



REPUBLIC OF GHANA

# **GROWTH AND POVERTY REDUCTION STRATEGY (GPRS II)**

## **COSTING FRAMEWORK (2006 – 2009)**

**VOLUME II**

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## **LIST OF ACRONYMS**

MDAs	Ministries, Departments and Agencies
HIPC	Highly-Indebted Poor Country
MTEF	Medium-Term Expenditure Framework
AGOA	Africa Growth and Opportunity Act
EU-ACP	European Union – African-Caribbean-Pacific

## EXECUTIVE SUMMARY

This document is presented as Volume II of the Growth and Poverty Reduction Strategy (GPRS II). It represents the costing framework for the effective implementation of the GPRS II.

It briefly reviews the costing framework for the financing of programmes and projects under GPRS I, identifies some of the constraints in the resource allocation and actual expenditures and proposes strategic focus of expenditure outlays under GPRS II.

The costing framework is based on the following thematic areas of the GPRS II:

- Private Sector Competitiveness
- Human Resource Development
- Governance and Civic Responsibility

The total cost of implementing the GPRS II is estimated at 73.374 trillion cedis (US\$ 8.063 billion). Of this, Private Sector Competitiveness will require 25.981 trillion cedis (US\$ 2.855 billion), Vigorous Human Resource Development will cost 40.298 trillion cedis (US\$ 4.428 billion), while Governance and Civic Responsibility is estimated to cost 7.096 trillion cedis (US\$ 0.780 billion).

While the cost of ensuring continuous macro-economic stability is covered under Economic Governance, that for monitoring and evaluation is captured mostly under Governance as well as the related strategies of the other thematic areas.

The resource envelope comprises both domestic and external sources of financing the GPRS II. A financing gap of (US\$ 1.79 billion) has been identified in the budgetary projections. This resource gap is expected to be financed through increased domestic resource mobilization, programme loans and grants, and other financing instruments including the international capital market.

## CHAPTER ONE

### 1. INTRODUCTION

#### 1.1 Background

The overarching goal of Ghana's current socio-economic development agenda is to attain middle income status (with a per capita income of at least US\$1000) by the year 2015 within a decentralized, democratic environment. This is to be complemented by the adoption of an overall social protection policy, aimed at empowering the vulnerable and excluded, especially women to contribute to and share in the benefits of growth of the economy, thus ensuring sustained poverty reduction.

GPRS II is presented in two volumes: Volume I, the policy framework of the Growth and Poverty Reduction Strategy (GPRS II) analyses the macroeconomic context and the development policy choices that should be made to attain the goals of GPRS II. It includes a policy matrix, which outlines issues, policy objectives, and strategies, and also identifies the agencies responsible for implementing each component of the strategy. Volume II is the four-year costing framework for the effective implementation of the GPRS II and strategies.

#### 1.2 Review of the GPRS I Expenditures Framework

GPRS I was formulated around the following five thematic areas:

- Macroeconomic Stability
- Production and Gainful Employment
- Human Development and Provision of Basic Services
- Vulnerability and Exclusion
- Good Governance.

At initial formulation, the total cost of GPRS I was estimated to be US\$5.283 billion. Financial allocation to the five main thematic areas were as follows: 8% for programmes geared towards ensuring macroeconomic stability, 27% for enhancing production and gainful employment and 58% was for enhancing human resources development and efficient and equitable provision of basic social services. Three percent of the total cost was for developing and implementing special programmes for the vulnerable and excluded, and about 4% for financing activities and institutional reforms designed to enhance good governance.

However, due to resource constraints, it was not possible to commit the above estimated resources for the implementation of GPRS I.

Details of expenditures on programmes and projects under GPRS I were highly fragmented and incomplete in some cases. For instance, some expenditures financed under the HIPC debt relief facility, a number of statutory funds and internally generated funds were outside the budget.

Furthermore, the MTEF, which was expected to provide the link between the GPRS and the budget, had a major shortcoming in that while it provided a high level of details, it did not aggregate spending into programmes thus making it difficult to track the relationship with programme priorities as set out in the GPRS I.

### **1.3 Strategic Focus of GPRS II Expenditures**

GPRS II proposes to overcome these limitations by adopting the following measures:

- Pooling of resources for financing expenditures associated with the implementation of the growth and poverty reduction strategy.

Currently resources, which have been allocated to poverty reduction related interventions are dispersed through various projects and programmes directly implemented by MDAs and a number of District Assemblies. Under GPRS II the proposal is to ensure that as far as possible, available funds targeted at growth and poverty reduction are consolidated and rationally allocated.

- Improved targeting of the resource allocation mechanism

In allocating these resources, emphasis will be placed on targeting the priority programmes, projects and activities under the respective thematic areas of the GPRS II.

- Alignment of MDAs objectives to the strategic objectives of the GPRS II

Under the MTEF, which provides the current framework for annual budgeting, the objectives are drawn from strategic plans developed by MDAs. Under GPRS II, all MDAs objectives are aligned to GPRS II objectives in order to enhance the environment for a more effective monitoring of expenditure outlays in the GPRS II.

## CHAPTER TWO

### 2. SUMMARY OF GPRS II POLICIES AND STRATEGIES

#### 2.1 Macroeconomic Stability

GPRS II will continue with the implementation of policies that will sustain the gains made in macroeconomic stability under GPRS I and enhance the environment for accelerated growth through:

- prudent fiscal policy management
- a monetary policy that is flexible enough to respond to external shocks, promote growth and ensure price stability
- real interest rates that enhance effective mobilisation of savings and make credits affordable to the private sector
- relatively stable real exchange rates that promote international trade

#### 2.2 Private sector competitiveness

Structural transformation under GPRS II is to be propelled by the agricultural sector in order to maximize the benefits of accelerated growth. The choice of an agriculture-led growth strategy is predicated on the following premises:

- Agriculture is the highest contributor to GDP and provides employment for over 60 percent of the population. Consequently growth in the sector will impact directly on growth of the economy as well as employment.
- the bulk of the poor, especially women, are engaged in agriculture – food crops, livestock and fisheries.
- accelerated development of agriculture as the growth point in the medium term will have a direct benefit on poverty reduction and reduce the rural-urban drift.
- increased productivity in agriculture will ensure food security and contribute immensely to the health and well being of the population.
- a modernized agricultural sector has the capacity to prepare the ground for structural transformation between agriculture and industry

Thus in the next few years growth will be led by the agricultural sector, which will provide the necessary inputs for a vibrant agro-processing industrial sector in the medium term (by 2010). In the process, the areas of Ghana's comparative advantage in agriculture will be enhanced and transformed into competitive advantage in the sub-region.

#### Policy Interventions

The following broad areas have been identified for priority interventions for accelerated agriculture led growth:

- reform to land acquisition and property rights

- accelerating the provision of irrigation infrastructure
- enhancing access to credit and inputs for agriculture
- promoting selective crop development
- modernising livestock development
- improving access to mechanised agriculture
- increasing access to extension services
- provision of infrastructure for aquaculture
- restoration of degraded land and environment

In line with the long term vision of developing an agro-based industrial economy, the interventions in agriculture will be complemented with appropriate interventions in the trade and industry sector. The broad policy objectives and strategies outlined to achieve this include:

- ensure proper integration of the nation's production sectors into the domestic market:
- promote agro-processing
- expand agricultural marketing
- enhance access to export markets
- increase industrial output and improve the competitiveness of domestic industrial products
- facilitate the development of commercially viable export and domestic market oriented enterprises in the rural areas
- promote industrial sub-contracting and partnership exchange
- promote the development of the craft industry for export
- ensure the health, safety and economic interest of consumers

### **Support services**

Strategic support sectors that would be developed to facilitate improved productivity in agriculture and agro-industry include transportation, energy, science and technology.

The broad policy objectives here include: ensure the provision, expand and maintain transport infrastructure of all kinds that link the rural to the urban centres; and ensure provision of affordable and accessible transport system that recognises the needs of people with disabilities.

### **Additional sectors to support growth**

Other sectors which are targeted for development in view of their employment creation and income generation potentials include: mining (especially exploration and exploitation of the lesser developed minerals such as salt); Information and Communication Technology (ICT); tourism; music and film industry; as well as the development and production of commodities under the Special Initiatives for export including garments and textiles

### **Employment generation and improved safety nets**

In order to ensure that employment expands along with production and that the benefits of growth is widely shared through better job opportunities and thus poverty reduction, the broad employment sector objective will be to ensure an adequate, well regulated, stable labour market to support accelerated growth.

## **2.3 Human Resource Development**

The main goal of Human Resource Development under GPRS II is to ensure the development of a knowledgeable, well-trained and disciplined labour force with the capacity to drive and sustain private sector-led growth.

### **Policy Interventions**

The following broad policy areas have been identified to drive the development of the necessary human resources for accelerated economic growth: education and skills development improved; access to health care, malaria control and HIV/AIDS prevention and treatment; access to safe water and adequate sanitation; housing and slum upgrading; and population management. In addition relevant issues relating to vulnerability and exclusion will be mainstreamed in the human resource development strategy.

### **Education**

Priority policy interventions in the education sector that will deepen and sustain the progress made in education under GPRS I and accelerate growth include the following:

- increase access to and participation in education and training at all levels
- bridge gender gaps in access to education in all districts
- improve quality of teaching and learning;
- improve efficiency in the delivery of education services
- promote science and technology education at all levels with particular attention to increased participation of girls.

Skills and entrepreneurial development will be guided by the following priorities.

- provide skills and entrepreneurial training in a gender responsive and equitable manner
- promote dialogue between industry and skills/professional training institutions to produce skilled labour required by industry
- strengthen and support HR training institutions
- promote apprenticeship training;
- promote the adoption of the National Youth Policy and enactment of the Disability Bill

### **Health**

In order to accelerate access to quality health services, the health sector will continue to deepen efforts and focus on the three broad policy objectives. These are:

- bridge the existing equity gap in access to good quality health and nutrition services
- ensure sustainable financing arrangements that protect the poor
- enhance efficiency in service delivery

In Ghana, malaria remains the leading cause of morbidity, accounting for about 40% of all outpatient attendance. The following priority interventions in the Roll Back Malaria (RBM)

plan will be promoted and strengthened under GPRS II: improve malaria case management; multiple prevention; improved partnership; and focused research.

HIV/AIDS pandemic at the prevalence rate of 3.4% has negative impact on productivity, loss of productive assets, high treatment costs and the break in the transfer of valuable livelihood knowledge from one generation to the next. To effectively address this issue, the following strategies will be adopted to prevent the spread of HIV/AIDS in order to keep the prevalence rate below 5%: reduce new HIV/STI transmission; reduce the impact of HIV/AIDS related vulnerability, morbidity and mortality; enhance the coordination and management of the national HIV/AIDS response.

### **Safe water and environmental sanitation**

The following priorities will guide the delivery of safe water and sanitation in the next four years: accelerate provision of safe water in rural and urban areas; accelerate the provision of adequate sanitation; improve environmental sanitation in urban and rural areas.

### **Urban housing and slum upgrading**

The ultimate goal of Shelter Policy is to provide adequate and affordable housing with requisite infrastructure and basic services to satisfy the basic needs of the people. GPRS II treats housing provision as a strategic area for stimulating economic growth while at the same time improving the living conditions of Ghanaians. The very activity of providing housing contributes to economic growth through multiplier effect of housing construction on the economy.

### **Population management**

Population management will be based on the following priorities:

- promote access to and utilization of family planning services
- educate the youth on sexual relationship, fertility regulation, adolescent health marriage and child bearing
- promote sexual health, delayed marriage and child bearing
- promote compulsory education for children especially the girl-child up to secondary
- promote compulsory and universal birth registration as a basic right and population management measure
- integrate population variables into the GPRS at the national, regional and district levels and improve population database for the GPRS
- promote the integration of HIV/AIDS into sexual and reproductive health programmes
- strengthen the multi-sectoral, multi-disciplinary institutional co-ordination collaboration and networking for population management.

### **Mainstreaming the Vulnerable and Excluded in Human Resource Development**

Issues relating to vulnerability and exclusion have been mainstreamed in the GPRS II. A comprehensive Social Policy Framework to update existing policies where necessary and

provide guidelines for improved social development performance to support economic growth will be developed and adopted to strengthen the process of empowering the vulnerable and excluded, reduce their risks, protect their rights and enhance their potential to contribute effectively to national development.

Critical policy issues to be addressed in GPRS II, besides education and health, include:

- integrated child development
- strengthening of the family
- HIV/AIDS
- capacity development in social work and volunteerism;
- database on vulnerable and excluded groups; and
- institutional strengthening, linkages and coordination.

## **2.4 Good Governance and Civic Responsibility**

The broad objective of good governance and civic responsibility is to empower state and non-state entities to participate in the development process and to collaborate effectively in promoting peace and stability. Measures towards attaining this objective include the promotion of an effective, responsible and accountable state machinery with improved capacity to engage the productive private sector and civil society in formulating strategies for accelerated growth and poverty reduction.

Strategies for Political Governance under GPRS II include strengthening Parliament, enhancing decentralisation, protecting rights under rule of law, ensuring public safety and security, managing public policy, empowering women and the vulnerable group, enhancing development communication, ensuring good corporate governance, and promoting civic responsibility, increasing access to information.

Priorities for enhancing Economic Governance under GPRS II will focus on improved management of fiscal, monetary and international trade policies. Strategies for improved fiscal policy management will focus on public expenditure management, promoting effective debt management, and improving fiscal resource mobilization. Monetary Policy management will continue to focus on price and exchange rate stability. The management of GPRS II will promote international trade by reducing the constraints associated with the export and import procedures; minimizing the incidence of “dumping”; diversifying and increasing the export base, promoting new areas of competitive advantage, taking full advantage of Ghana’s preferential access to international markets (AGOA, EU-ACP), engaging fully in multi-lateral trade, and setting up information system to track and measure progress in these areas.

## **2.5 Monitoring and Evaluation**

The goal of the M&E System under GPRS II is to facilitate the tracking of progress and effectiveness as well as to identify bottlenecks associated with the implementation of the

Strategy. The proposed system, which forms an integral part of the GPRS II, will build on the progress made under GPRS I and would involve the following key strategies:

- reinforce institutional arrangements that can support and sustain monitoring and evaluation processes
- evolve an efficient system for evidence-based monitoring and evaluation
- strengthen and effectively coordinate existing mechanisms
- evolve an efficient system for generating relevant, reliable and timely quantitative and qualitative information
- manage an effective feedback mechanism that makes statistical information available in useable form to government and civil society
- ensure a holistic and participatory approach to M&E including consultative mechanisms such as the APRM

Enhanced efforts to implement the M&E Plan will focus on strengthening institutional capacities to link M&E results to national policy and decision-making and budgeting. The outputs from the M&E efforts will be documented and widely disseminated through the Annual Progress Reports

## CHAPTER THREE

### 3. COSTING THE GPRS II

#### 3.1 Methodology and Assumptions

##### Methodology

The costing of the GPRS II was based on the following:

- GPRS II policy objectives
- GPRS II strategies
- outputs derived from GPRS II strategies
- activities to realise the outputs

1. MDAs defined Activities, to be undertaken in order to realize outputs.
2. Input costs for the activities are determined from quantities, frequencies and unit costs.
3. The sum of the input costs, gives the activity cost. The activity costs are then aggregated to get the output cost. Output costs are further aggregated to obtain the costs for each thematic area.

##### Assumptions

- i. The costs of both new and on-going programmes and projects necessary for meeting growth and poverty reduction targets are included in total cost of implementation.
- ii. The activities costed consist mainly of capital and service expenditures associated with the programmes and projects.
- iii. The implementation of the GPRS II involves activities that may be carried out by the public sector alone, or by the private sector in partnership with the public sector. In the case of the latter, only the public sector activities are costed.

#### 3.2 Costing the Strategies

The matrix in Appendix 1 (Summary) presents the costing of the strategies of GPRS II. These are categorised under the 3 main thematic areas identified in Volume 1 of the GPRS II:

- Accelerated Private Sector-led growth
- Vigorous Human Resource Development
- Good Governance, and Civic Responsibility

As shown in Appendix 1 the total cost of the GPRS II is estimated at 73.374 trillion cedis (US\$ 8.063 billion). Of this, Private Sector Competitiveness will require 25.981 trillion cedis (US\$ 2.855 billion), cost for Human Resource Development is estimated to be 40.298 trillion cedis

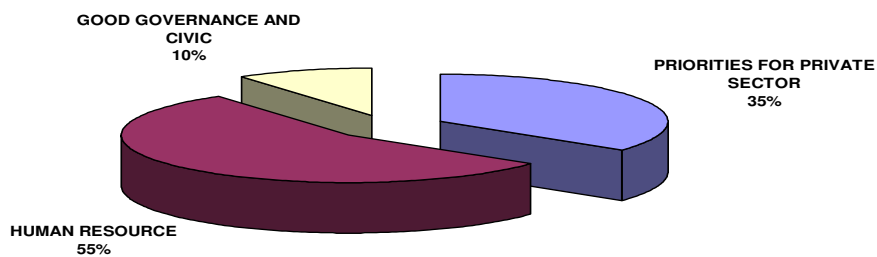
(US\$ 4.428 billion) and Good Governance and Civic Responsibility is estimated to cost 7.096 trillion cedis (US\$ 0.780 billion).

Nearly 73% of the resource associated with the Private Sector Competitiveness thematic area is expected to go into programmes and projects intended to raise agricultural productivity, develop small-scale agro-industries, improve the transport infrastructure, facilitate both domestic and international trade, and the develop the capacity and competency of domestic industries. In the area of Human Resource Development, about 97% of the thematic area resources are expected to go into Education, skills and man-power development, and the provision of health services with environmental sanitation being essential component of it. Public policy management and public sector reforms, protecting rights under rule of law, public safety and security, and fighting corruption and economic crimes are expected to take about 71% of the resource allocation to Good Governance and Civic Responsibility, while about 8% goes to ensuring continuous macroeconomic stability.

The costs for monitoring and evaluation activities are included both in the Governance section as well as under related strategies in the other thematic areas.

Consistent with the objectives of GPRS II, resource allocation to Private Sector Competitiveness thematic area has increased from 27% in GPRS I to 35% under GPRS II. This is to ensure that more resources are allocated to the growth inducing points in the economy.

**Figure 3.1: Allocation of Resource under GPRS II (in percentage)**



## CHAPTER FOUR

### 4. THE RESOURCE ENVELOPE AND THE FINANCING GAP

#### 4.1 Resource Envelope

The resource envelope comprises both domestic and external sources of financing. In each of the four years within the GPRS II implementation period, budgetary resources will constitute an average of 35 percent of annual GDP. Domestic revenue sources make up some 23 percent of GDP, while grants from bilateral and multilateral sources constitute about 5.5 percent of GDP on the average. The remaining 6.5 percent is expected to come from divestiture receipts, programme loans and exceptional financing arrangements.

About seventy percent of total receipts are expected to be generated internally (i.e. domestic tax and non-tax sources). Personnel emoluments will constitute the largest share (40 percent) of discretionary expenditure. This figure is however expected to decline to 30 percent between 2006 and 2009.

The greater proportion of investments under GPRS II is expected to be funded from inflows of donor funds in view of the fact that most of the internally generated funds will be devoted to personnel emoluments. Foreign financed investment expenditures is expected to account for approximately 30 percent of total discretionary expenditure during the same period. On the other hand, domestic investment expenditure (excluding statutory expenditure) is expected to remain at 10 percent of discretionary expenditure between 2006 and 2008, rising thereafter to 20 percent in 2009. Grants and loans will account for 27 percent of receipts in 2006 rising to 31 percent by 2009. The Grant component is expected to exceed the loan component by 2009, rising from 13 percent to 17 percent while loans will remain fairly stable at 14 percent of discretionary expenditure over the same period (see tables 4.1 (a) & (b)).

**Table 4.1: Medium Term Expenditure Framework - 2005-2009**

(a) Total Payments (in billion cedis)

	2005	2006	2007	2008	2009
	Proj Outturn (Q1-Q4)	Budget Estimate	Projected Estimates	Projected Estimates	Projected Estimates
<b>Total Payments</b>	<b>35,672.2</b>	<b>38,972.9</b>	<b>44,767.4</b>	<b>49,828.7</b>	<b>55,135.9</b>
<b>Statutory Payments</b>	<b>12,217.6</b>	<b>13,993.2</b>	<b>13,035.1</b>	<b>13,637.4</b>	<b>14,775.1</b>
<b>External Debt Service</b>	<b>3,610.0</b>	<b>4,537.4</b>	<b>3,404.5</b>	<b>3,417.5</b>	<b>3,898.6</b>
Principal 1/	2,608.0	3,473.1	2,452.9	2,447.1	2,778.4
Interest	1,002.0	1,064.3	951.6	970.3	1,120.1
<b>Domestic Interest</b>	<b>2,470.6</b>	<b>2,426.8</b>	<b>1,607.9</b>	<b>1,187.4</b>	<b>848.5</b>
<b>District Assemblies Common Fund</b>	<b>1,069.9</b>	<b>1,204.3</b>	<b>1,443.7</b>	<b>1,607.8</b>	<b>1,780.4</b>
<b>Transfers to Households</b>	<b>2,927.8</b>	<b>3,340.6</b>	<b>3,789.4</b>	<b>4,280.8</b>	<b>4,759.7</b>
Pensions	613.8	705.9	804.5	911.0	1,012.9

	2005	2006	2007	2008	2009
	Proj Outturn (Q1-Q4)	Budget Estimate	Projected Estimates	Projected Estimates	Projected Estimates
Gratuities	356.0	409.4	466.6	528.4	587.5
Social Security	618.8	711.6	793.2	887.9	987.2
National Health Fund (NHF)	1,339.2	1,513.7	1,725.1	1,953.5	2,172.1
<b>Education Trust Fund</b>	<b>1,175.6</b>	<b>1,386.3</b>	<b>1,538.4</b>	<b>1,727.1</b>	<b>1,912.7</b>
<b>Road Fund</b>	<b>883.3</b>	<b>1,068.9</b>	<b>1,251.2</b>	<b>1,416.8</b>	<b>1,575.3</b>
<b>Petroleum-related Fund</b>	<b>80.3</b>	<b>28.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Discretionary Payments</b>	<b>23,454.6</b>	<b>24,979.7</b>	<b>31,732.4</b>	<b>36,191.4</b>	<b>40,360.9</b>
Personal Emoluments (MDAs- Item 1)	8,683.1	9,990.0	11,129.7	12,458.2	13,851.9
Administration (MDAs- Item 2)	1,613.0	2,186.8	2,507.0	2,853.0	3,184.0
Service (MDAs- Item 3)	969.6	808.8	927.3	1,055.2	1,177.6
Domestic Investment (Item 4) (Excl. Statutory Funds)	1,427.9	1,684.8	3,200.3	4,783.7	8,484.4
<b>Net Lending</b>	<b>98.0</b>	<b>39.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
New Loans	98.0	39.5	0.0	0.0	0.0
Loan Recoveries	0.0	0.0	0.0	0.0	0.0
<b>Foreign-financed Investment (Item 4)</b>	<b>5,790.0</b>	<b>6,251.8</b>	<b>8,279.3</b>	<b>9,646.9</b>	<b>10,791.0</b>
<b>Strategic Oil Stocks</b>	<b>145.0</b>	<b>145.0</b>	<b>145.0</b>	<b>145.0</b>	<b>145.0</b>
<b>VAT refunds</b>	<b>72.0</b>	<b>100.0</b>	<b>111.0</b>	<b>124.6</b>	<b>138.0</b>
<b>Outstanding Commitments</b>	<b>1,117.7</b>	<b>347.0</b>	<b>97.0</b>	<b>0.0</b>	<b>0.0</b>
Roads	100.0	100.0	0.0	0.0	0.0
Non-roads	1,017.7	247.0	97.0	0.0	0.0
<b>Utility Price Subsidies</b>	<b>412.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
o/w TOR's Under- recovery	412.0				
<b>Other Transfers</b>	<b>350.0</b>	<b>350.0</b>	<b>398.9</b>	<b>451.8</b>	<b>502.2</b>
Safety net for petroleum deregulation	250.0	250.0	284.9	322.7	358.7
Lifeline consumers of electricity	100.0	100.0	114.0	129.1	143.5
<b>HIPC-financed Expenditure</b>	<b>1,614.8</b>	<b>1,822.1</b>	<b>2,193.8</b>	<b>2,114.3</b>	<b>2,086.8</b>
<b>Divestiture Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Repayment of Domestic Debt</b>	<b>996.2</b>	<b>1,167.7</b>	<b>2,740.0</b>	<b>2,558.7</b>	<b>0.0</b>
<b>Redemption of Deferred Interest</b>					
<b>Payments on inflation-indexed Bonds</b>	<b>165.3</b>	<b>86.2</b>	<b>3.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Discrepancy</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

(b) Total Receipts (in billion cedis)

	2005	2006	2007	2008	2009
	Proj Outturn (Q1-Q4)	Budget Estimates	Projected Estimates	Projected Estimates	Projected Estimates
<b>Total receipts</b>	<b>35,672.5</b>	<b>38,972.9</b>	<b>44,767.4</b>	<b>49,828.7</b>	<b>55,135.9</b>
<b>Total Revenue (domestic tax and non-tax)</b>	<b>24,116.2</b>	<b>26,411.3</b>	<b>29,902.3</b>	<b>33,303.9</b>	<b>36,872.0</b>
<b>Grants</b>	<b>5,354.8</b>	<b>5,099.3</b>	<b>7,400.3</b>	<b>8,467.6</b>	<b>9,104.3</b>
Project	2,840.0	2,505.9	4,028.1	4,866.6	5,443.7
Programme	1,354.0	1,388.0	2,091.5	2,351.8	2,630.7
HIPC Assistance	1,160.8	1,205.4	1,280.7	1,249.2	1,029.9
<b>Loans</b>	<b>4,437.0</b>	<b>5,383.4</b>	<b>6,018.6</b>	<b>6,767.7</b>	<b>7,570.3</b>
Project Loans	2,950.0	3,746.0	4,251.2	4,780.4	5,347.3
Programme Loans	1,487.0	1,637.5	1,767.3	1,987.3	2,223.0
<b>Divestiture Receipts</b>	<b>150.0</b>	<b>335.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Domestic Financing (Borrowing)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>93.1</b>
<b>Deferred Interest Payments on Inflation-indexed Bonds</b>	<b>66.7</b>	<b>14.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Exceptional Financing (HIPC Debt Relief)</b>	<b>1,547.8</b>	<b>1,729.1</b>	<b>1,446.2</b>	<b>1,289.6</b>	<b>1,496.3</b>
<b>Memo items</b>					
Overall Cash Balance (including Divestiture)	-2,281.7	-2,400.4	-2,268.8	-3,051.4	-6,381.2
percent of GDP	-2.4	-2.1	-1.8	-2.1	-4.0
Domestic Revenue	24,116.2	26,411.3	29,902.3	33,303.9	36,872.0
percent of GDP	24.9	23.5	23.4	23.0	22.9
Domestic Primary Expenditure	21,522.4	24,156.1	28,635.7	33,018.2	39,597.9
percent of GDP	22.2	21.5	22.4	22.8	24.6
Domestic Primary Balance	2,593.8	2,255.3	1,266.7	285.7	-2,726.0
percent of GDP	2.7	2.0	1.0	0.2	-1.7
<b>Nominal GDP (billion cedis)</b>	<b>97,018.0</b>	<b>112,320.3</b>	<b>128,012.8</b>	<b>144,960.7</b>	<b>161,177.3</b>

## 4.2 The Resource Gap

The estimated total resources required to finance the GPRS II is US\$ 8.06 billion (2006-2009). These costs exclude wages and salaries and administrative expenses associated with project and programme implementation. A comparison of the macroeconomic framework data with the estimated cost of implementing the GPRS II provides an indication of the resource gap that must be filled to ensure full implementation of the programs and projects identified in the GPRS II. Over the period, total receipts are expected to rise by 41 percent from €38 trillion in 2006 to €55 trillion in 2009. Domestic tax revenue is estimated to account for approximately 23 percent of GDP over the period, which compares quite favorably with most developing countries but is slightly lower than the level (24 percent) achieved in 2005.

The budgeted expenditures for investments and services over the same period only amount to US\$6.27 billion indicating an overall funding gap of U.S\$1.79 billion which is expected to be filled by external inflows and resources from the capital market (see table 4.2).

External inflows are expected to be harnessed from HIPC savings, debt cancellation and Millennium Challenge Account to complement domestic resources. Given Ghana's favourable sovereign ratings, augmented by good governance, additional resources could be sourced from the international capital market.

The implementation of the Financial Sector Strategic Plan is expected to improve the domestic financial environment significantly. This should lead to increased domestic savings mobilization to make resources available to the private sector.

It is expected that Ghana would gradually wean itself off excessive reliance on donor budgetary support. This will entail intensified domestic revenue mobilization that will support Ghana's competitiveness without unduly overburdening taxpayers, especially corporate entities. Consequently the following broad measures will be adopted:

- Broadening the tax base so that tax GDP ratio increases on account of existing tax windows with minimal additional tax increases after critical impact analyses
- Reduction of exemptions and elimination loopholes in tax system, and
- Strengthening the capacity of tax administration.

### **4.3 Implementation Challenges**

Resources constitute one of several implementation challenges that bedevil the success of development programs. This section identifies some of such challenges and flags them for debate with domestic and foreign partners.

#### **4.3.1 Budget Support vs. Project Support**

Donor partner resources currently constitute a mix of budgetary support and earmarked funds. The Multi-Donor Budgetary Support (MDBS) program was designed to promote increased direct budgetary support. While this mechanism of resource allocation provides greater flexibility in the use of resources, the downside is that such flexibility could compromise discipline required to adhere to fiscal priorities. Successful implementation of the GPRS II will therefore require an appropriate mix of direct budgetary support and earmarked funds.

#### **4.3.2 Frontloading vs. Backloading Resource Flows**

Furthermore, the real value of resource commitments by donor partners will be higher if they are frontloaded. Indeed, frontloading will minimize the tendency to reallocate resources to expenditure categories such as personnel emoluments in the event of resource constraints. This practice delays project and programme implementation and particularly compromises the effective implementation of time or season-sensitive projects such as those in the agricultural sector.

**Table 4.2: Resource Gap for 2006-2009 GPRS II Implementation (in US\$)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
SERVICES	88,878,585.34	101,896,753.85	115,956,603.30	129,409,813.19	436,141,755.67
INVESTMENTS	872,156,032.20	1,261,498,351.65	1,585,784,725.27	2,118,170,219.78	5,837,609,328.91
Domestic Financed (excl. DACF & GEFF)	185,143,416.76	351,682,967.03	525,680,879.12	932,347,582.42	1,994,854,845.33
Foreign Financed	687,012,615.45	909,815,384.62	1,060,103,846.15	1,185,822,637.36	3,842,754,483.58
SERVICE + INVESTMENTS	961,034,617.55	1,363,395,105.49	1,701,741,328.57	2,247,580,032.97	6,273,751,084.58
ESTIMATED GPRS COST	2,066,416,000.00	2,083,235,000.00	2,039,454,000.00	1,874,020,000.00	806,3125,000.00
PLANNED EXP. LESS COST	(1,105,381,382.45)	(719,839,894.51)	(337,712,671.43)	373,560,032.97	(1,789,373,915.42)

Source: GPRS II Costing Framework and Macro-economic Framework.

Note: Assumes a cedi/dollar exchange rate of 9100 cedis.

## APPENDICES

### APPENDIX 1: GPRS II Estimated Cost, 2006-2009 Thematic Area

<i>Expenditure Summary (In Millions \$)</i>										
<i>Thematic Area</i>	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>Total</u>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<b>1. PRIORITIES FOR PRIVATE SECTOR COMPETITIVENESS</b>	751.884	36.4	764.811	36.7	704.387	34.5	633.949	33.8	2,855.031	35.4
<b>2. HUMAN RESOURCE DEVELOPMENT</b>	1,110.690	53.7	1,115.939	53.6	1,158.783	56.8	1,042.906	55.7	4,428.318	54.9
<b>3. GOOD GOVERNANCE AND CIVIC RESPONSIBILITY</b>	203.842	9.9	202.485	9.7	176.284	8.6	197.165	10.5	779.776	9.7
<i>Grand Total</i>	2066.42	100.0	2083.24	100.0	2039.45	100.0	1874.02	100.0	8063.13	100.0

**APPENDIX 2:  
GPRS II Estimated Cost, 2006-2009 (Draft)  
Key Focus Area**

**I. PRIVATE SECTOR COMPETITIVENESS**

<i>Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>									
	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>Total</u>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<b>Private Sector Development</b>	50.564	6.7	83.906	11.0	78.244	11.1	70.419	11.1	283.133	9.9
<b>Modernized agriculture</b>	141.04	18.8	131.694	17.2	101.474	14.4	91.327	14.4	465.529	16.3
<b>Modernized Fishing Methods and a Developed Aquaculture</b>	6.127	0.8	6.122	0.8	7.21	1.0	6.489	1.0	25.948	0.9
<b>Restoration of Degraded Environment And Natural Resource Management</b>	44.589	5.9	44.573	5.8	31.9	4.5	28.71	4.5	149.773	5.2
<b>Promoting Trade And Industrial Development</b>	136.205	18.1	125.674	16.4	112.981	16.0	101.683	16.0	476.543	16.7
<b>Transport Infrastructure: Road, Rail, Water and Air Transport</b>	218.879	29.1	219.14	28.7	219.099	31.1	197.189	31.1	854.306	29.9
<b>Energy Supply to Support Industry and Households</b>	106.067	14.1	106.044	13.9	106.043	15.1	95.439	15.1	413.593	14.5

<b>Key Focus Area</b>	<b>Expenditure Summary (In Millions \$)</b>									
	<b>2006</b>		<b>2007</b>		<b>2008</b>		<b>2009</b>		<b>Total</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
<b>Science and Technology To Support Productivity And Development</b>	15.205	2.0	15.205	2.0	15.205	2.2	13.685	2.2	59.301	2.1
<b>Developing Information and Communication Technology (ICT)</b>	2.539	0.3	1.862	0.2	1.862	0.3	1.676	0.3	7.939	0.3
<b>Developing The Tourism Sector For Revenue And Employment Generation</b>	25.133	3.3	25.058	3.3	24.955	3.5	22.46	3.5	97.605	3.4
<b>The Music Industry For Growth and Job Creation</b>	1.536	0.2	1.536	0.2	1.536	0.2	1.382	0.2	5.99	0.2
<b>Employment Generation And Improvement And Expansion Of Safety Nets</b>	3.709	0.5	3.709	0.5	3.593	0.5	3.234	0.5	14.245	0.5
<b>Life Cycle Related Vulnerability And Exclusion</b>	0.269	0.0	0.269	0.0	0.269	0.0	0.242	0.0	1.049	0.0
<b>Environment Related Factors In Vulnerability And Exclusion</b>	0.018	0.0	0.018	0.0	0.018	0.0	0.016	0.0	0.071	0.0
<b>Sub-total</b>	<b>751.879</b>	<b>100.0</b>	<b>764.81</b>	<b>100.0</b>	<b>704.39</b>	<b>100.0</b>	<b>633.951</b>	<b>100.0</b>	<b>2,855.02</b>	<b>100.0</b>

## II. HUMAN RESOURCE DEVELOPMENT

<i>Expenditure Summary (In Million \$)</i>											
<b>Key Focus Area</b>	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>Total</u>		
	Value	%	Value	%	Value	%	Value	%	Value	%	
<b>Education</b>	389.093	35.0	400.892	35.9	406.419	35.1	365.777	35.1	1,562.11	35.3	
<b>Skills and Manpower Development</b>	68.776	6.2	47.791	4.3	38.298	3.3	34.468	3.3	187.233	4.2	
<b>Sports Development</b>	1.583	0.1	1.583	0.1	1.582	0.1	1.424	0.1	6.171	0.1	
<b>Health</b>	470.152	42.3	469.063	42.0	469.063	40.5	422.157	40.5	1,830.44	41.4	
<b>HIV/AIDS</b>	54.588	4.9	70.781	6.3	123.259	10.6	110.933	10.6	359.56	8.1	
<b>Population Management</b>	0.867	0.1	0.856	0.1	0.747	0.1	0.673	0.1	3.143	0.1	
<b>Water and Environmental Sanitation</b>	93.563	8.4	93.563	8.4	93.563	8.1	84.207	8.1	364.895	8.2	
<b>Urban Development, Housing and Slum Upgrading</b>	32.07	2.9	31.411	2.8	25.853	2.2	23.268	2.2	112.602	2.5	
<b>Sub-total</b>	<b>1,110.69</b>	<b>100.0</b>	<b>1,115.94</b>	<b>100.0</b>	<b>1,158.78</b>	<b>100.0</b>	<b>1,042.91</b>	<b>100.0</b>	<b>4,426.15</b>	<b>100.0</b>	

### III. GOOD GOVERNANCE AND CIVIC RESPONSIBILITY

<i>Key Focus Area</i>	<i>Expenditure Summary (In Million \$)</i>									
	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>Total</u>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<b>Institutional Strengthening and Coordination of Public Institutions and Non-State Actors</b>	0.088	0.04	0.088	0.04	0.088	0.05	0.079	0.04	0.343	0.04
<b>Access to Rights and Entitlements</b>	0.237	0.12	0.237	0.12	0.231	0.13	0.208	0.11	0.911	0.12
<b>Environment Related Factors in Vulnerability and Exclusion (Conflict Management)</b>	0.044	0.02	0.044	0.02	0.044	0.02	0.04	0.02	0.171	0.02
<b>Strengthening Practice of Democracy</b>	35.83	17.58	35.20	17.38	35.23	19.98	35.44	17.97	141.70	18.17
<b>Enhancing Decentralization</b>	13.839	6.79	13.628	6.73	12.777	7.25	11.5	5.83	51.744	6.64
<b>Protecting Rights Under Rule of Law</b>	2.262	1.11	2.262	1.12	2.262	1.28	2.375	1.20	9.161	1.17
<b>Improved Access to Rights and Entitlements</b>	0.447	0.22	0.447	0.22	0.447	0.25	0.502	0.25	1.843	0.24
<b>Public Safety and Security</b>	21.476	10.54	21.378	10.56	21.15	12.00	22.555	11.44	86.559	11.10

<i>Expenditure Summary (In Million \$)</i>											
<i>Key Focus Area</i>	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>Total</u>		
	Value	%	Value	%	Value	%	Value	%	Value	%	
<b>Public Policy Management and Public Sector Reforms</b>	90.736	44.51	90.656	44.77	73.671	41.79	94.306	47.83	349.369	44.80	
<b>Fighting Corruption and Economic Crime</b>	21.017	10.31	20.884	10.31	18.825	10.68	16.942	8.59	77.667	9.96	
<b>Women Empowerment</b>	0.279	0.14	0.279	0.14	0.279	0.16	0.251	0.13	1.086	0.14	
<b>Gender-Related Experiences in Vulnerability and Exclusion (Access to Rights and Entitlements)</b>	0.067	0.03	0.067	0.03	0.067	0.04	0.06	0.03	0.262	0.03	
<b>Strategic Communication</b>	0.146	0.07	0.128	0.06	0.128	0.07	0.115	0.06	0.516	0.07	
<b>Promoting Civic Responsibility</b>	0.429	0.21	0.429	0.21	0.429	0.24	0.386	0.20	1.672	0.21	
<b>Fiscal Policy Management</b>	9.593	4.71	9.424	4.65	3.167	1.80	2.85	1.45	25.034	3.21	
<b>Monetary Policy Management</b>	6.535	3.21	6.535	3.23	6.535	3.71	5.882	2.98	25.487	3.27	
<b>Good Corporate Governance</b>	0.646	0.32	0.646	0.32	0.646	0.37	0.582	0.30	2.521	0.32	
<b>Promoting an Evidence-Based Decision Making</b>	0.171	0.08	0.151	0.07	0.107	0.06	0.096	0.05	0.526	0.07	
<b>Sub-total</b>	203.842	100.00	202.485	100.00	176.284	100.00	197.165	100.00	779.776	100.00	

**APPENDIX 3:**  
**GPRS II Estimated Cost, 2006-2009**  
**Key Focus Area and Policy Objectives**

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	2006	2007	2008	2009	Total
<b>PRIORITIES FOR PRIVATE SECTOR COMPETITIVENESS</b>	<b>751.879</b>	<b>764.81</b>	<b>704.39</b>	<b>633.951</b>	<b>2,855.02</b>
<b>Private Sector Development</b>					
Improve Ghana's position in global and regional markets	24.332	24.248	2.266	2.04	52.886
Enhance efficiency and accessibility of national markets	16.736	33.231	49.725	44.753	144.445
Enhanced Government capacity for private sector policy formulation, implementation, and monitoring and evaluation	0.142	0.142	0.142	0.128	0.553
Facilitate private sector access to capital	0.053	0.053	0.052	0.047	0.206
Facilitate the removal of institutional and legal bottlenecks	0.011	0.042	0.042	0.038	0.134
Facilitate Innovation and entrepreneurship	0.3	0.213	0.039	0.035	0.588
Ensure that private sector development programmes are complimentary and also cover a broad range of needs	8.989	25.968	25.968	23.372	84.297
Supportive and mindset change of the population towards the private sector	0.001	0.008	0.008	0.007	0.024
<b>Key Focus Area-Total</b>	<b>50.564</b>	<b>83.906</b>	<b>78.244</b>	<b>70.419</b>	<b>283.133</b>
<b>Modernized agriculture</b>					

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Ensure sustainable increase in agricultural productivity and output to support industry and provide stable income for farmers	2.507	2.498	2.322	2.09	9.417
Ensure food security for all and increase the access of the poor to adequate food and nutrition	106.896	104.298	82.38	74.142	367.716
Ensure the development and strengthening of the requisite institutional capacity to support agriculture productivity	31.637	24.898	16.772	15.095	88.396
<b>Key Focus Area-Total</b>	<b>141.04</b>	<b>131.694</b>	<b>101.474</b>	<b>91.327</b>	<b>465.529</b>
<b>Modernized Fishing Methods and a Developed Aquaculture</b>					
Ensure the development of aquaculture to meet shortfall in fish production	6.09	6.085	7.172	6.455	25.802
Ensure value addition of fisheries products to improve fisheries contribution to Ghana's GDP	0.037	0.037	0.037	0.034	0.146
<b>Key Focus Area-Total</b>	<b>6.127</b>	<b>6.122</b>	<b>7.21</b>	<b>6.489</b>	<b>25.948</b>
<b>Restoration Of Degraded Environment And Natural Resource Management</b>					
Ensure the restoration of degraded natural resources	33.545	33.543	21.466	19.32	107.873
Promote sustainable natural resource management	3.912	3.9	3.898	3.508	15.218
Build the requisite institutions and strengthen the regulatory framework to ensure sustainable natural resource management	7.124	7.122	6.528	5.875	26.649
Build regional and global linkages toward the management of natural resources	0.008	0.008	0.008	0.008	0.033

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Key Focus Area-Total</b>	<b>44.589</b>	<b>44.573</b>	<b>31.9</b>	<b>28.71</b>	<b>149.773</b>
<b>Promoting Trade And Industrial Development</b>					
Enhance access to export markets for both women and men	3.79	3.79	3.65	3.285	14.515
Increase industrial output and improve the competitiveness of domestic industrial products	102.906	102.385	93.201	83.881	382.374
Strengthen the legal, regulatory and institutional framework to support industrial production and trade	29.51	19.498	16.13	14.517	79.655
<b>Key Focus Area-Total</b>	<b>136.205</b>	<b>125.674</b>	<b>112.981</b>	<b>101.683</b>	<b>476.543</b>
<b>Transport Infrastructure: Road, Rail, Water and Air Transport</b>					
Ensure the provision, expansion and maintenance of transport infrastructure of all kinds	203.739	203.739	203.732	183.359	794.569
Develop and strengthen the appropriate legal, institutional and regulatory framework to regulate all modes of transportation to ensure an efficient transport system	15.14	15.402	15.366	13.83	59.737
<b>Key Focus Area-Total</b>	<b>218.879</b>	<b>219.14</b>	<b>219.099</b>	<b>197.189</b>	<b>854.306</b>
<b>Energy Supply To Support Industry And Households</b>					
Provide support to modernize and expand power infrastructure	0.055	0.055	0.055	0.049	0.213
Improve management and accountability in power utilities	0.11	0.11	0.109	0.098	0.427
Source for long term source of fuel for the thermal plants.	14.829	14.811	14.811	13.33	57.78

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Minimize environmental impacts of energy supply and consumption through increased renewable energy / energy efficiency technologies	0.145	0.145	0.145	0.131	0.566
Ensure productive and efficient use of energy(both rural and urban)	90.917	90.911	90.911	81.82	354.56
Promote and encourage the participation of the private sector in the energy sector	0.012	0.012	0.012	0.011	0.046
<b>Key Focus Area-Total</b>	<b>106.067</b>	<b>106.044</b>	<b>106.043</b>	<b>95.439</b>	<b>413.593</b>
<b>Science And Technology To Support Productivity And Development</b>					
Promote research and development at all sectors of the economy	14.353	14.353	14.353	12.917	55.975
Build appropriate linkages between research and production to ensure that research output are utilized	0.728	0.728	0.728	0.655	2.838
Strengthen the appropriate institutions and regulatory framework to promote the development of science and technology research	0.125	0.125	0.125	0.112	0.487
<b>Key Focus Area-Total</b>	<b>15.205</b>	<b>15.205</b>	<b>15.205</b>	<b>13.685</b>	<b>59.301</b>
<b>Developing Information And Communication Technology (ICT)</b>					
Enhance the development of ICT Infrastructure	0.033	0.033	0.033	0.029	0.127
Promote development of E-strategies in key sectors of the economy	0.089	0.089	0.089	0.08	0.348
Promote the use of ICT in Education	0.84	0.163	0.163	0.146	1.312
Promote the use of ICT in productive activities	0.02	0.02	0.02	0.018	0.08

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Build the necessary capacity and strengthen the legal and institutional framework to support ICT	1.557	1.557	1.557	1.401	6.073
<b><i>Key Focus Area-Total</i></b>	<b>2.539</b>	<b>1.862</b>	<b>1.862</b>	<b>1.676</b>	<b>7.939</b>
<b>Developing The Tourism Sector For Revenue And Employment Generation</b>					
Promote tourism as a major source of national revenue	8.802	8.802	8.698	7.828	34.129
Modernize the capital city to attract investment and tourism	12.11	12.11	12.11	10.899	47.229
Promote domestic tourism to foster national cohesion as well as redistribution of income	2.06	1.985	1.985	1.786	7.816
Promote sustainable and responsible tourism in such a way to preserve historical, cultural and natural heritage.	0.294	0.294	0.295	0.266	1.148
Enhance capacity and strengthen the legal and institutional framework to support tourism industry	1.868	1.868	1.868	1.681	7.284
<b><i>Key Focus Area-Total</i></b>	<b>25.133</b>	<b>25.058</b>	<b>24.955</b>	<b>22.46</b>	<b>97.605</b>
<b>The Music Industry For Growth And Job Creation</b>					
Provide the right legal and regulatory framework for promoting the music and film industry	0.041	0.041	0.041	0.037	0.161
Human and institutional Resource Capacity Building for the Music and films Industry	1.275	1.275	1.275	1.147	4.971
Support the industry with ICT and Multimedia Technology	0.22	0.22	0.22	0.198	0.857
<b><i>Key Focus Area-Total</i></b>	<b>1.536</b>	<b>1.536</b>	<b>1.536</b>	<b>1.382</b>	<b>5.99</b>

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Employment Generation And Improvement And Expansion Of Safety Nets</b>					
Develop institutional capacity of the MMYE for Employment Policy Management	0.054	0.054	0.054	0.049	0.212
Develop and implement a national employment policy	3.217	3.217	3.101	2.791	12.326
Develop and implement policy and strategies to strengthen tripartism and social protection	0.282	0.282	0.282	0.254	1.101
Develop and implement a fully functioning system that provides labour market information and statistics to support relevant decision making.	0.062	0.062	0.062	0.055	0.24
Adopt a national policy for enhancing productivity and income in both formal and informal sectors	0.094	0.094	0.094	0.084	0.366
<b>Key Focus Area-Total</b>	<b>3.709</b>	<b>3.709</b>	<b>3.593</b>	<b>3.234</b>	<b>14.245</b>
<b>Life Cycle Related Vulnerability And Exclusion</b>					
Promote and protect the welfare of children in difficult circumstances	0.269	0.269	0.269	0.242	1.049
<b>Key Focus Area-Total</b>	<b>0.269</b>	<b>0.269</b>	<b>0.269</b>	<b>0.242</b>	<b>1.049</b>
<b>Environment Related Factors In Vulnerability And Exclusion</b>					
Develop policy and awareness in early warning systems with particular effect on women and children	0.018	0.018	0.018	0.016	0.071
<b>Key Focus Area-Total</b>	<b>0.018</b>	<b>0.018</b>	<b>0.018</b>	<b>0.016</b>	<b>0.071</b>

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	2006	2007	2008	2009	Total
<b>HUMAN RESOURCE DEVELOPMENT</b>	<b>1,110.69</b>	<b>1,115.94</b>	<b>1,158.78</b>	<b>1,042.91</b>	<b>4,426.15</b>
<b>Education</b>					
Increase access to and participation in education and training at all levels	164.915	169.266	172.587	155.328	662.095
Improve quality of teaching and learning	100.737	106.712	109.422	98.48	415.278
Improve quality and efficiency in delivery of education services	106.286	106.592	104.788	94.309	411.975
Promote science and technical education at all levels	13.409	14.462	15.684	14.115	57.67
Mainstream issues of population, Family life education, gender, health, HIV/AIDS/STI, fire safety, road safety, Civic responsibility and environment in the school	3.746	3.86	3.939	3.545	15.09
<b>Key Focus Area-Total</b>	<b>389.093</b>	<b>400.892</b>	<b>406.419</b>	<b>365.777</b>	<b>1,562.11</b>
<b>Skills And Manpower Development</b>					
Provide a Framework for National Human Resource Development	3.761	3.761	3.761	3.385	14.67
Develop and retain Human Resource capacity at National, Regional and District levels	40.898	33.665	24.176	21.759	120.497
Strengthen and support hr training	24.117	10.365	10.36	9.324	52.067
<b>Key Focus Area-Total</b>	<b>68.776</b>	<b>47.791</b>	<b>38.298</b>	<b>34.468</b>	<b>187.233</b>
<b>Sports Development</b>					
Promoting national integration and unity	1.583	1.583	1.582	1.424	6.171

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Key Focus Area-Total</b>	<b>1.583</b>	<b>1.583</b>	<b>1.582</b>	<b>1.424</b>	<b>6.171</b>
<b>Health</b>					
Bridge equity gaps in access to health care and nutrition services	388.004	387.49	387.49	348.741	1,511.72
Ensure sustainable financing arrangements that protect the poor	0.024	0.024	0.024	0.022	0.095
Strengthen efficiency in service delivery	82.123	81.549	81.549	73.394	318.616
<b>Key Focus Area-Total</b>	<b>470.152</b>	<b>469.063</b>	<b>469.063</b>	<b>422.157</b>	<b>1,830.44</b>
<b>HIV/AIDS</b>					
Reduce new HIV/AIDS/STI transmission	49.278	63.42	111.796	100.617	325.111
Enhance management of National HIV/AIDS response	1.209	1.209	1.209	1.088	4.714
Combat the vulnerability exclusion of families with PLWHAs of HIV/AIDS	4.101	6.152	10.253	9.228	29.735
<b>Key Focus Area-Total</b>	<b>54.588</b>	<b>70.781</b>	<b>123.259</b>	<b>110.933</b>	<b>359.56</b>
<b>Population Management</b>					
Promote access to and utilization of family planning services	0.181	0.181	0.06	0.054	0.477
Promote compulsory education for children especially the girl-child up to secondary level.	0.188	0.188	0.083	0.074	0.533
Improve Birth and Death Registration coverage	0.465	0.454	0.604	0.544	2.068
Improve population database	0.032	0.032	0	0	0.064
<b>Key Focus Area-Total</b>	<b>0.867</b>	<b>0.856</b>	<b>0.747</b>	<b>0.673</b>	<b>3.143</b>

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Water And Environmental Sanitation</b>					
Accelerate the provision of safe water	93.563	93.563	93.563	84.207	364.895
<b>Key Focus Area-Total</b>	<b>93.563</b>	<b>93.563</b>	<b>93.563</b>	<b>84.207</b>	<b>364.895</b>
<b>Urban Development, Housing And Slum Upgrading</b>					
Promote urban infrastructure development and provision of basic services	32.07	31.411	25.853	23.268	112.602
<b>Key Focus Area-Total</b>	<b>32.07</b>	<b>31.411</b>	<b>25.853</b>	<b>23.268</b>	<b>112.602</b>

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	2006	2007	2008	2009	Total
<b>GOOD GOVERNANCE AND CIVIC RESPONSIBILITY</b>	<b>203.842</b>	<b>202.485</b>	<b>176.284</b>	<b>197.165</b>	<b>779.776</b>
<b>Institutional Strengthening And Coordination Of Public Institutions And Non-State Actors</b>					
Implement the coordination mechanisms for the social protection strategy and Increase resource allocation to social protection	0.088	0.088	0.088	0.079	0.343
<b>Key Focus Area-Total</b>	<b>0.088</b>	<b>0.088</b>	<b>0.088</b>	<b>0.079</b>	<b>0.343</b>
<b>Access to Rights And Entitlements</b>					
Improve government commitment to international protocols and conventions, and their implementation in national law	0.095	0.095	0.095	0.085	0.369
Effective public awareness creation on laws for the protection of V&E	0.142	0.142	0.136	0.122	0.543
<b>Key Focus Area-Total</b>	<b>0.237</b>	<b>0.237</b>	<b>0.231</b>	<b>0.208</b>	<b>0.911</b>
<b>Environment Related Factors In Vulnerability And Exclusion(Conflict Management)</b>					
Promote peace and stability by adoption of concrete conflict resolution measures	0.044	0.044	0.044	0.04	0.171
<b>Key Focus Area-Total</b>	<b>0.044</b>	<b>0.044</b>	<b>0.044</b>	<b>0.04</b>	<b>0.171</b>
<b>Strengthening Practice of Democracy</b>					
Strengthen Parliament	17.077	17.739	17.469	17.822	70.107
Promote coordination, harmonization and ownership of development processes	0.011	0.011	0.011	0.210	0.243
Fight corruption in the political process	0.094	0.141	0.188	0.199	0.622

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Ensure free and credible elections	0.118	0.118	0.031	0.028	0.295
Foster Civic Advocacy to nurture the culture of democracy	2.088	0.751	0.727	0.754	4.320
Enhance transparency and accountability in state and non-state institutions	16.441	16.441	16.804	16.423	66.109
<b>Key Focus Area-Total</b>	<b>35.829</b>	<b>35.201</b>	<b>35.230</b>	<b>35.436</b>	<b>141.696</b>
<b>Enhancing Decentralization</b>					
Strengthen the capacity of MMDAs for accountable, effective performance and service delivery	3.525	3.525	3.525	3.172	13.746
Ensure Political commitment to the implementation of the Local Government Service Act	0.705	0.614	0.535	0.481	2.335
Accelerate the devolution of political power to the districts and Sub-district structures	4.958	4.916	4.217	3.796	17.886
Provide the appropriate legal framework to support fiscal decentralization	0.03	0.03	0.03	0.027	0.117
Ensure transparency in fiscal decentralization	4.622	4.543	4.471	4.024	17.66
<b>Key Focus Area-Total</b>	<b>13.839</b>	<b>13.628</b>	<b>12.777</b>	<b>11.5</b>	<b>51.744</b>
<b>Protecting Rights Under Rule Of Law</b>					
Increase the capacity of the legal sector, enhance speedy and affordable access to justice	1.25	1.25	1.25	1.325	5.075
Strengthen the capacity of state institutions to promote compliance and enforcement of laws	0.374	0.374	0.374	0.376	1.498
Promote and protect economic, social cultural, civil and political rights as enshrined in our constitution and all African and international human rights instruments to which Ghana is	0.638	0.638	0.638	0.674	2.588

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
signatory					
<b>Key Focus Area-Total</b>	<b>2.262</b>	<b>2.262</b>	<b>2.262</b>	<b>2.375</b>	<b>9.161</b>
<b>Improved Access To Rights And Entitlements</b>					
Improve government commitment to international protocols and conventions, and their implementation in national law	0.447	0.447	0.447	0.502	1.843
<b>Key Focus Area-Total</b>	<b>0.447</b>	<b>0.447</b>	<b>0.447</b>	<b>0.502</b>	<b>1.843</b>
<b>Public Safety And Security</b>					
Increase national capacity to ensure safety of life and property	12.512	12.414	12.318	12.586	49.83
Forestall external aggression, safeguard territorial integrity and contribute to international peace keeping efforts	8.831	8.831	8.699	9.829	36.19
Enhance the ability of state institutions to combat economic crimes	0.133	0.133	0.133	0.14	0.539
<b>Key Focus Area-Total</b>	<b>21.476</b>	<b>21.378</b>	<b>21.15</b>	<b>22.555</b>	<b>86.559</b>
<b>Public Policy Management And Public Sector Reforms</b>					
Deepen pluralistic involvement in support of poverty reduction and growth	0.17	0.17	0.17	0.153	0.663
Rationalize and define structures, roles and procedures for state and non state actors.	0.033	0.015	0.015	0.014	0.077
Increase the capacity of the public and civil service for accountable, efficient, timely, effective performance and service delivery	47.282	47.22	27.863	50.077	172.442

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Institutionalize and internalize policy formulation, Planning, M&E system at all levels	43.224	43.224	45.596	44.037	176.081
Implement the coordination mechanisms for the social protection strategy, and increase resource allocation to social protection	0.027	0.027	0.027	0.025	0.106
<b>Key Focus Area-Total</b>	<b>90.736</b>	<b>90.656</b>	<b>73.671</b>	<b>94.306</b>	<b>349.369</b>
<b>Fighting Corruption And Economic Crimes</b>					
Reduce opportunities for rent-seeking by political and economic agents, and public officials	7.68	7.547	7.547	6.793	29.568
Strengthening the existing anticorruption institutions	13.336	13.336	11.277	10.15	48.099
<b>Key Focus Area-Total</b>	<b>21.017</b>	<b>20.884</b>	<b>18.825</b>	<b>16.942</b>	<b>77.667</b>
<b>Women Empowerment</b>					
Enforce existing laws protecting women's rights and Promote women in public life	0.194	0.194	0.194	0.174	0.756
Enhance women access to economic resources and promote women in public life	0.044	0.044	0.044	0.039	0.17
Introduce gender budgeting	0.041	0.041	0.041	0.037	0.16
<b>Key Focus Area-Total</b>	<b>0.279</b>	<b>0.279</b>	<b>0.279</b>	<b>0.251</b>	<b>1.086</b>
<b>Gender-Related Experiences In Vulnerability And Exclusion (Access To Rights And Entitlements)</b>					
Create an enabling environment for victims of violence to access help	0.012	0.012	0.012	0.01	0.045
Disseminate information about domestic violence, and related legal implications and	0.056	0.056	0.056	0.05	0.217

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
women's rights					
<b>Key Focus Area-Total</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>	<b>0.06</b>	<b>0.262</b>
<b>Strategic Communication</b>					
Promote timely dispatch of strategic information to targeted areas and Promote evidence - based decision making	0.017	0.017	0.017	0.015	0.065
Promote Development Communication	0.129	0.111	0.111	0.1	0.45
<b>Key Focus Area-Total</b>	<b>0.146</b>	<b>0.128</b>	<b>0.128</b>	<b>0.115</b>	<b>0.516</b>
<b>Promoting Civic Responsibility</b>					
Ensuring higher civic responsibility and citizens involvement in economic development	0.429	0.429	0.429	0.386	1.672
<b>Key Focus Area-Total</b>	<b>0.429</b>	<b>0.429</b>	<b>0.429</b>	<b>0.386</b>	<b>1.672</b>
<b>Fiscal Policy Management</b>					
Improve Public Expenditure Management	8.941	8.774	2.802	2.522	23.038
Promote effective Debt Management	0.281	0.28	0.093	0.084	0.738
Improve fiscal resource mobilization	0.371	0.371	0.272	0.245	1.258
<b>Key Focus Area-Total</b>	<b>9.593</b>	<b>9.424</b>	<b>3.167</b>	<b>2.85</b>	<b>25.034</b>
<b>Monetary Policy Management</b>					
Price Exchange Stability	6.535	6.535	6.535	5.882	25.487

<i>Thematic /Key Focus Area</i>	<i>Expenditure Summary (In Millions \$)</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b><i>Key Focus Area-Total</i></b>	<b>6.535</b>	<b>6.535</b>	<b>6.535</b>	<b>5.882</b>	<b>25.487</b>
<b>Good Corporate Governance</b>					
Promote an enabling environment and effective regulatory framework for corporate management	0.646	0.646	0.646	0.582	2.521
<b><i>Key Focus Area-Total</i></b>	<b>0.646</b>	<b>0.646</b>	<b>0.646</b>	<b>0.582</b>	<b>2.521</b>
<b>Promoting An Evidence-Based Decision Making</b>					
Strengthening the data base for policy formulation and decision making	0.171	0.151	0.107	0.096	0.526
<b><i>Key Focus Area-Total</i></b>	<b>0.171</b>	<b>0.151</b>	<b>0.107</b>	<b>0.096</b>	<b>0.526</b>