



REPUBLIC OF GHANA

BUDGET SPEECH

*of the Government of Ghana for the
2021 FINANCIAL YEAR*

CONFIDENTIAL

PRESENTED TO PARLIAMENT ON
FRIDAY, 12TH MARCH 2021
BY

**MR. OSEI KYEI-MENSAH-BONSU, MP-SUAME
HON. MINISTER FOR PARLIAMENTARY AFFAIRS AND
LEADER OF GOVERNMENT BUSINESS**

ON THE AUTHORITY OF
HIS EXCELLENCY NANA ADDO DANKWA AKUFO-ADDO,
PRESIDENT OF THE REPUBLIC OF GHANA

THEME:

***CONSOLIDATION, COMPLETION & CONTINUATION
"WON YA WO HIEE" BUDGET***



1. Rt. Hon. Speaker, Honourable Members of Parliament, on the authority of H.E. President Nana Addo Dankwa Akufo-Addo, I beg to move that this Honourable House approves the Financial Policy of the Government of Ghana for the year ending 31st December, 2021.

2. On the authority of H.E. the President, and in accordance with Articles 179 and 180 of the 1992 Constitution, permit me to present to this august House, the Budget of the President of the Republic of Ghana.

3. Mr. Speaker, the Statement is an abridged version of the 2021 Budget Statement and I would like to request the Hansard Department to deem the entirety of the Budget Statement and Economic Policy as having been read and capture same in the Hansard of today Friday 12th March, 2021.

4. I also submit to this august House the following statutory reports:

- i. The 2020 Annual Report on the Petroleum Funds, in accordance with Section 48 of the *Petroleum Revenue Management Act, 2011 (Act 815), as amended*
- ii. The 2020 Report on the Utilization of the African Union Levies; *and*
- iii. The 2020 Annual Debt Report, in accordance with Section 72 of the *Public Financial Management Act, 2016 (Act 921)*.

5. Mr. Speaker, on 28th October, 2020, in accordance with Article 180 of the 1992 Constitution, Government laid the Expenditure-in-Advance-of -Appropriation in the House. I wish to report that the subsequent approval of those Estimates by this august House has made it possible for Government business and public services delivery to continue uninterrupted in the first quarter of 2021.

6. Mr. Speaker, just three days ago on 9th March, 2021, H.E. the President of Ghana, Nana Addo Dankwa Akufo-Addo presented the first message on the State of the Nation of his second term. In that address, he clearly stated that even though, like other countries around the world, we have had to go through the worst possible pandemic of our lifetime, the nation is in relative good state, thanks to the Grace of God and to the swift, decisive, responsible and necessary actions taken by Government to contain the virus, support families and sustain the economy.

7. Today, I stand here on his behalf to present to you, the state of the economy; how we have managed to mitigate and survive the pandemic, and eke out a projected positive growth rate of 0.9 percent in 2020 contrary to the initial fears of a negative growth rate as experienced elsewhere. I will also present to you deliberate and well thought out strategies that will hasten our recovery and place us on a confident path of sustained economic transformation.

2020: A Year like No Other

8. Mr. Speaker, the year 2020 was a difficult period for Ghana and the rest of the world. Never before in recent history has a pandemic triggered such dramatic changes to lives and livelihoods simultaneously. The last such pandemic of global impact was the Spanish flu in 1918 — over one hundred years ago.

9. The ensuing crisis has disrupted supply chains and exerted undue pressure on economic and financial systems, killed businesses and jobs. Developing and emerging economies, including Ghana, have had to deal with external headwinds, falling commodity prices and rising expenditures to address the effects of the pandemic.

10. The International Monetary Fund (IMF) has estimated that the global economy contracted by 3.5 percent while global trade also contracted by 9.6 percent. The COVID-19 pandemic has upended the economies of over 150 countries and is the worst economic crisis since the Great Depression in the 1930s.

11. Mr. Speaker, for the first time in our 64 years of nationhood, a Government had to tackle an unforgiving simultaneous health and economic crisis. The outbreak and the ensuing partial lockdown to contain the spread of the virus and protect lives brought socio-economic activities to a virtual halt, with the resultant loss of jobs, incomes, collapse of businesses and loss of Government revenues.

12. Mr. Speaker, from the onset of the COVID-19 pandemic in March 2020, H.E. President Akufo-Addo laid out the five (5) key objectives Government sought to achieve – (1) limit and stop the importation of the virus; (2) contain its spread; (3) provide adequate care for the sick; (4) limit the impact of the virus on social and economic life; and (5) inspire the expansion of our domestic capability and deepen our self-reliance. The President made it an utmost priority to protect Ghanaian **lives above all else**. This is captured in his now world-famous quotation - "***We know what to do to bring our economy back to life. What we do not know how to do is to bring people back to life***".

13. Under his leadership, we took the required swift, drastic and decisive measures to mitigate the spread of the pandemic. We rapidly mobilised and deployed extensive internal and external resources to support Ghanaian households and enterprises.

14. Mr. Speaker, at this juncture, permit me to acknowledge the support of our development partners, namely the International Monetary Fund (IMF), World Bank, African Development Bank, the European Union and other bilateral partners who made available significant resources to complement our efforts.

15. Mr. Speaker, the drastic slowdown in economic activity led to a huge drop in domestic revenues, combined with a sharp and unplanned hike in COVID-related expenditures. In sum, this unprecedented crisis led to:

- a sudden shortfall in Government revenues amounting to GH¢13.6billion; and;
- an unexpected and unavoidable rise in expenditures of GH¢11.7billion.

16. Mr. Speaker, through Government's ***Emergency Preparedness and Response Plan (EPRP I & II)*** as well as the ***Coronavirus Alleviation Programme (CAP)***, we undertook the following measures:

- i. provided financial clearance to employ additional 24,285 health professionals between March and June to help fight the pandemic;
- ii. expanded the capacities of laboratories to increase COVID-19 testing and established isolation centres in all regions and districts;
- iii. provided 3.6 million reusable face masks, 50,000 medical scrubs, 90,000 hospital gowns and head covers to health facilities as at June 2020;
- iv. provided 50% of basic salary as allowances for frontline health workers;
- v. waived Income Tax for all healthcare workers;
- vi. waived Income Tax on the 50% additional allowances paid to frontline health workers;
- vii. absorbed the transport cost and cost of sustenance for contact tracers and field surveillance officers;
- viii. fully covered water consumption for all Ghanaians from April to December, 2020;
- ix. fully covered the power consumption of the over 1 million lifeline customers, and subsidised the consumption of all other customers by 50 percent;
- x. rolled-out the GH¢750 million CAP-BuSS Programme in May 2020 to directly support Micro, Small and Medium-Sized Enterprises (MSMEs);
- xi. established a GH¢2 billion Guarantee Facility to support all large enterprises and for job retention;
- xii. a GH¢100 million Fund for Labour and Faith-Based Organisations for retraining and skills development;
- xiii. an Unemployment Insurance Scheme to provide temporary income support to workers who are laid off due to the pandemic;
- xiv. transferred over GH¢50 million to 400,000 most-vulnerable individuals under the LEAP programme;
- xv. provided cooked meals to 2,744,723 vulnerable persons and worked with Faith-Based Organisations to distribute dry food packages to 470,000 families;

- xvi. provided hot meals for 584,000 final year Junior High School students and 146,000 staff, of public and private schools from August 24 to September 18, 2020 as they wrote their final exams;
- xvii. supplied 5.2 million re-usable face masks, 64,700 'veronica buckets', 8100 thermometers guns and in excess of 1.5 million pieces of 200-ml of hand-sanitisers as well as over 126,000 gallons of soap to enable schools re-open;
- xviii. paid the WASSCE examination fees amounting to GH¢75.4 million for 314,000 SHS 3 students;
- xix. reduced the communication service from 9 percent to 5 percent to support students and workers who have adopted on-line platforms to study and work;
- xx. extended due dates for filling of taxes from 4 to 6 months after the end of the financial year;
- xxi. permitted the deduction of contributions and donations towards the pandemic as allowable expenses for income tax purposes;
- xxii. waived VAT, NHIL, and GETFund Levy on donations of stock of equipment and goods for fighting the pandemic;
- xxiii. waived income taxes on Third-Tier pension withdrawal
- xxiv. fumigated schools, hospitals, markets and lorry parks;
- xxv. undertook a vigorous public sensitisation and engagement exercise to inform and educate Ghanaians on the pandemic; and
- xxvi. paid all public sector salaries in full.

17. Mr. Speaker, with revenues slumping and COVID-related expenditures rising, the Akufo-Addo Government was tested beyond measure. We believe, it is fair to say, that we rose to this extraordinary challenge. Indeed, despite the squeeze, Government succeeded in protecting virtually all jobs and incomes in the public sector. What the people of Ghana have witnessed since the coronavirus pandemic and to the admiration of the rest of the world, is a leadership of conviction that is responsible, creative, courageous, decisive, and caring.

18. Mr. Speaker, through our decisive policy response, we have managed to achieve major results that have made it easier for the people to cope with this unprecedented crisis. For example, our response through CAP has been vital in preventing social dislocations, deeper economic scarring and damage to our economic prospects.

19. These additional Government expenditures in the face of declining revenue were necessary to save lives, protect livelihoods and safeguard economic activities.

20. Mr. Speaker, Ghana today is better positioned to recover and build an even more resilient economy not only because we know how to do it but also because the grace of God has been assured for this journey.

Three Preceding Years of Recovery, Consolidation and Transformation

21. Mr. Speaker, in the three years prior to the pandemic, as a Government, we had a plan, we stayed focused, kept our discipline, kept our promises and worked with integrity, creativity and compassion. As a result, the economy saw a turnaround and economic growth rate doubled, rebounding strongly from 3.4 percent in 2016 (among the lowest GDP growth rates in the 4th Republic) to average 7 percent annually.

22. Mr. Speaker, the banking sector clean-up had been completed, businesses were doing well and creating jobs, food production was enjoying a bumper harvest and suddenly Ghana had become a major tourist attraction. We were indeed on a path of fiscal consolidation by 2019 and poised for economic transformation. Then, out of nowhere, the COVID-19 global pandemic hit.

23. Mr. Speaker, the history of Ghanaians is a story of resilience, faith in God and ingenuity when faced with adversities and uncertainties. And, so, we proceeded from 2017 with discipline, hard work and cooperation to get Ghana back to work.

24. We took a severely challenged economy and restored its competitiveness within three years:

- in four years, against significant opposition, we took a bold step that afforded 1.2 million Ghanaians the opportunity to attain better and quality secondary education;
- we took a financial sector on the brink of collapse, and in four years cleaned it to build an even stronger financial ecosystem that is well capitalised, liquid, and solvent to fund our progress;
- in four years, we secured a central place in African integration and won the bid to host the Secretariat of the African Continental Free Trade Area (AfCFTA); and
- within the last four years, our aggressive industrialisation and regional integration agenda successfully attracted and retained the highest foreign direct investment in West Africa, including having global automobile giants setting up base here. Today, world-class vehicles assembled right here in Ghana are selling on our market and plying our roads. The message to other global manufacturers is this: from 2021, an integrated Africa is opened for business, and Ghana is ready to welcome you to set up here to take advantage of the biggest free trade area in the world.

Adapting to a New Normal

24. Mr. Speaker, we have come far from 2020. However, we are not fully out of the woods yet. As such, fiscal consolidation has to be carefully balanced with the

provision of some targeted fiscal stimuli to cushion the impact of COVID-19 on businesses and to facilitate a quick and strong recovery of our economy, which we aim to achieve through the Ghana CARES “Obaatan pa” Programme.

25. Mr. Speaker, it is clear that expenditure on health infrastructure and health related items such as vaccines, hospital supplies and PPEs would become routine. However, we will take measures to ensure that these additional critical expenditures do not undermine our fiscal consolidation and debt sustainability.

26. Mr. Speaker, Government will pursue revenue-enhancing measures with a focus on deepening our digitization agenda both on transactions of goods and services as well as on the tax collection systems to broaden the tax base and rope in more eligible taxpayers.

27. Expenditures will be rationalised through the implementation of tighter expenditure control systems with a more efficient procurement system to ensure value for money. We will also pursue structural reforms in the public financial management system to improve efficiency in public service delivery.

28. Mr. Speaker, we believe that the achievements in the three years prior to the COVID-19 outbreak as well as the intermediate outcomes from the EPRP and CAP, are the foundations from which we will collectively adapt to the changes caused by this pandemic and ‘build back better and greener’.

29. The seminal breakthroughs in vaccine development gives hope that economies can re-open more quickly. However, logistical challenges in access and administration of vaccines, and the continued mutation and emergence of more infectious variants of the virus may further delay the resumption of full economic activities around the world.

30. Mr. Speaker, in line with the President’s determination to protect the lives of Ghanaians, we have prioritised the vaccination programme against COVID-19. Through the bold leadership and adept diplomacy of H.E. the President, Ghana became the first country in the world to receive its first batch of vaccines of 600,000 doses through the COVAX initiative on Wednesday, 24th February, 2021. We are also working assiduously to secure vaccine for 20 million Ghanaians to enable us attain herd immunity by the end of this year. Once again, Ghana has stepped up in front. Thanks to H.E The President’s leadership, we are championing African excellence to become the vanguard against COVID-19 on this continent.

31. However, until we achieve herd immunity, we cannot let our guard down if we are to contain the spread of this virus. We must all commit to taking the vaccines in

addition to adhering to the COVID-19 protocols that have been instituted for our safety and gradual return to full economic activities.

Recovering for Sustained Transformation

32. Mr. Speaker, in addition to continuing our priority programmes, we will implement additional initiatives to drive recovery. These include:

- i. scale-up the vaccination of Ghanaians to enable us attain herd immunity in Ghana by end 2021;
- ii. continue implementation of Agenda 111 to provide hospitals and related infrastructure nationwide to improve the delivery of healthcare;
- iii. intensify efforts to improve public sanitation;
- iv. support to those who have lost their jobs due to COVID-19 to find other gainful employment opportunities;
- v. deploying resources for our security agencies to maintain peace and security;
- vi. complete many of our ongoing infrastructure projects within our resource envelope, reflecting the theme of the budget;
- vii. the implementation of the GhanaCARES programme to revitalize the economy and create employment; and
- viii. continue the implementation of our flagship programmes including the Planting for Food and Jobs, the Free Senior High School and the One District, One Factory agenda.

33. Mr. Speaker, the last four years led no Ghanaian in doubt that ours is a government that cares. We care about the welfare of the people and we care about the need for business to create wealth. The next four years will see a more clinical structural focus on President Akufo-Addo's transformation agenda as we build with deliberate rapidity on the gains so far made. In this regard, pursuing the **GH¢100 billion** GhanaCARES (Obaatan pa) programme, which by far is the boldest and biggest economic recovery programme in the country's history, will enable us to turn the challenges created by COVID-19 into opportunities for socio-economic transformation. This programme will foster closer collaboration with the Ghanaian private sector, labour, the people, our development partners and foreign investors.

34. The 'Obaatan pa' programme is inspired by H.E. President Akufo-Addo's conviction that "***what our forebears dreamed of, we will achieve! If we inherited dreams and visions from our founding fathers, we should leave legacies of achievements and realities to our children and their children***".

35. Mr. Speaker, through GhanaCARES, we will:

- i. expedite Government's digitalization agenda to achieve greater efficiency and effectiveness in public service delivery;
- ii. revitalize the housing and construction industry to address the severe housing deficit and create job opportunities ; and
- iii. establish Ghana as a regional Hub, leveraging its position within ECOWAS and as host of the Secretariat of the Africa Continental Free Trade Area (AfCFTA) to focus on manufacturing, financial services, education, healthcare, aviation and logistics, digital services, petroleum, automobile, tourism, hospitality and creative arts;
- iv. support the private sector and entrepreneurs to become a powerful engine for job creation;
- v. actively promote both local and international investments including use of PPPs; and
- vi. upgrade the skills of our workers through re-training programmes focusing on technical and vocational skills.

36. Mr. Speaker, the implementation arrangements for the GhanaCARES programme are in place. Clear budgets have been set and milestones developed. We will establish delivery units in the relevant MDAs and partner with the private sector, academia and other practitioners to facilitate and monitor implementation. There will also be regular, institutional engagements to ensure we achieve synergies and track results on a timely basis.

37. Mr. Speaker, the theme for the 2021 Budget is "Completion, Consolidation and Continuation". This theme is underpinned by the fact that over the years every new budget invariably contains a host of new projects to be initiated at the expense of ongoing projects. Not only does this puts pressure on our finances but has historically resulted in arrears, with many contractors not being paid on time for work done and thereby escalating the overall cost of these projects.

38. Mr. Speaker, Government has, therefore, decided to chart a new direction from 2021. A major concern of all Ghanaians across the political divide, is the usually wasteful spectre of uncompleted public projects scattered across the country. This must stop. Governments owe the people a duty to use limited public funds responsibly. Our goal is to bring to an end the culture of unfinished projects. The main focus of Government for this year is the fulfilment of existing commitment and the completion of existing projects.

39. The Delivery Tracker, which the Government launched last year to track the progress of infrastructure projects, showed over 8,700 ongoing projects across all sectors at the end of 2020. That is why the President has tasked his Ministers and

heads of all other relevant institutions to focus the infrastructural energies of Government mainly on continuing and, if possible, completing existing projects in 2021. The era of abandoning viable projects started with public funds must end and that time, we believe, is now.

40. Mr. Speaker, I now proceed to give highlights of the budget.

SECTION 2: GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

Growth

41. Mr. Speaker, data from the IMF's January 2021 World Economic Outlook (WEO) update indicate that the global economy is projected to grow at 5.5 percent in 2021, up from the estimated contraction of 3.5 percent in 2020. The 2021 growth estimate reflects an expected positive turnaround on account of COVID-19 vaccine-powered economic activity and strong policy response in advanced countries.

Inflation

42. Mr. Speaker, despite high expectations for global economic recovery between 2021 and 2022, output gaps are not expected to close until after 2022. Consistent with this expectation, inflation is projected to remain subdued during 2021-22. For advanced economies, inflation is projected to increase from a low of 0.7 percent in 2020 to 1.3 percent in 2021, and further to 1.5 percent in 2022, in consonance with increasing prices of medical supplies and those of other commodities.

Commodity prices

43. Mr. Speaker, data from the January 2021 edition of the International Monetary Fund (IMF) World Economic Outlook (WEO) project Brent crude oil prices to average US\$50.03 for 2021 and US\$48.82 for 2022.

44. Gold as a safe haven benefited immensely from the pandemic in 2020. This was sustained by continued monetary easing by major central banks. However, in 2021 gold prices are expected to reduce to an average of US\$1,740 per troy oz from an average of US\$1,793 per troy oz recorded in 2020. World Market Cocoa price averaged \$2,369.85 per MT in 2020 compared to \$2,340.74 per MT in 2019. Cocoa price is expected to gain a 1.6 percent increase in price and improve to \$2,407.77 in 2021.

Financing conditions

45. Mr. Speaker, global financing conditions remained generally favourable throughout 2020, reflecting significant policy support, which induced lower borrowing costs, boosted equity valuations, enhanced investor risk appetite, and narrowed

sovereign bond spreads across Emerging Markets and Developing Economies. These developments helped ease pressures on emerging and frontier market currencies, while sovereign risk spreads for most Sub-Saharan African countries declined steadily in the year. Financial market indicators point to optimism about medium-term prospects. However, rising debt levels and increasing interest burdens across several emerging markets and developing economies pose significant financing risks in the short-term.

SECTION 3: DOMESTIC MACROECONOMIC PERFORMANCE FOR 2020

46. Mr. Speaker, to put the assessment of the performance of the economy for the year 2020 in perspective, we will like to recap the macroeconomic targets set for 2020 as presented in the 2020 Mid-Year Review as follows:

- a. overall real GDP growth rate was revised from 6.8 percent to 0.9 percent;
- b. overall non-oil real GDP growth rate was revised from 6.7 percent to 1.6 percent;
- c. end-period December inflation was revised from 8 percent to 11.1 percent;
- d. overall budget deficit (measured on cash basis) was revised from 4.7 percent of GDP to 11.4 percent of GDP;
- e. primary balance was revised from a surplus of 0.8 percent to a deficit of 4.6 percent of GDP; and
- f. end-period December stock of Gross International Reserves to cover not less than 3.5 months of imports of goods and services.

47. Mr. Speaker, even though complete 2020 Gross Domestic Product (GDP) data has not yet been released by the Ghana Statistical Service, provisional data for the first three quarters of 2020 show that the targets for most of the macroeconomic indicators are largely on track. A summary of this performance is as follows:

- a. Average overall real GDP growth for the first three quarters of 2020 was 0.2 percent, compared with 6.0 percent for the same period in 2019. The projected outlook for 2020 is 0.9 percent, reflecting the impact of the COVID-19 pandemic;
- b. Non-Oil real GDP grew at an average of 0.4 percent in the first three quarters of 2020. The projected outlook for 2020 is 1.6 percent;
- c. End-period inflation was 10.4 percent in December, 2020 compared to the revised target of 11.0 percent;
- d. The overall budget deficit on cash basis was 11.7 percent of GDP, excluding financial sector clean-up cost, against a revised target of 11.4 percent of GDP;
- e. The primary balance recorded a deficit of 5.3 percent of GDP against a target deficit of 4.6 percent of GDP;
- f. Gross international reserves accumulated to US\$8.6 billion, the equivalent of 4.1 months of import cover, slightly above target.

- g. Mr. Speaker, detailed performance in the real, monetary, external, and fiscal sectors of the economy are provided below.

Growth

48. Mr. Speaker, provisional estimates from the Ghana Statistical Service show that, average overall real GDP for 2020 grew at 4.9 percent in quarter 1, negative 3.2 percent in quarter 2, and negative 1.1 percent in quarter 3, bringing the average GDP growth rate for the period to 0.2 percent, reflecting, mainly the impact of the COVID-19 pandemic on the economy. The most recent work on GDP puts the 2020 projected GDP growth outlook at 0.9 percent.

49. In terms of sectoral performance, the Agriculture Sector grew at an average of 4.5 percent in the first three quarters of 2020, followed by the Services Sector at 1.9 percent, while the Industry Sector contracted by 3.1 percent over the period.

Inflation

50. Mr. Speaker, price developments within the year were largely driven by volatile food prices while non-food inflation remained fairly stable. Headline inflation rose sharply from 7.9 percent in December 2019 to 11.4 percent in July 2020. The upward trend was mainly driven by panic-buying episodes preceding the COVID-19 partial lockdown measure, which exerted significant pressures on food prices. However, with the gradual lifting of restrictions, the food price pressures eased and headline inflation steadily declined to 10.4 percent at end-December 2020.

Monetary Aggregates and Credits

51. Mr. Speaker, developments in the monetary sector during the year 2020 broadly showed increased pace of growth in all monetary aggregates, reflecting improved liquidity conditions in the economy. This was underpinned by the supportive monetary and fiscal policies implemented to mitigate the impact of the COVID-19 pandemic. Provisional data on monetary aggregates as at December 2020 showed that Broad money, including foreign currency deposits (M2+) grew on year-on-year basis by 29.6 percent compared to 21.7 percent in December 2019.

52. Annual growth in banks' outstanding credit decreased in December 2020, relative to what was recorded in the corresponding period in 2019. The nominal annual growth of outstanding credit slowed from 23.9 percent in December 2019 to 5.8 percent in December 2020. Similarly, nominal growth in credit to the private sector slowed from 18.0 percent in 2019 relative to 10.6 percent in December 2020. In real terms, the annual growth of outstanding credit to the private sector moderated from 9.39 percent growth in December 2019 to 0.17 percent in December 2020.

Interest Rates

53. Mr. Speaker, interest rates in the money market generally trended downward in 2020 on year-on-year basis, in line with the Monetary Policy Rate. The 91-day and 182-day Treasury bill rates declined to 14.08 percent and 14.13 percent, respectively, in December 2020, from 14.69 percent and 15.15 percent in December 2019. Similarly, the rate on the 364-day instrument decreased to 16.98 percent from 17.88 percent over the same comparative periods.

54. Rates on the secondary bond market have also broadly declined except rates on the 5-year and 7-year bonds, which increased by 35 basis points and 425 basis points, to settle at 19.85 percent and 20.50 percent, respectively.

55. The weighted average interbank rate declined from 15.20 percent to 13.56 percent, resulting in improved liquidity conditions on the interbank market and increased trading among banks. Average lending rates of banks also declined to 21.10 percent in December 2020 from 23.59 percent recorded in the corresponding period of 2019.

External Sector

56. Mr. Speaker, the external sector performance was also impacted by the COVID-19 pandemic through the trade and financial channels. The trade account recorded a lower surplus of US\$2.0 billion or 3.0 percent of GDP in 2020 compared with US\$2.3 billion, equivalent to 3.4 percent of GDP in 2019. The decline in the surplus was driven largely by a 7.8 percent contraction in total export receipts, especially from crude oil exports, which declined sharply by 35.2 percent. In addition, the value of total imports contracted by 7.3 percent, reflecting a slowdown in import demand due to the pandemic.

57. The lower trade surplus coupled with higher services outflows resulted in a current account deficit of US\$2.0 billion, equivalent to 3.0 percent of GDP in 2020 compared to a deficit of US\$1.9 billion, equivalent to 2.8 percent of GDP in 2019. These developments resulted in an overall Balance of Payments (BOP) deficit of US\$630 million in 2020, compared with a surplus of US\$1.3 billion in 2019. The deficit in the BOP was on account of a marginal worsening of the current account deficit and the decreased net capital inflows in the capital and financial accounts.

Gross International Reserves

58. Gross International Reserves (GIR) stood at US\$8.6 billion, equivalent to 4.1 months of imports cover, at the end of December 2020 from a stock position of US\$8.4 billion, equivalent to 4.0 months imports cover, as at end-December 2019.

Exchange Rate Developments

59. Mr. Speaker, the foreign exchange market was relatively stable and the local currency performed better in 2020 than in 2019. Pressures from corporate demand, energy-related forex demand, and pandemic-induced portfolio outflows were offset by improved forex inflows mainly from the Eurobond issuance and the IMF Rapid Credit Facility. These were complemented by the substantial reserve build-up by the Bank of Ghana at the end of 2019.

60. Cumulatively, the Ghana Cedi depreciated against the US Dollar, the Pound Sterling, and the Euro by 3.9 percent, 7.1 percent, and 12.1 percent, respectively. This compares with larger depreciation rates of 12.9 percent, 15.7 percent, and 11.2 percent for the US Dollar, Pound Sterling, and Euro, respectively during the same period in 2019. It is worth noting that, the depreciation of the Ghana cedi against the US dollar in 2020 is the lowest recorded in the Fourth Republic, notwithstanding the COVID-19 pandemic.

Fiscal developments

61. Mr. Speaker, the 2020 fiscal policy objectives were adversely affected by the outbreak of the COVID-19 pandemic which resulted in the recalibration of the 2020 fiscal framework during the 2020 mid-year fiscal policy review to accommodate the unanticipated shocks and enable Government to implement policies and programmes to ensure that both lives and livelihoods were protected.

62. Mr. Speaker, Total Revenues and Grants was revised downwards by GH¢13.4 billion to reflect the impact of the COVID-19 pandemic on revenues while Total Expenditures were revised upwards by GH¢11.8 billion to accommodate COVID-19 Related expenditures, resulting in a revised budget deficit of 11.4 percent of GDP for 2020.

63. Mr Speaker, the unprecedented impact imposed by the COVID-19 pandemic, led to the suspension of the set of fiscal responsibility rules for the 2020 financial year in accordance with section 3 (1) of the Fiscal Responsibility Act, 2018 (Act 982).

64. Mr. Speaker, despite the adverse impact of the pandemic on the Ghanaian economy, especially in the first half of the year, implementation of the 2020 revised budget was largely on track. The provisional data on Government's fiscal operations from January to December 2020, indicate that, Total Revenue and Grants exceeded the revised target by 2.7 percent, amounting to GH¢55,132 million while Total Expenditures including arrears clearance amounted to GH¢100,052million, exceeding programmed expenditures by 2.4 percent. The consequent modest increase in total expenditures, despite the force majeure imposed by COVID-19 induced expenditures, is a clear indication that Government adopted prudent expenditure management measures over the period.

65. Mr. Speaker, the above revenue and expenditure performance resulted in an overall fiscal deficit of 11.7 percent of GDP, excluding the financial sector clean-up cost, compared to the programmed deficit target of 11.4 percent of GDP. The corresponding primary balance for the period was also a deficit of 5.3 percent of GDP, compared with the revised deficit target of 4.6 percent of GDP. The fiscal deficit including the financial sector cost for 2020 is 13.7 percent of GDP.

66. Mr. Speaker, the fiscal deficit was financed from both domestic and external sources. Given the tightness of the external financial conditions, government had to resort more to domestic financing, including drawdown in Government deposits at the Central Bank, domestic market operations and other sources of domestic financing. Net Domestic Financing amounted to GH¢44,889 million, equivalent to 11.7 percent of GDP. Net Foreign Financing amounted to GH¢31 million against a target of GH¢18,462 million (4.8% of GDP).

Petroleum liftings and receipts

67. Mr. Speaker, total crude oil production for 2020 was 66.9 million barrels compared to 71.4 million barrels in 2019. As of December 2020, Ghana National Petroleum Corporation (GNPC) had lifted twelve parcels of crude oil on behalf of the State and transported 88,418.9 million standard cubic feet of gas to the Ghana National Gas Company (GNGC).

68. Total petroleum receipts (i.e. proceeds from liftings and other Petroleum Receipts) as at end-December 2020 amounted to US\$666.4 million, equivalent to GH¢3.8 billion, compared with the receipts of US\$937.6 million, equivalent to GH¢4.9 billion in the same period in 2019. These receipts were allocated based on the provisions of the PRMA (as amended). In particular, the GNPC was allocated a total of US\$198.6 million, made up of Equity Financing Cost of US\$154.8 million and its share of the net Carried and Participating Interest of US\$43.8 million.

69. The Annual Budget Funding Amount (ABFA) received a total of US\$273.4 million while the Ghana Petroleum Funds (GPFs) received US\$166.6 million. The Ghana Petroleum Funds were distributed to the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF) in the ratio of ***Seven is to Three***, consistent with the PRMA. Thus, the GSF received US\$116.6 million while the GHF received US\$49.9 million.

Public Debt Development

70. Mr. Speaker, the provisional debt stock as at end-December 2020 stood at nominal figure of GH¢291,614 million, representing 76.1 percent of GDP compared to GH¢217,991 million, equivalent to 62.4 percent of GDP in 2019.

71. Mr. Speaker, the total debt stock mix was made up of a provisional figure of GH¢141,780.60 million for external debt and GH¢149,833.89 million for domestic debt, accounting for approximately 48.6 percent and 51.4 percent of the total public debt stock, respectively. As a percentage of GDP, external and domestic debt represented 36.99 percent and 39.09 percent, respectively.

72. Mr. Speaker, the total public debt has increased from GH¢122 billion (56.9% of GDP) in 2016 to GH¢ 291.6 billion (76.1% of GDP) at the end of December 2020. Included in the debt stock and the debt/GDP ratio at the end of 2020 are the following non-recurrent burdens that we had to deal with as matter of urgency:

- Fiscal Impact of COVID-19 – GH¢ 19.7 billion;
- Cost of Financial Sector Clean up – GH¢ 21 billion;
- Cost of Excess Capacity Charges paid to IPPs – GH¢ 12 billion;
- The impact of the reduction in growth from an average of 7% (2017-2019) to 0.9% in 2020.

73. If these expenditures are excluded and the drop in GDP growth in 2020 primarily attributable to the COVID-19 pandemic is taken into account, the total stock of debt for 2020 would have been approximately GH¢ 238.9 billion implying a debt to GDP ratio of 58.7%.

74. Mr. Speaker, the following information is useful:

- Between 2004 and 2008, Ghana's debt stock increased by 30%.
- Between 2008 and 2012, the debt stock increased by 269%.
- Between 2012 and 2016, the increase in the debt stock was 243%.
- Between 2016 and 2020, the increase in Ghana's debt stock was 137% (This includes the cost of the banking sector clean-up, excess capacity charges and the impact of the COVID-19 pandemic).

75. Mr. Speaker, despite the impact of the pandemic, the rate of growth of the public debt has been lower under our government than under the previous government. The rate of debt growth was lower despite massive investments in our flagship programmes such as free SHS, Planting for Food and Jobs (PFJ), NABCO, One District One Factory (1D1F), One Constituency One Ambulance, One Village One Dam (1V1D), restoration of teacher and nursing training allowances amongst others while maintaining relative macroeconomic and exchange rate stability.

76. Mr. Speaker, this reinforces the fact that the Akufo-Addo and the NPP Government are simply better managers of the economy and better protectors of the public purse.

2021 AND MEDIUM-TERM MACROECONOMIC TARGETS

77. Mr. Speaker, I now turn to the medium term macroeconomic targets.

78. Mr. Speaker, the preoccupation of Government in 2021 and the medium-term, therefore, is to implement measures to mitigate the impact of the pandemic with a view to returning the economy to strong and sustainable growth while protecting lives and livelihoods. Mr. Speaker, Government will continue to:

- build strong macroeconomic fundamentals;
- sustain investments in productive infrastructure;
- develop a competitive world-class human capital base;
- promote an efficient well-capitalised financial sector;
- build a competitive business environment anchored on scientific and technological innovation; and
- pursue a robust social protection system that guarantees an acceptable standard of living for all, consistent with the Vision of the Ghana Beyond Aid and the President's Coordinated Programme.

79. The broad macroeconomic objectives to support our vision and development goals in the medium-term are:

- a. restore and sustain macroeconomic stability anchored on fiscal discipline and ensuring debt sustainability;
- b. return to within the fiscal responsibility threshold of 5 percent fiscal deficit and a positive primary balance by 2024 in accordance with the FRA (2018) Act 982;
- c. implement reforms to increase revenue mobilization and the efficiency of public expenditures;
- d. revitalize and transform the economy through the implementation of the Ghana COVID-19 Alleviation Revitalisation and Enterprise Support Programme (CARES);
- e. build a robust financial sector to support growth and development;
- f. provide a supportive private sector environment for entrepreneurship, domestic businesses and Foreign Direct Investment (FDI) to thrive;
- g. deepen structural reforms to make the machinery of Government work more efficiently and effectively to support socio-economic transformation; and
- h. implement reforms to increase revenue mobilization and the efficiency of public expenditures.

80. Mr. Speaker, guided by the broad medium-term policy objectives, the following macroeconomic targets are set for the (2021-2024) medium-term:

- a. Overall Real GDP growth to average 5.0 percent;
- b. Non-Oil Real GDP to grow at an average of 4.9 percent;
- c. Inflation to be within the target band of 8 ± 2 percent;
- d. Overall fiscal balance and primary balance to return to the Fiscal Responsibility Act threshold of fiscal deficit of 5 percent of GDP and a positive primary balance by 2024; and
- e. Gross International Reserves to cover at least 4.0 months of imports.

81. Mr. Speaker, based on the overall macroeconomic objectives and the medium-term targets, the following macroeconomic targets are set for 2021:

- a. Overall Real GDP growth of 5.0 percent;
- b. Non-Oil Real GDP growth of 6.7 percent;
- c. End-period inflation of 8.0 percent;
- d. Fiscal deficit of 9.5 percent of GDP;
- e. Primary deficit of 1.2 percent of GDP; and
- f. Gross International Reserves to cover not less than 4.0 months of imports.

82. Mr. Speaker, we now provide details of the medium-term outlook for the real, fiscal, monetary, and external sectors of economy.

GDP Growth for 2021

83. Mr. Speaker, overall real GDP is projected to grow at 5.0 percent in 2021 while non-oil real GDP is projected to grow at 6.7 percent. In terms of sectoral growth, the Agriculture Sector is expected to grow at 4.0 percent, the Industry Sector at 4.8 percent, and the Services Sector at 5.6 percent.

Monetary and External Sector Outlook for 2021

84. Mr. Speaker, monetary policy in 2021 and the medium-term will continue to hinge on sustaining price stability with a view to firmly anchoring inflation expectations and creating conditions favourable to growth. Specifically, monetary policy will aim at steering inflation back within the medium-term target of 8 ± 2 percent. In particular, broad money supply (M2+) growth is projected to moderate in 2021, in line with inflation.

85. Mr. Speaker, the thrust of external sector policy will focus on building external buffers, enough to cover at least four months of imports of goods and services to cushion the economy against adverse external shocks. This will be supported by expected improvements in the trade balance and the current account balance, backed

by increased remittance inflows, improved portfolio inflows, and favourable access to the international capital market. Potential downside risks to the external sector outlook continue to be the possible weakening of commodity prices, increased energy-related payments, and portfolio reversals.

Bailout of Asset Management Companies for 2021

86. Mr. Speaker, I am happy to announce that, the resolution of the banking industry has been completed. Government has been working to complete the bailout of the asset management industry through the provision of a bailout package for investors of the failed asset management companies (AMCs). Out of an estimated amount of GH¢8.5 billion to help pay investors of the failed AMCs, this august House approved an amount of GH¢3.1 billion in the 2020 Mid-Year Budget. At the end of December 2020, Government had provided an amount of GH¢3.4 billion for the payment of validated claims to investors of 30 AMCs for which liquidation orders were obtained. This amount was in a combination of a 3-year marketable bond of GH¢2.5 billion and a 5-year zero coupon bond of GH¢915 million.

87. Mr. Speaker, for the Securities and Exchange Commission to fully settle investors of the remaining 17 AMCs, an amount of GH¢5.5 billion (1.3% of GDP) is required. For this reason, we have come to this august House once again to seek for your approval to raise an amount of GH¢5.5 billion in 2021 to complete the asset management industry bailout, including Gold Coast Fund Management Ltd (now Blackshield Capital Management), First Banc Financial Services Limited, Liberty Asset Management, Beige Capital Asset Management Ltd, Ideal Capital Partners Ltd, and Frontline Capital Advisors Ltd.

International Capital Market Operations for 2021

88. Mr. Speaker, over the past few years, many frontier and emerging economies have broadened the range of debt instruments they have deployed. Financial conditions on the global market has raised opportunities to tap into the international bond markets and increase access to commercial debt financing. However, market access conditions are highly uncertain and spreads can widen in a short time in reaction to local or international events.

89. Following from this, the Ministry of Finance (MoF) took a proactive approach and presented and secured Parliamentary Approval on 10th November, 2020 for this as part of the 2021 Expenditure in Advance of Appropriation for the 2021 fiscal year. The proceeds are to support the budget deficit by funding growth oriented expenditures; and conduct liability on both external and domestic bonds.

90. The limit of funding from the capital market was up to US\$5 billion through multiple instruments made up of:

- Eurobonds;
- Diaspora Bonds;
- Sustainable Bonds (Green Bonds & Social Bonds); and
- Syndicated Term/Bridge Financing

Fiscal Operations for 2021

91. Mr. Speaker, we are not fully out of the woods yet with the ongoing COVID-19 second wave. As such, fiscal consolidation has to be carefully balanced with the provision of some targeted fiscal stimulus to cushion the impact of COVID-19 on businesses and the economy which we aim to achieve through the Ghana CARES “Obaatan pa” Programme.

92. Mr. Speaker, in the medium-term, we will pursue revenue-enhancing measures with a focus on deepening our digitalization agenda both on transactions of goods and services as well as on the tax collection machinery as part of measures to broaden the tax base and rope in a lot more eligible taxpayers into the tax net. Expenditures will be rationalised through the implementation of tighter expenditure control systems with a more efficient procurement system to ensure value for money. We will also pursue structural reforms in public financial management system to improve efficiency in public service delivery.

93. Mr Speaker, in spite of our drive to ensure that we do not prematurely withdraw fiscal stimulus support as part of measures to contain the pandemic and revitalise the economy, our resolve to ensure debt sustainability in the medium-term will support a medium-term fiscal path, that will ensure that we return to the Fiscal Responsibility ceiling of a deficit of 5 percent of GDP and a positive primary balance by 2024.

Petroleum Receipts and Utilisation for 2021

94. Mr. Speaker, the projected Petroleum Revenue for 2021 will amount to US\$885.7 million. The total petroleum revenue is made up of Royalties (US\$201.0 million), Carried and Participating Interest (US\$524.9 million), Corporate Income Tax (US\$158.5 million) and Surface Rentals (US\$1.30 million).

95. Mr. Speaker, in line with the PRMA, we would like to propose the allocation of the petroleum revenue as follows:

- Allocate US\$283.00 million to GNPC for its Equity Financing Cost (US\$179.33 million) and share of the net Carried and Participating Interest (US\$103.67 million);

- Allocate 70 percent of the Benchmark Revenue of US\$602.70 million (i.e. US\$421.89 million) to ABFA;
- Allocate 30 percent of the Benchmark revenue (i.e. US\$180.81 million) to the Ghana Petroleum Funds; and
- Allocate US\$126.57 million of the Ghana Petroleum Funds amount to the Ghana Stabilisation Fund and US\$54.24 million to the Ghana Heritage Fund.

Resource Mobilization for 2021

96. Speaker, Total Revenue and Grants for 2021 is projected to rise to GH¢72,452 million, equivalent to 16.7 percent of GDP, up from an outturn of GH¢55,132 million, equivalent to 14.3 percent of GDP recorded in 2020. Domestic Revenue is estimated at GH¢70,987 million in 2021 and represents an annual growth of 31.7 percent over the recorded outturn for 2020. Of the total Domestic Revenue, Non-oil Tax Revenue will constitute about 74 percent and amount to GH¢53,632 million, equivalent to 12.4 percent of GDP, reflecting the impact of expected improvements in tax compliance and reforms in revenue administration

97. Mr. Speaker, Government recognizes that as a result of the impact of COVID-19, times are hard for many of our people. However, it is important that we rebuild and strengthen our public finances to provide the resources to protect the lives and livelihoods of Ghanaians, deliver critical government services and support the transformation of the economy. It will also ensure fiscal and debt sustainability. We have to do this ourselves as no one will do it for us. Rebuilding our public finances requires us to implement some important fiscal measures to mobilize additional domestic revenue.

REVENUE MEASURES

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COVID-19 HEALTH LEVY

99. Mr. Speaker, the COVID-19 pandemic has caused additional health spending that far exceeds the annual budget for health. Some of the actions that are being implemented by Government to address this pandemic include:

- i. Procurement of vaccines, the first batch of 600,000 doses from the COVAX Facility have already been delivered and an additional seventeen million, six hundred thousand (17,600,000) vaccine doses to be delivered by June, with more to come in the course of the year.
- ii. Vaccination of Ghanaians, as at Wednesday 10th March, 2021, Two hundred and sixty-two thousand, three hundred and thirty-five (262,335) Ghanaians receiving the first dose of the vaccines.
- iii. Establishment of fourteen (14) medical waste treatment facilities across the country for safe disposal of medical waste in collaboration with the private sector.
- iv. Thirty-three (33) major health projects have been approved for implementation at a cost of eight hundred and ninety million euros (€890 million).
- v. To date, fourteen million, six hundred thousand (14,600,000) pieces of personal protective equipment produced domestically for health workers, students, teaching and non-teaching staff of tertiary and secondary educational institutions.
- vi. Agenda 111, will see to the construction of 100-bed District Hospitals in one hundred and one (101) Districts with no hospitals, seven (7) Regional Hospitals for the new Regions, including one for the Western Region, the construction of two (2) new psychiatric hospitals for the Middle Belt and Northern Belt, respectively, and the rehabilitation of Effia-Nkwanta Hospital in the Western Region.
- vii. The need to recruit more health care professionals, in addition to the one hundred thousand recruited in the first term of the President.

100. To provide the requisite resources to address these challenges and fund these activities, Government is proposing the introduction of a COVID-19 Health Levy of a one percentage point increase in the National Health Insurance Levy and a one percentage point increase in the VAT Flat Rate to support expenditures related to COVID-19.

Sanitation and Pollution Levy (SPL)

101. Mr. Speaker, notwithstanding the progress that we have made in the areas of sanitation and pollution, there is still a lot more to be done. Specifically, we need to:
- i. Improve urban air quality and combat air pollution;
 - ii. Support the re-engineering of landfill sites at Kpone and Oti;
 - iii. Support fumigation of public spaces, schools, health centres and markets;
 - iv. Revamp/reconstruct poorly managed landfill facilities;

- v. Construct more sustainable state-of-the-art waste treatment plants both solid and liquid in selected locations across the country;
- vi. Construct waste recycling and compost plants across the country;
- vii. Construct more sanitation facilities to accelerate the elimination of open defaecation.
- viii. Construct final treatment and disposal sites for solid and liquid waste;
- ix. Provide dedicated support for the annual maintenance and management of major landfill sites and other waste treatment plants and facilities across the country; and
- x. Construct medical waste treatment facilities to prevent generation of infectious diseases especially under the Coronavirus Treatment Programme.

102. Mr. Speaker, these are all very critical investments that have to be made for the benefit and dignity of all Ghanaians. These will ensure sustainable sanitation management, improve the quality of life and reduce the number of deaths and diseases from poor sanitation.

103. To provide the requisite resources to address these challenges and fund these activities, Government is proposing a Sanitation and Pollution Levy (SPL) of 10 pesewas on the price per litre of petrol/diesel under the Energy Sector Levies Act (ESLA).

Energy Sector Recovery Levy (Delta Fund)

104. Mr. Speaker, it would be recalled that when crude oil prices increased substantially between 2017 and 2018, Government abolished excise taxes and reduced the special petroleum tax from 17.5 percent to 13 percent to mitigate the impact on domestic petroleum prices. However, due to the difficulties faced by our economy arising from higher excess capacity payments in the energy sector, which have not reflected in electricity tariffs.

105. Despite the substantial progress made by the Akufo-Addo Government, there is the need to find additional resources to cover the excess capacity charges that have resulted from the Power Purchase Agreements (PPAs) signed by the previous Government which required payments for capacity charges even when the plants involved were idle or unutilised.

106. Mr. Speaker, it has become very necessary for Government to consider a review of the energy sector levies. The Energy Sector Recovery Levy of 20 pesewas per litre on petrol/diesel under the ESLA is hereby submitted to this House for approval.

107. Mr. Speaker, I should note that on the basis of existing world crude oil prices, the implementation of the two proposed levies for sanitation and pollution as well as

to pay for excess capacity charges, would result in a 5.7% increase in petroleum prices at the pump.

108. Mr. Speaker, the data shows that under the Akufo-Addo Government, the increase in petroleum prices is the lowest in the Fourth Republic! In the year 2020 for example, there was a cumulative net decrease in petrol prices at the pump by 7.46% and diesel by 9.53%. Between 2009 and 2012 average petrol prices increased by 29.5% annually. Between 2013 and 2016, average petrol prices increased by 24% annually. Between 2017 and 2020, average petrol prices increased by 8.26% annually.

Average percentage Petrol Price Changes

Year	2009-2012	2013-2016	2017-2020
Average % Change in Petroleum Prices	29.5	24	8.26

Source: NPA

109. Mr. Speaker, this confirms the fact that we are better managers of the economy, more disposed to reducing and/or abolishing taxes and prudent in the use of taxpayers' money.

110. The financial sector clean-up and the refund of monies to depositors have restored investor confidence and protected the hard-earned savings of millions of Ghanaians. However, this has come at a huge cost of over GH¢21.0 billion to Government.

111. Mr. Speaker, Government will, therefore, introduce a financial sector clean-up levy of 5% on profit-before-tax of banks to help defray outstanding commitments in the sector. The levy will be reviewed in 2024.

Road Tolls

112. Mr. Speaker, to maintain the improvements on our roads, Government will review existing road tolls and align them with current market rates. This will form part of the framework for promoting burden sharing as we seek to transform our road and infrastructure sector in a post-COVID era.

113. Furthermore, in 2021, we will amend the Fees and Charges (Miscellaneous Provisions) Act, 2018 (Act 983) that governs the setting of Rates and Tolls to accommodate an automatic annual adjustment that will be pegged to the previous year's average annual inflation as published by the Ghana Statistical Service".

Tax Administration

114. Mr. Speaker in 2021 the GRA will intensify audits and institute measures to recover all outstanding debts and enforce collections in the extractive industry.

115. A study of the downstream petroleum sector indicates there is still the challenge of under-reporting and evasion of taxes by some industry players. The GRA in conjunction with the relevant agencies will mount a campaign to deal with these unlawful acts.

Gaming Policy

116. Mr. Speaker, gaming has become a major income earner all across the globe and a significant source of Government revenue. The influx of online betting and automation of the once totally manual process has changed the character of revenue sources from that industry. It is estimated that Ghana loses over GHs 300 million annually in revenue due to leakages in the sector. The Ministry of Finance and the Ministry for the Interior will co-supervise the gaming industry and will soon consult with stakeholders to formulate a comprehensive policy to improve revenue mobilization from this source.

COVID-19 Support

117. Mr. Speaker, Government in 2020 outlined a number of initiatives to cushion the effect of the pandemic on the populace. Some sectors of the economy and sections of the population, however, continue to suffer the devastating consequences of the pandemic. Government is therefore rolling out these additional reliefs for different sections of the population especially those hardest hit by the pandemic.

- **Tax Rebate:** Provision of a rebate of 30 percent on the income tax due for companies in hotels and restaurants, education, arts & entertainment, and travel and tours for the second, third and fourth quarters of 2021;
- **Tax Stamps:** Suspension of quarterly income tax instalment payments for the second, third and fourth quarters of 2021 for small businesses using the income tax stamp system;
- **Vehicle Income Tax:** Suspension of quarterly instalment payments of the vehicle income tax for the third and fourth quarters of 2021 for Trotros and Taxis as part of measures to reduce the cost of transportation;
- **Extension of the waiver of interest as incentive for early payment of accumulated tax arrears:** A waiver of penalty and interest on accumulated tax arrears up to December 2020 to reduce cash flow challenges for companies and individuals who arrange terms with GRA to pay up the principal by September 2021.

118. Beneficiaries of these relieves will have to be registered with the Ghana Revenue Authority and must have fulfilled their first quarter tax obligations.

Resource Allocation for 2021

119. Mr. Speaker, total Expenditure (including clearance of Arrears) is projected at GH¢113,750 million, equivalent to 26.2 percent of GDP for 2021. This represents a growth of 13.7 percent above the outturn of GH¢100,052 million recorded in 2020.

120. Mr. Speaker, Wages and Salaries are projected to amount to GH¢25,799 million and constitute 22.7 percent of the Total Expenditure (incl. Arrears clearance) for 2021. As a percentage of GDP, the wage bill is projected to be 5.9 percent in 2021 compared to the 6.5 percent recorded in 2020. Use of Goods and Services is also projected at GH¢5,967 million or 1.4% of GDP. This represents 5.2 percent of the projected Total Expenditure (incl. Arrears clearance).

121. Mr. Speaker, Interest Payments are projected at GH¢35,864 million, equivalent to 8.3 percent of GDP in 2021. Of this amount, domestic interest payments will constitute about 79.1 percent and amount to GH¢28,368 million. Transfers to Statutory Funds as well as all other earmarked funds are estimated at GH¢18,081 million (4.2% of GDP), representing 52.2 percent growth over the recorded outturn for 2020.

122. Mr. Speaker, Capital Expenditure is projected at GH¢11,423 million (2.6% of GDP) in 2021, a decline of 5.5 percent over the 2020 outturn. Of this amount, Domestic Financed Capital Expenditure is estimated at GH¢3,310 million (0.8% of GDP). An amount of GH¢8,112 million has been estimated for Foreign Financed Capital Expenditure and this will be funded by a combination of Project Grants and Loans.

Budget Balances and Financing Operations For 2021

123. Mr. Speaker, based on the estimates for Total Revenue & Grants and Total Expenditure, the 2021 fiscal operations will result in an overall fiscal deficit of GH¢41,298 million, equivalent to 9.5 percent of GDP. Mr. Speaker, financing of the fiscal deficit will come from both domestic and foreign sources. Net Domestic Financing will amount to GH¢25,424 million (5.9% of GDP) while Net Foreign financing will amount to GH¢15,870 million (3.7% of GDP) and will include a planned international capital market programme to raise up to US\$5 billion, of which US\$1.5 billion will be used to support the implementation of the 2021 budget and the rest for liability management. Mr. Speaker, a corresponding Primary deficit equivalent to 1.3 percent of GDP, is also projected for the year.

SECTION 3: UPDATE ON KEY PROGRAMMES

124. Mr. Speaker, the programmes and activities being implemented by MDAs and MMDAs are based on Ghana's Medium-Term National Development Agenda 2018-2021 as well as the Ghana Beyond Aid Agenda. The programmes also aim to attain the objectives and targets arising from our international commitments with regard to the UN Agenda 2030 (SDGs) and African Union Agenda 2063.

125. Mr. Speaker, as I indicated earlier, the health and economic consequences of the COVID-19 pandemic has adversely impacted the delivery of the planned programmes and activities of MDAs/MMDAs approved in the 2020 budget.

126. However, it is projected that the roll-out of the Government's vaccination plan, which started this March, will expedite a resumption of full economic activities and facilitate the implementation of the planned programmes and activities in the 2021 budget.

127. Mr. Speaker, I will therefore highlight the performance of key sectors in 2020, as well as programmes and activities planned for implementation in 2021.

Health

128. Mr. Speaker, in pursuit of the Government's health infrastructure drive, including Agenda 111 the Ministry awarded contracts for the construction of 101 district hospitals, 7 regional hospitals and 3 Psychiatric Hospitals. In 2021, the implementation of these projects will continue.

129. In addition, the following health infrastructure projects were completed in 2020:

- Staff Housing for 4 District Hospitals at Twifo-Praso, Tewa, Nsawkaw and Bekwai District Hospital;
- District Hospitals in Sawla, Tolon, Somanya, Buipe and Wheta and a Polyclinic in Bamboi; and
- Nine CHPS Compounds at Wiaboman- Greater Accra Region, Antwirifo-Bono Region, Kofiasua-Bono Region, Mantewareso Bono-Ahafo Region, Amakyekrom-Bono Region, Mewerenfiwuo-Bono Region, Samproso-Ashanti Region, Koforidua (Near Offinso)-Ashanti Region, Akaaso-Western Region.

130. Mr. Speaker, to expand health workforce, Government recruited 58,191 personnel into the various agencies in the health sector. Out of this 50,970 were permanent staff and the remaining 7,221 were temporary workers in 2020.

131. Mr. Speaker, in 2021 Government will continue with the construction of the following Health infrastructure projects:

- Koforidua Regional Hospital;
- Shama District Hospital;
- La General Hospital;
- Tema Regional Hospital;
- Reconstruction of the Central Medical Store;
- District Hospital Nkoranza; and
- Accident and Emergency Center Dormaa Hospital.

Education

132. Mr. Speaker, in line with the commitment to ensure adequate logistics for effective administration of schools and educational directorates, Government procured and distributed 840 pickup trucks and 350 buses. In addition, 2,000 motorbikes were distributed to Circuit Supervisors to enhance monitoring in their line of duty.

Basic Education Programme

133. Mr. Speaker, in recognition of the important role of infrastructure in the quest to provide basic education for all children, a total no. of 195 basic education projects were completed in 2020. In 2021, Government will continue with these ongoing infrastructure projects.

134. Mr. Speaker, Government in 2020, absorbed the examination registration fees for the 403,878 candidates from public Junior High Schools across the country. In 2021, the registration fee for 416,066 candidates from public Junior High Schools will also be absorbed.

Secondary Education Programme

135. Mr. Speaker, the implementation of the Free SHS Programme has resulted in increased demand for secondary education. The total number of beneficiaries for the 2019/2020 academic year was 1,200,580 students

136. Mr. Speaker, a total of 539 projects out of 1,119 senior high school infrastructural projects have been completed to accommodate the increased enrollment of Free SHS students. In addition, Government completed 28 Community Day Senior High Schools (E-Blocks) under the Secondary Education Improvement Programme (SEIP).

137. Mr. Speaker, Government has invested a large amount of resources to increase access and improve quality of TVET education by expanding infrastructure through

the construction of new institutions and upgrading of facilities in existing technical universities as well as technical and vocational institutes.

Tertiary Education Programme

138. Mr. Speaker, to make Colleges of Education freely accessible to all eligible students and train teachers to drive quality education provision, an amount of GH¢78,857,120 was disbursed to a total of 47,135 teacher trainees in all public Colleges of Education for the second semester of the 2019/2020 academic year. In 2021, an amount of GH¢171,241,500 will be paid for the first and second semesters of the 2020/2021 academic year.

ENERGY

139. Mr. Speaker, in 2020, the country had adequate generation capacity to meet the demand for domestic, commercial and industrial customers. The 200MW Amandi Power Project was approximately 98 percent complete and is currently at the last phase of commissioning. Phase 1A of the 400MW Early Power Project (147MW) is currently going through commissioning. In 2021, the Ameri Plant will be relocated to Kumasi to help stabilise the national grid.

140. Mr. Speaker, the Power Purchase Agreement (PPA) renegotiations, aimed at reducing capacity charges and consequently the overall cost of power generation, are ongoing. The 3rd round of negotiations has commenced following approval of the recommendations submitted by the Negotiating Team. Subsequently, renegotiations were concluded with CENIT Energy Limited, and discussions with AKSA Energy Company (Gh) Limited are nearing completion.

141. Mr. Speaker, following the approval of the Pwalugu Multipurpose Dam Project (PMDP) by Parliament, pre-commencement activities as well as the engagement of the Owner's Engineer to provide technical support to VRA to supervise and manage the EPC Contract commenced.

142. Mr. Speaker, to strengthen our national grid the following projects which are at various stages of completion will continue in 2021;

- Lot 1 (Kumasi - Kintampo) of the 330kV Kumasi-Bolgatanga Transmission Line Project is nearing completion;
- 161kV Volta-Achimota-Mallam Transmission Line Upgrade Project has an overall works completion rate of 53 percent for the Volta-Achimota section, and 31 percent completion rate for the Achimota-Mallam transmission line;
- Remedial works on the Aboadze – Prestea 330kV Transmission Line is 90 percent complete; and

- Construction works on the A4BSP (Pokuase Bulk Supply Point) is 92 percent complete.

143. Mr. Speaker, other projects to be pursued in 2021 include the construction of a new substation at Dunkwa-on-Offin, reconstruction of over-aged 161kV transmission lines from Aboadze through Dunkwa to Asawinso with higher capacity, and the reconstruction of the existing 330kV and 161kV Aboadze Switchyards.

144. Mr. Speaker, a total of 388 out of 560 communities were connected to the national grid under the Rural Electrification Programme. The National Electricity Access rate increased from 84.98 percent in January 2020 to 85.17 percent by end December 2020 with over 10,000 communities so far connected to the grid.

145. In 2021, the Ministry will ensure and monitor the completion of ongoing SHEP-4 & SHEP-5 projects across the country. Various electrification projects in the Northern, North East, Savannah, Eastern and Volta, Ashanti, Western, Western North, Ahafo, Bono East and Bono Regions, amongst others will also be undertaken. 766 towns will be connected under these projects in 2021.

146. Mr. Speaker, in line with our commitment for a green economy, a total of 26MWp out of the 50MWp solar project undertaken by Bui Power Authority was commissioned on 27th of November, 2020. The remaining 24MWp and a 1.0MWp floating solar plant is expected to be completed by the third quarter of 2021.

147. Mr. Speaker, total crude oil production achieved from the three producing fields totalled 66.93 million barrels from January to December 2020, translating to an average daily oil production of 182,860.13 barrels. A total of 88,530.61 million standard cubic feet (MMscf) of gas, translating to average daily gas export of 241.89 MMscf, was delivered for power generation and non-power gas users.

148. Mr. Speaker, in 2021, the Ministry will continue the negotiation of Petroleum Agreements and monitor activities on the Jubilee, TEN and SGN fields. The projected production from the three producing fields in 2021 is expected to yield a total of 57.3 million barrels of oil and 93.07 billion standard cubic feet of export gas at a daily average of 156,986 barrels of oil and 254,986.30 million standard cubic feet of gas respectively.

Development of a Petroleum Hub

149. Mr. Speaker, the Petroleum Hub Corporation Bill was passed by Parliament into law on 23rd October, 2020. In 2021, we will ensure the set up and operationalisation of the Petroleum Hub Development Corporation. Preparatory activities such as the conduct of a strategic environmental assessment, spatial planning and land acquisition activities towards the development of the Hub will be continued.

Security

Crime Management Programme

150. Mr. Speaker, in 2020, to preserve the peace and security of the nation, the Ghana Police Service deepened the intelligence-led policing through gathering of critical intelligence for effective and efficient combat of criminals in a proactive manner.

151. Mr. Speaker, 709 officer cadets graduated and 2,335 recruit officers passed out from the Ghana Immigration Service (GIS) Academy and the Immigration Service Training School respectively, at Assin Fosu.

152. The Service arrested a total of 5,448 other nationals for breaching immigration laws and penalties were imposed and fines collected from the offenders. In addition, twenty-eight of the offenders were arraigned before the law courts.

153. In 2021, the Ministry, through the Ghana Prisons Service, will continue with the construction of Nsawam Prison remand project and other prison construction projects, train 2,200 inmates in technical and vocational skills and provide formal education for 1,000 others. It will also build the capacity of 1,350 personnel who have recently been recruited.

Defence

154. Mr. Speaker, the Ghana Armed Forces continued to complement internal security in 2020. It collaborated with the other Security Services to offer assistance to the civil authorities to ensure peace and security. The Operations include Operation CALM LIFE across the entire country; and Operation SIT DOWN LOOK at the borders.

155. The Ghana Armed Forces assisted the Ghana Police Service, Local Government and Rural Development, and Zoomlion Ghana Ltd in Operation COVID SAFETY.

156. Mr. Speaker, in 2021, the Ghana Armed Forces will continue to conduct operations aimed at law enforcement at sea and ashore. These operations include Volta Lake patrols, and drug enforcement in support of the Ghana Maritime Authority and the Narcotics Control Commission.

157. The construction of a Forward Operating Base (FOB) at Ezinlibo, Western Region as part of the Government's national strategic programme to protect the country's oil, gas and other natural resources is 10 percent complete. Government also gave approval for the establishment of 12 additional Forward Operating Bases and three logistics centres along the northern borders of the country to prevent cross border crimes and terrorist infiltrations.

158. Infrastructure works on the 500 Bed Military Hospital at Afari in Kumasi is 85 percent complete as at December 2020. Overall completion factoring the installation of medical equipment is at 58 percent. The Ministry in 2021 will ensure completion and use of the facility.

National Security

159. Mr. Speaker, the National Intelligence Bureau (NIB) and National Signals Bureau (NSB) countered the terrorism, associated e-crimes, violent and organized crimes and other National Security threats.

160. Mr. Speaker, in 2021, these agencies will improve the capabilities for intelligence gathering, dissemination and special operational activities amongst the Security and Intelligence Agencies.

Road and Bridge Construction

161. Mr. Speaker, H.E the President Nana Addo Dankwa Akufo-Addo in the presentation of the State of the Nations address declared 2021 as the second year of roads.

162. Mr. Speaker, with this declaration we will continue the prioritization of road construction. Government will continue to pursue the following ongoing projects that are at various stages of completion under the Sinohydro master facility.

Lot No.	Description	Unit	Scope	Status of Completion
1	Accra Inner City Roads	km	84	Contractor Mobilising
2	Kumasi Inner City Roads	km	100	Contractor Mobilising
3	Tamale Interchange Project	No.	1	60%
4	PTC Roundabout Interchange Project, Takoradi	No.	1	Contractor Mobilising
5	Adenta- Dodowa Dual Carriageway	km	14	Yet to commence
6	Sunyani Inner City Roads	km	39	Contractor Mobilising
7	Western Region and Cape Coast Inner City Roads	km	32.19	32%

8	Upgrading of Selected Feeder Roads in Ashanti and Western Regions	km	68	35%
9	Construction of Hohoe-Jasikan–Dodi-Pepesu	km	66.4	32%

163. Mr. Speaker, Government will also continue with some ongoing projects which have seen significant progress as follows:

Description	Scope	Status of Completion
Nsawam - Apedwa Road, North Bound (Kwafokrom–Apedwa Road)	33km	39%
Apedwa – Bunso Road	23km	76%
Bolgatanga – Bawku – Polmakom	116km	31%
Nkwanta - Oti Damanko Road	50km	54%
Oti Damanko - Nakpanduri Road	209km	77%
Berekum – Seikwa Road	34.6km	88%
Dualisation of Ho Main Roads	10.5km	55%
Teshie link Road	7.5km	77%
Ho - Fume Road (km 0 - 7, km 28.7 - 40.1) Phase 2-	18.4km	93%
Bolga - Bawku (km 12 - 24.5)	12.5km	100%
Wa – Walewale	57km	55%
Roundabout between Ejisu and KNUST	4No.	87%
Rehabilitation of New Abirem-Ofoasekuma Road	38km	15%

164. Mr. Speaker, in 2021 works are also expected to commence on the following major pipeline projects:

Projects	Scope
Construction of Dufor Adidome – Asikuma Junction (39.2km) Road and Asutuare – Aveyime (23.9km) Road including 2 no. interchanges at Dufor Adidome and Asikuma Junction	63.1km and 2No. Interchanges
Construction of Bridge over the Volta River at Volivo	1No.
Construction of Suame Interchange	1No.
Rehabilitation of Tatale-Zabzugu-Yendi-Tamale Road	165.8km
Rehabilitation of Zabzugu – Nakpali – Bimbila Road	73.6km
Rehabilitation of Dome – Kitase Road	19.5km
Design and construction of Buipe, Yapei and Daboya Bridges	3No.
Construction of Tema – Aflao Phase1 Road	17km
Construction of Tema Akosombo Road	64.7km
Rehabilitation of Assin Praso – Assin Foso Road (N8) – Phase 2	60km
Construction of Tema Motorway Roundabout Phase 2	1No.
Supply and Installation of bridge components for 50No. steel bridges	50No.
Rehabilitation of Kumasi Inner City and Adjacent Street Projects	100km
Asphaltic overlay of selected streets in Accra and Tema	100km
Rehabilitation and upgrading of selected streets in Tamale & Yendi (Northern Region), Nalerigu, Walewale & Gambaga (North East Region) and Damango (Savannah Region).	100km

164. Mr. Speaker, works progressed steadily on the Pokuase and Obetsebi Lamptey Circle Interchanges under the Accra Urban Transport Project. Work is expected to be completed on these projects by the end of 2021.

165. Mr. Speaker, works are ongoing on the construction of 7No. bridges in the Northern Regions. These are located in Kulun, Garu (2No.), Ambalara, Kulungugu, Doninga and Sissili. Overall physical progress stands at 97 percent. Works on all bridges are substantially complete.

166. Mr. Speaker, overall progress on 5No. Belgian Bridges and 13No. Spanish Bridges are 70 percent and 100 percent respectively as well repair works carried out on the following; Kaneshie bridge (West End), Ashaiman Tunnel Bottom Slab, Mallam Interchange, and Afiencya bridge.

167. The Ministry's Public Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure is progressing steadily. Four projects are at different stages of preparation. They include:

- Accra – Tema Motorway PPP Project (31.7Km)
- Accra – Cape Coast –Takoradi PPP Project (208Km)
- Accra – Kumasi Expressway Project (245Km)
- Development of Tema Arterial Roads –

FOOD AND AGRICULTURE

Crops and livestock Development Programme

168. Mr. Speaker, the Ministry continued with the implementation of its successful Planting for Food and Jobs Programme. In 2020, in order to mitigate the effect of the COVID-19 pandemic on food production, the Ministry enhanced farmers' access to production inputs and increased the planned beneficiary target of 1.2 million to 1.4 million. A total of 1,736,510 farmers benefited from subsidised fertilizers and improved seeds under PFJ programme.

169. Mr. Speaker, under the Rearing for Food and Jobs Programme, the Ministry procured 531,100 improved breeds of small ruminants, pigs and poultry for distribution to farmers.

Mechanisation, Irrigation and Water Management

170. Mr. Speaker, the Ghana Irrigation Development Authority (GIDA), continued with the construction of various irrigation projects which are at various stages of completion: Tamne Phases I&II — 90 percent and 50 percent respectively; Mprumem

Phase II — 95 percent, rehabilitation, modernisation, and expansion of existing schemes at Tono — 95 percent, Kpong Irrigation Schemes — 61 percent and Kpong Left Bank Irrigation Project — 72 percent. In 2021, the Ministry will complete the construction of Tamne Phases I & II, Mprumem Phase II and resettle displaced persons in the reservoir area.

171. Mr. Speaker, as part of efforts to reduce the Fall Army Worm (FAW) infestation to the barest minimum, 89,060 Liters and 11,630 kg strategic stocks of insecticides were procured and sprayed on all affected land areas. A total of 261,147 ha was sprayed and the loss of about 652,867mt of maize valued at GH¢783,440,400.00 was prevented.

172. In 2021, the Ministry will procure 97,000 litres and 14,000kg of insecticides for control of Fall Army Worm.

Cocoa Sector - Cocoa Production and Pricing

173. The producer price of cocoa for the 2020/2021 crop year was increased by 28 percent from GH¢8,240 per tonne to GH¢10,560 per tonne (GH¢600/bag). COCOBOD's crop review for 2020/2021 year projected a production figure of 896,000 tonnes. By the end of February 2021, cocoa taken-over stood at 771,461.06 tonnes, which puts the country on course to achieve its target.

Gender, Children and Social Protection

174. Mr. Speaker, the Ghana School Feeding programme (GSFP) provided one hot nutritious meal per school day for children in basic schools. A total of 2,980,000 pupils in 8,683 basic schools benefited from the programme in 2020. This will continue in 2021.

175. Mr. Speaker, the LEAP programme made payments to 335,013 households benefiting 1,451,747 individuals nationwide in 2020, demonstrating the Government's care for all its citizens. In 2021, the Ministry will validate data to scale up the beneficiary households from 335,013 to 350,000.

Judicial Service

176. Mr. Speaker, in 2020, the following Courts; Garu District Court, Bongo District Court, Sowutuom District Court, Manso Adubia District Court and Amasaman High Court were commissioned and automated with Direct Transmission Systems (DTS) which allows for real-time production of Court proceedings during Court Sittings.

177. Mr. Speaker, Government will commence the construction of a multi-purpose Judicial Training Institute in Accra in 2021. Additionally, the Mankessim Court Complex

in the Mfansteman Municipality as well as the High Court, Odumase Krobo in the Lower Manya Krobo Municipality will be opened in 2021.

Parliamentary Business

178. Mr. Speaker, in 2020, forty-nine out of the 60 Bills presented were passed into Law. During the same period, 36 Instruments laid before the House entered into force. The House also admitted 40 Statements, while 42 Parliamentary Questions were asked and responded to by Ministers.

179. In 2021, Parliament will continue to discharge its constitutional obligations through the performance of its representation, legislative, financial oversight and deliberative functions. These functions, among others, entail considering various Bills and Legislative Instruments, ratifying loans and other international Agreements presented to the House.

180. In 2021, to enhance the efficiency of Parliament in discharging its constitutional oversight obligations on the transformative agenda of Government, a number of initiatives will be continued in 2021. These include, the e-Parliament project, the Table Office Management Information Systems, Geographic Information Systems, and the Budget and Fiscal Analysis Office.

Transport

181. Mr. Speaker, this Government continued its programme of modernisation of the country's sea ports to position them as the leading container hub within the West African Sub-region. At the Tema Port, three berths of the Dedicated Container Terminal (MPS Terminal 3) were completed and are in operation. The remaining berth has progressed ahead of schedule and is expected to be completed in 2021.

182. At the Takoradi Port, the development of a Container and a Multi-purpose Terminal by Ibistek Limited, a wholly owned Ghanaian Company is progressing steadily. The marine and dredging works have been completed and construction of a 600 meter quay wall will be completed in 2021.

183. Mr. Speaker, a 30-year Concession Agreement was executed between the Ghana Shippers' Authority and Ashanti Port Services Limited to develop an Integrated Logistics Terminal at Boankra. This will decongest the Tema Port and facilitate transit trade especially to landlocked countries of Burkina Faso, Mali and Niger in the context of AfCTFA.

184. Mr. Speaker, to ensure safe launching and landing of artisanal fishing, as well as create and maintain hygienic environment and create job opportunities within the

fishing communities, a total of 11 landing sites selected for development are at various stages of completion as shown in Table below.

Location	Axim	Dixcove	Moree	Mumford	Winneba	Senya Beraku	Gomoa Feteh	Teshie	Keta	Jamestown	Elmina
Status of completion	59.00%	58.00%	48.00%	46.00%	29.00%	91.00%	82.00%	72.00%	6.00%	7.18%	0.50%

Aviation Development Programme

185. Mr. Speaker, Government over the years has embarked on massive infrastructural developments to facelift existing airports to meet international standards. Key amongst these are:

- expansion of both Kumasi and Tamale airports. In 2021, both projects are expected to be completed and opened to the general public; and
- rehabilitation works of the Sunyani Airport (Phase I) is about 93 percent complete and is expected to be completed in 2021 for the airport to resume operations.

186. Mr. Speaker, as part of Government Policy to ensure that all regional capitals have at least an aerodrome to improve connectivity and boost tourism, feasibility studies for the development of an airport in Cape Coast has commenced. Other sites identified for the construction of aerodromes include Apowa-Mpohor, Yendi, Mole, Navrongo, Paga and Kete Krachi through Public Private Partnerships (PPP).

Communications and Digitalisation

187. Mr. Speaker, funding has been secured for the development of 2,016 solar powered cell sites to cover at least 25 percent of the population which is unserved. As at the end of December 2020, 410 out of the 2,016 sites were built across the country. In 2021, the remaining 1,606 sites will be completed.

188. Mr. Speaker, in line with Government's digitalisation agenda and commitment to expenditure controls, the national eProcurement system was deployed in 2020 for the following 5 pilot entities: Department of Feeder Roads, Ghana COCOBOD, Ghana Health Service, Koforidua Technical University and Tema Metropolitan Assembly. Scaling up of the system to 200 additional entities is programmed for the year ending 2021.

Local Governance, Decentralisation and Rural Development

189. Mr. Speaker, using the District Assemblies Performance Assessment Tool (DPAT) II, an amount of GH¢185,931,850.00 was transferred to qualifying MMDAs as investment grant allocation to support the implementation of respective 2020 Annual Action Plans and Budget. In 2021, the Ministry will conduct a performance assessment using DPAT for 260 assemblies based on 2019 financial year performance.

190. Mr. Speaker, the Ministry of Local Government, Decentralisation and Rural Development through the Department of Community Development is promoting the Alternative Livelihood Programme in 18 illegal mining-affected districts.

191. In 2021, the Department of Community Development will retool and upgrade 2No. CDVTIs to provide technical and vocational training to 5,000 youth, provide alternative livelihood skills training for 1,250 persons to address the challenges of illegal mining activities, and to train 600 social workforce in child and family welfare issues.

Collaboration with Faith-Based Organisations

192. Mr. Speaker, under our social partnership model to broaden the dialogue for development, Government regularly engages FBOs on various national issues and they remain a key partner in revitalizing the economy under the GH¢ 100 billion Ghana CARES programme.

193. In 2020, the FBOs were instrumental in the fight against COVID-19 in various ways –supporting national readiness; complementing health-service delivery through the Christian Health Association of Ghana (CHAG); managing the distribution of Government's dry food packages to vulnerable households during the lockdown period; providing counseling services; providing skills and entrepreneurial training for the youth and augmenting public sensitization and awareness campaigns

194. Mr. Speaker, in 2021 FBOs will continue to fulfil their vital roles within the Ghanaian society and Government affirms its support to the formal collaboration as a permanent component of our nation's governance

National Cathedral of Ghana

195. Mr. Speaker, the National Cathedral of Ghana, which will provide an interdenominational sacred space for the nation, remains a national priority. Despite delays caused by the COVID-19 pandemic, work is on course to construct the iconic edifice in the heart of the nation's capital.

196. The construction of the National Cathedral is already introducing some critical innovations to the country. As part of the construction, over 200 trees on the site of the Cathedral, some of which are nearly 100 years, have been relocated to a temporary site by Department of Parks and Gardens. Some of the trees would be brought back upon completion of the Cathedral, and others replanted elsewhere making edifice environmentally sustainable.

SETTING THE STAGE FOR THE ROLL OUT OF NEW INITIATIVES AND REFORMS

197. Mr. Speaker, we will implement new initiatives and additional reforms across several sectors of the economy in order to enhance further the quality of life of Ghanaians, to support domestic entrepreneurs and businesses, and to deepen access to public services.

198. In pursuit of these, we will begin preparations for the rapid deployment under-listed initiatives and reforms in 2021.

National Equipment Leasing Policy (NELP)

199. Mr. Speaker, in 2021 Government will formulate a national equipment leasing policy to cover medical equipment, vehicles, photocopiers, printers, and scanners among others as part of the measures to more efficiently manage our capital expenditure budget.

Transport Sector Recapitalisation Project (TSRP)

200. Mr. Speaker, we will also commence work towards the implementation of a long term Lease-To-Own financing arrangement for commercial vehicle owners and operators who need to replace aged and un-roadworthy commercial vehicles.

National Rental Assistance Scheme (NRAS)

201. Mr. Speaker, in partnership with the private sector, we will commence the establishment of a National Rental Assistance Scheme (NRAS), with a seed of GH¢100 million. The scheme will crowd-in additional investment from the private sector, to provide low-interest loans to eligible Ghanaians to enable them pay rent advance.

Enhanced Student Loan Scheme

202. Mr. Speaker, we will also commence the planning towards the implementation of the Enhanced Student Loan Scheme to provide students, with the exception of teacher and nurse trainees, an option to obtain a student loan without the requirement of a guarantor. The prospective student must have a National Identification Number from the GhanaCard.

SECTION 4: COVID-19 IMPACT AND MITIGATING MEASURES

203. Mr. Speaker, the COVID-19 pandemic that hit the entire world in 2020 has had a major impact on nearly every household, business, and economy in the world.

204. Anticipating that the consequences will be severe and persistent, Governments around the world have relied on a wide range of measures to support businesses and households. While these responses have been uneven across countries, they are unprecedented in their magnitude.

205. Mr. Speaker, in the 2020 Mid-Year Review and Supplementary Estimate, we presented the immediate impact of the pandemic on our economy and outlined robust responses to mitigate them. After a full year, we have a good sense of how devastating the impact has been on our economy.

Socio-Economic Impact on Ghana

Health Impact

206. Mr. Speaker, the direct health impact of the pandemic has been significant with very unfortunate fatalities. Infections rose from a weekly average of 11 persons in the last week of March, 2020 to a peak of 781 infections in the last week of July 2020. This was followed by a gradual decline in recorded infections which reached 104 cases in the last week of December, 2020.

207. However, a new wave of infections saw average weekly infections rise from 99 in the first of January, 2021 to 880 by the week of 5th February, 2021. Fortunately, we are seeing a steady decline on weekly average infections which stood at 379 by the week of 5th March, 2021.

208. Mr. Speaker, compared to many countries, Ghana has been rather successful in managing the COVID-19 outbreak. This success stems from the swift, proactive and bold response of the Government to the pandemic.

Economic Impact of the Pandemic

209. Mr. Speaker, the economic impact of this pandemic has been severe. COVID-19 struck at a time the economy was firmly on the path of fiscal consolidation. The initial restrictions implemented contained the virus and impacted the economy extensively. In addition to households and businesses, key sectors such as the hotel and hospitality industry, trade and industry, agriculture, health, transportation, manufacturing, real estates, financial as well as the education sectors have been negatively impacted.

210. Mr. Speaker, the **COVID-19 Business Tracker Survey** jointly published by the Ghana Statistical Service (GSS), the United Nations Development Programme (UNDP), and the World Bank suggests that about 770,000 workers (nearly 26% of the total workforce), had their wages reduced and about 42,000 employees were laid off during the partial lockdown last year. The pandemic also led to reduction in working hours for close to 700,000 workers.

211. Mr. Speaker, transport workers, drivers and conductors of tro-tros were particularly vulnerable as they work under informal settings, and do not have access to social safety nets. Formal operators also suffered serious financial constraints. Government in 2020 spent GH¢ 36,552,789 as operations and payroll support to Metro Mass Transit for March to December 2020 and supported the Intercity STC with an amount of GH¢6,338,232.77 as of January, 2021.

212. Mr. Speaker, COVID-19 has led to disruption in corporate and general business confidence, and affected projected revenues, profitability, liquidity and corporate growth. State-owned Enterprises (SOEs), most of who were severely impacted by this pandemic are expected to underperform.

Government's Mitigating Measures to the Pandemic

Health and Health-related Response

213. Mr. Speaker, Government's initial response to the health impacts of this pandemic was outlined in the National COVID-19 Emergency Preparedness and Response Plan (EPRP). The Plan helped to manage and contain the spread of the virus as well as strengthen the national capacity for surveillance, diagnosis, and case management.

214. Inspired by the significant successes from the implementation of the EPRP and considering the lasting impact of the pandemic within the medium-term, Government has prepared and rolled-out a more holistic plan dubbed 'National Strategic COVID-19 Response Plan: July 2020 - December 2024' (NSCRP).

215. Mr. Speaker, the NSCRP focuses on better case containment and management. It prioritises timely release of test results, sustains funding of isolation and quarantine facilities. This plan has helped to improve coordination among actors, enhanced motivation of health personnel and ensured continued provision of equipment and logistics including PPEs.

Economic and Social Measures

216. Mr. Speaker, Government implemented the Coronavirus Alleviation Programme (CAP) to address the socio-economic impact of this pandemic on households and businesses.

Support to Households

217. Mr. Speaker, as indicated previously, Government assisted businesses retain their workers and support families as they confronted the crisis. Government substantially subsidised the cost of electricity and water services from April to the end-December, 2020 and provided food rations to vulnerable groups during the partial lockdown.

218. Mr. Speaker, cognizant of the direct and immediate effect of restrictions on livelihoods of a section of our society, Government provided 1,827,581 and 917,142 cooked food packs to vulnerable and underprivileged persons within Accra and Kumasi respectively. In partnership with Faith-Based Organizations, Government also distributed dry food packages to about 470,000 families during the period of the partial lockdown.

219. Electricity consumption was subsidized. Government fully covered the consumption of the over 1 million lifeline customers and subsidised 50 percent of the consumption of all other customers for the period.

220. Mr. Speaker, through this initiative, over 10 million fellow Ghanaians benefited from free water supplied by Ghana Water Company Limited between April to December, 2020. The average monthly water supply of 9.24 million cubic metres increased by 43.21% to reach 13.23 million cubic metres. Furthermore, a total number of 474 small towns and 1,143 rural communities benefited from the free water provided by the Community Water and Sanitation Agency (CWSA).

221. Mr. Speaker, under the 'Operation Return Home' Programme Government assisted 10,025 Ghanaians whose circumstances had been worsened by the COVID-19 pandemic to return home. In doing so, we protected the lives and welfare of Ghanaian nationals abroad and promoted positive perception of the state of Ghana during these difficult times.

Support to Enterprises

222. Mr. Speaker, the launch and operationalisation of the GH¢750 million Coronavirus Alleviation Programme - Business Support Scheme (CAP-BuSS) has mitigated the impact of the pandemic on several Micro, Small and Medium-Sized Enterprises (MSMEs). Government, through the National Board for Small Scale Industries (NBSSI) collaborated with over eighty (80) Business Associations, and key

participating Financial Institutions (PFI's) to facilitate timely disbursement of the funds.

223. As at end December 2020, about GH¢412.88 million had been disbursed to support 277,511 businesses of which 69% were female-owned. The scheme has saved over 650,000 MSME jobs.

224. Mr. Speaker, as an off-shoot, the CAP-BuSS has created pathways to formalizing the large informal sector given that over 800,000 Tax Identification Numbers (TINs) were generated, and over 10,000 businesses registrations activated. CAP-BuS also enhanced financial inclusion as close to 60% of beneficiaries secured bank accounts for participating in the scheme.

225. Mr. Speaker, in the financial sector, the policy and regulatory measures rolled out by the Bank of Ghana including the provision of GH¢7 billion worth of support to borrowers (between March and June 2020) enhanced liquidity in the banking sector, preserved capital buffers, and offered relief to customers. These measures also enabled banks and specialised deposit-taking institutions to provide support to critical sectors of the economy to mitigate the adverse impact of the pandemic.

Education Measures

226. Mr. Speaker, in relation to the education sector, Government employed a strategic, controlled, progressive, and safe easing of restrictions to prioritise the well-being of our children. The re-opening of schools in January, 2021 was preceded with a comprehensive sanitisation programme, provision of 11.5 million hand sanitisers, 23 million face masks, 62,000 'veronica' buckets, 3.5 million packs of paper towels, and 85,000 liquid soaps to facilitate the safe return of students to schools. Considering the special needs of our kindergarten pupils, arrangements were made to provide 100,000 electronic sanitizer dispensers, 404,000 gallons of sanitizers and 30,000 thermometer guns for kindergartens.

COVID-19 NATIONAL TRUST FUND

227. Mr. Speaker, to leverage other resources to fight the pandemic, Government passed the COVID-19 National Trust Fund Act, (2020), Act 1013 in April, 2020 to establish the Fund. As at 31st December, 2020, the Fund had mobilised GH¢ 57,134,093.58 of which GH¢45,218,313.23 had been utilized.

228. These resources complemented Government efforts in providing PPEs and medical supplies to COVID-19 selected institutions, distribution of food items to the aged, vulnerable, and needy persons; providing vehicles to selected Treatment Centres, National Public Health & Reference Laboratories, Testing Centres, and the

COVID-19 Central Care Management Team. It also supported the construction of the National Infectious Disease Centre.

COVID-19 PRIVATE SECTOR FUND

229. Mr. Speaker, being together in this adversity, the Private Sector in Ghana swiftly organised and complemented Government's effort towards fighting the pandemic. As of December, 2020, the Fund had mobilized GH¢44,339,138.98 of which GH¢40,203,404.70 was invested in various activities including the construction of a 100-bed National Infectious Disease Centre in Accra.

SECTION 5: GHANACARES 'OBAATAN PA' Programme

230. Mr. Speaker, Government's strategy to build back stronger is contained in the Ghana COVID-19 Alleviation and Revitalization of Enterprises Support (GhanaCARES "Obaatan pa") Programme which was launched on 18th November, 2020. The GH¢100 billion programme which is by far the boldest and biggest economic recovery programme in the country's history enables us to address the challenges and also seize the opportunities created by COVID-19 for socio-economic transformation.

231. The "Obaatan pa" programme will over the next three years transform, revitalise and modernise our economy, and return it to high and sustained growth. The key projects under the CARES Programme include:

- a) supporting and attracting educated youth into commercial farming;
- b) building the country's light manufacturing sector targeting agro-processing and food import-substitution, pharmaceuticals and textiles & garments sub-sectors;
- c) developing engineering/machine tools and ICT/digital economy industries;
- d) fast tracking digitalisation;
- e) developing Ghana's housing & construction industry to support local construction companies to participate in the hospital construction programme under the Agenda 111+ scheme;
- f) establishing Ghana as a Regional Hub;
- g) reviewing and optimising the implementation of Government flagships and key programmes; and
- h) creating jobs for young people, and expanding opportunities for the vulnerable in society, including persons with disabilities.

231. Mr. Speaker, this year Government will embark on dedicated actions to operationalise the programme by establishing delivery units in the relevant MDAs with

clear milestones. We will partner the private sector, academia and other practitioners to facilitate and monitor implementation of the programme.

232. Mr. Speaker, our quest for transformation and higher manufacturing output under CARES will be complemented by sustained efforts on technical and vocational skills, mostly in the targeted sectors, while enhancing the collaboration between industry and managers of technical education. The Skills Development Partnership with the Faith-Based Organisations will catalyze the drive towards this objective.

SECTION 6: CONCLUSION

233. Mr. Speaker, this 2021 Budget is a landmark Budget. It recounts our experience in the most difficult combination of health and economic crises that this nation has ever encountered. The indicators clearly demonstrate that we have weathered the storm and are ready to storm ahead. This has been accomplished through the decisive leadership of H.E. Nana Addo Dankwa Akufo-Addo, the strong partnership with Parliament, the cooperation with our Faith-Based Organizations, our Social Partnership with Organised Labour and Employers' Association, the Private Sector, Healthcare workers, the Security agencies, Traditional Leaders, Civil Society Organizations, the Media and all Ghanaians, buttressed by the resilience we built in the first three years of the President's administration.

234. Mr. Speaker, the 2021 Budget outlines the President's programme for accelerated recovery from the devastating impact of the COVID-19 pandemic. It explains our plans to emerge stronger by pressing on with economic transformation, strengthening our social compact and building a sustainable future to create prosperity and equal opportunity for all.

235. As a Government, we have amply demonstrated our ability, resolve and determination to change the trajectory of our economy. While COVID-19 has been a major disruptive force, it has reinforced our conviction to transform our society and to do so with greater urgency. As Isaiah 9:10 says ***"The bricks are fallen down, but we will rebuild with hewn stones: the sycamores are cut down, but we will change them into cedars."***

236. Mr. Speaker, I want to reassure this august House and the people of Ghana that in 2021:

- ❖ We will return to a path of fiscal consolidation and sustained growth;
- ❖ We will continue to implement people-centered policies;
- ❖ We will continue and consolidate our major flagships to improve welfare;

- ❖ We will change the culture of uncompleted projects and finish what has been started;
- ❖ We will continue to invest in the real sector to drive growth;
- ❖ We will accelerate the industrialization and transformation of our economy and move away from the Guggisberg economy. We will prioritise support to the private sector and entrepreneurship to create jobs and improve incomes;
- ❖ We will make Ghana a hub for commerce, financial services and manufacturing to take full advantage of the AfCFTA, the world's largest free trade area;
- ❖ We will continue to invest in Science, Technology, Engineering and Mathematics (STEM) to support every aspect of our economy;
- ❖ We will continue the digitalization agenda to improve public service delivery and enhance revenue mobilization;
- ❖ We will prioritise the security and safety of our people;
- ❖ We will secure higher returns on our mineral resources by using innovative structures;
- ❖ We will aggressively and efficiently implement the GhanaCARES through well-structured delivery units; and
- ❖ We will seek to improve the health and well-being of our people and pursue a happier and WISER society as envisioned by our Ghana Beyond Aid agenda.

237. Mr. Speaker, all these can be accomplished if we stay focused, believe more in ourselves and work together with a common purpose. As I indicated earlier, implementing the vision we have set requires that we mobilise every resource, use them efficiently and also work harder to increase our productivity. We must accept that our country's ability to improve the standard of living of its citizens over time depends more on increasing productivity.

238. Mr. Speaker, with this budget, we are revitalizing the economy and resuming the transformation drive that was disrupted by COVID-19. We expect to accomplish this with the help of the Almighty God, the visionary and competent Leadership from our President, support from this august House, and the help of every Ghanaian.

239. Mr. Speaker, to our fellow Ghanaians, we urge you to take courage, persevere and keep faith with us. COVID-19 has been an adversity that makes us pause, think carefully, find answers, build and sustain relationships. We are still strong in this adversity. The strength of Ghana lies in the power of our people to persevere. The audacity of our faith in Ghana requires us to continue to share in the burden of developing our nation.

240. Mr. Speaker, before I resume my seat, allow me to express the gratitude of H.E. the President for the enormous support this august House has extended to him since taking office in 2017. The current composition of this House reflects the expectations of Ghanaians for both sides to work together. The realisation of the

Ghana Beyond Aid agenda will be attained by the debate of ideas and consensus building. It is my belief that the consideration of the 2021 Budget will reflect this guiding principle.

241. Mr. Speaker, in 2021, we will consolidate our gains, complete on-going projects and continue our flagship programmes.

242. Mr. Speaker, this Government believes that the Ghanaian state is a daring state, a resilient nation; the recent victory by the national under-20 football team, the Black Satellites, on Independence Day reminds us that when we are united in purpose, and work together as a team, we can do extraordinary things. Whiles we debate and may disagree on issues, we should always be united on the broad goal of advancing the welfare and progress of our people, principle beyond partisan politics in principle. There is more to us than we have so far realised. As the Lord said in Genesis 11:5 ***"If as one people speaking the same language they have begun to do this, then nothing they plan to do will be impossible for them"***.

243. Mr. Speaker, by this unity of purpose, we will stand as one people speaking one language of progress to unleash the energies of our people for social mobility and shared prosperity, as we take great strides to move our Nation forward. [Majority Leader may include Parliamentary prayer...on a beautiful Ghana]

244. Mr. Speaker, I present to you, the ***WON YA WO HIEE BUDGET!!***

245. Mr. Speaker I beg to move.