CEPA CENTRE FOR POLICY ANALYSIS

PRELIMINARY ASSESSMENT OF
THE BUDGET STATEMENT
AND
ECONOMIC POLICY
OF THE
GOVERNMENT OF GHANA
FOR THE
2010 FISCAL YEAR

PAPER PREPARED FOR THE CEPA WEBSITE

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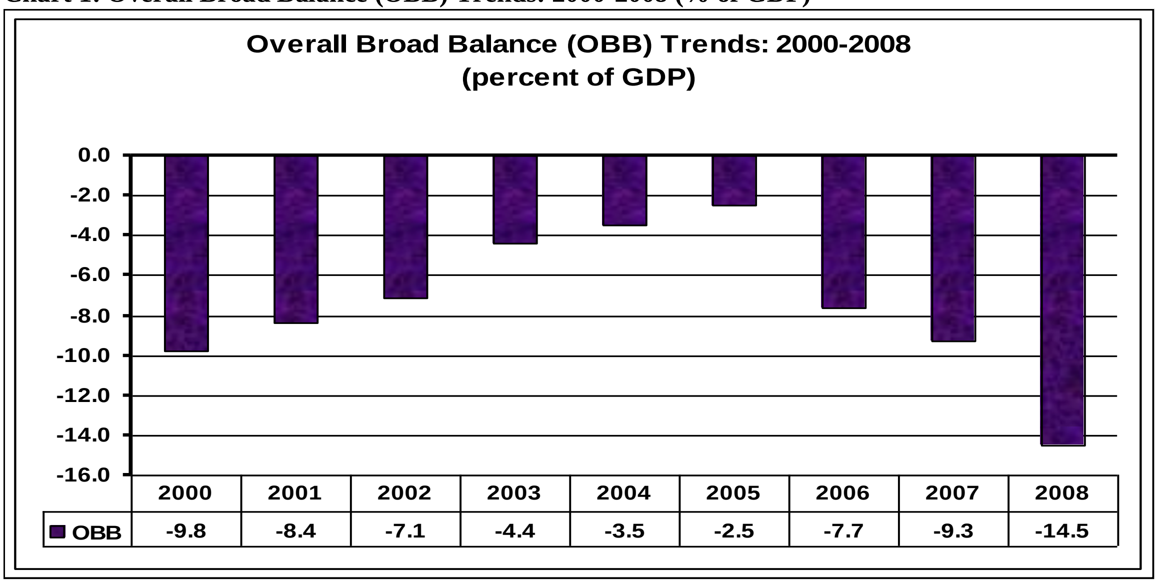
Background

The new Mills-led Government inherited an economy characterised by severe macroeconomic instability which manifested itself in, among other things, a record budget deficit estimated at 14.5 percent of GDP at the end of 2008.

The deficit of 2008 was primarily due to spending excesses that have come to be associated with hotly contested presidential and parliamentary elections. These exacerbated an underlying persistent deterioration of fiscal discipline which the Centre for Policy Analysis (CEPA) had drawn attention to since 2006 (see Chart 1 below) — what CEPA described as a phenomenon of "*stubbornly high and widening fiscal deficits*".

Chart 1: Overall Broad Balance (OBB) Trends: 2000-2008 (% of GDP)



The new Government also had to grapple with adverse developments on the international scene — the global financial turmoil and the consequent world economic melt down. As a result it found itself in the rather unenviable position of being in a home-grown financial crisis in the midst of a global financial crisis and recession. Consequently, an important risk to the stabilization programme agreed with the IMF under the three-year Poverty Reduction and Growth Facility (PRGF) Arrangement, therefore, was "*the potential downside risks from the global macroeconomic situation, with implications for real GDP growth, macroeconomic stability and financing prospects (from public and private creditors) for Ghana*" (ibid, paragraph 140, emphasis added).

A Tale of Two Cities

The Government was, therefore, confronted with a policy dilemma referred to as "A Tale of Two Cities" by CEPA:

- on the one hand the self-induced financial crisis called for a containment of government spending; whilst,

- on the other hand, the inhospitable global situation required the provision of massive governmental support in the form of a hefty package of fiscal stimulus to re-ignite the ailing economy — *a counter-cyclical path chosen by most other countries with relatively better managed and more sound domestic economies.*

The 2009 Budget: Strategy of Growth with Macroeconomic Stability

Government, therefore, made the attainment of macroeconomic stability an important goal in its maiden Budget presented to Parliament on March 5, 2009 with an objective to reducing the broad budget deficit to **9.4 percent of GDP at end-December 2009** from the **end-December 2008 outcome of 14.5 percent of GDP**.

However, consistent with the social democratic agenda of the Mills-led Government, the 2009 Budget also acknowledged the critical importance of broad-based economic growth in the fight against poverty and in improving the living conditions and welfare of all Ghanaians.

Indeed, in CEPA's **Assessment and Critique of the 2009 Budget Statement and Economic Policy**, the Centre had contended that the economic programme for 2009 with its social democratic principles (and with the explicit provision of GH¢42 million in support) — presented and approved by Parliament — was consistent with a strategy of "**Growth with Macroeconomic Stability**" <u>in which the growth objective was accorded more prominence</u>.

The Move to a Framework of Macroeconomic Stabilisation

Subsequent to the approval of the Budget by Parliament, the World Bank succeeded in mobilising the IMF, the Development Partners (DPs), and the new Mills Administration to move from the strategy of "**Growth with Macroeconomic Stability"** that informed the 2009 Budget into following a strategy of a "**comprehensive programme of macroeconomic stabilisation and reform**" . In contrast, this new programme — which is contained in a new PRGF Arrangement with the IMF for the three-year period July 2009-June-2012 — is more consistent with a strategy of "**Macroeconomic Stability with Growth**", i.e. one that is heavily slanted towards stabilisation rather than pro-poor growth.

During the 2008 electioneering campaigns, many promises were made involving large future expenditure outlays by <u>all political parties</u> at a time when the objective reality (though unknown) rather called for policy packages geared more towards spending restraint. To paraphrase the World Bank:

> "*The lack of transparency and accountability has provided an enabling environment for the deterioration of fiscal management. The overshooting of the budget deficit went largely unnoticed till late in 2008. Indeed, poor access to information in a timely manner <u>prevented large deviations from planned expenditures being brought to the public eye, and even to the notice of political parties</u>, international financial institutions (IFIs) and development partners (DPs)*" (see World Bank, **Economic Governance and Poverty Reduction Credit**, EGPRC, June 2009, paragraph 67, p. 23 — emphasis added).

As a result, the programme agreed with the Breton Woods Institutions (BWIs) was faced with "***political feasibility risks***" (ibid, paragraph 140, p. 42 — emphasis added).

The 2009 Revised Budget/PRGF Arrangement

In the mid-year review of the 2009 Budget Statement and Economic Policy to Parliament on August 25, 2009, the Government also presented a revised Budget for the consideration of and approval by Parliament. In a technical sense the revised Budget sought to receive the blessing of Parliament to implement the new PRGF Arrangement with the IMF. Additionally, the revised Budget took into account events and developments which, according to the Minister of Finance and Economic Planning, were not available to Government at the time of presentation of the original Budget in March.

Key Elements of the PRGF Arrangement

The PRGF Arrangement with the BWIs brought two new elements into play. The first was that additional aid resources were provided from the development partners to meet the equivalent of an additional 1.9 percent of GDP of the domestic financing needs of Government. Consequently, the latter was reduced from 6.7 percent of GDP to 4.8 percent of GDP.

The second element was a seal of approval — an important signalling device especially to the international community — that gave high credibility to the macroeconomic framework.

As may be expected, in exchange for these positive elements, there were also additional conditionalities imposed in respect of four key policy targets:

- adjustors for fiscal targets;
- a floor and ceiling in respect of two monetary targets;
- performance criteria for debt management and arrears accumulation; and
- an inflation consultation mechanism.

Programme Adjustors

These were essentially corrective measures to be undertaken by Government in order to keep the overall macroeconomic stabilization programme on track. They involved the following:

- *Programme Quantitative Targets*: two key fiscal quantitative targets are spelled out in the PRGF Arrangement — one in respect of the ***overall fiscal deficit** of the government;* and the other in respect of ***net domestic financing** of the government's fiscal operations.*

  The overall fiscal deficit target included a planned settlement of outstanding commitments and payments arrears equivalent to 2.7 percent of GDP. This same budget deficit target is also preserved in the PRGF Arrangement with the IMF where it is made programme conditionality and labelled a key quantitative criterion. Moreover, consistent with the stabilization programme, a tight ceiling was placed on net domestic financing of the budget. Specifically, the level of such financing was reduced from the *6.7 percent of GDP* projected in the original 2009 Budget Statement to a more stringent ceiling of *4.8 percent of GDP*.

- *Adjustments to Expenditures and Domestic Revenue*: any expenditure over-runs or domestic revenue shortfalls that would lead to an increase in the deficit must be adjusted for by "*appropriate measures*" agreed with the IMF to ensure that the targeted ceiling is respected.

Monetary Targets

Two monetary targets were also set under the PRGF arrangement: the first is a floor on the net international reserves (NIR) position of the Bank of Ghana — and requires that given the low levels of gross international reserves the NIR is to be adjusted upwards to improve import coverage of the economy; the second is a ceiling on the net domestic assets (NDA) of the Bank of Ghana — which places limitations of government borrowing from the Bank of Ghana.

Continuous Performance Criteria

The PRGF Arrangement also imposed two additional ceilings — continuous performance criteria — in respect of non-accumulation of external arrears; and contracting or guaranteeing of new non-concessional external debts.

For debt and fiscal sustainability, the programme requires Government to "*explore all avenues for concessional financing, and to avoid non-concessional borrowing in foreign currency wherever possible*". It also imposes a zero accumulation of arrears.

Inflation Consultation Mechanism

The new PRGF Arrangement also includes a consultation mechanism on inflation. A target is set for the twelve-month rate of consumer price inflation, which triggers discussions (or consultations) with the IMF staff (Executive Board) if inflation moves outside specified inner (or outer) bands.

Inner and outer bands have been constructed around a central inflation target for the end of each quarter — plus or minus two percentage points for the inner band and plus or minus three percentage points for the outer band — starting from September 2009. In situations where the year-on-year inflation rate moves outside of the outer band, the Government of Ghana (GoG) is obliged to complete consultation with the Executive Board of the IMF on the proposed policy response (which will also be announced to the public) before requesting further disbursements under the stabilization programme. The GoG is also obliged to conduct discussions with the IMF staff when the observed year-on-year inflation rate falls outside the inner band specified for the end of the quarter under review. (IMF: Attachment II, MEFP, paragraph 13).

Provisional Outturn for 2009

In CEPA's assessment the 2009 Budget deficit of 9.4 percent of GDP was too constraining, given the fact that a considerable amount of the expenditures was for the clearance of arrears and other outstanding commitments. Moreover, the bulk of spending in any given year would be in respect of ongoing projects. For these two reasons, CEPA remarked that the spending envelop could be expanded to accommodate a large deficit without compromising the programme, especially when government was also committed to giving resources back to the private sector through the retirement of payment arrears.

CEPA research and analysis of the macro-stabilization program suggests that for all intents and purposes, the programme is on track. CEPA projects an end-December 2009 budget deficit of 10.5

percent of GDP compared to a projection of 10.2 percent of GDP by the Government. CEPA had noted that the planned deficit of 9.4 percent of GDP was too tight. Moreover, Government cleared an additional 0.4 percentage points of GDP of accumulated arrears.

Even with an expected wider deficit, CEPA research and analysis indicate that the Government's agreed programme with the IMF is on track. In particular, the year-on-year inflation rate has assumed a downward trend and is currently projected by CEPA to fall to around 15.0 percent by the end of December 2009, compared to the programme target of 14.6 percent.

As expected, because the programme with the IMF is heavily weighted in favour of macroeconomic stabilization, economic growth has suffered. Consequently, the Government has had to revise its growth expectations for 2009 from the 5.9 percent to 4.7 percent. CEPA is projecting an even lower growth rate of about 4.0 percent for 2009.

Economic Growth with Macroeconomic Stability

Macroeconomic stability without growth is not sustainable. Inadequate growth will not allow the realization of the needed incomes and hence the government revenues needed to fund payments in respect of committed government expenditures. Given the fact that most projects are already in the pipeline, it is difficult for government to cut expenditures. Insufficient growth would, therefore, only lead to large and unsustainable deficits or, failing that, more payments arrears with the consequent detrimental effect on the private sector, and therefore, economic growth and job creation.

Ghana's quest is to generate economic growth and to do so at a fast enough pace to provide employment for all who desire it, and thus to reduce income inequality and share the resulting prosperity. The essence of the **Growth with Macroeconomic Stability** is, therefore, to push growth as fast as possible but not so fast as to result in accelerating inflation.

The 2010 Budget and Growth

In discussions of the Government of Ghana's economic policy framework, CEPA has raised the relevance of **Growth with Macroeconomic Stability** in contrast to **Macroeconomic Stability with Growth**. CEPA's position is that macroeconomic stability with growth may not be sustainable as social forces demand growth-related jobs; secondly, without growth the macroeconomic stability objective cannot be sustained, as revenues decline and deficits widen.

There is no doubt that the three-year macroeconomic stabilization agreed under the PRGF Arrangement with the IMF is on track. Viewed in the proper perspective, the 2010 Budget is the second-year installment in the three-year programme. Not surprisingly, therefore, it continues — as with its predecessor, the 2009 Budget — to accord relatively low priority to pro-poor economic growth. Consequently, there is a need to search for complementary measures and activities within and outside the budget that together create a better balance between economic growth and the macroeconomic stabilization objectives.

Quality and Efficiency of Spending

With reduced spending, higher output growth could still be induced through the quality and efficiency of spending. This may require prioritization of spending to relate it to output sensitivity and its impact in creating a "crowding-in" effect for the private sector.

Evidence available suggests that the incremental capital-output ratio (ICOR) is high in Ghana. This could imply inefficiency in the use of capital or inappropriate pricing of capital that encourages capital-intensity. There is also evidence that total factor productivity (TFP) has been low and even negative in some periods.

Prioritization, effective implementation of projects, monitoring and evaluation, and performance-related auditing of projects should improve the growth impact of public spending.

The efficiency of public spending can also be enhanced by:

- re-introducing public expenditure tracking surveys; and
- improving evaluation of investments and projects and identifying programmes that do not work, and for which less should be spent or stopped altogether — a process of prioritizing, phasing, mothballing, and completing critical projects and strategic activities to ensure growth and poverty reduction.

The Size and Composition of Public Spending

The Government committed itself to a review of public expenditures in 2009 to inform prioritization in 2010. The expectation is that the review would benefit "*from the deep knowledge of sector-working groups, comprising ministries, departments and agencies* (MDAs) *and development partners* (DPs)".

The Government is also committed to opening up all categories of spending under the capital budget. Subjecting directly-financed central government capital expenditures, indirectly-financed (statutory funds) and donor-funded capital expenditures to comparable measures of priorities is a salutary obligation that ought to be taken seriously if Government must own the programme. There must be no prior designation of projects as "sacred cows", even if donor-funded — a recommendation also endorsed by the IMF (see Letter of Intent: **Memorandum of Economic and Financial Policies (MEFP) and Technical Memorandum of Understanding (TMU)**, June 26, 2009, paragraph 50, p. 13). This also demands greater efficiency in public spending to ensure value for money in order to, among other things, minimize the creation of "white elephants".

Growth Enhancement outside the 2010 Budget

Looking beyond the 2010 budget for growth prospects, several approaches have been made by government to the larger more industrialized emerging markets of Brazil, China, India, South Korea and South Africa in the areas of agriculture, construction and, in particular, energy. Government is encouraged to persevere with these approaches and initiatives. In doing so, however, it is hoped that the new partners will be committed to the viability of the projects they help Ghana to undertake to avoid the Dutch Disease or the HIPC syndrome, particularly as Ghana prepares to enter the oil era.

True partnerships that involve technological and skills transfer, employment generation, risk-sharing (in the form public-private partnerships (PPPs)) are what we desire. Moreover, it is hoped that the new partnerships will have some built-in element of concessionality (with the appropriate caveats about surveillance) which will be consistent with the borrowing requirements of the current PRGF Arrangement with the IMF.

Public-Private Sector Partnerships

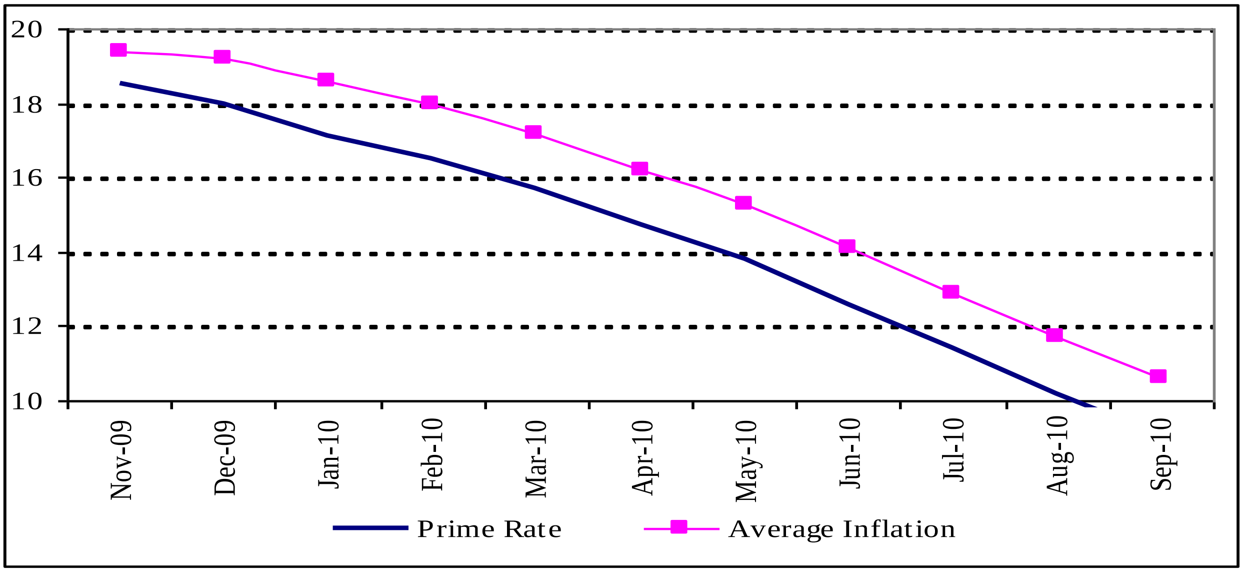
Considerable mileage may also be obtained with a restrictive programme through the facilitative role of Government in supporting private sector investments. In this respect, it is important to observe that a number of private sector initiatives are taking place, particularly in the agricultural, energy, and construction sectors (see Appendix 1 (d)).

There are indications of efforts to attract investment particularly into the roads, mining and energy sectors from Brazil, China, India, and South Korea. It is important that these investments involve a substantial element of grants so that Ghana does not burden herself once more with unsustainable debt services.

Suggested Path for the Prime Rate

Monetary Policy is planned to support the fiscal consolidation in efforts over the medium-term with a focus on stabilizing price and exchange rate expectations. Monetary policy is expected to aim at achieving a medium-term inflation target of 7-9 percent by the end of 2010.

Chart 2: Suggested Path for the Prime Rate (percent)



CEPA forecasts that with continued fiscal discipline and complementary monetary policy, the indicated inflation targets would be achieved with both the year-on-year and, even more importantly, the average rate of inflation in single digits. Chart 2 presents a suggested time path for the prime rate, reaching single digits in the last quarter of 2010.

APPENDIX 1: THE QUEST FOR GROWTH

Appendix 1 (a): Raising the Efficiency of Public Spending

Ongoing projects — the bulk by far of public capital expenditure — were to be reviewed in order to prioritize them and better sequence their implementation. The Government committed itself to a review of public expenditures in 2009 to inform prioritization effectively in 2010. The expectation is that the review would benefit "*from the deep knowledge of sector-working groups, comprising ministries, departments and agencies* (MDAs) *and development partners* (DPs)".

The efficiency of public spending will also be enhanced by:

- re-introducing public expenditure tracking surveys; and
- improving evaluation of investments and projects and identifying programmes that do not work, and for which less should be spent or stopped altogether — a process of prioritizing, phasing, mothballing, and completing critical projects and strategic activities to ensure growth and poverty reduction.

(**IMF Country Report No. 09/256**, August 2009: *Memorandum of Economic and Financial Policies* (MEFP), 2009-12, paragraph 43, p.48)

The government also intends to review the cash management by earmarked funds — statutory and foreign-financed — to identify potential unused resources, provided that this does not jeopardize poverty-reducing expenditures. (ibid: ***MEFP***, 2009-2012, paragraph 26, p. 44)

To rationalize public spending to support economic growth, a comprehensive analysis of the size and composition of spending across all levels of government, including statutory funds and the so-called donor-funded capital expenditures, would be undertaken during the 2010 fiscal year. The exercise will allow for a re-prioritization of spending across all levels of government, provide renewed efforts in public financial management reforms, and support the introduction of the strategic budgeting process based on a medium-term expenditure framework (2010 budget, paragraph 887, p. 308)

The expenditure analysis will ensure:

- complete harmonization of spending priorities across levels of government; and
- completion of all critical and strategic projects.

The analysis will also cover all counterparts spending on donor-funded projects and the implications of non-disbursement of donor funds on project completion (2010 budget, paragraph 888, pp. 308-309).

Appendix 1 (b): Initiatives Within the Budget

In discussions of the Government of Ghana's economic policy framework, CEPA has raised the relevance of growth with macroeconomic stability in contrast to macroeconomic stability with growth. CEPA's position is that macroeconomic stability with growth may not be sustainable as social forces demand growth-related jobs; secondly, without growth the government may not be able to maintain its economic programme as revenues decline.

In the Budget Statement and Economic Policy for 2010, we expected to see substantial elements of growth. Unfortunately, the policy statement does not provide sufficient evidence of pursuing this path as development expenditures are expected to decline. We are aware that the Government is operating within an agreed programme that may limit the spending envelop. Even under these circumstances, growth may still be fostered through a number of mechanisms:

1. *Quality and Efficiency of Spending*

With reduced spending, higher output growth could still be induced through the quality and efficiency of spending. This may require prioritization of spending to relate it to output sensitivity and its impact in creating a "crowding-in" effect for the private sector.

Evidence available suggests that the incremental capital-output ratio (ICOR) is high in Ghana. This could imply inefficiency in the use of capital or inappropriate pricing of capital that encourages capital-intensity. There is also evidence that total factor productivity (TFP) has been low and even negative in some periods.

Prioritization, effective implementation of projects, monitoring and evaluation, and performance-related auditing of projects should improve the growth impact of public spending.

Appendix 1 (c): Initiatives Outside of the Budget

1. *Public-Private Sector Partnerships*

Considerable mileage may also be obtained with a restrictive programme through the facilitative role of Government in supporting private sector investments. In this respect, it is important to observe that a number of private sector initiatives are taking place, particularly in the agricultural sector (see Box 1). These include, among other projects:

a) 17.3 million euros to support lowland rice production;
b) expected Millennium Development Authority (MiDA) spending of US$241 million on agriculture;
c) the Buipe Sheanut Processing factory;
d) SAP and PlaNet finance to invest in the sheanut industry; and
e) expected Brazilian firms investment in rice production; and

Similar projects and initiatives may be listed in other sectors. For example, a real estate initiative with a US$10 million investment funding by a Ghanaian-South Korean consortium to roll out 200,000 housing units over the next five year period has been identified as one with immense growth-promoting potentials and employment opportunities for the economy (see Box 2).

A number of these projects may be joint ventures involving Private Public Partnerships (PPPs). This may be welcoming and provides a mechanism to attract substantial investments into Ghana. It also shows the willingness of the private sector to share in the risks of investing in Ghana.

While large-scale commercial farming may be good for growth, it is possible for the growth to occur without a substantial impact on poverty. Agricultural sector large-scale investment must have a significant number of outgrower farmers to ensure that the benefits of such investment will be poverty-reducing.

2. The Need for Concessionality

There may also be some room in the programme for Ghana to attract investment from the non-traditional donors. There are indications of attempts to attract investment particularly into the roads, mining and energy sectors from Brazil, China, South Africa, and South Korea.

It is important that these investments involve a substantial element of grants so that Ghana does not burden herself once more with unsustainable debt services.

Appendix 1(d): Notes on Initiatives Outside the Budget

A number of private sector initiatives are taking place in the key areas mentioned above. These include, among other projects in the key areas – Agriculture, Energy and Construction are discussed below.

Agriculture

(a) SAP and PlaNet Finance to invest in shea nut industry in Ghana

The shea nut industry will soon get a boost to make it more viable and profitable. The two organizations – SAP and PlaNet Finance – are looking at investing in the shea nut industry in Ghana. They have committed to provide financial, software and expert assistance to the shea nut industry in Ghana. The two organizations - SAP and Pla/Net Finance – have carefully studied the shea nut value chain in northern Ghana to identify how microfinance, education and technology can help improve the incomes and living conditions of women who pick and process the nuts into shea butter.

Energy

(b) The Bui dam project undertaken by the Syno Hydro Corporation of China

Construction of the main dam as part of the Bui Hydro Electric Power Project in the Brong Ahafo Region has started in earnest, after an initial delay caused by resettlement processes. The project being undertaken by the Syno Hydro Corporation of China, is expected to generate 400 megawatts (MW) of energy. The 400 MW power project is to become operational in the first quarter of 2013.

(c) A memorandum of understanding signed between the Government of Ghana and Brazil for the Juale dam

In the 2010 Budget Statement, the Government will implement projects that would minimize the effect of the challenges facing the Power Sector. Some of these include a memorandum of understanding (MOU) which has been signed between the Government of Ghana and Brazil to pave way for work to begin on the Juale dam in the Upper East Region.

(d) An agreement signed between the Government of Ghana and the China Development Bank to develop oil facilities and infrastructure

There has been some interest shown from countries such as China and India. In the case of China, the Memorandum of Understanding (MOU) which provides the Ghana National Petroleum Corporation (GNPC) and the Ministry of Finance and Economic Planning an opportunity to access funding from the China Development Bank has been signed. The agreement would help Ghana to obtain the necessary funding in the effective utilization of oil and gas by developing critical oil facilities and infrastructure, building of deep water and off-shore facilities, agricultural production, tourism development and general infrastructural support.

(e) The India Oil & Natural Gas Corporation (ONGC) declaring interest in the stake of Ghana's Jubilee field

India has not shelved its interest in acquiring stakes in Ghana's emerging oil and gas industry in a bid seen as attempts to match China's influence in the country. Earlier this year (2009), the state-owned India Oil & Natural Gas Corporation (ONGC) was one of the companies that declared interest in the stake of Kosmos Energy in Ghana's Jubilee field, the largest oil field to be discovered in West Africa in the last 10 to 15 years. The ONGC made an offer of $4 billion for Kosmos Energy's stake in the field.

Construction

(f) The South Korean Government makes available to Ghana a US$10 billion housing development facility

The South Korean government is reported to have made available to Ghana a US$10 billion housing development facility to roll out 200,000 housing units and 300 executive-type luxury units over a five-year period beginning April 2010. Under the agreement, 40,000 housing units will be constructed each year over the five-year period.

The project will be under a private-public partnership arrangement involving the Government of Ghana, HFC Bank (Ghana's leading mortgage lender), and STX Engineering and Construction Ghana Limited (a Ghanaian-Korean Consortium). The Government of Ghana has a 45 percent stake in the project and is to provide land and tax exemption for equipment and building materials while the STX Group will provide the funding, with 30 percent of its workforce being Ghanaian.

The project is to be undertaken in all the ten regions of the country, providing some employment opportunities; the Ministry of Works and Housing will take charge of 90,000 housing units while the remainder will be offered for sale to the general public.

(g) Indian Investors interested in construction of International Airport

Indian investors interested in the construction of a new international airport in the Western region to facilitate oil operations.

APPENDIX 2: FISCAL TABLE – Financing (percent of GDP)

	2009	2009	2009	2009	2010	2010	2010
	GOG	**IMF**	**GOG**	**CEPA**	**GOG**	**IMF**	**CEPA**
	Budget Estimate	**PRGF**	**Prov. Outturn**	**Prov. Outturn**	**Budget**	**PRGF**	**Projection**
Total Revenue and Grants	***27.0***	***30.0***	***26.6***	***26.7***	***31.2***	***29.3***	***32.6***
Total Expenditure	***33.8***	***36.7***	***33.7***	***34.2***	***35.6***	***37.9***	***37.4***
Overall Broad Balance (payments basis)	-6.7	-6.8	-7.1	-7.4	-4.4	-8.6	-4.7
Arrears Clearance & VAT	-2.7	-2.7	-3.1	-3.1	-3.1	-0.9	-3.2
Required Fiscal Measures	0.0	0.0	0.0	0.0	0.0	3.5	0.0
Overall Broad Balance (modified payments basis)	-9.4	-9.4	-10.2	-10.5	-7.5	-6.0	-7.9
Discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Broad Balance (below the line)	-9.4	-9.4	-10.2	-10.5	-7.5	-6.0	-7.9
Financing	9.4	9.4	10.2	10.5	7.5	6.0	7.9
Divestiture receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Development Partners	2.9	4.6	4.2	4.6	2.6	4.7	4.7
Borrowing	4.8	4.0	6.0	6.5	4.3		6.3
Project	3.7		3.5	3.7	2.7		2.8
Programme	1.1		2.5	2.8	1.6	0.0	3.6
HIPC Debt Relief Bilateral	0.6	0.6	0.6	0.6	0.5	0.5	0.5
Amortisation	-2.5		-2.5	-2.5	-2.2		-2.2
Domestic (net)	6.5	4.8	6.0	5.9	4.9	0.8	3.2
Banking sytem	6.5	2.6				-1.7	-1.7
Non-banks	0.0	2.2				2.5	5.0

Sources: Budget 2010 & IMF Staff estimates.