

SESSION ON RESOURCES AND RESULTS FOR 2007-09
STATEMENT BY GROWTH AND POVERTY FORUM
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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.