The survival and growth of small – medium size enterprises in ghana

EXECUTIVE SUMMARYThe government of every country has to draw up plans as to its expenditures for the coming year and how to generate revenue to meet these expenditures. This means that the government has to come out with a budget for the year. A budget is a statement of the government??™s planned income and expenditure for the year. The budget spells out the expenditures and the incomes that the government expects in the year to meet these expenditures and the measures, usually taxes, that it intends to put in place to generate such income. In recent years, Ghana??™s national budgets have addressed the issue of increased productivity and poverty reduction. The 1998 budget statement outlined a number of actions aimed at reducing poverty.

These actions included improving access to basic services through increased budgetary allocation to basic education, primary health care and rural infrastructure. The actions also included the provision of free medical attention for infants, the aged and pregnant women as well as training and development of skills for women and re-deployed people. These actions continued in the 1999 financial year as indicated in the 1999 budget statement. Ghana??™s sources of revenue to meet government??™s expenditure include aid in grants and loans from foreign and domestic sources, miscellaneous sources and, most importantly, taxes. Most of these sources are limited in the amount they can generate. The country, therefore, relies greatly on taxation to generate the required revenue. Taxes are charges levied on individuals and companies under an Act of Parliament to meet public expenditure. Ghana??™s tax system comprises both direct and indirect taxes.

The direct taxes comprise individual and corporate income taxes, capital gains tax, gift tax, stamp duty and petroleum and mining taxes. Indirect taxes in Ghana comprise the value-added tax, customs duties, excise duties, and other similar taxes. Parliament has passed various laws to give legal backing to the taxes that are being levied on Ghanaians. The direct taxes, until the end of the year 2000, were being collected under the Income Tax Decree, 1975 (S. M. C.

D. 5), Petroleum Income Tax Law, 1987 (P. N. D. C. L.

188), Minerals and Mining Law, 1986 (P. N. D. C. L. 153), Capital Gains Tax Decree, 1975 (N. R.

C. D. 347), Gift Tax Decree, 1975 (N. R. C. D. 348) and Stamp Act, 1965 (Act 311) and their various subsequent amendments. All these laws but the last one have now been consolidated into one law: the Internal Revenue Act 2000 (Act 592).

The Customs, Excise and Preventive Service (Management) Law, 1993 (P. N. D. C. L. 330), Customs and Excise (Duties and Other Taxes) Act, 1996 (Act 512) and their amendments as well as the Value Added Tax Act, 1998 (Act 546) and its amendments govern the indirect taxes. There are other laws that, while not being part of the main tax laws, have the authority of tax laws andor tax implications with respect to certain sectors of the economy.

The tax laws indicate the types of income, profits, and gains as well as transactions that are subject to tax. Various exemptions to these taxes are also spelt out in the appropriate laws. The laws spell out the enforcement procedures and offences as well as the penalties that go with such offences.

Thus, the Commissioners of the tax authorities have been given sufficient powers to enforce the tax laws. These powers include the powers to impose penalties and interests on taxes owed, seizure and sale of property of defaulting taxpayers to recover the amounts owed, and even prosecution for failure to comply with or frustrate the administration of the tax laws. The taxpayer also has rights to object to the assessments as well as decisions of these Commissioners on tax issues and can go to the courts for redress. Ghana??™s direct taxes have a limited tax base and, therefore, a limited revenue generation potential. The reasons for the low tax base for individuals include the high level of unemployment, the low levels of incomes, and the failure of many self-employed persons to file returns, declare their actual incomes, and pay appropriate taxes.

In fact, employees bear the bulk of the tax burden of personal income tax. Reliefs for certain persons and exemptions from tax of certain persons and transactions, though desirable, limit the revenue generation potential from personal income tax. For corporate income tax, the tax base is limited because of the small number of companies in the country, the existence of concessionary tax rates, exemptions from tax for new companies, and high rates of capital allowances for investors in certain sectors of the economy. Corporate income tax has yielded less revenue than employee income over the years. The limited tax base of direct taxes means that the bulk of tax revenue comes from indirect taxes – customs and excise duties as well as the value-added tax on goods and services. Since virtually every citizen consumes some goods and services, imposing indirect taxes means broadening the tax base and, thus, generating more revenue for the government. It, however, has the disadvantage of increasing the tax burden on the poor because, being regressive, everyone pays the same percentage of tax no matter their level of income. The ordinary citizen, therefore, bears the bulk of the tax burden of indirect taxes as she/he pays tax at the same rates as the rich but has less money to spend.

06/14/0212: 21 PM 2CHAPTER ONEINTRODUCTIONPurpose of Study: The Integrated Social Development Centre, ISODEC, commissioned this study as part of its efforts to educate the general public on the budget in particular and economic decision-making in general and to spread budget activism in the country. This would enable ISODEC find ways of influencing policies that would impact the lives of the Ghanaian citizenry in a desirable direction either directly or indirectly through civil society action. The main aim of this paper is to provide a guide on the Ghanaian tax system for the understanding of the ordinary citizen.

The study would, therefore, discuss the various types of taxes that generate revenue for the government and how these taxes impact the lives of the citizens of this country. An effort would be made to explore whether the tax structure is equitable, and if not, which categories of citizens bear the brunt of taxation. This study would also examine the various tax exemptions and concessions that are available and the basis for them. An examination of the way the taxes are collected and/or enforced would also be carried out. In the end, this will help ISODEC decide on how to support existing provisions in the tax laws that will maintain an equitable tax system or even sponsor efforts that will bring about new provisions to make the tax system even more equitable. What is the National Budget: The budget is an instrument that the government uses to direct the lives of the citizens by deciding what sources of revenue to explore and how the revenue so obtained is expended. “ The budget is the most important economic policy of the Government and provides a comprehensive statement of the priorities of the nation” 1. It serves as a short-term plan for the direction of the country??™s social and economic growth.

A national budget is a statement of the government??™s planned income and expenditure for the coming year. The estimates include expenditures of all public offices and establishments but exclude expenditures of state-owned commercial enterprises. The estimated expenditures are drawn on the Consolidated Fund. It spells out the incomes that government expects in the year and the measures, usually tax laws, that it intends to put in place to generate such income. The budget also spells out how it intends to spend the income so generated. The budget, therefore, includes an evaluation of public programmes and policies, as well as, priorities and a review of the country??™s activities for the coming year.

A budget also uses the tax system to direct investment and socio-economic growth. The budget does this by providing for certain tax incentives, concessions, and/or exemptions to encourage certain industries. The budget can also increase taxes in some areas to discourage their growth or regulate the consumption of certain products.

The national budget can also use the tax system to bring about a redistribution of income. The Role of the President (Executive): In theory, the President (the Executive) prepares the budget using his Cabinet. The Cabinet decides on broad policy issues as to how the national cake should be divided among the various sectors of the economy. Cabinet, which comprises key sector Ministers, uses key information at its disposal and the expert advice of the technocrats in the Civil Service to do this. The Minister of Finance, on behalf of the President, lays the final document, the annual budget, before Parliament at least one month before the end of the preceding financial year. 1Krafchik & Wehner, 1998 (512). 3In practice, however, the budget is usually presented to Parliament after the year has began and after the President has presented his sessional address to Parliament outlining his social, economic and political plans for the year.

The budget is usually based on these plans. In the drafting stage, consultations would usually be made with some stakeholders including the private sector on issues affecting them. The Role of Parliament in the Approval of the Budget: Any national budget has an impact on the lives of the entire citizenry of a country. It determines which citizens will have good homes, access to electricity and portable water, quality health care and good education by how much resources it allocates to various sectors of the economy and groups of citizens. It is important, therefore, that everybody contributes to the budget process. This is not practically possible so their representatives in Parliament air their views. Parliament, which is made up of the people??™s elected representatives, is supposed to be the defenders of the citizenry as every citizen belongs to one constituency or other.

The Constitution authorizes Parliament to make rules for the procedure by which bills (called Appropriations Bills) on the disbursement of government monies can be put before it. Parliament, therefore, deliberates on the proposed budget. It can question the feasibility and/or viability of the government??™s proposed policies and programmes contained in the budget.

Parliament may debate the budget for several weeks and listen to various interested persons and groups before giving its final approval. The Role of Parliament in Controlling Revenue and Expenditure: The role of Parliament in controlling the collection of revenue and expenditure of public funds is provided for by the Constitution. Parliament is the sole authority that is responsible for imposing taxes. All proceeds of taxes, penalties and interest collected by the revenue authorities must be paid into the Consolidated Fund. Parliament must also approve all expenditures and withdrawals from this Fund or any money belonging to the Ghana Government. In addition, Parliament deliberates and approves of any additional government expenditure that was not included in the budget at the time of approval. Parliament must approve all loans that the government contracts. There are, however, instances where the Executive disburses public funds or contracts loans on behalf of the government before bringing it before Parliament for its endorsement.

Fiscal Decentralization in Ghana: Ghana??™s Constitution provides for a decentralized local government system. She, therefore, has a decentralized fiscal policy. Among other things, the Constitution provides for the establishment of a District Assemblies Common Fund made up of not less than 5% of the total tax revenues of the country. Parliament has the responsibility to work out a formula for the distribution of its proceeds, approve the President??™s appointment of an Administrator, and prescribe her/his functions and tenure of office for the effective and equitable administration of the Fund.

Parliament can also direct the local authorities to use parts of their allocation for certain priority projects and programmes. In addition to the District Assemblies Common Fund, the local authorities also benefit from ceded revenue, which comprises certain fees collected by the Internal Revenue Service and passed on to the District Assemblies. Moreover, some district assemblies influence the budget process indirectly by calling on the government to undertake certain capital projects in their areas, such as the construction of major roads.

Calls of this nature will sometimes be taken into consideration when drafting the budget proposals. What are the Components of the Budget06/14/0212: 21 PM 4The annual budget usually includes a review of the last budget. The budget statement gives the prior year??™s overall growth rate of the economy as well as that of each ministry, the various amounts that were provided for each ministry, and justifies any shortfalls.

Thus, the aim is to point out the achievements of that budget and justify a continuation or a change in policy. The budget looks at the general world economic situation and how it affected Ghana in the year before as well as the micro-economic indicators of the economy. The budget also reports on the tax revenues collected by categories, such as income tax and taxes on domestic goods and services and justifies shortfalls in revenue generation. A Brief Look at the 1998 Budget: The 1998 budget addressed the issue of poverty reduction as an area of concern to the government. The budget prescribed actions to be taken to reduce poverty which included improving access to basic services through increased budgetary allocation to basic education, primary health care and rural infrastructure.

Free medical attention was also to be provided for infants, the aged and pregnant women. In addition, district assemblies were directed to allocate 20% of their District Assemblies Common Fund to income generation activities for the poor. The 1999 budget statement indicates that this has been carried out. Parliament also passed the Children??™s Act to enforce children??™s right to grow up with parents, parental responsibility toward children, children??™s right to education and other rights. A policy of affirmative action for women is being reinforced. District assemblies are expected to enforce these policies aimed at bringing about some equity for children and women. A Brief Look at the 1999 Budget: The targets of the 1999 budget were mainly economic in nature. The budget aimed at attaining a real gross domestic product (GDP) growth rate of 5.

5%, a reduction in inflation, an overall broad budget deficit of 5. 2% of GDP but a primary budget surplus of 3. 8% of GDP, and an overall balance of payments surplus of US$60 million. The private sector is simply “ expected to respond positively to the declining interest rate and the stable exchange rate of the cedi” 2. The 1999 budgetary allocation of expenditure included social services (30. 4%), infrastructure (21. 2%), economic services (10. 3%), and public safety (10.

1%). The budget statement indicated that the high allocation to the social services reflects the government??™s commitment to health, education, and other initiatives aimed at poverty reduction. The government promised to continue its efforts to reduce poverty by providing free medical services to infants, the aged and pregnant women. The budget statement also emphasized government??™s commitment to promote human development and sustain the orderly and healthy growth of the rural and urban settlements. This involves training women??™s groups to enhance their economic opportunities and the training of young girls and female adults in the Women??™s Training Institutes to acquire vocational skills.

A Brief Look at the 2000 BudgetThe targets of the 2000 budget were not all that different from those of preceding year. The budget aimed at attaining a real gross domestic product (GDP) growth rate of 5. 0%, a reduction in inflation to 12. 5%, an overall broad budget deficit of 6.

1% of GDP and an overall balance of payments position of zero. The government expected total revenue of ? 8, 663. 1 billion and a total expenditure amounting to the same figure, indicating a balanced budget. The 2000 budgetary allocation of expenditure included administration (38.

16%), social services (27. 75%), infrastructure (12. 21%), economic services (11. 89%), and public safety (9. 65%).

The budget statement indicated that the government intended to promote agriculture to ensure sustainable food security by streamlining measures to ensure adequate2The Budget Statement and Economic Policy of the Government of Ghana for the 1999 Financial Year. 5financing of entrepreneurs in the sector and other interventions to help improve the sector. Government also planned to deepen its initiatives and strategies to diversify the economy from its reliance on three primary commodities to a maximization of value-added in domestic natural resource utilization and expansion of industries with proven international competitiveness.

Efforts to improve the generation of local revenue will be intensified while ensuring that appropriate tax concessions are made available to local manufacturers. A Brief Look at the 2001 BudgetThe targets of the 2001 budget, the current, included attaining a real gross domestic product (GDP) growth rate of 4. 0%, a reduction in inflation to 25%, an overall broad budget deficit of 5. 2% of GDP and an overall balance of payments surplus of US$165.

7 million. The 2001 budgetary allocation of expenditure included administration (2664. 21 billion cedis), social services (2043. 32 billion cedis), infrastructure services (811. 42 billion cedis), economic services (1080.

64 billion ceids), and public safety (577. 02 billion cedis). The social services sector gets an allocation second only to administration, which reflects the government??™s commitment to health, education, and other initiatives aimed at poverty reduction. The budget expects a total receipts of ? 7, 974.

9 billion but a total expenditure of ? 13, 539. 2 billion, indicating that the government must look for additional funding from elsewhere to make up the difference. The budget statement also contained an announcement to the effect that Ghana would take advantage of the HIPC initiative that has been

extended to poor and heavily indebted countries by the international financial institutions and bilateral donors/creditors. The Village Infrastructure Project: The Village Infrastructure Project aimed at poverty reduction among the rural communities was launched in 1998. This involved the provision of basic village-level infrastructure in the form of rural water, transport, post-harvest infrastructure, and institutional strengthening.

The government also took steps to promote employment opportunities in both the formal and informal sectors of the economy. These steps, according to the budget statement, included skills training and development, registration and placement of job seekers, and the training of re-deployed persons. Free Zones Programme: In addition, the Free Zones Programme, which was put in place in 1998, resulted in the registration of fifty-nine companies in various sectors and the creation of 4, 000 jobs that year. The 1999 budget is optimistic that more enterprises will register and more jobs created as a result. The Agricultural Sector Investment Project: Under the Agricultural Sector Investment Project, 161 markets, 34 roads, seven agro-equipment structures and 80 dug out wells started in 1998 will be completed. It is expected that 159 more projects will be undertaken in 1999.

The government intends to continue its efforts at promoting the emergence of medium and large-scale farming enterprises with the view to increasing agricultural production and productivity. Thus, the training and provision of extension services, basic infrastructure, and credit for input supply for the production and marketing of agricultural products will continue. Efforts to Generate Increased Revenue: 06/14/0212: 21 PM 6With the increasing debt burden and demands on government, Ghana??™s budgets in recent years have placed increased emphasis on taxation as a source of government revenue.

In fact, there have more emphasis on revenue enhancing measures. As a result, the government??™s fiscal efforts have been focused on ensuring that the newly adopted value-added tax is firmly established and the weaknesses in the revenue mobilisation environment rectified. Sanctions on taxpayers that do not file returns as well as tax officials who fail to impose penalties on defaulting taxpayers will be tightened. The issue of Taxpayer Identification Numbers (TIN) which started in 1998 will be expanded to cover all Value-Added Tax (VAT) registered persons as well as all importers and clearing agents. The budgets also proposed the introduction of an integrated tax audit involving the three tax authorities to eliminate the waste of resources and taxpayers??™ time. In fact, the current budget has set up an National Tax Audit Team and Tax Courts to ensure that the tax system operates efficiently and generates enough revenue for the country to meet its commitments. The Credibility of the Budget: For a budget to have credibility among all stakeholders the budgetary process itself must be credible. People must perceive the budget to be open and transparent and have the ability to address the problems of the society for which it is targeting.

There should be control systems that can ensure the implementation of the budget as approved. The divergence between budgetary plans and the outcomes also contributes to the credibility of a budget. Unrealistic budget estimates are not likely to be achieved at the end of the budgetary period. A wide divergence between budget plans and outcomes on a continuous basis leads to a lack of confidence in the budgetary process. Finally, the role played by external financiers is very important. The involvement of many foreign financiers and large amounts of assistance mean that the budget has some credibility among the international community. The Poverty Reduction Strategy Paper7CHAPTER TWOSOURCE OF GOVERNMENT REVENUEIntroduction: When the government??™s spending needs have been determined through the budget process, it then requires raising the money to meet them.

In fact, the sources and the methods of raising the money would usually be decided upon as part of the budget process. Ghana government revenue sources are non-tax receipts, which include grants and aid from foreign countries and agencies, and loans from the World Bank, International Monetary Fund (I. M. F.

), and donor countries. The government non-tax receipts also include domestic borrowing such as Treasury bills and other debt instruments. The government??™s policy of divesting itself of some state-owned enterprises has turned out to be a source of revenue. User charges or fees, court fines, profits from state-owned enterprises and dividends from jointly-owned enterprises, and rents from public property, though currently less significant, are also sources of government revenue. Furthermore, Ghana can and has sometimes resorted to the printing of currency as a source of revenue. Finally, Ghana??™s main source of revenue is tax revenue. Taxes are levied on individual citizens as well as companies.

These taxes are levied by Parliament. District and Metropolitan Assemblies also levy various fees and rates on individuals and businesses in their areas of jurisdiction. Foreign Aid and Grants: Grants are funds provided free by various Aid Agencies for specific projects and programmes. This source of revenue is limited. For example, according to CEPA??™s State of the Ghanaian Economy in 1998, foreign grants to Ghana amounted to ? 394.

9 billion in 1997 while for 1998 it was ? 537. 7 billion, which was only 16% of total government receipts. This was less than the budgetary projections from this source for that year. Grants do not require repayment but may spell out how the money should be spent. Grants can also be tightly controlled and even used to pay huge fees for technical assistance dictated by the donors. The grants may also not be adequate to meet the cost of the projects and would require a local component. There is great pressure on the sources of foreign aid, grants and even foreign loans.

Most governments, especially African governments, therefore, can no longer rely on them as a source of revenue for its development programmes. There is also some amount of uncertainty about the disbursement of these foreign grants. External Borrowing: The International Monetary Fund, the World Bank, and some donor and friendly countries also grant loans to the government to assist it undertake certain developmental projects. These projects include the provisions of basic infrastructure such as roads, schools and health facilities. Most loans attract interest and other administrative costs and depending on the level of conditionality they may not be an attractive source of government revenue. Loans are only reasonable if they are going to be used for productive activity that result in enough profits to meet the payments of the principal, the interest and other related costs. Furthermore, loans become a burden on future generations as they stretch over a long period.

They may even become payable when their benefits have been fully used up. Another problem with foreign loans is that they are usually meant for specific projects and programmes. This reduces the flexibility of the government to fund its own priority of needed programmes. Moreover, the conditions of some loans sometimes do not consider their likely adverse impact on production and employment and even individual citizens.

For example, the restraints on public expenditure agreed upon with the International Monetary Fund (IMF) through the Enhanced Structural Adjustment Facility has led to government??™s refusal to honour certain financial commitments with contractors. This has resulted in increased06/14/0212: 21 PM 8unemployment and collapse of some domestic enterprises3. A country??™s sovereignty is also jeopardized as the donors tend to run the country by dictating certain policies such as privatization, etc. Domestic Borrowing: Domestic borrowing comprises mainly the issue of treasury bills in exchange for cash or the discharge of liability.

Treasury bills are debt instruments sold by the Bank of Ghana either directly or through the commercial banks to mature at a future date. These instruments usually take a relatively long time to mature so the government is able to use the proceeds to meet its expenditure commitments and pay at a later date. At the time they mature the government would have got some revenue to redeem them or come out with another type of debt instrument to replace them. In effect, individual citizens and institutions lend money to the government. Treasury bills attract various percentages of interest until they mature. This encourages the people to lend the money to the government.

However, domestic borrowing is a limited source of government revenue as incomes are generally low and the public cannot put aside much in the form of personal savings or investment in debt securities. Domestic borrowing by the government also has the disadvantage of reducing the amount of credit available to the private sector for investment and its accompanying benefits of creating employment opportunities and increased productivity. Revenue from Divestiture: The government??™s divestiture policy is yielding revenue for public expenditure although this has been erratic and will run out in the near future when all enterprises earmarked for sale have been sold out. The proceeds from the divestiture of state-owned enterprises in 1998 yielded a total of ? 99. 6 billion. The 1999 budget statement indicates that this was only 50% of the budgeted figure of divestiture proceeds for 1998. Printing of Currency: The printing of currency is sometimes used to raise revenue for the government. The printing of currency is undertaken by the sale of securities to the banking sector.

In so doing credit is created for the government but this also has the effect of increasing the money supply. Printing of currency adds public sector claims on resources to private sector demand, increasing total demand. Inflation results leading to a reduction in people??™s spending power, which then goes to the government.

Printing of currency could also be undertaken if there are adequate specified national assets such as bullion and gold reserves to support such currency. Without this support printing of currency also results in inflation or higher prices. Inflation is not a desirable situation and so the printing of currency would normally be a last resort measure. Miscellaneous Revenues: The government??™s policy of cost sharing has resulted in the increase in existing user charges and the introduction of new user fees.

There are two forms of user charges. These are general service fees and public service fees or utility charges. The general service user charges include fees on postal services, tolls on certain bridges, and fees for various registrations and licenses. Public utility charges include university academic user fees and charges for medical services.

The 1999 budget statement also proposed the collection of road tolls on five major roads in the country. Even though road tolls are not being collected on the roads they are included in the charges for the issuance and/or renewal of roadworthiness certificates, possibly to avoid public outcry. Rent from government land and3Centre for Policy Analysis, 1999. 9buildings are also a source of government revenue. Other sources of revenue include proceeds from the sale of goods and services and interest and profit from government businesses and investment. Local Authority Revenues: District, Municipal and Metropolitan Assemblies impose user fees, basic and property rates on individuals and property (including bicycles, cattle and buildings), licenses and investments to generate revenue for local development. Businesses operating in local authority jurisdictions are also required to register with District Assemblies for a fee and may further be charged additional fees.

Other sources of revenue for the local government authorities include royalties on minerals and other natural resources as well as rents from property such as market stalls and lorry parks owned by these local authorities.

The central government has also ceded income tax payable by informal sector operators, vehicle operators, betting, entertainment and advertising to the District Assemblies. However, the most significant source of funding for the activities of these local authorities is the District Assemblies Common Fund, which involves the transfer of not less than 5% of total government tax revenue to the districts. This is expected to give effect to government??™s decision to ensure that local government gain access to national resources to implement development projects and programmes that have been prioritized in the district development plans and to provide structures and identify processes for effective management of such resources. Taxation as a Main Source of Revenue: Taxation is the main and certain source of government revenue in Ghana. The government relies on taxation in meeting the bulk of its spending needs. Even in cases of grants, aid and foreign loans for specific projects or programmes a local component is usually a condition for granting them and the government has to turn to taxation to meet such conditions. The table below shows the components of Ghana??™s revenue sources for the last eight years.

Table 1: Components of Ghana Government Revenue (Billion cedis)4.

Description199119921993199419951996199719981999ProjectionDirect taxes6262110170275433606761946Indirect taxes17316427739650473283310991375Import duties48558612920326736446855 7Export duties ??“

cocoa3620361461572782664003 85Int??™l Trade

taxes8475122275360545630863942Tax

Revenue3193015098411139171020692 7283263Non-tax

Revenue3532691354462873774384 75Total

Revenue3543335789761385199724463 1663738Project

Grants3959981351862291272773 60Programme

grants3633674994786498123Total

Grants7592165184280307191375483Total Rev. &

Grants4294257431160186523042637354 14221Divestiture

receipts0079255106144106100100 | || | | Total projected disbursements (US$ Million) || Aids instruments/ GPRS| | || II Pillars and sectors| | || | | 2007 | 2008 | 2009 | 2010 | 2007/2010 | || Total Projected | | 1, 292. 7 | 1, 382. 9 | 1, 434.

7 | 1, 255. 0 | 5, 365. 3 | || Disbursements | | | | | | | || of which: | | | | | | | || Budget Support (MDBS) | | 293. 6 | 354. 6 | 378.

1 | 361. 2 | 1, 387. 5 | || Direct Support to | | 16. 8 | 16. 1 | 12. 9 | 11. 9 | 57.

7 | || Civil Society | | | | | | | || Sector and Investment | | 982. 3 | 1, 012. 2 | 1, 043. 7 | 881. 9 | 3, 920.

1 | || Support | | | | | | | || Pillar 1: Private | | 596. 6 | 583. 1 | 626. 5 | 519. 4 | 2, 325. 6 | || Sector Competitiveness| | | | | | | || Agriculture (incl.

| | 200. 6 | 244. 5 | 235.

2 | 190. 2 | 870. 5 | || NRM) | | | | | | | || Private and Financial | | 91. 5 | 78.

4 | 56. 0 | 36. 6 | 262. 5 | || Sector Devt | | | | | | | || Energy | | 76. 6 | 48. 5 | 53. 7 | 57.

7 | 236. 5 | || Transport | | 227. 9 | 211.

7 | 281. 6 | 234. 9 | 956. 1 | || Pillar 2: Human | | 315. 0 | 330.

6 | 307. 7 | 273. 3 | 1, 226. 6 | || Development & Basic | | | | | | | || Services | | | | | | | || Health (incl. | | 115.

3 | 116. 4 | 92. 2 | 89.

4 | 413. 3 | || HIV/AIDS) | | | | | | | || Education | | 99. 2 | 110. 2 | 103. 5 | 98. 0 | 411.

9 | || Water and Sanitation | | 100. 5 | 104. 0 | 112. 0 | 85.

9 | 402. 4 | || Pillar 3: Good | | 70. 7 | 98. 5 | 109. 5 | 89. 2 | 367. 9 | || Governance & Civic | | | | | | | || Responsibility | | | | | | | || Public Financial | | 5. 4 | 7. 4 | 6. 0 | 5. 5 | 24. 3 | || Management | | | | | | | || Public Sector Reform | | 7. 9 | 8. 6 | 6. 7 | 4. 7 | 27. 9 | || Decentralization | | 29. 5 | 45. 8 | 63. 2 | 60. 7 | 199. 2 | || Other Governance | | 27. 9 | 36. 7 | 33. 6 | 18. 3 | 116. 5 | ||(incl. M&E) | | | | | | | || | | | | | | | || | | | | | | | || | | | | | | | || External Inflows 2003-2008 (US$ million) || || | | 2003 | 2004 | 2006 e | 2007 e | 2005 | 2008 || Official ODA | | 1, 003 | 1, 155 | 1, 280 | 1, 566 | 1, 561 | 1, 642 || Project Grants | | 361 | 413 | 499 | 581 | 732 | 688 || Project Loans | | 173 | 224 | 241 | 315 | 250 | 324 || HIPC & MDRI Grants | | 131 | 168 | 171 | 260 | 285 | 275 || Budget Support | | 264 | 311 | 291 | 332 | 294 | 355 || IMF Drawings | | 74 | 39 | 78 | 78 | 0 | 0 || Exports | | 2, 471 | 2, 785 | 2, 802 | 3, 685 | 4, 125 | 4,

504 || Traditional | | 2, 071 | 2, 382 | 2, 314 | 3, 008 | 3, 313 | 3, 530 || Non-traditional | | 400 | 402 | 489 | 677 | 812 | 974 || Tourism | | 603 | 649 | 836 | 1, 000 | na | na || Unrequited private | | 801 | 1, 287 | 1, 550 | 2, 094 | 2, 181 | 2, 216 || transfers | | | | | | | || Source: Bank of Ghana,| | | | | | | || World Bank, IMF, | | | | | | | || Tourism Board e | | | | | | | || Estimate | | | | | | | || | | | | | | | | || | | | | | | | | || | | | | | | | | || | | | | | | | |