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GHANA

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FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, AND MONETARY POLICY CONSULTATION—PRESS RELEASE; STAFF REPORT; SUPPLEMENTARY INFORMATION; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR GHANA

In the context of the Fourth Review Under the Arrangement Under the Extended Credit Facility, Request for Modification of Performance Criteria, Financing Assurances Review, and Monetary Policy Consultation, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on July 7, 2025, following discussions, that ended on April 15, 2025, with the officials of Ghana on economic developments and policies underpinning the IMF arrangement under Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on June 18, 2025.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the International Development Association.
- A **Staff Supplement** updating information on recent developments.
- A **Statement by the Executive Director** for Ghana.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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PRESS RELEASE

PR 25/242

IMF Executive Board Completes the Fourth Review under the Extended Credit Facility Arrangement with Ghana

FOR IMMEDIATE RELEASE

- The IMF Executive Board today completed the fourth review of Ghana's 36-month Extended Credit Facility Arrangement. This allows for the immediate disbursement of about US$367 million (SDR 267.5 million).
- Notwithstanding higher-than-expected growth and significant further improvement in Ghana's external position last year, program performance deteriorated markedly at end-2024. This reflected pre-election fiscal slippages; inflation above program targets—though recent data point to renewed rapid disinflation; and reforms delays.
- Faced with a significant deterioration in program performance, the new authorities have responded decisively to secure achievement of the program targets and keep the structural reform agenda on track. Among other important steps, they enacted a strong budget and public financial management reforms; tightened monetary policy; and adjusted electricity prices.

Washington, DC – July 7, 2025: The Executive Board of the International Monetary Fund (IMF) today completed the fourth review of the US$3 billion, 36-month Extended Credit Facility (ECF) Arrangement, which was approved by the Board in May 2023. Completion of the fourth ECF review allows for an immediate disbursement of about US$367 million (SDR 267.5 million), bringing Ghana's total disbursements under the arrangement to about US$2.3 billion.

Growth in 2024 and the first quarter of 2025 was higher than expected, reflecting robust activity in the mining, agricultural, ICT, manufacturing, and construction sectors. The external sector has seen considerable improvement, driven by solid exports—particularly gold and to a lesser extent oil—and higher remittances. As a result, the accumulation of international reserves has far exceeded the ECF-supported program targets.

Notwithstanding these achievements, Ghana's performance under the IMF-supported program deteriorated significantly at end-2024. Preliminary fiscal data point to slippages in the run-up to the 2024 general elections, on account of a large accumulation of payables. Inflation exceeded program targets—though recent data points to renewed rapid disinflation. Several reforms and policy actions were delayed across the fiscal, financial, and energy sectors.

The new authorities have adopted strong corrective measures to address the fiscal impact of 2024 slippages and ensure the fiscal program remains on track, including achievement of a 1½ percent of GDP fiscal primary surplus in 2025. This will be achieved through additional revenue mobilization and expenditure rationalization—while protecting the vulnerable from the impact of policy adjustment. Several public financial management reforms will ensure alignment of spending commitments to available resources—including by strengthening budget controls and undertaking a comprehensive audit of payables accumulated end-2024.

Looking ahead, preserving the integrity of the fiscal policy adjustment is predicated on timely and continued efforts to further strengthen revenue administration, bolster public financial management, and improve State-Owned Enterprises (SOEs) management—including by decisively tackling challenges in the energy and cocoa sectors.

The Bank of Ghana (BoG) has tightened its monetary policy stance to sustain a continued reduction in inflation and has been successful in rebuilding international reserves. The BoG has implemented risk containment measures to support banking system stability. It appropriately intensified monitoring and escalated measures at weak, undercapitalized banks to promote timely recapitalization; strengthen risk management frameworks and practices, including to reduce NPLs; and ensure effective governance. Looking ahead, the authorities are committed to sustaining their efforts to bolster financial stability.

Ambitious structural reforms to help create an environment more conducive to private sector investment, and to enhance governance and transparency remain key to boosting the economy’s potential and underpinning sustainable job creation.

The Ghanaian authorities have also continued to make headway on their public debt restructuring. The Memorandum of Understanding (MoU) with Ghana’s Official Creditors Committee (OCC) under the G20 Common Framework has been signed by all parties, and the focus is now on finalizing the bilateral agreements to implement the MoU. The authorities are also pursuing good-faith efforts toward reaching agreements with other commercial creditors on debt treatments that are in line with program parameters and the comparability of treatment principles.

Against the backdrop of these policy actions and the progress on debt restructuring, Ghana’s credit rating has been upgraded by key international credit rating agencies.

Going forward, staying the course of macroeconomic policy adjustment and reforms is essential to fully and durably restore macroeconomic stability and debt sustainability, while fostering a sustainable increase in economic growth and poverty reduction.

Following the Executive Board discussion on Ghana, Deputy Managing Director Bo Li issued the following statement:

“Faced with large policy slippages and reform delays at end-2024, the new administration has taken bold corrective actions to maintain the program on track. Combined with ongoing reform efforts and an improved external position, the corrective measures are set to support Ghana in reaching the goals of economic stabilization, rebuilding resilience, and fostering higher and more inclusive growth.

“The authorities are strongly committed to restoring fiscal discipline and addressing the structural weaknesses that led to the slippages. They have passed a 2025 budget consistent with the program’s objectives and enacted an enhanced fiscal responsibility framework. Looking ahead, staying the course of fiscal adjustment and completing the debt restructuring are key to ensure fiscal sustainability. This should be supported by continued efforts to enhance domestic revenue mobilization and streamline non-priority expenditure, while creating space for development priorities and enhanced social safety nets. Improving tax administration, strengthening expenditure controls, and improving SOEs’ efficiency are of the essence to underpin durable adjustment. In this context, forcefully addressing the challenges in the energy sector and addressing related arrears are critical to contain fiscal risks.

"The authorities have made significant strides toward rebuilding international reserves and taken steps to bring inflation down. The Bank of Ghana should maintain an appropriately tight monetary stance until inflation returns to its target, reduce its footprint in the foreign exchange market, and allow for greater exchange rate flexibility, including by adopting a formal internal FX intervention policy framework.

"The authorities have taken intensified actions to address undercapitalized banks. Looking ahead, further strengthening financial sector stability requires fully implementing the plan to strengthen NIB, finalizing the reform strategy to support state-owned banks' viability and sustainability, and developing contingency plans to address weak banks that fail to recapitalize. Stepped-up efforts to improve the crisis management and resolution framework, enhance financial-sector safety nets, and address legacy issues at the specialized deposit-taking institutions are also important."

Ghana: Selected Economic and Financial Indicators, 2023–30

	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(annual percentage change, unless otherwise indicated)							
National accounts and prices								
GDP at constant prices	3.1	5.7	4.0	4.8	4.9	5.0	5.0	5.0
Non-extractive GDP	3.3	5.1	3.6	4.6	5.0	5.0	5.0	5.0
Extractive GDP	1.7	9.4	7.0	5.9	4.7	4.9	5.0	5.0
Real GDP per capita	1.2	3.7	2.1	2.9	3.1	3.2	3.2	3.3
GDP deflator	40.1	25.4	17.0	7.8	6.8	6.9	7.6	7.8
Consumer price index (end of period)	23.2	23.8	12.0	8.0	8.0	8.0	8.0	8.0
Consumer price index (annual average)	39.2	22.9	17.3	9.3	8.0	8.0	8.0	8.0
	(percent of GDP, unless otherwise indicated)							
Central government budget								
Revenue	15.2	15.9	15.9	16.6	16.8	16.9	17.0	17.0
Expenditure (commitment basis) [1]	18.5	23.2	18.7	18.7	18.6	18.9	19.2	19.6
Overall balance (commitment basis) [1]	-3.4	-7.3	-2.8	-2.1	-1.8	-2.0	-2.2	-2.6
Primary balance (commitment basis)	-0.3	-3.3	1.5	1.5	1.5	1.5	1.5	1.0
Non-oil primary balance (commitment basis)	-1.7	-5.0	0.4	0.4	0.3	0.2	0.1	-0.4
Public debt (gross)	79.1	70.2	66.0	62.3	59.5	56.6	53.8	51.9
Domestic debt	37.1	33.8	29.2	27.5	26.1	25.2	24.1	23.6
External debt	42.0	36.4	36.8	34.8	33.4	31.4	29.7	28.3
	(annual percentage change, unless otherwise indicated)							
Money and credit								
Credit to the private sector (commercial banks)	10.7	26.3	24.7	17.0	16.1	16.3	17.0	19.2
Broad money (M2+)	38.7	31.9	23.4	13.0	12.1	12.3	13.0	16.1
Velocity (GDP/M2+, end of period)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3
Base money	29.7	47.8	16.2	-1.1	12.7	12.7	14.8	9.8
Policy rate (in percent, end of period)	30.0	27.0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	(US$ million, unless otherwise indicated)							
External sector								
Current account balance (percent of GDP)	-1.6	1.1	1.8	1.4	1.5	1.3	1.1	0.5
BOP financing gap [2]	3,364	13,741	9,124	3,659	0	0	0	0
IMF	600	1,320	720	360	0	0	0	0
World Bank	27	390	886	487	0	0	0	0
AfDB	60	0	44	0	0	0	0	0
Debt Restructuring Related Flows [2]	2,677	12,031	7,474	2,812	0	0	0	0
Gross international reserves (program) [3]	3,661	6,404	8,366	7,926	9,585	11,358	13,614	14,948
in months of prospective imports	1.5	2.6	3.3	3.0	3.5	3.9	4.5	4.8
Memorandum items:								
Nominal GDP (billions of GHc)	887	1,176	1,431	1,617	1,812	2,034	2,299	2,602
Population Growth Rate (percentage) [4]	1.9	1.9	1.8	1.8	1.8	1.7	1.7	1.7

Sources: Ghanaian authorities; and Fund staff estimates and projections.

[1] Projections assume full debt restructuring.

[2] Additional financing needed to gradually bring reserves to at least 3 months of imports by 2026. The large 2024-2026 financing gaps result from debt restructuring accounting, with both debt deferral and the nominal value of the debt exchanges included here.

[3] Excludes oil funds, encumbered assets, and pledged assets.

[4] United Nations, World Population Prospects 2022

GHANA

June 18, 2025

FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, AND MONETARY POLICY CONSULTATION

EXECUTIVE SUMMARY

Context. The December 2024 general elections gave a comfortable victory and parliamentary majority to President John Mahama and his National Democratic Congress. The new authorities have expressed strong support for reforms. Faced with a significant deterioration in program performance at end-2024, they have responded decisively to secure achievement of the program targets and keep the structural reform agenda on track.

Program status. The IMF's Executive Board approved in May 2023 a 36-month arrangement under the Extended Credit Facility in the amount of 303.8 percent of quota (SDR 2.2419 billion, or about US$3 billion). On completion of the fourth review, Ghana would have access to an additional SDR 267.5 million, about US$370 million, bringing total disbursements since program approval to about US$2.4 billion.

Program performance. Program implementation deteriorated significantly in the run-up to the elections. While all end-December 2024 PCs and most ITs were met, the IT on accumulation of payables was missed by a large margin, reflecting fiscal slippages in the second half of the year. The end-2024 CPI inflation was above the targeted outer band, triggering a Monetary Policy Consultation with the IMF Executive Board. The structural reform agenda faced delays, with several SBs missed. Since then, the new authorities have taken bold actions to address policy slippages and step up reform implementation.

Outlook and risks. The outlook remains generally positive although growth is set to decline this year due to a large negative fiscal impulse and monetary tightening. This outlook is subject to significant downside risks should the external environment deteriorate, or policy and reform slippages occur.

Fourth review discussions focused on i) addressing the root causes and macroeconomic implications of the 2024 policy slippages; ii) advancing fiscal consolidation, while protecting the vulnerable, ii) maintaining a tight monetary policy and promoting a flexible exchange rate to bring inflation back to single digits and rebuild foreign reserves, iii)reforming policy frameworks and institutions to entrench macroeconomic stability and debt sustainability; iv) tackling energy and cocoa sector challenges; v) preserving financial stability in the wake of the domestic debt restructuring; vi) strengthening governance and transparency; and vii) bolstering private sector-led and inclusive growth**.**

Approved By
Annalisa Fedelino and Guillaume Chabert

Discussions took place in Accra during April 2-15, 2025. The mission team met with President Mahama, Minister of Finance Cassiel Ato Forson, Governor of the Bank of Ghana Johnson Pandit Asiama, and other senior officials. It also engaged with the representatives from various government agencies, the private sector, and development partners. The mission team comprised Mr. Roudet (head), Messrs. Crispolti, Nolin, Ms. Sin (all AFR), Ms. Baum (SPR), Ms. Burjaliani (LEG), Ms. Hosin (MCM), and Ms. Yang (FAD). The mission was assisted by Messrs. Medina (resident representative) and Ahinakwah (local economist). Mr. Akosah (OED) participated in key policy meetings. Ms. Kiggundu and Mr. Raju assisted with the preparation of this report.

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CONTEXT

1. **A new administration took office in January.** President Mahama and his National Democratic Congress won the presidential and parliamentary elections by large margins. The new government was elected on a platform focused on improving people's standard of living. This is to be achieved through renewed efforts to fully restore macroeconomic stability and foster economic transformation, with a focus on promoting good governance, boosting investments in productive sectors, and improving the environment for business development and job creation.

2. **The new government has expressed strong support for reforms under the fund-supported program**. The authorities see the latter as having played a key role in stabilizing the economy and in providing a credible anchor to address long standing vulnerabilities and buttress confidence. While they have voiced their preference for an expenditure-based fiscal adjustment, they have endorsed the program's revenue mobilization objectives, which they want to achieve through a broadening of revenue base and a simplification of the tax system. The new government is also actively seeking World Bank (WB) support for reforms (e.g., energy and cocoa sectors) and a rebalancing of financial assistance toward budget support.

3. **Faced with large policy slippages and reform delays at end-2024, the new administration has taken bold corrective actions to maintain the program on track.** They have adopted a raft of policy measures and reforms to ensure the achievement of program targets. These include enacting a 2025 Budget consistent with program objectives and legislative amendments to strengthen Ghana's fiscal framework and institutions; tightening the monetary policy stance; and resuming quarterly electricity tariff changes to reflect past cost and exchange rate developments, while accelerating the restructuring of Ghana's electricity company.

RECENT ECONOMIC DEVELOPMENTS

4. **Economic growth has exceeded expectations, but inflation has remained high and persistent (Text Figure 1).** Real GDP grew at 5.7 percent in 2024, outpacing the potential growth envisaged under the Fund-supported program (5 percent). This reflected robust activity in the mining (Box 2), agricultural, ICT, manufacturing, and construction sectors. At 23.8 percent in December 2024, CPI inflation was broadly unchanged compared to end-2023 and significantly higher than expected, largely reflecting the impact of supply shocks on food prices, inadequate sterilization of surging foreign exchange reserves, and the pass through from currency depreciation last year (see ¶33–34 and Monetary Policy Consultation—Attachment III). Since then, inflation has decreased to 18.4 percent in May, notably due to significant nominal exchange rate appreciation.

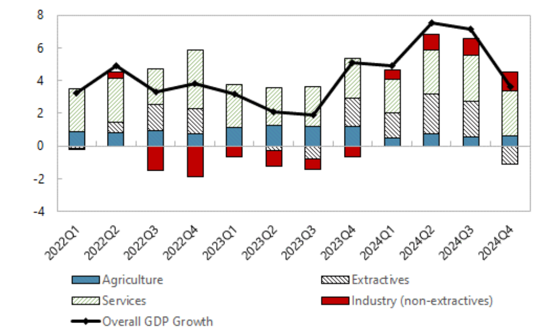
5. **The current account improved noticeably in 2024 (Text Figure 1).** It recorded an estimated surplus of 1.1 percent of GDP last year, benefiting from much stronger than anticipated gold exports and remittances. Concurrently, net private sector outflows were higher

than projected, as gold-related transactions led to NFA accumulation by banks.[1] Gross international reserves (GIR) exceeded expectations, reaching US$6.4 billion (2.6 months of prospective imports) at

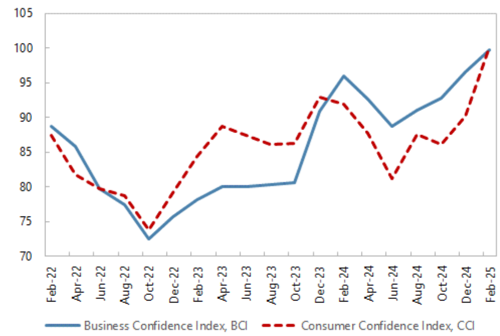
Text Figure 1. Ghana: Recent Economic Developments

Quarterly Year-on-Year Real GDP Growth, 2022Q1-2024Q4

(Percent)

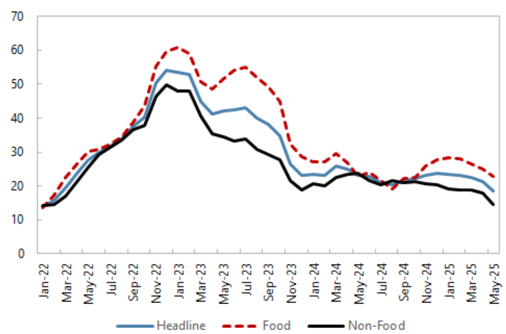


Consumer and Business Confidence Index, Jan 2022-Feb 2025



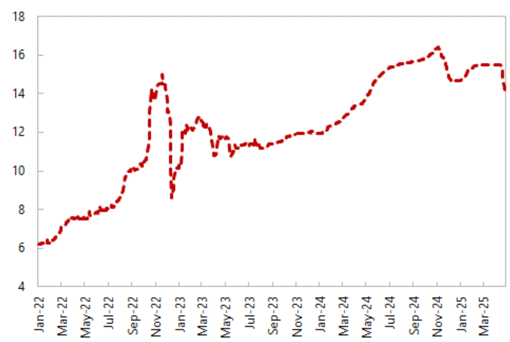
Year-on-Year Inflation, Jan 2022-May 2025

(Percent)



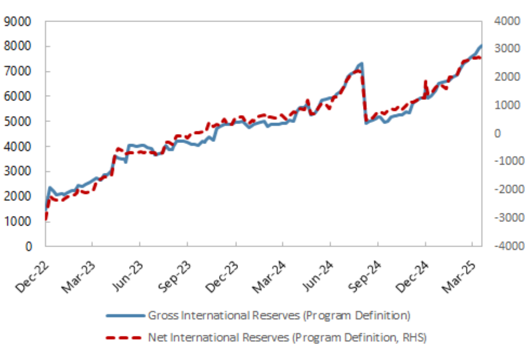
Bloomberg Exchange Rate, Jan 2022-May 2025

(GHS per USD)



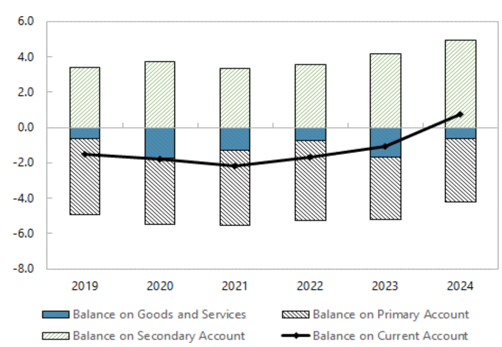
Gross and Net International Reserves, Dec 2022-Apr 2025

(USD Million)



Current Account Balance, 2019-2024

(USD billion)



Sources: Ghanaian authorities, Bloomberg L.P., and IMF staff calculations.
Notes: NIR are evaluated at program exchange rates as defined in the Technical Memorandum of Understanding.

[1] The transaction related to the Eurobond exchange is also recorded as a portfolio outflow.

end-December 2024 and US$7.6 billion at end-March 2025 (3 months of prospective imports). This largely reflects the scaling up of domestic gold purchases, which grossed over US$3.6 billion in 2024 and accounted for almost a third of the Bank of Ghana's (BoG) FX inflows, in addition to the revaluation of physical gold reserves (over US$500 million). The BoG's footprint in the FX market continued to increase, with inflows reaching US$11 billion (up 42 percent from 2023) and FX sales (FXI) tripling to US$3 billion in 2024 (including US$2 billion in Q4). Large-scale FXI continued in 2025, reaching US$1.4 billion in Q1. The strong external sector along with repeated FXI contributed to a 60 percent nominal exchange rate appreciation against the US dollar between November 2024 and May 2025.

6. **Fiscal performance deteriorated markedly in the run-up to the elections (Text Table 1, Table 2a-2b)**. Provisional data on the 2024 fiscal outturn point to a significant widening of fiscal imbalances, despite revenue performance being broadly consistent with expectations. The primary balance on commitment basis recorded a deficit of 3.3 percent of GDP—as opposed to a programmed surplus of 0.5 percent of GDP—mainly reflecting a net accumulation of payables tentatively estimated at some 2.6 percent of GDP.[2] The bulk of these payables appears to be related to project commitments taken by line ministries (MDAs) outside Ghana's existing public financial management (PFM) systems and primarily originated in the road sector (Box 1). The auditor general has launched a comprehensive audit of the payables accumulated at end-2024 to ascertain their legitimacy and size, with the assistance of reputable international firms. Preliminary audit results indicate that a significant share of such payables may not be supported by valid documentation, suggesting the amount may be revised down and a better fiscal outcome may eventually emerge, reducing the size of projected fiscal effort in 2025. The stock of energy sector payables was largely unchanged at end-

Text Table 1. Ghana: Fiscal Developments in 2024

	2023	2024	
	Actual	3rd ECF Review	Actual
Revenue and grants	**15.2**	**17.1**	**15.9**
Taxes	12.8	14.6	13.3
Social contributions	0.1	0.1	0.1
Nontax revenue	2.0	2.2	2.4
Grants	0.3	0.3	0.1
Expenditure	**18.5**	**20.7**	**23.2**
Compensation of employees	5.7	6.0	5.7
Purchases of goods and services	1.0	1.1	1.0
Interest 1/	3.0	4.0	4.0
Subsidies and transfers	2.3	2.2	1.5
o/w transfers to energy producers	2.3	2.2	1.5
Social benefits 2/	0.0	0.1	0.1
Grants to other government units	3.9	4.2	4.2
Net acquisition of nonfinancial assets	2.4	3.0	2.5
Domestic financed	1.0	1.7	1.3
Foreign financed	1.3	1.3	1.2
Other expenditure	0.2	0.0	4.2
o/w unreleased claims 3/	*0.0*	*0.0*	*4.2*
Primary balance (commitment basis)	-0.3	0.5	-3.3
Overall balance (commitment basis)	**-3.4**	**-3.5**	**-7.3**
Payables (net change)	0.4	-1.1	2.6
o/w energy sector	1.1	0.0	-0.1
o/w non-energy sector	-0.6	-1.1	2.7
Primary balance (cash basis)	0.1	-0.6	-0.7
Overall balance (cash basis)	**-2.9**	**-4.6**	**-4.8**
Memorandum items:			
Non-oil revenue (excl. Grants)	*13.5*	*15.2*	*14.0*
Oil revenue	*1.4*	*1.7*	*1.7*
Primary expenditure	15.5	16.7	19.2
Non-oil primary balance	-1.7	-1.2	-5.0
Nominal GDP (GHS, million)	887,748	1,053,875	1,176,220

Sources: Ghanaian authorities; and IMF staff estimates and projections.
1/ Assume full debt restructuring.
2/ Comprises of government cash transfer program (LEAP) and subsidy for lifeline consumers of electricity.
3/ Unreleased claims refer to the payables accumulated outside of GIFMIS and are subject to audit.

[2] Pre-audited data for 2024 shows a gross accumulation of payables of 5.7 percent of GDP and a clearance of payables of 3.1 percent of GDP.

2024, as the government's clearance of energy sector legacy arrears was mostly matched by an accumulation of payables on new bills to independent power producers (IPPs) and fuel suppliers.

Box 1. Ghana: The 2024 Fiscal Slippages

Fiscal slippages of about 4 percent of GDP emerged ahead of the elections. At end-2024, the primary balance on a commitment basis reached a deficit of 3.3 percent of GDP (program target was a surplus of 0.5 percent of GDP). This mainly reflected a significant increase in line ministries' (MDAs) spending commitments—above budget appropriations, especially for infrastructure projects—financed through an accumulation of payables (i.e., outstanding payment obligations). Out of the GHS67.5 billion (5.7 percent of GDP) gross accumulation of payables in 2024, GHS49.2 billion (4.2 percent of GDP) originated outside Ghana's public integrated financial management information system (GIFMIS).

Overruns of such magnitude mainly reflected long-standing weaknesses in PFM systems and rising electoral spending pressures. PFM weaknesses mainly emanated from the MoF's i) limited ability to prevent MDAs from engaging in procurement and signing new contracts—or changing the scope of signed contracts within certain limits—consistent with the budget; ii) inability to enforce alignment between procured amounts and budgeted resources; iii) failure to ensure that expenditure execution remains on budget; and iv) constraints in timely monitoring payables originated outside GIFIMS due to shortcomings in the validation process. Exacerbating factors included MDAs facing pressures to increase spending above budgeted allotments and to sign new contracts ahead of the elections, and contractors' incentives to accelerate execution in anticipation of a likely change in government.

Breakdown of Accumulation of Payables Outside GIFMIS in 2024[1]

Type	*GHS mill.*	*Percent of total*	*Percent of GDP*
Compensation	463	0.9	0.04
Goods and Services	17,021	34.6	1.45
Capital spending	31,753	64.5	2.70
MDAs' Total	**49,237**	**100.0**	**4.19**

[1] The breakdown is tentative and subject to changes pending the findings of the comprehensive audit on the 2024 arrears and payables.
Source: Ministry of Finance

7. Financial sector stability was maintained albeit important risks remain (Text Figure 2). Banking sector capital adequacy is improving amid strong liquidity and profitability, as most of the banks with post-domestic debt exchange (DDE) capital deficits are on course to restore a capital adequacy ratio (CAR) of 13 percent (without reliefs) by end-2025 including with the support of the Ghana Financial Stability Fund (GFSF).[3] However, a few banks are facing larger capital gaps mainly on slow progress in implementing recapitalization plans and increased non-performing

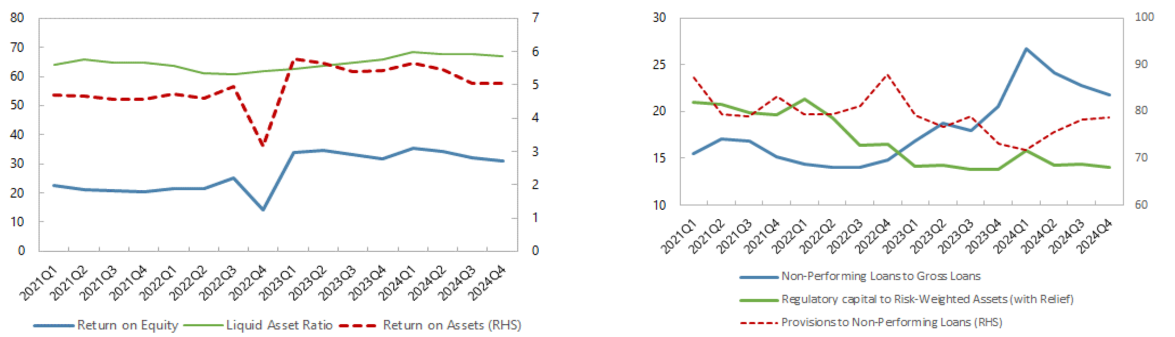
[3] The support provided by the GFSF in 2023 and 2024 to qualifying indigenous banks and insurance companies (for recapitalization purposes) and capital market institutions (for liquidity support) has been funded through the issuance of marketable government bonds.

loans (NPLs). The BoG has continued its multi-pronged efforts to address increasing NPLs, although the NPL-to-total loan ratio decreased from 26.7 to 21.8 percent between end-March and end December 2024 due to a faster expansion in nominal credit.

Text Figure 2. Ghana: Financial Soundness Indicators

Return on Equity and Assets, and Liquidity
(Percent)

Asset Quality, Provisioning, and Capital Adequacy
(Percent)



Source: International Financial Statistics, IMF.

8. Ghana's public debt is assessed to be sustainable as the external debt restructuring is expected to be completed in line with program parameters. Staff's baseline is based on a full post-restructuring macro-framework incorporating the domestic debt restructuring, the treatment of official bilateral claims agreed with Ghana's Official Creditor Committee (OCC), and the recently completed Eurobond exchange. It also assumes a treatment of the residual claims of other external commercial creditors in line with the authorities' restructuring strategy and consistent with program parameters and creditors' comparability of treatment (CoT) principle.[4] Ghana is assessed at a high risk of debt distress due to near-term breaches of the DSA thresholds, but is expected to reach a moderate risk of debt distress by end-2028 with all the debt indicators falling below their respective thresholds under the baseline. Ghana's exceptional financing gap is closed with international reserves reaching 3 months of imports at the end of the program.

PROGRAM PERFORMANCE

9. All end-December 2024 performance criteria (PCs) and most indicative targets (ITs) were met, except for the IT on accumulation of net payables (MEFP Table 1). The latter was missed by 3.9 percent of GDP, reflecting the large accumulation of payables from MDAs outside Ghana's public integrated financial management information system (GIFMIS) ahead of the

[4] The debt restructuring for a large majority of commercial creditors was completed in October 2024. In line with the 2018 Guidance Note on The Bank-Fund Debt Sustainability Framework for Low Income Countries and with its 2024 Supplement, the arrears to the remaining external commercial creditors are deemed away given their small share. The government is engaging in "good faith" negotiations with these remaining creditors.

elections.[5] Since then, bold corrective measures have been adopted to strengthen spending commitment controls and compliance with the PFM Act (¶14). CPI inflation was above the Monetary Policy Consultation Clause (MPCC)'s upper outer bands in December 2024 (and March 2025), triggering a consultation with the IMF Board. The significant overperformance on net international reserve (NIR) accumulation continued in 2025Q1. The continuous PC related to Article VIII is met.

10. Strong actions have been taken in recent months to address delays in the structural reforms (MEFP Table 2). Although only three out of eleven structural benchmarks (SBs) due between January and May 2025 were met, some missed SBs were implemented with delay. Quarterly electricity tariff adjustments (***quarterly SB starting from end-January 2025***) resumed only in April 2025 due to delays in appointing a new board of the energy sector regulator (PURC), while the publication of the audit of Electricity Company of Ghana (ECG)'s collections and uses (***end-January 2025 SB***) was achieved in February 2025 and covered a longer period than mandated by program conditionality. The full integration of Ghana Electronic Procurement System (GHANEPS) with GIFMIS, an ***end-December 2024 structural benchmark***, was achieved in May 2025 (***prior action***). The authorities completed the forward-looking overarching restructuring plan for NIB in May (***prior action***) and the government has recapitalized NIB to ensure a non-negative Capital Adequacy Ratio (CAR) (***prior action***)—and to fully comply with the minimum CAR of 13 percent (without forbearance), ahead of the end-2025 timeline. Against this backdrop, the authorities have implemented—ahead of schedule—two **end-September 2025 SBs**: amending the fiscal responsibility framework and adopting a strategy to restructure Ghana's electricity company—including opening operations to private sector participation.

MACROECONOMIC OUTLOOK AND RISKS

11. The macroeconomic outlook remains broadly favorable. Although 2024 growth was stronger than anticipated, staff lowered its 2025 growth projection to 4 percent (Text Table 2) on a larger negative fiscal impulse than previously anticipated and a tighter monetary policy (¶53). Thereafter, growth is projected to return to its potential rate of about 5 percent. Reflecting a higher 2024 CPI inflation outturn the projected return to the BoG's target band (8±2 percent) has been delayed to 2026, but inflation is now set to decline to 12 percent by end-2025— reflecting the impact of monetary and fiscal policy tightening, as well as the appreciation of the cedi. Returning to the programmed fiscal consolidation path—including a primary balance surplus of 1.5 percent of GDP in 2025—and completing the debt restructuring would ensure that Ghana's public debt is on a sustainable trajectory. The CA surplus is projected to increase to 1.8 percent of GDP in 2025 on high gold prices and to gradually decline over the medium term due to normalizing gold exports and remittance flows (the latter expected to remain flat). The 10-percent U.S.-imposed tariff is not expected to impact Ghana significantly in the short-run, given limited exports to the U.S. (primarily crude oil which is exempt), with Ghana's other main commodities' export markets (e.g.,

[5] As per the Technical Memorandum of Understanding, the payables originated outside GIFMIS count against the assessment of the IT on net accumulation of payables but do not count against the assessment of the PC on the primary balance. This explains why the end-December PC was assessed as met and the IT as missed.

cocoa and gold) well diversified. Net private sector financial outflows are expected to remain elevated while external debt payments are increasing. GIR has reached 3 months of imports coverage in March 2025, more than one year earlier than previously projected, and is expected to remain at this level in 2026.

Text Table 2. Ghana: Revisions to Projections

	2024		2025		2026	
	3rd Review	Current	3rd Review	Current	3rd Review	Current
Real GDP Growth	4.0	5.7	4.4	4.0	4.9	4.8
o/w Non-Extractive	3.5	5.1	4.5	3.6	5.0	4.6
o/w Extractive	7.0	9.4	3.9	7.0	4.3	5.9
CPI Inflation (EoP)	18.0	23.8	8.0	12.0	8.0	8.0
Current Account Balance (% of GDP)	1.0	1.1	0.0	1.8	0.0	1.4

Source: Ghana Statistical Service and staff projections

12. However, risks remain tilted to the downside (Annex I). Ghana remains exposed to an intensification of regional conflicts and trade policy and investment shocks, as well as a deepening of geoeconomic fragmentation or commodity price volatility. Continued international uncertainty from volatile tariff policies could also lead to a weakening of external demand and financing availability. On the domestic side, new policy slippages—including related to fiscal overruns—would undermine macroeconomic stability, lead to currency depreciation and higher inflation, deteriorate the debt dynamics and potentially delay finalization of the authorities' comprehensive debt restructuring—and complicate discussions with Ghana's external creditors and development partners. The postponement of energy sector reforms would require additional budgetary transfers, while further accumulation of arrears to IPPs and fuel suppliers could lead to power outages. Delays in recapitalizing banks and addressing legacy issues in the specialized deposit-taking institutions (SDI) sector could undermine financial sector stability. Credit and liquidity risks further add to these vulnerabilities.

POLICY DISCUSSIONS

Discussions focused on ensuring that program objectives remain achievable and that program commitments continue to be implemented. Staff discussed: i) corrective measures to address the short- and medium-term implications of the 2024 policy slippages; ii) consolidating stabilization and restoring debt sustainability; and iii) enhancing governance and fostering higher and more inclusive growth. Staff and the authorities also engaged on technical assistance (TA) needs to support the reform agenda (Annex II).

A. Returning to the Path of Fiscal Consolidation

13. The new authorities are fully committed to achieving the fiscal objectives under the IMF-supported program while implementing their policy priorities. They intend to reach—and maintain over the next few years—primary surpluses of 1½ percent of GDP and raise domestic revenue significantly. Together with the ongoing debt restructuring, this would underpin Ghana's return to a moderate risk of debt distress by 2028. On the revenue side, the authorities intend to simplify the tax system and make it more efficient and equitable by broadening the tax base (e.g., reducing tax exemptions, reforming the VAT regime), eliminating "nuisance" levies (i.e., levies that have small yield and create economic distortions), and enhancing compliance. On the expenditure side, they see scope for significant savings by eliminating spending programs with limited cost-effectiveness, strengthening the link between commitments and available resources, and rationalizing the operations of several earmarked funds. Some of these savings will help finance infrastructure and an expansion of social protection programs (MEFP ¶7).

14. The Ministry of Finance (MoF) is implementing a multipronged strategy to address the causes and budgetary impact of 2024 fiscal slippages (Box 2). This strategy envisages short-and medium-term measures building on the ongoing PFM reforms (¶19).

- *The short-term measures included*: i) reversing new hires of civil servants and pausing unbudgeted projects originated by policy decisions from the previous administration; ii) enacting a 2025 Budget consistent with a 1.5 percent of GDP in the fiscal primary balance (**end-March 2025 SB**); iii) enacting changes to the PFM and Public Procurement Acts to improve the fiscal responsibility framework (**end-September 2025 SB**), enhance controls on commitments, and strengthen the sanctions for noncompliance with the PFM system; and iv) launching a comprehensive audit of the commitments and arrears at end-2024 with the support of reputable, independent audit firms (completion expected by end-August 2025, **SB**).

- *The medium-term measures include*: i) drastically curtailing the scope of payables and commitments based on the findings of the comprehensive audit—including by legally challenging the payables disqualified by the audit and enforcing sanctions under the PFM Act; ii) updating the centralized inventory of all ongoing and planned projects—the total amount of which is estimated to largely exceed the 2025 capital budget—with a view to cancel, rescope, and rephase the projects drawing from the findings of the 2024 audit (**end-September 2025 SB**); iii) strengthening public investment management consistent with the findings of a recent IMF Public Investment Management Assessment (PIMA) mission; iv) timely reporting comprehensive information on all MDAs stock of payables per economic classification (**quarterly SB**); and v) limiting exemptions to undertake competitive procurement (**end-December 2025 SB**).

Box 2. Ghana: Strategy to Address the 2024 Fiscal Slippages

The 2024 fiscal slippages could have a protracted impact absent a policy response. Besides increasing the government's debt stock (direct impact), the large accumulation of payables in 2024 can also generate payment obligations in subsequent years (carryover effects) depending on the nature of the commitments originated in 2024 (one off, permanent) and the adoption of corrective measures.

The authorities have adopted a multipronged strategy to limit the direct impact and avoid carryover effects of the 2024 slippages. This strategy consists of corrective policy and administrative measures to address the budgetary implications of the slippages and the PFM weaknesses that allowed for the slippages to take place. While most of these measures have been already enacted, the implementation for those still pending is supported by program conditionality and expected by year-end. Specifically, the strategy envisages the following:

- *Direct impact*. The authorities have reversed some of the previous administration's measures and launched in April a comprehensive audit to ascertain the legitimacy and size of the commitments and payables originated in 2024. Consistent with similar exercises done in past electoral transitions, the audit is expected to be completed by end-August 2025 (***SB***) and to significantly reduce the outstanding commitments and payables based on noncompliance with existing PFM provisions. Following the completion of the audit, the government will take legal actions to void all disqualified payables. The verified commitments and payables will be cleared by 2028 according to a repayment schedule agreed with the counterparts and consistent with program objectives.
- *Carryover effects*. To avoid additional payment obligations in subsequent years, the government has taken measures to suspend execution of the unbudgeted projects in 2024 and to strengthen commitment controls and budget execution. The suspension of unbudgeted projects will be in place until the completion of the comprehensive audit. Measures to ensure that existing and new commitments remain consistent with the spending ceilings envisaged in the 2025 Budget include: i) requiring all MDAs to secure a commitment authorization from MoF before starting procurement (enacted in March 2025); ii) bolstering the role of the compliance desk in ensuring alignment between commitments and available resources as well as fostering MDAs accountability; iii); realigning the investment portfolio[1] to available resources by canceling, rescoping, and rephasing current projects drawing from the findings of the 2024 audit (***end-September 2025 SB***); iv) restricting the conditions to undertake noncompetitive tendering (***end-December 2025 SB***); and v) enhancing sanctions for noncompliance with PFM provisions (enacted in March)

The authorities have also strengthened their fiscal framework. They enacted ahead of the schedule amendments of the PFM Act to adopt a fiscal rule, centered on a debt anchor and a primary balance operative target, and establish an independent fiscal council (¶22). In this context, the Minister of Finance could be removed from office if the fiscal rule is breached more than two consecutive times. If breaches emerge, the authorities will be required to identify corrective measures to ensure timely convergence to the established debt anchor of 45 percent of GDP.

[1] Recent estimates of the portfolio of investments suggest that its size is several multiples of the 2025 capital budget, raising concerns on its affordability based on available and prospective resources.

15. The approved 2025 Budget is consistent with program objectives. It targets a primary balance surplus of 1.5 percent of GDP on a commitment basis through measures to increase non-oil revenue collection by more than 0.6 percentage points of GDP (on an annual basis) and contain non-priority primary expenditure. Revenue measures include elimination of several VAT exemptions (enacted last year but not implemented) and a higher Growth and Stability Levy on profits of mining companies, along with a rationalization of resources devoted to tax refunds and the streamlining of several levies with low yields (Text Table 3). On the expenditure side, the Budget envisages measures to contain primary spending—including capping public sector wage increases to 10 percent, curtailing spending on goods and services, rationalizing the operations of several statutory funds and streamlining some programs, while making space for new infrastructure priorities.[6] The MoF has also announced strict limits on foreign-financed capital expenditure (including WB projects). These revenue and expenditure measures, together with a one-off dividend from the Mineral Incomes Investment Fund, provide room for a one-off transfer of GHS4.5 billion (0.3 percent of GDP) to GoldBod as initial capital (Box 3), an expansion in social spending consistent with program commitments, and funding for health and agriculture programs previously financed by USAID (less than 0.1 percent of GDP).[7]

16. The authorities plan to undertake a comprehensive VAT reform in the 2026 budget. The overarching objective is to improve VAT efficiency and fairness by streamlining its structure and broadening its tax base. The specific measures are being identified with the support of IMF technical assistance (TA) on both VAT policy and administration. Short-term reform measures include removing the COVID-19 levy, integrating various levies into the VAT, and raising the VAT registration threshold. Over the medium term, the TA recommends rationalizing VAT exemptions—which may allow lowering of the VAT rate—alongside strengthening administrative measures to improve compliance.

Text Table 3. Ghana: The 2025 Revenue Package

		IMF estimate	
	Measure	**GHS (mn)**	**(% of GDP)**
1	Elimination of VAT exemption on Non-Life Insurance excluding motor policy	157	0.01
2	Elimination of VAT exemption on supply of residential property (real estate)	2,777	0.19
3	Removal of the 10% WHT on all gross gaming winnings from lottery operations	-198	-0.01
4	Removal of E-Transaction Levy of 1%	-2,480	-0.17
5	Increase the Growth & Sustainability Levy rate from 1% to 3% on the gross production value of mining companies, and extend the levy to 2028	3,958	0.28
6	Reduce tax refund rate from 6% of non-oil tax revenue to 4%	4,223	0.30
7	Expand the coverage of the voluntary disclosure policy (VDP)	1,175	0.08
8	Implementation of the Modified Taxation System to include taxpayers in the informal sector	1,144	0.08
9	Elimination of emission levy, VAT on motor vehicle insurance, and 1.5% withholding tax on winning of unprocessed gold by small-scale miners 1/	-	-
10	One-off dividend from Minerals Income Investment Fund (MIIF)	2,100	0.15
	Erosion of non-oil revenue-to-GDP ratio due to the impact of inflation	-2,575	-0.18
	Total yield (full year)	**10,283**	**0.72**
	Total yield (Apr-Dec) 2/	**8,649**	**0.60**

1/ These taxes and levies have never been fully implemented and yield zero revenues.

2/ The yields for items 6 and 10 are not pro-rated although the Budget was announced in March, as these measures can be applied retrospectively.

Source: Ministry of Finance, IMF staff estimates.

[6] Compared to the third ECF review, spending on goods and services was revised down through the medium term to reflect savings from the reduction in the number of Ministries from 30 to 23.

[7] Total USAID aid, including on projects funded outside of the budget, accounts for about 0.2 percent of GDP.

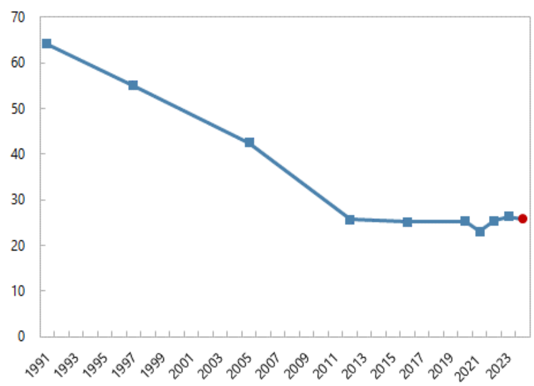
B. Strengthening Social Policies

17. Poverty declined in 2024 (Text Figure 4). After reaching 26.4 percent in 2023, Ghana's poverty rate declined to 25.9 percent of the population living in extreme poverty measured at the international poverty line of US$2.15 per day (World Bank, Macro Poverty Outlook). This mainly reflected the improved growth outturn in 2024—especially in services and to a lesser extent in agriculture—and the authorities' continued efforts to expand the coverage of and budgeted resources for Ghana's social protection programs, including the four highly-targeted programs covered by program conditionality: the Livelihood Empowerment Against Poverty (LEAP), the Ghana School Feeding Program (GSFP), the Capitation Grant, and the National Health Insurance Scheme (NHIS).[8]

Text Figure 4. Ghana: Developments in Social Spending

Population living in Poverty at $2.15 per day

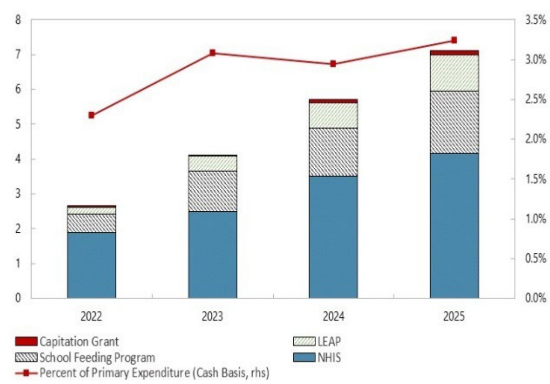
(Percent, 2017 PPP)



Note: 2024 value (depicted as red dot) is an estimate.
Source: World Bank.

Social Spending Programs

(GHS billions)



Sources: Ghanaian authorities.
Note: 2022 to 2024 spending is actual. 2025 spending is the social spending floor under the program.

18. The government is redoubling efforts to expand social spending and shorten delays in releasing budgeted funds to beneficiaries (MEFP¶14-16). The 2025 Budget increased the allocation for social protection programs by 0.34 percentage points to 0.91 percent of GDP. With WB support, the authorities are working to improve the targeting of the LEAP cash transfer program, and to increase the number of beneficiary households from 350,000 to 400,000 by end-September 2025 (***SB***), while preserving the real value of the benefits with automatic indexation to inflation. The 2025 Budget also increased budgetary allocations to the GSFP, the NHIS and the Capitation Grant. This funding would support basic education for the poor, compensate for the impact of high food inflation, allow purchases of essential vaccines and medicines, and implement new initiatives under the NHIS. The authorities are also simplifying administrative procedures to ensure timely

[8] See "Social Protection Program Spending and Household Welfare in Ghana" for more information on the objectives and nature of these programs.

disbursement of benefits and aiming to expand the social protection programs to eliminate extreme poverty over the medium term.

C. Structural Fiscal Reforms to Entrench Fiscal Discipline

Public Financial Management (PFM)

19. Ghana has strengthened its PFM and procurement systems to prevent overcommitment and keep spending execution on budget (MEFP¶45). The authorities have amended the relevant legislation to address the vulnerabilities that allowed for the 2024 slippages. Notably, the Procurement Act now requires that all MDAs secure a commitment authorization from MoF before starting procurement;[9] sanctions for unauthorized commitments resulting in financial obligations for the government have also been strengthened. Furthermore, the authorities have enhanced the role of the compliance desk at the MoF in effectively strengthening compliance with commitment control procedures and fiscal accountability.[10] After some delays, the authorities also completed the integration of GHANEPS and GIFMIS systems (***end-December 2024 SB, elevated to prior action***), ensuring that orders in GHANEPS could proceed to award contracts only if have approved budget allotments.[11] The necessary legislative amendments to merge selected statutory funds with their respective line ministries, an **end-June 2025 SB**, are being prepared. Finally, progress was made towards the single treasury account with additional 549 accounts of MDAs and Metropolitan, Municipal and Districts Assemblies (MMDAs) onboarded onto GIFMIS at end-March 2025 (**SB**).

20. The government has also launched a comprehensive audit to ascertain the nature and legitimacy of the payables resulting from the fiscal slippages in 2024 (MEFP¶43). The audit, which is conducted by the auditor general with the assistance of two reputable international firms, will establish whether the payables were originated in compliance with PFM provisions and in so doing determine the size of the valid payment obligations. Preliminary findings from the audit indicate that a significant part of the GHS67 billion (5.7 percent of GDP) of gross payables originated in 2024 will likely be deemed invalid due to the lack of documentation. The share of disqualified payables could reach up to 50 percent of total based on the findings of similar audits in the past. Should this be confirmed, the fiscal impact of 2024 fiscal slippages will be significantly smaller than that under staff's baseline, implying a smaller fiscal effort in 2025.

[9] This requirement is expected to tighten the link between project commitments and available resources, reducing the risks of overcommitments.

[10] The desk will liaise with internal auditors of MDAs before new contracts are signed and ensure adherence to budget and allotment availability, acquisition of necessary approvals, and standard procurement procedures to prevent the accumulation of arrears. The internal auditors of MDAs will report quarterly on these accounts and publish a Commitment Control Compliance League Table, ranking MDAs based on their compliance levels. The desk will also forward cases of noncompliance to the Office of the Attorney General and the Minister for Justice for further action.

[11] The integrated system started operating in May 2025 and its coverage of the share of procurements (by value) will be gradually expanded with a view to reach 90 percent of total procurements by end-2025.

21. Actions have been taken to enhance public investment management practices (MEFP¶46). In April, a Public Investment Management Assessment (PIMA) update mission visited Accra to take stock of progress in strengthening Ghana's public investment management institutions dealing with all aspects of the public investment cycle, including planning, allocation, and execution on budget. The mission concluded that while the design of institutions had improved since the 2016 assessment, weaknesses in the implementation of the public investment management framework had contributed to the overcommitment of resources. The authorities are committed to implement the recommendations of a PIMA mission to improve the effectiveness of Ghana's public investment institutions in selecting, implementing, and monitoring projects.

22. Enactment of a revamped fiscal responsibility framework (end-September 2025 SB) was brought forward (MEFP¶44). In March 2025, the PFM Act was amended to introduce a fiscal rule supported by an independent fiscal council. The fiscal rule—which was designed in consultation with the IMF—establishes a long-term fiscal anchor (debt-to-GDP ratio of 45 percent of GDP by 2034) and an operational target (primary balance on commitment basis). The new rule also defines escape clauses, the circumstances for their activation, and appropriate correction mechanisms. An independent fiscal council is also established to assess compliance with the fiscal rule and improve fiscal transparency and accountability.

Domestic Revenue Mobilization

23. The revenue administration reforms are facing significant delays. The cleansing of the taxpayer registry and ledger data, planned for end-June 2024 (**SB**), are now expected to be completed respectively by end-June 2025 and end-December 2025 due to technical challenges—including related to resources needs. The operationalization of the Integrated Tax Administration System (ITAS), which had initially been postponed by a year to end-December 2024 (**SB**), has been further delayed to end-March 2026, following a review of ITAS' governance and data security structure by the Ghana Revenue Authority (GRA).

24. The Medium-Term Revenue Strategy (MTRS) continues to guide the government's efforts to enhance revenue mobilization over the medium term. The MTRS envisages to increase tax revenue over 2024-27 by broadening the tax base, minimizing tax avoidance, and ensuring a progressive tax system while promoting equity and transparency. The authorities plan to perform a review of the MTRS in early 2026 (MEFP¶40), with Fund support, to assess progress so far and identify corrective actions. Following several delays, the new Fiscal Regime Framework for Extractive Industries (FRFEI)is to be submitted to Parliament by end-July 2025 (MEFP¶37). The new FRFEI—which benefitted from IMF TA—should promote a stable environment for investors and ensure a fair share of the revenues for Ghana.

Energy Sector

25. The energy sector remains a major source of fiscal risk. At end-December 2024, net payables to IPPs and fuel suppliers exceeded US$2 billion. In 2025, absent any policy action, the annual energy sector shortfall is estimated to reach US$2.2 billion reflecting ECG's large commercial and technical losses and slow electricity tariff adjustment in the face of exchange rate fluctuations and higher power generation costs (notably due to reliance on costly liquid fuels). The 2025 Budget has allocated GHS27.1 billion (around US$1.7 billion) to cover the shortfall, assuming that policy actions will be taken to help reduce it. These include resuming quarterly tariff adjustments (**quarterly SB**) and accelerating implementation of the Energy Sector Recovery Program measures—including conducting a multi-year tariff assessment (MYTO) to reflect changes in the costs of energy production (**end-September 2025 SB**), enhancing revenue collection, and limiting arrears accumulation.

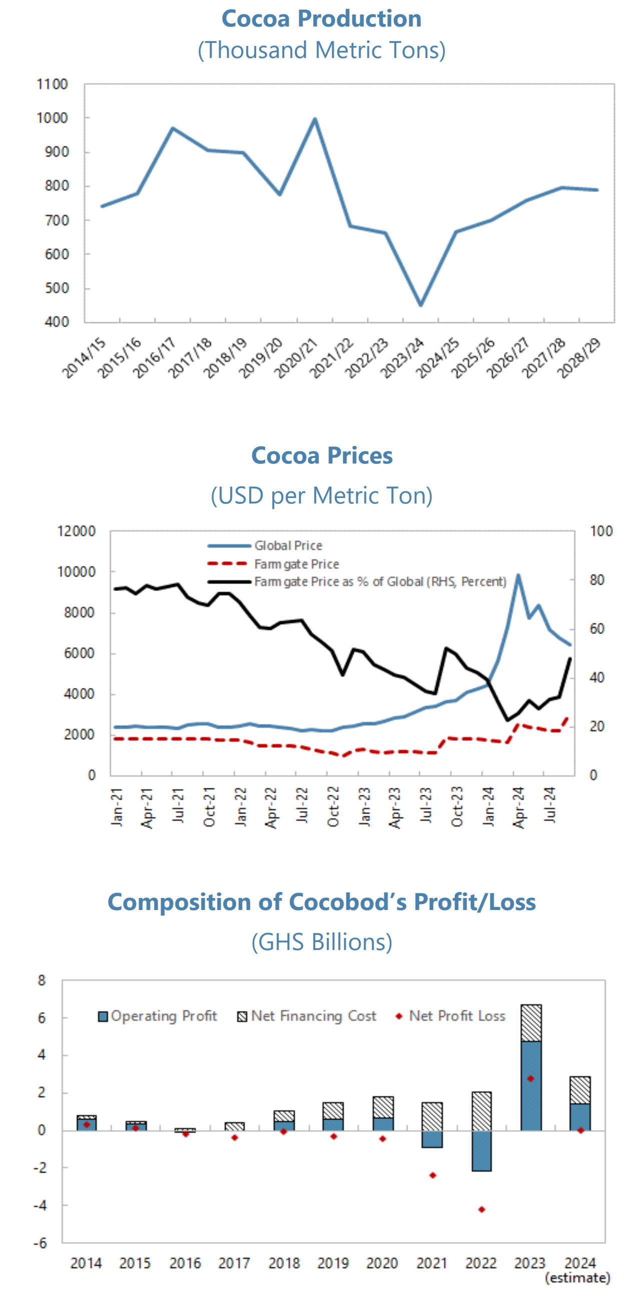
26. Recently, some progress has been made in addressing the energy sector's challenges. In April, the Public Utilities Regulatory Commission (PURC) announced a 14.75 percent increase in electricity tariffs, after having maintained tariffs unchanged in December 2024 and March 2025 (**quarterly SB**), and Cabinet approved a strategy to open power distribution to private sector participation (**end-September 2025 SB**). The publication of 2023Q4 and 2024 ECG Revenue/Collection Accounts Validation Reports (**end-January 2025 SB**) was completed with a delay, because it covered a period longer than envisaged under the SB. The 2024 report highlighted that the Cash Waterfall Mechanism (CWM)—a framework to ensure the distribution of ECG's revenues to stakeholders—was not implemented according to its guidelines, with significant deviations between ECG's validated and declared collections (GHS5.3 billion) and between CWM allocations and actual payments (GHS3.9 billion). Part of the difference was diverted to emergency fuel purchases. Compliance with the CWM improved somewhat in 2025, with monthly ECG collections exceeding the minimum GHS1 billion. Despite this improvement, some IPPs received less than expected, as fuel payments and the addition of an IPP diluted CWM distributions.

Cocoa Sector

27. The cocoa sector has seen some improvements since late 2024 (Text Figure 5). Production during the 2024/25 season has recovered thanks to a more favorable climate and ongoing interventions to enhance productivity (e.g., artificial pollination, mass pruning, mass spraying and hi-tech). International cocoa prices have remained high. Cocobod is thus expected to honor the contracts rolled over from the previous year and those that originated in the current season, except for a small share already agreed on with buyers. The new financing model—which reduces reliance on syndicated loans in favor of other trade financing options—appears to have reduced liquidity constraints, delivering faster payments to the farmers. Cocobod's cash flow is expected to remain balanced during the current season.

28. Cocobod continues to implement its turnaround strategy with WB support (MEFP¶60-62). The strategy aims at restoring Cocobod's financial sustainability by i) strengthening financial oversight; ii) maintaining the producer price within the range of 60-70 percent of international prices to cover Cocobod's financial and operational costs; iii) rationalizing costs based on a functional review of Cocobod's departments and subsidiaries; and iv) phasing out quasi-fiscal activities (e.g. cocoa roads and fertilizer programs). Progress on rescoping or canceling road contracts has been slow so far. The WB is supporting Cocobod in undertaking a functional and expenditure review to improve the efficiency, and developing a cocoa sector modernization strategy to support the GoG's efforts towards making the cocoa sector more robust, resilient, and competitive.

Text Figure 5. Ghana: Cocoa Sector Developments



Sources: Ghanaian authorities and Fund Staff Calculations.
Notes: Ghana's farmgate price is computed as Cedi-denominated farmgate price in Ghana divided by monthly market exchange rate. Cocobod's 2024 figures are based on unaudited financial statements.

D. Finalizing the Debt Restructuring and Improving Debt Management

29. The authorities have made significant headways on their comprehensive debt restructuring (MEFP¶14-15).[12] The DDE and the Eurobond restructuring were completed respectively in 2023and October 2024. The Memorandum of Understanding (MoU) with the Official Creditor Committee (OCC) on the debt treatment agreement reached in June 2024 was signed by all parties in January 2025. Ghana is now working with OCC members on bilateral agreements to implement the MoU. Ghana is pursuing good-faith efforts to reach agreements with its other external commercial creditors on comparable terms and consistent with program parameters. The authorities have reached out to all of them to advance debt data reconciliation and, eventually, share debt treatment proposals. Given the progress to date, Moody's, Fitch, and S&P upgraded

[12] Restoring debt sustainability under the program has been anchored by the objective of achieving a moderate risk of debt distress by 2028, bringing five external and overall debt ratios below their respective thresholds, as well as of

(continued)

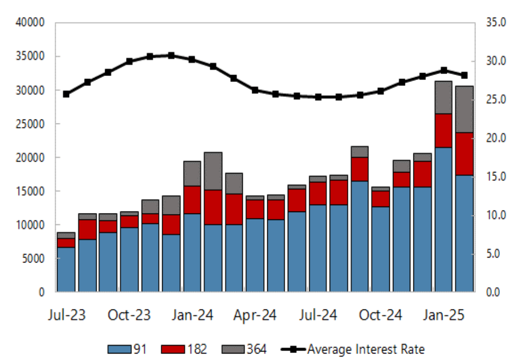
Ghana's credit risk rating in the past six months, lifting the selected default status.

30. The MoF is strictly controlling external project disbursements to adhere to budget allocations. A second round of prioritization of the estimated US$3.6 billion total project loan stock—signed but not disbursed before the external debt restructuring cut-off date (CoD) of December 2022—has been completed in May 2025. The revised list of 24 prioritized projects was shared with the OCC. Disbursements on bilateral and commercial projects signed before December 2022 are capped at US$250 million (***IT***) per year until 2026. The 2024 disbursements were US$184.4 million, whereas the 2025 Budget foresees US$250 million in disbursements. The MoF is also working with its multilateral partners to pace project loan disbursements consistent with budget constraints, while seeking a rebalancing of financial assistance toward budget support.

Text Figure 6. Ghana: T-Bills Market Conditions

T-Bill Issuances, Jul 2023-Feb 2025

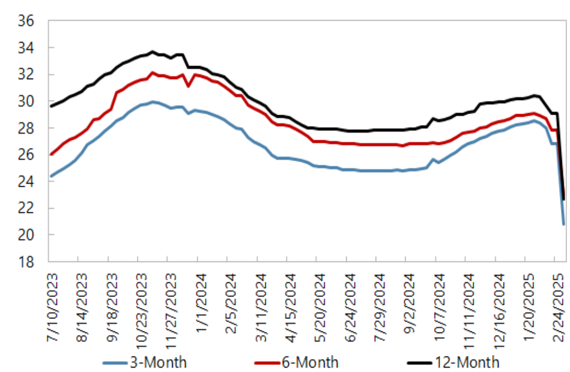
(GHS millions)



Sources: Bank of Ghana and Fund Staff Calculations.

T-Bill Interest Rates, Jul 2023-Mar 2025

(Percent)



Sources: Bank of Ghana and Fund Staff Calculations.

31. The authorities are seeking to access the domestic bond market (MEFP ¶20). Since the 2023 domestic debt restructuring, the government has been relying on T-bills as the main source of domestic financing. Most T-bills are issued through auctions, but the authorities made private placements in 2024, primarily with non-bank investors with limited alternative investment options (individuals, insurance and investment funds). T-bill rates have dropped significantly since March 2025 (Text Figure 6), reflecting market segmentation and the temporary abundance of cedi liquidity in part due to the delay in the enactment and implementation of the 2025 Budget given the elections. Despite the large fiscal adjustment in 2025, the government's gross financing needs are expected to remain elevated going forward given large debt service obligations and arrears clearance (including the energy sector legacy debt). Following IMF TA planned for July 2025, the authorities intend to resume T-bond issuance by gradually extending maturities to smoothen the

seeking sufficient external debt service relief from the debt restructuring to ensure that Ghana's program is fully funded through 2026.

debt repayment profile. Non-resident investors' participation will be considered if consistent with the program's debt objectives.

32. The authorities are strengthening their debt management capacity and enhancing debt transparency (MEFP ¶20-21). They intend to increase surveillance on debt issuance by SOEs and other public entities and strictly limit borrowing on non-concessional or collateralized terms. They have requested IMF TA to support capacity building in debt sustainability analysis and liability management at the MoF's Debt Management Office (DMO). They are also strengthening the DMO's role in ensuring medium-term fiscal sustainability, including by establishing an investment relations unit and upgrading the securities operation infrastructure system (CS-DRMS).[13] To improve debt transparency, the MoF publishes its Annual Public Debt Reports and will disseminate a revised medium-term debt management strategy based on the approved 2025 Budget.

E. Maintaining Prudent Monetary and Exchange Rate Policies

33. The BoG is committed to maintaining a tight monetary policy stance until inflation returns to its target (MEFP¶22–25). In March 2025, the Monetary Policy Committee has increased the policy rate by 100 basis points (Text Figure 7) to raise the real policy rate and bring inflation down from its persistently elevated level. Despite softening inflation, the policy rate was kept unchanged in May 2025. Given the upside risks to the disinflation path, the BoG has reiterated its commitment to maintaining a tight policy stance to bring inflation within its target band of 8±2 percent by 2026. To this end, the BoG will enhance monetary policy implementation by gradually scaling up open market operations (OMOs) to make them the primary instrument for liquidity absorption and reduce reliance on the unremunerated cash reserve ratio (CRR). Outstanding OMOs have indeed risen substantially in 2025, reaching a record GHS40 billion at end-April. In addition, the BoG plans to review its CRR framework (including its coefficient and the dynamic CRR) and adding a 273-day BoG bill to supplement the 56-day bill in conducting OMOs.

34. The BoG has continued to rebuild reserve buffers while further increasing its footprint in the FX market (MEFP¶26–27). In addition to its role in intermediating cocoa-and mining-related FX inflows, the BoG is now a large gold market intermediary (Box 3). The substantial scaling up of the Domestic Gold Purchase Program (DGPP) has allowed the BoG to consistently outperform its NIR targets and reach its programmed reserve coverage objective ahead of schedule. However, this development brings its own challenges. First, gold holdings doubled in 2024, increasing risks to the BoG's balance sheet. Second, the accumulation of foreign assets led to a 48 percent surge in base money in 2024 that was not fully sterilized through OMOs, with ensuing repercussions for inflation and the exchange rate. Third, faced with large FX inflows and a rapid accumulation of foreign assets, BoG conducted repeated ad hoc FXIs for about US$4 billion between October 2024 and April 2025,[14]

[13] The new system is expected to accelerate debt service processing, improve the accuracy of debt recording and accounting, and improve debt transparency among relevant state institutions.

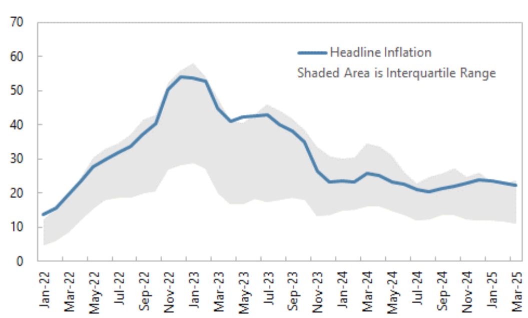
[14] Fulfilling its commitment, the BoG has discontinued its use of bilateral adjudications for FXI; they have been replaced by forward auctions.

which contributed to the recent appreciation of the cedi and helped lessen the increase in domestic liquidity. Given the intensification of FXI, the BoG, in consultation with Fund staff, intends to adopt a comprehensive FXI policy (**end-September 2025 SB**) emphasizing transparency and rules-based BoG FX transactions, notably when addressing disorderly market conditions. Ghana's de facto exchange rate arrangement has been reclassified as "other managed" (from "crawl-like") effective May 15, 2024.

Text Figure 7. Ghana: Inflation and Monetary Policy Developments

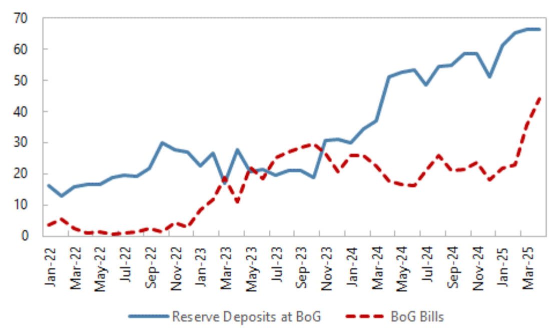
Inflation by Headline and COICOP4 Quartiles, Jan 2022-Mar 2025

(Year-on-Year, Percent)



Reserve Deposits and Bills at Bank of Ghana, Jan 2022-Apr 2025

(Billions GHS)



Sources: Haver, Ghanaian authorities, and Fund Staff Calculations.
Note: Median and Quartiles are calculated for COICOP4 categories

35. The BoG is committed to removing all multiple currency practices (MCPs) (MEFP¶28). Ghana maintains some official actions which result in MCPs arising from: i) the use of the previous day's BoG reference rates and applying fees for the BoG direct FX transactions with the government, ii) the use of the previous day's BoG buying reference rate and applying fees for the surrender to the BoG of FX funds related to cocoa exports, iii) the BoG requirement to use the opening Bloomberg regional bid rate for banks' purchases of FX inward remittances, iv) a weighted volume average exchange rate arising from a multiple price 7-day forward USD auction, v) an exchange rate arising from a single price forward FX auction to sell USD to Bulk Oil Distribution Companies (BDCs), and vi) the use of the Bloomberg Regional bid rate for FX purchases by the BOG from mining, oil and gas companies. The most recent day when impermissible spreads arose for existing MCPs was May 23rd, 2025, for i) and iii); April 24th, 2025, for ii) and vi); December 17th, 2024, for iv); and November 27th, 2024, for v).[15] These MCPs are likely to generate economic distortions and hamper FX market development (see IMF Country Report No. 2024/213). The authorities consider the economic impact of MCPs to be minimal, and are committed to eliminating them, including through reforms.

[15] These MCPs result from official actions that were in place before the approval of the ECF Arrangement, or have been specifically excluded in TMU¶6, and thus have no program implications under the standard continuous PCs (TMU¶5).

Box 3. Ghana: Recent Developments in the Gold Sector

Gold mining, a key segment of Ghana's economy, has swelled on the back of an almost 50 percent surge in gold prices since end-2023. Ghana is the world's sixth most important gold producer and Africa's largest.[1/] In 2024, over 4.5 million ounces of gold worth US$10 billion were mined and exported, accounting for around 5 percent of Ghana's GDP (at 2013 prices), a 20 percent increase compared to 2023 as production responded to the sharp increase in global gold prices. This increase was entirely attributable to artisanal and small-scale mining (ASM), as large-scale mining is mature at around 3 million ounces per year. ASM is controversial, notably because of smuggling, environmental degradation ("galamsey") and insufficient contribution to fiscal accounts.[2/] The authorities have embarked on a series of reforms and initiatives aimed at formalizing the ASM sector and increasing the benefits accruing to the state, notably as a source of foreign exchange. It is likely that part of the increase in production in 2024 was attributable to reduced smuggling.

The BoG has become a central intermediary in the gold sector. Launched in 2021, the Domestic Gold Purchase Program (DGPP)—an umbrella term for schemes involving the BoG buying gold from domestic producers in local currency—was significantly scaled up in 2024, almost tripling FX gross proceeds to US$2.8 billion, in addition to US$800 million accumulated in physical gold—contributing to an increase in domestic liquidity (Section E). The value of the BoG 's existing stock of gold has also increased by over US$500 million in 2024, lifting GIR. The BoG bought gold from both large-scale miners and ASM but, since the creation of the Ghana Gold Board (GoldBod), is now making purchases of ASM gold through the newly-created SOE. The BoG continues to purchase gold from large-scale miners, notably for its physical gold reserves.

GoldBod is set to further increase the government's footprint in gold ASM (MEFP¶63-64). Established by Parliament in April 2025, GoldBod main purpose is to increase foreign exchange receipts from ASM gold by overseeing and undertaking the purchase and trade, and by having the monopoly on ASM gold exports. In most aspects, including its regulatory role, GoldBod replaces the Precious Minerals Marketing Company. The key change is GoldBod's US$279 million endowment, which will be used to purchase and sell gold; its stated objective is to turn over three tons of gold weekly (more than 5 million ounces a year), part of which to be sold through the BoG. GoldBod's creation entails significant operational, fiscal and governance risks that require strict adherence to accountability, transparency, and risk management rules.[3/]

1/ U.S. Geological Survey, Mineral Commodity Summaries 2025.
2/ 2020 Ghana EITI Technical Report on the ASM Sector.
3/ Under the IMF program, GoldBod was added to the list of public entities for which conditionality applies under the Technical Memorandum of Understanding, thus lowering immediate fiscal risks from (collateralized) borrowing.

36. **Some progress was made in implementing the 2023 safeguards assessment recommendations (MEFP¶29–30).** The government is committed to submit to Parliament amendments to the BoG Act (**end-May 2025 SB**) by end-June, with the view to strengthen BoG independence. The legacy of the gold-for-oil (G4O) program continues to pose risks to the BoG's balance sheet, as does the BoG's undercapitalization. The BoG Board approved a G4O exit strategy in May 2024, which still needs to be formally agreed with the government. Finally, several recommendations remain outstanding, including further strengthening aspects related to internal audit and accounting.

F. Enhancing Financial Sector Stability and the AML/CFT Framework

37. Financial sector stability has been maintained following the DDE, but banking sector recapitalization has advanced less than expected. Most of the thirteen banks that recorded post-DDE capital deficits have now met or exceeded their recapitalization requirements at end-2024—on the back of strong profitability and GFSF support—and are on course to restore CAR of 13 percent (without reliefs) by end-2025. However, despite shareholder and/or GFSF capital injections, a few banks (including one state-owned) are materially behind on their recapitalization schedule due to slow progress against shareholder capital commitments, higher NPLs, and/or delayed booking of credit impairments and required provisioning identified under BoG's 2023 asset quality assessments. These banks are subject to intensified BoG monitoring and corrective measures to accelerate recapitalization plans to reach CAR of 13 percent (**end-March 2025 SB**) by end-2025. Parliamentary approval and implementation of the World Bank funded segment of the GFSF could help some banks achieve CAR targets by end-2025, provided that they secure capital injections sufficient to reach capital levels eligible for access.

38. The authorities continue address credit quality and financial sector legacy issues. While NPLs growth slowed as credit growth picked up during 2024, the NPL ratio remains unacceptably high at 22.6 percent (down from 26.7 percent at 2024Q1). The authorities' efforts to address the NPL overhang include requiring banks' strengthening of credit risk management systems and skills and prompt recognition of and provisioning for NPLs; closely monitoring the performance of banks against their NPL reduction strategies; and intensifying corrective actions for infringements. The BoG is also leading the development of a multi-agency strategy to address structural obstacles to problem credit recovery. Although the specialized deposit-taking institutions (SDI) sector is expected to support inclusive growth, it continues to be substantially weighed down by undercapitalization and other financial sector legacy issues, as several key areas under the Ghana Financial Sector Strengthening Strategy (GFSSS) have yet to be implemented. The BoG is reviewing and updating prudential and operational risk standards, advancing implementation of Basel II and III, and has formally advised industry that post-DDE regulatory reliefs will cease by end-2025.

39. The authorities are seeking to address critical gaps in Ghana's crisis management and resolution legislation framework. The November 2024 and March 2025 rulings of High Courts to reverse BoG's 2019 revocations of two SDI licenses risk undermining financial system stability and the efficacy of the financial sector resolution framework. The BoG Governor has announced that enhancement of the resolution framework will be a priority. Hence, the authorities will prepare, with Fund assistance, amendments to the crisis management and resolution framework and submit them to Parliament (**end-December 2025 SB**). These will help achieve further alignment with international standards—including related to operational aspects and complement other financial safety net strengthening initiatives, such as amendments to the Ghana Depositor Protection Corporation law which have been resubmitted to Parliament.

40. Despite some initial delays, the authorities are implementing the strategy to address the state-owned National Investment Bank's (NIB) financial and operational challenges (MEFP¶34). The strategy, adopted in March 2024 aims at:

- *Recapitalizing NIB to reduce immediate risks from regulatory capital/liquidity shortfalls*. To this end, the authorities have injected cash and bonds to bring NIB's CAR to positive territory (***prior action***) and full compliance with the minimum CAR of 13 percent (without forbearance), ahead of the end-2025 timeline.

- *Preparing a forward-looking overarching restructuring plan for NIB* (***end-March 2025 SB***). After delays, the authorities have completed the plan (***prior action***), which has been approved by Cabinet for early implementation. The plan draws from the findings of a special review of NIB completed by an independent international firm this year, as well as previous such studies. It addresses necessary changes to the business model, additional resource needs, residual recapitalization requirements, and specific steps to enhance corporate governance and risk management.

Satisfactory implementation of these measures will, inform the BoG's phased lifting of supervisory prompt corrective actions.

41. The authorities are addressing the recurring financial problems at state-owned banks (MEFP¶38). State-owned banks other than NIB are also facing financial soundness challenges, not just from the DDE but also from longer-standing problems in business models, governance, and risk management that have allowed the accumulation of NPLs and losses. The government will conduct a diagnostic review of these problems and of the legal framework, which will inform the strategy to reform state-owned banks to support their viability and sustainability going forward (**end-April 2025 SB**). However, the preparation of the strategy has been delayed to end-August 2025, given the importance of drawing from the NIB restructuring plan that was completed with delays. The authorities have expressed a strong commitment to adhere to the revised timeline. The BoG has announced its intention to divest its share ownership in Agricultural Development Bank.

42. The authorities are committed to strengthening the effectiveness of Ghana's AML/CFT framework. A priority remains enhancing the availability and accessibility of beneficial ownership (BO) information—including by ensuring that the Registrar of Companies is comprehensive and up to date. Other priorities include i) making the BO information regime more robust through the enforcement of sanctions; ii) addressing the gaps in reporting of suspicious transactions by designated non-financial businesses and professions; and iii) enhancing AML/CFT supervisory coordination nationally and internationally.

G. Structural Reforms to Support Governance and Inclusive Growth

43. The authorities consider enhancing governance and addressing vulnerabilities to corruption as priorities (MEFP¶65–66). President Mahama was elected on a manifesto envisaging renewed efforts to eliminate pervasive corruption and improve governance. The authorities are reviewing a draft IMF Governance and Corruption Diagnostic Assessment (GDA) report, which they intend to publish. In May 2025, the Presidency unveiled a Code of Conduct binding for all appointees and including commitments on conflicts of interest, corruption, asset declaration, transparency and public financial management. The Auditor General published last month the COVID-19 Expenditure follow-up report to improve transparency and accountability on the use of public resources. The authorities will submit to parliament a law on asset declaration for public officials (**end-September 2025 SB**), and envisage other measures aimed at strengthening the integrity and efficiency of public procurement and revenue administration processes.

44. The government's growth strategy focuses on boosting private investment, diversifying the economy, and fostering inclusive growth (MEFP¶67). Policy priorities are reflected in the 2025 Budget and include the "Big Push" infrastructure program, decentralization to district assemblies, agricultural transformation, several specialized training and apprenticeship programs, and a Women's development bank. Although policy details have yet to be announced, the "24-hour economy policy" was a core element of President Mahama's platform, promising tax, financing and other incentives to boost 24/7 production, along with support for "priority value chains". Development financial services will leverage existing financial and credit facilities that specifically cater to women.

PROGRAM FINANCING AND MODALITIES

45. Adequate financing assurances are in place. The program is fully financed, with firm financing commitments in place for the next 12 months and good prospects for adequate financing for the remainder of the program (Text Table 2). The World Bank is increasing its 2025 Budget support, with the DPO2 currently estimated at US$360 million to be disbursed mid-year, DPO3 (US$340 million) by end-2025, and an increased amount for Program-for-Results financing (PforR) used for budget instead of project support. As a result, total WB budget support under the program (2023-26) is expected to increase by about US$270 million. African Development Bank (AfDB) grants of US$44 million were delayed to 2025, and no further budget support is expected from the AfDB after 2025.

46. Staff is assured that the ongoing debt restructuring will generate financing consistent with program parameters and will restore debt sustainability. The signing of the MoU between the government and the OCC as well as preparation of bilateral agreements to implement the MoU satisfy the Fund's Lending into Official Arrears (LIOA) policy. Arrears to other official bilateral creditors are deemed away in application of the LIOA policy (Strand 1). Following the successful Eurobond restructuring and consistent with the Lending into Arrears policy, the authorities are making good faith efforts to reach debt restructuring agreements with other external commercial creditors on comparable terms and within program parameters, by maintaining a substantive dialogue with these creditors and seeking a collaborative process.

Text Table 4. Ghana: Proposed Program Financing
(USD million)

	2023	2024	2025	2026	Total
Pre-restructuring Financing Gap[1]	**3,364**	**4,340**	**4,542**	**2,328**	**14,574**
Debt service relief from restructuring[2]	**2,677**	**2,630**	**2,892**	**1,481**	**9,680**
Official creditors[3]	836	750	657	604	2,847
Commercial creditors[4]	1,841	1,880	2,235	877	6,833
Post-restructuring financing gap	**687**	**1,710**	**1,650**	**847**	**4,893**
IMF	600	1,320	720	360	3,000
World Bank[5]	27	390	886	487	1,790
African Development Bank	60	0	44	0	104

1 Pre-restructuring financing gap before external debt treatment from bilateral and commercial creditors (and net of arrears bond debt service). Numbers presented here exclude the flows shown in the SEI, BOP and external financing tables related to debt exchanges (large outflows under portfolio and official flows).
2 Actual debt service arrears accumulated in 2023
3 Based on June 2024 MoU between Ghana and G20 Common Framework OCC
4 Based on October 2024 Eurobond restructuring and the authorities' restructuring strategy for other commercial creditors

5 Beyond the IDA20 period, IDA financing figures are based on assumptions; actuals will depend on IDA replenishment volumes, country performance, and other operational factors. Delivery of DPFs will be dependent on an agreement with the government on a strong program of policy and institutional reforms, and adequacy of the macroeconomic policy framework. In addition, the World Bank is planning to disburse US$1.8 billion for project loans during 2023-26, already included in the baseline.

47. The following modifications to program conditionality are being proposed (MEFP Tables 1-2):

- *Modification of PCs and ITs through end-December 2025*. The primary balance PC and non-oil revenue IT will be modified to accommodate macroeconomic developments, while maintaining the fiscal effort relative to GDP. The MPCC bands will be shifted upwards in September and December 2025 to better reflect the impact of recent macroeconomic developments on disinflation. The IT on social spending will be modified to reflect the impact of inflation indexation on certain social benefits. The Technical Memorandum of Understanding (TMU) was modified to add GoldBod to the list of public entities included in PCs, to improve the monitoring of the net change in energy sector payables for the primary fiscal balance PC and the central government payables IT, as well as to clarify exceptions to the BoG claims on the central government PC.

- *New conditionality through end-March 2026*. ITs until end-March 2026 will be established along with six new SBs for end-August 2025 through end-December 2025, focused on macro-critical reforms.

48. Enterprise risks associated with Ghana's ECF-supported arrangement are significant but mitigated by strong program design, the authorities' high commitment, and the financing assurances.

- Ghana's capacity to repay (CtR) the Fund is adequate but subject to significant downside risks—including from significant repayments to the Fund in 2025 and beyond. This assessment assumes successful program and debt restructuring implementation predicated on achieving moderate risk of debt distress, and on restoring adequate market access. The stock of debt to the Fund as a share of GDP (based on the existing and prospective drawings) remains at elevated levels, peaking in 2025 at 4.2 percent of GDP. Debt service obligations to the Fund will reach a peak of 12.0 percent of total debt service in 2030. SDR holdings remain at relatively low levels (SDR 31.9 million at end-February 2025), especially in light of the Fund obligations coming due in 2025. Downside risks to Ghana's CtR stem from delays in implementing the policies and reforms under the Fund-supported program, which adversely affect key donors' financing.

- These risks are mitigated by Ghana's strong track record of debt service to the Fund, the financing assurances provided by creditors and development partners, and strong reserve accumulation. Notwithstanding the slippages in the run-up to the 2024 elections, the authorities' strong commitment and ownership of the program—which is attested by the adoption of corrective measures (¶14)—are also mitigating factors. While residual risks remain—including related to additional policy slippages—continued support for a member facing deep macroeconomic challenges and strongly committed to its reform program is important. Withholding such support at the current juncture would entail reputational risks for the Fund, with possible effects on support from other partners and the prospects for finalization of the debt restructuring.

STAFF APPRAISAL

49. Notwithstanding regrettable election-related slippages, Ghana is poised to make further progress toward stabilization and higher and more inclusive growth. The new authorities have shown a high level of program ownership following sizable policy slippages in the run-up to the 2024 general elections. They expressed strong support for the program goals, policies, and reforms. Faced with large fiscal overruns, high inflation and reform delays, they have responded promptly by adopting corrective policy and structural measures to ensure observance of program objectives. Against the backdrop of an improved external position, persistence in implementing corrective policies and ongoing reforms is key to effectively address longstanding structural weaknesses, build resilience, and sustain a generally positive outlook.

50. Preserving the integrity of the fiscal policy adjustment under the program is essential to fully restore macroeconomic stability and debt sustainability, while protecting the

vulnerable. The authorities should decisively implement their strategy to address the challenges stemming from the 2024 fiscal slippages. They should also stand ready to timely adopt contingency measures, such as frontloading the revenue measures in the MTRS and reprioritizing MDAs' budget allocations, if needed. Beyond 2025, maintaining a primary fiscal surplus of 1½ percent of GDP will further reduce financing needs. Creating space for development and social priorities will require further improving domestic revenue mobilization—including through a careful design and phasing of the announced VAT reform—and streamlining nonpriority expenditures. Further enhancing social programs remain key to protect the vulnerable from the high cost of living and the impact of macroeconomic adjustment. Staff commends the authorities for the continued efforts to reach agreements with other external commercial creditors on a debt treatment consistent with program parameters and comparability of treatment.

51. Addressing the causes of the 2024 fiscal slippages and entrenching fiscal discipline require continued fiscal structural reforms. The authorities' decision to bring forward the enactment of an enhanced fiscal responsibility framework and ensuring accountability in accordance with applicable laws and procedures are important steps in this direction. However, it needs to be complemented with strengthened commitment controls and budget execution to foster effective compliance with PFM provisions and reduce risks of spending overruns. In this regard, staff welcomes the decision to bolster the role of the Ministry of Finance's compliance desk to strengthen the sanction system for noncompliance with PFM provisions. More actions will be needed to streamline statutory funds and bolster governance and transparency in public procurement. Addressing the weaknesses of the public investment management framework would help improve expenditure control and efficiency of public investment. The authorities should also redouble efforts to improve revenue administration, strengthen tax compliance and support a comprehensive reform of the tax system—especially of the VAT regime—consistent with the priorities identified under Ghana's MTRS. The recently established "GoldBod" should adhere to the highest governance standards and limit fiscal risks. Finally, ensuring a steadfast implementation of the Cocobod turnaround strategy remains of the essence.

52. Reforming the energy sector is essential to reduce fiscal risks. Staff welcomes the cabinet decision to open the electricity company's operations to the private sector, and the efforts made towards the energy sector's financial sustainability—including resuming the quarterly electricity tariff increases. In the short term, efficiency gains at ECG are critical to reduce the energy sector shortfall. More needs to be done to ensure full and consistent implementation of the Cash Waterfall Mechanism, which underpins regular payments to IPPs and fuel suppliers, address legacy arrears, and improve transparency, governance and accountability in the sector.

53. The BoG should maintain a tight monetary policy stance and pursue reforms. A tight policy stance, including through increased reliance on OMOs for liquidity absorption operations, is warranted to bring inflation to the BoG's target band. The submission to Parliament of amendments to the BoG Act, albeit with a delay, will be an important milestone towards strengthening central bank independence, but further progress in addressing the Fund's safeguard assessment recommendations remains necessary.

54. Rebuilding international reserves is a significant achievement, but the BoG should carefully manage gold-related risks and enhance its FXI framework. The reserve accumulation overperformance reflects the significant expansion of the DGPP, which warrants careful management of related portfolio risks and liquidity implications. Replacing bilateral adjudications with a transparent auction-based FX auctions represents an important improvement to the transparency of the BoG's FX operations. Looking ahead, deepening the interbank FX market by reducing BoG's footprint and allowing for greater exchange rate flexibility—including through the adoption of a formal internal FX intervention policy framework—should be a priority.

55. Further strengthening financial sector stability remains paramount. The BoG has implemented risk containment measures to support banking system stability**.** It appropriately intensified monitoring and escalated measures at weak undercapitalized banks to promote timely recapitalization; strengthen risk management frameworks and practices including to reduce NPLs; and ensure effective governance. The plan to strengthen NIB should be fully implemented and the reform strategy to support state-owned banks' viability and sustainability finalized. Contingency plans should be developed to address weak banks that fail to recapitalize. Efforts are also needed to rapidly improve Ghana's crisis management and resolution legislation framework, strengthen financial sector safety nets—including by enhancing the Ghana Deposit Protection Corporation—and address legacy problems at SDIs in a cost-effective way.

56. Given Ghana's forceful response to recent policy slippages and the commitments under the program, staff supports the completion of the monetary policy consultation, the fourth review under the ECF arrangement, the financing assurances review related to private sector creditors, and the request for modification of performance criteria.

Table 1. Ghana: Selected Economic and Financial Indicators, 2023–30

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
	(annual percentage change, unless otherwise indicated)										
National accounts and prices											
GDP at constant prices	3.1	4.0	5.7	4.4	4.0	4.9	4.8	4.9	5.0	5.0	5.0
Non-extractive GDP	3.3	3.5	5.1	4.5	3.6	5.0	4.6	5.0	5.0	5.0	5.0
Extractive GDP	1.7	7.0	9.4	3.9	7.0	4.3	5.9	4.7	4.9	5.0	5.0
Real GDP per capita	1.2	2.0	3.7	2.5	2.1	3.0	2.9	3.1	3.2	3.2	3.3
GDP deflator	40.1	20.4	25.4	10.6	17.0	7.8	7.8	6.8	6.9	7.6	7.8
Consumer price index (end of period)	23.2	18.0	23.8	8.0	12.0	8.0	8.0	8.0	8.0	8.0	8.0
Consumer price index (annual average)	39.2	21.9	22.9	11.4	17.3	8.0	9.3	8.0	8.0	8.0	8.0
	(percent of GDP, unless otherwise indicated)										
Central government budget											
Revenue	15.2	17.1	15.9	17.2	15.9	18.1	16.6	16.8	16.9	17.0	17.0
Expenditure (commitment basis) [1]	18.5	20.7	23.2	19.8	18.7	20.0	18.7	18.6	18.9	19.2	19.6
Overall balance (commitment basis) [1]	-3.4	-3.5	-7.3	-2.7	-2.8	-1.9	-2.1	-1.8	-2.0	-2.2	-2.6
Primary balance (commitment basis)	-0.3	0.5	-3.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0
Non-oil primary balance (commitment basis)	-1.7	-1.2	-5.0	0.1	0.4	0.2	0.4	0.3	0.2	0.1	-0.4
Public debt (gross)	79.1	78.0	70.2	72.2	66.0	67.2	62.3	59.5	56.6	53.8	51.9
Domestic debt	37.1	33.5	33.8	30.0	29.2	28.0	27.5	26.1	25.2	24.1	23.6
External debt	42.0	44.5	36.4	42.2	36.8	39.1	34.8	33.4	31.4	29.7	28.3
	(annual percentage change, unless otherwise indicated)										
Money and credit											
Credit to the private sector (commercial banks)	10.7	22.0	26.3	18.4	24.7	17.1	17.0	16.1	16.3	17.0	19.2
Broad money (M2+)	38.7	28.8	31.9	17.3	23.4	13.1	13.0	12.1	12.3	13.0	16.1
Velocity (GDP/M2+, end of period)	3.4	3.1	3.4	3.1	3.4	3.1	3.4	3.4	3.4	3.4	3.3
Base money	29.7	30.5	47.8	11.8	16.2	6.7	-1.1	12.7	12.7	14.8	9.8
Policy rate (in percent, end of period)	30.0	0.0	27.0	...	...	...	...	...	...	...	...
	(US$ million, unless otherwise indicated)										
External sector											
Current account balance (percent of GDP)	-1.6	1.0	1.1	0.0	1.8	0.0	1.4	1.5	1.3	1.1	0.5
BOP financing gap [2]	3,364	1,754	13,741	1,448	9,124	734	3,659	0	0	0	0
IMF	600	1,320	1,320	720	720	360	360	0	0	0	0
World Bank	27	390	390	728	886	374	487	0	0	0	0
AfDB	60	44	0	0	44	0	0	0	0	0	0
Debt restructuring-related flows [2]	2,677	0	12,031	0	7,474	0	2,812	0	0	0	0
Gross international reserves (program) [3]	3,661	5,381	6,404	6,905	8,366	7,789	7,926	9,585	11,358	13,614	14,948
in months of prospective imports	1.5	2.3	2.6	2.8	3.3	3.0	3.0	3.5	3.9	4.5	4.8
Memorandum items:											
Nominal GDP (millions of GHc)	887,748	1,053,875	1,176,220	1,216,674	1,431,278	1,375,843	1,616,898	1,811,873	2,034,005	2,298,797	2,602,217
Population Growth Rate (percentage) [4]	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7

Sources: Ghanaian authorities; and Fund staff estimates and projections.

[1] Third review interest expenditure projections assume full debt restructuring.

[2] Additional financing needed to gradually bring reserves to at least 3 months of imports by 2026. The large 2024-2026 financing gaps result from debt restructuring accounting, with both debt deferral and the nominal value of the debt exchanges included here.

[3] Excludes oil funds, encumbered assets, and pledged assets.

[4] United Nations, World Population Prospects 2022

Table 2a. Ghana: Summary of Budgetary Central Government Operations, 2023–30[1]
(GFS 2001, Commitment Basis, percent of GDP)

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**15.2**	**17.1**	**15.9**	**17.2**	**15.9**	**18.1**	**16.6**	**16.8**	**16.9**	**17.0**	**17.0**
Taxes	12.8	14.6	13.3	14.7	13.3	15.6	14.1	14.3	14.4	14.5	14.5
Direct taxes	6.4	7.3	6.7	6.5	6.4	6.4	6.9	7.0	7.1	7.2	7.2
Indirect taxes	4.9	5.5	4.9	6.3	5.2	7.1	5.4	5.5	5.5	5.5	5.5
Trade taxes	1.6	1.8	1.7	1.9	1.7	2.1	1.8	1.8	1.8	1.8	1.8
Social contributions	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Nontax revenue	2.0	2.2	2.4	2.2	2.3	2.2	2.2	2.2	2.2	2.2	2.2
Grants	0.3	0.3	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Expenditure	**18.5**	**20.7**	**23.2**	**19.8**	**18.7**	**20.0**	**18.7**	**18.6**	**18.9**	**19.2**	**19.6**
Expense	16.0	17.7	16.5	17.2	16.4	16.6	15.6	15.4	15.6	15.6	15.6
Compensation of employees	5.7	6.0	5.7	6.0	5.3	6.0	5.6	5.7	5.7	5.7	5.7
Purchases of goods and services	1.0	1.1	1.0	1.1	0.5	1.2	0.6	0.7	0.7	0.7	0.7
Interest [1]	3.0	4.0	4.0	4.2	4.3	3.4	3.6	3.3	3.5	3.7	3.6
Domestic	2.9	3.4	3.4	3.4	3.6	2.7	2.9	2.6	2.7	2.9	2.8
Foreign	0.2	0.6	0.6	0.7	0.6	0.7	0.6	0.7	0.8	0.8	0.9
Subsidies and transfers	2.3	2.2	1.5	2.2	1.9	2.0	1.9	1.7	1.6	1.5	1.5
o/w transfers to energy producers	2.3	2.2	1.5	2.1	1.9	2.0	1.8	1.7	1.6	1.5	1.5
Social benefits[2]	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Grants to other government units	3.9	4.2	4.2	3.8	4.2	3.8	3.7	3.7	3.7	3.7	3.7
Net acquisition of nonfinancial assets	2.4	3.0	2.5	2.6	2.3	3.3	3.1	3.2	3.3	3.6	4.1
Domestic financed	1.0	1.7	1.3	1.2	1.5	2.0	2.1	1.9	2.1	2.3	3.0
Foreign financed	1.3	1.3	1.2	1.4	0.8	1.4	1.0	1.4	1.3	1.3	1.1
Other expenditure	0.2	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w unreleased claims			4.2								
Primary balance (commitment basis)	-0.3	0.5	-3.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0
Overall balance (commitment basis)	**-3.4**	**-3.5**	**-7.3**	**-2.7**	**-2.8**	**-1.9**	**-2.1**	**-1.8**	**-2.0**	**-2.2**	**-2.6**
Payables (net change) [3]	0.4	-1.1	2.6	-1.1	-0.9	-1.0	-1.7	-1.6	-1.5	0.0	0.0
Primary balance (cash basis)	0.1	-0.6	-0.7	0.4	0.6	0.5	-0.2	-0.1	0.0	1.5	1.0
Overall balance (cash basis)	**-2.9**	**-4.6**	**-4.8**	**-3.7**	**-3.7**	**-2.9**	**-3.8**	**-3.4**	**-3.5**	**-2.2**	**-2.6**
Financing	**2.9**	**4.6**	**4.8**	**3.7**	**3.7**	**2.9**	**3.8**	**3.4**	**3.5**	**2.2**	**2.6**
Foreign	-0.4	2.6	2.9	2.1	0.7	1.7	1.2	0.7	0.6	0.9	0.7
Domestic	3.3	2.0	1.8	1.6	3.0	1.1	2.6	2.7	2.9	1.3	1.9
Memorandum items:											
Public sector debt	79.1	78.0	70.2	72.2	66.0	67.2	62.3	59.5	56.6	53.8	51.9
Non-oil revenue (excl. Grants)	13.5	15.2	14.0	15.6	14.6	16.5	15.3	15.4	15.4	15.4	15.4
Oil revenue	1.4	1.7	1.7	1.4	1.1	1.3	1.1	1.2	1.3	1.4	1.4
Primary expenditure	15.5	16.7	19.2	15.7	14.4	16.6	15.1	15.3	15.4	15.5	16.0
Non-oil primary balance	-1.7	-1.2	-5.0	0.1	0.4	0.2	0.4	0.3	0.2	0.1	-0.4
Nominal GDP (GHS, million)	887,748	1,053,875	1,176,220	1,216,674	1,431,278	1,375,843	1,616,898	1,811,873	2,034,005	2,298,797	2,602,217

Sources: Ghanaian authorities; and IMF staff estimates and projections.

[1] Assume full debt restructuring.

[2] Comprises of government cash transfer program (LEAP) and subsidy for lifeline consumers of electricity

[3] Includes net changes of energy-sector and non energy-sector payables.

Table 2b. Ghana: Summary of Budgetary Central Government Operations, 2023–30[1]

(GFS 2001, Commitment Basis, GHS millions)

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**134,672**	**180,545**	**186,593**	**208,772**	**227,195**	**248,860**	**268,534**	**304,445**	**343,747**	**390,796**	**442,377**
Taxes	113,972	153,500	156,083	178,243	190,576	214,543	228,141	258,332	292,050	332,369	376,238
Direct taxes	56,520	76,550	78,742	78,760	91,555	88,510	111,092	126,277	143,806	164,825	186,581
Indirect taxes	43,519	58,400	57,424	76,367	74,212	97,141	87,406	98,837	110,954	125,398	141,950
Trade taxes	13,933	18,550	19,917	23,117	24,809	28,893	29,643	33,218	37,290	42,145	47,708
Social contributions	635	923	1,060	1,018	1,290	1,151	1,458	1,634	1,834	2,073	2,346
Nontax revenue	17,646	23,087	27,734	26,761	32,652	30,092	35,322	40,488	45,451	51,368	58,148
Grants	2,420	3,035	1,716	2,750	2,676	3,074	3,613	3,992	4,412	4,986	5,644
Expenditure	**164,556**	**217,642**	**272,620**	**241,082**	**267,316**	**275,093**	**301,694**	**336,710**	**384,561**	**441,129**	**511,189**
Expense	141,876	186,343	193,994	209,813	234,712	229,040	252,118	278,234	316,535	359,470	405,740
Compensation of employees	50,808	63,683	67,189	73,136	76,203	82,704	90,157	102,639	115,222	130,222	147,410
Purchases of goods and services	8,446	12,082	11,509	12,775	6,671	16,510	9,153	12,069	13,548	15,312	17,333
Interest [1]	27,055	41,902	47,150	50,561	61,110	46,870	57,413	59,443	71,324	84,816	94,834
Domestic	25,674	35,824	40,416	41,958	51,859	37,555	47,350	46,696	55,866	66,433	72,561
Foreign	1,381	6,078	6,734	8,602	9,251	9,314	10,063	12,747	15,458	18,383	22,272
Subsidies and transfers	20,592	23,491	17,568	26,519	27,471	27,552	30,395	30,628	33,509	34,864	39,466
o/w transfers to energy producers	20,555	23,183	17,359	26,126	27,129	27,108	29,873	30,043	32,853	34,122	38,626
Social benefits[2]	429	870	737	1,004	3,237	2,752	5,274	6,816	7,651	8,647	9,789
Grants to other government units	34,547	44,315	49,842	45,819	60,019	52,653	59,727	66,640	75,280	85,609	96,909
Net acquisition of nonfinancial assets	21,085	31,299	29,389	31,269	32,604	46,053	49,576	58,476	68,026	81,659	105,448
Domestic financed	9,148	18,031	14,733	14,382	21,006	27,264	33,979	33,652	42,535	52,800	77,604
Foreign financed	11,937	13,267	14,656	16,887	11,598	18,788	15,597	24,824	25,491	28,859	27,845
Other expenditure	1,595	0	49,237	0	0	0	0	0	0	0	0
o/w unreleased claims			49,237								
Primary balance (commitment basis)	-2,829	4,806	-38,877	18,250	20,989	20,638	24,253	27,178	30,510	34,482	26,022
Overall balance (commitment basis)	**-29,884**	**-37,097**	**-86,027**	**-32,310**	**-40,122**	**-26,232**	**-33,160**	**-32,265**	**-40,814**	**-50,334**	**-68,812**
Payables (net change) [3]	3,871	-11,613	30,119	-13,068	-13,068	-13,390	-27,918	-28,741	-29,614	0	0
Primary balance (cash basis)	1,043	-6,807	-8,759	5,183	7,921	7,248	-3,665	-1,562	896	34,482	26,022
Overall balance (cash basis)	**-26,013**	**-48,710**	**-55,909**	**-45,378**	**-53,190**	**-39,622**	**-61,078**	**-61,006**	**-70,428**	**-50,334**	**-68,812**
Financing	**26,013**	**48,710**	**55,909**	**45,378**	**53,190**	**39,622**	**61,078**	**61,006**	**70,428**	**50,334**	**68,812**
Foreign	-3,223	27,154	34,641	25,557	10,388	23,982	18,659	12,057	12,436	19,710	18,617
Domestic	29,236	21,556	21,267	19,821	42,802	15,640	42,419	48,949	57,992	30,624	50,195
Memorandum items:											
Public sector debt	702,139	822,134	826,042	878,651	944,560	923,930	1,006,604	1,078,902	1,152,010	1,237,642	1,350,436
Non-oil revenue (excl. Grants)	119,701	160,030	165,044	189,256	209,400	227,550	247,079	279,395	313,648	354,480	401,268
Oil revenue	12,552	17,480	19,834	16,766	15,118	18,236	17,842	21,058	25,687	31,329	35,465
Primary expenditure	137,501	175,739	225,470	190,522	206,206	228,223	244,281	277,267	313,237	356,314	416,355
Non-oil primary balance	-15,381	-12,675	-58,711	1,484	5,871	2,401	6,411	6,120	4,823	3,152	-9,443
Nominal GDP (GHS, million)	887,748	1,053,875	1,176,220	1,216,674	1,431,278	1,375,843	1,616,898	1,811,873	2,034,005	2,298,797	2,602,217

Sources: Ghanaian authorities; and IMF staff estimates and projections.

[1] Assume full debt restructuring.

[2] Comprises of government cash transfer program (LEAP) and subsidy for lifeline consumers of electricity

[3] Includes net changes of energy-sector and non energy-sector payables.

Table 2c. Ghana: Public Sector Gross Financing Needs and Sources, 2023–30
(In GHS billions)

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
Gross financing needs (I)	**86.4**	**121.7**	**129.7**	**132.7**	**161.2**	**155.2**	**188.8**	**212.0**	**251.1**	**240.0**	**273.6**
Primary deficit (cash basis) [1,2]	-1.4	4.5	5.8	-10.0	-10.7	-11.1	0.0	-0.9	-4.1	-35.5	-26.0
Financial sector strengthening	5.7	14.9	1.4	0.8	11.0	1.3	0.9	0.9	1.0	1.0	1.1
Debt service [3,4]	82.1	102.3	122.5	141.9	160.9	165.1	188.0	211.9	254.2	274.5	298.5
External	5.7	16.2	12.1	25.4	26.1	40.3	41.8	50.3	55.7	62.7	70.2
Domestic	76.4	86.1	110.4	116.5	134.7	124.8	146.2	161.6	198.5	211.7	228.3
Gross financing sources (II)	**78.8**	**96.3**	**105.4**	**109.0**	**134.4**	**142.8**	**173.9**	**212.0**	**251.1**	**240.0**	**273.6**
External	9.4	10.4	10.5	12.0	8.9	23.0	22.6	41.8	42.1	56.9	58.0
Multilateral	7.2	7.8	7.9	6.6	4.9	6.5	7.6	15.5	15.7	18.2	16.3
World Bank	7.0	7.5	7.4	5.7	4.1	5.6	6.7	14.5	14.7	17.2	15.2
Others	0.2	0.3	0.5	0.8	0.7	0.8	0.9	0.9	1.0	1.0	1.1
IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral	2.1	2.6	2.6	5.5	4.1	7.1	5.3	6.3	6.4	6.7	7.0
Paris Club	1.2	1.3	2.5	3.4	2.0	5.0	3.1	3.9	3.9	4.1	4.3
Non-Paris Club	0.9	1.3	0.2	2.0	2.0	2.1	2.2	2.3	2.5	2.6	2.8
Private sector	0.1	0.0	0.0	0.0	0.0	9.4	9.8	20.0	20.1	32.0	34.7
Eurobonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.4	10.0	20.8	22.0
Other commercials	0.1	0.0	0.0	0.0	0.0	9.4	9.8	10.6	10.0	11.2	12.7
Domestic	71.6	87.5	96.9	98.7	127.1	121.5	153.1	172.2	211.4	186.1	218.9
Bank of Ghana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	59.5	72.6	93.7	79.0	91.0	36.5	45.7	44.8	45.7	36.4	43.8
Medium term debt	6.4	0.0	1.8	19.7	25.2	85.1	107.3	127.4	165.6	149.7	175.1
Financial sector strengthening bond	5.7	14.9	1.4	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0
Ghana Petroleum and Sinking Funds, net	-2.1	-1.6	-1.9	-1.7	-1.6	-1.8	-1.7	-2.0	-2.4	-3.0	-3.3
Financing gap (I)-(II)	**7.6**	**25.4**	**24.3**	**23.6**	**26.8**	**12.4**	**14.9**	**0.0**	**0.0**	**0.0**	**0.0**
Exceptional financing	**7.6**	**25.4**	**24.3**	**23.6**	**26.8**	**12.4**	**14.9**	**0.0**	**0.0**	**0.0**	**0.0**
IMF	6.6	19.1	18.7	11.8	11.7	6.1	6.3	0.0	0.0	0.0	0.0
Other financial partners	1.0	6.3	5.5	11.9	15.1	6.3	8.5	0.0	0.0	0.0	0.0
Residual gap	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: MOF, BOG, CSD and IMF staff calculations.

[1] Excludes AfDB budget support grants which are reflected under the exceptional financing.

[2] Includes Cocobod's net income used for debt service.

[3] Includes debt service by ESLA, Daakye and Cocobod excluding the trade facilities. Service on local currency debt held by non-residents is included in domestic.

[4] Debt service projections assume full debt restructuring.

Table 3. Ghana: Monetary Survey, 2023–30

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
I. Monetary Survey (Central Bank and Commercial Banks)											
Net foreign assets	21,711	59,099	87,417	90,218	138,434	111,358	141,234	185,966	236,308	301,659	354,963
Net domestic assets	228,308	262,838	242,321	287,269	268,316	315,514	318,267	328,944	341,729	351,629	403,371
Net claims on central government	115,681	129,928	113,292	131,808	116,217	140,034	126,846	139,361	157,338	176,747	206,669
Claims on public non-financial corporations	14,081	9,362	13,117	10,713	9,110	11,915	10,109	11,182	12,324	13,768	15,426
Claims on private sector	77,464	93,513	97,439	109,065	119,874	126,171	138,335	158,832	183,003	212,511	251,590
Other items (net)	26,530	30,036	23,129	35,683	23,114	37,395	42,977	19,569	-10,935	-51,397	-70,314
Money and quasi-money (M3)	250,019	321,937	329,739	377,487	406,750	426,871	459,501	514,910	578,037	653,288	758,334
Broad money (M2)	185,426	241,054	247,762	284,110	306,997	321,278	346,811	388,631	436,277	493,073	575,370
Foreign exchange deposits	64,593	80,882	81,977	93,377	99,753	105,593	112,690	126,279	141,760	160,215	182,964
II. Central Bank											
Net foreign assets[1]	4,021	33,139	47,647	60,248	90,040	77,467	86,563	124,703	167,534	223,932	266,978
Net domestic assets	84,278	82,111	82,835	68,557	61,638	59,947	63,376	44,307	22,891	-5,308	-26,831
Net claims on other depository corporations	-9,878	-26,897	-21,783	-27,703	-22,807	-28,573	-23,572	-24,398	-25,291	-26,255	-27,296
Net claims on central government	54,356	69,538	56,032	69,538	56,032	69,538	56,032	56,032	56,032	56,032	56,032
Claims on other sectors[2]	9,087	8,742	10,361	8,414	9,945	8,102	9,550	9,175	8,818	8,479	8,157
Other items (net)[3]	30,714	30,729	38,226	18,308	18,468	10,881	21,367	3,499	-16,668	-43,564	-63,724
Base money[4]	88,299	115,251	130,482	128,805	151,678	137,415	149,940	169,010	190,425	218,624	240,147
III. Commercial Banks											
Net foreign assets	17,690	25,959	39,770	29,970	48,394	33,890	54,670	61,263	68,774	77,727	87,986
Net domestic assets	219,620	237,480	264,148	279,685	268,308	315,596	302,224	337,875	378,694	427,651	500,359
Net domestic claims	213,428	211,583	255,830	232,054	235,706	260,242	267,532	303,520	348,847	401,435	474,604
Net claims on central bank	75,093	57,060	103,030	58,420	56,481	59,762	57,824	59,351	61,032	62,921	65,108
Net claims on central government	61,325	60,390	57,260	62,271	60,186	70,496	70,815	83,330	101,306	120,715	150,637
Credit to public non-financial corporations	6,450	8,051	6,419	9,402	7,918	10,603	8,917	9,990	11,132	12,576	14,234
Credit to private sector	70,559	86,082	89,122	101,963	111,121	119,380	129,977	150,849	175,377	205,223	244,624
Other items (net)	6,192	25,896	8,318	47,630	32,602	55,355	34,692	34,355	29,847	26,215	25,755
Memorandum items:	(Annual percent change, unless otherwise indicated)										
Base money	29.7	30.5	47.8	11.8	16.2	6.7	-1.1	12.7	12.7	14.8	9.8
M2	37.2	30.0	33.6	17.9	23.9	13.1	13.0	12.1	12.3	13.0	16.7
M3[5]	38.7	28.8	31.9	17.3	23.4	13.1	13.0	12.1	12.3	13.0	16.1
Credit to private sector	10.7	22.0	26.3	18.4	24.7	17.1	17.0	16.1	16.3	17.0	19.2
M2 velocity	4.8	4.4	4.7	4.3	4.7	4.3	4.7	4.7	4.7	4.7	4.5
M3 velocity	3.6	3.3	3.6	3.2	3.5	3.2	3.5	3.5	3.5	3.5	3.4
Base money multiplier (M2/base money)	2.1	2.1	1.9	2.2	2.0	2.3	2.3	2.3	2.3	2.3	2.4
Credit to private sector (in percent of GDP)	7.9	8.2	7.6	8.4	7.8	8.7	8.0	8.3	8.6	8.9	9.4

Sources: Ghanaian authorities; and Fund staff estimates and projections.

[1] Third review net foreign assets assume full debt restructuring.

[2] Includes private sector, public enterprises and local government.

[3] Including valuation and Open Market Operations (OMO).

[4] Excludes foreign currency deposits.

[5] Includes foreign currency deposits.

Table 4. Ghana: Balance of Payments, 2023-30

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF Review	Proj.	Proj.	Proj.	Proj.	Proj.
	(Millions of U.S. dollars)										
Current account	-1,289	760	924	28	1,596	12	1,312	1,474	1,355	1,191	566
Trade balance	1,707	3,114	3,773	3,208	4,659	3,930	5,077	5,168	5,390	5,867	5,907
Exports, f.o.b.	15,716	18,158	19,165	18,721	20,213	20,274	21,420	22,123	22,860	24,117	24,964
Imports, f.o.b	-14,009	-15,044	-15,392	-15,513	-15,554	-16,344	-16,343	-16,955	-17,469	-18,250	-19,057
Services (net)	-3,377	-3,747	-3,921	-4,173	-4,503	-4,410	-4,780	-5,161	-5,623	-5,960	-6,363
Income (net)	-3,768	-3,577	-4,346	-4,027	-4,031	-4,578	-4,511	-4,336	-4,389	-4,753	-5,197
Transfers	4,149	4,970	5,418	5,020	5,472	5,070	5,527	5,803	5,977	6,037	6,218
Capital and financial account	-1,447	-1,183	-11,453	14	-9,543	359	-5,192	472	729	1,463	1,256
Capital account	129	166	124	168	121	181	206	213	220	239	256
Financial account	-1,576	-1,349	-11,578	-155	-9,664	178	-5,397	259	509	1,224	1,000
Foreign direct investment (net)	1,308	1,564	1,738	1,910	2,006	2,263	2,446	2,868	3,019	3,296	3,530
Portfolio investment (net) [1]	2,480	-175	-9,530	-342	-343	-1,102	-3,379	-498	-506	-17	100
Other investment (net)	-5,364	-2,739	-3,785	-1,722	-11,327	-983	-4,464	-2,110	-2,004	-2,055	-2,630
Medium and long term (net) [2]	-4,345	-1,773	-1,967	-1,180	-9,944	-601	-2,679	-1,590	-1,721	-1,694	-2,112
Short-term (net)	-1,019	-966	-1,818	-543	-1,383	-382	-1,785	-520	-282	-361	-518
Errors and omissions	348	0	-395	0	0	0	0	0	0	0	0
Overall balance	-2,389	-423	-10,925	42	-7,947	371	-3,879	1,946	2,084	2,654	1,822
Financing	2,389	423	10,925	-42	7,947	-371	3,879	-1,946	-2,084	-2,654	-1,822
Use of Fund credit (net)	-124	-160	-160	-266	-263	-320	-319	-286	-312	-398	-488
Increase in gross reserves from BoP flows (-)	-851	-1,170	-2,655	-1,224	-914	-785	540	-1,660	-1,772	-2,256	-1,334
Financing gap [3]	3,364	1,754	13,741	1,448	9,124	734	3,659	0	0	0	0
Memorandum items:	(Percent of GDP, unless otherwise indicated)										
Current account	-1.6	1.0	1.1	0.0	1.8	0.0	1.4	1.5	1.3	1.1	0.5
Capital and financial account	-1.8	-1.6	-13.8	0.0	-10.8	0.4	-5.6	0.5	0.7	1.3	1.1
Foreign direct investment (net)	1.6	2.2	2.1	2.6	2.3	2.8	2.7	3.0	3.0	3.0	3.0
	(Millions of US dollars, unless otherwise indicated)										
If financing gap is closed:											
Gross international reserves (program) [4]	3,661	5,381	6,404	6,905	8,366	7,789	7,926	9,585	11,358	13,614	14,948
Months of imports	1.5	2.3	2.6	2.8	3.3	3.0	3.0	3.5	3.9	4.5	4.8

Table 5. Ghana: External Financing Needs and Sources, 2023–30
(Millions of US dollars, unless otherwise indicated)

	2023	2024		2025		2026		2027	2028	2029	2030
	Actual	3rd ECF Review	Prel.	3rd ECF Review	Proj.	3rd ECF	Proj.	Proj.	Proj.	Proj.	Proj.
I. Total Needs	**3,728**	**1,879**	**2,850**	**2,339**	**6,662**	**2,757**	**110**	**2,451**	**2,709**	**3,514**	**3,289**
Current account deficit, excl. official transfers	1,289	-760	-924	-28	-1,596	-12	-1,312	-1,474	-1,355	-1,191	-566
PPG external debt amortization [1]	162	547	335	773	6,982	1,559	1,543	1,872	1,859	1,908	1,882
Gross reserves accumulation	851	1,170	2,655	1,224	914	785	-540	1,660	1,772	2,256	1,334
Repayments to the Fund	124	160	160	266	263	320	319	286	312	398	488
Other capital flows	1,301	762	623	105	98	105	99	107	121	143	151
II. Total Sources	**364**	**125**	**-10,891**	**891**	**-2,462**	**2,023**	**-3,549**	**2,451**	**2,709**	**3,514**	**3,289**
Grants	220	209	121	168	165	181	206	213	220	239	256
Private capital flows, net	-608	-803	-11,750	-15	-3,176	481	-4,993	62	438	592	449
Foreign direct investment, net	1,308	1,564	1,738	1,910	2,006	2,263	2,446	2,868	3,019	3,296	3,530
Other capital flows, net [2]	-1,916	-2,368	-13,488	-1,924	-5,182	-1,781	-7,439	-2,806	-2,581	-2,704	-3,081
Loan disbursements	752	719	739	738	549	1,360	1,238	2,176	2,051	2,683	2,584
Multilateral	560	538	555	402	299	382	382	775	731	826	688
World Bank	510	519	519	352	254	332	332	725	681	776	638
Others	50	19	36	50	45	50	50	50	50	50	50
Bilateral	188	182	184	336	250	422	300	335	320	320	320
Paris Club	113	91	173	211	125	297	175	210	195	195	195
Non-Paris Club	75	91	12	125	125	125	125	125	125	125	125
Private sector	5	0	0	0	0	556	556	1,067	1,000	1,537	1,576
Eurobonds	0	0	0	0	0	0	0	500	500	1,000	1,000
Other commercial	5	0	0	0	0	556	556	567	500	537	576
III. Financing Gap (I-II)	**3,364**	**1,754**	**13,741**	**1,448**	**9,124**	**734**	**3,659**	**0**	**0**	**0**	**0**
IV. Expected Sources of Financing	**3,364**	**1,754**	**13,741**	**1,448**	**9,124**	**734**	**3,659**	**0**	**0**	**0**	**0**
IMF	600	1,320	1,320	720	720	360	360	0	0	0	0
World Bank	27	390	390	728	886	374	487	0	0	0	0
AFDB	60	44	0	0	44	0	0	0	0	0	0
Debt restructuring-related flows [3]	2,677	0	12,031	0	7,474	0	2,812	0	0	0	0
Memo Items											
Gross International Reserves [4]	3,661	5,381	6,404	6,905	8,366	7,789	7,926	9,585	11,358	13,614	14,948
In months of prospective imports of G&S	1.5	2.3	2.6	2.8	3.3	3.0	3.0	3.5	3.9	4.5	4.8
Financing Gap (percent of GDP)	4.2	2.4	16.6	1.9	10.4	0.9	4.0	0.0	0.0	0.0	0.0

Sources: Ghanaian authorities; and Fund staff estimates and projections.

[1] 2025 includes estimated bilateral debt restructuring flows, with the nominal value of all outstanding debt service payments recorded as outflows (counter entry under exceptional financing).

[2] Large 2024 and 2026 portfolio flows result from debt restructuring accounting, with the nominal value of the debt exchanges recoded as outflows here (extinguishing old debt).

[3] Includes nominal value of debt exchanges, debt service payment deferrals since CoD, arrears clearance and debt relief (for bilateral debt).

[4] Excludes foreign assets held by Ghana Petroleum and Stabilization Fund, encumbered assets and pledged assets. Includes reserves accumulated from domestic gold purchases under the "gold for reserve" program which is not accounted in the increase in gross reserves from BoP flows.

Table 6. Ghana: Financial Soundness Indicators
(At end of year and in percent)

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Jun-24	Dec-24 *(prel.)*
Capital Adequacy 1/											
Regulatory capital to risk weighted assets	17.8	17.8	15.6	21.9	20.9	19.8	19.6	16.6	13.9	14.3	14.0
Regulatory Tier I capital to risk-weighted assets	14.6	14.4	13.5	21.0	19.1	17.9	17.7	14.9	11.0	11.5	11.1
Nonperforming loans net of loan-loss provision to capital	16.7	18.4	18.9	13.7	7.2	6.9	7.6	6.6	22.4	21.2	18.1
Asset Quality											
Nonperforming loans to total gross loans	14.7	17.3	21.6	18.2	13.9	14.8	15.1	14.8	20.6	24.1	21.8
Provisions to nonperforming loans	69.3	72.5	77.7	71.5	82.7	84.3	83.2	87.9	73.2	75.7	78.7
Profitability and Earnings											
Return on assets (after tax)	4.5	3.8	3.7	3.5	4.0	4.3	4.6	3.2	5.4	5.4	5.0
Return on equity (after tax)	21.7	17.7	18.6	16.6	18.8	21.2	20.4	14.1	31.7	34.2	30.8
Liquidity											
Liquid asset to total assets	48.4	53.7	56.0	58.6	59.3	63.0	64.7	61.7	65.7	67.5	66.9
Liquid asset to short-term liabilities	62.7	69.4	71.9	78.1	76.3	82.7	83.7	78.5	79.5	81.1	80.1

Source: Ghanaian authorities.

capital ratios for 2023 to end-2024 incorporate post-DDEP regulatory reliefs

Table 7. Ghana: Indicators of Capacity to Repay the Fund, 2025–2038

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Fund obligations based on existing credit (in millions of SDRs)														
Principal	198	214	233	296	362	288	315	216	153	0	0	0	0	0
Charges and interest	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Fund obligations based on existing and prospective credit (in millions of SDRs)														
Principal	198	76	78	81	83	86	88	91	93	95	98	100	103	105
Charges and interest	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Total obligations based on existing and prospective credit														
In millions of SDRs	231	246	264	328	394	453	507	408	345	192	58	32	32	32
In millions of US$	306	328	354	440	529	611	683	550	464	258	78	42	43	43
In percent of gross international reserves	3.7	4.1	3.7	3.9	3.9	4.1	4.1	3.0	2.3	1.2	0.3	0.2	0.2	0.1
In percent of exports of goods and services	1.0	1.1	1.1	1.3	1.5	1.7	1.8	1.4	1.2	0.6	0.2	0.1	0.1	0.1
In percent of debt service [1]	10.7	8.7	8.3	9.9	11.1	12.2	12.8	9.6	7.7	4.0	1.1	0.6	0.6	0.6
In percent of GDP	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.3	0.2	0.0	0.0	0.0	0.0
In percent of quota	31.3	33.3	35.8	44.4	53.3	61.4	68.7	55.3	46.7	26.0	7.9	4.3	4.3	4.3
Outstanding Fund credit														
In millions of SDRs	2,851	2,878	2,664	2,431	2,135	1,773	1,351	876	500	187	27	0	0	0
In millions of US$	3,786	3,845	3,566	3,263	2,870	2,389	1,821	1,180	673	252	36	0	0	0
In percent of gross international reserves	45.3	48.5	37.2	28.7	21.1	16.0	10.8	6.5	3.3	1.1	0.2	0.0	0.0	0.0
In percent of exports of goods and services	12.7	12.4	11.2	9.9	8.3	6.7	4.9	3.1	1.7	0.6	0.1	0.0	0.0	0.0
In percent of debt service [1]	132.4	101.6	83.8	73.7	60.5	47.7	34.0	20.6	11.2	3.9	0.5	0.0	0.0	0.0
In percent of GDP	4.3	4.2	3.7	3.2	2.6	2.0	1.4	0.9	0.5	0.2	0.0	0.0	0.0	0.0
In percent of quota	386.3	390.0	361.0	329.5	289.3	240.3	183.1	118.7	67.7	25.3	3.6	0.0	0.0	0.0
Net use of Fund credit (in millions of SDRs)	304	20	-264	-328	-394	-453	-507	-408	-345	-192	-58	-32	-32	-32
Disbursements	535	266	0	0	0	0	0	0	0	0	0	0	0	0
Repayments	231	246	264	328	394	453	507	408	345	192	58	32	32	32
Memorandum items:														
Nominal GDP (in millions of US$)	88,098	92,015	96,495	101,414	110,352	118,153	126,531	135,517	145,153	155,487	166,733	178,806	191,556	205,230
Exports of goods and services (in millions of US$)	29,728	31,131	31,957	32,932	34,476	35,564	36,933	38,210	39,621	41,138	42,770	44,528	46,427	48,542
Gross international reserves (program, in millions of US$)	8,366	7,926	9,585	11,358	13,614	14,948	16,800	18,258	20,098	21,959	23,774	25,662	27,715	29,876
External debt service (in millions of US$)	2,860	3,786	4,255	4,425	4,745	5,006	5,356	5,740	6,021	6,406	6,969	7,435	7,456	7,573
Quota (millions of SDRs)	738	738	738	738	738	738	738	738	738	738	738	738	738	738

Sources: IMF staff estimates and projections.

[1] Includes prospective PRGF disbursements of SDR 387.45 million (105 percent of quota).

Table 8. Ghana: Access and Phasing Under the Arrangement, 2023–26
(Units as indicated)

Availability Date	Conditions[1]	Disbursements		
		Millions of SDRs	Millions of U.S. dollars	Percent of Quota[2]
May 17, 2023	Board approval of the Extended Credit Facility	451.4	600	61
November 1, 2023	Observance of end-June 2023 performance criteria, completion of first review	451.4	600	61
May 1, 2024	Observance of end-December 2023 performance criteria, completion of second review	269.1	360	36
November 1, 2024	Observance of end-June 2024 performance criteria, completion of third review	269.1	360	36
May 1, 2025	Observance of end-December 2024 performance criteria, completion of fourth review	267.5	360	36
October 31, 2025	Observance of end-June 2025 performance criteria, completion of fifth review	267.5	360	36
April 16, 2026	Observance of end-December 2025 performance criteria, completion of sixth review	265.9	360	36
Total		**2,241.9**	**3,000**	**304**
***Memorandum item*:**				
Ghana's quota		738		

Source: IMF.

[1] Observance of performance criteria includes both periodic and continuous performance criteria.

[2] Rounded values.

Annex I. Risk Assessment Matrix[1]

Nature/Sources of Risk	Likelihood	Potential Impact	Policies to Mitigate Risks
		Conjunctural Risks	
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	***High***	***High***: Disruptions in trade of food, energy, and fertilizer could worsen inflation and create social discontent. A stronger USD and lower FDI will put pressure on the BoP—including affecting the imports, external debt service, financial flows.	• Build external buffers under the program. • Reduce trade concentration risks • Implement structural reforms to boost competitiveness and support economic diversification • Improve governance and the business environment
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows	***Medium***	***High***: Ghana may not be able to import needed goods, particularly food, the cost of imports may surge. The uncertain environment and investor risk aversion may depress financial inflows, including FDI.	• Build external buffers under the program. • Implement structural reforms to support domestic production / import substitution /economic diversification. • Improve governance, business environment to attract investors
Commodity price volatility. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	***Medium***	***High***: Possible issues with essential commodity imports or their costs. A steep drop in commodity prices due to a global slowdown could weigh on exports and growth, raising social tensions in an already difficult economic situation.	• Improve governance, business environment to support domestic commodity production, processing (e.g., fuel refining), diversification. • Enhance social protection to shield the vulnerable from price / supply shocks
Social discontent. Real income loss, spillovers from conflicts, dissatisfaction with migration, and worsening inequality ignite social unrest, populism, polarization, and resistance to reforms or suboptimal policies. This weakens growth and leads to policy uncertainty and market repricing.	***Medium***	***High***: Social unrest in Ghana could slow down and/or delay reforms under the program	• Take measures to strengthen governance and anti-corruption frameworks. • Implement orderly fiscal consolidation. • Strengthen social and financial safety nets.
Tighter financial conditions and systemic instability. Higher-for-longer interest rates and term premia amid looser financial regulation, rising investments in cryptocurrencies, and higher trade barriers trigger asset repricing, market dislocations, weak bank and NBFI distress, and further U.S. dollar appreciation, which widens global imbalances, worsens debt affordability, and increases capital outflow from EMDEs.	***Medium***	***High***: Global factors exacerbate the impact of large domestic debt haircuts to banks holdings of sovereign claims on banks' capital adequacy and adversely affect their capacity to lend and dampen credit to the private sector and economic activity	• Strengthen financial safety nets and closely monitor bank and NBFIs liquidity as well as asset quality. • Design an adequate bank and NBFIs recapitalization strategy. • Encourage acquisition, mergers if needed.

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Nature/Sources of Risk	Likelihood	Potential Impact	Policies to Mitigate Risks
Domestic Risks			
Delays in debt restructuring negotiation and implementation	***Medium***	***High***: Delayed financing would risk further lowering FX reserves, excessive depreciation and therefore inflation, resulting in social instability	• Engage with creditors and provide needed data and information to mitigate the risk of undue delay to Board approval of program reviews
Domestic policy slippages.	***High***	***High***: With debt sustainability in question and IFI financing delayed, a BOP financing gap would emerge, the exchange rate and FX reserves would come under pressure, inflation would rise. Deviations from the programmed revenue path would widen fiscal imbalances with ensuing implications for achievement of debt sustainability.	• Firm commitment to program implementation to ensure full fiscal and external adjustment, continued exceptional financing. Closely interact with development partners to ensure adequate BOP financing.

Annex II. Capacity Development Activities

1. **The Fund's capacity development (CD) strategy for Ghana is aligned with the ECF-supported program's objectives.** Ghana continues to benefit from substantial Fund TA in several areas that are key for program implementation (Table 1). The IMF CD agenda has been provided in close collaboration with the Regional Technical Assistance Center for West Africa 2 located in Accra, as well as with other international partners, including the World Bank.

Table 1. Ghana: Identified Priorities for IMF Capacity-Development Activities

Area	Capacity Building Activity	Objective – Link to Program Priorities	Status
Tax policy	TA on tax diagnostics	Support the authorities' efforts to identify tax policy measures to increase domestic resource mobilization.	Completed in December 2022
	TA on fiscal regime for the extractive industry	Support the authorities' efforts to modernize the fiscal regime for mining and petroleum, improving transparency and governance, and making the system more efficient and robust to strategic tax behavior.	Continuous CD program
	TA on VAT reform	Support the authorities' efforts to reform the Value Added Tax regime and advise on reform options	Completed in early 2025
Revenue administration	TA on core functions of GRA and MTRS	Strengthen revenue administration to increase tax compliance. Help the authorities prepare their MTRS implementation and conduct the mid-term review.	Continuous CD program
	TA on VAT administration	Further strengthen VAT compliance and administration	Completed in mid-2025
Expenditure policy	TA on PURC electricity tariff formula review	Reviewing PURC methodology for quarterly adjustment of electricity tariffs to reduce discretion and ensure that observed macroeconomic developments are fully and timely reflected in the tariff adjustment	Expected in early 2025
	TA on energy subsidies	Providing assistance to the authorities in energy subsidy reform and the implementation of the energy sector recovery program.	Completed February 2024
Public financial management	TA on fiscal rule and fiscal council	Strengthen fiscal framework and institutions to underpin durable fiscal adjustment.	Completed in mid-2024
	TA on cash management	Improve cash management to reduce the risk of arrears buildup	Continuous CD program
	TA on public investment management	Improve the monitoring of capital expenditure and ensure rigorous selection process of public projects. PIMA and C-PIMA.	Completed in mid-2025
	TA on Financial Oversight of State-Owned Enterprises	Strengthen the financial oversight of State-Owned Enterprises	Expected in H2 2025
	TA on commitment controls and PFM compliance	Strengthen PFM controls to prevent accumulatio of arrears	Expected in H2 2025

Table 1. Identified Priorities for IMF Capacity-Development Activities (concluded)

Area	Capacity Building Activity	Objective – Link to Program Priorities	Status
Debt Management	TA on secondary market operations strategy	TA to support post-DDEP resumption of the domestic secondary market and trading of restructured bonds.	Expected in H1 2025
	TA on medium-term debt management	Support the development of a medium-term debt management strategy	Requested
Central bank operations	TA on policy solvency	Revisit and operationalize the policy model/framework for assessing policy solvency and conducting scenario analysis, and institutionalize annual updates	Requested
	TA on operational efficiency	Support the conduct of operational efficiency reviews every five years, in alignment with international best practice.	Requested
Monetary and exchange rate policy	TA on assessing BoG's balance sheet	Help the authorities assess the impact of the domestic debt restructuring. Develop strategy to ensure adequate capitalization and capacity to execute monetary policy operations.	Completed in May 2023
	TA on FX auction design	Support improvement of FX auction design to ensure a unified and flexible exchange rate and create conditions for FX market deepening.	Completed in December 2023
	TA on FX intervention framework	Support operationalization and full execution of the model framework from earlier FX TA. Support preparation on BoG internal FX intervention policy.	Requested
	TA on new Foreign Exchange Act	Support necessary upgrading of the legislation and ensuring consistency of powers and tools in relation to updated operations	Requested
	TA on Monetary Policy Communication	Support retuning and strengthening of the Bank of Ghana's communications on monetary policy	Requested
Macroprudential	Macroprudential framework	Support strengthening of macro-prudential assessment and tools for macroprudential analytical policy and macro-stress testing.	Expected in May or June 2025
	Macroprudential analytical tools	Support enhancement of the macro-prudential policy toolkit including the calibration of risks and buffers to manage key exposures.	Requested
Resolution	TA on resolution framework	Support review of identified weaknesses in the resolution framework including to address gaps in the areas of financing, safeguards and legal powers, and tools	Requested

Appendix I. Letter of Intent

Accra June 17, 2025

Madam Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431
USA

Dear Madam Georgieva:

1. Following the 2024 general elections, a newly elected administration has taken office. Our government intends to continue bolstering economic resilience by pursuing prudent macroeconomic policies and reforms geared at reducing debt vulnerabilities and supporting sustainable and inclusive development.

2. Unfortunately, we inherited a significant deterioration in performance under the ECF-supported program. Large fiscal slippages in 2024 have led to a backtracking on fiscal adjustment, inflation ended the year at a higher-than-programed level, and several reforms were delayed. We are taking strong actions to address the policy slippages and reform delays, and are confident that these efforts will allow us to meet program objectives.

3. In the attached update to the Memorandum of Economic and Financial Policies (MEFP) from June 17, 2025, we confirm our strong corrective actions and commitment to the policies, reforms, and objectives of Ghana's economic program supported by an IMF arrangement under the Extended Credit Facility (ECF). We also describe the progress made since the third review under the ECF, and steps we endeavor to take to meet our objectives.

4. Program implementation deteriorated markedly in the second half of 2024 reflecting significant policy slippages on the back of unfunded expenditure commitments and persistently high inflation. While all end-December 2024 performance criteria (PCs) and continuous performance criteria were met, we missed the end-December 2024 indicative target (IT) on the net accumulation of payables and inflation remained above the higher band of the Monetary Policy Consultation Clause, triggering a consultation with the IMF Board (see Attachment III). Regrettably, eight out of twelve structural benchmarks (SBs) due through end-June 2025 were missed. Among those not met, the publication of the Validation Report of ECG Revenue/Collection Accounts audit for 2023Q4 and 2024 was completed in February 2025, as the audit covered a longer period than mandated by the SB; while the implementation of the quarterly electricity tariff adjustment was resumed on May 1, 2025. The full integration of Ghana's procurement system (GHANEPS) with the existing public information management system (GIFMIS) was implemented in May, while the preparation of a forward-looking restructuring plan for NIB was completed on May 15 and we brought NIB's capital adequacy ratio in positive territory through recapitalization (all as prior actions for the review). We also have enacted a revamped fiscal responsibility framework, prepared in collaboration with the Fund, and adopted (at cabinet level) a strategy to open ECG's operations to the private sector, completing two end-September structural benchmarks ahead of schedule.

5. In addition, we have taken a series of actions to ensure the program remains on track. These include: i) increasing the Bank of Ghana (BoG) policy rate by 100 basis points; ii) passing a 2025 Budget targeting a 1.5 percent primary surplus in 2025; iii) enacting amendments to the Public Financial Management and Public Procurement legislations to address the structural vulnerabilities that led to the large accumulation of payables in 2024; iv) launching a comprehensive audit of the spending commitment and arrears at end-2023 and end-2024 that is expected to be completed by end-August 2025; and v) resuming quarterly electricity tariff adjustments in April 2025.

6. We have continued to make good progress on our comprehensive debt restructuring strategy. Following completion of our domestic debt restructuring in 2023 and of the Eurobond exchange last year, the Memorandum of Understanding (MoU) between the government of Ghana and its Official Creditor Committee under the G20 Common Framework was signed by all parties in January. We are now working with these individual creditors on bilateral agreements to implement the MoU. We are also conducting "good faith" negotiations with other external creditors to achieve debt relief consistent with program parameters and on comparable terms.

7. Based on the strength of the policies outlined in this letter and the attached MEFP, we request completion of the fourth review, completion of the financing assurances review, and a disbursement of SDR 267.5 million. We also request a modification of the nominal fiscal objectives (primary balance QPC and non-oil revenue IT) through end-December 2025 to reflect macroeconomic developments having led to a higher nominal GDP projection, with a view to keeping the fiscal effort relative to GDP as envisaged under the program. We are also requesting a change in the TMU to broaden the coverage of public entities, improve the monitoring of energy sector payables for the primary fiscal balance PC and the central government payables IT, and clarify exceptions to the BoG claims. The MPCC bands for September and December 2025 were raised to reflect the higher starting point and provide a credible disinflation path in 2025. We also set indicative targets for end-March 2026.

8. The program will continue to be monitored through semi-annual reviews, with quantitative performance criteria and indicative targets described in the attached MEFP and Technical Memorandum of Understanding (TMU). It also includes a series of structural benchmarks covering reform areas that are critical to achieve program objectives as well as continuous performance criteria related to exchange restrictions and multiple currency practices in the context of the Article VIII. The government is committed to providing the IMF with information on the implementation of the agreed measures and the execution of the program, as provided for in the attached TMU.

9. Should further measures be necessary, we will consult in advance with the IMF on their adoption, in accordance with applicable IMF policies. We are committed to working closely with IMF staff to ensure that the program is successful, and we will provide the IMF with the relevant information necessary for monitoring our progress.

10. Consistent with our commitment to transparency in Government operations, we agree to the publication of all the documents submitted to the IMF Executive Board in relation to this request.

Sincerely yours,

____________/s/____________
Dr. Cassiel Ato Forson (MP)
Minister for Finance

____________/s/____________
Dr. Johnson Pandit Asiama
Governor, Bank of Ghana

cc: Secretary to the President, Jubilee House, Accra

Attachments:
Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

This memorandum updates previous MEFPs under the current ECF-supported program. It provides an overview of the progress achieved thus far under our program as well as updated information on our assessment of macroeconomic developments and prospects. It outlines the policies and reforms we will implement to achieve our objectives of fully restoring macroeconomic stability and debt sustainability, as well as supporting economic growth.

PROGRAM PERFORMANCE, RECENT ECONOMIC DEVELOPMENTS, AND OUTLOOK

1. Program implementation faced significant challenges in the second half of 2024:

- Reflecting large expenditure overruns funded through the accumulation of payables, the primary balance on a commitment basis recorded a deficit of 3.3 percent of GDP compared to a budget target of 0.5 percent of GDP.
- Inflation remained high, exceeding program target bands, and the Bank of Ghana (BoG)'s inflation target.
- Implementation of key structural reforms slowed down significantly.

2. As a result, several targets under the IMF-supported Program were missed, especially in the fiscal and fiscal structural areas.

- While all end-December 2024 performance criteria (PC) and continuous performance criteria were met, two indicative targets (ITs) were missed (see Table 2). In particular, the large accumulation of payables (3.9 percent of GDP) was reflected in the related IT. Moreover, inflation exceeded the Monetary Policy Consultation Clause (MPCC)'s higher outer band in December, triggering a consultation with the IMF Board.
- All three structural benchmarks (SBs) due through end-December were missed (Table 3).

3. Since taking office, the new administration has taken bold corrective measures to realign program performance with expectations. The 2025 Budget will allow us to remain on track to reaching a primary balance surplus of 1.5 percent of GDP in 2025, consistent with program objectives (***end-March 2025 SB***). We also enacted amendments to the PFM and Public Procurement Acts to respectively accelerate implementation of an enhanced fiscal responsibility framework prepared in collaboration with the IMF (***end-September 2025 SB***) and strengthen control on new spending commitments. We also resolved the technical challenges that prevented a timely implementation of the full integration of the Ghana Electronic Procurement System (GHANEPS) with the Ghana Integrated Financial Management Information System (GIFMIS), an ***end-December 2024 SB*** under our program (***prior action***). To curb inflation and anchor expectations, the Bank of Ghana (BoG) raised its policy rate by 100 basis points in the March 2025 Monetary Policy Committee (MPC) meeting and took additional steps to enhance monetary policy implementation. Moreover, we published the audit of Electricity Company of Ghana (ECG) collections and uses in February 2025—which covered a longer period than mandated by the ***end-January 2025 SB***—and resumed implementation of the quarterly electricity tariff adjustments in May (***quarterly SB***). In May, we also completed a forward-looking overarching restructuring plan for NIB (***end-March 2025 structural benchmark and then prior action***) and have now recapitalized NIB (***prior action***) to ensure a non-negative Capital Adequacy Ratio (CAR) and full compliance with the minimum CAR of 13 percent (without forbearance), ahead of the end-2025 timeline. We will also submit to Parliament the amendments to the Bank of Ghana Act in June (***end-May structural benchmark***).

4. Against this backdrop, the resilience of the economy has exceeded expectations:

- Economic activity has continued to rebound, with real GDP growth accelerating to 5.7 percent in 2024. This acceleration was relatively broad-based across sectors, particularly in mining and construction. From an expenditure perspective, growth was driven by household consumption and a sharp recovery in both public and private investment.

- From 23.8 percent in December 2024, inflation has moderated to 18.4 percent year-on-year in May 2025, with food inflation at 22.8 percent largely contributing to the headline figure.

- The external sector saw a strong performance in 2024 on the back of large gold exports, some recovery of the cocoa sector, and strong remittance flows. The surplus in the goods trade balance increased to 4.4 percent of GDP in 2024, from 2.2 percent in 2023. Given recent international developments, the strong performance in gold exports is set to continue, while high cocoa prices are also supportive of the external sector. Remittances have been growing strongly in line with better recording of FinTech remittance data. The current account (CA) stood at 1.1 percent of GDP at end-December 2024 (3.6 percent non-interest CA), up from -1.6 percent at end-2023 (1 percent non-interest CA). Our gross international reserves (GIR) significantly outperformed initial projections reaching US$6.4 billion (2.6 months of prospective imports) at end-December 2024. At end-March 2025, GIR stood at about US$7.6 billion (3 months of prospective imports). This remarkable improvement was achieved through an expansion of domestic gold purchases and valuation effects on BoG gold holdings, which more than offset continued low proceeds from cocoa and significant energy sector payments.

5. Reflecting a tightening of macroeconomic policies, we expect growth to slow down in 2025. We expect growth to decelerate to 4 percent in 2025 (revised down from the 4.4 percent at the time of the third ECF review) and to gradually increase toward its long-term potential of around 5 percent in subsequent years, as macroeconomic stability is fully restored, and structural reforms accelerate—boosting confidence, private investment and productivity. Although revised up, inflation is expected to decline, given the continuation of restrictive monetary and fiscal policies, reaching 12 percent by end-2025. It will be brought down to the BoG's medium-term target of 8±2 percent in 2026. The current account is projected to remain in surplus in the medium term on the back of high gold prices and consequently a large trade surplus, although significant uncertainty exists given volatile international commodity prices and demand in the current environment. Reserve buffers will be rebuilt to 3 months of import cover by the end of the current year.

MACROECONOMIC POLICIES AND STRUCTURAL REFORMS

6. Our program's overarching objectives remain to restore macroeconomic stability and debt sustainability, while supporting strong and inclusive growth, and poverty reduction. Our reform program, as laid out in the 2025 Budget Statement, and Medium-Term National Development Policy Framework (2022-25) are designed to address the challenges facing the economy, support structural reforms to promote efficiency and competitiveness, and improve the living conditions of our population. Their key components include (i) restoring public debt sustainability and fiscal discipline by completing our comprehensive debt restructuring and continuing to streamline spending and bolster domestic revenue mobilization; (ii) strengthening social safety nets; (iii) a more flexible exchange rate and appropriately tight monetary policy; and (iv) deep structural reforms to anchor economic stability and drive stronger and more inclusive growth while reducing poverty.

A. Fiscal Policy

7. The new administration is committed to pursuing an ambitious and lasting fiscal adjustment to support our goal of restoring debt sustainability. Our fiscal consolidation strategy is centered on durable measures to improve revenue collections and rationalize expenditures, while protecting social program spending and creating space for development expenditures in priority areas. Our program objective remains achieving a primary surplus of 1.5 percent of GDP on commitment basis by 2025 and to maintain it thereafter, consistent with the provisions in our revamped fiscal responsibility framework (¶44). This effort will be supported by a number of reforms:

- *On the revenue side*, consistent with our Medium-Term Revenue Strategy (MRTS), we will strengthen revenue mobilization by reducing tax expenditures and simplifying the tax system to enhance its efficiency and fairness (¶11), while enhancing enforcement and compliance.
- *On the expenditure side*, we will achieve significant savings by i) eliminating selected programs with limited value for money, ii) limiting budget allocations to MDAs, and iii) rationalizing the operations of several earmarked funds (e.g., GIIF and MIIF, Road Fund). Some of the resources freed by these reforms will be used for new infrastructure priorities and an expansion of social protection programs.

8. The fiscal slippages that took place in 2024 reflected the interplay between the electoral cycle and structural weaknesses in our PFM systems. Against the backdrop of rising election-related spending pressures, expenditure overruns mainly emanated from structural vulnerabilities in budget execution and reporting procedures. Notably, the limited ability of the Ministry of Finance (MoF) to: i) prevent Ministries, Departments and Agencies (MDAs) from engaging in procurement and signing of new contracts — or modification of signed contracts ("variations") — consistent with the approved budget; ii) enforce alignment between procured amounts and budgeted resources; iii) ensure that expenditure execution remains on budget; and iv) monitor timely payables originated outside the GIFMIS. We are committed to addressing these vulnerabilities forcefully and have already taken several actions in that regard (¶).

9. We have developed a multipronged strategy to address the impact and root causes of the 2024 fiscal slippages. Our strategy builds on existing PFM reforms and envisages a set of new immediate and medium-term policy and structural measures that we have already started implementing.

- *We took the following immediate measures*:
    - Instructions to all MDAs to reverse new hires of public servants and halt projects associated to the 2024 slippages with interruption of associated payment of claims.
    - Issuance of a Presidential circular to MDAs reemphasizing the PFM sanctions heads of MDAs and other relevant public officers would be subject to in case of contraventions to the PFM Act.
    - Enactment of a 2025 Budget consistent with the IMF-supported program target (¶).
    - Enactment of amendments to the Public Procurement Act to strengthen control on the origination of new procurement and introduce new sanctions for public officials who approve unauthorized commitments (¶).
    - Enactment of amendments to the PFM act to adopt, ahead of schedule (***end-September 2025 structural benchmark***), an enhanced fiscal responsibility framework (¶44). The amendments also envisage sanctions for either the head of a covered entity or a Minister of State in case of fiscal slippages.
    - Launch of a comprehensive audit on the commitments and stock of arrears at end-2024, with the support of reputable international firms (¶43). The audit started in April and is expected to be completed by end-August (***structural benchmark***).
    - Bolstering the role of the PFM compliance desk to identify breaches and ensure observance of PFM provisions.
- *We envisage to implement the following medium-term measures with the assistance of the IMF:*
    - Use the findings of the audit on the 2024 commitments and arrears to drastically curtail the scope of payables and commitments—including canceling projects not yet started or

rescoping those not recognized as priority, legally challenge the payables disqualified by the audit, and enforce sanctions under the PFM Act to strengthen accountability.

- Adopt a timebound plan to gradually clear the validated payables consistent with the fiscal objectives under the Fund-supported program.

- Strengthen public investment management consistent with the recommendations from a recent IMF Public Investment Management Assessment (PIMA) mission (¶46). In that respect, we will expand the scope and use of GHANEPS. We will amend our regulations/procurement Act to reduce the scope for exceptions to undertaking competitive procurement (***new end-December 2025 structural benchmark***)

- The Ministry of Finance will update the centralized inventory of all ongoing and planned projects, and, on this basis, cabinet will approve plan to cancel, rescope, and rephase the projects drawing on the audit on 2024 commitments (based on the status of their execution and their value for money with a view to bring commitments in line with available resources) (***new end-September 2025 structural benchmark***). This will help enhance planning, address phasing issues, reduce costs, and underpin achievement of the primary balance (commitment basis) objectives.

10. The approved 2025 Budget (end-March SB) aims at bringing the fiscal path back on track to achieve the program objectives. Such objectives notably include achieving a primary surplus (on commitment basis) of 1.5 percent of GDP on the back of a 0.6 percent of GDP improvement in non-oil revenue collection (on annual basis) and continued efforts to rationalize primary expenditures. New revenue measures in the 2025 Budget include the elimination of some VAT exemptions (including on the supply of residential properties, which was enacted last year but not implemented), an increase in the Growth and Stability Levy on gold mining companies from 1 percent to 3 percent, a reduction in the allocations to tax refund account, and tax amnesty for individuals. We estimate the yields of these measures would more than offset the revenue loss from the elimination of the e-levy and the winnings from lottery. On the expenditure side, we have included in our Budget measures to contain primary spending—including maintaining public sector wage increases within budgetary constraints, capping foreign loan-financed capital expenditure to US$550mn, limiting spending on goods and services, rationalizing the operations of several earmarked funds and streamlining some low value-added programs—while making space for new infrastructure priorities and enhancing social spending consistent with our commitments under the IMF program (see below).

11. We are planning to adopt a comprehensive reform of the VAT in the 2026 budget. The reform aims to streamline the tax system, including by folding into the VAT a number of existing levies, adjusting the VAT threshold and rate, and eliminating some exemptions. These VAT policy reforms will be accompanied by steps to bolster our capacity to administer the VAT, fight evasion, and enhance collections. The specific measures under this reform are being designed with the support of IMF technical assistance (TA).

12. We stand ready to deploy contingency measures, if need be. In the face of shocks or in case of pressures stemming from the unforeseen carry-over effects from the 2024 slippages, we stand ready to fast track implementation of measures. On the revenue side, we could bring forward the implementation of some of the measures in our Medium-Term Revenue Strategy (MTRS). On the spending side, we stand ready to adjust / reprioritize MDAs' budget allocations if needed to address overspending and/or the materialization of fiscal risks. We would also adjust quarterly spending allotments if warranted based on cash forecasts and conditions in the domestic debt market.

13. Fiscal adjustment beyond 2025 will continue to be underpinned by a combination of domestic revenue mobilization and spending rationalization efforts. The government's objective is to enact measures that will permanently raise the non-oil revenue-to-GDP ratio by at least 0.5 percentage points of GDP in 2026, with a view to achieving a non-oil revenue-to-GDP ratio of 15.3 percent in 2026. Non-priority spending will continue to be streamlined, underpinned by spending reviews and reforms to statutory funds.

B. Social Protection

14. We have continued to strengthen our social protection programs aimed at protecting the most vulnerable from the impact of high inflation and ongoing policy adjustment. The approved 2025 Budget increased the allocation for the social protection programs by 0.34 percentage points to 0.91 percent of GDP. The rationalization of several earmarked funds has allowed extra resources to be allocated to support social protection. We are reassessing the beneficiaries of the Livelihood Empowerment Against Poverty (LEAP) cash transfer program to improve the targeting towards the extreme poor and aim to increase the number of beneficiary households from 350,000 to 400,000 by end-September (***structural benchmark***). The automatic inflation indexation of the LEAP benefit is being implemented to preserve its real value. We have also increased the budgetary allocation to the Ghana School Feeding Program (GSFP) by 33 percent to help compensate for the high food inflation experienced in recent years. For the health sector, we have uncapped the allocation to NHIF under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). This will enable the National Health Insurance Scheme (NHIS) to honor its claim payments, purchase essential vaccines and medicines, make up for any shortfall of foreign aid, and implement new initiatives such as Free Primary Healthcare. To support basic education, we increased the allocation to the Capitation Grant by 73 percent. We remain committed to enhancing the operational efficiency and accelerating the execution of these programs to ensure achievement of the 2025 social spending objectives under the program.

15. We are also taking action to address delays in disbursing resources to beneficiaries of social programs monitored under the Fund-supported program. The delays in releases from CAGD to beneficiary MDAs have been reduced except for National Health Insurance Scheme (NHIS) which is largely due to delays in submission of invoices. We are redoubling our efforts to simplify administrative procedures and ensure timely disbursements of our social protection programs. To shorten the delays in disbursement of benefits under the NHIS, we aim to complete the update of the tariff schedule by end-June 2025 in collaboration with the WB. We also intend to improve transparency and to monitor these programs by publishing the quarterly budget execution report to be submitted by the relevant MDAs.

16. We are undertaking reforms to further expand our social protection programs, while improving their operational efficiency. Over the medium-term, our goals remain to: i) gradually further expand the LEAP coverage (to extreme poor and poor households) and increase the benefits to 20 percent of pre-transfer household consumption, ii) increase the GSFP meal benefit to cover 30 percent of children's daily calory need, and iii) reach universal health care coverage and broaden the medical interventions covered by NHIS while achieving operational efficiencies in the NHIS through measures such as reducing administrative cost, digitalization, and enhanced medical audits. We will ensure the statutory fund reform will protect these highly targeted national health insurance programs. We will also recalibrate the expenditure portfolio of MDAs responsible for social spending to improve alignment with SDG targets and step up targeted and well-designed interventions.

C. Public Debt Management Strategy

17. We remain committed to completing our comprehensive public debt restructuring to restore public debt sustainability. The restructuring has been anchored by our objective of restoring a moderate risk of debt distress (as per the IMF-WB LIC-DSF) by 2028, which entails bringing five external and overall debt ratios below their respective thresholds. Notably, we aim at reducing the ratio of the net present value of public debt to GDP to 55 percent and the ratio of external debt service to revenues to 18 percent. The debt service relief from the external debt restructuring will also help ensure our program is fully funded through 2026.

18. After completing our domestic debt restructuring in 2023, we have made good progress on the external debt restructuring. Following agreement on a Memorandum of Understanding (MoU) with our Official Creditors Committee (OCC) under the G20 Common Framework in June 2024, we have secured the signatures of all OCC members and are working with creditors on bilateral agreements to implement the MoU. We finalized the restructuring of our Eurobonds in October 2024. We are also continuing to make "good-faith" efforts to reach collaborative agreements with our other external commercial creditors on comparable terms and consistent with program parameters. To this end, we are already working on debt restructuring proposals with the other major commercial creditors.

19. We are strictly controlling external project disbursements to ensure budget execution remains consistent with program parameters. We continue to refine our prioritization strategy to ensure that the pace of disbursements of externally-funded projects—including those projects funded by our bilateral partners and signed before December 2022 and those for which debt was contracted thereafter—is compatible with program parameters and debt sustainability. Disbursements on bilateral and commercial projects signed before December 2022 are capped at US$250 million per year until 2026. The 2024 disbursements were US$ 184.4 million and disbursements amounting toUS$250 million has been projected for 2025. We have also decided to restrict project loan disbursements by multilaterals to ensure strict adherence to our primary balance targets and reduce future external liabilities. The total multilateral envelope is limited to US$300 million in the 2025 budget. We are working closely with our partners to prioritize the projects.

20. Debt management will continue to focus on ensuring sufficient domestic financing in the near term and on structural market improvements over the medium-term. Since 2022, we have heavily relied on the issuance of T-bills to finance the government deficit. As the macroeconomic situation continues to normalize, we are now actively preparing for the gradual resumption of domestic bond issuances in 2025, with a strategy to initially issue T-bonds with maturities beyond 2028 to smoothen our debt service profile. While we may initially rely on private placements to meet auction shortfalls, we will favor competitive auctions once the demand for domestic bonds is more firmly established. We will also look for opportunities to encourage the non-resident investors participation to reduce the current concentration risk and kickstart the domestic market, while remaining within our Fund-supported program parameters. We will also increase our surveillance on debt issuance from SOEs and other public entities, strictly limit and monitor collateralized debt issuance, strictly limit borrowing on non-concessional terms, and ensure that debt payments are made on time. To improve debt transparency, we will publish our Annual Public Debt Report for 2024 in June 2025. By June 2025, we will develop and publish a revised medium-term debt management strategy based on the approved 2025 Budget.

21. We are working hard to improve our capacity for debt management and market development. To this end, we have requested IMF TA to support capacity building in debt sustainability analysis and liability management at the MoF's Debt Management Office. We are also reflecting on an institutional reform to strengthen the Office's role in ensuring a sustainable medium-term financing strategy. This includes post-debt restructuring market development and, establishment of an Investment Relations Unit with the required skill set and tools for effective engagement with the investor community and credit rating agencies. We aim to upgrade the current securities operation infrastructure (CS-DRMS) used by the Debt Management Office to a modern system by end-August 2025. The implementation strategy will seek to integrate all state institutions involved in the process of contracting and servicing of public debt with the aim of digitalizing the process to increase the pace of debt service processing, improve the accuracy of debt recording and accounting, and improve debt transparency among relevant state institutions. This system will enhance debt analysis and promote greater efficiency in public debt management. As a key immediate priority to ensure stronger program monitoring, we will strengthen monitoring of borrowing and contingent liabilities stemming from operations of key SOEs such as COCOBOD, GOLDBOD, ECG, VRA, GWCL, TOR, GNPC, GNGC, and BOST as well as any collateralized debt issuance.

D. Monetary and Exchange Rate Policies

22. The BoG is undertaking corrective measures ahead of its monetary policy consultation *(MPCC, TMU Section II)* with the IMF Board. CPI inflation has overshot the MPCC upper outer band in both December 2024 and March 2025. Supply side factors have contributed to a very elevated food inflation, which in turn has had a large impact on the headline rate. However, non-food inflation remains higher than-expected and well above the BoG's target inflation rate. To address the situation, we have tightened monetary policy (¶2323) and are taking measures to improve monetary policy implementation (¶2424).

23. We will continue to maintain a tight monetary policy stance until inflation is firmly on track to reach the BoG's target. We aim to bring inflation back to the Bank of Ghana's medium-term objective of 8 ±2 percent in 2026, slightly later than previously expected. To achieve this objective, the BoG's monetary policy committee (MPC) increased the policy rate by 100bps to 28 percent at its March meeting. MPC decisions will continue to be data-dependent, mindful of the need to maintain a sufficiently high positive real policy rate until the disinflation process is completed. The BoG stands ready to adjust the policy stance to ensure that inflation evolves as envisaged under our ***monetary policy consultation clause***.

24. We are committed to improving monetary policy implementation to achieve our inflation objectives. The BoG will gradually make open market operations (BoG bills) the primary instrument for liquidity absorption, and thus reduce reliance on the unremunerated cash reserve ratio (CRR). BoG Bills outstanding more than doubled between end-2024 and end-April 2025, reaching a record of GHS 44 billion. The BoG will supplement its toolkit by adding a 273-day BoG bill to manage long-term liquidity, in addition to the 56-day bill currently in use. Increasing BoG bill issuance will improve the transmission of our policy rate to the financial system. To this end, we will continue to ensure that 56-day bills' pricing is consistent with this objective. The 273-day BoG bills will be auctioned to reflect market conditions. We will decrease reliance on the CRR and review its implementation framework—including the dynamic (tiered) CRR—to ensure it is aligned with international best practices.

25. We are improving our monetary policy framework. To increase the transparency of MPC decisions, in March we began publishing each MPC members' vote on the decision, as well as a detailed anonymized statement. We continue to enhance our inflation targeting framework through further improvements in our Forecast and Policy Analysis System (FPAS), macroeconomic data collection including BoG inflation expectations survey, analytical capacity, and central-bank monetary policy communication.

26. We are ahead of schedule on rebuilding official international reserves (program definition) to at least 3 months of import cover. Despite debt service commitments in a post debt restructuring environment, we have consistently overperformed NIR targets since the beginning of the program. This is notably due to the large-scale deployment of the domestic gold purchase program (DGPP) and larger-than-expected cocoa receipts. This overperformance also occurred in the context of a significant increase in the BoG's FX interventions (FXI). Going forward, we remain committed to further rebuilding foreign exchange buffers, in the context of a large increase in external debt payments.

27. We are committed to enhancing exchange rate flexibility, the management of foreign reserves, and FXI. The BoG fully discontinued its sell buy-back operations in December 2024, in addition to the earlier unwinding of its swap arrangements with commercial banks. Domestic gold purchases will continue to be done at market prices. BoG is actively managing the portfolio risks arising from gold's share of total reserves and overall weight on its consolidated balance sheet. To improve the governance of FX interventions, the BoG Board will adopt an internal FX intervention policy specifying measurable objectives, instruments, transparency, and governance arrangements based on discretion under constraint approach (***new end-September 2025 structural benchmark***). We have discontinued the use of bilateral adjudications, with FXI now exclusively conducted through auctions.[1]

28. We are committed to eliminating multiple currency practices (MCPs). In September 2024, the BoG adopted a more robust FX reference rate computation method; after six months, we have assessed that this policy has made the computation method more robust and transparent. We will take any necessary actions and reforms to ensure a unified foreign exchange market and flexible exchange rate arrangement. We will not introduce policies that create, intensify or modify exchange rate restrictions or multiple currency practices.

29. We are implementing the recommendations of the 2023 IMF safeguards assessment. In June 2024, Cabinet approved amendments to the Bank of Ghana Act of 2002 (Act 612) to strengthen the BoG's autonomy (***end-May 2024 structural benchmark***). In line with the 2023 Safeguards Assessment, and following delays, we are committed to submit these amendments to Parliament by end-June 2025 (***end-May structural benchmark***). Consistent with the strategy adopted by the BoG Board in June 2024, the BoG is working with the government on a timeline to exit the Gold-for-Oil (G4O) program.

30. We are taking action to strengthen the BoG's balance sheet. To this end, on January 6, 2025, the outgoing Minister of Finance and BoG Governor signed a MoU on the recapitalization of the BoG, outlining the process in broad terms. With IMF support, we will work to better assess the BoG's recapitalization needs—taking into account projected medium-term improvements in BoG's net equity, including due to efficiency gains—and will ensure that the recapitalization is eventually done within the fiscal commitments and debt targets under the program. Options to ensure consistency with our Fund-supported program parameters include recapitalization via budgetary or asset transfers, suspension of profit transfers, and/or use of any buffers generated in program implementation. To strengthen the recovery of our net equity over time, and based on an external efficiency review, with IMF technical assistance, the BoG will adopt by end-2025 a strategy to streamline its operational costs.

[1] These auctions are conducted following the *Bank of Ghana Guidelines for Allocation of Foreign Exchange Through Forward Auctions* (2019).

E. Financial Sector

31. We continue to monitor banks' progress toward implementing their post-debt exchange recapitalization plans as approved by the BoG. Through these plans, banks with capital shortfalls pledged to recapitalize by at least one-third of the capital required annually for each of the three years ending in 2025 and those with significant shortfalls would front-load recapitalization to ensure that all banks have a positive Capital Adequacy Ratio (CAR) by end-2024. All banks pledged to reach a 13 percent CAR, without regulatory forbearance, by end-2025. Most such banks have met or exceeded the recapitalization requirements for 2024 and are on course to restore the required CAR by end-2025. The BoG has intensified the monitoring of and remedial and/or corrective measures against five private and state-owned banks which have not complied with the recapitalization requirements as of end-December 2024. These banks have fallen behind on their recapitalization schedule due to a mix of unmet capital commitments, increased NPLs, and incomplete booking of credit impairments identified under BoG's 2023 asset quality assessments. In addition, they are implementing updated recapitalization plans accepted by BoG and addressing previous weaknesses and/or more recent performance slippages, towards meeting the end-2025 timeline for full compliance. The Ministry of Finance has taken measures, including via the March 2025 budget, to ensure compliance by those state-owned banks that are behind scheduled recapitalization. The BoG will continue to adopt measures proportional to the severity of any breach and to escalate action against any bank that is not substantively progressing towards full compliance with 13 percent CAR, without reliefs, by end-2025 (***end-March 2025 structural benchmark***).

32. BoG is incentivizing early recapitalization, and most banks are ahead of schedule. Banks that fall behind schedule continue to be placed by the BoG on strict enhanced supervision with special reporting requirements on liquidity and solvency conditions and on progress under revised recapitalization plans to enable timely compliance with requirements, and appointment of special advisor where warranted. Meanwhile, BoG has continued implementing measures to promote capital conservation of banks—including the suspension of the payment of dividends for all banks until further notice. Banks with capital shortfalls are also restricted from excessive risk-taking and from making certain capital expenditures. BoG stands ready to deploy other components of its Prompt Corrective Action (PCA) framework if it becomes necessary to help promote safety and soundness of the sector. Consistent with the PCA framework, restrictions or prohibitions on banks will be reviewed and/or lifted in line with improvements in banks' capital positions to prudential standards and their ability to manage risk and strengthened and/or restructured governance systems and business models that will ensure viability and sustainability going forward.

33. We are reviewing prospective Phase II operations of the Ghana Financial Stability Fund (GFSF) to complete providing support to the financial sector in relation to the impact of the DDEP. Under the Fund A2 component of the GFSF, government has up to January 2025 injected funding, mainly via new bonds, to recapitalize mainly state-owned and some indigenously owned banks and insurance companies (GHS5.2 billion), and provided long-term secured loans (GHS0.3 billion) to some mutual funds and unit trust in the asset management industry. We are taking measures to frontload any further necessary recapitalizations of state-owned banks and ensure that these injections are underpinned by credible plans to ensure future viability. Meanwhile, the government plans to resubmit to Parliament the World Bank's financial sector support operation under the GFSF, which will target eligible undercapitalized banks and Specialized Deposit Institutions (SDIs) and provide funding conditional on prior injections by shareholders and feasible viability plans. In general, government solvency support is designed to minimize costs and moral hazard, incentivize private capital injections, foster structural reforms improving governance, risk management, operational efficiency, and sustainability, and allow for an orderly, early government exit.

34. We have redoubled efforts to implement our strategy to address NIB's financial and operational challenges. This credible, comprehensive, and cost-effective strategy adopted in March 2024 aims at:

- *Recapitalizing NIB to reduce immediate risks from regulatory capital/liquidity shortfalls.* In this respect, following delays, we have injected cash and bonds to bring NIB's CAR to positive territory (***prior action***) and full compliance with the minimum CAR of 13 percent (without forbearance), ahead of the end-2025 timeline.

- *Preparing a forward-looking overarching restructuring plan for NIB* (***end-March 2025 structural benchmark***). Following delays, we have completed the plan (***prior action***). It is based on the findings of a special review of NIB completed by an independent international firm this year as well as previous such studies. It addresses identified, necessary changes to the business model, additional resource needs, residual recapitalization requirements, operational strategy and specific steps to enhance corporate governance and risk management. Key elements include strengthening the size, composition and expertise of the Board with a majority of independent directors and implementing actions to enhance the enterprise risk management framework, systems and culture.

35. Work is proceeding to update and enhance the crisis management and resolution legislation framework to address critical gaps and vulnerabilities. The November 2024 and March 2025 High Court decisions to reverse BoG's 2019 revocations of two specialized deposit-taking institution (SDI) licenses has highlighted the potential for important risks to financial system stability and to the BoG in executing its crisis management and resolution mandate. The BoG has filed appeals. The authorities are committed to taking measures to address the identified legal framework gaps and vulnerabilities and have announced that enhancement of the resolution framework will be a key policy priority. In that regard, we have requested technical support of our international partners to strengthen the framework in line with international standards and adopt sound practices to support financial system stability and limit risks to the BoG/Resolution Authority. We will have the legislative amendments to the crisis management and resolution framework approved by Cabinet and submitted to Parliament by end-December 2025 (***new structural benchmark***).

36. We continue to develop and implement a multi-pronged strategy to comprehensively tackle the issues of increasing credit risks and sustainable credit growth. In the wake of the 2022 macroeconomic challenges, NPLs have continued to increase although now more slowly than the pick-up in credit growth over the past few months. Concurrent with initiatives to improve credit growth including the state's new SME credit expansion program, we are advancing the development of a robust approach to address increasing non-performing loans, which will span several levels. Banks are being required to review and strengthen their credit risk management systems and skill resources, where necessary, to support feasible borrowing needs and robust credit administration functions—including close monitoring to ensure prompt recognition of asset quality risks, adequate provisioning, and timely work-out actions and collections. Credit action plans have been provided to the BoG by banks with NPL ratios exceeding 15 percent, which include credit growth targets, risk management strategies, and in-depth analyses of NPLs and related values that inform their provisioning, planned recovery and other options. The BoG is also pushing to ensure full recognition of NPLs and related required provisioning by two banks that have delayed booking of impaired credits identified in the BoG's 2023 asset quality assessment. The BoG will monitor banks' progress against their credit action plans and, where necessary, review and update prudential standards to support relevant and sound credit and operational risk management standards for sustainable and viable credit operations.

37. The BoG is committed to developing and implementing a strategy to strengthen the credit and impaired loans recovery framework. Banks have been asked to indicate any material obstacles to effective recovery of NPLs to help inform supporting reforms that are being designed in concert with various agencies with specific roles within the credit extension and asset recovery framework (e.g. justice, legislation, other regulatory agencies, valuators, other asset market participants). In this regard, the authorities are committed to developing, by end-June 2025, a time-bound roadmap to be implemented to strengthen the credit impairment and recovery framework.

38. Recurring problems at state-owned banks will be addressed to minimize future need for government recapitalization. We have launched the process for hiring an expert to conduct a diagnostic of structural challenges in state-owned banks (covering business models, governance, risk management, and legal framework similar to the special independent review of NIB) to inform the development of a strategy to address them. The preparation of this strategy (***end-April 2025 structural benchmark***) was delayed given the importance of drawing from the NIB restructuring plan, but we are confident we will be able to complete the exercise by end-August 2025. The strong measures adopted to address the challenges of NIB will also serve as a guide to restructure ADB for future sustainability, including by linking recapitalization and the lifting of PCAs to a special review, governance reforms, business model rationalization, and strengthened risk management. In this regard, we have injected substantial capital in ADB in 2024 to attain a positive CAR. We will launch a special review of the bank's operations and use its results to inform the design of a restructuring strategy, to be completed by end-August 2025. We will further recapitalize the bank to ensure full compliance with the required 13 percent CAR, with no forbearance, by end-2025. We will also implement a system of establishing and systematically monitoring state-owned banks against key performance indicators, as implemented for other banks that have benefitted from GFSF support. The BoG has announced its intention to divest its share ownership in ADB.

39. Regulatory forbearance introduced in response to the domestic debt exchange, and more recently with the implementation of the tiered CRR, will be lifted as soon as possible. Forbearance on the recognition of debt exchange losses in CAR computations is being lifted by one-third each year from January 2023 through end-2025. Banks and SDIs have been formally advised that the temporary forbearances that were offered to the banking sector to facilitate the DDE, including those lowering minimum capital adequacy ratios (CAR), will be fully rolled back by end-2025. The current review of the dynamic (tiered) CRR will also support elimination of supervisory forbearance on non-compliance by some banks. We continue to closely monitor any unintended consequences of these forbearance measures and will adjust them as needed to mitigate undue effects.

40. We are committed to implement in 2025 a comprehensive and cost-effective strategy to address legacy issues in SDIs and non-bank financial institutions (NBFIs) with government financial support as needed to mitigate risks to financial stability. The allocation and format of the government's scarce financial resources and regulatory attention will continue to consider the capital required, the number of Ghanaians affected, financial inclusion needs and moral hazard risks in the future. Financial support for deposit-taking and other financial institutions in these sectors will continue to be determined on a case-by-case basis, predicated on the regulators' assessment of their recapitalization efforts and plans, operational and business strategies including corrective actions to prevent the accumulation of further losses, improvements in governance and risk management systems, and prospects for future viability and sustainability. Any payouts by the government will be made through a burden-sharing approach with stakeholders to minimize fiscal costs. The regulatory authorities are also intensifying monitoring and enforcement of existing regulations in and stress-testing of these sectors, to support prompt measures to address risks to financial stability from these sectors.

41. We will complete ongoing reforms to enhance financial sector stability and support credit to the private sector including on a more inclusive basis. These include: (i) reviewing and monitoring off-balance sheet items; (ii) completing the roll out of Basel II and III capital, liquidity, and supervisory review reforms, (iii) building and implementing strategies to improve governance, operational efficiency, business models, competitiveness of state-owned banks and other financial institutions; (iv) enhancing the crisis management and resolution framework; and (v) strengthening the deposit insurance scheme. In addition to implementing initiatives to expand SME credit offered through qualifying participating financial institutions with the support of the DBG and external development partners, the GoG also plans to leverage existing financial and credit facilities that specifically cater to women (e.g. DBG, rural banks). Our goal is to create conditions for private sector growth. In this context, to prevent crowding out of credit to the private sector, we will consider further measures to reduce the nexus between the sovereign and financial institutions.

F. Structural Fiscal Reforms

42. We are prioritizing a set of structural fiscal reforms to address the weaknesses that led to the 2024 fiscal slippage and entrench fiscal discipline while bolstering transparency. These reforms have been designed with the assistance of the Fund/WB staff and draw on the comprehensive strategies we have announced in the areas of public financial management, medium-term revenue mobilization, energy sector recovery, and rationalization of statutory funds.

Public Financial Management

43. To gauge the nature and legitimacy the 2024 fiscal slippage, we have launched a comprehensive audit of arrears/payables and commitments at end-December 2023 and 2024. The audit is conducted by the Auditor General with the assistance of two international firms (Ernst and Young and PricewaterhouseCoopers). It will help establish whether commitments were originated in compliance with PFM provisions, determine the size and age of such commitments, and identify the loopholes in the PFM system that led to the fiscal slippages. Preliminary findings from the audit indicate that a significant share of the payables and commitments examined are invalid because originated in violation of the existing PFM provisions and/or lacking reliable and complete supporting information. We expect to conclude the audit by end-August 2025 (*new structural benchmark*).

44. We have accelerated the adoption and enactment of an enhanced fiscal responsibility framework (*end-September 2025 structural benchmark*). To support fiscal discipline after the 2024 fiscal slippages, in March 2025, we amended the 2016 PFM Act to enhance our fiscal rule. This was done by adding a debt anchor covering central government and publicly guaranteed debt (with the objective of broadening the coverage over the medium term) and by setting an operational fiscal rule on the primary balance to ensure achievement of the anchor by 2034. Amendments also clearly define escape clauses and circumstances for their activation as well as appropriate correction mechanisms. To strengthen the credibility of our fiscal rule and macro-fiscal projections, the amendments to the PFM Act reformed the Fiscal Advisory Council by providing it with strong operational independence and adequate resources to effectively fulfill its mandate. The revamped Council will make an independent assessment of the key macro-fiscal projections of the Budget at the time of its submission and evaluate fiscal performance against the fiscal rule. To improve fiscal reporting disclosure of central government's fiscal risk, we will publish our fiscal strategy document and fiscal risk statements in 2026 consistent with the PFM Law, and international best practice. In this context, we will extend the coverage of the fiscal risk statement to risks stemming from GoldBod (see below).

45. We have strengthened control over and monitoring of procurement processes to enhance budgetary discipline and prevent financial commitments from exceeding approved allocations. Specifically, we amended the 2003 Public Procurement Act to require that all central government-funded procurement must be accompanied by a commitment authorization (e.g. a commencement certificate) issued by the Minister for Finance before the procurement entity commences a procurement. Similarly, the PPA Board, a tender review committee or an entity tender committee is prohibited from approving a procurement unless the application for approval includes a commitment authorization issued by the Minister for Finance. In addition, we strengthened sanctions to prohibit a person, acting in an office or employment connected with the procurement or management, from approving an unauthorized commitment resulting in a financial obligation for the government or paying public funds. A person who commits this offence is liable to a fine, a term of imprisonment, or to both. In addition, after some delays, we have integrated GHANEPS with GIFMIS (***missed end-December 2024 structural benchmark and prior action for the 4th ECF review***). The two systems have been connected, and at least one public entity has conducted procurement through the integrated system. This will ensure that only MDA projects/purchase orders that have approved budgets and allotments proceed to conduct tender process on GHANEPS and award contracts, while supporting an increase of the proportion of procurement (by value) conducted in GHANEPS (applied to the entities in GIFMIS) so as to reach 90 percent of total procurements during the first quarter of 2026. This will enable timely collection of information on the nature of procurements (i.e., competitive, restricted, single source) while facilitating monitoring. The transparency of procurement will also be strengthened by publishing with some delay the 2021-2023 report on public procurement on the PPA website and providing a direct link between GHANEPS and the ORC website where users may look for beneficial ownership (BO) information of companies awarded contracts. Our strategy to reduce the share of non-competitive procurement (measured in value) is being updated based on the findings of PPA's annual procurement assessment reports.

46. We are strengthening our public investment management (PIM) practices with support from the IMF. A Public Investment Management Assessment (PIMA) update mission visited Accra in April 2025 to take stock of progress in strengthening public investment management institutions involved in all aspects of the public investment cycle, including planning, allocation, and execution on budget. The mission found that, while Ghana has made good progress in strengthening the design of its PIM institutions—including compared to regional peers—the effectiveness of PIM institutions has deteriorated significantly since the 2016 PIMA. Weaknesses in implementation of the PIM framework have led to an unsustainable overhang of outstanding projects and a chronic problem with over-commitment of resources. Consistent with the recommendations of PIMA mission, we have taken steps to improve investment efficiency. These include to: i) mandate the compliance desk in MoF and MDAs (¶48) to enforce adherence to all aspects of the PIM framework; ii) complete an updated inventory of ongoing and planned projects (including investments under the earmarked funds); iii) adopt a Cabinet decision to cancel, rescope, and rephase the updated inventory of projects commitments drawing on the audit 2024 outstanding commitments and based on the status of their execution, value for money and alignment to available budget resources (***new end-September 2025 structural benchmark***); iv) amend our procurement regulations to restrict exceptions to undertaking competitive procurement (***new end-December 2025 structural benchmark***); and v) overhaul the approach to medium-term budget planning of public investment by setting credible multiyear ceilings informed by previous multiyear spending outturns and determine and enforce binding limits within which MDAs undertake contractual commitments by end-November 2025. . We will publish an update Public Investment Plan of all ongoing and planned Public Investment Projects (PIP) by end-December 2025.

47. We have established an Independent Value-for-Money Office to improve project selection and ensure alignment with our priorities. The Office has already adopted a standard project appraisal methodology incorporating a rigorous pre-screening step, involving careful consideration of the project rationale and project alternatives, cost-benefit analysis and risk analysis. The criteria for project selection of economically and socially viable and sustainable projects eligible to be proposed for funding were published in November 2024. We will enhance fiscal risk management and closely monitor the financial performance of the SOEs, including their financial strategies, investment plans, budgets, debt, and contingent liabilities.

48. We continue implementing our Arrears Clearance and Prevention Strategy. In line with the priorities set out in the strategy, annual arrears clearances will be consistent with the medium-term budget framework under our IMF-supported program, and we will prioritize arrears with the largest macroeconomic impact. In addition, the Controller and Accountant General's Department (CAGD) will systematically collect and timely report (within three months) comprehensive information on the stock of payables made by all MDAs per economic classification (***new quarterly structural benchmark,*** starting in September 2025 with no more than a one quarter lag). Consistent with the provisions under the PFM Act, appropriate sanctions will be applied by the MoF and Auditor General in case of non-compliance by MDAs. We will also ensure that SOEs continue submitting their financial reports to CAGD.

49. We have bolstered the compliance desk at the MoF by elevating it to the rank of division to effectively strengthen fiscal responsibility, accountability, and aggregate fiscal discipline within PFM systems. The desk will liaise with internal auditors of MDAs to verify compliance with commitment control procedures before new contracts are signed and ensure adherence to budget and allotment availability, acquisition of necessary approvals (financial clearance and commencement certificates), and standard procurement procedures to prevent the accumulation of arrears. The internal auditors of MDAs will report quarterly on adherence and non-adherence to PFM commitment controls and expenditure monitoring measures, and publish a Commitment Control Compliance League Table, ranking MDAs based on their compliance levels. The desk will also report on sanctions applied for breaches of the PFM Act and other relevant laws, and their impact on arrears prevention. The confirmed cases of noncompliance will be forwarded to the Office of the Attorney General and the Minister for Justice for further action.

50. We are committed to further strengthening our public financial management (PFM) systems to support fiscal adjustment and improve the credibility of the budget process. Specifically:

- *Cash management.* To ensure that spending is consistent with cash availability and market conditions, we have strictly aligned quarterly budgetary allotments to MDAs and Statutory Funds on GIFMIS with the 3-month cash forecasts and required MDAs to revise their cash plans accordingly. In addition to closely monitor budget execution, we are also enhancing coordination among the Budget division, Treasury and Debt Management divisions (TDMD) and CAGD to improve cash and treasury management.

- *Treasury Single Account (TSA)*. All MDAs, MMDAs and IGFs accounts in BOG and commercial banks will be integrated to the TSA by end-March 2026. To this end, we have tightly integrated GIFMIS with existing payment systems (SWIFT, GhIPSS, ACH) to ensure real time exchange of data on net balances. We are conducting a review and rationalization of all bank accounts with the view to reduce the number of accounts**.** We have onboarded 549 additional MDA and MMDA spending unit accounts into GIFMIS (***end-March 2025 structural benchmark***). Looking ahead, we will roll out the automatic bank reconciliation (ABR) functionality for all GIFMIS-linked accounts by end-December 2025 with a view to completing the ongoing TSA reforms by end-March 2026.

- *Statutory Funds.* Following approval of our streamlining strategy in September 2023, we have eliminated the Plastic Waste Recycling Fund, reformed the Minerals Investments Income Fund, bringing most of its income to the Consolidated Fund, and the District Assembly Common Fund, brining it in line with its constitutional mandate. Cabinet will adopt the necessary amendments to existing legislation to merge the funds identified as redundant in our strategy with their line ministries (***end-June 2025 structural benchmark***). In addition, by end-September 2025, Cabinet will approve legislation to refocus the Road Fund's mandate exclusively on road maintenance. Moreover, we intend to enhance the transparency and accountability of the operations of earmarked funds by broadening the extension of GIFMIS coverage to all spending units and enforcing its use through enhanced oversight on financial transactions and periodical reviews of system usage by NHIF, GETFund, Road Fund, District Assemblies Common Fund and IGF-reliant institutions. We are also working on establishing a mechanism to ensure that earmarked funds do not engage in collateralization of their receivables. All earmarked funds will be required to submit their audited financial statements consistent with PFM regulation requirements, work toward clearing their audit backlog, and implement audits' recommendations. In March 2025, we amended the legislations of GETFund, Ghana Infrastructure Investment Fund, the Mineral Income Investment Fund, and District Special Capital Fund with the view to improve efficiency and achieve budgetary savings.

51. To enhance spending efficiency, we are planning to conduct a comprehensive payroll audit and a functional review of selected MDAs. The former is expected to be completed by end-June 2025; the latter by end-September 2025. These exercises will guide us in calibrating public sector's wages to better balance burden sharing, productivity, and the quality and efficiency of providing public goods and services. In this regard, we intend to integrate the HRMIS system with GIFMIS budget module and the payroll system by end-December 2025 in order to strengthen controls on "ghost names", promotions, hiring and payroll costs.

Revenue Administration and Tax Policy

52. We will continue to strengthen revenue administration to ensure that the revenue measures underpinning the 2025 Budget deliver their expected yield. We are expanding the database of new residential property developments and developed the schedule for the key elements of tax on new residential property transactions. We have started the communication campaign on the presumptive turnover tax for small businesses and developed the simplified tax return system for this purpose. We are reviewing the e-VAT system with a view to strengthen compliance.

53. We are facing significant delays in completing the cleansing of the GRA's taxpayer data and revamping our Integrated Tax Administration System (ITAS). Due to resource constraints, we now expect to complete the cleansing of the taxpayer registry data by end-June 2025, and complete the cleansing of the taxpayer ledger related to the three largest tax offices (representing 75 percent of revenue collection) by end-June 2025 with the view to cover all tax offices by end-December 2025 (***end-June 2024 structural benchmark***). We have developed data quality requirements and a data governance framework to ensure that our taxpayer data are up to date (e.g., the information on taxpayer registers and ledgers is correct), accurate (e.g., there are no duplications of taxpayer identification numbers) and comprehensive (e.g., required individuals/entities are registered). The operationalization of the Integrated Tax Administration System (ITAS) (***end-December 2024 structural benchmark***), already postponed by a year, has been further delayed undertaking a comprehensive review of the governance and data security structure of ITAS. The implementation of ITAS has now been rephased in three phases. The first phase, which envisages data migration and implementation of the functionality of three tax module registration, return processing, and payments for CIT, PIT, VAT, is now expected to be achieved by end-March 2026.

54. We will continue to address the compliance challenges. We will enhance audits on large taxpayers and start publishing quarterly compliance report data on the GRA website. We will continue to leverage on the Global Forum on Transparency and Exchange of Information to improve compliance of residents with foreign income. Over the medium-term, our policy, administrative and legal reforms will be geared toward significantly enhancing revenue mobilization. These reforms are outlined in our Medium-Term Revenue Strategy (MTRS) and aim at broadening the tax base, minimizing tax avoidance, and fostering a progressive tax system. We are committed to using the MTRS as a tool to promote equity and transparency, provide tax certainty and predictability for businesses and individuals in the short to medium-term. We will perform by end-March 2026 a mid-implementation review of the MTRS with support from the IMF to assess progress compared to objectives—including timeline, yield of the adopted reform, achievement of MTRS objectives—and identify timebound corrective actions.

55. We intend to submit to Parliament a new Extractive Industry Fiscal Regime Bill together with the 2026 Budget. The draft was prepared with support from the Fund. Once passed, the bill will help us raise sufficient revenue and provide adequate incentives to invest at reasonable cost to both the government and taxpayers, while improving transparency and governance in the sector.

Energy Sector Measures

56. We continue implement our holistic approach to address energy sector challenges building on ongoing reform efforts under the Energy Sector Recovery Programme (ESRP). This approach combines a set of immediate measures to reduce the size of the energy sector shortfall (and its budgetary impact), to increase transparency, improve governance in the sector, promote the sector's financial recovery, reform ECG, and safeguarding the energy sector and the broader economy.

57. We are implementing quarterly and multi-year tariff adjustments, and are improving the transparency of our decision process:

- Following delays in implementing the planned quarterly electricity tariff adjustments—due to the disbanding of the Public Utilities Regulatory Commission (PURC) Board immediately after the elections—we have resumed their application as per the current MYTO guidelines. The new PURC board has announced tariffs increases of 14.75 percent effective May 3, 2025, as per rate setting guidelines, to reflect exchange rate depreciation, inflation, fuel prices, and changes to the generation mix since the last tariff adjustment in October 2024. We also published the decision notes (technical notes) with detailed explanations and including key inputs necessary to reach this tariff decision (***quarterly structural benchmark***). We have shared the financial model and calculations with the IMF and World Bank staff. The publication by PURC of a decision note with every quarterly tariff adjustment is a key reform to provide clarity on rate setting. Decision notes will foster greater transparency on sector costs among all stakeholders and establish baselines for future tariff adjustments on account of changes in macroeconomic parameters.

- PURC is conducting a multi-year tariff order (MYTO) for 2025-2030 (***end-September 2025 structural benchmark***), with a tariff adjustment effective from October 1, 2025. Ahead of the exercise, utility companies (ECG, VRA, BUI, NEDCo, GRIDCo, etc.) have submitted their investment plans, and preliminary investment hearings have been conducted. The MYTO will provide more clarity and predictability over tariff adjustments, notably by revising the rate setting framework to ensure that changes in the cost of production are reflected in tariffs.

58. We are committed to increasing the transparency of the CWM and honoring ECG's financial commitments.

- Albeit with a slight delay, we published on the PURC's website the Validation Report of ECG Revenue/Collection Accounts which covers for 2023Q4 and 2024, a period longer than required in the SB (***end-January 2025 structural benchmark***). the report indicated there had been significant deviations between validated collections from ECG's cash settlement platform and those declared by ECG to the CWM (a GHS 5.3 billion difference in 2024), and between CWM allocations and payments (GHS 3.9 billion in 2024). We will continue to conduct and publish the audited quarterly validation of ECG's revenue and collection account (within three months after the end of the quarter) and take corrective actions to address the auditors' findings. To address the findings of the validation report and improve transparency, ECG has been instructed by the Ministry of Energy (Directive of February 10, 2025) to immediately comply with CWM guidelines and to operate a single account from which all collections and payments will be made.

- Going forward, the Government of Ghana commits to ensuring continued payments against the agreed amounts on current bills (and hence no accumulation of new arrears to IPPs and fuel suppliers) as well as legacy arrears. This will be achieved through enforcement of the CWM and government transfers within existing budget appropriations.

- PURC will continue to publish, with a 2-month lag, monthly CWM Validation reports confirming compliance with CWM Guidelines. The report will include validated ECG collections, and disbursements to Tier A and Tier B claimants under the CWM. In January and February 2025, ECG reported monthly revenue of over GHS 1 billion, the minimum requirement of CWM.

59. We are tackling energy sector legacy debt:

- In July 2025, we will complete a validation of energy sector legacy debt for end-2023 and end-2024. Going forward, we will conduct a validation of legacy debt annually, within 4 months of the end of the validation period. The Ministry of Finance, with a lag of 3 months, will also provide IMF staff a quarterly debt matrix to assess the accumulation of payables.

- Two out of the five renegotiated power purchase agreements with IPPs (AKSA, CENIT) are effective. The remaining three (Cenpower, Twin City Energy (Amandi), Early Power) will be approved by Cabinet by 2025Q3 and subsequently submitted to Parliament for approval. We will conclude negotiations on legacy arrears and restructured contracts with the remaining IPPs. The Government of Ghana is committed to respecting the payment plans associated with these renegotiated PPAs.

60. We are making progress on reforms aimed at ensuring long-term energy sector sustainability.

- The government has formed a Technical Committee that has submitted a recommendation for private sector participation in power distribution, opining for private sector concessions for the entire distribution operation, including bulk power interface, substations, infrastructure operation, metering, billing, revenue collection and consumer engagement. This recommendation was formally endorsed by Cabinet in April 2025, when it adopted a strategy for private sector participation to improve the financial and operational viability of distribution companies (***end-September 2025 structural benchmark***). This plan will be implemented starting in 2025Q2 with the hiring of a transaction advisor, which will be in charge of advising in all aspects of the procurement of the private sector concessionaires, including by conducting a comprehensive technical and financial audit of ECG's operations in 2025Q3. The concurrent publication of a thorough MYTO decision note is a key component of the success of this strategy. Contracts are expected to be awarded by 2026Q3.

- With IMF TA, we will develop a framework to guide the granting of energy sector subsidies by end- 2025. The framework will also cover a mechanism to insulate vulnerable population fully or partially from large tariff increases.

Cocoa Sector Measures

61. We are strongly committed to implementing our Cocobod turnaround strategy, which was published in October 2024. The strategy introduces a framework—developed in consultation with the Fund and Bank—for setting farmgate prices to ensure sufficient revenues for farmers while allowing for Cocobod to raise enough revenues to recover its operational and financial costs. More specifically, farmgate prices are to be set between 60-70 percent of the FOB international price inclusive of Living Income Differential. In this light, the 2024/25 season farmgate price of cocoa of GHs 49,600 per ton is consistent with the average expected sales price for the season and should help us maintain a balanced cash flow situation.

62. With the help of the World Bank, we are also carrying out a functional review of all departments and subsidiaries of the Board to identify cost rationalization measures—including scaling back quasi-fiscal spending on cocoa roads, fertilizer, and pesticides programs. In the case of cocoa roads, following a review of all outstanding contracts and their completion status (e.g., performance, termination costs), we have significantly streamlined the portfolio and value from GHS21 billion to GHS6 billion. Looking ahead, we do not intend to award any new contracts for cocoa road construction nor engage in any activity related to construction and repair/ maintenance of roads. The latter functions have been returned to the ministry of roads. The World Bank is also supporting us in preparing a strategy for the cocoa sector, including to address structural impediments to its development.

63. In addition to these efforts, we have strengthened the financial oversight of the Cocobod. The MoF is now actively participating in price setting deliberations. A cocoa desk has been established at the MoF. Funding plans will be reviewed regularly and associated with contingency planning exercises. Should downside risks materialize, we will ensure that Cocobod scales down spending further to ensure a balanced financial position. Consistent with the program design, Cocobod will refrain from mobilizing any non-concessional funding and/or any collateralized funding—except for its annual syndicated loan. We have amended the Cocoa Board Bill to further strengthen the financial oversight over Ghana Cocoa Board and ensure policy coherence and the efficient management of resources in the cocoa sector. The amendment will change the supervisory

Ministry of COCOBOD from the Ministry of Food and Agriculture to the Ministry of Finance, clarify the mandates of the Producer Price Review Committee and Producer Price Review Technical Committee and limit Cocobod's engagement in quasi-fiscal activities.

Ghana Gold Board (GoldBod)

64. The newly created Ghana Gold Board aims at improving the management of the activities in the gold sector and enhancing the benefits of gold exports for the Ghanaian economy. The Gold Board will oversee, monitor, and undertake the purchase, trade, and export of gold, particularly gold from small-scale mining. Before its creation, multiple state agencies such as the Precious Minerals Marketing Company (PMMC), the Ministry of Lands and Natural Resources, the Minerals Commission, the Bank of Ghana, the Minerals Income Investment Fund interacted with private players, including licensed gold buyers and exporters, and operating in fragmented regulatory frameworks. This fragmentation encouraged smuggling, foreign exchange receipts losses, illegal mining activities and led to severe environmental damages. The Gold Board will centralize the gold trade, management, licensing, and regulatory enforcement into one institution. In doing so, it will promote value addition, support accumulation of gold reserves by the Bank of Ghana and encourage responsible practices in the mining sector.

65. The Gold Board will follow strict accountability, transparency, and risk management rules, and important safeguards are also being put in place to reduce operational and fiscal risks:

- The Gold Board's operations and pricing policy will be designed to limit fiscal risks. The 2025 budget endowed the Gold Board with an initial capital of US$279 million, which will be used to purchase around 3 tons of gold from domestic artisanal, small and medium-scale miners and resell it for reserves accumulation to the Bank of Ghana or on international markets. Its objective is to turn over 3 tons on a weekly basis. The Gold Board's main source of revenue will come from charging a margin on gold purchases relative to quality-adjusted international gold prices. It will be set in a way that covers its operational expenses, can absorb market risk, and finances regulatory and oversight activities.

- The institution is to publish on its website quarterly reports on volumes and prices or purchases and sales, revenue, spending and general operations, as well an annual audited report (financial and operations). The Gold Board is to ensure access to the reports through parliamentary scrutiny and disclosure to public.

- The Board/CEO and deputies are selected based on a transparent process based on the fit and proper, independence and integrity criteria aligned with the OECD Guidelines on Corporate Governance for SOEs.

- All anti-corruption and integrity laws and frameworks (such as access to information, asset declarations, public procurement and anti-corruption laws) are fully applicable to the Gold Board, their employees and management, including all board members. The Gold Board is also mandated to adhere to the PFM Act.

- Risks of future fiscal liabilities will be minimized by ensuring short turnover times from aggregators to exports, requiring signature of the Minister of Finance on all new borrowing, adjusting gold prices daily (which will be published daily) based on market reference rates, and establishing a stabilization fund that receives excess profits to prepare for negative shocks.

- Funds earmarked to supporting small-scale miners are capped at 30 percent of the preceding year's surplus (net profit), and guidelines must be published in the official gazette ahead of any disbursement.

- The Gold Board will also contribute to reducing environmental risks (including those related to illegal mining) by increasing traceability of small-scale miners over time, while supporting sustainability initiatives such as reclaiming damaged lands and supporting geological studies to better identify exact locations of gold deposits.

G. Governance and Anticorruption

66. We are committed to strengthening governance and tackling corruption vulnerabilities. We will accelerate the reforms across the public sector and key areas of the economy, with the aim of restoring public trust in institutions and fostering a more conducive business environment. To support Ghana's macroeconomic stability and growth, we are prioritizing strengthening governance, reducing corruption, advancing transparency and accountability, streamlining administrative and regulatory processes, and upholding the rule of law. As part of these efforts, a comprehensive conflict of interest and Asset Declarations regime for public office holders will be developed, and independent anti-corruption and oversight institutions will be strengthened to perform their mandates. We will also improve judicial integrity and efficiency to bolster public confidence in the judiciary and promote private sector-led growth. In particular,

- We are finalizing the Governance Diagnostic Report, prepared with IMF's technical assistance, with the view to published in the coming months.

- We will update our National Anti-Corruption Action Plan (NACAP) through a participatory process involving all relevant agencies and civil society organizations by end-September 2025. This process will be informed by the Governance Diagnostic report and the evaluation of the NACAP prepared in 2024 with the support of United Nations Office on Drugs and Crime (UNODC).

- To foster transparency and accountability in public sector, we will prepare, in consultation with IMF staff, a new draft law on asset declaration for public officials and will submit it to parliament by end-September 2025 (***structural benchmark***). The new bill will, at a minimum, require that (i) most senior officials, such as the President, Vice President, Members of Parliament, Ministers and their deputies, the Chief Justice, heads of anti-corruption and accountability institutions, as well as managers and board members of public corporations and state-owned enterprises (SOEs) file asset declarations upon assuming office, within reasonable intervals, and upon leaving office; (ii) the scope of disclosure includes all assets owned directly or beneficially, both in Ghana and abroad; (iii) asset declarations of the senior officials listed above be made public, with appropriate safeguards to protect personal information; and (iv) a robust sanctions regime be established to deter noncompliance.

- We will continue to implement recommendations from the Auditor General's report on the audit of Covid-19 spending. In May, the AG's office has verified the reported progress with individual ministries and published an implementation follow-up report.

67. The AML/CFT framework is being strengthened. Among others, we have been implementing the following:

- In preparing for the GIABA Third Round Mutual Evaluation planned for 2026, stakeholders have completed drafting the National Risk Assessment (NRA), which will update and enhance the understating of our ML/TF/PF risks. The finalized NRA will inform the development and implementation of appropriate mitigating measures Under the National Action Plan. The validation of the NRA will be completed in early June. A first submission of the Technical Compliance questionnaire has been made in April 2025. It will benefit from an iterative review process with stakeholders until its final submission in August 2025.

- The Financial Intelligence Center (FIC) will continue to engage, sensitize, train and build the capacity of all reporting entities in various AML/CFT related areas – including Customer Due Diligence (CDD), risk assessment, current trends and typologies – and to collaborate with all sectoral supervisors for the enforcement of targeted financial sanctions.

- We will step up our efforts to reinforce preventive measures for the Designated Non-Financial Businesses and Professions (DNFBP) by increasing our sensitization and capacity building actions with relevant stakeholders in priority sectors such as real estate, casinos and dealers in precious metals and precious stones and enhancing the framework for the filing of suspicious transaction reports.

- The transparency of Beneficial Ownership (BO) of legal entities operating in Ghana, including the implementation of the recent updates from March 2022 to FATF's Recommendation 24, will also be further strengthened. We will also take measures to provide and facilitate access to the BO register to all competent authorities and accountable institutions. A new software system (CRO), which will draw from the databases of the Financial Intelligence Center, will facilitate and enhance timely access to the BO register has been tested. The system will eventually draw from the databases of the National Identification Authority and the Ghana Revenue Agency.

H. Sustainable and Inclusive Growth

68. We are developing a set of coherent and focused policies to boost private investment, diversify the economy, and foster and inclusive growth. Our efforts mainly focus on:

- *Improving the business environment by simplifying business regulations.* To this end, by September 2025, we will submit the regulations for the PPP Act and Corporate Insolvency and Restructuring Act to Parliament. To strengthen the digital business registration platform, we will establish service centers and activate a 24/7 helpline to promote business registration. In addition, we will by conduct a review of Ports' taxes, fees and charges. We will submit Consumer Protection Competition and Business Regulatory Reforms Commission bills to Parliament. To promote inclusive business policy and regulation, we will launch a platform for sustained Government-private sector engagement by December 2025. This will be complemented by a quarterly dialogue on tax issues between Government and the business community.

- *Attracting FDI.* We will re-submit the Amendments to the Ghana Investment Promotion Centre Act to Parliament by end-2025 to address issues related to minimum foreign capital requirements. By end-2025, with the support of the World Bank, we will enact a new Investment Law to make the legal framework for investors more binding, robust and predictable.

- *Boosting export competitiveness and integration into global value chains.* We are committed to the pursuit of our 24-Hour Economy policy to stimulate economic growth, create jobs and achieve an integrated, efficient and increasingly export-driven industrial economy that fully utilizes our national resources, capital and labor. We will implement the Economic Transformation Agenda (ETA) anchored on promoting modernized agriculture, agribusiness and value addition for import substitution, exports and job creation. By end-2025, we will take measures to enable Ghanaian businesses to fully leverage the implementation of AfCFTA Agreement, support Businesses to the AfCFTA certified, and update our 2005 Trade Policy. These reforms will be crystalized into a five-year Trade Sector Support Programme to guide implementation actions and the delivery of results. We will accelerate our efforts to facilitate trade by adopting the critical measures under the World Trade Organization Trade Facilitation Agreement Implementation Action Plan for Ghana.

- *Upskilling our workforce.* We plan to make the Free Senior High School program more efficient while strengthening uptake by the poorest households; provide support for out-of-school children to access formal education and skills training; and implement the National

Apprenticeship Programme to strengthen vocational skills training by expanding access and identifying by critical skills gaps, in collaboration with the private sector.

- *Streamlining sectoral and industrial policies.* The Agriculture for Economic Transformation Agenda (AETA) will underpin the Feed Ghana Programme. By end-2025, we expect to launch the Farmers' Service Centres to deliver essential support services and make progress towards the establishment of Farm Banks within agricultural zones, which will facilitate land access and irrigation services. Further, we will also undertake a comprehensive review of the Made-in-Ghana Products Policy.
- *Improving access to finance.* We are working with the Development Bank of Ghana and other partners to leverage existing financial services supporting women-owned and led businesses. By end-2025, we aim to establish the National Employment Trust to manage an investment fund to de-risk and mitigate risk in areas that traditional banks do not ordinarily venture into but have high growth and job potential.
- *Encouraging digitalization.* We will establish the One Million Coders Programme, Regional Digital Centres, a FinTech Growth Fund and Zonal ICT Parks to promote digital skills development, digitalization, and financial inclusion.

I. Program Monitoring and Other

69. The program will continue to be monitored on a semi-annual basis, through quantitative performance criteria, continuous performance criteria related to the Article VIII, a monetary policy consultation clause, indicative targets, and structural benchmarks**.** The phasing of access under the arrangement and the review schedule are set out in Table 1 of the memorandum that accompanied program request. A Memorandum of Understanding between the government and the BoG has been established to set their respective responsibilities for servicing financial obligations to the Fund. The quantitative performance criteria and indicative targets through end-March 2026 are set out in

Table 2. The structural benchmarks are described in Table 3.

Table 1. Ghana: Performance Criteria and Indicative Targets Under the Extended Credit Facility, 2024–26

	2024				2025								2026
	December				March		June		September		December		March
	Performance Criteria				Indicative Targets		Performance Criteria		Indicative Targets		Performance Criteria		Indicative Targets
	Third Review	Adjusted Target	Outturn	Status	Third Review	Outturn	Third Review	Proposed	Third Review	Proposed	Third Review	Proposed	Proposed
Performance Criteria													
Net international reserves of the Bank of Ghana, cumulative change floor (millions of U.S. dollars) [1]	908	886	1,719	**Met**	166	956	493	493	824	824	1,450	1,450	50
Changes to Bank of Ghana claims on the central government and public entities, cumulative ceiling (millions of cedis) [2]	0		-1	**Met**	0	-3	0	0	0	0	0	0	0
Present value of newly contracted or guaranteed external debt by the central government and public entities, cumulative ceiling (millions of U.S. dollars) [3]	231.5	240.5	35	**Met**	50.0	0	50.0	50	50.0	50	50.0	50	70
Primary fiscal balance of the central government, commitment basis, cumulative floor (millions of cedis) [3,4]	4,805.7	7,128.6	10,871	**Met**	-1,276.1	n.a.	1,576.1	1,690	9,312	10,588	18,250	20,989	-716
Non-accumulation of external debt payments arrears by the central government and the Bank of Ghana, continuous ceiling (millions of U.S. dollars) [5]	0		0	**Met**	0	0	0	0	0	0	0	0	0
Newly contracted collateralized debt by the central government and public entities, continuous cumulative ceiling (millions of U.S. dollars)	0		0	**Met**	0	0	0	0	0	0	0	0	0
Monetary Policy Consultation Clause													
Twelve-month consumer price inflation (percent)													
Outer band (upper limit)	22.0				19.0		16.5	16.5	14.0	19.0	12.0	16.0	14.0
Inner band (upper limit)	20.0				17.0		14.5	14.5	12.0	17.0	10.0	14.0	12.0
Central target rate	**18.0**		23.8	**Not met**	**15.0**	**22.4**	**12.5**	**12.5**	**10.0**	**15.0**	**8.0**	**12.0**	**10.0**
Inner band (lower limit)	16.0				13.0		10.5	10.5	8.0	13.0	6.0	10.0	8.0
Outer band (lower limit)	14.0				11.0		8.5	8.5	6.0	11.0	4.0	8.0	6.0
Indicative Targets													
Non-oil public revenue, cumulative floor (millions of cedis) [3]	154,087		159,055	**Met**	36,423	38,568	76,885	84,836	125,545	138,847	182,564	202,113	49,074
Social spending, cumulative floor (millions of cedis) [3]	5,572		5,723	**Met**	1,779	n.a.	3,380	3,399	5,336	5,367	7,115	7,155	2,242
Net change in the stock of payables of the central government and of the energy sector, cumulative ceiling (million of cedis) [3]	0		45,604	**Not met**	0	n.a.	0	0	0	0	0	0	0
Total contracted but not yet disbursed external commercial and official project loans pre OCC cut-off date, continuous cumulative ceiling (millions of U.S. dollars) [6]	250		184.4	**Met**	250	15	250	250	250	250	250	250	250

Sources: Ghanaian authorities; and IMF staff estimates and projections.

1 Evaluated at program exchange rates as defined in the Technical Memorandum of Understanding (TMU), differently from the figures in Table 1 of the Staff Report. Cumulative change since January 1.
2 Cumulative change since the beginning of the program
3 Cumulative from January 1.
4 Includes net change of payables of the central government originated in GIFMIS. The end-December 2024 target is adjusted for the shortfall of concessional project loans.
5 Accumulation of new arrears since previous test date.
6 OCC cut-off date (CoD) is the 31st of December, 2022.

Table 2. Ghana: Proposed Structural Conditionality Under the Extended Credit Facility, 2024–26

Prior Action	***Objective***	**Date**	**Status**
• **MoF to inject additional funds necessary to ensure non-negative CAR of NIB**	*Promote financial stability and bolster financial sector contribution to medium-term growth*	Prior action	
• **BoG and MoF to prepare a forward-looking overarching restructuring plan for NIB**	*Promote financial stability and bolster financial sector contribution to medium-term growth*	Prior action	
• **Fully integrate GHANEPS with GIFMIS and commence operations on the integrated system** to ensure that only MDAs' projects/purchase orders that have approved budgets and allotments can obtain procurement approvals to award contracts	*Strengthen PFM procedures by reducing vulnerability to corruption*	Prior action	
Structural Benchmarks	***Objective***	**Date**	**Status**
• **The GRA shares with the MoF the final report of the project of cleaning taxpayer register and ledgers. The project's objective is to ensure:** (i) Duplication of taxpayer identification numbers (TIN) will be eliminated (ii) The registry will be able to separate active taxpayer list (iii) Elimination of individuals with no payment or filing obligations from the list of registered PIT taxpayers	*Provision of accurate indicators for performance of revenue administration*	End-June 2024	**Not Met**
• **Operationalize the Integrated Tax Administration System by completing:** (i) procurement of the system, (ii) data migration from other portals (including E-VAT and GITMIS), (iii) Appraisal of current situation and verification of requirements (data checks) (iv) Implementation of the functionality of VAT (v) Implementation of the functionality of CIT (vi) Implementation of the functionality of PIT	*Fundamentally and sustainably improve tax administration*	Reset to end-December 2024	**Not Met**
• **Fully integrate GHANEPS with GIFMIS** to ensure that only MDAs' projects/purchase orders that have approved budgets and allotments can obtain procurement approvals to award contracts	*Strengthen PFM procedures by reducing vulnerability to corruption*	End-December 2024	**Not Met Now prior action**
• **PURC publishes on its website the Validation Report of ECG Revenue/Collection Accounts audit for 2023Q4 and 2024H1.** The audit should be based on a full assessment and accounting of all ECG collections and uses of funds to ensure an unqualified opinion by the auditors.	*Enhance energy sector transparency and accountability*	End-January 2025	**Not Met Implemented with delay**
• **PURC implements quarterly tariff adjustments as per the current policy** to reflect transmission of changes in exchange rate, inflation, fuel prices, and generation mix to electricity tariffs. PURC will publish the Decision paper (technical notes) to explain and justify this tariff decisions within 30 days of the tariff decision announcement and will share with IMF and World Bank staff the financial model and calculations.	*Strengthen the energy sector and ensure its medium-term viability*	Quarterly starting end-January 2025	**Not Met Implemented with delay**
• **Submit to Parliament a 2025 Budget and accompanying legislations** (i.e., tax laws, 2025 Appropriation Bill) consistent with the program's fiscal targets for 2025—including on the primary balance and non-oil revenue.	*Reduce fiscal imbalances*	End-March 2025	**Met**

Table 2. Ghana: Proposed Structural Conditionality Under the Extended Credit Facility, 2024–26 (continued)

Structural Benchmarks	*Objective*	Date	Status
• **Following the special review, BoG and government to prepare a forward-looking overarching restructuring plan for NIB, including identifying resource needs and/or any residual recapitalization that may be needed**. The restructuring plan would specify any necessary changes to the business model and would lay out the planned cost structure rationalization (including branches and staff), specific steps to enhance the corporate governance (including independence of the Board) and risk management frameworks, as well as necessary supervisory measures to be imposed until all of that is addressed.	*Address weaknesses in NIB*	End-March 2025	**Not Met, now prior action**
• **BoG implements remedial and/or corrective measures, proportional to the duration and magnitude of the breach**, against any bank that has not complied with the two-thirds recapitalization and the non-negative CAR requirements by end-December 2024	*Promote financial stability and bolster financial sector contribution to medium-term growth*	End-March 2025	**Met**
• **MoF to bring onboard 549 MDAs and MMDAs spending unit accounts into GIFMIS, during May 2024-end-March 2025**	*Strengthen PFM systems and cashflow management*	End-March 2025	**Met**
• **BoG and government to design a strategy, based on a diagnostic assessment, to ensure that all state-owned banks adopt sound governance principles**, business models and risk management systems, including appropriate changes to the regulatory framework if deemed necessary, to support viability and sustainability following recapitalization.	*Promote financial stability and bolster financial sector contribution to medium-term growth*	End-April 2025	**Not Met**
• **Submission of the BoG Act amendments to Parliament,** in line with Safeguards recommendations.	*Strengthen BoG independence and reduce the risk of fiscal dominance*	End-May 2025	**Not Met**
• **Adopt the necessary legislations to implement the government's strategy to streamline statutory funds (end-September 2023 SB),** including by merging with their line ministries the statutory funds identified as redundant.	*Strengthen spending controls and prevent arrears' accumulation*	End-June 2025	
• **Auditor General to complete a comprehensive audit of the commitments originated in the run up to the December 2024 elections,** with assistance of reputable international firms	*Ensure a credible fiscal adjustment in order to restore fiscal and debt sustainability. Promote energy sector sustainability.*	End-August 2025	
• **Enact the amended Fiscal Responsibility Act** prepared in collaboration with Fund's staff**.**	*Increase fiscal oversight, transparency, and governance*	End-September 2025	**Met**
• **Submit to parliament a new bill to strengthen asset declarations consistent with international best practices.** The draft bill will be prepared in consultation with IMF staff.	*Strengthen governance and the asset declaration system to reduce vulnerability to corruption*	End-September 2025	
• **Finalize the review of LEAP beneficiaries to improve the targeting of the program** in favor of the extreme poor, and expand the LEAP coverage to reach 400,000 households.	*Strengthen effectiveness of social protection programs*	End-September 2025	
• **Cabinet approves a strategy to restructure ECG, including opening operations to private sector participation.** The strategy will be based on the findings of the technical and financial audit and will be prepared in consultation with IMF and WB staff.	*Strengthen PFM procedures by reducing vulnerability to corruption*	End-September 2025	**Met**

Table 2. Ghana: Proposed Structural Conditionality Under the Extended Credit Facility, 2024–26 (concluded)

Structural Benchmarks	***Objective***	**Date**	**Status**
• **PURC implements the planned major tariff review at end-September (with associated tariff adjustment as of October 1, 2025).** PURC will publish the technical note to explain and justify this tariff decision and will share with IMF and World Bank staff the calculations.	*Strengthen the energy sector and ensure its medium-term viability*	End-September 2025	
• **Ministry of Finance to update the centralized inventory of all ongoing and planned projects and, on this basis, cabinet to approve plan to cancel, rescope, and rephase the portfolio of projects drawing on the audit on 2024 commitments** (based on the status of their execution and their value for money with a view to enhance planning, reduce costs, and realign commitments to available budget resources)	*Strengthen controls and execution of public investment*	End-September 2025	
• **BoG to adopt a "discretion under constraint" policy** for FXI, in consultation with IMF staff	*Enhance exchange rate flexibility*	End-September 2025	
• **Ensure comprehensive reporting on payables** by the Controller and Accountant General's Department (CAGD) by ensuring that all agreed MDAs report quarterly and with a maximum delay of 90 days from the end of the reporting period to CADG.	*Strengthen PFM procedures by reducing vulnerability to corruption*	Quarterly starting end-September 2025	
• **Cabinet to approve and submit to parliament the necessary legislation amendments to the banking crisis management and resolution framework** to address critical gaps and vulnerabilities, including to limit risks to the BoG/ Resolution Authority, in alignment with international standards	*Promote financial stability and bolster financial sector contribution to medium-term growth*	End-December 2025	
• **MoF to amend procurement regulations and/or Procurement Act** to restrict exceptions to undertaking competitive procurement.	*Strengthen PFM procedures by reducing vulnerability to corruption*	End-December 2025	

Attachment II. Technical Memorandum of Understanding

1. **This Technical Memorandum of Understanding (TMU) sets out the understandings regarding the definitions of the performance criteria (PCs), indicative targets (ITs), and consultation clauses that will be applied under the Extended Credit Facility,** as specified in the authorities' Letter of Intent (LoI) and Memorandum of Economic and Financial Policies (MEFP) of June 17 and their attached tables. It also describes the methods to be used in assessing the program's performance and the information requirements to ensure adequate monitoring of the targets.

Ghana: Program Exchange Rates

(Rates as of February 28, 2023)

	Cedi per currency unit	US Dollars per currency unit
US Dollar	11.01	1.00
GB Pound	13.32	1.21
Euro	11.68	1.06
SDR	14.63	1.33
Japanese yen	0.080	0.0073
Chinese yuan	1.582	0.1437
Australian dollar	1.636	0.1486
Swiss franc	11.69	1.06
South African rand	0.601	0.055

Source: Bank of Ghana, Bloomberg, and IMF

2. **The exchange rates for the purpose of the program are specified in the Table below.** The gold price for the purpose of the program is US$ 1,826.92 per ounce (as per Bloomberg data as of February 2023).

QUANTITATIVE PERFORMANCE CRITERIA

Definition

3. **The central government is defined as comprising the central government, all special funds (including the Ghana Education Trust Fund,** the Road Fund, the District Assemblies Common Fund, the National Health Insurance Fund and Mineral Income Investment Fund), and all subvented and other government agencies that are classified as government in the Bank of Ghana (BoG) Statement of Accounts (SOA). The Social Security and National Insurance Trust (SSNIT) and public enterprises, including Cocobod, are excluded from the definition of central government.

4. For the purposes of program monitoring, public entities include: (i) Tema Oil Refinery; (ii) Ghana National Petroleum Company; (iii) Ghana National Gas Company; (iv) Volta River Authority; and (v) Electricity Company of Ghana; (vi) Ghana Grid Company Ltd (GRIDCO); (vii) Ghana Water Company Limited; (viii) Ghana Infrastructure Investment Fund (GIIF); and (ix) Daakye PLC, (x) Energy Sector Levy Act (ESLA) PLC, (xi) Asanti Gold Corporation; (xii) Cocobod (xiii) Ghana Integrated Aluminium Development Corporation (GIADEC), (xiv) Bulk Oil Storage and Transportation (BOST) and (xv) the Ghana Gold Board (GoldBod).

Continuous Performance Criteria

5. In addition to the performance criteria listed in Table 1 of the MEFP, the arrangement will include the performance criteria standard to all Fund arrangements, namely:

i. no imposition or intensification of restrictions on the making of payments and transfers for current international transactions;

ii. no introduction or modification of multiple currency practices;

iii. no conclusion of bilateral payments agreements that are inconsistent with Article VIII of the IMF Articles of Arrangement;

iv. no imposition or intensification of import restrictions for balance of payments reasons.

6. These performance criteria will be monitored continuously. The revision of the BoG reference rate methodology (**end-August 2024 SB**) and the introduction of competitive price-based FX spot auctions, being conducted in consultation with IMF staff, would not constitute an introduction or modification of multiple currency practices (MCPs).

A. Net International Reserves of the Bank of Ghana, Floor (Millions of U.S. Dollars)

Definition

7. For program monitoring purposes, the **net international reserves** (NIR) of the Bank of Ghana are defined as **reserve assets** minus **short-term foreign-currency liabilities** and **liabilities to the Fund**. All values not in U.S. dollars are to be converted to U.S. dollars using the program exchange rates and gold price defined in ¶2.

- **Reserve assets** (RA) are readily available claims on nonresidents denominated in foreign convertible currencies. RA include Bank of Ghana holdings of monetary gold, SDRs, foreign currency cash, foreign currency securities, deposit abroad, and the country's reserve position at the Fund. Excluded from reserve assets are any assets that are pledged, collateralized, or otherwise encumbered, claims on residents, precious metals other than gold, assets in nonconvertible currencies, and illiquid assets. Encumbered assets include Ghana Petroleum Heritage and Stabilization Fund and Bank of Ghana deposits with Ghana International Bank London.

- **Short-term foreign-currency liabilities** include Bank of Ghana contractual foreign-currency obligations to residents and nonresidents scheduled to come due during the 12 months ahead. They comprise of Deposits of International Institutions, Liabilities to International Commercial Banks, FX Swaps with non-resident and resident banks, foreign currency deposits held at the BoG. Liabilities with an asset counterpart that is encumbered (which are excluded as well from the asset side) are excluded from short term foreign-currency liabilities.

- **The liabilities to the Fund** include all outstanding use of IMF credit, including IMF budget support for the MoF. The liabilities to the Fund exclude SDR allocations.

Adjustors

8. The floors on NIR will be adjusted upward for any excess of budget grants, loans, and foreign exchange received in the context of the sales of 5G spectrum licenses, relative to the program baseline, except where this financing is used to repay outstanding domestic arrears at a more rapid pace than programmed. The NIR floors will be adjusted downward for any shortfall in budget grants and loans relative to the program baseline. Budget grants and loans assumptions of the program NIR target are specified in the Table below.

Ghana: Expected Budget Grants and Loans, 2024-2026
(Cumulative from the beginning of the year, USD millions

Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
390	116	516	616	950	94

9. The floors on NIR will be adjusted upwards by the full amount of the debt service payments on commercial claims in the restructuring perimeter below the amounts in the program baseline.

Ghana: Expected Debt Service Payments on Commercial Claims in the Restructuring Perimeter, 2024-2026
(Cumulative from the beginning of the year, USD millions)

Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
501	409	350	699	699	704

B. Changes to Bank of Ghana Claims on the Central Government and Public Entities, Cumulative Ceiling (Billions of Cedis)

Definition

10. Changes to Bank of Ghana claims on the central government (¶3) and public entities (¶4) are defined, for program monitoring purposes, as the change in the total amount, measured from the start of the program, of (i) all BoG loans and advances to central government and public entities, (ii) all central government and public entities overdrafts, (iii) the face value for all outstanding Government of Ghana treasury bills, notes and bonds purchased by BoG in the primary and the secondary market, net of the stock adjustment from the debt operation (e.g. capitalization of interest payments).

11. For purposes of this TMU, claims on the central government and public entities by Bank of Ghana include all called guarantees given by Bank of Ghana for all operations between the central government or public entities and a third party.

12. For the purposes of program monitoring, claims on the central government exclude: (i) BoG holdings of Government of Ghana T-bills as collateral from commercial banks; (ii) BoG reversible market transactions involving Government of Ghana securities; and (iii) claims related to transactions between the central government and external institutions that do not involve financial commitments between the BoG and the government and are fully offset by a corresponding liability, for record-keeping purposes (i.e. "contra" or "wash" accounts).

13. For the purposes of program monitoring, claims on the central government also exclude claims arising from the on-lending of IMF resources from SDR holdings and PRGT loans. However, starting July 1st, 2025, interest, fees, charges or overdue principal payments related to on-lent SDR holdings and PRGT facilities that have not been reimbursed to the BoG by the central government are included in **claims on the central government**. Similarly, on-lending-related claims on the central government—whether included or excluded for the purposes of program monitoring—are only considered to be extinguished by a debit from the government's deposit accounts at the BoG (payments from the BoG to the IMF notwithstanding).

14. Claims on public entities excludes claims on wholly owned subsidiaries of the Bank of Ghana.

C. Present Value (PV) of Newly Contracted or Guaranteed External Debt by the Central Government and Public Entities, Cumulative Ceiling (Millions of U.S. Dollars)

Definition

15. External debt is defined on a residency basis. The definition of "debt" is set out in paragraph 8(a) of the 2014 Guidelines on Public Debt Conditionality in Fund Arrangements (Executive Board's Decision No.15688-(14/107). The definition also refers to commitments contracted or guaranteed for which value has not been received. The definition of debt is as follows:

- For the purpose of these guidelines, the term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of financial and nonfinancial assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

  (i) loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

  (ii) suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

  (iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

- Under the definition of debt set out in point 14(a) above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

16. This performance criterion (ceiling) applies to the cumulative PV of new external debt, contracted or guaranteed by the central government (¶3) and public entities (¶3). The ceiling applies to debt and commitments contracted or guaranteed for which value has not yet been received, including private debt for which official guarantees have been extended.

17. For program purposes, a debt is considered to be contracted when all conditions for its entry into effect have been met in accordance with the terms of the contract and as provided in the national legislation. Contracting of credit lines (which can be drawn at any time and entered into effect) with no predetermined disbursement schedules or with multiple disbursements will be also considered as contracting of debt.

18. For the purpose of this performance criterion, the ceiling on the cumulative PV of new contracted or guaranteed external debt excludes: (i) loans and bonds stemming from the restructuring or rescheduling or refinancing of external debt; (ii) renewal of an existing suppliers' credit; (iii) rollover of a credit line; (iv) short-term debt including suppliers' credit and credit lines with a maturity of less than 6 months for **public entities** (¶4); (v) debt contracted from the IMF, World Bank and AfDB; and (vi) Government of Ghana securities issued in domestic currency, placed in the domestic primary or secondary markets, and held by non-residents.

19. A 'guaranteed debt' is an explicit promise by the central government and public entities to pay or service a third-party obligation (involving payments in cash or in kind).

20. The present value (PV) of debt at the time of its signing date of an underlying loan agreement is calculated by discounting the future stream of payments of debt service due on this debt. The discount rate used for this purpose is the unified discount rate of 5 percent set forth in Executive Board Decision No. 15248-(13/97).

21. A debt is considered concessional if it has at least a grant element of 35 percent. The grant element of a debt is the difference between the PV debt and its nominal value, expressed as a percentage of the nominal value of the debt. For debts with a grant element equal to or below zero, the PV will be set equal to the nominal value of the debt.

22. For loans carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the loan would be calculated using the program reference rate plus the fixed spread (in basis points) specified in the loan contract. The program reference rate for the three-month U.S. Secured Overnight Financing Rate (SOFR) is 2.97 percent and will remain fixed for the duration of the program. The spread of three-month JPY Tokyo Interbank Offered Rate (TIBOR) over three-month USD SOFR is -300 basis points. The spread of three-month U.K. Sterling Overnight Index Average (SONIA) over three-month USD SOFR is equal to 50 basis points. For interest rates on currencies other than Euro, JPY, and GBP, the spread over three-month USD SOFR is 0 basis points.2 Where the variable rate is linked to a benchmark interest rate other than the three-month USD SOFR, a spread reflecting the difference between the benchmark rate and the three-month USD SOFR (rounded to the nearest 50 bps) will be added.

23. Reporting. For the purposes of this performance criterion, which will be monitored continuously, the MOF will immediately report to the IMF staff details of any new external loans before being contracted or guarantees before being issued by the **central government** and **public entities** (¶4). Moreover, the MOF should provide, *on a monthly basis and within 30 days from the end of each month*, detailed data on all new **concessional** and **non-concessional external debt** (¶15) contracted or guaranteed by the central government and public entities. The information should include (i) amounts contracted or guaranteed; (ii) currencies; and (iii) terms and conditions, including interest rates, maturities, grace periods, payments per year, commissions and fees, and collaterals.

Adjustors

24. The PV ceiling of newly contracted or guaranteed external debt by the central government and public entities will be adjusted upward for excesses in contracted concessional project loans, relative to the following baseline:

Ghana: Present Value of Contracted Concessional Project Loans, 2024-2025
(Cumulative from the beginning of the year, USD millions)

Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
8.8	0	0	0	0	0

D. Primary Fiscal Balance of the Central Government, Commitment Basis, Cumulative Floor (Millions of Cedis)

Definition

25. The program's primary fiscal balance is cumulative from the beginning of the fiscal year and is measured as the primary balance on cash basis (¶26) from the financing side minus the **net accumulation of payables** (¶29).

26. The primary balance on cash basis is measured as the sum of net financial transactions of the central government (¶3)—comprising the sum of **net foreign financing** (¶27), **net domestic financing** (¶28), receipts from net divestitures and net drawing out of oil funds, minus domestic and external interest payments. It excludes financing for the financial sector recapitalization.

27. Net foreign financing of central government is defined as the sum of project and program loans by official creditors and commercial external borrowing, minus amortization due.

28. **Net domestic financing** of central government is defined as the change in government deposits plus domestic debt issuance proceeds, minus domestic debt amortization due.

29. **The net accumulation of payables includes the net change in the stock of payables of the central government ("outstanding payments") originated in GIFMIS, and of the net accumulation of payables of the energy sector (both defined below).** A positive net change in the stock of payables means more payables are built up than cleared over the period considered (so the primary balance on a cash basis is stronger than the primary balance on a commitment basis). The program's fiscal primary balance excludes the financial sector cost, defined as government support to strengthen the financial sector as envisaged under the program.

30. **Payables of the central government** ("outstanding payments") originated in GIFMIS include payables of statutory/earmarked funds (SFs), defined as outstanding payments from the consolidated funds to the SFs.

31. **Up until March 2025, the net accumulation of payables of the energy sector** is defined as the difference between the total fixed cost bills received by the Electricity Company of Ghana (ECG) from independent power producers (IPPs) and fuel suppliers, and the payments made by ECG and the Government of Ghana on energy obligations related to the current and past years, including exchange rate adjustments and Natural Gas Clearinghouse credit notes.

32. **After March 2025, payables o**f the energy sector are defined as the sum of gross payables of the Government of Ghana and state-owned enterprises to IPPs and fuel suppliers, net of the receivables of the Government of Ghana and state-owned enterprises from IPPs and fuel suppliers. As per Table 1, payables and receivables of the energy sector will be provided on a quarterly basis by the Ministry of Finance. The quarterly **net accumulation of payables of the energy sector** is defined as the stock of energy sector payables at the end of the quarter minus the stock at the end of the previous quarter, both measured in US dollars; the net accumulation is converted in cedis at the average exchange rate for the quarter.

Adjustors

33. **The floors on the primary fiscal balance will be adjusted for excesses and shortfalls in disbursed concessional project loans**, relative to the program assumptions. The primary balance floor will be adjusted downward (upward) for the full amount of any excess (shortfall) in concessional project loans relative to the following baseline assumptions:

Ghana: Expected Concessional Project Loans Disbursement, 2024-2026
(Cumulative from the beginning of the year, USD millions)

Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
574.4	117.3	175.0	262.5	350.0	123.5

34. The primary balance floor will be adjusted upward by the full amount of non-tax revenue proceeds stemming from the sale of 5G Spectrum licenses.

E. Non-Accumulation of External Debt Payment Arrears by the Central Government and the Bank of Ghana, Continuous Ceiling (Millions of U.S. Dollars)

Definition

35. For the purpose of the ceiling on the accumulation of external debt service payment arrears, external payment arrears will accrue when payments such as interest or amortization on debts of the **central government** (¶3) to non-residents are not made within the terms of the contract, taking into account all applicable grace periods. The definition excludes arrears relating to debt subject to renegotiation (dispute or ongoing renegotiation) or rescheduling. This performance criterion will be monitored on a continuous basis.

F. Newly Contracted Collateralized Debt by the Central Government and the Public Entities, Cumulative Zero Ceiling

Definition

36. Collateralized debt is any contracted or guaranteed debt that gives the creditor the rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt.

37. The performance criterion (ceiling) applies to debt contracted or guaranteed by the central government (¶3) and the public entities outlined in ¶4.

MONETARY POLICY CONSULTATION CLAUSE

38. The consultation bands around the projected year-on-year (12-month) rate of inflation in consumer prices (as measured by the headline consumer price index (CPI) published by the Ghana Statistical Service), are specified in Table 1 of the MEFP.

39. If the observed year-on-year rate of CPI inflation falls outside the lower or upper outer bands specified in the PC table for the relevant test dates, the authorities will initiate a consultation with the IMF Executive Board which would focus on: (i) the stance of monetary policy and whether the Fund-supported program remains on track; (ii) the reasons for deviations from the program targets, taking into account compensating factors; and (iii) proposed remedial actions if deemed necessary. When the consultation with the IMF Executive Board is triggered, access to Fund resources would be interrupted until the consultation takes place and the relevant program review is completed.

40. If the observed year-on-year rate of CPI inflation falls outside the inner bands specified in Table 1 of the MEFP, the authorities should conduct discussions with Fund staff.

INDICATIVE TARGETS

G. Non-Oil Public Revenue, Cumulative Floor (Millions of Cedis)

Definition

41. The central government's total non-oil revenue includes total tax revenue—all revenue collected by the GRA, whether they result from past, current, or future obligations such as Direct Taxes (taxes on income and property), Indirect Taxes (excises, VAT, National Health Insurance Levy (NHIL), GETFund Levy, Covid-19 Health Levy, E-Levy, and Communication Service Tax (CST)), and Trade Taxes— and total non-tax revenue—including IGFs retention, Fees and Charges, Dividend/interest and profits from oil and others, Surface rental from oil/PHF interest, property rate collection and yield from capping policy— and excludes grants, **oil revenue** (¶42)43, social security contributions and ESLA proceeds. Total non-oil revenue is recorded on a cash basis.

42. Oil revenue is defined as the central government's tax and non-tax net proceeds from the sale of oil, excluding any revenue allocated to Ghana National Petroleum Corporation (GNPC).

Adjustors

43. Total non-oil revenue floor will be adjusted upward for the full amount of the non-tax revenue proceeds of the sale of 5G Spectrum licenses.

44. The non-oil revenue floor will be adjusted upward (downward) by the amount received as the one-off dividends revenue from the ESLA bond closure program in excess (shortfall) of the program assumption.

Ghana: Expected dividends revenue from the ESLA bond closure program, 2024-2025
(Cumulative from the beginning of the year, GHS millions)

Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
800.0	800.0	0.0	0.0	0.0	0.0	0.0

H. Ceiling on the Disbursement of Total Committed but not yet Disbursed External Bilateral and Commercial Project Loans pre-end-December 2022 (Millions in USD)

Definition

45. The ceiling applies to the total contracted but not yet disbursed project loans to the central government from official external and commercial creditors. The ceiling includes disbursements resulting from undisbursed projects contracted before the OCC cut-off date. External debt is defined as in ¶15above.

Reporting

46. Detailed data on the total amount of contracted but not yet disbursed external project loans of bilateral creditors pre-OCC cut-off date will be provided on a quarterly basis, within 30 days from the end of each quarter, including amounts, currencies, creditors, and project names.

I. Social Spending, Cumulative Floor (Millions of Cedis)

Definition

47. The expenditure floor on poverty-reducing social programs of the central government will include the disbursement of the National Health Insurance Fund used to pay for medical claims, essential medicine, and vaccines, and the payment received from CAGD to the respective line ministries for the purpose of the Ghana School Feeding Program, the Livelihood Empowerment Against Poverty Program, and the Capitation Grant. The measured expenditure on the above social programs will exclude all donor-supported expenditure and measured as consolidated funds' releases to MDAs.

J. Net Change in the Stock of Payables of the Central Government and of the Energy Sector, Cumulative Ceiling (Millions of Cedis)

Definition

48. The net change in the stock of payables of the central government and of the energy sector is defined as the change in the stock of payables of the central government (¶49) plus

the net accumulation of payables of the energy sector (¶50-51), cumulative from the beginning of the fiscal year.

49. Payables of the central government are defined as the stock of payables reported by CAGD, covering payables of all budgetary central government entities, a subset of the entities which are part of the CAGD annual and quarterly account preparation for central government. They include payables to the statutory/earmarked funds (SFs) reported by CAGD at the end of each quarter.

50. Up to March 2025, payables of the energy sector comprise energy-sector-related outstanding payments of ECG and GNPC (including those to be paid by the MoF) to power generators (both IPPs and energy State Owned Enterprises) and fuel suppliers. The **net accumulation of payables of the energy sector** is the quarterly change in the stock of **payables of the energy sector** denominated in US dollars, converted to cedis at the average daily exchange rate in the last month of the period.

51. After March 2025, the net accumulation of payables of the energy sector follows the definition of ¶32.

PROVISION OF DATA TO THE FUND

52. Data with respect to the variables subject to performance criteria and indicative targets will be provided to Fund staff on a monthly basis with a lag of no more than eight weeks (except for select data for which the reporting lag is explicitly specified in Table 1). The authorities will transmit promptly to Fund staff any data revisions. For any information (and data) that is (are) relevant for assessing performance against program objectives but is (are) not specifically defined in this memorandum, the authorities will consult with Fund staff.

53. The authorities will share any prospective debt agreements relevant for the program monitoring (see Section C, E, and F or quantitative performance criteria) with Fund staff before they are submitted to cabinet and before they are contracted.

Table 1. Ghana: Data to be Reported to the IMF

Item	Periodicity
Fiscal data (to be provided by the MoF)	
Central budget operations for revenues, expenditures and financing.	Monthly, within six weeks of the end of each month
The stock and quarterly flows of buildup/clearance of GIFMIS payables ("outstanding payments") along with the list of all entities reporting.	Quarterly, within six weeks of the end of each quarter
The stock of CAGD payables for all agreed MDAs (including statutory funds).	Quarterly, within 90 days of the end of each quarter
The stock and quarterly flows of buildup/clearance of unreleased claims as defined in ¶35	Quarterly, within six weeks of the end of each quarter
The stock and quarterly flows of buildup/clearance of payables to Independent Power Producers (IPPs)	Quarterly, within six weeks of the end of each quarter
Social spending, as defined in the TMU.	Quarterly, within 90 days of the end of each quarter
Updated list of (prioritized) projects to be financed by non-concessional loans and concessional loans.	Monthly, within six weeks of the end of each month.
Cash flow of the central government and cash flow projections.	Monthly, within six weeks of the end of each month
Monthly cash flow projections for energy sector payments (for current bills and legacy debt clearance) for the next 12 months	Quarterly, at the beginning of each quarter
Monthly cash flow projections for cocoa FX proceeds for the next 12 months	Quarterly, at the beginning of each quarter
Payables and receivables of the energy sector	Quarterly, within three months of the end of each quarter
Monetary data (to be provided by the BoG)	
Detailed balance sheet of the monetary authorities including the usual monetary bridge data.	Monthly, within four weeks of the end of each month.
Monetary survey detailing the consolidated balance sheet of commercial banks.	Monthly, within six weeks of the end of each month.
Summary position of central government and public entities committed and uncommitted accounts at BoG, and total financing from BoG, including the details of BoG financing to the central government and public entities: central government and public entities overdrafts, central government local-currency and FX deposits, SDR on lent, etc.	Monthly, within four weeks of the end of each month. (continued)
Composition of banking system and nonbanking system net claims on central government.	Monthly, within four weeks of the end of each month.

Table 1. Ghana: Data to be Reported to the IMF (continued)	
Item	**Periodicity**
Debt registry showing structure and holders of domestic government debt, at face value and at discount. Similar table showing holders of treasury bills for open market operations.	Monthly, within four weeks of the end of each month.
Itemized overview of outstanding liquidity support, granted to financial institutions, at the aggregate level and at the institution level (i.e., by bank, by pension fund, by investment fund, by insurance firm, etc.).	Monthly, within four weeks from the end of each month.
Inflation expectation survey data.	Bi-monthly, within four weeks after the survey is collected.
Detailed monthly inflation data including BoG's various measures of core inflations, imported vs. locally produced good inflation, tradable and non-tradable good inflation.	Monthly, within four weeks from the end of each month.
Monthly business and consumer confidence indices.	Monthly, within four weeks from the end of each month.
Financial market data (to be provided by the BoG)	
Weekly gross international reserves and net international reserves.	Weekly, within a week of the end of each week.
Stock of BoG FX swaps, FX loans, and encumbered assets. For the encumbered assets used as collaterals, please provide the corresponding loans/ derivatives.	Weekly, within a week of the end of each week.
Principal and interest payment of BoG swaps, FX loans, and encumbered assets.	Weekly, within a week of the end of each week.
Monthly BoG FX Cash Flow Projection. Please update the realized monthly cash flow and the projection, if any.	Monthly, within a week of the end of each week.
Daily computations for the BoG local-currency interbank market rate, including all transactions used to derive it.	Weekly, within a week of the end of each week.
Daily computations for the BoG reference exchange rate, including all transactions used to derive it.	Weekly, within a week of the end of each week.
Daily BOG FX sales, including the direct sales to government and government entities, the bilateral market support through the interbank market, and through FX auctions. Please provide the amount and the exchange rate of each transaction.	Weekly, within a week of the end of each week.
Daily high and low FX transaction rates, including those transactions with the government and government entities, those related to the conversion of FX proceeds from cocoa exports, purchases of inward remittances by commercial banks, transactions related to voluntary repatriation of export proceeds, the bilateral FX interventions, and FX forward auctions.	Weekly, within a week of the end of each week.
Bank-to-bank and BOG-and-bank FX transactions in the interbank market by transaction amount and the exchange rate.	Weekly, within a week of the end of each week.

Table 1. Ghana: Data to be Reported to the IMF (continued)	
Item	**Periodicity**
Bi-weekly FX auction results by amount and rate of the submitted bids, the amount and rate of the accepted bids, and banks or the sector (if known) of the firms winning the bids.	Monthly within two weeks of the end of each month.
Banking Sector and Non-bank Financial Instructions data (to be provided by the BoG)	
Financial sector indicators and data at the aggregate and bank levels with and without supervisory reliefs. The data should include NPLs categorized by market sector and ageing (in buckets of past due e.g. up to 89 days, 90 – 365 days; 1 – 3 years; over 3 – 5 years; over 5 years); IFRS provisioning, Supervisory and aggregate reserves for loan loss and related provisioning coverage ratios; Net Open FX position and FX liquidity position at bank-by-bank level.	Monthly, within four weeks from the end of each month.
Dividend payment by banks.	Quarterly, within four weeks from the end of each quarter.
Updates on (i) recapitalization progress vis a vis requirements to address capital shortfalls, (ii) CRR and liquidity positions vis a vis tiered and other requirements, and (iii) measures taken/to be taken for non-compliance in each case Updates on phasing out of DDE related prudential reliefs and measures for non-compliance. Updates and related timelines on (i) GFSF applications, approvals and disbursements by amount, type and institution/sub-sector; and (ii) plans and progress in addressing legacy issues and reforms including approvals and disbursements of non-GFSF financial assistance by amount, type and institution/sub-sector; Progress updates on (i) implementation of measures to restructure ADB; and (ii) development and implementation of the strategy and reforms to address recurring problems at state-owned institutions	Quarterly, within four weeks from the end of each quarter.
Balance of payments data (to be provided by the BoG)	
Monthly oil, gas, and gold productions at the aggregate and by mine/ field level.	Monthly, within four weeks from the end of each month.
Monthly cocoa production and exports.	Monthly, within four weeks from the end of each month.
Monthly fuel imports.	Monthly, within four weeks from the end of each month.
Monthly imports of fertilizer, and essential and non-essential foods	Monthly, within four weeks from the end of each month.

Table 1. Ghana: Data to be Reported to the IMF (continued)	
Item	**Periodicity**
Monthly services, credit and debit	Monthly, within four weeks from the end of each month.
Export and import data on value, volume, and unit values, by major categories and other major balance of payments variables.	Quarterly, with a maximum lag of two months.
External and Domestic Debt Data (to be provided by MoF)	
Total debt stock of the central government, Daakye, ESLA, GIADEC, Cocobills, and central government-guaranteed debt by creditor: loan-by-loan database for external debt and by tenor for domestic debt.	Monthly, within four weeks from the end of each month.
Total debt service due and debt service paid by creditor. Perimeter is central government, Daakye, ESLA, GIADEC, Cocobills, and central government-guaranteed debt.	Monthly, within four weeks from the end of each month.
Information on the concessionality of all new external loans contracted by the central government, Daakye, ESLA, GIADEC, or with a central government guarantee.	Monthly, within four weeks from the end of each month.
Short-term liabilities to nonresidents (maturity in one year or less), including overdraft positions and debt owed or guaranteed by the government or the BoG. Data on the BoG short-term liabilities to nonresident commercial banks on accounts 1201 plus 301 plus Crown Agent).	Monthly, within four weeks from the end of each month.
Detailed information (including amounts, currencies, creditors, and project names) on total contracted but not yet disbursed external project loans of official bilateral and commercial creditors pre-OCC cut-off date.	Quarterly, within 30 days from the end of each quarter.
Disbursements of grants and loans by creditor	Quarterly, within four weeks of the end of each quarter.
National accounts by sector of production, in nominal and real terms.	Annual, within three months of the end of each year (switching to quarterly when they become available).
Quarterly financial statements of main state-owned enterprises. (i) Tema Oil Refinery; (ii) Ghana National Petroleum Company; (iii) Ghana National Gas Company; (iv) Volta River Authority; and (v) Electricity Company of Ghana; vi) GRIDCO; vii) Ghana Water Company Limited.	Quarterly, within three months of end of quarter
Quarterly financial statements of GIIF	Quarterly, within three months of end of quarter
Annual financial statements of main state-owned enterprises. (i) Tema Oil Refinery; (ii) Ghana National Petroleum Company; (iii) Ghana National Gas Company; (iv) Volta River Authority; and (v) Electricity Company of Ghana; vi) GRIDCO; vii) Ghana Water Company Limited.	Annual, within six months of end of year
Electricity pricing (to be provided by the Ministry of Energy) . Data on the tariff structure and the cost of producing electricity.	Quarterly, within four weeks of the end of each quarter.

Table 1. Ghana: Data to be Reported to the IMF (concluded)	
Item	**Periodicity**
Petroleum pricing (to be provided by the Ministry of Energy)	
(i) a breakdown of costs, including the ex-refinery price, duties, levies, and margins, for each of the individual petroleum products; and	Bi-weekly, within two days of the completion of the pricing review.
(ii) the indicative maximum price approved in the bi-weekly review of petroleum pricing for each of the individual petroleum products.	See above.
Electricity grid losses to be provided by the Ministry of Energy) (I) transmission losses (Gridco) (ii) distribution losses (ECG and Nedco)	Monthly, within six weeks from the end of each month
Bills' recoveries to be provided by the Ministry of Energy (ECG and Nedco)	Monthly, within six weeks from the end of each month

Attachment III. Consultation with the IMF Executive Board on the Missed Inflation Targets Under the Monetary Policy Consultation Clause

In December 2024, CPI inflation stood at 23.8 percent (year-on-year), breaching the 22 percent upper outer band agreed in the Monetary Policy Consultation Clause and defined in the Technical Memorandum of Understanding (TMU).

A. Inflation Trajectory

2. **Progress on disinflation stalled in 2024.** Ghana is recovering from a debt crisis that led to a loss of access to international capital markets and to monetary financing. Inflation surged to 54.1 percent by end-2022. Since then, the Bank of Ghana (BoG) has abstained from monetary financing of the government's fiscal deficits, maintained elevated policy interest rates, and drained excess liquidity from the **financial** system. Following rapid disinflation in 2023, CPI inflation has remained virtually unchanged by end-2024 as it was at end-2023. In 2024, the BoG cut interest rates by a cumulative 300 basis points in 2024, from 30 to 27 percent. The faster-than-expected increase in gross international reserves (rising from 1.5 months of import cover at end-2023 to almost 3 by end-2025Q1) contributed to increased liquidity in the system, requiring stronger sterilisation.

3. **A series of food supply shocks has kept inflation elevated.** During the first quarter of 2024, food prices in Ghana surged due to disruptions in the Sahel region (particularly Burkina Faso, Mali, and Niger), where persistent armed conflicts reduced harvests and drove up production and transportation costs. These disruptions spilled over to the Ghanaian food market, causing food inflation to surge to 29.6 percent in March 2024. Although food inflation temporarily eased, it rose again in the final four months of 2024, as a dry conditions in northern Ghana negatively affected agricultural yields.

4. **Non-food inflation has been more persistent than expected.** In the first three quarters of 2024, the cedi came under significant pressure, due to increased demand for energy-related payments, as well as uncertainty surrounding the external debt restructuring, COCOBOD financing, and the 2024 general elections. The cedi depreciated by 24.8 percent year-to-date by September 2024. Consequently, fuel prices at the pump rose, leading to a 25 percent increase in transport fares. These developments compounded pre-existing supply chain challenges (including food) and further increased inflationary pressures.

B. Policy Response

5. **The Monetary Policy Committee (MPC)of the BoG raised the policy rate by 100 basis points in March 2025—and kept it unchanged in May despite easing inflation.** This action will reinforce the BoG's tight monetary stance and is expected to anchor interest rate and inflation

expectations, which will contribute to curbing inflation. The BoG stands ready to take further action should inflationary risks intensify.

6. The BoG is also reviewing its monetary implementation framework. To address liquidity pressures, the BoG will intensify its sterilization efforts through enhanced open market operations (OMOs), including issuance of longer-dated instruments such as the 273-day BOG bill. Over time, these bills will replace the use of the unremunerated cash reserve ratio (CRR) as the principal monetary policy tool. This shift from CRR to OMOs is expected to strengthen the transmission of policy rates across the financial sector. Additionally, the BoG plans to review the CRR framework to eliminate the tiering mechanism and lower the effective reserve requirement, thereby creating space for increased OMOs.

7. Monetary policy will remain tight until inflation clearly returns to the BoG's target range of 8±2 percent. In line with its commitment to achieving macroeconomic stability and steering inflation back to its medium-term target, the BoG will continue to maintain a tight monetary policy stance, implement prudent financial sector policies, ensure strict adherence to the zero financing of the budget, use its gold purchase programme to smooth excessive exchange rate volatility and maintain its sterilization efforts.

C. Inflation Projections

8. Taking into account this policy response, the BoG projects that inflation will decline to 12 percent by end-2025. The effects of earlier food supply shocks and exchange rate depreciation are expected to fade after the first quarter of 2025. The cedi appreciated significantly since 2024Q4. Preliminary data suggests a resumption of the disinflation trend, supported by monetary tightening, nominal appreciation, and renewed fiscal consolidation. Recent CPI releases are aligned with end-year targets—with annualized inflation in 2025 through May at 12.1 percent.

9. The BoG is committed to returning inflation to its target in 2026. Beyond achieving the 12 percent interim target, the BoG remains committed to restoring inflation to the medium-term target of 8±2 percent by the second quarter of 2026, assuming no further external shocks. The latest forecast shows a gradual disinflation path, with inflation returning to target within a six-quarter horizon.

10. Inflation projections are subject to risks. Risks to the inflation outlook remain elevated and two-sided, particularly for food inflation given prior supply disruptions. Broader supply chain challenges, escalating trade tensions, or adverse terms-of-trade shifts could impact inflation forecasts. Volatility in financial risk premia may also affect the exchange rate and, in turn, inflation.

GHANA

June 18, 2025

FOURTH REVIEW UNDER THE ARRANGEMENT UNDER THE EXTENDED CREDIT FACILITY, REQUEST FOR MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, AND MONETARY POLICY CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

Approved By
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The Debt Sustainability Analysis (DSA) was prepared by the staffs of the International Monetary Fund and the International Development Association, in consultation with the authorities.

Ghana: Joint Bank-Fund Debt Sustainability Analysis [1, 2]	
Risk of external debt distress	*High*
Overall risk of debt distress	*High*
Granularity in the risk rating	*Sustainable*
Application of judgment	*No*

The authorities have made significant progress on their comprehensive debt restructuring strategy. They completed the domestic debt restructuring in 2023 and the restructuring of their Eurobonds in October 2024. Following the agreement with the Official Creditor Committee (OCC) under the G20 Common Framework on a Memorandum of Understanding that codifies a debt treatment consistent with the IMF-supported program parameters, the MoU was signed by all parties in January 2025, and bilateral agreements are now being prepared. The DSA assumes a treatment of the residual claims of other external commercial creditors in line with the authorities' restructuring strategy that is consistent with program parameters and comparability of treatment principles. Given the small share of residual claims and the government engaging in "good faith" negotiations, those claims are deemed away for the purpose of the DSA.

[1] This DSA is prepared in line with the Guidance Note of the Joint Bank-Fund Debt Sustainability Framework for Low Income Countries, February 2018 and with its 2024 Supplement.

[2] The Composite Indicator (CI) score of 2.79 remains between the cut-off values for weak and strong debt-carrying capacity, 2.69 and 3.05, respectively. The CI is the weighted average of the 10-year average of the World Bank's Country Policy and Institutional Assessment (CPIA) score and macroeconomic variables from the October 2024 WEO vintage.

Policy and reform implementation has deteriorated significantly over the past few months. Fiscal slippages emerged in the run-up to the December 2024 elections, resulting in the accumulation of significant amounts of domestic arrears. Nevertheless, with a targeted primary surplus as of 2025, higher growth and inflation and a more appreciated exchange rate than expected, the authorities' objective of bringing all debt ratios under their respective LIC-DSF thresholds by end-2028 remains achievable. In particular, the PV of total debt-to-GDP and external debt service-to-revenue ratios are projected to fall below 55 and 18 percent by 2028, respectively. Ghana remains at high risk of debt distress due to near-term breaches of the thresholds but is expected to reach moderate risk of debt distress in the medium term. Debt is assessed to be sustainable on a forward-looking basis as the external debt restructuring is expected to be completed in line with program parameters.

Stress test results show that a commodity price shock would put overall public debt well above the current trajectory throughout the full DSA horizon. In addition, developments over the past few years and stress tests highlight the sensitivity of the external and overall debt ratios to commodity prices and exports, as well as a combination of shocks.

The authorities' reform efforts are supported under the IMF's ECF arrangement and the World Bank's DPO series, with debt management reforms remaining an integral part of the reform package.

BACKGROUND

A. Public Debt Coverage

1. **The Debt Sustainability Analysis (DSA) covers the central government's public and publicly guaranteed (PPG) debt, with additional important liabilities of the public sector.** The DSA also includes (i) *explicitly guaranteed* debt of other public and private sector entities including state-owned enterprises (SOEs) and (ii) certain *implicitly guaranteed* SOEs debt, namely: (a) Energy Sector Levy Act (ESLA) debt in the energy sector; (b) Ghana Educational Trust Fund (GETFund/Daakye) debt for education infrastructure; (c) debt related to the financing of infrastructure projects by Sinohydro and (d) gross debt of Cocobod[3]—one of the largest SOEs operating on non-commercial terms and largely engaging in quasi-fiscal activities. The DSA also includes the stock of domestic arrears to suppliers estimated at 8.4 percent of GDP at end-2024.[4] Local governments cannot borrow and are therefore not included in the debt coverage.

2. **The financial sector clean-up and energy sector losses have weighed on government debt and continue to generate significant fiscal risks.** The fiscal cost of the financial sector recapitalization (estimated to have reached 7.1 percent of GDP over 2017-21) has led to an increase in the government deficit and debt. In line with the financial sector strengthening strategy designed by the authorities after the domestic debt restructuring, the authorities have issued recapitalization bonds in December 2023 to support undercapitalized banks. Additional recapitalization costs are expected in the coming years—the total amount of the recapitalization included in the DSA baseline is still GHS 22 bn (equivalent to 2.6 percent of 2023 GDP). Regarding the energy sector, the Government has made budgetary transfers to cover the sector's annual shortfalls averaging 1.7 percent of GDP between 2019 and 2021. It has accumulated arrears to independent power producers (IPPs) and fuel suppliers of 2.6 percent of GDP at end-2024. The DSA's baseline assumes the government will continue to cover annual shortfalls with budget transfers going forward.

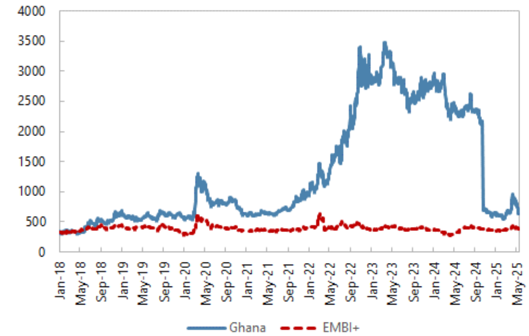
3. **Remaining potential contingent liabilities from the financial sector, SOEs and PPPs are modeled in tailored stress tests.** These shocks assume an increase of the PPG debt by adding: (i) 2 percent of GDP in non-guaranteed SOE debt; (ii) 5 percent of GDP stemming from further financial sector costs; and (iii) 2.4 percent of GDP, the equivalent to 35 percent of the outstanding public private partnership (PPP) arrangements.

[3] In line with the treatment of SOEs laid out in the LIC DSF GN (appendix III), as Cocobod operations pose fiscal risks related to its heavy involvement in extra-budgetary spending, the DSA perimeter includes Cocobod's total gross debt. This debt accounts for all Cocobod's external and domestic gross liabilities, excluding the intra-year short-term syndicated trade credit that is contracted and reimbursed annually within the cocoa season to pay for cocoa purchases from farmers and cover part of operational costs.

[4] In line with the LIC DSF GN (¶25-29), end-2024 domestic arrears, which amount to 8.4 percent of GDP—of which 2.6 percent of GDP constitute unpaid bills to independent power producers (IPPs); and the remaining arrears are unpaid bills to other domestic suppliers including those by Cocobod—are now included in the stock of debt, as they were recognized by the government and reconciled as part of the arrears stocktaking exercise undertaken in line with the Arrears' Clearance and Prevention Strategy (a structural benchmark under the IMF-supported program). The DSA baseline assumes full clearance of domestic arrears by end-2028.

4. The DSA classifies debt based on the residency of the creditor. The stock of local-currency denominated domestic debt *held by non-residents* is included in the external debt in line with the LIC-DSF Guidance Note. Outstanding nonresident holdings of domestic debt decreased from US$4.8 billion in 2021 (6.2 percent of GDP; 14.3 percent of public external debt) to US$0.9 billion in 2024 (1.1 percent of GDP).

Text Figure 1. Sovereign Spreads, Jan 2018–May 2025
(Basis points)



Source: Bloomberg LP.

B. Debt Developments and Profile

5. The compounded effects of large external shocks and pre-existing vulnerabilities caused a deep economic and financial crisis in 2021-22. The impact of the COVID-19 pandemic, the tightening of global financial conditions, and geopolitical conflicts exacerbated fiscal and debt vulnerabilities. Faced with large development needs and complex social and political situations, the government's fiscal policy response was insufficient to maintain investors' confidence. This eventually resulted in a loss of international capital market access in late 2021 and difficulties in rolling over domestic debt—forcing the government to rely increasingly on monetary financing by the Bank of Ghana—and triggered an acute crisis in 2022.

Text Table 1. Ghana: Public Debt Coverage and the Magnitude of the Contingent Liability Tailored Stress Test

	Subsectors of the public sector	Check box
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	X

1	The country's coverage of public debt	The central government, central bank, government-guaranteed debt, non-guaranteed SOE debt	
		Default	Used for the analysis
2	Other elements of the general government not captured in 1.	0 percent of GDP	0
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	2
4	PPP	35 percent of PPP stock	2.4
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5
	Total (2+3+4+5) (in percent of GDP)		9.4

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

6. These shocks led to a sharp deterioration in Ghana's fiscal position and a sharp increase in debt vulnerabilities. After reaching more than 11 percent of GDP in 2020, and notwithstanding the government's efforts to rein in spending and raise additional revenue, the primary deficit measured on a commitment basis remained high at above 4 percent of GDP in 2021 and 2022.[5] Rising interest payments (to more than 7 percent of GDP) brought the overall fiscal deficit to nearly 12.0 percent of GDP in 2021. The large fiscal deficits and the economic slowdown in the wake of the pandemic led to an increase in public

Text Table 2. Ghana: Decomposition of Public Debt at end–2024[1]

(Residency basis)

	Debt stock[2]			Debt service[3]			
	2024			2025	2026	2025	2026
	(In US$ mn)	*(Percent total debt)*	*(Percent GDP)*	*(In US$ mn)*		*(Percent GDP)*	
Total	**56,193**	**100.0**	**70.2**	**10,488**	**9,877**	**12.7**	**11.2**
External	**29,152**	**51.9**	**36.4**	**1,599**	**2,352**	**1.9**	**2.7**
Multilateral creditors	11,365	20.2	14.2	693	762	0.8	0.9
IMF	3,377	6.0	4.2				
World Bank	6,388	11.4	8.0				
African Development Bank	1,197	2.1	1.5				
Other Multilaterals	403	0.7	0.5				
Bilateral Creditors	5,364	9.5	6.7	37	37	0.0	0.0
Paris Club	3,493	6.2	4.4				
Non-Paris Club	1,871	3.3	2.3				
Bonds	9,236	16.4	11.5	699	1,408	0.8	1.6
Commercial creditors	3,187	5.7	4.0	171	144	0.2	0.2
o/w local-currency government debt held by non-residents	913	1.6	1.1				
Domestic	**27,041**	**48.1**	**33.8**	**8,889**	**7,525**	**10.7**	**8.5**
Short-term bills	6,532	11.6	8.2	7,562	6,141	9.1	7.0
Medium-to-long term bonds	13,088	23.3	16.4	1,297	1,370	1.6	1.6
Loans	73	0.1	0.1	30	14	0.0	0.0
Arrears	6,736	12.0	8.4				
Other (Overdraft and SDRs on-lent)	611	1.1	0.8				
Memo items:							
Collateralized debt[4]	646	1.1	0.8				
Contingent liabilities	398	0.7	0.5				
o/w: Public guarantees	374	0.7	0.5				
o/w: Other explicit contingent liabilities [5]	24	0.0	0.0				
Cocobod debt	529	0.9	0.7				
Nominal GDP (in GHS mn)	1,176,220						

1/ As reported by Country authorities based on disbursments. Creditor classification according to the OCC representation.

2/ External commercial debt stock includes arrears on principal and interests.

3/ Contracted debt service.

4/ Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

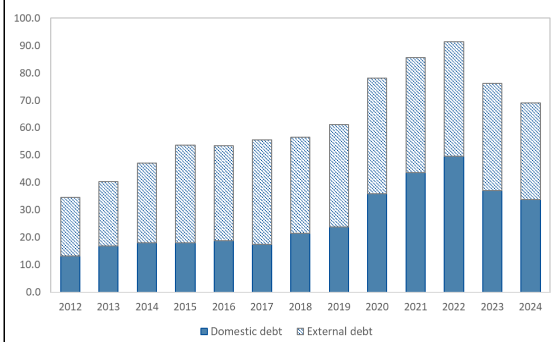
5/ Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).

[5] The fiscal deficit on a commitment basis considers the spending that has been committed but remains unpaid. On a cash basis, the primary balance improved from a 9.0 percent of GDP deficit in 2020 to a 0.1 percent of GDP surplus in 2023.

debt from 63 percent of GDP in 2019 to 92.7 percent of GDP at end-2022, of which 16 percent of GDP held by the Bank of Ghana.[6] Domestic debt service rose significantly and accounted for 81.7 percent of the public debt service burden in 2022, increasing liquidity pressures. The debt service-to-revenue ratio reached an all-time high of 127 percent in 2020, the highest among the SSA countries and among the highest in the world. Gross financing needs (GFN) reached 19.5 percent of GDP in 2022, well above the market financing risks benchmark of 14 percent.

Text Figure 2. Public Debt, 2012–2020

(Percent of GDP)



Source: Ghanian Authorities and Fund Staff Calculations

7. Against this backdrop, the Ghanaian authorities launched an ambitious adjustment and reform program, and a comprehensive public debt restructuring. They accelerated fiscal consolidation, tightened monetary policy—including by eliminating monetary financing—limited foreign exchange interventions, and initiated reforms to underpin durable adjustment, build resilience and lay the foundation for stronger and more inclusive growth. Supported by IMF and World Bank TA, public debt management is being strengthened, including by upgrading the current securities operation infrastructure and strengthening the monitoring of contingent liabilities stemming from operations of key SOEs including by improved monitoring of SOE debt issuance.[7] In this context, the authorities have requested Fund TA to develop an effective SOE oversight strategy, and training using FAD's SOE Health Check tool was delivered by AFRITAC West 2 in 2024. This broad policy package is supported by the IMF under an Extended Credit Facility (ECF) arrangement and the World Bank DPO series.

8. The authorities' comprehensive debt restructuring aims at achieving debt sustainability and a moderate risk of debt distress under the LIC-DSF framework by bringing debt stock and flow ratios down to their respective thresholds. This includes a reduction in the PV of total debt-to-GDP and external debt service-to-revenue ratios to 55 and 18 percent, respectively, by 2028. The authorities are nearing completion of their debt restructuring process. The government completed its domestic debt restructuring in 2023. Following agreement with the Official Creditor Committee (OCC) under the G20 Common Framework on a Memorandum of Understanding that codifies a debt treatment consistent with the IMF-supported program parameters, the MoU was signed by all parties in January 2025, and bilateral agreements for its implementation are now being prepared. The Eurobond exchange was successfully finalized in October 2024. The authorities reached out to all commercial creditors to advance debt data reconciliation and, eventually, share debt treatment proposals (see below).

9. Signs of economic stabilization are crystallizing. The deepening economic crisis initially led to a significant downgrade in growth and a surge in inflation. Real GDP growth slowed to 3.1 percent in 2023, before rebounding sharply to 5.7 percent in 2024, buoyed by sharply higher gold prices and a widespread

[6] Bank of Ghana's holding of domestic debt (marketable, non-marketable, SDRs on-lent and overdraft) increased from 11 percent of GDP in 2019 to 16 percent of GDP in 2022.

[7] The World Bank has equally been actively supporting Ghana through the Economic Management Strengthening (GEMS) Project and the Public Financial Management (PFM) for Service Delivery Program.

recovery in other sectors. Headline inflation reached 54 percent in December 2022, driven by soaring global energy and food prices, exchange rate depreciation, and monetary financing of the deficit. Inflation declined to about 23.2 percent at end-2023 but has since been persistent, remaining at 23.1 percent in February 2025. On the back of large capital outflows, loss of market access and failure to roll over central bank FX liabilities, gross international reserves had fallen drastically in 2022 (by about $6.5 billion), reaching US$1.4 billion at end-2022,[8] but since recovered to US$6.4 billion (end-December 2024 – 2.6 months of imports). With a fiscal situation improving in 2023 with a reduction in the primary deficit by 4 percentage points to 0.3 percent of GDP, the effect of the Domestic Debt Exchange (see below) and the erosion of the domestic debt stock by inflation, Ghana's debt stock decreased to 80.6 percent of GDP in 2023.

10. **However, the fiscal position deteriorated again in 2024**, as large expenditure overruns appear to have been committed mainly outside the existing public resource management systems (GIFMIS) in the run-up to the December-2024 general elections. While the size and nature of these commitments are still being audited, staff's baseline assumes that the net accumulation of arrears in 2024 amounted to 2.6 percent of GDP based on the authorities' estimates.[9] This raised the primary deficit on a commitment basis back to the 2022 level and increased domestic arrears and, hence, the nominal domestic debt stock. Notwithstanding these adverse developments, the effects of the debt restructuring, a more appreciated exchange rate at end-2024 and noticeably higher inflation and nominal GDP allowed for a decline in the overall debt stock to about 70.2 percent at end-2024. The new authorities have expressed strong support for reforms under the Fund-supported program, and realize that redoubled efforts are needed to secure achievement of the program targets and keep the structural reform agenda on track.

11. **Since the debt restructuring announcement in December 2022, the authorities have mainly relied on multilateral external financing and domestic T-bills issuance for their financing needs.** Gross financing need tensions eased in 2023 and 2024 due to the external debt service suspension. Since the 2023 domestic debt restructuring, the government has been relying on T-bills as the main source of domestic financing. Most of the T-bills are issued through auctions, but the authorities undertook some private placements in 2024 primarily with non-bank investors with limited alternative investment options (individuals, insurance and investment funds). The auctioned T-bill rates have dropped significantly since March 2025, reflecting market segmentation and short-term abundance of cedi liquidity in part due to the delay in the enactment and implementation of the 2025 Budget given the elections.

C. Macroeconomic Assumptions and Risks

The macroeconomic framework underpinning this DSA—staffs' baseline scenario—is based on the macroeconomic trajectory envisaged under the Fund-supported program aiming to restore macroeconomic stability and debt sustainability in the medium term. This involves implementing a fiscal adjustment program that is both realistic and feasible, appropriately tightening monetary policy,

[8] Gross international reserves are defined as the headline official international reserves, excluding foreign assets held by Ghana Petroleum and Stabilization Fund, encumbered and pledged assets, as per the program definition.

[9] Preliminary audit results indicate that a significant amount of such payables may not be supported by valid documentation, suggesting the amount may be revised down, and a better fiscal outcome may eventually emerge.

enhancing exchange rate flexibility, and implementing growth-enhancing structural reforms. This DSA is based on a scenario that accounts for the full debt restructuring.

12. The underlying macroeconomic framework has been revised significantly since the last DSA to reflect new data and the latest developments (Text Table 3). Economic growth and external sector developments exceeded expectations in 2024. Real GDP grew at 5.7 percent (vs. 4 percent under the 3rd ECF review), reflecting robust activity in the agricultural (excluding cocoa), extractive, ICT, and construction sectors. The non-interest current account recorded an estimated surplus of 3.6 percent of GDP last year (vs. 2 percent under the 3rd ECF review), benefiting from much stronger gold exports and higher remittances. Higher private sector outflows partly offset the large inflows, with gross international reserves reaching 2.6 months of prospective imports at end-2024. However, CPI inflation at end-2024 was higher than expected. At the same time, the GDP deflator for 2023 and 2024 has been revised up relative to the last DSA to reflect the latest National Account data, with the deflator increasing by 25.4 percent in 2024. Consequently, nominal GDP saw a significant upward revision (US$10 bn above the 3rd ECF review projection for 2024), leading to a downward shift in all series presented as a ratio to GDP. The large public expenditure overruns in 2024 have led to a deterioration in the primary balance (on a commitment basis) by almost 4 percentage points of GDP. The accumulation of new domestic arrears is added to the debt stock at end-2024 in full, but its impact on the debt-to-GDP ratio has been offset by the higher nominal GDP and a more appreciated exchange rate resulting from large foreign exchange interventions (FXI) in Q4 2024 (US$2 billion).

13. While growth is expected to decline in 2025, inflation and current account balances have increased relative to the last DSA. Growth is expected to moderate in 2025, consistent with a larger negative fiscal impulse than previously anticipated and a tightening in the monetary policy stance. As the tightening in macroeconomic policies takes effect, inflation is expected to decline, but staff has revised CPI inflation up to 12 percent at end-2025 to account for the recent dynamics, delaying the projected return to the BoG target band (8±2 percent) to mid-2026. The 2025 change in the GDP deflator is also revised up from 10.6 to 17.0 percent given higher-than-expected inflation. The current account is projected to remain in surplus in 2025, supported by continued strong prospects of gold exports; higher net private sector financial outflows are equally set to continue, and external debt payments are increasing. On balance, official reserves exceeded expectations and reached over 3 months of prospective imports (US$7.6 billion) at end-March this year. Large-scale FXI continued in 2025, reaching US$1.4 billion in Q1. The strong external sector along with repeated FXI contributed to a 60 percent nominal exchange rate appreciation against the US dollar between November 2024 and May 2025. The US tariff decision of levying 10 percent on all of Ghana's exports to the US is not expected to impact Ghana in the short term. Exports to the US are limited (primarily crude oil exports which are exempt), with Ghana's other main commodities' export markets (e.g. cocoa and gold) well diversified. However, prolonged heightened international uncertainty might reduce external demand, FDI and available financing in the medium term.

14. Projections for the medium term are largely unchanged (Text Table 3). Growth is projected to reach 5 percent over the medium term, in line with previously envisaged potential growth. Non-extractive growth is projected to strengthen to 5.0 percent by 2027 as the drag from fiscal consolidation slows, the economy stabilizes, structural reforms start bearing fruit, and consumer and business confidence recover.

Structural reforms include steps to improve the business environment—with short-term reforms aiming at reducing minimum capital requirements for FDI and reforming the Public Private Partnership Act—and export competitiveness, promote entrepreneurship, strengthen public sector management, and accelerate the transition to the digital economy, as well as policies to adapt to climate change. Growth in extractive activities is expected to remain between 4 and 5 percent in the medium term, with total growth reaching 5 percent by 2027. The real exchange rate depreciated less than expected in 2024 and is assumed to remain unchanged through 2028 under the baseline scenario; consequently, nominal GDP in USD terms was revised up noticeably over the medium term. Export growth projections lie somewhat below the last review, given plateauing gold exports, while import growth remains comparable on average.

15. The DSA's baseline scenario assumes a large and frontloaded, yet feasible, fiscal adjustment by the central government and accounts for Cocobod's net income. The central government's primary balance on a commitment basis—the key fiscal anchor under the proposed IMF-supported program—was meant to improve by 5.9 percent of GDP between 2022 and 2026, to reach a surplus of 1.5 percent of GDP in 2025, which should be maintained at least until 2028. While the authorities delivered a significant fiscal adjustment in 2023—achieving a primary balance of -0.3 percent of GDP (some 4-percentage points adjustment compared to 2022), significant slippages emerged in 2024 (financed via accumulation of domestic payment arrears), resulting in a primary deficit (commitment basis) of 3.3 percent of GDP based on the authorities' pre-audited data. Following general elections in 2024, the 2025 Budget under the new government aims at correcting for these slippages, reconfirming the previous target path for the primary balance (1.5 percent of GDP). In line with the LIC-DSF, projections of central government revenues are augmented with Cocobod's net income that will be used for debt service as Cocobod is part of the debt coverage (Text Table 3).

16. The 2025 Budget targets a large adjustment, based on credible revenue and expenditure measures. Revenue measures aim to permanently improve the non-oil revenue-to-GDP ratio by at least 0.6 percent of GDP (on an annual basis). These measures include the elimination of some VAT exemptions, an increase of the Growth and Stability Levy on profits of mining companies, the reduction of tax refund rate, that more than offset the costs of elimination of some taxes (i.e., e-levy, gaming levy). On the expenditure side, the 2025 Budget comprises measures that aim at containing primary expenditure, including capping public sector wage increases to 10 percent, limiting spending on goods and services, rationalizing the operations of several statutory funds, eliminating spending programs with limited value-for-money, and carefully pacing execution of foreign-financed investment—while expanding social benefits. The budget also includes some limited additional funding (staff estimate at less than 0.1 percent of GDP) for health and agriculture programs to partly compensate for the reduction of USAID flows. The authorities are undertaking a comprehensive audit of the accumulated domestic arrears to assess their amount and nature; preliminary results indicate that a significant amount of the arrears may not be supported by valid documentation, suggesting they may be revised down. Results from the audit will also be the basis for measures to strengthen significantly the PFM system.

17. Going forward, efforts to mobilize additional domestic revenues and to curtail spending will make room for development and social priorities. Given Ghana's low tax-to-GDP ratio compared to peers and Ghana's large development and social needs, the new government intends to continue raising the revenue-to-GDP ratio by broadening the tax base and simplifying the tax system. The 2023 Medium-Term Revenue Strategy remains the main anchor, with key expected measures for the coming years focusing on reducing tax expenditures and strengthening tax compliance. To further mobilize domestic revenue, the authorities are planning a comprehensive reform of the VAT system to improve its compliance and efficiency with the support of IMF TA. Expenditure will be streamlined, particularly in the short term, to create the required space for growth-enhancing public investment and expanding social safety nets. Urgent action is needed to strengthen PFM by eliminating extra-budgetary spending and arrears buildup to prevent the recurrence of fiscal slippages. Additional savings over the medium term will come from a more efficient spending allocation and a reduction in the large subsidies to the energy sector through tariff adjustments and cost reduction measures. A plan to clear the large stock of domestic arrears to suppliers has been prepared as part of the Arrears' Clearance and Prevention Strategy (a structural benchmark at end-June 2023 under the IMF-supported program), and negotiations of legacy energy sector arrears are progressing.

18. The DSA's baseline scenario includes the authorities' comprehensive debt restructuring, which was fully implemented for 95 percent of claims at end-October 2024:

- **Domestic Debt Exchange Program (DDEP):** The government launched the DDEP in early-December 2022, opting for a voluntary approach, seeking to swap outstanding medium- and long-term domestic bonds for lower-coupon and longer maturity bonds. Following the completion of the first stage of DDEP in February 2023, the second phase, finalized in the fall of 2023, included Cocobills, US$-denominated domestic debt, and pension fund holdings of government bonds. The government also restructured the BoG's holdings of non-marketable debt, while ensuring the central bank's solvency.

- **Treatment of bilateral external debt as agreed with the OCC under the G20 Common Framework:** Following the agreement with the Official Creditor Committee (OCC) under the G20 Common Framework on a Memorandum of Understanding that codifies a debt treatment consistent with the IMF-supported program parameters, the MoU was signed by all parties in January 2025, and bilateral agreements are now being prepared. The agreed debt treatment provides a full debt service relief over the program period from all bilateral claims committed and disbursed before December 2022. This rescheduled debt service will be capitalized and accrues an additional interest rate (whose level will depend on the initial interest rate of each claim) until repayment in years 16 and 17 after the original due date (for each year of rescheduled debt service). Disbursements of pre-CoD projects made after December 2022 will not be restructured but the authorities and OCC creditors are committed to limit the amount of these disbursements (including commercial) to US$250 million per year from 2024 to 2026 to respect the IMF-supported program parameters (2024 disbursements stood at US$184 million).

- **Eurobond debt restructuring:** The Eurobond restructuring was successfully implemented in October 2024, with debt service payments on the new bonds resuming immediately. Most bondholders received new bonds maturing in 2029 and 2035, with a nominal haircut of 37 percent and a coupon rate increasing from 5 to 6 percent in 2028. Some bondholders choose to receive longer-term bonds maturing in 2037, with no haircut but paying a coupon rate of 1.5

percent. All bondholders received a downpayment bond maturing in 2026 and a post-default interest bond maturing in 2030.

- **Restructuring of claims from other commercial creditors:** Consistent with the IMF's Lending

Text Table 3. Ghana: Macroeconomic Assumptions, 2023–45

	2023	2024	2025	2026	2027	2028	2029	2030-45 [3]
	Annual Percentage Change							
Real GDP growth								
3rd ECF Review	2.9	4.0	4.4	4.9	5.0	5.0	5.0	5.0
Current	3.1	5.7	4.0	4.8	4.9	5.0	5.0	5.0
Inflation GDP deflator								
3rd ECF Review	33.1	20.4	10.6	7.8	7.8	7.7	7.6	7.9
Current	40.1	25.4	17.0	7.8	6.8	6.9	7.6	7.9
Nominal GDP (in Billion of USD)								
3rd ECF Review	76.4	72.7	74.5	81.2	87.7	93.8	100.3	179.6
Current	80.5	82.8	88.1	92.0	96.5	101.4	110.4	209.5
Exports, Goods & Services								
3rd ECF Review	-4.7	10.2	2.6	6.4	5.2	4.1	4.4	3.9
Current	-4.7	16.7	4.6	4.7	2.7	3.1	4.7	4.5
Imports, Goods & Services								
3rd ECF Review	-1.2	5.6	3.7	4.5	4.6	4.3	4.1	4.1
Current	-1.2	9.8	3.5	4.3	3.6	3.8	4.2	5.3
	In percent of GDP							
Non-interest Current Account Balance ("-": surplus)								
3rd ECF Review	0.9	-2.0	-1.1	-1.1	-1.0	-0.8	-0.7	-0.2
Current	-0.6	-3.6	-3.1	-2.6	-2.6	-2.5	-2.2	-0.7
Revenue and Grants 1/								
3rd ECF Review	16.1	17.4	17.6	18.4	18.2	18.2	18.0	18.0
Current	15.3	16.1	16.1	16.8	16.9	17.0	17.0	17.0
Primary Expenditure (cash basis)								
3rd ECF Review	15.9	17.8	16.7	17.6	17.4	17.4	16.8	17.0
Current	15.1	16.5	15.3	16.8	16.9	16.9	15.5	16.0
Primary Deficit (cash basis) 2/								
3rd ECF Review	-0.2	0.4	-0.8	-0.8	-0.8	-0.8	-1.3	-1.0
Current	-0.2	0.4	-0.8	0.0	0.0	-0.2	-1.5	-1.0
	In percent							
Average real interest rate on domestic debt								
3rd ECF Review	-22.3	-13.2	0.3	2.1	1.8	2.6	3.8	4.5
Current	-26.2	-17.0	-7.4	3.1	3.2	4.2	4.5	4.8
Average real interest rate on external debt								
3rd ECF Review	-3.1	-0.9	0.2	0.3	0.6	0.8	1.2	3.3
Current	-3.1	-0.8	0.0	0.3	0.7	0.9	1.3	3.8
Memorandum:								
Primary Deficit (commitment basis) 4/								
3rd ECF Review	*0.3*	*-0.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.3*	*-1.0*
Current	*0.3*	*3.3*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.0*

Sources: Ghanaian Authorities; and IMF staff estimates and projections.

1/ The DSA accounts for Cocobod's net income used for debt service, and includes AfDB grant budget financing in exceptional financing (instead of grants), explaining the difference with respect to the fiscal figures presented in the 3rd review staff report tables.

2/ The primary expenditure and deficit presented above and in Table 2 are computed on a cash basis. The primary deficit measured on a cash basis is larger than that on a commitment basis for 2025-28 because of the need to clear the stock of domestic arrears.

3/ Third Review numbers take average/sums until 2044 only.

4/ Primary deficit on commitment basis of the central government, which is a different perimeter from the one of the DSA (see footnote 1/).

into Arrears policy, the authorities are making good faith efforts to reach a debt restructuring agreement with the residual external commercial creditors, on terms that are in line with program parameters and the comparability of treatment principle. The outstanding debt stock to these residual external creditors is US$2.7 billion, which amounts to less than 5 percent of pre-restructuring total public debt. The authorities' strategy for these creditors is to prepare restructuring offers tailored to the preferences of each type of creditor – some might prefer long-term rescheduling of their claims with no haircut while others are ready to accept principal reduction but prefer to maximize their short-term debt service. Following the completion of the Eurobond restructuring, the authorities have reached out to all other external commercial creditors to advance debt data reconciliation, prepare non-disclosure agreements (NDAs), and, eventually, share debt treatment proposals.

Text Table 4. Ghana: Summary Table of External Borrowing Program [1/] [2/]

(2025–26)

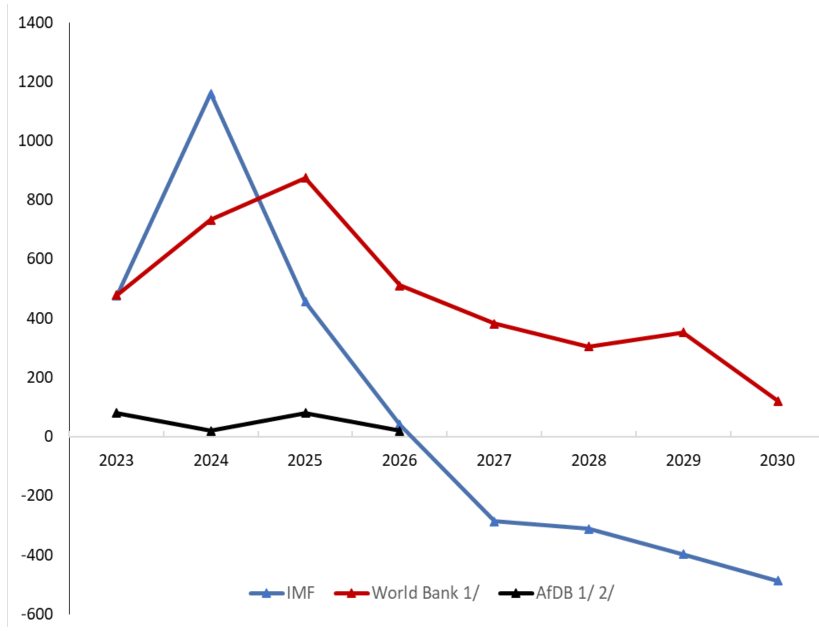
PPG external debt	2025				2026			
	Volume of new debt		Present value of new debt		Volume of new debt		Present value of new debt	
	USD million	Percent	USD million	Percent	USD million	Percent	USD million	Percent
Sources of debt financing	50	100	50	100	70	100	70	100
Concessional debt, of which	0	0	0	0	0	0	0	0
Multilateral debt	0	0	0	0	0	0	0	0
Bilateral debt	0	0	0	0	0	0	0	0
Non-concessional debt, of which	50	100	50	100	70	100	70	100
Multilateral debt	20	40	20	40	20	29	20	29
IFIs debt	0	0	0	0	0	0	0	0
Bilateral debt	30	60	30	60	30	43	30	43
Commercial debt	0	0	0	0	20	29	20	29
Uses of debt financing	50	100	50	100	70	100	70	100
Infrastructure	50	100	50	100	70	100	70	100
Budget financing	0	0	0	0	0	0	0	0

The Fund-supported program includes a debt ceiling on the PV of newly contracted or guaranteed external debt by the government and SOEs. In line with the TMU definition of the debt ceiling, figures in the table do not include new financing from the IMF, World Bank, AfDB, projected issuances of local currency debt to non-residents, loans and bonds stemming from the restructuring or rescheduling or refinancing of external debt, renewal of an existing suppliers' credit, rollover of a credit line; (iv) short-term debt including suppliers' credit and credit lines with a maturity of less than 6 months for public entities mentioned in ¶8 of the TMU. The new government has not yet announced 2025 and 2026 borrowing plans; presented numbers represent an estimate that respect program parameters.

[2/] Some key measures have been supported by the World Bank's Sustainable Development Finance Policy (SDFP): since FY23 it supported fiscal sustainability via revenue measures, expenditure containment measures and energy sector reforms, and included a non-concessional borrowing ceiling, consistent with IMF debt limits.

Source: IMF staff calculations based on the authorities' reported data.

Text Figure 3. Net Official External Financing
(In US$, million)



Source: IMF and World Bank staff projections.
1/ Includes project grants.
2/ Financing commitment unavailable beyond 2026. This includes new budget support for 2024.

19. Financing assumptions under the baseline scenario:

- New external borrowing remains constrained under the IMF program. New external borrowing under the program is restricted to a PV of US$50 million and US$70 million in 2025 and 2026 (until the end of the program), respectively, excluding concessional multilateral loans. The DSA scenario assumes that the government will regain access to some commercial lending in late 2026, and full external market access in 2027.

- External disbursement in 2025 is thus limited to the World Bank, IMF, AfDB and other bilateral development partners. The scenario assumes disbursements of US$3 billion from the IMF in 2023-26. Net World Bank 2023-26 support is estimated at US$ 2.6 billion (an increase of about US$ 170 million compared to the 3rd Review).[10] Expected total DPF support increased from US$ 1.15 to US$ 1.25 billion during this period, with DPO financing increased from US$600 to US$700 million in 2025, and other World Bank financing contributing to filling the financing gap now expected to reach an average of around US$ 200 million in 2025 and 2026, with a total of US$ 540 million over 2023-26. World Bank project loan disbursements are estimated at US$1.8 billion over the program horizon.[11] In addition, the AfDB is assumed to disburse US$343million,

[10] Consistent with IDA20's new financing terms and for the IDA20 period, the DSA assumes that 24 percent of the allocation are concessional Shorter Maturity Loans (SMLs), with a 12-year maturity, 6-year grace period, zero interest or service charge and a grant element of 36 percent. The remaining 76 percent continue to be blend-term credits.

[11] Beyond the IDA20 period, IDA financing figures are based on assumptions; actuals will depend on IDA replenishment volumes, country performance, and other operational factors. Delivery of DPFs will be dependent on an agreement with the government on a

(continued)

of which US$240 million of project loans and grants over 2023-26 and US$104 for budget support. Delays in implementing performance measures has shifted AfDB's grant disbursement of US$44 million from 2024 to 2025. Total multilateral project loan disbursements are capped at US$ 300 million in the 2025 budget to limit potential pressure on the primary balance program target. Other bilateral development partners are expected to contribute US$885 million from 2024-26, restricted by the limits on pre-COD disbursements

- On the domestic side, the government issued large amounts of T-bills in 2023-24 as the bond market was closed in the wake of the restructuring. Demand for T-bills remained strong during this period, in particular from non-bank investors—corporate, pension funds and individuals—which had limited alternative investment options. Starting in 2025, the baseline assumes, in line with the authorities' debt management strategy, a resumption of medium and long-term domestic debt issuance. About 78 percent of 2025 gross financing needs is expected to be met by domestic issuances, with similar ratios until the end of the program. The effective real interest rate is assumed to turn positive in 2026 and rise to around 5 percent in the long term. Nominal interest rates are expected to decline with inflation returning to its target. Reflecting the large accumulation of arrears, net issuance of domestic debt (including arrears) jumped in 2024, but is expected to decline from 2025 as the government contains its spending and clears the arrears (Figure 6). Domestic debt service expressed as a share of revenue will remain elevated in comparison to the average in other LICs, but it will be gradually reduced, in line with the falling domestic debt-to-GDP ratio and the expectation of a full clearance of domestic arrears by end-2028.

D. Realism of Projections

20. Reform efforts and effects of the debt restructuring are slowly returning debt levels back to pre-pandemic forecasts. Compared to the five-year projections of the 2020 DSA vintage, following the debt restructuring, overall public debt has returned to levels previously forecasted (Figure 3), despite higher-than-expected fiscal deficits and other factors (impact from COVID-19, exogenous shocks, financial sector cleanup costs, loss of creditworthiness, etc.). Staff also projects a substantial decline in overall debt over the next 5 years of about 16 percent of GDP. Due to the impact of debt restructuring, external debt has declined by about 6 percent compared to the expected developments in 2020. With the economy stabilizing, external debt as a share of GDP is expected to continue declining gradually going forward.

21. The baseline's projected primary balance adjustment over three years is feasible. Under the program, projections assume achievement of a primary balance surplus of 1.5 percent of GDP this year on a commitment basis—expected to be maintained over the medium term. The size of 3-year adjustment on a cash basis is within the norm of comparable countries (Figure 4),[12] and despite slippages in 2024 the authorities are firmly committed to achieving the needed, now larger consolidation in 2025 to bring the

strong program of policy and institutional reforms, and adequacy of the macroeconomic policy framework. Current practice is to assume the same level of yearly PBA as the IDA20 post-MTR allocations for IDA21 and IDA22 projections.

[12] By default of the realism tool, Figure 4 shows the adjustment on the primary balance on a cash basis.

deficit back on track. Ghana's ability to implement sizeable fiscal consolidation has been evidenced by meeting the performance criteria on the targeted primary balance in the previous reviews.

22. The macroeconomic outlook remains broadly favorable, but risks remain tilted toward adverse outcomes. Baseline projections are contingent on successful program implementation and full execution of the external debt restructuring and adequate financing from development partners. The new government has communicated broad support to the IMF-supported program, lowering risks of program implementation. Delays in implementing the needed adjustment and reforms, compounded with delays in obtaining the external debt relief, weak interagency coordination, lower agricultural and commodity production and deterioration in global conditions (regional conflicts, geoeconomic fragmentation, commodity price volatility, lower external demand and FDI) may lead to a weakening of the macro-financial situation. The domestic debt restructuring presents significant risks to domestic financial sector stability, despite progress in stabilization in the sector. There are risks of higher inflation and lower current account if monetary policy does not respond timely to lingering inflationary pressures and exchange rate volatility increases. Finally, the need for higher support to the energy sector, and larger-than-expected financial sector support due to the domestic debt exchange program could also adversely affect debt dynamics. However, strong political support for the program constitutes an important mitigating factor.

23. Ghana is highly vulnerable to climate variability and change, which poses significant risks such as flooding and droughts. To address these challenges, the country has developed several climate-related policies and strategies, including the National Climate Change Adaptation Strategy, the Low Carbon Development Strategy, and the National Climate Change Master Plan. The recent Ghana 2022 Country Climate and Development Report (CCDR) provides several recommendations for addressing climate change risks, such as flooding and droughts, and outlines adaptation and mitigation measures. These include an integrated approach to agriculture and environmental management, building sustainable cities and resilient infrastructure, boosting disaster risk preparedness, managing forest resources for climate resilience, transitioning to clean energy, modernizing transport systems, strategizing for climate resilience financing, and implementing adaptive health systems. Key World Bank projects supporting these strategies include the Greater Accra Resilient and Integrated Development Project, which aims to improve flood risk management and solid waste management in the Odaw River Basin, and the Greater Accra Urban Resilience and Integrated Development Project, which proposes improvements to drainage systems and flood water management.

E. Debt-Carrying Capacity and Determination of Stress Tests

24. Ghana's debt carrying capacity is assessed as "medium", unchanged from the last DSA. Although higher than its level in the 3rd Review DSA, the Composite Indicator (CI) score of 2.79 remains between the cut-off values for weak and strong debt-carrying capacity, 2.69 and 3.05, respectively, suggesting a medium debt carrying capacity. The CI is the weighted average of the 10-year average of the World Bank's Country Policy and Institutional Assessment (CPIA) score and macro-economic variables from the October 2024 WEO vintage.

25. Stress tests applied to public and external debt show that the primary balance, commodity prices, exports and contingent liabilities are the most relevant for debt dynamics. A set of *standard* *shock scenarios* affecting GDP growth, the primary balance, exports and FDI are calibrated at 1 standard deviation in 2025 from their respective historical averages, while the exchange rate is stressed with a one-time 30 percent depreciation in 2025. A combined shock including all the above at half magnitude is also applied. *Tailored stress tests* are carried out on commodity prices—with interactions with other macroeconomic variables—since commodities represent over 80 percent of exports; on contingent liabilities stock and on market access due to the large stock of outstanding Eurobonds. The tailored commodity price test simulates a one standard deviation drop in both fuel and non-fuel commodity export prices, while the market financing shock simulates a 400bps increase in the cost of borrowing for 3 years, a shortening of average maturities on external debt by 2 years and a 15 percent exchange rate depreciation. The contingent liability stress test suggests a one-off increase in the public debt to GDP ratio, with the shock components set at their default values.[13]

F. External DSA Assessment

26. Under the baseline, all external debt burden indicators fall durably below or to their respective thresholds by 2028 (Figure 1). The debt-service-to-revenue ratio, PV of PPG external debt-to-GDP, debt service-to-exports ratio, and PV of external debt-to-exports ratio remain below their respective thresholds in the baseline. A shock to exports has the most negative impact on all four indicators, and lead to breaches in the debt service-to-export, and debt service-to-revenue ratios. The PV of external debt-to-GDP and the PV of external debt-to-exports ratios do not breach their 40 and 180 percent thresholds, respectively, under any shock scenario.

Text Table 5. Ghana: Debt Carrying Capacity

Debt Carrying Capacity	Medium

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Medium	Medium 2.787	Medium 2.74	Medium 2.72

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.454	1.33	48%
Real growth rate (in percent)	2.719	4.122	0.11	4%
Import coverage of reserves (in percent)	4.052	28.582	1.16	42%
Import coverage of reserves^2 (in percent)	-3.990	8.169	-0.33	-12%
Remittances (in percent)	2.022	5.544	0.11	4%
World economic growth (in percent)	13.520	2.967	0.40	14%
CI Score			2.787	100%
CI rating			Medium	

New framework			
	Cut-off values		
Weak	CI <	2.69	
Medium	2.69	≤ CI ≤	3.05
Strong	CI >	3.05	

Source: CI score calculations based on LIC DSF

[13] The contingent liability shock has 2 components: (i) a minimum starting value of 5 percent of GDP; and (ii) a tailored component which encompasses contingent liabilities stemming from the financial market (5 percent of GDP), PPPs (2.4 percent of GDP) and other SOEs debt that is not captured by the debt coverage (2 percent of GDP).

G. Public DSA Assessment

27. Under the baseline, the PV of total PPG debt-to-GDP is expected to fall durably below its 55 percent benchmark by 2028 (Figure 2). A commodity price shock has the most severe impact on all public DSA thresholds. It would result in a breach of the PV of debt-to-GDP ratio threshold of 55 percent over the entire forecast horizon, while the debt service-to-revenue and the PV of debt-to-revenue ratio also register noticeable increases.

28. Despite the loss of market access, the market financing risks are assessed as "moderate" (Figure 5). The maximum gross financing need over the 3-year baseline projection horizon lies at 11.7 percent and does no longer breach the 14 percent of GDP benchmark, signaling a decline in financing pressures over the medium term following a successful debt restructuring process and continued fiscal discipline. Gross financing needs are projected to peak at 12.3 percent in 2028 and gradually decline to below 10 percent by 2034. Eurobond spreads have declined drastically last year following the bond exchange, from around 2,000 to below 700 within a few days, but they remain above the 570-bps benchmark, with continued lack of market access.

SUSTAINABILITY ASSESSMENT

29. Ghana is at high risk of distress due to near-term breaches of the DSA thresholds, but is expected to reach moderate risk of debt distress in the medium term as all DSA sustainability targets will be met by 2028; Debt is assessed to be sustainable on a forward-looking basis as the external debt restructuring is expected to be completed in line with program parameters. Considering the authorities' continuing good faith negotiations with residual external private creditors on a treatment in line with program parameters, Ghana's debt is assessed as sustainable on a forward-looking basis. In the baseline, all debt burden indicators fall below or to their critical thresholds by 2028. The residual arrears with other commercial non-bonded creditors, given their limited size (less than 5 percent), can be considered as treated on comparable terms and deemed away for the purpose of the risk rating (in line with LIC DSF Guidance Note), as the overall restructuring strategy has been assessed as consistent with program parameters. Good faith efforts are continuing.

30. The baseline assumes strong program ownership and the authorities' full commitment to implement the Fund-supported program to restore debt sustainability and bring the debt risk rating to "moderate" in the medium term. This includes in particular reducing the PV of total debt-to-GDP and external debt service-to-revenue ratios to 55 and 18 percent, respectively, by 2028, which entails a revenue-based fiscal consolidation with higher spending efficiency and stronger social safety nets, as well as structural reforms to support greater exchange rate flexibility, a more diversified economy and stronger growth.

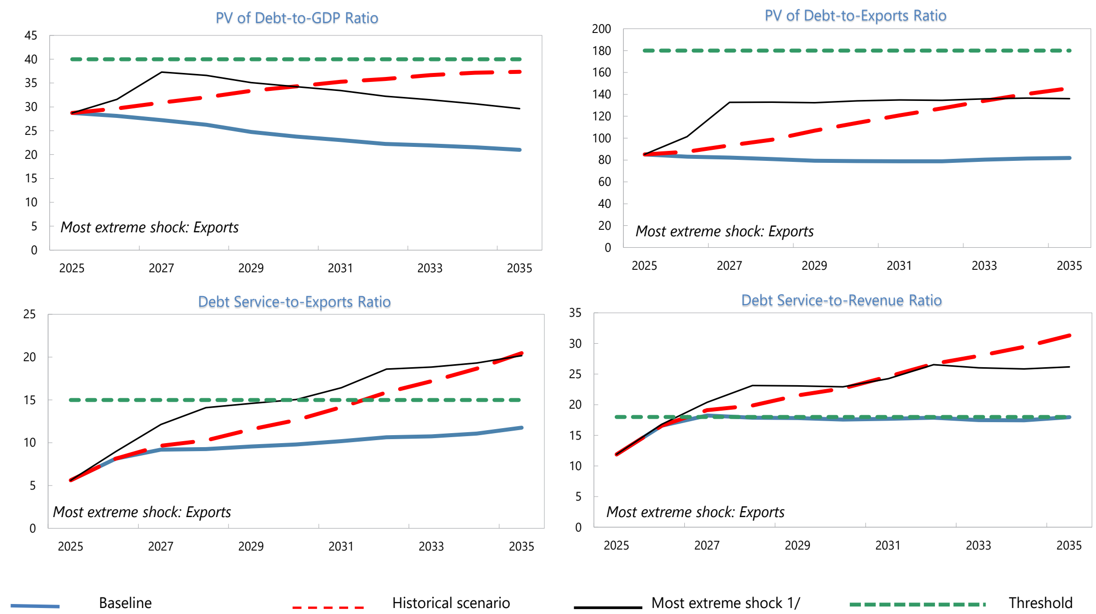
31. Enhancing debt data and transparency are essential to better identify PPG debt and contingent liabilities and allow for a more accurate assessment of debt vulnerabilities. Materialization of contingent liabilities, off-budget operations, and domestic arrears have been drivers of debt accumulation in the past (along with rapid cedi depreciation, underlining the need to restore macroeconomic stability). Furthermore, SOEs represent a potential source of government obligations, either in the form of undisclosed debt or contingent liabilities.[14] A more comprehensive coverage of SOEs debt and guarantees—particularly those that engage in quasi-fiscal activities—should allow for a more accurate assessment of fiscal risks and enhance debt coverage.

AUTHORITIES' VIEWS

33. The authorities generally shared staff's assessment of debt sustainability and renewed their commitment to continue with their strong implementation of the IMF-supported program and continue the restructuring of their external debt to restore debt sustainability. The authorities acknowledged the importance of a successful implementation of the reform agenda underpinned by the IMF-supported program to restore economic stability—a critical pillar for restoring debt sustainability.

[14] As part of its Sustainable Development Finance Policy (SDFP), the World Bank supported the publication of the 2020 State Ownership Report in 2022, to provide a better picture on large SOEs' financial liabilities.

Figure 1. Ghana: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2025–35 2/



Customization of Default Settings		
	Size	Interactions
Standardized Tests	Yes	
Tailored Stress		
Combined CL	No	
Natural disaster	n.a.	n.a.
Commodity price	No	No
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	7.0%	9.0%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	16	16
Avg. grace period	4	4

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

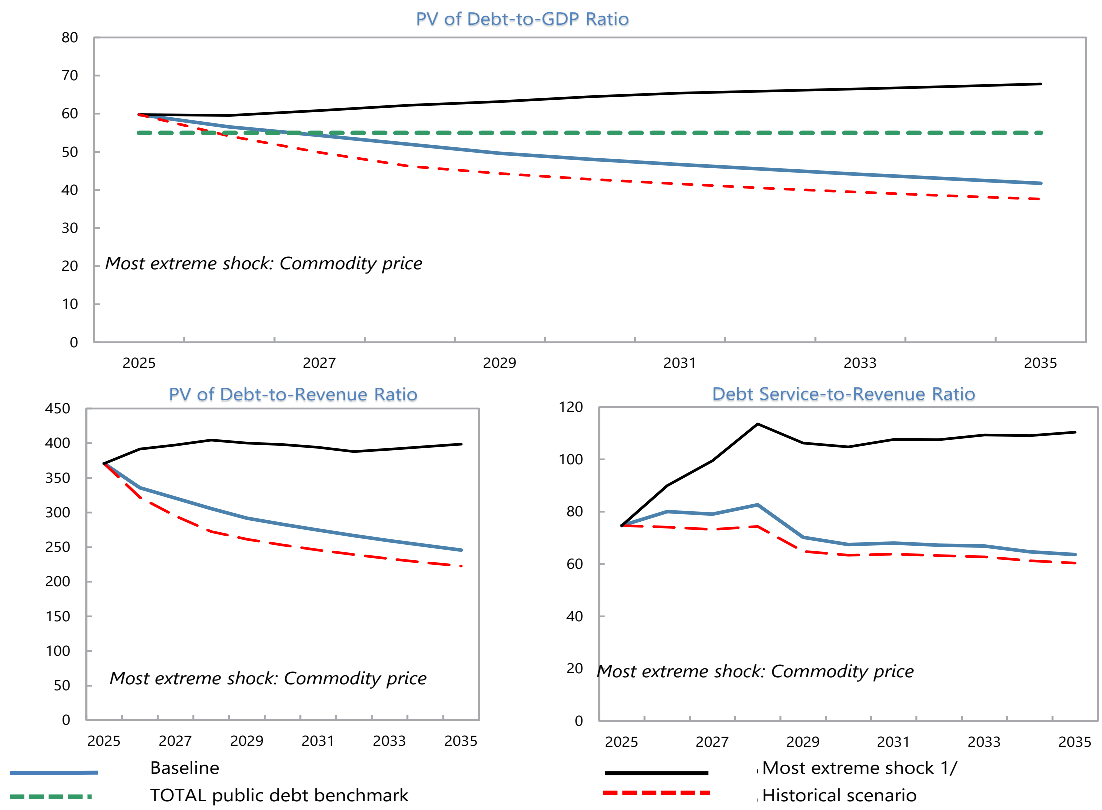
Sources: Country authorities; and staff estimates and projections.

Note: Interest rate on additional borrowing resulting from the stress test is estimated at 9 percent (higher than the default rate of 4.9 percent) to reflect deterioration in Ghana's creditworthiness and loss of market access.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. Ghana: Indicators of Public Debt Under Alternative Scenarios, 2025–35



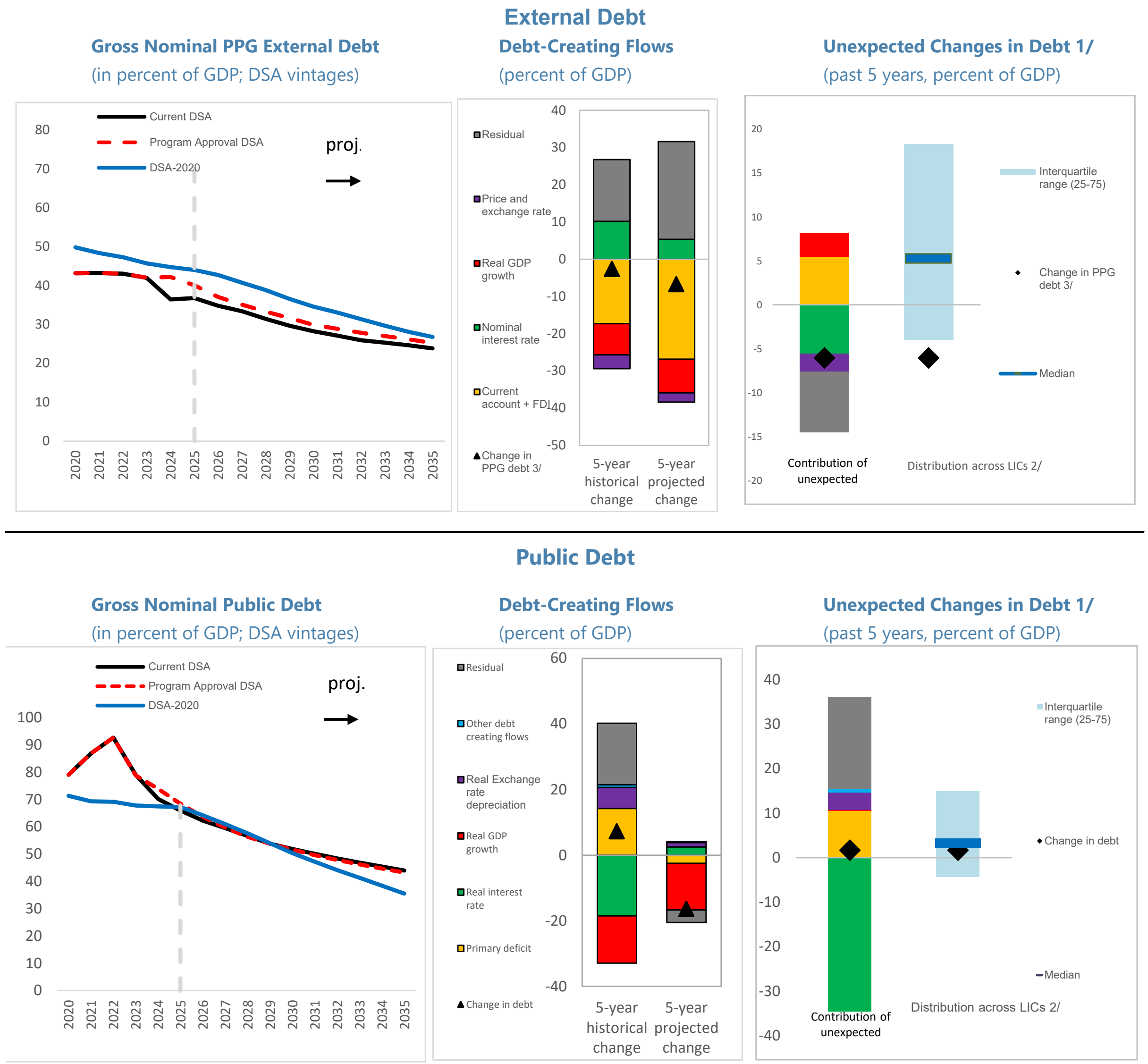
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	24%	24%
Domestic medium and long-term	55%	55%
Domestic short-term	21%	21%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	7.0%	9%
Avg. maturity (incl. grace period)	16	16
Avg. grace period	4	4
Domestic MLT debt		
Avg. real interest rate on new borrowing	5.4%	5.0%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	4.7%	4.7%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections
Note: Interest rate on additional borrowing resulting from the stress test is estimated at 9 percent (higher than the default rate of 4.9 percent) to reflect deterioration in Ghana's creditworthiness and loss of market access.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 3. Ghana: Drivers of Debt Dynamics—Baseline Scenario



1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

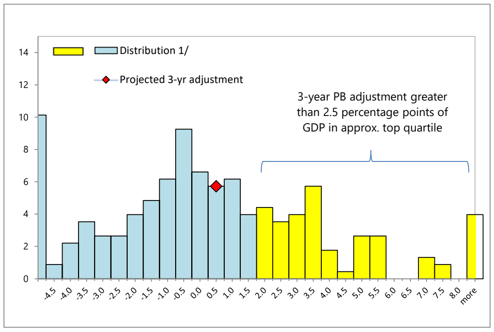
3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

Sources: Country authorities; and staff estimates and projections

Note**:** Interest rate on additional borrowing resulting from the stress test is estimated at 9 percent (higher than the default rate of 4.9 percent) to reflect deterioration in Ghana’s creditworthiness and loss of market access.

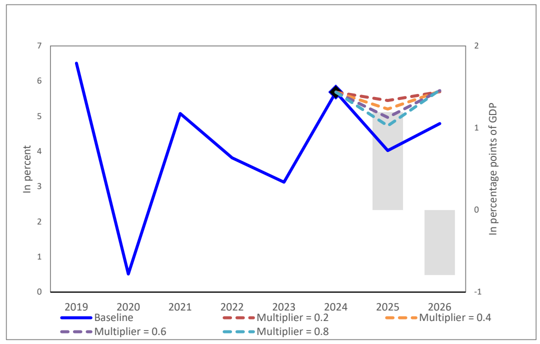
Figure 4. Ghana: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



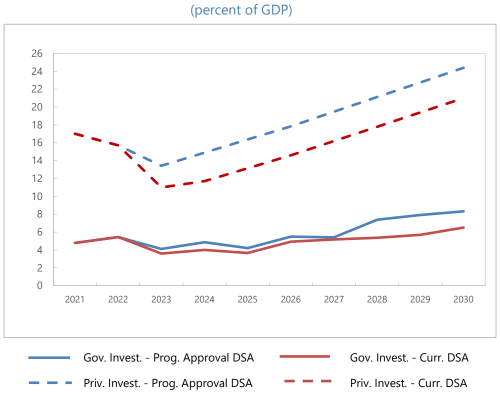
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/

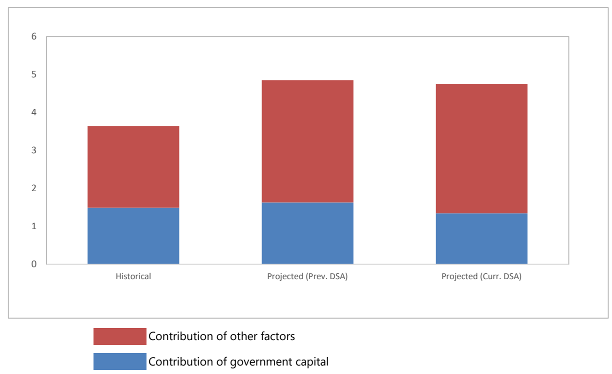


1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP growth
(percent, 5-year average)

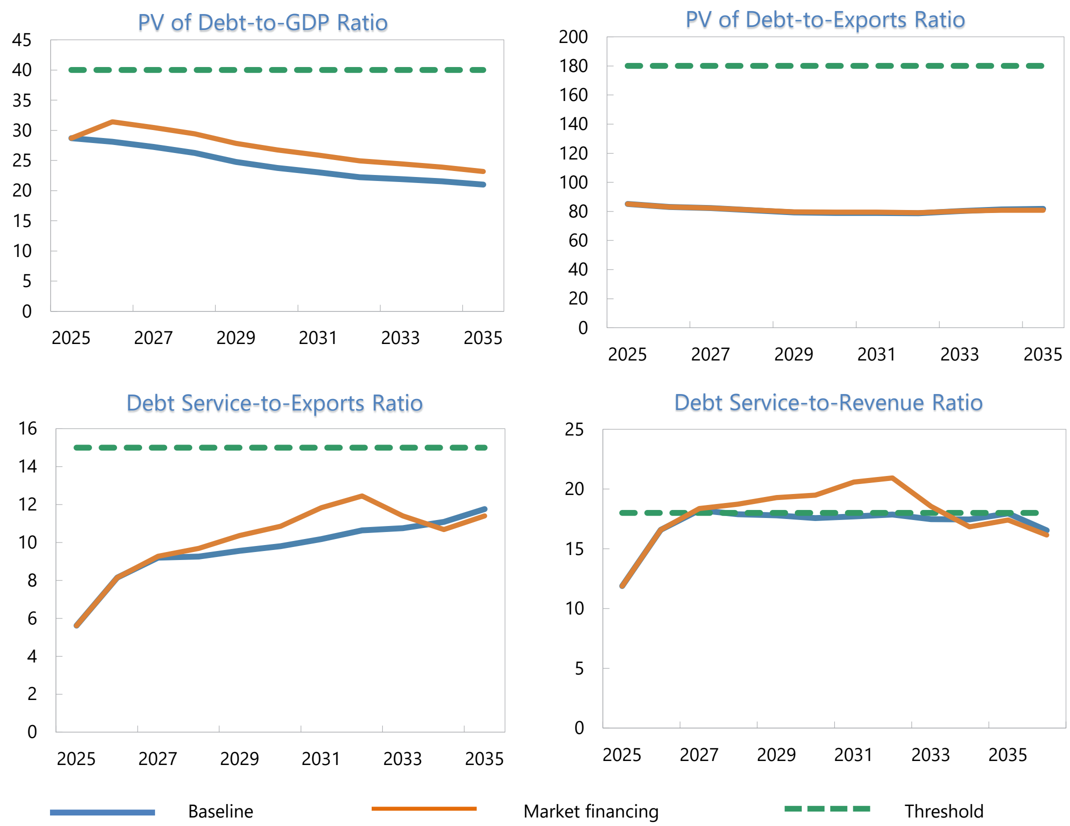


Sources: Country authorities; and staff estimates and projections

Figure 5. Ghana: Market-Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	12	600
Breach of benchmark	No	Yes
Potential heightened liquidity needs	Moderate	

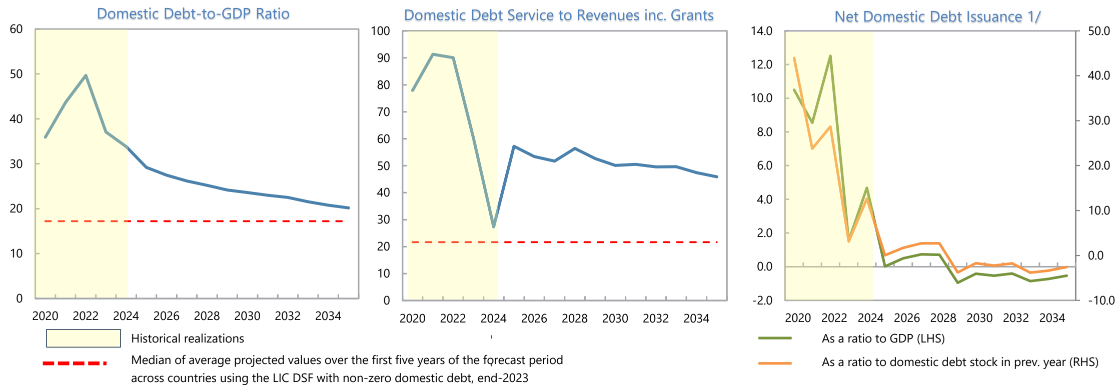
1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.
2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

Note: Both the baseline and market financing shock scenarios display very similar paths for PV of debt-to-exports, debt service-to-exports and debt service-to-revenue ratios due to the low level of new envisaged commercial borrowing in the 3 years from the second year of the projection (2024-26).

Figure 6. Ghana: Indicators of Domestic Public Debt, 2020–2034



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	73%
Short-term	27%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	6.1%
Avg. maturity (incl. grace period)	5
Avg. grace period	0
Domestic short-term debt	
Avg. real interest rate	4.7%

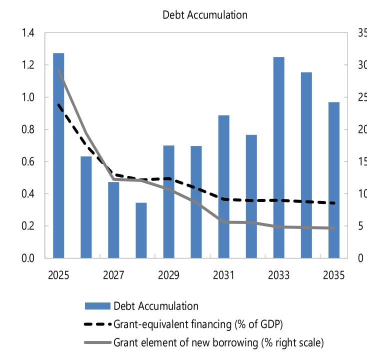
Sources: Country authorities; and staff estimates and projections.

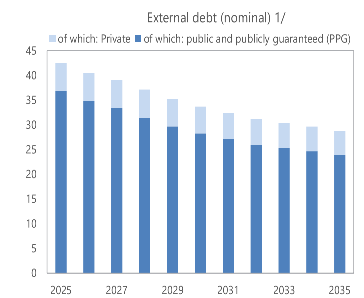
1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments, and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Table 1. Ghana: External Debt Sustainability Framework, Baseline Scenario, 2024–45
(In percent of GDP, unless otherwise indicated)

	Actual	Projections												Average 8/	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2045	Historical	Projections
External debt (nominal) 1/	42.2	42.5	40.5	39.1	37.2	35.2	33.7	32.4	31.1	30.4	29.7	28.8	18.7	44.2	34.6
of which: public and publicly guaranteed (PPG)	36.4	36.8	34.8	33.4	31.4	29.7	28.3	27.1	25.9	25.3	24.7	23.9	14.8	39.5	29.2
Change in external debt	-5.5	0.3	-2.0	-1.4	-2.0	-1.9	-1.5	-1.3	-1.3	-0.7	-0.8	-0.9	-1.7		
Identified net debt-creating flows	-6.5	-6.0	-6.2	-6.4	-6.2	-5.8	-5.1	-4.9	-4.5	-4.2	-4.1	-3.9	-2.4	-3.9	-5.2
Non-interest current account deficit	-3.6	-3.1	-2.6	-2.6	-2.5	-2.2	-1.7	-1.6	-1.3	-1.1	-1.0	-0.9	0.3	0.1	-1.9
Deficit in balance of goods and services	0.2	-0.2	-0.3	0.0	0.2	0.1	0.4	0.6	0.9	1.0	1.1	1.2	2.8	2.6	0.4
Exports	34.3	33.7	33.8	33.1	32.5	31.2	30.1	29.2	28.2	27.3	26.5	25.7	20.8		
Imports	34.5	33.6	33.5	33.1	32.7	31.3	30.5	29.7	29.1	28.3	27.5	26.9	23.6		
Net current transfers (negative = inflow)	-6.5	-6.2	-6.0	-6.0	-5.9	-5.5	-5.3	-5.2	-5.1	-5.0	-4.9	-4.8	-3.8	-4.7	-5.4
of which: official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	2.7	3.3	3.8	3.4	3.2	3.1	3.2	3.1	2.9	2.9	2.8	2.7	1.4	2.2	3.1
Net FDI (negative = inflow)	-2.1	-2.3	-2.7	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.7	-2.9
Endogenous debt dynamics 2/	-0.7	-0.6	-0.9	-0.8	-0.7	-0.5	-0.4	-0.3	-0.2	-0.1	-0.1	0.0	0.3		
Contribution from nominal interest rate	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.3		
Contribution from real GDP growth	-2.6	-1.6	-2.0	-1.9	-1.9	-1.7	-1.6	-1.6	-1.5	-1.5	-1.4	-1.4	-1.0		
Contribution from price and exchange rate changes	1.0	...	...	...	...	...	...	...	...	...	...	...	...		
Residual 3/	1.0	6.3	4.2	5.0	4.2	3.8	3.6	3.6	3.2	3.5	3.3	3.0	0.6	4.5	4.0
of which: exceptional financing	-16.6	-10.4	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators															
PV of PPG external debt-to-GDP ratio	29.3	28.7	28.1	27.2	26.2	24.8	23.8	23.0	22.2	21.9	21.5	21.0	13.5		
PV of PPG external debt-to-exports ratio	85.3	85.1	83.0	82.3	80.8	79.3	79.0	78.9	78.8	80.3	81.4	81.8	64.7		
PPG debt service-to-exports ratio	3.5	5.6	8.1	9.2	9.2	9.6	9.8	10.2	10.6	10.8	11.1	11.8	12.1		
PPG debt service-to-revenue ratio	7.5	11.9	16.6	18.2	17.9	17.8	17.6	17.7	17.9	17.5	17.5	18.0	15.0		
Gross external financing need (Million of U.S. dollars)	-2623.5	-1899.8	-1018.6	-1132.2	-1099.3	-1022.0	-508.6	-394.5	-86.9	66.0	183.7	473.6	2592.7		
Key macroeconomic assumptions															
Real GDP growth (in percent)	5.7	4.0	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.9
GDP deflator in US dollar terms (change in percent)	-2.7	2.2	-0.3	-0.1	0.1	3.6	2.0	2.0	2.0	2.0	2.0	2.1	2.1	0.1	1.6
Effective interest rate (percent) 4/	1.9	2.5	2.5	2.8	3.0	3.4	3.7	4.0	4.3	4.5	4.8	5.1	6.8	5.4	3.7
Growth of exports of G&S (US dollar terms, in percent)	16.7	4.6	4.7	2.7	3.1	4.7	3.2	3.8	3.5	3.7	3.8	4.0	6.1	6.8	3.8
Growth of imports of G&S (US dollar terms, in percent)	9.8	3.5	4.3	3.6	3.8	4.2	4.2	4.5	4.7	4.2	4.3	4.6	6.8	4.2	4.2
Grant element of new public sector borrowing (in percent)	...	29.1	19.4	12.2	12.1	10.7	8.6	5.6	5.5	4.8	4.8	4.7	8.5	...	10.7
Government revenues (excluding grants, in percent of GDP)	16.0	15.9	16.6	16.7	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	14.3	16.7
Aid flows (in Million of US dollars) 5/	120.8	1304.7	1024.1	937.1	901.0	1015.3	894.3	716.4	743.9	768.8	791.2	815.6	1279.0		
Grant-equivalent financing (in percent of GDP) 6/	...	1.0	0.7	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3	...	0.5
Grant-equivalent financing (in percent of external financing) 6/	...	33.8	26.1	19.5	19.8	17.6	15.9	12.7	12.9	11.4	11.6	11.8	25.7	...	17.6
Nominal GDP (Million of US dollars)	82,825	88,098	92,015	96,495	101,414	110,352	118,153	126,531	135,517	145,153	155,487	166,733	336,480		
Nominal dollar GDP growth	2.8	6.4	4.4	4.9	5.1	8.8	7.1	7.1	7.1	7.1	7.1	7.2	7.2	4.5	6.6
Memorandum items:															
PV of external debt 7/	35.0	34.4	33.8	33.0	32.0	30.3	29.2	28.3	27.4	27.0	26.5	25.9	17.4		
In percent of exports	102.1	101.9	99.9	99.5	98.4	96.9	97.0	97.1	97.2	98.9	100.3	100.9	83.6		
Total external debt service-to-exports ratio	7.5	9.6	12.2	13.3	13.4	13.8	14.1	14.5	15.0	15.2	15.6	16.3	16.6		
PV of PPG external debt (in Million of US dollars)	24241.1	25295.5	25852.8	26287.6	26619.4	27329.4	28098.1	29146.3	30115.3	31807.7	33483.8	34989.7	45327.7		
(PVt-PVt-1)/GDPt-1 (in percent)		1.3	0.6	0.5	0.3	0.7	0.7	0.9	0.8	1.2	1.2	1.0	-0.6		
Non-interest current account deficit that stabilizes debt ratio	1.8	-3.4	-0.6	-1.2	-0.5	-0.3	-0.2	-0.3	0.0	-0.4	-0.2	0.0	2.0		

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	Yes





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g) + Ɛα (1+r)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ɛ=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

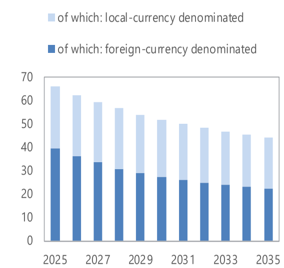
Table 2. Ghana: Public Sector Debt Sustainability Framework, Baseline Scenario, 2024–45

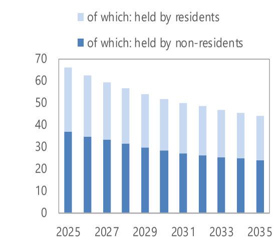
(In Percent of GDP, unless otherwise indicated)

	Actual	Projections												Average 6/	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2045	Historical	Projections
Public sector debt 1/	70.2	66.0	62.3	59.5	56.6	53.8	51.9	50.1	48.4	46.9	45.4	44.0	33.0	69.5	53.2
of which: external debt	36.4	36.8	34.8	33.4	31.4	29.7	28.3	27.1	25.9	25.3	24.7	23.9	14.8	39.5	29.2
Change in public sector debt	-8.9	-4.2	-3.7	-2.7	-2.9	-2.8	-1.9	-1.8	-1.7	-1.6	-1.5	-1.4	-1.2		
Identified debt-creating flows	-8.3	-5.4	-2.1	-2.0	-1.7	-2.7	-2.1	-1.9	-1.8	-1.6	-1.5	-1.4	-1.2	-0.3	-2.2
Primary deficit 7/	0.4	-0.8	0.0	0.0	-0.2	-1.5	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	1.9	-0.8
Revenue and grants	16.1	16.1	16.8	16.9	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	14.7	16.9
of which: grants	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
Primary (noninterest) expenditure	16.5	15.3	16.8	16.9	16.9	15.5	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.6	16.1
Automatic debt dynamics	-9.5	-4.9	-2.1	-1.9	-1.5	-1.2	-1.1	-0.9	-0.8	-0.6	-0.5	-0.4	-0.2		
Contribution from interest rate/growth differential	-10.0	-4.9	-2.1	-1.9	-1.5	-1.2	-1.1	-0.9	-0.8	-0.6	-0.5	-0.4	-0.2		
of which: contribution from average real interest rate	-5.7	-2.2	0.9	1.0	1.3	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.5		
of which: contribution from real GDP growth	-4.3	-2.7	-3.0	-2.9	-2.8	-2.7	-2.6	-2.5	-2.4	-2.3	-2.2	-2.2	-1.6		
Contribution from real exchange rate depreciation	0.5	...	...	...	...	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.8	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.8	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	-0.6	1.2	-1.6	-0.7	-1.2	-0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	2.4	-0.2
Sustainability indicators															
PV of public debt-to-GDP ratio 2/	64.1	59.8	56.5	54.3	52.0	49.6	48.1	46.7	45.3	44.1	42.9	41.8	32.0		
PV of public debt-to-revenue and grants ratio	397.8	370.9	335.7	320.7	305.5	291.8	282.8	274.5	266.7	259.3	252.3	245.6	188.3		
Debt service-to-revenue and grants ratio 3/	34.8	74.7	80.0	79.1	82.6	70.2	67.5	68.0	67.2	66.9	64.7	63.6	54.7		
Gross financing need 4/	6.8	11.2	11.7	11.6	12.3	10.4	10.5	10.6	10.4	10.4	10.0	9.8	8.3		
Key macroeconomic and fiscal assumptions															
Real GDP growth (in percent)	5.7	4.0	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.9
Average nominal interest rate on external debt (in percent)	1.6	2.2	2.2	2.5	2.8	3.2	3.5	3.9	4.2	4.6	4.9	5.3	7.4	5.6	3.6
Average real interest rate on domestic debt (in percent)	-17.0	-7.4	3.1	3.2	4.2	4.5	4.5	4.6	4.6	4.6	4.7	4.8	3.8	-1.0	3.2
Real exchange rate depreciation (in percent, + indicates depreciation)	1.1	...	...	...	...	...	...	...	...	...	...	...	...	2.4	...
Inflation rate (GDP deflator, in percent)	25.4	17.0	7.8	6.8	6.9	7.6	7.8	7.8	7.8	7.9	7.9	7.9	7.9	17.4	8.5
Growth of real primary spending (deflated by GDP deflator, in percent)	15.9	-3.5	15.2	5.3	4.8	-3.4	8.4	5.0	5.0	5.0	5.0	5.0	5.0	6.4	4.7
Primary deficit that stabilizes the debt-to-GDP ratio 5/	9.3	3.4	3.7	2.7	2.8	1.3	0.9	0.8	0.7	0.6	0.5	0.4	0.2	6.7	1.6
PV of contingent liabilities (not included in public sector debt)	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**Yes**

Public sector debt 1/





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank, government-guaranteed debt, non-guaranteed SOE debt . Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

7/ Primary deficit and expenditure are computed on a cash basis. The primary deficit measured on a cash basis is larger than that on a commitment basis for 2025-28 because of the need to clear the stock of domestic arrears.

Table 3. Ghana: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2025–35

(In Percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of debt-to GDP ratio											
Baseline	28.7	28.1	27.2	26.2	24.8	23.8	23.0	22.2	21.9	21.5	21.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	28.7	29.7	30.9	32.0	33.4	34.3	35.3	35.9	36.6	37.2	37.3
B. Bound Tests											
B1. Real GDP growth	28.7	29.3	29.7	28.6	27.0	25.9	25.1	24.2	23.9	23.4	22.8
B2. Primary balance	28.7	29.7	32.1	32.3	31.4	31.0	30.8	30.4	30.4	30.2	29.8
B3. Exports	28.7	31.6	37.3	36.6	35.1	34.2	33.4	32.2	31.5	30.7	29.6
B4. Other flows 3/	28.7	32.3	35.8	35.1	33.6	32.8	31.9	30.7	30.0	29.3	28.3
B5. Depreciation	28.7	35.3	32.2	30.8	29.0	27.7	26.7	25.8	25.5	25.1	24.5
B6. Combination of B1-B5	28.7	34.1	36.9	36.1	34.6	33.7	32.8	31.6	31.0	30.2	29.3
C. Tailored Tests											
C1. Combined contingent liabilities	28.7	30.8	31.3	31.5	30.6	30.3	30.3	30.0	30.2	30.2	30.0
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	28.7	28.5	28.4	27.7	26.3	25.4	24.7	23.8	23.4	22.9	22.2
C4. Market Financing	28.7	31.4	30.5	29.4	27.9	26.8	25.9	24.9	24.5	23.9	23.2
Threshold	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
PV of debt-to-exports ratio											
Baseline	85.1	83.0	82.3	80.8	79.3	79.0	78.9	78.8	80.3	81.4	81.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	85.1	87.7	93.3	98.6	106.8	113.9	120.9	127.2	134.2	140.4	145.6
B. Bound Tests											
B1. Real GDP growth	85.1	83.0	82.3	80.8	79.3	79.0	78.9	78.8	80.3	81.4	81.8
B2. Primary balance	85.1	87.9	96.8	99.4	100.4	103.0	105.5	107.8	111.2	114.0	116.0
B3. Exports	85.1	101.4	132.7	132.8	132.4	134.0	135.0	134.6	135.9	136.5	136.1
B4. Other flows 3/	85.1	95.4	108.0	108.0	107.5	108.8	109.3	109.0	110.0	110.6	110.3
B5. Depreciation	85.1	82.3	76.7	75.0	73.2	72.6	72.2	72.2	73.7	74.9	75.5
B6. Combination of B1-B5	85.1	100.8	103.7	113.8	113.3	114.6	114.9	114.7	116.1	116.9	116.8
C. Tailored Tests											
C1. Combined contingent liabilities	85.1	91.2	94.6	96.9	98.1	100.8	103.7	106.4	110.5	114.0	116.8
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	85.1	83.5	85.2	84.8	84.0	84.3	84.5	84.2	85.6	86.5	86.6
C4. Market Financing	85.1	83.0	82.3	81.1	79.8	79.6	79.4	79.1	80.2	80.9	80.9
Threshold	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
Debt service-to-exports ratio											
Baseline	5.6	8.1	9.2	9.2	9.6	9.8	10.2	10.6	10.8	11.1	11.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	5.6	8.1	9.6	10.3	11.6	12.6	14.1	**15.9**	**17.2**	**18.7**	**20.5**
B. Bound Tests											
B1. Real GDP growth	5.6	8.1	9.2	9.2	9.6	9.8	10.2	10.6	10.8	11.1	11.8
B2. Primary balance	5.6	8.2	9.8	10.7	11.3	11.8	12.7	13.9	14.4	**15.1**	**16.1**
B3. Exports	5.6	9.0	12.1	14.1	14.6	**15.0**	**16.4**	**18.6**	**18.8**	**19.3**	**20.2**
B4. Other flows 3/	5.6	8.1	10.3	11.5	11.9	12.3	13.6	**15.1**	**15.2**	**15.6**	**16.3**
B5. Depreciation	5.6	8.1	9.1	8.8	9.1	9.3	9.6	9.7	9.8	10.1	10.8
B6. Combination of B1-B5	5.6	8.5	11.4	12.4	12.8	13.2	14.7	**15.9**	**16.1**	**16.5**	**17.3**
C. Tailored Tests											
C1. Combined contingent liabilities	5.6	8.2	9.9	10.3	10.9	11.4	12.1	12.8	13.1	13.7	14.6
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	5.6	8.2	9.4	9.6	10.1	10.4	10.8	11.4	11.5	11.9	12.5
C4. Market Financing	5.6	8.1	9.3	9.7	10.4	10.9	11.8	12.4	11.4	10.7	11.4
Threshold	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Debt service-to-revenue ratio											
Baseline	11.9	16.6	**18.2**	17.9	17.8	17.6	17.7	17.9	17.5	17.5	18.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	11.9	16.6	**19.1**	**19.9**	**21.5**	**22.7**	**24.6**	**26.7**	**28.0**	**29.4**	**31.3**
B. Bound Tests											
B1. Real GDP growth	11.9	17.3	**19.8**	**19.5**	**19.4**	**19.1**	**19.3**	**19.4**	**19.0**	**19.0**	**19.6**
B2. Primary balance	11.9	16.6	**19.4**	**20.6**	**21.0**	**21.2**	**22.2**	**23.3**	**23.5**	**23.8**	**24.6**
B3. Exports	11.9	16.8	**20.4**	**23.1**	**23.1**	**22.9**	**24.3**	**26.5**	**26.0**	**25.8**	**26.2**
B4. Other flows 3/	11.9	16.6	**20.4**	**22.2**	**22.1**	**22.0**	**23.7**	**25.3**	**24.8**	**24.6**	**25.0**
B5. Depreciation	11.9	**21.0**	**22.9**	**21.5**	**21.4**	**21.1**	**21.1**	**20.6**	**20.1**	**20.1**	**20.8**
B6. Combination of B1-B5	11.9	17.4	**22.2**	**23.4**	**23.3**	**23.1**	**25.1**	**26.1**	**25.6**	**25.4**	**25.8**
C. Tailored Tests											
C1. Combined contingent liabilities	11.9	16.6	**19.6**	**20.0**	**20.4**	**20.5**	**21.0**	**21.5**	**21.4**	**21.6**	**22.3**
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	11.9	**18.6**	**20.7**	**20.8**	**20.3**	**19.6**	**19.3**	**19.2**	**18.8**	**18.7**	**19.2**
C4. Market Financing	11.9	16.6	**18.4**	**18.7**	**19.3**	**19.5**	**20.6**	**20.9**	**18.5**	16.8	17.4
Threshold	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.

Table 4. Ghana: Sensitivity Analysis for Key Indicators of Public Debt, 2025–35

(In Percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	**59.8**	**56.5**	54.3	52.0	49.6	48.1	46.7	45.3	44.1	42.9	41.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	**59.8**	54.1	49.8	46.2	44.3	42.8	41.6	40.4	39.4	38.4	37.6
B. Bound Tests											
B1. Real GDP growth	**59.8**	**59.6**	**61.5**	**60.9**	**60.3**	**60.6**	**61.1**	**61.5**	**62.0**	**62.6**	**63.2**
B2. Primary balance	**59.8**	**61.3**	**65.4**	**63.5**	**61.7**	**60.7**	**59.9**	**59.0**	**58.2**	**57.4**	**56.6**
B3. Exports	**59.8**	**59.7**	**63.6**	**61.5**	**59.2**	**57.8**	**56.4**	54.7	53.0	51.4	49.8
B4. Other flows 3/	**59.8**	**60.8**	**63.1**	**60.9**	**58.7**	**57.3**	**55.8**	54.1	52.4	50.8	49.3
B5. Depreciation	**59.8**	**60.9**	**57.8**	54.6	51.5	49.4	47.4	45.6	43.9	42.2	40.7
B6. Combination of B1-B5	**59.8**	**58.4**	**61.1**	**59.5**	**57.8**	**56.9**	**56.1**	**55.3**	54.5	53.7	52.9
C. Tailored Tests											
C1. Combined contingent liabilities	**59.8**	**66.0**	**64.1**	**62.2**	**60.4**	**59.4**	**58.5**	**57.7**	**56.9**	**56.1**	**55.3**
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	**59.8**	**59.6**	**60.9**	**62.2**	**63.2**	**64.5**	**65.4**	**65.9**	**66.5**	**67.1**	**67.8**
C4. Market Financing	**59.8**	**56.5**	54.3	52.0	49.8	48.2	46.8	45.4	44.1	42.8	41.5
TOTAL public debt benchmark	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
PV of Debt-to-Revenue Ratio											
Baseline	370.9	335.7	320.7	305.5	291.8	282.8	274.5	266.7	259.3	252.3	245.6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	370.9	321.8	294.7	272.4	261.5	253.1	245.7	239.1	233.1	227.7	222.7
B. Bound Tests											
B1. Real GDP growth	370.9	354.0	362.9	357.4	354.4	356.2	358.8	361.5	364.6	367.9	371.3
B2. Primary balance	370.9	364.1	385.9	373.5	363.1	357.3	352.1	347.0	342.1	337.4	332.9
B3. Exports	370.9	354.6	375.7	361.4	348.3	340.2	331.8	321.6	311.8	302.3	292.9
B4. Other flows 3/	370.9	361.3	372.7	358.3	345.2	337.0	328.2	318.2	308.5	299.1	289.8
B5. Depreciation	370.9	362.2	341.4	321.2	303.4	290.7	279.3	268.5	258.3	248.7	239.6
B6. Combination of B1-B5	370.9	347.3	361.0	349.7	340.1	334.9	330.2	325.5	320.7	315.9	311.1
C. Tailored Tests											
C1. Combined contingent liabilities	370.9	392.1	378.6	365.9	355.4	349.5	344.2	339.2	334.4	329.8	325.3
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	370.9	391.7	397.4	404.5	400.1	398.1	394.1	387.8	391.2	394.8	398.6
C4. Market Financing	370.9	335.7	320.9	306.0	292.8	283.8	275.5	267.2	259.1	251.5	244.2
Debt Service-to-Revenue Ratio											
Baseline	74.7	80.0	79.1	82.6	70.2	67.5	68.0	67.2	66.9	64.7	63.6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	74.7	74.2	73.3	74.4	64.8	63.4	63.8	63.2	62.8	61.3	60.3
B. Bound Tests											
B1. Real GDP growth	74.7	83.6	92.2	102.1	94.2	93.1	96.8	98.7	100.8	100.6	102.0
B2. Primary balance	74.7	80.4	94.8	110.4	98.6	95.6	97.7	97.0	95.6	93.0	92.1
B3. Exports	74.7	80.0	80.6	87.1	74.8	72.1	73.8	75.0	74.6	72.2	71.0
B4. Other flows 3/	74.7	80.0	81.2	86.9	74.5	71.8	73.9	74.6	74.1	71.8	70.6
B5. Depreciation	74.7	77.2	81.5	87.1	77.9	74.1	74.4	73.5	72.6	69.8	68.5
B6. Combination of B1-B5	74.7	78.3	83.9	96.9	87.2	84.4	85.7	85.5	84.8	82.1	80.9
C. Tailored Tests											
C1. Combined contingent liabilities	74.7	80.4	104.8	106.4	96.7	94.0	95.5	92.3	90.8	87.8	86.2
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	74.7	90.0	99.5	113.5	106.2	104.8	107.6	107.5	109.3	109.1	110.4
C4. Market Financing	74.7	80.0	79.2	83.5	71.7	69.4	70.8	70.2	67.9	64.1	63.1

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the benchmark.
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.
3/ Includes official and private transfers and FDI.

INTERNATIONAL MONETARY FUND

GHANA

July 2, 2025

FOURTH REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR MODIFICATION OF PERFORMANCE CRITERIA, FINANCING ASSURANCES REVIEW, AND MONETARY POLICY CONSULTATION—SUPPLEMENTARY INFORMATION

Approved By
Annalisa Fedelino and Guillaume Chabert

Prepared by the Ghana team of the African Department

This supplement provides additional information to the Staff Report circulated to the Executive Board on June 24, 2025. It includes an update on recent developments and performance against structural conditionality as well as staff and the authorities' views regarding the status of the Monetary Policy Consultation Clause (MPCC), which was triggered with the June 2025 inflation data release. The supplement does not alter either the staff recommendations or the thrust of the staff appraisal.

RECENT DEVELOPMENTS AND PROGRAM PERFORMANCE

1. **The 2025Q1 GDP data confirmed a robust expansion in economic activity.** Real GDP increased by 5.3 percent year-over-year in the first quarter of 2025 (from 3.6 percent in 2024Q4), reflecting robust activity in the agriculture, service, and manufacturing sectors.

2. **Headline consumer price inflation continued to decline in June, reaching 13.7 percent year-over-year.** This outturn, which reflected mainly a broad-based slowdown in both food and non-food prices, was within the inner bands under the program's Monetary Policy Consultation Clause (MPCC).

3. **While the BoG remains committed to removing all multiple currency practices (MCPs), new impermissible spreads have arisen in recent weeks**. The most recent day when impermissible spreads arose for existing MCPs was May 28, 2025, for remittances; May 26, 2025, for government transactions and cocoa exports; and April 24, 2025, for transactions from mining, oil and gas companies.

4. **On June 24, the authorities submitted to Parliament the amendments to the Bank of Ghana's (BoG) Act (end-May 2025 Structural Benchmark).** Once passed, these amendments—which were drafted in consultation with IMF staff—will strengthen the BoG's independence and safeguards by limiting monetary financing, introducing provisions for covering capital shortfalls, and clarifying membership criteria for the BoG Board and Monetary Policy Committee, among other things.

5. **On June 25, the Public Utilities Regulatory Commission announced an electricity tariff increase of 2.45 percent (effective from July 1).** The decision was based on a comprehensive assessment of macroeconomic and operational factors—i.e., inflation, exchange rate developments, energy costs (e.g., electricity generation mix, cost of fuel)—and was consistent with the program's quarterly Structural Benchmark for end-June.

6. **While the end-June 2025 Structural Benchmark on legislation to merge some statutory funds with their line ministries was not met, good progress is being made toward streamlining such funds and reducing earmarking of revenue.** The earmarked funds to be merged with their line ministries were identified by the previous administration in their 2023 Strategy to Streamline Earmarked Funds.[1] The new authorities have taken a somewhat different approach to the reform of earmarked funds, by prioritizing the reform of large earmarked funds—such as the District Assemblies Common Fund, the Minerals Income Investment Fund, and the Ghana Infrastructure Investment Fund—that the 2023 Strategy did not envisage to

[1] According to the strategy, the following four earmarked funds had to be merged with their line ministries: the Mineral Development Fund, the Student Loan Trust, the Plastic Waste Recycling Fund, and the Youth Employment Agency.

merge. In so doing, the authorities have been able to free significant public resources and redirect them to the central government's consolidated fund, a central objective of the overall reform. Among the earmarked funds to be merged, the new administration abolished the Plastic Waste Recycling Fund by amending the Customs and Excise (Duties and Other Taxes) Act. Looking ahead, the authorities will continue to work with Fund staff and stakeholders to implement other key recommendations in the strategy to improve the operational efficiency of the Earmarked Funds.

Statement by Mr. Bahador Bijani, Executive Director for Ghana
and Mr. Nana Akosah, Advisor to Executive Director
July 7, 2025

Introduction

1. **On behalf of the Ghanaian authorities, we extend our sincere appreciation to Fund Management, the Executive Board, and staff for their steadfast support to Ghana.** We are grateful for the constructive dialogue and collaboration with staff in the context of the fourth review under the Extended Credit Facility (ECF) arrangement. The authorities agree with the staff's assessment and value their policy recommendations. These insights are instrumental in guiding Ghana's ongoing reform agenda and in reinforcing our authorities' commitment to macroeconomic stability, inclusive growth, and debt sustainability.

2. **Our Ghanaian authorities have upheld democratic tradition by successfully overseeing a peaceful transition of power following the December 2024 general elections.** The new government assumed office on January 7, 2025, with a strong electoral mandate, reaffirming the country's commitment to democratic governance and institutional continuity.

Program Performance and Renewed Commitment

3. **The new administration is strongly committed to maintaining the reform momentum and placing the program back on a strong trajectory.** All end-December 2024 QPCs and most ITs were met, with strong overperformance in net international reserve accumulation continuing into the first quarter of 2025. However, several SBs falling due between January-May 2025 were missed, with some implemented after delays. These delays, combined with significant fiscal slippage, paused fiscal adjustment efforts. Inflation ended the year 2024 above program targets, largely due to the impact of supply shocks on food prices and the pass-through of sharp currency depreciation, prompting consultation with the IMF Board. In response, corrective actions were taken, and the new authorities—including at the highest levels of leadership—have consistently and clearly expressed their commitment to the program objectives and policies.

4. **Demonstrating strong program ownership and commitment, the authorities have taken decisive corrective actions to put the program back on track amid a challenging domestic and global environment.** Authorities implemented a series of corrective measures, including: (i) a 100 basis point increase in the Bank of Ghana's policy rate; (ii) the passage of the 2025 Budget, which aligns with program objectives; (iii) amendments to the Public Financial Management (PFM) and Public Procurement laws to address structural weaknesses; (iv) the launch of a comprehensive audit of spending commitments and arrears at end-2023 and end-

2024; (v) increases in electricity tariffs in April and July 2025; (vi) submission to Parliament of amendment to the Bank of Ghana Act in line with the 2023 safeguards assessment recommendations; and (vii) recapitalization of the National Investment Bank (NIB) and adoption of a comprehensive strategy to address its governance challenges. The authorities have implemented—ahead of schedule—two SBs originally set for end-September 2025: (i) amendment of the fiscal responsibility framework, and (ii) formulating a strategy to restructure Ghana's electricity company, including measures to open its operations to private sector participation.

Recent Economic Development and Outlook

5. **Economic activity was resilient in 2024 despite multiple shocks.** Real GDP growth exceeded expectations, reaching 5.7 percent in 2024, driven primarily by strong performance of the mining, agriculture, construction, manufacturing, and information and communication sectors. Growth momentum continued into the first quarter of 2025, with real GDP expanding by 5.3 percent—the highest first-quarter growth rate recorded in the past five years. While the growth outlook remains favorable, ongoing fiscal adjustments and heightened global uncertainties pose downside risks.

6. **Disinflation resumed in 2025 following a higher-than-expected CPI inflation rate of 23.8 percent at end-2024.** By end-May 2025, inflation had declined sharply to 18.4 percent—the lowest rate since the onset of the crisis—driven by a stronger *cedi* and a tighter monetary and fiscal policy stance. Inflation is projected to decline further to 12 percent by end-2025 and is expected to fall within the Bank of Ghana's medium-term target range of 8 ± 2 percent by the second quarter of 2026, in the absence of unforeseen shocks.

7. **The external sector improved significantly in 2024, with a current account surplus of 1.1 percent of GDP.** This was largely driven by strong gold and cocoa exports, alongside increased remittance inflows. Gross international reserves—based on the program definition—reached 3 months of import cover by end-March 2025, achieving the ECF target ahead of schedule. Meanwhile, cedi has appreciated sharply so far in 2025, supported by improved market sentiment in response to firm policy measures.

8. **Acknowledging the significant downside risks to the outlook, the authorities are committed to continue implementing sound macro-fiscal policies and structural reforms aimed at consolidating recent gains, restoring debt sustainability, and laying the groundwork for sustainable and inclusive growth.** To this end, they have reaffirmed their determination to entrench fiscal discipline, strengthen revenue mobilization, enhance PFM, improve governance and the business environment, and bolster the resilience of the financial sector.

Fiscal Policy and Debt Management

9. **Authorities are firmly committed to ambitious and sustained multi-year expenditure-based fiscal adjustments, complemented with improved revenue mobilization, to restore long-term debt sustainability, while supporting the most vulnerable.** The approved 2025 Budget is in line with the program's objectives of achieving a primary surplus of 1.5 percent of GDP (on a commitment basis) and maintaining it thereafter. On the revenue side, authorities are advancing their Medium-Term Revenue Strategy to strengthen tax enforcement, compliance, and efficiency by streamlining VAT exemptions, improving tax and customs administration, and simplifying the tax system. These measures, developed with IMF technical support, will be backed by contingency plans if revenue falls short.

10. **The authorities remain steadfast in their commitment to deepening expenditure discipline.** They recognize that the fiscal slippage in 2024 stemmed from the combined effects of the electoral cycle and structural weaknesses in PFM. In response, a validation audit by reputable international firms was launched in April 2025 to assess end-2024 commitments and arrears. The authorities are committed to addressing all findings and rigorously implementing the recommendations from the audit report—expected to be finalized by end-August 2025—including the cancellation, rescoping, and rephasing of projects. The authorities are prioritizing efficient, growth-enhancing expenditures and remain committed to steadily implementing the recommendations of the Public Investment Management Assessment mission to enhance the effectiveness of Ghana's public investment institutions in project selection, implementation, and monitoring.

11. **To strengthen spending and budget control, the authorities have fast-tracked the adoption of an enhanced Fiscal Responsibility Framework.** The amended 2016 PFM Act introduces a new fiscal rule—centered on a debt ceiling and a primary balance operational target—and enhances the operational autonomy of the Fiscal Advisory Council by granting it the authority and resources to independently assess fiscal performance against established rules. The amended Act also introduces sanctions on heads of covered entities or Ministers of State in cases of fiscal slippage, and the authorities are resolved to strictly enforce these sanctions. Additionally, the amended Public Procurement Act (PPA) strengthens oversight and control at the initiation stage of the procurement process by granting the Minister for Finance exclusive authority to issue commitment authorization before any public procurement can proceed and introduces sanctions for public officials for unauthorized commitments. This enhanced oversight mechanism in the amended PPA addresses a critical gap that previously allowed widespread unbudgeted commitments, contributing to arrears accumulation. To strengthen commitment controls, authorities have operationalized e-procurement within the Ghana Integrated Financial Management Information System and directed all enrolled agencies to exclusively use the platform for procurement activities. To strengthen PFM compliance, the authorities have established a PFM Compliance Division at the Ministry of Finance (MoF).

12. **Strengthening the oversight and operational viability of SOEs—particularly in the energy, cocoa, and gold sectors—remains a top priority.** Enhanced safeguards and risk management frameworks are being implemented across SOEs to reduce fiscal risks and improve operational efficiency. Notably, Cocobod has been brought under the MoF to prevent quasi-fiscal activities. To address challenges in the energy sector, the authorities remain committed to settling current obligations, clearing legacy arrears, and finalizing the agreement reached with Independent Power Producers (IPPs) in 2024. To support these efforts, they are advancing quarterly utility tariff adjustments and fully implementing the Cash Waterfall Mechanism to ensure timely payments to IPPs and fuel suppliers. Additionally, Parliament has passed the 2025 Energy Sector Levy (Amendment) Bill—pending implementation—which introduces a GHS1 fuel levy to help reduce arrears and stabilize the sector.

13. **Social protection remains a core objective.** By rationalizing and streamlining several earmarked funds, the authorities have freed up additional resources to support social programs. They remain committed to preserving the value of Livelihood Empowerment Against Poverty (LEAP) benefits through automatic indexation, while advancing reforms to improve targeting, expand coverage, and enhance the operational efficiency of all social protection programs—including through greater use of digital technologies. To ensure timely disbursements to beneficiaries, efforts are underway to streamline administrative procedures and reduce delays.

14. **The authorities reaffirm their commitment to strengthening debt and cash management practices to help restore debt sustainability and return to a moderate risk of debt distress.** The authorities will prioritize near-term domestic financing and continue implementing their arrears clearance and prevention strategy within the medium-term budget framework, while strengthening debt management capacity and supporting market development. They remain focused on securing concessional financing and strictly limiting non-concessional borrowing to preserve debt sustainability. Efforts are also underway to complete the comprehensive debt restructuring in a timely manner, by engaging in good-faith negotiations with the remaining commercial creditors—who hold less than 7 percent of pre-restructuring debt—to ensure equitable treatment and finalize the process.

Monetary, Financial Sector and Exchange Rate Policies

15. **The BOG is committed to a proactive, data-driven monetary policy stance to bolster economic resilience and accelerate disinflation toward its 8±2 percent target.** It has taken proactive steps by increasing the policy rate, strengthening liquidity management, and refraining from monetary financing of the budget. In line with the 2023 safeguard assessments, amendments to the BoG Act to reinforce its autonomy have been submitted to Parliament. Authorities remain committed to implementing the outstanding safeguards recommendations, including working to assess the BoG's recapitalization needs with staff support. Additionally, the

BoG will continue to enhance exchange rate flexibility by adopting a rules-based FX intervention policy—in consultation with staff—and eliminating multiple currency practices.

16. **Safeguarding financial stability is a key focus for the authorities.** They continue to prioritize strengthening risk-based supervision, enforcing regulatory compliance, and ensuring the timely recapitalization of banks to address legacy issues, critical gaps, and vulnerabilities—including those affecting specialized deposit-taking institutions and non-bank financial institutions. The authorities will continue operationalizing the Ghana Financial Sector Stability Fund and intend to step up efforts to resolve solvency challenges in state-owned banks, while strengthening their governance, efficiency, and risk management frameworks. Besides recapitalizing the NIB, Cabinet has approved a comprehensive restructuring plan to strengthen its governance. Additionally, the authorities are enhancing the AML/CFT framework to align with FATF standards. These efforts are seen as critical to fostering a supportive environment for private sector growth.

Structural Reforms

17. **The authorities remain firmly committed to accelerating fiscal structural reforms that enhance governance and promote inclusive and sustainable development.** The authorities are advancing their comprehensive reform strategy aligned with the 24-hour economy policy and the "Big Push" infrastructure program. Key policy priorities include human capital development—particularly for women—agricultural transformation, specialized training, and apprenticeship programs for the youth, and expanding financial inclusion. Efforts are also being intensified to strengthen governance and the anti-corruption framework, with the aim of fostering a more transparent and predictable investment climate to unlock Ghana's full growth potential. In this context, the authorities are reviewing the draft IMF Governance and Anti-Corruption Diagnostic Assessment report and have reaffirmed their commitment to publishing it once finalized. They have also published a binding code of conduct for all public officials, covering conflict of interest, asset declaration, anti-corruption, transparency, and PFM, and are committed to submitting a bill to Parliament to establish a legal framework for asset declaration by public officials. Additionally, they have published a follow-up report on the COVID-19 Expenditure Audit to enhance transparency and ensure greater accountability in the use of public funds.

18. **The authorities reaffirm their strong commitment to enhancing climate resilience in view of Ghana's acute vulnerability to climate shocks.** They acknowledge that such events disproportionately affect the poor and most vulnerable, and remain dedicated to advancing targeted, well-integrated adaptation and mitigation measures to strengthen national resilience.

Conclusion

19. **The new Ghanaian authorities have shown strong and renewed commitment to sound macroeconomic management and structural reforms,** despite a challenging domestic and global environment. Their prudent policies and decisive and timely corrective measures underscore a clear commitment to restoring macroeconomic stability, securing fiscal and debt sustainability, and promoting inclusive, resilient growth. In light of their strong ownership and renewed commitment to the program, the authorities are seeking the Executive Directors' support for completing the fourth review under the ECF arrangement and associated requests. Such endorsement would affirm the progress made, reinforce reform momentum, and help consolidate recent macroeconomic gains.