

**SPEAKING NOTES FOR THE HON. MINISTER OF FINANCE AND  
ECONOMIC PLANNING ON THE OCCASION OF THE SIGNING CEREMONY  
ON THE GHANA-GERMANY FINANCIAL COOPERATION AGREEMENT  
OF 2007 AT THE MOFEP CONFERENCE ROOM ON  
FRIDAY, 4<sup>TH</sup> JULY, 2008 AT 2.00 P.M.**

*Your Excellency, Dr. Marius Haas, German Ambassador,*

*Dr. Helmut Schoen, the Country Director, KFW,*

*Officials of the German Embassy,*

*The Press,*

*Ladies and Gentlemen,*

## **1.0 Introduction**

Ghana and Germany are in the process of signing a Financial Cooperation Agreement. By this Agreement, the Government of the Federal Republic of Germany would make available to the Government of Ghana a total sum of **€38.0m** to support the following projects.

i.	Multi-Donor Budget Support	-	<b>€19.0M</b>
ii.	District Development Fund	-	<b>€13.0M</b>
iii.	Outgrowers and Value-Chain Fund	-	<b>€ 6.0M</b>

Currently the focal areas of the bilateral development cooperation between Ghana and Germany are concentrated in the following areas:

- Decentralisation
- Agriculture
- Sustainable Economic Development

## **2.0 Background**

During the biennial bilateral negotiations held in Ghana on 13<sup>th</sup> and 14<sup>th</sup> September, 2007 Ghana and Germany unanimously agreed to sign a Financial Cooperation Agreement for 2007 to give legal backing to the above mentioned projects.

We are gathered here today to see it come to fruition.

## **2.1 MDBS V/VI**

The Government of the Federal Republic of Germany has made new commitment for the MDBS programme amounting to **€19.0M** to finance MDBS V for 2008 and MDBS VI for 2009. During the Intergovernmental Negotiation, it was agreed that an undisbursed amount of **€1.0M** from the previous commitment for MDBS III (2006) should be utilized for MDBS V/VI. The total disbursement for MDBS V/VI will therefore amount to **€20.0M**.

## **2.2 District Development Fund (DDF)**

The German Government during the Negotiation promised to make available to the Ghana Government, **€13.0M** to support the political and administrative aspects of the Government's comprehensive decentralization reform agenda. It was also agreed that residual amount of **€2.0M** from the **Sector Adjustment Programme**, should be reprogrammed to the DDF.

## **2.3 Outgrower and Value-Chain Fund**

An amount of **€6.0M** is to be made available for the establishment of a fund to help improve access to finance and competitiveness of smallholder farmers as well as small and medium size processing companies. Part of the funds is also to be used for infrastructural development such as improving the market accessibility for agricultural products by way of spot-improvement.

**€4.0Million** from the 2005 Achimota-Ofankor road commitment is to be reprogrammed to this fund.

An amount of **€1.0M** (Grant) was agreed to be used for accompanying measures mainly, technical support.

### **3.0 Conclusion**

Germany, since 1957 when Ghana gained her independence has contributed about **€1.0Billion** for developmental projects/programmes in Ghana.

Outside the focal areas of Ghana-German development cooperation, German is also supporting the Legal Sector Support Programme, and the road sector (rehabilitation of Tema-Sogakope-Akatsi road).

To this end, I wish to express our thanks and appreciation to the Government and People of the Federal Republic of Germany for their commitment in supporting efforts aimed at reducing poverty and facilitating growth and development in Ghana.

I want to take this opportunity to bid Mr. Joachim Schmitt, the Counsellor Development Cooperation at the German Embassy, farewell and to wish him well in his new assignment.

Mr. Schmitt has been of tremendous assistance to Ghana during his tenure of office from 2005. During his tenure, the German contribution to the MDDBS programme was increased from €4.5million in 2005 to €10.0million in 2007. It is also heartwarming to note that as co-chair of the MDDBS group, Mr. Schmitt contributed in no small way towards strengthening of the harmonization agenda of donor activities as well as efforts made to pursue the alignment of donor activities with government's development agenda.

I wish to on behalf of the Government of Ghana to say thank you and wish you the very best of luck in your endeavours.

