Coordinating Fora with Traditional Donors about on-going and future Cooperation Activities, preparation dialogue with national stakeholders and setting a national strategy for the follow-up phase

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Improved coordination among aid recipients and donors is a sine qua non for efficient and effective aid management.

Ghana therefore has established appropriate institutions and strategies for managing external cooperation.

Official Development Assistance (ODA) plays a significant role in the growth and development of Ghana.
Ghana receives ODA in four broad categories:

- debt relief resources from MDRI and HIPC;
- project support in the form of project loans, project grants and technical assistance;
- programme aid also in the form of loans and grants for budget support (general and sector); and
- balance of payments support from the IMF
Cooperation Management in Ghana

To support Government achieve macro-economic stability:

- the EER is responsible for the promotion and coordination of cooperation and strategic partnerships with bilateral and multilateral Development/foreign partners at international/regional platforms.

- The primary purpose is to mobilize additional financial resources and technical assistance to supplement Government’s efforts at financing development activities in Ghana.
The EER- Division is made up of the ERM-M and ERM-B as well as the Multi-Donor Budget Support (MDBS) Secretariat.

- The Bilateral Division comprises 6 Units, *viz.* Japan/China/Korea, Americas, United Kingdom/Belgium/Italy/Switzerland, Netherlands/Germany/France/Sweden, India/Kuwait/Iran/Saudi & Misc and Spain/Denmark.

- The Multilateral Division also comprises 6 Units, *viz.* African, Caribbean and Pacific/European Union (ACP/EU) Unit; World Bank (WB) Unit; United Nations System (UN) Unit; African Development Bank (AfDB) Unit; Nordic Development Fund (NDF) Unit; and BADEA/IFAD/OPEC Fund (BIO) Unit.
External Cooperation has mainly been economic relations with OECD DAC donors.

There is need for more inclusive dialogue and mechanisms to better coordinate the flow of funds from all sources to ensure they provide the maximum benefit.
The Ghana Consultative Group/Annual Partnership Meeting is a high-level forum between the Government of Ghana and its Development Partners.

The objective is to discuss Government's development priorities for the coming year and seek to strategically align external assistance with these priorities.

The forum is usually organized in two sessions: a one-day technical meeting and a high level meeting on the next day to discuss the proposals of the technical meeting.
The Consultative Group meetings usually focus on results, achievements and challenges of Ghana’s development and poverty reduction initiatives as well as the resources needed to invest in the priority areas.

The process begins with an initial meeting between the three co-chairs namely; the Minister of Finance, the Country Director of the World Bank and a representative of the other traditional development partners, which is usually on a rotating basis.

The purpose of this meeting is to identify the priority areas Government and its Development Partners want to focus on as well as the theme for the meeting.
After this initial meeting, a joint task team comprising officials of both Government and development partners is set up to prepare the agenda, further define the priority areas for discussion and produce discussion papers and coordinate preparations for the meeting.
The Consultative Group meeting is attended by H.E. the President, Ministers, Chief Directors and Senior Level officials of Government ministries, agencies and departments.

On the side of the development partners all Ghana’s bilateral and multilateral development partners, Civil Society Organisations are represented and press events are organized to enable participants answer questions from the press.

In previous meetings representation from our Southern partners was virtually non-existent; however, in the last two meeting Southern partners have attended and participated in the technical discussions on Ghana’s priority areas.
Through the CG/Annual Partnership Meeting Ghana has made progress in the management of external cooperation. The following are some key achievements:
The MDBS programme

- The MDBS programme was initiated in 2002 during the Consultative Group meetings as an initiative on the part of a small number of Development Partners (DPs) with positive experiences of the provision of budget support in other countries.

- GoG responded positively to this initiative as it provided some answers to challenges encountered in other forms of development assistance. A Framework Memorandum was signed between GoG and nine DPs (currently 11 DPs) in June 2003.

- The Framework Memorandum sets out the principles of the programme. It describes a common framework for the development of grants credits and loan agreements through the MDBS programme to support the GPRS.
Outcomes continued

The MDBS programme

- At the chair from the Government side is the Hon. Minister of Finance and Economic Planning and co-chairing is a representative from the DPs. The non-permanent co-chair of the DP/MDBS group rotates on an annual basis.
Operationalization of the GoG-DP Compact:

- The GoG-DP Compact was signed in June 2012, to further prioritize the current Ghana development policy framework, Ghana Shared Growth and Development Agenda (GSGDA) objectives into the 10-year Compact and to focus the use of the limited resources under external assistance.

- The Compact has also led to the establishment of a (high-level) GoG-DP Group (G-DPG). This Group is expected to help address project/programme implementation challenges at a very high level between GoG and DP representatives.
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- The Compact has also led to the establishment of a (high-level) GoG-DP Group (G-DPG). This Group is expected to help address project/programme implementation challenges at a very high level between GoG and DP representatives. It will also enhance the application of aid effectiveness principles and the development cooperation process in aid management. Consultative Group-Annual Partnership and MDBS Progress Assessment Framework (PAF) 2012 Review Meetings will be held in 2013.
Implementation of Ghana Aid Policy and Strategy:

- Ghana Aid Policy and Strategy provides the guiding framework setting out how the Government envisions the development of the country’s aid architecture by outlining its preferences in terms of the type of aid, and the processes to be used in the management of external assistance.

- The Ghana Aid Policy and Strategy is currently before Cabinet for approval.
Ghana’ Experience in SSC & TrC

- Ghana has supported the need to enhance the debate on modalities for cooperation i.e. SSC, triangular cooperation as well as the incorporation of civil society organization and private partners in order to fund projects to be implemented at various fora including the UN system.

- Ghana has also held the view that any effort to support SSC should contemplate financing for development, global trade, technology and innovation, environmental policies with a view to increasing efforts towards the achievement of the Millennium Development Goals (MDGs).
Ghana’ Experience in SSC & TrC

Key examples of SSC and TrC are as follows:

Agriculture

- In 2008, Ghana started a pioneer project of cooperation with Brazil with the establishment of the EMBRAPA (Brazilian Agricultural and Livestock Research) Office for Africa with the view to strengthening SSC and to promote the collaboration of Ghanaian and Brazilian scientists in activities which will mutually benefit Ghana and other African countries.
Health

- Ghana has also successfully organized training course in polio diagnostic procedures and vaccine potency testing at the Noguchi Memorial Institute for Medical Research in Ghana for many African countries.

Public Administration

- Ghana has long served as a model for other African nations due to its free and fair elections and rule of law. Growing recognition of Ghana as an advantageous venue for diplomatic, educational, and commercial activities suggests potential for opportunities in safety and security sectors.
Cooperation with India

- Major project under the India-Ghana cooperation is India’s financial and technical assistance of Rs. 38.53 million (US$ 0.86 million approx.) to the India-Ghana Kofi Annan Center for Excellence in Information Technology (IT). The two-year technical assistance in the field of IT and related services are to be executed by the Centre for Development of Advanced Computing (C-DAC) of India.

- India has also been providing concessional credit for development projects. The projects include supply of tractors, rural electrification, construction of Presidential complex etc.

- The trade turnover between the two countries stood at US$ 537.53 million during 2009-10 and US$ 818.10 million in 2010-11, an increase of 52% over the preceding year with India’s exports to Ghana at US$ 658.35 million as against an import figure of US$ 159.75 million. Ghana’s main (traditional) exports are gold, cocoa and timber products. India’s major exports to Ghana include pharmaceuticals, telecommunication, agricultural machinery, electrical equipment, plastics, steel, cement etc.
Challenges and Way forward

- Issue of Ghana’s MIC status implications
- Ghana should begin to develop a clear exit strategy from aid and a strategy that support a large-scale deficit-financing.
- There is need to engage new partnerships partnerships with the BRICS, SSC and TrC.
- There is need for more inclusive dialogue and mechanisms to better coordinate the flow of funds from all sources to provide maximum benefits to Ghana in its trajectory to higher middle income status.
As developing countries continue to gain increasing weight in the world economy, South-South Cooperation (SSC) and triangular cooperation (TrC) are receiving greater attention.

In terms of official development assistance (ODA), the share of non-DAC contributors has been rising, especially from middle-income developing countries such as China and India. Ghana therefore has no option but to take full advantage of the SSC and TrC.
Thank you