

2024 Ghana Budget Analysis

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About BudgIT Ghana

BudgIT Ghana is a civic technology organization that specializes in intersecting citizen engagement with technology to promote transparency and accountability in governance. As a pioneer in social advocacy melded with technology, BudgIT Ghana uses a range of technologies to simplify government budgets and matters of public spending for citizens to foster accountability and responsible governance. With a four-pronged focus on Budget Access, Tracka, Extractives, and Institutional Support, our methodology is to use the most refined data-mining skills to present data to citizens and empower them to demand better service delivery and good governance.

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Abbreviations/Acronyms

Acronyms	Meaning
GDP	Gross Domestic Product
GIFMIS	Ghana Integrated Financial Management Information System
ESL	Energy Sector Levies
IPPs	Independent Power Producers
Finsec	Financial Sector
CAPEX	Capital Expenditure
DGST	Domestic Goods and Services Taxes
VAT	Value Added Tax
GETFund	Ghana Education Trust Fund
SSNIT	Social Security and National Insurance Trust
1D1F	One District One Factory Programme
GH¢	Ghana Cedis
o/w	Over With—meaning a subtracted % of a main source
m	Million
bn	Billion
NAELP	National Alternative Employment and Livelihood Programme
AfCFTA	African Continental Free Trade Area
MDAs	Ministries, Departments and Agencies
FDI	Foreign Direct Investment
NHIL	National Health Insurance Levy
NHF	National Health Fund
IGFs	Internally Generated Funds
SDI	Special Development Initiative
IMF	International Monetary Fund
SDR	Special Drawing Rights
DDEP	Domestic Debt Exchange Program
PC-PEG	Post COVID-19 Program for Economic Growth
DDEP	Domestic Debt Exchange Programme



Pursuing Growth and Development Within a Stable Macroeconomic Environment: An Analysis of Ghana's 2024 Budget

The 2024 budget's theme is Pursuing Growth & Development Within a Stable Macroeconomic Environment, alias the “Nkunim” (Victory) Budget. It outlines the government's comprehensive strategy for achieving fiscal consolidation, sustainable economic growth, currency stability, and debt reduction within three years.

The 2024 budget prioritizes three key areas:

- 1. Macroeconomic Stability:** The government wants to establish a solid macroeconomic framework to control inflation and ensure the stability of the Ghanaian Cedi.
- 2. Economic Growth:** The government established a five-year strategic plan to promote exports and attract domestic and international investments. The government also plans to strengthen critical sectors like agriculture, industry, and tourism.
- 3. Debt Management and Recovery Efforts:** The government intends to complete its debt restructuring program to ensure long-term debt sustainability and address the existing challenges of abandoned projects and past inefficient spending. The budget highlights the government's plan to complete existing infrastructure projects (Livelihood Empowerment Against Poverty (LEAP) and PFJ 2.0) and streamline spending processes.

The Budget Size, Also Known As “Show Me the Money”

This year, the government anticipates spending GH¢226.7 billion, a 10.59% increase over 2023 (205.4 billion). Despite failing to meet its 2023 revenue target of GH¢79,091 million due to declining oil revenues, the government expects

revenue and grants to increase by 22.5%, reaching GH¢176.4 billion. The government will increase beer stamp duty and excise duty rates to meet its revenue targets and expand taxes based on a percentage value. They will also make it easier for the informal sector to pay taxes and promote domestic production.

The government expenditure stands at GH¢226.7 billion, with compensation accounting for the majority of that amount at GH¢63.7 million, interest payments coming in second at GH¢55.9 million, and goods and services receiving the least allocation at GH¢11 million. This year, the government allocated GH¢28.7 million to capital expenditures, which it will spend on long-term projects or assets.

Despite the expected revenue growth, there is an estimated deficit of GH¢50.1 billion, which is the balance to meet the 2024 budget obligations. The government will explore domestic and foreign financing sources to close the budget gap.

In alignment with the budget's theme, President Akufo-Addo's administration will continue to implement its 15-month growth strategy to foster inclusive growth and create opportunities for young people in Ghana through strategic investments in agriculture, aquaculture, trade and industry, digitalization and technology, tourism, and sports. The 2024 budget highlights vital government initiatives to increase food production, improve access to clean energy, sanitation, healthcare, education, and social programs, and promote local manufacturing.

Despite Ghana's current fiscal woes, the 2024 budget fails to address the existing public fund inefficiencies and high government costs. The number of ministries, lawmakers, and presidential

workers is disproportionate to the country's population size. For example, the 2024 budget proposed an allocation of GH¢ 2,074,827,160 to the Office of Government Machinery, a 47% increase over the previous year's proposed GH¢ 1,410,712,912. Similarly, Parliament has seen a 26% increase in allocation, totaling GH¢ 1,029,466,639. Due to the high cost of government, a significant portion of the national budget is spent on salaries and administrative costs. Inefficiency in the Ghanaian government has significant costs that can erode public trust and lead to subpar public service delivery.

With a heavy reliance on foreign financing, the government must ensure public funds are efficiently used to drive economic growth. It must also ensure that public debts are sustainable, maintain fiscal policies that catalyze growth, and ensure equitable rewards for Ghanaians. To stabilize its currency and improve Ghanaians' living standards, the government must first embrace transparency and accountability while also addressing underlying issues such as public sector inefficiency and corruption, which may result in unsustainable costs. Citizens must also get involved in demanding the equitable use of public funding for development, now more than ever

Ghana Macroeconomics Trend: Key Assumptions of the 2024 Budget Framework

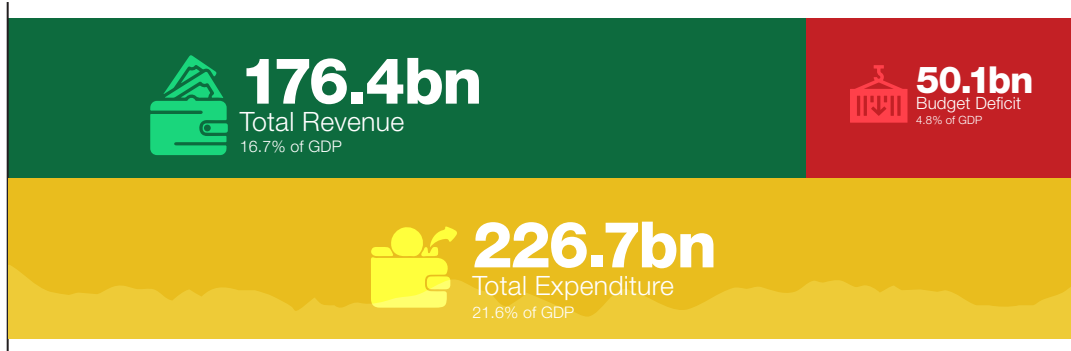
Ghana's GDP is expected to grow by 2.8% in 2024, the same as projected in 2023, but up from the 2023 outturn of 1.5%. The projected GDP growth rate of 2.8% is lower than the 3.1% projected global GDP growth rate for 2024. In 2024, non-oil GDP growth is expected to be 2.1%.

GDP growth is expected to average 4.3% per year between 2024 and 2027.



2024 Budget Components

Budget Summary

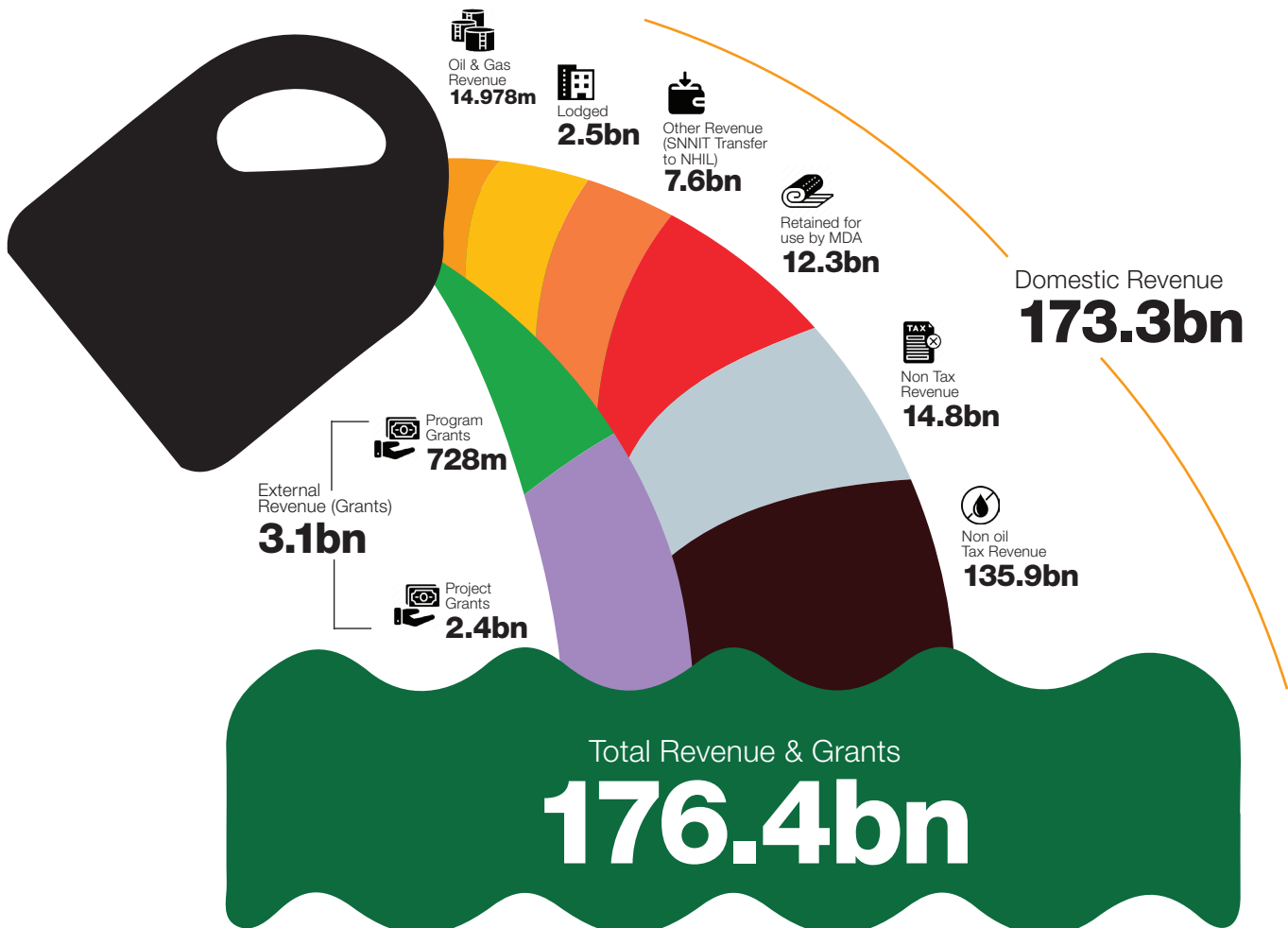


2024 Budget Revenue

Revenue refers to the total amount of money earned during a specific period. Ghana's national revenue is primarily made up of taxes, non-oil taxes, oil revenue, grants, and other payments. This year, the government expects to make a total of GH¢ 176.4 billion (16.8% of GDP).

Revenue Framework

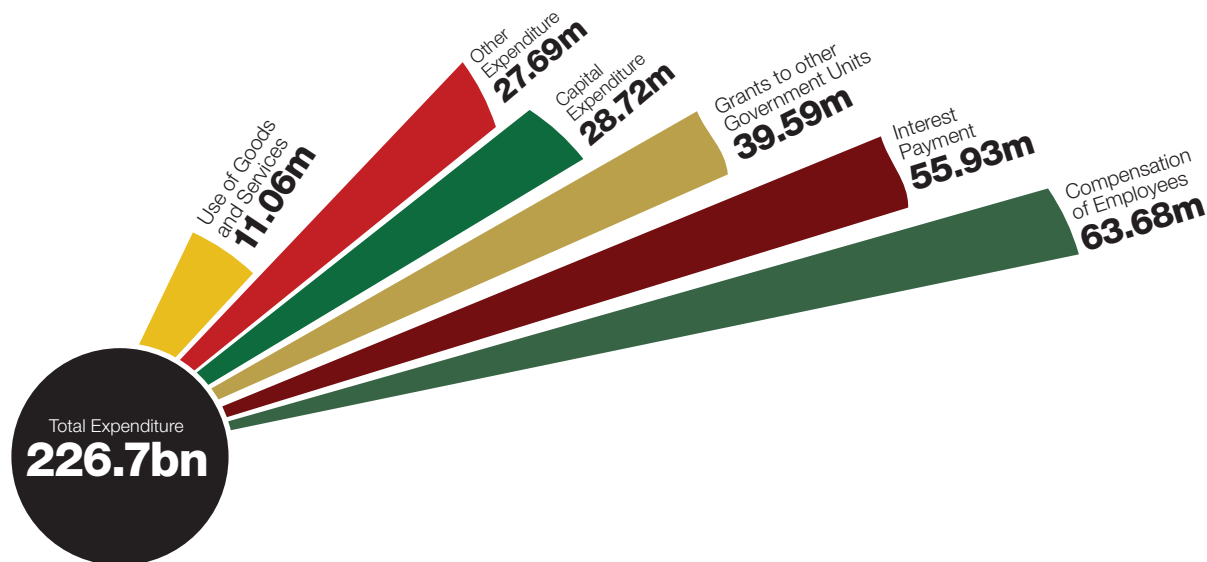
2024 Projected Revenue Budget



Government's Spending Priorities In 2024

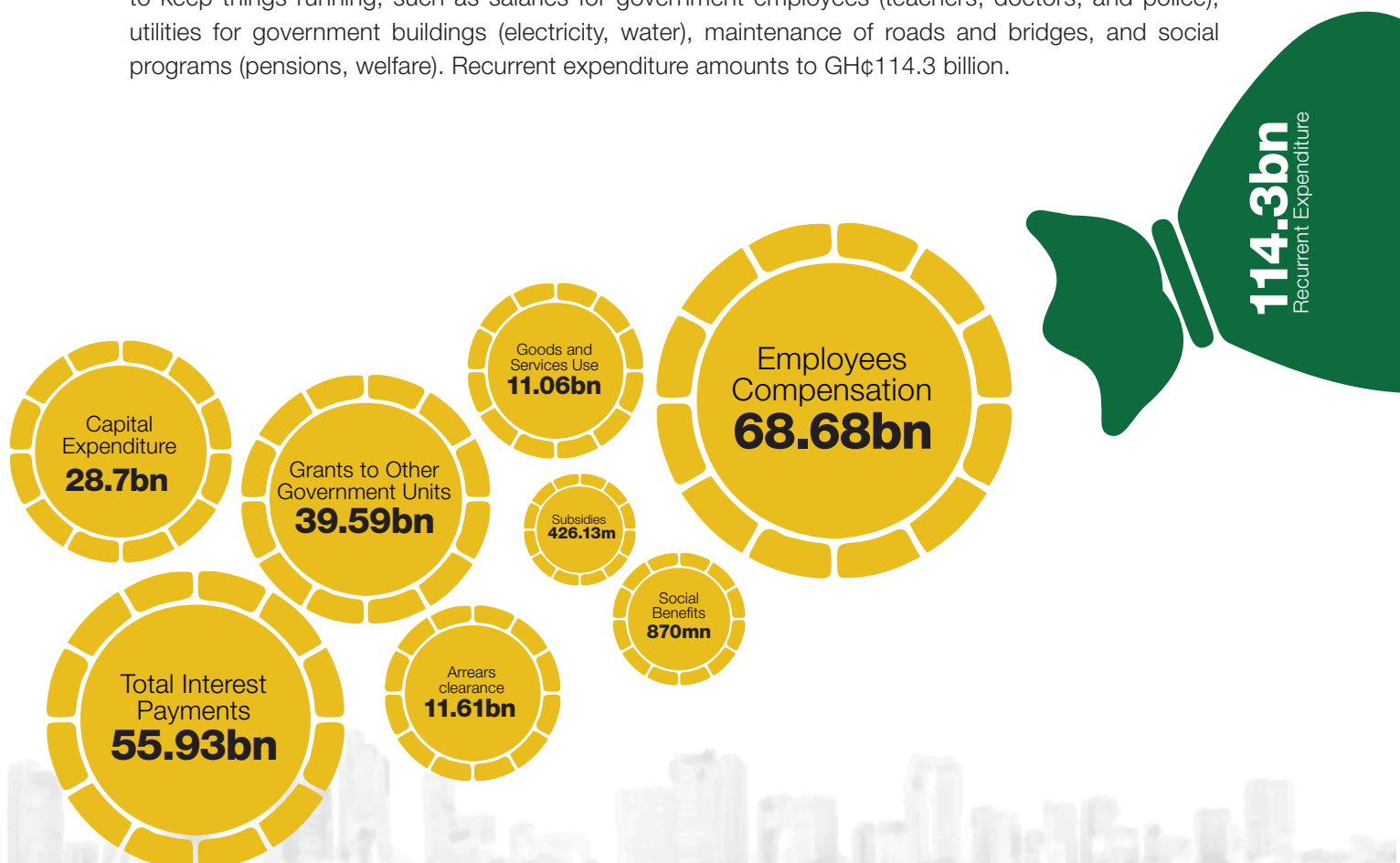
Expenditure Framework

2024 Provisional Budget



2024 Expenditure Budget

Recurrent expenditures are like everyday household expenses. It is the money the government spends to keep things running, such as salaries for government employees (teachers, doctors, and police), utilities for government buildings (electricity, water), maintenance of roads and bridges, and social programs (pensions, welfare). Recurrent expenditure amounts to GH¢114.3 billion.



Employees Compensation

Every year, the expected total expenditures have always been dominated by wages and salaries. This year won't be different, as it is anticipated to account for almost 28.1% of the total expenditure for 2024.

Subsidies and Social Benefits

Ghana's government is estimated to spend GH¢ 1.3bn on subsidies and social benefits, accounting for 0.6% of the country's total budget of GH¢226.7bn.

Grants to Other Government Units

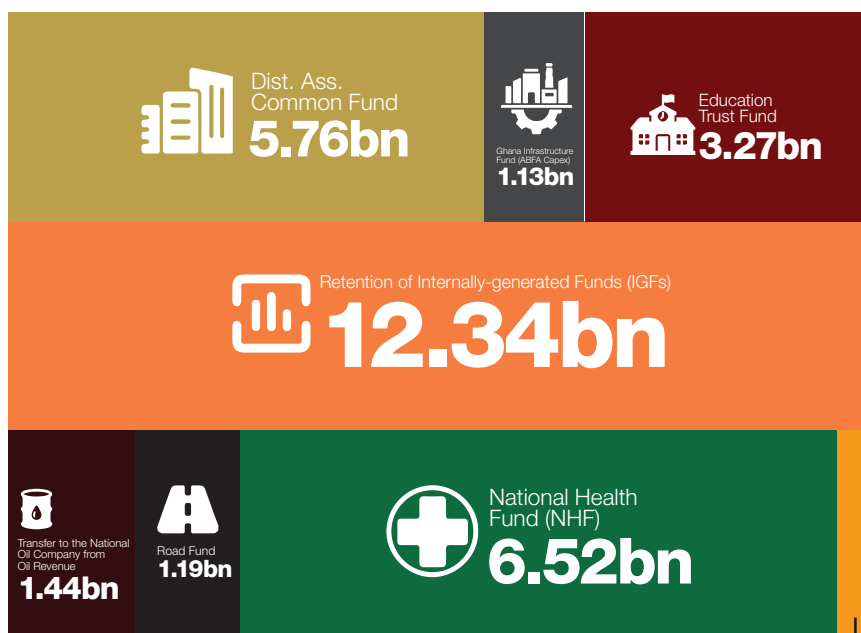
A grant to other government units is a monetary award made by a government authority to other government units for a worthy project. It includes statutory transfers and earmarked funds, amounting to GH¢ 39,597bn, which will be funded by 17.5% of the total expenditure of GH¢ 226.7 billion in 2024.

Statutory Transfers

These are sums of money given to government organizations that are legally required to receive funding from sources other than executive agencies. From the total expenditure of GH¢226.7 billion, 17.5% will be used to pay for statutory transfers totaling GH¢39,589 billion.

39.59bn

Statutory Transfers ▼



o/w ABFA
401.8m

Capital Expenditure

Capital expenditures are like savings or investments. It is money the government spends on long-term projects or assets, like building new schools or hospitals, upgrading infrastructure, roads, railways, airports, or buying new equipment for hospitals or schools. These investments are pivotal in fostering economic growth, improving public services, and promoting fairness across generations.

Capital expenditures are the most important aspect of the budget, as they are about building something new or improving what's already in place for the future benefit of the larger society. Proper allocation of capital expenditures in national budgets can greatly contribute to sustainable development, enhance citizens' welfare, and propel a nation toward long-term growth and prosperity. The Ghanaian government increased its capital spending budget from GH¢ 26,546,185,583 in 2023 to GH¢ 28,719,771,649 in 2024, representing a 2.87% surge in its provision for capital expenditure.

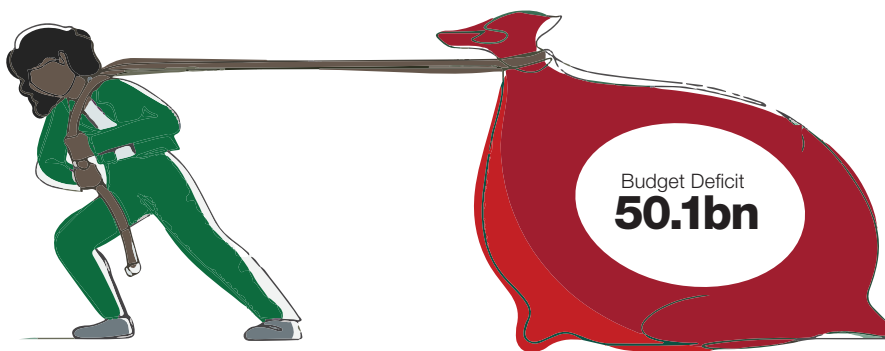
Debt Service Payments

A country's national debt comprises the total outstanding owed to creditors, comprising annual budget deficits and any offsetting surpluses. In 2024, total interest payments are projected at GH¢ 55.9 million.

Budget Deficit

A budget deficit occurs when a government's spending exceeds its revenue from taxes and other sources, excluding debt. The budget deficit dipped from GH¢ 61 billion to GH¢ 50.1 billion, representing a 21.76% decline from 2023. This decline will ensure the government intensifies internal revenue mobilization and eschews reckless spending.

Financing and Overall Balance

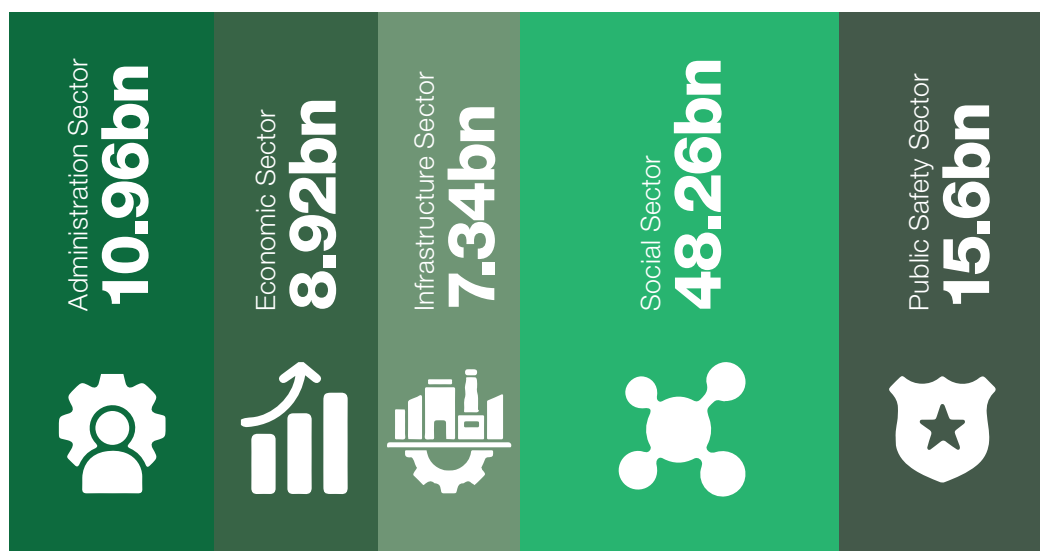


External Financing

The external financing resources for the budget in 2024 will be supported by funds from the IMF-Extended Credit Facility and World Bank Development Policy Objective (DPO).

Key Sectoral Allocations

Sectoral allocation shows how the government distributes resources across key sectors of the economy, such as administration, social services, the economy, infrastructure, and public safety. Through sector analysis, stakeholders, including citizens and investors, can gauge the anticipated performance of each sector.



Administration Sector	2023 (GH¢)	2024 (GH¢)	Change
Office of Government Machinery	1,410,712,912	2,074,827,164	47.08%
Office of the Head of Civil Service	50,229,759	58,415,102	16.30%
Parliament of Ghana	797,850,320	1,011,983,836	26.84%
Audit Service	608,699,240	633,740,507	4.11%
Public Services Commission	28,042,940	23,614,645	-15.79%
Electoral Commission	386,047,606	786,934,764	103.84%
Ministry of Foreign Affairs and Regional Integration	816,754,514	1,127,787,155	38.08%
Ministry of Finance	2,405,469,947	2,249,577,038	-6.48%
Ministry of Local Government, Decentralisation and Rural Development	2,074,323,448	2,606,741,905	25.67%
National Media Commission	9,200,970	23,542,520	155.87%
National Development Planning Commission	13,265,310	63,275,187	377.00%
Ministry of Information	141,464,328	267,798,909	89.30%
Right to Information Commission	18,085,132	22,890,222	26.57%
Ministry of Parliamentary Affairs	6,455,381	9,423,774	45.98%

Economic Sector	2023 (GH¢)	2024 (GH¢)	Change
Ministry of Food and Agriculture	2,153,234,369	3,020,653,634	40.28%
Ministry of Fisheries and Aquaculture Development	213,308,813	298,772,253	40.07%
Ministry of Lands and Natural Resources	1,350,964,580	1,734,758,575	28.41%
Ministry of Trade and Industry	587,214,053	1,021,060,398	73.88%
Ministry of Tourism, Arts and Culture	260,948,961	175,388,099	-32.79%
Ministry of Environment, Science, Tech and Innovation	615,430,060	1,173,985,819	90.76%
Ministry of Energy	917,458,745	1,499,754,383	63.47%

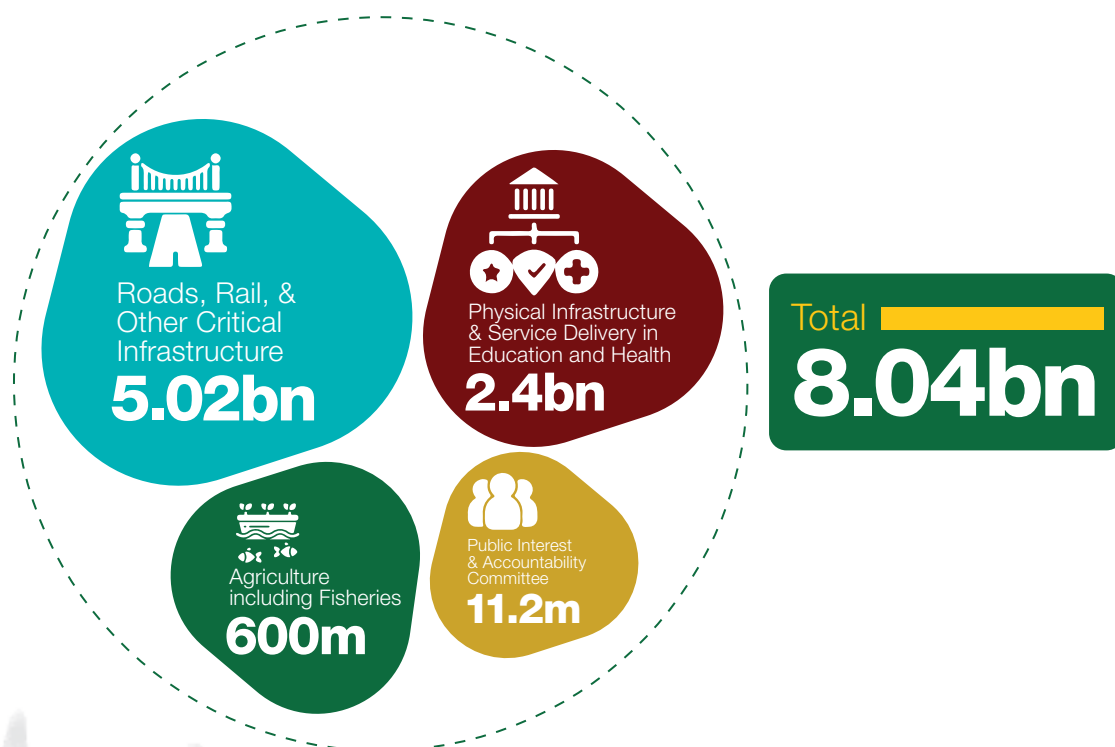
Infrastructure Sector	2023 (GH¢)	2024 (GH¢)	Change
Ministry of Sanitation and Water Resources	1,847,454,548	591,052,380	-68.01%
Ministry of Works and Housing	474,272,618	585,376,600	23.43%
Ministry of Roads and Highways	5,295,359,626	4,113,561,787	-22.32%
Ministry of Communications and Digitalisation	787,742,208	1,237,216,612	57.06%
Ministry of Railways Development	618,238,687	267,212,801	-56.78%
Ministry of Transport	1,226,619,067	550,032,705	-55.16%

Social Sector	2023 (GH¢)	2024 (GH¢)	Change
Ministry of Education	22,902,600,752	29,514,197,713	28.87%
Ministry of Employment and Labour Relations	76,699,342	191,041,070	149.08%
Ministry of Youth and Sports	395,723,261	195,795,973	-50.52%
National Commission for Civic Education	84,438,420	167,547,192	98.43%
Ministry of Health	15,284,915,255	15,577,237,279	1.91%
Ministry of Chieftaincy and Religious Affairs	44,980,080	71,008,416	57.87%
Ministry of Gender, Children and Social Protection	1,486,528,696	2,392,960,280	60.98%
National Labour Commission	8,618,360	21,021,668	143.92%

Public Safety Sector	2023 (GH¢)	2024 (GH¢)	Change
Office of the Attorney-General and Ministry of Justice	370,400,465	481,279,367	29.93%
Office of the Legal Aid Commission	21,465,196	33,424,217	55.71%
Ministry of Defence	3,742,913,487	3,891,151,856	3.96%
Commission on Human Rights and Administrative Justice	45,400,308	88,277,405	94.44%
Judicial Service	437,321,836	944,718,578	116.02%
Ministry of the Interior	5,619,566,342	8,378,262,940	49.09%
Ministry of National Security	1,093,121,513	1,636,239,088	49.69%
Office of the Special Prosecutor	129,549,380	149,005,669	15.02%
National Pensions Regulatory Authority	98,461,210	135,204,490	37.32%

Public Projects Highlighted in the 2024 Budget

Breakdown Of Projected Annual Budget Funding Amount (Abfa) Spending (Gh¢) – 2024



Key Sectoral Provisions For 2024

Agriculture

In 2024, the government plans to:



Facilitate the provision of 34,682MT of seeds—maize (7,500MT), rice (18,803MT), sorghum (350MT), soya (7,965MT), tomato (11MT), pepper (3MT) and onions (50MT), four million yam setts, 75 million plantain suckers, and three million cassava bundles to farmers as input credits



Continue the construction of small-earth dams at various stages of completion at Sunyeri, Tousal/Jeyiri, Tasundo, Gilang, Kpalbutabu, and Duadinyediga to serve as a flood mitigation measure and provide adequate water for domestic use and livestock watering



Develop 225ha of irrigable areas from nine irrigation sites in the Northern Regions



Supply 18.4-million-day-old chicks, 82,800MT of feed, and 55 million doses of poultry vaccines to 20 Anchor and 800 out-grower farmers, which is expected to yield 19,350MT of meat and increase national net production to 42,600MT



Support 11,000 vulnerable women with 14-week-old layer pullets, poultry feed, and poultry battery cages to increase their incomes for improved livelihood



72 youth will be trained and supported with cages, fingerlings, and feed to start production



The Anomabo Fisheries College will commence operations and offer proficiency, diploma and degree courses in fisheries for the first batch of 104 students from Ghana and the West Africa sub-region.

Key Sectoral Provisions For 2024

Energy



The government plans to distribute 150,000 LPG cookstoves to households and 2,500 commercial caterers.



Additionally, power support to the 1D1F programme and the Agenda 111 project will continue.

Works, Housing And Sanitation



The government plans to provide 42,000 onsite household toilets in low-income communities for a total estimated 252,000 beneficiaries in 24 and 16 Metropolitan and Municipal Assemblies in the Greater Accra and Ashanti Regions, respectively under the Greater Accra Metropolitan Area (GAMA) and Greater Kumasi Metropolitan Area (GKMA) Water and Sanitation Project to enhance access to improved sanitation and water supply in Greater Accra and Ashanti Regions.

Education



The Ghana Library Authority plans to extend Mobile Library Van outreach to 1,000 basic schools, enhance the digital literacy of 500 children, register 91,240 digital library users, and renovate more libraries.

Health

The Government wants to focus on completing ongoing projects, including:



Construction of a 100-bed ultramodern Urology and Nephrology Centre of Excellence at Korle Bu Teaching Hospital to facilitate provision of kidney transplantation services



Construction of 12 hospitals in Suame, Manso Nkwanta, Twedie, Drobonoso, Sabronum, Kwabeng, Achiasse, Jumapo, Adukrom, Nkwatia, Mim and Kpone Katamanso



Construction, remodeling, and refurbishment of Treatment and Holding Centres at Goaso, Nalerigu, Takoradi, and Sunyani.

Key Sectoral Provisions For 2024

Gender, Children And Social Protection

The Government wants to:



Continue to facilitate the disbursement of LEAP bi-monthly cash grants to beneficiaries



Continue and monitor the Ghana School Feeding Programme to provide meals and ensure the payment of caterers to enhance service delivery



Continue efforts to reunify and reintegrate children with their families and communities, placing children under adoption in accordance with national and international standards.

Trade and Industry



Four additional vehicle assembling plants will start operations, as well as two manufacturers of automotive components, parts and accessories.



An additional 152 1D1F factories are currently under construction and expected to be fully operational in 2024 and 2025.

