



REPUBLIC OF GHANA

MINISTRY OF FINANCE

COVID – 19 Budgetary Response & Mitigating Against Future Budgetary Pressures in Ghana

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Presentation By

Alex Amankwah-Poku

Head, Budget Development and Reforms



Presentation Outline

1. INTRODUCTION
2. PFM & FISCAL RESPONSE TO COVID
3. PREPARATION FOR 2021 BUDGET
4. CONCLUSION



INTRODUCTION

- Many sectors of the economy have been negatively impacted and government set out to protect lives and livelihoods as its mitigation measures.
- Key aspects of the COVID-19 budgetary response and mitigating measures for 2020 and the Medium Term are contained in the Mid-Year Review (Copies on MoF website).
- In the area of PFM our response include:



PFM & FISCAL RESPONSE TO COVID

RESPONSE

- Contingency Fund
- Budget Reallocations/Virement
- Accelerated the revision of some financial laws to secure resources to address the impact of the Pandemic
 - Parliament Lowered Ghana's Stabilisation fund threshold from USD300 m to USD100 million in accordance with Sec. 23 (3) of the Petroleum Revenue Management Act (PRMA) in order to close the fiscal gap created by the COVID-19 pandemic;
 - Amended the Petroleum Revenue Management Act to allow for withdrawal from the Ghana Heritage Fund (75% of Bal. of \$591.1 million) to undertake emergency expenditures
 - Set aside Fiscal Responsibility Act, 2018 (Act 982)
- Supplementary Expenditures (opportunity to use the Mid-Year Budget for that)



PFM & FISCAL RESPONSE TO COVID

RESPONSE

- Adjusted downwards some expenditures
- Established a COVID-19 National Trust Fund to raise funds to deal with the Pandemic
- Put in mechanisms to track COVID related expenditures etc.



ANALYSIS OF RISKS AND OPPORTUNITIES

- Restoring the Fiscal Responsibility law is projected to be done by 4 years. However, the unknown unknowns still exist. We anticipate that the economy is likely to return to the 5 percent fiscal deficit threshold set in the Fiscal Responsibility Law no sooner than 2024.
- Future Interests payment
- Delayed implementation of government development programmes/projects

Opportunities

- Reprioritisation of government expenditures (eg. foreign travels)
- Provision of more health facilities
- Built local capacities for provision of vital goods and services (as imports substitutes)
- Introduction of alleviation programme to support distressed businesses (Coronavirus Alleviation Programme)
- Improve personal hygiene and sanitation as a result of COVID-19 protocols
- Improve used technology in efficient delivery of services (eg. e-commerce, social media)



PREPARATION FOR 2021 BUDGET

- Every four years, we prepare an Expenditure in Advance of Appropriation (Vote of Account) for the first three months of the ensuing year because of the National Elections. This would be done this year.
- The full 2021 budget would be prepared in the first quarter of 2021. This is in accordance with **Section 23** of the Public Financial Management Act, 2016 (Act 921)
- The focus on the first three months (1st quarter) would be to address basic goods and services required for government business to run in addition to security and essential services for the first three months and compensations budget.



PREPARATION FOR 2021 BUDGET

- The Ghana COVID-19 Alleviation and Revitalisation of Enterprises Support (CARES) Programme to mitigate the impact of the pandemic on the lives and livelihoods of Ghanaians, and to ensure that we quickly emerge from the pandemic with a stronger and more resilient economy would also be the focused of the 2021 budget.
- The processes for development our budget stays the same except the fact that we are observing the COVID-19 protocols as instituted by government.



CONCLUSION

- In conclusion, Government is facilitating rapid response to the crisis, by prioritizing government expenditures and enhancing revenue mobilisation as well as taking advantage of the opportunities it offers.
- The interventions and measures to respond to the spread and effects of COVID-19 is on course including the CARES programme so Ghana quickly emerges from the pandemic with a stronger and more resilient economy.
- We are very confident that Government's measures put forward to address the impact of COVID-19 would be successful.



Thank You



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