

MID-YEAR FISCAL POLICY REVIEW OF THE BUDGET
STATEMENT AND ECONOMIC POLICY OF THE GOVERNMENT OF
GHANA

29TH JULY 2021

CHAPTER 1: INTRODUCTION

1. Right Honourable Speaker, Honourable Members of Parliament, on the authority of His Excellency, President Nana Addo Dankwa Akufo-Addo, I beg to move that this august House approve the Mid-Year Fiscal Policy Review of the Budget Statement and Economic Policy of the Government of Ghana for the 2021 Financial Year, which I present today, 29th July 2021.

2. Mr. Speaker, I am performing this function in fulfilment of section 28 of the Public Financial Management Act, 2016 (Act 921).

3. Mr. Speaker, this statement is an abridged version of the Mid-Year Fiscal Policy Review of the Budget Statement and Economic Policy of the Government of Ghana for the 2021 Financial Year. I respectfully request that the entire Mid-Year Fiscal Policy Review of the 2021 Budget is captured in the Hansard.

4. Mr. Speaker, in December 2020, the people of Ghana renewed their confidence in the President for another four-year term. Let me take this opportunity to thank His Excellency the President for the confidence he retains in the Ministry of Finance Team, and for the privilege and opportunity to continue in this national service of managing the economy and our public finances for another four years. I also wish to extend my deepest gratitude to Hon. Osei Kyei-Mensah-Bonsu for the outstanding delivery of the 2021 Budget Statement and Economic Policy of Government in March.

5. Mr. Speaker, I want to personally thank you for your noble and wise leadership over this unique composition of this 8th Parliament and to assure you that Government will continue to work with you and this House to deliver on the priority needs of the people.

6. Again, permit me to express my heartfelt gratitude to this august House for your patience and forbearance in postponing my vetting and subsequent approval, giving me time to recuperate. I recognise the historic nature of this second term, and as indicated at my vetting, I commit to ensuring the protection of the public purse and the transformation of the economy.

7. Mr. Speaker, it is my hope that the spirit of partnership that guided our work with the previous Parliament will continue to define our collaboration over this second term for the collective good of the nation.

8. Mr. Speaker, it is difficult to attempt to normalise the catastrophe that has befallen the world. The devastating impact of the COVID-19 pandemic on lives and the global economy is widely acknowledged. The grim statistics are that over 196 million people have been infected by the virus, 4.19 million dead, and over US\$15 trillion spent. In Ghana, we join in mourning with the 823 families who have lost loved ones and pray for the recovery of those afflicted.

9. The COVID-19 induced global recession has been the deepest since the end of World War II, 76 years ago. The global economy contracted by 3.3 percent in 2020, a 6.7 percent decline relative to the 3.4 percent growth forecast by the IMF back in October 2019. Growth in Sub-Saharan Africa was -1.9 percent.

10. From the very first day that the novel coronavirus arrived here in Ghana in March 2020, the Government of President Nana Addo Dankwa Akufo-Addo recognised the dire consequences that it would have on our economy, particularly on jobs, and on our ability to raise revenues to meet both the cost of managing the pandemic and Government's regular spending obligations. If I may quote from the President's address on 27th March, 2020, where he underlined the challenge and the approach:

- "Should the virus continue to linger for the rest of the year, the effects on our economy would be dire. However, as we have demonstrated over the course of the last three years, where we inherited an economy that was growing at 3.4% and transformed it

into one which has grown by an average of 7% over the last three (3) years, **I assure you that we know what to do to bring back our economy back to life. What we do not know how to do is to bring people back to life. We will, therefore, protect people's lives, then their livelihoods."**

11. Mr. Speaker, therefore, the hardships that COVID-19 pandemic visited on people's lives, the stress on parents, the frustrations of young people, the negative impact on businesses, for both employers and employees, the worsening of the unemployment situation, the effect on the public debt and the stress on revenue mobilization, was unprecedented but expected. Indeed, no country in the world had prepared for the crisis that unfolded.

12. Leadership, was, therefore, assessed by the measures that individual countries and their respective leaders took to deal with the crisis. Here in Ghana, we took responsible, innovative, decisive and bold actions to tackle the crisis.

13. That is why, a year ago, on Thursday, 23rd July, 2020, I came before this House to present what I called "an extraordinary **Mid-Year Fiscal Policy Review of the 2020 Budget Statement and Economic Policy**", and secured more funds to provide an immediate and appropriate response to the severe economic impact of the pandemic. In addition, the **2021 Expenditure-in-Advance-of-Appropriation** presented to this House on 28th October, 2020, saw to the uninterrupted delivery of Government business in the first quarter of this year; and, the on-going implementation of the **2021 Budget and Economic Policy** of Friday, 12th March, is driving the revitalising the economy in line with our theme of **Completion, Consolidation** and **Continuity**.

14. With these approvals, we intervened with timely measures to help, particularly, households, schools, hospitals and businesses withstand the impact of the pandemic. Government provided direct transfers to households through food distribution and absorption of water and electricity bills. Tax waivers to frontline health workers and stimulus packages to small and medium-scale enterprises were also provided.

15. Mr. Speaker, these interventions stabilised the situation, protected lives, supported businesses and preserved jobs which would otherwise have been lost. In fact, although the workload from the public sector had to be reduced in many cases, all through this COVID crisis, Government has never once embarked on any programme of laying off workers. Rather, we have continued to pay all workers and even proceeded to employ more in some critical areas such as Security and Health services.

16. Mr. Speaker, let me use this opportunity to thank Organised Labour and Employers for their role in concluding wage negotiation with Government in May. The negotiations were marked by a shared understanding of the state of the economy, that we cannot share what we do not have; a collective will to improve productivity, raise more revenue and ensure decent wages in the years to come.

17. Mr. Speaker, as a result of our competent management of the crisis situation, Ghana's economy has outperformed its peers, recovering faster. After recording negative growth in the second and third quarters of 2020, the economy rebounded strongly in the last quarter of the year, continuing well into the first quarter of 2021.

18. The Ghana Statistical Service reports that overall GDP growth for first quarter 2021 was 3.1 percent. The growth was even better excluding oil at 4.6 percent. The Bank of Ghana Composite Index of Economic Activity (CIEA) attests to the strong growth recovery, with the index growing at **33.1 percent at the end of May 2021** compared to a contraction of **10.23 percent at the end of May 2020**.

19. Mr. Speaker, on inflation, we are witnessing one of the lowest numbers on record in about two years. Inflation, which, at the height of the pandemic, hovered around **11.8 percent**, dropped to **7.5 percent in May 2021** before inching up slightly to 7.8 percent in June. The Bank of Ghana will continue to implement appropriate monetary policy to maintain inflation rate within the target of 8⁺-2 percent.

20. The cedi has been relatively stable in the past four years, and maintained its stability even in this pandemic year. For the first time in

the Fourth Republic, the exchange rate did not see a spike after an election year. Cumulatively, from the beginning of the year to date, the exchange rate has depreciated by 0.6 percent against the US Dollar and appreciating by 3.6 percent against the Euro. This stability is expected to continue as we move towards the close of the year.

21. The relatively strong performance of the external sector led to an increase in the reserves position to US\$11.0 billion, equivalent to 5.0 months of imports, one of the highest on record. This compares well with a reserved position of US\$9.2 billion, equivalent to 4.3 months imports cover, in the corresponding period last year.

22. Mr. Speaker, we are managing the finances of the country with discipline and competence. The fiscal operations for the period January to June 2021 indicate that the overall budget deficit was GH¢22.32 billion, equivalent to 5.1 percent of GDP. The corresponding primary balance for the period was a deficit of GH¢7.3 billion, equivalent to 1.7 percent of GDP, against a target deficit of GH¢4,797 or 1.1% of GDP. 23. We will continue to pursue our fiscal consolidation agenda to ensure that we remain within the appropriation given by this House.

24. Mr. Speaker, I would like to note that notwithstanding our elevated debt levels as a result of COVID-19, our inflation rate is lower than it was in 2016, our interest rates are lower than they were in 2016, our exchange rate is more stable than it was in 2016, our foreign exchange reserves are much higher than they were in 2016, and we did not have to lay off any workers, nor cancel teacher and nursing training allowance. Furthermore, we did not go to the IMF for a bailout programme, neither have we built an interchange for the price of three. This is because we have managed the economy much better than it was managed up to 2016. Let us not forget.

25. On the back of these and other deliberate policies, our country has attracted more foreign direct investments in the midst of the pandemic. As of end-June 2021, total FDI into the country was valued at US\$954.2 million, indicating an increase of 71.2 percent from US\$ 557.2 million recorded over the same period last year.

26. Mr. Speaker, the strong rebound in growth, the low inflation rates, the stable currency, the strong reserve position and FDI flows are clear indicators of economic recovery. Indeed, the strategic investments we collectively made in building strong economic fundamentals in the three years prior to this pandemic as well as the subsequent speed, scope and scale of our socio-economic response to the pandemic is fueling our recovery.

27. Mr. Speaker, I stand before this august House today to assure the nation that our transformation agenda is very much on course. However, with COVID-19 still with us, it is important to stress that this recovery is only the beginning; a beginning that requires our collective sense of responsibility and action as citizens to guide, protect and participate in the recovery efforts.

28. Mr. Speaker, this Mid-Year Fiscal Policy Review that I am presenting does not come with a supplementary budget, and our revised fiscal framework for 2021 is kept within the fiscal target of 9.5 percent of GDP. We are staying within the 2021 Appropriation.

29. Respectfully, Mr. Speaker, let me repeat. I am not here today to ask for more money. I have not come to ask for more taxes. I have come to update the House on the performance of the economy for the first half-year of 2021 and our plans for the unexpired term of the year, consistent with section 28 of the PFM Act.

30. One of the serious impacts of the COVID-19 pandemic has been the loss of jobs, which has exacerbated the unemployment problem, particularly among the youth. As such, Government is ready with a comprehensive programme to tackle this intractable problem. The goal is to create employment opportunities for a million of our young people over the next two and a half years by igniting a high spirit of entrepreneurship. We will count on the support of this august House.

31. Our focus on taxes is to collect what is due the Republic. To this end, we are building a robust framework to expand Domestic Revenue Mobilisation to focus on compliance and enforcement nationwide. We

have established the **Revenue Assurance and Compliance Enforcement (RACE)**. The remit of RACE is to identify and eliminate revenue leakages in areas such as petroleum bunkering, gold and minerals export, port operations, transit goods, warehousing, border controls and free zones operations, to name but a few.

32. Mr. Speaker, I will now present an assessment of the programmes we have and continue to implement in line with our strategy for **Completion, Consolidation and Continuity** which is the theme for the 2021 Budget and Economic Policy. These programmes address the concerns of our fellow Ghanaians, especially our youth and demonstrate our commitment to create sustainable and inclusive opportunities for all.

33. Mr. Speaker, in fulfilment of our **Completion** pledge, we have completed a number of projects and activities including but not limited to:

- a. the four-tier interchange at Pokuase, the first of its kind in West Africa, to ease travel constraints and enhance our productivity;
- b. the 85-bed Central Gonja District Hospital, located in Buipe, to improve access to quality healthcare;
- c. key strategic factories to provide jobs and accelerate our industrialisation agenda, including the:
 - new factory of Premium Foods Limited, at Ejisu in the Ashanti Region, one of the leading agribusinesses in Ghana;
 - Nano Foods Limited, a pineapple juice processing factory at Nsawam;
 - Phase I of B5 Plus steel plant in Larpleku in Ningo-Prampram, which when fully completed will become the biggest steel factory in West Africa;
 - Toyota Tsusho Vehicle Assembly Plant, in Tema;
- d. successfully securing the removal of Ghana from the Financial Action Task Force (FATF) grey-list which has enhanced access to global markets and finance for our businesses; and

- e. the signing of seven (7) Implementation Compacts under the Ghana CARES 'Obaatanpa' programme (GhanaCARES).
34. Mr. Speaker, towards **Consolidating** the gains made, we have, amongst others:
- a. pursued prudent macro-fiscal policies that puts us back on track to restore economic stability and growth;
 - b. fostered a resilient financial ecosystem, under GhanaCARES, by establishing the building blocks for stronger and catalytic collaboration between institutions such as Ghana Incentive-based and Risk Sharing Scheme for Agricultural Lending (GIRSAL), Ghana Commodity Exchange (GCX), Venture Capital Trust Fund (VCTF) and the restructured Ghana Enterprises Agency (formerly NBSSI) to anchor a new age of entrepreneurship, job creation and wealth building for our post-COVID transformation;
 - c. issued the historic foreign currency-denominated zero-coupon bond in our financing mix, thus creating the fiscal space to build our financial resilience; and
 - d. revamped the energy sector to further stabilise electricity supply for households and businesses.
35. Mr. Speaker, our pledge on **Continuity** has also driven us to:
- a. Continue to implement the Phase II of the GhanaCARES 'Obaatanpa' programme to revitalise our economy, after a successful execution of the Stabilisation measures in Phase I;
 - b. continue to implement our key flagship programmes, including Free SHS, PFJ, 1D1F among others to enhance the quality of life of our people and further advance our transformation agenda;
 - c. continued our Environmental Agenda by embarking on a war against illegal mining (galamsey) to preserve our water bodies and protect the environment; and

d. continue Government's historic partnership with Labour and Employers, and also with the Faith-based organisations.

36. Mr. Speaker, in addition to the above, we have continued to provide the needed resources, equipment and personnel to maintain security and peace within our borders. We are on course to transform the security services to enable them to adequately respond to emerging national and sub-regional threats.

37. In line with Government's agenda to enhance our global stature, Ghana placed a bid and was elected as a non- permanent member of the United Nations Security Council for the 2022-2023 term. Additionally, H.E. The President was also elected unanimously for a second term as Chairman of the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS). President Akufo-addo remains Co-Chair of the United Nation's (UN) Sustainable Development Goals (SDG) Advocate group, with Norway's prime minister, Erna Solberg. He is also the AU Champion for both Financial Institutions and Gender Affairs.

38. As a result of the increased international visibility and the exemplary leadership of the President during this pandemic, Government has been able to procure and administer 1,271,393 doses of COVID-19 vaccines. While 865,422 people have received the first dose, 405,971 have been fully vaccinated, as at the end of June this year.

39. Mr. Speaker, our diplomatic efforts are yielding results and we are expecting to receive, through the COVAX facility, 1.2 million Pfizer vaccines from the United States of America and 249,600 AstraZeneca vaccines from the United Kingdom. In addition, Government has committed itself to purchase, through the African Medicine Supply Platform, 17 million Johnson & Johnson single dose vaccines. Furthermore, the President has set up a committee dedicated to facilitating our domestic capacity to manufacture COVID-19 vaccines, beginning with the process of fill and finish.

40. Mr. Speaker, on the economic front, the additional policies and strategies outlined in the Gh¢100 billion GhanaCARES 'Obaatanpa' Programme will be vital in our journey towards economic recovery and

transformation. Our strategy to place the private sector at the heart of this endeavour is to accelerate competitive import substitution and export expansion to generate sustainable jobs for our teeming youth (under 35 years), who make up about 71% of the population.

41. Mr. Speaker, the unemployment situation in our country has been exacerbated by the COVID-19 pandemic. This is a situation which we will confront aggressively. Indeed, it is an issue that will be at the forefront of our national discourse. The future of our young people and their livelihoods are of utmost importance to us as a nation. It requires urgent action and the President has directed that we consolidate and implement new programmes and projects to address it. It is crucial to our destiny.

42. Mr. Speaker, over the course of this year, like many of my colleagues in Government and in this House, I have travelled around the country, engaged with the people, especially young people. We have listened to them and heard their concerns. Eight (8) weeks ago, I visited Tamale and Sunyani and interacted with thousands of our young people, drawn from various universities and tertiary institutions as part of the "Springboard Foundation" programme. I also participated in both the Accra "Springboard" and NUGS Annual Leadership Training programmes.

43. These interactions provided me with yet another opportunity to experience at first hand, the expectations and aspirations of our young people. Our responsibility as Government is to accelerate our response.

44. In connection with that, I have had extensive discussions with my colleague Ministers of Employment & Labour Relations, Youth & Sports and Lands & Natural Resources. New programmes will be introduced and existing ones scaled-up and refocused to meet the aspirations of our youth.

45. We will work together to sensitise and connect the youth to the numerous opportunities being made available by Government, including the strategy to create job and business opportunities for 1 million Ghanaian youth by 2024. So far, we have developed five new programmes, including YouBanC®

46. Mr. Speaker, the good people of Ghana have given us another four-year mandate to manage the country, mitigate the impact of COVID-19 and pursue our transformation agenda of equal opportunities and prosperity for all. We are in the 7th month of the journey and executing the mandate with diligence, integrity and faith and we determined to overcome the challenges that confront the nation.

47. Let us join hands to build a more inclusive, confident and hopeful society. COVID-19 has caused enough havoc, but we are resilient and confident people and should not allow ourselves to be defeated by the negatives.

48. As 2 Timothy 1:7 tells us, that God has not given us the spirit of fear: but of power and of love and a sound mind”, we should have courage, hope, and resolve to work hard and expect that the Almighty God whom most of us believe and serve will look kindly on us and bless the work of our hands.

49. Mr. Speaker, I now proceed to give details of developments for the first half-year of 2021 and will conclude with the outlook for the rest of the year.

GLOBAL GROWTH

50. Mr. Speaker, since the presentation of the 2021 Budget to this august House in March this year, global growth recovery has generally strengthened, supported by the ongoing mass vaccinations and the general relaxation of Covid-19 restrictions as well as continued policy support.

51. However, the emergence of new Covid-19 variants and potentially third waves in parts of the world, as well as disruptions of the vaccination efforts across Emerging Market and Developing Economies, is creating some uncertainty and threatening to undermine global recovery efforts. Economic recovery in most Emerging Markets and Developing Economies is expected to slow down, mainly due to continuous non-availability of vaccines.

DOMESTIC MACROECONOMIC PERFORMANCE FOR 2021

52. Mr. Speaker, to put the assessment of the performance of the economy for the first half of 2021 in perspective, permit me to re-state the macroeconomic targets set for 2021 as presented in the 2021 Budget as follows:

- Overall real GDP growth of at least 5.0 percent;
- Non-Oil real GDP growth of at least 6.7 percent;
- End-period inflation of 8.0 percent;
- Fiscal deficit of 9.5 percent of GDP;
- Primary deficit of 1.3 percent of GDP; and
- Gross International Reserves to cover not less than 4.0 months of imports of goods and services.

Summary of macroeconomic performance

53. Mr. Speaker, even though the second quarter 2021 Gross Domestic Product (GDP) data is yet to be released by the Ghana Statistical Service, provisional data for the first quarter 2021 showed that, the recovery process from the Covid-19 pandemic is gaining some momentum and the targets for most of the macroeconomic indicators are largely on track.

Fiscal developments

54. Mr. Speaker, I now present highlights of the 2021 half-year fiscal performance. The implementation of the 2021 Budget has been successful so far. We remain fully committed to achieving the fiscal deficit target of 9.5 percent of GDP for the year in order not to derail from the objective of returning to the Fiscal Responsibility Act (FRA) fiscal deficit and primary balance thresholds of 5 percent of GDP and positive primary balance, respectively, by 2024.

55. Mr. Speaker, the provisional fiscal data for Jan-June 2021 show that Total Revenue and Grants amounted to GH¢28.3billion, equivalent to 6.5 percent of GDP, against a programmed target of GH¢32.4billion or 7.5 percent of GDP. For the same period, Total Expenditure, including the clearance of arrears, amounted to GH¢50.6billion, equivalent to 11.7

percent of GDP, against a programmed target of GH¢55.1billion or 12.7 percent of GDP.

56. Mr. Speaker, the fiscal deficit for the period was financed from both foreign and domestic sources. Net Foreign Financing of GH¢15.2billion constituted 68.3 percent of the total financing and included inflows from Eurobond proceeds. On the other hand, Total Domestic Financing amounted to GH¢7.1billion, representing 31.7 percent of total financing.

Public debt development

57. Mr. Speaker, the total public debt stock, as a percentage of GDP, increased from 76.1 percent at the end of December 2020 to 77.1 percent of GDP at the end of June 2021. This stock includes the financial and energy sector bailouts. Excluding the Financial Sector Bailout, the nominal debt stock as percentage of GDP is 72.9 percent. The increase in the debt stock was mainly because of the Eurobond issuance in April 2021, COVID-19 pandemic effect, contingent liabilities, and front-loading of financing to meet cash flow requirements for the first half of the year.

COVID-19 IMPACT AND MITIGATING MEASURES

Health Impact

58. Mr. Speaker, the loss of human capital as a result of COVID-19 continues to be devastating. The reported steady decline in weekly average infections which stood at 379 by the week of 5th March, 2021 was sustained to 60 cases by the week of 20th June, 2021. Since then, however, the detection and spread of the delta variant has largely driven up reported cases. As of 25th July, 2021, overall COVID-19 infections since the first confirmed case on 12th March, 2020 has reached 103,019. There are currently 4,983 active cases; 97,213 recoveries and against all efforts, 823 persons have died due to COVID-19 over the same period.

Economic impact of the pandemic

59. Mr. Speaker, improving regional and global supply chains and rising demands led to total exports reaching US\$2.5 billion in the first two months of 2021. By June, this had significantly increased to US\$7.6 billion.

60. In addition, the COVID-19-related regulatory reliefs and policy measures introduced by the Bank of Ghana continued to promote bank lending activities. From the beginning of the year to June 2021, new advances reached GH¢16.0 billion, marginally above the advances of GH¢15.8 billion during the same period in 2020. It is expected that as economic activities rebound and lending rates drop further, private sector credit will pick up.

61. Mr. Speaker, proactive and pragmatic policies have ensured that the tourism and hospitality industry which had perhaps endured its most difficult year in 2020 is on a rebound. Tourist arrivals into the country as at the end of 2020 was about 370,000, as against a revised target of 400,000 for 2020. With the re-opening of the Kotoka International Airport in September 2020, arrivals at the end of the second quarter of 2021 were 231,000, representing 65 percent of the full year arrivals in 2020.

62. Mr. Speaker, there are also other positive trends from this pandemic, as digital technology is assuming a more significant role in the operations of businesses. Almost 9 out of 10 firms are now leveraging digital platforms to market their products. Similarly, mobile money, door-to-door delivery via courier services and internet usage for business operations also increased by 77 per cent.

Updates on Government's Mitigating Measures to the Pandemic

Health-related Measures

63. Mr. Speaker, since the onset of the COVID-19 pandemic, Government has developed and implemented a number of interventions expressed in the National COVID-19 Emergency Preparedness and Response Plan (EPRP I & II); and the National Strategic COVID-19 Response Plan: July 2020 - December 2024.

64. Mr. Speaker, these plans and related interventions provided a comprehensive framework to mobilise and disburse funds which have proved vital to the success of the national containment and case management measures. Since Ghana recorded its first two cases on 12th

March, 2020, the Ghana Health Service has conducted 1,416,952 tests as of 25th July 2021, with a cumulative positivity rate of 7.3 percent.

65. Mr. Speaker, Ghana implemented the COVID-19 vaccination campaign as part of the containment strategy and has developed the National Deployment and Vaccination Plan (NDVP). It is planned that 20 million Ghanaians will be vaccinated in order to achieve herd immunity.

66. Mr. Speaker, we have upgraded our national, regional and district cold chain facilities to widen our access to vaccines like Pfizer and Moderna that require -70^oC cold chains. These include 16 ultra-low cold freezers, 58 units of ultra-low freezers, 50 normal vaccine refrigerators, 300 boxes to be filled with ice packs, 300 ice packed freezers, 10 cold chain vans and 120 temperature monitoring devices.

67. Government has also committed to providing seed funding of US\$25 million towards the development of the country's capacity to produce vaccines domestically. This will be achieved through the establishment of a National Vaccine Institute.

Coronavirus Alleviation Programme Business Support (CAPBuSS)

68. Mr. Speaker, the pandemic further threatened our efforts to tackle discrimination and inequality against women, since the sectors hard-hit by the crisis, like tourism, hospitality and small-scale retailing, employ a large number of women. It is important to note that, Ghana was one of the few countries in the world that devised a plan to ensure that the impact of the pandemic on MSMEs will be minimized. Through the Ghana Enterprises Agency (GEA), formerly National Board for Small Scale Industries (NBSSI), a number of programs were implemented to minimize the impact of the pandemic and also to support in the realization of the Government's vision of diversity, inclusivity and job creation.

69. Under the GH¢600 million Coronavirus Alleviation Programme Business Support (CAPBuSS), a total amount of GH¢520,111,918.67 had been disbursed to 299,490 to MSME beneficiaries between May 2020 and June 2021. For the 299,490 beneficiaries who benefited under the

Coronavirus Alleviation Programme Business Support Scheme (CAP Buss), 69% of the beneficiaries were women-owned businesses or MSMEs.

70. The intervention unlocked access to finance mainly to women who would not have been able to access funds to support and build their businesses. Technical Support was also provided in the form of training in Entrepreneurship and Financial Management to 15,748 beneficiaries across Ghana, with about 67 percent being females. Over 740,000 jobs have been protected and a database of 914,000 MSMEs has been created to inform policy.

71. Support was also given to specific sectors such as the Creative Arts, Media, and the Private Education to enable them continue to offer key services in peak of the pandemic. As at end June 2021, a total of GH¢52,293,093.00 has been disbursed to 29,698 beneficiaries within the creative arts industry. Additionally, 5,410 private schools, universities and associations within the educational sector received a total of GH¢41,211,577.

Social Interventions

Electricity Subsidies

72. Mr. Speaker, to sustain the quality of life for Ghanaians during this pandemic, Government subsidized the cost for various categories of household and industrial electricity consumption from April to December, 2020. Altogether, 4,772,512 customers benefited from the electricity reliefs for the period. The policy, however continued for lifeline customers from January to March, 2021.

Water Subsidies

73. Mr. Speaker, as part of Government's social interventions for supply of free water under the COVID-19 initiatives, the Ministry of Sanitation and Water Resources partnered the Ghana Water Company Limited (GWCL) and Community Water and Sanitation Agency (CWSA) to ensure the full realization of the objective. The programme started in April 2020 and was extended to June 2021 for domestic consumers whose monthly consumption does not exceed 5000 litres.

74. In all, over 10 million urban dwellers were supplied with potable water by GWCL from April to December 2020. This initiative currently supplies free water to a total of over 2.3 million urban domestic dwellers whose monthly consumption does not exceed 5000 litres with potable water at a cumulative cost of GH¢836.82 million.

75. Mr. Speaker, CWSA on the other hand supplied 17.92 billion litres of potable water to rural and peri-urban population of 5.81 million at a total cost of GH¢100.28 million between April 2020 to June 2021.

COVID-19 National Trust Fund

76. Mr. Speaker, the COVID-19 National Trust Fund was set up under Act 1013 to receive and manage contributions and donations from well-meaning individuals, groups and corporate bodies.

77. As at 30th June, 2021 the COVID-19 National Trust Fund had received a total amount of GH¢57.15 million in cash donations. These donations were made between the period April 2020 and March 2021. As at 30th June 2021, the Fund had disbursed an amount of GH¢52,501,540.44, for various programmes as well as procurement of items.

GLOBAL ADVOCACY

78. Mr. Speaker, the COVID-19 pandemic has forced Africa into a liquidity crisis that needs to be reversed. At the just ended 2021 AfDB Annual Meetings held in Accra, African Finance Ministers were in consensus that the current global financial architecture which was designed about 75 years ago without Africa has become less responsive to Africa's liquidity and financing needs and is no longer fit for purpose. Africa cannot truly rise unless there is a tectonic shift in the global financial architecture to support it. To this end, African Finance Ministers have commenced global advocacy for the IMF to on-lend between 25-30 percent of its new SDR 650 billion to Africa.

79. We are also advocating for the establishment of the African Stability Mechanism and the African Liquidity and Sustainability Facility (LSF). Akin

to the European Stability Mechanism, the African Stability Mechanism will protect the continent against external shocks by providing instant emergency access to financial assistance for countries in financial difficulty. The Liquidity & Sustainability Facility (LSF) could also underwrite a more effective market in African debt that reduces the high liquidity premium African countries pay for sustainability-linked investments

IMPLEMENTATION OF GHANACARES

80. Mr. Speaker, with every crisis, the need to re-structure and diversify the economy becomes imperative. The recent experience of the COVID 19 pandemic, with its disruptive impact on global and regional value chains has once again highlighted the need to build a transformed Ghana Beyond Aid.

81. It is for this reason that in November 2020, Government launched the audacious GH¢100 billion Ghana COVID-19 Alleviation and Revitalization of Enterprises Support (Ghana CARES) 'Obaatanpa' Programme. The first phase of the programme also known as the "Stabilisation Phase" was implemented between July – December 2020. It alleviated the immediate impact of COVID-19 on our economy and restored normalcy in the lives and livelihoods of Ghanaians through:

- Substantially subsidized water and electricity costs;
- hot meals and food packages distributed to vulnerable and underprivileged persons;
- Increased allocation for the CAP-Business Support Scheme to support MSMEs;
- GHS 2 billion Guarantee Scheme established to support large business
- Established skills training programmes in collaboration with Social Partners and FBOs; and
- Passage of urgent legislation to enforce COVID-19 safety protocols.

82. Mr. Speaker, since the turn of this year, we have been purposefully pursuing the second phase of the Ghana CARES programme to revitalise the economy and set it on track for transformation. As already articulated, our approach under this programme is to revitalise the private sector in targeted sectors to fast-track competitive import substitution, export expansion and the creation of decent jobs for our youth in a commercial environment that is increasingly regionally integrated.

83. We have operationalised a well-thought-out implementation and coordination framework with a functional and staffed GhanaCARES Coordinating Office within the Ministry of Finance. Additionally, GhanaCARES Delivery Units (including sector specialists from the Private Sector) have been activated in all participating MDAs.

84. Implementation Compacts outlining the most critical interventions for 2021, delivery and reporting arrangements as well as commitments by MoF and participating MDAs have been signed. The participating MDAs include MoFA, MoTI, MESTI, MoCD, MoTAC, GIPC, and GRA.

85. Mr. Speaker, in line with our commitment to a functioning financial ecosystem, under GhanaCARES we are establishing the building blocks for stronger network of institutions to support business and entrepreneurship, including Development Bank of Ghana (DBG) GIRSAL, the Ghana Commodity Exchange (GCX), Venture Capital Trust Fund (VCTF) and the recently established Ghana Enterprises Agency. This network of institutions will anchor a new age of entrepreneurship, job creation and wealth building for our post-COVID transformation.

86. Mr. Speaker, to modernise our agriculture sector, we are investing in initiatives that will improve production and productivity in the rice, poultry, soybean, and tomato sub-sectors this year. The recent engagement with all the value-chain actors in these sub-sectors has sharpened the focus of investments in a holistic manner. We are therefore providing interest rate subsidies, facilitating equipment acquisition, linking markets and producers as well as promoting relevant research in these sub-sectors. The youth are being supported this year to become out-

growers for anchor farmers and boost their participation in commercial farming.

87. Mr. Speaker, Ghana CARES is providing catalytic support to drive efficiency and improve outputs in the agricultural sector by investing in data and digital technology. These technologies would revolutionise the targeting of inputs such as seed inputs, extension services and acquisition of land for commercial farming.

88. Additionally, the program would support the reform of the fertilizer subsidy system using digital technology, to make it more efficient and less prone to smuggling. This would be achieved by registering farmers for improved targeting. The registration will provide information on farmers' bio data, crops cultivated, acreage, digital location of farms to track seed and fertilizer subsidy programme. By end February, 2022, 1.2 million farmers will be registered.

89. Mr. Speaker, accelerated expansion of Ghana's light manufacturing is a focus under Ghana CARES. Government is delivering dedicated support to expand the production capacity of our pharmaceutical, garments and textiles industries as well as the processing capacity of our agro-processors to increase exports and create additional jobs.

90. Specific interventions include support for the establishment of a cassava processing plant, provision of technical assistance to the garment and textile as well as the pharmaceutical industries. Key pharmaceutical manufacturing companies are being supported to upgrade their operations to attain Good Manufacturing Practice Standards and benefit from the African Continental Free Trade Area. Additionally, Government is working feverishly to establish a garment industrial park in Dawa which will boost exports and create additional jobs under the Ghana CARES programme.

91. Mr. Speaker, rapid acquisition of capabilities to manufacture machine tools to support industrialization is a major priority under Ghana CARES. Government, under MESTI, has therefore established the Foundry for the fabrication of tools and is in the process of identifying a

suitable private sector operator to manage the Foundry. We are also providing incentives to the private sector to manufacture key agricultural implements and prototype industrial research on a commercial basis.

92. Mr. Speaker, we are aggressively promoting international and domestic tourism through Ghana CARES by supporting the modernisation and development of selected tourist sites. We are therefore upgrading the skill of sector operators, working to reduce the cost of doing business and improving the competitiveness of enterprises in the sector, as well as transforming targeted tourist beaches to increase patronage i.e. Sakumono, Axim, Elmina.

93. Mr. Speaker, in support of Government's agenda to provide sustainable and completed affordable housing, we are providing funds to the National Homeownership Fund (NMF). This fund, to be matched by participating financial institutions, will provide low blended mortgage interest rates of between 11% to 12% as compared to the current market rates between 25% to 26%. Through this intervention, which builds upon and expands the pilot project implemented last year, our quest to promote residential homeownership while boosting the domestic construction sector to provide more jobs, is on course.

94. Mr. Speaker, GhanaCARES is providing catalytic investment for the development of communication infrastructure this year. Government is consolidating and expediting projects such as Smart Workplace, National ID, Digital Address Systems, Land Records Digitisation, as well as virtual learning platforms to bridge the digital divide for the benefit of all citizens. Funds have been allocated to MoCAD for the establishment of digital and innovation hubs in 4 additional cities following the successful pilot of the digital and innovation hub in Accra. These hubs will eventually be expanded to all regions in subsequent years.

95. Mr. Speaker, ongoing efforts to consolidate the fibre assets of Volta River Authority, Electricity Company of Ghana, Ghana Grid Company Limited, Ghana National Gas Company Limited, Bureau of National Communication, Ghana Investment Fund for Electronic Communication and others are being sustained under this programme. We are also

enhancing the capacity of key institutions and improving coordination with the private sector for quality service delivery to facilitate business expansion and economic transformation.

96. Mr. Speaker, Government is aware of the critical importance of additional revenue to finance all these initiatives that underpin our recovery and transformation agenda. Indeed, we are committed to raising our tax to GDP from the current 14% to 20% as our peers in the sub-region. The Ghana Revenue Authority is therefore implementing a transformation agenda to block the huge leakages in key sectors of the economy. This transformation agenda is not just about mobilizing more, it is equally about mobilizing efficiently through technology and integrated data systems.

97. We have also established the Revenue Assurance and Compliance Enforcement (RACE) Initiative to complement the efforts of the Ghana Revenue Authority (GRA). The remit of RACE is to identify and prevent revenue leakages while reinforcing the culture of compliance nationwide. A formal launch of this Initiative is scheduled for 2nd August 2021.

98. Mr. Speaker, the Ghana Investment Promotion Centre (GIPC) also has a crucial role to play under the Ghana CARES programme by spearheading the mobilisation of GH¢70billion in private sector investment. We are supporting GIPC to be more targeted and proactive in seeking investment into the prioritised sectors. The intentional and dedicated effort to attract global and regional brands in the likes of Twitter, Google will be leveraged to grow local enterprises.

99. Mr. Speaker, as part of measures to mitigate the impact of unanticipated future socioeconomic crisis such as COVID-19 pandemic on Ghanaian workers, government announced in the 2020 Mid-Year Review of Fiscal Policy the establishment of a National Unemployment Insurance Scheme (NUIS) and Training/Retraining Programme as part of the Ghana CARES 'Obaatanpa' Programme.

100. Mr. Speaker, we are currently in the design phase of the NUIS and key stakeholders are being consulted. The consultations will be scaled up

to include more stakeholders and technical experts to ensure that the project design suits the Ghanaian labour market.

101. Mr. Speaker, the implementation of the Training and Retraining component of the Programme has been accelerated. Government together with Social Partners have decided to pilot the national training and retraining programme in the two sectors that were mostly affected by the pandemic, namely the private education sector and the hospitality and tourism sector.

102. The “Compacts” which have been signed between the Ministry of Finance and a number of MDAs specify specific results to be achieved by the MDA and the catalytic resources to be provided by Ministry of Finance. Each Compact includes a clear Results Tracking Framework, with the further releases of funds tied to performance. I am happy to report that this exciting performance-based arrangement is up and running; the catalytic resources have started flowing and the MDAs are energized and getting on with their activities.

103. The Compacts ensure effective and timely delivery of targets under Ghana CARES for the 2021 fiscal year. It ensures predictability of and the flow of catalytic resources to the agreed interventions. We have strongly linked resources to results to facilitate optimal delivery of outputs and outcomes. Through the Compacts, we are also strengthening sustainable alliances and collaboration with private sector players and development partners for economic transformation in a post-COVID era.

104. Mr. Speaker, Government is demonstrably committed to the nation’s economic recovery and eventual transformation as envisioned by the Ghana CARES programme. We are innovating new ways to get results. We are engaging all actors to secure keen participation and involvement. We are aggressively mobilising resources to deliver the programme. The recent urgency brought to bear by our Youth is appreciated. We will continue to prioritise their opportunities as a means for this transformation journey.

OTHER GOVERNMENT INTERVENTIONS

105. Mr. Speaker, the implementation of the Ghana CARES complement the existing flagships programmes such as Free SHS, PFJ, 1D1F among others which are being rationalised to enhance the quality of life of our people and further advance our transformation agenda. To this end, the recent challenges relating to the school feeding programme and IPEP are being resolved.

The Employment and Jobs for our Youth

106. Mr. Speaker, despite the generally strong performance of our economy in recent decades, the issue of employment and jobs for our youth, who constitute close to 71 percent of our population, persist. This situation has been exacerbated by the impact of this pandemic. Taking the lesson from our recent past, we are deliberately intervening to avoid a jobless economic growth and recovery.

107. Mr. Speaker, at the strategic level, our comprehensive and holistic response to the employment and jobs issue remains anchored on the private sector. It is for this reason that Government's recovery programme and transformation agenda is easing the constraints of the private sector to enable them expand and provide jobs for our youth.

108. Mr. Speaker, amidst this promise from these efforts, we know that key obstacles still stand in the way of the private sectors' growth and ability to absorb jobs. Prominent among these challenges is the persistent skills gap among our youth. A recent survey indicated that about 50 percent of local employers report misalignment of or inadequacy of skills in the market. It also reports that at least 50 percent of new tertiary institution entrants are enrolling in programmes in sectors with no or little growth in labour market.

109. Mr. Speaker, in response to this, we are strengthening the links between education and job market stakeholders. We are also revitalizing the skills development initiatives under Ghana Enterprises Agency, NEIP, YEA and COTVET. We are also feverishly working on a scheme that enables the private sector to train new recruits/entrants at a subsidized rate by Government.

110. Mr. Speaker, our intention of building an entrepreneurial nation is already known. We aim to empower our youth to be at ease and venture into business. The clean-up of the financial sector and the invigoration of the entrepreneurial eco-system is expected to help remove the binding constraints of financing and market linkage for our daring youth. Our focus will remain on establishing a strong value system for entrepreneurship to flourish.

111. Mr. Speaker, recognizing that more needs to be done, Government is today announcing a **"One Million jobs initiative"** to aggressively respond to the need of the country. This is to promote growth in SMEs, support new ventures, and stimulate innovation and start-ups.

Enterprise and Youth Support Fund (EYSF)

112. Mr. Speaker, the Enterprise and Youth Support Fund, which aligns with Government's overall strategy of developing a competitive and viable private sector economy, will **Set up a "Youth banc"** with the aim of financing youth-led start-up businesses across the country. As part of this initiative, an online investment hub will be established for youth across the country to access information for the purpose of establishing businesses. Under this initiative, it is estimated that over 100,000 jobs will be created.

113. Mr. Speaker, the EYSF will be managed by the Venture Capital Trust Fund (VCTF), which is being revamped to be better positioned to carry out the designated activities as a Fund Manager.

114. Mr. Speaker, we are also pursuing the "Obaatanpa" Youth Entrepreneurship Drive, Ghana Skills and Enterprise Development Project, Student Entrepreneurship Initiative, the Youth in Community Improvement Module, and the Alternative Employment and Livelihood programmes as **direct interventions** in targeted sectors to help our youth live decent lives and contribute to nation building.

115. Mr. Speaker, these interventions are clearly designed to bring us closer to confronting the jobs and employment challenges of our Youth. To ensure dedicated resources, the Ministry of Finance and all

participating institutions will, next month, sign an implementation Compact on youth employment which will tie release of resources to delivery of results. This Compact will also track youth focused initiatives across the value chain of interventions under the GhanaCARES programme.

WOMEN-FOCUSED INTERVENTIONS

116. Mr. Speaker, our women have been disproportionately impacted by the COVID-19 pandemic through lesser earnings and savings. To advance the economic well-being of our women, Government is activating a policy to have 20% of procurement awarded to women. Women would also be supported with specific capacity building programmes and will be empowered to leverage the gender-sensitive lending policies to be implemented by DBG.

Road Sector Development

117. Mr. Speaker, H.E the President declared 2021 as the “2nd Year of Roads” and Government prioritised roads for economic development and putting the economy back on track following the devastating effects of the COVID-19 pandemic.

118. From January to end June 2021, routine maintenance was carried out on 11,174km of the trunk road network; 5,389km of the feeder road network; and 2,937km of the urban road network. Additionally, periodic maintenance comprising; re-gravelling/spot improvement and resealing works were carried out in the same period on 44km, 167km and 262km of the trunk, feeder and urban road networks respectively.

119. Mr. Speaker, works were completed on the Tema Motorway roundabout (Phase 1) in June, 2020. The 2nd Phase of the project which involves the 3rd tier of the interchange is expected to take off by 3rd quarter, 2021. Following the completion of Phase 1 of the Obetsebi Lamptey Circle Interchange and other ancillary works, works on Phase 2 has started and is currently at a physical progress of 15 percent.

120. In 2020, works were also started on the La Beach Road Project (Lot 1 & 2) which involves improving capacity along the Accra Tema Beach Road and the construction of a 3-tier interchange at Nungua Barrier. Physical progress for Lot 1 and Lot 2 is 13 percent and 11 percent respectively.

121. Physical progress of works on the Kumasi Lake Roads and Drainage Extension projects is 73 percent complete as at the end of June, 2021.

122. The construction of 7No. bridges: Kulun, Garu (2No.), Ambalara, Kulungugu, Doninga and Sissili in the Northern Region were completed. In addition, works were completed on 13No. Spanish Bridges located in Detsebu, Dayi, Tsawoea, Alabo, Osiem, Birim, Akora, Osene, Okyi, Bukam, Linkale and Mogli. Works on 5No. Belgium Bridges are nearing completion with 4No. launched and 1No. at sub-structure level. Overall progress is 70 percent as at the end of June, 2021.

123. Mr. Speaker, works begun in 2020 for the construction of 50No. bridges nationwide aimed at improving connectivity within areas cut-off by waterways. The first batch of 21 steel bridge components have arrived in the country. Works have started on 14No. substructures and 3No. were completed.

124. Government has awarded contracts for the implementation of 84No. critical regional and inter-regional road projects with an estimated length of 2,237.51km at a cost of GH¢7,839 million.

Security

125. Mr. Speaker, even though Ghana remains a pillar of stability in the region, the sub-regional security situation continues to be rather volatile. Terrorist threats and general cross-border security issues are becoming increasingly imminent in view of the continuous terrorist attacks in the Sahel Region and particularly from Mali and Burkina Faso.

126. In particular, the southward drift of the activities of violent extremists, terrorists and pirates in the Gulf of Guinea (GoG) have become more widespread, frequent and deadly, with the underlying dynamics

growing increasingly complex and posing high risks to littoral countries. There were as many as 5,845 fatalities to terrorist related activities in 2020, a 21 percent increase in the 2019 figure of 4,825 in the West African Sub-Region.

127. Mr. Speaker, it has become imperative to address the existing vulnerabilities, and intensify pre-emptive, preventive and counter measures to any potential threats to our security and sovereignty in the light of the risk of the sub-region suffering from the contagion effects in the short to medium term.

128. Following an assessment of the threat on the Northern border of the country, Government has deployed a robust pre-emptive and preventive response along the border. Plans are underway to install state of the art ground and air Integrated Intelligence Infrastructure, upgraded immigration border cabins at the major entry points, and integration communications infrastructure which will be reinforced by heavy military deployment with ground and air support in the short term.

129. Mr. Speaker, Government has revamped and retooled the Ghana Boundary Commission since the beginning of 2021 to undertake its strategic mandate of determining and demarcating the land boundaries and the delimitation of maritime boundaries of Ghana in accordance with accepted principles of international law. Government will further support the Ghana Boundary Commission to enhance their operations to ensure that our land and maritime boundaries with our neighbouring countries are secured and protected.

130. Mr. Speaker, we are also working to further retool the Intelligence Agencies through the deployment of enhanced Intelligence Infrastructure to ensure that the intelligence agencies are able to effectively provide early warning as well as targeted responses to any envisaged threat.

131. Mr. Speaker, Ghana continues to demonstrate leadership on sub-regional security issues, coordinated through the Accra Initiative, which serves as a coordinating and intelligence sharing platform with neighbouring countries with the objective of preventing spillover of

terrorist activities from the Sahel, and to address transnational organised crime and violent extremism in member countries' border areas. The countries forming the initiative are Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Niger and Togo.

132. **Retooling of the GAF:** Various equipment were acquired for GAF in an effort to retool them to enhance their combat and operational capabilities. Pick-ups, SUVs, trucks, high occupancy buses, ambulances and armored personnel carriers have been added to the inventory of the GAF over the period. Government will continue to retool the Military to ensure combat readiness towards emerging security threats.

133. **Construction of a Forward Operating Base (FOB):** His Excellency the President cut the sod on 16th December, 2019 to commence the construction of a Forward Operating Base (FOB) at Ezinlibo close to the Western border to protect the country's oil, gas and other natural resources. The FOB will improve the Navy's response time to the oil fields at the Western border. The project also includes acquisition of high-speed phantom boats and associated equipment. Work is progressing steadily.

134. Government aims to establish 15 FOBs across the country, 8 of which will be in the Northern part of Ghana, to prevent cross border crimes and terrorist infiltration.

Ghana Infrastructure Investment Fund

135. Mr. Speaker, the Ghana Infrastructure Investment Fund (GIIF) was established to mobilize, manage, coordinate and provide financial resources for investment in infrastructure projects and ease the burden of quasi-public debt on our budget.

136. Over the last decade, we have witnessed an increasing trend where Sovereign Funds have been deployed as catalysts for growth and development in emerging markets such as Asia and the Middle East. This is also beginning to be adopted in Africa, and the Government of Ghana intends to allow GIIF to increasingly play a similar role for Ghana.

137. Government intends to reduce our infrastructure gap by enabling GIIF to drive sizeable but economically viable infrastructure projects to conclusion, which will also create additional fiscal space for the Government to operate in.

138. As such we have nominated GIIF as the vehicle to be used to restructure and refinance expensive debt of the Independent Power Producers in the energy sector as well as take equity positions in some cases to help reduce the fiscal burden of overcapacity charges we have been left with. Negotiations with several of the Independent Power Producers are in their final stages.

139. Government also intends to use GIIF as a vehicle, under the Ghana CARES program to drive our structural transformation through funding for critical infrastructure such as Agenda 111, quality and affordable housing, improved rail and road networks and ICT infrastructure.

140. We have therefore revised the earmarked funds Act to allow a twenty percent increase in the allocation of ABFA capex to GIIF for the funding of Agenda 111 and other development expenditures.

Update on Agenda 111

141. Mr. Speaker, on the 26th of April 2020, His Excellency, the President, as part of his (8th) eighth address to the nation on Government's efforts to combat the coronavirus pandemic, laid out an ambitious plan to tackle Ghana's health infrastructural deficit and restore the country on the path of achieving economic and social transformation.

142. This transformational project, now dubbed Agenda 111 will require that Government constructs:

- 101 standard district hospitals with accommodation for doctors and nurses
- 6 new regional hospitals in the 6 new regions
- 1 regional hospital for the Western Region
- Rehabilitation of Effia-Nkwanta Hospital in the Western region
- Constructing 2 new psychiatric hospitals
- Construction of a new Accra Psychiatric hospital

143. The objective is to use a local team comprising of Ghanaian consultants, project managers and construction firms. It is envisaged that upon the successful completion of the Agenda 111 Project, Ghanaians across the country will experience a marked improvement in access to health care and productivity.

144. Mr. Speaker, Government has engaged over twenty local consulting firms through a Lead Project Consultant to provide Architectural/Engineering Designs and Project Management support towards the execution of this all important project. As is typical with such sizeable infrastructure/construction assignments, Agenda 111 will be implemented in two phases;

145. Phase 1 involves the engagement of relevant consultants, survey and inspection of the proposed sites, feasibility studies, geotechnical studies, concept drawing, preparation of detailed drawings, BOQ's, specifications, Contract Documents, processing of the necessary permits and documentation and others.

146. Mr. Speaker, Government and the Project Coordinating Team have worked tirelessly on Phase 1 and I am happy to report that pre-contract works have now been completed for Eighty-Eight (88) sites for the district hospitals. Mr. Speaker, we expect to commence Phase Two (construction) three weeks from now, from 17th August, 2021.

147. Mr. Speaker, an important project such as the Agenda 111 requires extensive preparation and due diligence. We are confident and happy with the level of detail and attention that has gone into the pre contract works which will ensure that the construction phase will be executed on time and without a hitch due to the amount of preparation done.

REHABILITATION AND EXPANSION OF THE SUNYANI AIRPORT

148. Mr. Speaker, the rehabilitation and expansion of the Sunyani Airport aligns with Government's policy objective to have at least an operational aerodrome/airstrip in each of the regions in the country. The rehabilitation and expansion will adequately address the current operational challenges

and propel business and industrial growth in the Bono Region and its catchment areas.

149. Mr. Speaker, the expansion is also to serve the growing demand for domestic air transport by adding capacity to also cater for international passengers. The Phase II development will extend the existing runway to a minimum length of 1900 meters inclusive of RESA. This expansion will allow airlines operating with Bombardier Regional Jet CRJ-200 and Boeing 737-700/AIRBUS A-320 to be operated safely to the airport. In addition, the existing terminal building will undergo expansion and remodeling to make space for all necessary facilitation and create clear separation of arrival and departure operations.

Lands And Mining

150. Mr. Speaker, the Ministry of Lands and Natural Resources, in line with the President's, has held a National Dialogue, followed by two Regional Dialogues on Small Scale Mining. Following this, several measures are being put in place to build a sustainable, viable and responsible small scale mining industry that protects the national environment. The Ministry will beef up the personnel and other logistics of the Inspectorate Division of the Minerals Commission to undertake strict monitoring and enforcement of our mining laws.

151. On lands, the Lands Commission has commenced the process of regional education and sensitization on the new Land Act, 2020 (Act 1036). Efforts to protect forests and recover lost ones have included the Green Ghana Project, which saw the planting of over five million (5,000,000) trees on June 11, 2021, (the Green Ghana Day); the outright ban on the harvesting and exportation of rosewood; and the declaration of Forest Reserves as Red Zones for mining.

152. Mr. Speaker, while continuing with these initiatives, the Ministry intends for the rest of the year to undertake the following projects:

I. Digitization of the Records of the Lands Commission

Mr. Speaker, digitization of records on lands will reduce the time for registration to a maximum of one month. The digitization will also be a step forward towards the implementation of the Electronic Conveyancing introduced by the Land Act. With these interventions, government seeks to develop an efficient, robust, land administration anchored on integrity, which responds to the needs of the citizenry and contributes to the development of the national economy.

II. Alternative Employment and Livelihood Programmes for Illegal Small-Scale Miners

Mr. Speaker, as part of our efforts to create jobs for young people, Government will, in the coming weeks, launch a National Alternative Employment and Livelihood Programmes for illegal small-scale miners affected by the activities of Operation Halt II.

153. This programme will be anchored on six (6) main interventions namely; National Land Reclamation and Re-forestation; Agricultural and Agro-processing; Apprenticeship, Skills Training and Entrepreneurship; Responsible, Viable and Sustainable Community Mining; Mine Support Services and Community Enhancement Projects. These initiatives will target mainly illegal miners displaced by the ongoing efforts to sanitise the mining industry. Government recognises the need to protect our environment, just as it finds it necessary to provide alternative employment and livelihoods for our compatriots who will inevitably fall through the cracks.

154. We are determined to ensure the responsible or sustainable exploitation of the Lands and Natural Resources of our country.

Energy

156. Mr. Speaker, the Covid-19 pandemic has amplified the campaign for a transition away from fossil fuels. Given the prevailing sentiments around energy transition, there is a strong possibility that Ghana may be left with stranded assets, unless we accelerate our exploration activities and develop a home-grown strategy to extract our fossil fuels.

157. As such GNPC is looking at opportunities for its subsidiary, GNPC Explorco, to acquire such assets and become an operator in its own right to ensure the expeditious development of our hydrocarbon resources. The new strategy may require an amendment or revision of the PRMA to allow GNPC enter into some Reserve-Based Lending (RBL) transactions in order to be able to raise the required financing to consummate these acquisitions and to finance the exploration and development of such fields without having to rely primarily on GoG for funding.

158. Mr. Speaker, to that extent, GNPC has already identified some major potential acquisition targets of offshore blocks and has entered into discussions with the shareholders with an aim to acquiring a controlling equity stake and eventually becoming the Operator through Explorco. We shall always come back to the House with any agreements once concluded.

Sustainable Bonds

159. Mr. Speaker, the United Nations Sustainable Development Goals (SDGs) call for urgent action by all countries aimed at encouraging sustained economic growth underpinned by social, economic and environmental sustainability - a blueprint for peace and prosperity for people and the planet, now and in the future.

160. Accordingly, the Government of Ghana recognizes that we must be at the forefront and promote the building blocks for an inclusive and sustainable recovery. Our focus remains to move urgently toward opportunities and solutions that achieve sustainable and broad-based economic growth without harming our climate or leaving hundreds of millions of families in poverty.

161. As such, Government has commenced discussions with international organizations such as the World Economic Forum (WEF) to identify the SDG financing gap and develop a roadmap to attract innovative finance to close the gap, for the attainment of the SDGs by 2030. Ghana and

Switzerland have also agreed on a roadmap for 50m tonnes of carbon capture.

162. Globally, the international capital market is moving its financing appetite towards sustainable initiatives that support such goals. Ghana is also keen on positioning itself to benefit from this desire to provide such financing by developing an ESG framework which would allow proceeds raised or an amount equivalent to such proceeds raised to be used to financing or refinance eligible green and sustainable projects such as renewable energy, health and education related infrastructure, amongst others.

Collaboration with Faith-Based Organisations

163. Mr. Speaker, our partnership with the FBOs has directly and indirectly benefited over 46,000 and 100,000 trainees respectively, in Fashion, Catering, Cosmetology, Electronics, soft business and managerial skills. Efforts are being made to roll out the next phase by end of the third quarter. We continue to count on our FBO partners to sensitize and ensure adherence to the life-saving mask-wearing, social distancing and enhanced hygiene protocols within our communities.

State Of the National Cathedral

164. Mr. Speaker, work on the National Cathedral is progressing speedily, and following the program of the contractors, -- and with God helping us, -- the National Cathedral is expected to be officially commissioned on March 6, 2024. Upon completion, the National Cathedral would provide a sacred space for formal religious activities of State and symbolise the enormous contribution of faith to Nation Building.

MESSAGE TO THE YOUTH

165. Mr. Speaker with your permission, may I convey a special message from H.E the President to the young people of our beloved country.

166. The last couple of years have not been easy for our young people. Your education has been disrupted; for many of you, your business plans

are on hold because of lack of funding or opportunities. You may have lost your job or are simply tired of joining long queues or filling job application forms for vacancies that are filled even before your ink is dry. But we have a message for you: big opportunities are coming, and the President wants you to be part of that. The President is determined to see as many of you having the opportunity to help shape our future. We value your input, and even as we roll out programmes to support you, we will continue to engage.

167. Now, more than ever, we need to create a large pool of employment opportunities for the growing number of young Ghanaians, who now have increased access to education. At the heart of the policies outlined in today's statement is the rolling out of various programmes to build an economy that allows you to unleash the wealth and breadth of your energies. Your President believes in the power of constructive collective action. Together we can ensure that yesterday's problems are tackled today so that we do not carry them on to the next generation. As the Great American, Franklin D Roosevelt, once said, "the only limit to our realization of tomorrow will be our doubts of today". We must confront the spirit of doubt and face our fears in faith.

168. Mr. Speaker, today, we have announced key job creation and entrepreneurship interventions such as the YouBanC® product, and a host of other Government interventions that target young people. These should enable us to connect applicants to appropriate job opportunities or provide assistance to allow applicants to confidently start their own businesses and take full advantage of the supportive ecosystem we have put in place.

169. So to the young people of Ghana, let me stress to you that our policies are not simply about the next election, even as we persevere to break the proverbial eight. But, more importantly, it is about empowering this generation for them also to prepare a brighter Ghana for the next generation. Our responsibility as your government is not just about responding to the judgment of our critics today, but to the judgment of posterity.

CONCLUSION

170. Mr. Speaker, it has been almost sixteen (16) months since 11th March 2020, when the World Health Organization declared the COVID-19 a pandemic. However, as a country, we have reason to be optimistic and hopeful. Based on key indicators, we are on track to recovering from the most difficult crisis in the postwar era. In the next few months, the Ministry of Health aims to embark on an aggressive vaccination programme which, we are confident will help us achieve herd immunity and break the chain of infection in our nation.

171. Mr. Speaker, we are only in the seventh month of the second four-year mandate of the Government of President Akufo-Addo and the New Patriotic Party. Ghanaians renewed our mandate because they recognised that the difficult crisis that the country and the world, as a whole, were facing as a result of the COVID-19 pandemic required competent and bold leadership, which we have provided and will continue to provide under the decisive leadership of H.E. President Nana Akufo-Addo.

172. Mr. Speaker, permit me to say with all the confidence that I can muster, that the President's promise to leave at the end of his term in January 2025, a legacy of a proud and confident nation at peace with itself and the world around it, is on course. We are pushing the boundaries of our economic activity and doing so right from the centre of a fast-integrating single market for the continent of Africa. If we stay on course, Mr. Speaker, a few years from now, within this decade, Ghana's strategic place at the centre of the African Continental Free Trade Area of one billion consumers and some US\$2.5 trillion GDP and growing, will become a reality.

173. The policies of this government, in education, in infrastructural development, in industrialization, in fast-tracking digital technologies, in strengthening the financial services sector, in foreign diplomacy, are all being deliberately pursued and synchronized to get this generation to establish Sub-Saharan Africa's first independent nation, Ghana, as the commercial and investment centre for Africa.

174. We began by setting the country on a transformation track back in 2017 with our bold vision of a Ghana Beyond Aid. The recovery is on; we are back on track, despite the pandemic. The plan of the President is to achieve, from this year, a strong and sustainable recovery of the economy.

175. Mr. Speaker, our pillars of recovery in 2021 have been built on the strategy of completion, consolidation and continuity. We choose to be bold in crafting a 2021 Budget that deals with the past, delivers opportunities in the present, while investing in the future in a responsible and interconnected manner. Specifically, in 2021, we aim at:

- a. COVID-19 containment measures, including vaccination;
- b. creating jobs, promoting entrepreneurship and wealth creation;
- c. developing our infrastructure, with priority focus on roads, railway, water and sanitation, hospitals and housing;
- d. diversifying productivity and high-value services;
- e. implementing bold reforms to increase revenue mobilisation and the efficiency of public expenditures;
- f. deepening structural reforms to make the machinery of Government work better for the people; and
- g. rolling out digital technologies (eg. National ID, Digital Address System, Payment System Interoperability, Land Title Registration, Ghana.Gov etc) to improve service delivery.

176. Mr. Speaker, the deliberate strategy of the Akufo-Addo Government to invest in digital infrastructure and get Ghana fully plugged into the global ecosystem of digital technologies has been further vindicated by the Covid-19 crisis. The pandemic has heightened the need for digital technology in our homes, for school, for work and even leisure. That is why today, Ghana is at the forefront of using digital technology to expand access to finance and financial products for all Ghanaians.

177. Digitalisation is making the delivery of services more efficient, diversifying production and boosting productivity. In the process, it is creating new and better paid jobs for the young people of Ghana. Critical

to all this, is access to affordable high-speed internet. Government is doing what it is needed to support the telecommunications industry to deliver on this.

178. Mr. Speaker, we are making the necessary investments to empower our people and enhance the quality of their lives. Our strategy as Government is to use all the human and natural resources of our country in a sustainable and efficient manner to improve the quality of life of every Ghanaian. That is why, in this Mid-Year Fiscal Policy Review, we have clearly outlined our strategy for economic revitalization and transformation.

179. We have shown that:

- a. We are on track towards a fiscal consolidation through our prudent measures;
- b. we are on track to consolidate our flagship programmes to improve the welfare of our people;
- c. we are on track in supporting commercial farming for food security and export expansion;
- d. we are on track in building a strong light manufacturing sector in Ghana, with catalytic financial and technical support;
- e. we are on track towards deploying digital technologies to enhance delivery of public service;
- f. we are on track with our agenda to positioning Ghana as a Regional Hub for investments in agrobusiness, Information Communication Technology (ICT), manufacturing, education, health service delivery, financial services, petrochemical industry, transportation and logistics, and aviation, among others;
- g. we are on track to opening the doors of Development Bank Ghana to finance Ghanaian businesses and enterprises through the strengthening of Ghanaian financial institutions; and
- h. we are on track towards improving the security and safety of our people.

180. Our journey to recovery and transformation recognises that the solutions to our challenges lie primarily with ourselves and that, with

purposeful leadership and a determined people, we shall surely overcome. Our appreciation of our shared responsibility between Government and the governed; our acceptance of the principle of rendering unto Caesar what belongs to Caesar; and our appetite to see more, all that is good in us as Ghanaians, and focus more on that which is constructive as against that which dampens our spirit, is what I will beg of all of us to dwell on the more. Dwell on our positives for they are more than our negatives.

181. With purpose, we have laid-out our recovery and revitalisation plan in the GH¢100 billion GhanaCARES 'Obaatanpa' Programme. This programme is anchored on our faith in the inherent capacity of the Ghanaian, both at home and abroad, to succeed. It is also anchored on a stronger partnership with the domestic private sector, Employers, Organised Labour, foreign investors and our development partners. By the Grace of God, with the resilience of the Ghanaian people and the competent management by this Government, our progress is assured.

182. Mr. Speaker, just seven days ago, fourteen (14) Ghanaians began a journey to raise high the flag of Ghana at the 2020 Tokyo Olympics. Their success is our success so we should continue to keep them in our thoughts and prayers.

183. Mr. Speaker, together as a people, we are on track to a strong economic recovery in 2021. Together, we are recovering from the devastations caused by this pandemic. Together, we are intervening in diverse areas to enable our people to thrive. But, we are not yet there. New upside risks are beginning to emerge as latest health statistics show that the COVID-19 infections are beginning to rise again. As the President remarked on Sunday:

"At a time when the economy is on the rebound, and business activities picking up, we must do everything possible to contain this outbreak. We cannot afford to return to the days of partial lockdowns, which brought considerable hardships and difficulties for all of us."

184. Let us be each other's keeper. Observe the COVID-19 protocols that have served us so well, especially the wearing of face masks.

185. Mr. Speaker, we must have a national conversation in which we pursue peace and eschew nihilism; where we build each up, and not tear each apart. Let us work with wisdom and skill. Let us see ourselves as peacemakers, salt of the earth and light of the world. So that, our collective leadership and shared sacrifices in this polarized world shall be a blessing to our nation and an example to the rest.

186. Mr. Speaker, before I resume my seat, allow me to convey the heartfelt gratitude of the President for the support this august House continues to extend to him and his government. So far, this House has shown that we can debate and disagree on many issues and yet remain true and united on the main goal of advancing the general well-being of our people and the deepening of our democracy.

187. Mr. Speaker, I beg to move.