

BY Ernest Kofi Adu

THE MINISTER of Finance, Dr. Mohammed Amin Adam has indicated that the approval of the second review by the International Monetary Fund (IMF) Executive Board, possibly in June 2024, will trigger the release of the third tranche of US\$360 million.

He said at a news conference in Accra yesterday that this will bring the total disbursements so far under the programme to US\$1.56 billion.

He explained that the second review would be the first of the two semi-annual reviews programmed for 2024, and added that the third review had been programmed for November 2024.

According to him, the second review of the 3-year US\$3bn IMF-Supported Post Covid-19 Programme for Economic Growth (PC-PEG) has been scheduled for April 2-12, 2024, following the successful completion of the 1st Review of the Programme on January 19, 2024.

The Minister said during the 2nd Review, the IMF mission will engage the authorities in technical and policy discussions to assess Ghana's performance on programme objectives, the Six Quantitative Performance Criteria (QPCs), the 3 Indicative Targets (ITs), the Monetary Policy Consultation Clause (MPCC), and the Structural Benchmarks (SBs) in relation to the end-of-December 2023 targets.

"The Ministry of Finance is working with the BoG in preparation for

IMF Review To Inject \$360m

the IMF 2nd Review Mission," he said.

"Preliminary assessment undertaken by MoF and BoG shows that we are on course to meeting most of the targets under the programme," he added.

External Debt

Restructuring

On the external debt restructuring, the Minister said that this involves bilateral debt and commercial debt (Eurobonds), noting, "We have made significant progress."

On December 13, 2022, Ghana formally requested for debt treatment under the G20 Common Framework for Debt Treatment Beyond the Debt Service Suspension Initiative (CF-DSSI) for a portfolio size of US\$5.1 billion.

The nation's bilateral creditors subsequently established the Official Creditor Committee (OCC) on May 12, 2023, under the auspices of the Paris Club to restructure the bilateral debt. The OCC is co-Chaired by France and China.

The Government on January 12, 2024 announced that it had reached an agreement with its Official Creditors under the G20 Common Framework, on a comprehensive Debt Treatment Beyond the Debt Service Suspension Initiative.

The terms of the agreed debt treatment are expected to be formalised in a Memorandum of Understanding between

Ghana and Official Creditors, which will then be implemented through bilateral agreements with each member of the Official Creditor Committee.

The Minister said the OCC agreement constitutes an additional step towards restoring Ghana's long-term debt sustainability in line with the International Monetary Fund (IMF) programme targets.

He pointed out that the final step involves the restructuring of our commercial debt, particularly our Eurobonds.

Dr. Adam added that the IMF Board's approval of the First Review and the recent agreement with Official Creditors set the stage for accelerating Ghana's engagement with the bondholders.

He disclosed that the government had received counter proposals on the debt treatment scenarios from the two bondholder groups.

"In the coming weeks, the government and our advisors will start extensive discussions with bondholder representatives to advance restructuring engagements following agreement with the OCC.

"Ultimately, the engagements with Ghana's commercial creditors, including bondholders are expected to ensure that Ghana achieves the targets set under the IMF/World Bank Debt Sustainability Framework," he said.