

**DRAFT
2022 BUDGET SPEECH**

**THEME:
BUILDING A SUSTAINABLE ENTREPRENEURIAL NATION:
FISCAL CONSOLIDATION AND JOB CREATION**

17th November 2021

1. Right Honourable Speaker, Honourable Members of Parliament, on the authority of H.E. 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, 2022.
2. On the authority of H.E. the President, and in accordance with Articles 179 and 180 of the 1992 Constitution, I present to this House, the Budget of The President of the Republic of Ghana for the 2022 Financial Year.
3. I also submit to this House the following statutory reports:
 - i. the 2021 Annual Report on the Petroleum Funds, in accordance with Section 48 of the Petroleum Revenue Management Act, 2011 (Act 815), (as amended) and
 - ii. the 2021 Report on the Utilization of the African Union Levies in accordance with Section 7 of the African Union Import Levies Act, 2017 (Act 952).
4. Mr. Speaker, this statement is an abridged version of the Budget Statement and Economic Policy of the Government of Ghana for the 2022 Financial Year. I, therefore, request that the entire Budget Statement and Economic Policy of the Government of Ghana for the 2022 Financial Year be captured in the Hansard.
5. Mr. Speaker, exactly 1 year, 8 months and 5 days today, Ghana confirmed its first case of COVID-19. Since then, efforts to contain the virus and its impact on our lives have dominated the actions of government – not only here in Ghana, but across the globe. The Covid-19 pandemic, which has swept through the world, has upended, and exposed, the weaknesses in some of the critical structures and systems in education, health, economic life, communities and everyday family life.
6. The pandemic triggered a sharp and heavy slump in global supply chains as the lockdowns and restrictions led to reductions in demand and production levels. The pick-up in demand for goods this year has also created a new inflationary problem with the

consequential rise in the cost of shipping, disruption of the global supply chain, and exacerbated by increase in world fuel prices.

7. Mr. Speaker, the spiraling costs of shipping have hit businesses hard, particularly small and medium scale enterprises. SMEs have had to struggle with the economic fallout from the pandemic and furthermore they are now being forced to cope with the rising cost of shipping. This is making the lives of traders and consumers very difficult.

8. The hardship Ghanaians have experienced due to COVID is not lost on the Government. We have been there with the people, playing the difficult but necessary balancing act of managing an economy put under extreme distress by the pandemic and, at the same time, supporting households and businesses to cope. Our response to COVID 19 thus far, has earned domestic and worldwide acclaim as our President and his Fellow Ghanaians will attest to.

9. Mr. Speaker, it has not been easy, and I know that from personal experience.

10. The Government has tried its best to save lives and cushion the impact on Ghanaians. It has been tough. But, we thank God for His grace and mercy towards us.

11. We empathize with:

- i. families who lost loved ones during the pandemic;
- ii. private school teachers who lost income for 12 months;
- iii. business owners who lost earnings;
- iv. the thousands of hospitality and tourism sector workers who were laid off;
- v. the slump in businesses built around our traditional and other social events;
- vi. the jobless young people whose strenuous efforts to find work have been further compromised by the pandemic; and
- vii. the impact on our mental health and wellbeing which has also been profound.

12. Mr. Speaker, His Excellency the President has asked me to deliver a special message to our Fellow Ghanaians. He says to thank you, the Ghanaian people for your

resilience. To thank you for keeping faith with him and responding to all the measures that were needed to contain the spread of the virus. He wants to assure you that, together, we are fighting this and we are fighting to win, together.

13. Mr. Speaker, at the beginning of the pandemic, we had to address both the immediate as well as persisting health and economic impacts of the pandemic. Our response was bold, decisive and compassionate, but also costly. As a responsible Government, alive to the concerns of the people, we have had no choice but to implement critical interventions to save lives and jobs, including feeding nearly 2.8 million people with hot meals. We also collaborated with our Faith-Based Organisations to provide 470,000 families with food packages.

14. Mr. Speaker, to mitigate the health impact of the pandemic, Government also employed additional 38,000 nurses. Tax exemptions worth GH¢36.8 million were also granted to our frontline staff while 10.1 million and 4.78 million households were provided with free water and electricity, respectively.

15. To facilitate the mass reopening of schools, Government provided **11 million** students and staff with essential supplies such as face masks, paper towels, liquid soap and hand sanitizers, all at great cost. Cooked meals were also provided to final year JHS Students in both public and private schools.

16. Mr. Speaker, these have been expensive. But, we knew that the cost of doing nothing and disrupting the education of our children for an entire academic year would have even been greater.

17. I am proud to announce that not a single Ghanaian public sector worker was laid off as a result of the impact of the pandemic on our public finances and we have managed to pay them monthly and we are grateful to the Unions for their cooperation in this regard.

18. Under the Coronavirus Alleviation Programme Business Support Scheme (CAPBuSS), Ghana Enterprises Agency provided 302,001 successful applicants across various sectors and regions with loans amounting to GH¢523.11 million.

19. Mr. Speaker, we also ensured payment of our obligations to contractors and provided payroll support to some State-owned Enterprises to guarantee jobs.

20. Thankfully, our President led and acted, decisively and intelligently and his leadership paved the way for many other countries in Africa and beyond.

21. Mr. Speaker, let me assure the House that we are working hard to get back quickly to the pre-pandemic fiscal and debt trajectory. The fiscal policies implemented to provide relief during the pandemic has led to an increase in total public debt. The situation was made worse by the big drop in revenue collections last year. Total revenues in 2020 fell by GH¢11.93 billion, equivalent to 3.1 percent of GDP, while total expenditures increased by GH¢14.08 billion, equivalent to 3.7 percent of GDP.

22. As a result, a budget deficit of 11.7 percent of GDP was recorded against a target of 4.7 percent of GDP. Including the financial sector and energy sector related expenditures, the budget deficit was 15.0 percent of GDP. GDP growth also dropped to 0.4 percent, compared to a projected growth rate of 6.8 percent before the pandemic. This growth, however, compares favourably with the sub-Saharan African average of negative 1.7 percent.

23. Mr. Speaker, we are under no illusions as to the economic challenges facing our country today. How to ease the sufferings of Ghanaians, transform the economy to create jobs and share the expected wealth across all households, such as providing security and education are what keep the President awake at night. How to broaden the revenue base, keep a grip on expenditure, protect the public purse and at the same time build with urgency the needed infrastructure, collecting revenue, managing our debt and

expenditure commitments, and paying the bills to stimulate economic activity are the orders he has given to us, his Ministers and other appointees, to carry out over the next three years.

24. Mr. Speaker, we know we can get the job done. It is well-known that prior to the pandemic, we had stabilised and turned around the economy between January 2017 and March, 2020. We had reversed the worrying economic trend we inherited and placed the country on a path of fiscal sustainability and growth. We doubled the economic growth rate from **3.4 percent to an average of 7.0 percent** between that period. It is undisputed that:

- i. We brought down the fiscal deficit below the 5 percent threshold;
- ii. We improved our gross international reserves from US\$4.9 billion (2.8 months of imports) to US\$9.9 billion (4.7 months of imports);
- iii. We provided free SHS for 1.2 million Ghanaian students;
- iv. We provided free hot meals for 3.4 million pupils in basic school;
- v. We supported 1.9 million farmers with improved seedlings and fertilizers through our Planting for Food and Jobs programme;
- vi. We provided temporary employment to 100,000 of young people through the NABCO programme;
- vii. We abolished several nuisance taxes;
- viii. We set the nation on its biggest private-sector owned industrialization programme in the history of Ghana with the 1D1F programme; and
- ix. We registered the biggest foreign exchange earnings from tourists during our historic 2019 Year of Return programme.

25. By March, 2020 our first quarter macro-fiscal indicators reflected the turnaround we had accomplished over the three and a half years. Indeed, we had just experienced an oversubscription of our US\$3.0 billion bond issuance and set a record of the longest sovereign Africa bond of 41 years on the International Capital Market as a result of strong investor confidence.

26. Mr. Speaker, then COVID struck!
27. This derailed our transformation agenda and eroded the progress we had attained in the previous three years. The focus of the 2021 Budget Statement and Economic Policy presented on 12th March, 2021 was therefore anchored on debt sustainability and consolidation while providing some fiscal stimulus. We set out to complete ongoing programmes and projects, consolidate the gains from the recovery efforts and continue our agenda towards the revitalization and transformation of the economy.
28. Today, 17th November, 2021, I am here, on behalf of H.E. the President to provide this House with an update on progress we have made towards post pandemic economic recovery following the confidence Ghanaians reposed in him with a renewed mandate on 7th December, 2020.
29. I will also share with you the plan to get us back to pre-pandemic macro stability and growth levels. More importantly, I will share the President's strategy to improve the living standards of Ghanaians and address the central challenge that confronts us today – **unemployment**.
30. Mr. Speaker, we have no doubt in our capacity as a government to turn things around. We turned around the economic crisis we inherited in 2017. We are turning around the economic crisis the pandemic brought in 2020. The challenge is on and we are determined to prevail and with the people behind us and the Almighty on our side we know we shall prevail.
31. This Budget is intentional about Building a Sustainable Entrepreneurial Nation through fiscal consolidation and Job Creation. This may be an uncomfortable transition but we are a people who think deeply and we must progress and become a people who also make things for ourselves and the World. We must embrace this challenge of becoming a vibrant entrepreneurial nation.

Macro-Economic Developments in 2021

32. Mr. Speaker, data on the performance of the economy as at end-September 2021 indicate that the implementation of the 2021 budget is largely on track. Provisional GDP data released by the Ghana Statistical Service in September 2021 indicate that overall real GDP grew by 3.1 percent in quarter one and 3.9 percent in quarter two. Thus, the economy grew by an average of 3.5 percent in the first half of 2021 against the 0.8 percent in same period in 2020.

33. Mr. Speaker, headline inflation declined sharply from 10.4 percent in December 2020 to 7.5 percent in May 2021, broadly reflecting well-anchored inflation expectations, exchange rate stability and favourable food prices. However, inflation picked up to 10.6 percent in September 2021 on account of shocks from domestic fuel price adjustments and increasing domestic food prices arising partly from climate-related factors, input supply bottlenecks, delayed harvests, and world food price increases. Inflation rose further to 11.0 percent in October, driven by non-food inflation.

Fiscal Performance

34. Mr. Speaker, preliminary data for the first nine months of the year indicate that, Government's fiscal operations resulted in a cash deficit of GH¢33.9 billion, equivalent to 7.7 percent of GDP, compared to the revised target of GH¢32.6 billion, equivalent to 7.4 percent of GDP.

35. The fiscal adjustments to save lives and preserve livelihoods during the pandemic, although well-intentioned, have elevated global debt levels. The situation in Ghana is no different. The provisional nominal debt stock, including financial sector bailout costs and energy sector IPPs payments, stood at GH¢341.76 billion, equivalent to 77.5 percent of GDP as at end-September 2021, up slightly from GH¢291.63 billion, equivalent to 76.1 percent in December 2020.

36. Notwithstanding the elevated fiscal deficit and public debt levels recorded due to COVID-19, our macro-fiscal indicators are much better than what we inherited.
- i. Inflation reduced from 15.4 percent at the end of 2016 to 7.9 percent at the end of 2019 and stood at 11.0 percent at end October 2021;
 - ii. Interest rate (91-day treasury bills) declined from 16.4 percent at the end of 2016 to 14.69 percent at the end of 2019 and further to 12.46 percent at the end of October 2021;
 - iii. Gross international reserves increased from 2.8 months of imports at the end of 2016 to 4.0 months of imports at the end of 2019 and further to 4.9 months of imports at the end of September 2021;
 - iv. Fiscal deficit reduced from 6.5 percent of GDP at the end of 2016 to 4.8 percent of GDP at the end of 2019;
 - v. Primary balance improved from a deficit of reduced from 1.1 percent of GDP at the end of 2016 to a primary surplus of 0.8 percent of GDP at the end of 2019; GDP grew from 3.4 percent at the end of 2016 to 6.5 percent at the end of 2019.

2022 and Medium-Term Macroeconomic Targets

37. Mr. Speaker, I now turn to the medium-term macroeconomic targets.
38. A new Medium-Term National Development Policy Framework (MTNDPF), 2022-2025 has been drafted to guide the medium-term economic recovery and transformation for the country. This is consistent with the Ghana Beyond Aid agenda and is informed by our COVID-19 response strategy outlined in the Ghana CARES Obaatanpa Programme to enable us “**build forward better**”.
39. Mr. Speaker, the broad macroeconomic goals to support the medium-term objectives include:

- i. Restoration of macroeconomic stability with a focus on fiscal consolidation and debt sustainability;
- ii. Maintaining a healthy balance between the implementation of the revitalisation and transformation programme and fiscal consolidation to promote growth within a stable macroeconomic environment;
- iii. Providing an environment that is supportive of private sector (including promoting entrepreneurship) for domestic businesses and for FDI to thrive;
- iv. Building a robust financial sector to support growth and development;
- v. Deepening structural reforms to make the machinery of Government work more efficiently and effectively to support socio-economic transformation; and
- vi. Implementing reforms to increase revenue mobilization and the efficiency of public expenditures.
- vii. Plugging leakages and persecution of offenders.

40. Mr. Speaker, guided by the medium-term policy objectives, the following macroeconomic targets are set for the medium-term (2022-2025):

- i. Overall Real GDP to grow at an average rate of 5.6 percent;
- ii. Non-Oil Real GDP to grow at an average rate of 5.9 percent;
- iii. End-December Inflation to be within the target band of 8 ± 2 percent;
- iv. Overall fiscal balance and primary balance to return to the Fiscal Responsibility Act threshold targets by 2024—i.e. fiscal deficit of not more than 5 percent of GDP, and a positive primary balance; and
- v. Gross International Reserves to cover at least 4 months of imports.

41. Mr. Speaker, based on the macroeconomic objectives and the medium- term targets, the following macroeconomic targets are set for 2022:

- i. Overall Real GDP growth of 5.8 percent;
- ii. Non-Oil Real GDP growth of 5.9 percent;

- iii. End-December inflation rate of 8 percent;
- iv. Fiscal deficit of 7.4 percent of GDP;
- v. Primary surplus of 0.1 percent of GDP; and
- vi. Gross International Reserves to cover not less than 4 months of imports.

Resource Mobilization for 2022

42. Mr. Speaker, Total Revenue and Grants for 2022 is projected to rise to GH¢100.5 billion, equivalent to 20.0 percent of GDP, up from a projected outturn of GH¢70.3 billion, equivalent to 16.0 percent of GDP for 2021. Domestic Revenue is estimated at GH¢99.5 billion and represents an annual growth of 44.0 percent over the projected outturn for 2021.

43. Mr. Speaker, the resource mobilisation for 2022 is underpinned by revenue policy initiatives. The increase in Domestic Revenue by 44.0 percent is as a result of the impact of a major progressive tax policy, ("Baako P3") complemented by improvements in tax compliance and reforms in revenue administration that we have outlined in this budget.

Resource Allocation for 2022

44. Mr. Speaker, Total Expenditure (including clearance of Arrears) is projected at GH¢137.5 billion, equivalent to 27.4 percent of GDP. The estimate for 2022 represents a growth of 23.2 percent above the projected outturn of GH¢111.6 billion, equivalent to 25.3 percent of GDP for 2021. The key drivers of expenditure growth include Capital Expenditure, funding of key Government flagship programmes, wage bill, and interest payments.

Budget balances and financing operations for 2022

45. Mr. Speaker, based on the estimates for Total Revenue & Grants and Total Expenditure, the 2022 fiscal operations will result in an overall fiscal deficit of GH¢37.0

billion, equivalent to 7.4 percent of GDP. This includes the financial sector and energy sector IPPs payments. This represents a nominal year-on-year reduction of about 30.7 percent over the projected outturn of 12.1 percent of GDP in 2021. The corresponding Primary surplus of GH¢435 million, equivalent to 0.1 percent of GDP, is also projected for the year. The signalling is clear. We are going to judiciously work our way out of our debt situation.

46. Mr. Speaker, total Foreign financing of the deficit as well as exceptional financing, namely the IMF's Special Drawing Rights (SDR) will amount to GH¢9.1 billion, equivalent to 1.8 percent of GDP and will include a planned international financing programme (not to exceed USD 1Bn) to raise up to US\$750 million for liability management and budget support, particularly, capital expenditure.

47. On the other hand, financing of the deficit from domestic sources, including net issuances from debt will amount to GH¢27.9 billion, equivalent to 5.6 percent of GDP. The additional exceptional financing from the utilisation of the newly allocated SDRs by the IMF will augment and reduce domestic borrowing needs.

48. Mr. Speaker, as a country we still rely heavily on debt financing to meet a significant portion of our expenditures compared to our peers. It is instructive to note that, on the expenditure side, for instance, interest payments and compensation payments alone amounted to GH¢48.7 billion which is 103.3% of total revenue and grants for Jan-Sept, 2021. In fact, these two expenditure items absorb all the revenue collected for the period. This trend must be reversed.

49. Mr. Speaker, a key focus of the budget fiscal consolidation to enhance debt and fiscal sustainability as we implement our economic revitalisation and transformation programme post Covid-19 to save more lives from the Covid-19 pandemic and better the lives of Ghanaians. It is for this reason that Government is proposing for the consideration and approval of Parliament the revenue enhancing and expenditure rationalisation

measures in this budget. In deed the approval and implementation of the measures will lead to significant fiscal adjustment from a projected fiscal deficit (including Energy IPP Payments and Finsec Clean-up cost) of 12.1% of GDP in 2021 to 7.4% in 2022, representing an adjustment of 4.7 percentage points in just one year. Mr. Speaker not only are we significantly bringing the fiscal deficit down, we are posting a primary surplus of 0.1% of GDP in 2022 from a negative primary balance of 4.7% in 2021.

50. Mr. Speaker these measures will no doubt slow down debt accumulation and will put the debt to GDP ratio on a declining path. We expect this new paradigm shift to create the needed fiscal space to continue to support broad-based inclusive growth.

51. Mr. Speaker, as a people, we are very proud of our history and heritage. We believe in our ability to be self-sustaining. After all, we are a country that became the world's largest producer of Cocoa with farmers working on small farmlands. These farmers bring in US\$2billion annually. We believe in our capability to mobilise the resources (human, natural and domestic finances) to transform our lives. This will require that we share the burden so that every adult Ghanaian will contribute to the delivery of critical infrastructure, social services and improve lives. This revenue mobilisation must be a collective effort and we must all contribute to make this a reality.

52. Mr. Speaker, the Ghana Statistical Service has completed the preliminary report on the 2021 Population and Housing Census. The Census provided useful information that will inform the effective planning and implementation of government policies. However, the data presented also shows some trends that need to be addressed to build a more equitable society.

53. Interestingly, out of the total population of 30.8 million:

- i. only 2,364,348 persons are bearing the burden of the entire population as tax payers as at August, 2021;
- ii. registered voter population of 17,027,941 as of 2020.
- iii. only 1,643,839 persons about captured by SSNIT as active contributors to Tier 1 pensions and 2,107,322 (less than 10 percent of the total population) as active contributors to Tier 2 as at June 2021;

- iv. only 45,109 entities are registered as corporate taxpayers
- v. only 54,364 persons are registered as self-employed taxpayers at the Ghana Revenue Authority; and
- vi. only 136,198 entities are registered businesses at the Registrar-General's Dept. as at August, 2021 of which 80 percent are self-employed.

54. Mr. Speaker, compared to our peers within the middle-income brackets, these statistics are a poor reflection on us and we need to change the narrative. We must resolve that by the next Census, we should have changed these statistics to become an Upper Middle-Income Country in line with our Ghana Beyond Aid agenda. We must eclipse a 20% threshold of revenue to GDP ratio by 2024.

55. Mr. Speaker, below are the regional breakdown of the tax contributions from 2017-2021.

REGION	2018 %	2019 %	2020 %	AS AT JUN 2021 %	AVERAGE %
GT ACCRA TOTAL	87.13	89.3	89.52	89.35	88.83
ASHANTI TOTAL	1.29	1.16	1.22	1.29	1.24
WESTERN TOTAL	1.95	1.61	1.14	0.97	1.42
EASTERN TOTAL	0.46	0.39	0.41	0.41	0.42
CENTRAL TOTAL	0.26	0.25	0.24	0.25	0.25
B-A TOTAL	0.21	0.2	0.2	0.2	0.20
VOLTA TOTAL	0.13	0.13	0.12	0.11	0.12
NORTH TOTAL	0.32	0.29	0.27	0.25	0.28
U-E-R TOTAL	0.06	0.05	0.05	0.06	0.06
U-W-R TOTAL	0.04	0.04	0.04	0.04	0.04
DT without 1% Withholding,SPT,S	91.86	93.42	93.21	92.93	92.86
1% Withholding Tax	0.72	0.53	0.54	0.57	0.59
Stamp duty	0	0	0.24	0.2	0.11
SPT	7.42	6.05	6.01	6.3	6.45
DTRD TOTAL	100	100	100	100	100

Key Messages

- i. Greater Accra contributes almost **90 percent** of our domestic tax; and

- ii. Ashanti, Western and Eastern regions together contribute barely to **3 percent** of domestic taxes.

Policy Initiatives

56. Mr. Speaker, domestic revenue mobilisation is the key to making the vision of 'Ghana Beyond Aid' a reality. We cannot, therefore, as a Nation continue to depend on only 8.2 percent of our citizens to carry the burden of 30.8 million people. This is unsustainable and defeats all the tenets of economic prudence and moral justice.

57. Our resolve to use revenue policy to support local industry and generate the desired environment for growth has not waned. In the coming year, Government will introduce measures that will revamp industry and make their products competitive in both the local and international markets.

58. In this respect, it has become increasingly necessary to make some policy changes.

Industry Support

59. In 2019, VAT relief was provided on African prints for textile manufacturers to enable them resuscitate their operations and provide affordable textiles to the market. This policy has succeeded in stabilising the industry and formed the basis for a modest increase in production. The companies have also maintained their prices over the period making the cost of local prints affordable. Additionally, they have been able to keep their employees and made some investments in the industry as a result of this Policy. To consolidate the gains and expand production in the industry, Government has decided to extend the Relief for a further two years.

60. Mr. Speaker, the VAT Flat Rate of three percent of the sale price of goods was introduced in 2017 on the supply of goods by wholesalers and retailers. Subsequent reforms to the taxes on the supply of goods and services have made local goods with imported substitutes uncompetitive. Government is correcting this anomaly by limiting

the Flat Rate to only retailers. All other supply of goods and services will attract the Standard rate.

61. The object of the Flat Rate is to provide a simplified system for small scale enterprises. To ensure that this objective is achieved, the rate will be applied to retailers with annual turnover not exceeding GH¢500,000. All other retailers and wholesalers will (be) charged the Standard rate.

62. After two and a half years of operation, the temporary benchmark (discount) policy on imports introduced as a stop-gap measure has been reviewed to make it more efficient and better targeted. This is consistent with Government policy to promote local industry and improve foreign exchange earnings. We are committed to a program of turning our enterprising traders into manufacturers of widgets, tools and other machinery necessary as inputs for our industrial growth.

Revenue Assurance and Compliance Enforcement (RACE)

63. Mr. Speaker, revenue compliance and enforcement sits at the heart of domestic revenue mobilisation. The Ghana Revenue Authority (GRA), buoyed by RACE, will continue with its enhanced compliance measures to expand coverage and plug revenue leakages.

64. The Modified Taxation System introduced in 2015 through the Income Tax Act, 2015 (Act 896) is to provide a simplified system of tax compliance for the informal sector and small scale individuals in business. This law will be amended to increase the threshold from GH¢200,000 to GH¢500,000 per annum.

65. Exports of unprocessed gold by small-scale miners through official channels have dwindled from over one million six hundred ounces in 2019 to below one hundred thousand ounces as at September 2021 through smuggling. To stem this tide, Government in consultation with the stakeholders in the industry has decided to reduce

the withholding tax rate for sale of unprocessed gold by small-scale miners on whom the incidence of the tax is from 3 percent to 1.5 percent. Government is committed to working with the relevant agencies and stakeholders in the industry to ensure compliance.

66. Mr. Speaker, Property rates have the potential to increase revenue mobilisation for MMDAs and release resources for provision of basic infrastructure as well as the needs of our localities. Property rate assessment and collection pose a challenge to most MMDAs and are fraught with inefficiencies. Government, through the Ghana Revenue Authority will from January 2022, assist the MMDAs to implement a common platform for property rate administration to enhance Property rate collections and its accountability. To ensure cost recovery by Government in providing the infrastructure for the collection of the Rate, a sharing ratio will be agreed with the Assemblies.

Fees and charges

67. Government will complete its work with this House to pass the fees and charges bill for implementation in 2022. These fees and charges will be subject to automatic adjustment consistent with the annual average inflation as announced by the Ghana Statistical Service (GSS). A comprehensive review will be conducted after every fifth-year taking into consideration, other factors besides inflation including, improvement in quality of service delivery and privatisation of some of the services, where feasible.

68. Mr. Speaker, our roads need fixing. Our roads are being fixed. It is true that more roads have been fixed and are being fixed over the last five years than any relative period in the entire history of our nation. We even want to do a lot more and this budget will cater for this.

69. That is why for decades, Government after Government imposed and maintained tolls on some public roads to raise funds for road construction and maintenance. This is the situation in many countries. However, over the years, the tolling points have become unhealthy market centres, led to heavy traffic on our roads, lengthened travel time from one place to another, and impacted negatively on productivity. The congestion generated

at the tolling points, besides creating these inconveniences, also leads to pollution in and around those vicinities.

70. To address these challenges, Government has abolished all tolls on public roads and bridges. This takes effect immediately the Budget is approved (after appropriation or now?). The toll collection personnel will be reassigned. The expected impact on productivity and reduced environmental pollution will more than off-set the revenue forgone by removing the tolls.

Expanding the Tax Net

71. Mr. Speaker, over the past 18 months, it has become clear that if the African continent is to be globally competitive, it must embrace the common vision of creating an integrated and inclusive digital society that improves the quality of life of citizens, strengthens the development of the private sector and advances Africa's quest to attain the Sustainable Development Goals.

72. Mr. Speaker, digitization is empowering. It has catalyzed financial inclusion. It mobilizes resources and directs it where it's needed. Tens of billions of Ghana cedis are mobilized every month from and by people previously presumed too poor to open and keep a traditional bank account or even operate a mobile phone. With millions of Ghanaians tapping into the convenience of simplified payment systems, transactions that used to take place on the blind side of the Central Bank is now fully visible. It's contributing to the formalization of our economy - a subject about which so much had been said for years but about which so little had been actually done.

73. With digitization, state institutions are more able to plug revenue leakages and thus increase internally generated funds. That gives them the capacity to potentially pay their workers better wages and reduce borrowing by central government for capital expenditure because they can go to a bank on the strength of their own books, and so reduce the country's "debt overhang" over time.

74. Mr. Speaker, the Ghana.Gov initiative and its performance also indicate the opportunity to harness increases in captured economic actors from 4 percent to 84 percent, which creates a real chance to achieve the intended expansion of the tax net. Currently, we have 49 institutions with transactions through the Ghana.Gov. However, the number of institutions expected to go live by end-November, 2021 is 165. The total value of transactions from May 2021 to October 2021 amounted to GH¢34 billion. We believe this initiative will be truly transformative of our revenue mobilization and service delivery agenda.

75. Mr. Speaker, COVID-19 contributed to the acceleration of the digitalization of Africa. Data from the Bank of Ghana confirms a growing trend in online trade. The data showed that between February 2020 and February 2021 alone, Ghana saw an increase of over 120% in the value of digital transactions compared to 44% for the period February 2019 – February 2020. Apart from the convenience online trading offers, the surge, as happened globally, was primarily due to the increase in the use of digital platforms as a result of the Covid-19 pandemic.

76. Total value of transactions for 2020 was estimated to be over GHS 500 billion Cedis compared to GH¢78 billion Cedis in 2016 just 5 years ago, while total mobile money subscribers and active mobile money users have grown by an average rate of 18% and 16% respectively between 2016 and 2019 (number of mobile phone subscribers).

77. Mr. Speaker, it is becoming clear there exists enormous potential to increase tax revenues by bringing into the tax bracket, transactions that could be best defined as being undertaken in the “informal economy”.

78. After considerable deliberations, Government has decided to place a levy on all electronic transactions to widen the tax net and rope in the informal sector. This shall be known as the “Electronic Transaction Levy or E-Levy.”

79. Electronic transactions covering mobile money payments, bank transfers, merchant payments and inward remittances will be charged at an applicable rate of

1.75%, which shall be borne by the sender except inward remittances, which will be borne by the recipient.

80. Mr. Speaker, to safeguard efforts being made to enhance financial inclusion and protect the vulnerable, all transactions that add up to GH¢100 or less per day (which is approximately GH¢3000 per month) will be exempt from this levy.

81. A portion of the proceeds from the E-Levy will be used to support entrepreneurship, youth employment, cyber security, digital and road infrastructure among others. 3y3 Baako, Ye nyinaa bey tua.

82. Mr. Speaker, this new policy also comes into effect (once appropriation is passed) from 1st January, 2022. Government will work with all industry partners to ensure that their systems and payment platforms are configured to implement the policy.

Burden Sharing

83. The good people of Ghana have given us a mandate to get things done. For us as a Government, this is a clarion call for a “New Deal” a chance to renew the social contract of our democracy.

84. As Reinhold Niebuhr once said and I quote:

“Nothing worth doing is completed in our lifetime; therefore, we must be saved by hope. Nothing true or beautiful or good makes complete sense in any immediate context of history; therefore, we must be saved by faith. Nothing we do, however virtuous, can be accomplished alone; therefore, WE ARE SAVED BY LOVE.”

85. Therefore, we need to act, together, as EACH OTHER'S KEEPER.

86. After the unprecedented shock that the pandemic was for the world and for Ghana, we owe each other to SHARE THE BURDEN of the recovery. Citizens that have not

suffered as much a loss of income during the pandemic ought to SACRIFICE FOR THE REST.

87. Citizens should be called upon to look beyond their own self-interest and work for a great common interest. Our country needs this sacrifice.

86. This budget calls upon the wealthy and the middle class to do their part through property tax, through streamlined exemption bill, through the removal of benchmark values on selected imported goods, and through targeted digital tax.

88. In doing so, they would also look after future generations by limiting debt accumulation

Exemptions

89. Mr. Speaker, after undergoing several reviews the Exemptions Bill has been completed and laid before Parliament. We will work with this House for final passage and implementation in 2022.

90. Mr. Speaker, we wish to reiterate that we are in challenging times, which require radical measures, so let us embrace these new policies to enable Government address the fundamental issues affecting the economy, to ensure that, our Nation continues to maintain its position as the Black Star of the Continent.

91. The good people of Ghana have given us a mandate to get things done. For us as a Government, this is a clarion call for a “New Deal” a chance to renew the social contract of our democracy.

As Reinhold Niebuhr once said and I quote:

“Nothing worth doing is completed in our lifetime; therefore, we must be saved by hope. Nothing true or beautiful or good makes complete sense in any immediate context of history; therefore, we must be saved by faith. Nothing we do, however virtuous, can be accomplished alone; therefore, WE ARE SAVED BY LOVE.”

92. Therefore, we need to act, together, as EACH OTHER'S KEEPER.

After the unprecedeted shock that the pandemic was for the world and for Ghana, we owe each other to SHARE THE BURDEN of the recovery. Citizens that have not suffered as much a loss of income during the pandemic ought to SACRIFICE FOR THE REST.

93. Citizens should be called upon to look beyond their own self-interest and work for a great common interest. Our country needs this sacrifice.

This budget calls upon the wealthy and the middle class to do their part through property tax, through streamlined exemption bill, through the removal of benchmark values on selected imported goods, and through targeted digital tax.

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Building a Sustainable Entrepreneurial Nation

94. The Census results put Ghana's population figure at 30.8 million and of this number, 42.8 percent constitute the adult population above 18 years while 58.2 percent constitute the population below 18 years.

95. Mr. Speaker, with this youthful population there is the urgent need to provide the necessary environment for the private sector. In this regard, Government will implement

a major intervention to empower existing private sector businesses to be robust and dynamic to expand and create jobs. while giving a strong hand up to the youth.

96. Mr. Speaker, in the past 15 years, successive Governments have endeavoured to implement various employment schemes to partially address the unemployment situation in the country. In 2006, President Kufuor initiated the Youth Employment scheme which provided meaningful employment avenues to many of our youth. Since then, we have implemented a number of such schemes with the current ones being;

- i. NABCO (100,000 youth covered);
- ii. YEA (80,538 beneficiaries);
- iii. Afforestation (44,682 youth engaged); and
- iv. National Alternative Employment and Livelihood Programme (NAELP)

97. In addition, Government has employed 295,032 unto the public sector payroll since 2017. In 2021 alone, financial clearance totaling 72,825 has been granted.

98. Mr. Speaker, in spite of these efforts, we continue to have a huge number of our young people without jobs.

99. Mr. Speaker, this Budget is redefining our development paradigm by focusing on the Private sector, particularly on entrepreneurship development. We will build an Entrepreneurial Nation by aggressively implementing programmes that empowers the majority of our young people to exploit their God-given talents to take risks and become job creators instead of job seekers.

100. In the pursuit of this objective, we will address the challenges our existing and aspiring entrepreneurs face. These challenges include access to credit and finance, regulatory and tax burden, lack of skills as well as mentorship. We will do this, while intensifying our efforts to support the private sector to expand and create jobs.

101. Mr. Speaker, this understanding of the youth employment challenge, as well as extensive consultations with stakeholders including youth associations and educational

institutions across the country, have led to the development of the YouStart initiative which proposes to use GH¢1 billion each year to catalyze an ecosystem to create 1 million jobs and in partnership with the Finance Institutions and Development Partners, raise another 2 Billion Cedis . In addition, our local Banks have agreed to a package that will result in increasing their SME portfolio up to GHC 5 billion over the next 3 years. This, Mr. Speaker results in an unprecedented historic 10 Bn Cedis commitment to the private sector and YouStart over the next 3 years.

102. Mr. Speaker, YouStart is a vehicle for supporting young entrepreneurs to gain access to capital, training, technical skills and mentoring to enable them launch and operate their own businesses.

Implementing Partners of the YouStart

103. Mr. Speaker, the Ghana Enterprises Agency (GEA), the National Entrepreneurship and Innovation Programme (NEIP), and partner financial institutions, will serve as the implementing arms of YouStart. Entrepreneurs will be able to apply for support through a dedicated YouStart online portal. NEIP will also engage our Faith-Based Organisations as partners for the delivery of essential artisanal skills, business competitions, and feasibility studies and introduction to financing institutions with a commitment of upto 10% of GOG contribution to the YouStart Program

104. Mr. Speaker, YouStart will provide our youth with the following:

- i. Training: Skills Development, Entrepreneurial Support and Business Advisory services;
- ii. Funding: Access to Competitive Credit and Starter Packs;
- iii. Enterprise Promotion: Mentoring and Access to Markets including Portals to facilitate “digital linkages” between youth-led enterprises and other businesses and relevant Government agencies.

YouStart Products

105. Mr. Speaker, YouStart will support youth-led enterprises with the following products:

- i. District Level Loans under 10 000 GHC after 2-3 months of training.
- ii. Soft loans of up to GH¢50,000 to help start-ups (in particular by young graduates and school leavers) and small businesses to expand;
- iii. Starter packs (Soft loans tied to equipment acquisition) of up to GH¢50,000 for individuals and GH¢100,000 for associations/groups;
- iv. A standardised loan package of between GH¢100,000 to GH¢400,000 at concessional rates for SMEs through financial institutions;

106. Mr. Speaker, the YouStart initiative aims to support our youth to develop commercially viable businesses. To this end, YouStart is designed to instill proper commercial orientation in the beneficiaries. This will include financial institutions determining the credit metrics and GEA and NEIP providing training support especially for the standardised SME loans. YouStart will be operational by March 2022.

107. Mr. Speaker, it is well-known that ours is a pro-private sector government; we strongly believe in the private sector leading in growing the economy and creating jobs. We have demonstrated this commitment over the past 5 years through policy actions and investments that created macro stability, built our human capacity and strengthened our financial architecture, and we will continue to do more over the coming year. Government will continue to streamline the policy and regulatory environment for doing business in the country.

108. I would like to acknowledge our businesses and employers for their resilience and for pulling through the last year and half, despite the severe challenges of COVID-19. Most of you went to great lengths to find innovative ways to keep your businesses going and to hold on preserve jobs. Government greatly appreciates your efforts. We will

continue to provide support to the CARES Guarantee scheme, GIRSAL and other initiatives to facilitate the expansion and growth of businesses.

109. In addition, through guarantees provided by GIRSAL, Government is facilitating access to loans by agribusinesses. Over the past year, GIRSAL working together with banks has facilitated production and export expansion in a number of agribusiness.

110. Mr. Speaker, permit me to extend gratitude to the leadership of the commercial banks who engaged the President in October 2021. I am happy to report that, as a result the meeting, the Ghana Association of Banks, working with the various Banks, have resolved to collectively accelerate their portfolio allocation to qualifying SMEs to fast track our pace of economic recovery post COVID. My ministry is working with GBA to conclude the terms to ensure the facilitation of 5Bn GHC over the next 3 years.

111. In addition, the banking industry has committed GHC75m, over the next three years, to collectively engage in skills development programmes for a minimum of 150,000 young graduates and youth entrepreneurs by engaging in activities. To achieve this, the banks have pledged to review their internal processes and procedures to facilitate easier access to credit by SMEs

112. Mr. Speaker, I have great news. On Friday Nov 12 2021, The Governor of the Bank of Ghana formally handed over the license for the Development Bank. With the establishment of Development Bank Ghana (DBG), Government will provide a powerful response to a long-standing desire of our businesses to easier access to medium and long-term loans at affordable interest rates. Not only will DBG, as a whole sale bank provide loans to financial institutions, it will also provide partial credit guarantees to complement the efforts of GIRSAL in agriculture and agribusiness.

113. Mr. Speaker, following the extensive financial sector reform coupled with the establishment of the Development Bank Ghana, the conversion of the Ghana Amalgamated Trust (GAT) into a permanent investment vehicle we now have a robust financial ecosystem that will support businesses from the early to mature stage.

114. Mr. Speaker, the NABCO programme was designed as a temporary stepping stone for young graduates for a period of three years. In the last three years, 100,000 young graduates have benefitted from the NABCO programme. With over 33,000 trainees already securing jobs, Government will work to ensure that the remaining NABCO trainees are effectively supported to take advantage of the opportunities YouStart presents.

115. Mr. Speaker, in response to the COVID-19 pandemic, Government, under the able leadership of His Excellency President Akufo-Addo, quickly developed a GH¢100 billion COVID-19 Alleviation and Revitalisation of Enterprises programme, (the GhanaCARES “Obaatan Pa” programme). This blueprint, which brought instant and significant relief to our people, is revitalising our nation, by improving the business climate, supporting the private sector and providing job opportunities for the youth.

116. Mr. Speaker, the revitalisation of the CARES “Obaatan Pa” programme has three key thrusts. The first is to support the private sector, particularly in agribusiness, manufacturing, ICT and digitalisation. The second thrust is to aggressively support entrepreneurship in order to create job opportunities for our growing and increasingly educated youth. The third thrust is to optimise implementation of Governments transformation agenda for greater results.

117. Since its launch in November, 2020, the “Obaatan pa” programme has targeted strategic management and technical interventions in the agricultural, manufacturing, trade and export sectors. The urgent and transformative mission of the CARES programme implied that we could not proceed with a ‘business as usual’ approach. We therefore swiftly adopted the compact framework to strongly link resources to results. As at end-July, 2021 eight implementation Compacts were signed between the Ministry of Finance and participating MDAs.

Bridging the digital divide and fast-tracking digitalisation

118. Mr. Speaker, our priority is to facilitate investment and development of communication infrastructure including integration and leveraging of data systems and

platforms. Government is working towards enhancing the capacity of key institutions and strengthening coordination with the private sector for improved service delivery, business expansion and economic transformation. This is consistent with the vision of the President to bridge the digital divide and make technology a driver of our socio-economic progress.

119. Government is making significant progress towards our digitalisation drive. We are happy to announce that, to date, we have issued unique identification cards to over **11.6 million Ghanaians**. The second phase of the National Digital Property Addressing System as well as the establishment of a national digital property register are complete.

120. Mr. Speaker, with the expansion of digital financial platforms, including mobile money and its interoperability with the banking system, we are increasing financial inclusion. We are also in the process of digitising the health records of Ghanaians and creating a national digital platform for the sale of pharmaceutical products to improve the efficiency of our healthcare.

121. Mr. Speaker, our plan to establish a comprehensive Government-wide database and register, as a reference platform and Management System for all Government digital assets, was set in motion with stakeholder engagements. We are currently awaiting the outcome of the preliminary assessment to inform the next steps.

122. Mr. Speaker, Government will fast-track efforts to upgrade the Kumasi, Tamale, Sunyani and Sekondi-Takoradi Regional Innovation Centre to Digital Centres. This upgrade is to facilitate the building of ICT capacity, provide support to start-ups to boost job creation and enhance the drive for knowledge-led socio-economic growth.

Climate Action and Sustainable Transition to a Low Carbon Economy

123. Mr. Speaker, having launched our updated Nationally Determined Contributions at the recently ended COP 26, Ghana has reaffirmed its readiness to leverage its natural resources to fund a sustainable transition to a low carbon economy. This will be done by

facilitating private sector participation in low carbon activities and industries in a manner that generates more jobs for Ghanaians and improves our general wellbeing.

124. In the course of the last two decades, we have adopted several policies and programmes aimed at restoring our lost forest. Between 2002 and 2020, under the National Forest Plantation Development Programme and the Ghana Forest Plantation Strategy, some five hundred and eighty-eight thousand hectares (588,000ha) of plantations have been established. Again, through the Youth in Afforestation Programme, we are committed to reclaiming some 7.6 million hectares of degraded forest and farms lands.

125. Government is committed to promoting climate adaptation activities. We will be collaborating with the Global Centre on Adaptation, in close collaboration with the African Development Bank, in pioneering solutions on how to build durable infrastructure, and supporting African cities to guard against the impacts of climate change. We are also working with the private sector, and with the assistance of the Green Climate Fund, to establish a multi-million-dollar Green Fund to support our climate adaptation interventions. We shall, in addition, work with our traditional authorities and districts to issue innovative “mini muni adaptation bonds’ to address the issues of reclamation and re-afforestation in their localities.

126. From 2024 and beyond, we aim to reduce emissions by some ten million tonnes of carbon dioxide equivalent in the cocoa-forest landscape, through the implementation of the Ghana Cocoa Forest REDD+ Programme, one of five ecological landscape-tailored programmes in Ghana’s REDD+ Strategy. Government, through her Nationally Determined Contributions in the forestry sector, is committed to supporting the global target of halving emissions by 2030, and attaining neutrality by 2050.

127. Ghana is committed to the Forest Agriculture Commodity Trade (FACT) Dialogue process, and she affirms her resolve to support the development and implementation of the FACT Roadmap Actions. We are determined to operationalise the Timber Legality

Assurance System, as part of the Forest Law Enforcement Governance and Trade process, which will enable us track wood electronically to ensure that only legally compliant timber is allowed into any market.

FLAGSHIPS

128. Mr. Speaker, Government will continue its transformative flagship programmes.

Education

129. Mr. Speaker, the Government continued with the implementation of the Government's Flagship Free SHS Programme. A total of 425,061 first-year students enrolled bringing the total intake to 1,261,495 students. In addition, first year students received the under-listed items as part of the implementation of the Free SHS Programme:

- i. 4,135,284 exercise books;
- ii. 1,767,547 note books;
- iii. 395,571 physical education kits;
- iv. 1,734,800 cartridge art paper for visual arts students;
- v. 34,696 water-based acrylic paints for visual arts students;
- vi. 27,391 technical drawing boards; and
- vii. 27,391 sets of technical instruments.

130. Mr. Speaker, in 2021 we completed 118 projects made up of classrooms, dormitories, administration blocks, libraries and canteens at the secondary education level. The number of completed projects under the Free Senior High School Infrastructure Intervention stands at 657 out of a total of 1,119 projects from GETFUND and other funding sources.

School Feeding Programme

131. Mr. Speaker, the Ghana School Feeding Programme fed 3,448,065 pupils in 10,832 public basic schools with one hot nutritious meal every school-going day in 2021. This number will increase to 4 million pupils in the coming year. The Programme provided employment for 32,496 caterers and created a ready market for local farmers.

LEAP

132. Mr. Speaker, the LEAP programme paid five cycles of cash grants to 344,023 households and registered 76 percent of all LEAP beneficiaries onto the National Health Insurance Scheme (NHIS). In 2022, Government will facilitate the disbursement of the bi-monthly cash grants to beneficiaries. LEAP beneficiaries assessed to be above the extreme poverty line will be graduated into a productive livelihood inclusion programme.

Health

133. Mr. Speaker, Government has rolled-out an aggressive vaccination programme to protect Ghanaian lives from COVID-19. Sustained efforts have seen about 2 million Ghanaians receiving a single dose, with 825,706 fully vaccinated as at September 2021. We will not relent until our goal of vaccinating 20 million Ghanaians is attained. Our supply of some 9 million vaccines are now assured and we will mobilize to meet this goal to protect our people.

134. Mr. Speaker, in line with the vision to improve equitable access to health facilities, the Government will accelerate the implementation of the Agenda 111 Project comprising 124 district hospitals, seven regional hospitals and three psychiatric hospitals. Cadastral plans for 91 district hospital sites have been completed and work has began on X number of sites .

Works and Housing

135. The Government will initiate a programme to subsidise the cost of horizontal (site and services) development in selected areas . On the supply side, Traditional Authorities and Districts will provide: land to developers; and tax incentives and exemptions. On the demand side, Government is establishing a National Homeownership Fund to support mortgage schemes and REITs while also promoting Rent-to-Own Schemes in the country.

136. To scale up, we commenced engagements with Participating Financial Institutions (PFIs) to promote residential rent-to-own schemes and to support the development of a private sector mortgage refinancing institution. With the support of the "Obaatan Pa" programme, the National Homeownership Fund (NHF) is facilitating the use of innovative products to tap into pension funds and other long-term funds to support homeownership in Ghana.

Trade and Industry

137. A total of 278 1D1F projects are at various stages of implementation, out of which 106 factories are operational. The companies that are currently operational have created a total of 156,782 direct and indirect jobs, 17,451 of which were created in 2021. It is expected that the completion of the 1D1F projects currently under construction and in the pipeline will create additional 131,817 direct and indirect jobs in 134 districts across the country.

138. Mr. Speaker, trading under the African Continental Free Trade Agreement (AfCFTA) commenced on 1st January, 2021, and Ghana was the first country in Africa to establish Customs Procedure Codes to facilitate trading under AfCFTA. A comprehensive National Policy and Action Plan aimed at assisting medium-to-large scale companies in Ghana to export to the AfCFTA Market, was developed and is being implemented. To this end, 180 companies were identified to receive support to export to markets under the AfCFTA and other preferential trade agreement areas.

Food and Agriculture

139. Mr. Speaker, to increase productivity and incomes, as well as improve livelihoods of beneficiary farmers, the Government procured and distributed 31,797mt of improved seeds as at September 2021. In addition, 259,500mt of various fertilizers were also distributed to Planting for Food and Jobs beneficiary farmers across the country.

140. Mr. Speaker, under the Savannah Agricultural Productivity Improvement Project (SAPIP) the Government developed 1000ha of farmland at Gbedembilsi, Kojope and Janga for rice production, which are estimated to yield about 40 percent above the national average production of 2.5-3.0mt/ha in lowland valleys.

Fish Landing Sites

141. Mr. Speaker, to ensure safe launching and landing of artisanal fishing as well as create and maintain hygienic environment and job opportunities within the fishing communities, Government will continue with the construction of the (14) fish landing sites which are at the various stages of completion. Government expects to complete about 60 percent in 2022.

Local Governance, Decentralisation And Rural Development

142. Mr. Speaker, to improve revenue generation and management at the local level, Government rolled out the District Level Revenue (dLRev) Software in 114 Metropolitan, Municipal and District Assemblies (MMDAs) across the country. In 2022, we will roll out the software in the remaining MMDAs to improve on their revenue mobilisation.

Infrastructure for Poverty Eradication Programme (IPEP numbers)

143. Mr. Speaker, Government will focus on completing the almost 5000 on-going projects under the Infrastructure for Poverty Eradication Programme in 2022. So far, a total of 730 out of the 1,000 mechanised water systems as well as 507 small earth dams out of the 560 targeted have been completed under the "One Village One Dam" Initiative have been completed.

144. All the 50 rural markets targeted under the agriculture component have been completed. Furthermore, 451 additional constituency projects which cut across all sectors such as health, education, agriculture, roads and security have been completed and are in use by the beneficiary communities.

Youth and Sports

145. Mr. Speaker, in 2022, the Ghana will participate in the Commonwealth Games in Birmingham and continue with preparatory activities towards organising and hosting the 13th African Games in Accra in 2023. Government will procure sports logistics and equipment and begin the construction of a new multipurpose sports hall, hostel facilities and an olympic-size swimming pool at Borteyman in Accra.

146. Mr. Speaker, some stadia across the country were renovated in 2021 and are at various stages of completion as follows:

- i. Accra Sports Stadium – 98% complete;
- ii. Phase I of Baba Yara Stadium – 98% complete;
- iii. Essipong Stadium – 90% complete; and
- iv. Cape Coast Stadium – 60% complete.

147. In 2022, Government will continue with the construction of the Abiriw and the New Edubiase sports stadia as well as commence the rehabilitation of the Sunyani Coronation Park.

Energy

148. Mr. Speaker, Government continues to expand power generation capacity to meet domestic, commercial and industrial needs of customers. In this regard, construction works on the 200MW Phase 1 of the 400MW Early Power Project continued in 2021. Construction works for the Stage 1A are 99.7 percent complete and works for the Stage 1B (56MW) combined cycle are 93 percent complete. In 2022, a joint venture partner will be engaged to undertake the repowering of the T3 Power Project with VRA.

149. Mr. Speaker, to ensure power is affordable for industrial, commercial and residential use, Government, in collaboration with key stakeholders, continued with the renegotiation and restructuring of Power Purchase Agreements (PPAs).

150. Government has reached agreements with some IPPs to convert power plants to tolling structures, switch to natural gas, as well as reduce tariffs. This is expected to result in considerable savings to Government and the Nation over the remaining lifespan of the PPAs. These savings are expected to come from a combination of reduced capacity and energy charges across the portfolio.

151. Mr. Speaker, in pursuit of The President's aspiration to achieve universal coverage of electricity by 2024, a total of 162 communities were connected to the national grid thereby increasing the national electricity access rate from 85.17 percent in 2020 to 86.63 percent in 2021. Connections to another 512 communities are at various stages of completion.

152. In 2022, we will work to complete many such projects, and approximately 800 towns will be connected to the national grid under the SHEP-4, SHEP-5 and Turnkey Projects. Additionally, Government will select 2,401 communities with a population of 400 and above to be connected to the national grid.

153. Mr. Speaker, as part of the strategy to electrify island communities and hard-to-reach areas with renewable energy technologies, the construction of three mini-grids at Azizkpe, Aflive and Alorkpem Islands in the Ada East District of the Greater Accra Region commenced and are expected to be completed in 2022. In addition, Government will construct 10 mini-grids in 10 island communities as well as supply and install solar home systems in 20 island and lakeside communities in 2022.

Roads

154. As at the end of September 2021, routine maintenance was carried out on 21,165km of the trunk road network, 6,265km of the feeder road network, and 2,937km

of the urban road network. Mr. Speaker, development works progressed steadily on several major projects. The Pokuase Interchange under the Accra Urban Transport Project which involves the construction of a 4-tier interchange, construction of 12km of selected roads, segregated walkways, footbridges, underpasses and drainage structures was completed and commissioned on 9th July, 2021.

155. Major pipeline projects that are expected to take off in 2022 include:

- i. Accra-Kumasi Dualisation (in sections)
- ii. Kumasi South and Western Bypass
- iii. Kumasi Outer Ring Road
- iv. Mamfe-Koforidua Road
- v. Oyibi-Dodowa-Somanya-Akuse Jn. Road
- vi. Accra Outer Ring Road
- vii. Asutuare Junction-Volivo Bridge
- viii. Eastern Corridor Road (Gbintiri-Kulungugu)
- ix. Sawla-Wa Road
- x. Construction of 5No. Interchanges in the Greater Kumasi Metropolitan Area (including Suame, Santasi and Airport Roundabout)

156. Mr. Speaker, in addition, our Public Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure has three projects at different stages of preparation:

- i. Accra-Tema Motorway PPP Project (31.7km) – The financing arrangement is completed and construction will commence in 2022;
- ii. Accra-Cape Coast-Takoradi PPP Project (208km) – The feasibility study is being finalised. The final feasibility study report will provide key inputs into the Abidjan-Lagos Corridor Project;

Road Safety

157. Mr. Speaker, for road safety, Government, in 2022, will increase and maintain traffic signals. In addition, road safety hazard sites are also expected to be treated. This will be complemented with aggressive public education and enforcement of traffic regulations.

Security

158. Mr. Speaker, in accordance with the Cyber Security Act 2020, (Act 1038), the Cyber Security Authority (CSA) was officially inaugurated on 1st October, 2021. With the passage of the Act, CSA will execute the various functions enshrined in the Act. Government will develop a Critical Information Infrastructure (CII) Database, Government Digitalisation Initiative (GDI) database, and as well develop and implement a Cyber Risk Management Framework

159. The Accra Initiative Secretariat was established during the year. The Initiative is an effort of five ECOWAS member states (Ghana, Togo, Benin, Cote D'Ivoire and Burkina Faso) at sharing intelligence to combat and counter terrorism and associated criminal activities.

160. In 2022, Government will continue with the retooling of the Intelligence Agencies, the Military, and Departments and Agencies under the Ministry of Interior, especially the Police, with modern tools and software for improved communications and enhanced intelligence collection and analysis. In addition, we will pursue a policy of expansion of surveillance capabilities through the installation of more CCTV camera systems nationwide.

CONCLUSION

161. Mr. Speaker, this Budget is crucial for our sustained recovery and transformation to a Ghana Beyond Aid. It requires a careful realignment and rebalancing of our needs, wants, and aspirations as a Nation. This will also require burden-sharing and the

promotion of an entrepreneurial culture. We have extensively engaged and built partnerships of trust for the implementation of the policies presented in this Budget.

162. Mr. Speaker, this budget has outlined the plans of H.E. the President and his Government to continue tackling the devastating impact of the pandemic on our economy and the fiscal impact on our debt sustainability efforts. We have committed to:

- i. bold and credible revenue and expenditure measures to achieve a new and more sustainable macro-fiscal balance;
- ii. a path of fiscal consolidation to ensure access to International Capital Markets
- iii. Empower the Private Sector to expand and create jobs;
- iv. An unprecedented, historic and comprehensive 10Bn Cedi initiative to improve access to finance, skills and promote entrepreneurship amongst our youth
- v. Continued implementation of our flagship programmes to improve the living standards of our people;
- vi. strategic investments through the “Obaatan Pa” programme to revitalise and transform the structure of our economy; and
- vii. initiatives to advance digitalisation to boost efficiency in our transactions.

163. Having steered our nation through the most difficult and uncertain period in our country’s history and with Ghanaians renewing their mandate for him, I can assure you that the commitment of H.E. Nana Addo Dankwa Akufo-Addo to improve the living standards of fellow Ghanaian and to create the self-confident country that is in charge of its destiny remains his number one priority.

164. Mr. Speaker, he cannot do it alone. He will count on us standing with him to achieve Ghana’s manifest destiny with greatness.

Devotional

In his book, the song of the Bird, Tony de Mello tells the following story:

A man found an eagle’s egg and put it in a nest of a barnyard hen. The eaglet hatched with the brood of chicks and grew up with them.

All his life the eagle did what the barnyard chicks did, thinking he was a barnyard chick. He scratched the earth for worms and insects, he clucked and cackled. And he would thrash his wings and fly a few feet into the air.

Years passed and the eagle grew very old. One day he saw a magnificent bird above him in the cloudless sky. It glided in graceful majesty among the powerful wind currents, with scarcely a beat of its strong golden wings. The old grounded eagle looked up in awe. "Who's that? he asked.

"That's the eagle, the king of the birds" said his neighbor. "He belongs to the sky. We belong to the earth-we are chicken". So the eagle lived and died a chicken, for that's what he thought he was.

Mr Speaker, we are eagles, we must eschew language of poverty of aspiration and reject the 10 spies who want us to go back to Egypt. We are God's people meant for greatness. Let us fly.

165. Mr. Speaker, we promised to reduce the suffering of Ghanaians when we came into office and we did just that when we came into office. Specifically, the Government of H.E. Nana Addo Dankwa Akufo-Addo:

- i. Reduced electricity tariffs cumulatively by 10.9% compared to a cumulative increase of 264% under the NDC;
- ii. Provided free water for households for April, May June of 2020;
- iii. Doubled the Capitation Grant (From GH¢4.5 to GH¢10);
- iv. Established the Nation Builders Corps (NABCO) of 100,000 graduates to build the job skills of our graduates to be absorbed into the workforce;
- v. Created jobs and stopped the freeze on recruitment in the public sector; Over 295,000 people recruited;
- vi. Abolished fees for postgraduate medical training in Ghana;

- vii. Increased the share of the DACF to persons with disabilities by 50%;
- viii. Exempted Kayayei from market tolls;
- ix. ensured the implementation of our pledge of employing 50% of the persons who manage the country's toll booths from amongst Persons with Disabilities;
- x. expanded the LEAP by 150,000 beneficiaries;
- xi. Expanded School Feeding from 1.6 million children to 2.1 million children, and also increased the amount spent on each child by 25 percent;
 - i. Restored Teacher Training Allowances;
 - ii. Restored Nursing Training Allowances;
 - iii. Abolished the tree month pay policy for teachers;
 - iv. Absorbing the cost of BECE and WASSCE exam registrations;
 - v. Abolished or reduced 15 taxes including excise duty on petroleum, VAT on financial services, real estate, domestic airline tickets, etc;
 - vi. made it easier to apply for a passport;
 - vii. made it easier to apply for a drivers license;
 - viii. made it easier and quicker to apply for and obtain pensions in ten days;
 - ix. made it easier to buy electricity from your mobile phone;
 - x. Made it easier to apply for scholarships;
 - xi. Made it easier to send and receive money through mobile money interoperability;
 - xii. Made it easier to open a traditional bank account using your Ghanacard;

- xiii. No guarantor is now required to obtain student loans. The Ghanacard is sufficient;
- xiv. Reduced corruption associated with obtaining public services by digitization of service delivery;
- xv. Saved the NHIS from collapse by reducing arrears to service providers;
- xvi. Provided GHC600 million COVID fund for small businesses;
- xvii. made it easier for the renewal of NHIS membership through mobile phones;
- xviii. made it easier to register a business;
- xix. made it easier to clear goods from the port through the paperless process;
- xx. made it easier to apply for a construction permit;
- xxi. We have reduced inflation;
- xxii. We have reduced bank lending rates;
- xxiii. We have reduced the depreciation of the cedi;
- xxiv. Allowance of security personnel at UN Peace keeping missions increased from \$31to \$35;
- xxv. We have spent GHC21 billion to save the deposits of 4.6 million depositors
- xxvi. We have implemented free TVET; Mr. Speaker let us remember what we have achieved with 2 Fish and 5 Loaves even in these 5 years and strive boldly and confidently to build our Entrepreneurial Nation. It is remarkable what we have done with our dept.
- xxvii. We have implemented the free senior high school initiative;

166. Mr. Speaker, while we have not eliminated suffering we have done more in terms of social interventions than any other government since 1992 and certainly more in this regard than the NDC governments. We will therefore continue to work towards mitigating the burdens imposed by the global impact of COVID-19 on Ghanaians as we also commit to tackle the social ills of expenditure control, corruption, recurring leakages and low productivity. We shall work with Labour and Employers to institute a national labour conference to promote productivity in all its forms.

167. Mr. Speaker, with his renewed mandate, H.E. the President is resolute that in the next 3 years he will establish a stronger and more stable economy, an entrepreneurial nation that empowers young people to be bold, innovative, proactive and dynamic to contribute to the transformation of our country.

168. Mr. Speaker, in addition to continuing the implementation of our flagship programmes, we will scale up interventions under the Gh¢100 billion 'Obaatan pa' programme, especially in the Agriculture and Industrial Sectors, and the YouStart agenda.

169. In 2022, through this Budget:

- i. We will activate the YouStart Programme nationwide to promote skills and entrepreneurship amongst our Youth;
- ii. We will continue to support the private sector to expand and provide employment opportunities for our people;
- iii. Build up our financial architecture to be responsive and world class
- iv. we will prioritise the completion of on-going projects in health, education and housing sectors to drive social mobility and transformation;
- v. Leverage off the AFCFTA secretariat to become a regional hub in all sectors of the economy
- vi. Among others, we will continue to ramp-up our revenue mobilisation efforts to enable us secure quality living standards;

- vii. We will continue to subject all public expenditure to thorough justification in line with the PFM Act to ensure value for money for every cedi spent;
- viii. We will aggressively continue with road construction to connect communities, markets and people;
- ix. We will continue to advance digitalisation to improve convenience for Ghanaians and create a modern digitized economy;
- x. We will continue to promote Science, Technology and Innovation to build competencies for a resilient future;
- xi. We will continue to reposition our economy through our regional hubs programme to optimize the opportunities in the sub-region and continent;
- xii. We will continue to resource our security agencies to defend and protect Ghana and Ghanaians;
- xiii. We will continue to reform the energy sector, promote climate resilience and drive the adoption of renewable energy technologies.

170. Mr. Speaker, Scripture teaches us that the process of building a nation is in phases. We learn from the story of biblical Israel that life in the wilderness is very different from in the promised land. In the desert, God freely provided for the necessities of the young nation – food, water, clothing. When the nation transitioned into their promised land, God enabled them to cultivate farms and build enterprises for themselves and their country.

171. We can draw lessons from this ancient story for our national quest. Building on the foundations laid by the earlier NPP government of President John Kufuor, this current NPP administration under the bold and visionary leadership of President Akuffo Addo ,has revamped our economy, enhanced social mobility, strengthened our democratic credentials and illuminated the Black Star like no one else since independence. Today, we want to lead our young men and women to their promised land, an Entrepreneurial Nation of Burden Sharers. It is time to cross the Jordan and as FDR said in his inaugural address, 'We have nothing to fear but fear itself'.

With the interventions we offer through this budget, and with an understanding of burden sharing, we shall unleash a new cadre of entrepreneurs and nation builders.

172. We want to thank this august House for the continuous support we have been receiving over the years. We will count on you for approval and support to implement the budget for the transformation of our country.

173. We are also appreciative of our numerous stakeholders for providing useful insights and perspectives in shaping this Budget.

174. So as we end, let us ask Jehovah to bless us and keep us, let Jehovah make His face shine upon us and be gracious unto us. May Jehovah lift his countenance upon us and give us peace, and bless us his children and our nation Ghana to be great and strong.

175. Mr. Speaker, **I present to you the AGYENKWA Budget**

176. Right Honourable Speaker, I beg to move.