

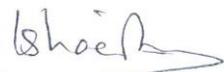
GHANA CONSULTATIVE GROUP – ANNUAL PARTNERSHIP MEETING 2010

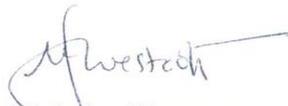
COMMUNIQUÉ, 27 SEPTEMBER 2010

1. On 23 and 27 September 2010, the Government of Ghana (GoG) and its Development Partners (DPs) convened as the Consultative Group to hold their Annual Partnership Meeting (APM) on the theme: “*Managing the transition to a middle-income economy with an emerging oil sector: the role of ODA in sustaining national development*”. The meeting took place at a crucial time in Ghana’s development, as it approaches the point when it becomes an oil producer and accelerates progress towards middle income country status. The discussion during the meeting was framed by the medium-term outlook and the final draft of the Ghana Shared Growth and Development Agenda (GSGDA), 2010-2013. The key issues which the meeting discussed were:
 - **Generating sustainable and equitable growth economic stability and debt sustainability:** the meeting agreed on the strong progress that has been made in recent years. An exercise to rebase GDP is likely to raise per capita income close to the middle income threshold. A key challenge in moving forward will be to maintain a focus on the budget deficit to continue to contain inflation and provide the basis for a strong private sector. Oil will increase government revenue, but the meeting agreed that these funds need to be channelled towards key areas such as investment in infrastructure and not tied up in arrears and increases in borrowing that cannot be sustained. The meeting also agreed that maximizing the benefits from oil will require a strong legislative framework, which is implemented effectively, as well as a careful management of public expectations.
 - **The future role of different sources of finance:** the Government will look to a number of different types of finance for its development plans. The meeting agreed the scale and role of each of these sources needs to be carefully defined in the context of the costing of the GSGDA, which is now underway. There is a strong case for continuing aid, which the Government made clearly and persuasively. Ghana is competing for concessional aid, with other developing countries which are poorer, this may influence decisions made in partner capital cities. The Government’s preferred modality is general budget support. It was agreed that budget support should improve to meet new requirements.
 - **Strengthening new partnerships:** As Ghana transitions to middle income status, then the role of the private sector to work in partnership with the Government in areas such as infrastructure development will become increasingly important. New official partners are now ready to support Ghana alongside its more traditional providers of development assistance. The meeting agreed there is a need for more inclusive dialogue to move towards new comprehensive mechanisms to better coordinate the flow of funds from all sources to ensure they provide the maximum benefit to Ghana. Representatives from China, South Korea and India participated in the meeting.

- **Building country systems and the capacity of the public sector:** as financial flows enter the country, the Government wishes to ensure it has the capacity to manage and use resources efficiently and effectively. Capacity development has been an important target in the past for development assistance and in a number of areas future needs have been assessed. The meeting agreed that this work now needs to be built on urgently, as the GSGDA is implemented. A key priority is the public financial management reforms that are now in progress, especially through the introduction of a new integrated financial management and information system. The meeting agreed it was also important to implement a new approach to public service reform, emphasizing capacity development, that could both improve the delivery of public services and (in the context of the budget deficit) control costs.
- **Delivering and monitoring results:** both the Government and its Development Partners are accountable for achieving results. The meeting agreed that there is a requirement for a stronger focus on results in the GSGDA. There should be a continued focus on the internationally agreed Millennium Development Goals (MDGs), such as child and maternal mortality and access to sanitation on which Ghana is off-track. There is also a need to have a results focus in addressing key regional and gender inequalities, including the serious problem of poverty in the North. In addition, the objective of achieving results now needs to drive Government plans in other key areas, such as the transformation of the energy sector and the promotion of public-private partnerships in investment. The meeting agreed that the GSGDA would be strengthened by finalization of the results matrix that is now being drafted. The meeting also agreed that accountability for achieving results required a strong monitoring and evaluation framework. This should include the monitoring of commitments that have been made on aid effectiveness. The meeting welcomed the Government's plans to introduce a performance assessment framework for development partners.
- **Next steps:** the meeting agreed the key next steps are for the Government to lead and finalize the GSGDA, costing and results framework; and prepare and implementation plan to deliver the above agreements within the next two weeks. Actions will be monitored at the proposed high-level Government/Development Partner Group coordination meeting.


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Accra, September 27, 2010