



**COALITION FOR DEMOCRATIC ACCOUNTABILITY AND INCLUSIVE  
GOVERNANCE (Citizens' Coalition)**

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**PRESS STATEMENT**

**FOR IMMEDIATE RELEASE**

Accra. December 8, 2022.

**ACCEPT A BROADER STAKEHOLDER CONSULTATION FOR INPUTS IN  
ADDRESSING GHANA'S ECONOMIC WOES**

The Citizens' Coalition after a careful assessment of the Financial Statement and Economic Policy for the year ending December 2023 express our displeasure with the government's approach to dealing with the country's current economic challenges. Despite touting the budget as the solution to the country's problems, it fails to address some very basic issues – the government continues to maintain its bloated size and resorts to a superficial approach to cutting expenditures. The Coalition again express our disappointment with the Minority side of Parliament for failing to show up in their full strength to defend citizens' interests when the budget came up for approval, causing the majority to have their way in passing the Statement.

The Coalition, in a meeting with the President, Nana Addo Akuffo Addo in November 2022 presented a tall list of decisive recommendations to address the current economic situation. The Coalition reiterated its call for the 2023 budget to announce a new social contract and structural reforms to address the economic predicament in order to demonstrate seriousness and comprehension of the palpable anger, pain, and frustration, particularly among young people who are reeling from the burden of an uncertain future. Unfortunately, the Coalition believes that the 2023 budget has left the country tumultuous as expectations of citizens are left loud to the wind with the current high levels of debt and recent further downgrades in credit ratings.

The general expectation of the business community was for the 2023 Budget to clearly lay out transformational policy priorities, including details of the Enhanced Domestic Program that was promised during the mid-year review. The mid-year review indicated that the Enhanced Domestic Program would complement the Ghana CARES Program and would form the basis for discussion and ultimately, agreement with the International

Monetary Fund (IMF) on a medium-term road map to support Ghana's economy, but this was not actualized in the budget.

We, however, acknowledge government's decision to increase efforts to mobilize revenue by reducing the e-levy charge from 1.5% to 1% albeit with no threshold exemption to cushion the poor; introduction of PAYE band of 35% and introducing a self-clearance system for imports by individuals without the services of a Customs House Agent. However, the increase in VAT rate by 2.5% from 12.5% to 15% on citizen consumables in the current plight of the nation will be dire to livelihoods. This measure will disproportionately affect existing taxpayers and does not do enough to draw in those who still sit outside the tax net.

Furthermore, the call to action to actively reduce the size of government and its ever-growing cost implications on the country were not addressed in the budget, which poses the question of whether there is an effective consideration of the views submitted to the government through national stakeholders like the Citizens' Coalition and Occupy Ghana to navigate this difficult period towards economic recovery and also to show a signal of a new social contract to manage the ongoing crisis.

With the disappointing approval of the 2023 budget paving the way for estimates for Ministries, Departments, and Agencies (MDAs) to be referred to the various Committees, we urge Parliament to engage technocrats out of MDAs for proper national-level stakeholder consultation to scrutinize the Appropriation Bill to avoid fiscal recklessness as done in the past.

The ban on the use of V8s or its equivalent except for cross-country travel; Government vehicles' use of GV number plates, and permission of only essential foreign travel by government officials just to mention a few are measures still ineffective to amount to any significant cut on government's expenditure. It is imperative that a critical weight is placed on assessing the efficacy and sustainability of the government's flagship programs, which are still not quantifiable and productive.

Without any meaningful prior consultations, the government has requested that holders of domestic debt voluntarily swap around 137 Billion cedis of the domestic notes and bonds of the Republic under its Domestic Debt Exchange Program for new instruments on different terms. Since the proposed debt exchange program if accepted may allow

government to save a portion of the budgeted interest cost for 2023, we join calls for such funds to be redirected to productive programs.

It is more evident now that the country is headed for a narrow path and all citizens will have to diligently prepare themselves for the battle ahead but we still encourage the government to deliver on their promises to effectively restructure the operations of the country towards sustainability.

***The Citizens' Coalition, therefore, demands the government to:***

1. Urgently cut more expenditures by reducing the total number of ministers and deputies to 60 and seriously tackle the gross inefficiencies in loss-making SOEs. The presidential staff strength must as well be reduced to 80%.
2. Absorb and merge a number of secretariats set up to oversee flagship programs and let civil servants manage them in the relevant ministries.
3. Reshuffle the Ministerial Team including relieving the Finance Minister of his duties in order to restore hope in Ghana's financial market.
4. Plug in leakages in public expenditure and tackle corruption. The E-VAT Invoicing system to be introduced by Ghana Revenue Authority (GRA) is commended and must be guarded to monitor inaccuracies associated with the filing of VAT by companies in order to maximize revenue generation.

***The Citizens' Coalition also calls on all Parliamentary sub-committees as a matter of urgency to:***

1. Engage in a national consensus among key stakeholders, such as investors (business community), civil society organizations (CSOs), and the citizenry to help accelerate the country's recovery efforts and avoid the mistakes of the past.
2. Parliament should not allow the budget to pass without proper scrutiny. Technocrats must be invited to Committee meetings for presentations specific to the Appropriation Bill. And this must be done to the full glare of all Ghanaians.
3. Urge Parliament to be resolute in their quest for a censure motion for the removal of the Finance Minister.

At this moment, the right signals have to be sent to appease citizens and assuage our fears. The President must listen to Ghanaians and lead the nation. We reiterate our demand for the dismissal of the Finance Minister and a reduction of the size of government. The President's ministers and deputies must work to find short-term solutions to stem the tide of uncertainty and fear. A national stakeholder forum will help to develop consensus on priorities for the medium to long term. We remain committed

to our duty as citizens to ensure public power and resources are used primarily to benefit citizens.

We the Citizens' Coalition remain resolute for the survival of our democracy despite its challenges. We must take on the responsibility to hold our government to account in between elections so we can correct misbehavior early on before it undermines our commonwealth.

We urge all Ghanaians that we will create and communicate platforms for citizens to share their views, grievances, and the sort of relief they need in the coming days. We demand that the government and members of sub-committees of parliament adhere to the sentiments of their constituents and act appropriately in the best interest of all Ghanaians.

Thank you! and may God bless us all.

**-End-**

### **About Citizens' Coalition**

The Coalition for Democratic and Accountable Governance (Citizens' Coalition) is a nonpartisan coalition/movement made up of Civil Society Organizations (CSOs) and individuals that harnesses democratic processes of mass education and mobilization to establish a culture of accountable and transparent governance that actively and consciously responds to the demands of citizens and promotes human rights, peace, constitutionalism and the national interest.

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