

Ghana Consultative Group
Annual Partnership Meeting June
30, 2008

Draft Summary of Proceedings

1. The Government of Ghana and its Development Partners convened on Monday, June 30th, 2008, in Accra, Ghana, for a Consultative Group Annual Partnership Meeting. The meeting was honoured by the presence of H.E. Alhaji Aliu Mahama, the Vice President of the Republic of Ghana, and attended by representatives from Government, Parliament, Private Sector, Civil Society Organizations, and the International Community.
2. The meeting was organized under the theme "*Ghana's Aid Policy - A Joint Approach to Accelerated Development*". Participants were updated on progress made on the 2007, 2008 and 2009 indicators of the GPRS II document, DP's Partnership Overview Results Matrix, and Ghana's Harmonization Action Plan (G-Hap). Presentations and discussions on the issues ensued below:
3. The Hon. Kwadwo Baah-Wiredu, Minister of Finance and Economic Planning, delivered the opening address and discussed the economic transformation Ghana has achieved since 2001, especially its efforts in poverty reduction and securing growth. He reiterated that the future efforts of Ghana's development strategy will focus on achieving middle income status by the year 2015. He outlined infrastructure investment and mitigation of the global oil and food price increases as the major development challenges of the country at present. The Government has introduced various schemes aimed at mitigating the plight of the poor in society, such as the national health insurance scheme, the Micro-Finance and Small Loan Scheme (MASLOC), The School Feeding Programme, The National Youth Employment Programme, and The Livelihood Empowerment Against the Poor (LEAP).
4. The opening address was followed by remarks by Mr. Ishac Diwan, Country Director of the World Bank and Dr. Paul Acquah, Governor of the Bank of Ghana. Mr. Diwan expressed the importance of taking stock of the progress Ghana has achieved in recent years. He noted that Ghana was standing at a historical crossroads, faced with risks and opportunities. In this context he related the need to evaluate and rethink the role of ODA as Ghana evolves and gains access to new financial markets, emerging donors and potential oil revenues. He stressed that ODA has always been an important component of support for countries, even after they have attained middle income status. Dr. Acquah noted the current global uncertainties resulting from high commodity prices. This has led to resurgence in inflation and slowing of economic growth in several countries. He also discussed that the outlook for growth in Ghana is positive, but not without uncertainties.
5. GPRS II Annual Progress Report: Government shared with participants the progress in achieving results under the three pillars of GPRS II - increasing in private sector competitiveness, human resources development and governance and civil responsibility. The presentation noted the reprioritization of resources away from human development towards private sector competitiveness to address the energy and infrastructure gaps of the country.
6. Investing in Ghana's Accelerated Growth and Poverty Reduction: Government shared with participants a paper on the infrastructure requirements / costs of the various

sectors of the Ghanaian economy. According to the analysis shared, Ghana will need additional financial support to the tune of US \$240.8, 2579.7 and 2356.6 million to fund her infrastructural requirements for 2008, 2009, and 2010 respectively. The requested funds are aimed at developing and strengthening infrastructure in the energy, transportation, ICT, health, water and sanitation, education and agriculture sectors. The infrastructure investments are aimed at propelling the economy to a middle income status by the year of 2015.

7. Partner Overview - Results Matrix / DP Envelope: The presentation gave an overview of the developments in donor commitments in the past and going forward. Mr. Sebregondi announced a 44% increase of donor support in 2008 to USD 1.7 billion of donor funds pledged in 2008, and USD 2 billion pledged in 2009. He also mirrored the government's shift in development emphasis from human resources development to private sector development. He also talked about the dramatic increase of the average amount of money pledged by donors per project as well as the shift from sectoral support to budget support.

8. Long-Term National Development Plan: Speaking to the subject Term Development Plan, the Chairman of the National Development Planning Commission, the Hon. J. H. Mensah, emphasized the need to change our mindset and tap into Ghana's own resources, and only consider ODA as a supplement. He also advocated for human resource development that would increase productivity as a means to increasing economic growth.

9. Ghana's Aid Policy Draft: A presentation was given elaborating on the vision for Ghana's Aid Policy. The paper acknowledged the critical role aid has played in the development agenda of Ghana. The report stressed the importance of improving aid effectiveness through improved country ownership of the development agenda.

10. Division of Labour: The Division of Labour Paper (DoL) was presented on behalf of Donor Partners. The presentation examined the different areas in which DPs are active in Ghana and raised issues for consideration of advances towards better aid effectiveness. For example, the presentation discussed the need for a better alignment between DPs activity and Government of Ghana development priorities.

11. High Points of the Discussions: The deliberations and discussions of the day highlighted the following issues:

- The need for the Public Accounts Committee of Parliament to debate the 2006 Public Accounts
- Need to complete the Decentralization Policy and Action Plan and approve the legislative instrument to operationalize the local government service
- Current levels of inflation have eroded the value of the Capitation Grant and there is a need to review the grant upwards
- Agricultural production and productivity remains inadequate and there is a need to modernize the sector
- Ghana has created an ambitious ICT policy to facilitate multi-sectoral approach to development and adequate funding is needed to spread the services nationwide
- In order to grow the economy in an environmentally sustainable manner, it is important to institute measures and foster best practices

Accra, 30 June 2008

Co-chairs of the Ghana Consultative Group Annual Partnership Meeting:

Hon. Kwadwo Baah- Wiredu
Mr. Ishac Diwan

Minister for Finance and Economic Planning, MP
Country Director, World Bank