

**SPEECH BY HON. KWADWO BAAH-WIREDU, MINISTER OF FINANCE
AND ECONOMIC PLANNING AT THE LAUNCH OF THE ACCRA HIGH
LEVEL FORUM ON AID EFFECTIVENESS TO BE HELD IN ACCRA
SEPTEMBER 2-4, 2008**

HON. MINISTERS

YOUR EXCELLENCIES

DISTINGUISHED GUESTS

MEMBERS OF THE MEDIA

LADIES AND GENTLEMEN

1. It is my pleasure and privilege to announce to the nation that once again this year Ghana will be hosting an international conference that will bring nearly one thousand delegates from all over the world to the country. Like other international conferences and events that Ghana has hosted this year, this one is an important signifier that the world has recognized our political and economic stability.

2. The 3rd High Level Forum on Aid Effectiveness, also known as the Accra HLF, will be held in Ghana from September 2 - 4 2008. Ministers from over 100 countries, heads of bilateral and multilateral development agencies, donor organizations, and civil society organizations from around the world will attend.

3. By hosting the event on our soil, Ghana faces a significant OPPORTUNITY to present itself to the international community not only as a dynamic nation that successfully pursues socio-economic reforms in a complex and globalised environment but also as a nation that has effectively managed donor assistance to the ultimate benefit of our citizens.

Purpose

4. The primary objectives of the Accra High-Level Forum on Aid Effectiveness (HLF-3) are to:

- take stock of and review progress made in implementing the Paris Declaration;
- identify challenges and bottlenecks, and actions needed to overcome these;
- identify ways to accelerate and scale up implementation of the aid effectiveness agenda for 2011 and beyond, as well as to
- sustain and enhance political support for doing so, particularly at the country level.

THE PARIS DECLARATION

5. Let me briefly explain what the Paris Declaration is. The Paris Declaration on Aid Effectiveness was endorsed in 2005 by over one hundred signatories. It spells out the international community's consensus on the direction for reforming aid delivery and management with the view to making aid more effective and deliver better results.

6. The Paris Declaration is grounded on five mutually reinforcing principles:

- ***Ownership:*** Partner countries exercise effective leadership over their development policies and strategies, and coordinate development actions.
- ***Alignment:*** Donors base their overall support on partner countries' national development strategies, institutions, and procedures.
- ***Harmonization:*** Donors' actions are more harmonized, transparent and collectively effective.
- ***Managing for results:*** Managing resources and improving decision making for development results.
- ***Mutual accountability:*** **Both** Donors and Partners are accountable for development results.

Programme for the Accra HLF

7. The Accra HLF will be made up of three complementary segments:

Marketplace of Ideas: Underpinning the entire meeting is the Marketplace of knowledge and ideas, a three day exhibition that will provide a platform for information sharing, exchange of knowledge and approaches, and learning among the HLF participants. It will showcase good and innovative practices and lessons in aid effectiveness.

8. Roundtable Meetings: Nine half-day Roundtables, mostly building on the work of international working groups, will provide participants the opportunity for in-depth technical discussions to facilitate and support work on aid effectiveness.

9. Ghana will co-chair one Roundtable: The Roundtable on “the Changing Aid Architecture: Implications for aid effectiveness”

10. Ministerial-Level Meeting: The Accra HLF will conclude with high-level discussions and negotiation around key issues, culminating in the endorsement of a ministerial statement to be known as the Accra Agenda for Action.

11. Accra Agenda for Action: The expected outcome of the Ministerial segment is the Accra Agenda for Action, better known as the “Triple A” (AAA). The Triple A will be developed and refined through a broad-based process of dialogue at both country and international levels.

12. It is a forward-looking document which will review progress since the Paris High Level Forum, identify challenges and bottlenecks and respond to emerging issues with the aim of helping to achieve the targets agreed in the 2005 Paris Declaration. As such, it will outline a set of politically appealing, high impact priority actions likely to have a significant impact on aid effectiveness.

Background to HLF 3

13. As is implied by the name of this all important conference – HLF3 – this is the third High Level Forum on Aid Effectiveness to take place. The genesis of the HLF conferences can be traced to the international aid effectiveness movement which began taking shape in the late 1990s.

14. Donors and aid agencies, in particular, began to realize the costs they imposed on aid recipients by their many different approaches and requirements. So they began working with each other, and with recipient countries, to harmonize these approaches and requirements.

15. The movement picked up steam in 2002 at the International Conference on Financing for Development in Monterrey, Mexico. The international community agreed that it would be important to provide more financing for development—but more money alone was not enough. Donors and partner countries alike wanted to know that aid would be used as effectively as possible.

16. Thus, they came together for the first High Level Forum in Rome in 2003 and committed to take action to improve the management and effectiveness of aid and to take stock of concrete progress.

17. In 2005 the international community came together again at the Paris High-Level Forum. There, over 100 signatories — from partner governments, bilateral and multilateral donor agencies, regional development banks and international agencies — endorsed the Paris Declaration on Aid Effectiveness. In signing the Paris Declaration, they committed to specific actions that would promote the effective use of aid funds.

The Accra conference will build on the legacy of these previous meetings.

Preparation towards HLF 3

18. To make sure that the conference is successful, Government has put together a National Planning Committee, made up of representatives of various MDAs and civil society groups. This committee is chaired by the Ministry of Finance and Economic Planning.

19. At the international level, there is a Steering Committee which has representation from Ghana and three other developing countries, some developed countries, international financial institutions, the UN and the OECD.

20. A series of regional preparatory consultation workshops were held all around the world to seek broader consensus for the outcomes of HLF 3. The Africa Regional Workshop was held in Kigali, Rwanda from April 28-30, 2008.

21. This was organised by the African Development Bank in partnership with the governments of Ghana and Rwanda and some donors. This meeting among other things provided adequate space and opportunity for African countries to discuss and make inputs into the Accra Agenda for Action.

22. In Ghana, we have lined up a series of activities to engage parliamentarians, donors, civil society, government officials and the citizenry in discussions on how aid can best support the country's development agenda. These include regional workshops and programmes with the media.

Aid to Ghana

23. You are already aware that Ghana receives aid from both bilateral and multilateral sources. This is made up of project and programme aid, the most significant being through the Multi Donor Budget Support (MDBS) system.

24. Recognising the need for harmonisation for aid effectiveness, government and some development partners in 2003 signed a framework memorandum to begin the implementation of the Multi-Donor Budget Support framework.

25. The MDBS programme is now in its fifth (5th) year of implementation. On the whole, the process has been mutually fulfilling for both Government and Development Partners and we have largely overcome the following challenges:

- Frequent individual missions and bilateral consultations
- Huge cost of negotiating aid
- Inconsistency of projects with government priorities
- Operation of parallel systems, and the unpredictability of funds.

MDBS & THE PARIS DECLARATION

26. It is important to note that although the MDBS reflects most of the principles of the Paris Declaration it is not the same as the Paris Declaration. To see how far government and donors are implementing the Paris Declaration, baselines for implementing activities of the Paris Declaration were set in 2006.

27. The Centre for Economic Policy Analysis (CEPA) has been contracted to collect data to follow progress on these baselines. The results of this survey would indicate Ghana's progress in implementing the Paris Declaration. We will be happy to share the results of the survey with you when they become available.

28. For us in Ghana, though the MDBS has resulted in 100 per cent disbursement for the past three years, the framework has a few challenges which both government and donors are determined to address, to bring it more in line with the Paris Declaration.

29. For example, we still have to do more on harmonization, mutual accountability and ownership. The spirit of dialogue between government and development partners continues to be instrumental in moving the programme forward.

Conclusion

30. In closing, let me stress that this is the first time that an international Aid Effectiveness Forum will be held in a developing country. In this context, Ghana is privileged to send our own strong signal about the importance of aid effectiveness and share our own rich experience in this area, positively assessed by our partners.

31. It also poses a challenge to us in being an effective host of the event and a valued facilitator of an on-going debate on aid effectiveness and its role in bringing about development effectiveness on the African and other developing country continents.

32. Ghana looks forward very much to hosting this conference, which for the first time is being hosted by a developing country. We hope the conference will push the issue of aid effectiveness to a level where we the partner countries exercise effective leadership over our development policies and strategies and the donors in turn base their overall support on partner countries' national development strategies, institutions, and procedures.

33. On this note, I declare the Accra High Level Forum on Aid Effectiveness duly launched.

Thank you.