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**EU – GHANA COOPERATION**

European Commission

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National Authorising Officer

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(ACP) / EU UNIT  
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## ACRONYMS

ACP	Africa Caribbean and Pacific
AFD	Agence Francaise de Development
APRM	African Peer Review Mechanism
ART	Antiretroviral therapy
AU	African Union
BPEMS	Budget and Expenditure Management System
CAN	African Nations Cup
CEA	Country Enrolment Assessment / Country Environmental Assessment
CHPS	Community Health Planning and Services
CISP	Cultural Initiatives Support Programme
CPI	Corruption Perception Index
CSP	Country Strategy Programme
CWIQ	Core Welfare Indicator Questionnaire
DACF	District Assembly Common Fund
DFID	Department for International Development
DOC	District Oversight Committee
DPs	Development Partners
EC	European Commission
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EIDRH	European Instrument for Democracy and Human Rights
EMMSDAG	Establishment of Monitoring and Mapping System for Development Activities in Ghana
EOT	Extension of Time
EPA	Economic Partnership Agreements
ESP	Education Strategy Plan
ETR	End Term Review
FA	Financing Agreement
FLEGT	Forest law enforcement, governance and trade
GDP	Gross Domestic Product
GER	Gross Enrolment Ratios
GFATM	Global Fund to Fight Aids, Tuberculosis and Malaria
GIS	Geographic Information System / Ghana Immigration Service
GLASOD	Global Assessment of Human Induced Soil Degradation
GoG	Government of Ghana
GPI	Gender Parity Index
GPRS	Growth and Poverty Reduction Strategy
GSS	Ghana Statistical Service
HIPC	Highly Indebted Poor Countries
HSS	Health Statistics Survey
ILGS	Institute to Local Government Studies

## ACRONYMS

IOM	International Organisation for Migration
ITN	Insecticide Treated Mosquito Nets
JAS	Joint EU Africa Strategy
KITE	Kumasi Institute for Technology
KP	Kimberley Process
LDCs	Least Developing Countries
MCA	Millennium Challenge Account
MDA	Millennium Development Account
MDBS	Multi Donor Budget Support
MDG	Millennium Development Goals
MDRI	Multilateral Debt relief Initiative
MICS	Multi Indicators Cluster Survey
MiDA	Millennium Development Authority
MLGRD&E	Ministry of Local Governance, Rural Development, and Environment
MOFEP	Ministry of Finance & Economic Planning
MPMU	Micro Project Management Unit
MPP	Micro Project Programme
MSSP	Mining Sector Support Programme
NDAP	National Decentralisation Action Plan
NDPC	National Development Planning Commission
NEA	National Education Assessment
NFE	Non-Formal Education
NHIS	National Health Insurance Scheme
NIP	National Indicative Programme
NREG	Natural Resource and Environmental Governance Programme
NSA	Non State Actors
NTEP	Non Timber Forest Products
NYEP	National Youth Employment Programme
PAF	Performance Assessment Framework
PFM	Public Finance Management
PMTCT	Prevention of Mother-to-Child Transmission
RSDP	Road Sector Development Partners
SBS	Sector Budget Support
SEA	School Education Assessment / Strategic Environmental Assessment
SMESS	Small Micro Enterprise Strengthening and Support
SSA	Sub Saharan African
TSC	Technical Service Consultants
TSPIP	Transport Sector Planning & Integration Programme
TVET	Technical and Vocational Education and Training
UN	United Nations
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children Education Fund

## ACRONYMS

VCT	Voluntary Counselling Test
VPA	Voluntary Partnership Agreement
WB	World Bank
WF	Water Facility
WFP	World Food Programme
WHO	World Health Organisation
WSSD	World Summit for Sustainable Development
WTO	World Trade Organisation

## Executive Summary

- Ghanaians voted for the 5<sup>th</sup> time since 1992 on 7<sup>th</sup> December, 2008 to elect a successor to President John Agyekum Kuffour, whose constitutional term of office ended on 7<sup>th</sup> January, 2009. The 2008 election provided another landmark for Ghanaians to witness a second handing-over from one constitutional civilian government to another. It is interesting to note that the election was generally accepted by all stakeholders and international observers as free and fair without any major incident. The peaceful conclusion of the elections and the smooth transition to a new administration are testament to the maturity of Ghanaian democracy.
- Ghana elections received also close attention and support from the EC through an EU Observation Mission (EOM) headed by the Chief Observer, Mr. Nikolay Mladenov (MEP). Moreover, a series of Article 8 dialogues/meetings have been conducted all along the year focusing especially on election related matters.
- The world economy experienced some major challenges in the wake of the global financial and economic crisis in 2008. After an initial position that the crisis will have limited impact on the economies of Africa, it later became clear that African economies including Ghana are not fully insulated from the negative impact of the crisis. In fact it is feared that the real impact on Africa is yet to felt.
- The economy in 2008 was characterised by severe imbalances posing a major challenge for economic growth and development. Data indicate that almost all the macroeconomic targets set for in 2008 were missed as follows:
  - The sectoral components were agriculture 4.9%, Industry 8.3% and services 6.9%.
  - End year inflation rate was 18.1% against a target of 6-8%
  - Average inflation was 16.5% against a target of 7%
  - Gross international reserves was equivalent to 1.8 months of import cover for goods and services against a target of at least 3 months of import cover
  - An overall budget deficit excluding divestiture was 15% of GDP against a target of 5.7%
  - Real GDP growth was 7.3% against a target of 7%
  - Non-Oil imports rose by 33% in dollar term. This surge added to the significant rise in the current account deficit to US\$ 3.5billion
  - In addition to the rising energy cost and the subsidies to minimise the impact of the food crisis, the major cause of the fiscal slippage was the inability of the government to contain expenditure. While actual domestic revenue exceeded the projected revenue by 1%, actual spending exceeded planned spending by 24.1%.
- In the area of Private Sector Development we recognize the progress made in improving institutions that deliver services to private sector. However although reforms have been positively assessed by international and local investment climate assessments in earlier years (2006, and 2007), Ghana ranked less favourably in 2008 assessment. Further, deeper and more innovative reforms are required to stimulate private sector growth and sustainability in the global economic downturn. In summary, PSD sector progress has been steady but not transformational and requires more coordinated effort to unleash private sector potential to grow and generate jobs. Sectoral discussions on developing a new cross Government private sector strategy phase 2 which has begun is an important step and should be aggressively pursued and concluded by the end of this year. In addition, given the broadness of the sector, a more in-depth thematic, high level (political) dialogue on private sector development is required. Roles of different actors (Government, DP's etc) should also be clearly defined to ensure that overall support achieves its intended benefits. Finally more consistent, coordinated and robust methodologies are required to support Small and Medium Enterprises (SMEs)

- Over FY2008 the agriculture sector expanded by 4.9%, led by the crop and livestock sectors that grew at 5.5%. Some sectoral and regional disparities persist but overall the sector is clearly progressing. While global *food price* pressures have eased, domestic prices remain higher than recent averages, despite good harvests. A slow start to the annual *cocoa* harvest gave cause for concern, but total production this year is expected to be on a par with expectations. There is some evidence of a slowdown in exports resulting from the *global economic downturn*. These are likely to impact on selected groups (e.g. the price of shear nuts has reportedly collapsed by 80%, which affects in particular women's purchasing power during the lean season). A number of initiatives are underway to monitor the fall-out and this will need to be coordinated better moving forward. Preliminary data suggests that last year's *fertilizer subsidy*, via a voucher scheme, has led to substantial increases in production. The 2008 pilot has yet to be properly evaluated in terms of efficiency and the extent of leakages, but looks promising.
- In Education significant progress have been made in the key indicators of access including in enrolment rates especially at primary level and to some extent at post-primary level (although access lags behind demand). Further progress is needed in completion and education attainment although reaching these targets becomes increasingly difficult as the number of out of school children decrease. Gender parity has still not been achieved in certain districts of the three northern regions of the country. Targeting needs to be strengthened in programs such as school feeding, adequate hygiene facilities or supplement to teacher salaries to assure better attendance and completion (especially for girls).
- A summary of current performance of the key indicators on education and human capital formation indicates an increase in gross enrolment rates at Primary School level (86.3% to 93.7%), Junior High School (70.2% to 77.4%), and post-basic education from 2003 to 2006. Survival and completion rates have also improved indicating a growing interest and ability to complete the full cycle of basic education. Secondary and Tertiary levels have also had their admission numbers increase. Nonetheless, there are still about 700,000 children in Ghana who have never accessed primary education who should be the target of other strategic interventions to ensure that Ghana is able to achieve MDG 2 by 2015.
- Overall progress in the health sector has been good with the PAF indicators on track to be met or already met. During the past year, access to health services has increased under NHIS especially uptake of maternal services with the free enrolment of pregnant women under NHIS. There has been an increase in OPD visits per capita, an 85% decline in cases of guinea worm and an increase in per capita spending, however the timeliness of release of funds is still a challenge. The health sector has experienced an overall increase in funds from the donors especially in the areas of Malaria, HIV/AIDS and TB. This increase in resources has helped these sectors to improve their overall performance. Maternal health, while identified as a top priority in the health sector, has not received the same plus up in funding. Also of concern is the poor performance in family planning especially FP uptake and CYP (couple's year protection), ongoing challenges in the health commodities procurement and distribution systems as well as quality of service delivery and HR capacity including supervision and staff distribution remain. The sector as a whole has worked closely to enrich dialogue to better understand the challenges and bottlenecks, while coming up with proactive solutions and recommendations. Concerns about a possible over emphasis on regenerative health as well as ongoing challenges between the MOH and the GHS remain in the sector.
- In the area of gender equality (GE) we recognize the ongoing progress made and Government's increased interest in gender responsive development programming and accountability for improving gender equity and equality. The GoG has responded by piloting gender budgeting in 3 ministries and setting up the Gender Budget Monitoring Unit in MOWAC. MOWAC's leadership in coordinating the implementation of the Domestic Violence Act has also resulted in laying the foundations for enhanced services for those affected by domestic violence. That said, there continues to be critical challenges to fulfilling

Ghana's international, regional and national commitments and obligations to gender equality and women's empowerment.

- In the area of Good Governance a major achievement of 2008 has been the holding of Presidential and Parliamentary elections in a competent, transparent and professional manner. In that sense the last months of 2008 and the first few months of 2009 have also been characterised as a transitional period with challenges in the field of continuity and content to the sector dialogue. However, the legal framework has continuously received attention from the Ministry of Justice, with many new laws on the drafting table. Development partners have been actively engaging with civil society, the judiciary, Parliament and other Independent Governance Institutions. There is a desire from DPs to harmonise and align their support to the IGI's on the one hand, and to have a wider dialogue with civic engagement on selected themes of the consolidated GPRS II/APRM or its successor on the other hand. New government plans and actions with regard to constitutional reform, more efficient and depoliticized governance structures (e.g. separation of powers between MoJ and AG) will guide the way forward for the good governance agenda.
- With the entry into force of the 10<sup>th</sup> European development Funds (EDF), Ghana benefited from a National Indicative Programme (NIP) of not less than € 367 Million for the period 2008-2013. € 251 Millions have already been committed (68.4%) out of this new envelope in 2008. This is the highest performance ever. This includes our support to Transport and Infrastructure (€ 76 Million) mainly in the Western Corridor and our General Budget Support (€ 175 Million) which will be implemented over six years through an MDG-Contract - a more predictable and flexible instrument. With an amount of € 77, 3 Millions, the level of payment has also reached the highest performance ever. This appears to be a logical result from last year, as the level of contracts was exceptionally high.

## **1. Country Performance**

### ***1.1. Political situation and political governance***

Ghanaians voted for the 5<sup>th</sup> time since 1992 on 7<sup>th</sup> December, 2008 to elect a successor to President John Agyekum Kufour, whose constitutional term of office ended on 7<sup>th</sup> January, 2009. The 2008 election provided another landmark for Ghanaians to witness a second handing-over from one constitutional civilian government to another. It is interesting to note that the election was generally accepted by all stakeholders and international observers as free and fair without any major incident.

The presidential elections were contested by eight (8) candidates, including one independent candidate. The presidential candidate of the ruling New Patriotic Party (NPP) led the 7<sup>th</sup> December, 2008 polls with 49.13%, the National Democratic Congress (NDC) followed with 47.93%, while the other parties including the independent candidate obtained between 1.34% and 0.08%. The 1992 Constitution of Ghana stipulates that a presidential candidate must obtain a minimum of 50% plus 1 vote of the total valid votes cast before a candidate is declared a winner. Thus a run-off election was organized for the two leading presidential candidates on 28<sup>th</sup> December 2008. Prof. John Evans Atta Mills, Presidential Candidate of the National Democratic Congress, who obtained the majority of the votes, was declared the winner and was subsequently designated President-elect to succeed President Kufuor.

The parliamentary election, which is based on representation by constituencies, saw a near split between NDC and NPP. NDC won 114 seats out of the 230 seats; NPP won 107 seats, PNC 2 seats, CPP 1 seat and Independent 4 seats with 2 seats still in contention. The results indicate that NDC increased its strength in the National Assembly from 91 to 114. The ruling NPP lost its majority, from 129 to 107 in the House, CPP reduced its representation from 3 to 1 seats and PNC from 4 seats to 2 seats. However, the independent seats increased from one (1) seat to four (4) seats. Both the NDC and NPP maintained their support from their traditional strong holds (i.e. Volta and the three Northern regions for NDC and Eastern and Ashanti regions for NPP) with NDC gaining marginal support from the Central, Greater Accra and Brong Ahafo regions over NPP.

The human rights situation in Ghana remained positive and keeps improving. Freedom of expression has been enhanced with the proliferation of the print and electronic media across the length and breadth of the country. The country has extensive legislative provisions embedded in an open and democratic political culture that protects these basic human rights.

Ghana continues to be a safe haven in an otherwise troubled region; and remains a strong supporter of regional integration and ECOWAS. Due to the stable political environment, Ghana has become the preferred destination and venue for major regional and international events and conferences. In April this year, Ghana hosted UNCTAD XII which focused on addressing the opportunities and challenges of globalization for development. Furthermore, the third High Level Forum on Aid Effectiveness as well as the 6<sup>th</sup> ACP Summit of the Heads of State and Government were held in Accra.

It is gratifying to note that Ghana will sooner rather than later join the league of nations that have large deposits of oil and is hoping to start commercial production in 2010. To avoid the ills associated with the production of oil in some producing countries, Ghana has sought international advice on governance, revenue management and transparency, and



environmental protection, and has declared her intention to consult closely with domestic and international oil experts, including non-state actors.

Ghana was severely hit by energy crisis in September 2007. The situation stabilized in the latter part of 2008. The problem was attributed to poor rainfall pattern in the catchment areas of Northern Ghana. This led to reduction of the water levels in the Akosombo hydro-electric dam, Ghana's main source of electric power. The country experienced chronic power outages which necessitated a nation-wide power rationing programme.

Ghana's President, H.E. John Agyekum Kufuor, in his State of the Nation's address in February 2008, announced a number of long term measures aimed at solving the energy problem. These include construction of the Bui Hydro-electric power plant in the Brong Ahafo Region. In fulfilment of this promise, a sod cutting ceremony was held on 24<sup>th</sup> August 2007 to mark the commencement of the construction works. Meanwhile, as a short-term measure, the construction of the West African Gas Pipeline which will bring natural gas from Nigeria through Benin and Togo to Ghana was initiated and is due to be completed by the end of December 2008 after some delays. Industry watchers are hopeful that the gas pipeline will help ease the energy shortages in the sub-region.

### *1.2. Economic situation and economic governance*

The world economy experienced some major challenges in the wake of the global financial and economic crisis in 2008. After an initial position that the crisis will have limited impact on the economies of Africa, it later became clear that African economies including Ghana are not fully insulated from the negative impact of the crisis. In fact it is feared that the real impact on Africa is yet to felt.

After passing through the global financial turmoil in 2008 together with some domestic challenges in the management of the economy, the macroeconomic performance in 2008 was characterized by high fiscal and current account deficits. The fiscal deficit (excluding divestiture receipts) hit a record high of 14.9% of GDP against a target of 5.7% whilst the current deficit was 20.9% of GDP. The high fiscal deficit was mainly on account of significant overruns in public sector wages, more than programmed energy related expenditure to address the energy crisis which started in 2007, and certain one-off expenditures which occurred in 2008 including expenditures on the CAN 2008 involving the refurbishment of two stadia and the building of additional two, and the 2008 Elections. The high current account deficits were mainly due to high trade deficits.

Inflation as measured by change in consumer price index ended the year at 18.1% against a projected end of year inflation of 6%-8%. The high inflation is partly explained by the high growth in credit to private sector and the high government expenditures resulting mainly from the salary overruns and the one-off expenditures.

The Bank of Ghana's inflation targeting policy influenced the rising trend of interest rates in 2008. The prime rate increased three times from 13.5% in January to 14.3% in March, 16% in May and 17% in July. This affected major interest rates in an upward direction. For example the average interest rate of the 91-day Treasury bill rate for 2008 was 24.67% whilst the average 3-month time deposit and lending rates closed the year at 16.38% and 27.35% respectively.

The public debt ratio also assumed a rising trend despite the gains made since the country assessed the HIPC facility. The ratio of gross public debt to GDP which declined from 142.6% in 2001 to 41.4% in 2006 rose again to 52.1% in 2008, even though it is below the fiscal anchor ratio of 60%.

The cedi also saw an appreciable depreciation over the major currencies in 2008 resulting mainly from higher oil import bills, servicing of external debt, and high expenditures on infrastructural development. Against the US dollar, for example, the cedi depreciated by 20.1 percent.

Gross international reserves fell from the end 2007 stock by US\$800 to close the year at 1.8 months of import cover against a target of at least 3 months of import cover.

In spite of the fiscal and balance of payments challenges, the energy crisis, rising crude oil and food prices, and the global financial crisis, the economy continued its growth momentum beyond the 6 percent recorded over the past few years. Provisional data from the Ghana Statistical Service puts the real GDP growth for 2008 at an impressive 7.3% it is 0.3 percentage points higher than the target for 2008.

Trade in merchandise good for 2008 showed a significant increase in both exports and imports, compared to the growth rates recorded in 2007. Exports and imports increased by 26.4% and 27.2% year-on-year, respectively in 2008. With the exception of minerals, all principal exports performed well. While minerals increased by 5.1% only, the cocoa products export recorded the highest growth of 66.9%, followed by gold, cocoa beans and timber products with 30.2%, 28.9% and 24.1% respectively. Total import bill for 2008 rose by 27.2% boosted by a significant growth of 32.5% in non oil imports as a result of increased consumption and continued investment activity within the economy. Imports of capital goods, intermediate goods and consumption goods grew by 34.3%, 35.86% and 19.96% respectively. With the deterioration in the balance of trade more than offsetting the surplus on the services, income and current transfers account, the current account recorded a deficit of US\$ 3,473.47 million equivalent to 20.87% of GDP.

### *1.3. Poverty and social situation*

The publication in April 2007 of the results from the Ghana Living Standard Survey 5 (GLSS 5) carried out over 2005-2006 have helped update the poverty profile in Ghana. GLSS 5 results showed a dramatic decrease of poverty incidence to 28.5% in 2006 from 51.7% in 1991 and 39.5% in 1999. At this pace, Ghana would achieve MDG 1 (i.e. halve poverty incidence) well ahead of 2015 in the course of 2009 and would be the first sub-Saharan country to have achieved this target. The same trend can be noticed for the extreme poverty incidence which has dropped to 18.2% in 2006 from 36.5% in 1991 and 26.8% in 1999. In that context, cocoa farmers and public sector employees would have experienced the largest fall in poverty.

However, the poverty level in Greater Accra Region deteriorated from 5.2% in 1999<sup>1</sup> to 11.8% in 2007. This evidence on poverty underscores the fact that efforts still have to be made to reduce disparities in the country, mainly in the direction of the northern regions as well as food crop farmers, in order to promote a real pro-poor growth.

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<sup>1</sup> Verifications are on-going to check whether this stems from statistical distortions.

The concept of social exclusion has become increasingly accepted as a useful way of viewing the polarization of social groups in contemporary society, such as Ghana; and is multi-dimensional involving economic, social, political, spatial and legal exclusion. Recent analysis shows that in Ghana, although there has been a significant decline in social exclusion over the last fifteen years<sup>2</sup>, still 62% of the poor are socially excluded. Recommendations for addressing key issues include enhancing food security, on policy level distinguish poverty reduction from social exclusion, intensify efficient use of education and health service facilities as growth factor, increase access to health care insurance of the poor, and adopt realistic processes of sensitisation and education, moving away from outmoded customs.

Developing the human resource assets of this country is one of the priority areas of government. The education reform was launched in April 2007 and implementation began in September 2007. The new educational reforms seek to improve the country's educational system in response to the needs and expectations of both individuals and industry. A comprehensive package of reforms has been introduced with the main components including teacher upgrading and deployment, attainment of gender parity, the active promotion of science, technology and research; and mainstreaming of pre-schools into the basic education system.

Policy interventions such as capitation grants to schools following the abolition of all remaining school fees, expansion of the school feeding programme, albeit on a pilot basis, and targeted support to promote girls' access to education have contributed to the improvements in the performance of the education sector.

The introduction of a new system of assessment to monitor and measure pupil learning achievement and outcomes is progressively contributing to the quality of teaching and learning in schools, with the National Education Assessment (NEA) and the School Education Assessment (SEA) programmes already being implemented on a pilot basis in 2007. The National Education Assessment (NEA) is an indicator of Ghana's education quality at the basic level. The mean score is just above the minimum competency level for Primary 3 English, Primary 3 Mathematics and Primary 6 Mathematics. However, the overall scores are still quite low. Ghana hopes that approximately 75% of children achieve the minimum level of competency but on average, the scores are well below that level. Furthermore, the percentage of students achieving proficiency is very low.

The NEA results for 2007 indicate that at Primary 6, 26.1% pupils achieve proficiency in English and 10.8% in Mathematics. To understand the full implication of what this means for the education system, and more broadly for Ghana's socio-economic development, it is necessary to join these percentages with the proportion of the school-age population who actually attain Primary 6. The best estimate of that, from the analysis of the 2006 and 2007 Education Sector Review is that, out of 1,000 children, 103 enter Primary 1, and six years later, 85 attain Primary 6. Thus, the effective level of literacy (e.g. proficiency in English on the NEA) achieved is 26.1% of the 85% of the population that attain P6. This is 12.3%. Thus, less than 25% of Ghana's youth reach proficiency levels for Primary 6 English, and 10% attain proficiency in Primary 6 Mathematics.

A summary of current performance of the key indicators on education and human capital formation indicates an increase in gross enrolment rates at Primary School level (86.3% to

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<sup>2</sup> Ghana Human Development Report 2007, towards a more inclusive society. The Social Exclusion (SE) index declined from 0.316 in 1991/2 to 0.231 in 2000 and further to 0.176 in 2005/6. The Misery Index has fallen from 0.509 in 1997 to 0.229 in 2006.

93.7%), Junior High School (70.2% to 77.4%), and post-basic education from 2003 to 2006. Survival and completion rates have also improved indicating a growing interest and ability to complete the full cycle of basic education. Secondary and Tertiary levels have also had their admission numbers increase. Nonetheless there are still about 700,000 children in Ghana who have never accessed primary education who should be the target of other strategic interventions to ensure that Ghana is able to achieve MDG 2 by 2015.

Ghana aims at a Gender Parity Index (GPI) of 1 for all levels of education and training both under the MDGs and the Education Strategic Plan (ESP) 2003-2015. Gender parity is highest at the lower levels. The parity at the kindergarten level has been fluctuating around parity for the past five years and currently stands at 0.98. Gender parity at the primary level seems to have increased temporarily and then stagnated. The parity level was 0.93 for three consecutive years, before jumping to 0.96 in 2006/07 and has been consistent at 0.96 in 2007/2008 with the GPI at the JHS level standing at 0.92.

The main focus of Non-Formal Education (NFE) now is the out-of-school youth and adults, with special attention on women and the rural poor. The NFE Department is implementing the second phase of the National Functional Literacy Project in 15 Ghanaian languages. About one million learners had been recruited by 2005 most of whom are women. The target for adult literacy for 2007 is 65%. Learner enrolment up to 2007 stood at 2,740,566 made up of 1,050,783 males and 1,689,783 females. There was a corresponding recruitment of 109,623 facilitators comprising 92,083 males and 17,540 females who handled literacy classes. A 16% female facilitator participation showed that serious efforts would have to be geared towards encouraging more female facilitators to take part in the Programme since the Programme focuses on women and the rural poor.

The Growth Poverty Reduction Strategy II (GPRS II) is the medium term national strategy that guides Ghana's efforts to reach the MDGs. And to ensure that national priorities are linked with the Millennium Development Goals, GOG is working in close cooperation with her Development Partners to build the capacity of the National Development Planning Commission in order to strengthen the GPRS II as the national framework to reach the MDGs and all national objectives.

Supporting advocacy for the MDGs is a key to the achievement of the MDGs. Hence, GOG in close cooperation with DPs is working in selected districts to promote the localisation of the MDGs at the community level. This is a major effort in building awareness and commitments of all sectors to tailor MDGs to local circumstances and challenges for advocacy and policy dialogue.

The percentage of population living below the poverty line has fallen significantly from 51.7 per cent in 1991/1992 to 28.5 per cent in 2005/2006 (GLSS5). With this trend, the MDG 1, target 1 on poverty is likely to be achieved in just a few years. However, the reduction in poverty in the three northern regions is progressing slowly.

The rate of underweight children under five has fallen steadily from 30.7 per cent in 1988 (DHS 1988) to 17.8 per cent (MICS 2006). With continued effort, the MDG 1, target 2, is likely to be achieved by 2015.

The current trends indicate significant progress in school enrolment, and reaching the universal primary education by 2015 might not be a challenge. It is encouraging to note from the table below slightly higher completion rate in 2007- 2008.

The literacy rate for young people aged 15-24 years in the urban areas (69.4%) remains higher than the rural area (57.1%).

The gender parity index is currently 0.96 in primary school and 0.92 in secondary education. The elimination of gender disparity in primary and secondary education is likely to be largely achieved by 2015.

Although there has been a decrease from 111 deaths per 1,000 live births in 1990 to 108 per 1,000 births in achieving the target 5 remains a challenge. However, surveillance of vaccine preventable diseases (VPDs) has improved over the years to attest to the success of various strategies employed. And if sustained, significantly contribute to the reduction of child mortality.

There is no current information on Maternal Mortality Rate (MMR) in Ghana. According to UN estimates, MMR has been reduced by one quarter between 1990 and 2000 (from 740 to 540 deaths per 100,000 births). At this rate, achievement of MDG 5 is unobtainable. The level of births assisted by skilled personnel still remains low, particularly in rural areas although some improvements were made especially in rural areas.

Mother-to-child transmission of HIV is responsible for about 15 per cent of all HIV infections globally. In Ghana, as of December 2006, mothers who received prevent mother-to-child transmission of HIV (PMTCT) services were 1,526 compared to 16,785 pregnant women in need of PMTCT. This represents 9%. It is projected that by 2012 an estimated number of 19,778 mothers will be in need of PMTCT annually.

With respect to risk reduction among youth, the percentage of youth aged 15-24 engaging in high-risk sex who use condoms is only 41.8% for female and 55.7% for male (MICS 2006). Contraception rates for currently married women also remain low. However, HIV prevalence among 15-24 year old mother attending antenatal care reveals a stagnant towards slightly decreasing incidence rate (HIV Sentinel Surveillance Report 2006). While prevalence rates can be highly volatile and the data does not reflect sentinel site discrepancies, Ghana is largely succeeding in halting the spread of HIV/AIDS.

About 26 per cent of U5MR in Ghana is caused by malaria, which puts achievement of Target 8 and MDG 4 at risk. Insecticide-Treated Nets (ITNs) have proven efficacy in saving the lives of slightly more than five children each year for every 1,000 children sleeping under an ITN and reducing all-cause child mortality by 20 per cent (the "Cochrane" Database). Therefore, universal coverage with ITNs could save the lives of close to 20,000 Ghanaian children each year and contribute to significant progress towards MDGs 4 and 6. In Ghana, significant progress of using ITN is noted between 2003 and 2006. The figure for 2006 was recorded before the 2006 campaign delivering free ITNs to all children under two years old.

Significant progress is made in terms of access to safe water and sanitation but serious challenge in rural areas as depicted in the table below. Ghana is close to meet target 10, but with wide sub-national disparity.

The increase in food and oil prices was a major challenge to the government from 2007 to 2008. The Government policy response to the rising food prices was reduction in tariffs on

imported staples food such as rice, wheat and other agriculture- related products. In addition, government scaled up her food-based safety net programs in respond to the rising prices.

Food insecurity: Solely on the basis of households' food consumption<sup>3</sup>, the CFSVA<sup>3</sup> (Comprehensive Food Security and Vulnerability Analysis) found 5% of the population or 1.2 million people to have very limited access to sufficient and nutritious food for an active and healthy life and are defined as food insecure. This national average hides striking regional differences. Food insecurity is concentrated in the poorest regions of the country which are also the areas most prone to adverse weather conditions, such as floods and droughts, and that have been disproportionately affected by last year's soaring food prices. Thirty four percent (34%) of the population in Upper West region is food insecure, followed by Upper East with 15% and Northern region with 10%. This is the equivalent of approximately 453,000 people. The lowest prevalence of food insecurity was found in Accra (2%) and the rural areas in Greater Accra (1%) and Western region (1%).

#### ***1.4 Environmental Situation***

The key environmental challenges facing Ghana continue to be land degradation due to the inefficient management of land resources in the face of ever-increasing population and growing demands in all the various activities based on land. Coupled with this is the low awareness and appreciation of the interrelationship between development activities and the integrity of the environment. This reflects in land use conflicts and degradation depletion of forest resources, destruction of wildlife habitats, reduction in biodiversity, water pollution, coastal erosion and marine pollution, misuse and abuse of chemicals and unplanned human settlements associated with unsanitary and waste management problems.

These challenges are compounded with limited infrastructure, equipment, inadequate logistics and resources to manage and control environmental problems

To address these challenges, a number of activities have been initiated to reduce environmental problems. These include:

- Mainstreaming environmental management in the programme, policies and plans of sector ministries, departments and agencies through the use of the tool of strategic environmental assessment (SEA). This has been applied to water, energy and transport policies. It has also been applied to mainstream dry lands issues into the Medium Term Development Plans of twelve District Assemblies in the three regions of Northern Ghana, shelter policy, tourism wetlands and agricultural programme.
- Land degradation is being addressed through the development of Agricultural Sustainable Land Management Strategy and preparation of Ghana Sustainable Land Management Investment Framework (GSIF) under the TerrAfrica Initiative of the World Bank and other development partners.
- Monitoring of mining activities and supervision of reclamation of mined out areas after signing of reclamation bonds with mining companies
- Awareness on the need to factor climate change issues into development activities, through a number of vulnerability and adaptation assessment studies on health, fishery, land management, poverty, cocoa, food crops and women. This is to help formulate climate change policies and mainstream climate change into development

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<sup>3</sup> WFP, MoFA report, May 2009

planning. The results are to assist in the development of the Second National Communication, draft climate change mitigation strategy and national adaptation strategy. A study funded by DFID and the Netherlands Government on cost of adaptation of climate change is being implemented by the World Bank.

- Phasing out of the ozone depletion substances continued
- The Agency completed the decentralization of environmental assessment administration to ease delays in the issuance of environmental permits.
- To ensure enforcement and compliance of environmental controls, the Agency continued to improve the methodology for the implementation of environmental performance rating disclosure for the mining and manufacturing industry sectors.
- Environmental Quality – The transport sector is a major contributor to climate change and to address the problem, a vehicular emission inventory was carried out and the report launched in November 2007. Air quality monitoring in Accra continued in addition to the development of air quality standards. The lessons from the programme are applied to the Urban Transport Programme, specifically the introduction of Urban Mass Transport Programme.
- Routine inspection and monitoring of chemical use. The Agency was connected to the GCNet System to assist with chemicals management and control. Pesticide inspectors were trained to ensure compliance with the law.

## 2.1 Reporting on the financial performance of EDF resources

With the entry into force of the 10<sup>th</sup> European development Funds (EDF), Ghana benefited from a National Indicative Programme (NIP) of not less than € 367 Million for the period 2008-2013.

€ 251 Millions have already been committed (68.4%) out of this new envelope in 2008. This is the highest performance ever. This includes our support to Transport and Infrastructure (€ 76 Million) mainly in the Western Corridor and our General Budget Support (€ 175 Million) which will be implemented over six years through an MDG-Contract - a more predictable and flexible instrument.

With an amount of € 77,3 Millions, the level of payment has also reached the highest performance ever. This appears to be a logical result from last year, as the level of contracts was exceptionally high.

With this high level of recent decision, the RAC (to be contracted - reste à contracter) appears to be exceptionally high but will be quickly solved with the execution of the individual commitments in the first semester 2009. Since the performance on payments was very high last year, the level of RAP (to be paid - reste à payer) is very low (less than two years execution) but should rise with the effective start of the 10th EDF projects.

		SITUATION 01/01/2009	
		ALL PROJECTS TOUS PROJETS	PROJECTS / PROJETS < 2004
<b>Σ Ongoing GLOBAL COMMITMENTS</b> <b>Σ Engagements Globaux en cours</b>		<b>635,062,131</b>	<b>129,627,931</b>

<b>R A C</b> To be contracted - Reste A Contracter	<b>298,001,557</b>	<b>3,415,227</b>
<b>R A P</b> To be paid - Reste A Payer	<b>102,576,757</b>	<b>15,055,468</b>
<b>R A L</b> To be Consumed - Reste A Liquider	<b>400,578,314</b>	<b>18,470,695</b>
<b>% RAL / Σ GLOBAL COMMIT.</b>	<b>63%</b>	<b>14%</b>
<b>Nbr of years to absorbe RAL</b> <b>Nbr d'années pour absorber le RAL</b>	<b>6</b>	

The level of payment for 2009 is planned to be this year (65 M€) as the contracting amount will be exceptionally high (168 M€).

The financial execution may suffer some turbulence in 2009, especially the first semester, due to the introduction of the new accounting system for EDF (CRIS).

## **2.2 Reporting on General and Sector Budget Support**

The eligibility criteria as set in the Cotonou Agreement for providing budget support are still met.

### *National Development or Cooperation Policy and Strategy*

A well-defined national policy (GPRS II) is in place and under implementation.

The dialogue on the Annual Progress Report with GoG is held at two levels: (i) a formal discussion during the Consultative Group meeting gathering annually all DPs; (ii) a more detailed debate through the review of the Multi-Donor Budget Support (MDBS). In this respect, a shift to a 3-year rolling Performance Assessment Framework (PAF) has been initiated in 2006. Further efforts in this direction will be necessary during the PAF 2009-2011 negotiations so as to agree on medium-term objectives and notably on performance indicators for the MDG-based tranche.

### *Macroeconomic situation*

The robust economic growth observed in Ghana since 2002 had already started translating into slippages on the external side (the current account deficit having reached 20.9% of GDP at the end of 2008) and on the fiscal front (the overall deficit having been estimated 14.9% of GDP at the same time). Nonetheless the macro-economic stability is not questioned as the country still benefits from the improvements obtained in the recent past and decide to enter into a new arrangement with the IMF. Moreover the economic prospects for Ghana remain promising, notably with the perspective of oil revenue flowing as of 2011. This assessment has been confirmed when Ghana has been considered eligible to the 6 years MDG-C in September 2008 (175 M€) and the programme approved by the EDF Committee in November 2008..

### *Public Financial Management and domestic financial accountability*

A credible and relevant programme to improve PFM (Short and Medium Term Action Plan) is in place, under implementation and the eligibility criterion is fulfilled. Progress in Public Finance Management (PFM) has been evidenced in the past years and has materialised in substantial improvements of related systems. However, whilst the tasks of establishing regulatory frameworks and installing technology are largely completed, implementation and making systems work is proving a greater challenge. Progress and challenges are monitored in the PEFA assessments as well as through dialogue on PFM within the sector group involving the Ministry of Finance and Economic Planning (MoFEP).



A new Framework Memorandum has been signed in May 2008 reinforcing GoG's ownership and leadership. This framework will be complemented by the Ghana Aid Policy.

Together with other DPs, the EC intends to provide SBS in the fields of private sector and trade (9 M€) and natural resources and environment (8 M€) both to be decided in 2009 and decentralisation (83 M€) in 2010 if conditions are met. These programmes will complement the dialogue proposed by the MDG-C and MDBS. There are still concerns about implementing a SBS for decentralisation. The Government and the Delegation are considering a reduction of the amount allocated for decentralisation at next year's MTR, if the amount allocated is considered too high to be absorbed efficiently by the end of EDF 10. Reallocation to GBS, Environment and Private sector and Trade is envisaged.

Under PRBS III and PSTEP 20 M€ and 1 M€ have been paid respectively according to the forecast.

On the institutional part of PRBS III, 1,950 M€ have been set aside to support the Ghana Statistical Service (GSS). GSS has now a National Strategy for the development of Statistics along with a Corporate Plan. Discussions have been held with the new Administration and an agreement has been reached to strengthen GSS and increased its autonomy. The World bank has been designated as the focal point for donor support. EC/WB agreed to enter in a Contribution Agreement before end of 2009. EC funding will be only used for capacity building and studies. Surveys will be funded through other sources of funding.

### ***2.3 Projects and programmes in the non focal areas***

#### **2.3.1 Infrastructure and Sustainable Development Section**

##### **2.3.1.1 Transport and Roads (Focal Sector EDF 9 and 10)**

Under the **Feeder Roads Improvement Programme** (9 ACP GH 14 – EUR 27 million), out of the fifteen (15) direct labour works contracts, five (5) have been completed as scheduled. Seven (7) will be finalised by January 2009. Three (3) contracts have been terminated and re-awarded to better performing contractors. At end 2008, 67 km out of 179.2 km (approx 40%) have been completed. Works is also on-going under eight specific commitment works contracts. 110 km, including 20 km of bitumen surfaced road out of 500 km have been almost completed.

There is generally good adherence to technical specifications and standards. All improved roads are included in an expanding fully-funded Maintenance Programme and Training to DFR and domestic contractors delivered. The road condition of the feeder roads in the involved districts of Afram Plains, Kwahu South, Fanteakwa, Birim North, Birim South, East Akim and Kwaebibirim in Eastern Region has improved, contributing to a better access to markets and services for the rural population and leading to a reduction in post harvest losses.

Under the **Transport Sector Planning and Integration Project** (9 ACP GH 19 - EUR 5 million) work is well advanced in the Integrated Transport Planning (ITP) component to prepare sectoral economic analysis and forecasts (collaboration with MOFEP and NDPC), transport demand forecasts, transport cost and tariff analysis, standards for local transport access, framework for economic and financial evaluation of transport projects, physical master plan for transport, and developing an inter-agency process for transport integration. Outline pre-feasibility studies are yet to be prepared and sector-wide financing framework and projections are also due to be finalised in 2009. Under the three other separate components works is advancing on Strategic Environmental Assessment (SEA) of the ITP, increased

public finance management capacity in key ministries and increased policy and planning capacity. Performance indicators of the sector as shown in the annual progress report of the GPRS II are in annexe.

Thus, work is progressing well to prepare a sound policy framework for the transport sector, setting the sector's service and investment priorities, meeting national socio-economic and regional needs, with new formats and modalities for transport sector planning emerging.

Under the **Kumasi – Techiman Lot 2** (9 ACP GH 15 – EUR 35.9 million – 75 km) physical progress stands at 52% against 53% planned in the contractor's revised programme of works.

Under the **Eastern Corridor Project** (9 ACP GH 026 - EUR 22.81 million) final design and tender dossier is being prepared. It is expected that under the project 50 km of road between Dodo-Pepesu and Nkwanta rehabilitated.

Under the **TSDP** (10 ACP GH 001 - EUR 76 million) it is expected that 94.4 km of road between Tarkwa and Ayamfuri will be rehabilitated.

Under the three highway projects, plans are well developed to incorporate the rehabilitated roads in a fully funded maintenance Programme. The upgrading and rehabilitation of the road infrastructure will improve delivery of transport services in the project areas.

#### **2.3.1.2 Rural Development (Focal Sector EDF 9)**

Substantial progress was made in the **Small Towns Water and Sanitation Project in Central and Western Regions** (9 ACP GH 016 – EUR 23 million) during 2008 despite having to confront serious financial issues due to high oil prices in the middle of the year, affecting tenders were received for the major work components. Hence, one town (Assin Fosu) was taken out of the project. GOG is expected to implement a water supply system for this town in 2009. In general, good progress has been made in preparation for the major construction works to take place in 2009.

Results from the major drilling operations indicate that two or three towns may not have enough water to warrant the investment in the piped water scheme. If this is the case alternative solutions will be investigated.

The beginning of 2008 saw a dramatic reduction in Guinea Worm cases with only 341 cases reported from January to May (the main period for emergence of the worm) 2008 as against 2,780 cases reported during the same period in 2007. Although not directly as a result of the project "**Integrated Approach to Guinea Worm Eradication through water supply, sanitation and hygiene in the Northern Region of Ghana**" (9 ACP GH 024 – EUR 15 million) which started in June 2007, it does show that substantial progress is being made to eradicate Guinea Worm and that the projects implementation is very opportune.

Although implementation is behind schedule, there have been several achievements towards the project purpose of reducing the incidence of Guinea Worm and other water borne/sanitation related issues. Water and sanitation action plans have been written for all nine Guinea Worm endemic districts. Installation of physical water supply systems has begun with over 16% of the target areas being reached by new water systems, 112 boreholes serving an estimated 33,600 people and two small mechanized systems serving 10,000 people.

Production of pit latrine slabs has begun with the target of producing 12,000 by the end of the project. A community based Hygiene Volunteer system has been rolled out in about 100 communities in all nine endemic districts.

Strategically there has been a substantial change proposed in the implementation of the sanitation element. It has been proposed to the Steering Committee that the project implements the Community Led Total Sanitation (CLTS) strategy rather than the construction of 48,000 pit latrines.

Under the **6<sup>th</sup> Micro-Project Programme** (9 ACP GH 11 - EUR 25 million) a continuous effort has been made to strengthen the capacities of beneficiaries and their decentralised institutions to initiate projects, mobilise resources, efficiently execute and sustain them through; production of District Action Plans drawn from Community Action Plans produced and adopted in prioritisation of projects funded by MPP and others in the 94 districts targeted; use of more transparent mechanism for prioritisation and selection of projects; increased in resource mobilisation and contribution by beneficiaries; reduced time and cost overruns in project implementation; improvement in the quality of projects delivered; better targeting of the poor in project selection and approval; increase in number of projects addressing specifically the strategic and practical gender needs of women and increased utilisation of infrastructure and services provided. This has resulted under Phase 1 in the successful completion of 516 out of 550 proposed projects with the result that the overall benefit of: improving quality of and access to basic services like water, sanitation, education, and health among the poor in targeted deprived areas have improved; increasing income earnings of women and the youth from agro-processing and non-agricultural enterprises in target communities; increasing the number of environmental projects initiated by target communities and implemented on self-help basis with support from the MPP and increasing the level of community contribution to sustain MPP supported projects after delivery.

Under **Avian Influenza Project** (9 ACP GH 27 - EUR 2.8 million) work is well advanced in order to increase awareness of Ghanaians of AI and taking measures to inform Veterinary Services Directorate on any unusual deaths in poultry (domestic and wild birds). An initial Programme Estimate is operational and a series of tenders have been launched.

Under the **Cocoa Sector Support Programme II** (9 ACP GH 025 – EUR 5 million) a major achievement has been that both elements, the grant contract with the International Institute for Tropical Agriculture (IITA) and the Programme Estimate with the Cocoa Board (COCOBOD), became operational in 2008. Due to this recent launching of the two programmes, results to date have been limited to the operational start up, employing staff, establishing offices etc.

### **2.3.1.3 Environment and Natural Resources (Non Focal Sector EDF 8, 9 and 10)**

In the **Protected Areas Development Programme II** (9 ACP GH 010 – EUR 7.8 million) the long term management prospects for Ankasa and Bia Protected Areas are being improved with Civil Society being empowered to manage and benefit from natural resources in a sustainable manner.

Law enforcement strategies are in place and are being implemented in a more vigorous manner than previously possible. Long term financing studies and business planning are underway as is a study on income generating activities for communities adjacent to the

Protected Areas. A tourism study has already been undertaken the recommendations of which are currently being implemented.

Of the infrastructure activities the offices and range camps at Bia are on schedule to be completed by the first semester of 2009, however, the contractor in Ankasa is seriously behind schedule.

Under the **Mining Sector Support Programme** (8 ACP GH 27 - EUR 40 million) institutional monitoring capacity of the mining operations improved to optimise State revenue from mining, to facilitate private sector investment and to ensure compliance with environmental and social regulations; geo-scientific data availability, storage, processing and dissemination for the mining sector agencies (data on minerals and water resources, civil engineering, rural development, etc.) and identification of prospective areas for the local and international investors in the mining sector; gold extraction processes developed that may be applicable to Ghanaian small scale miners and be economically more attractive than the techniques which use mercury; knowledge of real environmental impacts of mining in Ghana, and information available for the State, potential donors and other stakeholders on the feasibility of the Western corridor infrastructure upgrading. This is done through six sets of geological maps produced with GIS database, advertised deposits and discoveries, geological survey of Volta river Basin including air borne geophysics, alternative process for artisans to extract gold developed, national environmental impact assessment over the mining and exploration areas performed, effect of upcoming mine closures analysed and remedial measures proposed.

Overall, this has enhanced the State's institutional capacity for promotion and regulation of mineral resources demonstrated through, increased number of mining exploration licences awarded increased and the amount of private exploration expenditures increased.

The **Natural Resources and Environmental Governance (NREG) sector budget support programme** (EDF 10 – EUR 8 million), which builds on existing sector policies seeks to address issues in the inter-related sub-sectors of forestry and wildlife, mining, and environmental protection, and is intended to: (a) ensure predictable and sustainable financing 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) mainstream environment into growth through Strategic Environmental Assessment, Environmental Impact Assessment, and development of a climate change strategy. The initial disbursement from the EC is expected in 2009.

#### **2.3.1.4 Facilities**

**Water Facility:** Under the Water Facility two projects that are currently operational. For the Water Directorate project to "**Improve the water Sector Performance Management Framework**" (9 ACP RPR 165 – EUR 1.434 million) progress is being made to strengthen the capacity of the Water Directorate, achieve full implementation of the National Water Policy (which was adopted in mid 2007 and launched at the beginning of 2008) and improve funding available to the Water and Sanitation Sector. With the project starting in May 2008 progress has initially been focused on the establishment of the implementation team, logistics and implementation strategy as formulated in the first operational Programme Estimate which began on the 1<sup>st</sup> of December 2008. With this now having been achieved it is expected that 2009 will see substantial progress in laying the foundations for achieving the project objectives of a more rational and organized.

The second project funded by the Water facility is managed by the Water Resources Commission entitled "**Development of National and River basin Integrated Water Resources Management Plans**" (9 ACP RPR 166 – EUR 1.331 million). Having commenced in May 2008 it too has focused principally on the establishment of the implementation modality through the writing of the first operational Programme Estimate which commenced on the 15<sup>th</sup> of December 2008. This will set in motion the activities to achieve an efficient and effective management system for the sustainable development of Ghana's water resources to ensure full socio-economic benefits for present and future generations.

#### **Energy Facility**

The project "**Facilitating the Provision of Sustainable Energy and Environment for Rural Development**" (9 ACP RPR 49/6 – EC contribution EUR 1.5 million, app. 40% of project costs) has a 4-year programme aimed at increasing access to modern energy services to non-electrified populations in selected communities in the Eastern Region of Ghana. A project team with public and private representation and led by the Kumasi Institute of Technology, Energy and the Environment (KITE) will undertake the following key project activities 1) management of power generation /distribution system 2) promotion of productive use of electricity in the beneficiary communities. The system for the generation of electricity will be managed and maintained by the Ghana Oil Palm Development Company (GOPDC).

**Environment and Natural Resources budget line.** A contract was signed with CARE-DK for the four year Governance Initiative for Rights & Accountability in Forest Management (GIRAF) – (EC contribution app. EUR 1 million, app. 80% of project costs). The project will establish practices, skills and dialogue structures for increased transparency and accountability of resource management through the contribution of civil society (NGOs & CBOs), Industry Associations and local authorities, Forestry Commission and Ministry of Lands, Forestry and Mines. There is a strong link with the Voluntary Partnership Agreement (VPA) of the EC / EU FLEGT initiative.

Under this budget line a contract with Università degli Studi di Sassari has been signed for the project **Use of Jatropha plant to improve sustainable renewable energy development and create income-generating activities.** (EC contribution app. EUR 2 million. – app. 80% of project costs).

Other budget lines: Under the project **Sustainable Water, sanitation and Hygiene Promotion to Poor and Deprived Rural and Urban Communities in Ghana (ONG-PVD/2005/095-444)** to provide the following has been achieved, 58 baseline studies conducted and watsan comities established, 50 Latrine Artisans and 106 pump caretakers trained, 218 community and 1,971 household training sessions were held with an additional 40 school hygiene education sessions, 5 water supply systems, 7 boreholes and 20 hand dug wells constructed as well as 2,208 household latrines and 11 institutional latrines.

#### **2.3.1.5 FLEGT & KP**

There is increasing recognition that the EU, as a significant consumer of wood products, shares responsibility with timber-producing countries to tackle illegal logging and its associated trade. The EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan has proposed the development of **Voluntary Partnership Agreements (VPA)** between the EU and individual timber-producing countries (FLEGT Partner Countries). Legally

produced timber exported to the EU would be identified by means of licences issued in Partner Countries. Timber originating in a FLEGT Partner Country and arriving at an EU point of import without such a permit would be denied entry. To enable EU customs authorities to exclude illegal timber, and thereby make Partnership Agreements effective, a new EU regulation is required. The EU (represented by the EC) and GOG initialled a VPA (the first in the world) in Ghana in September in 2003. Ratification is on going.

Ghana has made further progress under the **Kimberley Process (KP)**. The Plenary session of KP in November 2008 acknowledged the progress made by Ghana in 2008 to strengthen its internal controls. The Working group for monitoring reviewed risk-based monitoring arrangements for Ghana's exports in light of progress achieved and agreed that implementation of Ghana's action plan would greatly contribute to the effectiveness of the KP.

**2.3.1.6** In addition the EC has provided the following facilities for ACP countries.

- **Trade.Com** (€50 million). It includes three components:
  - The Analytical and the Capacity Building Components, (managed through a PMU), helps ACP countries to identify their needs, strengthen local research capacity and implement pilot projects including the area of sanitary and phytosanitary requirements. [www.tradecom-acpeu.org](http://www.tradecom-acpeu.org)
  - The "Hubs & Spokes" programme is a major general capacity strengthening measure which has put in place a network of some 55 regional and national trade advisors through out the ACP Governments and regional integration institutions.
- **Pesticides Initiative** (€33.5 million) assists ACP companies and professional organisations in the specific area of complying with EU rules on pesticides residues. Launched in 2003, it has extended assistance to more than 150 beneficiaries. The programme also helps to ensure that specific needs of ACP are taken into account in EU phytosanitary regulations. [www.coleacp.org](http://www.coleacp.org).
- **Fisheries programme** (€42 million) provides specific support to improve sanitary conditions of fish exports. Launched in 2003 it has already intervened successfully to help ACP fish exporters coping with sanitary requirements. [www.sfp-acp.org](http://www.sfp-acp.org)
- **Strengthening Food Safety Systems through SPS Measures in ACP countries** (€30million), launched in 2007, the purpose of the programme is that risk-based food and feed safety systems for exports products are established in ACP countries, in line with regional, international and EU SPS Standards.
- **All-ACP Agricultural Commodities Programme** (€45 million) launched in 2007, the programme envisages strengthening the capacity to develop and implement sustainable commodity strategies that improve farmers' productivity and livelihoods and reduce income vulnerability.
- **Microfinance Framework Programme** (€15 million) the programme seeks to improve the overall effectiveness of microfinance operations in ACP countries. Specifically the three main areas of intervention are: (i) institutional strengthening; (ii) microfinance ratings; and (iii) efficiency and transparency. [www.euacpmicrofinance.org](http://www.euacpmicrofinance.org)

- **The BIZ CLIM (ACP Business Climate) initiative** (€20 million), launched in 2006, is a private sector support programme that intends to improve legislation, institutional set up of and financial measures to create an enabling environment for the private sector in ACP countries and regions and addresses reform of state owned companies. [www.acpbusinessclimate.org](http://www.acpbusinessclimate.org) In Ghana BIZ CLIM is being used to study the Western Corridor.

### 2.3.1.7 Decentralisation

Implementation of the *Support to Local Governance (9 ACP GH 13, € 3 million)* has accounted for the following results in 2008:

Under component 1 of the project (support to the implementation of the National Decentralisation Action Plan):

Capacities of District Assemblies and sub-district structures have been built through procurement of training materials; documentation on the Local Government Service Structure for the District Assemblies; procurement of desktop computers and UPS and the procurement of motorbikes.

Steps towards a stronger involvement of Traditional Authorities in local government processes have been initiated through five regional stakeholder seminars for Traditional Authorities and District Assembly officials held in July 2007 and two validation workshops held in July 2008. Model guidelines on the integration of Traditional Authorities in local governance have been realised.

The project has also contributed to improvement of the compliance of District Assemblies to comply with the requirements of the DDF mechanisms and prepare them for the second functional and organisational assessment. Nine FOAT-DDF training workshops on the revised Operational Manual (OM) for the District Assemblies have been organised in the last quarter of 2008 in four regions (Western, Central, Ashanti and Volta (partly)) to address some of the implementation challenges identified in the first functional and organisational assessment, and ultimately prepare the District Assemblies to respond adequately to the demands of the process during the second nationwide assessment scheduled to commence in January 2009.

Under component 2 of the project (support to civil society), strengthening the relationships between Civil Society and Local Governments has been pushed forward through the attribution of grants to four civil society organizations focusing on the following actions: strengthening activities for community based organizations (CBO's) and District Assemblies, facilitation of local interest groups in articulating their needs to the District Assemblies, promotion of citizen-led accountability in district funds, promotion of participatory monitoring and evaluation practices of district development or other activities related to promoting popular participation and accountability in local governance, strengthening the capacity of civic groups to engage in local decision- making processes

Under component 3 of the project (support to the Institute to Local Governance Studies, ILGS): training capacities of the ILGS have been strengthened via the procurement of reference documents, books, training and learning materials.

Future support to decentralisation has been identified under the 10<sup>th</sup> EDF as a core area of involvement. Through the decentralisation sector group, the EC-Delegation has actively shared the process of establishing DDF-mechanisms and the FOAT and will review the materialisation of its commitments on the basis of further policy development in 2009.

#### **2.3.1.8 Support to Civil Society**

See support to Non State Actors under 2.3.3

#### **2.3.1.9 Support to Independent Governance Institutions**

Currently an assessment is undertaken by the Delegation to devise efficient and effective means of supporting independent governance institutions (IGI's) in alignment with National priorities and in close cooperation with other donors. The output initiated and to be finalised in January 2009 is a donor contribution matrix detailing present and future support by donor agency and IGI in this area

### **2.3.2 Non-focal areas**

#### **2.3.2.1 Support to the National Authorising Officer**

*Support to the NAO's Office (9 ACP GH 20, € 3 million),*

Implementing of activities has started with a delay in September 2008.

To ensure a more systematic project planning and monitoring by the NAO, tripartite project review meetings have been initiated to identify and address time and management constraints at an early stage.

Additional recruitment of staff for finance and procurement is underway (2 accountants and one procurement specialist) and will improve financial and contractual monitoring capacities at the NAO level. Establishment and strengthening of control systems and mechanisms will be secured through the recruitment of a Technical Assistant on Finance and Contracts, for which Terms of Reference have been drafted and await for final approval.

#### **2.3.2.2 Culture**

*The Cultural Initiatives Support Programme (9 ACP GH 1, € 2 million)*

Institutional knowledge on cultural initiatives has been further increased through the development of a database on cultural initiatives. Competencies and skills have been reinforced thanks to the implementation of five training courses focusing on technical competencies and techniques in different cultural areas. Dialogue between stakeholders has been boosted thanks to an encounter of representatives of the cultural sector and the parliamentary select committee on culture. Finally the process on supporting cultural initiatives at small scale (10.000) and medium scale (max 50.000,00 EUR) has been boosted through two calls for proposals which raised a great interest with over 1.300 applications received altogether. 49 contracts for small grants have been signed in August 2008, the medium scale grants are expected to be signed by February 2009.



*Rehabilitation of the Cultural Heritage in Elmina and Old Accra (9 ACP GH 05):* Most of the activities were finalised already at the end of 2006, except one major part of the project, the painting of the Elmina Castle, was executed only during the first half of 2007. In order to give an additional boost to the stimulation of the Home Owner Scheme established for the maintenance of the rehabilitated historic houses in Elmina, technical assistance was contracted in 2007 under the Counterpart Funds for a duration of 9 months (until June 2008). This assignment was successfully concluded. A booklet on the success story of the 'Elmina 2015 Strategy' supported through donor funding was produced in the first half of 2008 and is now ready for distribution and sale at the Elmina Tourism Office.

### **2.3.2.3 Security**

*Support to the Ghana Police Service (9 ACP GH 29, € 3 million)*

A major step in the set up of a forensic science laboratory for the Ghana Police Service has been the recruitment of a Technical Assistance provided in August 2008.

A first meeting of the steering committee and a draft inception report submitted to its members have facilitated the initiation and coordination on an action plan for the set up of the forensic science laboratory. These will have to be consolidated through a presentation by the Technical Assistant to the Steering Committee which is programmed for January 2009. Knowledge building has been initiated by means of a study visit of three officers of GPS to forensic science laboratories in France.

### **2.3.2.4 Health**

Under the EC/UNFPA Partnership for the Promotion of sexual and reproductive Health in Africa and the Caribbean (8 ACP GH TPS 149) sensitisation and training of health personnel was carried out in the Central Region of Ghana, in cooperation with Ghana Health Service. The project started in January 2004. Its implementation period was extended to September 2008 and formally ended by a steering committee meeting in September 2008.

### **2.3.2.5 Education**

Ghana is involved in an Erasmus Mundus External Cooperation Windows project. The objective of this project is to create a dynamic and sustainable mobility programme that, through enhancing skills and qualifications of both ACP –staff and students and the EU staff, will contribute towards promoting higher education cooperation between ACP countries and the EU.

47 students from Ghana were also selected for scholarships under Erasmus Mundus – 12 in 2007/2008, 27 for 2008/2009 and a further 8 students in 2007/2008 ACP window of action 2. 2 Scholars were selected for mobility in 2008/2009.

### **2.3.3 Non-state actors**

From April to July 2008, non-state actors in all 10 regions of Ghana were invited to participate in an assessment of the needs of civil society. This needs assessment was an essential component of the 10<sup>th</sup> EDF Programming for the Civil Society Support Programme. A team of 3 consultants conducted a mapping exercise of the existing civil society structures in the country and the environment in which they operate. In addition, a mapping of existing donor initiatives for support to non-State Actors was carried out.

The needs assessment of CSO was done in regional workshops in order to facilitate information gathering from rural CSOs. This provided a unique opportunity to meet and jointly debate issues relevant to civil society in their particular regional context. With the assistance of knowledgeable civil society representatives based in the regions, the team

organised workshops in nine regions and invited a workable number of local civil society representatives to attend. For the selection of workshop participants attempts were made to invite civil society actors who were considered to be representative of civil society in the region. Two criteria were applied: (a) A balanced mix of participants from different sectors to ensure sector diversity; (b) Representation of both donor funded CSOs and those that have not benefited from any donor support. No such workshop was organised in Accra, because sufficient information on Accra based organisations was obtained during field work in Accra. To make full use of workshop participants, questionnaires were also distributed to collect primary data such as mission, sectors of involvement, and human and financial resources. In total, 156 CSOs across all 10 regions of Ghana participated in the consultation process.

A validation workshop was held with regional and Accra based civil society stakeholders and representatives from Civil Society Support Facilities to present main study findings gathered during field work and to obtain feedback as to whether the findings truly reflected the reality of civil society in Ghana.

The Recommendations of this needs assessment and mapping study have been factored into the Project Identification Fiche for Civil Society Support in Ghana which is planned to become operational at the end of 2009.

## 2.4 Other cooperation

### Migration

In the area of Migration cooperation with Ghana is getting an increased attention also at regional level. Support in this area is in line with the EU – policy priorities as well as with the national strategies which focus on information on and regularisation of migration processes. Synergy can be achieved with the support in the area of security and potential cooperation in the fight against drug trafficking.

An important regional migration project with relevant activities for Ghana is managed by the **International Organisation for Migration (IOM) Ghana**, (MIGR/2006/129-829/41). Funded with € 2 million by the EC and co-funded by the Italian Government, it started its implementation in late 2007. It aims at 'Facilitating a coherent Migration Management Approach in Ghana, Nigeria, Senegal and Libya by concentrating mainly on capacity building in relation to labour immigration management in sending, transit and receiving countries. The first Steering Committee Meeting was held on 22 - 23 February 2008 in Accra and raised considerable media interest, especially by the BBC world service. The second meeting took place on 3 – 4<sup>th</sup> December 2008.

Parallel to **Ghana Immigration Service (GIS)** is the recipient of a grant under the 2005/06 'Aeneas' budget line for a project *Countering document fraud*. The grant contract (MIGR/2006/120-219 (088)) is co-funded by the Netherlands Embassy and the British High Commission. Coordination of co-funders as well as a growing number of stakeholders like Birth and Death Registry, Criminal Investigation Department of Ghana Police, Bank of Ghana and Ministry of Foreign Affairs is ensured through bi-monthly advisory board meetings. Capacity of the GIS was strengthened through a number of training courses in detecting document fraud. Based on a detailed gap analysis a procurement plan for the ICT equipment and infrastructure was implemented to improve prevention of document fraud among all stakeholders.

Finally under the **Asylum and Migration thematic programme**, Ghana was chosen as a Pilot country for the **EC/UN Partnership on Migration for Development**. Under this Partnership, calls for proposals are currently ongoing.

10<sup>th</sup> EDF NIP allocates 2 M€ for migration, a new programme will be identified in 2010 based on the lessons learnt from the ongoing AENEAS programme.

### **Gender**

Gender equality and gender mainstreaming is of the priorities of the policy dialogue between Donor community and the Ghanaian Government. The Delegation in Ghana will take the lead on the donor coordination group for gender as from 2009 onwards and thus steer the gender mainstreaming process in Ghana.

In this context initiatives and projects financed through EIDHR and Gender budget lines are fully in line with existing priorities and initiatives. The projects in detail:

Ghana is one of 12 pilot countries under the global **EC/UN Partnership on Gender Equality in Development, Peace and Security** (GENRE 2006/127-834). The results achieved under this project are so far: production of a national mapping study on Gender Equality and Aid Effectiveness, launch of the partnership with high level representation of stakeholders, a national consultation on gender equality and the implementation of the Paris Declaration, contributions to the High Level Forum (a CSO women's forum and a side event on gender and aid effectiveness at the HLF).

Under the EIDHR Programme, a regional West-African programme on Women's Participation in Good Governance is implemented by Women in Law and Development in Africa (WILDAF) and managed by the Togo Delegation. In 2008 WILDAF Ghana disseminated a training manual on good governance to use as a tool for effective involvement of women in governance at national, regional and local level. The participants of the Women in Good Governance Network, one of the outcomes of the EIDHR project, also lobbied for increased nomination of women for the parliamentary election in December 2008.

### **Support to small scale business sector development**

In this area one project is executed under the cooperation facility which aims at supporting business initiatives at micro-level. The approach is in line with the EU focus on supporting Civil Society which aims also at developing private business advocacy and support structures.

The project in detail

The *Small and MicroEnterprises Support System - SMESS 2* (ONG-PVD/2006/119-145, 965.944 €, 75% financed by EC) has continued with the implementation of activities smoothly throughout 2008. Advocacy and general capacity strengthening (component 1) of the two ASSIs (Associations of Small Scale Industries), in the Nzema East (now called Ellembelle) and the Jomoro districts in the Western Region, has continued. Work is ongoing to develop the 'service component' (component 2) of the project – specific activities have been organised with the aim to have the two ASSIs and the local Credit Unions, set up under SMESS 1, deliver financial and non financial services for their member associations. Especially the Credit Union in the Jomoro district saw a strong growth rate from 2007 in terms of enrolment of new members and amounts of funds collected and lent out. Under market development (component 3), activities have been undertaken to link the local products to national and international markets, to upgrade their quality and to bring out catalogues.

## **Human Rights**

Ghana has a good track record in the legislature on protection of human rights but implementation still remains to be strengthened. In this context the Delegation sees the support of initiatives via the EIDHR instrument as a major vehicle to support national strategies in line with EU policies on human rights. Therefore the Delegation has submitted in October 2008, an expression of interest under the EIDHR Country Based Support Scheme 2009 – 2010. In this area Ghana was also selected by the Council as one of 19 priority countries with regards to actions under the EU Guidelines on the Promotion and Protection of the Rights of the Child. A pilot programme is expected to be set up in 2009.

## **Health**

In the health sector support is still provided under the co-financing instrument through a grant contract with the NGO 'Basic Needs' (PVD/2006/118-719) on ensuring secure Livelihoods for people with mental illness and Epilepsy and their Carers. The project is implemented in Greater Accra and the three Northern regions. In cooperation with community based organisations, needs of the target groups were assessed, tools procured and skills training courses conducted. Stabilised poor people with mental illness were supported in writing business proposals, opening bank accounts and managing cash credits. Occupational therapy as a means to enhancing recovery and building of skills for improved livelihoods was provided in horticulture and farming, e.g. vegetable gardening and bee keeping.

Nevertheless given the fact that the EU is no longer represented in the health sector in Ghana and is aiming at establishing a silent partnership agreement with no financing with the Danish cooperation, cooperation in this area should not be targeted any more in the future

## **Other thematic projects in preparation for 2009**

The EC Delegation was involved in the assessment of concept notes and full applications for in-country and multi-country applications the thematic programmes on Asylum and Migration, Non-State Actors and Local Authorities in Development, Investing in People (Access to local Culture) and Environment.

Under the NSA thematic programme, 22 concept notes were received for Ghana. Altogether 9 full applications were evaluated in July 2008 under NSA, Environment and Migration & Asylum programmes, with decisions still pending.

Information and advice to NSA was also provided on the ACP calls on ICT and Cultural Industries and on the Regional Fund for the Promotion of Cooperation and Cultural Exchange in West Africa.

## **2.5 Policy Coherence for Development (PCD)**

For Ghana, given the focal sectors and priority actions in the non-focal sectors, the following EU policy areas are particularly relevant:

### ***Transport and regional interconnectivity***

The Ghana Delegation maintains frequent and intensive coordination with other WA Delegations and multi- or bilateral development partners in order to ensure coherence in approaches towards regional corridor establishment and institution building at regional level (ECOWAS/UEMOA).

### ***Migration***

Migration is receiving increasing attention in the ongoing policy dialogue and development cooperation between the EU Member States and Ghana, including in the regular policy dialogue under Art 8 and 13 of the Cotonou Agreement. Migration is also of interest to the media, e.g. the launching of the Migration Information and Management Centre (CIGEM) in Mali lead to interview requests by Ghanaian media.

### ***Trade and social dimension of globalization***

Although an interim EPA was initiated in December 2007, Ghana has not yet signed the i-EPA mainly due to the election period where the risk of negative reaction to such the signature was high with the civil society and the farmers associations. However, the Delegation has made continued efforts to advocate on behalf of EPA and to explain its coherence with the EC's development policies and their potential to contribute to national development and integration into the global economy. Press releases were issued to this end, and workshops for business groups, parliamentarians, and NGOs organized in order to raise awareness on EPA, on its transitional character, on aid for trade commitment, and on the unfair challenges of the alternative GSP system. Moreover, the 10<sup>th</sup> EDF envisages further € 9 million in support of aid for trade.

The Voluntary Partnership Agreement in the framework of the FLEGT initiative was based on extensive stakeholder consultations as Ghana embarked on involving both representatives from civil society and industry. Civil society judged the VPA negotiations as one of the most promising venues in decades for reforming the forest sector in Ghana and improving governance and law enforcement. The VPA was therefore highly topical to demonstrate PCD.

### ***Environment and climate change***

Environment is mainstreamed in most of the activities undertaken with EDF funding – policy coherence is therefore not much of an issue per se. Climate change has been recognised as an increasingly important and urgent area by Ghanaian authorities at technical and political levels. A draft National Climate Change Adaptation Strategy has been prepared (to be finalised in 2009), and in consultation with stakeholders, ten priority action programme areas have been identified, including linkages with health. The Government has established a Climate Change Committee, and Ghana has represented its national interests at international fora, including the UNFCCC meetings. Ghana needs to tailor its response to climatic risk in a strategic manner, incorporating both geographic and social dimensions, to ensure a rapid response in higher risk areas such as the northern region which is prone to flooding, and the vulnerable coastal areas. Ghana will receive sector support in the framework of NREG for Climate Change policy and adaptation measures.

## **2.6 Dialogue in country with national Parliaments, local authorities and NSAs**

As part of our political dialogue under Art 8 two main initiatives have been organised; one working lunch with the NDC flag bearer Prof. Atta Mills and a HoMs field trip to the Northern region. The latter contributed significantly to spreading the message of holding peaceful elections in a region that witnessed some serious incidents among political parties. EU HoMs also participated in various format to other events; the anti-drug trafficking mission, the mission of the EU Special Envoy on peace keeping capability, the visit to Ghana of the NATO Secretary general, etc. Overall, these events have been the occasion to fruitfully and practically exchange views with Ghanaian Authorities.

In 2008, the dialogue with national Parliaments, local authorities and NSAs continued across sectors. Here are the highlights of the main events:

In the trade sector, several panel discussions took place on EPA in 2008, with high media exposure on radio and television. Participants were numerous NSA, a.o. Third World Network, OXFAM and Trades Union Congress of Ghana. With the same participants meetings were also arranged on the subject of EPA at the EU Delegation, at DFID and one meeting on the initiative of the Friedrich Ebert Foundation. Moreover the Delegation published articles in the newspapers in order to counter deliberately misleading information launched by some NGOs. A seminar for the Parliamentary Select Committee on Trade, Industry and Tourism was organised in Koforidua in January 2008 in order to present and discuss the Interim EPA Agreement. The Minister of Trade, the President of the Association of Ghana Industries and the President of the Federation of Ghanaian Exporters made interventions at the seminar.

A stakeholder workshop was organised on 14th February 2008 by the NAO and the EC Delegation to present the Joint Annual Reports 2006 and 2007 (draft) and to inform stakeholders on the outline of the 10<sup>th</sup> EDF CSP/NIP. The workshop was well attended by approximately 80 representatives from state and non-state institutions. Presentations on the 2006 and 2007 achievements were given by NAO and Delegation staff, followed by a lively discussion. Presenting the planned interventions under the 10<sup>th</sup> EDF, a short introduction into the concept of the MDG Contract was made.

In April 2008 Accra hosted the United Nations Conference on Trade and Development (UNCTAD XII Conference). The Conference has been described as the most successful amongst all the UNCTAD conferences so far. UNCTAD XII addressing the opportunities and challenges of globalization for development was attended by more than 4000 representatives from all over the world, including some Heads of State, Ministers, Officials and representatives of the Civil Sector including NGOs. The Conference sought to maximize trade, investment and development opportunities of developing countries. For the EU Delegation the outcome was good considered that the EU's key objectives were largely met. There was a very reasonable reform package and a solid mandate on four issues of interest to EU: Investment, South-South cooperation, competition and commodities.

On 30 June 2008, the Consultative Group (CG) met for its annual partnership meeting. The main theme was 'Ghana's Aid Policy - A joint approach to accelerated development'. The EC was elected co-chair to lead the development dialogue with GoG on the DP side and to present the enhanced cooperation envelope of DPs in Ghana, with a 44% rise in ODA. As in previous years the CG meeting was also attended by NSA.

An intensive dialogue with civil society organisations was also carried out in the context of the EC/UN Partnership on Gender Equality for Development and Peace, both at the launch of the partnership in March 2008 and at the national consultation on gender equality and aid effectiveness in May. Women's organisations and networks took the floor and proposed activities for the EC/UN programme of action.

In the context of the EU's Forest Law Enforcement Governance and Trade (FLEGT) initiative, Civil Society was involved in the development of the Voluntary Partnership Agreement (VPA), which was signed between the EU and the Government of Ghana on 03 September 2008. The VPA is a binding agreement and is considered key to the EU's fight to control illegal logging and Ghana's fight to ensure that its timber sector serves national development aspirations. The agreement enforces the requirement for communities to provide written consent before logging takes place on their land. It also commits Ghana to a participatory review of forest policy, regulation and institutions. The agreement is seen as an important step towards democratic forest governance, reduced deforestation and less conflict

over resources. After three years of negotiations, Ghana is the first country to sign such an agreement with the EU. The Ghanaian agreement sets a good standard for future agreements because it has been developed with reasonable participation of Ghanaian civil society (in part represented through networks) and clearly recognises communities' rights over their land and resources and the need for forest law reform.

Under the Cultural Initiatives Support Programme, a meeting was held with the Parliamentary Select Committee on Culture in June 2008, involving several ministers and most members of the committee. Participants were informed of the EC's commitment to culture in its development cooperation and the EC funding opportunities for cultural industries. The National Commission on Culture is planning to hold the next encounter with the new members of the select committee in 2009.

On the issue of development in the North of Ghana, the Delegation attended two dialogue conferences with regional ministers and local authorities from the three Northern regions of Ghana in Tamale in March and November 2008.

## **2.7 Aid Effectiveness**

The Ghana Joint Assistance Strategy (G-JAS) was signed by 16 Development Partners (DPs) in February 2007. It includes a commitment to carry out a comprehensive exercise in order to establish how DPs can be more selective in terms of financial programming, policy dialogue and technical cooperation and how to concentrate efforts in line with each DP's comparative advantages. The G-JAS also states that "to reach its full potential this division of labour exercise will involve the government at the earliest opportunity." In line with the EC Code of Conduct on Division of Labour, the European Commission and the German Embassy agreed to coordinate and steer this process. In agreement with the Ministry of Finance and Economic Planning (MoFEP) and the National Development Planning Committee (NDPC), a survey was conducted amongst DPs on their 2007 and 2008 activities within the GPRS II focus areas. The survey collected information on aid modalities, such as Programme Aid, Sector Budget Support, Basket Funding, Silent Partnership with/out financing, Active but no financing or General Budget Support. In total, 23 donors responded to the survey.

Based on this quantitative survey, a qualitative analysis of the data was jointly conducted by the Government of Ghana and the involved DPs at the Sector Group level, facilitated by a consultant who held focused discussion with the sector working groups and Ministries, Departments and Agencies concerned. The draft report 'Review of Development Partner Division of Labour' assesses the current aid environment within and across sectors, the extent of fragmentation and measures that are being taken to improve coordination. It also provides a mapping and review of current DP engagement to be used as a guide in DoL. As it proved to be difficult to ensure GoG ownership for this DoL process, the preliminary findings and recommendations haven't been widely disseminated yet.

In 2008, dialogue on donor coordination and harmonization between DP's and GoG continued in the focal sectors, and on preparations for the High Level Forum in September 2008. GoG submitted a request for a contribution towards the organization of HLFIII with counterpart funds (293,634.00 GHS). During the HLF, the Delegation also facilitated EC visibility at the conference centre and organized a meeting with African journalists on Aid Effectiveness.

Donor coordination continued in the respective sector groups on good governance, decentralisation and gender equality which met regularly over the year to exchange information on relevant Aid Effectiveness issues. Based on the 2007 joint review of DP support to the 7 Independent Governance Institutions anchored in the Constitution (Parliament, the Judiciary, the Commission for Human Rights and Administrative Justice, the

Electoral Commission, the National Commission for Civic Education and the National Media Commission) the good governance group continued its coordination and harmonisation efforts in order to create synergies and optimise impact of DP programmes. The Delegation shared its programming documents for the Civil Society Support Programme with the governance group and received useful comments on the ToR for the mapping and feasibility study.

The Accra Agenda for Action is now the key document for further improvement on the implementation of the Paris Declaration and discussions on how to operationalise the commitments of the AAA are ongoing; e.g. following up on the AAA commitment to capacity development and in connection with GoG's drafting of an aid policy, DPs were asked by GoG to conduct a mapping exercise on their capacity development related activities in Ghana.

Since the adoption of the Transport Sector Development Programme (TSDP) by GOG in April 2007, DP's active in the transport sector of Ghana (including EC, the DP sector group lead) have been seeking to provide their project support through commitments to the programme. GOG and DPs have met regularly to engage in constructive dialogue. It is being considered by GOG and DPs how to better focus this dialogue around themes of the TSDP, with the possible creation of sub-sector groups – also allowing for greater inclusion of all stakeholders in the sector.

Under the umbrella of rural development, the donors and Government of Ghana are partners in the three Sector Groups dealing with; (i) Agriculture, (ii) Water and Sanitation, and (iii) Environment and Natural Resources. The functioning of the Agriculture Sector Group has been satisfactory in 2008, with regular monthly meetings and a good level of dialogue with the Government – particularly on the effects of the global surge in food prices. GOG / DP dialogue in the Environment and Natural Resources (ENR) Sector Group was further strengthened in 2008. An Annual Sector Review was conducted and four (4) DPs (WB, DFID, NL and AFD) commenced disbursements in support of the multi-donor NREG sector budget support programme in 2008. Also in this group, GOG and DPs are considering how to better focus dialogue around themes / sub-sectors. Civil Society has started to be included in the dialogue and a further deepening of their engagement may occur in 2009.

Dialogue between GOG and DPs in the within the Water and Sanitation sector is active, with regular meetings being held. In October 2008 a GOG / DP workshop was held, focusing on GOG ownership of the sector. Civil Society is well represented in the dialogue through CONIWAS, the umbrella organisation for NGOS in the water and sanitation sector.



**Ghana: Selected Economic and Financial Indicators, 2005–09**

	2005	2006	2007	2008	2009
			Est.	Proj.	Proj.
	(Annual percentage change; unless otherwise specified)				
<b>National accounts and prices</b>					
Real GDP	5.9	6.4	6.3	6.5	5.8
Real GDP per capita	3.2	3.7	3.6	3.8	3.2
GDP deflator	15.0	12.8	14.4	16.2	10.4
Consumer price index (annual average)	15.1	10.2	10.7	14.3	10.5
Consumer price index (end of period)	14.8	10.9	12.7	13.8	10.5
<b>External sector</b>					
Exports, f.o.b. (percentage change, in US\$)	0.7	33.3	11.7	34.4	5.6
Imports, f.o.b. (percentage change, in US\$)	24.4	26.3	19.4	28.2	7.9
Export volume	-0.9	15.4	-3.6	10.0	6.3
Import volume	14.2	14.4	14.6	10.8	5.6
Terms of trade	-6.8	4.7	11.1	5.6	-2.8
Nominal effective exchange rate (end of period)	7.1	-8.2	-10.8	...	...
Real effective exchange rate (end of period), (depreciation -)	19.8	-1.0	-2.9	...	...
Cedis (new) per U.S. dollar (end of period)	0.91	0.92	0.97	...	...
<b>Money and credit</b>					
Net domestic assets <sup>1</sup>	5.8	13.4	33.3	28.0	18.9
Credit to the private sector (year on year)	50.6	42.7	60.0	38.7	39.1
Broad money (excluding foreign currency deposits)	13.7	39.4	43.5	30.9	22.2
Velocity (GDP/average broad money)	4.3	3.5	3.0	2.8	2.7
Prime rate (Bank of Ghana; percent, end of period) <sup>2</sup>	15.5	12.5	13.5	16.0	...
	(Percent of GDP; unless otherwise specified)				
<b>Investment and saving</b>					
Gross investment	29.9	30.4	33.7	32.7	32.3
Private <sup>3</sup>	17.9	18.0	19.5	18.7	18.5
Central government	12.0	12.4	14.2	14.0	13.8
Gross national saving	22.8	21.4	22.8	19.5	19.7
Private <sup>3</sup>	12.0	13.5	15.1	14.8	15.1
Central government	10.8	7.8	7.7	4.7	4.6
<b>Government operations</b>					
Total revenue	23.8	21.9	22.5	23.0	23.6
Grants	5.2	5.4	6.0	4.9	3.9
Total expenditure	30.7	34.4	37.0	37.7	38.1
Overall balance (including grants)	-3.0	-7.5	-9.1	-10.3	-10.7
Net domestic financing	-1.7	5.0	1.3	5.5	6.9

Total government debt	77.1	41.9	49.8	51.4	56.3
Domestic debt	17.9	24.8	26.1	26.6	29.6
External debt	59.2	17.1	23.7	24.8	26.7
<b>External sector</b>					
Current account balance (including official transfers)	-7.0	-9.0	-10.9	-13.2	-12.6
Current account balance (excluding official transfers)	-12.4	-12.8	-15.1	-16.6	-16.3
NPV of external debt outstanding	19.9	17.8	19.6	19.6	21.0
percent of exports of goods and services	55.1	45.4	49.2	44.9	48.2
Gross international reserves (millions of US\$)	1,951	2,325	2,738	2,474	2,399
months of imports of goods and services	2.8	2.8	2.6	2.2	2.1
Total donor support (millions of US\$)	1,087	979	1,171	1,292	1,283
percent of GDP	10.1	7.7	7.7	7.4	6.8
<b>Memorandum items:</b>					
Nominal GDP (billions of GHc)	9.7	11.7	14.2	17.6	20.5

Sources: Data provided by Ghanaian authorities; and IMF staff estimates and projections.

<sup>1/</sup> Percent of broad money at the beginning of the period.

<sup>2/</sup> As of May 19, 2008

<sup>3/</sup> including public enterprises and errors and omissions.

This table contains the Focus Commitments of the Government of Ghana which were agreed in March 2007. They are largely based on key GoG policy documents, namely the GPRS II and the APRM.

Progress made is summarised in each section in the column 'Suggested Actions'. Additional information is also contained in part 1 of the JAR, Country Performance.

Challenge	Government Commitment	Suggested Actions
<b>Political Democratic Governance</b>		
Strengthen the oversight role and capacity of parliament and other non-executive governance institutions in order to redress the imbalance of power and resources between the executive and the legislature	<ul style="list-style-type: none"> <li>Address lack of resources for governance institutions<sup>4</sup> (Establish relative resource parity between executive and legislative<sup>5</sup>)</li> <li>Effective exercise of oversight function of Parliament<sup>6</sup> and the monitoring of the public purse<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>Implement effective system of funding for non-executive governance institutions,<sup>8</sup> including transparent and predictable funding. Provide resources for Ghana Audit Service and Parliament to strengthen their links as to enhance the legislative scrutiny of external audit reports, follow-up of in-year audit findings, scrutiny of end-of-year government accounts as well as collaboration between these institutions and civil society organisations and the media.</li> <li>Increase budgetary allocation to Parliament as needed, with the view to strengthening the legislative wing of Government.</li> </ul> <p><b>Progress:</b> No progress on implementation of effective funding system, but ongoing political dialogue at sector level. In 2007 Development Partners (DP) conducted a joint review of DP support to the 7 Independent Governance Institutions anchored in the Constitution and DPs are now in the process of coordination and harmonising their support. Budgetary allocation to Parliament increased by 45% in 2009 budget</p>

<sup>4</sup> APRM Objective 4, issue 2. p. 181.

<sup>5</sup> GPS Results Matrix p. 17, item 1, Government strategies and actions

<sup>6</sup> African Peer Review Mechanism (APRM) Country Review and Programme of Action. Ghana. June 2005. Objective 4, issue 1. p. 181.

<sup>7</sup> Ghana Partnership Strategy (GPS) Results Matrix, July 2006 Final, p. 20 "Comply with legal requirements of external auditing".

<sup>8</sup> APRM Objective 4, issue 2 p. 181

<b>Control of Corruption</b>		
Fighting corruption in the public sphere <sup>9</sup>	<ul style="list-style-type: none"> <li>• Coordination of anti-corruption bodies, including monitoring and enforcement<sup>10</sup> (enhancing capacity of existing anti-corruption institutions to effectively carry out their mandates)<sup>11</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the National Governance Institution (NGI) to coordinate the governance institutions and facilitate the rationalization of functions in the fight against corruption,<sup>12</sup> strengthen Attorney's General office and provide resources for courts to deal expeditiously corruption cases<sup>13</sup></li> <li>• Successful convictions of high level corruption and in cases of fraud in government-funded projects. Inform the public on the successes on anti-corruption fight and consult closely with civil society organisations.</li> </ul> <p><b>Progress:</b> Some progress has been made to strengthen the Attorney General's office and especially the Judiciary. The 2007/2008 investigation into cases of fraud in line ministries by the Parliamentary Accounts Committee was widely publicised by the media and added credibility to Ghana's good governance performance.</p>
<b>Government Effectiveness</b>		
More effective decentralised local governance system <sup>14</sup> and Enhancing Decentralisation <sup>15</sup>	<ul style="list-style-type: none"> <li>• Increased number of decentralised MDAs,<sup>16</sup> providing for the ability of MMDAs to better manage human, resources, and to expand composite budgeting.<sup>17</sup> Implementation of the NDAP.<sup>18</sup></li> <li>• Promote election of District Chief Executives<sup>19</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Decentralisation of MDA functions and resources to districts in a fully transparent manner.<sup>20</sup> Focus on financial accountability and capacity of District's Department for Works.</li> <li>• District Development Fund is established with strong financial accountability and transparency, particularly for financial transfers to districts.<sup>21</sup></li> <li>• Timeline for direct election of the District and Municipal Chief Executives.</li> </ul> <p><b>Progress:</b> Some Progress has been made since 2007 on the establishment of the DDF. A joint GoG-DP mission to appraise the DDF and the underlying functional assessment tool (FOAT) was carried out in March 2008. The mission focused on implementation arrangements for the DDF and FOAT, including institutional arrangements, fund management and financing, as well as the timing and implementation of DP financial support. The GoG objective of DDF flows from 1 July 2008 however could not be met. Disbursements into the GOG-DP Joint Account are now expected in 2009. The next FOAT assessment will take place in early 2009.</p>

<sup>9</sup> APRM Objective 6. p. 184.

<sup>10</sup> APRM Objective 6, issue 1, p. 184.

<sup>11</sup> Annex B—List of Government's commitments, governance area 3.

<sup>12</sup> APRM, Recommendations on Objective 7. p. 37.

<sup>13</sup> Annex B—List of Government's commitments, issue 3

<sup>14</sup> APRM Objective 2, issue 2, p. 178

<sup>15</sup> GPS Results Matrix, p. 18, item 2.

<sup>16</sup> APRM Objective 2, issue 2, p. 150

<sup>17</sup> GPS Results Matrix p. 18

<p>Accountable, efficient public office holders and civil servants<sup>22</sup></p>	<ul style="list-style-type: none"> <li>• Improving the public sector framework of transparency, access to information and accountability</li> <li>• Improving voter education <sup>23</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Ministries, Departments and Agencies to prepare Citizens' Charter of service delivery <sup>24</sup> and access to information. Sensitize public on these rights.             <ul style="list-style-type: none"> <li>• Free access to public information through the passage of Freedom of Information Bill<sup>25</sup>;</li> </ul> </li> <li>• Establish clear public complaints mechanisms and guidelines for investigating and resolving complaints<sup>26</sup> at all levels of governments.</li> <li>• Provision of logistical support to governance institutions for voter education.</li> <li>• Support institutions and schemes aimed at empowering civic participation. <sup>27</sup></li> </ul> <p><b>Progress:</b>            No progress has been made on the passage of Freedom of Information Bill, despite ongoing lobbying by an NGO Network.            Voter education was carried out in the run up to the 2008 Presidential and Parliamentary Elections by the relevant bodies, the National Commission on Civic Education and the Electoral Commission. However, the EU Election Observation Mission's preliminary report mentions the ongoing need for improved voter education.</p>
<p><b>Social Governance and Quality of Partnership</b></p>		
<p>Civil society engagement in national dialogue and decision<sup>28</sup></p>	<ul style="list-style-type: none"> <li>• Increased broad based participation in local governance and development.<sup>29</sup> Strengthen the relationship between civil society and District Assemblies. <sup>30</sup> Create opportunities for civil society participation in managing public policy.<sup>31</sup> Strengthen and promote dialogue with civil society organisations through regular interaction<sup>32</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Create institutional fora to promote civil society involvement in public policy formulation and implementation<sup>35</sup></li> <li>• Continue to develop an enabling environment for non-governmental funding of civil society organisations (particularly in rural areas) whose interventions (a) support policy development dialogue with government (b)service provision (c) contribute to a "watchdog" role -including the role of independent media.</li> <li>• Enforce compliance with the provisions of Local Government Act 462</li> </ul>

<sup>18</sup> GPS Results Matrix p. 18

<sup>19</sup> GPS Results Matrix p. 18

<sup>20</sup> Implementation of Decentralisation Action Plan. GPRS Matrix p. 18. (Also MDDBS)

<sup>21</sup> Implementation of the Decentralisation Action Plan. GPS Results Matrix p. 18. (Also MDDBS)

<sup>22</sup> APRM, Objective 5a, issue 2. p. 182

<sup>23</sup> APRM, Objective 2, issue 4, p. 178

<sup>24</sup> APRM Objective 5a, issue 3 p. 182

<sup>25</sup> Annex B-List of Government's commitments, issue 1 (i)

<sup>26</sup> APRM Objective 5a, issue 3 p. 182

<sup>27</sup> GPRS Appendix 11C, Good governance and civic responsibility, p. 133

<sup>28</sup> APRM, Objective 5b. Issue 1. p. 183

<sup>29</sup> APRM, Objective 2, issue 2, p. 178 and "Enhanced citizens' participation in decision making (at local level)", GPRS Matrix, p. 15 and also Issue 9 (i) of Annex B. List of Government's commitments, "to broaden participation of the people in the development process, monitoring and evaluation";

<sup>30</sup> Annex B—List of Government's commitments, issue 9 (ii)

<sup>31</sup> GPS Results Matrix, p. 19. also" Expanded opportunity for feedback on policy implementation", GPRS Matrix, p. 20. "Improve interaction between MPs, chiefs and civil society groups and policy formulation processes", GPS Results matrix, p. 19.

<sup>32</sup> Annex B—List of Government's commitments, issue 9

	<ul style="list-style-type: none"> <li>• Build the capacity of non-state actors to formulate, implement and monitor development policies<sup>33</sup> particularly at local level. Build civil society capacity to monitor public policy<sup>34</sup></li> </ul>	<p>regarding information disclosure and public consultation and carry out and publicise annual Citizen Report Card surveys</p> <ul style="list-style-type: none"> <li>• Establish formal monitoring mechanisms at the regional and district levels including representatives from civil society as to monitor infrastructure projects and provision of public services.</li> </ul> <p><b>Progress:</b> No systematic progress with regards to increased broad based participation of civil society at local and national level. Policy Dialogue with DPs has resulted in more structured forms of dialogue at the annual GoG and DP meetings of the Consultative Group. GoG's commitment to NSA involvement will again be put to the test in connection with the drafting and adoption of the National Development Plan 2009-2015 (GPRS 3) and the National Aid Policy. DPs ongoing programmes to build the demand-side of good governance in order to enhance conditions for social accountability in Ghana have contributed to better relations between NSA and GoG, but more GoG owned formal structures for this dialogue and collaboration are still needed.</p>
<b>International and Regional Context</b>		
<p>Sustainable management of Natural Resources Turn migration into effective contribution to development.</p>	<ul style="list-style-type: none"> <li>• Improved environmental management and governance<sup>36</sup></li> <li>• Be more proactive in using and benefiting from Diasporan resources<sup>37</sup></li> <li>• Commit to a partnership with the EU on the basis of the Joint Africa-EU Declaration on Migration and Development (Tripoli November 2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Explore benefits of EU Forest Law Enforcement, Governance and Trade<sup>38</sup> and Extractive Industries Transparency Initiative.</li> <li>• Prepare and implement short-term action plan on how to engage the resources of the Diaspora in Ghana's development</li> <li>• Take measures to address migration in the 9 key areas of the Tripoli Declaration (with the support of the EU).</li> </ul> <p><b>Progress:</b> FLEGT: GoG signed the Voluntary Partnership Agreement (VPA) under the FLEGT initiative with the EU on 03 September 2008. The VPA is a binding agreement. After three years of negotiations, Ghana is the first country to sign such an agreement with the EU. The Ghanaian agreement sets a good standard for future agreements because it has been developed with reasonable participation of Ghanaian civil society (in part represented through networks) and clearly recognises communities' rights over their land and resources and the need for forest law reform.</p> <p>Migration and Development: Political Dialogue on the basis of the Joint Africa-</p>

<sup>33</sup> Annex B—List of Government's commitments, issue 7 (i)

<sup>34</sup> APRM, Objective 5a , p. 182

<sup>35</sup> APRM Objective 5b, issue 1 p. 182 also GPRM p. 19 Create institutional spaces/opportunities for civil society participation in managing public policy.

<sup>36</sup> GPS Results Matrix, p. 4.

<sup>37</sup> Annex B—List of Government's commitments, issue 8, Migration (iii)

<sup>38</sup> GPS Results Matrix , p. 5.

		<p>EU Declaration continues. It is operationally substantiated by a regional EC funded IOM programme on facilitation of a coherent migration management approach in Ghana, Nigeria, Senegal and Libya which explores the promotion of legal migration and the prevention of further irregular migration.</p>
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## Annexe 3 BUDGET SUPPORT

Criteria	MDG Contract
<p>GBS foreseen in the Country Strategy Paper and the National Indicative Programme</p>	<p>The 10<sup>th</sup> EDF Country Strategy Paper and National Indicative Programme allocate € 175 million for general budget support to be disbursed during the period 2009-2014.</p>
<p>Track Record for the use of General Budget Support</p>	<p>9<sup>th</sup> EDF provided general budget support through 2 programmes: PRBS2 2004-06 (€ 55.2m) and PRBS3 2007-2009 (€ 49m). Budget support is delivered within the Multi-Donors Budget Support framework. Under PRBS2, variable tranches were disbursed for 84%. The first variable tranche for PRBS3 will be assessed and disbursed only in 2009.</p> <p>Under PRBS, eligibility has never been questioned and there have not been considerable delays on the disbursements due to lack of information or to doubts about the fulfilment of the eligibility conditions. There is room for improvement on the scope of dialogue e.g. on PFM or budget issues.</p> <p>Regarding the assessment of indicators for the GoG has always provided relevant information within the time schedule, enabling BS tranches to be paid on time. In 2008, draft APR has been produced in 4 months, the final version within 6 months.</p> <p>The Commission considered previous versions of the PAF not sufficiently result-oriented. This issue has now been solved through new negotiations of the PAF and agreement on a new framework memorandum in May 2008.</p> <p>In general, Ghana has a good track record of implementing EC budget support programmes.</p>
<p><b>GBS eligibility in the form of an MDG-Contract</b></p>	
<p>a) National Policy and Strategy</p>	<p>Ghana's first national Poverty Reduction Strategy (GPRS I) was finalised in 2002 with the aim of generating growth, controlling inflation and increasing expenditure on programmes targeting the poorest and most vulnerable in society.</p> <p>GPRSII was produced by Government in late 2005, building on the achievements of GPRSI and with an overarching goal of raising average per capita income levels to middle-income levels by 2015. This national policy is presently in place and under implementation for the period 2006-2009. The intermediate goals of this strategy are to achieve accelerated and sustained growth, poverty reduction, promotion of gender equality and the protection and empowerment of the vulnerable and excluded within a decentralized democratic environment. This GPRSII is built on three thematic pillars: private sector competitiveness, human resources development and governance in civic responsibility.</p> <p>The Government has drafted a Long-Term Development Plan for the period 2009-2015. This Plan is still under debate but it aims at building on GPRSII achievements and determining policies and resources required for meeting the MDGs and the shift to a middle-income status by 2015. Its</p>



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	<p>approval is foreseen in early 2009, no major change being expected from the new Government to come. The first draft sets the overall objective to achieving middle-income status through a structural change of the economy and notably through agricultural development-led industrialization, with a focus on enhancing the productivity of human capital as the means to generating higher incomes and reducing significantly the incidence of poverty.</p> <p>GBS is being implemented since 2003 within the framework of Multi-Donor Budget Support (MDBS) involving 11 DPs, of which 5 MSs (DK, FR, DE, NL and UK).</p> <p>DPs and GoG operate a multi-annual rolling PAF, the 2 outer years being only indicative. The PAF 2009-2011 with indicators and targets fixed for three years will be negotiated with the new government in the course of the first semester 2009.</p> <p>The currently applicable PAF is PAF 2008-2010 and was approved by GoG and MDBS partners in April 2008 and includes thirty one indicators. Indicators include MDG indicators such as water (3), gender equality (3), education (2) and health (4 + 5), but also non-MDG such as private sector development, energy, public sector reform and PFM.</p> <p>The disbursement schedule of GBS is aligned with the review process of GPRS II and with the budget cycle. The whole process is fully integrated into GoG process, including MoU and shared Aide-Memoire. The annual reviews are organised and chaired by the Ministry of Finance and Economic Planning. Parliamentarians and civil society organisations may be invited as observers.</p>
<p>b) Macroeconomic Policy</p>	<p>Ghana has been experiencing high and increasing levels of growth since 2002 (7.3% in 2008) linked to robust private sector growth. However, this economic dynamism has been accompanied by an increasing fiscal and external current account deficits adding to increased inflation due mainly to the energy and food price crises. Nevertheless, in the medium-term, country prospects seem promising as the increased earnings of traditional exports (cocoa, gold, and timber) on international markets are accompanied by a development of non-traditional exports, as the domestic growth remains robust in sectors such as construction, banking and services and as the country expects to become an oil producer by 2012. Moreover, the external debt relief has increased the financial room for manoeuvre of Ghana, which is now able to issue bonds on international capital markets (USD 750 million in September 2007).</p> <p>GPRS II 2006-09 covers macro-economic policies. The successor strategy should be much longer-term (2015) to coincide with MDGs and Ghana's objective of becoming a middle-income country.</p> <p>PRGF ended in October 2006 (Ghana considered by the IMF in 2006 as a mature stabiliser). Government is expected to conclude a Policy Support Instrument (PSI) with the IMF in 2009 after the elections. In any case, Article IV reviews are held annually.</p>
<p>c) Public Financial Management</p>	<p>A credible and relevant programme to improve PFM is in place and under implementation: PFM Short and Medium-Term Action Plan (SMTAP). This Action Plan is updated regularly. The new update is expected to take place once a new PEFA assessment will be carried out in 2009.</p>

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	<p>Last PEFA was in 2006, next due in 2009 (SMTAP to be fully updated on this basis). GoG intends to conduct PEFA assessments every 3 years.</p> <p>Since 2003, there has been substantial progress in the areas of revenue, procurement, cash management, accounting, internal audit and external control. Others where the Government still faces difficulties are IT systems, payroll management, use of MTEFs, budget preparation and credibility. Whilst the tasks of establishing regulatory frameworks and installing technology are largely completed, implementation and making systems work proves to be a bigger challenge.</p> <p>Dialogue between DPs and GoG is taking place with the aim to evolve towards more attention to results and concrete improvements after the systemic reforms launched since 2003. This dialogue is conducted within the PFM sector group, which involves the Ministry of Finance and Economic Planning, the specialised agencies and the DPs active in this area. Every year, an External Review of PFM is conducted with the view to assessing progress against the PFM SMTAP. EC to co-chair the PFM sector group on DPs' side from July 2008 to June 2009.</p>
<p>Domestic accountability for budgetary process</p>	<p>Auditor General's reports are submitted on time to Parliament and his independence is demonstrated by the fact that he has issued a disclaimer in his Report on 2006 Account. These reports are reviewed and discussed (publicly since 2007) by the Public Account Committee of Parliament.</p> <p>Currently, a legal challenge on the nomination process of the Auditor General has been undertaken by the opposition party before the Supreme Court but a ruling is expected soon and the decision should not undermine the progress achieved in this field recently.</p> <p>APR is presented to Parliament as well.</p> <p>Increased public demand for accountability, notably driven by a free press and think tanks/institutes of good quality.</p>
<p><b>Conclusion</b></p>	<p>Ghana is not expected to breach the eligibility criteria for GBS during the implementation of an MDG Contract. It has a stability-oriented macroeconomic policy under discussion with the IMF, as well as a credible and relevant programme to improve public finance management, including a commitment to further improve domestic accountability for budgetary processes. It also has a well-defined (results-driven) national policy and a new long-term one for the period 2009-2015 which is currently under discussion and will be finalised by the new government, with plans to agree a new full 3-year rolling PAF in 2009 after the general elections of December 2008. On this basis, Ghana is considered eligible to receive GBS in the form of an MDG-Contract</p>

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### PRBS III Profile

<b>Budget before addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	-	38 M€	80.9%
Performance tranche (max.)	-	-	9 M€	9 M€	19.1%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>9 M€</b>	<b>47 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	19.1%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>49 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€). Base Tranche for 2007 and 2008 have been paid.

<b>Budget after addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	6.02 M€	44.02 M€	83.0%
Performance tranche (max.)	-	-	9 M€	9 M€	17.0%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>15.02 M€</b>	<b>53.02 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	28.3%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>55.02 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€).

### MDG-Contract Profile

<i>in M€</i>	2009	2010	2011	2012	2013	2014	Total	%
<b>Base Component</b>	19	22	22	24	24	24	<b>135</b>	77.6% (73.8%)
<b>Annual Performance Tranche (APT)</b>	- (9) <sup>39</sup>	6	6	-	-	-	<b>12</b> <b>(21)</b>	6.9% (11.5%)
<b>MDG-based Tranche</b>	-	-	-	9	9	9	<b>27</b>	15.5% (14.8%)
<b>Total</b>	<b>19</b> <b>(28)</b>	<b>28</b>	<b>28</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>174</b> <b>(183)</b>	100% (100%)
Cumulative Percentage	11% (15%)	27% (31%)	43% (46%)	62% (64%)	81% (82%)	100% (100%)		
<b>Complementary support</b>	<b>Institutional support = 0.9</b>		<b>Audit = 0.05</b>		<b>Evaluation = 0.05</b>		<b>1</b>	

<sup>39</sup> 9th EDF

### GHANA MULTI-DONOR BUDGET SUPPORT AIDE MEMOIRE OF THE 2008 ANNUAL REVIEW

Accra, August 2008

#### I. INTRODUCTION

1. This aide memoire summarises the discussions and conclusions of the 2008 annual review of the Multi-Donor Budget Support (MDBS) programme. The review considered overall progress in implementing the GPRS-2 during the preceding year ('holistic assessment') as well as progress against the specific targets and triggers in the 2007 column of the Progress Assessment Framework (PAF) for 2007–09.

2. The review was conducted jointly by the Government of Ghana and the MDBS development partners. It was chaired by the Honourable Minister of State for Finance and Economic Planning, Dr. Anthony Akoto Osei, and the Chief Director of the Ministry of Finance and Economic Planning (MoFEP), Nana Juaben-Boaten Siriboe. The review was organised by Mrs. Veronica Sackey and the MDBS Secretariat in MoFEP. Several Ministers, Deputy Ministers, Chief Directors and other senior officials of the Government of Ghana participated in the various sectoral sessions.

3. Development partners were represented by the MDBS Co-Chairs Joachim Schmitt (German Embassy), Daniel Boakye (World Bank) and Christian Rogg (DFID; Vice Co-Chair). Representatives from the eleven MDBS development partners participated in the review: African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, the Netherlands, Switzerland, the United Kingdom and the World Bank.<sup>1</sup> Observers included colleagues from UNDP, UNICEF and USAID.

4. The main meetings of the review took place in Accra during the week of 19 May 2008, with follow-up meetings in June and July. In response to a request from Government to extend the timeframe for two triggers on public financial management, which were not met by May, all MDBS development partners participating in the review agreed to a reassessment of these two triggers. This took place on 14 August 2008. This aide memoire covers the entire review. At the time of agreeing the reassessment, DPs indicated that it would be preferable to maintain only one annual review in order to minimise transaction costs.<sup>2</sup>

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<sup>1</sup>Note that World Bank PRSC disbursements are not linked to the review of PAF 2007.

<sup>2</sup>DPs agreed to a reassessment this year as it was not possible to measure progress against one of the unmet triggers (procurement) at the time of the May review and there was a clear indication that significant progress could be expected within a short timeframe against the other one (payroll).

5. At the opening of the review on 19 May 2008, the Government of Ghana and the eleven MDBS development partners signed a new Framework Memorandum. This replaces the earlier one (dated 2003) as well as the Technical Annex 2006–08. The Framework Memorandum contains the objectives and underlying principles of MDBS and lays out the annual cycle of activities as well as the responsibilities of the parties involved.

6. The remainder of this aide memoire is structured as follows. Section II summarises overall progress as discussed during the review (the 'holistic assessment'). Section III contains the main messages from the sectoral sessions as well as progress against the ten disbursement triggers. Section IV concludes by providing disbursement forecasts for 2009 and indicative allocations for 2010 and 2011.

### II. REVIEW OF OVERALL PROGRESS

7. The 2008 MDBS review marked the second year in which a holistic assessment was conducted (following last year's pilot approach). Its purpose is to look beyond individual sectoral indicators to gain a broader understanding of overall progress. The holistic assessment informs the disbursement decision with regard to the MDBS base component (for those DPs that operate two components).

8. The review benefited from presentations by the National Development Planning Commission (NDPC) on the 2007 Annual Progress Report (APR) on Ghana's Growth and Poverty Reduction Strategy (GPRS-2) and by the Secretariat of the African Peer Review Mechanism on its 2007 progress report. Development partners welcomed the fact that NDPC made the APR available prior to the review, which allowed for a much richer discussion on overall progress than in previous years.

9. The review concluded that there had been good overall progress in the implementation of GPRS-2 over the previous year. This was evidenced by: the positive overall picture presented by NDPC's Annual Progress Report for 2007; the good progress against the MDBS PAF for 2007, with the majority of targets and triggers having been achieved; the positive overall feedback provided by the fourteen sector groups; and the feedback from the IMF's Staff Report on the 2008 Article IV Consultation. See the background documentation for further details.

10. MDBS DPs share the conclusions of the recent IMF Executive Board discussions on the Article IV consultations, which stated that: 'Directors noted Ghana's continued strong growth performance and particularly the dynamism of the private sector. They noted the earlier gains in macroeconomic stabilization and debt reduction as well as the structural reforms since the early 2000s that have underpinned this favourable economic performance, and built a strong foundation for achieving Ghana's goals of accelerating progress towards achieving the Millennium Development Goals and attaining middle-income status within a decade. At the same time, Directors noted that since 2007 the fiscal expansion along with strong private sector demand growth, combined with the recent oil and food price shocks, have led to high fiscal and external current account deficits, rising inflation, and a

weakening of the international reserve position. Directors noted that the risks associated with these developments could jeopardise Ghana's significant and hard-earned achievements earlier in the decade.<sup>3</sup> In this context, MDDBS DPs acknowledged the essential contribution of the IMF to the overall MDDBS programme.

11. As regards individual sectors, the review found that progress was uneven. The next section highlights some of the areas of concern that were discussed during the sectoral sessions. In summary, the review concluded that the holistic assessment was positive, and MDDBS DPs confirmed the release of the base component for 2009, subject to the final decision being taken by their respective headquarters (see Section IV for further details).

12. The MDDBS Framework Memorandum indicates that sound public financial management systems are an underlying principle for the provision of general budget support. It also stipulates that the MDDBS dialogue should encompass the findings from Ghana Audit Service's annual report on the GoG accounts. Based on the letter received from the Honourable Minister of State for Finance and Economic Planning on 4 June 2008 and a discussion with the Minister of State, we understand that a formal discussion on the 2006 accounts is currently not possible as there is a pending court case regarding the status of the Auditor General. As indicated in the Co-Chairs' letter of 18 June 2008, DPs expressed concerns about these developments but agreed to await the outcome of the court case. DPs also called for an early solution to this impasse as further delays in officially publishing the report on the public accounts and discussing it with MDDBS DPs could have implications for future MDDBS disbursements. We agreed that this issue would be subject to further dialogue as new information becomes available. On a related note, we suggest a meeting this autumn between MoFEP, GAS and DPs on the findings of the audit of selected flows that has been conducted under the auspices of MDDBS as soon as the results are available.<sup>3</sup>

### III. MAIN MESSAGES FROM SECTOR MEETINGS

13. This section briefly summarises the discussion in each of the sectoral sessions that formed the main part of the annual MDDBS review. The main points were already shared with MoFEP in the letter of MDDBS Co-Chairs to the Honourable Minister of State on 18 June 2008. In addition, this section summarises progress against the PAF targets and, in greater detail, against the ten disbursement triggers. More information is provided in the background documentation, which contains a detailed progress report from each of the fourteen sector groups. Finally, the section on the two triggers in the area of public financial management discusses progress at the time of the main review (May) and at the time of the reassessment (August).

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<sup>3</sup> The audit of selected flows 2006/2007 covers the Ministry of Water Resources Works and Housing and departments under it; operations of the Customs, Excise & Preventive Service (CEPS); and 20 Metropolitan, Municipal and District Assemblies (MMDAs).

### Private Sector Development

14. Developments in the area of private sector development (PSD) are encouraging. There seems to be a good and strengthened dialogue between all stakeholders, further measures were undertaken related to trade facilitation, and the success on the ground is also reflected by the improving Ease of Doing Business indicators (even though from a 'low' position). We agreed to jointly work further to mainstream the PSDS related pool into the national budget for 2009 and have a closer look at market integration of informal sector activities, particularly at the decentralized level.

15. The review assessed progress against one PAF target on private sector development (implementation of at least three of five activities in the 2007 work plan of the Private Sector Development Strategy). The review concluded that the target was met.

### Energy

16. The power sector was severely weakened during 2006-07 due to recourse to high-cost thermal generation while tariffs were not adjusted concomitantly. The government took corrective action and sharply raised electricity tariffs for all customer categories in November 2007. However, crude oil prices have continued to rise and gas deliveries from Nigeria through the West Africa gas pipeline have been delayed. Consequently, a further increase to non-residential consumers has been agreed, particularly for the mining sector. We understand that this is expected to eliminate the indirect subsidies to mining that the current tariffs represent.

17. A financial recovery plan for the power sector is required to restore it to full viability. MoFEP is in the process of recruiting consultants to assist in preparing this plan, the recommendations of which are expected to receive Cabinet endorsement by end 2008. It is expected that under the ongoing GEDAP operation (World Bank and Switzerland) the electricity distribution utility, ECG, will improve its operational performance, which should then result in lower energy losses and better revenue collection.

18. The review assessed progress against three targets in the energy sector, of which two were fully met (PURC's review and gazetting of new tariffs; and efforts to set up a secondary gas market) while one was partially met (energy policy and Electricity Transmission Utility). The review also considered the following disbursement trigger:

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Trigger	Conclusion of review
<ul style="list-style-type: none"> <li>• Part 1: Restate the Government's public commitment to move to full cost recovery tariffs within an agreed timeline; and</li>   <li>• Part 2: Redesign the electricity bill to reflect to each customer: the total payment obligation due based on the PURC approved tariff; the portion of the total payment obligation that is earmarked as subsidy payment due from Government to VRA and ECG; and the net payment obligation of each customer.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Trigger met</b> (part 1). The 2008 budget statement recalls (§ 228) the objective of 'the rationalization of prices in the utilities sectors to ensure full cost recovery'. The PURC press release (19 October) refers to a 'road map towards the attainment of full cost recovery tariffs'. The letter of sector policy (May 2007) and other official addresses and statements also mention the necessity to move to full cost recovery tariffs. However, the objective is difficult to achieve since the power generating cost is increasing continuously because of the evolution of international crude oil prices and the increasing portion of thermal generation in the energy mix. The commitment to cost recovery has been pursued through passing on higher PURC-approved tariffs to end users (e.g. in November 2007 for all customers and again in July 2008 for high-voltage commercial customers).</li>   <li>• <b>Trigger met</b> (part 2). This trigger had been defined following GoG's decision not to pass on to consumers the September 2006 PURC approved tariffs, and to cover the difference through subsidies to the utility companies; electricity bills were not redesigned to reflect this difference. On 1 November 2007, adjusted new tariffs as approved by PURC in October 2007 were passed on to end users. However, GoG decided to fix a ceiling for the lifeline tariffs and to subsidise the difference between PURC approved lifeline tariff and actual lifeline tariff as paid by the consumer. The Ministry of Energy provided a sample of a March 2008 electricity bill for a customer charged under the lifeline tariff, indicating "total due this month" / "Govt subsidy" / "net charge".</li> </ul>

### Agriculture

19. In the agricultural sector, further work has been done to revise FASDEP (currently awaiting Cabinet approval), to strengthen the M&E system and reporting within MOFA, to improve the budgetary process, and to strengthen GoG-DP



relations. Further challenges were highlighted with respect to agricultural financing, drawing lessons from the ongoing Public Expenditure and Institutional Review. An area of particular concern for DPs is the allocation of resources to the sector, and the efficiency in the use of these resources.

20. The review assessed progress against one PAF target on agriculture (monitoring and evaluation framework in the Ministry of Food and Agriculture). The review concluded that the target was met.

### **Natural Resources Management and Environment**

21. Major steps have been taken to implement sector reforms aimed at a substantial contribution of the environment and natural resources sector to Ghana's Growth and Poverty Reduction Strategy (GPRS-2). These actions include: (i) the agreement on the Natural Resource and Environmental Governance (NREG) sector budget support; (ii) approval of the financial framework for the Forestry Commission; (iii) engagement in the preparatory work towards the Voluntary Partnership Agreement (VPA); and (iv) progress in conducting Environmental Impact Assessments (EIAs), Strategic Environmental Assessments (SEAs) as well as work on climate change.

22. However, the APR emphasises the increasing costs of environmental degradation (while a reduction was expected), and both GoG and DPs recognise the need for rapid actions and reforms. Also, improving the revenue collection in forestry and mining will need continuous attention.

23. The review assessed progress against one PAF target on natural resource management (policy and financing framework for the Forestry Commission) and one PAF target on environment (follow-up to strategic environmental surveys). The review concluded that both targets were met.

### **Education**

24. Over the past few years, good progress has been made towards achieving the education related MDGs (2&3). The sector made significant progress with respect to overall access to primary enrolment (GER; 90%), while reducing disparities in net enrolment between deprived and non-deprived areas and by gender. The gender parity index increased considerably, even though it was a percentage below the expected target of 0.97% by the end of 2007. It is also noteworthy that while the implementation of the new educational reforms has entailed some expansion of the coverage of the education budget to include post-basic education, ICT and Technical and Vocational Education and Training (TVET), the share of public expenditures for the primary sector increased to around 35.2 percent.

25. The quality of education however remains a challenge, especially for pupils in lower primary (P3). This is probably as a result of higher enrolments in recent times. There is a need to analyze the determining factors and identify the measures to

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improve learning achievement. While the education sector's budget is largely dominated by personnel emoluments (about 90%), it is compounded with the challenge of ensuring equitable regional deployment of teachers. Lastly the recent floods in the North also highlight the challenges that the governmental agencies at various levels face in assuring adequate education services: both district-level and central authorities needed to intensively engage in developing a fast response to the emergency situation to assure that education services are re-established after the floods destroyed over 200 schools.

26. The review assessed progress against four targets in the education sector, of which one was fully met (primary education spending), two were partially met (gender parity index; and annual testing in schools) and one was not met (TVET programme). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
<p>Reduce disparities in enrolment ratios and efficiency indicators between deprived districts and national averages by better targeting of resources; targets:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 57% PTR: 38:1</li> <li>• <u>National averages</u> NER (primary): 75.5% PTR: 35:1</li> </ul>	<p><b>Trigger met.</b> MoESS reports and additional analysis of figures for deprived and non-deprived districts confirmed that the target has been achieved; actuals:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 78% PTR: 36:1</li> <li>• <u>National averages</u> NER (primary): 83.3% PTR: 34:1</li> </ul>

### Health

27. The basket of indicators documented good overall progress in the health sector, with six of the seven indicators showing improvements in 2007. A key issue of discussion was the one indicator that worsened: supervised maternal deliveries fell from 44% in 2006 to 35% in 2007. The (health sector) review discussed the worsening of indicators related to maternal health. DPs welcomed the recent declaration by the Minister of Health that maternal mortality is "a national emergency", the establishment of a task team for the reduction of maternal mortality and the decision to exempt pregnant women from National Health Insurance Scheme (NHIS) fees. It will be important to include in the 2009 budget measures to initiate the improvements in maternal health, such as the HIRD activities related to MDG-5, including family planning, and to make provisions for this in the funding allocations.

28. The roll-out of the NHIS, a core strategy in the health sector, continued in 2007 with impressive progress in registering people in the scheme and issuing NHIS cards (42% of the population were issued with ID cards by the end of 2007). The decoupling of children from parents' subscription is also welcomed, but there are remaining challenges to enrol the poorest and most vulnerable groups in the NHIS. The discussions during the review also covered resources and inputs in the health sector, as the NHIS funding is expected to replace out-of-pocket payments and to

## Annexe 3 BUDGET SUPPORT

complement the MOH/GoG budget allocations. MoH presented figures on staffing (impressive 15% increase in health staff postings to deprived regions with more attention required for levels of vacancies) and expenditure on item 3 (overall increase, largely because of higher NHIF funding, accompanied by an increase in the budget execution rate).<sup>4</sup> There is continued concern that item 3 spending could again be crowded out by increases in item 1, thereby limiting the paradigm shift to disease prevention and health promotion rather than an orientation towards curative care. The prolonged debate about the spending figures points to challenges regarding PFM, budget execution and monitoring in the sector. The change in the baselines used to measure funding under item 3 (see assessment of trigger below) illustrates these challenges.

29. The review assessed progress against one target in the health sector (increasing the number of staff posted to deprived districts), which was achieved, as well as two sub-targets (district-level HIV spending; and claims settles under NHIS), of which the former was achieved and the latter was not measurable. The review also considered the following three disbursement triggers:

Trigger	Conclusion of review
More than 50% of the indicators in the basket of indicators for measuring sector performance improve in comparison with 2006	<b>Trigger met.</b> Six out of seven indicators in the basket (representing 87%) showed improvement over the 2006 performance. Supervised delivery experienced a decline during the period
Increase health spending (FY 2007) which leads to accelerated progress toward the MDGs by increasing in real terms GoG expenditure on item 3 of the health budget (services) with an improved execution rate on item 3	<b>Trigger met.</b> <sup>1</sup> In 2006, GH¢ 89.81 million were disbursed out of a total allocation of GH¢ 101.48 million; budget execution was 89%. For 2007, Item 3 disbursed GH¢ 152.21 million. This represents an increase in real terms over the 2006 disbursement; budget execution for 2007 was 110%. Note that a change in the baselines (inclusion of the two further NHIF components 'subsidies to schemes – exempt group' and 'subsidies to distressed schemes – reinsurance') was decided during the Health Review 2007, which was held after PAF 2007 had been finalised; these figures were therefore not reflected in the PAF.
National Health Insurance Scheme becomes increasingly effective: 36% of population, including the indigents and other exempt categories, are issued with ID cards	<b>Trigger met.</b> By the end of 2007, 55% of the population were registered for the NHIS. 8,203,855 people, representing 42% of the population, had been issued with NHIS ID cards

<sup>4</sup> Item 1 refers to personal emoluments while item 3 constitutes services.

### Social Protection

30. Aside from National Youth Employment programme, the review concentrated on the Livelihoods Empowerment Against Poverty (LEAP) programme. Impressive progress has been made over the last year in launching and rolling out the LEAP programme. However, there are some question marks over the speed of expansion. The earlier target for 2008 was 7000 households to be covered by end of the year (target in PAF 2008-10). During the review, MoMYE indicated that LEAP is being extended to an additional 28,000 households by year end, while Government indicated in other fora that over 50,000 households would be covered. The increasing speed of extending coverage raises the issue of financial sustainability as the money for some of the additional households will be short-term DP funding. Hence, it is important to ensure that money is set aside in the 2009 budget to maintain these households on LEAP. Also, it will be important to ensure that capacity of the implementing units (Department of Social Welfare) is strengthened as the LEAP programme expands (an area DPs have agreed to support) in order to ensure that the quality of the programme does not suffer.

31. The review assessed progress against two PAF targets, one on social protection (roll out of the Livelihoods Empowerment Against Poverty (LEAP) programme), which was met, and one on employment (job creation for vulnerable groups), which was partially met.

### Water and Sanitation

32. Key developments over the last year include Cabinet approval of the national water policy and its launch earlier this year. There has also been good progress in extending the coverage of water supply to rural areas from 53% to 55%. However, significant concerns arose during the review about prospects for the water sector in general. There is uncertainty over the strategic investment plans, with neither the rural nor the urban strategic investment plan having been agreed. There is also a concern that rural water is highly dependent on DP money – almost all rural water investments are funded by DPs. Finally, the review learned that staff in the Water Directorate are paid through DP funding, which will end in a few months. DPs in the sector are now working on a SWAP, which will require a clear steer from Government. There is a real need to discuss these challenges soon, and DPs would like to take up the proposal made during the review that there should be a follow-up discussion between MWWH, MoFEP and DPs on the future strategy of the water sector.

33. The review assessed progress against one target on sanitation (setting up of sound sanitation monitoring system) and concluded that it was partially met. The review also considered the following disbursement trigger:

Trigger	Conclusion of review
55% access to safe water in rural communities and small towns	<b>Trigger met.</b> CWSA figures show that the coverage in 2007 was 54.86%, i.e. slightly below target. However, there had been revisions to the figures (agreed prior to the review), which changed the baseline as well as the target. The revised target for 2007 is 53.74%, which was achieved. No matter which measure is used, Government achieved about a 2% increase in coverage.

**Good Governance**

34. In the area of good governance, DPs recognized the progress made in the domestication of international anticorruption conventions, better documentation of existing laws and the manual for the public service to be able to apply the laws in practice. DPs believe that further specification is necessary for costs and timelines, and eventually budgeting for the Anti-Corruption Action Plan as well as strengthening the Serious Fraud Office. The Economic Crimes Bill, currently discussed within Government, is an important step in this direction and DPs would welcome if the Bill could be tabled in Parliament (and passed) before the end of this year.

35. With respect to the implementation of the Domestic Violence Act, DPs welcome the publication of a costed national plan and hope to see this reflected in MDAs' budget requests and allocations for 2009.

36. The review assessed progress against three PAF targets in the area of good governance. It concluded that two targets were met (review of legislative framework on corruption; and implementation of Domestic Violence Act) and that some limited progress had been made against the third target (review and strengthening of Serious Fraud Office).

**Decentralisation**

37. With respect to the decentralization process, DPs recognize significant progress in certain areas of the decentralisation agenda especially with respect to the implementation of the DDF/FOAT initiative, Cabinet approval of the Intergovernmental Fiscal Framework and Action Plan, and progress on the adoption of a Legal Instrument to set the frame for the Local Government Service, which is expected to be presented to Parliament soon.

38. DPs are however concerned about the lack of political guidance on the overall GoG decentralization strategy with the draft decentralization policy not yet approved by Cabinet. The pending decentralization policy and implementation plan has delayed the decision to establish an Interministerial Coordination Committee, an important step towards strengthening the inter-institutional coordination between

GoG stakeholders, which DPs see as a major weakness in the sector. A key actor in this process, the LGSS, requires significant input of skills, experience and resources to establish the systems and mechanisms to carry out its mandate, and to improve communication and dialogue with all MDAs and MMDAs.

39. The review assessed progress against three targets in the area of decentralisation, of which one target was met (establishment of District Development Fund), one was partially met (Local Government Service) and one had seen some limited progress (implementation of decentralisation policy). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
Development of an intergovernmental fiscal framework to be endorsed by Cabinet	<b>Trigger met.</b> The framework was approved by Cabinet during the review (Memo of 3 June 2008 signed by Secretary to Cabinet).

**Public Sector Reform**

40. While progress in the implementation of public sector reforms has been broadly satisfactory, there are still a number of uncompleted actions. The training of senior civil servants and the pursuit of pension reforms have been successfully carried out. On the other hand, Government could not fully complete actions on; (i) the development of an HR data base for the civil service; (ii) the dissemination and enforcement of a new performance management process; and (iii) the establishment of a new pay spine. Government expects to continue pursuing public sector reforms despite the challenging environment of the 2008 elections.

41. The review assessed progress against one target in the area of public sector reform (reform of public sector pay and pensions), which was partially met. The review also considered the following disbursement trigger.

Trigger	Conclusion of review
Satisfactory implementation of 2007 PSR work plan (achievement of at least half the indicators), incl.: Office of the Head of Civil Service: maintains an accurate HR data for centralised recruitment/postings/transfers; provides significantly improved in-house training for civil servants; improves performance management through dissemination and enforcement of new performance management process	<b>Trigger met.</b> 26 of the 48 indicators were achieved (54%).

### Public Financial Management

42. The review concluded that there had been mixed progress in the area of public financial management (PFM), when considering the five targets in the PAF. While there was good progress in some areas, the targets in the PAF were either only partially met (internal audit, revenue) or not met (BPEMS, payroll and procurement).

43. The two disbursement triggers on payroll and procurement were considered not met at the time of the review in May. On payroll, DPs noted at the time of the May review that the headcount was carried out and that corrective measures had been taken afterwards to clean the IPPD2 payroll, but that the reconciliation exercise had not yet been completed. As regards the implementation of IPPD2 in subvented agencies, the software had been rolled out to 35 of 114 agencies to date (i.e. the target of 50% had not been achieved). On procurement, DPs noted with surprise that the PPME survey had not been carried out on schedule, given that procurement had been a success area in the past and the survey had been completed on time in previous years. Following a request from Government to extend the timeframe for implementing these two sets of activities, a reassessment was carried out in mid August. This concluded that both triggers were met. It was agreed to strengthen the dialogue within the PFM sector group to follow up on both issues and to get clarity on the indicators used in this context.

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Trigger	Conclusion of review
<p>Action taken to deepen payroll management and control by:</p> <ul style="list-style-type: none"> <li>• Integrating 50% of subvented agencies onto the iPPD2</li> <li>• Conducting headcount of Government payroll to effectively reconcile the iPPD2 payroll and the establishment list to determine the accuracy, reliability and transparency of payroll management processes</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 35 out of 114 subvented agencies (31%), with 25 further agencies loaded but not yet integrated (22%)</li> <li>• The main payroll headcount had been conducted and completed, but the follow-up actions ('mop-up exercises') had only been completed for Greater Accra and not in the remaining nine regions.</li> </ul> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 63 out of 114 subvented agencies (55%)</li> <li>• The follow-up visits to all ten regions had been completed. In total, the headcount covered 455,000 staff, of which 2,350 (0.5%) were deleted and 1,758 (0.4%) were temporarily blocked. CAGD expects monthly savings of GHC 622,000.</li> </ul>
<p>Continue to ensure provisions of the Public Procurement Act are fully implemented and applied, using PPB's PPME assessment tool, covering 500 procurement entities. Improvement in the following areas:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices (NCT &amp; ICTs) from 50% to 70%</li> <li>• Publication of award of contracts from 50% to 70%</li> <li>• Use of appropriate procurement methods: 70%</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b> The PPME survey had not yet been carried out.</p> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b> The PPME survey was completed, covering 515 entities with the following results:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices: 92.5%</li> <li>• Publication of award of contracts: 71.1%</li> <li>• Use of appropriate procurement methods: 90.35%</li> </ul>

### Monitoring and Evaluation

44. Monitoring and evaluation (M&E) has once more been an area of concern, with implications for practically all sectors. DPs recognize progress with respect to the quality and depth of the APR. Despite this, there is still a lack of a consistent and comprehensive database which is used by all MDAs and all DPs. There is an urgent need to improve the process of collection, quality control and analysis of routine data nationwide, in sectors and on district level.

45. In this respect, the swift finalization and adoption by GoG of the National Statistical Development Strategy (NSDS), under preparation by the Ghana Statistical



Service (GSS) and presented in draft version in July 2008, and its related corporate plans (notably for GSS) would constitute a major breakthrough to define the capacity needs of the various stakeholders and mobilise the funds already made available by DPs.

46. The review assessed progress against one PAF target (implementation of the GPRS-2 M&E plan), which was partially achieved.

#### IV. SUMMARY AND DISBURSEMENT FORECASTS

47. The review concluded that the holistic assessment was positive, leading to the disbursement of the base component in 2009 (for all DPs that operate a base component and subject to confirmation from headquarters). As communicated earlier, the share of the base component in the total MDBS allocation varies across DPs as follows: 80% for Canada, Japan, the Netherlands and the United Kingdom; and 50% for Denmark, Germany, France and Switzerland. In the case of the European Commission, the share of the base component will vary over the next few years in the range of 70-80%.<sup>5</sup>

48. The review evaluated progress against the ten triggers in the 2007 column of the PAF for 2007-09. The main review in May reached consensus that the following eight triggers had been met: energy, education, three triggers in health, water, decentralisation and public sector reform. There was also agreement that the two PFM triggers had not been met. Following a request from the Government of Ghana for an extension, progress against these two triggers was reviewed in a meeting on 14 August 2008. This concluded that both triggers were met. In summary, all DPs that operate a performance component concluded that all ten triggers have been met.

49. The following table summarises the planned disbursements for 2009 and provides indicative amounts for 2010 and 2011.

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<sup>5</sup> 2009 will represent a transition year between the 9<sup>th</sup> EDF (PRBS 3) and the 10<sup>th</sup> EDF programmes. The performance component will be provided under the PRBS 3 (ongoing) and the base component under the 10<sup>th</sup> EDF programme (under approval).

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MDBS – foreseen disbursements for budget years 2009–11 <sup>6</sup>				
DP	2009 Anticipated Disbursement	2009 Anticipated Withholding	2010 Indicative Allocation	2011 Indicative Allocation
AFD <sup>7</sup>	€ 18.2 m	---	€ 17.0 m	€ 17.0 m
AFDB	UA 30.0 m	---	UA 30.0 m	UA 33.3 m
CIDA <sup>8</sup>	Cdn\$ 20.0 m	---	Cdn\$ 20.0 m	Cdn\$ 20.0 m
DANIDA <sup>9</sup>	DKK 70.0 m	---	DKK 70.0 m	DKK 70.0 m
DFID <sup>10</sup>	£ 50.0 m	---	£ 50.0 m	£ 50.0 m
EC <sup>11</sup>	€ 28.0 m	---	€ 28.0 m	€ 28.0 m
Germany <sup>12</sup>	€ 10.0 m	---	€ 10.0 m	€ 10.0 m
Japan <sup>13</sup>	JPY 350.0 m	---	JPY 350.0 m	JPY 350.0 m
Netherlands <sup>14</sup>	€ 25.0 m	---	€ 25.0 m	€ 25.0 m
Switzerland <sup>15</sup>	CHF 9.0 m	---	CHF 9.0 m	CHF 9.0 m
World Bank	US\$ 100.0 m	---	US\$ 100.0 m	US\$ 100.0 m

<sup>6</sup> The figures for 2009 are subject to confirmation and approval from the agencies' respective headquarters. The amounts are rounded up/down. The figures for 2010 and 2011 are indicative and should not be interpreted as commitments.

<sup>7</sup> Out of these yearly indicative amounts for 2010 and 2011, 10 million Euro per year are subject to the approval by AFD and the signing of a new loan agreement with the Ministry of Finance, which would be the renewal of the agreement signed in 2006 covering years 2007 to 2009. Discussion for the renewal of this agreement will have to take place in 2009.

<sup>8</sup> Annual allocations are subject to the imminent signing of a new Contribution Arrangement by Government of Ghana and CIDA based on a new GBS programme. Assuming that triggers and general conditions are appropriate, the minimum annual disbursement will be \$20 million and the maximum will be \$30 million (the amounts as yet to be decided).

<sup>9</sup> The final decision will be based on an overall assessment of DANIDA's general criteria for provision of GBS, such as the situation at the time of the intended disbursement regarding publication of the Public Accounts.

<sup>10</sup> Allocations for all three years are subject to the approval of a new financing agreement, but the allocation for 2009 is confirmed. The allocations for 2010 and 2011 are purely indicative at this stage.

<sup>11</sup> Subject to the approval of the 10<sup>th</sup> EDF programme (expected by the end of 2008).

<sup>12</sup> Indicative figures for 2010-2011. Allocations for MDBS in 2010/11 are subject to the Government negotiations between Ghana and Germany in 2009.

<sup>13</sup> Allocation for 2009 is indicative and subject to approval of Government of Japan. Current level of allocation is foreseen only for the term of GPRS-2 and level of allocation for 2010/11 is purely speculative at this point.

<sup>14</sup> Allocations for 2009 - 2012 are subject to the signing of a new financing agreement in 2008.

<sup>15</sup> Switzerland: indicative allocations 2009-2011: Presently a GBS agreement is in force between Ghana and Switzerland 2006-2008. A new agreement is anticipated to be signed in 2008 for the period 2009-2011.

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Criteria	MDG Contract
<p>GBS foreseen in the Country Strategy Paper and the National Indicative Programme</p>	<p>The 10<sup>th</sup> EDF Country Strategy Paper and National Indicative Programme allocate € 175 million for general budget support to be disbursed during the period 2009-2014.</p>
<p>Track Record for the use of General Budget Support</p>	<p>9<sup>th</sup> EDF provided general budget support through 2 programmes: PRBS2 2004-06 (€ 55.2m) and PRBS3 2007-2009 (€ 49m). Budget support is delivered within the Multi-Donors Budget Support framework. Under PRBS2, variable tranches were disbursed for 84%. The first variable tranche for PRBS3 will be assessed and disbursed only in 2009.</p> <p>Under PRBS, eligibility has never been questioned and there have not been considerable delays on the disbursements due to lack of information or to doubts about the fulfilment of the eligibility conditions. There is room for improvement on the scope of dialogue e.g. on PFM or budget issues.</p> <p>Regarding the assessment of indicators for the GoG has always provided relevant information within the time schedule, enabling BS tranches to be paid on time. In 2008, draft APR has been produced in 4 months, the final version within 6 months.</p> <p>The Commission considered previous versions of the PAF not sufficiently result-oriented. This issue has now been solved through new negotiations of the PAF and agreement on a new framework memorandum in May 2008.</p> <p>In general, Ghana has a good track record of implementing EC budget support programmes.</p>
<p><b>GBS eligibility in the form of an MDG-Contract</b></p>	
<p>a) National Policy and Strategy</p>	<p>Ghana's first national Poverty Reduction Strategy (GPRS I) was finalised in 2002 with the aim of generating growth, controlling inflation and increasing expenditure on programmes targeting the poorest and most vulnerable in society.</p> <p>GPRSII was produced by Government in late 2005, building on the achievements of GPRSI and with an overarching goal of raising average per capita income levels to middle-income levels by 2015. This national policy is presently in place and under implementation for the period 2006-2009. The intermediate goals of this strategy are to achieve accelerated and sustained growth, poverty reduction, promotion of gender equality and the protection and empowerment of the vulnerable and excluded within a decentralized democratic environment. This GPRSII is built on three thematic pillars: private sector competitiveness, human resources development and governance in civic responsibility.</p> <p>The Government has drafted a Long-Term Development Plan for the period 2009-2015. This Plan is still under debate but it aims at building on GPRSII achievements and determining policies and resources required for meeting the MDGs and the shift to a middle-income status by 2015. Its</p>

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	<p>approval is foreseen in early 2009, no major change being expected from the new Government to come. The first draft sets the overall objective to achieving middle-income status through a structural change of the economy and notably through agricultural development-led industrialization, with a focus on enhancing the productivity of human capital as the means to generating higher incomes and reducing significantly the incidence of poverty.</p> <p>GBS is being implemented since 2003 within the framework of Multi-Donor Budget Support (MDBS) involving 11 DPs, of which 5 MSs (DK, FR, DE, NL and UK).</p> <p>DPs and GoG operate a multi-annual rolling PAF, the 2 outer years being only indicative. The PAF 2009-2011 with indicators and targets fixed for three years will be negotiated with the new government in the course of the first semester 2009.</p> <p>The currently applicable PAF is PAF 2008-2010 and was approved by GoG and MDBS partners in April 2008 and includes thirty one indicators. Indicators include MDG indicators such as water (3), gender equality (3), education (2) and health (4 + 5), but also non-MDG such as private sector development, energy, public sector reform and PFM.</p> <p>The disbursement schedule of GBS is aligned with the review process of GPRS II and with the budget cycle. The whole process is fully integrated into GoG process, including MoU and shared Aide-Memoire. The annual reviews are organised and chaired by the Ministry of Finance and Economic Planning. Parliamentarians and civil society organisations may be invited as observers.</p>
<p>b) Macroeconomic Policy</p>	<p>Ghana has been experiencing high and increasing levels of growth since 2002 (6.4% in 2007) linked to robust private sector growth. However, this economic dynamism has been accompanied by an increasing fiscal and external current account deficits adding to increased inflation due mainly to the energy and food price crises. Nevertheless, in the medium-term, country prospects seem promising as the increased earnings of traditional exports (cocoa, gold, and timber) on international markets are accompanied by a development of non-traditional exports, as the domestic growth remains robust in sectors such as construction, banking and services and as the country expects to become an oil producer by 2012. Moreover, the external debt relief has increased the financial room for manoeuvre of Ghana, which is now able to issue bonds on international capital markets (USD 750 million in September 2007).</p> <p>GPRS II 2006-09 covers macro-economic policies. The successor strategy should be much longer-term (2015) to coincide with MDGs and Ghana's objective of becoming a middle-income country.</p> <p>PRGF ended in October 2006 (Ghana considered by the IMF in 2006 as a mature stabiliser). Government is expected to conclude a Policy Support Instrument (PSI) with the IMF in 2009 after the elections. In any case, Article IV reviews are held annually.</p>
<p>c) Public Financial Management</p>	<p>A credible and relevant programme to improve PFM is in place and under implementation: PFM Short and Medium-Term Action Plan (SMTAP). This Action Plan is updated regularly. The new update is expected to take place once a new PEFA assessment will be carried out in 2009.</p>

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	<p>Last PEFA was in 2006, next due in 2009 (SMTAP to be fully updated on this basis). GoG intends to conduct PEFA assessments every 3 years.</p> <p>Since 2003, there has been substantial progress in the areas of revenue, procurement, cash management, accounting, internal audit and external control. Others where the Government still faces difficulties are IT systems, payroll management, use of MTEFs, budget preparation and credibility. Whilst the tasks of establishing regulatory frameworks and installing technology are largely completed, implementation and making systems work proves to be a bigger challenge.</p> <p>Dialogue between DPs and GoG is taking place with the aim to evolve towards more attention to results and concrete improvements after the systemic reforms launched since 2003. This dialogue is conducted within the PFM sector group, which involves the Ministry of Finance and Economic Planning, the specialised agencies and the DPs active in this area. Every year, an External Review of PFM is conducted with the view to assessing progress against the PFM SMTAP. EC to co-chair the PFM sector group on DPs' side from July 2008 to June 2009.</p>
<p>Domestic accountability for budgetary process</p>	<p>Auditor General's reports are submitted on time to Parliament and his independence is demonstrated by the fact that he has issued a disclaimer in his Report on 2006 Account. These reports are reviewed and discussed (publicly since 2007) by the Public Account Committee of Parliament.</p> <p>Currently, a legal challenge on the nomination process of the Auditor General has been undertaken by the opposition party before the Supreme Court but a ruling is expected soon and the decision should not undermine the progress achieved in this field recently.</p> <p>APR is presented to Parliament as well.</p> <p>Increased public demand for accountability, notably driven by a free press and think tanks/institutes of good quality.</p>
<p><b>Conclusion</b></p>	<p>Ghana is not expected to breach the eligibility criteria for GBS during the implementation of an MDG Contract. It has a stability-oriented macroeconomic policy in place, as well as a credible and relevant programme to improve public finance management, including a commitment to further improve domestic accountability for budgetary processes. It also has a well-defined (results-driven) national policy and a new long-term one for the period 2009-2015 which is currently under discussion and will be finalised by the new government, with plans to agree a new full 3-year rolling PAF in 2009 after the general elections of December 2008. On this basis, Ghana is considered eligible to receive GBS in the form of an MDG-Contract</p>

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### PRBS III Profile

<b>Budget before addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	-	38 M€	80.9%
Performance tranche (max.)	-	-	9 M€	9 M€	19.1%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>9 M€</b>	<b>47 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	19.1%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>49 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€).  
Base Tranche for 2007 and 2008 have been paid.

<b>Budget after addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	6.02 M€	44.02 M€	83.0%
Performance tranche (max.)	-	-	9 M€	9 M€	17.0%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>15.02 M€</b>	<b>53.02 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	28.3%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>55.02 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€).

### MDG-Contract Profile

<i>in M€</i>	2009	2010	2011	2012	2013	2014	Total	%
<b>Base Component</b>	19	22	22	24	24	24	<b>135</b>	77.6% (73.8%)
<b>Annual Performance Tranche (APT)</b>	- (9) <sup>40</sup>	6	6	-	-	-	<b>12</b> <b>(21)</b>	6.9% (11.5%)
<b>MDG-based Tranche</b>	-	-	-	9	9	9	<b>27</b>	15.5% (14.8%)
<b>Total</b>	<b>19</b> <b>(28)</b>	<b>28</b>	<b>28</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>174</b> <b>(183)</b>	100% (100%)
Cumulative Percentage	11% (15%)	27% (31%)	43% (46%)	62% (64%)	81% (82%)	100% (100%)		
<b>Complementary support</b>	<b>Institutional support = 0.9</b>		<b>Audit = 0.05</b>		<b>Evaluation = 0.05</b>		<b>1</b>	

<sup>40</sup> 9th EDF

**GHANA**  
**MULTI-DONOR BUDGET SUPPORT**  
**AIDE MEMOIRE OF THE 2008 ANNUAL REVIEW**

**Accra, August 2008**

### **I. INTRODUCTION**

1. This aide memoire summarises the discussions and conclusions of the 2008 annual review of the Multi-Donor Budget Support (MDBS) programme. The review considered overall progress in implementing the GPRS-2 during the preceding year ('holistic assessment') as well as progress against the specific targets and triggers in the 2007 column of the Progress Assessment Framework (PAF) for 2007–09.

2. The review was conducted jointly by the Government of Ghana and the MDBS development partners. It was chaired by the Honourable Minister of State for Finance and Economic Planning, Dr. Anthony Akoto Osei, and the Chief Director of the Ministry of Finance and Economic Planning (MoFEP), Nana Juaben-Boaten Siriboe. The review was organised by Ms. Veronica Sackey and the MDBS Secretariat in MoFEP. Several Ministers, Deputy Ministers, Chief Directors and other senior officials of the Government of Ghana participated in the various sectoral sessions.

3. Development partners were represented by the MDBS Co-Chairs Joachim Schmitt (German Embassy), Daniel Boakye (World Bank) and Christian Rogg (DFID; Vice Co-Chair). Representatives from the eleven MDBS development partners participated in the review: African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, the Netherlands, Switzerland, the United Kingdom and the World Bank.<sup>1</sup> Observers included colleagues from UNDP, UNICEF and USAID.

4. The main meetings of the review took place in Accra during the week of 19 May 2008, with follow-up meetings in June and July. In response to a request from Government to extend the timeframe for two triggers on public financial management, which were not met by May, all MDBS development partners participating in the review agreed to a reassessment of these two triggers. This took place on 14 August 2008. This aide memoire covers the entire review. At the time of agreeing the reassessment, DPs indicated that it would be preferable to maintain only one annual review in order to minimise transaction costs.<sup>2</sup>

<sup>1</sup> Note that World Bank PRSC disbursements are not linked to the review of PAF 2007.

<sup>2</sup> DPs agreed to a reassessment this year as it was not possible to measure progress against one of the unmet triggers (procurement) at the time of the May review and there was a clear indication that significant progress could be expected within a short timeframe against the other one (payroll).

5. At the opening of the review on 19 May 2008, the Government of Ghana and the eleven MDBS development partners signed a new Framework Memorandum. This replaces the earlier one (dated 2003) as well as the Technical Annex 2006–08. The Framework Memorandum contains the objectives and underlying principles of MDBS and lays out the annual cycle of activities as well as the responsibilities of the parties involved.

6. The remainder of this aide memoire is structured as follows. Section II summarises overall progress as discussed during the review (the 'holistic assessment'). Section III contains the main messages from the sectoral sessions as well as progress against the ten disbursement triggers. Section IV concludes by providing disbursement forecasts for 2009 and indicative allocations for 2010 and 2011.

### II. REVIEW OF OVERALL PROGRESS

7. The 2008 MDBS review marked the second year in which a holistic assessment was conducted (following last year's pilot approach). Its purpose is to look beyond individual sectoral indicators to gain a broader understanding of overall progress. The holistic assessment informs the disbursement decision with regard to the MDBS base component (for those DPs that operate two components).

8. The review benefited from presentations by the National Development Planning Commission (NDPC) on the 2007 Annual Progress Report (APR) on Ghana's Growth and Poverty Reduction Strategy (GPRS-2) and by the Secretariat of the African Peer Review Mechanism on its 2007 progress report. Development partners welcomed the fact that NDPC made the APR available prior to the review, which allowed for a much richer discussion on overall progress than in previous years.

9. The review concluded that there had been good overall progress in the implementation of GPRS-2 over the previous year. This was evidenced by: the positive overall picture presented by NDPC's Annual Progress Report for 2007; the good progress against the MDBS PAF for 2007, with the majority of targets and triggers having been achieved; the positive overall feedback provided by the fourteen sector groups; and the feedback from the IMF's Staff Report on the 2008 Article IV Consultation. See the background documentation for further details.

10. MDBS DPs share the conclusions of the recent IMF Executive Board discussions on the Article IV consultations, which stated that: 'Directors noted Ghana's continued strong growth performance and particularly the dynamism of the private sector. They noted the earlier gains in macroeconomic stabilization and debt reduction as well as the structural reforms since the early 2000s that have underpinned this favourable economic performance, and built a strong foundation for achieving Ghana's goals of accelerating progress towards achieving the Millennium Development Goals and attaining middle-income status within a decade. At the same time, Directors noted that since 2007 the fiscal expansion along with strong private sector demand growth, combined with the recent oil and food price shocks, have led to high fiscal and external current account deficits, rising inflation, and a



weakening of the international reserve position. Directors noted that the risks associated with these developments could jeopardise Ghana's significant and hard-earned achievements earlier in the decade.' In this context, MDBS DPs acknowledge the essential contribution of the IMF to the overall MDBS programme.

11. As regards individual sectors, the review found that progress was uneven. The next section highlights some of the areas of concern that were discussed during the sectoral sessions. In summary, the review concluded that the holistic assessment was positive, and MDBS DPs confirmed the release of the base component for 2009, subject to the final decision being taken by their respective headquarters (see Section IV for further details).

12. The MDBS Framework Memorandum indicates that sound public financial management systems are an underlying principle for the provision of general budget support. It also stipulates that the MDBS dialogue should encompass the findings from Ghana Audit Service's annual report on the GoG accounts. Based on the letter received from the Honourable Minister of State for Finance and Economic Planning on 4 June 2008 and a discussion with the Minister of State, we understand that a formal discussion on the 2006 accounts is currently not possible as there is a pending court case regarding the status of the Auditor General. As indicated in the Co-Chairs' letter of 18 June 2008, DPs expressed concerns about these developments but agreed to await the outcome of the court case. DPs also called for an early solution to this impasse as further delays in officially publishing the report on the public accounts and discussing it with MDBS DPs could have implications for future MDBS disbursements. We agreed that this issue would be subject to further dialogue as new information becomes available. On a related note, we suggest a meeting this autumn between MoFEP, GAS and DPs on the findings of the audit of selected flows that has been conducted under the auspices of MDBS as soon as the results are available.<sup>3</sup>

### III. MAIN MESSAGES FROM SECTOR MEETINGS

13. This section briefly summarises the discussion in each of the sectoral sessions that formed the main part of the annual MDBS review. The main points were already shared with MoFEP in the letter of MDBS Co-Chairs to the Honourable Minister of State on 18 June 2008. In addition, this section summarises progress against the PAF targets and, in greater detail, against the ten disbursement triggers. More information is provided in the background documentation, which contains a detailed progress report from each of the fourteen sector groups. Finally, the section on the two triggers in the area of public financial management discusses progress at the time of the main review (May) and at the time of the reassessment (August).

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<sup>3</sup> The audit of selected flows 2006/2007 covers the Ministry of Water Resources Works and Housing and departments under it; operations of the Customs, Excise & Preventive Service (CEPS); and 20 Metropolitan, Municipal and District Assemblies (MMDAs).

### Private Sector Development

14. Developments in the area of private sector development (PSD) are encouraging. There seems to be a good and strengthened dialogue between all stakeholders, further measures were undertaken related to trade facilitation, and the success on the ground is also reflected by the improving Ease of Doing Business indicators (even though from a 'low' position). We agreed to jointly work further to mainstream the PSDS related pool into the national budget for 2009 and have a closer look at market integration of informal sector activities, particularly at the decentralized level.

15. The review assessed progress against one PAF target on private sector development (implementation of at least three of five activities in the 2007 work plan of the Private Sector Development Strategy). The review concluded that the target was met.

### Energy

16. The power sector was severely weakened during 2006-07 due to recourse to high-cost thermal generation while tariffs were not adjusted concomitantly. The government took corrective action and sharply raised electricity tariffs for all customer categories in November 2007. However, crude oil prices have continued to rise and gas deliveries from Nigeria through the West Africa gas pipeline have been delayed. Consequently, a further increase to non-residential consumers has been agreed, particularly for the mining sector. We understand that this is expected to eliminate the indirect subsidies to mining that the current tariffs represent.

17. A financial recovery plan for the power sector is required to restore it to full viability. MoFEP is in the process of recruiting consultants to assist in preparing this plan, the recommendations of which are expected to receive Cabinet endorsement by end 2008. It is expected that under the ongoing GEDAP operation (World Bank and Switzerland) the electricity distribution utility, ECG, will improve its operational performance, which should then result in lower energy losses and better revenue collection.

18. The review assessed progress against three targets in the energy sector, of which two were fully met (PURC's review and gazetting of new tariffs; and efforts to set up a secondary gas market) while one was partially met (energy policy and Electricity Transmission Utility). The review also considered the following disbursement trigger:

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Trigger	Conclusion of review
<ul style="list-style-type: none"> <li>• Part 1: Restate the Government's public commitment to move to full cost recovery tariffs within an agreed timeline; and</li>   <li>• Part 2: Redesign the electricity bill to reflect to each customer: the total payment obligation due based on the PURC approved tariff; the portion of the total payment obligation that is earmarked as subsidy payment due from Government to VRA and ECG; and the net payment obligation of each customer.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Trigger met (part 1).</b> The 2008 budget statement recalls (§ 228) the objective of 'the rationalization of prices in the utilities sectors to ensure full cost recovery'. The PURC press release (19 October) refers to a 'road map towards the attainment of full cost recovery tariffs'. The letter of sector policy (May 2007) and other official addresses and statements also mention the necessity to move to full cost recovery tariffs. However, the objective is difficult to achieve since the power generating cost is increasing continuously because of the evolution of international crude oil prices and the increasing portion of thermal generation in the energy mix. The commitment to cost recovery has been pursued through passing on higher PURC-approved tariffs to end users (e.g. in November 2007 for all customers and again in July 2008 for high-voltage commercial customers).</li>   <li>• <b>Trigger met (part 2).</b> This trigger had been defined following GoG's decision not to pass on to consumers the September 2006 PURC approved tariffs, and to cover the difference through subsidies to the utility companies; electricity bills were not redesigned to reflect this difference. On 1 November 2007, adjusted new tariffs as approved by PURC in October 2007 were passed on to end users. However, GoG decided to fix a ceiling for the lifeline tariffs and to subsidise the difference between PURC approved lifeline tariff and actual lifeline tariff as paid by the consumer. The Ministry of Energy provided a sample of a March 2008 electricity bill for a customer charged under the lifeline tariff, indicating "total due this month" / "Govt subsidy" / "net charge".</li> </ul>

### Agriculture

19. In the agricultural sector, further work has been done to revise FASDEP (currently awaiting Cabinet approval), to strengthen the M&E system and reporting within MOFA, to improve the budgetary process, and to strengthen GoG-DP

relations. Further challenges were highlighted with respect to agricultural financing, drawing lessons from the ongoing Public Expenditure and Institutional Review. An area of particular concern for DPs is the allocation of resources to the sector, and the efficiency in the use of these resources.

20. The review assessed progress against one PAF target on agriculture (monitoring and evaluation framework in the Ministry of Food and Agriculture). The review concluded that the target was met.

### **Natural Resources Management and Environment**

21. Major steps have been taken to implement sector reforms aimed at a substantial contribution of the environment and natural resources sector to Ghana's Growth and Poverty Reduction Strategy (GPRS-2). These actions include: (i) the agreement on the Natural Resource and Environmental Governance (NREG) sector budget support; (ii) approval of the financial framework for the Forestry Commission; (iii) engagement in the preparatory work towards the Voluntary Partnership Agreement (VPA); and (iv) progress in conducting Environmental Impact Assessments (EIAs), Strategic Environmental Assessments (SEAs) as well as work on climate change.

22. However, the APR emphasises the increasing costs of environmental degradation (while a reduction was expected), and both GoG and DPs recognise the need for rapid actions and reforms. Also, improving the revenue collection in forestry and mining will need continuous attention.

23. The review assessed progress against one PAF target on natural resource management (policy and financing framework for the Forestry Commission) and one PAF target on environment (follow-up to strategic environmental surveys). The review concluded that both targets were met.

### **Education**

24. Over the past few years, good progress has been made towards achieving the education related MDGs (2&3). The sector made significant progress with respect to overall access to primary enrolment (GER; 90%), while reducing disparities in net enrolment between deprived and non-deprived areas and by gender. The gender parity index increased considerably, even though it was a percentage below the expected target of 0.97% by the end of 2007. It is also noteworthy that while the implementation of the new educational reforms has entailed some expansion of the coverage of the education budget to include post-basic education, ICT and Technical and Vocational Education and Training (TVET), the share of public expenditures for the primary sector increased to around 35.2 percent.

25. The quality of education however remains a challenge, especially for pupils in lower primary (P3). This is probably as a result of higher enrolments in recent times. There is a need to analyze the determining factors and identify the measures to

improve learning achievement. While the education sector's budget is largely dominated by personnel emoluments (about 90%), it is compounded with the challenge of ensuring equitable regional deployment of teachers. Lastly the recent floods in the North also highlight the challenges that the governmental agencies at various levels face in assuring adequate education services: both district-level and central authorities needed to intensively engage in developing a fast response to the emergency situation to assure that education services are re-established after the floods destroyed over 200 schools.

26. The review assessed progress against four targets in the education sector, of which one was fully met (primary education spending), two were partially met (gender parity index; and annual testing in schools) and one was not met (TVET programme). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
<p>Reduce disparities in enrolment ratios and efficiency indicators between deprived districts and national averages by better targeting of resources; targets:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 57% PTR: 38:1</li> <li>• <u>National averages</u> NER (primary): 75.5% PTR: 35:1</li> </ul>	<p><b>Trigger met.</b> MoESS reports and additional analysis of figures for deprived and non-deprived districts confirmed that the target has been achieved; actuals:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 78% PTR: 36:1</li> <li>• <u>National averages</u> NER (primary): 83.3% PTR: 34:1</li> </ul>

### Health

27. The basket of indicators documented good overall progress in the health sector, with six of the seven indicators showing improvements in 2007. A key issue of discussion was the one indicator that worsened: supervised maternal deliveries fell from 44% in 2006 to 35% in 2007. The (health sector) review discussed the worsening of indicators related to maternal health. DPs welcomed the recent declaration by the Minister of Health that maternal mortality is "a national emergency", the establishment of a task team for the reduction of maternal mortality and the decision to exempt pregnant women from National Health Insurance Scheme (NHIS) fees. It will be important to include in the 2009 budget measures to initiate the improvements in maternal health, such as the HIRD activities related to MDG-5, including family planning, and to make provisions for this in the funding allocations.

28. The roll-out of the NHIS, a core strategy in the health sector, continued in 2007 with impressive progress in registering people in the scheme and issuing NHIS cards (42% of the population were issued with ID cards by the end of 2007). The decoupling of children from parents' subscription is also welcomed, but there are remaining challenges to enrol the poorest and most vulnerable groups in the NHIS. The discussions during the review also covered resources and inputs in the health sector, as the NHIS funding is expected to replace out-of-pocket payments and to

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complement the MOH/GoG budget allocations. MoH presented figures on staffing (impressive 15% increase in health staff postings to deprived regions with more attention required for levels of vacancies) and expenditure on item 3 (overall increase, largely because of higher NHIF funding, accompanied by an increase in the budget execution rate).<sup>4</sup> There is continued concern that item 3 spending could again be crowded out by increases in item 1, thereby limiting the paradigm shift to disease prevention and health promotion rather than an orientation towards curative care. The prolonged debate about the spending figures points to challenges regarding PFM, budget execution and monitoring in the sector. The change in the baselines used to measure funding under item 3 (see assessment of trigger below) illustrates these challenges.

29. The review assessed progress against one target in the health sector (increasing the number of staff posted to deprived districts), which was achieved, as well as two sub-targets (district-level HIV spending; and claims settles under NHIS), of which the former was achieved and the latter was not measurable. The review also considered the following three disbursement triggers:

Trigger	Conclusion of review
More than 50% of the indicators in the basket of indicators for measuring sector performance improve in comparison with 2006	<b>Trigger met.</b> Six out of seven indicators in the basket (representing 87%) showed improvement over the 2006 performance. Supervised delivery experienced a decline during the period
Increase health spending (FY 2007) which leads to accelerated progress toward the MDGs by increasing in real terms GoG expenditure on item 3 of the health budget (services) with an improved execution rate on item 3	<b>Trigger met.<sup>1</sup></b> In 2006, GH¢ 89.81 million were disbursed out of a total allocation of GH¢ 101.48 million; budget execution was 89%. For 2007, Item 3 disbursed GH¢ 152.21 million. This represents an increase in real terms over the 2006 disbursement; budget execution for 2007 was 110%. Note that a change in the baselines (inclusion of the two further NHIF components 'subsidies to schemes – exempt group' and 'subsidies to distressed schemes – reinsurance') was decided during the Health Review 2007, which was held after PAF 2007 had been finalised; these figures were therefore not reflected in the PAF.
National Health Insurance Scheme becomes increasingly effective: 36% of population, including the indigents and other exempt categories, are issued with ID cards	<b>Trigger met.</b> By the end of 2007, 55% of the population were registered for the NHIS. 8,203,855 people, representing 42% of the population, had been issued with NHIS ID cards

<sup>4</sup> Item 1 refers to personal emoluments while item 3 constitutes services.

### Social Protection

30. Aside from National Youth Employment programme, the review concentrated on the Livelihoods Empowerment Against Poverty (LEAP) programme. Impressive progress has been made over the last year in launching and rolling out the LEAP programme. However, there are some question marks over the speed of expansion. The earlier target for 2008 was 7000 households to be covered by end of the year (target in PAF 2008-10). During the review, MoMYE indicated that LEAP is being extended to an additional 28,000 households by year end, while Government indicated in other fora that over 50,000 households would be covered. The increasing speed of extending coverage raises the issue of financial sustainability as the money for some of the additional households will be short-term DP funding. Hence, it is important to ensure that money is set aside in the 2009 budget to maintain these households on LEAP. Also, it will be important to ensure that capacity of the implementing units (Department of Social Welfare) is strengthened as the LEAP programme expands (an area DPs have agreed to support) in order to ensure that the quality of the programme does not suffer.

31. The review assessed progress against two PAF targets, one on social protection (roll out of the Livelihoods Empowerment Against Poverty (LEAP) programme), which was met, and one on employment (job creation for vulnerable groups), which was partially met.

### Water and Sanitation

32. Key developments over the last year include Cabinet approval of the national water policy and its launch earlier this year. There has also been good progress in extending the coverage of water supply to rural areas from 53% to 55%. However, significant concerns arose during the review about prospects for the water sector in general. There is uncertainty over the strategic investment plans, with neither the rural nor the urban strategic investment plan having been agreed. There is also a concern that rural water is highly dependent on DP money – almost all rural water investments are funded by DPs. Finally, the review learned that staff in the Water Directorate are paid through DP funding, which will end in a few months. DPs in the sector are now working on a SWAP, which will require a clear steer from Government. There is a real need to discuss these challenges soon, and DPs would like to take up the proposal made during the review that there should be a follow-up discussion between MWWH, MoFEP and DPs on the future strategy of the water sector.

33. The review assessed progress against one target on sanitation (setting up of sound sanitation monitoring system) and concluded that it was partially met. The review also considered the following disbursement trigger:

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Trigger	Conclusion of review
55% access to safe water in rural communities and small towns	<b>Trigger met.</b> CWSA figures show that the coverage in 2007 was 54.86%, i.e. slightly below target. However, there had been revisions to the figures (agreed prior to the review), which changed the baseline as well as the target. The revised target for 2007 is 53.74%, which was achieved. No matter which measure is used, Government achieved about a 2% increase in coverage.

### Good Governance

34. In the area of good governance, DPs recognized the progress made in the domestication of international anticorruption conventions, better documentation of existing laws and the manual for the public service to be able to apply the laws in practice. DPs believe that further specification is necessary for costs and timelines, and eventually budgeting for the Anti-Corruption Action Plan as well as strengthening the Serious Fraud Office. The Economic Crimes Bill, currently discussed within Government, is an important step in this direction and DPs would welcome if the Bill could be tabled in Parliament (and passed) before the end of this year.

35. With respect to the implementation of the Domestic Violence Act, DPs welcome the publication of a costed national plan and hope to see this reflected in MDAs' budget requests and allocations for 2009.

36. The review assessed progress against three PAF targets in the area of good governance. It concluded that two targets were met (review of legislative framework on corruption; and implementation of Domestic Violence Act) and that some limited progress had been made against the third target (review and strengthening of Serious Fraud Office).

### Decentralisation

37. With respect to the decentralization process, DPs recognize significant progress in certain areas of the decentralisation agenda especially with respect to the implementation of the DDF/FOAT initiative, Cabinet approval of the Intergovernmental Fiscal Framework and Action Plan, and progress on the adoption of a Legal Instrument to set the frame for the Local Government Service, which is expected to be presented to Parliament soon.

38. DPs are however concerned about the lack of political guidance on the overall GoG decentralization strategy with the draft decentralization policy not yet approved by Cabinet. The pending decentralization policy and implementation plan has delayed the decision to establish an Interministerial Coordination Committee, an important step towards strengthening the inter-institutional coordination between



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GoG stakeholders, which DPs see as a major weakness in the sector. A key actor in this process, the LGSS, requires significant input of skills, experience and resources to establish the systems and mechanisms to carry out its mandate, and to improve communication and dialogue with all MDAs and MMDAs.

39. The review assessed progress against three targets in the area of decentralisation, of which one target was met (establishment of District Development Fund), one was partially met (Local Government Service) and one had seen some limited progress (implementation of decentralisation policy). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
Development of an intergovernmental fiscal framework to be endorsed by Cabinet	<b>Trigger met.</b> The framework was approved by Cabinet during the review (Memo of 3 June 2008 signed by Secretary to Cabinet).

### Public Sector Reform

40. While progress in the implementation of public sector reforms has been broadly satisfactory, there are still a number of uncompleted actions. The training of senior civil servants and the pursuit of pension reforms have been successfully carried out. On the other hand, Government could not fully complete actions on; (i) the development of an HR data base for the civil service; (ii) the dissemination and enforcement of a new performance management process; and (iii) the establishment of a new pay spine. Government expects to continue pursuing public sector reforms despite the challenging environment of the 2008 elections.

41. The review assessed progress against one target in the area of public sector reform (reform of public sector pay and pensions), which was partially met. The review also considered the following disbursement trigger.

Trigger	Conclusion of review
Satisfactory implementation of 2007 PSR work plan (achievement of at least half the indicators), incl.: Office of the Head of Civil Service: maintains an accurate HR data for centralised recruitment/postings/transfers; provides significantly improved in-house training for civil servants; improves performance management through dissemination and enforcement of new performance management process	<b>Trigger met.</b> 26 of the 48 indicators were achieved (54%).

### Public Financial Management

42. The review concluded that there had been mixed progress in the area of public financial management (PFM), when considering the five targets in the PAF. While there was good progress in some areas, the targets in the PAF were either only partially met (internal audit, revenue) or not met (BPMS, payroll and procurement).

43. The two disbursement triggers on payroll and procurement were considered not met at the time of the review in May. On payroll, DPs noted at the time of the May review that the headcount was carried out and that corrective measures had been taken afterwards to clean the IPPD2 payroll, but that the reconciliation exercise had not yet been completed. As regards the implementation of IPPD2 in subvented agencies, the software had been rolled out to 35 of 114 agencies to date (i.e. the target of 50% had not been achieved). On procurement, DPs noted with surprise that the PPME survey had not been carried out on schedule, given that procurement had been a success area in the past and the survey had been completed on time in previous years. Following a request from Government to extend the timeframe for implementing these two sets of activities, a reassessment was carried out in mid August. This concluded that both triggers were met. It was agreed to strengthen the dialogue within the PFM sector group to follow up on both issues and to get clarity on the indicators used in this context.

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Trigger	Conclusion of review
<p>Action taken to deepen payroll management and control by:</p> <ul style="list-style-type: none"> <li>• Integrating 50% of subvented agencies onto the IPPD2</li> <li>• Conducting headcount of Government payroll to effectively reconcile the IPPD2 payroll and the establishment list to determine the accuracy, reliability and transparency of payroll management processes</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 35 out of 114 subvented agencies (31%), with 25 further agencies loaded but not yet integrated (22%)</li> <li>• The main payroll headcount had been conducted and completed, but the follow-up actions ('mop-up exercises') had only been completed for Greater Accra and not in the remaining nine regions.</li> </ul> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 63 out of 114 subvented agencies (55%)</li> <li>• The follow-up visits to all ten regions had been completed. In total, the headcount covered 455,000 staff, of which 2,350 (0.5%) were deleted and 1,758 (0.4%) were temporarily blocked. CAGD expects monthly savings of GHC 622,000.</li> </ul>
<p>Continue to ensure provisions of the Public Procurement Act are fully implemented and applied, using PPB's PPME assessment tool, covering 500 procurement entities. Improvement in the following areas:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices (NCT &amp; ICTs) from 50% to 70%</li> <li>• Publication of award of contracts from 50% to 70%</li> <li>• Use of appropriate procurement methods: 70%</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b> The PPME survey had not yet been carried out.</p> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b> The PPME survey was completed, covering 515 entities with the following results:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices: 92.5%</li> <li>• Publication of award of contracts: 71.1%</li> <li>• Use of appropriate procurement methods: 90.35%</li> </ul>

### Monitoring and Evaluation

44. Monitoring and evaluation (M&E) has once more been an area of concern, with implications for practically all sectors. DPs recognize progress with respect to the quality and depth of the APR. Despite this, there is still a lack of a consistent and comprehensive database which is used by all MDAs and all DPs. There is an urgent need to improve the process of collection, quality control and analysis of routine data nationwide, in sectors and on district level.

45. In this respect, the swift finalization and adoption by GoG of the National Statistical Development Strategy (NSDS), under preparation by the Ghana Statistical

Service (GSS) and presented in draft version in July 2008, and its related corporate plans (notably for GSS) would constitute a major breakthrough to define the capacity needs of the various stakeholders and mobilise the funds already made available by DPs.

46. The review assessed progress against one PAF target (implementation of the GPRS-2 M&E plan), which was partially achieved.

#### IV. SUMMARY AND DISBURSEMENT FORECASTS

47. The review concluded that the holistic assessment was positive, leading to the disbursement of the base component in 2009 (for all DPs that operate a base component and subject to confirmation from headquarters). As communicated earlier, the share of the base component in the total MDDBS allocation varies across DPs as follows: 80% for Canada, Japan, the Netherlands and the United Kingdom; and 50% for Denmark, Germany, France and Switzerland. In the case of the European Commission, the share of the base component will vary over the next few years in the range of 70-80%.<sup>5</sup>

48. The review evaluated progress against the ten triggers in the 2007 column of the PAF for 2007-09. The main review in May reached consensus that the following eight triggers had been met: energy, education, three triggers in health, water, decentralisation and public sector reform. There was also agreement that the two PFM triggers had not been met. Following a request from the Government of Ghana for an extension, progress against these two triggers was reviewed in a meeting on 14 August 2008. This concluded that both triggers were met. In summary, all DPs that operate a performance component concluded that all ten triggers have been met.

49. The following table summarises the planned disbursements for 2009 and provides indicative amounts for 2010 and 2011.

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<sup>5</sup> 2009 will represent a transition year between the 9<sup>th</sup> EDF (PRBS 3) and the 10<sup>th</sup> EDF programmes. The performance component will be provided under the PRBS 3 (ongoing) and the base component under the 10<sup>th</sup> EDF programme (under approval).

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MDBS – foreseen disbursements for budget years 2009–11 <sup>6</sup>				
DP	2009 Anticipated Disbursement	2009 Anticipated Withholding	2010 Indicative Allocation	2011 Indicative Allocation
AFD <sup>7</sup>	€ 18.2 m	---	€ 17.0 m	€ 17.0 m
AFDB	UA 30.0 m	---	UA 30.0 m	UA 33.3 m
CIDA <sup>8</sup>	Cdn\$ 20.0 m	---	Cdn\$ 20.0 m	Cdn\$ 20.0 m
DANIDA <sup>9</sup>	DKK 70.0 m	---	DKK 70.0 m	DKK 70.0 m
DFID <sup>10</sup>	£ 50.0 m	---	£ 50.0 m	£ 50.0 m
EC <sup>11</sup>	€ 28.0 m	---	€ 28.0 m	€ 28.0 m
Germany <sup>12</sup>	€ 10.0 m	---	€ 10.0 m	€ 10.0 m
Japan <sup>13</sup>	JPY 350.0 m	---	JPY 350.0 m	JPY 350.0 m
Netherlands <sup>14</sup>	€ 25.0 m	---	€ 25.0 m	€ 25.0 m
Switzerland <sup>15</sup>	CHF 9.0 m	---	CHF 9.0 m	CHF 9.0 m
World Bank	US\$ 100.0 m	---	US\$ 100.0 m	US\$ 100.0 m

<sup>6</sup> The figures for 2009 are subject to confirmation and approval from the agencies' respective headquarters. The amounts are rounded up/down. The figures for 2010 and 2011 are indicative and should not be interpreted as commitments.

<sup>7</sup> Out of these yearly indicative amounts for 2010 and 2011, 10 million Euro per year are subject to the approval by AFD and the signing of a new loan agreement with the Ministry of Finance, which would be the renewal of the agreement signed in 2006 covering years 2007 to 2009. Discussion for the renewal of this agreement will have to take place in 2009.

<sup>8</sup> Annual allocations are subject to the imminent signing of a new Contribution Arrangement by Government of Ghana and CIDA based on a new GBS programme. Assuming that triggers and general conditions are appropriate, the minimum annual disbursement will be \$20 million and the maximum will be \$30 million (the amounts as yet to be decided).

<sup>9</sup> The final decision will be based on an overall assessment of DANIDA's general criteria for provision of GBS, such as the situation at the time of the intended disbursement regarding publication of the Public Accounts.

<sup>10</sup> Allocations for all three years are subject to the approval of a new financing agreement, but the allocation for 2009 is confirmed. The allocations for 2010 and 2011 are purely indicative at this stage.

<sup>11</sup> Subject to the approval of the 10<sup>th</sup> EDF programme (expected by the end of 2008).

<sup>12</sup> Indicative figures for 2010-2011. Allocations for MDBS in 2010/11 are subject to the Government negotiations between Ghana and Germany in 2009.

<sup>13</sup> Allocation for 2009 is indicative and subject to approval of Government of Japan. Current level of allocation is foreseen only for the term of GPRS-2 and level of allocation for 2010/11 is purely speculative at this point.

<sup>14</sup> Allocations for 2009 - 2012 are subject to the signing of a new financing agreement in 2008.

<sup>15</sup> Switzerland: indicative allocations 2009-2011: Presently a GBS agreement is in force between Ghana and Switzerland 2006-2008. A new agreement is anticipated to be signed in 2008 for the period 2009-2011.

**Ghana: Selected Economic and Financial Indicators, 2005–09**

	2005	2006	2007 Est.	2008 Proj.	2009 Proj.
	(Annual percentage change; unless otherwise specified)				
<b>National accounts and prices</b>					
Real GDP	5.9	6.4	6.3	6.5	5.8
Real GDP per capita	3.2	3.7	3.6	3.8	3.2
GDP deflator	15.0	12.8	14.4	16.2	10.4
Consumer price index (annual average)	15.1	10.2	10.7	14.3	10.5
Consumer price index (end of period)	14.8	10.9	12.7	13.8	10.5
<b>External sector</b>					
Exports, f.o.b. (percentage change, in US\$)	0.7	33.3	11.7	34.4	5.6
Imports, f.o.b. (percentage change, in US\$)	24.4	26.3	19.4	28.2	7.9
Export volume	-0.9	15.4	-3.6	10.0	6.3
Import volume	14.2	14.4	14.6	10.8	5.6
Terms of trade	-6.8	4.7	11.1	5.6	-2.8
Nominal effective exchange rate (end of period)	7.1	-8.2	-10.8	...	...
Real effective exchange rate (end of period), (depreciation -)	19.8	-1.0	-2.9	...	...
Cedis (new) per U.S. dollar (end of period)	0.91	0.92	0.97	...	...
<b>Money and credit</b>					
Net domestic assets <sup>1</sup>	5.8	13.4	33.3	28.0	18.9
Credit to the private sector (year on year)	50.6	42.7	60.0	38.7	39.1
Broad money (excluding foreign currency deposits)	13.7	39.4	43.5	30.9	22.2
Velocity (GDP/average broad money)	4.3	3.5	3.0	2.8	2.7
Prime rate (Bank of Ghana; percent; end of period) <sup>2</sup>	15.5	12.5	13.5	16.0	...
	(Percent of GDP; unless otherwise specified)				
<b>Investment and saving</b>					
Gross investment	29.9	30.4	33.7	32.7	32.3
Private <sup>3</sup>	17.9	18.0	19.5	18.7	18.5
Central government	12.0	12.4	14.2	14.0	13.8
Gross national saving	22.8	21.4	22.8	19.5	19.7
Private <sup>3</sup>	12.0	13.5	15.1	14.8	15.1
Central government	10.8	7.8	7.7	4.7	4.6
<b>Government operations</b>					
Total revenue	23.8	21.9	22.5	23.0	23.6
Grants	5.2	5.4	6.0	4.9	3.9
Total expenditure	30.7	34.4	37.0	37.7	38.1
Overall balance (including grants)	-3.0	-7.5	-9.1	-10.3	-10.7
Net domestic financing	-1.7	5.0	1.3	5.5	6.9

Total government debt	77.1	41.9	49.8	51.4	56.3
Domestic debt	17.9	24.8	26.1	26.6	29.6
External debt	59.2	17.1	23.7	24.8	26.7
<b>External sector</b>					
Current account balance (including official transfers)	-7.0	-9.0	-10.9	-13.2	-12.6
Current account balance (excluding official transfers)	-12.4	-12.8	-15.1	-16.6	-16.3
NPV of external debt outstanding	19.9	17.8	19.6	19.6	21.0
percent of exports of goods and services	55.1	45.4	49.2	44.9	48.2
Gross international reserves (millions of US\$)	1,951	2,325	2,738	2,474	2,399
months of imports of goods and services	2.8	2.8	2.6	2.2	2.1
Total donor support (millions of US\$)	1,087	979	1,171	1,292	1,283
percent of GDP	10.1	7.7	7.7	7.4	6.8
<b>Memorandum items:</b>					
Nominal GDP (billions of GHc)	9.7	11.7	14.2	17.6	20.5

Sources: Data provided by Ghanaian authorities; and IMF staff estimates and projections.

<sup>1</sup> Percent of broad money at the beginning of the period.

<sup>2</sup> As of May 19, 2008

<sup>3</sup> Including public enterprises and errors and omissions.

This table contains the Focus Commitments of the Government of Ghana which were agreed in March 2007. They are largely based on key GoG policy documents, namely the GPRS II and the APRM.

Progress made is summarised in each section in the column 'Suggested Actions'. Additional information is also contained in part 1 of the JAR, Country Performance.

Challenge	Government Commitment	Suggested Actions
<b>Political Democratic Governance</b>		
<p>Strengthen the oversight role and capacity of parliament and other non-executive governance institutions in order to redress the imbalance of power and resources between the executive and the legislature</p>	<ul style="list-style-type: none"> <li>• Address lack of resources for governance institutions<sup>1</sup> (Establish relative resource parity between executive and legislative<sup>2</sup>)</li> <li>• Effective exercise of oversight function of Parliament<sup>3</sup> and the monitoring of the public purse<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Implement effective system of funding for non-executive governance institutions,<sup>5</sup> including transparent and predictable funding. Provide resources for Ghana Audit Service and Parliament to strengthen their links as to enhance the legislative scrutiny of external audit reports, follow-up of in-year audit findings, scrutiny of end-of-year government accounts as well as collaboration between these institutions and civil society organisations and the media.</li> <li>• Increase budgetary allocation to Parliament as needed, with the view to strengthening the legislative wing of Government.</li> </ul> <p><b>Progress:</b>                      No progress on implementation of effective funding system, but ongoing political dialogue at sector level. In 2007 Development Partners (DP) conducted a joint review of DP support to the 7 Independent Governance Institutions anchored in the Constitution and DPs are now in the process of coordination and harmonising their support.                      Has budgetary allocation to Parliament been increased in 2009 budget?                      Information to be added if available</p>

<sup>1</sup> APRM Objective 4, issue 2. p. 181.

<sup>2</sup> GPS Results Matrix p. 17, item 1, Government strategies and actions

<sup>3</sup> African Peer Review Mechanism (APRM) Country Review and Programme of Action. Ghana. June 2005. Objective 4, issue 1. p. 181.

<sup>4</sup> Ghana Partnership Strategy (GPS) Results Matrix., July 2006 Final, p. 20 "Comply with legal requirements of external auditing".

<sup>5</sup> APRM Objective 4, issue 2 p. 181



<b>Control of Corruption</b>		
Fighting corruption in the public sphere <sup>6</sup>	<ul style="list-style-type: none"> <li>• Coordination of anti-corruption bodies, including monitoring and enforcement<sup>7</sup> (enhancing capacity of existing anti-corruption institutions to effectively carry out their mandates)<sup>8</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the National Governance Institution (NGI) to coordinate the governance institutions and facilitate the rationalization of functions in the fight against corruption,<sup>9</sup> strengthen Attorney's General office and provide resources for courts to deal expeditiously corruption cases<sup>10</sup></li> <li>• Successful convictions of high level corruption and in cases of fraud in government-funded projects. Inform the public on the successes on anti-corruption fight and consult closely with civil society organisations.</li> </ul> <p><b>Progress:</b> Some progress has been made to strengthen the Attorney General's office and especially the Judiciary. The 2007/2008 investigation into cases of fraud in line ministries by the Parliamentary Accounts Committee was widely publicised by the media and added credibility to Ghana's good governance performance.</p>
<b>Government Effectiveness</b>		
More effective decentralised local governance system <sup>11</sup> and Enhancing Decentralisation <sup>12</sup>	<ul style="list-style-type: none"> <li>• Increased number of decentralised MDAs,<sup>13</sup> providing for the ability of MMDAs to better manage human, resources, and to expand composite budgeting.<sup>14</sup></li> <li>• Implementation of the NDAP.<sup>15</sup></li> <li>• Promote election of District Chief Executives<sup>16</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Decentralisation of MDA functions and resources to districts in a fully transparent manner.<sup>17</sup> Focus on financial accountability and capacity of District's Department for Works.</li> <li>• District Development Fund is established with strong financial accountability and transparency, particularly for financial transfers to districts.<sup>18</sup></li> <li>• Timeline for direct election of the District and Municipal Chief Executives.</li> </ul> <p><b>Progress:</b> Some Progress has been made since 2007 on the establishment of the DDF. A joint GoG-DP mission to appraise the DDF and the underlying functional assessment tool (FOAT) was carried out in March 2008. The mission focused on implementation arrangements for the DDF and FOAT, including institutional arrangements, fund management and financing, as well as the timing and implementation of DP financial support. The GoG objective of DDF flows from 1 July 2008 however could not be met. Disbursements into the GOG-DP Joint Account are now expected in 2009. The next FOAT assessment will take place in early 2009.</p>

<sup>6</sup> APRM Objective 6. p. 184.

<sup>7</sup> APRM Objective 6, issue 1, p. 184.

<sup>8</sup> Annex B—List of Government's commitments, governance area 3.

<sup>9</sup> APRM, Recommendations on Objective 7. p. 37.

<sup>10</sup> Annex B—List of Government's commitments, issue 3

<sup>11</sup> APRM Objective 2, issue 2, p. 178

<sup>12</sup> GPS Results Matrix, p. 18, item 2.

<sup>13</sup> APRM Objective 2, issue 2, p. 150

<sup>14</sup> GPS Results Matrix p. 18

<sup>15</sup> GPS Results Matrix p. 18

<sup>16</sup> GPS Results Matrix p. 18

<p>Accountable, efficient public office holders and civil servants<sup>19</sup></p>	<ul style="list-style-type: none"> <li>Improving the public sector framework of transparency, access to information and accountability</li> <li>Improving voter education<sup>20</sup></li> </ul>	<ul style="list-style-type: none"> <li>Ministries, Departments and Agencies to prepare Citizens' Charter of service delivery<sup>21</sup> and access to information. Sensitize public on these rights.             <ul style="list-style-type: none"> <li>Free access to public information through the passage of Freedom of Information Bill<sup>22</sup>.</li> </ul> </li> <li>Establish clear public complaints mechanisms and guidelines for investigating and resolving complaints<sup>23</sup> at all levels of governments.</li> <li>Provision of logistical support to governance institutions for voter education.</li> <li>Support institutions and schemes aimed at empowering civic participation.<sup>24</sup></li> </ul> <p><b>Progress:</b> No progress has been made on the passage of Freedom of Information Bill, despite ongoing lobbying by an NGO Network. Voter education was carried out in the run up to the 2008 Presidential and Parliamentary Elections by the relevant bodies, the National Commission on Civic Education and the Electoral Commission. However, the EU Election Observation Mission's preliminary report mentions the ongoing need for improved voter education.</p>
<p><b>Social Governance and Quality of Partnership</b></p>		
<p>Civil society engagement in national dialogue and decision<sup>25</sup></p>	<ul style="list-style-type: none"> <li>Increased broad based participation in local governance and development.<sup>26</sup> Strengthen the relationship between civil society and District Assemblies.<sup>27</sup> Create opportunities for civil society participation in managing public policy.<sup>28</sup> Strengthen and promote dialogue with civil society organisations through regular interaction<sup>29</sup></li> <li>Build the capacity of non-state actors to formulate, implement and monitor development policies<sup>30</sup></li> </ul>	<ul style="list-style-type: none"> <li>Create institutional fora to promote civil society involvement in public policy formulation and implementation<sup>32</sup></li> <li>Continue to develop an enabling environment for non-governmental funding of civil society organisations (particularly in rural areas) whose interventions (a) support policy development dialogue with government (b) service provision (c) contribute to a "watchdog" role -including the role of independent media.</li> <li>Enforce compliance with the provisions of Local Government Act 462 regarding information disclosure and public consultation and carry out and publicise annual Citizen Report Card surveys</li> <li>Establish formal monitoring mechanisms at the regional and district levels</li> </ul>

<sup>17</sup> Implementation of Decentralisation Action Plan. GPRS Matrix p. 18. (Also MDBS)

<sup>18</sup> Implementation of the Decentralisation Action Plan. GPS Results Matrix p. 18. (Also MDBS)

<sup>19</sup> APRM, Objective 5a, issue 2. p. 182

<sup>20</sup> APRM, Objective 2, issue 4, p. 178

<sup>21</sup> APRM Objective 5a, issue 3 p. 182

<sup>22</sup> Annex B-List of Government's commitments, issue 1 (i)

<sup>23</sup> APRM Objective 5a, issue 3 p. 182

<sup>24</sup> GPRS Appendix 11C, Good governance and civic responsibility, p. 133

<sup>25</sup> APRM, Objective 5b, Issue 1. p. 183

<sup>26</sup> APRM, Objective 2, issue 2, p. 178 and "Enhanced citizens' participation in decision making (at local level)", GPRS Matrix, p. 15 and also Issue 9 (i) of Annex B. List of Government's commitments, "to broaden participation of the people in the development process, monitoring and evaluation";

<sup>27</sup> Annex B—List of Government's commitments, issue 9 (ii)

<sup>28</sup> GPS Results Matrix, p. 19. also" Expanded opportunity for feedback on policy implementation", GPRS Matrix, p. 20. "Improve interaction between MPs, chiefs and civil society groups and policy formulation processes", GPS Results matrix, p. 19.

<sup>29</sup> Annex B—List of Government's commitments, issue 9

<sup>30</sup> Annex B—List of Government's commitments, issue 7 (i)

	<p>particularly at local level. Build civil society capacity to monitor public policy<sup>31</sup></p>	<p>including representatives from civil society as to monitor infrastructure projects and provision of public services.  <b>Progress:</b> No systematic progress with regards to increased broad based participation of civil society at local and national level. Policy Dialogue with DPs has resulted in more structured forms of dialogue at the annual GoG and DP meetings of the Consultative Group. GoG's commitment to NSA involvement will again be put to the test in connection with the drafting and adoption of the National Development Plan 2009-2015 (GPRS 3) and the National Aid Policy. DPs ongoing programmes to build the demand-side of good governance in order to enhance conditions for social accountability in Ghana have contributed to better relations between NSA and GoG, but more GoG owned formal structures for this dialogue and collaboration are still needed.</p>
<b>International and Regional Context</b>		
<p>Sustainable management of Natural Resources                  Turn migration into effective contribution to development.</p>	<ul style="list-style-type: none"> <li>• Improved environmental management and governance<sup>33</sup></li> <li>• Be more proactive in using and benefiting from Diasporan resources<sup>34</sup></li> <li>• Commit to a partnership with the EU on the basis of the Joint Africa-EU Declaration on Migration and Development (Tripoli November 2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Explore benefits of EU Forest Law Enforcement, Governance and Trade<sup>35</sup> and Extractive Industries Transparency Initiative.</li> <li>• Prepare and implement short-term action plan on how to engage the resources of the Diaspora in Ghana's development</li> <li>• Take measures to address migration in the 9 key areas of the Tripoli Declaration (with the support of the EU).</li> </ul> <p><b>Progress:</b>                  FLEGT:                  GoG signed the Voluntary Partnership Agreement (VPA) under the FLEGT initiative with the EU on 03 September 2008. The VPA is a binding agreement. After three years of negotiations, Ghana is the first country to sign such an agreement with the EU. The Ghanaian agreement sets a good standard for future agreements because it has been developed with reasonable participation of Ghanaian civil society (in part represented through networks) and clearly recognises communities' rights over their land and resources and the need for forest law reform.</p> <p>Migration and Development: Political Dialogue on the basis of the Joint Africa-EU Declaration continues. It is operationally substantiated by a regional EC funded IOM programme on facilitation of a coherent migration management approach in Ghana, Nigeria, Senegal and Libya which explores the promotion of legal migration and the prevention of further irregular migration.</p>

<sup>31</sup> APRM, Objective 5a , p. 182

<sup>32</sup> APRM Objective 5b, issue 1 p. 182 also GPRM p. 19 Create institutional spaces/opportunities for civil society participation in managing public policy.

<sup>33</sup> GPS Results Matrix, p. 4.

<sup>34</sup> Annex B---List of Government's commitments, issue 8, Migration (iii)

<sup>35</sup> GPS Results Matrix , p. 5.

Criteria	MDG Contract
<p>GBS foreseen in the Country Strategy Paper and the National Indicative Programme</p>	<p>The 10<sup>th</sup> EDF Country Strategy Paper and National Indicative Programme allocate € 175 million for general budget support to be disbursed during the period 2009-2014.</p>
<p>Track Record for the use of General Budget Support</p>	<p>9<sup>th</sup> EDF provided general budget support through 2 programmes: PRBS2 2004-06 (€ 55.2m) and PRBS3 2007-2009 (€ 49m). Budget support is delivered within the Multi-Donors Budget Support framework. Under PRBS2, variable tranches were disbursed for 84%. The first variable tranche for PRBS3 will be assessed and disbursed only in 2009.</p> <p>Under PRBS, eligibility has never been questioned and there have not been considerable delays on the disbursements due to lack of information or to doubts about the fulfilment of the eligibility conditions. There is room for improvement on the scope of dialogue e.g. on PFM or budget issues.</p> <p>Regarding the assessment of indicators for the GoG has always provided relevant information within the time schedule, enabling BS tranches to be paid on time. In 2008, draft APR has been produced in 4 months, the final version within 6 months.</p> <p>The Commission considered previous versions of the PAF not sufficiently result-oriented. This issue has now been solved through new negotiations of the PAF and agreement on a new framework memorandum in May 2008.</p> <p>In general, Ghana has a good track record of implementing EC budget support programmes.</p>
<p><b>GBS eligibility in the form of an MDG-Contract</b></p>	
<p>a) National Policy and Strategy</p>	<p>Ghana's first national Poverty Reduction Strategy (GPRS I) was finalised in 2002 with the aim of generating growth, controlling inflation and increasing expenditure on programmes targeting the poorest and most vulnerable in society.</p> <p>GPRSII was produced by Government in late 2005, building on the achievements of GPRSI and with an overarching goal of raising average per capita income levels to middle-income levels by 2015. This national policy is presently in place and under implementation for the period 2006-2009. The intermediate goals of this strategy are to achieve accelerated and sustained growth, poverty reduction, promotion of gender equality and the protection and empowerment of the vulnerable and excluded within a decentralized democratic environment. This GPRSII is built on three thematic pillars: private sector competitiveness, human resources development and governance in civic responsibility.</p> <p>The Government has drafted a Long-Term Development Plan for the period 2009-2015. This Plan is still under debate but it aims at building on GPRSII achievements and determining policies and resources required for meeting the MDGs and the shift to a middle-income status by 2015. Its</p>

	<p>approval is foreseen in early 2009, no major change being expected from the new Government to come. The first draft sets the overall objective to achieving middle-income status through a structural change of the economy and notably through agricultural development-led industrialization, with a focus on enhancing the productivity of human capital as the means to generating higher incomes and reducing significantly the incidence of poverty.</p> <p>GBS is being implemented since 2003 within the framework of Multi-Donor Budget Support (MDBS) involving 11 DPs, of which 5 MSs (DK, FR, DE, NL and UK).</p> <p>DPs and GoG operate a multi-annual rolling PAF, the 2 outer years being only indicative. The PAF 2009-2011 with indicators and targets fixed for three years will be negotiated with the new government in the course of the first semester 2009.</p> <p>The currently applicable PAF is PAF 2008-2010 and was approved by GoG and MDBS partners in April 2008 and includes thirty one indicators. Indicators include MDG indicators such as water (3), gender equality (3), education (2) and health (4 + 5), but also non-MDG such as private sector development, energy, public sector reform and PFM.</p> <p>The disbursement schedule of GBS is aligned with the review process of GPRS II and with the budget cycle. The whole process is fully integrated into GoG process, including MoU and shared Aide-Memoire. The annual reviews are organised and chaired by the Ministry of Finance and Economic Planning. Parliamentarians and civil society organisations may be invited as observers.</p>
<p>b) Macroeconomic Policy</p>	<p>Ghana has been experiencing high and increasing levels of growth since 2002 (6.4% in 2007) linked to robust private sector growth. However, this economic dynamism has been accompanied by an increasing fiscal and external current account deficits adding to increased inflation due mainly to the energy and food price crises. Nevertheless, in the medium-term, country prospects seem promising as the increased earnings of traditional exports (cocoa, gold, and timber) on international markets are accompanied by a development of non-traditional exports, as the domestic growth remains robust in sectors such as construction, banking and services and as the country expects to become an oil producer by 2012. Moreover, the external debt relief has increased the financial room for manoeuvre of Ghana, which is now able to issue bonds on international capital markets (USD 750 million in September 2007).</p> <p>GPRS II 2006-09 covers macro-economic policies. The successor strategy should be much longer-term (2015) to coincide with MDGs and Ghana's objective of becoming a middle-income country.</p> <p>PRGF ended in October 2006 (Ghana considered by the IMF in 2006 as a mature stabiliser). Government is expected to conclude a Policy Support Instrument (PSI) with the IMF in 2009 after the elections. In any case, Article IV reviews are held annually.</p>
<p>c) Public Financial Management</p>	<p>A credible and relevant programme to improve PFM is in place and under implementation: PFM Short and Medium-Term Action Plan (SMTAP). This Action Plan is updated regularly. The new update is expected to take place once a new PEFA assessment will be carried out in 2009.</p>

	<p>Last PEFA was in 2006, next due in 2009 (SMTAP to be fully updated on this basis). GoG intends to conduct PEFA assessments every 3 years.</p> <p>Since 2003, there has been substantial progress in the areas of revenue, procurement, cash management, accounting, internal audit and external control. Others where the Government still faces difficulties are IT systems, payroll management, use of MTEFs, budget preparation and credibility. Whilst the tasks of establishing regulatory frameworks and installing technology are largely completed, implementation and making systems work proves to be a bigger challenge.</p> <p>Dialogue between DPs and GoG is taking place with the aim to evolve towards more attention to results and concrete improvements after the systemic reforms launched since 2003. This dialogue is conducted within the PFM sector group, which involves the Ministry of Finance and Economic Planning, the specialised agencies and the DPs active in this area. Every year, an External Review of PFM is conducted with the view to assessing progress against the PFM SMTAP. EC to co-chair the PFM sector group on DPs' side from July 2008 to June 2009.</p>
<p>Domestic accountability for budgetary process</p>	<p>Auditor General's reports are submitted on time to Parliament and his independence is demonstrated by the fact that he has issued a disclaimer in his Report on 2006 Account. These reports are reviewed and discussed (publicly since 2007) by the Public Account Committee of Parliament.</p> <p>Currently, a legal challenge on the nomination process of the Auditor General has been undertaken by the opposition party before the Supreme Court but a ruling is expected soon and the decision should not undermine the progress achieved in this field recently.</p> <p>APR is presented to Parliament as well.</p> <p>Increased public demand for accountability, notably driven by a free press and think tanks/institutes of good quality.</p>
<p><b>Conclusion</b></p>	<p>Ghana is not expected to breach the eligibility criteria for GBS during the implementation of an MDG Contract. It has a stability-oriented macroeconomic policy in place, as well as a credible and relevant programme to improve public finance management, including a commitment to further improve domestic accountability for budgetary processes. It also has a well-defined (results-driven) national policy and a new long-term one for the period 2009-2015 which is currently under discussion and will be finalised by the new government, with plans to agree a new full 3-year rolling PAF in 2009 after the general elections of December 2008. On this basis, Ghana is considered eligible to receive GBS in the form of an MDG-Contract</p>

### PRBS III Profile

<b>Budget before addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	-	38 M€	80.9%
Performance tranche (max.)	-	-	9 M€	9 M€	19.1%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>9 M€</b>	<b>47 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	19.1%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>49 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€).  
Base Tranche for 2007 and 2008 have been paid.

<b>Budget after addendum n° 1</b>					
	2007	2008	2009*	Total	Share
Base tranche	18 M€	20 M€	6.02 M€	44.02 M€	83.0%
Performance tranche (max.)	-	-	9 M€	9 M€	17.0%
<b>Total budget support</b>	<b>18 M€</b>	<b>20 M€</b>	<b>15.02 M€</b>	<b>53.02 M€</b>	<b>100.0%</b>
Share	34.0%	37.7%	28.3%	100.0%	
Institutional Support (I.S.)				1.9 M€	
Evaluation of I.S.				0.05 M€	
Audit of I.S.				0.05 M€	
<b>TOTAL PROGRAMME</b>				<b>55.02 M€</b>	

\* In 2009, the PRBS 3 tranches will be complemented by the base tranche provided under the MDG-C (19 M€).

### MDG-Contract Profile

<i>in M€</i>	2009	2010	2011	2012	2013	2014	Total	%
<b>Base Component</b>	19	22	22	24	24	24	<b>135</b>	77.6% (73.8%)
<b>Annual Performance Tranche (APT)</b>	- (9) <sup>1</sup>	6	6	-	-	-	<b>12</b> <b>(21)</b>	6.9% (11.5%)
<b>MDG-based Tranche</b>	-	-	-	9	9	9	<b>27</b>	15.5% (14.8%)
<b>Total</b>	<b>19</b> <b>(28)</b>	<b>28</b>	<b>28</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>174</b> <b>(183)</b>	100% (100%)
Cumulative Percentage	11% (15%)	27% (31%)	43% (46%)	62% (64%)	81% (82%)	100% (100%)		
<b>Complementary support</b>	<b>Institutional support = 0.9</b>		<b>Audit = 0.05</b>		<b>Evaluation = 0.05</b>		<b>1</b>	

<sup>1</sup> 9th EDF

**GHANA**  
**MULTI-DONOR BUDGET SUPPORT**  
**AIDE MEMOIRE OF THE 2008 ANNUAL REVIEW**

**Accra, August 2008**

**I. INTRODUCTION**

1. This aide memoire summarises the discussions and conclusions of the 2008 annual review of the Multi-Donor Budget Support (MDBS) programme. The review considered overall progress in implementing the GPRS-2 during the preceding year ('holistic assessment') as well as progress against the specific targets and triggers in the 2007 column of the Progress Assessment Framework (PAF) for 2007–09.

2. The review was conducted jointly by the Government of Ghana and the MDBS development partners. It was chaired by the Honourable Minister of State for Finance and Economic Planning, Dr. Anthony Akoto Osei, and the Chief Director of the Ministry of Finance and Economic Planning (MoFEP), Nana Juaben-Boaten Siriboe. The review was organised by Ms. Veronica Sackey and the MDBS Secretariat in MoFEP. Several Ministers, Deputy Ministers, Chief Directors and other senior officials of the Government of Ghana participated in the various sectoral sessions.

3. Development partners were represented by the MDBS Co-Chairs Joachim Schmitt (German Embassy), Daniel Boakye (World Bank) and Christian Rogg (DFID; Vice Co-Chair). Representatives from the eleven MDBS development partners participated in the review: African Development Bank, Canada, Denmark, European Commission, France, Germany, Japan, the Netherlands, Switzerland, the United Kingdom and the World Bank.<sup>1</sup> Observers included colleagues from UNDP, UNICEF and USAID.

4. The main meetings of the review took place in Accra during the week of 19 May 2008, with follow-up meetings in June and July. In response to a request from Government to extend the timeframe for two triggers on public financial management, which were not met by May, all MDBS development partners participating in the review agreed to a reassessment of these two triggers. This took place on 14 August 2008. This aide memoire covers the entire review. At the time of agreeing the reassessment, DPs indicated that it would be preferable to maintain only one annual review in order to minimise transaction costs.<sup>2</sup>

<sup>1</sup> Note that World Bank/PRSC disbursements are not linked to the review of PAF 2007.

<sup>2</sup> DPs agreed to a reassessment this year as it was not possible to measure progress against one of the unmet triggers (procurement) at the time of the May review and there was a clear indication that significant progress could be expected within a short timeframe against the other one (payroll).



5. At the opening of the review on 19 May 2008, the Government of Ghana and the eleven MDDBS development partners signed a new Framework Memorandum. This replaces the earlier one (dated 2003) as well as the Technical Annex 2006–08. The Framework Memorandum contains the objectives and underlying principles of MDDBS and lays out the annual cycle of activities as well as the responsibilities of the parties involved.

6. The remainder of this aide memoire is structured as follows. Section II summarises overall progress as discussed during the review (the 'holistic assessment'). Section III contains the main messages from the sectoral sessions as well as progress against the ten disbursement triggers. Section IV concludes by providing disbursement forecasts for 2009 and indicative allocations for 2010 and 2011.

## II. REVIEW OF OVERALL PROGRESS

7. The 2008 MDDBS review marked the second year in which a holistic assessment was conducted (following last year's pilot approach). Its purpose is to look beyond individual sectoral indicators to gain a broader understanding of overall progress. The holistic assessment informs the disbursement decision with regard to the MDDBS base component (for those DPs that operate two components).

8. The review benefited from presentations by the National Development Planning Commission (NDPC) on the 2007 Annual Progress Report (APR) on Ghana's Growth and Poverty Reduction Strategy (GPRS-2) and by the Secretariat of the African Peer Review Mechanism on its 2007 progress report. Development partners welcomed the fact that NDPC made the APR available prior to the review, which allowed for a much richer discussion on overall progress than in previous years.

9. The review concluded that there had been good overall progress in the implementation of GPRS-2 over the previous year. This was evidenced by: the positive overall picture presented by NDPC's Annual Progress Report for 2007; the good progress against the MDDBS PAF for 2007, with the majority of targets and triggers having been achieved; the positive overall feedback provided by the fourteen sector groups; and the feedback from the IMF's Staff Report on the 2008 Article IV Consultation. See the background documentation for further details.

10. MDDBS DPs share the conclusions of the recent IMF Executive Board discussions on the Article IV consultations, which stated that: 'Directors noted Ghana's continued strong growth performance and particularly the dynamism of the private sector. They noted the earlier gains in macroeconomic stabilization and debt reduction as well as the structural reforms since the early 2000s that have underpinned this favourable economic performance, and built a strong foundation for achieving Ghana's goals of accelerating progress towards achieving the Millennium Development Goals and attaining middle-income status within a decade. At the same time, Directors noted that since 2007 the fiscal expansion along with strong private sector demand growth, combined with the recent oil and food price shocks, have led to high fiscal and external current account deficits, rising inflation, and a

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weakening of the international reserve position. Directors noted that the risks associated with these developments could jeopardise Ghana's significant and hard-earned achievements earlier in the decade.<sup>1</sup> In this context, MDDBS DPs acknowledge the essential contribution of the IMF to the overall MDDBS programme.

11. As regards individual sectors, the review found that progress was uneven. The next section highlights some of the areas of concern that were discussed during the sectoral sessions. In summary, the review concluded that the holistic assessment was positive, and MDDBS DPs confirmed the release of the base component for 2009, subject to the final decision being taken by their respective headquarters (see Section IV for further details).

12. The MDDBS Framework Memorandum indicates that sound public financial management systems are an underlying principle for the provision of general budget support. It also stipulates that the MDDBS dialogue should encompass the findings from Ghana Audit Service's annual report on the GoG accounts. Based on the letter received from the Honourable Minister of State for Finance and Economic Planning on 4 June 2008 and a discussion with the Minister of State, we understand that a formal discussion on the 2006 accounts is currently not possible as there is a pending court case regarding the status of the Auditor General. As indicated in the Co-Chairs' letter of 18 June 2008, DPs expressed concerns about these developments but agreed to await the outcome of the court case. DPs also called for an early solution to this impasse as further delays in officially publishing the report on the public accounts and discussing it with MDDBS DPs could have implications for future MDDBS disbursements. We agreed that this issue would be subject to further dialogue as new information becomes available. On a related note, we suggest a meeting this autumn between MoFEP, GAS and DPs on the findings of the audit of selected flows that has been conducted under the auspices of MDDBS as soon as the results are available.<sup>3</sup>

### III. MAIN MESSAGES FROM SECTOR MEETINGS

13. This section briefly summarises the discussion in each of the sectoral sessions that formed the main part of the annual MDDBS review. The main points were already shared with MoFEP in the letter of MDDBS Co-Chairs to the Honourable Minister of State on 18 June 2008. In addition, this section summarises progress against the PAF targets and, in greater detail, against the ten disbursement triggers. More information is provided in the background documentation, which contains a detailed progress report from each of the fourteen sector groups. Finally, the section on the two triggers in the area of public financial management discusses progress at the time of the main review (May) and at the time of the reassessment (August).

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<sup>3</sup> The audit of selected flows 2006/2007 covers the Ministry of Water Resources Works and Housing and departments under it; operations of the Customs, Excise & Preventive Service (CEPS); and 20 Metropolitan, Municipal and District Assemblies (MMDAs).

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### **Private Sector Development**

14. Developments in the area of private sector development (PSD) are encouraging. There seems to be a good and strengthened dialogue between all stakeholders, further measures were undertaken related to trade facilitation, and the success on the ground is also reflected by the improving Ease of Doing Business indicators (even though from a 'low' position). We agreed to jointly work further to mainstream the PSDS related pool into the national budget for 2009 and have a closer look at market integration of informal sector activities, particularly at the decentralized level.

15. The review assessed progress against one PAF target on private sector development (implementation of at least three of five activities in the 2007 work plan of the Private Sector Development Strategy). The review concluded that the target was met.

### **Energy**

16. The power sector was severely weakened during 2006-07 due to recourse to high-cost thermal generation while tariffs were not adjusted concomitantly. The government took corrective action and sharply raised electricity tariffs for all customer categories in November 2007. However, crude oil prices have continued to rise and gas deliveries from Nigeria through the West Africa gas pipeline have been delayed. Consequently, a further increase to non-residential consumers has been agreed, particularly for the mining sector. We understand that this is expected to eliminate the indirect subsidies to mining that the current tariffs represent.

17. A financial recovery plan for the power sector is required to restore it to full viability. MoFEP is in the process of recruiting consultants to assist in preparing this plan, the recommendations of which are expected to receive Cabinet endorsement by end 2008. It is expected that under the ongoing GEDAP operation (World Bank and Switzerland) the electricity distribution utility, ECG, will improve its operational performance, which should then result in lower energy losses and better revenue collection.

18. The review assessed progress against three targets in the energy sector, of which two were fully met (PURC's review and gazetting of new tariffs; and efforts to set up a secondary gas market) while one was partially met (energy policy and Electricity Transmission Utility). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
<ul style="list-style-type: none"> <li>• Part 1: Restate the Government's public commitment to move to full cost recovery tariffs within an agreed timeline; and</li>   <li>• Part 2: Redesign the electricity bill to reflect to each customer: the total payment obligation due based on the PURC approved tariff; the portion of the total payment obligation that is earmarked as subsidy payment due from Government to VRA and ECG; and the net payment obligation of each customer.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Trigger met (part 1).</b> The 2008 budget statement recalls (§ 228) the objective of 'the rationalization of prices in the utilities sectors to ensure full cost recovery'. The PURC press release (19 October) refers to a 'road map towards the attainment of full cost recovery tariffs'. The letter of sector policy (May 2007) and other official addresses and statements also mention the necessity to move to full cost recovery tariffs. However, the objective is difficult to achieve since the power generating cost is increasing continuously because of the evolution of international crude oil prices and the increasing portion of thermal generation in the energy mix. The commitment to cost recovery has been pursued through passing on higher PURC-approved tariffs to end users (e.g. in November 2007 for all customers and again in July 2008 for high-voltage commercial customers).</li>   <li>• <b>Trigger met (part 2).</b> This trigger had been defined following GoG's decision not to pass on to consumers the September 2006 PURC approved tariffs, and to cover the difference through subsidies to the utility companies; electricity bills were not redesigned to reflect this difference. On 1 November 2007, adjusted new tariffs as approved by PURC in October 2007 were passed on to end users. However, GoG decided to fix a ceiling for the lifeline tariffs and to subsidise the difference between PURC approved lifeline tariff and actual lifeline tariff as paid by the consumer. The Ministry of Energy provided a sample of a March 2008 electricity bill for a customer charged under the lifeline tariff, indicating "total due this month" / "Govt subsidy" / "net charge".</li> </ul>

## Agriculture

19. In the agricultural sector, further work has been done to revise FASDEP (currently awaiting Cabinet approval), to strengthen the M&E system and reporting within MOFA, to improve the budgetary process, and to strengthen GoG-DP

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relations. Further challenges were highlighted with respect to agricultural financing, drawing lessons from the ongoing Public Expenditure and Institutional Review. An area of particular concern for DPs is the allocation of resources to the sector, and the efficiency in the use of these resources.

20. The review assessed progress against one PAF target on agriculture (monitoring and evaluation framework in the Ministry of Food and Agriculture). The review concluded that the target was met.

### **Natural Resources Management and Environment**

21. Major steps have been taken to implement sector reforms aimed at a substantial contribution of the environment and natural resources sector to Ghana's Growth and Poverty Reduction Strategy (GPRS-2). These actions include: (i) the agreement on the Natural Resource and Environmental Governance (NREG) sector budget support; (ii) approval of the financial framework for the Forestry Commission; (iii) engagement in the preparatory work towards the Voluntary Partnership Agreement (VPA); and (iv) progress in conducting Environmental Impact Assessments (EIAs), Strategic Environmental Assessments (SEAs) as well as work on climate change.

22. However, the APR emphasises the increasing costs of environmental degradation (while a reduction was expected), and both GoG and DPs recognise the need for rapid actions and reforms. Also, improving the revenue collection in forestry and mining will need continuous attention.

23. The review assessed progress against one PAF target on natural resource management (policy and financing framework for the Forestry Commission) and one PAF target on environment (follow-up to strategic environmental surveys). The review concluded that both targets were met.

### **Education**

24. Over the past few years, good progress has been made towards achieving the education related MDGs (2&3). The sector made significant progress with respect to overall access to primary enrolment (GER; 90%), while reducing disparities in net enrolment between deprived and non-deprived areas and by gender. The gender parity index increased considerably, even though it was a percentage below the expected target of 0.97% by the end of 2007. It is also noteworthy that while the implementation of the new educational reforms has entailed some expansion of the coverage of the education budget to include post-basic education, ICT and Technical and Vocational Education and Training (TVET), the share of public expenditures for the primary sector increased to around 35.2 percent.

25. The quality of education however remains a challenge, especially for pupils in lower primary (P3). This is probably as a result of higher enrolments in recent times. There is a need to analyze the determining factors and identify the measures to

improve learning achievement. While the education sector's budget is largely dominated by personnel emoluments (about 90%), it is compounded with the challenge of ensuring equitable regional deployment of teachers. Lastly the recent floods in the North also highlight the challenges that the governmental agencies at various levels face in assuring adequate education services: both district-level and central authorities needed to intensively engage in developing a fast response to the emergency situation to assure that education services are re-established after the floods destroyed over 200 schools.

26. The review assessed progress against four targets in the education sector, of which one was fully met (primary education spending), two were partially met (gender parity index; and annual testing in schools) and one was not met (TVET programme). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
<p>Reduce disparities in enrolment ratios and efficiency indicators between deprived districts and national averages by better targeting of resources; targets:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 57% PTR: 38:1</li> <li>• <u>National averages</u> NER (primary): 75.5% PTR: 35:1</li> </ul>	<p><b>Trigger met.</b> MoESS reports and additional analysis of figures for deprived and non-deprived districts confirmed that the target has been achieved; actuals:</p> <ul style="list-style-type: none"> <li>• <u>Deprived districts</u> NER (primary): 78% PTR: 36:1</li> <li>• <u>National averages</u> NER (primary): 83.3% PTR: 34:1</li> </ul>

## Health

27. The basket of indicators documented good overall progress in the health sector, with six of the seven indicators showing improvements in 2007. A key issue of discussion was the one indicator that worsened: supervised maternal deliveries fell from 44% in 2006 to 35% in 2007. The (health sector) review discussed the worsening of indicators related to maternal health. DPs welcomed the recent declaration by the Minister of Health that maternal mortality is "a national emergency", the establishment of a task team for the reduction of maternal mortality and the decision to exempt pregnant women from National Health Insurance Scheme (NHIS) fees. It will be important to include in the 2009 budget measures to initiate the improvements in maternal health, such as the HIRD activities related to MDG-5, including family planning, and to make provisions for this in the funding allocations.

28. The roll-out of the NHIS, a core strategy in the health sector, continued in 2007 with impressive progress in registering people in the scheme and issuing NHIS cards (42% of the population were issued with ID cards by the end of 2007). The decoupling of children from parents' subscription is also welcomed, but there are remaining challenges to enrol the poorest and most vulnerable groups in the NHIS. The discussions during the review also covered resources and inputs in the health sector, as the NHIS funding is expected to replace out-of-pocket payments and to

complement the MOH/GoG budget allocations. MoH presented figures on staffing (impressive 15% increase in health staff postings to deprived regions with more attention required for levels of vacancies) and expenditure on item 3 (overall increase, largely because of higher NHIF funding, accompanied by an increase in the budget execution rate).<sup>4</sup> There is continued concern that item 3 spending could again be crowded out by increases in item 1, thereby limiting the paradigm shift to disease prevention and health promotion rather than an orientation towards curative care. The prolonged debate about the spending figures points to challenges regarding PFM, budget execution and monitoring in the sector. The change in the baselines used to measure funding under item 3 (see assessment of trigger below) illustrates these challenges.

29. The review assessed progress against one target in the health sector (increasing the number of staff posted to deprived districts), which was achieved, as well as two sub-targets (district-level HIV spending; and claims settles under NHIS), of which the former was achieved and the latter was not measurable. The review also considered the following three disbursement triggers:

Trigger	Conclusion of review
More than 50% of the indicators in the basket of indicators for measuring sector performance improve in comparison with 2006	<b>Trigger met.</b> Six out of seven indicators in the basket (representing 87%) showed improvement over the 2006 performance. Supervised delivery experienced a decline during the period
Increase health spending (FY 2007) which leads to accelerated progress toward the MDGs by increasing in real terms GoG expenditure on item 3 of the health budget (services) with an improved execution rate on item 3	<b>Trigger met.</b> <sup>1</sup> In 2006, GH¢ 89.81 million were disbursed out of a total allocation of GH¢ 101.48 million; budget execution was 89%. For 2007, Item 3 disbursed GH¢ 152.21 million. This represents an increase in real terms over the 2006 disbursement; budget execution for 2007 was 110%. Note that a change in the baselines (inclusion of the two further NHIF components 'subsidies to schemes – exempt group' and 'subsidies to distressed schemes – reinsurance') was decided during the Health Review 2007, which was held after PAF 2007 had been finalised; these figures were therefore not reflected in the PAF.
National Health Insurance Scheme becomes increasingly effective: 36% of population, including the indigents and other exempt categories, are issued with ID cards	<b>Trigger met.</b> By the end of 2007, 55% of the population were registered for the NHIS. 8,203,855 people, representing 42% of the population, had been issued with NHIS ID cards

<sup>4</sup> Item 1 refers to personal emoluments while item 3 constitutes services.

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## **Social Protection**

30. Aside from National Youth Employment programme, the review concentrated on the Livelihoods Empowerment Against Poverty (LEAP) programme. Impressive progress has been made over the last year in launching and rolling out the LEAP programme. However, there are some question marks over the speed of expansion. The earlier target for 2008 was 7000 households to be covered by end of the year (target in PAF 2008-10). During the review, MoMYE indicated that LEAP is being extended to an additional 28,000 households by year end, while Government indicated in other fora that over 50,000 households would be covered. The increasing speed of extending coverage raises the issue of financial sustainability as the money for some of the additional households will be short-term DP funding. Hence, it is important to ensure that money is set aside in the 2009 budget to maintain these households on LEAP. Also, it will be important to ensure that capacity of the implementing units (Department of Social Welfare) is strengthened as the LEAP programme expands (an area DPs have agreed to support) in order to ensure that the quality of the programme does not suffer.

31. The review assessed progress against two PAF targets, one on social protection (roll out of the Livelihoods Empowerment Against Poverty (LEAP) programme), which was met, and one on employment (job creation for vulnerable groups), which was partially met.

## **Water and Sanitation**

32. Key developments over the last year include Cabinet approval of the national water policy and its launch earlier this year. There has also been good progress in extending the coverage of water supply to rural areas from 53% to 55%. However, significant concerns arose during the review about prospects for the water sector in general. There is uncertainty over the strategic investment plans, with neither the rural nor the urban strategic investment plan having been agreed. There is also a concern that rural water is highly dependent on DP money – almost all rural water investments are funded by DPs. Finally, the review learned that staff in the Water Directorate are paid through DP funding, which will end in a few months. DPs in the sector are now working on a SWAP, which will require a clear steer from Government. There is a real need to discuss these challenges soon, and DPs would like to take up the proposal made during the review that there should be a follow-up discussion between MWWH, MoFEP and DPs on the future strategy of the water sector.

33. The review assessed progress against one target on sanitation (setting up of sound sanitation monitoring system) and concluded that it was partially met. The review also considered the following disbursement trigger:



Trigger	Conclusion of review
55% access to safe water in rural communities and small towns	<b>Trigger met.</b> CWSA figures show that the coverage in 2007 was 54.86%, i.e. slightly below target. However, there had been revisions to the figures (agreed prior to the review), which changed the baseline as well as the target. The revised target for 2007 is 53.74%, which was achieved. No matter which measure is used, Government achieved about a 2% increase in coverage.

### Good Governance

34. In the area of good governance, DPs recognized the progress made in the domestication of international anticorruption conventions, better documentation of existing laws and the manual for the public service to be able to apply the laws in practice. DPs believe that further specification is necessary for costs and timelines, and eventually budgeting for the Anti-Corruption Action Plan as well as strengthening the Serious Fraud Office. The Economic Crimes Bill, currently discussed within Government, is an important step in this direction and DPs would welcome if the Bill could be tabled in Parliament (and passed) before the end of this year.

35. With respect to the implementation of the Domestic Violence Act, DPs welcome the publication of a costed national plan and hope to see this reflected in MDAs' budget requests and allocations for 2009.

36. The review assessed progress against three PAF targets in the area of good governance. It concluded that two targets were met (review of legislative framework on corruption; and implementation of Domestic Violence Act) and that some limited progress had been made against the third target (review and strengthening of Serious Fraud Office).

### Decentralisation

37. With respect to the decentralization process, DPs recognize significant progress in certain areas of the decentralisation agenda especially with respect to the implementation of the DDF/FOAT initiative, Cabinet approval of the Intergovernmental Fiscal Framework and Action Plan, and progress on the adoption of a Legal Instrument to set the frame for the Local Government Service, which is expected to be presented to Parliament soon.

38. DPs are however concerned about the lack of political guidance on the overall GoG decentralization strategy with the draft decentralization policy not yet approved by Cabinet. The pending decentralization policy and implementation plan has delayed the decision to establish an Interministerial Coordination Committee, an important step towards strengthening the inter-institutional coordination between

GoG stakeholders, which DPs see as a major weakness in the sector. A key actor in this process, the LGSS, requires significant input of skills, experience and resources to establish the systems and mechanisms to carry out its mandate, and to improve communication and dialogue with all MDAs and MMDAs.

39. The review assessed progress against three targets in the area of decentralisation, of which one target was met (establishment of District Development Fund), one was partially met (Local Government Service) and one had seen some limited progress (implementation of decentralisation policy). The review also considered the following disbursement trigger:

Trigger	Conclusion of review
Development of an intergovernmental fiscal framework to be endorsed by Cabinet	<b>Trigger met.</b> The framework was approved by Cabinet during the review (Memo of 3 June 2008 signed by Secretary to Cabinet).

#### Public Sector Reform

40. While progress in the implementation of public sector reforms has been broadly satisfactory, there are still a number of uncompleted actions. The training of senior civil servants and the pursuit of pension reforms have been successfully carried out. On the other hand, Government could not fully complete actions on; (i) the development of an HR data base for the civil service; (ii) the dissemination and enforcement of a new performance management process; and (iii) the establishment of a new pay spine. Government expects to continue pursuing public sector reforms despite the challenging environment of the 2008 elections.

41. The review assessed progress against one target in the area of public sector reform (reform of public sector pay and pensions), which was partially met. The review also considered the following disbursement trigger.

Trigger	Conclusion of review
Satisfactory implementation of 2007 PSR work plan (achievement of at least half the indicators), incl.: Office of the Head of Civil Service: maintains an accurate HR data for centralised recruitment/postings/transfers; provides significantly improved in-house training for civil servants; improves performance management through dissemination and enforcement of new performance management process	<b>Trigger met.</b> 26 of the 48 indicators were achieved (54%).

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### **Public Financial Management**

42. The review concluded that there had been mixed progress in the area of public financial management (PFM), when considering the five targets in the PAF. While there was good progress in some areas, the targets in the PAF were either only partially met (internal audit, revenue) or not met (BPEMS, payroll and procurement).

43. The two disbursement triggers on payroll and procurement were considered not met at the time of the review in May. On payroll, DPs noted at the time of the May review that the headcount was carried out and that corrective measures had been taken afterwards to clean the IPPD2 payroll, but that the reconciliation exercise had not yet been completed. As regards the implementation of IPPD2 in subvented agencies, the software had been rolled out to 35 of 114 agencies to date (i.e. the target of 50% had not been achieved). On procurement, DPs noted with surprise that the PPME survey had not been carried out on schedule, given that procurement had been a success area in the past and the survey had been completed on time in previous years. Following a request from Government to extend the timeframe for implementing these two sets of activities, a reassessment was carried out in mid August. This concluded that both triggers were met. It was agreed to strengthen the dialogue within the PFM sector group to follow up on both issues and to get clarity on the indicators used in this context.

Trigger	Conclusion of review
<p>Action taken to deepen payroll management and control by:</p> <ul style="list-style-type: none"> <li>• Integrating 50% of subvented agencies onto the IPPD2</li> <li>• Conducting headcount of Government payroll to effectively reconcile the IPPD2 payroll and the establishment list to determine the accuracy, reliability and transparency of payroll management processes</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 35 out of 114 subvented agencies (31%), with 25 further agencies loaded but not yet integrated (22%)</li> <li>• The main payroll headcount had been conducted and completed, but the follow-up actions ('mop-up exercises') had only been completed for Greater Accra and not in the remaining nine regions.</li> </ul> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b></p> <ul style="list-style-type: none"> <li>• The software had been rolled out to 63 out of 114 subvented agencies (55%)</li> <li>• The follow-up visits to all ten regions had been completed. In total, the headcount covered 455,000 staff, of which 2,350 (0.5%) were deleted and 1,758 (0.4%) were temporarily blocked. CAGD expects monthly savings of GHC 622,000.</li> </ul>
<p>Continue to ensure provisions of the Public Procurement Act are fully implemented and applied, using PPB's PPME assessment tool, covering 500 procurement entities. Improvement in the following areas:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices (NCT &amp; ICTs) from 50% to 70%</li> <li>• Publication of award of contracts from 50% to 70%</li> <li>• Use of appropriate procurement methods: 70%</li> </ul>	<p><b>Status at the main review in May:</b> <b>Trigger not met.</b> The PPME survey had not yet been carried out.</p> <p><b>Status at the reassessment in August:</b> <b>Trigger met.</b> The PPME survey was completed, covering 515 entities with the following results:</p> <ul style="list-style-type: none"> <li>• Publication of tender notices: 92.5%</li> <li>• Publication of award of contracts: 71.1%</li> <li>• Use of appropriate procurement methods: 90.35%</li> </ul>

### Monitoring and Evaluation

44. Monitoring and evaluation (M&E) has once more been an area of concern, with implications for practically all sectors. DPs recognize progress with respect to the quality and depth of the APR. Despite this, there is still a lack of a consistent and comprehensive database which is used by all MDAs and all DPs. There is an urgent need to improve the process of collection, quality control and analysis of routine data nationwide, in sectors and on district level.

45. In this respect, the swift finalization and adoption by GoG of the National Statistical Development Strategy (NSDS), under preparation by the Ghana Statistical

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Service (GSS) and presented in draft version in July 2008, and its related corporate plans (notably for GSS) would constitute a major breakthrough to define the capacity needs of the various stakeholders and mobilise the funds already made available by DPs.

46. The review assessed progress against one PAF target (implementation of the GPRS-2 M&E plan), which was partially achieved.

#### IV. SUMMARY AND DISBURSEMENT FORECASTS

47. The review concluded that the holistic assessment was positive, leading to the disbursement of the base component in 2009 (for all DPs that operate a base component and subject to confirmation from headquarters). As communicated earlier, the share of the base component in the total MDDBS allocation varies across DPs as follows: 80% for Canada, Japan, the Netherlands and the United Kingdom; and 50% for Denmark, Germany, France and Switzerland. In the case of the European Commission, the share of the base component will vary over the next few years in the range of 70-80%.<sup>5</sup>

48. The review evaluated progress against the ten triggers in the 2007 column of the PAF for 2007-09. The main review in May reached consensus that the following eight triggers had been met: energy, education, three triggers in health, water, decentralisation and public sector reform. There was also agreement that the two PFM triggers had not been met. Following a request from the Government of Ghana for an extension, progress against these two triggers was reviewed in a meeting on 14 August 2008. This concluded that both triggers were met. In summary, all DPs that operate a performance component concluded that all ten triggers have been met.

49. The following table summarises the planned disbursements for 2009 and provides indicative amounts for 2010 and 2011.

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<sup>5</sup> 2009 will represent a transition year between the 9<sup>th</sup> EDF (PRBS 3) and the 10<sup>th</sup> EDF programmes. The performance component will be provided under the PRBS 3 (ongoing) and the base component under the 10<sup>th</sup> EDF programme (under approval).

<b>MDBS – foreseen disbursements for budget years 2009–11<sup>6</sup></b>				
<b>DP</b>	<b>2009 Anticipated Disbursement</b>	<b>2009 Anticipated Withholding</b>	<b>2010 Indicative Allocation</b>	<b>2011 Indicative Allocation</b>
AFD <sup>7</sup>	€ 18.2 m	---	€ 17.0 m	€ 17.0 m
AFDB	UA 30.0 m	---	UA 30.0 m	UA 33.3 m
CIDA <sup>8</sup>	Cdn\$ 20.0 m	---	Cdn\$ 20.0 m	Cdn\$ 20.0 m
DANIDA <sup>9</sup>	DKK 70.0 m	---	DKK 70.0 m	DKK 70.0 m
DFID <sup>10</sup>	£ 50.0 m	---	£ 50.0 m	£ 50.0 m
EC <sup>11</sup>	€ 28.0 m	---	€ 28.0 m	€ 28.0 m
Germany <sup>12</sup>	€ 10.0 m	---	€ 10.0 m	€ 10.0 m
Japan <sup>13</sup>	JPY 350.0 m	---	JPY 350.0 m	JPY 350.0 m
Netherlands <sup>14</sup>	€ 25.0 m	---	€ 25.0 m	€ 25.0 m
Switzerland <sup>15</sup>	CHF 9.0 m	---	CHF 9.0 m	CHF 9.0 m
World Bank	US\$ 100.0 m	---	US\$ 100.0 m	US\$ 100.0 m

<sup>6</sup> The figures for 2009 are subject to confirmation and approval from the agencies' respective headquarters. The amounts are rounded up/down. The figures for 2010 and 2011 are indicative and should not be interpreted as commitments.

<sup>7</sup> Out of these yearly indicative amounts for 2010 and 2011, 10 million Euro per year are subject to the approval by AFD and the signing of a new loan agreement with the Ministry of Finance, which would be the renewal of the agreement signed in 2006 covering years 2007 to 2009. Discussion for the renewal of this agreement will have to take place in 2009.

<sup>8</sup> Annual allocations are subject to the imminent signing of a new Contribution Arrangement by Government of Ghana and CIDA based on a new GBS programme. Assuming that triggers and general conditions are appropriate, the minimum annual disbursement will be \$20 million and the maximum will be \$30 million (the amounts as yet to be decided).

<sup>9</sup> The final decision will be based on an overall assessment of DANIDA's general criteria for provision of GBS, such as the situation at the time of the intended disbursement regarding publication of the Public Accounts.

<sup>10</sup> Allocations for all three years are subject to the approval of a new financing agreement, but the allocation for 2009 is confirmed. The allocations for 2010 and 2011 are purely indicative at this stage.

<sup>11</sup> Subject to the approval of the 10<sup>th</sup> EDF programme (expected by the end of 2008).

<sup>12</sup> Indicative figures for 2010-2011. Allocations for MDBS in 2010/11 are subject to the Government negotiations between Ghana and Germany in 2009.

<sup>13</sup> Allocation for 2009 is indicative and subject to approval of Government of Japan. Current level of allocation is foreseen only for the term of GPRS-2 and level of allocation for 2010/11 is purely speculative at this point.

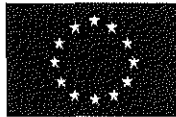
<sup>14</sup> Allocations for 2009 - 2012 are subject to the signing of a new financing agreement in 2008.

<sup>15</sup> Switzerland: indicative allocations 2009-2011: Presently a GBS agreement is in force between Ghana and Switzerland 2006-2008. A new agreement is anticipated to be signed in 2008 for the period 2009-2011.

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**V. BACKGROUND DOCUMENTATION**

- 1: Executive summary of NDPC's APR 2007
- 2: Executive summary of APRM report for 2007
- 3: IMF Public Information Notice on 2008 Article IV Consultation with Ghana
- 4: Assessment reports of the sectoral sessions



**Consultative Group for Ghana**  
**Annual Partnership Meeting**



**Ghana's Aid Policy – A Joint Approach to Accelerated Development**

**Ghana Partnership Resource Overview**

**Accra, Ghana – 30 June 2008**



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## 1 - List of Development Partners

AfDB	African Development Bank
BEL	Belgium
CAN	Canada
CZE	Czech Republic
DEN	Denmark
EC	European Commission
EIB	European Investment Bank
FAO	Food and Agriculture Organization
FRA	France
GER	Germany
GlobalFund	Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
ITA	Italy
JPN	Japan
NDF	Nordic Development Fund
NET	Netherlands
SPA	Spain
SWI	Switzerland
UK	United Kingdom
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
US	United States of America
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

## 2 - Acronyms and Abbreviations Used

### Aid Modality

GBS	General Budget Support
SBS-u	Sector Budget Support unearmarked
SBS-e	Sector Budget Support earmarked
BF	Basket-Funding
PA	Project Approach
IMF	Support to Balance of Payments (only IMF)

### Sector Group

MDBS	Multi-Donor Budget Support
PSD	Private Sector Development, Trade and Financial Sector
ENERGY	Energy
AGRIC	Agriculture and Rural Development
ENRM	Environment and Natural Resource Management
TRANS	Transport and Infrastructure
EDUC	Education
HEALTH	Health and HIV/AIDS
VULN/SOC	Vulnerability and Social Protection
WSS	Water and sanitation
GOV	Governance
DEC	Decentralisation
PSR	Public Sector Reform
PFM	Public Finance Management
M&E	Monitoring and Evaluation, Statistics
GENDER	Gender
CSO	Civil Society Organisations

### Pillar (GPRS II)

ALL	<i>For transfers into the Consolidated Fund without restriction on the allocation of funds. It concerns GBS and SBS-u.</i>
I	Private Sector Competitiveness
II	Human Resource Development
III	Good Governance and Civic Responsibility

### Ministries, Department, Agencies (MDAs)

ALL	<i>For transfers into the Consolidated Fund without restriction on the allocation of funds. It concerns GBS and SBS-u.</i>
Gov Machin	Office of Government Machinery
MPA	Ministry of Parliamentary Affairs
OoP	Office of Parliament
GAS	Ghana Audit Service
PSC	Public Services Commission
MoFEP	District Assemblies Common Fund
EC	Electoral Commission
MoTIPSD	Ministry of Foreign Affairs and NEPAD
MoFEP	Ministry of Finance and Economic Planning
MLGRDE	Ministry of Local Government, Rural Development and Environment
MoFA	Ministry of Food and Agriculture
MLFM	Ministry of Lands, Forestry and Mines
MoTIPSD	Ministry of Trade, Industry, PSD and PSI
Min Tour	Ministry of Tourism and Diasporan Relations
MoE	Ministry of Energy
MWRWH	Ministry of Water Resources, Works and Housing
MoT	Ministry of Transport
MoESS	Ministry of Education, Science and Sports
MMYE	Ministry of Manpower, Youth and Employment
Min Comm	Ministry of Communications
NCCE	National Commission for Civic Education
Min Chief	Ministry of Chieftaincy and Culture
MoH	Ministry of Health
NMC	National Media Commission
MINO	Ministry of Information and National Orientation
MoWAC	Ministry of Women and Children's Affairs
MoJ	Ministry of Justice
MoD	Ministry of Defence
CHRAJ	Commission on Human Rights and Administrative Justice
Jud Serv	Judicial Service
MoI	Ministry of Interior
MHR	Ministry of Harbours and Railways
NDPC	National Development Planning Commission
Min Fish	Ministry of Fisheries
NLC	National Labour Commission
MPSR	Ministry for Public Sector Reforms
MNS	Ministry of National Security
Min Avia	Ministry of Aviation
Utility	Utility
RA	Revenue Agencies
XX	Others

### 3 - Summary Tables

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                    *in million US\$*

#### Per aid modality

<i>in million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
GBS (MDBS)	265.71	313.74	287.77	867.23	327.71	315.85	381.28	1,024.84	425.65	409.50	358.81	1,193.96	3,086.03
SBS-u	-	-	13.62	13.62	18.60	36.40	120.67	175.67	139.81	151.69	161.69	453.18	642.48
SBS-e	6.86	13.07	16.08	36.01	17.64	24.11	39.12	80.87	35.58	47.70	37.19	120.47	237.36
BF	64.69	113.26	120.32	298.27	100.91	100.19	110.71	311.81	132.30	124.96	111.16	368.42	978.50
PA	400.16	480.27	591.34	1,471.78	643.83	759.40	1,144.76	2,547.98	1,276.37	981.16	523.21	2,780.74	6,800.50
IMF	76.59	38.66	38.15	153.40	116.55	-	-	116.55	-	-	-	-	269.95
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

#### Per grant/loan

<i>million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
Grant	461.23	622.41	666.10	1,749.74	703.42	867.55	1,113.35	2,684.31	1,114.50	957.68	600.41	2,672.59	7,106.64
Loan	352.77	336.60	401.19	1,090.56	521.83	368.39	683.19	1,573.42	895.22	757.32	591.65	2,244.19	4,908.17
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

#### Per pillar ("ALL" concerns the MDBS and the unearmarked sector budget support)

<i>in million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
I	236.38	271.77	318.70	826.85	367.50	428.45	646.05	1,442.00	787.64	602.25	378.36	1,768.26	4,037.10
II	190.78	278.32	358.27	827.38	318.28	361.83	511.20	1,191.32	487.69	408.10	191.85	1,087.65	3,106.34
III	44.55	56.52	50.78	151.84	76.60	93.42	137.34	307.35	168.91	143.46	101.35	413.72	872.91
ALL	342.30	352.40	339.54	1,034.24	462.87	352.24	501.95	1,317.07	565.46	561.19	520.50	1,647.15	3,998.45
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

#### 4 - Annual Disbursements per Development Partner (in million US\$)

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                    *in million US\$*

Donor	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
AfDB	49.19	35.00	66.54	150.73	70.67	66.87	205.61	343.15	311.62	254.24	151.03	716.90	1,210.77
BEL	-	-	-	-	0.00	-	1.99	1.99	1.99	1.99	1.99	5.98	7.98
CAN	16.00	41.41	47.39	104.80	55.27	58.16	70.01	183.44	100.16	87.73	97.48	285.36	573.59
CZE	0.03	0.06	0.06	0.15	0.12	0.18	0.18	0.48	0.18	0.18	-	0.36	0.99
DEN	47.41	54.84	50.59	152.83	56.26	61.70	82.37	200.33	76.57	78.83	79.86	235.26	588.43
EC	79.50	61.28	87.39	228.17	106.07	82.97	124.10	313.15	128.26	116.60	104.33	349.18	890.50
EIB	-	-	-	-	0.00	-	61.37	61.37	53.70	-	-	53.70	115.07
FAO	1.60	4.45	1.92	7.97	2.46	2.94	2.50	7.90	2.50	0.60	-	3.10	18.97
FRA	21.37	28.09	39.23	88.70	35.81	34.40	59.83	130.05	86.84	94.05	91.44	272.32	491.07
GER	23.50	45.39	47.13	116.03	44.50	39.72	56.65	140.87	79.09	45.96	29.61	154.66	411.56
GlobalFund	3.15	4.08	21.15	28.38	25.57	36.11	31.25	92.94	-	-	-	-	121.32
IFAD	8.35	9.09	5.80	23.24	5.42	4.94	6.88	17.24	11.39	11.17	7.17	29.72	70.20
ILO	1.45	2.16	3.11	6.72	5.01	3.49	0.80	9.30	-	-	-	-	16.02
IMF	76.59	38.66	38.15	153.40	116.55	-	0.05	116.60	0.05	-	-	0.05	270.05
IOM	0.62	0.31	0.35	1.27	0.31	0.20	0.20	0.71	0.20	-	-	0.20	2.18
ITA	1.64	3.21	4.74	9.58	17.10	13.86	21.82	52.78	-	-	-	-	62.36
JPN	18.13	19.24	27.86	65.23	30.51	52.67	36.46	119.64	27.84	24.20	18.23	70.27	255.14
NDF	1.81	0.25	2.44	4.50	1.67	4.03	15.56	21.26	15.92	13.62	0.21	29.76	55.51
NET	45.16	78.13	53.15	176.44	107.36	158.53	193.57	459.45	185.02	154.34	77.17	416.54	1,052.42
SPA	11.29	18.64	18.71	48.64	-	31.44	52.75	84.19	32.42	-	-	32.42	165.24
SWI	10.21	6.28	8.14	24.63	8.76	13.41	13.76	35.94	15.83	14.42	11.90	42.15	102.71
UK	65.01	107.67	111.59	284.27	143.84	147.01	156.12	446.97	161.18	165.07	158.54	484.78	1,216.03
UNAIDS	0.57	0.41	0.28	1.26	0.26	0.26	0.35	0.87	0.35	0.35	-	0.70	2.82
UNDP	4.80	7.62	6.42	18.84	10.16	16.78	13.27	40.20	3.97	-	-	3.97	63.01
UNESCO	0.15	0.38	0.44	0.97	0.54	0.42	-	0.96	-	-	-	-	1.93
UNFPA	5.00	5.00	5.00	15.00	2.08	3.54	4.75	10.37	4.75	4.75	4.75	14.25	39.62
UNHCR	-	-	3.27	3.27	2.16	2.73	3.87	8.76	2.94	-	-	2.94	14.97
UNICEF	7.07	10.64	11.66	29.37	22.61	18.01	20.83	61.45	21.49	21.16	-	42.65	133.47
UNIDO	2.80	2.00	1.00	5.80	0.30	2.78	2.89	5.96	1.89	-	-	1.89	13.65
US	58.23	67.88	61.96	188.07	58.95	116.45	193.91	369.30	221.14	188.85	2.36	412.35	969.73
WB	246.17	297.49	333.25	876.91	285.02	252.18	334.96	872.15	452.13	432.44	355.99	1,240.55	2,989.61
WFP	0.89	4.28	2.91	8.08	3.48	3.73	23.77	30.98	6.18	4.46	-	10.64	49.70
WHO	6.32	5.08	5.68	17.08	6.43	6.43	4.13	16.99	4.13	-	-	4.13	38.20
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>



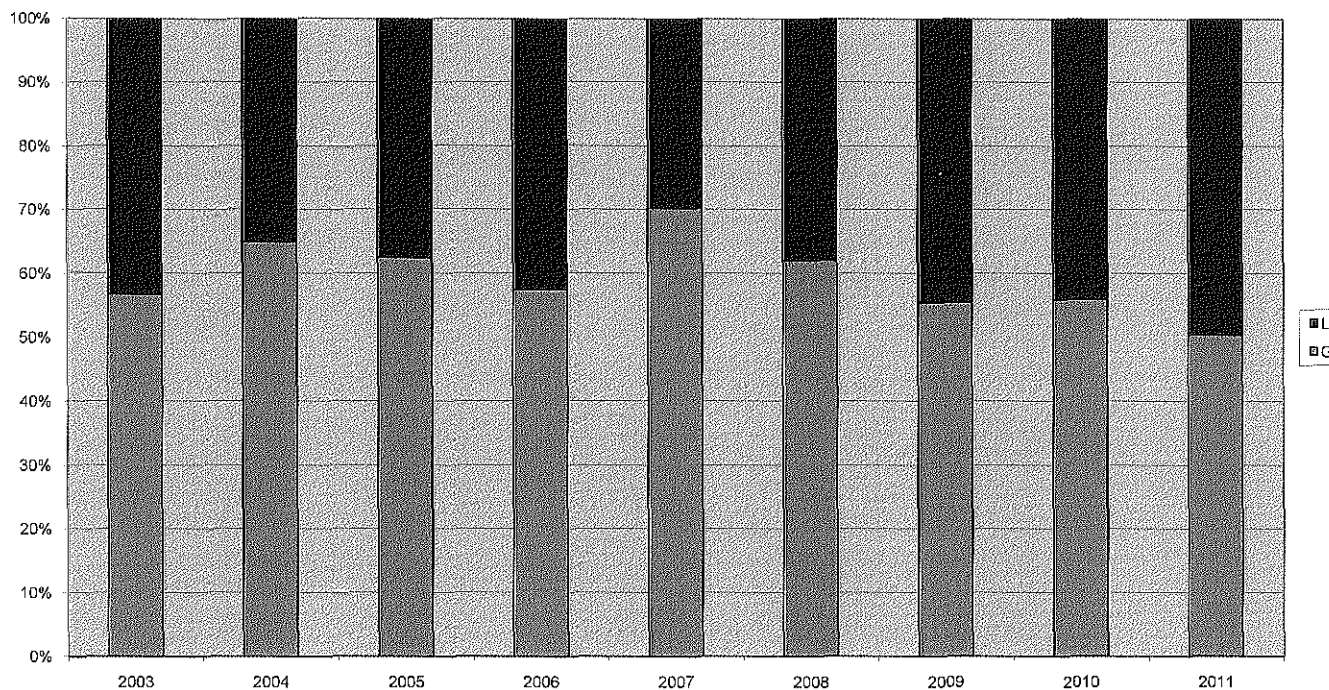
## 6 - Share Grant / Loan (in million US\$ and percentage)

*Actual disbursements*                      2003-2007  
*Projected disbursements*                2008-2011  
*All figures mentioned*                    in million US\$ and in percentage

<i>million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
Grant (G)	461.23	622.41	666.10	1,749.74	703.42	867.55	1,113.35	2,684.31	1,114.50	957.68	600.41	2,672.59	7,106.64
Loan (L)	352.77	336.60	401.19	1,090.56	521.83	368.39	683.19	1,573.42	895.22	757.32	591.65	2,244.19	4,908.17
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

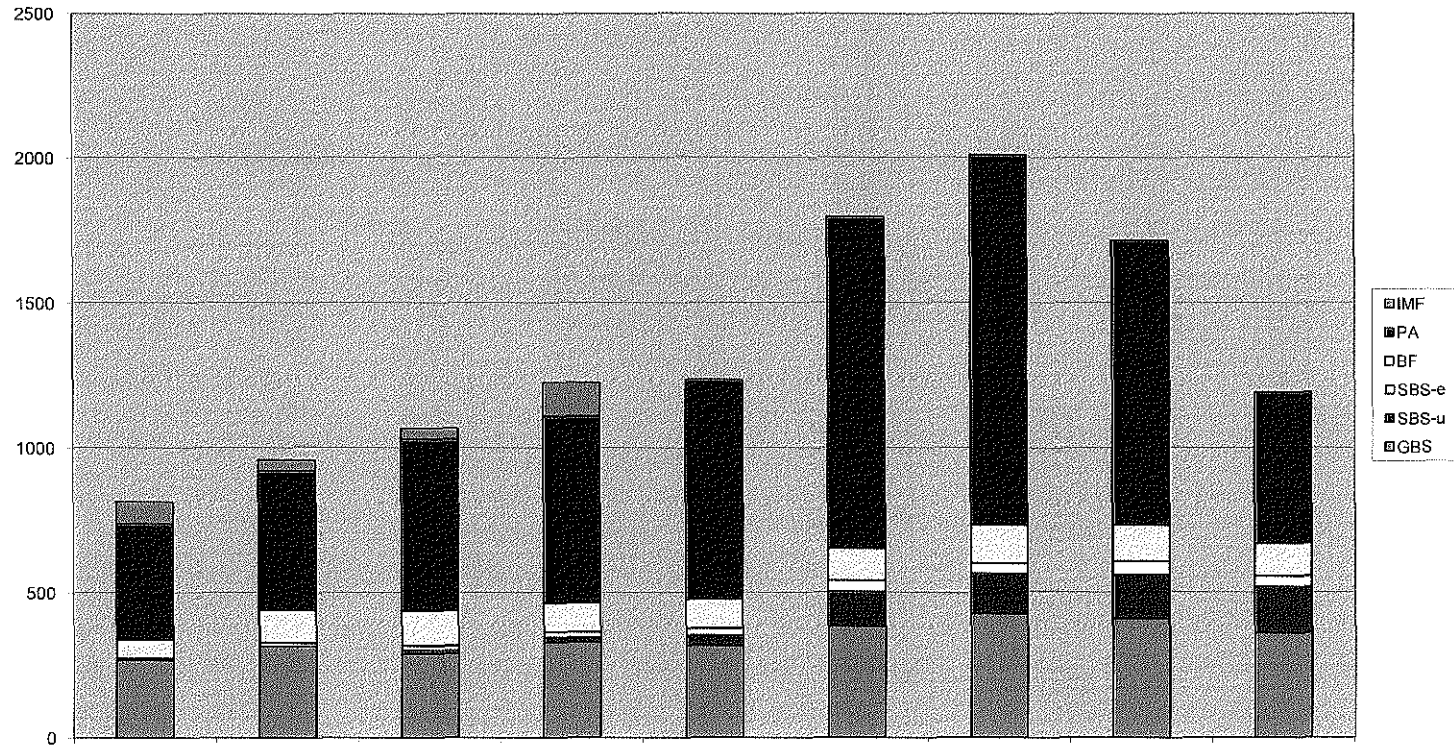
%	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
Grant (G)	56.7%	64.9%	62.4%	61.6%	57.4%	70.2%	62.0%	63.0%	55.5%	55.8%	50.4%	54.4%	59.1%
Loan (L)	43.3%	35.1%	37.6%	38.4%	42.6%	29.8%	38.0%	37.0%	44.5%	44.2%	49.6%	45.6%	40.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



## 7 - Aid Modality (in million US\$)

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                    *in million US\$*

<i>in million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
GBS (MDBS)	265.71	313.74	287.77	<b>867.23</b>	327.71	315.85	381.28	<b>1,024.84</b>	425.65	409.50	358.81	<b>1,193.96</b>	<b>3,086.03</b>
SBS-u	-	-	13.62	<b>13.62</b>	18.60	36.40	120.67	<b>175.67</b>	139.81	151.69	161.69	<b>453.18</b>	<b>642.48</b>
SBS-e	6.86	13.07	16.08	<b>36.01</b>	17.64	24.11	39.12	<b>80.87</b>	35.58	47.70	37.19	<b>120.47</b>	<b>237.36</b>
BF	64.69	113.26	120.32	<b>298.27</b>	100.91	100.19	110.71	<b>311.81</b>	132.30	124.96	111.16	<b>368.42</b>	<b>978.50</b>
PA	400.16	480.27	591.34	<b>1,471.78</b>	643.83	759.40	1,144.76	<b>2,547.98</b>	1,276.37	981.16	523.21	<b>2,780.74</b>	<b>6,800.50</b>
IMF	76.59	38.66	38.15	<b>153.40</b>	116.55	-	-	<b>116.55</b>	-	-	-	<b>-</b>	<b>269.95</b>
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

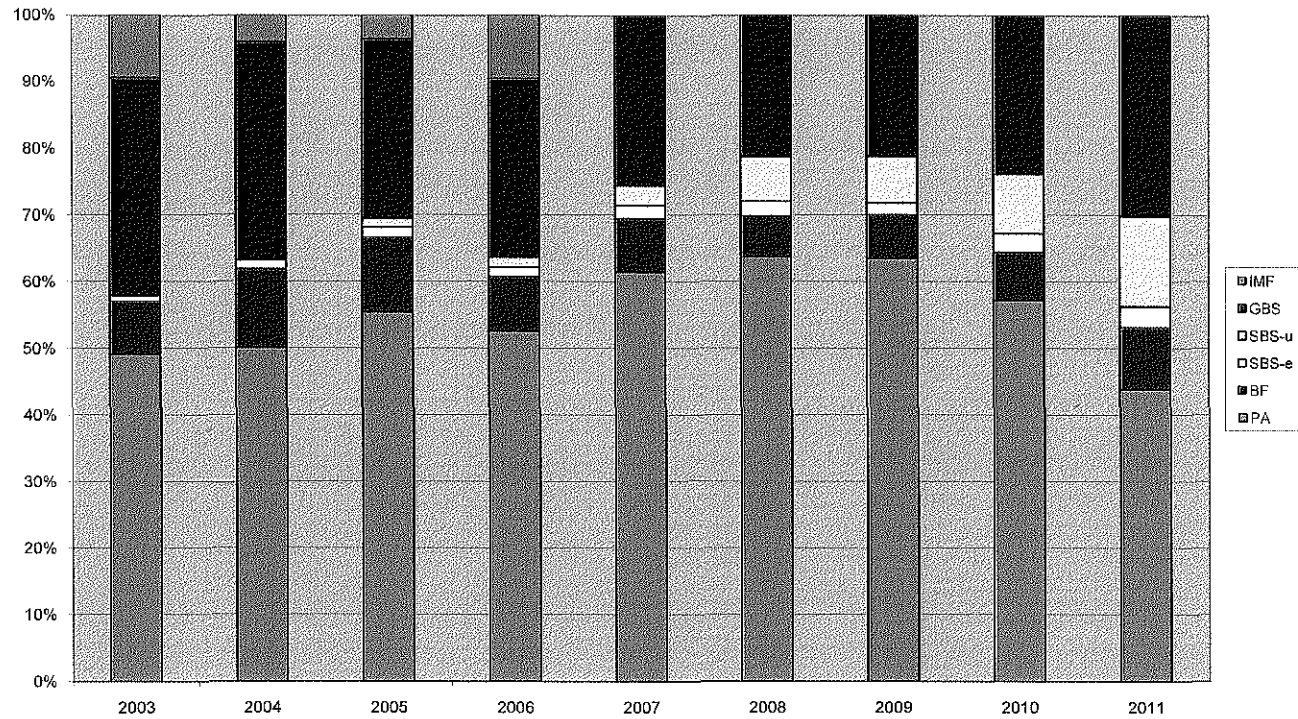




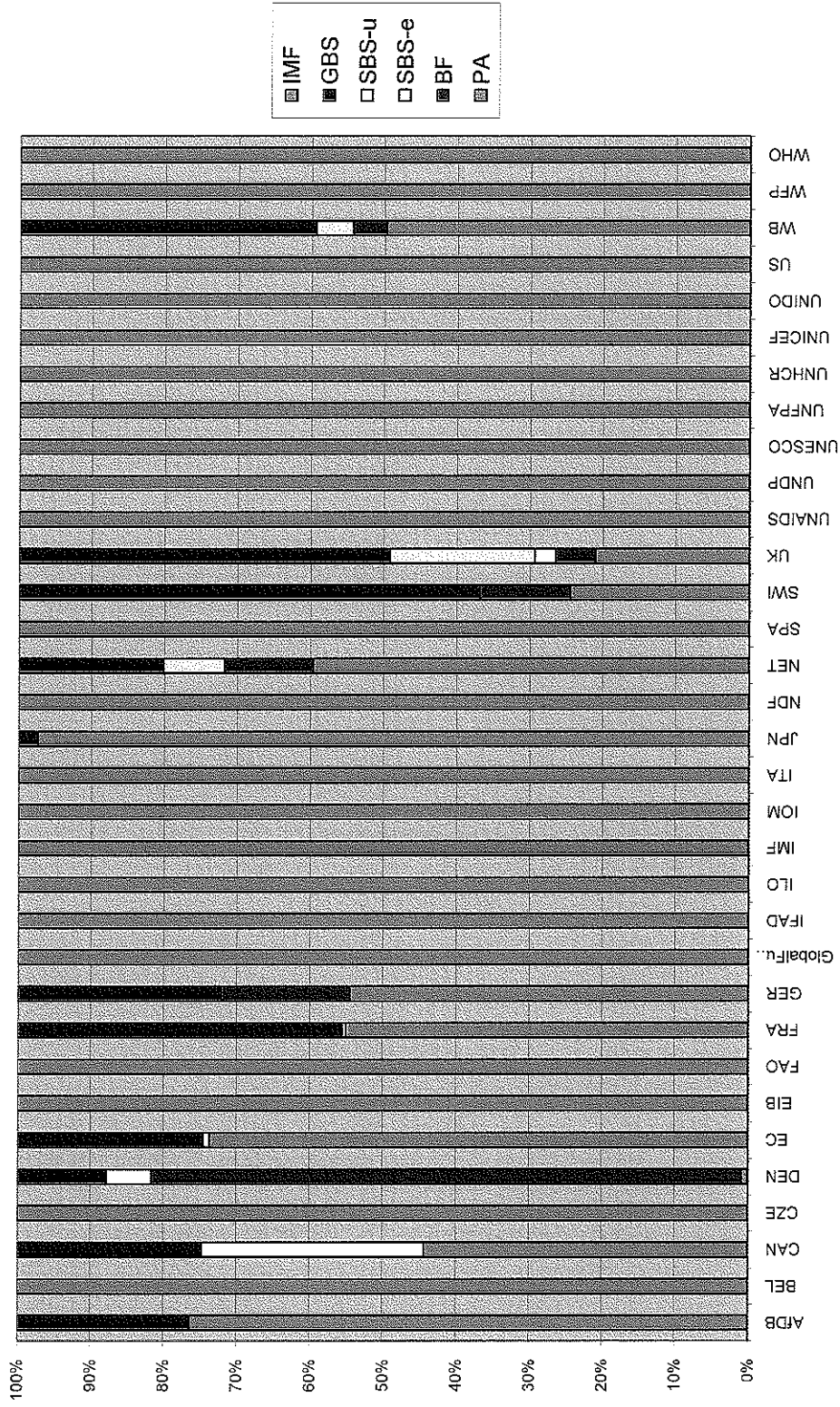
## 8 - Aid Modality (in percentage)

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                      *in %*

%	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
GBS	32.6%	32.7%	27.0%	30.5%	26.7%	25.6%	21.2%	24.1%	21.2%	23.9%	30.1%	24.3%	25.7%
SBS-u	0.0%	0.0%	1.3%	0.5%	1.5%	2.9%	6.7%	4.1%	7.0%	8.8%	13.6%	9.2%	5.3%
SBS-e	0.6%	1.4%	1.5%	1.3%	1.4%	2.0%	2.2%	1.9%	1.8%	2.8%	3.1%	2.5%	2.0%
BF	7.9%	11.8%	11.3%	10.5%	8.2%	8.1%	6.2%	7.3%	6.6%	7.3%	9.3%	7.5%	8.1%
PA	49.2%	50.1%	55.4%	51.8%	52.5%	61.4%	63.7%	59.8%	63.5%	57.2%	43.9%	56.6%	56.6%
IMF	9.4%	4.0%	3.6%	5.4%	9.5%	0.0%	0.0%	2.7%	0.0%	0.0%	0.0%	0.0%	2.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



9 - Aid Modality per DP over 2006-2008 (in percentage)



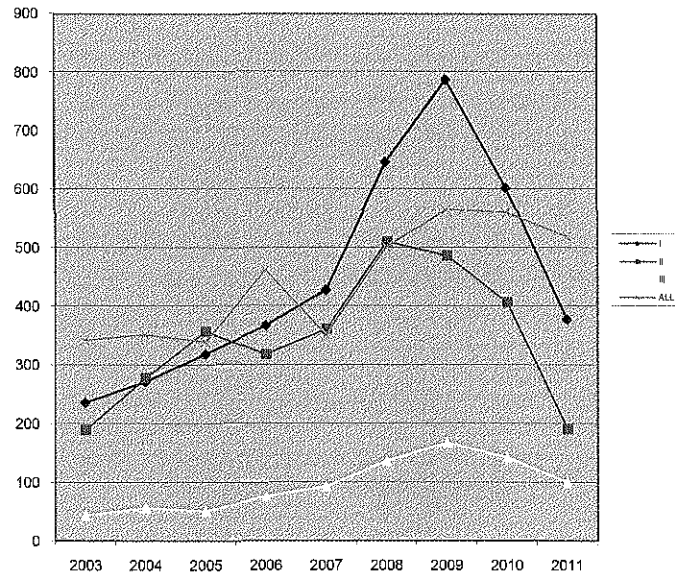
## 10 - Total per Pillar (in million US\$ and in percentage)

*Actual disbursements*                      2003-2007  
*Projected disbursements*                2008-2011  
*All figures mentioned*                    in million US\$ and in percentage

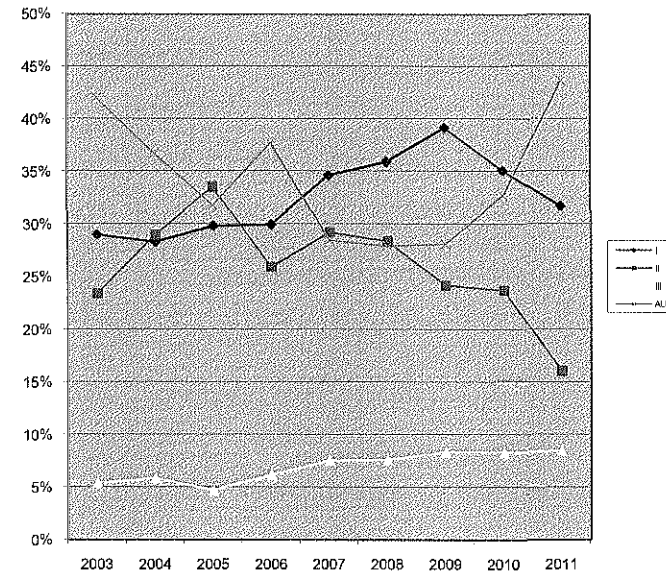
<i>in million US\$</i>	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
I	236.38	271.77	318.70	826.85	367.50	428.45	646.05	1,442.00	787.64	602.25	378.36	1,768.26	4,037.10
II	190.78	278.32	358.27	827.38	318.28	361.83	511.20	1,191.32	487.69	408.10	191.85	1,087.65	3,106.34
III	44.55	56.52	50.78	151.84	76.60	93.42	137.34	307.35	168.91	143.46	101.35	413.72	872.91
ALL	342.30	352.40	339.54	1,034.24	462.87	352.24	501.95	1,317.07	565.46	561.19	520.50	1,647.15	3,998.45
<b>Total</b>	<b>814.00</b>	<b>959.01</b>	<b>1,067.29</b>	<b>2,840.30</b>	<b>1,225.25</b>	<b>1,235.94</b>	<b>1,796.54</b>	<b>4,257.73</b>	<b>2,009.71</b>	<b>1,715.01</b>	<b>1,192.06</b>	<b>4,916.78</b>	<b>12,014.81</b>

%	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
I	29.0%	28.3%	29.9%	29.1%	30.0%	34.7%	36.0%	33.9%	39.2%	35.1%	31.7%	36.0%	33.6%
II	23.4%	29.0%	33.6%	29.1%	26.0%	29.3%	28.5%	28.0%	24.3%	23.8%	16.1%	22.1%	25.9%
III	5.5%	5.9%	4.8%	5.3%	6.3%	7.6%	7.6%	7.2%	8.4%	8.4%	8.5%	8.4%	7.3%
ALL	42.1%	36.7%	31.8%	36.4%	37.8%	28.5%	27.9%	30.9%	28.1%	32.7%	43.7%	33.5%	33.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Total per pillar (in million US\$)



Total per pillar (in percentage)



## 11 - Total MDBS and unearmarked SBS per DP (in million US\$ and in percentage)

Actual disbursements                      2003-2007  
 Projected disbursements                2008-2011  
 All figures mentioned                    in million US\$ and in percentage

### MDBS (GBS)

million US\$	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
CAN	3.58	17.48	13.56	34.63	14.25	15.90	16.08	46.23	21.44	21.44	21.44	64.33	145.19
DEN	0.76	4.93	4.39	10.08	5.61	6.44	12.35	24.40	12.35	13.38	14.41	40.14	74.61
EC	46.77	34.60	29.93	111.31	24.13	24.67	30.68	79.48	42.96	42.96	42.96	128.87	319.66
FRA	-	-	10.48	10.48	10.17	23.30	24.24	57.71	27.92	26.08	26.08	80.09	148.27
GER	-	7.45	8.11	15.56	11.31	13.71	14.25	39.27	15.34	-	-	15.34	70.17
JPN	-	-	-	-	-	-	3.12	3.12	3.12	3.12	-	6.24	9.36
NET	8.02	20.50	12.47	40.99	18.47	34.26	38.36	91.09	38.36	38.36	38.36	115.07	247.15
SWI	5.60	6.06	7.25	18.91	7.19	7.51	8.00	22.69	8.57	8.57	8.57	25.70	67.30
UK	41.14	76.71	45.61	163.46	61.30	80.06	85.60	226.96	107.00	107.00	107.00	320.99	711.42
WB	128.21	127.50	123.60	379.31	143.10	110.00	100.00	353.10	100.00	100.00	100.00	300.00	1,032.41
AfDB	31.62	18.51	32.37	82.50	32.19	-	48.60	80.79	48.60	48.60	-	97.20	260.49
<b>Total</b>	<b>265.71</b>	<b>313.74</b>	<b>287.77</b>	<b>867.23</b>	<b>327.71</b>	<b>315.85</b>	<b>381.28</b>	<b>1,024.84</b>	<b>425.65</b>	<b>409.50</b>	<b>358.81</b>	<b>1,193.96</b>	<b>3,086.03</b>

%	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
CAN	1.3%	5.6%	4.7%	4.0%	4.3%	5.0%	4.2%	4.5%	5.0%	5.2%	6.0%	5.4%	4.7%
DEN	0.3%	1.6%	1.5%	1.2%	1.7%	2.0%	3.2%	2.4%	2.9%	3.3%	4.0%	3.4%	2.4%
EC	17.6%	11.0%	10.4%	12.8%	7.4%	7.8%	8.0%	7.8%	10.1%	10.5%	12.0%	10.8%	10.4%
FRA	0.0%	0.0%	3.6%	1.2%	3.1%	7.4%	6.4%	5.6%	6.6%	6.4%	7.3%	6.7%	4.8%
GER	0.0%	2.4%	2.8%	1.8%	3.5%	4.3%	3.7%	3.8%	3.6%	0.0%	0.0%	1.3%	2.3%
JPN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.3%	0.7%	0.8%	0.0%	0.5%	0.3%
NET	3.0%	6.5%	4.3%	4.7%	5.6%	10.8%	10.1%	8.9%	9.0%	9.4%	10.7%	9.6%	8.0%
SWI	2.1%	1.9%	2.5%	2.2%	2.2%	2.4%	2.1%	2.2%	2.0%	2.1%	2.4%	2.2%	2.2%
UK	15.5%	24.5%	15.8%	18.8%	18.7%	25.3%	22.5%	22.1%	25.1%	26.1%	29.8%	26.9%	23.1%
WB	48.3%	40.6%	43.0%	43.7%	43.7%	34.8%	26.2%	34.5%	23.5%	24.4%	27.9%	25.1%	33.5%
AfDB	11.9%	5.9%	11.3%	9.5%	9.8%	0.0%	12.7%	7.9%	11.4%	11.9%	0.0%	8.1%	8.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Unearmarked sector budget support (SBS-u)

million US\$	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
EC	-	-	-	-	-	1.37	1.53	2.90	6.14	23.01	23.01	52.16	55.07
FRA	-	-	-	-	-	-	0.77	0.77	2.30	2.30	2.30	6.90	7.67
NET	-	-	-	-	-	-	38.38	38.36	38.36	38.36	38.36	115.07	153.42
UK	-	-	13.62	13.62	18.60	35.03	35.02	88.65	35.02	35.02	35.02	105.05	207.32
WB	-	-	-	-	-	-	45.00	45.00	58.00	53.00	63.00	174.00	219.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13.62</b>	<b>13.62</b>	<b>18.60</b>	<b>36.40</b>	<b>120.67</b>	<b>175.67</b>	<b>139.81</b>	<b>151.69</b>	<b>161.69</b>	<b>453.18</b>	<b>642.48</b>

%	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
EC	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	1.3%	1.7%	4.4%	15.2%	14.2%	11.5%	8.6%
FRA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.4%	1.6%	1.5%	1.4%	1.5%	1.2%
NET	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	31.8%	21.8%	27.4%	25.3%	23.7%	25.4%	23.9%
UK	0.0%	0.0%	100.0%	100.0%	100.0%	96.2%	29.0%	60.5%	25.0%	23.1%	21.7%	23.2%	32.3%
WB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	37.3%	25.6%	41.5%	34.9%	39.0%	38.4%	34.1%
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Support to Balance of Payments (IMF)

million US\$	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
IMF	76.59	38.66	38.15	153.40	116.55	-	-	116.55	-	-	-	-	269.95
<b>Total</b>	<b>76.59</b>	<b>38.66</b>	<b>38.15</b>	<b>153.40</b>	<b>116.55</b>	<b>-</b>	<b>-</b>	<b>116.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269.95</b>

## 12 - Total on Pillar I per Development Partner (in million US\$)

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                    *in million US\$*

Pillar I (only for earmarked sector budget support, basket-funding and projects)

Donor	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
AfDB	16.99	15.90	21.71	54.61	21.94	44.17	98.04	164.15	156.95	135.29	95.11	387.34	606.09
CAN	4.16	10.01	19.40	33.57	22.58	26.03	31.55	80.16	40.07	29.92	31.78	101.77	215.51
DEN	15.47	16.63	19.80	51.90	23.51	25.15	27.17	75.83	10.29	-	-	10.29	138.02
EC	23.23	19.51	36.89	79.63	75.82	40.36	60.75	176.94	61.52	33.75	33.75	129.03	385.59
EIB	-	-	-	-	0.00	-	61.37	61.37	53.70	-	-	53.70	115.07
FAO	1.60	4.45	1.92	7.97	2.46	2.94	2.50	7.90	2.50	0.60	-	3.10	18.97
FRA	18.99	23.24	22.79	65.02	12.39	10.69	26.39	49.47	33.75	35.90	30.22	99.88	214.36
GER	15.79	21.56	25.23	62.58	16.94	13.21	15.29	45.44	36.44	33.60	22.25	92.28	200.30
IFAD	8.35	8.26	5.80	22.41	5.01	3.47	5.48	13.96	7.39	7.17	7.17	21.72	58.09
ILO	0.42	0.44	0.63	1.49	1.40	1.47	-	2.87	-	-	-	-	4.36
IOM	0.62	0.31	0.32	1.25	0.30	0.20	0.20	0.70	0.20	-	-	0.20	2.15
ITA	-	2.09	2.18	4.27	13.86	10.75	20.10	44.71	-	-	-	-	48.98
JPN	14.58	14.71	16.59	45.88	20.37	44.91	24.07	89.34	16.92	14.78	14.16	45.87	181.09
NDF	0.79	0.12	0.20	1.11	0.03	-	-	0.03	-	-	-	-	1.14
NET	6.93	8.75	8.28	23.96	22.75	30.22	25.07	78.04	17.95	4.45	-	22.40	124.40
SPA	-	-	-	-	-	13.24	23.14	36.38	13.88	-	-	13.88	50.26
SWI	4.41	-	0.67	5.08	1.36	5.91	4.31	11.58	6.09	4.90	3.33	14.33	30.98
UK	16.97	16.71	20.52	54.21	9.31	9.33	15.42	34.06	8.42	5.19	3.83	17.45	105.72
UNDP	1.55	1.71	2.41	5.68	2.48	6.49	11.53	20.50	0.91	-	-	0.91	27.08
UNESCO	-	-	-	-	0.38	0.20	-	0.58	-	-	-	-	0.58
UNIDO	2.80	2.00	1.00	5.80	0.30	2.22	2.33	4.85	1.34	-	-	1.34	11.99
US	13.76	21.81	15.75	51.31	24.50	57.97	103.94	186.41	152.11	137.03	0.94	290.08	527.80
WB	68.85	83.40	95.90	248.15	89.83	79.50	87.33	256.66	167.21	159.67	135.82	462.70	967.50
WFP	0.13	0.16	0.70	0.99	-	0.02	0.07	0.09	-	-	-	-	1.09
<b>Total</b>	<b>236.38</b>	<b>271.77</b>	<b>318.70</b>	<b>826.85</b>	<b>367.50</b>	<b>428.45</b>	<b>646.05</b>	<b>1,442.00</b>	<b>787.64</b>	<b>602.25</b>	<b>378.36</b>	<b>1,768.26</b>	<b>4,037.10</b>

### 13 - Total on Pillar II per Development Partner (in million US\$)

Actual disbursements                      2003-2007  
 Projected disbursements                2008-2011  
 All figures mentioned                    in million US\$

Pillar II (only for earmarked sector budget support, basket-funding and projects)

Donor	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
AfDB	-	-	11.56	11.56	16.25	20.89	57.35	94.49	104.46	68.74	55.92	229.12	335.17
BEL	-	-	-	-	0.00	-	1.99	1.99	1.99	1.99	1.99	5.98	7.98
CAN	5.45	6.80	7.73	19.98	11.50	6.37	7.02	24.89	19.64	8.91	20.86	49.41	94.28
CZE	0.03	0.06	0.06	0.15	0.12	0.18	0.18	0.48	0.18	0.18	-	0.36	0.99
DEN	28.21	30.07	23.46	81.75	23.08	24.61	34.62	82.32	18.94	19.14	19.14	57.22	221.29
EC	8.07	4.55	18.94	31.57	1.29	11.70	21.23	34.23	6.90	6.90	3.07	16.88	82.68
FRA	1.41	3.50	4.39	9.30	10.41	0.41	8.44	19.25	15.19	22.09	25.16	62.44	90.99
GER	5.28	8.11	5.62	19.01	3.47	4.19	4.79	12.44	4.76	2.35	-	7.10	38.56
GlobalFund	3.15	4.08	21.15	28.38	25.57	36.11	31.25	92.94	-	-	-	-	121.32
ILO	1.03	1.72	2.48	5.23	3.61	2.02	0.80	6.43	-	-	-	-	11.66
IOM	-	-	0.02	0.02	0.01	-	-	0.01	-	-	-	-	0.03
ITA	-	-	-	-	0.20	0.82	-	1.02	-	-	-	-	1.02
JPN	3.55	4.54	11.26	19.35	10.15	7.43	8.87	26.45	7.36	6.18	4.07	17.61	63.42
NDF	1.02	0.12	2.25	3.39	1.65	4.03	15.56	21.23	15.92	13.62	0.21	29.76	54.37
NET	23.43	41.42	24.70	89.55	57.97	82.95	77.67	218.58	77.94	61.67	-	139.61	447.75
SPA	11.29	18.64	18.71	48.64	-	8.28	18.50	26.78	9.27	-	-	9.27	84.69
UK	4.22	8.56	25.98	38.76	47.13	14.92	11.65	73.70	3.74	15.86	5.35	24.94	137.39
UNAIDS	0.57	0.41	0.28	1.26	0.26	0.26	0.35	0.87	0.35	0.35	-	0.70	2.82
UNDP	1.10	1.51	2.10	4.71	3.35	7.83	0.49	11.67	2.29	-	-	2.29	18.67
UNESCO	0.15	0.38	0.44	0.97	0.07	0.03	-	0.10	-	-	-	-	1.07
UNFPA	3.50	3.50	3.50	10.50	1.46	2.46	2.00	5.92	2.00	2.00	2.00	6.00	22.42
UNHCR	-	-	3.27	3.27	2.16	2.73	3.87	8.76	2.94	-	-	2.94	14.97
UNICEF	5.64	9.32	10.05	25.00	21.35	16.55	17.12	55.02	16.01	15.71	-	31.72	111.74
UNIDO	-	-	-	-	-	0.56	0.56	1.11	0.56	-	-	0.56	1.67
US	38.87	40.76	41.63	121.26	32.68	57.18	87.66	177.51	64.26	47.25	1.42	112.94	411.71
WB	37.74	81.07	110.79	229.60	34.64	39.19	71.41	145.24	102.70	110.69	52.65	266.04	640.88
WFP	0.76	4.12	2.21	7.09	3.48	3.71	23.70	30.89	6.18	4.46	-	10.64	48.62
WHO	6.32	5.08	5.68	17.08	6.43	6.43	4.13	16.99	4.13	-	-	4.13	38.20
<b>Total</b>	<b>190.78</b>	<b>278.32</b>	<b>358.27</b>	<b>827.38</b>	<b>318.28</b>	<b>361.83</b>	<b>511.20</b>	<b>1,191.32</b>	<b>487.69</b>	<b>408.10</b>	<b>191.85</b>	<b>1,087.65</b>	<b>3,106.34</b>

## 14 - Total on Pillar III per Development Partner (in million US\$)

*Actual disbursements*                      *2003-2007*  
*Projected disbursements*                *2008-2011*  
*All figures mentioned*                    *in million US\$*

**Pillar III (only for earmarked sector budget support, basket-funding and projects)**

Donor	2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009	2010	2011	2009-2011	2003-2011
AfDB	0.57	0.59	0.89	2.06	0.29	1.82	1.62	3.73	1.62	1.62	-	3.24	9.03
CAN	2.80	7.13	6.69	16.63	6.95	9.85	15.35	32.15	19.00	27.45	23.39	69.84	118.62
DEN	2.97	3.21	2.94	9.11	4.05	5.50	8.23	17.79	34.99	46.31	46.31	127.61	154.51
EC	1.42	2.62	1.62	5.67	4.83	4.87	9.90	19.59	10.74	9.97	1.53	22.25	47.50
FRA	0.98	1.34	1.59	3.90	2.85	-	-	2.85	7.67	7.67	7.67	23.01	29.77
GER	2.44	8.26	8.17	18.87	12.78	8.61	22.32	43.72	22.55	10.02	7.36	39.94	102.52
IFAD	-	0.83	-	0.83	0.41	1.47	1.40	3.29	4.00	4.00	-	8.00	12.11
IMF	-	-	-	-	-	-	0.05	0.05	0.05	-	-	0.05	0.10
ITA	1.64	1.12	2.56	5.31	3.04	2.29	1.72	7.05	-	-	-	-	12.36
JPN	-	-	-	-	-	0.34	0.39	0.73	0.44	0.11	-	0.55	1.28
NET	6.78	7.45	7.70	21.93	8.17	11.10	14.11	33.38	12.43	11.51	0.46	24.39	79.70
SPA	-	-	-	-	-	9.92	11.11	21.03	9.27	-	-	9.27	30.30
SWI	0.20	0.22	0.22	0.64	0.22	-	1.46	1.67	1.17	0.95	-	2.12	4.43
UK	2.68	5.69	5.86	14.23	7.50	7.67	8.43	23.60	7.00	2.00	7.34	16.35	54.18
UNDP	2.15	4.40	1.90	8.45	4.33	2.46	1.25	8.03	0.77	-	-	0.77	17.25
UNESCO	-	-	-	-	0.09	0.19	-	0.28	-	-	-	-	0.28
UNFPA	1.50	1.50	1.50	4.50	0.62	1.08	2.75	4.45	2.75	2.75	2.75	8.25	17.20
UNICEF	1.44	1.32	1.61	4.36	1.26	1.46	3.71	6.43	5.48	5.45	-	10.93	21.72
US	5.61	5.31	4.59	15.50	1.77	1.30	2.31	5.38	4.77	4.57	-	9.33	30.22
WB	11.37	5.52	2.96	19.85	17.45	23.49	31.22	72.16	24.22	9.08	4.52	37.82	129.82
<b>Total</b>	<b>44.55</b>	<b>56.52</b>	<b>50.78</b>	<b>151.84</b>	<b>76.60</b>	<b>93.42</b>	<b>137.34</b>	<b>307.35</b>	<b>168.91</b>	<b>143.46</b>	<b>101.35</b>	<b>413.72</b>	<b>872.91</b>

15 - Total per MDA and Development Partner in 2007 (in million US\$)

Actual disbursements 2003-2007  
 Projected disbursements 2008-2011  
 All figures mentioned in million US\$

"ALL" corresponds to general budget support and unearmarked sector budget support and "XX" to local governments and non-state actors

2007	ALL	Gov Machin	GAS	Min Chief	Min Comm	Min Tour	MLFM	MLGRD E	MoD	MoE	MoESS	MoFA	MoFEP	MoH	MoI	MoJ	MoMYE	MoT	MoTIPS D	MoWAC	MPSR	MWRW H	NDPC	Utility	XX	Total	
AfDB	-									-	6.50	37.39	1.82	4.02				6.78	-			10.36				66.87	
BEL																											-
CAN	15.90						0.94	6.42				24.25	1.10			1.40			0.84		0.94	1.71			4.66	58.16	
CZE																										0.18	0.18
DEN	6.44							1.25						11.02		4.25						13.04				0.55	61.70
EC	26.04	0.07	1.37	0.34			12.06	2.06					5.62					23.71				11.24				0.47	82.97
EIB																											-
FAO												2.94															2.94
FRA	23.30							0.41				4.39							6.30							-	34.40
GER	13.71						2.18	2.91	0.81		0.42	2.65	1.52			3.19		5.15	3.41			3.77				39.72	
GlobalFund														36.11													36.11
IFAD								1.47				1.38							2.09							-	4.94
ILO											2.02	0.22							1.25								3.49
IMF	-																										-
IOM												0.20															0.20
ITA								2.29											10.75							0.82	13.86
JPN	-	0.80				0.67	0.73			5.06	1.98	3.84	24.69	4.54				8.34	1.62						0.40	52.67	
NDF							1.92	0.66						0.36									1.10				4.03
NET	34.26						17.13				13.84			25.25				12.27				43.86			11.92	158.53	
SPA										4.14		4.96		4.14	9.92			4.14				4.14					31.44
SWI	7.51																		5.91								13.41
UK	115.09	6.95					1.02				1.00	4.40	2.64	5.00			0.30		1.60		2.35	2.18			4.47	147.01	
UNAIDS														0.26													0.26
UNDP								0.49			4.78	4.60	0.07	3.05	0.68	0.11			1.89		0.70	0.41				16.78	
UNESCO					0.18	0.20					0.03									0.01							0.42
UNFPA													0.65	2.46						0.43							3.54
UNHCR																				2.73							2.73
UNICEF											2.07			11.79						0.85		2.69	0.61				18.01
UNIDO																			2.78								2.78
US								0.50		0.10	23.39	39.43	0.72	32.49		0.08		7.11	11.33			1.30				116.45	
WB	110.00	3.29	-		1.52		4.28	24.93			16.73	9.79	2.52	3.95				45.35	9.23		1.60	11.86	0.20	6.93		252.18	
WFP											1.23	0.02		1.15						1.33							3.73
WHO														6.43													6.43
<b>Total</b>	<b>352.24</b>	<b>11.11</b>	<b>1.37</b>	<b>0.34</b>	<b>1.70</b>	<b>0.87</b>	<b>40.26</b>	<b>43.39</b>	<b>0.81</b>	<b>9.30</b>	<b>74.00</b>	<b>140.46</b>	<b>41.35</b>	<b>152.03</b>	<b>10.60</b>	<b>9.03</b>	<b>0.30</b>	<b>137.49</b>	<b>59.50</b>	<b>5.35</b>	<b>5.59</b>	<b>107.65</b>	<b>0.81</b>	<b>6.93</b>	<b>23.47</b>	<b>1,235.94</b>	



16 - Total per MDA and Development Partner in 2008 (in million US\$)

Actual disbursements 2003-2007  
 Projected disbursements 2008-2011  
 All figures mentioned in million US\$

"ALL" corresponds to general budget support and unarmarked sector budget support and "XX" to local governments and non-state actors

2008	ALL	Gov Machin	GAS	Jud Serv	Min Chief	Min Comm	Min Tour	MLFM	MLGRD E	MoD	MoE	MoESS	MoFA	MoFEP	MoH	Moi	MoJ	MoMYE	MoT	MoTIPS D	MoWAC	MPSR	MWRW H	NDPC	Utility	XX	Elec Comm	Grand Total
A/DB	48.60										-	15.23	73.10	1.52	6.48				22.84	2.11			35.64					205.61
BEL															1.99													1.99
CAN	16.08							1.95	8.68				29.60	1.24			4.23					1.21	2.46			1.64	2.92	70.01
CZE																												0.18
DEN	12.35								4.22		-				17.91		4.01		16.88	10.29			16.10				0.52	82.37
EC	32.22	0.23	1.53		1.53			17.03	3.07					7.36	-	2.30			37.59	-			20.71			0.52	-	124.10
EIB											61.37																	61.37
FAO													2.50															2.50
FRA	25.01								7.67				7.67						18.26	0.46			0.77					59.83
GER	14.26							1.18	16.56	1.53		1.15	6.14	2.61			1.23		3.45	4.91			3.64					56.65
GlobalFund															31.25													31.25
IFAD									1.40				3.77							1.48					0.23			6.88
ILO												0.80	-		-													0.80
IMF														0.05														0.05
IOM													0.20		-													0.20
ITA									1.72											20.10								21.82
JPN	3.12	0.83					0.57	0.78			6.65	1.98	3.02	0.13	5.90		-		11.34	1.70						0.43	36.46	
NDF								2.98	5.60						4.43								2.55					15.56
NET	76.71											27.00			2.15				24.46				48.52			14.73		193.57
SPA											4.63	-	9.25		9.25	11.11			9.25				9.25					52.75
SWI	8.00							0.45			1.43			2.31						1.58								13.76
UK	120.61	5.95						1.69				0.97	5.33	4.04	0.97		0.97	2.00	-	2.89			1.11			9.57		156.12
UNAIDS															0.35													0.35
UNDP								0.33				0.35	11.01	0.11	0.14	-	0.70			0.52		0.11	-					13.27
UNESCO																					1.00							4.75
UNFPA														1.75	2.00						3.87							3.87
UNHCR												4.16			6.78						2.27		6.18	1.44				20.83
UNICEF																												2.89
UNIDO											0.03								2.86									2.89
US											0.15	48.18	61.01	2.30	39.48		0.38		31.96	9.82	0.01		2.00			0.63		193.91
WB	145.00	5.72	0.10	0.16		4.00		8.75	38.12			17.55	2.77	6.52	11.33				11.11	19.00		6.17	23.31	0.20	35.14		334.96	
WFP												4.18	0.07		2.38						17.13							23.77
WHO															4.13													4.13
Total	501.95	12.73	1.63	0.16	1.53	4.00	0.57	34.81	87.36	1.53	74.26	119.55	215.44	30.04	146.93	13.41	11.52	2.00	187.14	77.72	24.28	7.49	172.22	1.64	35.14	27.92	3.55	1,796.54

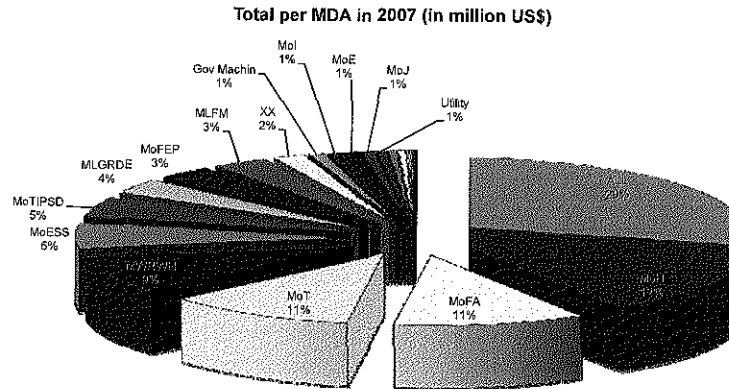
## 17 - Total per MDA in 2007 and 2008 (in percentage)

Actual disbursements  
Projected disbursements  
All figures mentioned

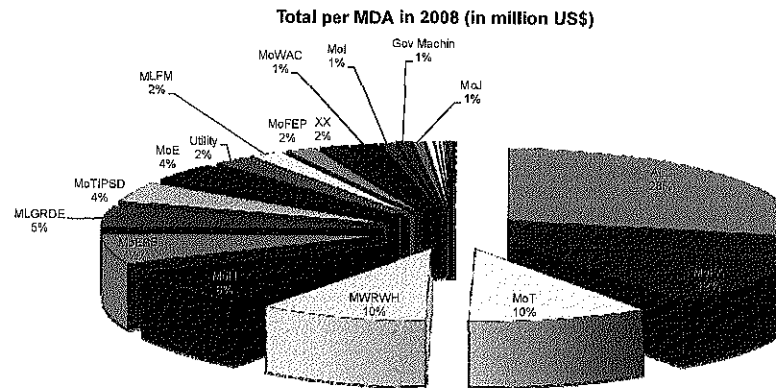
2003-2007  
2008-2011  
in %

"ALL" corresponds to general budget support and unarmarked sector budget support (which support the whole Government) and "XX" to local governments and

2007	Share in %
ALL	28.50%
MoH	12.30%
MoFA	11.36%
MoT	11.12%
MWRWH	8.71%
MoESS	5.98%
MoTIPSD	4.81%
MLGRDE	3.51%
MoFEP	3.35%
MLFM	3.26%
XX	1.90%
Gov Machin	0.90%
Mol	0.65%
MoE	0.75%
MoJ	0.73%
Utility	0.56%
MPSR	0.45%
MoWAC	0.43%
Min Comm	0.14%
GAS	0.11%
Min Tour	0.07%
NDPC	0.07%
MoD	0.07%
Others	0.05%
<b>Total</b>	<b>100.00%</b>



2008	Share in %
ALL	27.94%
MoFA	11.89%
MoT	10.42%
MWRWH	9.59%
MoH	8.18%
MoESS	6.65%
MLGRDE	4.86%
MoTIPSD	4.33%
MoE	4.13%
Utility	1.96%
MLFM	1.94%
MoFEP	1.67%
XX	1.55%
MoWAC	1.35%
Mol	0.75%
Gov Machin	0.71%
MoJ	0.64%
MPSR	0.42%
Min Comm	0.22%
Elec Comm	0.20%
MoMYE	0.11%
NDPC	0.09%
GAS	0.09%
Min Chieft	0.09%
MoD	0.09%
Others	0.04%



## 18 - Total per Sector Group and Development Partner in 2007 (in million US\$)

*Actual disbursements*                      2003-2007  
*Projected disbursements*                2008-2011  
*All figures mentioned*                    in million US\$

2007	MDBS	AGRIC	CSO	DEC	EDUC	ENERGY	ENRM	GENDER	GOV	HEALTH	M&E	PFM	PSD	PSR	TRANS	VULN/SO C	WSS	Total
AtDB	-	37.39			6.50	-				4.02	1.82		-		6.78		10.36	66.87
BEL										-								-
CAN	15.90	24.25	4.66	5.24			0.94		1.40			1.10	0.84	2.12			1.71	58.16
CZE			0.18															0.18
DEN	6.44		0.55	1.25		-			4.25	11.02			6.81		18.34		13.04	61.70
EC	24.67	4.25	0.47	1.37	-		2.06		1.37	-	-	2.12	11.72		23.71		11.24	82.97
EIB						-												-
FAO		2.94																2.94
FRA	23.30	4.39	-	0.41	-	-			-			-	-	-	6.30		-	34.40
GER	13.71	2.74		2.81	0.42		1.91		4.28		0.18	1.34	3.41		5.15		3.77	39.72
GlobalFund										36.11								36.11
IFAD		2.85											2.09					4.94
ILO		0.22			2.02								1.25					3.49
IMF																		-
IOM		0.20																0.20
ITA			0.82	2.29					-				10.75					13.86
JPN	-	4.57	0.38		2.00	5.06			-	5.05		0.04	26.94	0.30	8.34			52.67
NDF							2.26			0.36							1.41	4.03
NET	34.26		11.92		13.84		17.13			25.25					12.27		43.86	158.53
SPA		4.96			-	4.14			9.92	4.14					4.14		4.14	31.44
SWI	7.51												5.91					13.41
UK	80.06	5.42	3.13		21.02				0.34	26.22	1.05	1.33	3.61	2.35	-	0.30	2.18	147.01
UNAIDS										0.26								0.26
UNDP		4.60			4.78				1.35	3.05			1.89	0.70			0.41	16.78
UNESCO					0.03			0.01	0.18				0.20					0.42
UNFPA								0.43		2.46	0.65							3.54
UNHCR																2.73		2.73
UNICEF					2.07					11.79	0.61					0.85	2.69	18.01
UNIDO													2.36			0.42		2.78
US		39.43		0.50	23.39	0.10	-	-	0.08	32.49		0.72	11.33		7.11		1.30	116.45
WB	110.00	9.79		21.47	16.73	6.93	2.93		-	7.14	0.32	0.10	14.50	1.60	45.35		15.32	252.18
WFP		0.02			1.23					1.15						1.33		3.73
WHO										6.43								6.43
<b>Total</b>	<b>315.85</b>	<b>148.03</b>	<b>22.11</b>	<b>35.34</b>	<b>94.04</b>	<b>16.23</b>	<b>27.22</b>	<b>0.44</b>	<b>23.17</b>	<b>176.94</b>	<b>4.63</b>	<b>6.75</b>	<b>103.60</b>	<b>7.06</b>	<b>137.49</b>	<b>5.63</b>	<b>111.42</b>	<b>1,235.94</b>

## 19 - Total per Sector Group and Development Partner in 2008 (in million US\$)

Actual disbursements  
Projected disbursements  
All figures mentioned

2003-2007  
2008-2011  
in million US\$

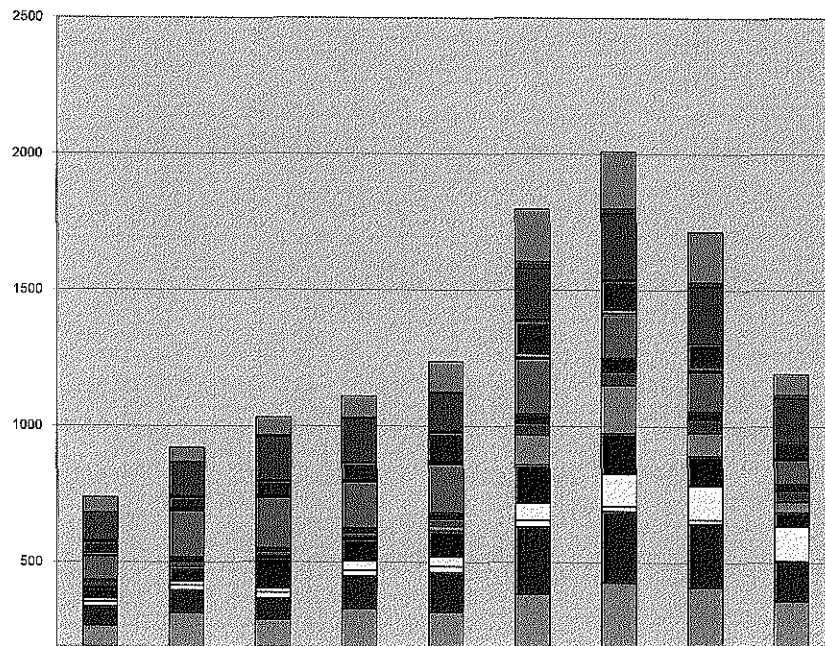
2008	MDBS	AGRIC	CSO	DEC	EDUC	ENERGY	ENRM	GENDER	GOV	HEALTH	M&E	PFM	PSD	PSR	TRANS	VULN/SO C	WSS	Total
AfDB	48.60	73.10			15.23	-				6.48	1.62		2.11		22.84		35.64	205.61
BEL										1.99								1.99
CAN	16.08	29.60	1.64	7.90			1.95		7.15			1.24	-	1.99			2.46	70.01
CZE			0.18															0.18
DEN	12.35		0.62	4.22		-			4.01	17.91			10.29		16.88		16.10	82.37
EC	30.68	4.60	0.52	1.53	-		1.53		5.06	-	-	3.30	18.56		37.59		20.71	124.10
EIB						61.37												61.37
FAO		2.50																2.50
FRA	24.24	7.67	-	7.67	-		0.77		-			-	0.46	-	18.26		0.77	59.83
GER	14.25	6.36		16.34	1.15		0.57		3.38		0.31	2.30	4.91		3.45		3.64	56.65
GlobalFund										31.25								31.25
IFAD		5.40											1.48					6.88
ILO		-			0.80					-			-					0.80
IMF												0.05						0.05
IOM		0.20								-			-					0.20
ITA			-	1.72					-				20.10					21.82
JPN	3.12	3.80	0.41		1.99	6.66			-	6.47		0.13	2.27	0.26	11.34			36.46
NDF							3.34			4.43							7.78	15.56
NET	38.36		14.73		27.00		10.74			29.76					24.46		48.52	193.57
SPA		9.25			-	4.63			11.11	9.25					9.25		9.25	52.75
SWI	8.00					1.43	0.45					1.46	2.44					13.76
UK	85.60	7.02	6.65		20.43		-		1.36	22.37	1.24	1.95	6.39	-	-	2.00	1.11	156.12
UNAIDS										0.35								0.35
UNDP		11.01			0.35				1.14	0.14			0.52	0.11			-	13.27
UNESCO					-				-				-					-
UNFPA								1.00		2.00	1.75							4.75
UNHCR																3.87		3.87
UNICEF					4.16					6.78	1.44					2.27	6.18	20.83
UNIDO						0.03							2.02			0.84		2.89
US		61.01		-	46.18	0.15	1.00	0.01	1.01	39.48		1.30	9.82		31.96		2.00	193.91
WB	100.00	27.77		24.20	17.55	35.14	21.30		0.16	16.83	0.37	0.32	37.00	6.17	11.11		37.03	334.96
WFP		0.07			4.18		-			2.39						17.13		23.77
WHO										4.13								4.13
<b>Total</b>	<b>381.28</b>	<b>249.37</b>	<b>24.75</b>	<b>63.58</b>	<b>139.02</b>	<b>109.40</b>	<b>41.65</b>	<b>1.01</b>	<b>34.38</b>	<b>202.02</b>	<b>6.72</b>	<b>12.04</b>	<b>118.38</b>	<b>8.53</b>	<b>187.14</b>	<b>26.11</b>	<b>191.17</b>	<b>1,796.54</b>

## 20 - Total per Sector Group over 2003-2011 (in million US\$ and in percentage)

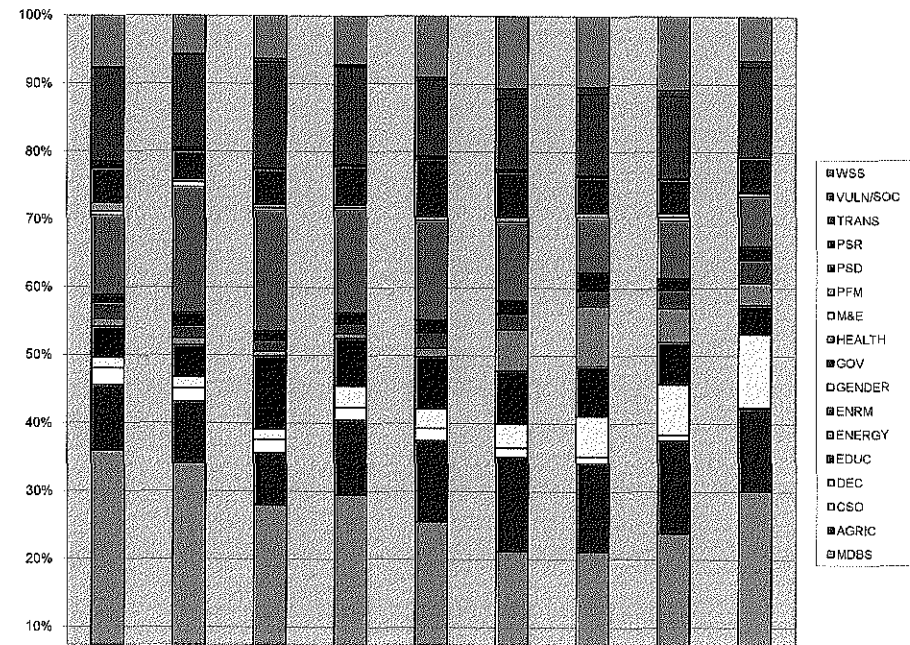
*Actual disbursements*                      2003-2007  
*Projected disbursements*                2008-2011  
 All figures mentioned                    in million US\$ and in percentage

Caveat: the support to the balance of payments by the IMF does not appear in the graph belows.

**Total per Sector Group in million US\$**



**Total per Sector Group in percentage**







- WSS
- VULN/SOC
- TRANS
- PSR
- PSD
- PFM
- M&E
- HEALTH
- GOV
- GENDER
- ENRM
- ENERGY
- EDUC
- DEC
- CSD
- AGRIC
- MDBS

Included Donors: 21

(Canada, Denmark, EC, FAO, France, Germany, IFAD, Japan, NDF, Netherlands, Spain, Switzerland, UNDP, UNFPA, UNICEF, UNIDO, UK, US, WFP, WHO, World Bank)

		Number of Donors Active	
		present	future
I-1	Private Sector Development, including financial sector (1) Future aid modality achieved by		
I-2	Modernized agriculture (4) Future aid modality achieved by		
II-4	Health (7) Future aid modality achieved by		
III-5	Women Empowerment - Gender-Related Experiences in Vulnerability & Exclusion (Access To Rights & Entitlements), (13) Future aid modality achieved by	10	9-11
III-2	Enhancing Decentralization (10) Future aid modality achieved by	10	10
II-9	Water And Environmental Sanitation (8) Future aid modality achieved by	10	9
II-7	HIV/AIDS (7.a) Future aid modality achieved by	10	9
I-4	Restoration of Degraded Environment and Natural Resource Management (5) Future aid modality achieved by	10	7-8
I-6	Transport Infrastructure: Road, Rail, Water and Air Transport (3) Future aid modality achieved by	9	8
II-1	Education (6) Future aid modality achieved by	8	7-8
I-7	Energy Supply to Support industry and Households (2) Future aid modality achieved by	5	6
I-5	Promoting Trade and Industrial Development (1) Future aid modality achieved by	7	7
III-6	Public Policy Management And Public Sector Reforms (11, 12) Future aid modality achieved by	7	7
II-6	Malaria Control (7) Future aid modality achieved by	6	6
III-10	Promoting Civic Responsibility (14) Future aid modality achieved by	4	6
III-11	Fiscal Policy Management (12) Future aid modality achieved by	4	6
III-3	Protecting Rights Under Rule of Law (9,13, 14) Future aid modality achieved by	7	5-7
III-1	Strengthening Practice of Democracy (14) Future aid modality achieved by	6	5-7
III-15	Promoting an Evidence-Based Decision Making (15) Future aid modality achieved by	5	5
II-5	Health Related Vulnerability and Exclusion (7) Future aid modality achieved by	5	5
III-5	Public Safety and Security (14) Future aid modality achieved by	4	5
III-4	Improved Access to Rights and Entitlements (9, 13, 14) Future aid modality achieved by	6	4
I-12	Employment Generation and Improvement and Expansion of Safety Nets (1.c) Future aid modality achieved by	4	4
II-8	Population Management (9) Future aid modality achieved by	4	4
I-9	Developing Information and Communication Technology (ICT) (1.d) Future aid modality achieved by	3	4
III-14	Good Corporate Governance (14) Future aid modality achieved by	3	3
I-14	Life Cycle Vulnerability and Exclusion (9) Future aid modality achieved by	3	3
I-3	Modernized Fishing Methods and Aquaculture Development (4) Future aid modality achieved by	2	3
II-2	Skills And Manpower Development (6) Future aid modality achieved by	3	2-3
III-13	International Trade Management (1) Future aid modality achieved by	2	2
I-8	Science and Technology to Support Productivity and Development (1.b, 1.d) Future aid modality achieved by	2	2
I-13	Employment Related Vulnerability and Exclusion (1.c) Future aid modality achieved by	1	2
I-10	Developing the Tourism Sector for Revenue and Employment Generation (1.c) Future aid modality achieved by	3	1
III-9	Enhancing Development Communication (15) Future aid modality achieved by	2	1-2
III-7	Fighting Corruption and Economic Crimes (14) Future aid modality achieved by	5	1-3
I-15	Environment Related Factors in Vulnerability and Exclusion (5) Future aid modality achieved by	1	1
II-3	Sports Development (6) Future aid modality achieved by	1	1
II-10	Urban Development, Housing and Slum Upgrading (3) Future aid modality achieved by	2	1
III-12	Monetary Policy Management (12) Future aid modality achieved by	1	1
I-11	The Music Industry for Growth and Job Creation (1.c) Future aid modality achieved by	0	0

Legend:			
Active DPs			
	high engagement	3 Focus Areas	7.5%
	sufficient engagement	8 Focus Areas	20.0%
	medium engagement	14 Focus Areas	35.0%
	low engagement	15 Focus Areas	37.5%







## DEVELOPMENT OF ROAD TRANSPORT

INDICATOR	Target in 2008	Indicator Level at 2006	Indicator Level at 2007	Indicator Level at 2008	Progress towards target
1. Total funds disbursed for routine maintenance, periodic maintenance, minor rehabilitation relative to the maintenance needs of the road network	90%	(\$152.89mil) 84.4%	(\$255.70mil) 132.5%	(\$338.66mil) ...%	Significant progress
2. Proportion/length of roads maintained/Rehabilitated	100%	(36,021km) 85.4%	(28,243km) 65.4%	(31,295km) 76%	Steady progress
<b>Trunk Roads (in km):</b>					
a. Routine maintenance	13,130	12,825.10	8,114.94	13,755	
b. Periodic maintenance	378	135.33	208.63	555	
c. Minor Rehab & Reconstruction	540	166.86	347.33	115	
d. Major Rehab & Reconstruction	200	142.18	183.55	200	
<b>Urban Roads (in km):</b>					
e. Routine maintenance	4,598	3,634.79	2,827.34	2,679.00	
f. Periodic maintenance	360	360.87	249	252	
g. Minor Rehab & Reconstruction	255	56.18	282.29	N/A	
h. Major Rehab & Reconstruction	16	N/A	7	7	
<b>Feeder Roads (in km):</b>					
i. Routine maintenance	26,048	17,340.00	13,620.00	11,937.00	
j. Rehabilitation	1,113	557	481	560	
k. Regravelling	552	50	32.6	3	
l. Spot Improvement	1,771	1,162.00	1,403.00	965	

<i>m. Reconstruction</i>	0	N/A	N/A	N/A	
<i>n. Surfacing</i>	316	176	267.3	267.3	
3. Annual accident statistics for each transport mode (Road)	10,110	11,668	12,038	11,339 (Prov.)	Steady progress
<b>4. Road condition mix (%)</b>					
National:	64,131km	48,381km	62,954km	66,160km*	Significant progress
<i>Good</i>	57	45	32*	42	
<i>Fair</i>	27.3	28	29*	32	
<i>Poor</i>	16	27	39*	31	
Trunk Roads:	13,367km	11,723km	11,180 km	11,618km**	
<i>Good</i>	52	46	57	40	
<i>Fair</i>	32	29	26	32	
<i>Poor</i>	16	25	17	28	
Urban Roads:	9,764Km	4,064Km	9,764km	12,450km	
<i>Good</i>	62	46%	34	50	
<i>Fair</i>	20.9	30	2	3	
<i>Poor</i>	17.1	24	64	38	
Feeder Roads:	41,000Km	32,594Km	42,010km	42,092km	
<i>Good</i>	56	34	35	38	
<i>Fair</i>	29	15	37	32	
<i>Poor</i>	15	51	28	30	

Source: MRT, 2008

\* Re-base network size of roads, with computation based on new estimate of road network size.

\*\* Data excludes trunk roads under rehabilitation

**NB! Data is taken from the draft 2008 NDPC APR. DPs in Ghana wish to review these figures.**

TABLE 1 (in million €)						
Summary of European Union Assistance to Ghana (till end 2008)						
	Allocation	Decision	% of Allocation	Disbursements	% of Allocation	Disbursements in 2008
<b>European Development Fund (EDF)</b>						
<i>EDF 4 - NIP</i>	50.0	50.0	100%	50.0	100%	0.0
<i>EDF 5 - NIP</i>	46.7	46.7	100%	46.7	100%	0.0
<i>EDF 6 - NIP</i>	96.24	96.2	100%	96.2	100%	0.0
<b>EDF 7 - NIP + transfer</b>	<b>104.1</b>	<b>104.1</b>	<b>100%</b>	<b>104.1</b>	<b>100.0%</b>	<b>-1.4</b>
<b>EDF 8 NIP + B enveloppe</b>	<b>164.6</b>	<b>164.6</b>	<b>100.0%</b>	<b>146.8</b>	<b>89.2%</b>	<b>10</b>
<b>EDF 9 NIP + B + transfer</b>	<b>317.3</b>	<b>317.3</b>	<b>100.0%</b>	<b>185.4</b>	<b>58.4%</b>	<b>68.6</b>
<b>EDF 10</b>	<b>367.0</b>	<b>251.0</b>	<b>68.4%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
<i>Structural Adjustment Facility - EDF 7</i>	87.1	87.1	100%	87.1	100.0%	0.0
<i>Structural Adjustment Facility - EDF 8</i>	78.6	78.6	100%	78.6	100.0%	0.0
<i>Stabex - EDF 4</i>	5.2	5.2	100%	5.2	100.0%	0.0
<i>Stabex - EDF 5</i>	85.4	85.4	100%	85.4	100.0%	0.0
<i>Stabex - EDF 7</i>	50.6	50.6	100%	50.6	100.0%	0.0
<i>Risk Capital - EDF 4</i>	2.3	2.3	100%	2.3	100.0%	0.0
<i>Risk Capital - EDF 5</i>	13.6	13.6	100%	13.6	100.0%	0.0
<i>Risk Capital - EDF 6</i>	22.0	22.0	100%	22.0	100.0%	0.0
<i>Risk Capital - EDF 7</i>	1.7	1.7	100%	1.7	100.0%	0.0
<i>Risk Capital - EDF 8</i>	17.0	17.0	100%	17.0	100.0%	0.0
<i>Interest rate subsidies - EDF 4</i>	1.9	1.9	100%	1.9	100.0%	0.0
<i>Interest rate subsidies - EDF 6</i>	3.2	3.2	100%	3.2	100.0%	0.0
<i>Interest rate subsidies - EDF 7</i>	11.81	11.81	100%	11.81	100.0%	0.0
<i>Emergency Aid - EDF 4</i>	2.7	2.7	100%	2.7	100.0%	0.0
<i>Emergency Aid - EDF 5</i>	3.8	3.8	100%	3.8	100.0%	0.0
<i>Emergency Aid - EDF 7</i>	1.3	1.3	100%	1.3	100.0%	0.0
<b>Total - all EDF <sup>(1)</sup></b>	<b>1,534.2</b>	<b>1,418.2</b>	<b>92.4%</b>	<b>1017.4</b>	<b>66.3%</b>	<b>77.2</b>

(1) Excluded EDF Regional Projects disbursed in Ghana

**GHANA - 7TH EDF Financial Reporting**  
**Breakdown of EDF decision by Economic Sector (\*)**  
**Period ending at 31:12:2008**

**TABLE 2**  
**(In €)**

Project No.	Project Title	Decision		Commitment		Disbursement		Status
		at 31:12:2008	In 2008	at 31:12:2008	In 2008	at 31:12:2008	In 2008	
<b>1.</b>	<b>Rural Development:</b>	<b>41,966,157</b>	<b>(449,364)</b>	<b>42,011,157</b>	<b>(174,193)</b>	<b>42,011,157</b>	<b>83</b>	
*7.019	Rural Bank Scheme	289,776	-	289,776	-	289,776	-	CL
*7.020	Twifo Smallholder Oil Palm	483,782	-	483,782	-	483,782	-	CL
*7.016	Aveyime Livestock Development	56,900	-	56,900	-	56,900	-	CL
7.025	WERADEP - Pre-project study	503,150	-	503,150	-	503,150	-	CL
7.005	WERADEP - Appraisal	118,156	-	118,156	-	118,156	-	CL
7.031	Microprojects III	4,882,430	-	4,882,430	-	4,882,430	-	CL
7.037	Protected Areas TA Tender (MGM)	47,276	-	47,276	-	47,276	-	CL
7.034	Small Town Water Supply - Study	98,790	-	98,790	-	98,790	-	CL
7.053	Small Town Water Supply - TA	657,479	-	657,479	-	657,479	-	CL
7.045	Decentralised Cooperation	920,555	(133,594)	920,555	(89,967)	920,555	(83)	CL
7.049	Self Help Electrification - Evaluation	58,055	-	58,055	-	58,055	-	CL
*7.051	Microprojects IV	4,990,590	-	4,990,590	-	4,990,590	-	CL
7.055	Microproject IV - 2nd tranche	3,903,386	-	3,903,386	-	3,903,386	-	CL
7.059	Rural Electrification Project	74,748	-	74,748	-	74,748	-	CL
7.064	Rural Electrification Project	9,265,839	-	9,265,839	-	9,265,839	-	CL
7.060	5th Microproject Workshop - TA	29,678	-	29,678	-	29,678	-	CL
7.061	Small Town Water Supply - AR, BA, WR	13,486,291	(113,709)	13,486,291	(84,226)	13,486,291	-	CL
7.067	Rural Water Supply Project - N/Region	91,511	-	91,511	-	91,511	-	CL
7.070	Small Towns Water & Sanitation Project	69,791	-	69,791	-	69,791	-	CL
7.077	Small Towns Water & Sanitation Project - C/R	1,749,939	(202,061)	1,794,939	-	1,794,939	-	CL
7.074	Monitoring & Evaluation Study - AGSSIP	31,544	-	31,544	-	31,544	-	CL
7.078	Elaborate Feasibility of PADP II	77,441	-	77,441	-	77,441	-	CL
7.079	Final Evaluation & Audit of PADP	79,050	-	79,050	-	79,050	-	CL
<b>2.</b>	<b>Transport Infrastructure</b>	<b>15,539,583</b>	<b>(48,971)</b>	<b>15,506,144</b>	<b>(29,989)</b>	<b>15,390,081</b>	<b>63,858</b>	
7.043	Transport Infrastructure Programme II	9,288,538	(48,971)	9,288,538	(29,989)	9,194,691	63,858	CL
*7.040	Transport Infrastructure Programme II	5,529,442	-	5,496,003	-	5,473,787	-	CL
7.046	Monitoring & Audit of Stabex Roads	68,455	-	68,455	-	68,455	-	CL
7.069	TA to the Donors' Joint Evaluation	34,514	-	34,514	-	34,514	-	CL
7.081	Feasibility & Design for Feeder Road	618,634	-	618,634	-	618,634	-	CL
<b>3.</b>	<b>Private Sector Development</b>	<b>10,700,123</b>	<b>(276,564)</b>	<b>10,702,123</b>	<b>(212,233)</b>	<b>10,702,123</b>	<b>2,379</b>	
7.004	GRATIS - Phase II	2,929,780	-	2,929,780	-	2,929,780	-	CL
*7.017	NIB 2nd Line of Credit	13,893	-	13,893	-	13,893	-	CL
7.006	TA - Woodworking Sector	319,900	-	319,900	-	319,900	-	CL
7.054	Woodworking Sector Dev. Programme	3,286,626	(61,374)	3,288,626	-	3,288,626	-	CL
7.052	Adviser to the Min. of Lands & Forestry	184,421	-	184,421	-	184,421	-	CL
7.042	Draft Fin. Prop. - study (woodworking sector)	17,201	-	17,201	-	17,201	-	CL
7.009	Private Sector Development - Feasibility study	127,849	-	127,849	-	127,849	-	CL
7.014	SME Development Programme	2,209,675	-	2,209,675	-	2,209,675	-	CL
7.066	Ghana Poverty Reduction	162,316	-	162,316	-	162,316	-	CL
7.068	EDF Project Adviser	60,948	-	60,948	-	60,948	-	CL
7.075	Study of the Mining Sector	78,386	-	78,386	-	78,386	-	CL
7.076	Institutional Strengthening of NAO's Office	1,194,810	(215,190)	1,194,810	(212,233)	1,194,810	(2,379)	CL
7.080	Preparation of a Financing Proposal	53,569	-	53,569	-	53,569	-	CL
7.082	Final Evaluation of WSPD	60,749	-	60,749	-	60,749	-	CL
<b>4.</b>	<b>Social Sector</b>	<b>5,644,426</b>	<b>(1,791,378)</b>	<b>5,644,426</b>	<b>(1,700,377)</b>	<b>5,667,451</b>	<b>1,466,694</b>	
	<b>Education &amp; Training</b>	<b>4,502,438</b>	<b>(1,657,899)</b>	<b>4,502,438</b>	<b>(1,606,138)</b>	<b>4,525,463</b>	<b>1,466,694</b>	
7.028	Inter University Link - UG/V.U.B	1,195,333	-	1,195,333	-	1,195,333	-	CL
7.022	Reintegration of African Nationals Ph. II	324,142	-	324,142	-	324,142	-	CL
*7.015	Multinational Training Programme	122,031	-	122,031	-	122,031	-	CL
7.039	Seminar on EDF Financial Procedure	18,954	-	18,954	-	18,954	-	CL
7.008	Human Resources - Study	42,147	-	42,147	-	42,147	-	CL
7.041	Human Resources Development Programme	1,308,913	(1,541,087)	1,308,913	(1,493,399)	1,308,913	(1,466,693)	CL
7.062	European Film Festival	14,171	-	14,171	-	14,171	-	CL
7.063	TA - Preparation of Note of Gen. Info.	1,451	-	1,451	-	1,451	-	CL
7.071	Support to the provision of Photo ID	643,553	(23,447)	643,553	(23,447)	666,578	(23,025)	CL
7.072	Support to 2000 Elections	793,400	(93,365)	793,400	(89,292)	793,400	23,024	CL
7.073	9th EDF Programming Exercise	38,343	-	38,343	-	38,343	-	CL
	<b>Health</b>	<b>1,141,988</b>	<b>(133,479)</b>	<b>1,141,988</b>	<b>(94,239)</b>	<b>1,141,988</b>	-	
7.047	Economic, Social & Health Review	15,326	-	15,326	-	15,326	-	CL
7.050	Support for STD & HIV/AIDS Control	1,113,521	(133,479)	1,113,521	(94,239)	1,113,521	-	CL
7.057	Ghana Health Sector - TA	13,141	-	13,141	-	13,141	-	CL
<b>5.</b>	<b>Trade &amp; Tourism</b>	<b>101,844</b>	-	<b>101,844</b>	-	<b>101,844</b>	-	
7.013	Trade Fairs - Pret A Porter, Paris	25,000	-	25,000	-	25,000	-	CL
7.027	Pret A Porter Paris	39,094	-	39,094	-	39,094	-	CL
7.033	Participation Salon Paris/D'Dorf	37,750	-	37,750	-	37,750	-	CL
<b>6.</b>	<b>Programme Aid - NIP</b>	<b>30,234,605</b>	-	<b>30,234,605</b>	-	<b>30,234,605</b>	-	
7.003	GIP I - NIP	11,000,000	-	11,000,000	-	11,000,000	-	CL
7.036	GIP IV - NIP	4,334,605	-	4,334,605	-	4,334,605	-	CL
7.048	GIP V - NIP	14,900,000	-	14,900,000	-	14,900,000	-	CL
	<b>Total NIP</b>	<b>104,186,738</b>	<b>(2,566,277)</b>	<b>104,200,299</b>	<b>(2,116,792)</b>	<b>104,107,260</b>	<b>1,405,298</b>	
7.002	GIP I - SAF	9,000,000	-	9,000,000	-	9,000,000	-	CL
7.012	GIP II - SAF	28,860,000	-	28,860,000	-	28,860,000	-	CL
7.030	GIP III - SAF	32,200,000	-	32,200,000	-	32,200,000	-	CL
7.035	GIP V - SAF	17,000,000	-	17,000,000	-	17,000,000	-	CL
7.001	STABEX - 90	6,889,065	-	6,889,065	-	6,889,065	-	CL
7.007	STABEX - 91	16,430,110	-	16,430,110	-	16,430,110	-	CL
7.023	STABEX - 92	4,883,722	-	4,883,722	-	4,883,722	-	CL
7.029	STABEX - 93	16,381,086	-	16,381,086	-	16,381,086	-	CL
7.044	STABEX BALANCE 1990-94	5,997,477	-	5,997,477	-	5,997,477	-	CL
	<b>Total non-NIP</b>	<b>137,641,460</b>	-	<b>137,641,460</b>	-	<b>137,641,460</b>	-	
	<b>Grand Total</b>	<b>241,828,198</b>	<b>(2,566,277)</b>	<b>241,841,759</b>	<b>(2,116,792)</b>	<b>241,748,720</b>	<b>(1,405,298)</b>	

\*Project carried over from the 5th EDF or financed with funds transferred from the 5th EDF

**Total Allocation (hors BEI)** 241,828,198  
**Decision/Allocation** 100.0%  
**Commitment/Allocation** 100.0%  
**Disbursement/Allocation** 100.0%

**GHANA - 8TH EDF Financial Reporting**  
**Breakdown of EDF decision by Economic Sector**  
**Period ending at 31:12:2008**

**TABLE 3**  
**(In €)**

Project No.	Project Title	Decision		Commitment			Disbursement			Status
		at 31:12:2008	In 2008	at 31:12:2008	In 2008	Balance	at 31:12:2008	In 2008	Balance	
8.009	1. Transport Infrastructure	56,000,000	-	55,661,305	-	338,695	54,257,262	1,588,049	1,404,043	EXP
	Transport Infrastructure Prog. -Ph III	56,000,000	-	55,661,305	-	338,695	54,257,262	1,588,049	1,404,043	
8.008 8.010 8.012 8.019	2. Rural Development	37,292,756	-	36,645,608	(27,800)	647,148	34,380,264	949,503	2,265,344	CL CL CL EXP
	5th Microproject - Phase I	2,662,368	-	2,662,368	-	-	2,662,368	-	-	
	5th Microproject - Phase II	19,816,193	-	19,816,193	-	-	19,816,193	-	-	
	Agric Services subsector appraisal	14,195	-	14,195	-	-	14,195	-	-	
	Rural Water Supply in Northern Region	14,800,000	-	14,152,852	27,800	647,148	11,887,508	949,503	2,265,344	
8.023	3. Programme Aid - NIP	12,487,523	-	12,487,523	-	-	12,487,523	-	-	CL
	Structural Adjustment Support (NIP)	12,487,523	-	12,487,523	-	-	12,487,523	-	-	
8.002 8.003 8.004 8.006 8.007 8.011 8.016 8.026 8.028	4. Social Sectors & Others	18,767,766	-	18,608,219	(136,747)	159,547	18,604,797	-	3,422	CL EXP CL CL CL EXP CL CL CL
	Support to Audit Service	3,244,766	-	3,244,766	-	-	3,244,766	-	-	
	Health Sector support	11,000,000	-	10,907,309	(74,694)	92,691	10,907,309	-	-	
	Support to Health Sector - Follow Up	4,700	-	4,700	-	-	4,700	-	-	
	EDF Project Adviser	69,937	-	69,937	-	-	69,937	-	-	
	UEMOA - Economic & Monetary study	99,477	-	99,477	-	-	99,477	-	-	
	GRATIS Phase III	4,265,000	-	4,198,144	(62,053)	66,856	4,194,722	-	3,422	
	Diagnostic study of the RTD	8,613	-	8,613	-	-	8,613	-	-	
	Preparation for Cultural Programme	31,144	-	31,144	-	-	31,144	-	-	
	Prequalification Dossiers PMU of MSS	44,129	-	44,129	-	-	44,129	-	-	
	<b>Total NIP</b>	<b>124,548,045</b>	<b>-</b>	<b>123,402,655</b>	<b>(164,547)</b>	<b>1,145,390</b>	<b>119,729,846</b>	<b>2,537,552</b>	<b>3,672,809</b>	
8.027	5. Transfer from 9th EDF (B enveloppe)	40,000,000	-	38,341,152	5,189,953	1,658,848	27,108,294	7,475,453	11,232,858	EC
	<b>Total NIP with transfers</b>	<b>164,548,045</b>	<b>-</b>	<b>161,743,807</b>	<b>5,025,406</b>	<b>2,804,238</b>	<b>146,838,140</b>	<b>10,013,005</b>	<b>14,905,667</b>	
	6. Risk Capital	17,050,000	-	17,050,000	-	-	17,050,000	-	-	CL
	Share + particip									
8.005 8.021 8.022 8.024 8.025	7. Structural Adjustment									
	SAF	10,577,063	-	10,577,063	-	-	10,577,063	-	-	CL
	SAF	22,100,000	-	22,100,000	-	-	22,100,000	-	-	CL
	SAF	3,315,000	-	3,315,000	-	-	3,315,000	-	-	CL
	SAF	37,679,606	-	37,679,606	-	-	37,679,606	-	-	CL
	SAF	4,900,000	-	4,900,000	-	-	4,900,000	-	-	CL
	<b>Total non-NIP</b>	<b>78,571,669</b>	<b>-</b>	<b>78,571,669</b>	<b>-</b>	<b>-</b>	<b>78,571,669</b>	<b>-</b>	<b>-</b>	
	<b>Grand Total</b>	<b>260,169,714</b>	<b>-</b>	<b>257,365,476</b>	<b>5,025,406</b>	<b>2,804,238</b>	<b>242,459,809</b>	<b>10,013,005</b>	<b>14,905,667</b>	

**Total Allocation** 260,169,714  
**Decision/Allocation** 100.0%  
**Commitment/Allocation** 98.9%  
**Disbursement/Allocation** 93.2%

EC - On GOING  
EXP - Expired  
CL - Closed

**GHANA - 9TH EDF Financial Reporting**  
**Breakdown of EDF decision by Economic Sector**  
**Period ending at 31:12:2008**

**Table 4**  
**(In €)**

Project No.	Project Title	Decision		Commitment		Disbursement	
		at 31:12:2008	In 2008	at 31:12:2008	In 2008	at 31:12:2008	In 2008
	<b>1. Transport Infrastructure</b>	<b>101,306,680</b>	<b>-</b>	<b>72,026,152</b>	<b>5,030,054</b>	<b>38,627,709</b>	<b>22,173,493</b>
9.004	Feasibility and Design Studies - Tech-Kinta	596,680	-	596,680	-	596,680	-
9.014	Feeder Roads Improvement Project (FRIP)	27,000,000	-	24,985,441	2,549,991	13,668,987	9,509,950
9.015	Rehabilitation of Kumase-Techiman Rd. Lot 2	35,900,000	-	31,714,914	-	18,660,939	11,256,453
9.019	Transport Sector Planning & Integ. Program	5,000,000	-	3,712,245	1,061,191	933,034	834,047
9.021	Rider No. 3 - Augmentation	10,000,000	-	9,598,000	-	4,494,195	299,189
9.026	Eastern Corridor Road Project	22,810,000	-	1,418,872	1,418,872	273,854	273,854
	<b>2. Rural Development</b>	<b>82,180,393</b>	<b>-</b>	<b>77,183,426</b>	<b>21,213,316</b>	<b>39,570,925</b>	<b>19,467,673</b>
9.002	Mapping & Monitoring system for Develop.	1,388,239	-	1,080,638	(31,552)	1,080,638	4,106
9.003	Private Sector Development	17,463	-	17,463	-	17,463	-
9.005	Cultural Heritage & Local Dev. In Elmina	1,971,753	-	1,868,745	-	1,723,132	(5,879)
9.010	Protected Area Dev. Programme - Phase II	7,800,000	-	7,665,940	159,245	4,153,713	2,019,450
9.011	6th Microproject Programme	25,000,000	-	24,259,183	256,271	17,973,282	7,637,780
9.016	STWS Project in Central & Western Regions	23,000,000	-	22,757,431	15,797,880	7,150,947	4,894,410
9.018	Protected Area Dev. Programme - Phase II(Ex 6/45)	202,938	-	2,554	-	(1,632)	-
9.024	Guinea Worm Eradication Through Water supply	15,000,000	-	14,536,207	36,207	6,061,358	3,505,782
9.025	Cocoa Sector Support Programme - Phase 2	5,000,000	-	3,920,806	3,920,806	914,708	914,708
9.027	Avian Influenza Project (Emergency Aid)	2,800,000	-	1,074,459	1,074,459	497,316	497,316
	<b>3. Programme Aid - NIP</b>	<b>107,740,108</b>	<b>0</b>	<b>104,274,439</b>	<b>592,368</b>	<b>94,766,016</b>	<b>20,416,875</b>
9.006	Technical Cooperation Facility	1,545,000	-	1,445,411	(31,552)	1,397,147	253,114
9.007	Poverty Reduction Budget Support 2	55,205,108	-	55,205,108	-	55,205,108	-
9.023	Technical Cooperation Facility II	1,990,000	-	623,920	623,920	163,761	163,761
9.028	Poverty Reduction Budget Support 3	49,000,000	-	47,000,000	-	38,000,000	20,000,000
	<b>4. Governance &amp; Non Focal Sectors</b>	<b>26,053,476</b>	<b>1,446,006</b>	<b>19,399,310</b>	<b>4,977,899</b>	<b>12,447,587</b>	<b>6,350,003</b>
9.001	Support to Audit Service	712,015	-	712,015	-	712,015	-
9.008	Strengthening, Monitoring Capacities-MoFA	1,989,200	-	1,764,962	(64,064)	1,501,862	185,886
9.009	Support to the 2004 Ghana Elections	1,306,255	-	1,306,255	-	1,306,255	-
9.012	Support to Ghana Audit Service Ph. II	4,600,000	-	4,453,346	404,346	2,687,575	1,969,704
9.013	Support for Local Governance	3,000,000	-	2,731,127	1,193,361	1,861,103	1,064,420
9.017	Cultural Initiative Support Programme	2,000,000	-	1,280,949	593,600	589,634	340,850
9.020	Support to the NAO's Office	3,000,000	-	492,100	492,100	223,137	223,137
9.022	Private Sector and Trade enabling programme	5,000,000	-	4,500,000	200,000	2,120,000	1,120,000
9.029	Support to Ghana Police Service	3,000,000	-	712,550	712,550	-	-
9.030	Ex (7 41) Human resources development prg	1,446,006	1,446,006	1,446,006	1,446,006	1,446,006	1,446,006
	<b>Total NIP</b>	<b>317,280,657</b>	<b>1,429,476</b>	<b>272,883,327</b>	<b>31,524,558</b>	<b>185,412,237</b>	<b>68,641,340</b>

<b>Total Present Allocation</b>	<b>317,280,657</b>
<b>Decision/Allocation</b>	<b>100.0%</b>
<b>Commitment/Allocation</b>	<b>86.0%</b>
<b>Disbursement/Allocation</b>	<b>58.4%</b>

**GHANA - 10TH EDF Financial Reporting**  
**Breakdown of EDF decision by Economic Sector**  
**Period ending at 31:12:2008**

**Table 5**  
**(In €)**

Project No.	Project Title	Decision		Commitment		Disbursement	
		at 31:12:2008	In 2008	at 31:12:2008	In 2008	at 31:12:2008	In 2008
10.001	1. Transport Infrastructure	76,000,000	76,000,000	-	-	-	-
	Support to TSDP	76,000,000	76,000,000	-	-	-	-
10.002	2. Programme Aid - NIP	175,000,000	175,000,000	-	-	-	-
	MDG-CONTRACT	175,000,000	175,000,000	-	-	-	-
				-	-	-	-
				-	-	-	-
	<b>Total NIP</b>	<b>251,000,000</b>	<b>251,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Total Present Allocation A+B**                      **367,000,000**  
**Decision/Allocation**                                **68.4%**  
**Commitment/Allocation**                            **0.0%**  
**Disbursement/Allocation**                          **0.0%**

# Holistic Assessment of performance in the Health Sector 2008

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## Introduction

The holistic assessment of performance in the health sector is a structured methodology to assess the quantity, quality and speed of progress in achieving the objectives of the POW 2007-2011. The primary objective of the assessment is to provide a brief but well-informed, balanced and transparent assessment of the sector's performance and factors that are likely to have influenced this performance. The assessment is based on indicators and milestones specified in the operational annual POW, derived from the strategic POW 2007-2011 which is linked with the GPRS II. More specifically, the analysis underlying the holistic assessment is based on the following elements:

- POW 2007-2011 Sector Wide Indicators and Milestones
- Annual POW including budget
- Annual Performance Review Reports from MOH and its Agencies
- Annual MoH Financial Statement

## Process

An initial assessment, in regards to realization of milestones and trend of indicators, is conducted as part of the annual independent health sector review process, following a predefined methodology. This assessment will be presented at the April Health Summit where overall performance of the sector will be discussed, taking into consideration factors which may have influenced performance. The assessment will be negotiated and agreed upon by Ministry of Health and its Development Partners during the subsequent Business Meeting, informed by discussions at the Health Summit. The outcome, regarded as the Holistic Assessment of performance in the Health Sector, will serve as an input into the Performance Assessment Framework (PAF) of the Multi Donor Budget Support (MDBS). The process is expected to facilitate establishment of consensus on the sector performance. Such consensus is regarded as important for the constructive sector dialogue and uniform approaches in budget support mechanisms.

## Method

The assessment is in three steps:

**First**, each indicator and milestone is assigned a numerical value of -1, 0 or +1 depending on realization of milestones and trend of indicators.

A milestone is assigned the value +1 if the review team is provided with a note from relevant authority specifying realization of the milestone, otherwise it is assigned the value -1.

An indicator is assigned the value +1 if (colour coded green):

- The indicator has attained the specified annual target regardless of trend
- The indicator has experienced a relative improvement by more than 5% compared to the previous year's value



An indicator is assigned the value -1 if (colour coded red):

- The indicator has experienced a relative deterioration by more than 5%
- If no data is available

An indicator is assigned the value 0 if (colour coded yellow):

- The relative trend of the indicator compared to previous year is within a 5% range
- *The indicator has previously not been reported*

**Second**, the indicators and milestones are grouped into Goals and Strategic Objectives as defined in the Programme of Work and the sum of indicator and milestone values are calculated. Goals and Strategic Objectives with a positive score are assigned a value of +1, -1 if the total score is negative and 0 if the total score is 0.

**Third**, after assigning a numerical code for each of the Goals and Strategic Objectives the numerical codes are added together to determine the sector's numerical code.

## Results

### Step 1: Results individual indicators and milestones

**Goal 1 – Ensure that children survive and grow to become healthy and productive adults that reproduce without risks of injuries or death**

All indicators for Goal 1 are based on survey data. The data from the Ghana Demographic and Health Survey of 2008 have not yet been published, and could therefore not been included in this year's holistic assessment.

**Goal 2 – Reduce the excess risk and burden of morbidity, disability and mortality especially in the poor and marginalized groups**

#### ***HIV prevalence among pregnant women 15-24 years***

*Outcome: -1 – INFORMATION NOT AVAILABLE*

*Source: NACP - GHS*

The HIV Sentinel Survey for 2008 has not been finalized and data is therefore not available. In previous years, the prevalence has ranged between 2.7 and 3.2. It is unclear why the annual target specified in POW 2008 is 4%, a value which is significantly higher than the previous many years' prevalence rates.

2006	2007	2008
2.9%	2.6%	-

#### ***Guinea Worm – 501 cases***

*Outcome: +1*

*Source: NGWP - GHS*

The Guinea Worm incidence has continued previous years' sharp decline to 501 cases in 2008, which is significantly below the target of maximum 2,000 cases.

2006	2007	2008
4,136	3,358	501

### Goal 3 - Reduce the inequalities in access to health services and health outcomes

#### Equity - Geography (Supervised Deliveries): 1.97

Outcome: +1

Source: Reproductive and Child Health spreadsheet - GHS  
Compared to 2007 the geographical equity index (supervised deliveries) has seen an improvement by 8%. The best and worst performing regions are the same regions as in 2007, namely Brong Ahafo Region (51.1%) and Northern Region (26.0%). Both regions, however, have improved performance compared to 2007.

	2006	2007	2008
CR	54.3%	-	-
WR	26.5%	-	-
BAR	-	45.9%	51.1%
NR	-	21.4%	26.0%
Equity indicator	2.05	2.14	1.97

#### Equity - Geography (Nurses/Population ratio): 2.03

Outcome: +1

Source: IPPD - MOH

The inequality in distribution of nurses has improved by some 10% from 2007 to 2008. The lowest density of nurses is Ashanti region with 1 nurse per 1,932 inhabitants, and the highest density is found in Greater Accra Region with 1 nurse per 952 inhabitants. While the northern regions are relatively highly staffed with nurses, the figures below show that there is significantly lower density of medical and dental clinicians in these regions compared to other regions. The IPPD figure include all nursing categories, midwives and community health nurses, but does not capture nurses working as district directors of health services or in the private-for-profit sector.

	2006	2007	2008
GAR	N/A	N/A	1:952
AR	N/A	1:1,429	1:1,932
UWR	N/A	1:3,225	(1:1,1042)
	4.14	2.26	2.03

Figures from 2007 should be interpreted with caution as they were calculated as a mean of HR and Clinical Care information. The sources of information differ from 2007 to 2008 and comparability can be questioned.

	AR	WR	NR	BAR	CR	VR	UER	ER	UWR	GAR	Ghana
Indiv. per 1 nurse	1,932	1,775	1,770	1,767	1,312	1,138	1,126	1,111	1,042	952	1,353
Indiv. per 1 doctor	9,939	33,461	73,257	21,685	26,887	28,806	47,130	17,837	47,130	5,431	13,499

Table 1: Nurse and doctor population rate by region. Lower is better. Source IPPD - MOH

#### Equity - Gender (Female/Male NHIS Card Holder ratio): 1.22

Outcome: 0

	2006	2007	2008
	N/A	N/A	1.22

Source: NHIA

2008 was the first year of reporting on this indicator, hence the neutral score. Not all DMHIS have reported female/male ratios, a total of 95% of all NHIS registrants have been included.

## Strategic a Objective 1 - Healthy Lifestyle and Healthy Environment

**Milestone: Working group on safe food and water established; implementation plan completed, costed and adopted**

Outcome: +1

Source: Foods and Drugs Board

Working group established, plans and budgets finalised and presented to MOH.

## Strategic a Objective 2 – Provision of Health, Reproduction and Nutrition Services

**Milestone: Clinical protocols established for the early detection and treatment of diabetes, cardiovascular diseases and common forms of cancer**

Outcome: -1 – INFORMATION NOT AVAILABLE

Source: GHS department of Non-communicable Diseases (Dr. Bosu 0244 379 199, Dr. Amankwa 0244 472 795)

**% Deliveries attended by a trained health worker: 39.3%**

Outcome: +1

Source: Reproductive and Child Health spreadsheet - GHS

The proportion of supervised deliveries has increased with 12% from 35.1% in

2007 to 39.3% in 2008, but did not achieve the target of 60%. There are large differences between regions with 51.1% in BA and 26.0% in NR as outliers.

2006	2007	2008
44.5%	35.1%	39.3%

	NR	WR	CR	AS	VR	UWR	UER	ER	GAR	BA	Ghana
Supervised deliveries	26.0%	27.7%	34.3%	35.0%	37.5%	38.1%	40.4%	48.0%	50.2%	51.1%	39.3%

Table 2: Supervised deliveries by region. Source RCH spreadsheet.

**Couple Year Protection (Short Term): 462,556**

Outcome: -1

Source: Reproductive and Child Health spreadsheet

The CYP for short term methods has significantly decreased from 765,566 in

2007 to 462,556 in 2008. In the same period however, the FP acceptor rate increased from 24.3% in 2007 to 32.7% in 2008.

2006	2007	2008
N/A	765,566	462,556

**Antenatal Care Coverage: 97.4% (62.4% with 4+ ANC visits)**

Outcome: +1

In 2007, 89.5% of pregnant women had 1 or more ANC visit compared to 97.4%

in 2008, an increase of 8.8%. 62.4% had 4 or more ANC visits.

2006	2007	2008
88.4%	89.5%	97.4%

**%U5s sleeping under ITN: 40.5%**

Outcome: -1

Source: Report of Evaluation of Impact of Malaria Intervention HPG/JS,

2006	2007	2008
41.7%	55.3%	40.5%

Compared to 2007, use of ITNs by U5s saw a decline in 2008. Regionally, the lowest proportion of children who slept under an ITN was in the Northern Region with 23.2%, and the highest region was Upper West with 69.7%. Results from the 2008 EPI programme survey, which also included assessment on ITN utilization, reports the national median at 61.3%.

#### **Penta 3 immunization: 86.6%**

Outcome: 0 – within margin of <5% change

2006	2007	2008
84.2%	88.0%	86.6%

Source: EPI

The Penta 3 coverage, reported through the routine system, has seen a minimal decrease of 1.1% from 88.0% in 2007 to 87.0% in 2008. In terms of absolute numbers, 12,075 additional children were immunized.

#### **HIV Clients receiving ARV therapy: 23,614**

Outcome: +1

2006	2007	2008
7,338	13,249	23,614

Source: NACP

ART clients have increased with almost 80% from 2007 to 2008.

#### **Out Patient Visits: 0.77**

Outcome: +1

2006	2007	2008
0.55	0.69	0.77

Source: CHIM

OPD visits per capita increased by 11% from 2007 to 2008, and the indicator is well above the POW 2008 target of 0.6 visits per capita (a target which was lower than the previous year's performance). Table 4 displays large inter regional variances.

	NR	GAR	CR	UWR	VR	AR	WR	ER	UER	BA	Ghana
OPD/capita	0,49	0,51	0,68	0,70	0,73	0,73	0,86	0,97	1,01	1,30	0,77

Table 3: OPD per capita by region. Source CHIM – GHS.

#### **Institutional MMR:**

Outcome: -1

2006	2007	2008
219	224	

Source: Reproductive and Child Health spreadsheet

Available Institutional MMR data included TBA deliveries. Information about live births and maternal deaths in facilities could not be obtained.

#### **TB success rate: 84.7%**

Outcome: +1

2006	2007	2008
67.6%	76.1%	84.7%

Source: NTP

The TB success rate increased with 11% from 76.1% in 2007 to 84.7% in 2008.

### Thematic Area 3 – Capacity Development

**Milestone: Annual workforce productivity information being used in performance management systems in all regions**

Outcome: -1 – INFORMATION NOT AVAILABLE

Source: RHHD

#### Doctor:Population Ratio

Outcome: 0

2006	2007	2008
1:15,423	1:13,683	1:13,449

Source: IPPD

The population to doctor ration has slightly improved from 2007 to 2008. The total number of doctors in 2008 was 1,747 of which 1,230 (70%) were concentrated in GAR and AR. Regional distribution is presented in Table 1. The indicator figure from IPPD includes all clinical doctors, public health doctors and dentists who are on the *government payroll*, i.e. employed with GHS, Teaching Hospital or CHAG. Medical Doctors functioning as district director for health services are not included. Doctors working in the private-for-profit sector are not included. Regional distribution is presented in Table 1.

#### Nurse:Population Ratio

Outcome: +1

2006	2007	2008
1:2,125	1:1,537	1:1,353

Source: IPPD

The population to nurse ratio has significantly improved from 2007 to 2008. The total number of nurses in 2008 was 17,431 including nurses, midwives and community health nurses, but not including health technicians, extension workers etc. The figure includes only nurses who were on the *government payroll*, i.e. employed with GHS, Teaching Hospital or CHAG. Nurses working as district directors of health services could not be included in the calculation of the indicator and nurses working in the private-for-profit sector were not included. 6,751 nurses were concentrated in GAR and AR, representing 39% of all nurses. Regional distribution is presented in Table 1.

### Thematic Area 4 – Governance and Financing

**Milestone: Enhanced collaboration with Ministry of Manpower Development and Employment on the identification and targeting of the poor with subsidies and service**

Outcome: +1

Source: MOH

Several meetings were held with MMYE on expanding NHIS coverage to beneficiaries of the Livelihood Empowerment Against Poverty (LEAP) programme which is a key component of the Government's National Social Protection Strategy. Funding to cover an additional 16,000 new NHIS beneficiaries was disbursed by

MOH from the 2008 budget, and the two ministries are currently finalising a Memorandum of Understanding.

#### **% MTEF on Health**

Outcome: 0	2006†	2007	2008
MTEF allocation – Health	478,654,800	563,756,400	752,233,368
MTEF allocation – Total	2,948,398,300	3,869,832,200	5,059,868,063
<b>% MTEF allocation to Health</b>	<b>16.2%</b>	<b>14.6%</b>	<b>14.9%</b>

While the total allocation to health, in nominal terms, increase by 33.4% from 2007 to 2008, the proportional MTEF allocation to health only slightly increased by 2.1% in the same period, which results in a neutral outcome of this indicator.

† It is not clear how the baseline for 2006 was calculated and the value might not be comparable to 2007 and 2008 (source 2007 health sector review report).

#### **% Non-wage GOG recurrent budget allocated to district level and below**

Outcome: +1	2006	2007	2008
	40%	49%	49%

Source: MOH

This indicator includes only GOG and SBS? Majority of funds for districts are programme funds, and they are not included in this indicator?

#### **Per capita expenditure on Health (USD)**

Outcome: -1	2006	2007	2008
	25.4	23.0	

Source: MOH

No Data

#### **Budget Execution Rate of Item 3**

Outcome: 0 – No comparison data for last year	2006	2007	2008
	N/A	N/A	115%

Source: MOH

The budget execution rate of item 3 exceeded 100%, primarily because of increased NHIA expenditure on reinsurance of district schemes in financial distress. Only Health Fund and HIPC disbursements were significantly below budgeted allocations. The indicator includes the following sources:

Source	Revised budget	Disbursed	Execution
GOG	10,039	9,497	95%
SBS	39,526	39,526	100%
Health Fund	500	239	48%
NHIF	145,230	177,410	122%
- Subsidy	133,730	129,650	97%
- Distress	5,000	37,760	755%

- MoH	6,500	10,000	154%
HIPC	3,243	1,556	48%
<b>Total Item 3</b>	<b>198,538</b>	<b>228,228</b>	<b>115%</b>

Table 4: Budget Execution Rate by Source

#### % of annual budget allocations to item 2 and 3 disbursed by end of June

Outcome: 0 – No comparison data for last year

Source: MOH

	2007	2008
	N/A	N/A
		23%

The proportion of budget allocations to item 2 and 3 disbursed by end of June has not previously been reported, therefore no trend can be analysed.

#### % Population with valid NHIS card

Outcome: +1

Source: NHIA/CHIM

The total number of card holders increased from 8,291,666 in 2007 to 10,417,886. NHIS coverage has apparently not been adjusted

for population growth in the previous review reports, hence the difference in 2007 and 2006 coverage compared to earlier reports.

	2006	2007	2008
Active Members	3,955,203	8,291,666	10,417,886
Population	22,303,947	22,933,235	23,582,502
% Active Members	17.7%	36.2%	44.2%

#### % of claims settled within 4 weeks

Outcome: -1 – INFORMATION NOT AVAILABLE

Source: NHIA

	2006	2007	2008
	N/A	N/A	N/A

#### % of IGF from NHIS

Outcome: +1

Source: Financial Controller - MOH

	2007	2008
	N/A	N/A
		66.5%

### Step 2: Grouping of indicators and milestones and group score calculated

<b>GOAL 1 NOT INCLUDED</b>	<b>N/A</b>
HIV prevalence	-1
Guinea Worm	+1
<b>GOAL 2 TOTAL</b>	<b>0</b>
Equity – supervised deliveries	+1
Equity – Nurses to population	+1
Equity – Gender	0
<b>GOAL 3 TOTAL</b>	<b>+2</b>
Milestone	+1
<b>STRATEGIC OBJECTIVE 1 TOTAL</b>	<b>+1</b>
Milestone	-1
% supervised deliveries	+1
Family Planning – CYP	-1

ANC	+1
%U5s use of ITN	-1
Penta 3	0
HIV+ receiving ART	+1
OPD per Capita	+1
Institutional MMR	-1
TB success rate	+1
<b>STRATEGIC OBJECTIVE 2 TOTAL</b>	<b>+1</b>
Milestone	-1
Doctor to population	0
Nurse to population	+1
<b>STRATEGIC OBJECTIVE 3 TOTAL</b>	<b>0</b>
Milestone	+1
% MTEF on health	0
% non-wage recurrent to districts	+1
Per capita expenditure on health	-1
Item 3 budget execution rate	0
% item 2+3 disbursed by end June	0
% population with valid NHIS card	+1
% NHIS claims settled within 4 weeks	-1
% IGF from NHIS	+1
<b>STRATEGIC OBJECTIVE 4 TOTAL</b>	<b>+2</b>

### Step 3: Combined initial assessment

The outcome of the initial combined assessment of the health sector's performance in 2008 is positive with a score of +4.

GOAL 1	N/A
GOAL 2	0
GOAL 3	+1
STRATEGIC OBJECTIVE 1	+1
STRATEGIC OBJECTIVE 2	+1
STRATEGIC OBJECTIVE 3	0
STRATEGIC OBJECTIVE 4	+1
<b>Combined initial assessment</b>	<b>+4</b>

### Discussion of sector-wide indicators: Targets and achievements in 2008

The table below summarizes the values of sector-wide indicators for the 5-Year Programme of Work and annual targets specified in the 2008 Annual Programme of Work. The values of the indicators have been provided by sources indicated in the discussion of each indicator below.

	2006	2007	POW 2008 Target	2008 performance	Trend
<b>Goal 1: Ensure that children survive and grow to become healthy and reproductive adults that reproduce without risk of injuries or death</b>					
IMR	71			64	N/A
U5MR	111			105	N/A



MMR	N/A		N/A		N/A
US underweight	18%		16%		N/A
Total Fertility Rate	4,4		4,3		N/A
<b>Goal 2: Reduce the excess risk and burden of morbidity, disability and mortality especially in the poor and marginalized groups</b>					
HIV prevalence	2,9	2,6	<4	No information	N/A
Guinea Worm	4.136	3.358	<2000	501	-85.1%
<b>Goal 3: Reduce inequalities in health services and health outcomes</b>					
Equity: Poverty (USMR)	1,18		1,18		
Equity: Geography (supervised deliveries)	2,05	2,143	2,00	1,97	-8.2%
Equity: Geography (nurse:population)	4,14	2,257	3,00	2,03	-10.1%
Equity: NHIS (gender)	N/A	N/A	N/A	1,22	N/A
Equity: NHIS (poverty)	N/A		N/A		N/A
<b>Strategic Objective 1: Healthy lifestyle and healthy environment</b>					
% households with sanitation	60,70%		62,50%		N/A
% households with access to impr water source	78,10%		80%		N/A
% obesity in population	25,30%		25%		N/A
<b>Strategic Objective 2: Health, Reproduction and Nutrition Services</b>					
Exclusive breastfeeding	54,0%		60,00%		
% Attended deliveries	44,5%	35,1%	60%	39,3%	11.9%
Family Planning (Couple Year Protection)	N/A	765,566	N/A	462,556	-39.6%
ANC	88,4%	89,5%	95%	97,4%	8.8%
%USs sleeping under ITN	41,7%	55,3%	30%	40,5%	-26.8%
Penta3	84,2%	88,0%	90%	86,6%	-1.6%
HIV clients ARV treatment	7.338	13.249	25.000	23.614	78.2%
OPD	0,52	0,69	0,6	0,77	11.1%
Institutional MMR	219	224	172	200	-10.7%
TB success rate	67,6%	76,1%	80%	84,7%	11.3%
<b>Strategic Objective 3: Capacity Development</b>					
% population within 5km	N/A				
Doctor:population	15.423	13.683	8.559	13499	-1.3%
Nurse:population	2.125	1.537	1.756	1353	-12.0%
<b>Strategic Objective 4: Governance and Financing</b>					
% MTEF on health	16.2%	14,60%	15,50%	14,90%	2.1%
% non-wage GOG recurrent to district	40%	49%	>40%	49%	0.0%
USD/capita	25,4	23,01	39,11		-100.0%
Budget execution rate	N/A	N/A		115%	
% budget disbursed before June	N/A	N/A	50%	23%	
% population with NHIS card	25%	36,2%	65%	44,2%	22.1%
% Claims settled within 4 weeks	N/A	N/A	40%		
% IGF from NHIS	45%	N/A	55%	66.5%	N/A

Table 5: Sector Wide Indicators. Trend 2006-2008. Greyed indicators are not measured annually.

None of the indicators for Goal 1 are measured annually, and results of the 2008 Demographic and Health Survey were not published in time to be included in this review. It is therefore not possible to comment on the sector's progress towards 5-Year Programme of Work targets for this Goal.

For Goal 2, HIV prevalence data for 2008 could not be obtained, but the Guinea Worm incidence reduced significantly to 501 cases in 2008.

Goal 3 is related to reduction of inequity in health services and outcome, and the progress in 2008 compared to 2007 has generally been positive. The relative difference between best off and worst off regions, in relation to coverage of supervised deliveries and concentration of nurses, has reduced. Both geography indicators are still close to 2, indicating that the best off regions has double the proportion of supervised deliveries, and twice as many nurses per population, compared to the worst of region. The highest concentration of nurses is found in Greater Accra Region with one nurse per 952 inhabitants, and the lowest concentration is found in Ashanti Region with one nurse per 1,932 inhabitants. Brong Ahafo tops as the region with most supervised deliveries with 51.5% compared to Northern Region being the lowest performing region with 26.0%. With regards to outpatient visits per capita, the same two regions represent the endpoints; Brong Ahafo has 1.3 visits/capita compared to a national average of 0.79, whereas Northern

Region only as 0.49 visits/capita. Considering the staffing situation in the two regions, they have roughly the same amount of nurses per capita (1:1,767 in BAR and 1:1,770 in NR) but Brong Ahafo region has significantly more doctors per population (1:21,685 in BAR and 1:73,257 in NR). Another reason for higher service uptake in Brong Ahafo could be the regions comparatively longer experience with health insurance. The gender equity indicator, which has not been analysed before 2008, shows that women register to a larger extent with health insurance than men. This could be explained by a relatively higher need for medical services, including maternal services, among women as well as the Governments initiative to register pregnant women free of charge onto NHIS, which was implemented in July 2008.

Indicators of Strategic Objective 1 are all based on survey data and cannot be analysed for 2008.

There was overall good progress in indicators related to service provision under Strategic objective 2. Maternal services coverage increased; supervised deliveries however, still being significantly below the annual target of 60%, and as mentioned above with large regional variations. Family planning services, measured as contraceptive prevalence rate, increased but analysis of couple years protection reveals that this figure has reduced. This means that FP acceptors are either shifting to long term methods, which figures from Maternal and Child Health Unit at GHS cannot confirm, or more probable that FP acceptors are using the short term methods even in shorter time than previously. Institution MMR as calculated by Maternal and Child Health Unit reduced from 224/100,000 in 2007 to 200/100,000 in 2008, but this calculation is a bit tricky. The denominator of this institutional MMR, the number of live births, erroneously included TBA deliveries, which could result in deflation of the institutional MMR. It has not been possible to clarify if this methodology is a continuation of previous years' practice. Moreover, the review has not been able to access data for live births and maternal deaths strictly connected to facilities, in order to recalculate the institutional MMR.

The EPI indicator has slightly reduced but remains high at 86.6% coverage. An EPI survey done by the EPI programme covering year 2008 reveals a significantly lower figure of children fully immunized by the age of 1. The national median coverage was 47.1% with a range of 17.8% to 72.5% in worst and best district. This figure is significantly lower than reported in the 2006 Multi Indicator Cluster Survey of 64% fully immunized by the age of 1 year. A survey on impact of malaria interventions shows that 40.5% of all children under the age of 5 slept under an ITN the previous night compared to 55.5% in 2007. The Malaria Control Programme has questioned the comparability of the present survey with previous surveys due to timing and seasonal influence on ITN use. Results from the 2008 EPI programme survey, which also included assessment on ITN utilization, reports the national median at 61.3%. This supports the NMCPs impression that 40.5% ITN utilization is an underestimation. The number of HIV positive clients receiving ARV therapy has seen a sharp increase to 23,614, almost reaching the annual target of 25,000. Similarly, the TB success rate has improved.

**Comment [AB1]:** The 2008 DHS value for this indicator is 67%, i.e. minimal increase. I don't know if we can use the DHS figures?

Workforce indicators for both nurses and doctors have improved in 2008 over 2007 figures. While the doctor to population ratio improved only slightly, the nurse to population ratio improved by more than 10%. As discussed above, there is large regional variance in distribution of health personnel, especially doctors. In Northern Region there are 73,257 inhabitants per one doctor, compared to 9,939 in Greater Accra. 70% of all doctors are concentrated in Greater Accra Region and Ashanti Region and only 4.2% of all doctors are serving the three northern regions.

Most financial indicators improved in 2008 compared to 2007. While the proportional MTEF allocation to Health did not increase significantly, this indicator is just 0.1% point below the Abuja target of 15%, and GOG allocations to health increased significantly in nominal terms. The indicator of non wage recurrent expenditure at district level and below is, like previous years, based on an estimation done by MOH, and exceeds the target of 40%. Frontloading district in 2008? USD per capita expenditure on health. The budget execution rate for item 3 has been calculated to 115%. The high execution rate can particularly be explained by unexpected high expenditure by NHIA on reinsurance of DMHIS, exceeding the budget with 655%. 23% of funds for item 2 and 3 three were disbursed by end of June 2008. The figure is significantly lower than the target of 50% partly due to delays in SBS disbursement to MOH. The Netherlands contribution to SBS was transferred to MOFEP in the middle of May, the Danida in first quarter of 2008 and the DfID contribution was transferred primo July. By end of June, MOH had received only the Danida SBS contribution from MOFEP and by end of August, MOH received DfID as well as 50% of Netherlands SBS contribution (the remaining 50% were retained in MOFEP and disbursed to MOH in 4<sup>th</sup> quarter). 79% of budget allocations for item 2 and 3 were disbursed by end of August 2008.

The national health insurance coverage of cardholders continued to increase in 2008. Previous estimations of the percentage of the population holding a valid NHIS card have apparently not been adjusted for population growth since 2004 and coverage figures have consequently been overestimated. In the current estimations, population data from the Centre for Health Information Management (CHIM) validated by the Ghana Statistical Service was used. The percentage of cardholders in 2008 is estimated to 44.2%, compared to 2007 (recalculated) estimations of 36.2%. The NHIA was not able to provide information on proportion of claims settled within 4 weeks of submission because district mutual health insurance schemes do not report these figures to NHIA head quarters. IGF from NHIS?

## Discussion and recommendations for indicator adjustments

Effort has gone into identification and documentation of stable and reliable sources of information. The Holistic Assessment Tool is based on trends of indicators, and comparable year-on-year data is critical. Below is a discussion of problems encountered during the 2008 assessment and recommendation for adjustments.

**Equity – Gender (female/male card holder ratio).** The DMHIS do not report gender ratio of card holders to the NHIA, and this year's assessment relies therefore on the reported *registrants* rather than *card holders*. It is recommended to change the definition of this indicator to reflect availability of data.

**Family Planning (Contraceptive Prevalence Rate).** The indicator for Family Planning specified in the Holistic Assessment Tool booklet is "Contraceptive Prevalence Rate for modern methods (*CYP used as a proxy*)". A target for the indicator in POW 2008 is specified for Contraceptive Prevalence Rate and *not* CYP. It is recommended to either specify target for CYP in the next POW or rather use the Contraceptive Prevalence Rate as indicator for the Holistic Assessment Tool.

**Antenatal Care Coverage:** The definition of the ANC indicator in the 5YPOW implies an assessment of women who have 4 or more ANC visits during pregnancy. Previous sector reviews, including the 2007 review, reported the proportion of pregnant women *registered* for ANC, i.e. attending only 1 or more ANC

visits. It is recommended that next year's assessment will be based on the original definition of this indicator, i.e. proportion of women having 4 or more ANC visits.

**Institutional MMR:** The MCH calculation of institutional MMR for 2008 included TBA deliveries, representing 24% of all recorded deliveries, in the denominator. It is not clear whether the numerator, i.e. total number of maternal deaths, also includes death recorded by TBAs outside facilities, and it is unclear whether the indicator for institutional maternal mortality previously has included TBA deliveries in the denominator. Inclusion of TBA deliveries in the denominator has a risk of deflating the institutional MMR figure and reducing the usefulness and consistency of this indicator. The dataset provided by MCH does not allow for calculation of a strict institutional MMR because neither the number of live births (only total number of deliveries) nor the number of maternal deaths are disaggregated into TBA and strict facility based events. It is recommended to tighten up the definition of this indicator to exclude TBA deliveries and community deaths.

**% Non-wage GOG recurrent budget allocated to district level and below:** It is not clear how the value of this indicator is calculated.

**Per capita expenditure on health (USD):** It is recommended to specify whether beginning-of-year, mid-year or end-of-year population figure is used. The GHS to USD exchange rate should also be specified (source, beginning-of-year, mid-year or end-of-year).

**Budget execution rate of Item 3:** There is no specified target for budget execution rate of item 3. It is recommended to define a *target range*, e.g. 95%-110%. Any trend towards that range would be regarded as a positive trend.

**% of annual budget allocations to item 2 and 3 disbursed by end of June:** It is unclear whether disbursement is defined as the date of submitting memo for disbursement, date of actual disbursement from MOH accounts or date the funds end up in the recipients account. In 2008, the date of submitting disbursement memo has been used for the analysis. It is recommended to specify the definition of disbursement.

**% Population with valid NHIS card:** NHIS coverage has apparently not been adjusted for population growth in the previous review reports. It is recommended to adjust for population growth on annual basis.

## **Discussion and recommendation for the holistic assessment tool**

2008 was the first year for which the holistic assessment tool was applied in its final form. The assessment was done as part of the independent sector review of the 2008 Programme of Work.

Despite efforts from the Ministry of Health and its agencies, the larger part of necessary information for the assessment was not available at the beginning of the review, and the much time was spent on information collection and double checking data reliability.

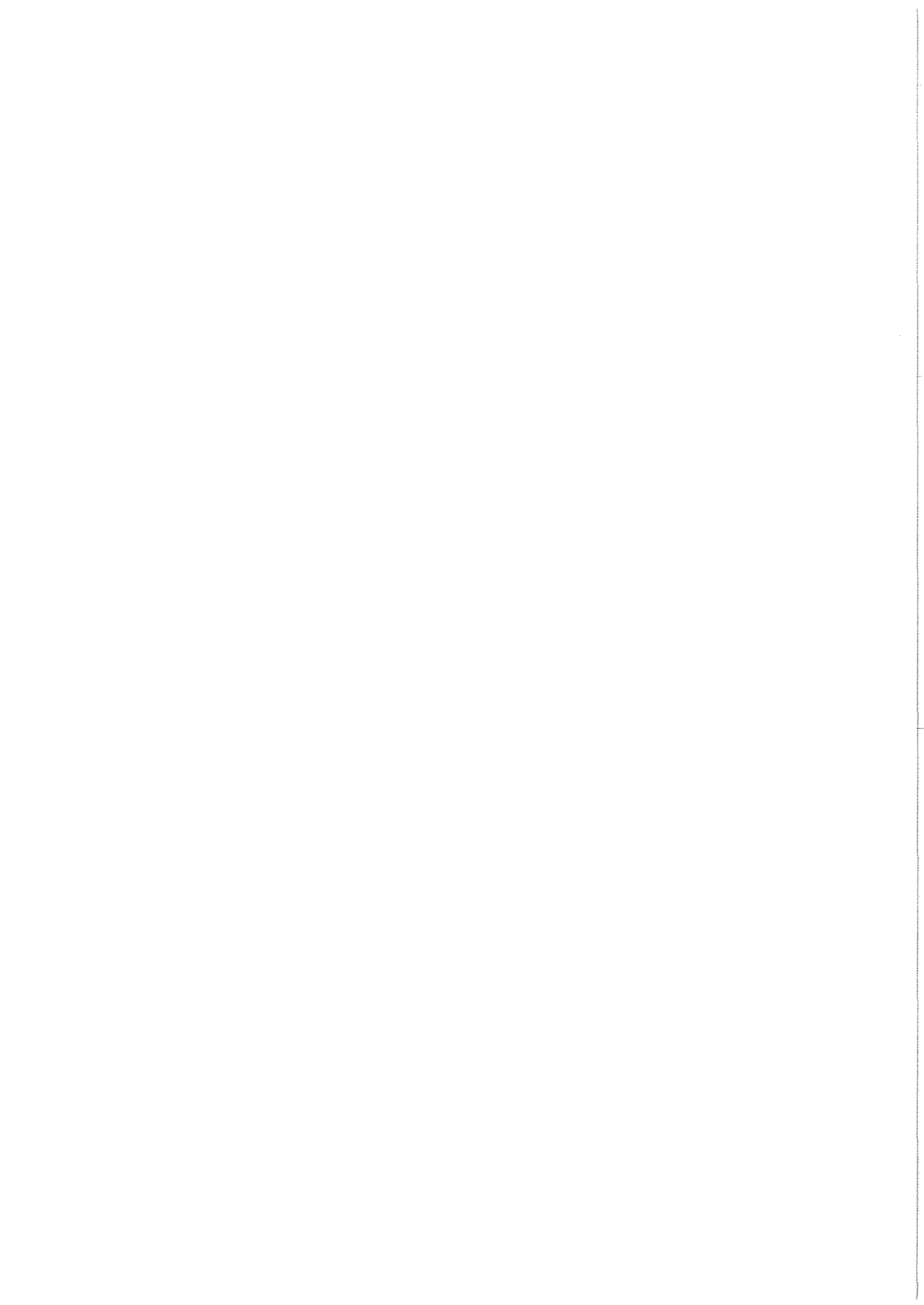
The grouping of indicators and milestones creates some imbalances in relative weights of individual indicators and milestones. An example is the milestone for Strategic Objective 1, which is the only milestone/indicator for this objective and therefore carries the full weight in determination of the

aggregate score for strategic objective 1. This is compared to strategic objective 3 with 8 indicators and 1 milestone all equally influencing the aggregate score of this strategic objective.

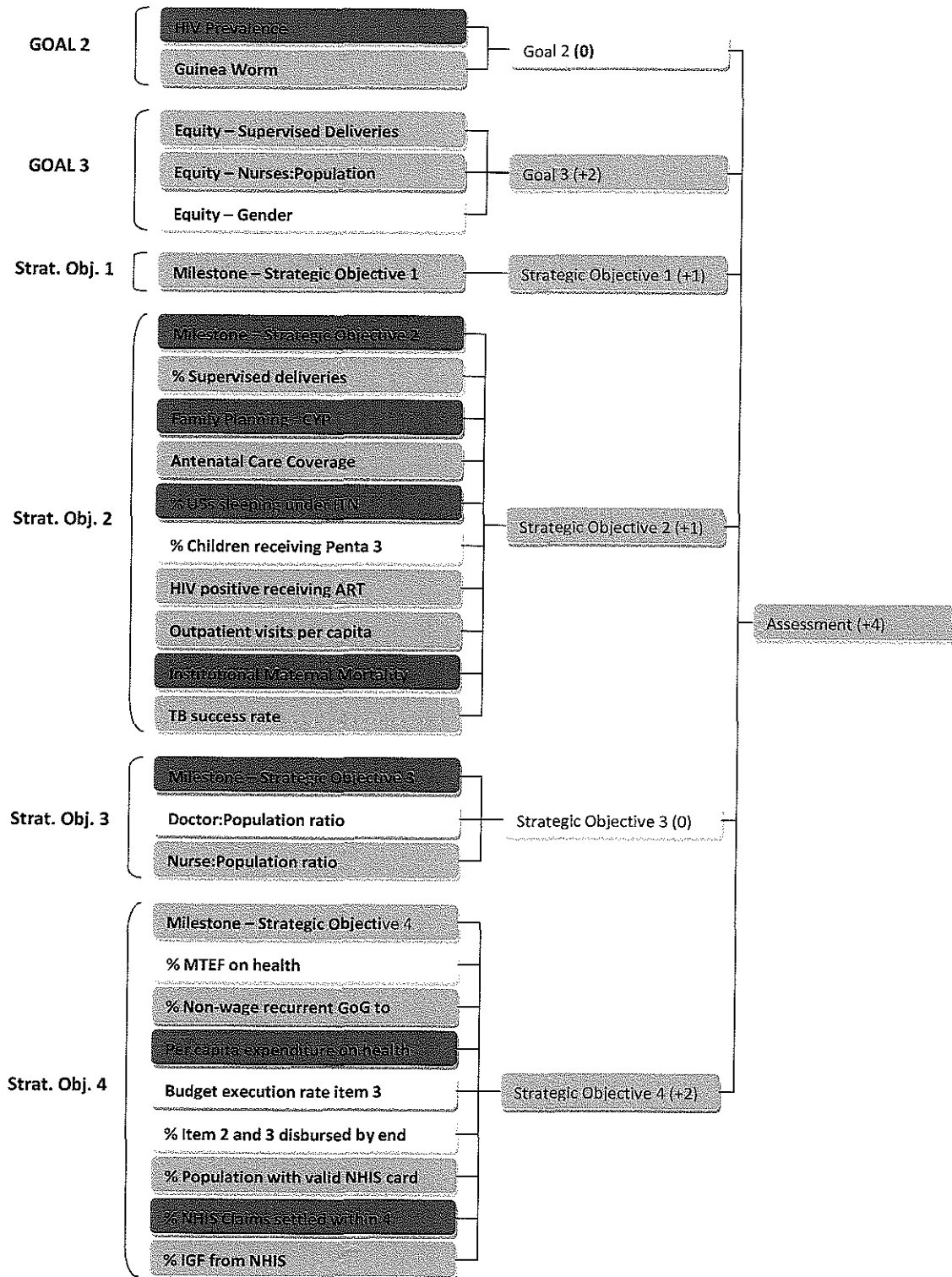
In the holistic assessment, achievement of the annual target of any indicator precedes over trend of the indicator. Critical and rigorous annual target setting is therefore a precondition for the assessment to be meaningful.

Increased complexity of the tool will not necessarily lead to increased reliability and despite limitations with respect to weighing of indicators and definition of positive trend, it is recommended to repeat the use of the holistic assessment tool in its current form for the remaining years of the 5-Year Programme of Work 2007-2011.

The review team considers the holistic assessment tool to be an interesting and innovative approach to broaden the base for sector performance and MDBS level. Compared to previous practise of basing the MDBS evaluation of the health sector on development within few selected indicators, it is believed that the outcome of the assessment will be more representative for development in the sector as a whole.



## Colour Coded Assessment



### Annex 1: Definitions and calculations for 2008 assessment

Indicator	Numerator	Denominator	Source	Calculation 2008
HIV Prevalence among pregnant women 15-24 years	Newly diagnosed HIV positive pregnant women at NACP sentinel sites	Total number of pregnant women test at NACP sentinel sites	National AIDS Control Programme. Sentinel Surveillance report.	N/A
Incidence of Guinea Worm	New cases	N/A	National Guinea Worm Programme annual report	N/A
Equity Index: Geography (supervised deliveries)	Proportion of deliveries attended by a trained health worker in best performing region	Proportion of deliveries attended by a trained health worker in poorest performing region	Maternal and Child Health Unit annual report	$\frac{45,182}{88,476} = 23,586$ $\frac{23,586}{90,838}$
Equity Index: Geography (nurses:population)	Number of nurses by total population in best performing region	Number of nurses by total population in poorest performing region	IPPD – Ministry of Health. Population data from CHIM	$\frac{4,308}{4,100,706} = 2,343$ $\frac{2,343}{4,720,915}$
Equity Index: Gender (NHIS registration)	Number of women registered with NHIS	Number of men registered with NHIS	NHIA	6,526,065/5,339,328
% deliveries attended by a trained health worker	National number of deliveries supervised by trained health worker	National number of expected deliveries	Maternal and Child Health Unit annual report	370,400/943,350
Family planning - Couple Year Protection (Short term methods)	One CYP = 13 cycles of Pill = 4 doses Depo = 120 Condoms = 120 VF Tabs = 5 cans cream/jelly.	N/A	Maternal and Child Health Unit annual report	N/A
Family planning – Contraceptive Prevalence Rate	Number of FP registrants	Target population (0.24 x total population)	Maternal and Child Health Unit annual report	1,824,720/5,660,099
Antenatal care coverage	Number of pregnant women registered to received ANC	Expected number of pregnancies	Maternal and Child Health Unit annual report	919,008/943,350
Antenatal care coverage	Number of pregnant women	Expected number of	Maternal and Child	588,468/943,350



	with 4 or more ANC visits	pregnancies	Health Unit annual report	
% U5s sleeping under ITNs	Number of surveyed U5s sleeping under ITN the previous night	Number of surveyed children	Malaria Control Programme annual report	1,558/3,850
% Children receiving Penta 3	Number of children who received Penta 3	Expected number of children 0-12 months	EPI programme annual report	817,154/943,326
% Children fully immunized by age 1	Number of surveyed 0-12 months being fully immunized	Number of surveyed 0-12 months	EPI programme annual report	?/?
HIV positive individuals receiving ART	HIV positive individuals receiving ART	N/A	NACP annual report	N/A
Outpatient attendance per capita	Number of OPD encounters (GHS, CHAG, Teaching Hospitals)	Total population provided by CHIM - GHS	CHIM – Ghana Health Service	18,075,258/23,582,502
Institutional Maternal Mortality Ratio	Number of maternal deaths at government and CHAG institutions, excluding TBA deliveries	Number of live births in government and CHAG institutions, excluding TBA deliveries	Maternal and Child Health Unit annual report	955/359,286 (MCH calculation including TBA deliveries)
TB success rate	Number of patients proven to be cured of TB after completion of therapy	Number of patient commencing anti-TB therapy	National TB Programme annual report	?/?
Doctor:Population ratio	Number of doctors registered at IPPD/MOH	Total population provided by CHIM	IPPD – MOH. Population data from CHIM	1,747/23,582,502
Nurse:Population ratio	Number of nurses registered at IPPD/MOH	Total population provided by CHIM	IPPD – MOH. Population data from CHIM	17,431/23,582,502
% total MTEF on Health	MTEF allocated to health. Sources: GOG + Donor + IGF + HIPC + NHIS	Total MTEF for GOG	Current year's GOG Annual Budget Statement	$\frac{752,233,368}{5,059,868,063}$
% non-wage GOG recurrent budget allocated to district level and below				
Per Capita Expenditure on Health	Total expenditure on health in USD, exchange rate from Bank	Total population provided by CHIM - GHS	MOH Financial Statements.	

	of Ghana per 01.07.2008		Population data from CHIM	
Budget Execution Rate of Item 3	Item 3 disbursements from GOG + SBS + HF + HIPC + NHIS (subsidies + distress + MOH allocation)	POW item 3 budget (same sources).	PPME – MOH	<del>228,228,000</del> <u>198,038,000</u>
% of annual budget allocations to items 2 and 3 disbursed by end of June	Disbursements for item 2 and 3 by end of June. Sources: GOG and SBS.	Total budget allocations for item 2 and 3 (same sources)	PPME – MOH	<del>13,984,000</del> <u>61,602,000</u>
% Population with valid NHIS Membership	Total number of active NHIS members (valid NHIS card holders)	Total population provided by CHIM - GHS	NHIA annual report. Population data from CHIM	<del>10,417,886</del> <u>23,582,502</u>
Proportion of claims settled within 4 weeks	Number of claims reimbursed (disbursed from DMHIS accounts) within 4 weeks of reception by DMHIS	Total number of claims received by DMHIS	NHIA annual report.	N/A
% IGF from NHIS	Total claims amount paid by DMHIS	Total IGF	NHIA annual report. MOH financial statements.	