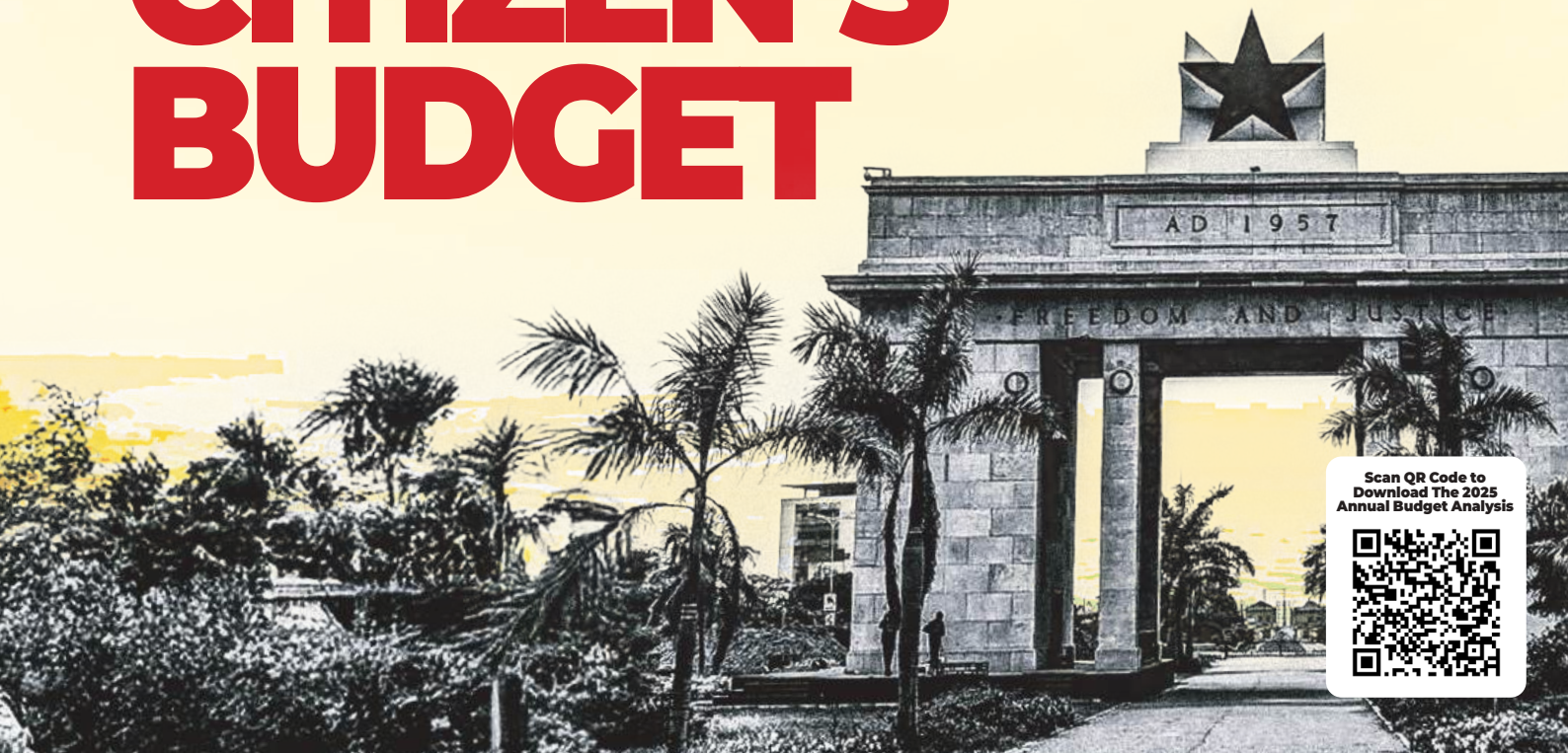


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CITIZEN'S BUDGET

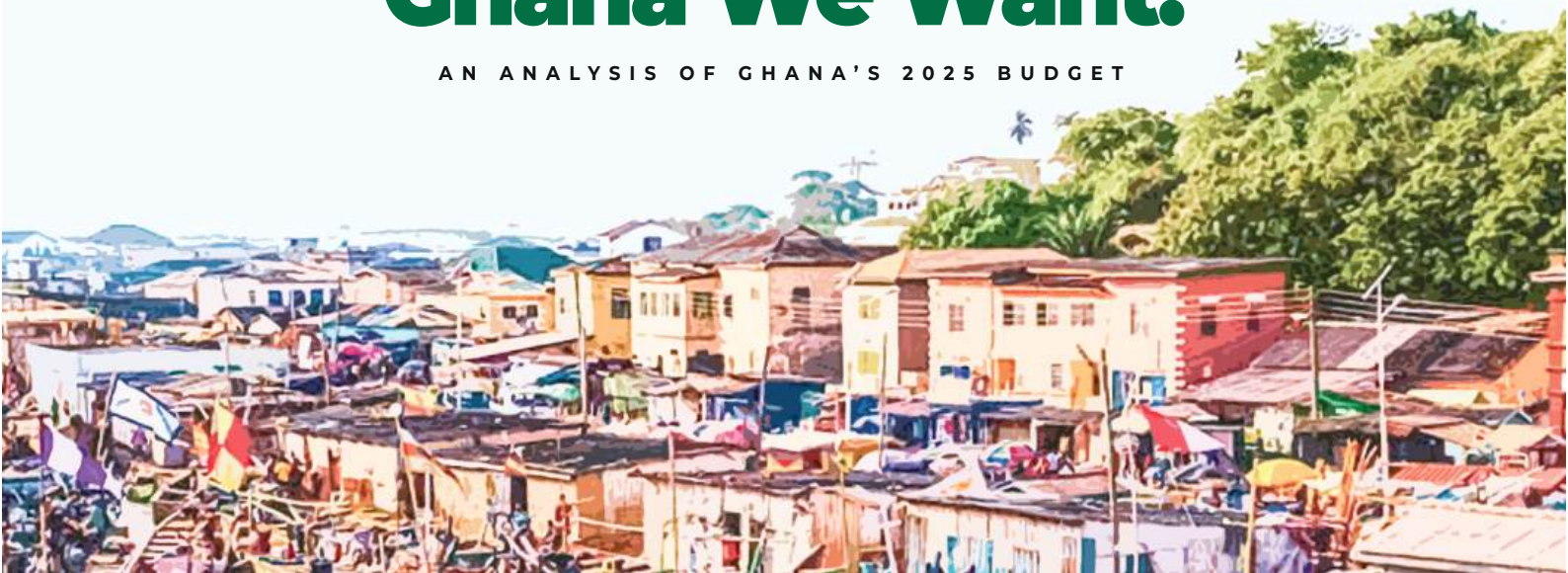


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Annual Budget Analysis



Resetting The Economy For The Ghana We Want.

AN ANALYSIS OF GHANA'S 2025 BUDGET



Introduction

This citizen's guide to Ghana's 2025 National Budget highlights and simplifies key provisions for citizens' understanding. It seeks to build an active community of informed citizens who will hold the government accountable and encourage participatory governance through the budgetary process. Our goal is to bridge the gap between citizens and the government by leveraging technology and innovation to drive good governance and increase efficiency across various sectors, ultimately improving the standard of living for all Ghanaians.



What is A Government's Budget?

A government budget is a financial roadmap that outlines how much money the government expects to collect (through taxes and other sources) and how it will be spent over a specific period, typically a year. This plan is critical to funding national priorities such as healthcare, education, and infrastructure. It is a comprehensive tool that

guides policy, promotes fiscal responsibility, fosters transparency, and contributes to economic stability and citizens' well-being. Understanding the government budget empowers citizens to participate actively in shaping their communities and holding their leaders accountable.



Government Budgeting Process In Ghana

The public budget process is typically divided into four stages:



PREPARATION



APPROVAL



IMPLEMENTATION



MONITORING

Budget preparation begins with the government issuing budget guidelines, which outline budget priorities and provide instructions for budget preparation for the current year. The government then receives and consolidates various expenditure requirements from ministries, departments, agencies, and local government authorities using the

expected revenue collection. Following preparation, the budget proposal is submitted to multiple stages for approval, including the Cabinet and then to Parliament. The government implements the budget once it has been approved. Monitoring and audits are then performed to ensure that there is no misappropriation.



Government's Focus For 2025

The theme for the 2025 Budget is **“Resetting the Economy for the Ghana We Want.”** The main objectives include macroeconomic stabilisation, restoring public confidence, job creation, and inclusive development.



Priority Areas of The Government

The government of Ghana will give priority to the following areas this year:

- 01** Launching the 24-Hour Economy initiative to boost employment and productivity.
- 02** Controlling inflation, restoring debt sustainability, and enhancing tax compliance.
- 03** Expanding social protection: LEAP, school feeding, and free healthcare
- 04** Improving education infrastructure and teacher support.
- 05** Enhancing healthcare access and digitisation of services.
- 06** Completing key roads, hospitals, and affordable housing projects.
- 07** Supporting youth employment and women's economic empowerment.

2025 Macroeconomic Targets

The government anticipates that this budget will bring about the following:

4.0% 

Overall GDP Growth: 4.0%
(down from 5.7% in 2024)

4.8%

Non-Oil GDP Growth: 4.8%

11.9% 

Inflation: Projected to
reduce from 23.8% to 11.9%

224.9bn

Revenue (Total):
GH¢224.9 billion (84%
from taxes)

Expenditure: Major
allocations to education,
health, infrastructure, debt
servicing, and social
protection.

4.1% 

Budget Deficit: 4.1% of GDP
(down from 5.2% in 2024)

36.98bn

Domestic Borrowing:
GH¢36.98 billion (65.9% of
financing)

Some Public Projects To Be Implemented In 2025

These are the projects that the government intends to implement this year, categorized by Sectors:



EDUCATION

There is a 33% increase in the School Feeding Programme.

The supply of sanitary pads for enabling girls' education and teacher allowances to rural areas.

Reinstate teacher and nursing training allowances.



HEALTH AND SOCIAL PROTECTION PROGRAM:

National Health Insurance Scheme (NHIS) allocation (free primary health care) for claims, vaccines, medicines, cancer treatment, etc.

The launch of the Medical Care Trust Fund to support cancer and Non-Communicable Diseases (NCD) treatment.

Better equipment and public health infrastructure



INFRASTRUCTURE

Upgrading priority national corridors and streamlining traffic within cities like the Accra-Kumasi bypasses, the Flowerpot flyover and the expansion of the Tema Motorway Roundabout

Completing and maintaining current road and bridge assets.



SOCIAL WELFARE & POVERTY ALLEVIATION

Free tertiary education for people with disabilities

Expanded school feeding to reduce poverty

Continued Livelihood Empowerment Against Poverty (LEAP) Program (Social Cash Transfers)



SECURITY AND DEFENSE

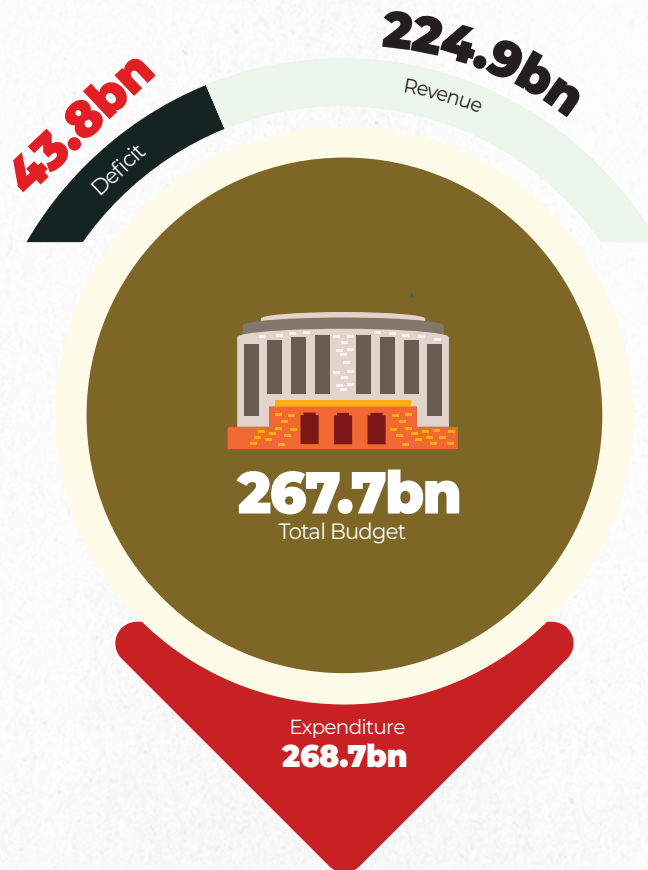
The Upgrade of the police, judicial services and digital systems.

Prioritisation of national ID systems.



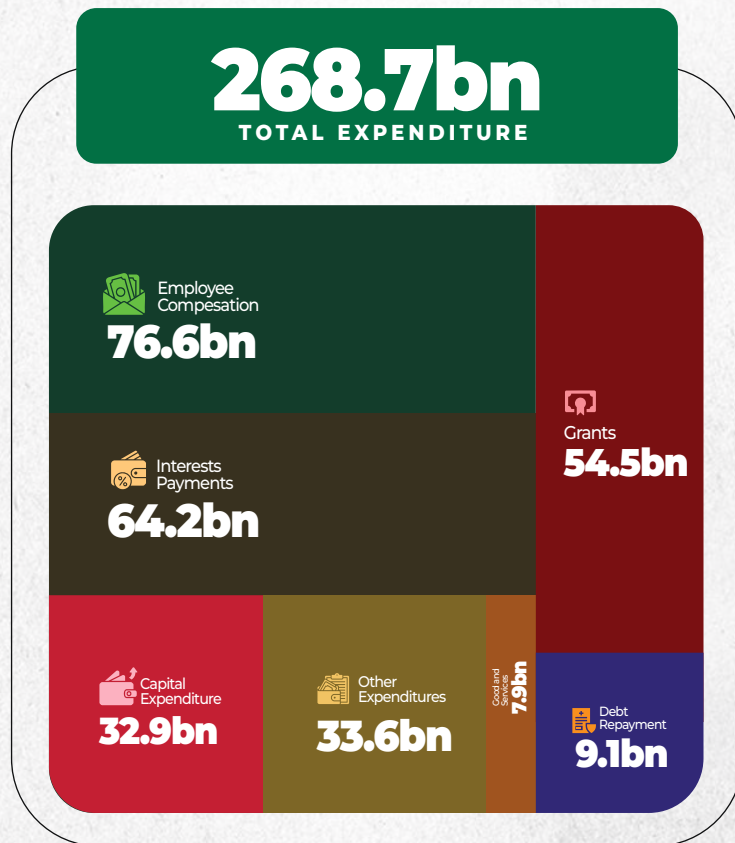
Visualizing The 2025 Budget





How Much Will The Government Spend In 2025?

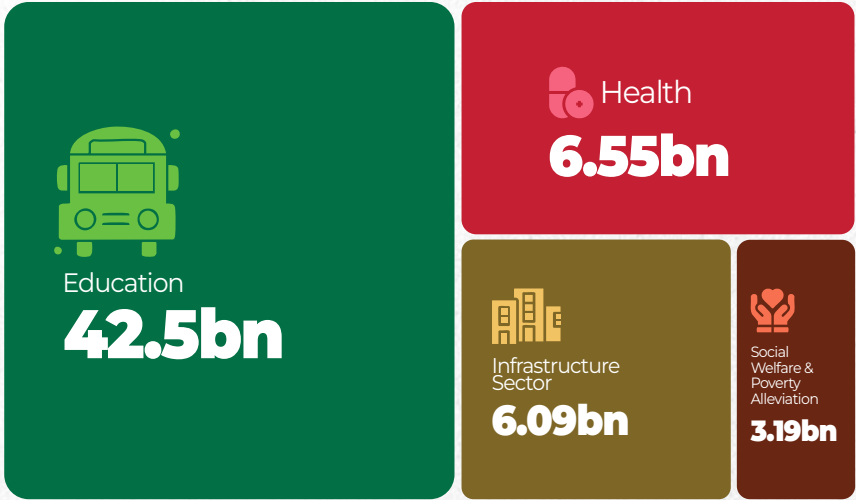
The government is expected to spend GH¢ 268.7 billion, representing 19.2% of GDP. This total amount covers all significant components of government spending, including employee compensation (GHS 76.6 billion), interest payments (GHS 64.2 billion), capital expenditure (GHS 32.9 billion), use of goods and services (GHS 6.97 billion), grants to other government units (GHS 54.5 billion), debt repayment (GHS 9.1 billion), and other expenditures (GHS 33.6 billion).





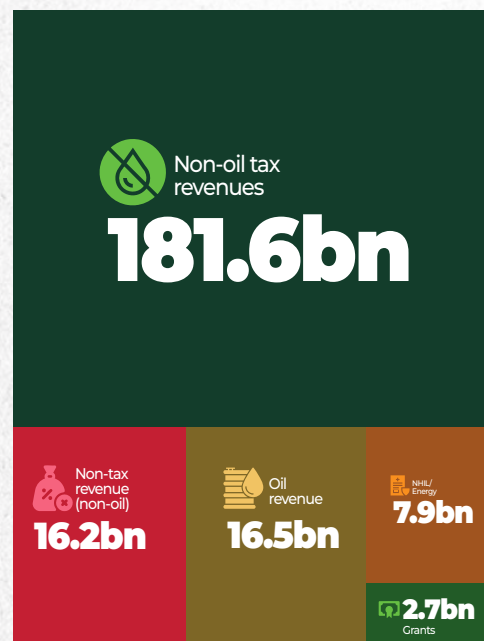
Sectoral Analysis of The 2025 Budget

Budgetary Allocations by Sector in 2025



Where Will This Money Come From?

The government intends to raise a total revenue of GH¢224.9 billion in 2025 from its internal and external income streams. About GH¢181.6 billion, representing 80.7% of the total revenues, is expected to come from non-oil tax revenues. Non-tax revenue (non-oil) is expected to yield GH¢16.2 billion, representing about 7.3 % of domestic revenue, while total oil and gas receipts are projected at GH¢16.5 billion. Other revenue, comprising Social Security and National Insurance Trust (SSNIT) transfers to National Health Insurance Levy (NHIL) and Energy Sector Levy (ESL), will amount to GH¢7.9 billion, and grants from external partners are projected at GH¢2.7 billion, representing 1.2% of total revenue and grants.



The Expenditure Figure Seems To Be Greater Than The Revenue Figure

Indeed, the expenditure surpasses the projected revenue by GH¢43.8 Billion, indicating a revenue shortfall, which is referred to as a budget deficit.

How Then Will The Government Finance The Deficit?

To finance the 2025 deficit of GHS 43.8 billion, the Government of Ghana will depend on domestic and foreign borrowing. The Government will raise GHS 21.4 billion from external sources, including the International Monetary Fund (IMF) and World Bank, and GHS 36.8 billion domestically, most of which will be through treasury bills, while undertaking fiscal reforms to improve revenue mobilisation and control expenditure.

How Does Borrowing Affect The Citizens

The government's reliance on borrowing to finance the 2025 budget deficit has significant implications for citizens.

- Increased debt servicing will consume a larger share of national revenue, potentially reducing funding for essential services like health, education, and infrastructure.
- To cover repayments, the government may levy or increase taxes, raising the cost of living.
- Heavy domestic borrowing can also increase inflation and limit credit availability to the private sector, potentially slowing job creation and economic growth.
- Additionally, dependence on foreign loans may pressure the cedi, leading to currency depreciation and higher import prices.
- In the long term, persistent borrowing could necessitate austerity measures, such as spending cuts and reduced social support, which would directly affect citizens' livelihoods.

How Can Citizens Participate In Budget Decision-Making?

To participate in the budget decision-making process;



Citizens should also attend public hearings or budget forums organised by the government or CSOs.



Citizens should follow government news and announcements related to the budget.



Citizens should use social media platforms to raise awareness about budget issues, share information, and mobilise others to take action.



Citizens should utilise advocacy groups and platforms to express their views and concerns about the budget.



During elections, research candidates' positions on budgeting and public finance. Vote for those prioritizing transparency, citizen participation, and a budget that reflects the community's needs.

