

**REVIEW OF RESULTS, RESOURCES AND PARTNERSHIPS FOR 2006:
Statement by Dr. Emmanuel Akwetey Convenor of the Growth and Poverty Forum,
June 19, 2007**

Thank you Mr Chairman for the opportunity to contribute to the dialogue. I would like to speak more in my capacity as the convenor of the Poverty and Growth Forum, which brings together about 30 civil society organizations. And I do so advisedly, because in the hall this year we have other civil society groups, and therefore we would not arrogate to ourselves the role of spokesperson for the entire civil society in Ghana.

I would like to do two things especially for this session, which is to go by the theme **Results, Resources, and Partnership** and comment on these 3 areas from a civil society perspective. Our first comment is on the scope of participation of civil society actors in the Consultative Group process since the last meeting in 2006. I would specifically refer to this assessment as ‘process results’. Our second comment deals with pro-poor growth and inequality which are for us a very important issue.

I would start by observing that there have been tremendous improvements in the attempt to include civil society in the Consultative Group process. Last year, in particular, the GPF was virtually the only organization around the table as a network, representing civil society. And when we had a chance to speak, we advocated that many more civil society organizations should be brought to the table. Positively, we are informed that 41 civil society organizations were invited to this year’s meeting, and the confirmation list I have seen shows that 14-15 confirmed. I’m certain that a lot more would have liked to join, and if we work harder we could get many here. But what is significant is that inviting us also represents a significant opening of the high-level policy dialogue process to civil society.

In 1999, civil society actors were admitted to the CG Meeting as observers only. In April 2002, we still came in as observers. But in 2006 and this year, we have been given the opportunity to participate fully in the dialogue. I think this is commendable, and for this we would like to commend the Government, particularly the Minister of Finance and Economic Planning, and the Development Partners, and here I mention the World Bank, DFID and the UNDP for working with us on these issues, as we advocated strongly for such an opening. I think this positive spirit must now extend to the opening up of the entire CG process to civil society participation. And I say “the entire” process because the Consultative Group is the summit of the process but not the only component of the process.

Pre-Consultative Group meeting processes and post-Consultative Group meeting processes still exclude us. And I say “us” because the civil society that you have today has elements that, if you really engage, would help in dealing with some of the human resource gaps, as well as knowledge, information and technical gaps, which confront

government and development partners. But we are not seeing the policy framework, the policy guidelines, and the institutional reforms that will help us relate on a systematic basis with the MDDBS system and with the sector dialogues yet. Participation in the entire process is important both in terms of building our capacities by making us fully aware of what is happening and how to relate to it, and also in terms of the contributions civil society can make to enhance the whole process. If we were able to open the entire process to civil society, it would serve a very important purpose.

In the Minister of Finance and Economic Planning's statement yesterday, and in Mr. Mats Karlsson's as well as, they all emphasized the need to use resources more efficiently, to determine government development priorities more effectively, and to cultivate a strong culture of transparency and accountability. This could happen with or without civil society. But if you would work hard at including civil society, the results would be better and could help us consolidate the progress we are making. So we hope that next year we would be able to report that as a result of our advocacy at this year's meeting, many think tanks, civil society associations, advocacy groups, development NGOs and attendant service providers have really had a chance to interact with Government and Development Partners in the entire public policy process in Ghana. I think we could come to that process in a way that would enhance quality and results, and it would certainly strengthen mutual accountability. The indicator for that would be that hopefully next year if you convene and invite us, when you sit on the podium and you want us to represent civil society, we would do so both as an insider and outsider of this important process.

The second point is about the results pertaining to pro-poor growth and inequality. I think that Ghana's progression toward a middle-income economy, within which the MDGs can effectively be achieved by 2015, also depends on how well the economy is managed and stimulated to grow beyond the current growth rate of 6.2 %. Yesterday, the Minister of Finance stated in his opening speech that the ambition of the Government of Ghana is to achieve an economic growth rate of 8% by 2009. We like this. We also learned in our discussion later, that the resource requirement for scaling up for accelerated growth and MDG achievement would take a lot of hard work, and that hard work could lead us to an economic growth rate of 7.4%, which is at the upper end of implementing the investment plan of GPRS II. Additional financing required for this was estimated at US\$ 350-430 million per annum, and we are told further that this is only for scaling up infrastructure development. If we are to add human resource development, social development in education, health, water, and sanitation, then an additional US\$ 750 million per annum is needed, particularly in the period 2007-2011.

Now granted that these resource requirements are high and that raising the funds would be challenging, whether from ODA, public-private partnerships, domestic sources or non-concessional borrowing etc., we urge the government to spare no effort in ensuring that all resources at its disposal now and in the future will be efficiently managed, utilized and accounted for in ways that would enable Ghana to attain all its development objectives and probably all the MDG goals.

But to do so we think we first have to look at the question of transforming the economy into a more production centered venture in which Ghanaian firms, small, medium and large, would assume a commanding share of the domestic, regional and sub-regional markets. The second goal for us, which is progressive, is to minimize the nation's dependency on foreign aid to drive its social development agenda. And the third is to ensure that growth and development are truly pro-poor in orientation and structurally transforming so that the noted inequalities in gender relations between men and women and geographically between the north and south of the country and between rural and urban communities will be systematically and significantly eradicated, not alleviated only, by 2015 and beyond.

That point takes us to the GLSS 5 results, which positively show that between 1991/92 and 2005/6 the level of poverty in Ghana dropped from 51.7 % to 28.5%. Indeed the World Bank Country Director packaged the results in a more dramatic fashion in his opening remarks yesterday when he said (and I quote): “We now know that economic growth – through the work of a multitude of farmers, women and men and also children, through investment and toil by businessmen and workers in both the informal and formal industrial and service sectors, through a combination of private initiative and public responsibility – has **lifted a million people out of poverty between 1999 and 2006.**”

That optimism is infectious. Indeed it has positioned Ghana in a way that many believe that we will attain the MDG goal of halving poverty perhaps ahead of 2015. We commend the government and development partners for working hard to achieve this impressive goal. But we nevertheless have questions, and our questions have to do with the disturbing trend that, just as we are reducing poverty and working hard at it, inequality is also spreading. So our question is: have the measures we have taken to reduce poverty also aimed at eradicating poverty? And can we sustain the progress we are making without a heavy dependence or reliance on debt relief or other similar resources?

We think that we can do a lot more by looking at policies that would also address the problem of inequality structurally; this is because inequality is also structurally determined. If we did that, we would expect that in the coming year the Development Partners would work closely with Government to invest more vigorously and probably at a higher level in education and health and sanitation and water. We would also expect that such an approach could create jobs, jobs that young Ghanaians, both high and low skilled, could feel present them with opportunity to improve their wellbeing substantially and fulfil their material aspirations. The challenge is to increase investments substantially in quality education, including skills training and knowledge-upgrading, and expanding popular access to them. At this point, I would like to pause for a member of the Growth and Poverty Forum, who represents youth, to speak particularly on the youth employment issues.

SESSION ON RESOURCES AND RESULTS FOR 2007-09
STATEMENT BY GROWTH AND POVERTY FORUM
DR. EMMANUEL AKWETEEY
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Mr Chairman, I would like to address the following three issues in this session:

First, on the scaling up of aid, which is something that we welcome and something that we think should happen, both as an incentive for good performance but also to look at social development areas where there is need and where more resources can make the qualitative impact that we want to achieve there.

Now in making this statement, GPF is mindful of the fact that donors may be able to scale up aid or not, as much depends on the state of their national economies and the mood of their tax payers towards scaling up foreign aid to Africa. We are generally pleased that both the presenter and DFID, as well as the other development partners who have contributed to the discussion of this particular subject, are positively disposed towards the scaling up of aid to Ghana. However, our expression of support for the scaling up of development assistance to Ghana does not and should not mean that we are not interested in the efficient and effective use of any additional resources to Ghana. The objective to reduce poverty and tackle the problems of growth and inequality in the country is compelling and urgent.

For that reason, the members of the GPF would like to advocate the strengthening of the monitoring and evaluation system to ensure that any resources given to scale up aid would accelerate and enhance the implementation of the GPRS II in a manner that would facilitate the attainment of its set objectives. The GPF would welcome an opportunity to work closely with government and other parties in the development of an effective and results-oriented monitoring and evaluation system that would ensure efficient use of resources and the maximization of their effects on the reduction of poverty and inequality in the country.

The GPF's ability to contribute effectively to the M&E system depends to a large extent on access to information in the domain of government and development partners on policies, resources and their disbursements, as well as implementation reports. We were given some information for this meeting but the bulk of information required to facilitate our preparation for this meeting were obtained at the last minute. And there is a lot of information to digest and analyze within a short time. Doing so concurrently with the business sessions of the Consultative Group meeting is not an easy task.

The late distribution of documents to civil society actors for important official meetings is a general and recurrent problem and therefore not peculiar to the CG. However, with respect to the CG the problem persists because of the virtual exclusion of civil society actors from the pre- and post-CG processes. We are not part of those processes. And our exclusion from sector and other dialogues makes it difficult for us to have an inside view

that enables us to say, “yes this is what happened”. If we are going to scale up aid and make mutual accountability inclusive, which we think is a good thing then, as civil society actors, we are also interested in engaging in the pre- and post-dialogue processes involving the government and the development partners.

Increasingly, as the mutual accountability is thought of as a norm that is also applicable to civil society actors, questions arise over the inclusive scope of the policy and institutional framework that underpin the dialogue concerning development partnership and its future. In the current situation, civil society actors do not feel that they are really part of the formal dialogue on development partnerships. It is time to address the problem of their exclusion through the re-design of the existing dialogue regime to render it more inclusive. In that regard, the objects of any future scaling up of aid should include the strengthening of the capacity of independent civil society organizations to produce credible research, data generation and analysis. State institutions like the National Development Planning Commission (NDPC) and the Ghana Statistical Service (GSS), understandably, are and should be prime beneficiaries of any scaling up of development assistance in support of policy research, data generation and analysis. However, including independent civil society organizations, especially research and advocacy institutions, will strengthen transparency and accountability.

Our **second** point has to do with the aid effectiveness process and its impact on the nature and quality of the development partnership between the government as the sovereign policy maker in Ghana and the donors as the resource providers. In a recent discussion of the five tenets of ‘aid effectiveness’, comprising ‘ownership’, ‘harmonization’, ‘alignment’, ‘managing for results’, and ‘mutual accountability’, members of the GPF wondered how implementation of all the five tenets would affect the quality of the partnership between donors and government. Some wanted to know if effective or intensified implementation of all five tenets would strengthen or weaken the capacity of the Ghanaian state to perform its developmental functions more effectively on its own and in conditions of minimal dependency.

Others were curious about whether the impact of the partnership would result in greater ownership and leadership by government or not. Since the issues raised were really empirical, the GPF decided to propose that research be conducted into the likely effects of the scaling up of aid and the intensification of compliance with the five tenets of aid effectiveness on the quality of development partnership and the capacity of the state. We need to do this because once the objectives of debt relief and debt cancellation have been achieved then a developing country like Ghana may aspire to higher levels of growth and accelerated development. The question is would the development cooperation relationship between the government and the donors remain unaffected by such an aspiration and change of interest or not. We cannot not take it for granted that a development partnership would remain static over time and, therefore, impervious to reform in changing operational environments. Therefore, we advocate strongly that this issue be put on the table as part of the research agenda on aid effectiveness and their effects. The findings of such a study would be instructive to future reform of the

partnership relationship and also enrich deliberations on aid effectiveness at the September 2008 international conference on Aid Effectiveness.

The **third** point is about the policy response to the energy supply crisis. We have looked at the government's statements regarding how it would tackle the energy crisis in the years ahead. In the short term it proposes to purchase and install thermal plants, while the construction of the Bui Dam and the West African gas pipeline is expected to be operational in the long term. We have also taken note of the World Bank's as well as other development partners' commitment to support the government's proposals. We would like to commend the systematic efforts of the government and the development partners to tackle the energy supply crisis effectively in the medium to long term.

We are however concerned about what would happen as we wait for all these things to happen in the medium to long term. So far, many individuals and firms have taken their own initiatives and adopted coping strategies that are largely complementary to the efforts of the government. To the extent that such measures are helping businesses and households to cope they should also be considered as positive interventions that should also merit some policy attention as well. The GPF wishes to propose that micro-level coping strategies be studied to establish their effectiveness in the diversification of not only energy supplies but also in extending access to the poor at the level of households and small firms. If government energy supply policies were also sensitized to responding to the needs of poor households and small firms policy gaps in meeting short term needs could also be addressed.

Thank you.