

**DRAFT REMARKS BY THE HON. MINISTER OF FINANCE ON THE  
OCCASION OF THE SIGNING OF FOUR FINANCING AGREEMENTS  
WITH THE EUROPEAN UNION**

**ON TUESDAY, 30<sup>TH</sup> JANUARY, 2018**

**Your Excellency, Ambassador and Head of the EU Delegation in  
Ghana,**

**Your Excellencies, Ambassadors and Heads of Missions of EU  
Member States present,**

**Fellow Ministers of State,**

**Heads of Beneficiary Institutions herein gathered,**

**Officials and Representatives from Ministries, Departments and  
Agencies,**

**Members of the Press,**

**Distinguished Ladies and Gentlemen,**

It gives me much pleasure to make these few remarks at the signing ceremony of the following Financing Agreements (FAs) with the EU, under the 11<sup>th</sup> European Development Fund (EDF) totaling **€175 million**:

- I. Support to Public Financial Management (PFM) programme in Ghana and the Stepping Stone Economic Partnership Agreement (EPA) (**€8 million**);
- II. Productive Investment in Infrastructure for Sustainable Agriculture Development in the Savannah Ecological Zone of Ghana (**€102 million**);

III. Support to Decentralization in Ghana Programme (SWAP II) (€45 million); and

IV. Resilience Against Climate Change (REACH) programme (€20 million)

Before I proceed, permit me to first, acknowledge the EU's continued support to Ghana's development agenda, particularly in the areas of Good Governance and Infrastructure Development.

### **Your Excellency, Ladies and Gentlemen**

This support could not have come at a better time. As you are aware, Agriculture, Public Financial Management (PFM), Decentralization and Climate change are priority areas for the Government of Ghana in terms of job creation, service delivery and better financial management.

The policies and programmes in the 2018 Budget Statement further reiterates government's commitment to improve agricultural production and position it as one of the main drivers of Ghana's economic transformation. The provision of infrastructure such as dams, feeder roads and warehouses in the Upper West region under the EU Agricultural Programme complements our effort to build a strong agro-based economy that will strongly support our industrialization agenda in line with the "One District, One Factory initiative" (1D1F).

### **Ladies and gentlemen,**

Government, as part of its "Ghana Beyond Aid" Agenda, has instituted a number of measures to create the requisite fiscal space, including plugging of revenue loopholes and leakages, as well as improving payroll

management. Hence, the EU support to PFM, which will help build the capacities of oversight bodies such as the Ghana Audit Service, the Internal Audit Agency, Public Procurement Authority and Parliament, will help in deepening public accountability and ethics.

### **Your Excellency, Distinguished Ladies and Gentlemen**

Government's commitment to decentralization cannot be overemphasized. Ensuring the availability of essential services at the doorsteps of citizens remains high on the agenda of government. We are therefore very excited about the support to Decentralization, particularly its funding modality (Sector Budget Support).

Furthermore, Government acknowledges with appreciation the changing focus of our partnership with the EU, from aid to trade, culminating in the signature of the Interim Economic Partnership Agreement. The Support of EU in this area is aimed at strengthening Ghana's capacity in the implementation of EPA in line with Ghana's EPA Accompanying Measures Strategy.

### **However, Your Excellency,**

I understand that out of **€175 million** only **€53 million** is directly managed by the Government of Ghana within its public financial system. The remaining amount of **€122 million** will be managed by two development agencies of EU Member states namely; GIZ, Agence Francais Developpement (AFD) and the World Bank through Delegated Agreements with the EU.

Furthermore, it is estimated that the administrative fees of each Delegated Agreement is about 8% (€9,760,000). So in real terms, only an estimated **€112 million** is available for the implementation of the programmes.

This is of concern to us in the Ministry, because it means large transactions will take place outside the public financial system. It also undermines efforts to build our capacities to properly manage public resources in line with the President's vision for a Ghana Beyond Aid.

I therefore call for a strong collaboration between the implementing Agencies and the relevant Government Agencies to ensure that the principle of ownership is not undermined during implementation of these programmes.

On this note, I wish on behalf of the Government and people of Ghana to express our appreciation for the EU's continued support to our development agenda through the provision of some infrastructure. Given this catalytic investment, especially in the Agricultural Sector, it is our hope that significant progress will be made in the area of job creation to achieve the Government's aim of Growth and Poverty reduction in Ghana.

Thank you for your attention.