

**SPEECH BY THE**  
**HON. MINISTER OF FINANCE & ECONOMIC PLANNING**  
**DURING THE SIGNING OF FOUR (4) FINANCING AGREEMENTS**  
**BETWEEN THE REPUBLIC OF GHANA AND THE WORLD BANK ON**  
**11<sup>TH</sup> JULY, 2008**

Colleague Minister(s),  
World Bank Country Director and Staff,  
Officials of MOFEP, MOFA, MLGRDE, MLFM, and MOT,  
Members of the Press,  
Ladies and Gentlemen,

It is my pleasure to welcome you all to today's signing ceremony of four (4) Financing Agreements (FAs) between the Republic of Ghana and the International Development Association (IDA) of the World Bank. The total value of these Agreements is SDR **90.1 million (US\$147.0 million equivalent)**. The projects to be financed under these agreements are as follows:

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|---|------------------|
| <i>i. First Natural Resources and Environmental Governance Development Policy Operation</i> | <i>US\$20.0m</i> |
| <i>ii. Agricultural Development Policy Operation</i>  | <i>US\$25.0m</i> |
| <i>iii. West Africa Transport and Transit Facilitation Project</i>                          | <i>US\$80.0m</i> |
| <i>iv. Community-Based Rural Development Project (Additional)</i>                           | <i>US\$22.0m</i> |

**i. First Natural Resources and Environmental Governance Programme** seeks to support GoG reform efforts in three key natural resources and environment sectors – forestry and wildlife, mining, and environmental protection for sustainable growth and development.

The objectives of the programme are to;

- a) ensure predictability and sustainability of the forest and wildlife sectors and effective forest law enforcement;
- b) improve mining sector revenue collection, management, and transparency;
- c) address social issues in forest and mining communities; and
- d) integrate environmental considerations across sectors.

The Programme will also support GoG's efforts to address the emerging oil sector issues and to adopt enhanced Extractive Industry Transparency Initiative (EITI++) principles, including resource access, allocation, utilization and revenues in extractive industries.

The project will consist of three (3) components:

(a) **Forestry and Wildlife**

*This component would ensure law enforcement and also ensure predictable and sustainable financing of the forestry sector.*

(b) **Mining**

*This component will address comprehensive reform programme for improved mining sector governance. It will also address social issues in mining communities and improve mining sector revenue collection, management, and transparency amongst others.*

(c) ***Environmental Protection***

*This component would apply Strategic Environmental Assessment (SEA) to inform decision-making and mainstream environment in the sectors, improve cross-sectoral environmental management including the development and implementation of an inter-sectoral climate change strategy.*

The project will be implemented by the Ministry of Lands, Forestry and Mines (MLFM), Forestry Commission (FC), Minerals Commission (MC), the Ministry of Local Government, Rural Development and Environment and the Environmental Protection Agency (EPA). The Ministry of Finance and Economic Planning will coordinate implementation.

**ii. Agricultural Development Policy Operation (AgDPO)** aims at supporting the Government's efforts to encourage agriculture led growth to achieve the objectives of the Ghana Poverty Reduction Strategy II through the implementation of the Food and Agriculture Sector Development Policy (FASDEP II).

Expected areas of focus for the AgDPO are to maintain the positive trend of export diversification, encourage non-state actors such as farmer organizations and the private sector to increase investments and manage assets; address constraints to productivity increase particularly for stable crops.

The programme will improve planning and execution of budgets, including those for services and investments and also support to mitigate the effects of high cost of global food prices on the economy.

The project will be implemented by the Ministries of Food and Agriculture and Fisheries.

**Ladies and Gentlemen,**

**iii. West Africa Transport and Transit Facilitation Project (WATTFP)** is a regional project and aims to improve access by the Republic of Burkina Faso and the Republic of Mali to Ghanaian ports by facilitating the efficient movement of traffic along the Tema – Ouagadougou – Bamako transport corridor.

The key activities to be supported under the Ghanaian component include the following:

- Rehabilitation and strengthening of the **Buipe-Tamale (103 km)** section of the central corridor;
- Design and construction of **Satellite Transit Truck Village (STTV)** near the Port of Tema;
- Construction of **two transit check points and four modern rest stop areas** on the Tema-Paga corridor;
- **Interconnection of the customs system** in Ghana with the customs system in Burkina Faso and Mali.

This project when completed, will benefit Ghana and its sister countries.

**Ladies and Gentlemen,**

**iv. The Community Based Rural Development Project (CBRDP)** is an ongoing project. **The Original Credit** of which 83% has already been disbursed as at May this year was US\$60.0 million (SDR 40.9 million equivalent).

The object of the project is to strengthen the capacity of rural communities to enhance their quality of life by improving their productive assets, rural infrastructure, and access to key support services from private and public sources.

The additional funds will be used, among others for the following activities:

Provision of Agricultural, Social and Human Development infrastructure such as:

- Rehabilitation of feeder roads;
- Post-harvest and livestock processing infrastructure such as provision of storage facilities, drying floors and crop processing;
- Small size irrigation facilities;
- Improved class room blocks for basic schools, community health compounds and nutrition centers.
- Potable water and sanitation facilities.

The funds will also be used to strengthen the capacity and skills of Ministry of Local Government, Regional Planning and Coordinating Units, District Assemblies, and Area Councils to deliver cost-effective services to rural communities.

**Ladies and Gentlemen,**

The terms of all the credit are standard to all IDA projects and programmes. These are:

- Term of Credit - 30 years
- Moratorium - 10 years
- Service Charge - 0.75% per annum
- Commitment Fee - 0.5% per annum

The projects and programmes to be financed by these credits are multifaceted. They seek to address short, medium and long term needs of the country. They also seek to address the needs of the peri-urban and rural communities, and also enhance infrastructure for business activities.

**Ladies and Gentlemen,**

In view of the importance of these projects and programmes to the development of our dear country, I would like to charge all the officials of the various implementing agencies to ensure speedy implementation of the projects to bring difference in the lifestyle and well-being of the Ghanaian.

Thank you.