(US\$25m)	23,365,000
		AU & AGOA Meetings(US\$10.2m)	9,535,980
		Subsidies to VRA (for VALCO & NED) (US\$19m)	17,757,400
		Reserve Fund	287,014,300
		Purchase of crude oil for VRA (US\$112m)	104,708,800
		Purchase of crude oil for emergency plant (US\$150m)	140,235,000
		Escrow for the purchase of gas from WAGP	42,070,500
		Investment for VRA (US\$40m)	37,396,000
		Investment for ECG (US\$29m)	27,112,100
		Roads (US\$20m)	18,698,000
		Ministry of Defence UN Peacekeeping (US\$12.81m)	11,979,920
		Building for West African Central Bank (US\$7m)	6,544,300
		Rehabilitation of Kumasi, Takoradi & Tamale airports (US\$40m)	37,396,000

Appendix Table 2a:
Ghana : Medium Term Expenditure Framework - 2007
Total Payments (in billion cedis)

	2007 Proj. Budget	2007 Proj Revised Budget	2007 Supplementary
8/13/2007 14:43			
Total Payments	54,315.9	62,589.7	8,273.9
Statutory Payments	14,818.1	14,818.1	0.0
External Debt Service	3,392.3	3,392.3	0.0
Principal 1/	2,249.4	2,249.4	0.0
Interest	1,142.9	1,142.9	0.0
Domestic Interest	2,505.2	2,505.2	0.0
District Assemblies Common Fund	1,626.7	1,626.7	0.0
Transfers to Households	4,374.7	4,374.7	0.0
Pensions	1,051.6	1,051.6	0.0
Gratuities	511.8	511.8	0.0
Social Security	987.5	987.5	0.0
National Health Fund (NHF)	1,823.9	1,823.9	0.0
Education Trust Fund	1,775.2	1,775.2	0.0
Road Fund	1,113.8	1,113.8	0.0
Petroleum-related Fund	30.2	30.2	0.0
Discretionary Payments	39,497.8	47,771.6	8,273.9
Personal Emoluments (MDAs- Item 1)	13,167.0	13,167.0	0.0
Administration (MDAs- Item 2)	3,161.6	3,567.4	405.8
Service (MDAs- Item 3)	998.4	998.4	0.0
Domestic Investment (Item 4) (Excl. Statutory Funds)	2,598.9	7,419.3	4,820.3
Net Lending	0.0	0.0	0.0
New Loans	0.0	0.0	0.0
Loan Recoveries	0.0	0.0	0.0
Foreign-financed Investment (Item 4)	8,966.3	8,966.3	0.0
Strategic Oil Stocks	0.0	0.0	0.0
VAT refunds	126.2	213.0	86.8
Outstanding Commitments	562.0	562.0	0.0
Roads	165.0	165.0	0.0
Non-roads	397.0	397.0	0.0
Utility Price Subsidies	116.2	293.8	177.6
o/w TOR's Under-recovery			
Other Transfers	5,919.7	5,919.7	0.0
Retention of Internally-generated funds (IGFs)	2,233.9	2,233.9	0.0
Safety net for petroleum deregulation	190.5	190.5	0.0
Lifeline consumers of electricity	100.0	100.0	0.0
Tax Expenditure (Exemptions)	3,395.2	3,395.2	0.0
Reserve Fund	0.0	2,870.1	2,870.1
HIPC-financed Expenditure	1,768.7	1,768.7	0.0
MDRI-financed Expenditure	1,598.7	1,598.7	0.0
Divestiture Liabilities	0.0	0.0	0.0
Repayment of Domestic Debt	510.9	424.0	-86.9
Banking	510.9	424.0	-86.9
Non- bank	0.0	0.0	0.0
o/w Reduction due to HIPC-fin'd debt buyback	442.2	442.2	0.0
Redemption of Deferred Interest Payments on Inflation-indexed Bonds	3.1	3.1	0.0
Discrepancy	-0.1	0.0	0.1

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 **Receipts** and **Payments** remain the same.

Appendix Table 2a:
Ghana : Medium Term Expenditure Framework - 2007
Total Payments (in Ghana cedis)

	2007 Proj. Budget	2007 Proj Revised Budget	2007 Supplementary
8/14/2007 13:40			
Total Payments	5,431,586,978	6,258,973,478	827,386,500
Statutory Payments	1,481,811,735	1,481,811,735	0
External Debt Service	339,229,836	339,229,836	0
Principal 1/	224,939,154	224,939,154	0
Interest	114,290,682	114,290,682	0
Domestic Interest	250,522,300	250,522,300	0
District Assemblies Common Fund	162,665,311	162,665,311	0
Transfers to Households	437,473,328	437,473,328	0
Pensions	105,155,495	105,155,495	0
Gratuities	51,175,017	51,175,017	0
Social Security	98,752,815	98,752,815	0
National Health Fund (NHF)	182,390,000	182,390,000	0
Education Trust Fund	177,522,160	177,522,160	0
Road Fund	111,378,700	111,378,700	0
Petroleum-related Fund	3,020,100	3,020,100	0
Discretionary Payments	3,949,775,244	4,777,161,744	827,386,500
Personal Emoluments (MDAs- Item 1)	1,316,704,200	1,316,704,200	0
Administration (MDAs- Item 2)	316,160,000	356,744,009	40,584,009
Service (MDAs- Item 3)	99,840,000	99,840,000	0
Domestic Investment (Item 4) (Excl. Statutory Funds)	259,894,012	741,928,452	482,034,440
Net Lending	0	0	0
New Loans	0	0	0
Loan Recoveries	0	0	0
Foreign-financed Investment (Item 4)	896,628,051	896,628,051	0
Strategic Oil Stocks	0	0	0
VAT refunds	12,623,400	21,302,659	8,679,259
Outstanding Commitments	56,200,000	56,200,000	0
Roads	16,500,000	16,500,000	0
Non-roads	39,700,000	39,700,000	0
Utility Price Subsidies	11,621,500	29,378,900	17,757,400
o/w TOR's Under-recovery	0	0	0
Other Transfers	591,970,526	591,970,526	0
Retention of Internally-generated funds (IGFs)	223,392,000	223,392,000	0
Safety net for petroleum deregulation	19,053,700	19,053,700	0
Lifeline consumers of electricity	10,000,000	10,000,000	0
Tax Expenditure (Exemptions)	339,524,826	339,524,826	0
Reserve Fund	0	287,014,300	287,014,300
HIPC-financed Expenditure	176,873,189	176,873,189	0
MDRI-financed Expenditure	159,865,002	159,865,002	0
Divestiture Liabilities	0	0	0
Repayment of Domestic Debt	51,090,000	42,400,000	-8,690,000
Banking	51,090,000	42,400,000	-8,690,000
Non- bank	0	0	0
o/w Reduction due to HIPC-fin'd debt buyback	44,218,297	44,218,297	0
Redemption of Deferred Interest Payments on Inflation-indexed Bonds	310,600	310,600	0
Discrepancy	0	0	0

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 2b:
Medium Term Expenditure Framework -2007
2007 Total Receipts (in Ghana cedis)**

	2007 Proj. Budget	2007 Proj. Revised Budget	2007 Supplementary
8/14/2007 13:40			
Total receipts	5,431,586,978	6,258,973,478	827,386,500
Total Revenue (domestic tax and non-tax)	3,753,216,926	3,762,565,926	9,349,000
Grants	894,514,386	894,514,386	0
Project	444,769,875	444,769,875	0
Programme	153,511,431	153,511,431	0
HIPC Assistance	136,368,078	136,368,078	0
Multilateral Debt Relief Initiative (MDRI)	159,865,002	159,865,002	0
International Monetary Fund	108,332,400	108,332,400	0
World Bank	46,041,270	46,041,270	0
African Development Bank	5,491,332	5,491,332	0
Loans	598,844,267	598,844,267	0
Project Loans	451,858,176	451,858,176	0
Programme Loans	146,986,091	146,986,091	0
Divestiture Receipts	67,340,000	534,790,000	467,450,000
Domestic Financing (Borrowing)	0	0	0
Other Financing (Capital Market borrowing)	0	350,587,500	350,587,500
Deferred Interest Payments on Inflation-indexed Bonds	0	0	0
Exceptional Financing (HIPC Debt Relief)	117,671,400	117,671,400	0
Memo items			
Overall Cash Balance (including Divestiture)	-440,175,913	-799,453,413	-359,277,500
percent of GDP	-3.2	-5.7	-2.6
Domestic Revenue	3,753,216,926	3,762,565,926	9,349,000
percent of GDP	27.3	26.9	0.1
Domestic Primary Expenditure	3,837,606,191	4,673,682,691	836,076,500
percent of GDP	27.9	33.4	6.0
Domestic Primary Balance	-84,389,266	-911,116,766	-826,727,500
percent of GDP	-0.6	-6.5	-5.9
Nominal GDP (billion cedis)	13,760,319,962	13,976,700,000	13,976,700,000

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 **Receipts**

**Appendix Table 3:
Medium Term Expenditure Framework -2007
2007 Total Receipts (in billion cedis)**

08/13/07	2007 Proj. Budget	2007 Proj Revised Budget	2007 Supplementary
Total Receipts	54,315.9	62,589.7	8,273.9
Total revenue & grants	46,477.3	46,570.8	93.5
Total revenue	37,532.2	37,625.7	93.5
Tax revenue	32,533.1	32,533.1	0.0
Direct taxes	8,876.8	8,876.8	0.0
Personal	3,823.0	3,823.0	0.0
Self employed	453.9	453.9	0.0
Companies	3,822.0	3,822.0	0.0
Other direct taxes	777.8	777.8	0.0
Indirect taxes	14,124.6	14,124.6	0.0
Value Added Tax	8,876.1	8,876.1	0.0
Domestic	2,963.2	2,963.2	0.0
Imports	5,912.9	5,912.9	0.0
Petroleum	4,225.8	4,225.8	0.0
Excise	1,022.7	1,022.7	0.0
International trade taxes	6,136.4	6,136.4	0.0
Import duties	5,502.7	5,502.7	0.0
Export duty	633.8	633.8	0.0
Other Revenue Measures	1,823.9	1,823.9	0.0
o/w National Health Insurance Levy	1,725.1	1,725.1	0.0
Import Exemptions	3,395.2	3,395.2	0.0
Non-tax revenue	3,175.2	3,268.7	93.5
Other revenue	0.0	0.0	0.0
Grants	8,945.1	8,945.1	0.0
Project	4,447.7	4,447.7	0.0
Programme	1,535.1	1,535.1	0.0
HIPC Assistance	1,363.7	1,363.7	0.0
Multilateral Debt Relief Initiative (MDRI)	1,598.7	1,598.7	0.0
International Monetary Fund	1,083.3	1,083.3	0.0
World Bank	460.4	460.4	0.0
African Development Bank	54.9	54.9	0.0
Other receipts	7,838.6	12,513.1	4,674.5
Loans	5,988.4	5,988.4	0.0
Project loans	4,518.6	4,518.6	0.0
Programme loans	1,469.9	1,469.9	0.0
Divestiture receipts	673.4	5,347.9	4,674.5
Exceptional financing	1,176.7	1,176.7	0.0
External arrears	0.0	0.0	0.0
Clearance	0.0	0.0	0.0
Current (accumulation)	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0
Traditional debt rescheduling	329.5	329.5	0.0
HIPC Relief (Cologne terms)	847.2	847.2	0.0
Domestic Financing (Borrowing)	0.0	0.0	0.0
Banking	0.0	0.0	0.0
Non- bank	0.0	0.0	0.0
o/w HIPC-financed debt reduction	442.2	442.2	0.0
Other domestic	0.0	0.0	0.0
Other financing (Capital Market Borrowing)	0.0	3,505.9	3,505.9
Deferred interest payments on inflation-indexed bonds	0.0	0.0	0.0
Nominal GDP	137,603.2	139,767.0	139,767.0

Memo Items

* In 2007, Non-tax revenue is recorded on gross basis, of which lodgement is €941.3 billion and retention is €2,233.9 billion .

** In 2007, Tax revenue includes exemptions totaling €3,395.2 billion

Total Receipts are now reported on gross basis and, thus, adjusted by accounting for the reclassification of **Net Domestic Financing** and **Deferred interest payments on Inflation-indexed Bonds**. All other classifications under **Receipts** remain the same.

**Appendix Table 3:
Medium Term Expenditure Framework -2007
2007 Total Receipts (in Ghana cedis)**

08/13/07	2007 Proj. Budget	2007 Proj Revised	2007 Supplementary
Total Receipts	5,431,586,978.4	6,258,973,478.4	827,386,500.0
Total revenue & grants	4,647,731,311.7	4,657,080,311.7	9,349,000.0
Total revenue	3,753,216,925.8	3,762,565,925.8	9,349,000.0
Tax revenue	3,253,306,225.8	3,253,306,225.8	0.0
Direct taxes	887,678,800.0	887,678,800.0	0.0
Personal	382,303,400.0	382,303,400.0	0.0
Self employed	45,394,700.0	45,394,700.0	0.0
Companies	382,200,400.0	382,200,400.0	0.0
Other direct taxes	77,780,300.0	77,780,300.0	0.0
Indirect taxes	1,412,460,300.0	1,412,460,300.0	0.0
Value Added Tax	887,610,800.0	887,610,800.0	0.0
Domestic	296,324,300.0	296,324,300.0	0.0
Imports	591,286,500.0	591,286,500.0	0.0
Petroleum	422,580,600.0	422,580,600.0	0.0
Excise	102,268,900.0	102,268,900.0	0.0
International trade taxes	613,642,300.0	613,642,300.0	0.0
Import duties	550,265,200.0	550,265,200.0	0.0
Export duty	63,377,100.0	63,377,100.0	0.0
Other Revenue Measures	182,390,000.0	182,390,000.0	0.0
o/w National Health Insurance Levy	172,510,000.0	172,510,000.0	0.0
Import Exemptions	339,524,825.8	339,524,825.8	0.0
Non-tax revenue	317,520,700.0	326,869,700.0	9,349,000.0
Other revenue	0.0	0.0	0.0
Grants	894,514,385.9	894,514,385.9	0.0
Project	444,769,875.0	444,769,875.0	0.0
Programme	153,511,430.9	153,511,430.9	0.0
HIPC Assistance	136,368,078.0	136,368,078.0	0.0
Multilateral Debt Relief Initiative (MDRI)	159,865,002.0	159,865,002.0	0.0
International Monetary Fund	108,332,400.0	108,332,400.0	0.0
World Bank	46,041,270.0	46,041,270.0	0.0
African Development Bank	5,491,332.0	5,491,332.0	0.0
Other receipts	783,855,666.7	1,251,305,666.7	467,450,000.0
Loans	598,844,266.7	598,844,266.7	0.0
Project loans	451,858,176.0	451,858,176.0	0.0
Programme loans	146,986,090.7	146,986,090.7	0.0
Divestiture receipts	67,340,000.0	534,790,000.0	467,450,000.0
Exceptional financing	117,671,400.0	117,671,400.0	0.0
External arrears	0.0	0.0	0.0
Clearance	0.0	0.0	0.0
Current (accumulation)	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0
Traditional debt rescheduling	32,947,992.0	32,947,992.0	0.0
HIPC Relief (Cologne terms)	84,723,408.0	84,723,408.0	0.0
Domestic Financing (Borrowing)	0.0	0.0	0.0
Banking	0.0	0.0	0.0
Non- bank	0.0	0.0	0.0
o/w HIPC-financed debt reduction	44,218,297.2	44,218,297.2	0.0
Other domestic	0.0	0.0	0.0
Other financing (Capital Market Borrowing)	0.0	350,587,500.0	350,587,500.0
Deferred interest payments on inflation-indexed bonds	0.0	0.0	0.0
Nominal GDP	13,760,320,000.0	13,976,700,000.0	13,976,700,000.0

Memo Items

* In 2007, Non-tax revenue is recorded on gross basis, of which lodgement is ₵941.3 billion and retention is ₵2,233.9 billion .
** In 2007, Tax revenue includes exemptions totaling ₵3,395.2 billion

Total Receipts are now reported on gross basis and, thus, adjusted by accounting for the reclassification of **Net Domestic Financing** and **Deferred interest payments on Inflation-indexed Bonds**. All other classifications under **Receipts** remain the same.

Appendix Table 2a:
Ghana : Medium Term Expenditure Framework - 2007
Total Payments (in billion cedis)

	2007 Proj. Budget	2007 Proj Revised Budget	2007 Supplementary
8/13/2007 14:43			
Total Payments	54,315.9	62,589.7	8,273.9
Statutory Payments	14,818.1	14,818.1	0.0
External Debt Service	3,392.3	3,392.3	0.0
Principal 1/	2,249.4	2,249.4	0.0
Interest	1,142.9	1,142.9	0.0
Domestic Interest	2,505.2	2,505.2	0.0
District Assemblies Common Fund	1,626.7	1,626.7	0.0
Transfers to Households	4,374.7	4,374.7	0.0
Pensions	1,051.6	1,051.6	0.0
Gratuities	511.8	511.8	0.0
Social Security	987.5	987.5	0.0
National Health Fund (NHF)	1,823.9	1,823.9	0.0
Education Trust Fund	1,775.2	1,775.2	0.0
Road Fund	1,113.8	1,113.8	0.0
Petroleum-related Fund	30.2	30.2	0.0
Discretionary Payments	39,497.8	47,771.6	8,273.9
Personal Emoluments (MDAs- Item 1)	13,167.0	13,167.0	0.0
Administration (MDAs- Item 2)	3,161.6	3,567.4	405.8
Service (MDAs- Item 3)	998.4	998.4	0.0
Domestic Investment (Item 4) (Excl. Statutory Funds)	2,598.9	7,419.3	4,820.3
Net Lending	0.0	0.0	0.0
New Loans	0.0	0.0	0.0
Loan Recoveries	0.0	0.0	0.0
Foreign-financed Investment (Item 4)	8,966.3	8,966.3	0.0
Strategic Oil Stocks	0.0	0.0	0.0
VAT refunds	126.2	213.0	86.8
Outstanding Commitments	562.0	562.0	0.0
Roads	165.0	165.0	0.0
Non-roads	397.0	397.0	0.0
Utility Price Subsidies	116.2	293.8	177.6
o/w TOR's Under-recovery			
Other Transfers	5,919.7	5,919.7	0.0
Retention of Internally-generated funds (IGFs)	2,233.9	2,233.9	0.0
Safety net for petroleum deregulation	190.5	190.5	0.0
Lifeline consumers of electricity	100.0	100.0	0.0
Tax Expenditure (Exemptions)	3,395.2	3,395.2	0.0
Reserve Fund	0.0	2,870.1	2,870.1
HIPC-financed Expenditure	1,768.7	1,768.7	0.0
MDRI-financed Expenditure	1,598.7	1,598.7	0.0
Divestiture Liabilities	0.0	0.0	0.0
Repayment of Domestic Debt	510.9	424.0	-86.9
Banking	510.9	424.0	-86.9
Non- bank	0.0	0.0	0.0
o/w Reduction due to HIPC-fin'd debt buyback	442.2	442.2	0.0
Redemption of Deferred Interest Payments on Inflation-indexed Bonds	3.1	3.1	0.0
Discrepancy	-0.1	0.0	0.1

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 **Receipts** and **Payments** remain the same.

**Appendix Table 2b:
Medium Term Expenditure Framework -2007
2007 Total Receipts (in Ghana cedis)**

	2007 Proj. Budget	2007 Proj. Revised Budget	2007 Supplementary
8/13/2007 14:43			
Total receipts	5,431,586,978	6,258,973,478	827,386,500
Total Revenue (domestic tax and non-tax)	3,753,216,926	3,762,565,926	9,349,000
Grants	894,514,386	894,514,386	0
Project	444,769,875	444,769,875	0
Programme	153,511,431	153,511,431	0
HIPC Assistance	136,368,078	136,368,078	0
Multilateral Debt Relief Initiative (MDRI)	159,865,002	159,865,002	0
International Monetary Fund	108,332,400	108,332,400	0
World Bank	46,041,270	46,041,270	0
African Development Bank	5,491,332	5,491,332	0
Loans	598,844,267	598,844,267	0
Project Loans	451,858,176	451,858,176	0
Programme Loans	146,986,091	146,986,091	0
Divestiture Receipts	67,340,000	534,790,000	467,450,000
Domestic Financing (Borrowing)	0	0	0
Other Financing (Capital Market borrowing)	0	350,587,500	350,587,500
Deferred Interest Payments on Inflation-indexed Bonds	0	0	0
Exceptional Financing (HIPC Debt Relief)	117,671,400	117,671,400	0
Memo items			
Overall Cash Balance (including Divestiture)	-440,175,913	-799,453,413	-359,277,500
percent of GDP	-3.2	-5.7	-2.6
Domestic Revenue	3,753,216,926	3,762,565,926	9,349,000
percent of GDP	27.3	26.9	0.1
Domestic Primary Expenditure	3,837,606,191	4,673,682,691	836,076,500
percent of GDP	27.9	33.4	6.0
Domestic Primary Balance	-84,389,266	-911,116,766	-826,727,500
percent of GDP	-0.6	-6.5	-5.9
Nominal GDP (billion cedis)	13,760,319,962	13,976,700,000	13,976,700,000

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 3:
Medium Term Expenditure Framework -2007
2007 Total Receipts (in Ghana cedis)**

08/13/07	2007 Proj. Budget	2007 Proj Revised	2007 Supplementary
Total Receipts	5,431,586,978.4	6,258,973,478.4	827,386,500.0
Total revenue & grants	4,647,731,311.7	4,657,080,311.7	9,349,000.0
Total revenue	3,753,216,925.8	3,762,565,925.8	9,349,000.0
Tax revenue	3,253,306,225.8	3,253,306,225.8	0.0
Direct taxes	887,678,800.0	887,678,800.0	0.0
Personal	382,303,400.0	382,303,400.0	0.0
Self employed	45,394,700.0	45,394,700.0	0.0
Companies	382,200,400.0	382,200,400.0	0.0
Other direct taxes	77,780,300.0	77,780,300.0	0.0
Indirect taxes	1,412,460,300.0	1,412,460,300.0	0.0
Value Added Tax	887,610,800.0	887,610,800.0	0.0
Domestic	296,324,300.0	296,324,300.0	0.0
Imports	591,286,500.0	591,286,500.0	0.0
Petroleum	422,580,600.0	422,580,600.0	0.0
Excise	102,268,900.0	102,268,900.0	0.0
International trade taxes	613,642,300.0	613,642,300.0	0.0
Import duties	550,265,200.0	550,265,200.0	0.0
Export duty	63,377,100.0	63,377,100.0	0.0
Other Revenue Measures	182,390,000.0	182,390,000.0	0.0
o/w National Health Insurance Levy	172,510,000.0	172,510,000.0	0.0
Import Exemptions	339,524,825.8	339,524,825.8	0.0
Non-tax revenue	317,520,700.0	326,869,700.0	9,349,000.0
Other revenue	0.0	0.0	0.0
Grants	894,514,385.9	894,514,385.9	0.0
Project	444,769,875.0	444,769,875.0	0.0
Programme	153,511,430.9	153,511,430.9	0.0
HIPC Assistance	136,368,078.0	136,368,078.0	0.0
Multilateral Debt Relief Initiative (MDRI)	159,865,002.0	159,865,002.0	0.0
International Monetary Fund	108,332,400.0	108,332,400.0	0.0
World Bank	46,041,270.0	46,041,270.0	0.0
African Development Bank	5,491,332.0	5,491,332.0	0.0
Other receipts	783,855,666.7	1,251,305,666.7	467,450,000.0
Loans	598,844,266.7	598,844,266.7	0.0
Project loans	451,858,176.0	451,858,176.0	0.0
Programme loans	146,986,090.7	146,986,090.7	0.0
Divestiture receipts	67,340,000.0	534,790,000.0	467,450,000.0
Exceptional financing	117,671,400.0	117,671,400.0	0.0
External arrears	0.0	0.0	0.0
Clearance	0.0	0.0	0.0
Current (accumulation)	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0
Traditional debt rescheduling	32,947,992.0	32,947,992.0	0.0
HIPC Relief (Cologne terms)	84,723,408.0	84,723,408.0	0.0
Domestic Financing (Borrowing)	0.0	0.0	0.0
Banking	0.0	0.0	0.0
Non- bank	0.0	0.0	0.0
o/w HIPC-financed debt reduction	44,218,297.2	44,218,297.2	0.0
Other domestic	0.0	0.0	0.0
Other financing (Capital Market Borrowing)	0.0	350,587,500.0	350,587,500.0
Deferred interest payments on inflation-indexed bonds	0.0	0.0	0.0
Nominal GDP	13,760,320,000.0	13,976,700,000.0	13,976,700,000.0

Memo Items

* In 2007, Non-tax revenue is recorded on gross basis, of which lodgement is ₵941.3 billion and retention is ₵2,233.9 billion .
** In 2007, Tax revenue includes exemptions totaling ₵3,395.2 billion

Total Receipts are now reported on gross basis and, thus, adjusted by accounting for the reclassification of **Net Domestic Financing** and **Deferred interest payments on Inflation-indexed Bonds**. All other classifications under **Receipts** remain the same.