GHANA · MID-YEAR FISCAL POLICY REVIEW 2026

From crisis to confidence —

But can the momentum hold? A Forth Ghana reading of Dr. Cassiel Ato Forson's 2026 mid-year fiscal statement, tested against the IMF's own numbers.

Forth Ghana

Statement delivered July 23, 2026 · Parliament of Ghana

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ABOUT FORTH GHANA

Clarity in complexity, brought to Ghana's biggest questions.

Forth Ghana is a consulting firm that partners with leaders in business, government and society to tackle complex challenges and unlock long-term value — working at the intersection of strategy, people, risk, law, finance, technology and ESG. This review reflects that same discipline: independent analysis, tested against primary sources, in service of better decisions.

Strategy · People · Risk · Law · Finance · Technology · ESG

18+	3	7
SECTORS SERVED	DELIVERY MODELS	PRACTICE AREAS

ACCRA, GHANA · WEST AFRICA

Ghana is closing in on the final review of its $3bn IMF Extended Credit Facility, with a 36-month Policy Coordination Instrument expected within days. The headline turnaround is real. Whether it is *structural* is the question this review puts to the test.

INFLATION ~~50%+~~ › **5.3%**	DEBT / GDP ~~61.8%~~ › **45.0%**	PRIMARY BALANCE ~~−2.9%~~ › **+2.5%**
CEDI (APPRECIATION) **+40.7%**	MONETARY POLICY RATE ~~27%~~ › **14%**	

00 Executive summary

On July 23, 2026, Ghana's Finance Minister delivered what may prove one of the most consequential mid-year fiscal statements in the nation's economic history — titled, without irony, "Resetting for Growth, Jobs, and Economic Transformation."

Read plainly, it is less a routine parliamentary update than a victory lap, delivered with just enough caution to acknowledge the race isn't over. Inflation has collapsed from above 50% to 5.3%. The cedi has appreciated 40.7%. Debt-to-GDP has fallen from crisis peaks to 45%. Yet beneath the headline numbers sit structural vulnerabilities, political-economy risk, and the standing question of whether Ghana can finally break its cycle of stabilization followed by relapse.

This review tests the speech's claims against independent data, weighs the credibility of its reform narrative, and marks the fault lines that could still derail what the government calls an irreversible transformation.

I From the abyss to the recovery room

Dr. Forson opens with a stark recounting of the crisis inherited in January 2025 — "reckless spending," "binge borrowing," a sovereign default in December 2022. He never names the previous administration. He doesn't need to.

The framing serves a political purpose, but the data largely bears it out. Ghana's 2022–23 crisis was among the most severe in its post-independence history: the Domestic Debt Exchange Programme imposed painful haircuts on bondholders, including pensioners; the cedi fell to unprecedented lows; reserves dropped below two months of import cover; the sovereign rating collapsed to junk.

What makes this review significant isn't the recovery statistics alone — remarkable as they are — but the government's attempt to build a new narrative: that this recovery is structurally different because it rests on institutional reform, not temporary adjustment.

II Three pillars of reform — substance or spin?

Dr. Forson anchors the recovery on three "Key Transformational Policy Reforms." Each reveals a mixed picture of genuine institutional innovation and political packaging.

Pillar 01

Fiscal correction

- Primary expenditure: **18.7%** → **13.2%** of GDP
- Primary balance: **−2.9%** → **+2.5%** of GDP
- Public debt: **61.8%** → **44.7%** of GDP, 45.0% by June 2026
- New binding fiscal rule: 1.5% min. primary surplus, 45% debt ceiling by 2034
- SOEs now require Commitment Authorization before procurement — a first

Pillar 02

Modernising the tax regime

- Nuisance taxes abolished: E-Levy, betting tax, COVID levy, emissions levy, VAT on motor insurance
- Non-oil tax revenue: **12.6%** → **13.1%** of GDP, despite the cuts
- Effective VAT rate: **21.9%** → **20%**; registration threshold raised 3.75x
- AI customs tool lifted collections **+17.5%** (~$300m) since March 2026
- Sliding-scale gold royalty regime introduced

Pillar 03

Inflation & FX stability

- Ghana Gold Board formalised trade, curbing smuggling
- +$15bn in additional FX inflows, per the minister
- Current account surplus: **1.9%** → **8.3%** of GDP
- Reserve accumulation plan targets 15 months' import cover by 2028 (from 5.0)
- 30% of large-miner output now sold to local refineries

● VERDICT — LARGELY CREDIBLE

The fiscal correction is real and more institutionalised than in previous Ghanaian stabilisations. But the IMF's May 2026 staff report flags that "structural reforms were implemented with delays," and the planned relaxation of the primary surplus target to 0.5% from 2027 — down from 1.5% — will test the new framework's durability.

● VERDICT — DIRECTIONALLY SOUND, REVENUE GAP PERSISTS

Tax reform is politically deft and the technology investments show promise. But at 13.1% of GDP, Ghana's tax take remains below the sub-Saharan African average of roughly 15%, well short of the government's own 18.2% medium-term target.

● VERDICT — REAL GAINS, OPAQUE COSTS

The gold policy has delivered measurable FX and reserve benefits. But the IMF's May 2026 report explicitly warns that losses from the Domestic Gold Purchase Programme "underscore the importance of increasing transparency and limiting quasi-fiscal activities that weaken the central bank's balance sheet" — a caveat the speech does not fully confront.

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Stability is not a trophy to be won once and displayed forever. It is a garden. It must be tended every single day, or we lose it.

— DR. CASSIEL ATO FORSON, FINANCE MINISTER

III The numbers behind the narrative

Growth. Real GDP grew 6.0% in 2025 and 6.4% in Q1 2026, with non-oil growth at 7.6% — the highest in 14 years. Nominal GDP passed $100bn for the first time; per-capita income rose $858 to $3,385. The IMF's own April 2026 forecast, more conservative at 4.8% for the full year, still cites "stronger-than-expected performance" under the programme.

Inflation. From 23.8% in December 2024 to 5.4% at end-2025 and 5.3% by June 2026 — one of the fastest disinflations in emerging-market history, driven by fiscal consolidation, cedi appreciation, softer global food and energy prices, and 1,300 basis points of policy-rate cuts. The IMF projects year-end inflation at 7.9%, suggesting upward pressure is likely in H2.

Debt. The debt-to-GDP fall from 61.8% to 45.0% in 18 months met the statutory target years early. The joint World Bank–IMF Debt Sustainability Analysis moved Ghana from *unsustainable* to *sustainable with room to absorb shocks* — a first. But the IMF's own Regional Economic Outlook, using gross debt, puts the figure closer to the low-70s of GDP by 2026–27 — a reminder that definitions matter, and the burden remains elevated in comparative terms.

IV The sinking fund — preparing for the next wave

The speech's most politically potent section addresses the "true Agenda 111" — not the previous government's hospital programme, but the GH¢111bn in DDEP bonds maturing in 2027–2028. Dr. Forson is unsparing about the exchange's design: it "was not designed to solve Ghana's debt problem. It was designed to postpone it — deliberately, knowingly and cynically."

In response, the Sinking Fund has accumulated GH¢15bn as of July 22, 2026, funded by 7% of non-oil tax revenue plus bond proceeds, targeting GH¢30bn by year-end — enough to cover the February 2027 maturity. Fiscally responsible, and politically clever. But GH¢111bn over two years still dwarfs current accumulation; sustained surpluses, continued market access, and likely further refinancing will be needed to clear the wall.

V Infrastructure, energy, agriculture

Infrastructure. 87 projects underway, led by the six-lane, 176km Accra–Kumasi Expressway ($1.7bn ring-fenced). Ghana has a long history of fanfare followed by stalled procurement — completion rates, not commencement ceremonies, will be the real test.

Energy. The Gas-to-Power strategy delivered GH¢3.08bn ($268.5m) in fuel savings in H1 2026. The IMF continues to flag ECG distribution losses, legacy arrears, and IPP contract rigidity as risks that could generate fresh contingent liabilities.

Agriculture. A $500m Oil Palm Development Finance Facility and Farmer Service Centres target 250,000 jobs. The land-bank approach — 270,000 hectares reviewed, 10,780 deemed suitable — is methodical, if slow.

VI The politics of relief

GH¢48.8bn for public-sector compensation. GH¢4.5bn for NHIS. GH¢1.8bn for Free SHS. GH¢877m for school feeding. The list runs well past GH¢100bn in H1 2026 alone, and it is clearly built to counter one specific charge: that the government isn't spending. The subtext is unmistakable — credit for discipline *and* for social protection, a balance that depends entirely on revenue holding up.

VII The IMF transition — from bailout to partnership

The expected completion of the ECF and approval of the 36-month Policy Coordination Instrument mark a genuine inflection point — Ghana's graduation from crisis patient to recovering economy, monitored against 26 quantitative and reform targets across six priority areas.

Yet the Fund's May 2026 staff report carries real caveats: a global environment shadowed by Middle East spillovers into energy, food, and fertiliser prices; the note that "sustaining the reform momentum is critical"; and the observation that Ghana's newly won fiscal space is "carefully calibrated" — not abundant. The lower 0.5% primary-surplus target from 2027 is explicitly conditional on further PFM progress. If the PCI is treated as a rubber stamp rather than a continued anchor, the gains could unravel quickly.

VIII What the speech doesn't say

For all its candour about the inherited crisis, the review has notable elisions.

01 **The DDEP's human cost** is acknowledged, never quantified. Pensioners and bondholders lost lifetime savings; the government critiques the previous administration's design but not its own management of the exchange.

02 **Unemployment** eased only modestly, 13.7% to 12.8%, with no word on job quality for the 250,000 young people entering the labour market each year.

03 **The banking sector** remains fragile — non-performing loans near 19.5% in late 2025, despite recapitalisation of five banks. The IMF calls for "continued vigilance."

04 **Cocoa** gets a new pricing bill, but climate stress, ageing trees, and smuggling go largely unaddressed.

05 **Climate risk** — the June 2026 floods are acknowledged as devastating, with a "permanent solution" deferred to the 2027 Budget.

06 **The "original sin" claim** is premature — one seven-year cedi bond does not yet constitute market normalisation.

IX How does Ghana stack up?

Ghana's restructuring was the quickest to complete among the first four G20 Common Framework cases, per the Center for Global Development's 2026 working paper — helped by the prior DDEP and simpler creditor composition. The same analysis questions whether deeper relief was left on the table: the 37% Eurobond haircut sits in line with historical averages, but comparability of treatment between private and official creditors was, in CGD's words, "not robustly enforced."

Regionally, Ghana stands out. Nigeria, Côte d'Ivoire, and Sierra Leone all faced flood disruption in 2026, but Ghana's macro stabilisation is further along — its 40.7% cedi appreciation contrasts sharply with continued depreciation pressure among peers.

X Can the discipline hold?

Dr. Forson explicitly references Ghana's 17 IMF programmes and declares "the seventeenth shall be the last." The new institutions — fiscal rules, the Fiscal Council, the Value for Money Office, SOE commitment controls — are designed to make discipline automatic rather than discretionary. But institutions are only as strong as the political will behind them.

The next general election is 2028. History suggests fiscal consolidation gets politically expensive as elections near. Whether Ghana holds its 1.5% surplus through 2026, manages the step-down to 0.5%, and resists populist spending pressure will decide whether this recovery is genuinely different — or simply the eighteenth chapter of a familiar story.

XI The claims, tested

CLAIM	ASSESSMENT
Inflation collapsed to 5.3%	✓ Verified by multiple sources
Debt-to-GDP at 45%, ahead of schedule	✓ Consistent with IMF data
Primary surplus 2.5% (2025), 0.9% (H1 2026)	✓ IMF confirms overperformance
Non-oil growth of 7.6%	✓ Highest in 14 years
+$15bn additional FX from gold formalisation	⚠ Significant, but quasi-fiscal costs unclear
Cedi bond market "original sin" overcome	⚠ One issuance; sustainability unproven
Revenue up despite tax abolitions	✓ +0.5% of GDP confirmed
950,000 lifted out of multidimensional poverty	⚠ Plausible, but single-year data

XII Where this leaves our clients

Every fault line in this review is also a mandate. Forth Ghana's multi-disciplinary teams — embedded directly within client organisations — are already advising across the exact pressure points this statement exposes.

FINDING — SOE COMMITMENT CONTROLS ARE NEW AND UNTESTED

Making Commitment Authorization stick inside SOE balance sheets

Design and embed the internal controls, governance structures and reporting lines SOEs need to comply in substance, not just on paper.

RISK MANAGEMENT

FINDING — DGPP QUASI-FISCAL COSTS REMAIN OPAQUE

Transparent accounting for gold-programme and central-bank exposure

Independent frameworks for recognising contingent liabilities and quasi-fiscal costs in budget documents, aligned to IMF and international reporting standards.

ESG · GOVERNANCE

FINDING — GH¢111BN DDEP WALL MATURES 2027–2028

Structuring refinancing ahead of the maturity wall

Financial modelling, investment structuring and market-access strategy for institutions and issuers navigating the coming redemption cycle.

FINANCE

FINDING — TAX TAKE STILL 5 POINTS SHORT OF TARGET

Closing the revenue gap without reopening the rate debate

Compliance, transfer pricing and international tax advisory to widen the base as exemption politics intensify.

TAX

FINDING — ECG ARREARS AND IPP RIGIDITY PERSIST

De-risking energy-sector contingent liabilities

Contract renegotiation support, infrastructure finance and technology-enabled collections diagnostics for the power sector's legacy exposures.

TECHNOLOGY · FINANCE

FINDING — BANKING-SECTOR NPLS REMAIN ELEVATED AT ~19.5%

Strengthening recapitalised institutions for the next cycle

Enterprise risk and governance reviews to convert balance-sheet repair into durable resilience.

RISK MANAGEMENT

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Ghana has moved from default to credibility, from debt distress to debt sustainability, from market exclusion to renewed investor interest. But the question that will define this administration is whether it can do what no Ghanaian government has done before: make fiscal discipline permanent rather than periodic.

SUGGESTED PULL QUOTE

XIII A cautious verdict

This is a document of genuine achievement and calculated political positioning, in roughly equal measure. The macroeconomic turnaround is real, the institutional reforms are substantive, and the government's expenditure transparency is welcome. Ghana has moved from the emergency room to the recovery ward.

Whether it reaches the "wellness centre" Dr. Forson promises depends on sustaining 18 months of discipline through the political and economic tests still ahead. For investors, the message is clear: Ghana is back as a creditworthy sovereign, but the risk premium should still reflect real structural vulnerability. For Ghanaians, it's more complex — the worst may be over, but the best still asks for continued sacrifice and vigilance.

Let's build something enduring.

We would be delighted to explore how Forth Ghana can partner with your organisation to navigate the fiscal cycle ahead, manage risk and unlock long-term value.

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Forth Ghana is a consulting firm that partners with leaders in business, government and society to tackle complex challenges and unlock long-term value — across strategy, people, risk, law, finance, technology and ESG.

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