

PRESS RELEASE

DEVELOPMENT PARTNERS PLEDGE US\$ 380 MILLION FOR 2009 BUDGET TO SUPPORT GHANA'S DEVELOPMENT AND ACCELERATE POVERTY REDUCTION

Development partners announced today that around US\$ 380 million will be provided to the Government's 2009 budget to support Ghana in reaching the Millennium Development Goals and becoming a middle-income country by 2015.

This funding enables the Government to increase spending in areas that will reduce poverty and promote growth, such as health, education, developing the private sector and strengthening Government systems.

Since 2003, development partners have contributed around US\$300 million a year to the budget in the form of grants and concessional loans. This so-called 'Multi-Donor Budget Support' (MDBS) currently amounts to around 5% of the total Government budget. In 2008, the Government and 11 development partners signed a new agreement to govern this working relationship and to enhance the integration and predictability of donor activities.

Every year, the Government and development partners agree on a set of targets for results and reforms in areas such as energy, agriculture, private sector, education, health, water and sanitation, good governance and public financial management. These targets originate in Ghana's Growth and Poverty Reduction Strategy (GPRS II). Progress and results are reviewed annually, together with performance of the macro economy, commitment to poverty reduction and management of public funds. The outcomes of this review determine the amount of support for the subsequent year.

On these counts, Ghana scored well, with all available funding being approved for release into the 2009 budget. But significant challenges remain, such as improving health outcomes, energy provision, decentralisation and public finance management, for which specific targets have been set and will be measured in 2009.

Contributing development partners include: the African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, Netherlands, Switzerland, UK and the World Bank.