



GHANA

Ghana 2023 Budget Performance Report



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for BudgIT Ghana



1.0

Introduction: Navigating Economic Headwinds

Ghana faced a challenging year in 2023, grappling with the economic aftershocks of global and local pressures from 2022. The 2023 Budget, titled 'Restoring and Sustaining Macroeconomic Stability and Resilience for Inclusive Growth & Value Addition,' was the government's response, built on a seven-point agenda centered on securing an IMF program and managing public debt. At BudgIT Ghana, we believe that informed citizens are critical to a healthy democracy. This report simplifies the 2023 financial year's budget performance, comparing planned versus actual outcomes to hold our government accountable and empower every Ghanaian.

The year 2023 was a difficult one for Ghana, characterised by attempts to stabilise the economy after massive global and local pressures in 2022. The 2023 Budget, which was themed "Restoring and Sustaining Macroeconomic Stability and Resilience for Inclusive Growth & Value Addition," sought to respond to these difficulties with a seven-point agenda that included revenue mobilisation, expenditure control, enhancing local production and cushioning vulnerable groups. Central to this plan was securing an IMF programme and public debt management.

As BudgIT Ghana, we believe it is essential that all citizens are aware of how our government is utilising public funds. This report, therefore, breaks down Ghana's 2023 financial year budget performance, comparing the planned versus actual performance.

2.0 Economic Performance in 2023

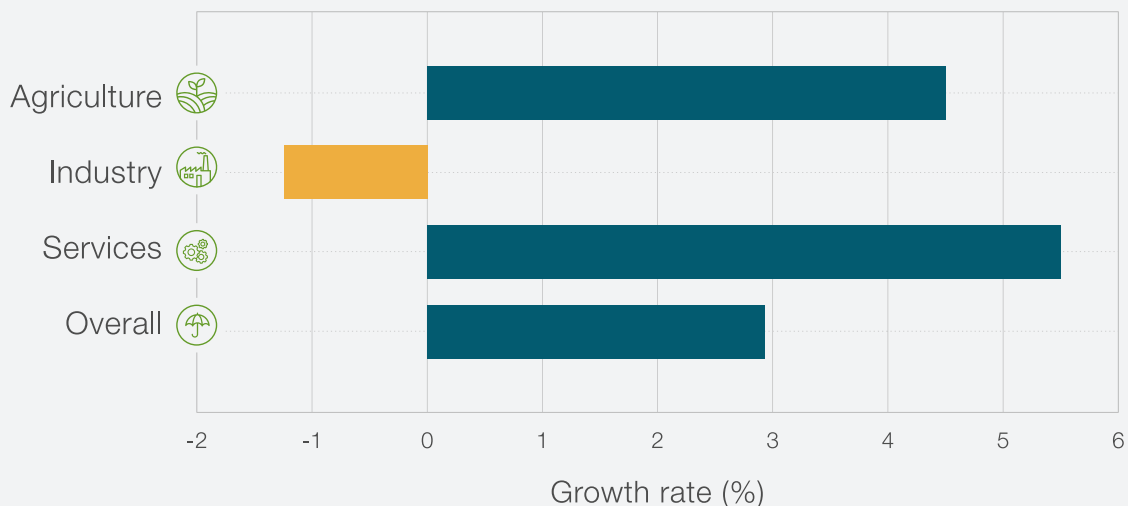
Ghana's economy showed signs of recovery in 2023, exceeding some initial growth projections despite ongoing challenges.

- **Economic growth (GDP):** The economy grew by 2.9% in 2023, slightly above the revised target

of 1.5%. Non-oil GDP growth was also strong at 3.3%. This growth was mainly driven by the Services sector (5.5% growth) and Agriculture (4.5% growth). However, the Industry sector saw a contraction of 1.2%.

FIGURE 2.1

Real GDP Growth by Sector (2023)



Source: Ministry of Finance, 2023 Annual Budget Performance Report

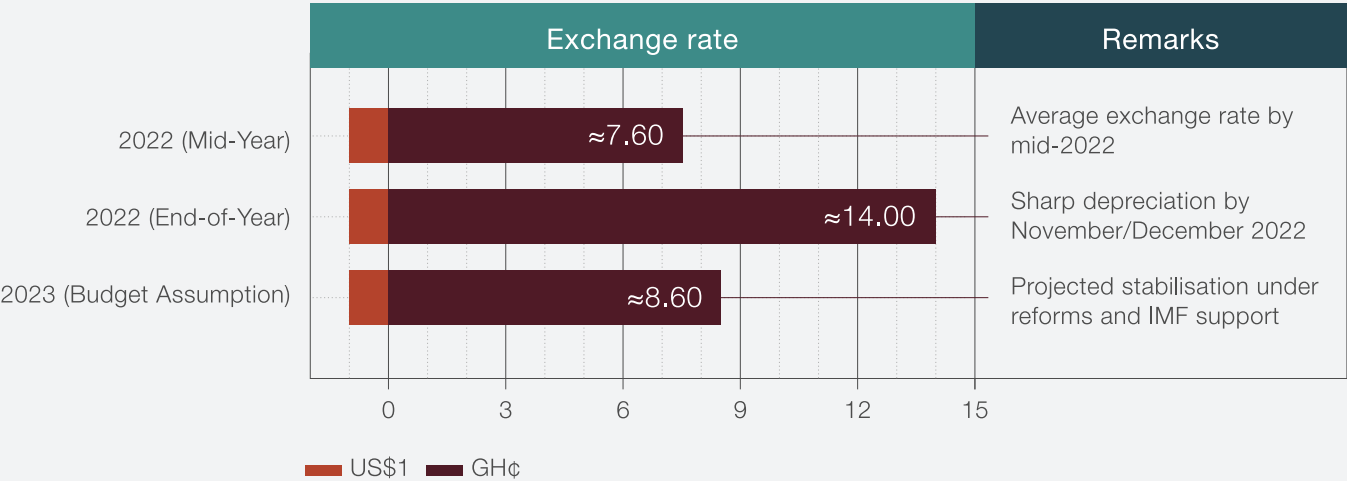
The agriculture and services sectors were the main drivers of the overall GDP increase, which was more than anticipated. This indicates that both sectors have remained resilient in the face of economic difficulties. The industry sector’s slowdown emphasises the necessity of sectoral interventions to boost investment and growth, both of which are essential for creating jobs and adding value.

- **Inflation:** One of the key achievements was the decline in year-on-year headline inflation, which declined from 54.1% in December 2022 to 23.2% in December 2023. Food inflation,

even though still at high levels, also declined. This occurred due to a steadier Cedi, tight monetary policies, and measures taken to control government spending.

- **Exchange rate:** The Ghanaian Cedi depreciated against the major currencies of the world [US Dollar (27.8%), Pound Sterling (30.2%), Euro (26.2%)] in 2023; however, this depreciation was at a reduced rate relative to the 2022 fiscal year which recorded the depreciation of the Ghana Cedi by 30.0% against the US dollar, 23.5% against the Pound Sterling and 26.6% against the Euro.

FIGURE 2.2 Exchange rates

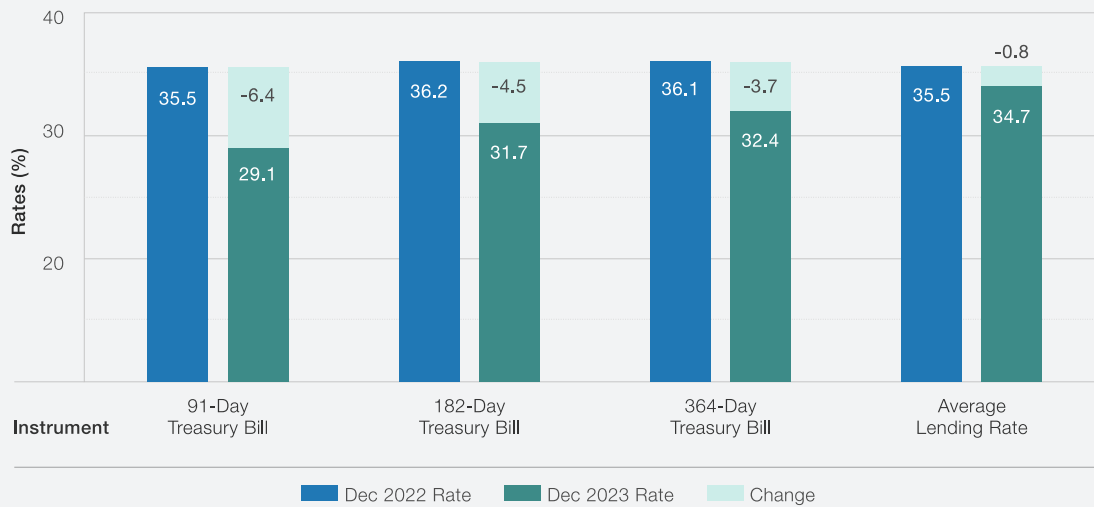


Source: 2023 Budget Statement and Economic Policy

- **Interest rates:** Treasury bill rates generally decreased, indicating some easing of the cost of borrowing, although average lending rates dropped by a relatively small amount.

FIGURE 2.3

Interest rates



Source: 2023 Budget Statement and Economic Policy

3.0

Government Finances: Revenue, Spending, and Debt

3.1

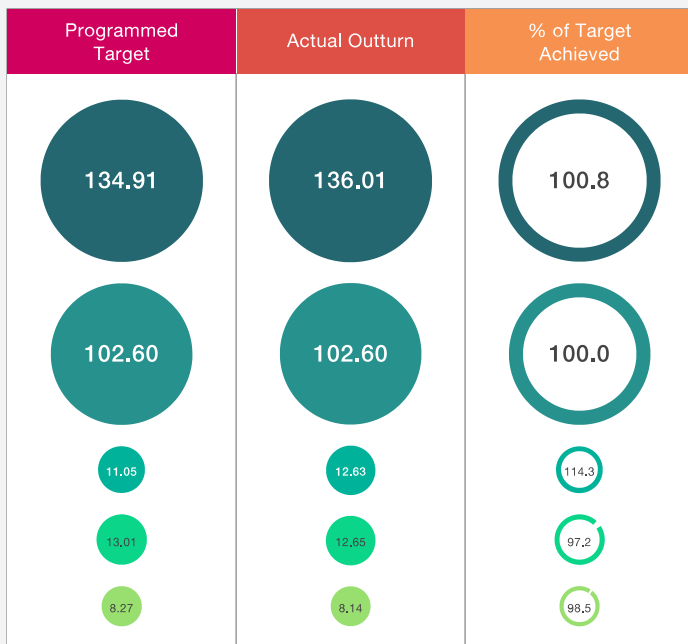
Revenue Performance

The Government of Ghana's efforts to raise money in 2023 were successful overall, with a projected sum of GH¢134.9 million and an actual sum of GH¢136 million (15.9% of GDP).

- Total Revenue & Grants:** Ghana attained GH¢136,011 million, exceeding the revised target of GH¢134,913 million. This represents a record 40.7% higher than in 2022.
- Non-Oil Tax Revenue:** This revenue, which includes income taxes, goods and services tax, and foreign trade tax, was overall in line with targets at GH¢102,597 million. Corporate Income Tax, E-Levy, and Mineral Royalties collections were able to off set shortfalls elsewhere.
- Oil & Gas Receipts:** Oil and gas revenue also exceeded the target by recording GH¢12,625 million, primarily due to favourable prices and volumes.

FIGURE 3.1.1

Summary of Revenue and Grants Performance (GH¢ Million)



Source: Ministry of Finance, 2023 Annual Budget Performance Report

The slight over-performance in total revenue and grants, particularly from revenues on oil and gas, reflects efficient mobilisation of revenues and good commodity prices. Maintaining non-oil tax revenue at the target is crucial for sustainable public finances and reduced reliance on volatile oil revenues and foreign grants, and financial stability.

3.2

Expenditure Report

On the expenditure front, the government managed to keep its spending within the budgeted limits.

- **Total Expenditure (Commitment):** The total spending at the end of the 2023 fiscal year amounted to GH¢167,514 million, representing 19.9% of GDP, which is 8.9% lower than the projected expenditure of GH¢183,864 million. This indicates a stronger effort towards expenditure rationalisation.

- **Key Spending Areas:** The key areas that the government channelled its spending efforts in the 2023 fiscal year were:
 - **Compensation of Employees (Wages & Salaries):** Spent GH¢50,808 million, slightly below target.
 - **Use of Goods and Services:** Spent GH¢8,446 million, also below target due to rationalisation measures.

- Interest Payments: Amounted to GH¢ 29,348 million, significantly below target, largely due to the impact of the Domestic Debt Exchange Programme (DDEP).
- Capital Expenditure (CAPEX): Total CAPEX was GH¢21,111 million, slightly above target, mainly driven by foreign-financed projects.

FIGURE 3.2.1

Summary of Expenditure Performance (GH¢ Million)



Source: Ministry of Finance, 2023 Annual Budget Performance Report

Ghana's 2023 fiscal-year expenditure performance paints a mixed picture of fiscal restraint, prioritised expenditures, and emerging risks. Total spending amounted to GH¢167.5 billion, roughly GH¢ 16.35 billion (91.1% of the target) below the

plan, pointing to either expenditure discipline or implementation challenges. Employee compensation was almost fully executed at 97.8%, pointing to payroll obligations being honoured and personnel expenses being contained with discipline.

Spending on goods and services amounted to only 84.4%, pointing to potential cost-cutting, procurement bottlenecks, or restraint in operational expenditures. The biggest savings were in interest payments, which were 71.8% of the target, GH¢ 11.54 billion less than planned, due to debt restructuring, postponed

payments, and IMF-supported debt sustainability efforts, providing some temporary financial relief. Grants to other government units (99.9%) and social benefits (99.5%) were nearly fully met, pointing to prioritisation of statutory transfers and social protection amidst economic adversity.



Discretionary “other spending” was reduced more sharply, reaching only 72.9% of the target. Capital expenditure was highest, at 104.2% of target, reflecting accelerated infrastructure projects, frontloaded development expenditure, or the use of donor/concessional finance. These patterns have major implications: positively, reduced debt service charges have brought a temporary relief from budgetary pressures, capital Spending may stimulate growth and employment, while maintaining social expenditures helps promote social stability. Nevertheless, there are risks since

interest savings may be temporary if debt standstills are associated with them, under-investments in operating expenses may exacerbate public services delivery, and CAPEX overruns, if not adequately funded, may test debt sustainability. With implementation overall falling short of the target, perhaps because of cash flow constraints, revenue shortfalls, or fiscal consolidation policy, Ghana’s budget implementation shows cautious balancing among consolidation, development priorities, and social protection but will depend heavily on revenue mobilisation and the successful restructuring of debt.

3.3

Budget Balance and Financing

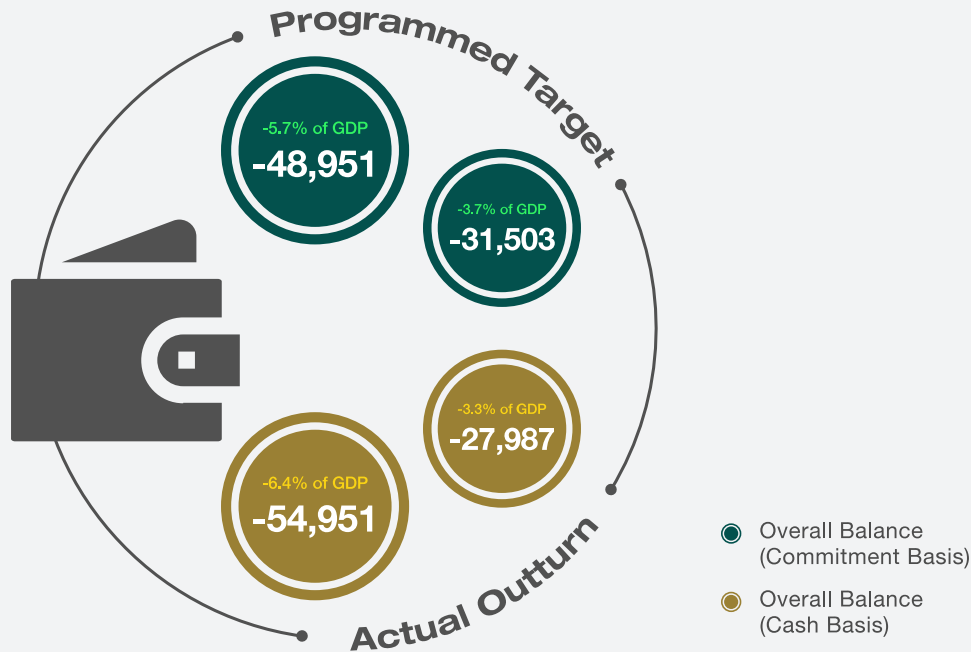
The fiscal performance in 2023 showed a notable improvement in the budget deficit.

- **Overall Budget Deficit (Commitment Basis):** The deficit was GH¢31,503 million (3.7% of GDP), a significant improvement compared to the target of GH¢48,951 million (5.7% of GDP).

- **Overall Budget Deficit (Cash Basis):** The deficit was GH¢27,987 million (3.3% of GDP), much lower than the target of GH¢54,951 million (6.4% of GDP) and a substantial reduction from the 10.6% of GDP recorded in 2022.
- **Financing:** The cash deficit was financed through a combination of domestic and foreign sources.



FIGURE 3.3.1 Overall Budget Balance (GH¢ Million and % of GDP)



Source: Ministry of Finance, 2023 Annual Budget Performance Report

Ghana's fiscal balance performance in 2023 outperforms budget targets, reflecting both the effects of fiscal consolidation and potential timing differences between revenue and expenditure. Ghana's fiscal balance performance during 2023 shows significant improvement relative to budget targets, reflecting both the effects of fiscal consolidation and possible timing differences between revenue and expenditure. On a commitment basis, the total deficit was GH¢ 31.50 billion, below the programmed GH¢ 48.95 billion, reducing the gap by GH¢ 17.45 billion and lowering the deficit-to-GDP ratio from the planned -5.7% to -3.7%. On a cash basis, the deficit was GH¢ 27.99 billion, compared to the target

of GH¢ 54.95 billion, exceeding the target by GH¢ 26.96 billion, and decreasing the cash-based deficit ratio from -6.4% to -3.3%. These results indicate better-than-expected fiscal outcomes, likely due to restrained spending, particularly on interest payments and goods/ services, as well as improved debt servicing terms under restructuring agreements. The higher cash basis outcome relative to the commitment basis may reflect delayed payments or the accumulation of arrears, shifting some of the budgetary costs to future periods.

Although the reduced deficits lessen short-term financing pressures, improve debt sustainability and

boost fiscal credibility, they also raise concerns about long-term sustainability if these gains are primarily driven by one-off debt relief measures or delayed payments.

Maintaining these improvements will depend on sustained revenue mobilisation, prudent expenditure management, and avoiding the buildup of arrears.

3.4

Public Debt: A Continued Challenge

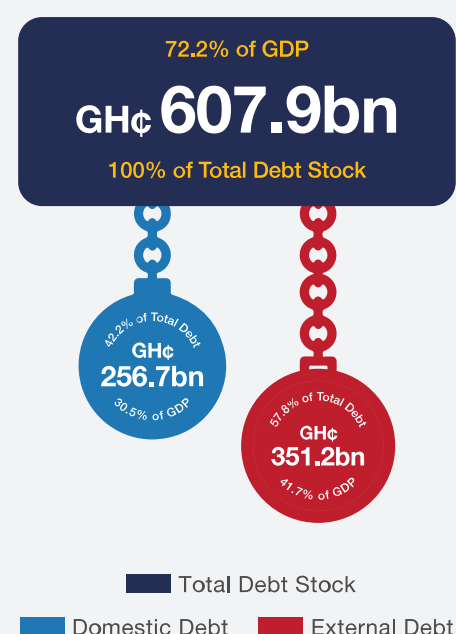
Ghana's public debt remained a significant concern in 2023.

- **Total Public Debt (End-December 2023):** The provisional total gross public debt stood at GH¢607.9 billion (US\$52.2 billion), representing approximately 72.2% of GDP.
- **Composition:** Domestic debt accounted for GH¢256.7 billion (30.5% of GDP), while external debt was GH¢351.2 billion (41.7% of GDP). The share of domestic debt in total public debt decreased, while external debt increased due to exchange rate depreciation.

Ghana's public debt stock as of the end of the 2023 fiscal year was GH¢ 607.9 billion, corresponding to 72.2% of GDP, which underscores the scale of the country's fiscal and debt sustainability challenge. Domestic debt stood at GH¢ 256.7 billion, or 42.2% of total debt and 30.5% of GDP, while external debt was higher at GH¢ 351.2 billion, or 57.8% of total debt and 41.7% of GDP. The larger share of external debt underscores Ghana's vulnerability to exchange rate volatility and global interest rate movements, while the large

FIGURE 3.4.1

Public Debt Stock (End-December 2023)



Source: Ministry of Finance, 2023 Annual Budget Performance Report

domestic debt stock reflects the heavy reliance on the local financial system for government financing, which crowds out private sector credit. Well above 70% of GDP, the debt level is far in excess of sustainability benchmarks, which means that even with the temporary relief from ongoing debt restructuring, Ghana's fiscal space is narrow. The high share of external debt also means that

debt sustainability will require not only domestic fiscal discipline but also successful renegotiation with bilateral, multilateral, and commercial creditors. Without sustained primary surpluses,

strong revenue growth and prudent borrowing, debt service pressures can re-emerge and potentially reverse the short-term gains of the 2023 fiscal consolidation effort.

4.0 Ministries, Departments and Agencies Financial Performance

In the 2023 fiscal year, several MDAs posted sound performance, with others performing better than their budgeted spending levels. The Ministry of Roads and Highways had one of the highest execution rates, particularly in the area of capital expenditure, due to continuous and accelerated infrastructure programs. Similarly, both the Ministry of Education and the Ministry of Health had high rates of implementation in compensation, goods and services, and capital expenditure, primarily due to the fact that these categories were protected in the budget because they are socially and developmentally important. The strong performances by these governments can be attributed to sustained government priority, external donor commitment to financing, and the essential role of their services, which diminished the likelihood of budget cuts.

Conversely, there were some MDAs that performed below par.

The Ministry of Railway Development and the Ministry of Tourism, Arts and Culture had poor implementation levels, particularly in capital expenditure, due to delayed projects, procurement challenges and possible funding inadequacies. The Ministry of Sanitation and Water Resources also lagged behind goods and services and capital expenditure, which reflects implementation constraints and cash flow issues. Weak execution in some cases has been linked to excessively optimistic budgeting against insufficiently comparable funding certainty, and bureaucratic and procurement delays that stifled timely resource usage.

The implications for the economy are notable. High-performing MDAs in infrastructure, education, and health contribute directly to growth, human capital development, and service delivery, supporting long-term economic resilience.









However, underperforming sectors such as sanitation, tourism, and railways represent missed opportunities for job creation, industrial diversification, and environmental improvement. Persistent under-execution in these areas can slow down sectoral transformation, reduce investor confidence, and undermine the

achievement of medium-term development goals.

Going forward, addressing funding reliability, improving procurement efficiency, and strengthening project management will be essential to ensure that budget allocations translate effectively into tangible outcomes.

FIGURE 4.1

2023 MDA Budget Performance Summary

	Programmed Expenditure	Actual Expenditure	Completion status	Remarks
 Ministry of Roads and Highways	Gh¢ 8.95bn	Gh¢ 9.13bn	102.0%	Overshot target due to accelerated infrastructure works and donor project inflows.
 Ministry of Education	Gh¢ 17.63bn	Gh¢ 17.52bn	99.4%	Maintained high execution due to protected social sector funding.
 Ministry of Health	Gh¢ 14.84bn	Gh¢ 14.70bn	99.0%	Strong performance driven by essential service prioritisation
 Ministry of Railway Development	Gh¢ 1.11bn	Gh¢ 0.63bn	56.8%	Project delays and funding constraints.
 Ministry of Tourism, Arts and Culture	Gh¢ 0.82bn	Gh¢ 0.46bn	56.1%	Weak capital project implementation and funding shortfalls.
 Ministry of Sanitation and Water Resources	Gh¢ 2.27bn	Gh¢ 1.49bn	65.7%	Implementation bottlenecks and delayed procurement processes.
 Ministry of Energy	Gh¢ 5.43bn	Gh¢ 5.20bn	95.7%	Near full execution; stable sector financing.
 Ministry of Defence	Gh¢ 4.85bn	Gh¢ 4.78bn	98.5%	Consistent execution due to security priorities.

Source: Ministry of Finance, 2023 Annual Budget Performance Report



5.0

Progress on Flagship Programs and Key Initiatives

Despite economic challenges, the government continued to implement its flagship programs, which are central to its economic growth and development agenda.



Ghana School Feeding Programme (GSFP): Provided daily hot meals to over 3.8 million pupils in public basic schools, employing over 32,000 caterers and cooks.



Microfinance and Small Loans Centre (MASLOC): Disbursed over GH¢18.9 million to nearly 18,000 clients and distributed various equipment (sewing machines, hair dryers).



One District One Factory (1D1F):

Expanded significantly, with 169 projects now operational (up from 126 in 2022), creating over 169,000 jobs. An additional 152 projects are under construction.



Ghana Export Promotion Authority (GEPA):

Supported farmers with pineapple suckers and coconut seedlings, aided 5,000 cassava farmers (creating 15,700 jobs), and provided training and financial support to over 140,000 Micro, Small, and Medium Enterprises (MSMEs).



Free SHS Programme: Continued to provide free secondary education to over 1.3 million students.



Livelihood Empowerment Against Poverty (LEAP): Provided cash grants to over 350,000 extremely poor households, with support indexed against inflation.



National Alternative Employment and Livelihood Programme (NAELP):

Reclaimed and reforested 645 hectares of degraded land, creating over 2,300 direct jobs and supporting the nursing of 20 million seedlings.



Infrastructure Development:

Progress was made on coastal protection projects (Dansoman, Anomabo, Elmina Phase III), drainage improvement works (301 out of 312 desilting contracts completed), and housing projects (Security Services Housing, Kpone Affordable Housing).



Railway Development: The Tema to Mpakadan railway line was 98% complete, and significant progress was made on sections of the Western Railway Line.



Digitalisation Drive: The Ghana.gov platform onboarded over 1,500 MDAs and MMDAs, generating GH¢164.766

billion in revenue since its inception. The National Identification Authority (NIA) registered over 423,000 new citizens and issued nearly 400,000 Ghana cards in 2023.



YouStart Initiative: Trained over 23,000 beneficiaries to help address youth unemployment.



Zongo Development Fund:

Completed four astro turfs, installed 398 streetlights, completed two classroom blocks, and installed eight mechanised water systems in Zongo communities.

6.0 Conclusion

Ghana's 2023 budget performance demonstrates a year of careful yet methodical budgetary management aimed at preserving key sectors and stabilising the economy. With the help of robust non-oil tax performance and robust oil and gas receipts, revenue mobilisation slightly surpassed the programmed goals. While interest payments dropped significantly as a result of debt restructuring procedures, overall spending was kept within budget ceilings, with resources given priority to social protection, statutory transfers, and employee remuneration. Capital expenditure, mostly due to increased infrastructure investment, marginally exceeded forecasts.

The fiscal deficit narrowed significantly on both commitment and cash bases, easing short-term financing pressures and enhancing fiscal credibility,

although the reliance on temporary debt relief and possible arrears accumulation signals underlying risks. Public debt remains elevated at over 72% of GDP, with a heavy external debt burden heightening exposure to exchange rate volatility and global financial conditions. The performance of MDAs was mixed, as sectors such as roads, education, and health delivered strong execution, while railways, tourism, and sanitation lagged due to funding gaps and implementation delays, reflecting uneven capacity across government. These outcomes point to notable progress in consolidation and priority spending but underscore the urgency of sustaining revenue growth, improving expenditure efficiency, and accelerating structural reforms to ensure that fiscal stability translates into broad-based, inclusive, and sustainable economic growth.