

**Statement by Hon. Dr. Akoto Osei, Minister of State for Finance, on the occasion of the Signing of the 2<sup>nd</sup> MDBS Framework Memorandum on Monday 19 May 2008, at the Ministry of Finance and Economic Planning Conference Room**

Heads of Cooperation

MDBS Co-Chairs

Partners

Directors and Officials of MoFEP

Press men and women

Distinguished invited guests

Ladies and gentlemen

Good morning to you all and welcome to the Ministry of Finance and Economic Planning. I am delighted to see Heads of Corporation signifying highest level of representation from our Development Partners, present at this ceremony. This to me confirms the support and commitment of our Development Partners to the National Development Agenda. I wish to thank you all as I welcome you to the signing ceremony of the 2<sup>nd</sup> MDBS Framework Memorandum.

The Government of Ghana embraced the concept of a Multi-Donor Budget Support programme in 2003, therefore this year marks the fifth (5<sup>th</sup>) year since its inception in Ghana. The MDBS has proved to be a prudent aid alternative. By using existing country systems it has contributed immensely to strengthening the Public Financial

Management structures. It has also contributed to the successes Government has chalked in the implementation of the GPRS II, which are particularly evident in the social sectors (Health, Education, Water and Sanitation), private sector development and governance.

Significantly, many Development Partners and the International Community are now beginning to appreciate the role of General Budget Support in the aid architecture. It has become very apparent that General Budget Support is the most efficient way of providing development assistance. Various studies and reports have rated General Budget Support as the most aligned, predictable and cost effective aid modality, which supports the principle of national ownership.

In June 2003, Government and its MDBS Partners signed the first Framework Memorandum. Today you have witnessed the signing of the 2<sup>nd</sup> MDBS Framework Memorandum. Let me use this opportunity to welcome Japan to the MDBS family and to encourage other donors to come on board.

The Framework Memorandum is what we will describe as our "Operational Manual" which provides both parties guidelines for successful implementation of the programme. It also provides the basis for objective decision making in the process.

A lot of work has gone into the revision of this 2<sup>nd</sup> Framework Memorandum. I would like to express my appreciation to the joint technical team for their immense contribution in putting the document together. I would also like to thank the Chief Director, MoFEP and the MDBS Co-Chairs for providing leadership to the process.

Permit me to register the appreciation of the government of Ghana to the MDBS Development Partner countries and institutions namely; **African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, Netherlands, Switzerland, UK, and World Bank**, as well as **UNDP** and **USAID** who participate as observers, for their continued and valuable support since the inception of the MOBS programme.

Finally, I thank my friends from the press and media for always availing themselves whenever they are called upon to do so.

Thank you all and enjoy the rest of the day.