GHANA'S 2025 MID-YEAR BUDGET REVIEW

BY

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(ICAG, PUBLIC LECTURE)

GHANA'S 2025 MID-YEAR BUDGET REVIEW: A COMPREHENSIVE ANALYSIS OF ECONOMIC RECOVERY AND STRATEGIC TRANSFORMATION

PRESENTED

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This comprehensive analysis is based on presentations and discussions from the Institute of Chartered Accountants. Ghana (ICAG) seminar on Ghana's 2025 mid-year budget review, featuring expert insights from Dr. Alex Amankwah-Poku, Chief Budget Analyst and Group Head for Budget Monitoring and Reporting at Ghana's Ministry of Finance, alongside senior public financial management practitioners and academics.

Executive Performance Review January - June 2025

#1
Global Currency Performance

40%
Cedi Appreciation vs USD

$8.3B
Gold Exports H1 2025

Inflation Rate — ↓10.1%

Declined from 23.8% to 13.7% (Jan-Jun 2025).
Lowest rate since Dec 2021.
Six consecutive months of improvement.

Debt-to-GDP Ratio — 43.8%

Reduced from 61.8% through fiscal consolidation.
GH 113.7B debt reduction achieved.
IMF program targets exceeded.

International Reserves — $11.12B

Provides 4.8 months of import cover.
Enhanced economic resilience.
Strengthened crisis buffer.

GDP Growth — 5.29%

Q1 2025 year-on-year performance
exceeded market expectations.
Led by industry and services sectors.

Trade Balance — $5.6B

Trade surplus achieved in June 2025
Gold exports dominate at 64% of total
strong commodity export performance

Currency Performance — +40%

Cedi appreciation against USD in 2025
World’s best- performing currency
GHS 10.50 per USD(current rate)

Strategic Achievements & Market Position

Monetary Policy Excellence

Bank of Ghana's decisive 28% policy rate strategy successfully controlled inflation while attracting foreign investment, creating a foundation for sustained currency stability.

Fiscal Discipline & IMF Compliance

Successful implementation of the $3 billion Extended Credit Facility program, with all benchmarks met and third tranche disbursement recieved on schedule.

Export Market Dominance

Gold exports doubled to $8.3B in H1 2025, surpassing total import for the first time in a decade, fundamentally strengthening the external balance

4.3%	11.1%	3.0%	1.1%
Projected GDP Growth	Target Inflation Rate	Unemployment Rate	Budget Deficit (% GDP)

Key Findings and Strategic Recommendations

CRITICAL CHALLENGES

GHC1.6B
Customs revenue shortfall requires urgent attention

GHC1.3B
Wage overrun threatens fiscal discipline

GHC3.6B
Legacy arrears audit reveals rejected claims due to control failures

STRATEGIC RECOMMENDATIONS

- **Address payroll controls and customs revenue leakages**
  Implement emergency measures to stop revenue hemorrhage and strengthen immediate fiscal contrls

- **Implement integrated financial management systems**
  Deploy comprehensive technogy solutions and automated monitoring across all revenue streams

- **Build sustainable institutional capacity and innovation frameworks**
  Establish permanent systems for continuous improvement and long term fiscal sustainability

EXPECTED OUTCOMES

GHC 5-8B

Additional annual revenue potential with successful implementation

- Enchanced Fiscal Sustainability
- Improved Development Impact
- Sustainable Growth Framework
- Strengthened Institutions

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1. Introduction

Ghana's 2025 mid-year budget review emerges at a transformative moment in the nation's economic journey, representing both a comprehensive assessment of remarkable progress achieved and a strategic roadmap for sustaining economic recovery while addressing persistent structural challenges. The review serves not merely as a fiscal accounting exercise but as a strategic document that charts Ghana's path from economic distress toward sustainable development, presented within the constitutional framework requiring detailed economic performance reporting to Parliament and demonstrating Ghana's unwavering commitment to transparency, accountability, and democratic governance in fiscal management. The strategic emphasis on resource mobilization and allocation reflects a sophisticated understanding that Ghana's development trajectory depends not merely on generating resources but on deploying them with maximum efficiency and developmental impact. This approach acknowledges the reality of resource constraints while emphasizing the imperative to make every investment decision contribute meaningfully to national development objectives and improving citizen welfare. In a resource-constrained environment where competing priorities demand attention, every cedi must work harder to deliver results that improve citizens' lives and build the foundation for sustained prosperity.

The timing of this review proves particularly significant, occurring during a period of global economic uncertainty, persistent supply chain disruptions, and evolving development challenges that require innovative policy responses. The significance extends beyond domestic policy considerations to encompass Ghana's relationships with international partners, creditors, and development agencies. The country's successful implementation of debt restructuring measures, continued adherence to International Monetary Fund program conditions, and demonstrated commitment to fiscal discipline have restored confidence in Ghana's economic management capabilities, creating opportunities for enhanced development financing, improved market access, and stronger partnerships with the private sector.

This comprehensive report examines Ghana's remarkable economic transformation journey through major macroeconomic achievements and persistent challenges, detailed fiscal management reforms and revenue strategies, critical structural changes in state enterprises, comprehensive implementation frameworks for sustainable development, and Ghana's strategic vision for continued growth and regional leadership.

2. Major Achievements: Outstanding Economic Performance

Inflation Control: Sustained Decline Achievement

Ghana's inflation control represents one of the most significant macroeconomic achievements, with the current inflation rate reaching 13.7 percent by June 2025 (see Figure 1). This achievement reflects six consecutive months of strategic decline from December 2024 through June 2025, demonstrating the effectiveness of coordinated monetary and fiscal policies in addressing deep-seated inflationary pressures that previously threatened economic stability and citizen welfare. The inflation trajectory shows consistent monthly improvements with an aggressive monthly decline of 1.7 % points, demonstrating consistent policy effectiveness. This sustained decline represents the lowest inflation rate recorded since December 2021, exceeding all market expectations and providing a solid foundation for continued economic stability and growth. The achievement becomes particularly remarkable when viewed against global inflationary pressures, supply chain disruptions, and domestic economic vulnerabilities that characterized the preceding period. The strategic target involves achieving single-digit inflation by the fourth quarter of 2025 through sustained monetary discipline, coordinated fiscal policy implementation, and enhanced supply chain management.

This ambitious target reflects the government's confidence in its economic management capabilities while demonstrating commitment to maintaining price stability as a foundation for sustainable economic development and improved citizen welfare.

Figure 1: Ghana Inflation Trajectory Analysis

Debt Sustainability: Fundamental Transformation

The debt-to-GDP ratio improvement from 61.8 percent to 43.8 percent represents a fundamental transformation in Ghana's fiscal sustainability profile, creating substantial fiscal space for development-oriented spending and enhanced economic resilience against future shocks (See Figure 2). This eighteen percentage point improvement in the debt-to-GDP ratio represents one of the most significant fiscal adjustments achieved by any developing country in such a short timeframe, reflecting the effectiveness of Ghana's comprehensive economic reform program. The debt crisis position showed total debt of GHc 726.7 billion with debt-to-GDP ratio of 61.8 percent, characterized by high unsustainability risk, limited fiscal space, market confidence challenges, and restricted financing access. The transformation to the current sustainability position demonstrates total debt of GHc 613.0 billion with debt-to-GDP ratio of 43.8 percent, featuring enhanced sustainability, improved fiscal space, restored market confidence, and improved financing access. The transformation metrics reveal GHc 113.7 billion total debt reduction representing 18 percent improvement in debt - to- GDP ratio and achievement of enhanced development capacity. These improvements reflect successful implementation of comprehensive debt restructuring, enhanced fiscal discipline, improved revenue mobilization, and strategic international engagement that has restored Ghana's creditworthiness and market access.

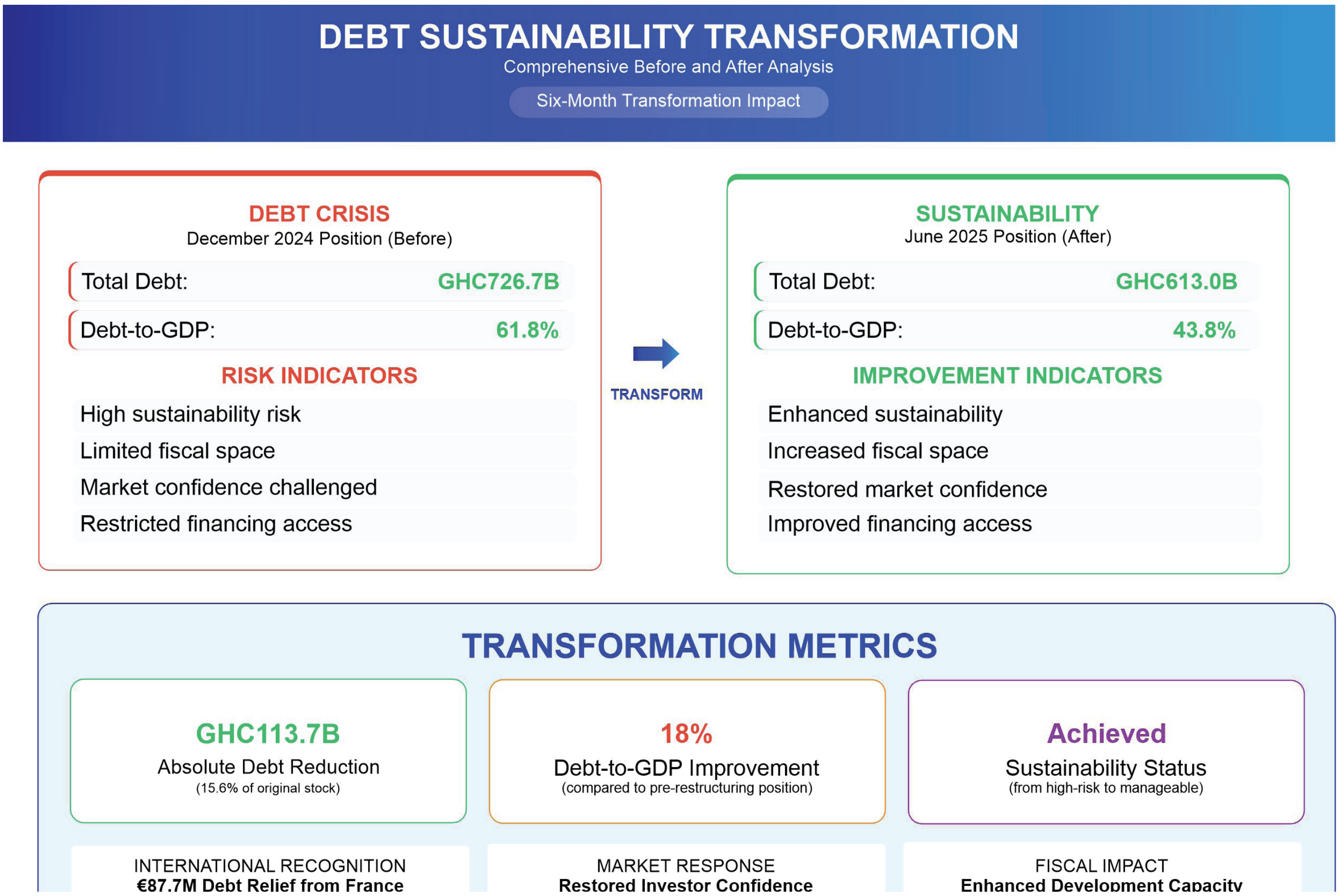

Figure 2: Debt Sustainability Transformation Analysis

International Reserves and Economic Resilience

International reserves have strengthened significantly to $11.12 billion, providing crucial economic resilience and 4.8 months of import cover that exceeds international benchmarks. This substantial reserve accumulation demonstrates sophisticated economic management that successfully balances multiple objectives, including exchange rate stability, import security, debt service capacity, and market confidence maintenance. The enhanced reserve position creates a strong foundation for economic stability while providing adequate buffer against external shocks and ensuring sufficient financing for essential imports and debt service obligations. This improvement has contributed to the Ghanaian Cedi's appreciation against major trading currencies and enhanced confidence among international investors and development partners about Ghana's economic management capabilities.

Strategic Sector Investment: GHC 22.9 billion Commitment

The substantial sector investment allocation of GHC 22.9 billion demonstrates Ghana's commitment to balanced development that addresses immediate needs while building long-term economic transformation capacity. This strategic allocation reflects a sophisticated understanding of the interconnections between human capital development, infrastructure expansion, energy security, and social protection in achieving sustainable development outcomes. The investment strategy emphasizes human capital formation as the foundation for economic transformation, energy security as an economic enabler for industrial development and competitiveness, infrastructure development as a growth catalyst connecting communities and markets, and social protection for inclusive development that ensures all citizens benefit from economic progress.

3. Strategic Response Framework for Critical Challenges

Customs Revenue Shortfall: GHC 1.6 Billion Challenge

The customs revenue shortfall of GHC 1.6 billion represents approximately 1.4 percent of total revenue and highlights fundamental challenges in border management systems that require comprehensive modernization and reform. The primary causes include systemic leakages and smuggling activities that undermine revenue collection effectiveness, inadequate border control systems that fail to capture all trade flows, insufficient post-clearance audit capabilities for detecting undervaluation and misdeclaration, and limited coordination between revenue agencies and other border management institutions. The risk assessment indicates that this shortfall threatens overall fiscal targets while highlighting the urgent need for customs modernization and anti-smuggling initiatives. The required actions include comprehensive customs modernization programs, enhanced technology integration for real-time monitoring, strengthened border control mechanisms and inter-agency coordination, and improved post-clearance audit capabilities to recover lost revenue and prevent future leakages.

Wage Management Crisis: GHC 1.3 Billion Overrun

The wage overrun of GHC 1.3 billion during the first half of 2025 represents a critical threat to fiscal discipline, revealing persistent systemic weaknesses in payroll management that extend beyond simple budget miscalculation to encompass fundamental challenges in public sector employment governance and control systems. This overrun occurred despite enhanced budget planning and demonstrates the complexity of managing public sector employment within fiscal constraints while meeting service delivery requirements.The fiscal discipline threat involves weakened budget credibility through systematic expenditure overruns, undermined confidence in the government's ability to maintain fiscal targets, potential crowding out of development expenditure through unplanned wage commitments, and reduced fiscal space for addressing other priority areas, including infrastructure and social protection programs. The immediate response requires comprehensive payroll audits to identify and eliminate irregularities, enhanced expenditure controls to prevent future overruns, and improved cash flow management to align expenditure with available resources.

Legacy Arrears: GHC 3.6 Billion Validation Challenge

The legacy arrears audit process has identified GHC 3.6 billion in rejected claims due to various deficiencies, including inadequate documentation, non-compliance with procurement procedures, duplicate submissions, and claims exceeding authorized amounts. These findings expose systematic weaknesses in expenditure management that accumulated over extended periods, highlighting the critical importance of robust internal controls throughout the expenditure cycle. The audit reveals that 87 percent of total arrears have been completed by the Ghana Audit Service, with GHC 28.3 billion validated as legitimate claims representing 41 percent of total submissions. However, GHC3.6 billion in rejected claims and GHC 562.6 million in contested claims demonstrate the extent of financial management weaknesses that require systematic remediation to prevent future accumulation of unauthorized obligations.

4. Revenue Performance Analysis: Mixed Results and Strategic Opportunities

Energy Sector Levy Amendment: Major Success Story

The Energy Sector Levy Amendment has generated GHC 2.9 billion in additional revenue through strategic implementation during improved economic stability conditions. The success factors include strategic timing during improved economic conditions that minimized market disruption, effective administrative efficiency through utilization of existing tax infrastructure, targeted product selection focusing on items with relatively inelastic demand, and comprehensive stakeholder consultation that built support for the policy change. The implementation method involved a carefully designed one cedi per liter tax on petroleum products that maximized revenue while minimizing economic disruption. The revenue impact led to an upward revision of government projections, demonstrating the potential for well-designed tax measures to exceed expectations when implemented with appropriate timing and stakeholder engagement. The administrative efficiency achieved through utilizing existing tax infrastructure minimized implementation costs while maximizing revenue collection effectiveness.

Customs Revenue Challenges: Systemic Issues

The customs revenue shortfall of GHC 1.6 billion represents 1.4 percent of total revenue and exposes fundamental weaknesses in border management that require immediate comprehensive reform. The percentage impact analysis shows this shortfall threatens fiscal sustainability while highlighting broader governance challenges in revenue administration and border management systems. The primary causes include systemic leakages through inadequate scanning and inspection capabilities, widespread smuggling activities that bypass official channels and reduce taxable trade flows, insufficient coordination between customs and other border agencies leading to revenue leakage, and limited post-clearance audit capabilities that fail to detect undervaluation and transfer pricing manipulation. The challenge factors involve systemic revenue leakages in border control systems, widespread smuggling across multiple border points, insufficient technology integration in customs operations, inadequate post-clearance audit capabilities, and limited inter-agency coordination for comprehensive border management.

Net Revenue Impact Analysis

The comprehensive revenue analysis shows gross additional revenue of +GHC 2.9 billion from energy sector levy success, revenue shortfall risk of -GHC 1.6 billion from customs challenges, resulting in a net positive impact of +GHC 1.3 billion (see Figure 3). The overall assessment indicates mixed results with significant room for improvement in customs administration, while the strategic priority involves addressing customs modernization urgently to maximize revenue potential. The net impact demonstrates that while the energy sector levy has been highly successful, the customs revenue challenges significantly offset these gains and threaten overall revenue targets. This situation requires immediate strategic intervention to address customs modernization while building on the success of innovative revenue measures like the energy sector levy.

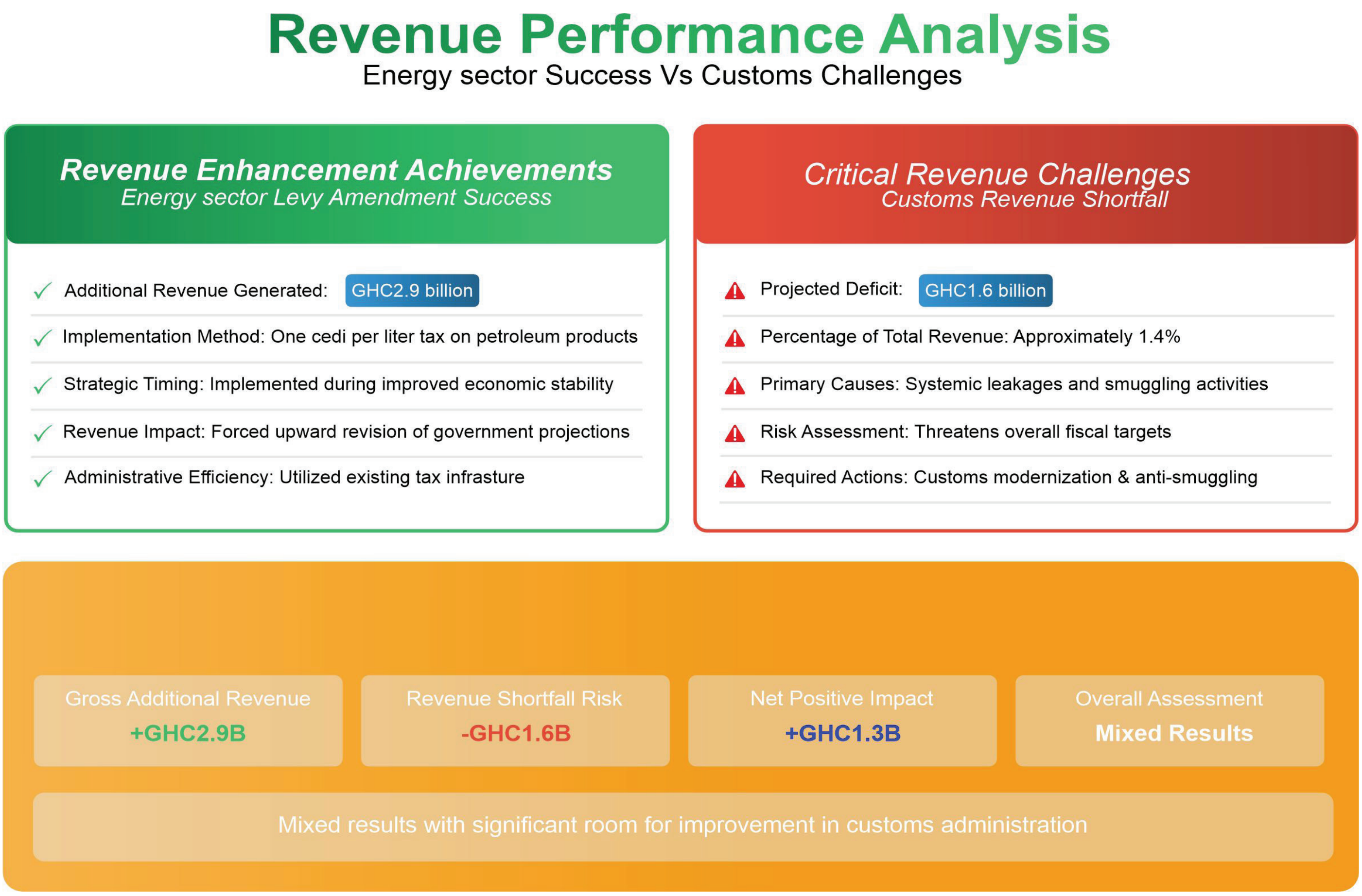

Figure 3: Revenue Performance Analysis - Energy Sector Success vs Customs Challenges

5. Strategic Budget Allocation Framework: GHC 22.9 Billion Investment

Human Capital Development: Enhanced Allocations

Human capital development receives substantial enhanced allocations through various strategic focus areas, including nursing and teacher training allowances that address critical skill shortages in essential services, District Assemblies Common Fund enhancement that strengthens local government capacity for service delivery, and capacity building programs that improve technical and professional capabilities across the public sector. The strategic focus emphasizes building institutional capacity for sustainable development, improving the quality of educational and healthcare services, strengthening local government effectiveness, and enhancing professional development opportunities across the public sector. The expected impact involves strengthened educational and healthcare capacity nationwide, improved service delivery at the local level through enhanced District Assembly capabilities, and enhanced institutional capacity for implementing development programs effectively.

Energy Security and Power: GHC 9.1 Billion Investment

Energy security receives GHC 9.1 billion allocation with a +2.2 billion revision reflecting the critical importance of reliable power supply for economic transformation (see Figure 4). The strategic focus includes stable power supply through enhanced generation capacity, expansion of power generation capacity to meet growing demand, transmission and distribution infrastructure improvements, and strategic grid modernization to support industrial development and rural electrification. The expected impact involves enhanced industrial capacity through reliable power supply, improved business environment through reduced power interruptions, reduced production costs for manufacturing and commercial enterprises, and enhanced competitiveness in regional and global markets through improved energy infrastructure. This substantial investment demonstrates recognition that energy security serves as the fundamental enabler for economic growth, industrial development, and improved quality of life across all societal sectors.

Infrastructure Big Push: GHC 13.8 Billion Commitment

The Infrastructure Big Push program receives GHC 13.8 billion, representing the largest single budget allocation, demonstrating Ghana's strategic approach to infrastructure development through concentrated resource deployment on high-impact projects. The strategic focus includes road infrastructure development and connectivity improvement that enhances trade facilitation and market access, rural-urban connectivity programs that integrate remote communities into national economic activities, and regional integration support through enhanced transport corridors. The expected impact involves enhanced trade facilitation through improved road networks, better market access for agricultural products and manufactured goods, reduced transportation costs that improve business competitiveness, and regional integration support that enhances Ghana's role as a regional economic hub. This concentrated investment approach ensures projects achieve sufficient scale to generate meaningful economic benefits rather than dispersing resources across numerous smaller initiatives with limited developmental impact.

Social Protection: Multiple New Expenditure Lines

Social protection receives multiple new expenditure lines reflecting the government's commitment to inclusive development that ensures all citizens benefit from economic growth and development progress. The strategic focus includes enhanced social safety nets and support programs for vulnerable populations that provide targeted assistance, and improved social cohesion through poverty reduction initiatives that address inequality and social exclusion. The expected impact involves reduced inequality through targeted social protection programs, improved social cohesion through inclusive development approaches, and poverty reduction through comprehensive social safety nets that provide security for vulnerable populations while supporting broader development objectives. The allocation philosophy emphasizes a balanced development approach, emphasizing human capital formation, energy security as an economic enabler, infrastructure as a growth catalyst, and social protection for inclusive development.

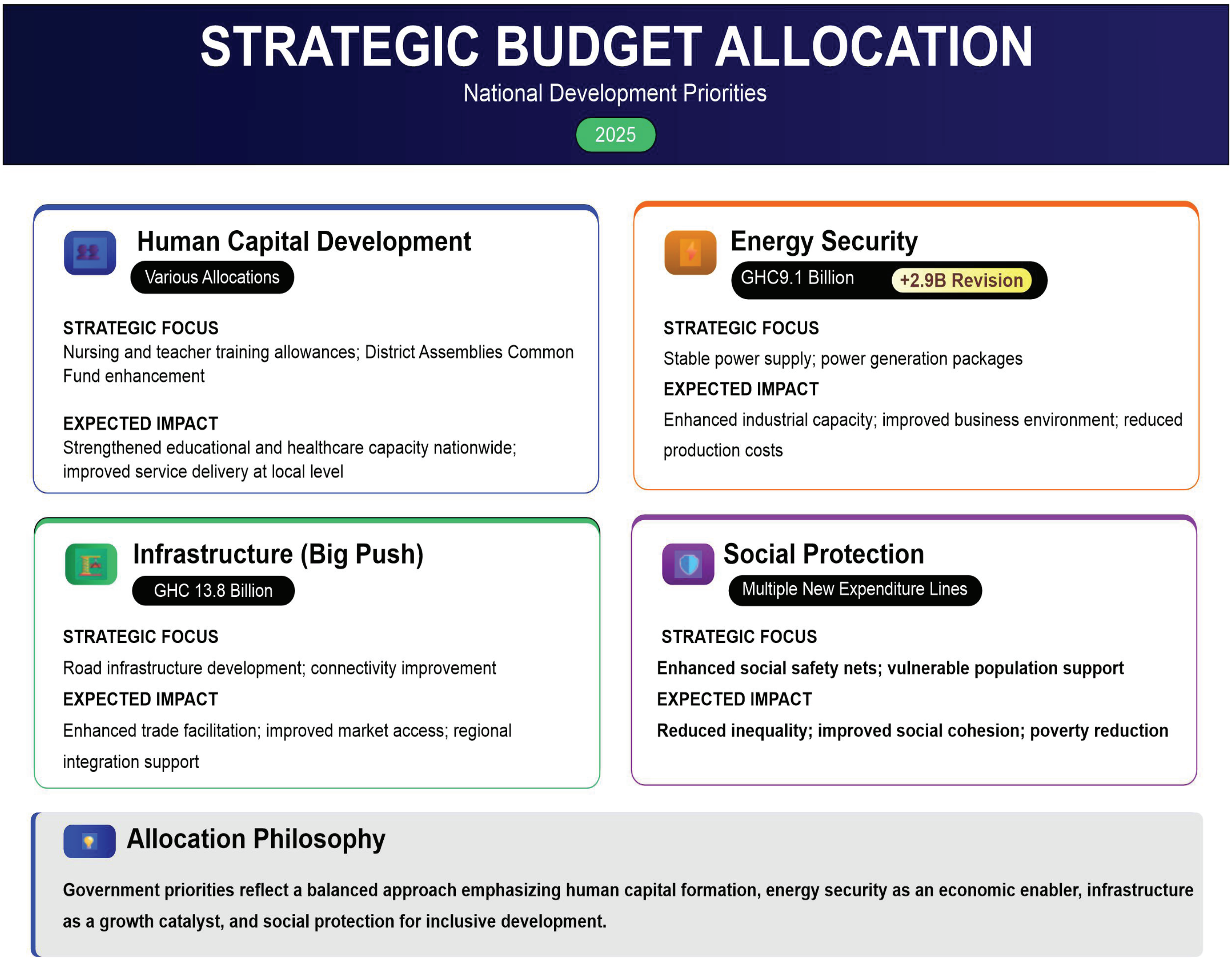

Figure 2: Debt Sustainability Transformation Analysis

6. Public Financial Management: Critical Reform Imperatives

Wage Management Crisis: GHC 1.3 Billion Challenge

The wage and salary overrun of GHC 1.3 billion represents 2% of total government payroll expenditure and highlights systematic weaknesses in public sector employment governance that require immediate comprehensive reform. The payroll management crisis involves uncontrolled increases in education and health sector staffing that exceeded budget provisions, irregular allowance payments that bypassed normal authorization procedures, and inadequate governance systems for monitoring and controlling public sector employment growth. The fiscal discipline threat includes weakened budget credibility through systematic expenditure overruns, reduced fiscal space for development priorities, undermined confidence in expenditure management systems, and potential crowding out of essential service delivery through unplanned wage commitments. The immediate response requires comprehensive payroll audits across all government institutions, enhanced expenditure controls to prevent unauthorized hiring and allowance payments, and improved governance systems for managing public sector employment within fiscal constraints.

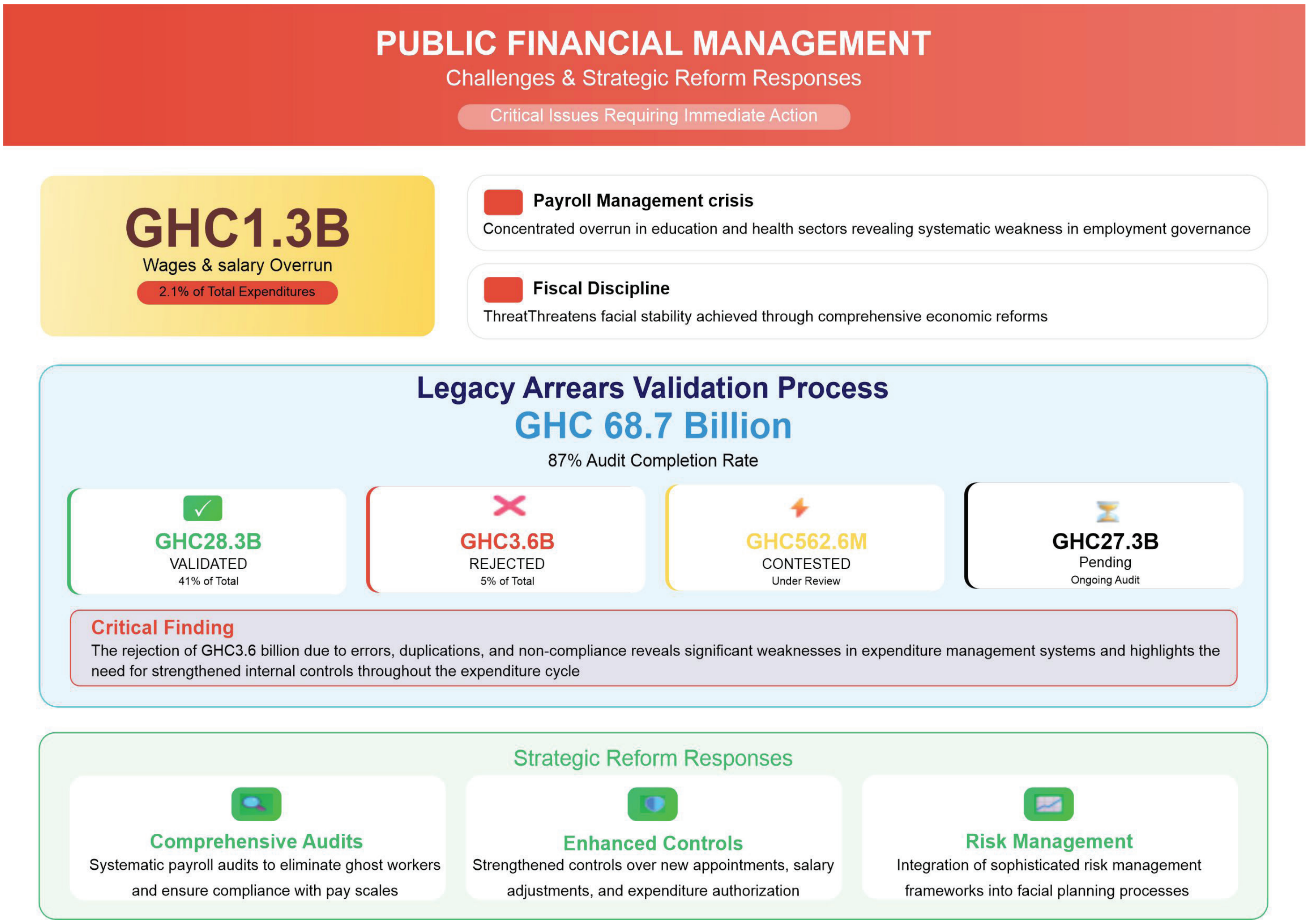

Figure 5: Public Financial Management Challenges and Strategic Reform Responses

Legacy Arrears Validation: Comprehensive Audit Results

The comprehensive audit of GHC 68.7 billion in legacy arrears has reached 87 % completion rate through the Ghana Audit Service, revealing significant findings that expose systemic expenditure management weaknesses accumulated over extended periods. The validation results show GHC 28.3 billion in validated claims representing 41 percent of total arrears that have been confirmed as legitimate government obligations, GHC 3.6 billion in rejected claims representing 5 percent of total submissions due to documentation deficiencies and compliance failures, GHC 562.6 million in contested claims requiring additional review, and GHC 27.3 billion pending validation representing remaining claims under review. The control weaknesses identified include inadequate supporting documentation and validation systems, weak procurement oversight throughout expenditure processes, non-compliance with procurement and public financial management regulations, and insufficient supporting documentation and validation systems that allowed unauthorized commitments to accumulate. The urgent reform imperatives involve strengthened expenditure controls and approval processes, enhanced compliance monitoring and validation systems, improved procedure audit mechanisms and real-time monitoring, and comprehensive training programs for financial management personnel across government institutions. The critical finding reveals that rejection of GHC 3.6 billion represents 5.2 percent of total claims and highlights problems with systematic expenditure management systems. These findings highlight the urgent need for strengthened expenditure management systems that prevent future accumulation of unauthorized obligations while ensuring accountability and transparency in resource utilization.

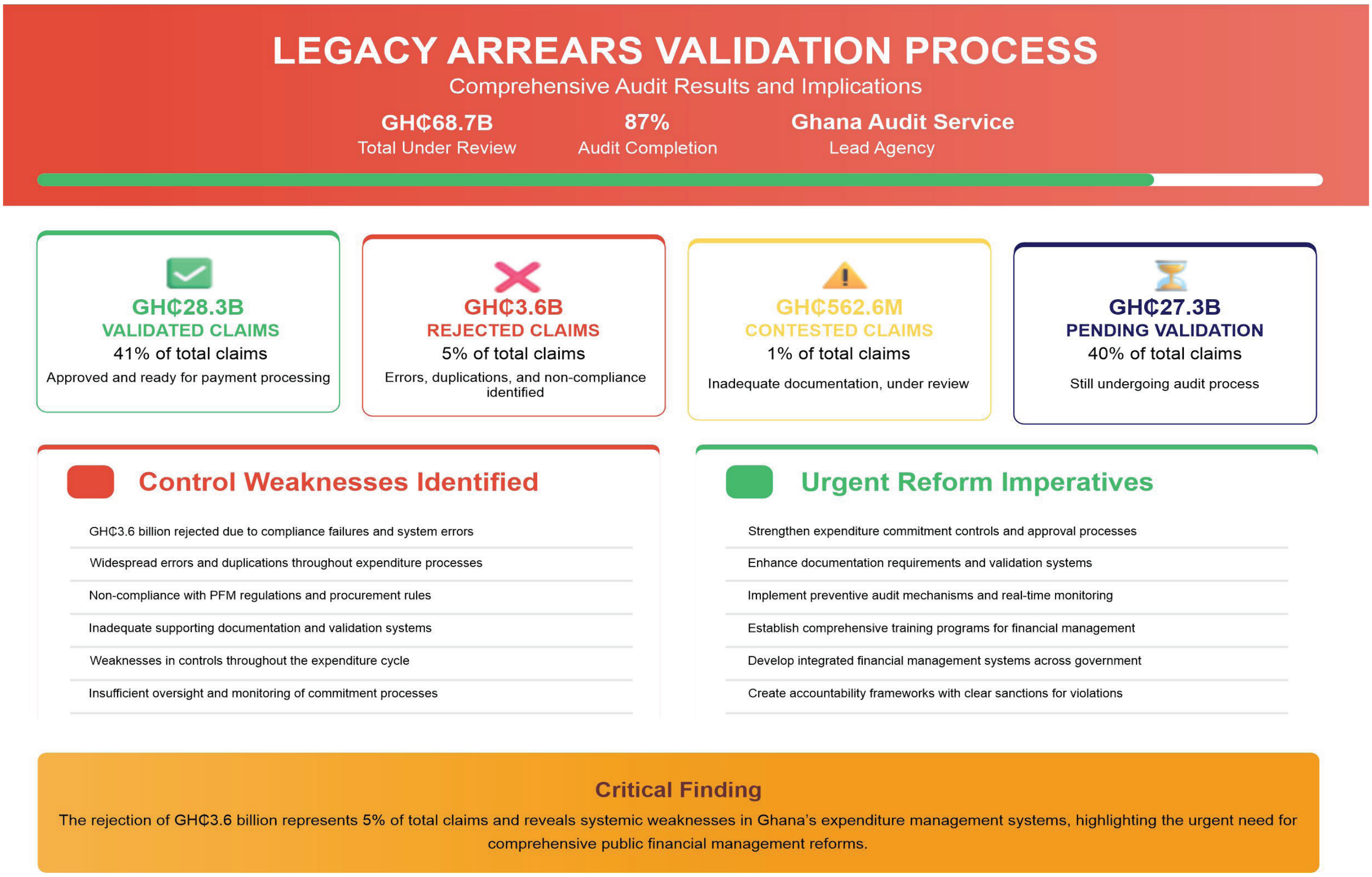

Figure 6: Legacy Arrears Validation Process - Comprehensive Audit Results

Strategic Reform Response Framework

The strategic reform response involves three critical components, including comprehensive audits to eliminate ghost workers and ensure compliance with established compensation frameworks, enhanced controls through improved authorization procedures and real-time monitoring systems, and risk management through systematic approaches to identifying and addressing expenditure management vulnerabilities before they affect fiscal performance. The comprehensive audit component focuses on systematic payroll audits to eliminate ghost workers, verification of employment authorization and compliance with approved establishment, and validation of allowance payments against approved scales and entitlements. The enhanced controls involve implementation of automated expenditure control systems, strengthened authorization procedures for new appointments and salary adjustments, and real-time monitoring of expenditure patterns to identify potential problems before they affect fiscal targets. The risk management approach includes systematic identification of expenditure management vulnerabilities, development of early warning systems for potential budget overruns, implementation of preventive measures to avoid future accumulation of unauthorized obligations, and enhancement of accountability frameworks to ensure responsible expenditure management across all government institutions.

7. State-Owned Enterprise Reform: Comprehensive SIGA Transformation

Critical Challenge Areas in SOE Management

The State-Owned Enterprise reform program addresses three critical challenge areas that have historically created fiscal risks and undermined economic efficiency. Inter-agency debt crisis involves GHC 4 billion in financial irregularities identified by the Auditor-General, with over 50% representing inter-governmental debts that create artificial inflation of liabilities while obscuring true fiscal positions and complicating expenditure management processes. Corporate governance deficits include weak board oversight and inadequate accountability mechanisms, insufficient strategic direction and performance management, and inadequate operational oversight that fails to prevent losses and inefficiencies. The reporting structure complications involve fragmented accounting methods that prevent comprehensive performance assessment, inconsistent reporting standards across different enterprises, and limited transparency and accountability in financial management and operational performance.

SIGA Solution Framework: Comprehensive Reform Architecture

The State Interest and Governance Authority solution framework provides a comprehensive reform architecture addressing governance, risk management, and performance enhancement across the state-owned enterprise sector. Centralized oversight excellence involves robust governance structures across all state-owned enterprises, standardized reporting requirements and performance monitoring, comprehensive performance monitoring and accountability frameworks, and enhanced inter-agency coordination and information sharing. Comprehensive risk prevention includes legally specific prevention systems and controls, systematic approaches to identifying and managing fiscal risks, enhanced audit frameworks and compliance monitoring, and real-time risk assessment and early warning systems. Performance enhancement systems focus on operational excellence frameworks and best practices, strategic alignment with national development priorities and objectives, enhanced competitiveness and market positioning, and systematic capacity building and institutional strengthening across the state-owned enterprise portfolio.

Expected Transformation Outcomes

The comprehensive reform program expects to achieve three major transformation outcomes that will strengthen Ghana's fiscal position and enhance economic efficiency. Reduced fiscal risks involve minimized contingent liabilities related to state-owned enterprise performance, improved fiscal transparency and accountability in state-owned enterprise operations, enhanced budget accuracy and fiscal planning capabilities, and reduced need for government bailouts and emergency support. Enhanced operational efficiency includes improved performance and profitability across the state-owned enterprise portfolio, better service delivery and customer satisfaction, enhanced competitiveness in domestic and regional markets, and optimized resource utilization and cost management. Strengthened strategic alignment involves improved contribution to national development priorities, enhanced coordination between state-owned enterprises and government policy objectives, better integration with private sector development initiatives, and systematic contribution to economic diversification and growth.

STATE-OWNED ENTERPRISE REFORM ARCHITECTURE

COMPREHENSIVE SIGA TRANSFORMATION FRAMEWORK

Institutional Excellence & Fiscal Protection

CRITICAL CHALLENGE AREAS

Inter-Agency Debt Crisis

SCALE: GHC 8 billion in financial irregularities identified

COMPOSITION: 50% constitute inter-agency debts

IMPACT: Artificial inflation of governmant inabilities

RESULT: Fiscal position distortion and planning complications

Corporate Governance Deficits

ISSUES: Weak board oversight mechanisms and accountability gaps

PROBLEMS: Inconsistent reporting standards across enterprise

EFFECTS: Performance accountability gaps and poor decision-making

RESULTS: Suboptimal resource utilization and value destruction

Reporting Structure Complications

CONFLICTS: IFRS vs Government accounting standards misalignment

ISSUES: Financial consolidation and reporting difficulties

ERRORS: Classification mistakes and compliance failures

IMPACT: Reduced transparency and accountability in financial reporting

SIGA SOLUTION FRAMEWORK

Centralized Oversight Excellence

IMPLEMENTATION: Unified governance structure across all SOEs

STANDARDS: Standardized reporting requirements and performance metrics

MONITORING: Comprehensive performance monitoring and evaluation systems

COORDINATION: Enhanced inter-agency coordination and information sharing

Comprehensive Risk Prevention

MECHANISMS: Liability transfer prevention system and controls

CONTROLS: Enhanced internal control systems and audit frameworks

PROTECTION: Fiscal protection mechanisms and contingency planning

MONITORING: Heal-time risk assessment and early warning systems

Performance Enhancement Systems

FRAMEWORK: Operational excellence framework and best practices

ALIGNMENT: Strategic alignment with national development

CREATION: Sustainable value creation mechanisms and innovation support

DEVELOPMENT: Capacity building and institutional strengthening programs

EXPECTED TRANSFORMATION OUTCOMES

Reduced Fiscal Risks

Eliminated contingent liabilities transfer to government

Improved fiscal transparency and accurate liability reporting

Enhanced budget accuracy and fiscal planning capabilities

Enhanced Operational Efficiency

Improved SOE performance and profitability outcomes

Better resource utilization and cost management

Enhanced competitiveness and market positioning

Strengthened Strategic Alignment

Alignment with national development priorities and objectives

Sustainable value creation and economic contribution

Enhanced transparency and public accountability mechanisms

Figure 6: Legacy Arrears Validation Process - Comprehensive Audit Results

8. Debt Sustainability Transformation: From Crisis to Stability

Debt Crisis Assessment: Historical Position Analysis

The debt crisis analysis reveals the comprehensive nature of Ghana's fiscal challenges before the implementation of successful stabilization measures. The debt crisis position in December 2024 showed total debt of GHC 726.7 billion with a debt-to-GDP ratio of 61.8 percent, creating significant sustainability concerns and limiting fiscal space for development priorities. The risk indicators included high unsustainability risk that threatened fiscal stability, limited fiscal space that constrained development spending, market confidence challenges that increased borrowing costs, and restricted financing access that complicated debt management and limited options for addressing fiscal needs. These conditions required immediate comprehensive intervention to restore fiscal sustainability and market confidence.

Sustainability Achievement: Current Position Strength

The sustainability transformation demonstrates remarkable progress with current position showing total debt of GHC 613.0 billion and debt-to-GDP ratio of 43.8 percent, representing fundamental improvement in fiscal sustainability indicators and enhanced capacity for development financing. The improvement indicators include enhanced sustainability that provides foundation for continued fiscal stability, improved fiscal space that enables increased development spending, restored market confidence that reduces borrowing costs, and improved financing access that enhances debt management options. The transformation metrics reveal GHC 113.7 billion total debt reduction representing the largest fiscal adjustment achieved by Ghana in recent history, 18 percent improvement in debt-to-GDP ratio that brings Ghana close to sustainable levels, and achievement of enhanced development capacity that creates opportunities for accelerated development progress.

Strategic Impact Assessment

The debt sustainability transformation has created substantial strategic benefits including enhanced fiscal sustainability that provides foundation for long-term economic planning, restored investor confidence that improves access to development financing, enhanced development capacity through increased fiscal space for priority investments, and improved international relationships that strengthen Ghana's position with development partners and creditors. The achievement demonstrates Ghana's capacity for implementing comprehensive economic reforms while maintaining social stability and democratic governance. This transformation provides crucial foundation for continued economic recovery and enhanced development impact while positioning Ghana as a regional leader in fiscal management and economic transformation.

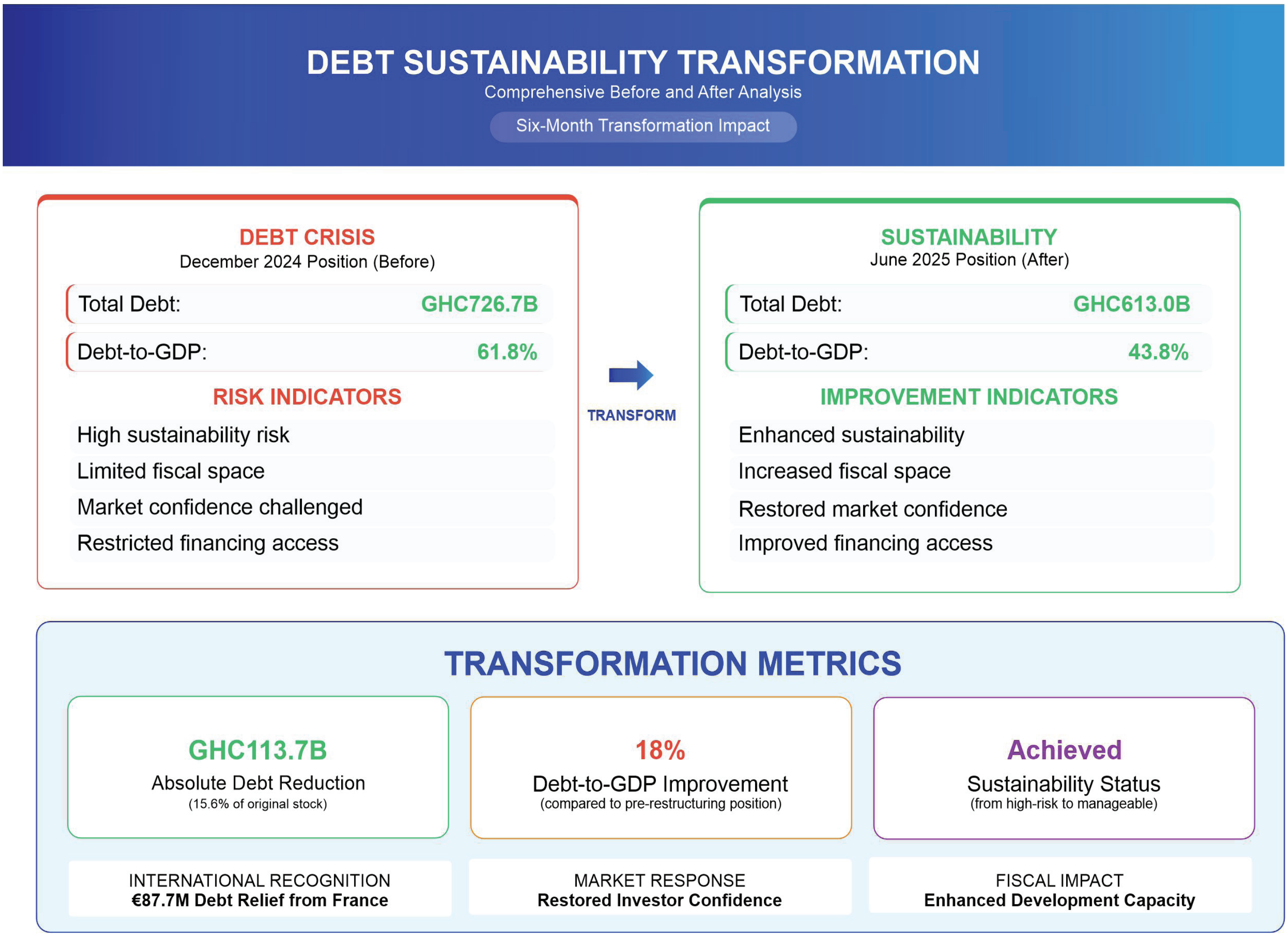

Figure 8: Debt Sustainability Transformation Analysis

9. Revenue Mobilization Performance: Strategic Successes and Critical Challenges

Energy Sector Levy: Outstanding Success Model

The Energy Sector Levy Amendment represents an outstanding success in strategic revenue mobilization, generating GHC 2.9 billion in additional revenue through innovative policy design and effective implementation. The revenue enhancement demonstrates the potential for well-designed tax measures that balance revenue generation with economic efficiency and stakeholder acceptance. The implementation method involved one cedi per liter tax on petroleum products implemented during improved economic stability conditions, utilizing existing administrative infrastructure to minimize implementation costs, and comprehensive stakeholder consultation to build support and ensure smooth implementation. The timing strategy proved critical, with implementation during improved economic stability that minimized market disruption and maximized revenue collection effectiveness. The success factors include strategic timing during improved economic conditions, effective administrative efficiency through existing systems utilization, targeted products with relatively inelastic demand characteristics, and comprehensive stakeholder consultation that built consensus and reduced implementation resistance. The administrative efficiency achieved through utilizing existing infrastructure demonstrates the importance of building on established systems rather than creating entirely new administrative mechanisms.

Customs Revenue Shortfall: Comprehensive Challenge Analysis

The customs revenue shortfall of GHC 1.6 billion represents a projected deficit of 1.4 percent of total revenue and exposes fundamental challenges in border management systems requiring immediate comprehensive reform. The percentage impact threatens fiscal targets while highlighting broader governance issues in revenue administration and trade facilitation. The primary causes include systemic leakages and smuggling activities that reduce taxable trade volumes, insufficient border control systems that fail to capture all trade flows, limited post-clearance audit capabilities for detecting undervaluation and misdeclaration, and inadequate coordination between revenue agencies and other border management institutions. The challenge factors involve systemic revenue leakages throughout border control systems, widespread smuggling activities across multiple border points, insufficient technology integration in customs operations, and limited inter-agency coordination for comprehensive border management. The risk assessment indicates that this shortfall threatens overall fiscal targets and requires immediate comprehensive customs modernization including enhanced scanning and inspection capabilities, improved post-clearance audit systems, strengthened anti-smuggling operations, and better coordination between revenue and regulatory agencies. The required actions include comprehensive customs modernization programs, enhanced technology integration, strengthened border control mechanisms, and improved inter-agency coordination for effective border management.

Net Revenue Impact: Strategic Priority Assessment

The comprehensive revenue impact analysis shows gross additional revenue of +GHC 2.9 billion from energy sector levy success offset by revenue shortfall risk of -GHC 1.6 billion from customs challenges, resulting in net positive impact of +GHC 1.3 billion (See Figure 9). The overall assessment indicates mixed results with significant room for improvement in customs administration. The strategic priority involves addressing customs modernization urgently to maximize revenue potential while building on successful innovative measures like the energy sector levy. The mixed results demonstrate that while innovative revenue measures can be highly successful, systematic challenges in traditional revenue sources require comprehensive modernization to achieve full revenue potential and support fiscal sustainability.

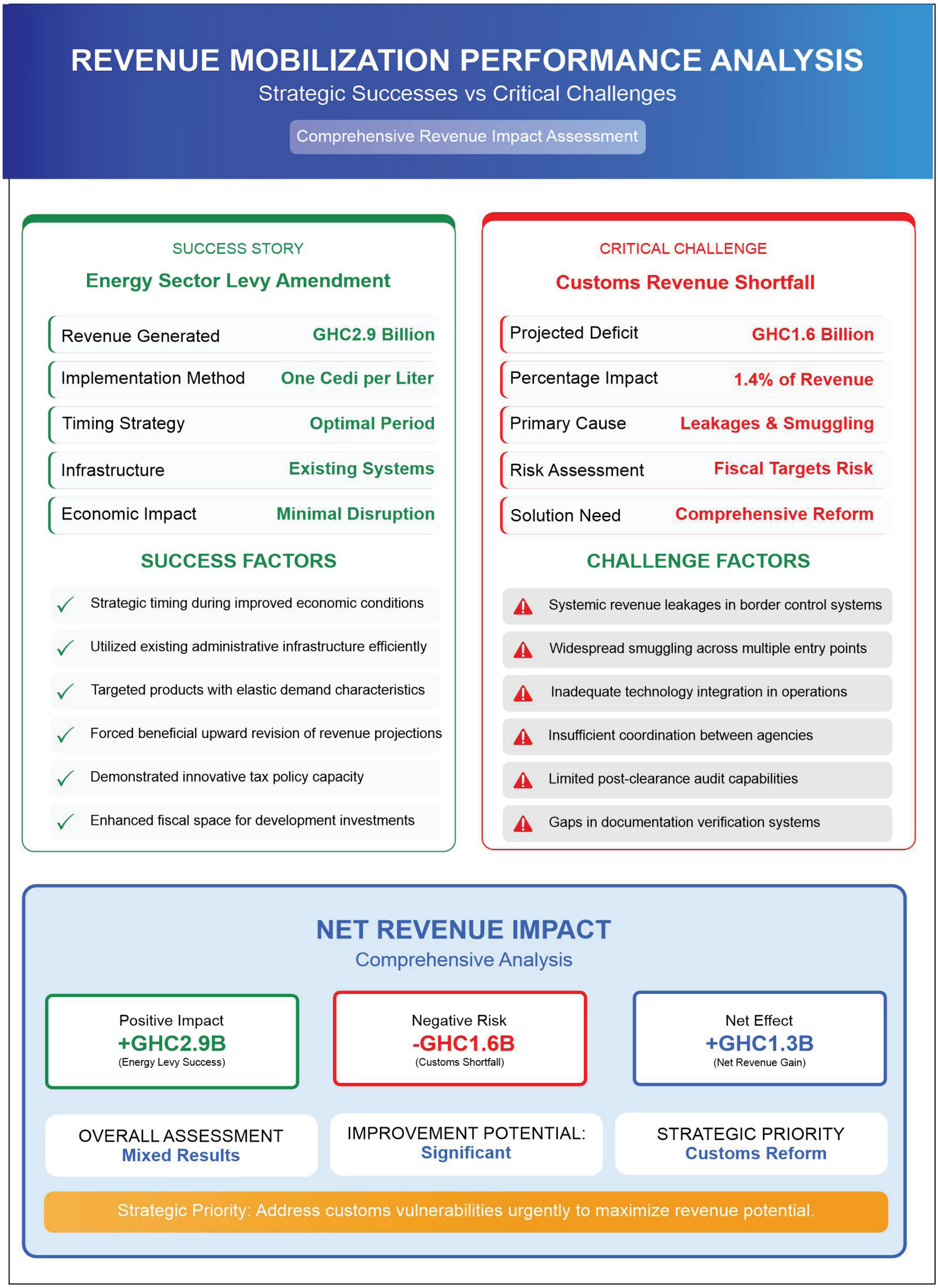

Figure 9: Revenue Mobilization Performance Analysis - Strategic Successes vs Critical Challenges

10. Strategic Budget Allocation Framework: GHc 22.9 Billion Priority Investment

Comprehensive Allocation Strategy Analysis

The strategic budget allocation framework totaling GHC 22.9 billion demonstrates Ghana's commitment to balanced development addressing immediate needs while building long-term transformation capacity. The total strategic allocation across priority sectors reflects sophisticated understanding of development requirements and fiscal constraints, emphasizing maximum developmental impact through coordinated investments across critical sectors. The allocation philosophy reflects balanced development approach emphasizing human capital formation as the foundation for sustainable development, energy security as an economic enabler for industrial growth and competitiveness, infrastructure development as a growth catalyst connecting communities and markets, and social protection for inclusive development ensuring all citizens benefit from economic progress.

Human Capital Development: Enhanced Strategic Allocations

Human capital development receives enhanced allocations through multiple strategic focus areas addressing critical capacity building requirements across education, health, and institutional development sectors. The strategic focus includes nursing and teacher training allowances that address immediate staffing shortages while improving service quality, District Assemblies Common Fund enhancement that strengthens local government capacity for effective service delivery, and comprehensive capacity building programs that improve technical and professional capabilities across the public sector. The expected impact involves strengthened educational and healthcare capacity nationwide through improved staffing and service quality, enhanced service delivery at local levels through strengthened District Assembly capabilities, and improved institutional capacity for implementing development programs effectively across all levels of government. The human capital investment strategy recognizes that sustainable development depends fundamentally on building citizen capabilities and ensuring quality service delivery across all government levels.

Energy Security and Power: GHc 9.1 Billion Strategic Investment

Energy security receives GHC 9.1 billion allocation with +2.2 billion revision demonstrating recognition that reliable electricity supply serves as the fundamental enabler for economic growth, industrial development, and improved quality of life. The strategic focus includes stable power supply through enhanced generation capacity, power generation capacity expansion to meet growing industrial and commercial demand, strategic grid modernization supporting industrial development and rural electrification, and transmission and distribution infrastructure improvements ensuring reliable electricity access across the country. The expected impact involves enhanced industrial capacity through reliable power supply that supports manufacturing expansion, improved business environment through reduced power interruptions and enhanced productivity, reduced production costs for manufacturing and commercial enterprises improving competitiveness, and enhanced regional competitiveness through improved energy infrastructure supporting economic diversification and growth.

Infrastructure Big Push: GHC 13.8 Billion Catalytic Investment

The Infrastructure Big Push program receives

GHC 13.8 billion representing the largest single budget allocation and demonstrating strategic approach to infrastructure development through concentrated resource deployment on high-impact projects. The strategic focus includes road infrastructure development and connectivity improvement enhancing trade facilitation and market access, rural-urban connectivity programs integrating remote communities into national economic activities, and regional integration support through enhanced transport corridors connecting Ghana with neighboring countries. The expected impact involves enhanced trade facilitation through improved road networks reducing transportation costs and travel times, improved market access for agricultural products and manufactured goods supporting rural development and industrial growth, reduced transportation costs improving business competitiveness and economic efficiency, and regional integration support enhancing Ghana's role as a regional economic hub and transit corridor. This concentrated investment approach ensures projects achieve sufficient scale to generate meaningful economic benefits rather than dispersing resources across numerous smaller initiatives with limited developmental impact.

Social Protection: Multiple New Expenditure Lines

Social protection receives multiple new expenditure lines reflecting government commitment to inclusive development ensuring all citizens benefit from economic growth while providing security for vulnerable populations. The strategic focus includes enhanced social safety nets providing targeted support for vulnerable populations, comprehensive poverty reduction programs addressing inequality and social exclusion, and improved social cohesion through inclusive development approaches that strengthen national unity and stability. The expected impact involves reduced inequality through targeted social protection programs that provide direct support to vulnerable households, improved social cohesion through inclusive development approaches that ensure broad-based participation in economic growth, and poverty reduction through comprehensive social safety nets that provide security while supporting productive economic participation. The social protection strategy recognizes that sustainable development requires not just economic growth but ensuring that growth benefits all citizens and contributes to social stability and national cohesion.

11. Legacy Arrears Validation: Comprehensive Audit Process and Findings

Comprehensive Audit Process Implementation

The legacy arrears validation process covering GHC 68.7 billion represents the most comprehensive audit of government obligations ever undertaken in Ghana's history, involving a systematic review of claims spanning multiple years and government institutions. The audit process has achieved an 87 % completion rate through the Ghana Audit Service, demonstrating a systematic and thorough approach to validating the legitimacy of accumulated government obligations and identifying areas requiring immediate remediation. The audit methodology involves a comprehensive examination of contract documents and supporting evidence, verification of procurement compliance and authorization procedures, validation of delivery confirmations and service completion, and assessment of payment authorization and approval processes. This systematic approach ensures that only legitimate government obligations are recognized for payment while identifying systemic weaknesses that allowed unauthorized commitments to accumulate over time.

Detailed Audit Findings and Implications

The comprehensive audit findings reveal significant insights into government expenditure management systems and highlight areas requiring immediate reform intervention. GHC 28.3 billion, representing 41 percent of total claims, have been validated as legitimate government obligations with proper documentation and authorization, demonstrating that substantial genuine obligations exist that require systematic payment to maintain government credibility and contractor confidence. However, GHC 3.6 billion, representing 5 percent of total claims, have been rejected due to various deficiencies, including errors and duplications in claim submissions, non-compliance with procurement and public financial management regulations, inadequate supporting documentation for claimed services or deliveries, and claims exceeding authorized contract amounts without proper variation procedures. Additionally, GHC 562.6 million remains contested due to inadequate supporting documentation requiring additional review and potential legal resolution. The pending validation of GHC 27.3 billion, representing 40 percent of total claims, indicates the substantial scope of the audit process and the comprehensive nature of the review being undertaken. The systematic approach ensures thorough examination of all claims while maintaining rigorous standards for validation and approval.

Control Weaknesses and Reform Imperatives

The audit process has identified critical control weaknesses that require urgent reform intervention to prevent future accumulation of unauthorized obligations and ensure accountability in government expenditure management. The control weaknesses identified include inadequate supporting documentation and validation systems that allowed claims without proper evidence, weak procurement oversight throughout expenditure processes that failed to ensure compliance with regulations, non-compliance with procurement and public financial management rules indicating systematic governance failures, and insufficient supporting documentation and validation systems that created opportunities for unauthorized commitments. The urgent reform imperatives involve strengthened expenditure controls and approval processes that prevent unauthorized commitments, enhanced compliance monitoring and validation systems that ensure adherence to regulations, improved procedure audit mechanisms, and real-time monitoring that identify problems before they affect fiscal performance, and comprehensive training programs for financial management personnel across government institutions to ensure understanding and implementation of proper procedures. The critical finding that rejection of GHC 3.6 billion represents systemic problems with expenditure management highlights the urgent need for fundamental reform of government financial management systems. These findings demonstrate that substantial resources were historically committed without proper authorization or adequate documentation, representing serious gaps in financial management that require immediate systematic remediation to restore accountability and prevent future problems.

12. Key Performance Indicators: Economic Transformation Dashboard

Macroeconomic Stability Indicators

The key performance indicators demonstrate remarkable economic transformation across critical macroeconomic variables that provide a foundation for sustained development progress. The inflation rate achievement shows dramatic improvement from 23.8 percent in December 2024 to 13.7 percent in June 2025, representing a 10.1 percentage point reduction achieved in just six months and marking the lowest rate since December 2021, with record low performance exceeding all market expectations. The debt-to-GDP ratio transformation from 61.8 percent in December 2024 to 43.8 percent in June 2025 represents an extraordinary 18 percentage point improvement, indicating a major sustainability improvement that creates substantial fiscal space for development priorities and enhances Ghana's creditworthiness and market access. The international reserves strengthened from previous lower levels to $11.12 billion, with a significant increase, providing 4.8 months import cover and 4.1+ months coverage, demonstrating enhanced external resilience and confidence in Ghana's economic management.

Transformation Highlights: Six-Month Achievement Summary

The transformation highlights demonstrate outstanding economic achievement within a remarkably short timeframe that positions Ghana as a regional leader in fiscal recovery and macroeconomic stabilization. Six consecutive months of inflation decline show consistent policy effectiveness and institutional capacity for maintaining macroeconomic stability through coordinated monetary and fiscal policies. The GHC 113.7 billion debt reduction achieved represents one of the largest fiscal adjustments in Ghana's history and demonstrates the effectiveness of comprehensive debt restructuring and fiscal consolidation measures. Enhanced macroeconomic stability foundation provides a crucial platform for sustained economic growth and development progress, while restored market confidence and creditworthiness create opportunities for enhanced development financing and private sector investment.The overall assessment confirms outstanding economic transformation from crisis to stability in six months, demonstrating Ghana's institutional capacity for implementing comprehensive economic reforms while maintaining social stability and democratic governance. This achievement provides confidence that with continued commitment and appropriate policies, Ghana can achieve its development aspirations while serving as a model for successful economic transformation in the developing world.

13. Ghana's Enhanced PIMA Implementation: Climate-Integrated Investment Management

Comprehensive Investment Management Phases

Ghana's enhanced Public Investment Management Assessment implementation demonstrates a sophisticated approach to infrastructure development that integrates climate resilience considerations throughout the investment lifecycle. The comprehensive investment management phases include four critical components with varying implementation progress reflecting a systematic approach to building institutional capacity and operational effectiveness. Phase 1 focuses on strategic planning and allocation, achieving 100 percent implementation progress through comprehensive climate vulnerability assessment protocols, resilience planning integration in all major projects, and environmental sustainability criteria application. The traditional focus areas include long-term strategic investment planning and prioritization, resource allocation optimization across sectors, and multi-year investment programming and budgeting that aligns with national development objectives. The climate integration enhancements marked as “Complete” include comprehensive climate vulnerability assessment protocols for all major infrastructure projects, resilience planning integration ensuring adaptation measures are incorporated from initial design stages, and environmental sustainability criteria application throughout project selection and implementation processes.

Project Appraisal and Implementation Progress

Phase 2 addresses project appraisal and selection, achieving 90 percent implementation progress through enhanced evaluation frameworks that incorporate both traditional feasibility analysis and comprehensive climate risk assessment. The traditional focus areas include comprehensive cost-benefit analysis and feasibility studies, technical feasibility assessment and risk evaluation, and financial viability analysis and funding strategy development that ensures projects deliver expected returns and developmental impact. The climate integration enhancements include environmental impact assessment and mitigation planning that addresses both immediate and long-term environmental consequences, climate risk evaluation and adaptation measure integration throughout project design, and green technology assessment and sustainable design requirements that ensure infrastructure contributes to rather than undermines environmental sustainability. Phase 3 covers implementation and monitoring, achieving 80 percent implementation progress through enhanced project delivery systems and management frameworks that ensure quality outcomes and timely completion. The traditional focus areas include advanced project delivery systems and management frameworks, real-time performance monitoring and progress tracking, and quality assurance and technical supervision protocols that maintain construction standards and performance requirements. The climate integration enhancements include green construction standards and sustainable material requirements that minimize environmental impact during construction, climate adaptation measures implementation and monitoring throughout project execution, and environmental compliance monitoring and reporting systems that ensure adherence to sustainability standards and regulatory requirements.

Evaluation and Institutional Framework Achievements

Phase 4 addresses evaluation and learning, achieving 70 percent implementation progress through comprehensive impact evaluation frameworks that assess both traditional development outcomes and climate resilience contributions. The traditional focus areas include comprehensive impact evaluation and performance assessment, lessons learned documentation and knowledge management, and value-for-money analysis and efficiency measurement that ensures optimal resource utilization and developmental impact. The climate integration enhancements include sustainability outcomes assessment and long-term impact evaluation that measures climate resilience contributions, climate resilience validation and adaptation effectiveness review, and environmental performance monitoring and improvement recommendations that enable continuous enhancement of sustainability outcomes.

The achievements of the institutional framework demonstrate comprehensive implementation success across multiple areas. The Public Investment and Assets Division has been established within the Ministry of Finance, providing centralized oversight and coordination for all major public investments. Enhanced Public-Private Partnership Act 1039 implementation has been achieved with climate considerations integrated into partnership frameworks and project evaluation criteria. The PIMA regulation compliance systems have achieved operational status across government institutions, ensuring consistent application of investment management standards and procedures. Value-for-money assessment frameworks have been enhanced with sustainability criteria that ensure investments deliver both economic returns and environmental benefits. Climate resilience integration protocols have been developed and implemented, ensuring all major infrastructure projects contribute to national climate adaptation and mitigation objectives.

14. Strategic Policy Recommendations and Implementation Framework

Immediate Priority Actions for Fiscal Stabilization

Ghana's continued fiscal success requires the implementation of three critical immediate priority actions that address identified challenges while building on achieved successes.

The first priority involves addressing payroll controls and customs revenue leakages through comprehensive system reforms that prevent budget overruns and maximize revenue collection efficiency. The enhanced emergency procedures must include automated budget execution systems that check all expenditure commitments against available allocations and cash flow projections, providing real-time monitoring capabilities that enable proactive management intervention to maintain fiscal discipline. The customs modernization initiatives must include full deployment of scanning technology at all major ports and border crossings, complete implementation of automated risk assessment systems, and enhancement of post-clearance audit capabilities to recover lost revenue and prevent future leakages.

The second priority focuses on implementing integrated financial management systems that eliminate coordination challenges and enhance overall fiscal management effectiveness. These integrated systems must include comprehensive budget planning and execution modules, real-time expenditure tracking and reporting capabilities, automated reconciliation procedures for inter-agency transactions, and enhanced audit trails that support accountability and transparency across all government operations

The third priority involves building sustainable institutional capacity and innovation frameworks that ensure continued improvement in fiscal management quality and effectiveness. This capacity building must address both immediate operational challenges and longer-term institutional requirements through enhanced technology systems, improved coordination mechanisms, strengthened accountability frameworks, and systematic training programs that build technical expertise across government institutions..

Medium-Term Structural Reforms and Capacity Building

The medium-term reform agenda focuses

on three strategic areas that build on immediate stabilization measures while addressing deeper structural challenges in governance and institutional capacity. The first area involves systematic implementation of enhanced public financial management reforms including automated expenditure controls, comprehensive payroll management systems, integrated financial reporting platforms, and strengthened audit and oversight capabilities that ensure accountability and transparency across all government operations. The second area addresses revenue enhancement through comprehensive modernization of tax and customs administration including advanced technology integration, improved taxpayer services and compliance systems, enhanced audit capabilities for complex transactions, and strengthened coordination between revenue agencies and other government institutions. These improvements should enable Ghana to achieve revenue collection rates comparable to regional best performers while reducing compliance costs for businesses and citizens. The third area focuses on institutional framework development including strengthened State Interest and Governance Authority oversight capabilities for state-owned enterprises, systematic implementation of Climate-PIMA recommendations for climate-resilient infrastructure development, establishment of formal reconciliation mechanisms for inter-governmental transactions, and enhanced coordination between different levels of government and between public and private sector actors.

Long-Term Sustainability and Innovation Framework

The long-term sustainability framework emphasizes four critical components that ensure Ghana's economic transformation achievements are maintained and enhanced over time. Enhanced budget execution monitoring and public reporting systems will improve budget credibility while providing citizens and stakeholders with better information about government performance and development impact through quarterly budget execution reports, performance indicators linked to budget allocations, citizen-friendly budget summaries, and regular public forums for discussing budget performance and development priorities.

Systematic follow-up on audit recommendations requires establishment of formal tracking systems for audit implementation, regular reporting on recommendation compliance status, sanctions for non-compliance with audit recommendations, and enhanced coordination between audit institutions and implementing agencies. This systematic approach ensures that audit findings contribute to improved governance and financial management rather than remaining as isolated technical reports.

Strengthened citizen engagement in budget processes requires development of participatory budgeting mechanisms at local levels, enhanced transparency in budget preparation and execution, simplified budget documents that enable citizen understanding and participation, and formal feedback mechanisms that enable citizen input on budget priorities and performance assessment. Performance management systems that link budget allocations to measurable developmental outcomes require establishment of clear performance indicators for all major budget programs, regular monitoring and evaluation of program effectiveness, evidence-based budget allocation decisions that prioritize high-performing programs, and accountability mechanisms that ensure resources achieve intended development impact.

The innovation framework includes systematic approaches to identifying and implementing new technologies and methodologies that enhance government effectiveness while reducing costs and improving service delivery. This includes digital transformation initiatives, automation of routine processes, enhanced data analytics for decision-making, and continuous improvement processes that enable adaptation to changing circumstances and emerging challenges.

15. Expected Outcomes and Impact Projections

Revenue Enhancement Potential: GHc 5-8 Billion Annual Impact

Successful implementation of the comprehensive reform agenda has the potential to generate additional annual revenue of GHC 5-8 billion through enhanced fiscal sustainability, improved development impact, sustainable growth framework, and strengthened institutions. This substantial revenue enhancement potential reflects the cumulative impact of addressing identified weaknesses while building on demonstrated successes in innovative revenue measures. The enhanced fiscal sustainability component could generate GHC2-3 billion annually through improved customs administration, enhanced tax compliance and audit capabilities, optimized state-owned enterprise performance, and reduced fiscal leakages through better expenditure controls. The improved development impact could contribute GHC 1-2 billion annually through enhanced infrastructure productivity, improved human capital outcomes, more efficient service delivery, and enhanced economic competitiveness through strategic investments. The sustainable growth framework could generate GHC 1-2 billion annually through increased economic activity supported by improved infrastructure, enhanced business environment through reliable power supply and improved services, increased productivity through human capital development, and enhanced competitiveness in regional and global markets. The strengthened institutions component could contribute GHC 1 billion annually through improved governance and reduced corruption, enhanced efficiency in service delivery, better coordination between government institutions, and increased confidence, leading to enhanced investment and economic activity.

Developmental Impact and Social Outcomes

The comprehensive reform implementation is expected to generate significant developmental impact and social outcomes that improve citizen welfare while strengthening national unity and social cohesion. Enhanced educational and healthcare capacity through human capital investments will improve service quality and access, contributing to better human development outcomes and enhanced productivity across the economy.

Improved infrastructure through the Big Push program will connect communities, reduce transportation costs, enhance market access for agricultural products and manufactured goods, and support economic diversification and growth. Enhanced energy security through substantial power sector investments will support industrial development, improve business competitiveness, reduce production costs, and create enabling conditions for sustained economic growth and job creation.

Strengthened social protection through multiple new expenditure lines will reduce inequality, improve social cohesion, provide security for vulnerable populations, and ensure that economic growth benefits all citizens while contributing to national stability and democratic governance. These comprehensive developmental impacts will position Ghana as a regional leader in inclusive development and democratic governance while providing a model for other developing countries facing similar challenges.

International Recognition and Partnership Enhancement

Ghana’s successful economic transformation and comprehensive reform implementation is expected to enhance international recognition and strengthen partnerships with development partners, investors, and regional organizations. Continued adherence to International Monetary Fund program conditions and achievement of reform targets will maintain access to concessional financing while demonstrating Ghana's commitment to economic discipline and good governance. Enhanced creditworthiness through debt sustainability improvements will expand access to international capital markets and enable Ghana to secure development financing on more favorable terms. Strengthened governance and institutional capacity will attract increased foreign direct investment and technical cooperation from development partners while positioning Ghana as a regional hub for business and investment. Regional leadership in economic transformation and democratic governance will enhance Ghana's influence in regional and international organizations while contributing to broader stability and development progress across West Africa and the continent. These achievements will provide Ghana with enhanced opportunities for international cooperation and knowledge sharing while contributing to global understanding of effective approaches to economic development and governance in challenging circumstances.

16. Conclusion

Consolidating Economic Transformation Achievements

Ghana's 2025 mid-year budget review demonstrates remarkable progress in macroeconomic stabilization while revealing persistent challenges that characterize the transition from crisis management to sustainable development. The dramatic improvements in inflation control to 13.7 percent, debt reduction of GHc 113.7 billion, bringing the debt-to-GDP ratio to 43.8 percent, international reserve strengthening to $11.12 billion, and strategic sector investments totaling GHc 22.9 billion create a solid foundation for continued progress and enhanced development impact. The strategic approach to resource mobilization and allocation reflected in the budget review demonstrates a sophisticated understanding of the interconnections between fiscal management, economic development, and social progress. The substantial allocations to infrastructure development through the Big Push program, human capital enhancement through education and healthcare investments, energy security through power sector development, and social protection through multiple new expenditure lines reflect a comprehensive development strategy that addresses both immediate needs and long-term transformation requirements. However, the identification of significant challenges, including wage management overrun of GHc 1.3 billion, customs revenue shortfall of GHc 1.6 billion, and legacy arrears validation involving GHc 3.6 billion in rejected claims, underscores that Ghana's fiscal journey remains a work in progress requiring continued vigilance, institutional strengthening, and systematic reform implementation. These challenges provide important lessons for strengthening financial management systems while maintaining the reform momentum that has enabled Ghana's remarkable economic recovery.

Strategic Priorities for Sustainable Progress

Moving forward, Ghana's success depends on maintaining the delicate balance between political responsiveness and economic discipline that has characterized the recent stabilization period. The country must leverage improved macroeconomic fundamentals to implement deeper structural reforms that enhance revenue generation capacity, improve expenditure efficiency, and strengthen accountability mechanisms across the public sector while maintaining the social and political stability necessary for continued reform implementation. The implementation of comprehensive public financial management reforms, including automated expenditure controls, enhanced payroll management systems, integrated financial management platforms, and strengthened audit and oversight capabilities, represents critical priorities for sustaining fiscal discipline while improving government effectiveness and service delivery quality. These reforms must be supported by enhanced technology systems, improved coordination mechanisms, strengthened accountability frameworks, and systematic capacity building that ensures sustainable improvement in institutional performance. Revenue enhancement through customs modernization, tax administration improvements, natural resource revenue optimization, and continued innovation in revenue policy provides opportunities for enhancing fiscal space while improving service delivery and reducing compliance costs for citizens and businesses. Infrastructure development through the Big Push program and complementary investments in energy, telecommunications, and social infrastructure creates the foundation for sustained economic growth and enhanced competitiveness while improving quality of life and economic opportunities for all citizens.

International Engagement and Development Partnership

The international community's continued support through mechanisms such as the International Monetary Fund Extended Credit Facility, World Bank development programs, and bilateral debt relief agreements provides crucial space for implementing reforms while maintaining social and economic stability. However, this support must be complemented by Ghana's demonstrated commitment to policy implementation, institutional strengthening, and transparent governance that maintains public confidence and international credibility. The successful management of international partnerships while maintaining policy ownership and democratic accountability demonstrates Ghana's maturity as a development partner and provides a foundation for continued cooperation that supports national development priorities while contributing to regional stability and prosperity. Ghana's experience in managing economic crisis and implementing successful stabilization measures provides valuable lessons for other developing countries while demonstrating that with appropriate policies, strong institutions, and sustained commitment, transformative economic recovery remains achievable even in challenging global circumstances.

Vision for Sustainable Development and Regional Leadership

Ghana's continued success will serve as an important example for other developing nations while contributing to a broader understanding of effective approaches to fiscal management and economic development in challenging global conditions. The country's journey from crisis to stability demonstrates that fiscal stabilization and sustainable development are achievable goals for nations willing to make difficult decisions, implement necessary reforms, and maintain consistent policies over time. The integration of climate resilience, digital transformation, and sustainable development principles into fiscal and development planning reflects forward-looking policy approaches that position Ghana for success in an increasingly complex and interconnected global environment. These approaches ensure that current development progress contributes to rather than undermines long-term sustainability and resilience while building the foundation for continued prosperity and enhanced welfare for all citizens. The emphasis on human capital development, institutional strengthening, and inclusive growth ensures that economic progress translates into improved welfare and opportunities for all citizens while building the foundation for sustained prosperity and social cohesion that supports continued democratic governance and development progress. Ghana's transformation story continues to unfold with the 2025 mid-year budget review marking an important milestone in the journey toward sustainable development, economic prosperity, and enhanced welfare for all citizens. The achievements documented in this review provide confidence that with continued commitment to appropriate policies, strong implementation capacity, and transparent governance, Ghana can achieve its development aspirations while serving as a model for successful economic transformation in the developing world. The comprehensive nature of the reforms undertaken and the remarkable results achieved demonstrate that effective governance, fiscal discipline, and strategic investment can transform even the most challenging economic circumstances into opportunities for sustainable development and enhanced prosperity.

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