

**STATEMENT TO PARLIAMENT BY HON KWADWO BAAH-
WIREDU, MINISTER OF FINANCE AND ECONOMIC
PLANNING ON GHANA HOSTING THIRD HIGH LEVEL FORUM
ON AID EFFECTIVENESS SEPTEMBER 2 – 4, 2008.**

Hon. Speaker of Parliament,

My colleague members,

1. The Government of Ghana will host the 3rd High Level Forum on Aid Effectiveness from 2nd to 4th September, 2008. Ministers from over 100 countries, heads of bilateral and multilateral development agencies, donor organizations, and civil society organizations from around the world have been invited to attend.
2. Their common objective is to help developing countries and marginalized people in their fight against poverty by making aid more transparent, accountable and results-oriented.
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.
4. Honourable Members would recall that earlier this year we distributed an information paper to you and promised to keep you updated on preparations towards the event.

5. As the date for the event approaches and as Parliament would be on recess when the event takes place, it is important to brief the House on preparations so far and how the outcome of this forum will impact on our work especially as all loans pass through Parliament.

Purpose

6. The primary objectives of the Third High-Level Forum on Aid Effectiveness (HLF-3) are:

- to review progress in implementing the 2005 Paris Declaration on Aid Effectiveness,
- broaden the dialogue on aid effectiveness with newer actors such as civil society organizations and non-traditional donors such as China and Brazil; and
- chart a course for continuing work on aid effectiveness.

7. Mr. Speaker, the Paris Declaration on Aid Effectiveness expresses the international community's consensus on the direction for reforming aid delivery and management to achieve improved effectiveness and results.

Principles

8. 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:*** Donors and partners are accountable for development results.

Programme for the Accra HLF

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

9. 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.

10. 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.

11. Ghana will co-chair one Roundtable with the World Bank, the Roundtable on “the Changing Aid Architecture: Implications for aid effectiveness”

12. 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.**

13. 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.

14. 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 that are likely to have a significant impact on aid effectiveness.

Preparation towards HLF 3

15. Mr. Speaker, to make sure that the conference is successful, Government has put together a National Planning Committee, made

up of representatives of various MDAs, civil society groups and relevant professionals, to plan and prepare for the conference. This committee is chaired by the Ministry of Finance and Economic Planning.

16. 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 United Nations (UN) and the Organisation for Economic Cooperation and Development (OECD).

17. 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.

18. This was organized 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.

19. In Ghana, we have lined up a series of activities to engage the media, parliamentarians, donors, civil society organizations,

government officials and the citizenry in discussions on how aid can best support the country's development agenda.

Ghana's Aid Policy

20. Mr. Speaker, fellow MPs, over the last two decades, external assistance has constituted an important source of financing Ghana's development and will continue to play a vital role over the medium to long term. Currently aid accounts for 20% of the governments total annual budget resources.

21. External assistance has provided critical support for the balance of payments and budget financing and contributed to sound macro-economic management and stability over the last several years.

22. Despite the positive medium term public finance outlook, external assistance will continue to be an important source of financing as Ghana pursues its vision of attaining middle income status by 2015.

23. It is therefore important that we leverage external assistance to accomplish this vision. Government will soon come out with a forward-looking aid policy to drive this process. We are in the process of finalizing consultations with relevant stakeholders to fine-tune the aid policy.

Objectives of the Aid Policy

24. However, to give you a brief overview, the overall objective of Ghana's aid policy is to ensure that external assistance programmes are geared to support GoG's objective of attaining middle income status by 2015.

25. To this end, the policy set out GoG's preferred types and forms of external assistance to ensure increased alignment of aid with country priorities; better support of aid for capacity development in government, and improved aid effectiveness through strengthened country ownership.

26. The policy will also define GoG's internal aid management policies and procedures in order to improve aid management. Additionally, it will define clearer structures for dialogue between GoG and Development Partners in order to improve GoG's ability to lead the process of aid management.

27. Government hopes to conclude consultation on this document and have it ready before the HLF 3 Forum in September. I trust that MPs would give government the necessary support when they are consulted, so that the outcome would reflect the views of all sectors of governance.

The role of Parliament in the aid Architecture

28. During the Africa Region Preparatory meeting in Kigali, one of the issues that came up, especially during the discussions on mutual accountability was the importance of parliaments in the aid architecture.

29. There was unanimous agreement that the responsibility of parliament is crucial as parliaments' role is derived from the constitution and from its mandate as representatives of the people.

30. Parliaments also have oversight responsibility in respect of accountability in the use of public resources. To this end delegates called for strengthening the capacity of legislatures to manage aid-related accountability.

31. Indeed in paragraph 23 of the draft 'Triple A' document, under the section on Mutual Accountability, developing countries are expected to pledge to improve transparency in public financial management, to facilitate parliamentary oversight.

32. The National Planning Committee will soon invite some MPs to represent Parliament at the Forum. On this note I will urge selected MPs who would be invited to attend the HLF 3 to actively participate to ensure that the Triple A document – the outcome statement of the Forum, will be a forward-looking document that will guide us all to achieve both commitments and targets of the Paris Declaration.

33. The Ministry of Finance and Economic Planning will keep MPs updated on any further development. I urge you to please contact the Chief Director, Ministry of Finance and Economic Planning for more information, or to visit the website, www.accrahlf.net.

34. 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.

35. 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.

36. Ghana looks forward very much to hosting this conference. 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.

37. Thank you.