

Welcoming remarks by Hon. Prof Barfour Gyan (MP), Minister of Finance and Economic Planning, Ghana at the opening of the 19th Heavily Indebted Poor Country Capacity Building Programme (HIPC-CBP) and the 8th Foreign Private Capital Capacity Building Programme (FPC-CBP) meetings in

Accra, Ghana. On October 29-November 2, 2007

Dr. Osi C. Itsede, Director General, WAIFEM

Dr. Mathew Martin, Director, DRIIDFI

Distinguished Representatives of Donors

Members of the Diplomatic Corps

Chief Executives of Regional Organizations

Steering Committee Members

Ladies and Gentlemen:

1. On behalf of His Excellency, John A. Kufuor, the people and Government of the Republic of Ghana, I welcome you to the opening ceremony of the HIPC/FPC CBP meetings. I believe you had a restful night after the long and tiring trip some of you had to be here in Accra. It is, gratifying to note that Ghana is hosting HIPC/FPC CBP Steering Committee meetings for the second time in recent years.

2. Ladies and Gentlemen, let me at the outset express our appreciation on behalf of HIPCs and post-HIPCs to the Governments of Austria, Canada, Denmark, Ireland, Sweden, Switzerland and the United Kingdom for funding HIPC -CBP since 1997. The programme has enabled HIPC Governments develop independent capacity to undertake their own debt strategy analysis, maximise their ownership and leadership of national debt strategy, and demonstrate high level of debt management during and beyond HIPC initiative.

3. The Director General of WAIFEM has given some insights into the issues slated for discussion at these meetings. I understand that the meetings will seek to smoothen out all the rough edges that could limit full implementation of Phase IV programme including discussions of report by the monitors as well as feedback comments by the HIPCs. There is no doubt that the annual meetings of the steering committees have been very useful as they represent the melting pot for the management of CBP under the implementing partners including the technical office. Some of the issues that have been slated for discussions at these meetings bear out testimony to the importance which the steering committee attaches to the welfare of HIPCs.

4. Cognizant of the role of capacity building in nations building, the NPP Government has since 2001, pursued policies that aim at Human Resource Development for Accelerated and Shared Growth. The Government made efforts to increase the capacity of the nation's human resource to the level that will drive and sustain the private sector-led growth agenda. In this regard, the HIPC Capacity

Building Programme and indeed WAIFEM had played a significant role. Permit me to say that, with assistance from CBP and WAIFEM, Ghana successfully reached HIPC completion-point in July 2004 after 2 years of implementation. The country has maintained macroeconomic stability and has put in place new financing strategies to guide its borrowing decisions to achieve long-term debt sustainability. Ghana will still rely on HIPC/FPC CBP for its capacity building needs in debt management.

ECONOMIC ACHIEVEMENTS

5. Upon receipt of debt relief under HIPC and MDRI to meet the Millennium Development Goals and poverty reduction, the focus of our economic policy is to deepen and consolidate the overall macroeconomic stability achieved over the past six years. The economy has remained resilient even in the wake of the increased world crude oil prices and the energy crises being experienced currently.

6. Government has set up a stable economic environment for businesses to thrive. With the assistance of our development partners and the private sector, the Ghanaian economy has witnessed significant improvement in macroeconomic management as it is shown in the following indicators:

Steady increase in GDP growth, from 3.7 percent in 2000 to 6.2 percent in 2006;

Significant fall in inflation, from 40.5 in 2000 to 10.6 in August 2007;

Stability in the exchange rate of the cedi to the major international currencies;

External debt reduction to sustainability levels;

Domestic debt reduction from 24.0 percent of GDP as at December, 2000 to 13.6 percent of GDP in June, 2007;

First post-HIPC and first Sub-Saharan African sovereign country (after South Africa) to access the International Bond Market with a benchmark issue of US\$750 million, 10-year tenure and at a coupon rate of 8.5 percent on September 27th 2007. Oversubscribed with a high quality book of investors.

7. Ladies and Gentlemen, it is noteworthy that under the FPC CBP, participating countries like Ghana have enhanced capacity for monitoring private capital flows, which augurs well for better external sector management when viewed in the aftermath of the Asian financial crises that provided a rude awakening in terms of the hazards that can result from acute volatility in these flows. For Ghana to be considered an international player in this global village she must endeavor to meet international best practices. The FCP CBP survey results would enable the country to prepare a full International Investment Position (IIP), which among other uses, serves a rough guide for the country's international net worth.

8. Overall, the country would be in a better position to meeting the standards of the external sector accounts set under the General Data Dissemination System (GDDS) that enhances the country's attractiveness to foreign investors by providing the accurate and timely information required for investment decision making. It would serve the policy makers by improving the statistical bases for formulating and implementing external sector policies and In particular, lead to better investment promotion initiatives in Ghana.

9. At this juncture, it would be remiss of me to leave the podium without acknowledging the particular role the CBP has played in achieving the turn around in Ghana's debt and new financing issues.

10. On behalf of the Government of Ghana and indeed all participating countries, I wish to once again register our gratitude to the Governments and people of Austria, Canada, Ireland, Sweden, Switzerland and the United Kingdom and again Switzerland's State Secretariat for Economic Affairs (SECO) for funding the FPC-CBP, such a highly worthwhile venture. The Government of Ghana's gratitude is also extended to UK's Department for International Development, which is financing Ghana's participation via the World Bank's multi donor Financial Sector Support Programme under my Ministry.

11. Our countries still rely heavily on HIPC/FPC CBP in building capacity for macroeconomic and debt management and would therefore implore donors to sustain funding and continue the funding of regional organizations beyond CBP phase IV.

12. Let me conclude by indicating that, Government has designed and intends to pursue consistent and predictable macroeconomic policies to provide the underpinnings for a private sector led growth of the Ghanaian economy. These policies will build on the foundation created over the past years by investing in growth catalytic infrastructure to create space and improve incentives for private sector development in a competitive market economy. These policies and structural reforms will induce investments needed to boost productivity and expand output in line with the objectives of becoming a middle-income country.

13. You are all enjoined to feel at home and find time out of your tight programme to savour the attractions of our city. We will be most pleased to have the opportunity to host you again.

AKWABAA!!